START

OF

ROLL

RECORDS CERTIFICATION

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William L. Carter
Signature of Scanner Operator

4/2/2012
Date

Certification Rev. 3/10

SB 230

<target><bill>SB 230</bill><subject>SB 230</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

Please enter into the record my testimony to the Senate Finance Committee
Committee Name

Committee on FY Capital Budget Projects Dated 3/18/10
Bill / Subject

My name is Roger C. Burggraf and reside at 830 Sheep Creek Rd, Fairbanks, Ak.

I would like to speak in support of the proposed UAF Life Science Facility at the Fairbanks Campus.

The UA Board of Regents has listed this project as a Top priority item for funding of the construction of the UAF Life Sciences Facility. The use of this facility will be of benefit to all Alaskans in providing much needed arctic research in the Biosciences and training of Alaskan students for future jobs in Alaska.

The UAF has not asked for the full funding of the proposed building, but needs state support to complete this facility

Your support in providing funding for this facility would be much appreciated.

SIGNED: Roger C. Burggraf
Testifier

Self
Representing

830 Sheep Creek Rd, Fairbanks, Ak 99709-6130
Address / Phone Number

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

FURTHER: Rules/T.Cal

DATE: 1/19/10

Date of 5-Day Notice: 3/11/10
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 4/10/10

Finance Committee considered SENATE BILL NO. 230

SB 230 BUDGET: CAPITAL, SUPP. & OTHER APPROPS

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SB 230 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[X] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson	✓			
	Ellis	X			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

Report 1 PKg

2010 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language
Non Mental Health Transactions Only

Agency	[1] SupCap1	[2] DMaint4	[3] 2011Cap7	[4] Grants10	[5] Cruise13	[6] SCS Total
Agency Budgets						
Administration	0.0	16,250.0	17,025.0	0.0	0.0	33,275.0
Community & Economic Dev	0.0	7,000.0	59,769.1	400,751.2	45,105.0	512,625.2
Corrections	2,850.0	8,200.0	550.0	0.0	0.0	11,600.0
Education & Early Dev	0.0	1,700.0	27,270.7	0.0	0.0	28,970.7
Environmental Conservation	0.0	200.0	94,871.6	0.0	0.0	95,071.6
Fish and Game	0.0	2,000.0	22,850.0	0.0	0.0	24,850.0
Governor	0.0	0.0	1,548.8	0.0	0.0	1,548.8
Health & Social Services	14,990.3	7,020.0	10,305.0	0.0	0.0	32,315.3
Labor & Workforce Dev	0.0	1,000.0	4,912.7	0.0	0.0	5,912.7
Law	0.0	0.0	150.0	0.0	0.0	150.0
Military & Veterans Affairs	0.0	10,300.0	24,242.0	0.0	0.0	34,542.0
Natural Resources	2,600.0	4,250.0	24,793.0	0.0	0.0	31,643.0
Public Safety	0.0	1,350.0	11,786.0	0.0	0.0	13,136.0
Revenue	300.0	0.0	57,783.1	0.0	0.0	58,083.1
Transportation & Public Fac	96,834.6	25,000.0	1,005,437.7	0.0	0.0	1,127,272.4
University of Alaska	0.0	37,500.0	16,400.0	0.0	0.0	53,900.0
Alaska Court System	0.0	2,500.0	24,600.0	0.0	0.0	27,100.0
Total	**117,574.9**	**124,270.0**	**1,404,294.6**	**400,751.2**	**45,105.0**	**2,091,995.7**
Statewide Items						
Fund Capitalization	0.0	0.0	141,425.0	0.0	0.0	141,425.0
Total	**0.0**	**0.0**	**141,425.0**	**0.0**	**0.0**	**141,425.0**
Statewide Total	**117,574.9**	**124,270.0**	**1,545,719.6**	**400,751.2**	**45,105.0**	**2,233,420.7**
Funding Summary						
General Funds (GF)	89,835.1	114,950.0	491,051.5	400,751.2	0.0	1,096,587.7
Other State Funds (Other)	15,000.0	3,000.0	67,220.2	0.0	45,105.0	130,325.2
Federal Receipts (Fed)	12,739.8	6,320.0	987,447.9	0.0	0.0	1,006,507.7
Non-Additive Items						
Fund Transfers	0.0	0.0	63,000.0	0.0	0.0	63,000.0
Total	**0.0**	**0.0**	**63,000.0**	**0.0**	**0.0**	**63,000.0**

Computed Column Definitions: [6]=[1]+[2]+[3]+[4]+[5]

2010 Legislature - Capital Budget
House District Summary - Senate Structure

Numbers and Language
Non Mental Health Transactions Only
District by Impact

House District		[1] SupCap1	[2] DMaint4	[3] 2011Cap7	[4] Grants10	[5] Cruise13	[6] SCS Total
1	Ketchikan	900.0	2,000.0	8,651.4	29,630.0	11,300.0	52,481.4
2	Sitka/Petersburg/Wrangell	0.0	1,700.0	26,698.4	28,000.0	11,725.0	68,123.4
3-4	Juneau Areawide	450.0	9,450.0	22,760.0	8,000.0	10,200.0	50,860.0
5	Cordova/Southeast Islands	1,573.8	100.0	26,716.0	8,810.0	8,980.0	46,179.8
1-5	Southeast Region	0.0	700.0	3,500.0	750.0	0.0	4,950.0
6	Interior Villages	2,177.5	0.0	6,056.2	7,455.1	0.0	15,688.8
7-11	Fairbanks Areawide	3,050.0	450.0	89,851.3	53,730.0	0.0	147,081.3
12	Richardson/Glenn Highways	0.0	0.0	10,270.0	7,165.0	0.0	17,435.0
13-16	Mat-Su Areawide	113.7	520.0	59,880.6	17,668.0	0.0	78,182.3
17-32	Anchorage Areawide	3,267.0	1,200.0	191,579.7	177,011.7	0.0	373,058.4
33-35	Kenai Areawide	3,720.0	1,000.0	65,091.0	15,450.0	2,300.0	87,561.0
12-35	Southcentral Region	0.0	3,300.0	55,150.0	0.0	0.0	58,450.0
36	Kodiak	500.0	1,150.0	51,769.3	9,550.0	0.0	62,969.3
37	Bristol Bay/Aleutians	4,430.0	0.0	42,895.1	12,400.0	0.0	59,725.1
38	Bethel	0.0	0.0	32,650.0	12,820.8	0.0	45,470.8
39	Bering Straits	0.0	0.0	20,238.6	8,198.1	0.0	28,436.7
40	Arctic	0.0	0.0	57,332.2	1,192.5	0.0	58,524.7
1-40	Statewide	97,392.9	102,700.0	774,630.0	2,920.0	600.0	978,242.9
Statewide Total		**117,574.9**	**124,270.0**	**1,545,719.6**	**400,751.2**	**45,105.0**	**2,233,420.7**
Funding Summary							
	General Funds (GF)	89,835.1	114,950.0	491,051.5	400,751.2	0.0	1,096,587.7
	Other State Funds (Other)	15,000.0	3,000.0	67,220.2	0.0	45,105.0	130,325.2
	Federal Receipts (Fed)	12,739.8	6,320.0	987,447.9	0.0	0.0	1,006,507.7

Computed Column Definitions: [6]=[1]+[2]+[3]+[4]+[5]

2010 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language
Non Mental Health Transactions Only

	[1] SupCap1	[2] DMaint4	[3] 2011Cap7	[4] Grants10	[5] Cruise13	[6] SCS Total
Total	**117,574.9**	**124,270.0**	**1,545,719.6**	**400,751.2**	**45,105.0**	**2,233,420.7**
Funding Sources						
1002 Fed Rcpts (Fed)	12,739.8	6,320.0	982,338.7	0.0	0.0	1,001,398.5
1003 G/F Match (GF)	6,208.0	3,100.0	67,612.0	0.0	0.0	76,920.0
1004 Gen Fund (GF)	21,627.1	111,850.0	345,653.9	400,716.2	0.0	879,847.2
1005 GF/Prgm (GF)	2,000.0	0.0	9,109.0	0.0	0.0	11,109.0
1007 I/A Rcpts (Other)	0.0	0.0	1,153.5	0.0	0.0	1,153.5
1017 Group Ben (Other)	0.0	0.0	301.4	0.0	0.0	301.4
1024 Fish/Game (Other)	0.0	0.0	900.0	0.0	0.0	900.0
1026 HwyCapital (Other)	0.0	0.0	15,000.0	0.0	0.0	15,000.0
1027 IntAirport (Other)	15,000.0	0.0	6,925.5	0.0	0.0	21,925.5
1029 PERS Trust (Other)	0.0	0.0	392.9	0.0	0.0	392.9
1034 Teach Ret (Other)	0.0	0.0	164.0	0.0	0.0	164.0
1042 Jud Retire (Other)	0.0	0.0	4.0	0.0	0.0	4.0
1045 Nat Guard (Other)	0.0	0.0	12.7	0.0	0.0	12.7
1048 Univ Rcpt (GF)	0.0	0.0	15,000.0	0.0	0.0	15,000.0
1050 PFD Fund (GF)	0.0	0.0	350.0	0.0	0.0	350.0
1052 Oil/Haz Fd (GF)	0.0	0.0	2,000.0	0.0	0.0	2,000.0
1061 CIP Rcpts (Other)	0.0	0.0	2,900.0	0.0	0.0	2,900.0
1063 NPR Fund (Fed)	0.0	0.0	4,847.2	0.0	0.0	4,847.2
1081 Info Svc (Other)	0.0	0.0	5,000.0	0.0	0.0	5,000.0
1082 Vessel Rep (GF)	60,000.0	0.0	0.0	0.0	0.0	60,000.0
1105 PF Gross (Other)	0.0	0.0	250.0	0.0	0.0	250.0
1108 Stat Desig (Other)	0.0	0.0	14,105.0	0.0	0.0	14,105.0
1112 IntAptCons (Other)	0.0	0.0	8,986.2	0.0	0.0	8,986.2
1113 AHFC Bonds (Other)	0.0	0.0	7,500.0	0.0	0.0	7,500.0
1139 AHFC Div (GF)	0.0	0.0	31,058.5	0.0	0.0	31,058.5
1140 AIDEA Div (GF)	0.0	0.0	13,100.0	0.0	0.0	13,100.0

Computed Column Definitions: [6]=[1]+[2]+[3]+[4]+[5]

2010 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language
Non Mental Health Transactions Only

	[1] SupCap1	[2] DMaint4	[3] 2011Cap7	[4] Grants10	[5] Cruise13	[6] SCS Total
Funding Sources (continued)						
1147 PublicBldg (Other)	0.0	3,000.0	0.0	0.0	0.0	3,000.0
1153 State Land (GF)	0.0	0.0	3,668.0	0.0	0.0	3,668.0
1156 Rcpt Svcs (GF)	0.0	0.0	0.0	0.0	0.0	0.0
1173 GF MisEarn (GF)	0.0	0.0	2,000.0	0.0	0.0	2,000.0
1179 PFC (Other)	0.0	0.0	2,200.0	0.0	0.0	2,200.0
1185 Elect Fund (Other)	0.0	0.0	1,425.0	0.0	0.0	1,425.0
1195 SpecVehRct (GF)	0.0	0.0	250.0	0.0	0.0	250.0
1201 CFEC Rcpts (GF)	0.0	0.0	1,250.0	0.0	0.0	1,250.0
1202 Anat Fnd (GF)	0.0	0.0	0.0	35.0	0.0	35.0
1206 CPV Tax (Other)	0.0	0.0	0.0	0.0	33,410.0	33,410.0
1207 RCS Impact (Other)	0.0	0.0	0.0	0.0	11,695.0	11,695.0
1212 Stimulus09 (Fed)	0.0	0.0	262.0	0.0	0.0	262.0
1213 AHCC (GF)	0.0	0.0	0.0	0.0	0.0	0.0
Funding Summary						
General Funds (GF)	89,835.1	114,950.0	491,051.5	400,751.2	0.0	1,096,587.7
Other State Funds (Other)	15,000.0	3,000.0	67,220.2	0.0	45,105.0	130,325.2
Federal Receipts (Fed)	12,739.8	6,320.0	987,447.9	0.0	0.0	1,006,507.7

Report PKT #1

2010 Legislature - Capital Budget
Agency Summary - Senate Structure

4-10
6:30 pm

Numbers and Language
Non Mental Health Transactions Only

Agency	[1] SFINCS2	[2] SCS3 + -	[3] AEARenew	[4] S_GOBond	[5] SFINCS3	[6] GovTotal	[5] - [6] GovTotal to SFINCS3	
Agency Budgets								
Administration	33,275.0	0.0	0.0	0.0	33,275.0	25,275.0	8,000.0	31.7 %
Community & Economic Dev	576,582.5	8,258.0	50,000.0	0.0	634,840.5	92,288.6	542,551.9	587.9 %
Corrections	11,600.0	0.0	0.0	0.0	11,600.0	9,800.0	1,800.0	18.4 %
Education & Early Dev	29,778.7	0.0	0.0	168,500.0	198,278.7	26,470.7	171,808.0	649.1 %
Environmental Conservation	100,969.8	0.0	0.0	0.0	100,969.8	81,237.6	19,732.2	24.3 %
Fish and Game	24,850.0	0.0	0.0	20,000.0	44,850.0	31,305.0	13,545.0	43.3 %
Governor	3,098.8	0.0	0.0	0.0	3,098.8	1,548.8	1,550.0	100.1 %
Health & Social Services	32,315.3	0.0	0.0	0.0	32,315.3	32,315.3	0.0	
Labor & Workforce Dev	7,912.7	0.0	0.0	0.0	7,912.7	6,051.7	1,861.0	30.8 %
Law	150.0	0.0	0.0	0.0	150.0	150.0	0.0	
Military & Veterans Affairs	34,542.0	0.0	0.0	0.0	34,542.0	34,542.0	0.0	
Natural Resources	31,732.0	0.0	0.0	0.0	31,732.0	31,498.0	234.0	0.7 %
Public Safety	13,136.0	0.0	0.0	0.0	13,136.0	81,886.0	-68,750.0	-84.0 %
Revenue	58,083.1	0.0	0.0	0.0	58,083.1	58,983.1	-900.0	-1.5 %
Transportation & Public Fac	1,127,622.4	0.0	0.0	0.0	1,127,622.4	1,097,835.4	29,787.0	2.7 %
University of Alaska	53,900.0	25,600.0	0.0	191,500.0	271,000.0	162,500.0	108,500.0	66.8 %
Alaska Court System	27,100.0	0.0	0.0	0.0	27,100.0	2,500.0	24,600.0	984.0 %
Total	**2,166,648.2**	**33,858.0**	**50,000.0**	**380,000.0**	**2,630,506.2**	**1,776,187.0**	**854,319.1**	**48.1 %**
Statewide Items								
Fund Capitalization	142,975.0	0.0	0.0	0.0	142,975.0	142,975.0	0.0	
Total	**142,975.0**	**0.0**	**0.0**	**0.0**	**142,975.0**	**142,975.0**	**0.0**	
Statewide Total	**2,309,623.2**	**33,858.0**	**50,000.0**	**380,000.0**	**2,773,481.2**	**1,919,162.0**	**854,319.1**	**44.5 %**
Funding Summary								
General Funds (GF)	1,164,842.0	13,258.0	50,000.0	0.0	1,228,100.0	629,500.9	598,599.1	95.1 %
Other State Funds (Other)	132,375.2	20,600.0	0.0	380,000.0	532,975.2	271,755.2	261,220.0	96.1 %
Federal Receipts (Fed)	1,012,405.9	0.0	0.0	0.0	1,012,405.9	1,017,905.9	-5,500.0	-0.5 %

Computed Column Definitions: [5]=[1]+[2]+[3]+[4]

2010 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language
Non Mental Health Transactions Only

Agency	[1] SFINCS2	[2] SCS3 + -	[3] AEARenew	[4] S_GOBond	[5] SFINCS3	[6] GovTotal	[5] - [6] GovTotal to SFINCS3	
Non-Additive Items								
Fund Transfers	63,000.0	-50,000.0	0.0	0.0	13,000.0	35,000.0	-22,000.0	-62.9 %
Total	**63,000.0**	**-50,000.0**	**0.0**	**0.0**	**13,000.0**	**35,000.0**	**-22,000.0**	**-62.9 %**

Computed Column Definitions: [5]=[1]+[2]+[3]+[4]

2010 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language
Non Mental Health Transactions
Only

	[1] SFINCS2	[2] SCS3 + -	[3] AEARenew	[4] S_GOBond	[5] SFINCS3	[6] GovTotal	[5] - [6] GovTotal to SFINCS3	
Total	**2,309,623.2**	**33,858.0**	**50,000.0**	**380,000.0**	**2,773,481.2**	**1,919,162.0**	**854,319.1**	**44.5 %**
Funding Sources								
1002 Fed Rcpts (Fed)	1,001,398.5	0.0	0.0	0.0	1,001,398.5	1,006,898.5	-5,500.0	-0.5 %
1003 G/F Match (GF)	76,976.5	0.0	0.0	0.0	76,976.5	73,920.5	3,056.0	4.1 %
1004 Gen Fund (GF)	940,722.0	13,258.0	0.0	0.0	953,980.0	248,025.4	705,954.6	284.6 %
1005 GF/Prgm (GF)	11,109.0	0.0	0.0	0.0	11,109.0	2,000.0	9,109.0	455.5 %
1007 I/A Rcpts (Other)	1,153.5	0.0	0.0	0.0	1,153.5	1,153.5	0.0	
1008 G/O Bonds (Other)	0.0	0.0	0.0	380,000.0	380,000.0	0.0	380,000.0	>999 %
1009 Rev Bonds (Other)	0.0	20,600.0	0.0	0.0	20,600.0	0.0	20,600.0	>999 %
1017 Group Ben (Other)	301.4	0.0	0.0	0.0	301.4	301.4	0.0	
1024 Fish/Game (Other)	900.0	0.0	0.0	0.0	900.0	900.0	0.0	
1026 HwyCapital (Other)	15,000.0	0.0	0.0	0.0	15,000.0	15,000.0	0.0	
1027 IntAirport (Other)	21,925.5	0.0	0.0	0.0	21,925.5	21,925.5	0.0	
1029 PERS Trust (Other)	392.9	0.0	0.0	0.0	392.9	392.9	0.0	
1034 Teach Ret (Other)	164.0	0.0	0.0	0.0	164.0	164.0	0.0	
1042 Jud Retire (Other)	4.0	0.0	0.0	0.0	4.0	4.0	0.0	
1045 Nat Guard (Other)	12.7	0.0	0.0	0.0	12.7	12.7	0.0	
1048 Univ Rcpt (GF)	15,000.0	0.0	0.0	0.0	15,000.0	35,625.0	-20,625.0	-57.9 %
1050 PFD Fund (GF)	350.0	0.0	0.0	0.0	350.0	350.0	0.0	
1052 Oil/Haz Fd (GF)	2,000.0	0.0	0.0	0.0	2,000.0	2,000.0	0.0	
1061 CIP Rcpts (Other)	2,900.0	0.0	0.0	0.0	2,900.0	2,900.0	0.0	
1063 NPR Fund (Fed)	4,847.2	0.0	0.0	0.0	4,847.2	4,847.2	0.0	
1075 Clean Wtr (Fed)	1,826.3	0.0	0.0	0.0	1,826.3	1,826.3	0.0	
1081 Info Svc (Other)	5,000.0	0.0	0.0	0.0	5,000.0	5,000.0	0.0	
1082 Vessel Rep (GF)	60,000.0	0.0	0.0	0.0	60,000.0	60,000.0	0.0	
1100 ADWF (Fed)	4,071.9	0.0	0.0	0.0	4,071.9	4,071.9	0.0	
1105 PF Gross (Other)	250.0	0.0	0.0	0.0	250.0	250.0	0.0	
1108 Stat Desig (Other)	14,605.0	0.0	0.0	0.0	14,605.0	14,105.0	500.0	3.5 %
1112 IntAptCons (Other)	8,986.2	0.0	0.0	0.0	8,986.2	8,986.2	0.0	

Computed Column Definitions: [5]=[1]+[2]+[3]+[4]

2010 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language
Non Mental Health Transactions
Only

	[1] SFINCS2	[2] SCS3 + -	[3] AEARenew	[4] S_GOBond	[5] SFINCS3	[6] GovTotal	[5] - [6] GovTotal to SFINCS3	
Funding Sources (continued)								
1113 AHFC Bonds (Other)	7,500.0	0.0	0.0	0.0	7,500.0	7,500.0	0.0	
1139 AHFC Div (GF)	31,058.5	0.0	0.0	0.0	31,058.5	31,058.5	0.0	
1140 AIDEA Div (GF)	20,423.0	0.0	0.0	0.0	20,423.0	13,100.0	7,323.0	55.9 %
1147 PublicBldg (Other)	3,000.0	0.0	0.0	0.0	3,000.0	3,000.0	0.0	
1153 State Land (GF)	3,668.0	0.0	0.0	0.0	3,668.0	3,668.0	0.0	
1156 Rcpt Svcs (GF)	0.0	0.0	0.0	0.0	0.0	9,503.5	-9,503.5	-100.0 %
1163 COP (Other)	0.0	0.0	0.0	0.0	0.0	164,625.0	-164,625.0	-100.0 %
1173 GF MisEarn (GF)	2,000.0	0.0	0.0	0.0	2,000.0	0.0	2,000.0	>999 %
1179 PFC (Other)	2,200.0	0.0	0.0	0.0	2,200.0	2,200.0	0.0	
1185 Elect Fund (Other)	2,975.0	0.0	0.0	0.0	2,975.0	1,425.0	1,550.0	108.8 %
1195 SpecVehRct (GF)	250.0	0.0	0.0	0.0	250.0	250.0	0.0	
1201 CFEC Rcpts (GF)	1,250.0	0.0	0.0	0.0	1,250.0	0.0	1,250.0	>999 %
1202 Anat Fnd (GF)	35.0	0.0	0.0	0.0	35.0	0.0	35.0	>999 %
1206 CPV Tax (Other)	33,410.0	0.0	0.0	0.0	33,410.0	21,910.0	11,500.0	52.5 %
1207 RCS Impact (Other)	11,695.0	0.0	0.0	0.0	11,695.0	0.0	11,695.0	>999 %
1210 Ren Energy (GF)	0.0	0.0	50,000.0	0.0	50,000.0	0.0	50,000.0	>999 %
1212 Stimulus09 (Fed)	262.0	0.0	0.0	0.0	262.0	262.0	0.0	
1213 AHCC (GF)	0.0	0.0	0.0	0.0	0.0	150,000.0	-150,000.0	-100.0 %
Funding Summary								
General Funds (GF)	1,164,842.0	13,258.0	50,000.0	0.0	1,228,100.0	629,500.9	598,599.1	95.1 %
Other State Funds (Other)	132,375.2	20,600.0	0.0	380,000.0	532,975.2	271,755.2	261,220.0	96.1 %
Federal Receipts (Fed)	1,012,405.9	0.0	0.0	0.0	1,012,405.9	1,017,905.9	-5,500.0	-0.5 %

Computed Column Definitions: [5]=[1]+[2]+[3]+[4]

4-10
6:30 pm
Report PKT #2

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

Agency: Department of Commerce, Community and Economic Development

		[1] SFINCS2	[2] SFINCS3	[2] - [1] SFINCS2 to SFINCS3	
Alaska Energy Authority - Renewable Energy Fund Grants (AS 42.45.045)					
AL	**AEA Renewable Energy Round Three Grants**	**0**	**50,000,000**	**50,000,000**	**>999 %**
	1210 Ren Energy (DGF)	0	50,000,000	50,000,000	>999 %
Grants to Named Recipients (AS 37.05.316)					
AP	**Alaska Native Tribal Health Consortium - Long Term Care Facility Planning & Construction**	**9,260,000**	**0**	**-9,260,000**	**-100.0 %**
	1004 Gen Fund (UGF)	9,260,000	0	-9,260,000	-100.0 %
AP	**Kasilof Regional Historical Association - Kasilof River Mouth Dune Protection**	**60,000**	**0**	**-60,000**	**-100.0 %**
	1004 Gen Fund (UGF)	60,000	0	-60,000	-100.0 %
AP	**Maniilaq Association - Elder Care Facility**	**0**	**10,200,000**	**10,200,000**	**>999 %**
	1004 Gen Fund (UGF)	0	10,200,000	10,200,000	>999 %
AP	**Ninilchik Native Descendants - Historical Cabin Restoration**	**0**	**50,000**	**50,000**	**>999 %**
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Yukon-Kuskokwim Health Corporation - Long Term Care Facility**	**0**	**8,328,000**	**8,328,000**	**>999 %**
	1004 Gen Fund (UGF)	0	8,328,000	8,328,000	>999 %
Grants to Municipalities (AS 37.05.315)					
AP	**Anchorage - Chinook Elementary School Entryway Improvements**	**0**	**20,000**	**20,000**	**>999 %**
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - Anchorage Metropolitan Area Transportation Solutions (AMATS) Matching Funding**	**26,092,000**	**25,092,000**	**-1,000,000**	**-3.8 %**
	1004 Gen Fund (UGF)	26,092,000	25,092,000	-1,000,000	-3.8 %
AP	**Anchorage - Chinook Elementary School Storage Cubicles**	**20,000**	**0**	**-20,000**	**-100.0 %**
	1004 Gen Fund (UGF)	20,000	0	-20,000	-100.0 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

Agency: Department of Commerce, Community and Economic Development

	[1] SFINCS2	[2] SFINCS3	[2] - [1] SFINCS2 to SFINCS3	
*** Agency Totals **********	35,432,000	93,690,000	58,258,000	164.4 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

Agency: Department of Education and Early Development

		[1] SFINCS2	[2] SFINCS3	[2] - [1] SFINCS2 to SFINCS3	
AP	**Alaska State Library, Archives and Museum Facility Construction**	**0**	**20,000,000**	**20,000,000**	**>999 %**
	1008 G/O Bonds (Other)	0	20,000,000	20,000,000	>999 %
AP	**Mt Edgecumbe High School Aquatic Facility**	**0**	**20,000,000**	**20,000,000**	**>999 %**
	1008 G/O Bonds (Other)	0	20,000,000	20,000,000	>999 %
School Construction Grant Fund (AS 14.11.005)					
AL	**Lower Yukon - Alakanuk K-12 School Replacement**	**0**	**46,500,000**	**46,500,000**	**>999 %**
	1008 G/O Bonds (Other)	0	46,500,000	46,500,000	>999 %
AL	**Lower Kuskokwim - Kipnuk K-12 School Renovation/ Addition**	**0**	**49,900,000**	**49,900,000**	**>999 %**
	1008 G/O Bonds (Other)	0	49,900,000	49,900,000	>999 %
AL	**Lower Kuskokwim - Kwigillingok K-12 School Renovation/ Addition**	**0**	**32,100,000**	**32,100,000**	**>999 %**
	1008 G/O Bonds (Other)	0	32,100,000	32,100,000	>999 %
*** Agency Totals **********		**0**	**168,500,000**	**168,500,000**	**>999 %**

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

Agency: Department of Fish and Game

		[1] SFINCS2	[2] SFINCS3	[2] - [1] SFINCS2 to SFINCS3	
AP	**Near Island Research Facility**	0	20,000,000	20,000,000	>999 %
	1008 G/O Bonds (Other)	0	20,000,000	20,000,000	>999 %
*** Agency Totals **********		0	20,000,000	20,000,000	>999 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

Agency: University of Alaska

		[1] SFINCS2	[2] SFINCS3	[2] - [1] SFINCS2 to SFINCS3	
AP	**UAA Sports Arena**	**0**	**80,000,000**	**80,000,000**	**>999 %**
	1008 G/O Bonds (Other)	0	80,000,000	80,000,000	>999 %
AP	**Mat-Su Campus - Valley Center for Art & Learning**	**0**	**23,500,000**	**23,500,000**	**>999 %**
	1008 G/O Bonds (Other)	0	23,500,000	23,500,000	>999 %
AP	**UAA Engineering Facility Planning and Design**	**0**	**5,000,000**	**5,000,000**	**>999 %**
	1004 Gen Fund (UGF)	0	5,000,000	5,000,000	>999 %
AP	**UAF Life Sciences Classroom and Lab Facility**	**0**	**108,600,000**	**108,600,000**	**>999 %**
	1008 G/O Bonds (Other)	0	88,000,000	88,000,000	>999 %
	1009 Rev Bonds (Other)	0	20,600,000	20,600,000	>999 %
*** Agency Totals **********		0	217,100,000	217,100,000	>999 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

Agency: Fund Transfers

		[1] SFINCS2	[2] SFINCS3	[2] - [1] SFINCS2 to SFINCS3	
Unassigned					
AP	**Section 18(c), SB 230**	50,000,000	0	-50,000,000	-100.0 %
	Renewable Energy Fund (AS 42.45.045)				
	1004 Gen Fund (UGF)	50,000,000	0	-50,000,000	-100.0 %
*** Agency Totals **********		50,000,000	0	-50,000,000	-100.0 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language
Differences Only

Agency: All Agencies

	[1] SFINCS2	[2] SFINCS3	[2] - [1] SFINCS2 to SFINCS3	
*** All Agencies Totals **********	85,432,000	499,290,000	413,858,000	484.4 %

adopted 4-9-10

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CS FOR SENATE BILL NO. 230(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

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

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriations are for supplemental capital projects and grants from the general fund or other funds as set out in section 2 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Broadband Internet Planning and Oversight (HD 1-40)		500,000		500,000
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Combined Hiland Mountain Correctional Center Fire Alarm Systems Replacement (HD 17-32)		350,000	350,000	
Fairbanks Correctional Center Heating System Replacement (HD 7-11)		2,500,000	2,500,000	
* * * * *		* * * * *		
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *		* * * * *		
Medicaid Management Information System Completion (HD 1-40)		14,990,300	6,208,000	8,782,300
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Sale and Replacement of		2,600,000	2,600,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Tactical Firefighting Aircraft (HD 1-40)				
*****		*****		
***** **Department of Revenue** *****				
*****		*****		
New Tax Revenue Management Information System Plan (HD 1-40)		300,000	300,000	
*****			*****	
***** **Department of Transportation and Public Facilities** *****				
*****			*****	
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		4,000,000	4,000,000	
Chignik Lagoon - Airport Safety Improvements (HD 37)		1,800,000	1,800,000	
Highways and Facilities		**3,021,100**	**3,021,100**	
Coffman Cove Maintenance Station (HD 1)	900,000			
Ester Weigh Station Scale Replacement (HD 7-11)	550,000			
Klawock Maintenance Station - Door Replacement (HD 5)	60,000			
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)	402,600			
Retroactive Asphalt Material Price Adjustment	151,500			

	Allocations	Appropriation Items	General Funds	Other Funds
- Glenn/Bragaw Interchange (HD 17-32)				
Skagway Land Purchase (HD 5)	407,000			
Southeast Region Headquarters – Elevator Installation (HD 3-4)	450,000			
State Equipment Fleet Vehicle Lifts (HD 1-40)	100,000			
Regulatory Compliance		**1,700,000**	**1,700,000**	
Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement (HD 33-35)	900,000			
Revegetation of Anchor River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement (HD 33-35)	800,000			
Airport Improvement Program		**18,957,500**		**18,957,500**
Alaska International Airports System - Debt Defeasance (HD 1-40)	15,000,000			
Gustavus - Airport Runway Safety Area (HD 5)	500,000			
King Cove - Airport Fencing (HD 37)	1,400,000			
Nulato - Airport Improvements (HD 6)	827,500			
Unalaska - Chemical	1,230,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Storage Building (HD 37)				
Emergency Repairs		**7,356,023**	**7,356,023**	
Central Region Hightower Emergency Maintenance and Repairs (HD 17-32)	365,500			
Dyea Road Washout Emergency Repair (HD 5)	101,561			
Glenn Highway MP 63.5 Erosion Emergency Repairs (HD 6)	1,125,000			
Glenn Highway Slides at MP 101 and 115 Emergency Repairs (HD 6)	225,000			
Haines Highway MP 19 Slide Emergency Repairs (HD 5)	80,000			
Kodiak Flood Emergency Repairs (HD 36)	500,000			
Petersville Road Emergency Repairs (HD 13-16)	113,700			
Salmon River Road Emergency Repairs (HD 5)	425,262			
Seward Airport Emergency Repair and Upgrade (HD 33-35)	2,020,000			
Whittier Access Emergency Repairs (HD 17-32)	2,400,000			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1108 Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***	$500,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	2,850,000
*** Total Agency Funding ***	$2,850,000
Department of Health and Social Services	
1002 Federal Receipts	8,782,300
1003 General Fund Match	6,208,000
*** Total Agency Funding ***	$14,990,300
Department of Natural Resources	
1004 Unrestricted General Fund Receipts	600,000
1005 General Fund/Program Receipts	2,000,000
*** Total Agency Funding ***	$2,600,000
Department of Revenue	
1004 Unrestricted General Fund Receipts	300,000
*** Total Agency Funding ***	$300,000
Department of Transportation and Public Facilities	
1002 Federal Receipts	3,957,500
1004 Unrestricted General Fund Receipts	17,877,123
1027 International Airports Revenue Fund	15,000,000
*** Total Agency Funding ***	$36,834,623
* * * * * Total Budget * * * * *	$58,074,923

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	6,208,000
1004 Unrestricted General Fund Receipts	21,627,123
Total Unrestricted General Funds	$27,835,123
Designated General Funds	
1005 General Fund/Program Receipts	2,000,000
Total Designated General Funds	$2,000,000
Other Non-Duplicated Funds	
1027 International Airports Revenue Fund	15,000,000
1108 Statutory Designated Program Receipts	500,000
Total Other Non-Duplicated Funds	$15,500,000
Federal Funds	
1002 Federal Receipts	12,739,800
Total Federal Funds	$12,739,800
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriations are for deferred maintenance capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Governor's House Deferred Maintenance (HD 3-4)		7,000,000	7,000,000	
Statewide Deferred Maintenance Projects		**9,250,000**	**6,250,000**	**3,000,000**
Non-Public Building Fund Facilities Deferred Maintenance (HD 1-40)	450,000			
Public Building Fund Facilities Deferred Maintenance (HD 1-40)	5,800,000			
State of Alaska Telecommunication System Deferred Maintenance (HD 1-40)	3,000,000			
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Alaska Industrial Development & Export Authority - Ketchikan Shipyard Deferred Maintenance (HD 1-40)		2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Grants to Named Recipients (AS 37.05.316) - Deferred Maintenance and Upgrade to Hatchery Facilities Statewide				
Cook Inlet Aquaculture Association (CIAA) (HD 12-35)		1,000,000	1,000,000	
Douglas Island Pink and Chum, Inc. (DIPAC) (HD 3-4)		500,000	500,000	
Kodiak Regional Aquaculture Association (KRAA) (HD 36)		500,000	500,000	
Northern Southeast Regional Aquaculture Association (NSRAA) (HD 1-5)		700,000	700,000	
Prince William Sound Aquaculture Corporation (PWSAC) (HD 12-35)		2,300,000	2,300,000	
*****		*****		
***** **Department of Corrections** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		6,500,000	6,500,000	
Lemon Creek Correctional Center - Prison Laundry Facility Deferred Maintenance (HD 3-4)		1,700,000	1,700,000	

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * Department of Education and Early Development * * * * *				
* * * * *			* * * * *	
Mt Edgecumbe High School Cafeteria Improvements (HD 2)		150,000	150,000	
Mt. Edgecumbe High School Deferred Maintenance (HD 2)		1,700,000	1,700,000	
* * * * *			* * * * *	
* * * * * Department of Environmental Conservation * * * * *				
* * * * *			* * * * *	
Environmental Health Lab Deferred Maintenance (HD 17-32)		200,000	200,000	
* * * * *			* * * * *	
* * * * * Department of Fish and Game * * * * *				
* * * * *			* * * * *	
Statewide Facility Deferred Maintenance Projects		**2,000,000**	**2,000,000**	
Kodiak Warehouse/Compound Upgrades (HD 36)	650,000			
Fairbanks Regional Office Repairs/Upgrades (HD 7-11)	450,000			
Yakutat Compound Electrical Repairs and Upgrades (HD 5)	100,000			
Statewide Boiler and Heating Systems Upgrades (HD 1-40)	275,000			
Statewide Access, Parking,	275,000			

	Allocations	Appropriation Items	General Funds	Other Funds
and Drainage Repairs and Upgrades (HD 1-40)				
Statewide Bunkhouse Repairs/Upgrades (HD 1-40)	250,000			
*****			*****	
***** **Department of Health and Social Services** *****				
*****			*****	
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		3,020,000	3,000,000	20,000
Pioneer Homes Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		4,000,000	4,000,000	
*****			*****	
***** **Department of Labor and Workforce Development** *****				
*****			*****	
AVTEC Deferred Maintenance (HD 33-35)		1,000,000	1,000,000	
*****			*****	
***** **Department of Military and Veterans Affairs** *****				
*****			*****	
Deferred Maintenance Projects		**10,300,000**	**4,000,000**	**6,300,000**
Armory Facilities Deferred Maintenance (HD 1-40)	8,408,000			
Army Guard Facilities Projects Match Funding (HD 1-40)	892,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Military Youth Academy Deferred Maintenance, Renewal and Replacement (HD 17-32)	1,000,000			
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
State Parks Deferred Maintenance - House of Wickersham R & R (HD 3-4)		250,000	250,000	
Deferred Maintenance, Equipment Replacement, and Emergency Repairs		**4,000,000**	**4,000,000**	
Plant Material Center Deferred Maintenance (HD 13-16)	520,000			
State Parks Deferred Maintenance and Equipment Replacement (HD 1-40)	3,480,000			
* * * * *		* * * * *		
* * * * * **Department of Public Safety** * * * * *				
* * * * *		* * * * *		
Statewide Facilities Maintenance, Repairs, and Improvements (HD 1-40)		1,350,000	1,350,000	
* * * * *			* * * * *	
* * * * * **Department of Transportation and Public Facilities** * * * * *				
* * * * *			* * * * *	
Deferred Maintenance Projects		**25,000,000**	**25,000,000**	
Airport Deferred	3,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Maintenance (HD 1-40)				
Alaska Marine Highway System - Vessel and Facility Deferred Maintenance (HD 1-40)	3,000,000			
Facilities Deferred Maintenance and Critical Repairs (HD 1-40)	1,000,000			
Harbor Deferred Maintenance (HD 1-40)	2,500,000			
Highway Deferred Maintenance (HD 1-40)	15,000,000			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Maintaining Existing Facilities Renewal and Renovation Annual Requirement (HD 1-40)		37,500,000	37,500,000	
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		2,500,000	2,500,000	

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	13,250,000
1147 Public Building Fund	3,000,000
*** Total Agency Funding ***	$16,250,000
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	5,077,000
1140 Alaska Industrial Development and Export Authority Dividend	1,923,000
*** Total Agency Funding ***	$7,000,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	8,200,000
*** Total Agency Funding ***	$8,200,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	1,850,000
*** Total Agency Funding ***	$1,850,000
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	200,000
*** Total Agency Funding ***	$200,000
Department of Fish and Game	
1004 Unrestricted General Fund Receipts	2,000,000
*** Total Agency Funding ***	$2,000,000
Department of Health and Social Services	
1002 Federal Receipts	20,000
1003 General Fund Match	100,000
1004 Unrestricted General Fund Receipts	6,900,000
*** Total Agency Funding ***	$7,020,000
Department of Labor and Workforce Development	
1004 Unrestricted General Fund Receipts	1,000,000
*** Total Agency Funding ***	$1,000,000

Department of Military and Veterans Affairs		
1002	Federal Receipts	6,300,000
1003	General Fund Match	3,000,000
1004	Unrestricted General Fund Receipts	1,000,000
***	Total Agency Funding ***	$10,300,000
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	4,250,000
***	Total Agency Funding ***	$4,250,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	1,350,000
***	Total Agency Funding ***	$1,350,000
Department of Transportation and Public Facilities		
1004	Unrestricted General Fund Receipts	25,000,000
***	Total Agency Funding ***	$25,000,000
University of Alaska		
1004	Unrestricted General Fund Receipts	37,500,000
***	Total Agency Funding ***	$37,500,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	2,500,000
***	Total Agency Funding ***	$2,500,000
* * * * *	Total Budget * * * * *	$124,420,000

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	3,100,000
1004 Unrestricted General Fund Receipts	110,077,000
1140 Alaska Industrial Development and Export Authority Dividend	1,923,000
Total Unrestricted General Funds	$115,100,000
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
1002 Federal Receipts	6,320,000
Total Federal Funds	$6,320,000
Duplicated Funds	
1147 Public Building Fund	3,000,000
Total Duplicated Funds	$3,000,000

(SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 7.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
Allocations	Items	Funds	Funds
* * * * *	* * * * *		
* * * * * **Department of Administration** * * * * *			
* * * * *	* * * * *		
Alaska License and Vehicle Information System (HD 1-40)	8,500,000	8,500,000	
Alaska Public Offices Commission Electronic Filing System (HD 1-40)	600,000	600,000	
Alaska Rural Communications Service Digital Conversion Planning (HD 1-40)	50,000	50,000	
Anchorage Data Center Design Support and Migration Planning (HD 17-32)	1,300,000		1,300,000
Combined Retirement System Upgrade (HD 1-40)	400,000		400,000
Enterprise Technology Services Infrastructure Upgrades and Support (HD 1-40)	3,700,000		3,700,000
Planning and Design of New State Office Building in Juneau (HD 3-4)	2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement and Benefits Document Management System (HD 1-40)		475,000		475,000
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Alaska Aerospace Corporation - Kodiak Launch Complex Sustainability (HD 36)		4,000,000	4,000,000	
Alaska Energy Authority - Electrical Emergencies Program (HD 1-40)		330,400	330,400	
Alaska Energy Authority - Railbelt Large Scale Hydro Planning, Design and Permitting (HD 12-35)		10,000,000	10,000,000	
Alaska Visitors Statistics Program (HD 1-40)		500,000	500,000	
Banking and Securities Imaging (HD 1-40)		609,000	609,000	
Community and Regional Affairs System Replacement and Consolidation (HD 1-40)		326,000	326,000	
Denali Commission Federal-State Partnership Grant (HD 1-40)		3,000,000	3,000,000	
Western Alaska Canned Chum & Herring Demonstration Project (HD 36-38)		300,000	300,000	
Alaska Climate Change		**500,000**	**500,000**	

	Allocations	Appropriation Items	General Funds	Other Funds
Impact Mitigation Program				
Community Planning Grant - Atmautluak (HD 38)	150,000			
Community Planning Grant - Kipnuk (HD 38)	150,000			
Hazard Impact Assessment Mini-Grant - Elim (HD 39)	50,000			
Hazard Impact Assessment Mini-Grant - Nelson Lagoon (HD 37)	50,000			
Hazard Impact Assessment Mini-Grant - Nightmute (HD 38)	50,000			
Hazard Impact Assessment Mini-Grant - Quinhagak (HD 38)	50,000			
Alaska Energy Authority		**24,500,000**	**8,500,000**	**16,000,000**
Energy Projects				
Alternative Energy and Energy Efficiency (HD 1-40)	8,000,000			
Bulk Fuel Upgrades (HD 1-40)	5,000,000			
Rural Power System Upgrades (HD 1-40)	9,000,000			
Southeast Integrated Resources Plan (HD 1-5)	500,000			
Statewide Energy Plan Development (HD 1-40)	2,000,000			
Community Block Grants Program		**5,970,000**	**70,000**	**5,900,000**

	Allocations	Appropriation Items	General Funds	Other Funds
Community Development Block Grants (HD 1-40)	2,970,000			
Community Service Block Grants (RurAL CAP) (HD 1-40)	3,000,000			
Community Development and Assistance		**3,186,500**	**308,000**	**2,878,500**
Alaska Sustainable Salmon Fund Program (HD 1-40)	1,000,000			
Coastal Impact Assistance Program (CIAP) Administration (HD 1-40)	153,500			
Coastal Zone Management Program Grant Administration (HD 1-40)	1,120,000			
Community Mapping Program (HD 1-40)	438,000			
Cooperating Technical Partners (CTP) Program (HD 1-40)	75,000			
Floodplain & Erosion Management Program (HD 1-40)	400,000			
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* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Anchorage Correctional Complex Renovation and Remodeling (HD 17-32)		350,000	350,000	
Community Jails Repairs, Renovations, and Equipment		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 1-40)				
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Stratton Library Acquisition (HD 1-40)		2,500,000	2,500,000	
Major Maintenance Grant Fund (AS 14.11.007)		**24,770,651**	**24,770,651**	
Nome Beltz Junior/Senior High School Fire Alarm System Replacement (HD 39)	84,337			
Nome Beltz Junior/Senior High School Emergency Generator Automatic Switching Replacement (HD 39)	29,807			
Metlakatla High School Renovation Alternates (HD 5)	1,202,914			
Whittier K-12 School Sprinkler Installation and Interior Renovations (HD 17-32)	1,762,541			
Yup'ik Vocational Education Building Water Service and Boiler Replacement (HD 39)	123,701			
Yup'ik Vocational Education Building Roof Replacement (HD 39)	80,729			
Service High School	21,306,131			

	Allocations	Appropriation Items	General Funds	Other Funds
Renovation (HD 17-32)				
Mosquito Lake Elementary Mechanical Upgrades (HD 5)	180,491			
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* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Clean Water Capitalization Grant - Subsidy Funding (HD 1-40)		1,826,274		1,826,274
Drinking Water Capitalization Grant - Subsidy Funding (HD 1-40)		4,071,900		4,071,900
Environmental Monitoring and Assessment of Surface Waters (EMAP) (HD 40)		450,000		450,000
Statewide Contaminated Sites Cleanup (HD 1-40)		3,000,000	3,000,000	
Village Safe Water and Wastewater Infrastructure Projects		**48,500,000**	**9,500,000**	**39,000,000**
First Time Service Projects (HD 1-40)	29,100,000			
Expansion, Upgrade, Replacement of Existing Service (HD 1-40)	19,400,000			
Municipal Water, Sewage, and Solid Waste Facilities Grants (AS 46.03.030)		**42,921,576**	**42,921,576**	
Anchorage - Girdwood Wastewater Treatment Facility (HD 17-32)	4,100,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Dillingham - Continued Water System Improvements Phase 2 (HD 37)	3,090,000			
Fairbanks North Star Borough - Solid Waste Landfill Leachate Recirculation Project (HD 7-11)	900,450			
Haines - Lilly Lake Transmission Line (HD 5)	1,117,550			
Hoonah - Water Transmission Line Replacement, Phase 1 (HD 5)	1,065,020			
Ketchikan - Alaska Avenue Water & Sewer Main Replacement (HD 1)	1,773,660			
Ketchikan - Jackson/Monroe Street & 4th/7th Avenue Water and Sewer (HD 1)	3,459,375			
Ketchikan - Baranof Reservoir Replacement (HD 1)	1,968,330			
Kodiak - Aleutian Homes Water & Sewer Replacement Phase 3 (HD 36)	2,781,000			
Kodiak - UV Secondary Water Treatment Facility (HD 36)	3,988,275			
Matanuska Susitna Borough - Central Landfill Cell 2	546,480			

	Allocations	Appropriation Items	General Funds	Other Funds
Closure (HD 13-16)				
North Pole - Water and Sewer Improvements (HD 7-11)	2,731,869			
North Slope Borough - Wainwright Water and Sewer Upgrades (HD 40)	3,090,000			
Palmer - Wastewater Treatment Plant Improvements Phase 2 (HD 13-16)	1,442,000			
Palmer - Continued Southwest Utility Extension Phase 2 (HD 13-16)	1,802,500			
Palmer - Continued Steel Water Main Replacement, Phase 7 (HD 13-16)	2,523,500			
Petersburg - Water Treatment Upgrades, Phase 3 (HD 2)	253,697			
Sand Point - Wastewater Improvements (HD 37)	386,055			
Soldotna - Water System Improvements (HD 33-35)	590,985			
Unalaska -WWTP Upgrade & Leachate Treatment Phase 3 (HD 37)	2,369,000			
Wasilla - Sewage Treatment Plant Improvements (HD 13-16)	2,271,150			
Wrangell - Landfill Closure	670,680			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 2)				
	* * * * *	* * * * *		
	* * * * * Department of Fish and Game * * * * *			
	* * * * *	* * * * *		
Assessment and Feasibility of Pilot Station Sonar (HD 39)		250,000	250,000	
Crew Member Fishery Participation Database Development (HD 1-40)		100,000	100,000	
Economic Contribution of Wildlife to Alaska (HD 1-40)		500,000		500,000
Endangered Species Act Listed Marine Mammals Research (HD 1-40)		600,000	150,000	450,000
Facilities, Vessels, and Aircraft Maintenance, Repair, and Upgrades (HD 1-40)		700,000	700,000	
Genetic Marker Screening for Estimating the Stock Composition of Western Alaska Salmon Fisheries (HD 37)		750,000	750,000	
Pacific Coastal Salmon Recovery Fund (HD 1-40)		9,000,000		9,000,000
Pacific Salmon Treaty Chinook Fishery Mitigation (HD 1-40)		7,500,000		7,500,000
Sport Fish Recreational		3,100,000		3,100,000

	Allocations	Appropriation Items	General Funds	Other Funds
Boating Access (HD 1-40)				
State Contracted Hatchery Facilities Inspection (HD 1-40)		150,000	150,000	
Yukon River Chum Salmon Aerial Surveys (HD 6)		200,000	200,000	
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* * * * * **Office of the Governor** * * * * *				
* * * * *		* * * * *		
Division of Elections Technology Refresh (HD 1-40)		123,800	123,800	
Elections Reform Under the Federal Help America Vote Act (HD 1-40)		1,425,000		1,425,000
Voter Registration and Election Management System Replacement (HD 1-40)		1,550,000		1,550,000
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* * * * * **Department of Health and Social Services** * * * * *				
* * * * *		* * * * *		
Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project (HD 1-40)		425,000	425,000	
Johnson Youth Center Renovation and Remodel to Meet Safety and Security Needs - Phase 1 (HD 3-4)		9,880,000	9,880,000	

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *		* * * * *	
	* * * * * **Department of Labor and Workforce Development** * * * * *			
	* * * * *		* * * * *	
AVTEC Alternative Energy Training Facility Expansion (HD 33-35)		1,000,000	1,000,000	
AVTEC Culinary Academy Equipment (HD 33-35)		500,000		500,000
AVTEC Culinary Video Teleconferencing Equipment (HD 1-40)		412,695	100,000	312,695
AVTEC Medium & Heavy Duty Truck Training Equipment (HD 33-35)		1,000,000	500,000	500,000
Fairbanks Pipeline Training Center Construction, Utilities and Equipment (HD 7-11)		4,000,000	4,000,000	
	* * * * *	* * * * *		
	* * * * * **Department of Law** * * * * *			
	* * * * *	* * * * *		
Fairbanks and Anchorage Key Card Office Access (HD 12-35)		150,000	150,000	
	* * * * *		* * * * *	
	* * * * * **Department of Military and Veterans Affairs** * * * * *			
	* * * * *		* * * * *	
Army Guard Facilities Projects (HD 1-40)		8,342,000	1,000,000	7,342,000
Cold Weather Generation Storage and Maintenance		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 1-40)				
Compliance Site Clean Up at Seward and Anchorage (Tudor) (HD 17-32)		250,000	250,000	
Interior Alaska Veterans Cemetery Design and Planning (HD 7-11)		6,000,000	1,000,000	5,000,000
National Guard Counterdrug Support (HD 1-40)		100,000		100,000
State Homeland Security Grant Programs (HD 1-40)		9,500,000		9,500,000
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Abandoned Mine Lands Reclamation Federal Program (HD 1-40)		3,575,000		3,575,000
Alaska Coastal Management Federal Pass Through Grants (HD 1-40)		1,360,000		1,360,000
Alaska Land Mobile Radio Phase 3 of 4 (HD 1-40)		625,000	625,000	
Assessment of In-State Gas Energy Potential (HD 1-40)		500,000	500,000	
Chena River State Recreation Area - Multi-Use Shelter, Path Construction and ADA Improvements (HD 7-11)		34,000	34,000	
Cooperative Water Resource Program (HD 1-40)		805,000		805,000

	Allocations	Appropriation Items	General Funds	Other Funds
Eagle Beach Public Use Cabins (HD 3-4)		50,000	50,000	
Federal and Local Government Funded Forest Resource and Fire Program Projects (HD 1-40)		1,800,000		1,800,000
Foothills Oil and Gas Development Infrastructure Investigations (HD 1-40)		370,000	370,000	
Forest Legacy Federal Grant Program (HD 13-16)		1,000,000		1,000,000
Gas Pipeline Corridor Geologic Hazards - Phase 4 of 5 (HD 1-40)		300,000	300,000	
Information Technology Infrastructure Upgrades - Phase 2 of 2 (HD 1-40)		130,000	130,000	
Land and Water Conservation Fund Federal Grant Program (HD 1-40)		600,000		600,000
Land Sale Web Enhancement (HD 1-40)		68,000	68,000	
Land Sales - New Subdivision Development (HD 1-40)		3,600,000	3,600,000	
Matanuska Susitna Borough Hydrogeology Assessment Phase 2 of 3 (HD 13-16)		295,000	295,000	
National Coastal Wetland Grant - Campbell Creek Estuary (HD 17-32)		1,000,000		1,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
National Historic Preservation Fund Federal Grant Program (HD 1-40)		1,200,000	200,000	1,000,000
National Recreational Trail Grants Federal Program (HD 1-40)		2,000,000		2,000,000
Reservoir Studies for North Slope and Cook Inlet (HD 1-40)		3,500,000	3,500,000	
Snowmobile Trail Development and Program Grants (HD 1-40)		250,000	250,000	
Statewide Timber Inventories (HD 1-40)		215,000	215,000	
Unified Permitting Project Phase 5 of 7 (HD 1-40)		800,000	800,000	
Upper Chatanika and Chena River State Recreation Sites Facility Upgrade (HD 7-11)		5,000	5,000	
Wildland Fire Truck Replacement (HD 1-40)		800,000	800,000	
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Aircraft and Vessel Repair and Maintenance (HD 1-40)		850,000	850,000	
Alaska Public Safety Information Network Redesign Phase 3 (HD 1-40)		1,000,000	1,000,000	
Alaska State Trooper Law		500,000	500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Enforcement Equipment Replacement (HD 1-40)				
Alaska State Trooper Mobile Data Computers - Phase 3 (HD 1-40)		250,000	250,000	
Alaska Wildlife Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Crime Laboratory Equipment Replacement (HD 17-32)		86,000	86,000	
Marine Fisheries Patrol Improvements (HD 1-40)		1,500,000		1,500,000
Public Safety Academy Dining Facility - Design & Construction (HD 1-40)		2,000,000	2,000,000	
Public Safety Academy Driver Training Facility - Land Acquisition & Construction (HD 1-40)		5,000,000	5,000,000	
Video Judicial Conference Arraignment Study (HD 1-40)		100,000	100,000	
*****		*****		
***** **Department of Revenue** *****				
*****		*****		
Child Support Services Computer Replacement Project - Phase 1 (HD 1-40)		201,600	68,544	133,056
IBM Bladecenter (HD 1-40)		230,000	230,000	
NetApp Upgrade (HD 1-40)		231,000	231,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Permanent Fund Dividend Master Phone Queue (HD 1-40)		350,000	350,000	
Permanent Fund Portfolio Accounting System Upgrade (HD 1-40)		250,000		250,000
Alaska Housing Finance Corporation				
AHFC Building System Replacement Program (HD 1-40)		1,500,000	1,500,000	
AHFC Competitive Grants for Public Housing (HD 1-40)		1,100,000	350,000	750,000
AHFC Denali Commission Projects (HD 1-40)		4,000,000		4,000,000
AHFC Energy Assurances/Smart Grid Resiliency Program (HD 1-40)		262,000		262,000
AHFC Energy Efficiency Monitoring Research (HD 1-40)		1,000,000	1,000,000	
AHFC Federal and Other Competitive Grants (HD 1-40)		4,500,000	1,500,000	3,000,000
AHFC Fire Protection Systems - Phase 2 (HD 1-40)		2,200,000	2,200,000	
AHFC Housing and Urban Development Capital Fund		3,200,000		3,200,000

	Allocations	Appropriation Items	General Funds	Other Funds
Program (HD 1-40)				
AHFC Housing and Urban Development Federal HOME Grant (HD 1-40)		4,250,000	750,000	3,500,000
AHFC San Roberto Redevelopment (HD 17-32)		9,708,504	2,208,504	7,500,000
AHFC Security Systems Replacement/Upgrades (HD 1-40)		500,000	500,000	
AHFC Senior Citizens Housing Development Program (HD 1-40)		4,500,000	4,500,000	
AHFC State Energy Program Special Projects (HD 1-40)		300,000	50,000	250,000
AHFC Statewide ADA Improvements (HD 1-40)		500,000	500,000	
AHFC Statewide Project Improvements (HD 1-40)		2,000,000	2,000,000	
AHFC Supplemental Housing Development Program (HD 1-40)		7,000,000	7,000,000	
AHFC Weatherization Program (HD 1-40)		4,000,000	1,000,000	3,000,000
AHFC Housing Loan Program		**6,000,000**	**6,000,000**	
Teacher, Health and Public Safety Professionals Housing (HD 1-40)	5,000,000			
Village Public Safety Officers Housing (HD 1-40)	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * Department of Transportation and Public Facilities * * * * *				
* * * * *			* * * * *	
Alaska Aviation Safety Program (HD 1-40)		1,500,000	500,000	1,000,000
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		8,000,000	8,000,000	
Capital Improvement Program Equipment Replacement (HD 1-40)		1,500,000		1,500,000
Chena Small Tracts Road Multi-Use Path Design and Planning (HD 7-11)		150,000	150,000	
Community Access Roads - Kake to Petersburg (HD 5)		4,500,000	4,500,000	
Corps of Engineers - Harbor Program - Saint Paul (HD 37)		700,000	700,000	
Dalton Highway Including Surfacing Materials (HD 1-40)		5,000,000	5,000,000	
Debarr Road School Zone (HD 17-32)		200,000	200,000	
Fairbanks Metropolitan Area Transportation System (FMATS) - College Road Pavement Rehabilitation (HD 7-11)		9,000,000	9,000,000	
Fairbanks Metropolitan Area		5,000,000	5,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Transportation System (FMATS) - Transportation Improvement Program (HD 7-11)				
Municipal Harbor Facility Grant Fund (AS 29.60.800) (HD 1-40)		5,000,000	5,000,000	
Williams Port and Pile Bay Access Survey and Mapping (HD 36)		200,000	200,000	
Highways and Facilities		**22,022,000**	**7,022,000**	**15,000,000**
Americans with Disabilities Act Compliance Projects (HD 1-40)	500,000			
Central Region Signal Malfunction Management Units (HD 1-40)	22,000			
Highway Safety Corridors Near-Term Improvements (HD 1-40)	5,000,000			
Manley Hot Springs Shop/Snow Removal Equipment Building (SREB) (HD 6)	900,000			
Northern Region Bike Path Equipment (HD 1-40)	100,000			
Northern Region Maintenance Station Bunkhouse Improvements (HD 6)	350,000			
State Equipment Fleet Replacement (HD 1-40)	15,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide Anti-icing Program (HD 1-40)	150,000			
Regulatory Compliance		**2,041,000**	**2,041,000**	
EPA MS 4 Requirements - Municipality of Anchorage Sand Storage Facilities (HD 17-32)	1,041,000			
Statewide - GIS Mapping of Storm Drainage Systems for EPA MS 4 (HD 17-32)	1,000,000			
Roads to Resources		**12,000,000**	**12,000,000**	
Ambler Mining District Access - Planning, Design and Engineering (HD 1-40)	4,000,000			
Foothills West Access - Planning, Design and Engineering (HD 40)	8,000,000			
Statewide Federal Programs		**117,710,000**	**50,910,000**	**66,800,000**
Commercial Vehicle Enforcement Program (HD 1-40)	1,600,000			
Cooperative Reimbursable Projects (HD 1-40)	13,500,000			
Federal Contingency Projects (HD 1-40)	15,000,000			
Federal Emergency Projects (HD 1-40)	10,000,000			
Federal Transit Administration Grants (HD 1-40)	9,000,000			
Federal-Aid Aviation State	8,600,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Match (HD 1-40)				
Federal-Aid Highway State Match (HD 1-40)	41,100,000			
Highway Safety Grants Program (HD 1-40)	5,500,000			
Other Federal Program Match (HD 1-40)	1,210,000			
Statewide Safety Program (HD 1-40)	12,200,000			
Airport Improvement Program		**267,940,500**		**267,940,500**
Bethel - Airport Master Plan Update (HD 38)	350,000			
Chefornak - Airport Relocation (HD 38)	6,400,000			
Cold Bay - Airport Improvements (HD 37)	6,000,000			
Cold Bay - Airport Rescue and Firefighting Building Expansion (HD 37)	600,000			
Deadhorse - Airport Master Plan (HD 40)	150,000			
Fairbanks International Airport - Environmental Assessment and Cleanup (HD 7-11)	300,000			
Fairbanks International Airport - Equipment (HD 7-11)	1,040,000			
Golovin - Runway and Apron Improvements (HD 39)	12,520,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Haines - Airport Drainage Improvement and Taxiway, Runway and Apron Rehabilitation, and Fencing (HD 5)	7,400,000			
Kodiak - Airport Improvements (HD 36)	36,000,000			
Koliganek - Airport Reconstruction (HD 37)	8,700,000			
Kotzebue - Airport and Runway Safety Area Improvements (HD 40)	28,575,000			
Kotzebue - Airport Certification Compliance Improvements (HD 40)	1,420,000			
Lake Louise - Runway Rehabilitation (HD 12)	270,000			
Nome - Airport Master Plan (HD 39)	100,000			
Sitka - Rocky Gutierrez Airport Runway 11/29 Overlay (HD 2)	5,000,000			
Statewide - Aviation Preconstruction (HD 1-40)	18,000,000			
Statewide - Aviation Systems Plan Update (HD 1-40)	3,700,000			
Statewide - Various Airports Aeronautical Surveys (HD 1-40)	3,000,000			
Statewide - Various	6,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Airports Minor Surface Improvements (HD 1-40)				
Statewide - Various Airports Snow Removal and Safety Equipment (HD 1-40)	10,000,000			
Ted Stevens Anchorage International Airport - Advanced Project Design and Planning (HD 17-32)	1,500,000			
Ted Stevens Anchorage International Airport - Aircraft Rescue and Fire Fighting Vehicle (HD 17-32)	1,300,000			
Ted Stevens Anchorage International Airport - Badge Office Relocation (HD 17-32)	580,000			
Ted Stevens Anchorage International Airport - Deicing Mitigation (HD 17-32)	375,000			
Ted Stevens Anchorage International Airport - East Airpark Storm Drain (HD 17-32)	4,000,000			
Ted Stevens Anchorage International Airport - Emergency Operations Center / Airport Communication Center (HD	4,400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Ted Stevens Anchorage International Airport - Environmental Compliance (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport - Equipment (HD 17-32)	5,000,000			
Ted Stevens Anchorage International Airport - Facility Improvements, Renovations and Upgrades (HD 17-32)	1,600,000			
Ted Stevens Anchorage International Airport - Information Technology Improvements (HD 17-32)	1,185,500			
Ted Stevens Anchorage International Airport - Lake Hood Strip Improvements (HD 17-32)	475,000			
Ted Stevens Anchorage International Airport - North Terminal Gate N7 (HD 17-32)	3,500,000			
Ted Stevens Anchorage International Airport - Part 150 Residential Sound Insulation Program (RSIP) (HD 17-32)	6,000,000			
Ted Stevens Anchorage	3,300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
International Airport - Postmark Emergency Storm Drain Replacement (HD 17-32)				
Ted Stevens Anchorage International Airport - Runway 7L Rehabilitation (HD 17-32)	28,125,000			
Ted Stevens Anchorage International Airport - Taxiway E and M Reconstruction (HD 17-32)	20,000,000			
Togiak - Snow Removal Equipment Building (HD 37)	850,000			
Tununak - Airport Relocation (HD 38)	24,400,000			
Whittier - Airport Master Plan (HD 17-32)	325,000			
Yakutat - Airport Runway Preservation and Drainage Improvements (HD 5)	5,000,000			
Surface Transportation Program		**537,350,240**		**537,350,240**
Alaska Marine Highway System - Ferry Vessel Refurbishment (HD 1-40)	20,000,000			
Alaska Marine Highway System - Fleet Condition Survey Update (HD 1-40)	250,000			
Alaska Marine Highway System - Terminal -	325,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Bellingham Sewage Line Installation (HD 1-40)				
Alaska Railroad - Milepost 407 and 409 Riprap Project (HD 6)	656,240			
Ambler - Sewage Lagoon Road (HD 40)	800,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Arterial Roadway Dust Control (HD 17-32)	200,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Huffman Road Reconstruction - Old Seward Highway to Pintail (HD 17-32)	15,000,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Muldoon Road Landscaping and Pedestrian Improvements (HD 17-32)	1,700,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Ridesharing and Transit Marketing (HD 17-32)	680,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Transit Fleet	1,780,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Expansion and Replacement (HD 17-32)				
Anchorage - Victor Road (HD 17-32)	4,700,000			
Bethel - Ridgecrest Drive Rehabilitation (HD 38)	1,100,000			
Central Region - Guardrail End Treatment Upgrade (HD 12-35)	14,000,000			
Central Region - Intelligent Transportation System (ITS) Signal Control Upgrades (HD 12-35)	2,000,000			
Central Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 12-35)	20,000,000			
Coffman Cove - Wander Around Town Trail (HD 1)	450,000			
Congestion Mitigation and Air Quality (CMAQ) - PM 2.5 Reductions (HD 7-11)	1,879,000			
Dalton Highway - Milepost 254 to 414 Delineators (HD 40)	2,000,000			
Dalton Highway - Milepost 274 to 289 Reconstruction (HD 40)	8,000,000			
Dillingham - Downtown	400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Streets Reconstruction and Rehabilitation (HD 37)				
Fairbanks Metropolitan Area Transportation System (FMATS) - Illinois-Barnette Streets Bridge and Road Reconstruction (HD 7-11)	3,820,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Noble Street Reconstruction (HD 7-11)	9,935,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Preventative Maintenance Program (HD 7-11)	2,000,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Safety and Signage Improvements (HD 7-11)	3,500,000			
Fairbanks North Star Borough - Airport Way (West) Improvements (HD 7-11)	1,000,000			
Fairbanks - College Road Rehabilitation and Intersection (HD 7-11)	8,630,000			
Fairbanks - Cripple Creek Road Upgrade (HD 7-11)	950,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks - Curb Corner Upgrades (HD 7-11)	900,000			
Fairbanks - Potter Road Surfacing (HD 7-11)	400,000			
Fairbanks - South Cushman - Mitchell Expressway to Van Horn (HD 7-11)	1,710,000			
Galena - Campion Road Erosion Protection (HD 6)	850,000			
Geographic Information System (GIS) Development (IWAYS) (HD 1-40)	250,000			
Glenn Highway Corridor ITS Project (HD 13-16)	3,000,000			
Glenn Highway Lighting - Eklutna to Palmer Hay Flats (HD 13-16)	8,000,000			
Glenn Highway Lighting - South Birchwood to Palmer Hayflats (HD 13-16)	12,000,000			
Glenn Highway - Milepost 109 to 118 Resurfacing (HD 12)	10,000,000			
Glenn Highway - Milepost 34 to 42 Reconstruction - Parks to Old Glenn Highway (HD 13-16)	3,000,000			
Glenn Highway - Signage - Anchorage to Palmer (HD 12-35)	8,000,000			
Gustavus - Small Boat	950,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Float (HD 5)				
Haines Highway - Milepost 21 to 25.3 Reconstruction and Chilkat Bridge Replacement (HD 5)	1,000,000			
Hyder - Salmon River Road Rehabilitation (HD 5)	600,000			
Juneau - Egan Drive Resurfacing - Main Street to 10th Street (HD 3-4)	980,000			
Juneau - Glacier Highway - Fritz Cove to Auke Bay School - Intersection, Roadway and Pedestrian Improvements (HD 3-4)	1,100,000			
Juneau - Jordan Creek Bridge Replacement and Basin Road Trestle Rehabilitation (HD 3-4)	2,200,000			
Juneau - North Douglas Highway - Pavement Rehabilitation Milepost 5.9 to 12 (HD 3-4)	6,600,000			
Kake - Keku Road Rehabilitation (HD 5)	3,250,000			
King Cove to Cold Bay Corridor Road Extension (HD 37)	15,000,000			
Kodiak - Rezanof Drive Resurfacing (HD 36)	5,000,000			
Livengood - Livengood Creek	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Bridge Replacement (HD 6)				
Marshall - Airport Access Road Bridge (HD 6)	1,700,000			
Mat-Su - Off-System Bridges (HD 13-16)	6,000,000			
New Seward Highway - Rabbit Creek to 36th Avenue (HD 17-32)	23,000,000			
Nome - Nome-Council Road - Milepost 4 to 16 (HD 39)	7,000,000			
North Pole - Dennis Road Extension (HD 7-11)	2,740,000			
North Pole - Pavement Rehabilitation (HD 7-11)	456,000			
Northern Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	25,000,000			
Northern Region - Winter Trail Markings (HD 1-40)	200,000			
Parks Highway - Milepost 239 to 263 Reconstruction - Nenana Canyon to Bear Creek (HD 7-11)	7,500,000			
Parks Highway - Milepost 44 to 52.3 Reconstruction - Lucas Road to Big Lake Cutoff (HD 13-16)	7,000,000			
Safe Routes to Schools (HD 1-40)	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Sand Point - School Loop Road Rehabilitation (HD 37)	4,000,000			
Seward Highway - Anchorage to Girdwood ITS Project (HD 17-32)	750,000			
Seward Highway - Milepost 115 to 124 Resurfacing - Potter to Dowling Road (HD 17-32)	15,000,000			
Seward Highway - Milepost 18 to 25.5 Reconstruction - Snow River to Trail River (HD 33-35)	28,000,000			
Seward Highway - Milepost 99 to 104 - Bird and Indian Improvements (HD 17-32)	2,400,000			
Seward Highway - Ptarmigan Creek Bridge Replacement (HD 33-35)	5,000,000			
Seward Meridian Parkway - Road Improvements - Parks Highway to Palmer-Wasilla Highway (HD 13-16)	9,000,000			
Sitka - Cross Trail Construction - High School to Baranof, Charles, Yaw and Pherson Streets (HD 2)	800,000			
Sitka - Halibut Point Road Resurfacing, Drainage Improvements and Bridge	14,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Replacement (HD 2)				
Sitka - Sawmill Creek Road Upgrade (HD 2)	4,000,000			
Southeast Region - Intelligent Transportation Systems (HD 1-5)	1,000,000			
Southeast Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-5)	2,000,000			
Statewide - Bicycle/Pedestrian Facilities Rehabilitation and Improvements (HD 1-40)	2,500,000			
Statewide - Bridge Inventory, Inspection, Monitoring, Rehabilitation and Replacement Program (HD 1-40)	8,000,000			
Statewide - Bridge Scour Monitoring and Retrofit Program (HD 1-40)	700,000			
Statewide - Civil Rights Program (HD 1-40)	400,000			
Statewide - Comprehensive Highway Safety Plan (HD 1-40)	400,000			
Statewide - Congestion Mitigation and Air Quality (CMAQ) Projects (HD 1-40)	7,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide - Highway Data Equipment Acquisition and Installation (HD 1-40)	2,000,000			
Statewide - Highway Data Initiatives (HD 1-40)	3,000,000			
Statewide - Highway Fuel Tax Enforcement (HD 1-40)	100,000			
Statewide - Highway Safety Improvement Program (HSIP) (HD 1-40)	5,000,000			
Statewide - National Highway Institute and Transit Institute Training (HD 1-40)	750,000			
Statewide - Paths, Sidewalks and Bike Trails Surface Rehabilitation and Safety (HD 1-40)	5,500,000			
Statewide - Planning Work Program (HD 1-40)	7,500,000			
Statewide - Research Program (HD 1-40)	1,500,000			
Statewide - Rumble Strips (HD 1-40)	6,000,000			
Statewide - Scenic Byways Grants (HD 1-40)	500,000			
Statewide - Seismic Retrofit - Bridges (HD 1-40)	2,000,000			
Statewide - Urban Planning Program (HD 12-35)	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide - Weigh-in-Motion Equipment (HD 1-40)	3,500,000			
Steese Highway - Milepost 62 to 81 Surfacing (HD 7-11)	15,459,000			
Sterling Highway - Milepost 45 to 60 Resurfacing (HD 33-35)	9,000,000			
Sterling Highway - Milepost 60 to 79 - Skilak Lake to Sterling Rehabilitation and Passing Lanes (HD 33-35)	13,000,000			
Sterling Highway - Milepost 83 to 90 Resurfacing (HD 33-35)	7,000,000			
Stevens Village - Sanitation Road (HD 6)	400,000			
Striping and Marking Performance Improvements (HD 1-40)	2,000,000			
Surface Transportation Preconstruction (HD 1-40)	50,000,000			
Tenakee Springs - Ferry Terminal Approach (HD 5)	450,000			
Whittier - Maintenance and Operations (HD 17-32)	2,100,000			
Wrangell - Local Roads Supplemental (HD 2)	1,000,000			
Congressional High Priority Community Projects				
Fairbanks North Star		2,000,000	1,000,000	1,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Borough - Road and Bridge Improvements (HD 7-11)				
Ketchikan - Replacement and Rehabilitation of Municipal Bridges and Trestles (HD 1)		1,000,000	500,000	500,000
Mat-Su Borough - Arterial Road and Bridge Improvements (HD 13-16)		2,000,000	1,000,000	1,000,000
Sitka - Sawmill Cove Waterfront Development (HD 2)		974,000	487,000	487,000
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Feasibility Study for Community Campuses (HD 1-40)		1,400,000	1,400,000	
University Receipt Authority (HD 1-40)		15,000,000	15,000,000	
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Boney Courthouse Campus Renovation (HD 1-40)		18,000,000	18,000,000	
Court Information Technology Enhancements (HD 1-40)		1,900,000	1,900,000	
Nome Courthouse Deferred Maintenance and Remodel (HD 1-40)		4,700,000	4,700,000	

	Appropriation	General	Other
Allocations	**Items**	**Funds**	**Funds**

(SECTION 8 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source		Amount
Department of Administration		
1004	Unrestricted General Fund Receipts	2,650,000
1005	General Fund/Program Receipts	8,500,000
1017	Group Health and Life Benefits Fund	301,400
1029	Public Employees Retirement Trust Fund	392,900
1034	Teachers Retirement Trust Fund	164,000
1042	Judicial Retirement System	4,000
1045	National Guard Retirement System	12,700
1081	Information Services Fund	5,000,000
*** Total Agency Funding ***		$17,025,000
Department of Commerce, Community and Economic Development		
1002	Federal Receipts	22,625,000
1003	General Fund Match	378,000
1004	Unrestricted General Fund Receipts	8,956,400
1005	General Fund/Program Receipts	609,000
1007	Interagency Receipts	1,153,500
1061	Capital Improvement Project Receipts	1,000,000
1140	Alaska Industrial Development and Export Authority Dividend	18,500,000
*** Total Agency Funding ***		$53,221,900
Department of Corrections		
1004	Unrestricted General Fund Receipts	550,000
*** Total Agency Funding ***		$550,000
Department of Education and Early Development		
1004	Unrestricted General Fund Receipts	27,270,651
*** Total Agency Funding ***		$27,270,651
Department of Environmental Conservation		
1002	Federal Receipts	38,950,000
1003	General Fund Match	9,500,000

1004	Unrestricted General Fund Receipts	43,921,576
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1075	Alaska Clean Water Fund	1,826,274
1100	Alaska Drinking Water Fund	4,071,900
1108	Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***		$100,769,750
Department of Fish and Game		
1002	Federal Receipts	19,650,000
1003	General Fund Match	150,000
1004	Unrestricted General Fund Receipts	900,000
1024	Fish and Game Fund	900,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
*** Total Agency Funding ***		$22,850,000
Office of the Governor		
1004	Unrestricted General Fund Receipts	123,800
1185	Election Fund	2,975,000
*** Total Agency Funding ***		$3,098,800
Department of Health and Social Services		
1003	General Fund Match	425,000
1004	Unrestricted General Fund Receipts	9,880,000
*** Total Agency Funding ***		$10,305,000
Department of Labor and Workforce Development		
1002	Federal Receipts	1,312,695
1003	General Fund Match	600,000
1004	Unrestricted General Fund Receipts	5,000,000
*** Total Agency Funding ***		$6,912,695
Department of Law		
1004	Unrestricted General Fund Receipts	150,000
*** Total Agency Funding ***		$150,000
Department of Military and Veterans Affairs		
1002	Federal Receipts	21,942,000

1003	General Fund Match	1,750,000
1004	Unrestricted General Fund Receipts	550,000
***	Total Agency Funding ***	$24,242,000
Department of Natural Resources		
1002	Federal Receipts	11,535,000
1003	General Fund Match	200,000
1004	Unrestricted General Fund Receipts	7,624,000
1108	Statutory Designated Program Receipts	1,605,000
1153	State Land Disposal Income Fund	3,668,000
1195	Special Vehicle Registration Receipts	250,000
***	Total Agency Funding ***	$24,882,000
Department of Public Safety		
1002	Federal Receipts	1,500,000
1004	Unrestricted General Fund Receipts	10,286,000
***	Total Agency Funding ***	$11,786,000
Department of Revenue		
1002	Federal Receipts	17,833,056
1003	General Fund Match	68,544
1004	Unrestricted General Fund Receipts	461,000
1050	Permanent Fund Dividend Fund	350,000
1105	Permanent Fund Gross Receipts	250,000
1113	Alaska Housing Finance Corporation Statewide Bonds	7,500,000
1139	Alaska Housing Finance Corporation Dividend	31,058,504
1212	Federal Stimulus: ARRA 2009	262,000
***	Total Agency Funding ***	$57,783,104
Department of Transportation and Public Facilities		
1002	Federal Receipts	845,565,990
1003	General Fund Match	54,597,000
1004	Unrestricted General Fund Receipts	58,613,000
1026	Highways Equipment Working Capital Fund	15,000,000
1027	International Airports Revenue Fund	6,925,500

1061	Capital Improvement Project Receipts	1,900,000
1108	Statutory Designated Program Receipts	12,000,000
1112	International Airports Construction Fund	8,986,250
1179	Passenger Facility Charges	2,200,000
*** Total Agency Funding ***		$1,005,787,740
University of Alaska		
1004	Unrestricted General Fund Receipts	1,400,000
1048	University of Alaska Restricted Receipts	15,000,000
*** Total Agency Funding ***		$16,400,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	24,600,000
*** Total Agency Funding ***		$24,600,000
* * * * * Total Budget * * * * *		$1,407,634,640

(SECTION 9 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source		Amount
Unrestricted General Funds		
1003	General Fund Match	67,668,544
1004	Unrestricted General Fund Receipts	202,936,427
1139	Alaska Housing Finance Corporation Dividend	31,058,504
1140	Alaska Industrial Development and Export Authority Dividend	18,500,000
Total Unrestricted General Funds		$320,163,475
Designated General Funds		
1005	General Fund/Program Receipts	9,109,000
1048	University of Alaska Restricted Receipts	15,000,000
1050	Permanent Fund Dividend Fund	350,000
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1153	State Land Disposal Income Fund	3,668,000
1195	Special Vehicle Registration Receipts	250,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
Total Designated General Funds		$31,627,000
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	301,400
1024	Fish and Game Fund	900,000
1027	International Airports Revenue Fund	6,925,500
1029	Public Employees Retirement Trust Fund	392,900
1034	Teachers Retirement Trust Fund	164,000
1042	Judicial Retirement System	4,000
1045	National Guard Retirement System	12,700
1105	Permanent Fund Gross Receipts	250,000
1108	Statutory Designated Program Receipts	14,105,000

1113	Alaska Housing Finance Corporation	7,500,000
	Statewide Bonds	
1179	Passenger Facility Charges	2,200,000
Total Other Non-Duplicated Funds		$32,755,500
Federal Funds		
1002	Federal Receipts	980,913,741
1075	Alaska Clean Water Fund	1,826,274
1100	Alaska Drinking Water Fund	4,071,900
1212	Federal Stimulus: ARRA 2009	262,000
Total Federal Funds		$987,073,915
Duplicated Funds		
1007	Interagency Receipts	1,153,500
1026	Highways Equipment Working Capital Fund	15,000,000
1061	Capital Improvement Project Receipts	2,900,000
1081	Information Services Fund	5,000,000
1112	International Airports Construction Fund	8,986,250
1185	Election Fund	2,975,000
Total Duplicated Funds		$36,014,750

(SECTION 10 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 10.** The following appropriations are for capital project grants from the general fund or other funds as set out in section 11 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Abused Women's Aid In Crisis, Inc. - Security System Upgrades & Ventilation Repair (HD 17-32)		180,000	180,000	
Aiding Women in Abuse & Rape Emergencies, Inc. - Extended Stay Shelter and Supportive Services (HD 3-4)		1,000,000	1,000,000	
Alaska Air Show Association - 2010 Arctic Thunder Air Show (HD 17-32)		75,000	75,000	
Alaska Brain Injury Network, Inc. - Resource Navigation Activities (HD 1-40)		50,000	50,000	
Alaska Community Foundation - Jesse Lee Home Restoration (HD		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
33-35)				
Alaska Disabled Veterans Sports Program - State Participation Grant (HD 1-40)		100,000	100,000	
Alaska Fire Chiefs Association - Alaska Marine Firefighter Training for Land-Based Firefighters (HD 1-40)		150,000	150,000	
Alaska Manufacturing Extension Partnership - State Matching Support (HD 1-40)		800,000	800,000	
Alaska Moving Image Preservation Association - State Participation Grant (HD 1-40)		303,000	303,000	
Alaska Native Tribal Health Consortium - Long Term Care Facility Planning & Construction (HD 1-40)		9,260,000	9,260,000	
Alaska Partnership for Economic Development - Alaska Forward Initiative (HD 1-40)		100,000	100,000	
Alaska Search and Rescue Association - Search and Rescue Statewide Training (HD 17-32)		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Search and Rescue Association - Training and Equipment for Search and Rescue Organizations Statewide (HD 1-40)		200,000	200,000	
Alaska Zoo - Polar Bear Expansion Project & Signage (HD 17-32)		500,000	500,000	
Aleutian Peninsula Broadcasting, Inc. - King Cove FM Radio Translator, Ground System, Studio Renovation, & Vehicle (HD 37)		50,000	50,000	
Alyeska Vocational Services - Deaf Center Planning & Development (HD 1-40)		50,000	50,000	
American Bald Eagle Foundation - Raptor Center Completion (HD 5)		269,800	269,800	
American Legion Chappie James Post 34 - American Legion Facility Renovation (HD 17-32)		10,000	10,000	
American Legion of Alaska - Youth Sports Fields (HD 1-40)		750,000	750,000	
Anchorage Community Land Trust - Mountain View Community Center (HD 17-32)		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage Economic Development Corporation - Anchorage Economic Development Grant (HD 17-32)		100,000	100,000	
Anchorage Museum at Rasmuson Center - Major Maintenance Project (HD 17-32)		2,000,000	2,000,000	
Anchorage Neighborhood Health Center, Inc. - Facility Relocation and Construction (HD 17-32)		9,000,000	9,000,000	
Anchorage Park Foundation - Al Miller Park Safety and Maintenance Project (HD 17-32)		10,000	10,000	
Anchorage Park Foundation - Anchorage Senior Center Trail Connection (HD 17-32)		25,000	25,000	
Anchorage Park Foundation - Carlson Park Repairs (HD 17-32)		60,700	60,700	
Anchorage Park Foundation - Cheney Lake Park Improvements (HD 17-32)		24,700	24,700	
Anchorage Park Foundation - Cope Street Park Improvements (HD 17-32)		45,700	45,700	
Anchorage Park Foundation -		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Creekside Park Improvements (HD 17-32)				
Anchorage Park Foundation - Cuddy Family Midtown Park Playground (HD 17-32)		75,000	75,000	
Anchorage Park Foundation - Harvard Park Safety and Maintenance Upgrades (HD 17-32)		68,700	68,700	
Anchorage Park Foundation - Ira Walker Park Improvements (HD 17-32)		108,000	108,000	
Anchorage Park Foundation - Little Dipper Park Fix-Its (HD 17-32)		45,700	45,700	
Anchorage Park Foundation - Martin Luther King Jr. Memorial Restoration (HD 17-32)		150,000	150,000	
Anchorage Park Foundation - Nichols Park Improvements (HD 17-32)		35,000	35,000	
Anchorage Park Foundation - Scenic Foothills Community Parks Webcam & Motion Dector Lights (HD 17-32)		56,000	56,000	
Anchorage Park Foundation - William B. Lyons Park Improvements (HD 17-32)		193,200	193,200	
Anchorage Park Foundation - Woodland Park Improvements		40,200	40,200	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Anchorage Urban League - Alaska Seeds of Change Transitional Youth Program (HD 17-32)		1,000,000	1,000,000	
Angoon Senior Center - Senior Center Equipment Purchase (HD 5)		8,000	8,000	
Arc of Anchorage - Crisis Housing and Training Center (HD 17-32)		800,000	800,000	
Arctic Power - ANWR Program (HD 1-40)		160,000	160,000	
Arctic Winter Games Team Alaska - State Participation Grant (HD 1-40)		250,000	250,000	
Association of Village Council Presidents - Regional Airframe & Power Plant Training School (HD 38)		1,520,000	1,520,000	
Association of Village Council Presidents - Wood Heating Demonstration Project (HD 38)		610,000	610,000	
Bering Sea Fisherman's Association - Arctic Yukon-Kuskokwim Sustainable Salmon Initiative (HD 38)		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Bethel Broadcasting Inc. - KYUK Energy Conservation and Facilities Upgrades (HD 38)		110,800	110,800	
Big Lake Elementary PTA - Playground Equipment (HD 13-16)		10,000	10,000	
Blood Bank of Alaska - Fairbanks Branch Emergency Backup Equipment (HD 7-11)		50,000	50,000	
Blood Bank of Alaska - New Building Planning & Construction (HD 17-32)		13,400,000	13,400,000	
Bridge Builders of Anchorage - Education Program (HD 17-32)		148,500	148,500	
Brotherhood, Inc. - Home Based After School Program (HD 17-32)		30,000	30,000	
Calypso Farm And Ecology Center - Schoolyard Garden Initiative (HD 7-11)		25,000	25,000	
Camp Fire USA - Camp Kushtaka Rebuild (HD 33-35)		700,000	700,000	
Campbell Park Community Council - Lake Otis and Waldron Safety Lighting (HD 17-32)		5,000	5,000	
Capital Community Broadcasting, Inc. - Gavel		97,000	97,000	

	Allocations	Appropriation Items	General Funds	Other Funds
to Gavel Video on Demand Project (HD 3-4)				
Catholic Community Services - Bring the Kids Home Program Site Aquisition and Building Design (HD 3-4)		75,000	75,000	
Chalkyitsik Traditional Council - New Clinic Match Contribution (HD 6)		103,000	103,000	
Communities in Schools - North Star Imagination Library (HD 7-11)		18,000	18,000	
Community of Elfin Cove Non-Profit Corporation - Sanitation Facility Planning (HD 2)		75,000	75,000	
Community Sports, Inc. - Development & Implementation Project (HD 13-16)		100,000	100,000	
Cook Inlet Housing Authority - Workforce Development Housing Project (HD 17-32)		5,000,000	5,000,000	
Copper Basin Senior Citizens - Deferred Maintenance of Senior Center (HD 12)		25,000	25,000	
Copper River Native Association - Vehicle		44,000	44,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Acquisition (HD 6)				
Copper Valley Electric Association - Electrical Transmission Avalanche Mitigation (HD 12)		500,000	500,000	
Copper Valley Electric Association - Silver Lake Pre-Feasibility Study (HD 12)		125,000	125,000	
Covenant House Alaska - Facility Construction (HD 17-32)		3,000,000	3,000,000	
Deltana Community Corporation - Souhrada Road Improvements (HD 6)		200,000	200,000	
Dimond High School Alumni Association - Sports Field Improvements (HD 17-32)		250,000	250,000	
Downtown Soup Kitchen - New Facility Project (HD 17-32)		500,000	500,000	
Edzeno Native Village Council - Nikolai Electrical Metering Project (HD 6)		60,000	60,000	
Fairbanks Soil & Water Conservation District - Chena Slough Restoration Project (HD 7-11)		150,000	150,000	
Fairbanks Soil & Water Conservation District -		5,000	5,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Invasive Weeds Project (HD 7-11)				
Family Centered Services of Alaska - Facility Expansion & Program Enhancement Project (HD 7-11)		300,000	300,000	
Federation of Community Councils, Inc - Mountain View Community Council Spring Cleanup (HD 17-32)		10,000	10,000	
Federation of Community Councils, Inc. - Chugiak & Eagle River Land Use Consortium Project (HD 17-32)		100,000	100,000	
Federation of Community Councils, Inc. - Mountain View Community Patrol (HD 17-32)		12,000	12,000	
Federation of Community Councils, Inc. - Neighborhoods USA 2011 Conference (HD 17-32)		70,000	70,000	
Federation of Community Councils, Inc. - North East Community Patrol (HD 17-32)		2,500	2,500	
Federation of Community Councils, Inc. - Nunaka Valley Community Patrol		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Federation of Community Councils, Inc. - Russian Jack Community Patrol (HD 17-32)		2,500	2,500	
Filipino Community, Inc. - Filipino Community Historic Building Repair and Maintenance (HD 3-4)		50,000	50,000	
Food Bank of Alaska - Latino Lions Club Food Distribution (HD 17-32)		10,000	10,000	
Food Bank of Alaska - Mother Lawrence Foundation Food Distribution (HD 17-32)		10,000	10,000	
Fraternal Order of Alaska State Troopers - CSI Forensic Youth Summer Camp (HD 17-32)		30,000	30,000	
Gakona Volunteer Fire Department - Construction and Equipment and Facility Upgrades (HD 6)		250,000	250,000	
Gakona Volunteer Fire Department - Fit Five Project (HD 6)		8,800	8,800	
Gakona Volunteer Fire Department - Viable 911 Dispatch (HD 12)		14,400	14,400	
Gastineau Human Services -		39,500	39,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Safety and Security Systems Upgrades (HD 3-4)				
Grayling IRA Council - Multi-Purpose Community Center Match Contribution (HD 6)		150,000	150,000	
Greater Copper Valley Communications, Inc - Backup Generator & Communication Link (HD 6)		91,000	91,000	
Haines Assisted Living, Inc. - Retaining Wall, Drainage and Pavement Construction (HD 5)		325,000	325,000	
Haines Senior Center - Senior Center Roof Maintenance & Replacement (HD 5)		50,000	50,000	
Haines Senior Center - Vehicle & Wheelchair Lift Purchase (HD 5)		13,100	13,100	
Homer Foundation - Community Education and Activity Programming (HD 33-35)		30,000	30,000	
Hoonah Senior Center - Kitchen Equipment (HD 5)		18,000	18,000	
Hope Community Resources, Inc. - Statewide Assisted Living Facilities Rehabilitation and		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Refurbishment (HD 12-35)				
Ilisagvik College - Ilisagvik Heavy Equipment (HD 40)		250,000	250,000	
Institute of The North - Emerging Leaders Program (HD 1-40)		150,000	150,000	
Inter-Island Ferry Authority - Development Assistance (HD 1-5)		750,000	750,000	
Island Trails Network - Rotary Park Trail Phase II (HD 36)		8,000	8,000	
Juneau Cooperative Christian Ministries - Glory Hole Shelter Roof Replacement (HD 3-4)		65,000	65,000	
Juneau Housing Trust - 20th Century Theater Affordable Housing Project (HD 3-4)		55,000	55,000	
Kaagwaantaan, Inc. - Alaska Native Brotherhood Hall Renovations (HD 2)		150,000	150,000	
Kake Senior Center - Kitchen Equipment (HD 5)		5,500	5,500	
Kasilof Regional Historical Association - Kasilof River Mouth Dune Protection (HD 33-35)		60,000	60,000	
Kenai Peninsula Food Bank - Facility Improvements		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
and Expansion (HD 33-35)				
Ketchikan Senior Services, Inc. - Access Road To Senior Housing-Pioneer Heights (HD 1)		250,000	250,000	
Kincaid Park Project Group - Recreation & Cultural Enhancements (HD 17-32)		2,000,000	2,000,000	
No portion of this appropriation may be used for environmental remediation-related costs at the old biathlon shooting range at Kincaid Park.				
Kodiak Women's Resource and Crisis Center - Security Fence Replacement (HD 36)		13,000	13,000	
Ma'o Tosi Alaska PRIDE - After-School and Summer Programs (HD 17-32)		80,000	80,000	
Meadow Lakes Community Council, Inc. - Community Campus Sports Fields (HD 13-16)		195,000	195,000	
Metlakatla Indian Community - Metlakatla Ketchikan Intertie (HD 5)		2,000,000	2,000,000	
Metlakatla Indian Community - Waldon Point Road Paving Project (HD 5)		1,000,000	1,000,000	
Mid-Valley Seniors, Inc. - Mid-Valley Senior Center Roof Replacement (HD 13-16)		35,000	35,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Mount Sanford Tribal Consortium - Chistochina Clinic and Multi-Use Facility (HD 6)		500,000	500,000	
Mountain View Boys and Girls Club - Community Center Maintenance and Upgrades (HD 17-32)		10,000	10,000	
Native Village of Chenega Bay - Backhoe Loader (HD 5)		125,000	125,000	
Native Village of Tetlin - Community Improvements (HD 6)		35,000	35,000	
Native Village of Unalakleet (Unalakleet IRA) - Southern Sub Regional Assisted Living Facility (HD 39)		300,000	300,000	
Newtok Traditional Council - Landfill Design Matching Funds (HD 38)		75,000	75,000	
Newtok Traditional Council - Newtok Evacuation Shelter and Access Road (HD 38)		4,000,000	4,000,000	
Nine Star Education & Employment Services - Dropout Recovery Program (HD 17-32)		50,000	50,000	
North Star Volunteer Fire Department - Fire Engine		145,000	145,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 7-11)				
Orutsararmiut Native Council (ONC) - Repair and Provide Energy Efficiency for Senior Center (HD 38)		480,000	480,000	
Palmer Senior Citizens Center, Inc. - Palmer Senior Citizens Center (HD 13-16)		6,000,000	6,000,000	
Peninsula Community Health Centers of Alaska - Cottonwood Health Center Equipment (HD 33-35)		100,000	100,000	
Perseverance Theatre - Facility Upgrades (HD 3-4)		45,000	45,000	
Rainbird Community Broadcasting, Inc. - KRBD FM Digital Equipment Upgrade (HD 1)		35,000	35,000	
REACH, Inc. - Asbestos Abatement (HD 3-4)		25,500	25,500	
Retirement Community of Fairbanks - Raven Landing Senior Community Center (HD 7-11)		500,000	500,000	
Ruby Tribal Council - Water Truck Acquisition (HD 6)		80,000	80,000	
Rural Alaska Community Action Program, Inc. - Toksook Bay Early Learning		800,000	800,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Center (HD 38)				
Rural Deltana Volunteer Fire Department - Big D Station Deferred Maintenance (HD 6)		295,000	295,000	
Rural Deltana Volunteer Fire Department, Inc. - Energy Efficiency Upgrades (HD 6)		567,050	567,050	
Sealaska Heritage Institute - Southeast Alaska Native Cultural and Visitor Center (HD 3-4)		4,000,000	4,000,000	
Senior Citizens of Kodiak, Inc. - Fire Sprinkler System Replacement (HD 36)		118,200	118,200	
Shiloh Community Housing Incorporated - Transitional Housing Project (HD 17-32)		50,000	50,000	
Sitka Community Hospital - Medical Equipment Replacement (HD 2)		50,000	50,000	
Skagway Traditional Council - Completion of Public Utility Building (HD 5)		200,000	200,000	
Snomads - Willard Road Improvements (HD 33-35)		50,000	50,000	
Sons of Norway Hall - Lodge No. 23 Hall Renovation and Repair (HD		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
2)				
Soteria-Alaska, Inc. - Facility Repairs (HD 17-32)		178,000	178,000	
South Anchorage Baseball Booster Club - Taylar Young Memorial Ballpark (HD 17-32)		200,000	200,000	
Southeast Alaska Guidance Association - Eagle Valley Training Center Repair and Maintenance (HD 3-4)		57,000	57,000	
Southeast Alaska Independent Living - Lift-Equipped Vehicles (HD 3-4)		9,700	9,700	
Southeast Alaska Solid Waste Authority - SEASWA Start-up Funding (HD 1-5)		125,000	125,000	
Southeast Conference - Energy Program Coordination (HD 1-5)		150,000	150,000	
Southeast Regional Resource Center - Technology Upgrade (HD 3-4)		63,700	63,700	
Southern Southeast Emergency Training Center - Facility Construction (HD 1)		500,000	500,000	
Special Olympics Alaska - Training Center and Campus		5,000,000	5,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Expansion & Development (HD 17-32)				
Steese Fire Service Area - Steese Volunteer Fire Department Station #2 Repair And Upgrade (HD 7-11)		100,000	100,000	
Sunshine Community Health Center - Construction of New Community Health Clinic (HD 13-16)		423,000	423,000	
Tatitlek IRA Council - Power Generators Repairs and Replacement (HD 5)		26,600	26,600	
Territorial Sportsmen, Inc. - Public Use Cabin Construction (HD 3-4)		60,000	60,000	
Tolsona Fire Department - Firefighter's Safety Equipment and Apparatus Repair (HD 6)		100,000	100,000	
Tundra Women's Coalition - Construction of Children's Advocacy Center (HD 38)		600,000	600,000	
United Human Services of Southeast Alaska - Non-profit Center (HD 3-4)		120,000	120,000	
United Way of Anchorage - Weed & Seed Program Support (HD 17-32)		50,000	50,000	
Upper Susitna Shooters		5,000	5,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Association - Range Improvements (HD 13-16)				
VSA Arts of Alaska - Boiler Replacement (HD 17-32)		30,000	30,000	
Wasilla-Iditarod Elementary School - Playground and Exercise Equipment (HD 13-16)		30,000	30,000	
Weed and Seed East Anchorage - Russian Jack Advocacy (HD 17-32)		25,000	25,000	
Weed and Seed East Anchorage - Tax Assistance Computers (HD 17-32)		10,000	10,000	
World Trade Center Alaska - International Trade Partnership Project (HD 1-40)		450,000	450,000	
Yakutat Senior Center - Internet Access Infrastructure & Equipment (HD 5)		5,000	5,000	
Yukon-Kuskokwim Health Corporation - Sobering Center (HD 38)		475,000	475,000	
Grants to Municipalities (AS 37.05.315)				
Aleutians East Borough - Cold Bay Airport Apron and Taxiway Construction (HD		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
37)				
Anchorage - 100th Avenue Extension Phase II - Minnesota Drive to C Street (HD 17-32)		6,000,000	6,000,000	
Anchorage - 121st Avenue Storm Drain - Mary Drive to Ellen Avenue (HD 17-32)		600,000	600,000	
Anchorage - 13th Avenue Gateway Element Improvements (HD 17-32)		100,000	100,000	
Anchorage - 32nd Avenue Improvements - Muldoon Road to Brookridge Drive (HD 17-32)		3,000,000	3,000,000	
Anchorage - 35th Avenue Improvements - Wisconsin Street to Spenard Road (HD 17-32)		6,000,000	6,000,000	
Anchorage - 40th Avenue Extension - Piper Street to Dale Street (HD 17-32)		3,000,000	3,000,000	
Anchorage - 42nd Avenue Traffic & Safety Improvements (HD 17-32)		250,000	250,000	
Anchorage - 73rd and 74th Avenue Water Line Extension (HD 17-32)		1,200,000	1,200,000	
Anchorage - 74th Avenue Flooding and Glaciation Improvements (HD 17-32)		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - 88th Avenue Upgrade - Spruce Brook Street to Elmore Road (HD 17-32)		3,000,000	3,000,000	
Anchorage - Abbott Loop Elementary School Library Books (HD 17-32)		15,000	15,000	
Anchorage - Abbott Loop Elementary School Projectors & Document Cameras (HD 17-32)		20,000	20,000	
Anchorage - Abbott Loop Traffic Calming Improvements (HD 17-32)		60,000	60,000	
Anchorage - Airport Heights Elementary School Technology (HD 17-32)		20,000	20,000	
Anchorage - Alexander Avenue Drainage Improvements (HD 17-32)		250,000	250,000	
Anchorage - Anchorage Metropolitan Area Transportation Solutions (AMATS) Matching Funding (HD 17-32)		26,092,000	26,092,000	
Anchorage - Anchorage Senior Center Upgrades (HD 17-32)		770,000	770,000	
Anchorage - Aquarian Charter School Emergency Lighting (HD 17-32)		20,000	20,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Arctic Boulevard Chester Creek Flooding (HD 17-32)		150,000	150,000	
Anchorage - Bancroft Subdivision Road and Drainage Rehabilitation (HD 17-32)		250,000	250,000	
Anchorage - Bartlett High School Interactive Whiteboards (HD 17-32)		50,000	50,000	
Anchorage - Baxter Elementary School Classroom Technology Equipment (HD 17-32)		15,000	15,000	
Anchorage - Bayshore Elementary School Interactive Whiteboards (HD 17-32)		61,000	61,000	
Anchorage - Bayshore LED Street Lighting Upgrades (HD 17-32)		150,000	150,000	
Anchorage - Begich Middle School Science Program Supplies (HD 17-32)		2,700	2,700	
Anchorage - Begich Middle School Stream Gauge & Weather Shelter (HD 17-32)		1,500	1,500	
Anchorage - Ben Boeke Ice Arena Upgrades (HD 17-32)		300,000	300,000	
Anchorage - Blackberry Street/80th Avenue Area		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Local Road Surface Rehab (HD 17-32)				
Anchorage - Bluebell Drive at Golden View Drive Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Boniface Parkway Pedestrian & Bike Path Improvements (HD 17-32)		100,000	100,000	
Anchorage - Campbell Elementary School Computer Software (HD 17-32)		9,000	9,000	
Anchorage - Campbell Elementary School Mobile Computer Lab (HD 17-32)		40,000	40,000	
Anchorage - Campbell Elementary School Projectors & Document Cameras (HD 17-32)		32,000	32,000	
Anchorage - Centennial Park Upgrades, Repairs and Improvements (HD 17-32)		500,000	500,000	
Anchorage - Central Middle School Interactive Whiteboard (HD 17-32)		38,400	38,400	
Anchorage - Chester Valley Elementary School Equipment & Software (HD 17-32)		53,900	53,900	
Anchorage - Chinook		12,000	12,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Elementary School Construct Gym Storage Area (HD 17-32)				
Anchorage - Chinook Elementary School Gym Floor Protective Cover (HD 17-32)		7,000	7,000	
Anchorage - Chinook Elementary School Physical Education Equipment (HD 17-32)		2,500	2,500	
Anchorage - Chinook Elementary School Storage Cubicles (HD 17-32)		20,000	20,000	
Anchorage - Chinook Elementary School Wash Station & Drinking Fountain Replacement (HD 17-32)		6,000	6,000	
Anchorage - Chugach Elementary School Computers (HD 17-32)		44,000	44,000	
Anchorage - Chugiak to Eagle River Road and Drainage Improvements (HD 17-32)		30,000	30,000	
Anchorage - College Gate Elementary School Playground Equipment (HD 17-32)		50,000	50,000	
Anchorage - Cordova Street Pedestrian and		60,000	60,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Transportation Safety Study (HD 17-32)				
Anchorage - Creekside Park Elementary School Library Books (HD 17-32)		20,000	20,000	
Anchorage - Creekside Park Elementary Sidewalk Repairs (HD 17-32)		6,200	6,200	
Anchorage - Crime Scene Investigation Vehicle (HD 17-32)		410,000	410,000	
Anchorage - Dempsey Anderson Ice Arena Upgrades (HD 17-32)		250,000	250,000	
Anchorage - Denali Montessori School Computer Lab Equipment (HD 17-32)		10,300	10,300	
Anchorage - Dimond High School Advanced Placement Teacher Training (HD 17-32)		10,000	10,000	
Anchorage - Dimond High School Computers (HD 17-32)		42,000	42,000	
Anchorage - Duben Street Upgrade Study - Patterson Street to Muldoon Road (HD 17-32)		100,000	100,000	
Anchorage - East Anchorage Plan (HD 17-32)		80,000	80,000	
Anchorage - East High		29,000	29,000	

	Allocations	Appropriation Items	General Funds	Other Funds
School Computers Purchase (HD 17-32)				
Anchorage - East High School Library Resources (HD 17-32)		5,000	5,000	
Anchorage - Egavik Drive & Denali Street Reconstruction (HD 17-32)		1,500,000	1,500,000	
Anchorage - Emergency Medical & Fire Fighting Protective Equipment (HD 17-32)		150,000	150,000	
Anchorage - Fairview Elementary School Book and Technology Grant (HD 17-32)		30,000	30,000	
Anchorage - Fire Lake Elementary School Physical Education Program (HD 17-32)		10,000	10,000	
Anchorage - Fire Station #6 Replacement (HD 17-32)		6,000,000	6,000,000	
Anchorage - Fire Station #9 Remodel (HD 17-32)		5,000,000	5,000,000	
Anchorage - Flooding and Glaciation Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Gladys Wood Elementary Purchase Multimedia Equipment (HD 17-32)		26,000	26,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Gladys Wood Elementary School Classroom Walls and Storage (HD 17-32)		48,000	48,000	
Anchorage - Gladys Wood Elementary School Lunchroom Tables (HD 17-32)		15,000	15,000	
Anchorage - Glenn Highway/Eagle Glen South Subdivision Drainage (HD 17-32)		2,500,000	2,500,000	
Anchorage - Golden View Drive Intersection and Safety Upgrade - Rabbit Creek Road to Romania Drive (HD 17-32)		8,000,000	8,000,000	
Anchorage - Goldenview Middle School Cabinet Installation (HD 17-32)		15,000	15,000	
Anchorage - Government Hill Elementary School After-School Program Equipment (HD 17-32)		13,000	13,000	
Anchorage - Government Hill Elementary School Computer Software (HD 17-32)		3,600	3,600	
Anchorage - Hanshew Middle School Interactive Whiteboards (HD 17-32)		110,000	110,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Hightower Road Upgrade - Alyeska Highway to Community Center (HD 17-32)		800,000	800,000	
Anchorage - Independence Drive Upgrade & Extension (HD 17-32)		1,600,000	1,600,000	
Anchorage - Inlet View Elementary School Library Books (HD 17-32)		15,000	15,000	
Anchorage - Inlet View Elementary School Outdoor Running Track (HD 17-32)		24,000	24,000	
Anchorage - Intersection Safety and Congestion Relief Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Jewel Lake Road Rehab - Raspberry Road to Dimond Boulevard (HD 17-32)		2,400,000	2,400,000	
Anchorage - Johns Road Reconstruction - Klatt Road to High View Drive (HD 17-32)		7,000,000	7,000,000	
Anchorage - Kasuun Elementary School Digital Projectors (HD 17-32)		20,000	20,000	
Anchorage - Kasuun Elementary School Laptop Computers (HD 17-32)		25,000	25,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Kincaid Elementary School Replacement Furniture (HD 17-32)		11,000	11,000	
Anchorage - Kincaid Elementary Technology Upgrades (HD 17-32)		20,000	20,000	
Anchorage - King Career Center Refrigeration and Freezer Replacements (HD 17-32)		50,000	50,000	
Anchorage - King Career Center Solar Panels Study (HD 17-32)		10,000	10,000	
Anchorage - Klatt Elementary School Cafeteria Tables (HD 17-32)		7,500	7,500	
Anchorage - Klatt Elementary School Exterior Siding Repair (HD 17-32)		15,000	15,000	
Anchorage - Klatt Elementary School Sound System (HD 17-32)		30,000	30,000	
Anchorage - Klatt Road at C Street Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Klatt Road Pedestrian Facilities - C Street Trail to Via Appia		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Road (North side) (HD 17-32)				
Anchorage - Lake Hood Elementary School Book and Technology Grant (HD 17-32)		10,000	10,000	
Anchorage - Lake Hood Elementary School Cameras & Projectors (HD 17-32)		13,000	13,000	
Anchorage - Lake Hood Elementary School Mobile Computer Lab (HD 17-32)		10,000	10,000	
Anchorage - Lake Hood Elementary School Printers (HD 17-32)		1,000	1,000	
Anchorage - Lake Otis Elementary School Rock Climbing Wall (HD 17-32)		10,000	10,000	
Anchorage - Lake Otis Parkway Pedestrian Safety (HD 17-32)		250,000	250,000	
Anchorage - Lake Otis Parkway School Flashing Lights (HD 17-32)		75,000	75,000	
Anchorage - Latouche and Annapolis Pedestrian Safety (HD 17-32)		215,000	215,000	
Anchorage - Little Tree Drive Road and Drainage Rehabilitation (HD 17-32)		200,000	200,000	
Anchorage - Loussac Library		4,650,000	4,650,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Anchorage - Margaret Circle Area Drainage Improvements (HD 17-32)		450,000	450,000	
Anchorage - McLaughlin Secondary School Science Lab Conversion (HD 17-32)		60,000	60,000	
Anchorage - Meadow Street Upgrade & Reconstruction (HD 17-32)		1,520,000	1,520,000	
Anchorage - Mears Middle School Computer Lab (HD 17-32)		45,000	45,000	
Anchorage - Mears Middle School Locker Replacement (HD 17-32)		520,000	520,000	
Anchorage - Mears Middle School Water Heater Replacement (HD 17-32)		15,000	15,000	
Anchorage - Mirror Lake Elementary School Library and Technology Upgrades (HD 17-32)		7,500	7,500	
Anchorage - Mount Spurr Elementary School Classroom Space Renovations (HD 17-32)		35,000	35,000	
Anchorage - Mountain View and Russian Jack Park Vandalism Prevention Program (HD 17-32)		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Mountain View Drive Upgrade Study (HD 17-32)		150,000	150,000	
Anchorage - Mountain View Elementary School Boiler Replacement and Repairs (HD 17-32)		75,000	75,000	
Anchorage - Mountain View Elementary School Cameras & Projectors (HD 17-32)		6,250	6,250	
Anchorage - Mountain View Public Library (HD 17-32)		6,000	6,000	
Anchorage - Muldoon Community Park (HD 17-32)		1,000,000	1,000,000	
Anchorage - Muldoon Elementary School Asphalt and Sidewalk Repairs (HD 17-32)		80,000	80,000	
Anchorage - Muldoon Elementary School Cameras (HD 17-32)		5,000	5,000	
Anchorage - Muldoon Road Pedestrian Safety (HD 17-32)		150,000	150,000	
Anchorage - Newby Avenue Repair and Renovation (HD 17-32)		136,000	136,000	
Anchorage - North Star Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - North Star Elementary School Cameras & Projectors (HD 17-32)		7,000	7,000	
Anchorage - North Star Elementary School Mobile Computer Lab (HD 17-32)		15,000	15,000	
Anchorage - Northern Lights Boulevard Bike Pathway Rehabilitation (HD 17-32)		150,000	150,000	
Anchorage - Northern Lights Boulevard Pedestrian Safety (HD 17-32)		920,000	920,000	
Anchorage - Northern Lights Boulevard Sound Barrier Fence (HD 17-32)		1,000,000	1,000,000	
Anchorage - Northwood Drive Pavement Rehabilitation (HD 17-32)		1,700,000	1,700,000	
Anchorage - Northwood Elementary School Audio Book Library (HD 17-32)		1,400	1,400	
Anchorage - Northwood Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Northwood Elementary School Sidewalk Repairs (HD 17-32)		11,000	11,000	
Anchorage - Northwood Elementary School Sign (HD 17-32)		9,000	9,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Nunaka Valley Elementary School Heat Exchanger (HD 17-32)		50,000	50,000	
Anchorage - Nunaka Valley Park Facility Improvement Plan (HD 17-32)		50,000	50,000	
Anchorage - Nunaka Valley Street and Pedestrian Upgrades (HD 17-32)		50,000	50,000	
Anchorage - Ocean View Elementary School DVD/TV Equipment (HD 17-32)		32,000	32,000	
Anchorage - Ocean View Elementary School Sound System & Stage Improvements (HD 17-32)		15,000	15,000	
Anchorage - Old Eagle River Road Upgrade (RTP) - Monte Road to Baranoff Avenue (HD 17-32)		6,800,000	6,800,000	
Anchorage - Orion Elementary School Classroom Equipment Purchase (HD 17-32)		4,000	4,000	
Anchorage - Pavement Rehab Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Pedestrian Safety and Rehabilitation Matching Program (HD 17-32)		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Pioneer Home Sidewalk Safety Replacement (HD 17-32)		25,000	25,000	
Anchorage - Polaris School Science Kits, Lab Equipment and Genetic Instruments (HD 17-32)		18,500	18,500	
Anchorage - Port of Anchorage Expansion (HD 17-32)		20,000,000	20,000,000	
Anchorage - Ptarmigan Elementary School Cameras (HD 17-32)		5,000	5,000	
Anchorage - Recreation Facilities Upgrades (HD 17-32)		1,000,000	1,000,000	
Anchorage - Road and Drainage Phase II (HD 17-32)		250,000	250,000	
Anchorage - Rogers Park Elementary School Computers & Training (HD 17-32)		40,000	40,000	
Anchorage - Rogers Park Elementary School Multipurpose Room Retrofit (HD 17-32)		25,000	25,000	
Anchorage - Romig Middle School Book and Technology Grant (HD 17-32)		25,000	25,000	
Anchorage - Romig Middle		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
School Interactive Whiteboards (HD 17-32)				
Anchorage - Russian Jack Elementary School - Playground Equipment (HD 17-32)		10,000	10,000	
Anchorage - Russian Jack Springs Park (HD 17-32)		300,000	300,000	
Anchorage - Sand Lake Watershed Drinking Water Studies (HD 17-32)		250,000	250,000	
Anchorage - SAVE High School Multimedia Computer Lab (HD 17-32)		34,000	34,000	
Anchorage - Scenic Park Elementary School Cameras & Projectors (HD 17-32)		15,000	15,000	
Anchorage - School District Child in Transition Tutoring (HD 17-32)		25,000	25,000	
Anchorage - Service High School Classroom Technology Upgrades (HD 17-32)		40,000	40,000	
Anchorage - Service High School World Language Department Program (HD 17-32)		15,000	15,000	
Anchorage - Sitka Street Culvert Replacement (HD 17-32)		60,000	60,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - South High School - Athletic Fields Artificial Turf (HD 17-32)		700,000	700,000	
Anchorage - Spring Hill Elementary Technology Upgrades (HD 17-32)		50,000	50,000	
Anchorage - Steller Secondary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Steller Secondary School Computer Lab Wiring (HD 17-32)		20,000	20,000	
Anchorage - Steller Secondary School Library Chairs & Equipment (HD 17-32)		1,000	1,000	
Anchorage - Steller Secondary School Library Shelves & Furniture (HD 17-32)		4,000	4,000	
Anchorage - Steller Secondary School Mobile Computer Lab (HD 17-32)		38,000	38,000	
Anchorage - Steller Secondary School Replace Lighting Improvements (HD 17-32)		1,000	1,000	
Anchorage - Steller Secondary School Water Heater Replacement (HD		12,000	12,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Street Light Energy Conservation Upgrades (HD 17-32)		500,000	500,000	
Anchorage - Sullivan Arena Facility Upgrades (HD 17-32)		1,600,000	1,600,000	
Anchorage - Susitna Elementary School Interactive Whiteboards (HD 17-32)		8,000	8,000	
Anchorage - Susitna Elementary School Mobile Computer Lab (HD 17-32)		14,000	14,000	
Anchorage - Susitna Elementary School Multimedia (HD 17-32)		18,000	18,000	
Anchorage - Sylvan Drive Reconstruction (HD 17-32)		600,000	600,000	
Anchorage - Taku Elementary Wireless Internet Access (HD 17-32)		30,000	30,000	
Anchorage - Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements Phase II (HD 17-32)		2,500,000	2,500,000	
Anchorage - Totem Fields Phase II (HD 17-32)		350,000	350,000	
Anchorage - Traffic Calming and Pedestrian		350,000	350,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Safety (HD 17-32)				
Anchorage - Trailside Elementary School Computer Lab Software (HD 17-32)		10,000	10,000	
Anchorage - Trailside Elementary School Computers (HD 17-32)		30,000	30,000	
Anchorage - Tudor Elementary School Technology, Books, and Supplies Grant (HD 17-32)		31,800	31,800	
Anchorage - Turnagain Boulevard Area Flooding and Glaciation (HD 17-32)		150,000	150,000	
Anchorage - Turnagain Elementary School Interactive Whiteboards (HD 17-32)		60,000	60,000	
Anchorage - University Lake Park Bank Stabilization and Dog Amenities (HD 17-32)		75,000	75,000	
Anchorage - Wendler Middle School Electric Sign (HD 17-32)		27,000	27,000	
Anchorage - West High School Technology & Equipment (HD 17-32)		140,000	140,000	
Anchorage - Whaley Center Lifeskills Classroom Kitchen Upgrades (HD 17-32)		10,000	10,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - William Tyson Elementary School Computers & Printers (HD 17-32)		25,000	25,000	
Anchorage - William Tyson Elementary School Purchase Classroom Televisions (HD 17-32)		15,000	15,000	
Anchorage - Willow Crest Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Willow Crest Elementary School Interactive Whiteboard (HD 17-32)		8,000	8,000	
Anchorage - Willow Crest Elementary School Library Books & Supplies (HD 17-32)		27,000	27,000	
Anchorage - Willow Crest Elementary School Playground Equipment Upgrades (HD 17-32)		40,000	40,000	
Anchorage - Wonder Park Elementary School Interactive Whiteboards (HD 17-32)		69,250	69,250	
Angoon - Barge Landing (HD 5)		150,000	150,000	
Angoon - Engineering Design		500,000	500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
and Renovation for Front Road (HD 5)				
Angoon - Fire Truck (HD 5)		200,000	200,000	
Bethel - Electrical Utility Acquisition Study (HD 38)		150,000	150,000	
Bethel - Fire Station Repairs/Upgrades (HD 38)		1,000,000	1,000,000	
Bethel - New Bethel Police Station (HD 38)		3,000,000	3,000,000	
Bristol Bay Borough - Bear Proof Fencing for Landfill (HD 37)		60,000	60,000	
Bristol Bay Borough - Port of Bristol Bay - Improvements Phase II (HD 37)		5,000,000	5,000,000	
Chevak - Dump Truck Purchase (HD 39)		35,000	35,000	
Craig - Public Works Heavy Equipment Purchase and Replacement (HD 5)		300,000	300,000	
Delta Junction - EMS Rescue Squad Ambulance (HD 12)		175,000	175,000	
Delta Junction - Public Works Building Renovation (HD 12)		750,000	750,000	
Delta Junction - School District Wood Chip Heating System Project (HD 12)		800,000	800,000	
Delta Junction - Solid		875,000	875,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Waste & Septage Cell (HD 12)				
Delta Junction - Street Paving and Road Improvements (HD 12)		1,500,000	1,500,000	
Delta Junction - Volunteer Fire Department Water Tender (HD 12)		190,000	190,000	
Denali Borough - Anderson School Lighting Improvements (HD 7-11)		15,000	15,000	
Denali Borough - Cantwell School Repairs and Upgrades (HD 7-11)		50,000	50,000	
Denali Borough - Landfill Equipment (HD 7-11)		68,000	68,000	
Denali Borough - Tri-Valley School Electrical Upgrades (HD 7-11)		8,000	8,000	
Egegik - Design and Control for a New Class A Well (HD 37)		100,000	100,000	
Elim - VPSO Housing (HD 39)		100,000	100,000	
Fairbanks (City of) - Traffic Calming Demonstration Project (HD 7-11)		280,000	280,000	
Fairbanks - City of Fairbanks Street		7,000,000	7,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Reconstruction and Rehabilitation, Aurora Subdivision (HD 7-11)				
Fairbanks North Star Borough - Hutchison High School Distance Learning System (HD 7-11)		81,000	81,000	
Fairbanks North Star Borough - Pearl Creek Elementary School Classroom Upgrade (HD 7-11)		44,000	44,000	
Fairbanks North Star Borough - Road Service Area Improvements (HD 7-11)		5,000,000	5,000,000	
Fairbanks North Star Borough - Salcha Elementary School Exterior Envelope Replacement & Upgrade (HD 12)		1,140,000	1,140,000	
Fairbanks North Star Borough - Tanana River Bridge Access for Military Training Grounds, River Training (HD 7-11)		40,000,000	40,000,000	
Fairbanks North Star Borough - Ticasuk Brown Elementary School Septic System Replacement (HD 7-11)		430,000	430,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks North Star Borough - Two Rivers Elementary School Classroom Improvements (HD 7-11)		18,000	18,000	
Fairbanks North Star Borough - University Park Elementary Mobile Computer Lab (HD 7-11)		45,000	45,000	
Fairbanks North Star Borough - Weller Elementary School Classroom Improvements (HD 7-11)		29,000	29,000	
Fairbanks North Star Borough - West Valley High School Distance Learning System (HD 7-11)		81,000	81,000	
Fort Yukon - Solid Waste Disposal Facility (HD 6)		363,000	363,000	
Galena - Galena City School District - Central Steam Plant Up-Grade (HD 6)		990,000	990,000	
Gustavus - Replace Good River Road Culverts (HD 5)		80,000	80,000	
Homer - Anchor Point to Homer Natural Gas Pipeline (HD 33-35)		4,800,000	4,800,000	
Homer - Deep Water Dock Expansion, Phase 1 (HD		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
33-35)				
Homer - Karen Hornaday Park Improvements, Phase 1 (HD 33-35)		250,000	250,000	
Hoonah - Phase 3, Hoonah Marine Industrial Center (HD 5)		1,000,000	1,000,000	
Houston - Firefighting & Protective Equipment (HD 13-16)		40,000	40,000	
Houston - Municipal Road Maintenance (HD 13-16)		30,000	30,000	
Huslia - Electric Distribution System (HD 6)		490,000	490,000	
Hydaburg - Water System Upgrade (HD 5)		150,000	150,000	
Juneau - Juneau Arts & Culture Center Electrical and Facility Upgrades (HD 3-4)		50,000	50,000	
Juneau - School District School Safety Upgrades (HD 3-4)		116,000	116,000	
Juneau - School District Technology Infrastructure Upgrades (HD 3-4)		26,000	26,000	
Juneau - Sewage System Major Repairs & Expansion (HD 3-4)		3,000,000	3,000,000	
Kaltag - New Health Clinic Match Contribution (HD 6)		148,000	148,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Kenai Peninsula Borough - Kenai Central High School Auditorium Equipment (HD 33-35)		25,000	25,000	
Ketchikan - Bethe Substation Replacement (HD 1)		5,000,000	5,000,000	
Ketchikan - Fire Station No. 1 Replacement Project (HD 1)		5,300,000	5,300,000	
Ketchikan - Whitman Lake Hydro Project (HD 1)		16,680,000	16,680,000	
Ketchikan Gateway Borough - Baseball Training Facility (HD 1)		150,000	150,000	
Ketchikan Gateway Borough - Gateway Recreation Center Emergency Roof Replacement (HD 1)		920,000	920,000	
Ketchikan Gateway Borough - Ketchikan International Airport Facility Renovations and Reconstruction (HD 1)		1,500,000	1,500,000	
Klawock - Drive Down Ramp Phase II (HD 5)		480,000	480,000	
Kodiak - Public Safety Building Community Jail Completion (HD 36)		2,100,000	2,100,000	
Koyukuk - New Clinic Match Contribution (HD 6)		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Lake and Peninsula Borough - Chignik Small Boat Harbor (HD 37)		1,400,000	1,400,000	
Marshall - Public Safety Facility (HD 6)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Big Lake Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Big Lake Service Area Road Upgrades (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Buffalo Mine Road Street Light Installation (HD 13-16)		15,000	15,000	
Matanuska-Susitna Borough - Butte Elementary Library & Technology Upgrades (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Butte Volunteer Fire Department Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Caswell Lakes Service Area Equipment (HD 13-16)		45,000	45,000	
Matanuska-Susitna Borough - Caswell Lakes Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough -		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Fairview Service Area Roads Upgrade (HD 13-16)				
Matanuska-Susitna Borough - Goose Bay Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Greater Butte Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Hawk Lane Road Repair and Resurface (HD 13-16)		300,000	300,000	
Matanuska-Susitna Borough - Horseshoe Lake Road Upgrade (HD 13-16)		1,000,000	1,000,000	
Matanuska-Susitna Borough - Houston High School Football Field Lights (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Houston High School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Houston Middle School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Knik Elementary School Gymnasium Curtain (HD 13-16)		17,500	17,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Matanuska-Susitna Borough - Knik Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Knik River Road Reconstruction (HD 13-16)		2,100,000	2,100,000	
Matanuska-Susitna Borough - Knik Road Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Lake Lucille Improvements (HD 13-16)		125,000	125,000	
Matanuska-Susitna Borough - Lazy Mountain Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Meadow Lakes Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Meadow Lakes Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Mid-Valley High School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Midnight Sun Family Learning Center Library & Technology Upgrade (HD		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
13-16)				
Matanuska-Susitna Borough - North Nancy Lake Peninsula Road Rehabilitation Project (HD 13-16)		850,000	850,000	
Matanuska-Susitna Borough - Parks Highway Connector Improvements (HD 13-16)		2,000,000	2,000,000	
Matanuska-Susitna Borough - Self-Contained Breathing Apparatus Purchase (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Snowshoe Elementary Library & Technology Upgrades (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Su Valley School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Substandard Bridge and Road Repair and Maintenance (HD 13-16)		3,000,000	3,000,000	
Matanuska-Susitna Borough - Talkeetna Service Area Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Talkeetna Service Area Roads Upgrades (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough -		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Trapper Creek Elementary School Library & Technology Upgrade (HD 13-16)				
Matanuska-Susitna Borough - Trapper Creek Elementary School Roof Replacement (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Trapper Creek Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Wasilla-Lakes FSA Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - West Lakes FSA Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Willow Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Willow Service Area Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Willow Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Wolverine Creek Dry Hydrant Project (HD 13-16)		50,000	50,000	
Mountain Village - Heavy Equipment Purchase (HD 39)		240,000	240,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Napakiak - Road Maintenance and Dust Control (HD 38)		275,000	275,000	
Nenana - Nenana City Public School - Nenana Student Learning Center Debt Retirement (HD 6)		1,500,000	1,500,000	
Nome - Museum Construction and Development (HD 39)		5,000,000	5,000,000	
Nome - Remodel Recreation Center for Emergency Shelter Services (HD 39)		500,000	500,000	
North Pole - Environmental Assessment for Railroad Realignment and Expansion (HD 7-11)		1,000,000	1,000,000	
North Slope Borough - Fire Station Deferred Maintenance and Safety Equipment (HD 40)		342,500	342,500	
North Slope Borough - Search and Rescue Public Safety Equipment (HD 40)		500,000	500,000	
Northwest Arctic Borough - Kiana Heavy Equipment (HD 40)		180,000	180,000	
Northwest Arctic Borough - Noatak Storage Shed (HD 40)		150,000	150,000	
Northwest Arctic Borough - Noorvik Heavy Equipment (HD 40)		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Old Harbor - City Dock Reconstruction (HD 36)		3,100,000	3,100,000	
Ouzinkie - Alternative Wind Energy Generation - Phase I Data Collection (HD 36)		10,000	10,000	
Ouzinkie - Ouzinkie Replacement Dock/Economic Development Project (HD 36)		5,100,000	5,100,000	
Palmer - Lift Station & Sewer System Rehabilitation (HD 13-16)		750,000	750,000	
Pelican - Water and Sewer Improvements (HD 2)		200,000	200,000	
Petersburg - Fire & EMS Facility Construction (HD 2)		6,700,000	6,700,000	
Petersburg - Petersburg Medical Center - Medical Equipment Replacement (HD 2)		50,000	50,000	
Pilot Point - Assess Safety & Structure Issues of Old Cannery Buildings (HD 37)		55,000	55,000	
Pilot Station - New Public Safety Building (HD 39)		960,000	960,000	
Port Alexander - Bear Hall Rehab and Renovation (HD 2)		5,000	5,000	
Port Lions - Port Lions		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
City Dock and Ferry Terminal Repairs and Replacement (HD 36)				
Saint George - Purchase Vacuum Sewage Pumper Truck (HD 37)		150,000	150,000	
Saint Mary's - Rock Crusher/Screening Plant (HD 39)		300,000	300,000	
Saint Michael - St. Michael Heavy Equipment Fleet (HD 39)		200,000	200,000	
Savoonga - D6N XL Tractor (HD 39)		275,000	275,000	
Savoonga - Steel Garage (HD 39)		50,000	50,000	
Saxman - Backhoe Loader Purchase (HD 1)		75,000	75,000	
Scammon Bay - Heavy Equipment (HD 39)		150,000	150,000	
Seldovia - Water and Sewer Upgrades (HD 33-35)		100,000	100,000	
Seward - Alaska Sealife Center Seawater Intake Pipelines Biofouling Remediation (HD 33-35)		1,000,000	1,000,000	
Seward - Mooring Dolphins and Dock Improvements at Seward Marine Center (HD 33-35)		1,500,000	1,500,000	
Seward - The Alutiq Pride		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Shellfish Hatchery Repairs and Upgrade (HD 33-35)				
Shaktoolik - Heavy Equipment Purchase (HD 39)		194,800	194,800	
Sitka - Blue Lake Hydroelectric Expansion (HD 2)		15,000,000	15,000,000	
It is the intent of the legislature that this appropriation be matched 50/50 with local funds.				
Sitka - Moller Park Baseball Field Improvements (HD 2)		500,000	500,000	
Sitka - Sitka School District - Vocational Education Facility Construction (HD 2)		1,400,000	1,400,000	
Soldotna - Funny River Road Relocation (HD 33-35)		38,900	38,900	
Soldotna - Lighting Energy Conservation Project (HD 33-35)		389,200	389,200	
Soldotna - Reconstruct North Binkley Street (HD 33-35)		544,000	544,000	
Soldotna - Soldotna Creek Park Development (HD 33-35)		75,000	75,000	
Tanana - Fire Truck and Fire Equipment Purchase (HD 6)		270,000	270,000	
Tanana - Washeteria Equipment & Sanitation		233,000	233,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements (HD 6)				
Teller - Heavy Equipment Purchase (HD 39)		228,300	228,300	
Thorne Bay - Community Roads Repair and Resurface (HD 1)		150,000	150,000	
Togiak - Repair Storm Damage to Seawall (HD 37)		85,000	85,000	
Toksook Bay - Toksook Bay Dumpsite Improvement (HD 38)		225,000	225,000	
Unalaska - Unalaska Powerhouse Expansion Project (HD 37)		5,000,000	5,000,000	
Valdez - Flood Mitigation and Dike Upgrades for Subdivision at 10 Mile Richardson Hwy (HD 12)		800,000	800,000	
Valdez - Valdez High School Fire Alarm/Sprinkler Replacement (HD 12)		1,000,000	1,000,000	
White Mountain - Public Safety Building (HD 39)		857,000	857,000	
Whittier - Shotgun Cove Road Phase II (HD 17-32)		4,000,000	4,000,000	
Wrangell - Hospital and Nursing Home Replacement Project (HD 2)		3,000,000	3,000,000	
Wrangell - School District Replacement Wrestling Mats		40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 2)				
Yakutat - Renovation of Court House Building and City Hall (HD 5)		300,000	300,000	
Grants to Municipalities (AS 37.05.315) - Public Library Construction				
It is the intent of the legislature that the following Grants to Municipalities (AS 37.05.315) satisfy FY2011 capital funding for those public library construction projects identified by the Alaska Library Association and received by the Department of Commerce, Community and Economic Development until such time as the first round of the Public Library Construction and Major Expansion Matching Grant program (AS 14.56.355) is completed.				
Cordova - Cordova Center and Library (HD 5)		2,000,000	2,000,000	
Kenai - Community Library Expansion (HD 33-35)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Sutton Community Library & Resource Center (HD 13-16)		1,700,000	1,700,000	
North Slope Borough - Tuzzy Library Expansion Project (HD 40)		350,000	350,000	
Petersburg - Public Library (HD 2)		3,300,000	3,300,000	
Seward - Community Library (HD 33-35)		4,700,000	4,700,000	
Grants to Unincorporated Communities (AS 37.05.317)				
Alatna - Tribal Hall Construction (HD 6)		150,000	150,000	
Chalkyitsik - Electrical		38,000	38,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Metering Program (HD 6)				
Chalkyitsik - Energy Efficient Diesel Generator Installation (HD 6)		26,000	26,000	
Circle - New Clinic Match Contribution (HD 6)		150,000	150,000	
Cooper Landing - Senior Housing Garage & Workshop (HD 33-35)		95,000	95,000	
Ester - John Trigg Ester Library Design and Construction (HD 7-11)		50,000	50,000	
Evansville - New Health Clinic Match Contribution (HD 6)		150,000	150,000	
Hollis - Emergency Services Facility Construction (HD 1)		400,000	400,000	
Igiugig - Fuel Delivery Truck (HD 36)		12,000	12,000	
Igiugig - Rural Power Systems Upgrade (HD 36)		110,000	110,000	
Iliamna - Village Community Hall Renovations (HD 36)		72,000	72,000	
Klukwan - Garbage Truck Purchase (HD 5)		32,900	32,900	
Manley Hot Springs - Fire/Rescue/Public Safety Building (HD 6)		150,000	150,000	
Mentasta Lake -		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Multi-Purpose Community Services Center (HD 6)				
Minto - Multi-Purpose Community Center (HD 6)		150,000	150,000	
Nikolaevsk - Natural Gas Line Reduction Unit (HD 33-35)		250,000	250,000	
Northway Village - Community Center Addition (HD 6)		125,000	125,000	
Stevens Village - New Clinic Match Contribution (HD 6)		150,000	150,000	
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
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Grants to Named Recipients (AS 37.05.316)				
Alaska Gateway School District - Dot Lake School Playground Equipment (HD 6)		30,000	30,000	
Chatham School District - Angoon Elementary School Playground (HD 5)		65,000	65,000	
Copper River School District - Copper River Connects (HD 12)		300,000	300,000	
Southeast Island School District - Port Alexander Teacher Housing Remodel &		23,000	23,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Renovation (HD 2)				
Yukon Koyukuk School District - Emergency School Renovations and Equipment Upgrades (HD 6)		40,000	40,000	
Yukon Koyukuk School District - Jimmy Huntington High School Mold Remediation (HD 6)		140,000	140,000	
Yukon Koyukuk School District - Ruby School Playground Equipment (HD 6)		60,000	60,000	

(SECTION 11 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 11.** The following sets out the funding by agency for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	463,623,450
*** Total Agency Funding ***	$463,623,450
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	658,000
*** Total Agency Funding ***	$658,000
* * * * * Total Budget * * * * *	$464,281,450

(SECTION 12 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 12.** The following sets out the statewide funding for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1004 Unrestricted General Fund Receipts	464,281,450
Total Unrestricted General Funds	$464,281,450
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 13 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 13.** The following appropriation items are for capital project grants to upgrade commercial passenger vessel services and infrastructure, enhance passenger safety and support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS 43.52.230) as set out in section 14 of this Act to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Marine Exchange of Alaska - Alaska Vessel Tracking System Upgrades and Expansion (HD 1-40)		600,000		600,000
Southeast Alaska State Fair Inc. - Harriet Hall ADA Upgrades for Commercial Passenger Vessel Visitors (HD 5)		270,000		270,000
Grants to Municipalities (AS 37.05.315)				
Haines - Port Chilkoot Cruise Ship Dock Upgrade (HD 5)		2,910,000		2,910,000
Hoonah - Harbor Improvements (HD 5)		1,000,000		1,000,000
Juneau - Centennial Hall Emergency Relief Center Improvements (HD 3-4)		1,200,000		1,200,000

	Allocations	Appropriation Items	General Funds	Other Funds
Juneau - Cruise Ship Dock Replacement (HD 3-4)		9,000,000		9,000,000
Ketchikan - Cruise Ship Berth IV Traffic Signal (HD 1)		1,300,000		1,300,000
Ketchikan - Replace Cruise Ship Berths I and II (HD 1)		10,000,000		10,000,000
Petersburg - Design and Construction of Commercial Dock with Vehicle Drive Down (HD 2)		1,250,000		1,250,000
Seward - Commercial Passenger Vessel Harbor Security - Coast Guard Building Relocation (HD 33-35)		300,000		300,000
Seward - Security and Fire Protection for Commercial Passenger Vessels (HD 33-35)		2,000,000		2,000,000
Sitka - Commercial Passenger Vessel Facilities and Visitor Improvements (HD 2)		4,500,000		4,500,000
Sitka - Crescent Harbor Sidewalk Widening (HD 2)		1,000,000		1,000,000
Sitka - Swan Lake Recovery and Improvements (HD 2)		1,650,000		1,650,000
Skagway - Commercial Passenger Vessel Lightering		4,000,000		4,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
and Harbor Improvements (HD 5)				
Skagway - Municipal Wastewater Treatment Facility Improvements Due to Seasonal Impacts (HD 5)		800,000		800,000
Wrangell - Commercial Passenger Vessel Facility (HD 2)		3,250,000		3,250,000
Wrangell - Waterfront Master Plan (HD 2)		75,000		75,000

(SECTION 14 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 14.** The following sets out the funding by agency for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	11,695,000
*** Total Agency Funding ***	$45,105,000
* * * * * Total Budget * * * * *	$45,105,000

(SECTION 15 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 15.** The following sets out the statewide funding for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Unrestricted General Funds	
Total Unrestricted General Funds	$0
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	11,695,000
Total Other Non-Duplicated Funds	$45,105,000
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 16 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 16.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as defined in AS 44.21.045(b), receipts of the University of Alaska as described in AS 37.05.146(b)(2), receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21), corporate receipts of the Alaska Housing Finance Corporation, corporate receipts of the Alaska Aerospace Corporation, Exxon Valdez oil spill trust receipts as defined in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council under AS 37.05.146(b)(5), that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) exceed the estimates appropriated by this Act, the appropriations from state funds for the affected program may be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) fall short of the estimates appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

* **Sec. 17.** FUND CAPITALIZATION. The sum of $140,000,000 is appropriated from the general fund to the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400(a)) for the natural gas pipeline project construction inducement under AS 43.90.110(a)(1).

* **Sec. 18.** FUND TRANSFERS. (a) The income earned during fiscal year 2011 on revenue from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

(b) The following amounts are appropriated to the election fund required by the federal Help America Vote Act:

(1) interest earned on amounts in the election fund required by the federal Help America Vote Act;

(2) the sum of $1,425,000 from federal receipts;

(3) the sum of $1,550,000 from the general fund.

(c) The sum of $50,000,000 is appropriated from the general fund to the renewable energy grant fund (AS 42.45.045(a)).

(d) The sum of $10,000,000 is appropriated from the general fund to the power

project fund (AS 42.45.010).

*** Sec. 19.** INSURANCE CLAIMS. The amounts to be received in settlement of insurance claims for losses and the amounts to be received as recovery for losses are appropriated from the general fund to the

(1) state insurance catastrophe reserve account (AS 37.05.289(a)); or

(2) appropriate state agency to mitigate the loss.

*** Sec. 20.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. (a) The sum of $4,847,165 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	ALLOCATION
(1) City of Nuiqsut	Local government operations and maintenance	$ 545,737
(2) North Slope Borough	School counselor grant application	251,243
(3) City of Atqasuk	Local government operations and youth program	403,474
(4) City of Nuiqsut	Youth center operations and maintenance	289,000
(5) North Slope Borough	Internship two-year program	391,000
(6) City of Wainwright	Wainwright youth program	327,935
(7) North Slope Borough	Mayor's job program	333,000
(8) City of Wainwright	Wainwright local government operations	455,776
(9) City of Barrow	Local government operations and maintenance	1,600,000
(10) North Slope Borough	North Slope Borough volunteer search and rescue	250,000

(b) If the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is less than the sum of the allocations made in (a) of this section, the Department of Commerce, Community, and Economic Development shall work with the municipalities listed in (a) of this section to reduce the sum of the allocations made in (a) of this section to equal the amount received.

*** Sec. 21.** ALASKA ENERGY AUTHORITY. The interest earnings on the renewable energy grant fund (AS 42.45.045), estimated to be $2,000,000, are appropriated to the Alaska Energy Authority for administration of the renewable energy grant fund (AS 42.45.045) for the fiscal year ending June 30, 2011.

*** Sec. 22.** ALASKA HOUSING FINANCE CORPORATION. (a) The unexpended and unobligated balances, estimated to be a total of $1,371,893, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 83, lines 12 - 13 (AHFC maintenance workshop - $500,000), sec. 1, ch. 3, FSSLA 2005, page 64, lines 29 - 30 (AHFC Birch Park window replacement - $1,323,000), and sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 16 - 18 (AHFC Anchorage Family Investment Center (AFIC) renovation - $2,100,000) are reappropriated to the Alaska Housing Finance Corporation to build or acquire an undesignated site for relocation of the Alaska Housing Finance Corporation, Anchorage Public Housing Division, Family Investment Center, client intake, and assisted housing office.

(b) The unexpended and unobligated balances, estimated to be a total of $2,963,474, of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 14 - 15 (AHFC Alpine Terrace renovation - $6,450,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 25 - 26 (AHFC Pacific Terrace replacement - $11,426,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 27 - 28 (AHFC Ptarmigan Park renovation - $1,784,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 29 - 30 (AHFC Sea View Terrace renovation - $3,508,000), and sec. 13, ch. 29, SLA 2008, page 156, lines 23 - 24 (AHFC Etolin Heights roofing replacement - $500,000) are reappropriated to the Alaska Housing Finance Corporation to demolish and reconstruct units of public housing of the San Roberto redevelopment project in Anchorage.

*** Sec. 23.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC

DEVELOPMENT. (a) The sum of $35,000 is appropriated from the anatomical gift awareness fund (AS 13.50.160) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Life Alaska Donor Services, Inc., for promoting the donation program prescribed in AS 13.50.150 for the fiscal year ending June 30, 2011.

(b) The sum of $250,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the 2010 world expo for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 24.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The unexpended and unobligated balance, not to exceed $5,500,000, of the appropriation made in sec. 4, ch. 29, SLA 2007, page 13, lines 10 - 14, as amended by sec. 8(b), ch. 14, SLA 2009 (Department of Health and Social Services, MH Southcentral Foundation Residential Psychiatric Treatment Center, match for Bring the Kids Home - $7,000,000) is reappropriated to the Department of Health and Social Services for planning and design of the Alaska Center for Treatment.

*** Sec. 25.** DEPARTMENT OF NATURAL RESOURCES. Section 10, ch. 29, SLA 2008, page 70, lines 28 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Architecture and Engineering for a New Geologic Material Center [IN EAGLE RIVER] - Phase 1 (HD 17-32)	1,500,000	1,500,000

*** Sec. 26.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The sum of $60,000,000 is appropriated from the Alaska marine highway vessel replacement fund (AS 37.05.550) to the Department of Transportation and Public Facilities for construction of an Alaska marine highway Alaska class ferry.

(b) It is the intent of the legislature that the new Alaska class ferry be constructed at a shipyard facility located in the state unless the commissioner of transportation and public facilities

(1) determines in writing that there is no shipyard facility located in the state that is equipped or qualified to perform the work required; or

(2) determines, after taking into consideration the Alaska bidder preference set out in AS 36.30.170 and the interport differential, that the proposed cost of the construction work is unreasonable.

(c) Section 58(c), ch. 3, FSSLA 2005, as amended by sec. 20(p), ch. 30, SLA 2007, is amended to read:

(c) Subject to sec. 62, ch. 3, FSSLA 2005, the sum of $40,300,000 is appropriated from the Alaska capital income fund to the Department of Transportation and Public Facilities for the following projects in the amounts stated, subject to reallocation among the projects under AS 37.07.080(e):

PROJECT	AMOUNT
Alaska marine highway **facility in Ward Cove** [ALL-TIDE LAY-UP FACILITY]	$5,000,000
DeLong Mountain, port expansion EIS completion	500,000
Denali Borough, Stampede Road Improvements	200,000
Industrial roads	3,300,000
King Cove Road	2,000,000
McCarthy Road, major maintenance	2,000,000
Nome warm storage building construction	1,000,000
North Slope, Foothills West Road EIS	3,000,000
North Slope, Bullen Point EIS	4,500,000
Dalton Highway, surfacing upgrades	6,000,000
Dalton Highway, Washington Creek Bridge	3,500,000
Parks Highway reconstruction	1,800,000
Richardson Highway, highway passing lanes, Milepost 265 - 341	5,000,000
Richardson Highway, Shaw Creek Bridge	2,500,000

*** Sec. 27.** HOUSE DISTRICT 2. Section 16, ch. 29, SLA 2008, page 181, lines 22 - 24, is

amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Petersburg - Commercial Passenger Vessel Berthing, **Power, Uplands, and Aesthetic Improvements** [AND POWER UPGRADES] (HD 2)	1,250,000	1,250,000

*** Sec. 28.** HOUSE DISTRICTS 3 - 4. The unexpended and unobligated balance, estimated to be $48,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 6, lines 14 - 16 (Boys and Girls Club of Southeast Alaska, capital needs - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Juneau Youth Services for residential facility maintenance and repairs.

*** Sec. 29.** HOUSE DISTRICT 5. (a) The unexpended and unobligated balances, estimated to be a total of $1,500,000, of the appropriations made in sec. 16, ch. 29, SLA 2008, page 180, lines 26 - 28 (Hoonah, cruise ship mooring buoy system - $500,000) and sec. 4, ch. 15, SLA 2009, page 44, lines 24 - 26 (Hoonah, cruise ship mooring buoy system - $1,000,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Hoonah for cruise ship passenger walkway construction and upgrades.

(b) The unexpended and unobligated balance, not to exceed $200,000, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, lines 14 - 16 (Craig, Prince of Wales health care facility - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for fish processing capacity and community cold storage.

(c) The unexpended and unobligated balance, estimated to be $150,000, of the appropriation made in sec. 1, ch. 30, SLA 2007, page 63, lines 17 - 18 (Klawock, water and sewer improvements - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Klawock for community projects and improvements.

(d) The unexpended and unobligated balance, not to exceed $150,000, of the

appropriation made in sec. 13, ch. 11, SLA 2008, page 82, lines 28 - 30 (Yakutat, water and sewer facility upgrade and improvements - $750,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Yakutat for an electrical system conduit and power generation planning, design, and construction.

(e) The unexpended and unobligated balance, estimated to be $12,000, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 11, lines 17 - 18 (Chatham School District, Angoon van - $40,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for equipment purchases and upgrades.

(f) The unexpended and unobligated balances, estimated to be a total of $7,500, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 28 - 30 (Whale Pass Community Association, fire hall roof replacement - $15,000) and sec. 1, ch. 3, FSSLA 2005, page 12, lines 31 - 33 (Whale Pass Community Association, library roof replacement - $5,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Whale Pass Community Association for community projects and improvements.

(g) The unexpended and unobligated balance, estimated to be $11,800, of the appropriation made in sec. 37(a), ch. 159, SLA 2004 (Angoon, matching funds for fisheries economic development grants) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for community projects, equipment, and improvements.

(h) The unexpended and unobligated balance, estimated to be $37,500, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 92, lines 11 - 13 (Angoon Community Association, Road grader - $300,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for projects, equipment, and improvements for Angoon schools.

(i) The unexpended and unobligated balances, estimated to be a total of $11,000, of the appropriations made in sec. 34(a), ch. 30, SLA 2007 (Angoon Community Association, emergency medical equipment for Angoon EMS), sec. 34(e), ch. 30, SLA 2007 (Angoon Community Association, fire truck), and sec. 34(f), ch. 30, SLA 2007 (Angoon Community

Association, building renovation) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for projects, equipment, and improvements for the Angoon head start program.

*** Sec. 30.** HOUSE DISTRICT 6. (a) The unexpended and unobligated balance, estimated to be $80,000, of the appropriation made in sec. 10, ch. 29, SLA 2008, page 62, lines 23 - 26 (Chalkyitsik, overhead electrical distribution system wiring renovation - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Chalkyitsik for community projects and improvements.

(b) The unexpended and unobligated balance, estimated to be $53,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 16, lines 15 - 19 (Galena, expert legal and technical analysis for proposed mini-nuclear power plant - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Galena for community projects and improvements.

(c) The unexpended and unobligated balances, estimated to be a total of $90,000, of the appropriations made in sec. 1, ch. 30, SLA 2007, page 77, lines 16 - 17 (Tyonek, new emergency fire truck - $45,000) and sec. 10, ch. 29, SLA 2008, page 63, lines 11 - 12 (Tyonek, fire truck acquisition - $45,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Tyonek for community projects, equipment, and improvements.

*** Sec. 31.** HOUSE DISTRICTS 7 - 11. (a) The unexpended and unobligated balances, estimated to be a total of $61,000, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 23, lines 22 - 27 (Fairbanks North Star Borough, North Star Volunteer Fire Department facility exhaust and ventilation improvements - $200,000) and sec. 1, ch. 3, FSSLA 2005, page 23, lines 28 - 31 (Fairbanks North Star Borough, Two Rivers Elementary School gym floor replacement - $70,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for the Birch Hill Disaster Communications project.

(b) The unexpended and unobligated balance, estimated to be $1,792,900, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 16, lines 17 - 18 (Ice Alaska, ice park

facilities, event - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for tourism and community development and an ice park.

* **Sec. 32.** HOUSE DISTRICT 12. The unexpended and unobligated balance, estimated to be $22,200, of the appropriation made in sec. 41(a)(7), ch. 3, FSSLA 2005 (Glacier View Community Council, purchase fire-fighting equipment and training - $43,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Glacier View Community Council for purchasing fire-fighting equipment, training, and drilling a well to be used as a water source for fire-fighting.

* **Sec. 33.** HOUSE DISTRICTS 13 - 16. The unexpended and unobligated balances, estimated to be a total of $264,500, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 43, lines 14 - 16 (Matanuska-Susitna Borough, Fish Hook Fire Station on Turner Drive - $100,000) and sec. 1, ch. 3, FSSLA 2005, page 27, line 32, through page 30, line 3 (Matanuska-Susitna Borough, Colony High School running track - $172,502) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Matanuska-Susitna Borough for a new fire engine for the Greater Palmer Fire Service Area.

* **Sec. 34.** HOUSE DISTRICT 14. (a) The unexpended and unobligated balance, estimated to be $8,400, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 5, lines 29 - 32 (Areawide Council, Veteran's Memorial, new panels and landscaping beautification - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Areawide Council for new panels and landscaping beautification for the Veteran's Memorial.

(b) The unexpended and unobligated balance, estimated to be $76,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 20 - 21 (The Children's Place, expansion - $90,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to The Children's Place for expansion.

(c) The unexpended and unobligated balance, estimated to be $1,980,000, of the appropriation made in sec. 52(*l*), ch. 3, FSSLA 2005 (Wasilla, Wasilla to Big Lake trail -

$2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Wasilla to Big Lake trail.

(d) The unexpended and unobligated balance, estimated to be $31,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 22, lines 19 - 22 (Wasilla, sports complex emergency generators and kitchen - $600,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for emergency generators and a kitchen for the sports complex.

(e) The unexpended and unobligated balance, estimated to be $5,000, of the appropriation made in sec. 42(i), ch. 3, FSSLA 2005 (Wasilla, Old Knik landfill/Smith Ball Fields ground water investigation) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Old Knik landfill/Smith Ball Fields ground water investigation.

(f) The unexpended and unobligated balances, estimated to be a total of $851,900, of the appropriations made in sec. 52(j), ch. 3, FSSLA 2005 (Wasilla, design of an extension of East Susitna Avenue - $125,000) and sec. 13, ch. 29, SLA 2008, page 133, lines 18 - 19 (Wasilla, East Susitna Avenue extension - $750,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for improvements to Swanson Avenue and Nelson Avenue.

(g) The unexpended and unobligated balance, estimated to be $116,600, of the appropriation made in sec. 52(i), ch. 3, FSSLA 2005 (Wasilla, Mission Hills water line extension - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for a new downtown water station.

* **Sec. 35.** HOUSE DISTRICT 15. The unexpended and unobligated balance, estimated to be $17,500, of the appropriation made in sec. 7, ch. 29, SLA 2008, page 13, lines 3 - 6 (Big Lake Chamber of Commerce, community information center - $17,500) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Big Lake Lions Club for a community information center.

*** Sec. 36.** HOUSE DISTRICTS 17 - 32. (a) Section 7, ch. 29, SLA 2008, page 22, lines 30 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Service High School Football Field Turf Design **and Construction** (HD 17-32)	500,000	500,000

(b) Section 10, ch. 29, SLA 2008, page 50, lines 21 - 23, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - South High School Artificial Turf Field Design **and Construction** (HD 17-32)	500,000	500,000

(c) Section 13, ch. 29, SLA 2008, page 105, lines 9 - 11, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Central Middle School Stage Floor Refinishing **and Projector Screen, Sound System, and Curtains Replacement and Installation** (HD 17-32)	20,000	20,000

(d) The unexpended and unobligated balance, not to exceed $75,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for the Anchorage Scenic Park Subdivision area curb replacement project.

(e) The unexpended and unobligated balance, not to exceed $13,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Scenic Foothills Community Council to fund reinstatement of the Scenic Foothills community patrol for the fiscal year ending June 30, 2011.

(f) If the amount available for appropriation in (d) and (e) of this section is less than $88,500, the reappropriations made in (d) and (e) of this section shall be reduced in proportion to the amount of the shortfall.

(g) The unexpended and unobligated balance, estimated to be $4,480, of the appropriation made in sec. 1, ch. 82, SLA 2003, page 13, lines 23 - 26 (Chugiak/Eagle River Chamber of Commerce, town center revitalization project - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for library book acquisition for the Chugiak-Eagle River Branch Library.

*** Sec. 37.** HOUSE DISTRICT 26. The unexpended and unobligated balance, estimated to be $121,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 41, lines 30 - 33 (Anchorage, West Northern Lights sound barrier wall construction - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Anchorage Parks Foundation for Margaret Eagan Sullivan Park improvements.

*** Sec. 38.** HOUSE DISTRICTS 33 - 34. (a) The unexpended and unobligated balance, not to exceed $99,500, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 4, lines 12 - 15 (Agrium U.S., Inc., Phase II development of the Kenai coal gasification project - $5,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kenai Peninsula Economic Development District for Cook Inlet tidal power analysis.

(b) The unexpended and unobligated balance, not to exceed $20,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and

Economic Development for payment as a grant under AS 37.05.316 to the North Peninsula Recreation Service Area for replacement of the shower at the Nikiski Pool.

(c) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kasilof Regional Historical Association for protection of the dunes at the mouth of the Kasilof River.

(d) The unexpended and unobligated balance, not to exceed $50,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Central Emergency Services for the off-highway rescue project.

(e) The unexpended and unobligated balance, not to exceed $73,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Nikiski Fire Service Area for the purchase of a new ambulance.

(f) If the amount available for appropriation in (b) - (e) of this section is less than $203,000, the reappropriations made in (b) - (e) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 39.** HOUSE DISTRICT 34. (a) The unexpended and unobligated balance, not to exceed $55,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Ninilchik Fair Association for fairground improvements.

(b) The unexpended and unobligated balance, not to exceed $45,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and

Economic Development for payment as a grant under AS 37.05.316 to Ninilchik Emergency Services for vehicle purchase and improvements and equipment purchase and improvements.

(c) If the amount available for appropriation in (a) and (b) of this section is less than $100,000, the appropriations made in (a) and (b) of this section shall be reduced in proportion to the amount of the shortfall.

(d) The unexpended and unobligated balances, estimated to be a total of $41,500, of the appropriations made in sec. 41(d), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center building expansion project) and sec. 41(e), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center sanitary facility) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Nikiski Senior Citizens, Inc., for Nikiski Senior Center improvements.

*** Sec. 40.** HOUSE DISTRICT 35. The unexpended and unobligated balance, estimated to be $1,457,700, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 118, lines 26 - 27 (Homer, Homer City Hall - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Homer for renovation of and additions to Homer City Hall.

*** Sec. 41.** HOUSE DISTRICT 37. The unexpended and unobligated balance, estimated to be $6,300, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 20, lines 18 - 21 (Saint George, harbor planning, engineer, FEMA disaster reconstruct - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Saint George for community facilities and equipment upgrades.

*** Sec. 42.** HOUSE DISTRICT 38. Section 34(c), ch. 15, SLA 2009, is amended to read:

(c) The unexpended and unobligated balances**, estimated to be a total of $462,500,** of the appropriations made in sec. 8(a)(15), ch. 159, SLA 2004 (Kongiganak, community projects and improvements - $27,770), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 17 (Kongiganak, community projects and improvements - $55,496), sec. 8(b)(28), ch. 159, SLA 2004 (Napaskiak, community projects and improvements - $6,326), sec. 131, ch. 139, SLA 1998, page 99, lines 19 - 20 (Nunapitchuk, motor grader snowblade - $15,500), sec. 1, ch. 135, SLA 2000, page 53, lines 28 - 30 (Nunapitchuk, washeteria renovation - water improvements -

$50,000), sec. 15(b), ch. 61, SLA 2001, page 78, line 19 (Nunapitchuk, capital projects and improvements - $26,322), sec. 1, ch. 1, SSSLA 2002, page 81, lines 30 - 31 (Nunapitchuk, solid waste dumpsite upgrade - $25,000), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 24 (Oscarville, community projects and improvements - $88,107), sec. 71(c), ch. 1, SSSLA 2002 (Oscarville, community facilities and equipment), sec. 8(a)(19), ch. 159, SLA 2004 (Oscarville, community projects and improvements - $58,651), sec. 1, ch. 61, SLA 2001, page 63, lines 12 - 13 (Tuntutuliak, jail house completion - $16,466), sec. 67(b), ch. 61, SLA 2001 (Tuntutuliak, construction of a post office), sec. 8(a), ch. 1, SSSLA 2002, page 97, line 2 (Tuntutuliak, community projects and improvements - $54,518), sec. 8(a)(31), ch. 159, SLA 2004 (Tuntutuliak, community projects and improvements - $7,881), and sec. 8(b)(38), ch. 159, SLA 2004 (Platinum, community projects and improvements - $26,900) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Association of Village Council Presidents for a demonstration project to use wood as a heating source for the fiscal year ending June 30, **2011** [2010].

* **Sec. 43.** HOUSE DISTRICT 39. The unexpended and unobligated balance, estimated to be $35,800, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, line 7 (City of Chevak, loader - $250,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Chevak for purchase of a city vehicle.

* **Sec. 44.** REAPPROPRIATION OF LEGISLATIVE APPROPRIATIONS. (a) The unexpended and unobligated balances, estimated to be a total of $2,200,000, of the appropriations made in sec. 1, ch. 12, SLA 2009, page 45, line 4 (Legislative Council - $34,930,800) and sec. 1, ch. 12, SLA 2009, page 45, line 13 (legislative operating budget - $11,637,400) are reappropriated to the Legislative Council for repair and renovation of legislative buildings and facilities.

(b) The unexpended and unobligated balance, estimated to be $7,700,000, of the appropriation made in sec. 1, ch. 12, SLA 2009, page 44, line 29 (Budget and Audit Committee - $19,501,800) is reappropriated to the budget reserve fund (AS 37.05.540).

* **Sec. 45.** LAPSE. (a) The appropriations made in secs. 17, 18, 19(1), and 44(b) of this Act

are for the capitalization of funds and do not lapse.

(b) The appropriations made in secs. 20, 22, 24, 26(a), 28, 29(e), 29(f), 29(h), 30(a), 30(c), 32, 34(a), 34(b), 35, 36(e), 37, 38(a) - (e), 39(a), 39(b), 39(d), and 44(a) of this Act are for capital projects and lapse under AS 37.25.020.

(c) A grant awarded in this Act to a named recipient under AS 37.05.316 is for a capital project, unless specifically identified in this Act as an operating grant, and lapses under AS 37.25.020 unless otherwise stated or designated for a fiscal year.

* **Sec. 46.** Sections 1, 4, 10, 23(b), and 26 of this Act take effect April 19, 2010.

* **Sec. 47.** Sections 22, 24, and 27 - 44 of this Act take effect June 30, 2010.

* **Sec. 48.** Except as provided in secs. 46 and 47 of this Act, this Act takes effect July 1, 2010.

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CS FOR SENATE BILL NO. 230(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

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

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriations are for supplemental capital projects and grants from the general fund or other funds as set out in section 2 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Broadband Internet Planning and Oversight (HD 1-40)		500,000		500,000
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Combined Hiland Mountain Correctional Center Fire Alarm Systems Replacement (HD 17-32)		350,000	350,000	
Fairbanks Correctional Center Heating System Replacement (HD 7-11)		2,500,000	2,500,000	
* * * * *		* * * * *		
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *		* * * * *		
Medicaid Management Information System Completion (HD 1-40)		14,990,300	6,208,000	8,782,300
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Sale and Replacement of		2,600,000	2,600,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Tactical Firefighting Aircraft (HD 1-40)				
* * * * *		* * * * *		
* * * * * **Department of Revenue** * * * * *				
* * * * *		* * * * *		
New Tax Revenue Management Information System Plan (HD 1-40)		300,000	300,000	
* * * * *			* * * * *	
* * * * * **Department of Transportation and Public Facilities** * * * * *				
* * * * *			* * * * *	
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		4,000,000	4,000,000	
Chignik Lagoon - Airport Safety Improvements (HD 37)		1,800,000	1,800,000	
Highways and Facilities		**3,021,100**	**3,021,100**	
Coffman Cove Maintenance Station (HD 1)	900,000			
Ester Weigh Station Scale Replacement (HD 7-11)	550,000			
Klawock Maintenance Station - Door Replacement (HD 5)	60,000			
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)	402,600			
Retroactive Asphalt Material Price Adjustment	151,500			

	Allocations	Appropriation Items	General Funds	Other Funds
- Glenn/Bragaw Interchange (HD 17-32)				
Skagway Land Purchase (HD 5)	407,000			
Southeast Region Headquarters – Elevator Installation (HD 3-4)	450,000			
State Equipment Fleet Vehicle Lifts (HD 1-40)	100,000			
Regulatory Compliance		**1,700,000**	**1,700,000**	
Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement (HD 33-35)	900,000			
Revegetation of Anchor River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement (HD 33-35)	800,000			
Airport Improvement Program		**18,957,500**		**18,957,500**
Alaska International Airports System - Debt Defeasance (HD 1-40)	15,000,000			
Gustavus - Airport Runway Safety Area (HD 5)	500,000			
King Cove - Airport Fencing (HD 37)	1,400,000			
Nulato - Airport Improvements (HD 6)	827,500			
Unalaska - Chemical	1,230,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Storage Building (HD 37)				
Emergency Repairs		**7,356,023**	**7,356,023**	
Central Region Hightower Emergency Maintenance and Repairs (HD 17-32)	365,500			
Dyea Road Washout Emergency Repair (HD 5)	101,561			
Glenn Highway MP 63.5 Erosion Emergency Repairs (HD 6)	1,125,000			
Glenn Highway Slides at MP 101 and 115 Emergency Repairs (HD 6)	225,000			
Haines Highway MP 19 Slide Emergency Repairs (HD 5)	80,000			
Kodiak Flood Emergency Repairs (HD 36)	500,000			
Petersville Road Emergency Repairs (HD 13-16)	113,700			
Salmon River Road Emergency Repairs (HD 5)	425,262			
Seward Airport Emergency Repair and Upgrade (HD 33-35)	2,020,000			
Whittier Access Emergency Repairs (HD 17-32)	2,400,000			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1108 Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***	$500,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	2,850,000
*** Total Agency Funding ***	$2,850,000
Department of Health and Social Services	
1002 Federal Receipts	8,782,300
1003 General Fund Match	6,208,000
*** Total Agency Funding ***	$14,990,300
Department of Natural Resources	
1004 Unrestricted General Fund Receipts	600,000
1005 General Fund/Program Receipts	2,000,000
*** Total Agency Funding ***	$2,600,000
Department of Revenue	
1004 Unrestricted General Fund Receipts	300,000
*** Total Agency Funding ***	$300,000
Department of Transportation and Public Facilities	
1002 Federal Receipts	3,957,500
1004 Unrestricted General Fund Receipts	17,877,123
1027 International Airports Revenue Fund	15,000,000
*** Total Agency Funding ***	$36,834,623
* * * * * Total Budget * * * * *	$58,074,923

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	6,208,000
1004 Unrestricted General Fund Receipts	21,627,123
Total Unrestricted General Funds	$27,835,123
Designated General Funds	
1005 General Fund/Program Receipts	2,000,000
Total Designated General Funds	$2,000,000
Other Non-Duplicated Funds	
1027 International Airports Revenue Fund	15,000,000
1108 Statutory Designated Program Receipts	500,000
Total Other Non-Duplicated Funds	$15,500,000
Federal Funds	
1002 Federal Receipts	12,739,800
Total Federal Funds	$12,739,800
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriations are for deferred maintenance capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Governor's House Deferred Maintenance (HD 3-4)		7,000,000	7,000,000	
Statewide Deferred Maintenance Projects		**9,250,000**	**6,250,000**	**3,000,000**
Non-Public Building Fund Facilities Deferred Maintenance (HD 1-40)	450,000			
Public Building Fund Facilities Deferred Maintenance (HD 1-40)	5,800,000			
State of Alaska Telecommunication System Deferred Maintenance (HD 1-40)	3,000,000			
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Alaska Industrial Development & Export Authority - Ketchikan Shipyard Deferred Maintenance (HD 1-40)		2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Grants to Named Recipients (AS 37.05.316) - Deferred Maintenance and Upgrade to Hatchery Facilities Statewide				
Cook Inlet Aquaculture Association (CIAA) (HD 12-35)		1,000,000	1,000,000	
Douglas Island Pink and Chum, Inc. (DIPAC) (HD 3-4)		500,000	500,000	
Kodiak Regional Aquaculture Association (KRAA) (HD 36)		500,000	500,000	
Northern Southeast Regional Aquaculture Association (NSRAA) (HD 1-5)		700,000	700,000	
Prince William Sound Aquaculture Corporation (PWSAC) (HD 12-35)		2,300,000	2,300,000	
*****		*****		
***** **Department of Corrections** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		6,500,000	6,500,000	
Lemon Creek Correctional Center - Prison Laundry Facility Deferred Maintenance (HD 3-4)		1,700,000	1,700,000	

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Mt Edgecumbe High School Cafeteria Improvements (HD 2)		150,000	150,000	
Mt. Edgecumbe High School Deferred Maintenance (HD 2)		1,700,000	1,700,000	
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Environmental Health Lab Deferred Maintenance (HD 17-32)		200,000	200,000	
* * * * *			* * * * *	
* * * * * **Department of Fish and Game** * * * * *				
* * * * *			* * * * *	
Statewide Facility Deferred Maintenance Projects		**2,000,000**	**2,000,000**	
Kodiak Warehouse/Compound Upgrades (HD 36)	650,000			
Fairbanks Regional Office Repairs/Upgrades (HD 7-11)	450,000			
Yakutat Compound Electrical Repairs and Upgrades (HD 5)	100,000			
Statewide Boiler and Heating Systems Upgrades (HD 1-40)	275,000			
Statewide Access, Parking,	275,000			

	Allocations	Appropriation Items	General Funds	Other Funds
and Drainage Repairs and Upgrades (HD 1-40)				
Statewide Bunkhouse Repairs/Upgrades (HD 1-40)	250,000			
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		3,020,000	3,000,000	20,000
Pioneer Homes Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		4,000,000	4,000,000	
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
AVTEC Deferred Maintenance (HD 33-35)		1,000,000	1,000,000	
* * * * *			* * * * *	
* * * * * **Department of Military and Veterans Affairs** * * * * *				
* * * * *			* * * * *	
Deferred Maintenance Projects		**10,300,000**	**4,000,000**	**6,300,000**
Armory Facilities Deferred Maintenance (HD 1-40)	8,408,000			
Army Guard Facilities Projects Match Funding (HD 1-40)	892,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Military Youth Academy Deferred Maintenance, Renewal and Replacement (HD 17-32)	1,000,000			
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
State Parks Deferred Maintenance - House of Wickersham R & R (HD 3-4)		250,000	250,000	
Deferred Maintenance, Equipment Replacement, and Emergency Repairs		**4,000,000**	**4,000,000**	
Plant Material Center Deferred Maintenance (HD 13-16)	520,000			
State Parks Deferred Maintenance and Equipment Replacement (HD 1-40)	3,480,000			
* * * * *		* * * * *		
* * * * * **Department of Public Safety** * * * * *				
* * * * *		* * * * *		
Statewide Facilities Maintenance, Repairs, and Improvements (HD 1-40)		1,350,000	1,350,000	
* * * * *			* * * * *	
* * * * * **Department of Transportation and Public Facilities** * * * * *				
* * * * *			* * * * *	
Deferred Maintenance Projects		**25,000,000**	**25,000,000**	
Airport Deferred	3,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Maintenance (HD 1-40)				
Alaska Marine Highway System - Vessel and Facility Deferred Maintenance (HD 1-40)	3,000,000			
Facilities Deferred Maintenance and Critical Repairs (HD 1-40)	1,000,000			
Harbor Deferred Maintenance (HD 1-40)	2,500,000			
Highway Deferred Maintenance (HD 1-40)	15,000,000			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Maintaining Existing Facilities Renewal and Renovation Annual Requirement (HD 1-40)		37,500,000	37,500,000	
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		2,500,000	2,500,000	

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	13,250,000
1147 Public Building Fund	3,000,000
*** Total Agency Funding ***	$16,250,000
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	5,077,000
1140 Alaska Industrial Development and Export Authority Dividend	1,923,000
*** Total Agency Funding ***	$7,000,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	8,200,000
*** Total Agency Funding ***	$8,200,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	1,850,000
*** Total Agency Funding ***	$1,850,000
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	200,000
*** Total Agency Funding ***	$200,000
Department of Fish and Game	
1004 Unrestricted General Fund Receipts	2,000,000
*** Total Agency Funding ***	$2,000,000
Department of Health and Social Services	
1002 Federal Receipts	20,000
1003 General Fund Match	100,000
1004 Unrestricted General Fund Receipts	6,900,000
*** Total Agency Funding ***	$7,020,000
Department of Labor and Workforce Development	
1004 Unrestricted General Fund Receipts	1,000,000
*** Total Agency Funding ***	$1,000,000

Department of Military and Veterans Affairs		
1002	Federal Receipts	6,300,000
1003	General Fund Match	3,000,000
1004	Unrestricted General Fund Receipts	1,000,000
***	Total Agency Funding ***	$10,300,000
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	4,250,000
***	Total Agency Funding ***	$4,250,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	1,350,000
***	Total Agency Funding ***	$1,350,000
Department of Transportation and Public Facilities		
1004	Unrestricted General Fund Receipts	25,000,000
***	Total Agency Funding ***	$25,000,000
University of Alaska		
1004	Unrestricted General Fund Receipts	37,500,000
***	Total Agency Funding ***	$37,500,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	2,500,000
***	Total Agency Funding ***	$2,500,000
* * * * *	Total Budget * * * * *	$124,420,000

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	3,100,000
1004 Unrestricted General Fund Receipts	110,077,000
1140 Alaska Industrial Development and Export Authority Dividend	1,923,000
Total Unrestricted General Funds	$115,100,000
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
1002 Federal Receipts	6,320,000
Total Federal Funds	$6,320,000
Duplicated Funds	
1147 Public Building Fund	3,000,000
Total Duplicated Funds	$3,000,000

(SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 7.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
Allocations	Items	Funds	Funds
* * * * *	* * * * *		
* * * * * **Department of Administration** * * * * *			
* * * * *	* * * * *		
Alaska License and Vehicle Information System (HD 1-40)	8,500,000	8,500,000	
Alaska Public Offices Commission Electronic Filing System (HD 1-40)	600,000	600,000	
Alaska Rural Communications Service Digital Conversion Planning (HD 1-40)	50,000	50,000	
Anchorage Data Center Design Support and Migration Planning (HD 17-32)	1,300,000		1,300,000
Combined Retirement System Upgrade (HD 1-40)	400,000		400,000
Enterprise Technology Services Infrastructure Upgrades and Support (HD 1-40)	3,700,000		3,700,000
Planning and Design of New State Office Building in Juneau (HD 3-4)	2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement and Benefits Document Management System (HD 1-40)		475,000		475,000
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Alaska Aerospace Corporation - Kodiak Launch Complex Sustainability (HD 36)		4,000,000	4,000,000	
Alaska Energy Authority - Electrical Emergencies Program (HD 1-40)		330,400	330,400	
Alaska Energy Authority - Railbelt Large Scale Hydro Planning, Design and Permitting (HD 12-35)		10,000,000	10,000,000	
Alaska Energy Authority - Renewable Energy Round Three Grants (HD 1-40)		50,000,000	50,000,000	
Alaska Visitors Statistics Program (HD 1-40)		500,000	500,000	
Banking and Securities Imaging (HD 1-40)		609,000	609,000	
Community and Regional Affairs System Replacement and Consolidation (HD 1-40)		326,000	326,000	
Denali Commission Federal-State Partnership Grant (HD 1-40)		3,000,000	3,000,000	
Western Alaska Canned Chum		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
& Herring Demonstration Project (HD 36-38)				
Alaska Climate Change Impact Mitigation Program		**500,000**	**500,000**	
Community Planning Grant - Atmautluak (HD 38)	150,000			
Community Planning Grant - Kipnuk (HD 38)	150,000			
Hazard Impact Assessment Mini-Grant - Elim (HD 39)	50,000			
Hazard Impact Assessment Mini-Grant - Nelson Lagoon (HD 37)	50,000			
Hazard Impact Assessment Mini-Grant - Nightmute (HD 38)	50,000			
Hazard Impact Assessment Mini-Grant - Quinhagak (HD 38)	50,000			
Alaska Energy Authority		**24,500,000**	**8,500,000**	**16,000,000**
Energy Projects				
Alternative Energy and Energy Efficiency (HD 1-40)	8,000,000			
Bulk Fuel Upgrades (HD 1-40)	5,000,000			
Rural Power System Upgrades (HD 1-40)	9,000,000			
Southeast Integrated Resources Plan (HD 1-5)	500,000			
Statewide Energy Plan	2,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Development (HD 1-40)				
Community Block Grants		**5,970,000**	**70,000**	**5,900,000**
Program				
Community Development	2,970,000			
Block Grants (HD 1-40)				
Community Service Block	3,000,000			
Grants (RurAL CAP) (HD				
1-40)				
Community Development and		**3,186,500**	**308,000**	**2,878,500**
Assistance				
Alaska Sustainable Salmon	1,000,000			
Fund Program (HD 1-40)				
Coastal Impact Assistance	153,500			
Program (CIAP)				
Administration (HD 1-40)				
Coastal Zone Management	1,120,000			
Program Grant				
Administration (HD 1-40)				
Community Mapping Program	438,000			
(HD 1-40)				
Cooperating Technical	75,000			
Partners (CTP) Program				
(HD 1-40)				
Floodplain & Erosion	400,000			
Management Program (HD				
1-40)				
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* * * * * **Department of Corrections** * * * * *				
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Anchorage Correctional		350,000	350,000	
Complex Renovation and				

	Allocations	Appropriation Items	General Funds	Other Funds
Remodeling (HD 17-32)				
Community Jails Repairs, Renovations, and Equipment (HD 1-40)		200,000	200,000	
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* * * * * **Department of Education and Early Development** * * * * *				
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Stratton Library		2,500,000	2,500,000	
Acquisition (HD 1-40)				
Major Maintenance Grant		**24,770,651**	**24,770,651**	
Fund (AS 14.11.007)				
Nome Beltz Junior/Senior High School Fire Alarm System Replacement (HD 39)	84,337			
Nome Beltz Junior/Senior High School Emergency Generator Automatic Switching Replacement (HD 39)	29,807			
Metlakatla High School Renovation Alternates (HD 5)	1,202,914			
Whittier K-12 School Sprinkler Installation and Interior Renovations (HD 17-32)	1,762,541			
Yup'ik Vocational Education Building Water Service and Boiler Replacement (HD 39)	123,701			
Yup'ik Vocational Education	80,729			

	Allocations	Appropriation Items	General Funds	Other Funds
Building Roof Replacement (HD 39)				
Service High School Renovation (HD 17-32)	21,306,131			
Mosquito Lake Elementary Mechanical Upgrades (HD 5)	180,491			
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* * * * * **Department of Environmental Conservation** * * * * *				
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Clean Water Capitalization Grant - Subsidy Funding (HD 1-40)		1,826,274		1,826,274
Drinking Water Capitalization Grant - Subsidy Funding (HD 1-40)		4,071,900		4,071,900
Environmental Monitoring and Assessment of Surface Waters (EMAP) (HD 40)		450,000		450,000
Statewide Contaminated Sites Cleanup (HD 1-40)		3,000,000	3,000,000	
Village Safe Water and Wastewater Infrastructure Projects		**48,500,000**	**9,500,000**	**39,000,000**
First Time Service Projects (HD 1-40)	29,100,000			
Expansion, Upgrade, Replacement of Existing Service (HD 1-40)	19,400,000			
Municipal Water, Sewage, and Solid Waste Facilities Grants (AS 46.03.030)		**42,921,576**	**42,921,576**	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Girdwood Wastewater Treatment Facility (HD 17-32)	4,100,000			
Dillingham - Continued Water System Improvements Phase 2 (HD 37)	3,090,000			
Fairbanks North Star Borough - Solid Waste Landfill Leachate Recirculation Project (HD 7-11)	900,450			
Haines - Lilly Lake Transmission Line (HD 5)	1,117,550			
Hoonah - Water Transmission Line Replacement, Phase 1 (HD 5)	1,065,020			
Ketchikan - Alaska Avenue Water & Sewer Main Replacement (HD 1)	1,773,660			
Ketchikan - Jackson/Monroe Street & 4th/7th Avenue Water and Sewer (HD 1)	3,459,375			
Ketchikan - Baranof Reservoir Replacement (HD 1)	1,968,330			
Kodiak - Aleutian Homes Water & Sewer Replacement Phase 3 (HD 36)	2,781,000			
Kodiak - UV Secondary Water Treatment Facility	3,988,275			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 36)				
Matanuska Susitna Borough - Central Landfill Cell 2 Closure (HD 13-16)	546,480			
North Pole - Water and Sewer Improvements (HD 7-11)	2,731,869			
North Slope Borough - Wainwright Water and Sewer Upgrades (HD 40)	3,090,000			
Palmer - Wastewater Treatment Plant Improvements Phase 2 (HD 13-16)	1,442,000			
Palmer - Continued Southwest Utility Extension Phase 2 (HD 13-16)	1,802,500			
Palmer - Continued Steel Water Main Replacement, Phase 7 (HD 13-16)	2,523,500			
Petersburg - Water Treatment Upgrades, Phase 3 (HD 2)	253,697			
Sand Point - Wastewater Improvements (HD 37)	386,055			
Soldotna - Water System Improvements (HD 33-35)	590,985			
Unalaska -WWTP Upgrade & Leachate Treatment Phase 3 (HD 37)	2,369,000			
Wasilla - Sewage Treatment	2,271,150			

	Allocations	Appropriation Items	General Funds	Other Funds
Plant Improvements (HD 13-16)				
Wrangell - Landfill Closure (HD 2)	670,680			
*****		*****		
***** Department of Fish and Game *****				
*****		*****		
Assessment and Feasibility of Pilot Station Sonar (HD 39)		250,000	250,000	
Crew Member Fishery Participation Database Development (HD 1-40)		100,000	100,000	
Economic Contribution of Wildlife to Alaska (HD 1-40)		500,000		500,000
Endangered Species Act Listed Marine Mammals Research (HD 1-40)		600,000	150,000	450,000
Facilities, Vessels, and Aircraft Maintenance, Repair, and Upgrades (HD 1-40)		700,000	700,000	
Genetic Marker Screening for Estimating the Stock Composition of Western Alaska Salmon Fisheries (HD 37)		750,000	750,000	
Pacific Coastal Salmon Recovery Fund (HD 1-40)		9,000,000		9,000,000
Pacific Salmon Treaty		7,500,000		7,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
Chinook Fishery Mitigation (HD 1-40)				
Sport Fish Recreational Boating Access (HD 1-40)		3,100,000		3,100,000
State Contracted Hatchery Facilities Inspection (HD 1-40)		150,000	150,000	
Yukon River Chum Salmon Aerial Surveys (HD 6)		200,000	200,000	
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* * * * * **Office of the Governor** * * * * *				
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Division of Elections Technology Refresh (HD 1-40)		123,800	123,800	
Elections Reform Under the Federal Help America Vote Act (HD 1-40)		1,425,000		1,425,000
Voter Registration and Election Management System Replacement (HD 1-40)		1,550,000		1,550,000
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* * * * * **Department of Health and Social Services** * * * * *				
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Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project (HD 1-40)		425,000	425,000	
Johnson Youth Center Renovation and Remodel to Meet Safety and Security		9,880,000	9,880,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Needs - Phase 1 (HD 3-4)				
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* * * * * **Department of Labor and Workforce Development** * * * * *				
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AVTEC Alternative Energy Training Facility Expansion (HD 33-35)		1,000,000	1,000,000	
AVTEC Culinary Academy Equipment (HD 33-35)		500,000		500,000
AVTEC Culinary Video Teleconferencing Equipment (HD 1-40)		412,695	100,000	312,695
AVTEC Medium & Heavy Duty Truck Training Equipment (HD 33-35)		1,000,000	500,000	500,000
Fairbanks Pipeline Training Center Construction, Utilities and Equipment (HD 7-11)		4,000,000	4,000,000	
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* * * * * **Department of Law** * * * * *				
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Fairbanks and Anchorage Key Card Office Access (HD 12-35)		150,000	150,000	
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* * * * * **Department of Military and Veterans Affairs** * * * * *				
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Army Guard Facilities Projects (HD 1-40)		8,342,000	1,000,000	7,342,000
Cold Weather Generation		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Storage and Maintenance (HD 1-40)				
Compliance Site Clean Up at Seward and Anchorage (Tudor) (HD 17-32)		250,000	250,000	
Interior Alaska Veterans Cemetery Design and Planning (HD 7-11)		6,000,000	1,000,000	5,000,000
National Guard Counterdrug Support (HD 1-40)		100,000		100,000
State Homeland Security Grant Programs (HD 1-40)		9,500,000		9,500,000
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Abandoned Mine Lands Reclamation Federal Program (HD 1-40)		3,575,000		3,575,000
Alaska Coastal Management Federal Pass Through Grants (HD 1-40)		1,360,000		1,360,000
Alaska Land Mobile Radio Phase 3 of 4 (HD 1-40)		625,000	625,000	
Assessment of In-State Gas Energy Potential (HD 1-40)		500,000	500,000	
Chena River State Recreation Area - Multi-Use Shelter, Path Construction and ADA Improvements (HD 7-11)		34,000	34,000	
Cooperative Water Resource		805,000		805,000

	Allocations	Appropriation Items	General Funds	Other Funds
Program (HD 1-40)				
Eagle Beach Public Use Cabins (HD 3-4)		50,000	50,000	
Federal and Local Government Funded Forest Resource and Fire Program Projects (HD 1-40)		1,800,000		1,800,000
Foothills Oil and Gas Development Infrastructure Investigations (HD 1-40)		370,000	370,000	
Forest Legacy Federal Grant Program (HD 13-16)		1,000,000		1,000,000
Gas Pipeline Corridor Geologic Hazards - Phase 4 of 5 (HD 1-40)		300,000	300,000	
Information Technology Infrastructure Upgrades - Phase 2 of 2 (HD 1-40)		130,000	130,000	
Land and Water Conservation Fund Federal Grant Program (HD 1-40)		600,000		600,000
Land Sale Web Enhancement (HD 1-40)		68,000	68,000	
Land Sales - New Subdivision Development (HD 1-40)		3,600,000	3,600,000	
Matanuska Susitna Borough Hydrogeology Assessment Phase 2 of 3 (HD 13-16)		295,000	295,000	
National Coastal Wetland Grant - Campbell Creek		1,000,000		1,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Estuary (HD 17-32)				
National Historic Preservation Fund Federal Grant Program (HD 1-40)		1,200,000	200,000	1,000,000
National Recreational Trail Grants Federal Program (HD 1-40)		2,000,000		2,000,000
Reservoir Studies for North Slope and Cook Inlet (HD 1-40)		3,500,000	3,500,000	
Snowmobile Trail Development and Program Grants (HD 1-40)		250,000	250,000	
Statewide Timber Inventories (HD 1-40)		215,000	215,000	
Unified Permitting Project Phase 5 of 7 (HD 1-40)		800,000	800,000	
Upper Chatanika and Chena River State Recreation Sites Facility Upgrade (HD 7-11)		5,000	5,000	
Wildland Fire Truck Replacement (HD 1-40)		800,000	800,000	
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* * * * * **Department of Public Safety** * * * * *				
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Aircraft and Vessel Repair and Maintenance (HD 1-40)		850,000	850,000	
Alaska Public Safety Information Network Redesign Phase 3 (HD 1-40)		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska State Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Alaska State Trooper Mobile Data Computers - Phase 3 (HD 1-40)		250,000	250,000	
Alaska Wildlife Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Crime Laboratory Equipment Replacement (HD 17-32)		86,000	86,000	
Marine Fisheries Patrol Improvements (HD 1-40)		1,500,000		1,500,000
Public Safety Academy Dining Facility - Design & Construction (HD 1-40)		2,000,000	2,000,000	
Public Safety Academy Driver Training Facility - Land Acquisition & Construction (HD 1-40)		5,000,000	5,000,000	
Video Judicial Conference Arraignment Study (HD 1-40)		100,000	100,000	
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***** **Department of Revenue** *****				
*****		*****		
Child Support Services Computer Replacement Project - Phase 1 (HD 1-40)		201,600	68,544	133,056
IBM Bladecenter (HD 1-40)		230,000	230,000	

	Allocations	Appropriation Items	General Funds	Other Funds
NetApp Upgrade (HD 1-40)		231,000	231,000	
Permanent Fund Dividend Master Phone Queue (HD 1-40)		350,000	350,000	
Permanent Fund Portfolio Accounting System Upgrade (HD 1-40)		250,000		250,000
Alaska Housing Finance Corporation				
AHFC Building System Replacement Program (HD 1-40)		1,500,000	1,500,000	
AHFC Competitive Grants for Public Housing (HD 1-40)		1,100,000	350,000	750,000
AHFC Denali Commission Projects (HD 1-40)		4,000,000		4,000,000
AHFC Energy Assurances/Smart Grid Resiliency Program (HD 1-40)		262,000		262,000
AHFC Energy Efficiency Monitoring Research (HD 1-40)		1,000,000	1,000,000	
AHFC Federal and Other Competitive Grants (HD 1-40)		4,500,000	1,500,000	3,000,000
AHFC Fire Protection Systems - Phase 2 (HD 1-40)		2,200,000	2,200,000	
AHFC Housing and Urban		3,200,000		3,200,000

	Allocations	Appropriation Items	General Funds	Other Funds
Development Capital Fund Program (HD 1-40)				
AHFC Housing and Urban Development Federal HOME Grant (HD 1-40)		4,250,000	750,000	3,500,000
AHFC San Roberto Redevelopment (HD 17-32)		9,708,504	2,208,504	7,500,000
AHFC Security Systems Replacement/Upgrades (HD 1-40)		500,000	500,000	
AHFC Senior Citizens Housing Development Program (HD 1-40)		4,500,000	4,500,000	
AHFC State Energy Program Special Projects (HD 1-40)		300,000	50,000	250,000
AHFC Statewide ADA Improvements (HD 1-40)		500,000	500,000	
AHFC Statewide Project Improvements (HD 1-40)		2,000,000	2,000,000	
AHFC Supplemental Housing Development Program (HD 1-40)		7,000,000	7,000,000	
AHFC Weatherization Program (HD 1-40)		4,000,000	1,000,000	3,000,000
AHFC Housing Loan Program		**6,000,000**	**6,000,000**	
Teacher, Health and Public Safety Professionals Housing (HD 1-40)	5,000,000			
Village Public Safety	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Officers Housing (HD 1-40)				
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* * * * * Department of Transportation and Public Facilities * * * * *				
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Alaska Aviation Safety Program (HD 1-40)		1,500,000	500,000	1,000,000
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		8,000,000	8,000,000	
Capital Improvement Program Equipment Replacement (HD 1-40)		1,500,000		1,500,000
Chena Small Tracts Road Multi-Use Path Design and Planning (HD 7-11)		150,000	150,000	
Community Access Roads - Kake to Petersburg (HD 1-5)		4,500,000	4,500,000	
Corps of Engineers - Harbor Program - Saint Paul (HD 37)		700,000	700,000	
Dalton Highway Including Surfacing Materials (HD 1-40)		5,000,000	5,000,000	
Debarr Road School Zone (HD 17-32)		200,000	200,000	
Fairbanks Metropolitan Area Transportation System (FMATS) - College Road Pavement Rehabilitation		9,000,000	9,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 7-11)				
Fairbanks Metropolitan Area Transportation System (FMATS) - Transportation Improvement Program (HD 7-11)		5,000,000	5,000,000	
Municipal Harbor Facility Grant Fund (AS 29.60.800) (HD 1-40)		5,000,000	5,000,000	
Williams Port and Pile Bay Access Survey and Mapping (HD 36)		200,000	200,000	
Highways and Facilities		**22,022,000**	**7,022,000**	**15,000,000**
Americans with Disabilities Act Compliance Projects (HD 1-40)	500,000			
Central Region Signal Malfunction Management Units (HD 1-40)	22,000			
Highway Safety Corridors Near-Term Improvements (HD 1-40)	5,000,000			
Manley Hot Springs Shop/Snow Removal Equipment Building (SREB) (HD 6)	900,000			
Northern Region Bike Path Equipment (HD 1-40)	100,000			
Northern Region Maintenance Station Bunkhouse Improvements (HD 6)	350,000			

	Allocations	Appropriation Items	General Funds	Other Funds
State Equipment Fleet Replacement (HD 1-40)	15,000,000			
Statewide Anti-icing Program (HD 1-40)	150,000			
Regulatory Compliance		**2,041,000**	**2,041,000**	
EPA MS 4 Requirements - Municipality of Anchorage Sand Storage Facilities (HD 17-32)	1,041,000			
Statewide - GIS Mapping of Storm Drainage Systems for EPA MS 4 (HD 17-32)	1,000,000			
Roads to Resources		**12,000,000**	**12,000,000**	
Ambler Mining District Access - Planning, Design and Engineering (HD 1-40)	4,000,000			
Foothills West Access - Planning, Design and Engineering (HD 40)	8,000,000			
Statewide Federal Programs		**117,710,000**	**50,910,000**	**66,800,000**
Commercial Vehicle Enforcement Program (HD 1-40)	1,600,000			
Cooperative Reimbursable Projects (HD 1-40)	13,500,000			
Federal Contingency Projects (HD 1-40)	15,000,000			
Federal Emergency Projects (HD 1-40)	10,000,000			
Federal Transit Administration Grants (HD	9,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
1-40)				
Federal-Aid Aviation State Match (HD 1-40)	8,600,000			
Federal-Aid Highway State Match (HD 1-40)	41,100,000			
Highway Safety Grants Program (HD 1-40)	5,500,000			
Other Federal Program Match (HD 1-40)	1,210,000			
Statewide Safety Program (HD 1-40)	12,200,000			
Airport Improvement Program		**267,940,500**		**267,940,500**
Bethel - Airport Master Plan Update (HD 38)	350,000			
Chefornak - Airport Relocation (HD 38)	6,400,000			
Cold Bay - Airport Improvements (HD 37)	6,000,000			
Cold Bay - Airport Rescue and Firefighting Building Expansion (HD 37)	600,000			
Deadhorse - Airport Master Plan (HD 40)	150,000			
Fairbanks International Airport - Environmental Assessment and Cleanup (HD 7-11)	300,000			
Fairbanks International Airport - Equipment (HD 7-11)	1,040,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Golovin - Runway and Apron Improvements (HD 39)	12,520,000			
Haines - Airport Drainage Improvement and Taxiway, Runway and Apron Rehabilitation, and Fencing (HD 5)	7,400,000			
Kodiak - Airport Improvements (HD 36)	36,000,000			
Koliganek - Airport Reconstruction (HD 37)	8,700,000			
Kotzebue - Airport and Runway Safety Area Improvements (HD 40)	28,575,000			
Kotzebue - Airport Certification Compliance Improvements (HD 40)	1,420,000			
Lake Louise - Runway Rehabilitation (HD 12)	270,000			
Nome - Airport Master Plan (HD 39)	100,000			
Sitka - Rocky Gutierrez Airport Runway 11/29 Overlay (HD 2)	5,000,000			
Statewide - Aviation Preconstruction (HD 1-40)	18,000,000			
Statewide - Aviation Systems Plan Update (HD 1-40)	3,700,000			
Statewide - Various Airports Aeronautical	3,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Surveys (HD 1-40)				
Statewide - Various Airports Minor Surface Improvements (HD 1-40)	6,000,000			
Statewide - Various Airports Snow Removal and Safety Equipment (HD 1-40)	10,000,000			
Ted Stevens Anchorage International Airport - Advanced Project Design and Planning (HD 17-32)	1,500,000			
Ted Stevens Anchorage International Airport - Aircraft Rescue and Fire Fighting Vehicle (HD 17-32)	1,300,000			
Ted Stevens Anchorage International Airport - Badge Office Relocation (HD 17-32)	580,000			
Ted Stevens Anchorage International Airport - Deicing Mitigation (HD 17-32)	375,000			
Ted Stevens Anchorage International Airport - East Airpark Storm Drain (HD 17-32)	4,000,000			
Ted Stevens Anchorage International Airport - Emergency Operations	4,400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Center / Airport Communication Center (HD 17-32)				
Ted Stevens Anchorage International Airport - Environmental Compliance (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport - Equipment (HD 17-32)	5,000,000			
Ted Stevens Anchorage International Airport - Facility Improvements, Renovations and Upgrades (HD 17-32)	1,600,000			
Ted Stevens Anchorage International Airport - Information Technology Improvements (HD 17-32)	1,185,500			
Ted Stevens Anchorage International Airport - Lake Hood Strip Improvements (HD 17-32)	475,000			
Ted Stevens Anchorage International Airport - North Terminal Gate N7 (HD 17-32)	3,500,000			
Ted Stevens Anchorage International Airport - Part 150 Residential Sound Insulation Program (RSIP)	6,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Ted Stevens Anchorage International Airport - Postmark Emergency Storm Drain Replacement (HD 17-32)	3,300,000			
Ted Stevens Anchorage International Airport - Runway 7L Rehabilitation (HD 17-32)	28,125,000			
Ted Stevens Anchorage International Airport - Taxiway E and M Reconstruction (HD 17-32)	20,000,000			
Togiak - Snow Removal Equipment Building (HD 37)	850,000			
Tununak - Airport Relocation (HD 38)	24,400,000			
Whittier - Airport Master Plan (HD 17-32)	325,000			
Yakutat - Airport Runway Preservation and Drainage Improvements (HD 5)	5,000,000			
Surface Transportation Program		**537,350,240**		**537,350,240**
Alaska Marine Highway System - Ferry Vessel Refurbishment (HD 1-40)	20,000,000			
Alaska Marine Highway System - Fleet Condition Survey Update (HD 1-40)	250,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Marine Highway System - Terminal - Bellingham Sewage Line Installation (HD 1-40)	325,000			
Alaska Railroad - Milepost 407 and 409 Riprap Project (HD 6)	656,240			
Ambler - Sewage Lagoon Road (HD 40)	800,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Arterial Roadway Dust Control (HD 17-32)	200,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Huffman Road Reconstruction - Old Seward Highway to Pintail (HD 17-32)	15,000,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Muldoon Road Landscaping and Pedestrian Improvements (HD 17-32)	1,700,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Ridesharing and Transit Marketing (HD 17-32)	680,000			
Anchorage Metropolitan Area	1,780,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Transportation Solutions (AMATS) - Transit Fleet Expansion and Replacement (HD 17-32)				
Anchorage - Victor Road (HD 17-32)	4,700,000			
Bethel - Ridgecrest Drive Rehabilitation (HD 38)	1,100,000			
Central Region - Guardrail End Treatment Upgrade (HD 12-35)	14,000,000			
Central Region - Intelligent Transportation System (ITS) Signal Control Upgrades (HD 12-35)	2,000,000			
Central Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 12-35)	20,000,000			
Coffman Cove - Wander Around Town Trail (HD 1)	450,000			
Congestion Mitigation and Air Quality (CMAQ) - PM 2.5 Reductions (HD 7-11)	1,879,000			
Dalton Highway - Milepost 254 to 414 Delineators (HD 40)	2,000,000			
Dalton Highway - Milepost 274 to 289 Reconstruction	8,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 40)				
Dillingham - Downtown Streets Reconstruction and Rehabilitation (HD 37)	400,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Illinois-Barnette Streets Bridge and Road Reconstruction (HD 7-11)	3,820,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Noble Street Reconstruction (HD 7-11)	9,935,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Preventative Maintenance Program (HD 7-11)	2,000,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Safety and Signage Improvements (HD 7-11)	3,500,000			
Fairbanks North Star Borough - Airport Way (West) Improvements (HD 7-11)	1,000,000			
Fairbanks - College Road Rehabilitation and Intersection (HD 7-11)	8,630,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks - Cripple Creek Road Upgrade (HD 7-11)	950,000			
Fairbanks - Curb Corner Upgrades (HD 7-11)	900,000			
Fairbanks - Potter Road Surfacing (HD 7-11)	400,000			
Fairbanks - South Cushman - Mitchell Expressway to Van Horn (HD 7-11)	1,710,000			
Galena - Campion Road Erosion Protection (HD 6)	850,000			
Geographic Information System (GIS) Development (IWAYS) (HD 1-40)	250,000			
Glenn Highway Corridor ITS Project (HD 13-16)	3,000,000			
Glenn Highway Lighting - Eklutna to Palmer Hay Flats (HD 13-16)	8,000,000			
Glenn Highway Lighting - South Birchwood to Palmer Hayflats (HD 13-16)	12,000,000			
Glenn Highway - Milepost 109 to 118 Resurfacing (HD 12)	10,000,000			
Glenn Highway - Milepost 34 to 42 Reconstruction - Parks to Old Glenn Highway (HD 13-16)	3,000,000			
Glenn Highway - Signage - Anchorage to Palmer (HD	8,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
12-35)				
Gustavus - Small Boat Float (HD 5)	950,000			
Haines Highway - Milepost 21 to 25.3 Reconstruction and Chilkat Bridge Replacement (HD 5)	1,000,000			
Hyder - Salmon River Road Rehabilitation (HD 5)	600,000			
Juneau - Egan Drive Resurfacing - Main Street to 10th Street (HD 3-4)	980,000			
Juneau - Glacier Highway - Fritz Cove to Auke Bay School - Intersection, Roadway and Pedestrian Improvements (HD 3-4)	1,100,000			
Juneau - Jordan Creek Bridge Replacement and Basin Road Trestle Rehabilitation (HD 3-4)	2,200,000			
Juneau - North Douglas Highway - Pavement Rehabilitation Milepost 5.9 to 12 (HD 3-4)	6,600,000			
Kake - Keku Road Rehabilitation (HD 5)	3,250,000			
King Cove to Cold Bay Corridor Road Extension (HD 37)	15,000,000			
Kodiak - Rezanof Drive	5,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Resurfacing (HD 36)				
Livengood - Livengood Creek Bridge Replacement (HD 6)	1,000,000			
Marshall - Airport Access Road Bridge (HD 6)	1,700,000			
Mat-Su - Off-System Bridges (HD 13-16)	6,000,000			
New Seward Highway - Rabbit Creek to 36th Avenue (HD 17-32)	23,000,000			
Nome - Nome-Council Road - Milepost 4 to 16 (HD 39)	7,000,000			
North Pole - Dennis Road Extension (HD 7-11)	2,740,000			
North Pole - Pavement Rehabilitation (HD 7-11)	456,000			
Northern Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	25,000,000			
Northern Region - Winter Trail Markings (HD 1-40)	200,000			
Parks Highway - Milepost 239 to 263 Reconstruction - Nenana Canyon to Bear Creek (HD 7-11)	7,500,000			
Parks Highway - Milepost 44 to 52.3 Reconstruction - Lucas Road to Big Lake Cutoff (HD 13-16)	7,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Safe Routes to Schools (HD 1-40)	1,000,000			
Sand Point - School Loop Road Rehabilitation (HD 37)	4,000,000			
Seward Highway - Anchorage to Girdwood ITS Project (HD 17-32)	750,000			
Seward Highway - Milepost 115 to 124 Resurfacing - Potter to Dowling Road (HD 17-32)	15,000,000			
Seward Highway - Milepost 18 to 25.5 Reconstruction - Snow River to Trail River (HD 33-35)	28,000,000			
Seward Highway - Milepost 99 to 104 - Bird and Indian Improvements (HD 17-32)	2,400,000			
Seward Highway - Ptarmigan Creek Bridge Replacement (HD 33-35)	5,000,000			
Seward Meridian Parkway - Road Improvements - Parks Highway to Palmer-Wasilla Highway (HD 13-16)	9,000,000			
Sitka - Cross Trail Construction - High School to Baranof, Charles, Yaw and Pherson Streets (HD 2)	800,000			
Sitka - Halibut Point Road	14,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Resurfacing, Drainage Improvements and Bridge Replacement (HD 2)				
Sitka - Sawmill Creek Road Upgrade (HD 2)	4,000,000			
Southeast Region - Intelligent Transportation Systems (HD 1-5)	1,000,000			
Southeast Region - National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-5)	2,000,000			
Statewide - Bicycle/Pedestrian Facilities Rehabilitation and Improvements (HD 1-40)	2,500,000			
Statewide - Bridge Inventory, Inspection, Monitoring, Rehabilitation and Replacement Program (HD 1-40)	8,000,000			
Statewide - Bridge Scour Monitoring and Retrofit Program (HD 1-40)	700,000			
Statewide - Civil Rights Program (HD 1-40)	400,000			
Statewide - Comprehensive Highway Safety Plan (HD 1-40)	400,000			
Statewide - Congestion	7,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Mitigation and Air Quality (CMAQ) Projects (HD 1-40)				
Statewide - Highway Data Equipment Acquisition and Installation (HD 1-40)	2,000,000			
Statewide - Highway Data Initiatives (HD 1-40)	3,000,000			
Statewide - Highway Fuel Tax Enforcement (HD 1-40)	100,000			
Statewide - Highway Safety Improvement Program (HSIP) (HD 1-40)	5,000,000			
Statewide - National Highway Institute and Transit Institute Training (HD 1-40)	750,000			
Statewide - Paths, Sidewalks and Bike Trails Surface Rehabilitation and Safety (HD 1-40)	5,500,000			
Statewide - Planning Work Program (HD 1-40)	7,500,000			
Statewide - Research Program (HD 1-40)	1,500,000			
Statewide - Rumble Strips (HD 1-40)	6,000,000			
Statewide - Scenic Byways Grants (HD 1-40)	500,000			
Statewide - Seismic Retrofit - Bridges (HD 1-40)	2,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide - Urban Planning Program (HD 12-35)	1,000,000			
Statewide - Weigh-in-Motion Equipment (HD 1-40)	3,500,000			
Steese Highway - Milepost 62 to 81 Surfacing (HD 7-11)	15,459,000			
Sterling Highway - Milepost 45 to 60 Resurfacing (HD 33-35)	9,000,000			
Sterling Highway - Milepost 60 to 79 - Skilak Lake to Sterling Rehabilitation and Passing Lanes (HD 33-35)	13,000,000			
Sterling Highway - Milepost 83 to 90 Resurfacing (HD 33-35)	7,000,000			
Stevens Village - Sanitation Road (HD 6)	400,000			
Striping and Marking Performance Improvements (HD 1-40)	2,000,000			
Surface Transportation Preconstruction (HD 1-40)	50,000,000			
Tenakee Springs - Ferry Terminal Approach (HD 5)	450,000			
Whittier - Maintenance and Operations (HD 17-32)	2,100,000			
Wrangell - Local Roads Supplemental (HD 2)	1,000,000			
Congressional High Priority				

	Allocations	Appropriation Items	General Funds	Other Funds
Community Projects				
Fairbanks North Star Borough - Road and Bridge Improvements (HD 7-11)		2,000,000	1,000,000	1,000,000
Ketchikan - Replacement and Rehabilitation of Municipal Bridges and Trestles (HD 1)		1,000,000	500,000	500,000
Mat-Su Borough - Arterial Road and Bridge Improvements (HD 13-16)		2,000,000	1,000,000	1,000,000
Sitka - Sawmill Cove Waterfront Development (HD 2)		974,000	487,000	487,000
* * * * *		* * * * *		
* * * * * **University of Alaska** * * * * *				
* * * * *		* * * * *		
Feasibility Study for Community Campuses (HD 1-40)		1,400,000	1,400,000	
UAA Engineering Facility Planning and Design (HD 17-32)		5,000,000	5,000,000	
UAF Life Sciences Classroom and Lab Facility (HD 7-11)		20,600,000		20,600,000
University Receipt Authority (HD 1-40)		15,000,000	15,000,000	
* * * * *		* * * * *		
* * * * * **Alaska Court System** * * * * *				
* * * * *		* * * * *		

	Allocations	Appropriation Items	General Funds	Other Funds
Boney Courthouse Campus Renovation (HD 1-40)		18,000,000	18,000,000	
Court Information Technology Enhancements (HD 1-40)		1,900,000	1,900,000	
Nome Courthouse Deferred Maintenance and Remodel (HD 1-40)		4,700,000	4,700,000	

(SECTION 8 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	2,650,000
1005 General Fund/Program Receipts	8,500,000
1017 Group Health and Life Benefits Fund	301,400
1029 Public Employees Retirement Trust Fund	392,900
1034 Teachers Retirement Trust Fund	164,000
1042 Judicial Retirement System	4,000
1045 National Guard Retirement System	12,700
1081 Information Services Fund	5,000,000
*** Total Agency Funding ***	$17,025,000
Department of Commerce, Community and Economic Development	
1002 Federal Receipts	22,625,000
1003 General Fund Match	378,000
1004 Unrestricted General Fund Receipts	8,956,400
1005 General Fund/Program Receipts	609,000
1007 Interagency Receipts	1,153,500
1061 Capital Improvement Project Receipts	1,000,000
1140 Alaska Industrial Development and Export Authority Dividend	18,500,000
1210 Renewable Energy Grant Fund	50,000,000
*** Total Agency Funding ***	$103,221,900
Department of Corrections	
1004 Unrestricted General Fund Receipts	550,000
*** Total Agency Funding ***	$550,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	27,270,651
*** Total Agency Funding ***	$27,270,651
Department of Environmental Conservation	
1002 Federal Receipts	38,950,000

1003	General Fund Match	9,500,000
1004	Unrestricted General Fund Receipts	43,921,576
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1075	Alaska Clean Water Fund	1,826,274
1100	Alaska Drinking Water Fund	4,071,900
1108	Statutory Designated Program Receipts	500,000
*** Total Agency Funding ***		$100,769,750
Department of Fish and Game		
1002	Federal Receipts	19,650,000
1003	General Fund Match	150,000
1004	Unrestricted General Fund Receipts	900,000
1024	Fish and Game Fund	900,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
*** Total Agency Funding ***		$22,850,000
Office of the Governor		
1004	Unrestricted General Fund Receipts	123,800
1185	Election Fund	2,975,000
*** Total Agency Funding ***		$3,098,800
Department of Health and Social Services		
1003	General Fund Match	425,000
1004	Unrestricted General Fund Receipts	9,880,000
*** Total Agency Funding ***		$10,305,000
Department of Labor and Workforce Development		
1002	Federal Receipts	1,312,695
1003	General Fund Match	600,000
1004	Unrestricted General Fund Receipts	5,000,000
*** Total Agency Funding ***		$6,912,695
Department of Law		
1004	Unrestricted General Fund Receipts	150,000
*** Total Agency Funding ***		$150,000
Department of Military and Veterans Affairs		

1002	Federal Receipts	21,942,000
1003	General Fund Match	1,750,000
1004	Unrestricted General Fund Receipts	550,000
*** Total Agency Funding ***		$24,242,000
Department of Natural Resources		
1002	Federal Receipts	11,535,000
1003	General Fund Match	200,000
1004	Unrestricted General Fund Receipts	7,624,000
1108	Statutory Designated Program Receipts	1,605,000
1153	State Land Disposal Income Fund	3,668,000
1195	Special Vehicle Registration Receipts	250,000
*** Total Agency Funding ***		$24,882,000
Department of Public Safety		
1002	Federal Receipts	1,500,000
1004	Unrestricted General Fund Receipts	10,286,000
*** Total Agency Funding ***		$11,786,000
Department of Revenue		
1002	Federal Receipts	17,833,056
1003	General Fund Match	68,544
1004	Unrestricted General Fund Receipts	461,000
1050	Permanent Fund Dividend Fund	350,000
1105	Permanent Fund Gross Receipts	250,000
1113	Alaska Housing Finance Corporation Statewide Bonds	7,500,000
1139	Alaska Housing Finance Corporation Dividend	31,058,504
1212	Federal Stimulus: ARRA 2009	262,000
*** Total Agency Funding ***		$57,783,104
Department of Transportation and Public Facilities		
1002	Federal Receipts	845,565,990
1003	General Fund Match	54,597,000
1004	Unrestricted General Fund Receipts	58,613,000
1026	Highways Equipment Working Capital Fund	15,000,000

1027	International Airports Revenue Fund	6,925,500
1061	Capital Improvement Project Receipts	1,900,000
1108	Statutory Designated Program Receipts	12,000,000
1112	International Airports Construction Fund	8,986,250
1179	Passenger Facility Charges	2,200,000
*** Total Agency Funding ***		$1,005,787,740
University of Alaska		
1004	Unrestricted General Fund Receipts	6,400,000
1009	Revenue Bonds	20,600,000
1048	University of Alaska Restricted Receipts	15,000,000
*** Total Agency Funding ***		$42,000,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	24,600,000
*** Total Agency Funding ***		$24,600,000
* * * * * Total Budget * * * * *		$1,483,234,640

(SECTION 9 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source		Amount
Unrestricted General Funds		
1003	General Fund Match	67,668,544
1004	Unrestricted General Fund Receipts	207,936,427
1139	Alaska Housing Finance Corporation Dividend	31,058,504
1140	Alaska Industrial Development and Export Authority Dividend	18,500,000
Total Unrestricted General Funds		$325,163,475
Designated General Funds		
1005	General Fund/Program Receipts	9,109,000
1048	University of Alaska Restricted Receipts	15,000,000
1050	Permanent Fund Dividend Fund	350,000
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1153	State Land Disposal Income Fund	3,668,000
1195	Special Vehicle Registration Receipts	250,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
1210	Renewable Energy Grant Fund	50,000,000
Total Designated General Funds		$81,627,000
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	301,400
1024	Fish and Game Fund	900,000
1027	International Airports Revenue Fund	6,925,500
1029	Public Employees Retirement Trust Fund	392,900
1034	Teachers Retirement Trust Fund	164,000
1042	Judicial Retirement System	4,000
1045	National Guard Retirement System	12,700
1105	Permanent Fund Gross Receipts	250,000

1	1108	Statutory Designated Program Receipts	14,105,000
2	1113	Alaska Housing Finance Corporation	7,500,000
3		Statewide Bonds	
4	1179	Passenger Facility Charges	2,200,000
5	***Total Other Non-Duplicated Funds***		$32,755,500
6	**Federal Funds**		
7	1002	Federal Receipts	980,913,741
8	1075	Alaska Clean Water Fund	1,826,274
9	1100	Alaska Drinking Water Fund	4,071,900
10	1212	Federal Stimulus: ARRA 2009	262,000
11	***Total Federal Funds***		$987,073,915
12	**Duplicated Funds**		
13	1007	Interagency Receipts	1,153,500
14	1009	Revenue Bonds	20,600,000
15	1026	Highways Equipment Working Capital Fund	15,000,000
16	1061	Capital Improvement Project Receipts	2,900,000
17	1081	Information Services Fund	5,000,000
18	1112	International Airports Construction Fund	8,986,250
19	1185	Election Fund	2,975,000
20	***Total Duplicated Funds***		$56,614,750

21 (SECTION 10 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 10.** The following appropriations are for capital project grants from the general fund or other funds as set out in section 11 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Abused Women's Aid In Crisis, Inc. - Security System Upgrades & Ventilation Repair (HD 17-32)		180,000	180,000	
Aiding Women in Abuse & Rape Emergencies, Inc. - Extended Stay Shelter and Supportive Services (HD 3-4)		1,000,000	1,000,000	
Alaska Air Show Association - 2010 Arctic Thunder Air Show (HD 17-32)		75,000	75,000	
Alaska Brain Injury Network, Inc. - Resource Navigation Activities (HD 1-40)		50,000	50,000	
Alaska Community Foundation - Jesse Lee Home Restoration (HD		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
33-35)				
Alaska Disabled Veterans Sports Program - State Participation Grant (HD 1-40)		100,000	100,000	
Alaska Fire Chiefs Association - Alaska Marine Firefighter Training for Land-Based Firefighters (HD 1-40)		150,000	150,000	
Alaska Manufacturing Extension Partnership - State Matching Support (HD 1-40)		800,000	800,000	
Alaska Moving Image Preservation Association - State Participation Grant (HD 1-40)		303,000	303,000	
Alaska Partnership for Economic Development - Alaska Forward Initiative (HD 1-40)		100,000	100,000	
Alaska Sealife Center - Seawater Intake Pipelines Biofouling Remediation (HD 33-35)		1,000,000	1,000,000	
Alaska Search and Rescue Association - Search and Rescue Statewide Training (HD 17-32)		200,000	200,000	
Alaska Search and Rescue		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Association - Training and Equipment for Search and Rescue Organizations Statewide (HD 1-40)				
Alaska Zoo - Polar Bear Expansion Project & Signage (HD 17-32)		500,000	500,000	
Aleutian Peninsula Broadcasting, Inc. - King Cove FM Radio Translator, Ground System, Studio Renovation, & Vehicle (HD 37)		50,000	50,000	
Alutiiq Pride Shellfish Hatchery - Repairs and Upgrade (HD 33-35)		150,000	150,000	
Alyeska Vocational Services - Deaf Center Planning & Development (HD 1-40)		50,000	50,000	
American Bald Eagle Foundation - Raptor Center Completion (HD 5)		269,800	269,800	
American Legion Chappie James Post 34 - American Legion Facility Renovation (HD 17-32)		10,000	10,000	
American Legion of Alaska - Youth Sports Fields (HD 1-40)		750,000	750,000	
Anchorage Community Land Trust - Mountain View		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Community Center (HD 17-32)				
Anchorage Economic Development Corporation - Anchorage Economic Development Grant (HD 17-32)		100,000	100,000	
Anchorage Museum at Rasmuson Center - Major Maintenance Project (HD 17-32)		2,000,000	2,000,000	
Anchorage Neighborhood Health Center, Inc. - Facility Relocation and Construction (HD 17-32)		9,000,000	9,000,000	
Anchorage Park Foundation - Al Miller Park Safety and Maintenance Project (HD 17-32)		10,000	10,000	
Anchorage Park Foundation - Anchorage Senior Center Trail Connection (HD 17-32)		25,000	25,000	
Anchorage Park Foundation - Carlson Park Repairs (HD 17-32)		60,700	60,700	
Anchorage Park Foundation - Cheney Lake Park Improvements (HD 17-32)		24,700	24,700	
Anchorage Park Foundation - Cope Street Park		45,700	45,700	

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements (HD 17-32)				
Anchorage Park Foundation - Creekside Park Improvements (HD 17-32)		10,000	10,000	
Anchorage Park Foundation - Cuddy Family Midtown Park Playground (HD 17-32)		75,000	75,000	
Anchorage Park Foundation - Harvard Park Safety and Maintenance Upgrades (HD 17-32)		68,700	68,700	
Anchorage Park Foundation - Ira Walker Park Improvements (HD 17-32)		108,000	108,000	
Anchorage Park Foundation - Little Dipper Park Fix-Its (HD 17-32)		45,700	45,700	
Anchorage Park Foundation - Martin Luther King Jr. Memorial Restoration (HD 17-32)		150,000	150,000	
Anchorage Park Foundation - Nichols Park Improvements (HD 17-32)		35,000	35,000	
Anchorage Park Foundation - Scenic Foothills Community Parks Webcam & Motion Detector Lights (HD 17-32)		56,000	56,000	
Anchorage Park Foundation - William B. Lyons Park Improvements (HD 17-32)		193,200	193,200	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage Park Foundation - Woodland Park Improvements (HD 17-32)		40,200	40,200	
Anchorage Urban League - Alaska Seeds of Change Transitional Youth Program (HD 17-32)		1,000,000	1,000,000	
Angoon Senior Center - Senior Center Equipment Purchase (HD 5)		8,000	8,000	
Arc of Anchorage - Crisis Housing and Training Center (HD 17-32)		800,000	800,000	
Arctic Power - ANWR Program (HD 1-40)		160,000	160,000	
Arctic Winter Games Team Alaska - State Participation Grant (HD 1-40)		250,000	250,000	
Association of Village Council Presidents - Regional Airframe & Power Plant Training School (HD 38)		1,520,000	1,520,000	
Association of Village Council Presidents - Wood Heating Demonstration Project (HD 38)		610,000	610,000	
Bering Sea Fisherman's Association - Arctic Yukon-Kuskokwim		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Sustainable Salmon Initiative (HD 38)				
Bethel Broadcasting Inc. - KYUK Energy Conservation and Facilities Upgrades (HD 38)		110,800	110,800	
Big Lake Elementary PTA - Playground Equipment (HD 13-16)		10,000	10,000	
Blood Bank of Alaska - Fairbanks Branch Emergency Backup Equipment (HD 7-11)		50,000	50,000	
Blood Bank of Alaska - New Building Planning & Construction (HD 17-32)		13,400,000	13,400,000	
Bridge Builders of Anchorage - Education Program (HD 17-32)		148,500	148,500	
Brotherhood, Inc. - Home Based After School Program (HD 17-32)		30,000	30,000	
Calypso Farm And Ecology Center - Schoolyard Garden Initiative (HD 7-11)		25,000	25,000	
Camp Fire USA - Camp Kushtaka Rebuild (HD 33-35)		700,000	700,000	
Campbell Park Community Council - Lake Otis and Waldron Safety Lighting (HD 17-32)		5,000	5,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Capital Community Broadcasting, Inc. - Gavel to Gavel Video on Demand Project (HD 3-4)		97,000	97,000	
Catholic Community Services - Bring the Kids Home Program Site Acquisition and Building Design (HD 3-4)		75,000	75,000	
Chalkyitsik Traditional Council - New Clinic Match Contribution (HD 6)		103,000	103,000	
Communities in Schools - North Star Imagination Library (HD 7-11)		18,000	18,000	
Community of Elfin Cove Non-Profit Corporation - Sanitation Facility Planning (HD 2)		75,000	75,000	
Community Sports, Inc. - Development & Implementation Project (HD 13-16)		100,000	100,000	
Cook Inlet Housing Authority - Workforce Development Housing Project (HD 17-32)		5,000,000	5,000,000	
Copper Basin Senior Citizens - Deferred Maintenance of Senior Center (HD 12)		25,000	25,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Copper River Native Association - Vehicle Acquisition (HD 6)		44,000	44,000	
Copper Valley Electric Association - Electrical Transmission Avalanche Mitigation (HD 12)		500,000	500,000	
Copper Valley Electric Association - Silver Lake Pre-Feasibility Study (HD 12)		125,000	125,000	
Covenant House Alaska - Facility Construction (HD 17-32)		3,000,000	3,000,000	
Deltana Community Corporation - Souhrada Road Improvements (HD 6)		200,000	200,000	
Dimond High School Alumni Association - Sports Field Improvements (HD 17-32)		250,000	250,000	
Downtown Soup Kitchen - New Facility Project (HD 17-32)		500,000	500,000	
Edzeno Native Village Council - Nikolai Electrical Metering Project (HD 6)		60,000	60,000	
Fairbanks Soil & Water Conservation District - Chena Slough Restoration Project (HD 7-11)		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks Soil & Water Conservation District - Invasive Weeds Project (HD 7-11)		5,000	5,000	
Family Centered Services of Alaska - Facility Expansion & Program Enhancement Project (HD 7-11)		300,000	300,000	
Federation of Community Councils, Inc - Mountain View Community Council Spring Cleanup (HD 17-32)		10,000	10,000	
Federation of Community Councils, Inc. - Chugiak & Eagle River Land Use Consortium Project (HD 17-32)		100,000	100,000	
Federation of Community Councils, Inc. - Mountain View Community Patrol (HD 17-32)		12,000	12,000	
Federation of Community Councils, Inc. - Neighborhoods USA 2011 Conference (HD 17-32)		70,000	70,000	
Federation of Community Councils, Inc. - North East Community Patrol (HD 17-32)		2,500	2,500	
Federation of Community		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Councils, Inc. - Nunaka Valley Community Patrol (HD 17-32)				
Federation of Community Councils, Inc. - Russian Jack Community Patrol (HD 17-32)		2,500	2,500	
Filipino Community, Inc. - Filipino Community Historic Building Repair and Maintenance (HD 3-4)		50,000	50,000	
Food Bank of Alaska - Latino Lions Club Food Distribution (HD 17-32)		10,000	10,000	
Food Bank of Alaska - Mother Lawrence Foundation Food Distribution (HD 17-32)		10,000	10,000	
Fraternal Order of Alaska State Troopers - CSI Forensic Youth Summer Camp (HD 17-32)		30,000	30,000	
Gakona Volunteer Fire Department - Construction and Equipment and Facility Upgrades (HD 6)		250,000	250,000	
Gakona Volunteer Fire Department - Fit Five Project (HD 6)		8,800	8,800	
Gakona Volunteer Fire Department - Viable 911		14,400	14,400	

	Allocations	Appropriation Items	General Funds	Other Funds
Dispatch (HD 12)				
Gastineau Human Services - Safety and Security Systems Upgrades (HD 3-4)		39,500	39,500	
Grayling IRA Council - Multi-Purpose Community Center Match Contribution (HD 6)		150,000	150,000	
Greater Copper Valley Communications, Inc - Backup Generator & Communication Link (HD 6)		91,000	91,000	
Haines Assisted Living, Inc. - Retaining Wall, Drainage and Pavement Construction (HD 5)		325,000	325,000	
Haines Senior Center - Senior Center Roof Maintenance & Replacement (HD 5)		50,000	50,000	
Haines Senior Center - Vehicle & Wheelchair Lift Purchase (HD 5)		13,100	13,100	
Homer Foundation - Community Education and Activity Programming (HD 33-35)		30,000	30,000	
Hoonah Senior Center - Kitchen Equipment (HD 5)		18,000	18,000	
Hope Community Resources, Inc. - Statewide Assisted		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Living Facilities Rehabilitation and Refurbishment (HD 12-35)				
Ilisagvik College - Ilisagvik Heavy Equipment (HD 40)		250,000	250,000	
Institute of The North - Emerging Leaders Program (HD 1-40)		150,000	150,000	
Inter-Island Ferry Authority - Development Assistance (HD 1-5)		750,000	750,000	
Island Trails Network - Rotary Park Trail Phase II (HD 36)		8,000	8,000	
Juneau Cooperative Christian Ministries - Glory Hole Shelter Roof Replacement (HD 3-4)		65,000	65,000	
Juneau Housing Trust - 20th Century Theater Affordable Housing Project (HD 3-4)		55,000	55,000	
Kaagwaantaan, Inc. - Alaska Native Brotherhood Hall Renovations (HD 2)		150,000	150,000	
Kake Senior Center - Kitchen Equipment (HD 5)		5,500	5,500	
Kenai Peninsula Food Bank - Facility Improvements and Expansion (HD 33-35)		250,000	250,000	
Ketchikan Senior Services,		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Inc. - Access Road To Senior Housing-Pioneer Heights (HD 1)				
Kincaid Park Project Group - Recreation & Cultural Enhancements (HD 17-32)		2,000,000	2,000,000	
No portion of this appropriation may be used for environmental remediation-related costs at the old biathlon shooting range at Kincaid Park.				
Kodiak Women's Resource and Crisis Center - Security Fence Replacement (HD 36)		13,000	13,000	
Ma'o Tosi Alaska PRIDE - After-School and Summer Programs (HD 17-32)		80,000	80,000	
Maniilaq Association - Elder Care Facility (HD 40)		10,200,000	10,200,000	
Meadow Lakes Community Council, Inc. - Community Campus Sports Fields (HD 13-16)		195,000	195,000	
Metlakatla Indian Community - Metlakatla Ketchikan Intertie (HD 1-5)		2,000,000	2,000,000	
Metlakatla Indian Community - Waldon Point Road Paving Project (HD 5)		1,000,000	1,000,000	
Mid-Valley Seniors, Inc. - Mid-Valley Senior Center		35,000	35,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Roof Replacement (HD 13-16)				
Mount Sanford Tribal Consortium - Chistochina Clinic and Multi-Use Facility (HD 6)		500,000	500,000	
Mountain View Boys and Girls Club - Community Center Maintenance and Upgrades (HD 17-32)		10,000	10,000	
Native Village of Chenega Bay - Backhoe Loader (HD 5)		125,000	125,000	
Native Village of Tetlin - Community Improvements (HD 6)		35,000	35,000	
Native Village of Unalakleet (Unalakleet IRA) - Southern Sub Regional Assisted Living Facility (HD 39)		300,000	300,000	
Newtok Traditional Council - Landfill Design Matching Funds (HD 38)		75,000	75,000	
Newtok Traditional Council - Newtok Evacuation Shelter and Access Road (HD 38)		4,000,000	4,000,000	
Nine Star Education & Employment Services - Dropout Recovery Program (HD 17-32)		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Ninilchik Native Descendants - Historical Cabin Restoration (HD 33-35)		50,000	50,000	
North Star Volunteer Fire Department - Fire Engine (HD 7-11)		145,000	145,000	
Orutsararmiut Native Council (ONC) - Repair and Provide Energy Efficiency for Senior Center (HD 38)		480,000	480,000	
Palmer Senior Citizens Center, Inc. - Palmer Senior Citizens Center (HD 13-16)		6,000,000	6,000,000	
Peninsula Community Health Centers of Alaska - Cottonwood Health Center Equipment (HD 33-35)		100,000	100,000	
Perseverance Theatre - Facility Upgrades (HD 3-4)		45,000	45,000	
Rainbird Community Broadcasting, Inc. - KRBD FM Digital Equipment Upgrade (HD 1)		35,000	35,000	
REACH, Inc. - Asbestos Abatement (HD 3-4)		25,500	25,500	
Retirement Community of Fairbanks - Raven Landing Senior Community Center (HD 7-11)		500,000	500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Ruby Tribal Council - Water Truck Acquisition (HD 6)		80,000	80,000	
Rural Alaska Community Action Program, Inc. - Toksook Bay Early Learning Center (HD 38)		800,000	800,000	
Rural Deltana Volunteer Fire Department - Big D Station Deferred Maintenance (HD 6)		295,000	295,000	
Rural Deltana Volunteer Fire Department, Inc. - Energy Efficiency Upgrades (HD 6)		567,050	567,050	
Sealaska Heritage Institute - Southeast Alaska Native Cultural and Visitor Center (HD 3-4)		4,000,000	4,000,000	
Senior Citizens of Kodiak, Inc. - Fire Sprinkler System Replacement (HD 36)		118,200	118,200	
Shiloh Community Housing Incorporated - Transitional Housing Project (HD 17-32)		50,000	50,000	
Sitka Community Hospital - Medical Equipment Replacement (HD 2)		50,000	50,000	
Skagway Traditional Council - Completion of Public		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Utility Building (HD 5)				
Snomads - Willard Road Improvements (HD 33-35)		50,000	50,000	
Sons of Norway Hall - Lodge No. 23 Hall Renovation and Repair (HD 2)		50,000	50,000	
Soteria-Alaska, Inc. - Facility Repairs (HD 17-32)		178,000	178,000	
South Anchorage Baseball Booster Club - Taylar Young Memorial Ballpark (HD 17-32)		200,000	200,000	
Southeast Alaska Guidance Association - Eagle Valley Training Center Repair and Maintenance (HD 3-4)		57,000	57,000	
Southeast Alaska Independent Living - Lift-Equipped Vehicles (HD 3-4)		9,700	9,700	
Southeast Alaska Solid Waste Authority - SEASWA Start-up Funding (HD 1-5)		125,000	125,000	
Southeast Conference - Energy Program Coordination (HD 1-5)		150,000	150,000	
Southeast Regional Resource Center - Technology Upgrade (HD 3-4)		63,700	63,700	

	Allocations	Appropriation Items	General Funds	Other Funds
Southern Southeast Emergency Training Center - Facility Construction (HD 1)		500,000	500,000	
Special Olympics Alaska - Training Center and Campus Expansion & Development (HD 17-32)		5,000,000	5,000,000	
Steese Fire Service Area - Steese Volunteer Fire Department Station #2 Repair And Upgrade (HD 7-11)		100,000	100,000	
Sunshine Community Health Center - Construction of New Community Health Clinic (HD 13-16)		423,000	423,000	
Tatitlek IRA Council - Power Generators Repairs and Replacement (HD 5)		26,600	26,600	
Territorial Sportsmen, Inc. - Public Use Cabin Construction (HD 3-4)		60,000	60,000	
Tolsona Fire Department - Firefighter's Safety Equipment and Apparatus Repair (HD 6)		100,000	100,000	
Tundra Women's Coalition - Construction of Children's Advocacy Center (HD 38)		600,000	600,000	
United Human Services of		120,000	120,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Southeast Alaska - Non-profit Center (HD 3-4)				
United Way of Anchorage - Weed & Seed Program Support (HD 17-32)		50,000	50,000	
Upper Susitna Shooters Association - Range Improvements (HD 13-16)		5,000	5,000	
VSA Arts of Alaska - Boiler Replacement (HD 17-32)		30,000	30,000	
Wasilla-Iditarod Elementary School - Playground and Exercise Equipment (HD 13-16)		30,000	30,000	
Weed and Seed East Anchorage - Russian Jack Advocacy (HD 17-32)		25,000	25,000	
Weed and Seed East Anchorage - Tax Assistance Computers (HD 17-32)		10,000	10,000	
World Trade Center Alaska - International Trade Partnership Project (HD 1-40)		450,000	450,000	
Yakutat Senior Center - Internet Access Infrastructure & Equipment (HD 5)		5,000	5,000	
Yukon-Kuskokwim Health Corporation - Long Term		8,328,000	8,328,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Care Facility (HD 38)				
Yukon-Kuskokwim Health Corporation - Sobering Center (HD 38)		475,000	475,000	
Grants to Municipalities (AS 37.05.315)				
Aleutians East Borough - Cold Bay Airport Apron and Taxiway Construction (HD 37)		1,000,000	1,000,000	
Anchorage - Chinook Elementary School Entryway Improvements (HD 17-32)		20,000	20,000	
Anchorage - 100th Avenue Extension Phase II - Minnesota Drive to C Street (HD 17-32)		6,000,000	6,000,000	
Anchorage - 121st Avenue Storm Drain - Mary Drive to Ellen Avenue (HD 17-32)		600,000	600,000	
Anchorage - 13th Avenue Gateway Element Improvements (HD 17-32)		100,000	100,000	
Anchorage - 32nd Avenue Improvements - Muldoon Road to Brookridge Drive (HD 17-32)		3,000,000	3,000,000	
Anchorage - 35th Avenue Improvements - Wisconsin Street to Spenard Road (HD 17-32)		6,000,000	6,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - 40th Avenue Extension - Piper Street to Dale Street (HD 17-32)		3,000,000	3,000,000	
Anchorage - 42nd Avenue Traffic & Safety Improvements (HD 17-32)		250,000	250,000	
Anchorage - 73rd and 74th Avenue Water Line Extension (HD 17-32)		1,200,000	1,200,000	
Anchorage - 74th Avenue Flooding and Glaciation Improvements (HD 17-32)		100,000	100,000	
Anchorage - 88th Avenue Upgrade - Spruce Brook Street to Elmore Road (HD 17-32)		3,000,000	3,000,000	
Anchorage - Abbott Loop Elementary School Library Books (HD 17-32)		15,000	15,000	
Anchorage - Abbott Loop Elementary School Projectors & Document Cameras (HD 17-32)		20,000	20,000	
Anchorage - Abbott Loop Traffic Calming Improvements (HD 17-32)		60,000	60,000	
Anchorage - Airport Heights Elementary School Technology (HD 17-32)		20,000	20,000	
Anchorage - Alexander Avenue Drainage		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements (HD 17-32)				
Anchorage - Anchorage Metropolitan Area Transportation Solutions (AMATS) Matching Funding (HD 17-32)		25,092,000	25,092,000	
Anchorage - Anchorage Senior Center Upgrades (HD 17-32)		770,000	770,000	
Anchorage - Aquarian Charter School Emergency Lighting (HD 17-32)		20,000	20,000	
Anchorage - Arctic Boulevard Chester Creek Flooding (HD 17-32)		150,000	150,000	
Anchorage - Bancroft Subdivision Road and Drainage Rehabilitation (HD 17-32)		250,000	250,000	
Anchorage - Bartlett High School Interactive Whiteboards (HD 17-32)		50,000	50,000	
Anchorage - Baxter Elementary School Classroom Technology Equipment (HD 17-32)		15,000	15,000	
Anchorage - Bayshore Elementary School Interactive Whiteboards (HD 17-32)		61,000	61,000	
Anchorage - Bayshore LED		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Street Lighting Upgrades (HD 17-32)				
Anchorage - Begich Middle School Science Program Supplies (HD 17-32)		2,700	2,700	
Anchorage - Begich Middle School Stream Gauge & Weather Shelter (HD 17-32)		1,500	1,500	
Anchorage - Ben Boeke Ice Arena Upgrades (HD 17-32)		300,000	300,000	
Anchorage - Blackberry Street/80th Avenue Area Local Road Surface Rehab (HD 17-32)		150,000	150,000	
Anchorage - Bluebell Drive at Golden View Drive Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Boniface Parkway Pedestrian & Bike Path Improvements (HD 17-32)		100,000	100,000	
Anchorage - Campbell Elementary School Computer Software (HD 17-32)		9,000	9,000	
Anchorage - Campbell Elementary School Mobile Computer Lab (HD 17-32)		40,000	40,000	
Anchorage - Campbell Elementary School Projectors & Document		32,000	32,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Cameras (HD 17-32)				
Anchorage - Centennial Park Upgrades, Repairs and Improvements (HD 17-32)		500,000	500,000	
Anchorage - Central Middle School Interactive Whiteboard (HD 17-32)		38,400	38,400	
Anchorage - Chester Valley Elementary School Equipment & Software (HD 17-32)		53,900	53,900	
Anchorage - Chinook Elementary School Construct Gym Storage Area (HD 17-32)		12,000	12,000	
Anchorage - Chinook Elementary School Gym Floor Protective Cover (HD 17-32)		7,000	7,000	
Anchorage - Chinook Elementary School Physical Education Equipment (HD 17-32)		2,500	2,500	
Anchorage - Chinook Elementary School Wash Station & Drinking Fountain Replacement (HD 17-32)		6,000	6,000	
Anchorage - Chugach Elementary School Computers (HD 17-32)		44,000	44,000	
Anchorage - Chugiak to		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Eagle River Road and Drainage Improvements (HD 17-32)				
Anchorage - College Gate Elementary School Playground Equipment (HD 17-32)		50,000	50,000	
Anchorage - Cordova Street Pedestrian and Transportation Safety Study (HD 17-32)		60,000	60,000	
Anchorage - Creekside Park Elementary School Library Books (HD 17-32)		20,000	20,000	
Anchorage - Creekside Park Elementary Sidewalk Repairs (HD 17-32)		6,200	6,200	
Anchorage - Crime Scene Investigation Vehicle (HD 17-32)		410,000	410,000	
Anchorage - Dempsey Anderson Ice Arena Upgrades (HD 17-32)		250,000	250,000	
Anchorage - Denali Montessori School Computer Lab Equipment (HD 17-32)		10,300	10,300	
Anchorage - Dimond High School Advanced Placement Teacher Training (HD 17-32)		10,000	10,000	
Anchorage - Dimond High		42,000	42,000	

	Allocations	Appropriation Items	General Funds	Other Funds
School Computers (HD 17-32)				
Anchorage - Duben Street Upgrade Study - Patterson Street to Muldoon Road (HD 17-32)		100,000	100,000	
Anchorage - East Anchorage Plan (HD 17-32)		80,000	80,000	
Anchorage - East High School Computers Purchase (HD 17-32)		29,000	29,000	
Anchorage - East High School Library Resources (HD 17-32)		5,000	5,000	
Anchorage - Egavik Drive & Denali Street Reconstruction (HD 17-32)		1,500,000	1,500,000	
Anchorage - Emergency Medical & Fire Fighting Protective Equipment (HD 17-32)		150,000	150,000	
Anchorage - Fairview Elementary School Book and Technology Grant (HD 17-32)		30,000	30,000	
Anchorage - Fire Lake Elementary School Physical Education Program (HD 17-32)		10,000	10,000	
Anchorage - Fire Station #6 Replacement (HD 17-32)		6,000,000	6,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Fire Station #9 Remodel (HD 17-32)		5,000,000	5,000,000	
Anchorage - Flooding and Glaciation Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Gladys Wood Elementary Purchase Multimedia Equipment (HD 17-32)		26,000	26,000	
Anchorage - Gladys Wood Elementary School Classroom Walls and Storage (HD 17-32)		48,000	48,000	
Anchorage - Gladys Wood Elementary School Lunchroom Tables (HD 17-32)		15,000	15,000	
Anchorage - Glenn Highway/Eagle Glen South Subdivision Drainage (HD 17-32)		2,500,000	2,500,000	
Anchorage - Golden View Drive Intersection and Safety Upgrade - Rabbit Creek Road to Romania Drive (HD 17-32)		8,000,000	8,000,000	
Anchorage - Goldenview Middle School Cabinet Installation (HD 17-32)		15,000	15,000	
Anchorage - Government Hill Elementary School		13,000	13,000	

	Allocations	Appropriation Items	General Funds	Other Funds
After-School Program Equipment (HD 17-32)				
Anchorage - Government Hill Elementary School Computer Software (HD 17-32)		3,600	3,600	
Anchorage - Hanshew Middle School Interactive Whiteboards (HD 17-32)		110,000	110,000	
Anchorage - Hightower Road Upgrade - Alyeska Highway to Community Center (HD 17-32)		800,000	800,000	
Anchorage - Independence Drive Upgrade & Extension (HD 17-32)		1,600,000	1,600,000	
Anchorage - Inlet View Elementary School Library Books (HD 17-32)		15,000	15,000	
Anchorage - Inlet View Elementary School Outdoor Running Track (HD 17-32)		24,000	24,000	
Anchorage - Intersection Safety and Congestion Relief Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Jewel Lake Road Rehab - Raspberry Road to Dimond Boulevard (HD 17-32)		2,400,000	2,400,000	
Anchorage - Johns Road		7,000,000	7,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Reconstruction - Klatt Road to High View Drive (HD 17-32)				
Anchorage - Kasuun Elementary School Digital Projectors (HD 17-32)		20,000	20,000	
Anchorage - Kasuun Elementary School Laptop Computers (HD 17-32)		25,000	25,000	
Anchorage - Kincaid Elementary School Replacement Furniture (HD 17-32)		11,000	11,000	
Anchorage - Kincaid Elementary Technology Upgrades (HD 17-32)		20,000	20,000	
Anchorage - King Career Center Refrigeration and Freezer Replacements (HD 17-32)		50,000	50,000	
Anchorage - King Career Center Solar Panels Study (HD 17-32)		10,000	10,000	
Anchorage - Klatt Elementary School Cafeteria Tables (HD 17-32)		7,500	7,500	
Anchorage - Klatt Elementary School Exterior Siding Repair (HD 17-32)		15,000	15,000	
Anchorage - Klatt		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Elementary School Sound System (HD 17-32)				
Anchorage - Klatt Road at C Street Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Klatt Road Pedestrian Facilities - C Street Trail to Via Appia Road (North side) (HD 17-32)		250,000	250,000	
Anchorage - Lake Hood Elementary School Book and Technology Grant (HD 17-32)		10,000	10,000	
Anchorage - Lake Hood Elementary School Cameras & Projectors (HD 17-32)		13,000	13,000	
Anchorage - Lake Hood Elementary School Mobile Computer Lab (HD 17-32)		10,000	10,000	
Anchorage - Lake Hood Elementary School Printers (HD 17-32)		1,000	1,000	
Anchorage - Lake Otis Elementary School Rock Climbing Wall (HD 17-32)		10,000	10,000	
Anchorage - Lake Otis Parkway Pedestrian Safety (HD 17-32)		250,000	250,000	
Anchorage - Lake Otis		75,000	75,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Parkway School Flashing Lights (HD 17-32)				
Anchorage - Latouche and Annapolis Pedestrian Safety (HD 17-32)		215,000	215,000	
Anchorage - Little Tree Drive Road and Drainage Rehabilitation (HD 17-32)		200,000	200,000	
Anchorage - Loussac Library (HD 17-32)		4,650,000	4,650,000	
Anchorage - Margaret Circle Area Drainage Improvements (HD 17-32)		450,000	450,000	
Anchorage - McLaughlin Secondary School Science Lab Conversion (HD 17-32)		60,000	60,000	
Anchorage - Meadow Street Upgrade & Reconstruction (HD 17-32)		1,520,000	1,520,000	
Anchorage - Mears Middle School Computer Lab (HD 17-32)		45,000	45,000	
Anchorage - Mears Middle School Locker Replacement (HD 17-32)		520,000	520,000	
Anchorage - Mears Middle School Water Heater Replacement (HD 17-32)		15,000	15,000	
Anchorage - Mirror Lake Elementary School Library and Technology Upgrades		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Anchorage - Mount Spurr Elementary School Classroom Space Renovations (HD 17-32)		35,000	35,000	
Anchorage - Mountain View and Russian Jack Park Vandalism Prevention Program (HD 17-32)		50,000	50,000	
Anchorage - Mountain View Drive Upgrade Study (HD 17-32)		150,000	150,000	
Anchorage - Mountain View Elementary School Boiler Replacement and Repairs (HD 17-32)		75,000	75,000	
Anchorage - Mountain View Elementary School Cameras & Projectors (HD 17-32)		6,250	6,250	
Anchorage - Mountain View Public Library (HD 17-32)		6,000	6,000	
Anchorage - Muldoon Community Park (HD 17-32)		1,000,000	1,000,000	
Anchorage - Muldoon Elementary School Asphalt and Sidewalk Repairs (HD 17-32)		80,000	80,000	
Anchorage - Muldoon Elementary School Cameras (HD 17-32)		5,000	5,000	
Anchorage - Muldoon Road		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Pedestrian Safety (HD 17-32)				
Anchorage - Newby Avenue Repair and Renovation (HD 17-32)		136,000	136,000	
Anchorage - North Star Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - North Star Elementary School Cameras & Projectors (HD 17-32)		7,000	7,000	
Anchorage - North Star Elementary School Mobile Computer Lab (HD 17-32)		15,000	15,000	
Anchorage - Northern Lights Boulevard Bike Pathway Rehabilitation (HD 17-32)		150,000	150,000	
Anchorage - Northern Lights Boulevard Pedestrian Safety (HD 17-32)		920,000	920,000	
Anchorage - Northern Lights Boulevard Sound Barrier Fence (HD 17-32)		1,000,000	1,000,000	
Anchorage - Northwood Drive Pavement Rehabilitation (HD 17-32)		1,700,000	1,700,000	
Anchorage - Northwood Elementary School Audio Book Library (HD 17-32)		1,400	1,400	
Anchorage - Northwood		15,000	15,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Elementary School Book and Technology Grant (HD 17-32)				
Anchorage - Northwood Elementary School Sidewalk Repairs (HD 17-32)		11,000	11,000	
Anchorage - Northwood Elementary School Sign (HD 17-32)		9,000	9,000	
Anchorage - Nunaka Valley Elementary School Heat Exchanger (HD 17-32)		50,000	50,000	
Anchorage - Nunaka Valley Park Facility Improvement Plan (HD 17-32)		50,000	50,000	
Anchorage - Nunaka Valley Street and Pedestrian Upgrades (HD 17-32)		50,000	50,000	
Anchorage - Ocean View Elementary School DVD/TV Equipment (HD 17-32)		32,000	32,000	
Anchorage - Ocean View Elementary School Sound System & Stage Improvements (HD 17-32)		15,000	15,000	
Anchorage - Old Eagle River Road Upgrade (RTP) - Monte Road to Baranoff Avenue (HD 17-32)		6,800,000	6,800,000	
Anchorage - Orion Elementary School		4,000	4,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Classroom Equipment Purchase (HD 17-32)				
Anchorage - Pavement Rehab Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Pedestrian Safety and Rehabilitation Matching Program (HD 17-32)		1,000,000	1,000,000	
Anchorage - Pioneer Home Sidewalk Safety Replacement (HD 17-32)		25,000	25,000	
Anchorage - Polaris School Science Kits, Lab Equipment and Genetic Instruments (HD 17-32)		18,500	18,500	
Anchorage - Port of Anchorage Expansion (HD 17-32)		20,000,000	20,000,000	
Anchorage - Ptarmigan Elementary School Cameras (HD 17-32)		5,000	5,000	
Anchorage - Recreation Facilities Upgrades (HD 17-32)		1,000,000	1,000,000	
Anchorage - Road and Drainage Phase II (HD 17-32)		250,000	250,000	
Anchorage - Rogers Park Elementary School Computers & Training (HD		40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Rogers Park Elementary School Multipurpose Room Retrofit (HD 17-32)		25,000	25,000	
Anchorage - Romig Middle School Book and Technology Grant (HD 17-32)		25,000	25,000	
Anchorage - Romig Middle School Interactive Whiteboards (HD 17-32)		50,000	50,000	
Anchorage - Russian Jack Elementary School - Playground Equipment (HD 17-32)		10,000	10,000	
Anchorage - Russian Jack Springs Park (HD 17-32)		300,000	300,000	
Anchorage - Sand Lake Watershed Drinking Water Studies (HD 17-32)		250,000	250,000	
Anchorage - SAVE High School Multimedia Computer Lab (HD 17-32)		34,000	34,000	
Anchorage - Scenic Park Elementary School Cameras & Projectors (HD 17-32)		15,000	15,000	
Anchorage - School District Child in Transition Tutoring (HD 17-32)		25,000	25,000	
Anchorage - Service High School Classroom		40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Technology Upgrades (HD 17-32)				
Anchorage - Service High School World Language Department Program (HD 17-32)		15,000	15,000	
Anchorage - Sitka Street Culvert Replacement (HD 17-32)		60,000	60,000	
Anchorage - South High School - Athletic Fields Artificial Turf (HD 17-32)		700,000	700,000	
Anchorage - Spring Hill Elementary Technology Upgrades (HD 17-32)		50,000	50,000	
Anchorage - Steller Secondary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Steller Secondary School Computer Lab Wiring (HD 17-32)		20,000	20,000	
Anchorage - Steller Secondary School Library Chairs & Equipment (HD 17-32)		1,000	1,000	
Anchorage - Steller Secondary School Library Shelves & Furniture (HD 17-32)		4,000	4,000	
Anchorage - Steller		38,000	38,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Secondary School Mobile Computer Lab (HD 17-32)				
Anchorage - Steller Secondary School Replace Lighting Improvements (HD 17-32)		1,000	1,000	
Anchorage - Steller Secondary School Water Heater Replacement (HD 17-32)		12,000	12,000	
Anchorage - Street Light Energy Conservation Upgrades (HD 17-32)		500,000	500,000	
Anchorage - Sullivan Arena Facility Upgrades (HD 17-32)		1,600,000	1,600,000	
Anchorage - Susitna Elementary School Interactive Whiteboards (HD 17-32)		8,000	8,000	
Anchorage - Susitna Elementary School Mobile Computer Lab (HD 17-32)		14,000	14,000	
Anchorage - Susitna Elementary School Multimedia (HD 17-32)		18,000	18,000	
Anchorage - Sylvan Drive Reconstruction (HD 17-32)		600,000	600,000	
Anchorage - Taku Elementary Wireless Internet Access (HD 17-32)		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements Phase II (HD 17-32)		2,500,000	2,500,000	
Anchorage - Totem Fields Phase II (HD 17-32)		350,000	350,000	
Anchorage - Traffic Calming and Pedestrian Safety (HD 17-32)		350,000	350,000	
Anchorage - Trailside Elementary School Computer Lab Software (HD 17-32)		10,000	10,000	
Anchorage - Trailside Elementary School Computers (HD 17-32)		30,000	30,000	
Anchorage - Tudor Elementary School Technology, Books, and Supplies Grant (HD 17-32)		31,800	31,800	
Anchorage - Turnagain Boulevard Area Flooding and Glaciation (HD 17-32)		150,000	150,000	
Anchorage - Turnagain Elementary School Interactive Whiteboards (HD 17-32)		60,000	60,000	
Anchorage - University Lake Park Bank Stabilization and Dog Amenities (HD 17-32)		75,000	75,000	
Anchorage - Wendler Middle		27,000	27,000	

	Allocations	Appropriation Items	General Funds	Other Funds
School Electric Sign (HD 17-32)				
Anchorage - West High School Technology & Equipment (HD 17-32)		140,000	140,000	
Anchorage - Whaley Center Lifeskills Classroom Kitchen Upgrades (HD 17-32)		10,000	10,000	
Anchorage - William Tyson Elementary School Computers & Printers (HD 17-32)		25,000	25,000	
Anchorage - William Tyson Elementary School Purchase Classroom Televisions (HD 17-32)		15,000	15,000	
Anchorage - Willow Crest Elementary School Book and Technology Grant (HD 17-32)		15,000	15,000	
Anchorage - Willow Crest Elementary School Interactive Whiteboard (HD 17-32)		8,000	8,000	
Anchorage - Willow Crest Elementary School Library Books & Supplies (HD 17-32)		27,000	27,000	
Anchorage - Willow Crest Elementary School		40,000	40,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Playground Equipment Upgrades (HD 17-32)				
Anchorage - Wonder Park Elementary School Interactive Whiteboards (HD 17-32)		69,250	69,250	
Angoon - Barge Landing (HD 5)		150,000	150,000	
Angoon - Engineering Design and Renovation for Front Road (HD 5)		500,000	500,000	
Angoon - Fire Truck (HD 5)		200,000	200,000	
Bethel - Electrical Utility Acquisition Study (HD 38)		150,000	150,000	
Bethel - Fire Station Repairs/Upgrades (HD 38)		1,000,000	1,000,000	
Bethel - New Bethel Police Station (HD 38)		3,000,000	3,000,000	
Bristol Bay Borough - Bear Proof Fencing for Landfill (HD 37)		60,000	60,000	
Bristol Bay Borough - Port of Bristol Bay - Improvements Phase II (HD 37)		5,000,000	5,000,000	
Chevak - Dump Truck Purchase (HD 39)		35,000	35,000	
City of Houston - Hawk Lane Road Repair and Resurface (HD 13-16)		300,000	300,000	
Craig - Public Works Heavy		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Equipment Purchase and Replacement (HD 5)				
Delta Junction - EMS Rescue Squad Ambulance (HD 12)		175,000	175,000	
Delta Junction - Public Works Building Renovation (HD 12)		750,000	750,000	
Delta Junction - School District Wood Chip Heating System Project (HD 12)		800,000	800,000	
Delta Junction - Solid Waste & Septage Cell (HD 12)		875,000	875,000	
Delta Junction - Street Paving and Road Improvements (HD 12)		1,500,000	1,500,000	
Delta Junction - Volunteer Fire Department Water Tender (HD 12)		190,000	190,000	
Denali Borough - Anderson School Lighting Improvements (HD 7-11)		15,000	15,000	
Denali Borough - Cantwell School Repairs and Upgrades (HD 7-11)		50,000	50,000	
Denali Borough - Landfill Equipment (HD 7-11)		68,000	68,000	
Denali Borough - Tri-Valley School Electrical Upgrades (HD		8,000	8,000	

	Allocations	Appropriation Items	General Funds	Other Funds
7-11)				
Egegik - Design and Control for a New Class A Well (HD 37)		100,000	100,000	
Elim - VPSO Housing (HD 39)		100,000	100,000	
Fairbanks (City of) - Traffic Calming Demonstration Project (HD 7-11)		280,000	280,000	
Fairbanks - City of Fairbanks Street Reconstruction and Rehabilitation, Aurora Subdivision (HD 7-11)		7,000,000	7,000,000	
Fairbanks North Star Borough - Hutchison High School Distance Learning System (HD 7-11)		81,000	81,000	
Fairbanks North Star Borough - Pearl Creek Elementary School Classroom Upgrade (HD 7-11)		44,000	44,000	
Fairbanks North Star Borough - Road Service Area Improvements (HD 7-11)		5,000,000	5,000,000	
Fairbanks North Star Borough - Salcha Elementary School Exterior		1,140,000	1,140,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Envelope Replacement & Upgrade (HD 12)				
Fairbanks North Star		40,000,000	40,000,000	
Borough - Tanana River Bridge Access for Military Training Grounds, River Training (HD 7-11)				
Fairbanks North Star		430,000	430,000	
Borough - Ticasuk Brown Elementary School Septic System Replacement (HD 7-11)				
Fairbanks North Star		18,000	18,000	
Borough - Two Rivers Elementary School Classroom Improvements (HD 7-11)				
Fairbanks North Star		45,000	45,000	
Borough - University Park Elementary Mobile Computer Lab (HD 7-11)				
Fairbanks North Star		29,000	29,000	
Borough - Weller Elementary School Classroom Improvements (HD 7-11)				
Fairbanks North Star		81,000	81,000	
Borough - West Valley High School Distance Learning System (HD 7-11)				
Fort Yukon - Solid Waste		363,000	363,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Disposal Facility (HD 6)				
Galena - Galena City School District - Central Steam Plant Up-Grade (HD 6)		990,000	990,000	
Gustavus - Replace Good River Road Culverts (HD 5)		80,000	80,000	
Homer - Anchor Point to Homer Natural Gas Pipeline (HD 33-35)		4,800,000	4,800,000	
Homer - Deep Water Dock Expansion, Phase 1 (HD 33-35)		1,000,000	1,000,000	
Homer - Karen Hornaday Park Improvements, Phase 1 (HD 33-35)		250,000	250,000	
Hoonah - Phase 3, Hoonah Marine Industrial Center (HD 5)		1,000,000	1,000,000	
Houston - Firefighting & Protective Equipment (HD 13-16)		40,000	40,000	
Houston - Municipal Road Maintenance (HD 13-16)		30,000	30,000	
Huslia - Electric Distribution System (HD 6)		490,000	490,000	
Hydaburg - Water System Upgrade (HD 5)		150,000	150,000	
Juneau - Juneau Arts & Culture Center Electrical and Facility Upgrades (HD		50,000	50,000	

	Allocations	Appropriation Items	General Funds	Other Funds
3-4)				
Juneau - School District School Safety Upgrades (HD 3-4)		116,000	116,000	
Juneau - School District Technology Infrastructure Upgrades (HD 3-4)		26,000	26,000	
Juneau - Sewage System Major Repairs & Expansion (HD 3-4)		3,000,000	3,000,000	
Kaltag - New Health Clinic Match Contribution (HD 6)		148,000	148,000	
Kenai Peninsula Borough - Kenai Central High School Auditorium Equipment (HD 33-35)		25,000	25,000	
Ketchikan - Bethe Substation Replacement (HD 1)		5,000,000	5,000,000	
Ketchikan - Fire Station No. 1 Replacement Project (HD 1)		5,300,000	5,300,000	
Ketchikan - Whitman Lake Hydro Project (HD 1)		16,680,000	16,680,000	
Ketchikan Gateway Borough - Baseball Training Facility (HD 1)		150,000	150,000	
Ketchikan Gateway Borough - Gateway Recreation Center Emergency Roof Replacement (HD 1)		920,000	920,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Ketchikan Gateway Borough - Ketchikan International Airport Facility Renovations and Reconstruction (HD 1)		1,500,000	1,500,000	
Klawock - Drive Down Ramp Phase II (HD 5)		480,000	480,000	
Kodiak - Public Safety Building Community Jail Completion (HD 36)		2,100,000	2,100,000	
Koyukuk - New Clinic Match Contribution (HD 6)		150,000	150,000	
Lake and Peninsula Borough - Chignik Small Boat Harbor (HD 37)		1,400,000	1,400,000	
Marshall - Public Safety Facility (HD 6)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Big Lake Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Big Lake Service Area Road Upgrades (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Buffalo Mine Road Street Light Installation (HD 13-16)		15,000	15,000	
Matanuska-Susitna Borough - Butte Elementary Library & Technology Upgrades (HD		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
13-16)				
Matanuska-Susitna Borough - Butte Volunteer Fire Department Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Caswell Lakes Service Area Equipment (HD 13-16)		45,000	45,000	
Matanuska-Susitna Borough - Caswell Lakes Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Fairview Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Goose Bay Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Greater Butte Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Horseshoe Lake Road Upgrade (HD 13-16)		1,000,000	1,000,000	
Matanuska-Susitna Borough - Houston High School Football Field Lights (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Houston High School Library & Technology		7,500	7,500	

	Allocations	Appropriation Items	General Funds	Other Funds
Upgrade (HD 13-16)				
Matanuska-Susitna Borough - Houston Middle School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Knik Elementary School Gymnasium Curtain (HD 13-16)		17,500	17,500	
Matanuska-Susitna Borough - Knik Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Knik River Road Reconstruction (HD 13-16)		2,100,000	2,100,000	
Matanuska-Susitna Borough - Knik Road Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Lake Lucille Improvements (HD 13-16)		125,000	125,000	
Matanuska-Susitna Borough - Lazy Mountain Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Meadow Lakes Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Meadow Lakes Service Area		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Roads Upgrade (HD 13-16)				
Matanuska-Susitna Borough - Mid-Valley High School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Midnight Sun Family Learning Center Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - North Nancy Lake Peninsula Road Rehabilitation Project (HD 13-16)		850,000	850,000	
Matanuska-Susitna Borough - Parks Highway Connector Improvements (HD 13-16)		2,000,000	2,000,000	
Matanuska-Susitna Borough - Self-Contained Breathing Apparatus Purchase (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Snowshoe Elementary Library & Technology Upgrades (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Su Valley School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Substandard Bridge and Road		3,000,000	3,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Repair and Maintenance (HD 13-16)				
Matanuska-Susitna Borough - Talkeetna Service Area Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Talkeetna Service Area Roads Upgrades (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Trapper Creek Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Trapper Creek Elementary School Roof Replacement (HD 13-16)		100,000	100,000	
Matanuska-Susitna Borough - Trapper Creek Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Wasilla-Lakes FSA Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - West Lakes FSA Equipment (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Willow Elementary School Library & Technology Upgrade (HD 13-16)		7,500	7,500	
Matanuska-Susitna Borough - Willow Service Area		30,000	30,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Equipment (HD 13-16)				
Matanuska-Susitna Borough - Willow Service Area Roads Upgrade (HD 13-16)		30,000	30,000	
Matanuska-Susitna Borough - Wolverine Creek Dry Hydrant Project (HD 13-16)		50,000	50,000	
Mountain Village - Heavy Equipment Purchase (HD 39)		240,000	240,000	
Napakiak - Road Maintenance and Dust Control (HD 38)		275,000	275,000	
Nenana - Nenana City Public School - Nenana Student Learning Center Debt Retirement (HD 6)		1,500,000	1,500,000	
Nome - Museum Construction and Development (HD 39)		5,000,000	5,000,000	
Nome - Remodel Recreation Center for Emergency Shelter Services (HD 39)		500,000	500,000	
North Pole - Environmental Assessment for Railroad Realignment and Expansion (HD 7-11)		1,000,000	1,000,000	
North Slope Borough - Fire Station Deferred Maintenance and Safety Equipment (HD 40)		342,500	342,500	
North Slope Borough - Search and Rescue Public Safety Equipment (HD 40)		500,000	500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Northwest Arctic Borough - Kiana Heavy Equipment (HD 40)		180,000	180,000	
Northwest Arctic Borough - Noatak Storage Shed (HD 40)		150,000	150,000	
Northwest Arctic Borough - Noorvik Heavy Equipment (HD 40)		200,000	200,000	
Old Harbor - City Dock Reconstruction (HD 36)		3,100,000	3,100,000	
Ouzinkie - Alternative Wind Energy Generation - Phase I Data Collection (HD 36)		10,000	10,000	
Ouzinkie - Ouzinkie Replacement Dock/Economic Development Project (HD 36)		5,100,000	5,100,000	
Palmer - Lift Station & Sewer System Rehabilitation (HD 13-16)		750,000	750,000	
Pelican - Water and Sewer Improvements (HD 2)		200,000	200,000	
Petersburg - Fire & EMS Facility Construction (HD 2)		6,700,000	6,700,000	
Petersburg - Petersburg Medical Center - Medical Equipment Replacement (HD 2)		50,000	50,000	
Pilot Point - Assess		55,000	55,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Safety & Structure Issues of Old Cannery Buildings (HD 37)				
Pilot Station - New Public Safety Building (HD 39)		960,000	960,000	
Port Alexander - Bear Hall Rehab and Renovation (HD 2)		5,000	5,000	
Port Lions - Port Lions City Dock and Ferry Terminal Repairs and Replacement (HD 36)		1,000,000	1,000,000	
Saint George - Purchase Vacuum Sewage Pumper Truck (HD 37)		150,000	150,000	
Saint Mary's - Rock Crusher/Screening Plant (HD 39)		300,000	300,000	
Saint Michael - St. Michael Heavy Equipment Fleet (HD 39)		200,000	200,000	
Savoonga - D6N XL Tractor (HD 39)		275,000	275,000	
Savoonga - Steel Garage (HD 39)		50,000	50,000	
Saxman - Backhoe Loader Purchase (HD 1)		75,000	75,000	
Scammon Bay - Heavy Equipment (HD 39)		150,000	150,000	
Seldovia - Water and Sewer Upgrades (HD 33-35)		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Seward - Mooring Dolphins and Dock Improvements at Seward Marine Center (HD 33-35)		1,500,000	1,500,000	
Shaktoolik - Heavy Equipment Purchase (HD 39)		194,800	194,800	
Sitka - Blue Lake Hydroelectric Expansion (HD 2)		15,000,000	15,000,000	
It is the intent of the legislature that this appropriation be matched 50/50 with local funds.				
Sitka - Moller Park Baseball Field Improvements (HD 2)		500,000	500,000	
Sitka - Sitka School District - Vocational Education Facility Construction (HD 2)		1,400,000	1,400,000	
Soldotna - Funny River Road Relocation (HD 33-35)		38,900	38,900	
Soldotna - Lighting Energy Conservation Project (HD 33-35)		389,200	389,200	
Soldotna - Reconstruct North Binkley Street (HD 33-35)		544,000	544,000	
Soldotna - Soldotna Creek Park Development (HD 33-35)		75,000	75,000	
Tanana - Fire Truck and Fire Equipment Purchase (HD 6)		270,000	270,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Tanana - Washeteria Equipment & Sanitation Improvements (HD 6)		233,000	233,000	
Teller - Heavy Equipment Purchase (HD 39)		228,300	228,300	
Thorne Bay - Community Roads Repair and Resurface (HD 1)		150,000	150,000	
Togiak - Repair Storm Damage to Seawall (HD 37)		85,000	85,000	
Toksook Bay - Toksook Bay Dumpsite Improvement (HD 38)		225,000	225,000	
Unalaska - Unalaska Powerhouse Expansion Project (HD 37)		5,000,000	5,000,000	
Valdez - Flood Mitigation and Dike Upgrades for Subdivision at 10 Mile Richardson Hwy (HD 12)		800,000	800,000	
Valdez - Valdez High School Fire Alarm/Sprinkler Replacement (HD 12)		1,000,000	1,000,000	
White Mountain - Public Safety Building (HD 39)		857,000	857,000	
Whittier - Shotgun Cove Road Phase II (HD 17-32)		4,000,000	4,000,000	
Wrangell - Hospital and Nursing Home Replacement Project (HD 2)		3,000,000	3,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Wrangell - School District Replacement Wrestling Mats (HD 2)		40,000	40,000	
Yakutat - Renovation of Court House Building and City Hall (HD 5)		300,000	300,000	
Grants to Municipalities (AS 37.05.315) - Public Library Construction				
It is the intent of the legislature that the following Grants to Municipalities (AS 37.05.315) satisfy FY2011 capital funding for those public library construction projects identified by the Alaska Library Association and received by the Department of Commerce, Community and Economic Development until such time as the first round of the Public Library Construction and Major Expansion Matching Grant program (AS 14.56.355) is completed.				
Cordova - Cordova Center and Library (HD 5)		2,000,000	2,000,000	
Kenai - Community Library Expansion (HD 33-35)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Sutton Community Library & Resource Center (HD 13-16)		1,700,000	1,700,000	
North Slope Borough - Tuzzy Library Expansion Project (HD 40)		350,000	350,000	
Petersburg - Public Library (HD 2)		3,300,000	3,300,000	
Seward - Community Library (HD 33-35)		4,700,000	4,700,000	
Grants to Unincorporated Communities (AS 37.05.317)				
Alatna - Tribal Hall		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Construction (HD 6)				
Chalkyitsik - Electrical Metering Program (HD 6)		38,000	38,000	
Chalkyitsik - Energy Efficient Diesel Generator Installation (HD 6)		26,000	26,000	
Circle - New Clinic Match Contribution (HD 6)		150,000	150,000	
Cooper Landing - Senior Housing Garage & Workshop (HD 33-35)		95,000	95,000	
Ester - John Trigg Ester Library Design and Construction (HD 7-11)		50,000	50,000	
Evansville - New Health Clinic Match Contribution (HD 6)		150,000	150,000	
Hollis - Emergency Services Facility Construction (HD 1)		400,000	400,000	
Igiugig - Fuel Delivery Truck (HD 36)		12,000	12,000	
Igiugig - Rural Power Systems Upgrade (HD 36)		110,000	110,000	
Iliamna - Village Community Hall Renovations (HD 36)		72,000	72,000	
Klukwan - Garbage Truck Purchase (HD 5)		32,900	32,900	
Manley Hot Springs - Fire/Rescue/Public Safety		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Building (HD 6)				
Mentasta Lake - Multi-Purpose Community Services Center (HD 6)		150,000	150,000	
Minto - Multi-Purpose Community Center (HD 6)		150,000	150,000	
Nikolaevsk - Natural Gas Line Reduction Unit (HD 33-35)		250,000	250,000	
Northway Village - Community Center Addition (HD 6)		125,000	125,000	
Stevens Village - New Clinic Match Contribution (HD 6)		150,000	150,000	
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Alaska Gateway School District - Dot Lake School Playground Equipment (HD 6)		30,000	30,000	
Chatham School District - Angoon Elementary School Playground (HD 5)		65,000	65,000	
Copper River School District - Copper River Connects (HD 12)		300,000	300,000	
Southeast Island School		23,000	23,000	

	Allocations	Appropriation Items	General Funds	Other Funds
District - Port Alexander Teacher Housing Remodel & Renovation (HD 2)				
Yukon Koyukuk School District - Emergency School Renovations and Equipment Upgrades (HD 6)		40,000	40,000	
Yukon Koyukuk School District - Jimmy Huntington High School Mold Remediation (HD 6)		140,000	140,000	
Yukon Koyukuk School District - Ruby School Playground Equipment (HD 6)		60,000	60,000	

(SECTION 11 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 11.** The following sets out the funding by agency for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	471,881,450
*** Total Agency Funding ***	$471,881,450
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	658,000
*** Total Agency Funding ***	$658,000
* * * * * Total Budget * * * * *	$472,539,450

(SECTION 12 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 12.** The following sets out the statewide funding for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1004 Unrestricted General Fund Receipts	472,539,450
Total Unrestricted General Funds	$472,539,450
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 13 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 13.** The following appropriation items are for capital project grants to upgrade commercial passenger vessel services and infrastructure, enhance passenger safety and support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS 43.52.230) as set out in section 14 of this Act to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Marine Exchange of Alaska - Alaska Vessel Tracking System Upgrades and Expansion (HD 1-40)		600,000		600,000
Southeast Alaska State Fair Inc. - Harriet Hall ADA Upgrades for Commercial Passenger Vessel Visitors (HD 5)		270,000		270,000
Grants to Municipalities (AS 37.05.315)				
Haines - Port Chilkoot Cruise Ship Dock Upgrade (HD 5)		2,910,000		2,910,000
Hoonah - Harbor Improvements (HD 5)		1,000,000		1,000,000
Juneau - Centennial Hall Emergency Relief Center Improvements (HD 3-4)		1,200,000		1,200,000

	Allocations	Appropriation Items	General Funds	Other Funds
Juneau - Cruise Ship Dock Replacement (HD 3-4)		9,000,000		9,000,000
Ketchikan - Cruise Ship Berth IV Traffic Signal (HD 1)		1,300,000		1,300,000
Ketchikan - Replace Cruise Ship Berths I and II (HD 1)		10,000,000		10,000,000
Petersburg - Design and Construction of Commercial Dock with Vehicle Drive Down (HD 2)		1,250,000		1,250,000
Seward - Commercial Passenger Vessel Harbor Security - Coast Guard Building Relocation (HD 33-35)		300,000		300,000
Seward - Security and Fire Protection for Commercial Passenger Vessels (HD 33-35)		2,000,000		2,000,000
Sitka - Commercial Passenger Vessel Facilities and Visitor Improvements (HD 2)		4,500,000		4,500,000
Sitka - Crescent Harbor Sidewalk Widening (HD 2)		1,000,000		1,000,000
Sitka - Swan Lake Recovery and Improvements (HD 2)		1,650,000		1,650,000
Skagway - Commercial Passenger Vessel Lightering		4,000,000		4,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
and Harbor Improvements (HD 5)				
Skagway - Municipal Wastewater Treatment Facility Improvements Due to Seasonal Impacts (HD 5)		800,000		800,000
Wrangell - Commercial Passenger Vessel Facility (HD 2)		3,250,000		3,250,000
Wrangell - Waterfront Master Plan (HD 2)		75,000		75,000

(SECTION 14 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 14.** The following sets out the funding by agency for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	11,695,000
*** Total Agency Funding ***	$45,105,000
* * * * * Total Budget * * * * *	$45,105,000

(SECTION 15 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 15.** The following sets out the statewide funding for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Unrestricted General Funds	
Total Unrestricted General Funds	$0
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	11,695,000
Total Other Non-Duplicated Funds	$45,105,000
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 16 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 16.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 17 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Alaska State Library, Archives and Museum Facility Construction (HD 3-4)		20,000,000		20,000,000
Mt Edgecumbe High School Aquatic Facility (HD 1-40)		20,000,000		20,000,000
School Construction Grant Fund (AS 14.11.005)		**128,500,000**		**128,500,000**
Lower Yukon - Alakanuk K-12 School Replacement (HD 39)	46,500,000			
Lower Kuskokwim - Kipnuk K-12 School Renovation/ Addition (HD 38)	49,900,000			
Lower Kuskokwim - Kwigillingok K-12 School Renovation/ Addition (HD 38)	32,100,000			
* * * * *			* * * * *	
* * * * * **Department of Fish and Game** * * * * *				
* * * * *			* * * * *	
Near Island Research Facility (HD 36)		20,000,000		20,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * University of Alaska * * * * *			
	* * * * *	* * * * *		
UAA Sports Arena (HD 17-32)		80,000,000		80,000,000
Mat-Su Campus - Valley Center for Art & Learning (HD 13-16)		23,500,000		23,500,000
UAF Life Sciences Classroom and Lab Facility (HD 7-11)		88,000,000		88,000,000

(SECTION 17 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 17.** The following sets out the funding by agency for the appropriations made in sec. 16 of this Act.

Funding Source	Amount
Department of Education and Early Development	
1008 General Obligation Bonds	168,500,000
*** Total Agency Funding ***	$168,500,000
Department of Fish and Game	
1008 General Obligation Bonds	20,000,000
*** Total Agency Funding ***	$20,000,000
University of Alaska	
1008 General Obligation Bonds	191,500,000
*** Total Agency Funding ***	$191,500,000
* * * * * Total Budget * * * * *	$380,000,000

(SECTION 18 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 18.** The following sets out the statewide funding for the appropriations made in sec. 16 of this Act.

Funding Source	Amount
Unrestricted General Funds	
Total Unrestricted General Funds	$0
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
1008 General Obligation Bonds	380,000,000
Total Duplicated Funds	$380,000,000

(SECTION 19 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 19.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as defined in AS 44.21.045(b), receipts of the University of Alaska as described in AS 37.05.146(b)(2), receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21), corporate receipts of the Alaska Housing Finance Corporation, corporate receipts of the Alaska Aerospace Corporation, Exxon Valdez oil spill trust receipts as defined in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council under AS 37.05.146(b)(5), that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) exceed the estimates appropriated by this Act, the appropriations from state funds for the affected program may be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) fall short of the estimates appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

* **Sec. 20.** FUND CAPITALIZATION. (a) The sum of $140,000,000 is appropriated from the general fund to the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400(a)) for the natural gas pipeline project construction inducement under AS 43.90.110(a)(1).

(b) The following amounts are appropriated to the election fund required by the federal Help America Vote Act:

(1) interest earned on amounts in the election fund required by the federal Help America Vote Act;

(2) the sum of $1,425,000 from federal receipts;

(3) the sum of $1,550,000 from the general fund.

(c) The sum of $2,400,000 is appropriated from the general fund to the emerging energy technology fund (AS 42.45.375).

* **Sec. 21.** FUND TRANSFERS. (a) The income earned during fiscal year 2011 on revenue from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

(b) The sum of $50,000,000 is appropriated from the general fund to the renewable energy grant fund (AS 42.45.045(a)).

(c) The sum of $10,000,000 is appropriated from the general fund to the power project fund (AS 42.45.010).

* **Sec. 22.** INSURANCE CLAIMS. The amounts to be received in settlement of insurance claims for losses and the amounts to be received as recovery for losses are appropriated from the general fund to the

(1) state insurance catastrophe reserve account (AS 37.05.289(a)); or

(2) appropriate state agency to mitigate the loss.

* **Sec. 23.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. (a) The sum of $4,847,165 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	ALLOCATION
(1) City of Nuiqsut	Local government operations and maintenance	$ 545,737
(2) North Slope Borough	School counselor grant application	251,243
(3) City of Atqasuk	Local government operations and youth program	403,474
(4) City of Nuiqsut	Youth center operations and maintenance	289,000
(5) North Slope Borough	Internship two-year program	391,000
(6) City of Wainwright	Wainwright youth program	327,935
(7) North Slope Borough	Mayor's job program	333,000
(8) City of Wainwright	Wainwright local government operations	455,776
(9) City of Barrow	Local government operations	1,600,000

		and maintenance	
(10)	North Slope Borough	North Slope Borough volunteer search and rescue	250,000

(b) If the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is less than the sum of the allocations made in (a) of this section, the Department of Commerce, Community, and Economic Development shall work with the municipalities listed in (a) of this section to reduce the sum of the allocations made in (a) of this section to equal the amount received.

*** Sec. 24.** ALASKA ENERGY AUTHORITY. The interest earnings on the renewable energy grant fund (AS 42.45.045), estimated to be $2,000,000, are appropriated to the Alaska Energy Authority for administration of the renewable energy grant fund (AS 42.45.045) for the fiscal year ending June 30, 2011.

*** Sec. 25.** ALASKA HOUSING FINANCE CORPORATION. (a) The unexpended and unobligated balances, estimated to be a total of $1,371,893, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 83, lines 12 - 13 (AHFC maintenance workshop - $500,000), sec. 1, ch. 3, FSSLA 2005, page 64, lines 29 - 30 (AHFC Birch Park window replacement - $1,323,000), and sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 16 - 18 (AHFC Anchorage Family Investment Center (AFIC) renovation - $2,100,000) are reappropriated to the Alaska Housing Finance Corporation to build or acquire an undesignated site for relocation of the Alaska Housing Finance Corporation, Anchorage Public Housing Division, Family Investment Center, client intake, and assisted housing office.

(b) The unexpended and unobligated balances, estimated to be a total of $2,963,474, of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 14 - 15 (AHFC Alpine Terrace renovation - $6,450,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 25 - 26 (AHFC Pacific Terrace replacement - $11,426,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 27 - 28 (AHFC Ptarmigan Park renovation - $1,784,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 29 - 30 (AHFC Sea View Terrace renovation - $3,508,000), and sec. 13, ch. 29, SLA 2008, page 156, lines 23 - 24 (AHFC Etolin Heights roofing replacement - $500,000) are reappropriated to the Alaska

Housing Finance Corporation to demolish and reconstruct units of public housing of the San Roberto redevelopment project in Anchorage.

*** Sec. 26.** DEPARTMENT OF ADMINISTRATION. The sum of $315,000 is appropriated from the general fund to the Department of Administration, office of public advocacy, for legal and advocacy services for the fiscal year ending June 20, 2010.

*** Sec. 27.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The sum of $35,000 is appropriated from the anatomical gift awareness fund (AS 13.50.160) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Life Alaska Donor Services, Inc., for promoting the donation program prescribed in AS 13.50.150 for the fiscal year ending June 30, 2011.

(b) The sum of $250,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the 2010 world expo for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 28.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The unexpended and unobligated balance, not to exceed $5,500,000, of the appropriation made in sec. 4, ch. 29, SLA 2007, page 13, lines 10 - 14, as amended by sec. 8(b), ch. 14, SLA 2009 (Department of Health and Social Services, MH Southcentral Foundation Residential Psychiatric Treatment Center, match for Bring the Kids Home - $7,000,000) is reappropriated to the Department of Health and Social Services for planning and design of the Alaska Center for Treatment.

*** Sec. 29.** DEPARTMENT OF NATURAL RESOURCES. Section 10, ch. 29, SLA 2008, page 70, lines 28 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Architecture and Engineering for a New Geologic Material Center [IN EAGLE RIVER] - Phase 1 (HD 17-32)	1,500,000	1,500,000

*** Sec. 30.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The

sum of $60,000,000 is appropriated from the Alaska marine highway vessel replacement fund (AS 37.05.550) to the Department of Transportation and Public Facilities for construction of an Alaska marine highway Alaska class ferry.

(b) It is the intent of the legislature that the new Alaska class ferry be constructed at a shipyard facility located in the state unless the commissioner of transportation and public facilities

(1) determines in writing that there is no shipyard facility located in the state that is equipped or qualified to perform the work required; or

(2) determines, after taking into consideration the Alaska bidder preference set out in AS 36.30.170 and the interport differential, that the proposed cost of the construction work is unreasonable.

(c) Section 58(c), ch. 3, FSSLA 2005, as amended by sec. 20(p), ch. 30, SLA 2007, is amended to read:

(c) Subject to sec. 62, ch. 3, FSSLA 2005, the sum of $40,300,000 is appropriated from the Alaska capital income fund to the Department of Transportation and Public Facilities for the following projects in the amounts stated, subject to reallocation among the projects under AS 37.07.080(e):

PROJECT	AMOUNT
Alaska marine highway **facility in Ward Cove** [ALL-TIDE LAY-UP FACILITY]	$5,000,000
DeLong Mountain, port expansion EIS completion	500,000
Denali Borough, Stampede Road Improvements	200,000
Industrial roads	3,300,000
King Cove Road	2,000,000
McCarthy Road, major maintenance	2,000,000
Nome warm storage building construction	1,000,000
North Slope, Foothills West Road EIS	3,000,000
North Slope, Bullen Point EIS	4,500,000
Dalton Highway, surfacing upgrades	6,000,000

Dalton Highway, Washington Creek Bridge	3,500,000
Parks Highway reconstruction	1,800,000
Richardson Highway, highway passing lanes, Milepost 265 - 341	5,000,000
Richardson Highway, Shaw Creek Bridge	2,500,000

(d) Section 1, ch. 159, SLA 2004, page 40, lines 30 - 32, is amended to read:

	ALLOCATIONS
Alaska Marine Highway: **Alaska Class Ferry** [NEW FAST VEHICLE FERRY #3] (ED 1-5)	25,000,000

(b) Section 1, ch. 159, SLA 2004, page 40, line 33, through page 41, line 4, is amended to read:

	ALLOCATIONS
Alaska Marine Highway: **Alaska Class Ferry** [NEW FAST VEHICLE FERRY #4] (ED 1-5)	43,000,000

*** Sec. 31.** HOUSE DISTRICT 2. Section 16, ch. 29, SLA 2008, page 181, lines 22 - 24, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Petersburg - Commercial Passenger Vessel Berthing, **Power, Uplands, and Aesthetic Improvements** [AND POWER UPGRADES] (HD 2)	1,250,000	1,250,000

*** Sec. 32.** HOUSE DISTRICTS 3 - 4. The unexpended and unobligated balance, estimated to be $48,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 6, lines 14 - 16

(Boys and Girls Club of Southeast Alaska, capital needs - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Juneau Youth Services for residential facility maintenance and repairs.

*** Sec. 33.** HOUSE DISTRICT 5. (a) The unexpended and unobligated balances, estimated to be a total of $1,500,000, of the appropriations made in sec. 16, ch. 29, SLA 2008, page 180, lines 26 - 28 (Hoonah, cruise ship mooring buoy system - $500,000) and sec. 4, ch. 15, SLA 2009, page 44, lines 24 - 26 (Hoonah, cruise ship mooring buoy system - $1,000,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Hoonah for cruise ship passenger walkway construction and upgrades.

(b) The unexpended and unobligated balance, not to exceed $200,000, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, lines 14 - 16 (Craig, Prince of Wales health care facility - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for fish processing capacity and community cold storage.

(c) The unexpended and unobligated balance, estimated to be $150,000, of the appropriation made in sec. 1, ch. 30, SLA 2007, page 63, lines 17 - 18 (Klawock, water and sewer improvements - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Klawock for community projects and improvements.

(d) The unexpended and unobligated balance, not to exceed $150,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 82, lines 28 - 30 (Yakutat, water and sewer facility upgrade and improvements - $750,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Yakutat for an electrical system conduit and power generation planning, design, and construction.

(e) The unexpended and unobligated balance, estimated to be $12,000, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 11, lines 17 - 18 (Chatham School District, Angoon van - $40,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for equipment purchases and upgrades.

(f) The unexpended and unobligated balances, estimated to be a total of $7,500, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 28 - 30 (Whale Pass Community Association, fire hall roof replacement - $15,000) and sec. 1, ch. 3, FSSLA 2005, page 12, lines 31 - 33 (Whale Pass Community Association, library roof replacement - $5,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Whale Pass Community Association for community projects and improvements.

(g) The unexpended and unobligated balance, estimated to be $11,800, of the appropriation made in sec. 37(a), ch. 159, SLA 2004 (Angoon, matching funds for fisheries economic development grants) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for community projects, equipment, and improvements.

(h) The unexpended and unobligated balance, estimated to be $37,500, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 92, lines 11 - 13 (Angoon Community Association, Road grader - $300,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for projects, equipment, and improvements for Angoon schools.

(i) The unexpended and unobligated balances, estimated to be a total of $11,000, of the appropriations made in sec. 34(a), ch. 30, SLA 2007 (Angoon Community Association, emergency medical equipment for Angoon EMS), sec. 34(e), ch. 30, SLA 2007 (Angoon Community Association, fire truck), and sec. 34(f), ch. 30, SLA 2007 (Angoon Community Association, building renovation) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for projects, equipment, and improvements for the Angoon head start program.

*** Sec. 34.** HOUSE DISTRICT 6. (a) The unexpended and unobligated balance, estimated to be $80,000, of the appropriation made in sec. 10, ch. 29, SLA 2008, page 62, lines 23 - 26 (Chalkyitsik, overhead electrical distribution system wiring renovation - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Chalkyitsik for community projects and improvements.

(b) The unexpended and unobligated balance, estimated to be $53,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 16, lines 15 - 19 (Galena, expert legal and technical analysis for proposed mini-nuclear power plant - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Galena for community projects and improvements.

(c) The unexpended and unobligated balances, estimated to be a total of $90,000, of the appropriations made in sec. 1, ch. 30, SLA 2007, page 77, lines 16 - 17 (Tyonek, new emergency fire truck - $45,000) and sec. 10, ch. 29, SLA 2008, page 63, lines 11 - 12 (Tyonek, fire truck acquisition - $45,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Tyonek for community projects, equipment, and improvements.

* **Sec. 35.** HOUSE DISTRICTS 7 - 11. (a) The unexpended and unobligated balances, estimated to be a total of $61,000, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 23, lines 22 - 27 (Fairbanks North Star Borough, North Star Volunteer Fire Department facility exhaust and ventilation improvements - $200,000) and sec. 1, ch. 3, FSSLA 2005, page 23, lines 28 - 31 (Fairbanks North Star Borough, Two Rivers Elementary School gym floor replacement - $70,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for the Birch Hill Disaster Communications project.

(b) The unexpended and unobligated balance, estimated to be $1,792,900, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 16, lines 17 - 18 (Ice Alaska, ice park facilities, event - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for tourism and community development and an ice park.

* **Sec. 36.** HOUSE DISTRICT 12. The unexpended and unobligated balance, estimated to be $22,200, of the appropriation made in sec. 41(a)(7), ch. 3, FSSLA 2005 (Glacier View Community Council, purchase fire-fighting equipment and training - $43,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Glacier View Community Council for purchasing fire-fighting equipment, training, and drilling a well to be used as a water source for fire-fighting.

* **Sec. 37.** HOUSE DISTRICTS 13 - 16. The unexpended and unobligated balances, estimated to be a total of $264,500, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 43, lines 14 - 16 (Matanuska-Susitna Borough, Fish Hook Fire Station on Turner Drive - $100,000) and sec. 1, ch. 3, FSSLA 2005, page 27, line 32, through page 30, line 3 (Matanuska-Susitna Borough, Colony High School running track - $172,502) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Matanuska-Susitna Borough for a new fire engine for the Greater Palmer Fire Service Area.

* **Sec. 38.** HOUSE DISTRICT 14. (a) The unexpended and unobligated balance, estimated to be $8,400, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 5, lines 29 - 32 (Areawide Council, Veteran's Memorial, new panels and landscaping beautification - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Areawide Council for new panels and landscaping beautification for the Veteran's Memorial.

(b) The unexpended and unobligated balance, estimated to be $76,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 20 - 21 (The Children's Place, expansion - $90,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to The Children's Place for expansion.

(c) The unexpended and unobligated balance, estimated to be $1,980,000, of the appropriation made in sec. 52(*l*), ch. 3, FSSLA 2005 (Wasilla, Wasilla to Big Lake trail - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Wasilla to Big Lake trail.

(d) The unexpended and unobligated balance, estimated to be $31,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 22, lines 19 - 22 (Wasilla, sports complex emergency generators and kitchen - $600,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for emergency generators and a kitchen for the sports complex.

(e) The unexpended and unobligated balance, estimated to be $5,000, of the

appropriation made in sec. 42(i), ch. 3, FSSLA 2005 (Wasilla, Old Knik landfill/Smith Ball Fields ground water investigation) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Old Knik landfill/Smith Ball Fields ground water investigation.

(f) The unexpended and unobligated balances, estimated to be a total of $851,900, of the appropriations made in sec. 52(j), ch. 3, FSSLA 2005 (Wasilla, design of an extension of East Susitna Avenue - $125,000) and sec. 13, ch. 29, SLA 2008, page 133, lines 18 - 19 (Wasilla, East Susitna Avenue extension - $750,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for improvements to Swanson Avenue and Nelson Avenue.

(g) The unexpended and unobligated balance, estimated to be $116,600, of the appropriation made in sec. 52(i), ch. 3, FSSLA 2005 (Wasilla, Mission Hills water line extension - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for a new downtown water station.

* **Sec. 39.** HOUSE DISTRICT 15. The unexpended and unobligated balance, estimated to be $17,500, of the appropriation made in sec. 7, ch. 29, SLA 2008, page 13, lines 3 - 6 (Big Lake Chamber of Commerce, community information center - $17,500) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Big Lake Lions Club for a community information center.

* **Sec. 40.** HOUSE DISTRICTS 17 - 32. (a) Section 7, ch. 29, SLA 2008, page 22, lines 30 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Service High School Football Field Turf Design **and Construction** (HD 17-32)	500,000	500,000

(b) Section 10, ch. 29, SLA 2008, page 50, lines 21 - 23, is amended to read:

	APPROPRIATION	GENERAL

	ITEMS	FUND
Anchorage - South High School Artificial Turf Field Design **and Construction** (HD 17-32)	500,000	500,000

(c) Section 13, ch. 29, SLA 2008, page 105, lines 9 - 11, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Central Middle School Stage Floor Refinishing **and** **Projector Screen, Sound System, and Curtains Replacement and Installation** (HD 17-32)	20,000	20,000

(d) The unexpended and unobligated balance, not to exceed $75,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for the Anchorage Scenic Park Subdivision area curb replacement project.

(e) The unexpended and unobligated balance, not to exceed $13,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Scenic Foothills Community Council to fund reinstatement of the Scenic Foothills community patrol for the fiscal year ending June 30, 2011.

(f) If the amount available for appropriation in (d) and (e) of this section is less than $88,500, the reappropriations made in (d) and (e) of this section shall be reduced in proportion to the amount of the shortfall.

(g) The unexpended and unobligated balance, estimated to be $4,480, of the

appropriation made in sec. 1, ch. 82, SLA 2003, page 13, lines 23 - 26 (Chugiak/Eagle River Chamber of Commerce, town center revitalization project - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for library book acquisition for the Chugiak-Eagle River Branch Library.

*** Sec. 41.** HOUSE DISTRICT 26. The unexpended and unobligated balance, estimated to be $121,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 41, lines 30 - 33 (Anchorage, West Northern Lights sound barrier wall construction - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Anchorage Parks Foundation for Margaret Eagan Sullivan Park improvements.

*** Sec. 42.** HOUSE DISTRICTS 33 - 34. (a) The unexpended and unobligated balance, not to exceed $99,500, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 4, lines 12 - 15 (Agrium U.S., Inc., Phase II development of the Kenai coal gasification project - $5,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kenai Peninsula Economic Development District for Cook Inlet tidal power analysis.

(b) The unexpended and unobligated balance, not to exceed $20,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the North Peninsula Recreation Service Area for replacement of the shower at the Nikiski Pool.

(c) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kasilof Regional Historical Association for protection of the dunes at the mouth of the Kasilof River.

(d) The unexpended and unobligated balance, not to exceed $50,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula

Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Central Emergency Services for the off-highway rescue project.

(e) The unexpended and unobligated balance, not to exceed $73,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Nikiski Fire Service Area for the purchase of a new ambulance.

(f) If the amount available for appropriation in (b) - (e) of this section is less than $203,000, the reappropriations made in (b) - (e) of this section shall be reduced in proportion to the amount of the shortfall.

* **Sec. 43.** HOUSE DISTRICT 34. (a) The unexpended and unobligated balance, not to exceed $55,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Ninilchik Fair Association for fairground improvements.

(b) The unexpended and unobligated balance, not to exceed $45,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Ninilchik Emergency Services for vehicle purchase and improvements and equipment purchase and improvements.

(c) If the amount available for appropriation in (a) and (b) of this section is less than $100,000, the appropriations made in (a) and (b) of this section shall be reduced in proportion to the amount of the shortfall.

(d) The unexpended and unobligated balances, estimated to be a total of $41,500, of the appropriations made in sec. 41(d), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center building expansion project) and sec. 41(e), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center sanitary facility) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant

under AS 37.05.316 to Nikiski Senior Citizens, Inc., for Nikiski Senior Center improvements.

*** Sec. 44.** HOUSE DISTRICT 35. The unexpended and unobligated balance, estimated to be $1,457,700, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 118, lines 26 - 27 (Homer, Homer City Hall - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Homer for renovation of and additions to Homer City Hall.

*** Sec. 45.** HOUSE DISTRICT 37. The unexpended and unobligated balance, estimated to be $6,300, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 20, lines 18 - 21 (Saint George, harbor planning, engineer, FEMA disaster reconstruct - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Saint George for community facilities and equipment upgrades.

*** Sec. 46.** HOUSE DISTRICT 38. Section 34(c), ch. 15, SLA 2009, is amended to read:

(c) The unexpended and unobligated balances**, estimated to be a total of $462,500,** of the appropriations made in sec. 8(a)(15), ch. 159, SLA 2004 (Kongiganak, community projects and improvements - $27,770), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 17 (Kongiganak, community projects and improvements - $55,496), sec. 8(b)(28), ch. 159, SLA 2004 (Napaskiak, community projects and improvements - $6,326), sec. 131, ch. 139, SLA 1998, page 99, lines 19 - 20 (Nunapitchuk, motor grader snowblade - $15,500), sec. 1, ch. 135, SLA 2000, page 53, lines 28 - 30 (Nunapitchuk, washeteria renovation - water improvements - $50,000), sec. 15(b), ch. 61, SLA 2001, page 78, line 19 (Nunapitchuk, capital projects and improvements - $26,322), sec. 1, ch. 1, SSSLA 2002, page 81, lines 30 - 31 (Nunapitchuk, solid waste dumpsite upgrade - $25,000), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 24 (Oscarville, community projects and improvements - $88,107), sec. 71(c), ch. 1, SSSLA 2002 (Oscarville, community facilities and equipment), sec. 8(a)(19), ch. 159, SLA 2004 (Oscarville, community projects and improvements - $58,651), sec. 1, ch. 61, SLA 2001, page 63, lines 12 - 13 (Tuntutuliak, jail house completion - $16,466), sec. 67(b), ch. 61, SLA 2001 (Tuntutuliak, construction of a post office), sec. 8(a), ch. 1, SSSLA 2002, page 97, line 2 (Tuntutuliak, community projects and improvements - $54,518), sec. 8(a)(31), ch. 159, SLA 2004 (Tuntutuliak,

community projects and improvements - $7,881), and sec. 8(b)(38), ch. 159, SLA 2004 (Platinum, community projects and improvements - $26,900) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Association of Village Council Presidents for a demonstration project to use wood as a heating source for the fiscal year ending June 30, **2011** [2010].

*** Sec. 47.** HOUSE DISTRICT 39. The unexpended and unobligated balance, estimated to be $35,800, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, line 7 (City of Chevak, loader - $250,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Chevak for purchase of a city vehicle.

*** Sec. 48.** REAPPROPRIATION OF LEGISLATIVE APPROPRIATIONS. (a) The unexpended and unobligated balances, estimated to be a total of $2,200,000, of the appropriations made in sec. 1, ch. 12, SLA 2009, page 45, line 4 (Legislative Council - $34,930,800) and sec. 1, ch. 12, SLA 2009, page 45, line 13 (legislative operating budget - $11,637,400) are reappropriated to the Legislative Council for repair and renovation of legislative buildings and facilities.

(b) The unexpended and unobligated balance, estimated to be $7,700,000, of the appropriation made in sec. 1, ch. 12, SLA 2009, page 44, line 29 (Budget and Audit Committee - $19,501,800) is reappropriated to the budget reserve fund (AS 37.05.540).

*** Sec. 49.** CONTINGENCY. The appropriation made in sec. 20(c) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature and enactment into law of a bill creating an emerging energy technology fund at AS 42.45.375.

*** Sec. 50.** LAPSE. (a) The appropriations made in secs. 20, 21, 22(1), and 48(b) of this Act are for the capitalization of funds and do not lapse.

(b) The appropriations made in secs. 23, 25, 28, 30(a), 32, 33(e), 33(f), 33(h), 34(a), 34(c), 36, 38(a), 38(b), 39, 40(e), 41, 42(a) - (e), 43(a), 43(b), 43(d), and 48(a) of this Act are for capital projects and lapse under AS 37.25.020.

(c) A grant awarded in this Act to a named recipient under AS 37.05.316 is for a capital project, unless specifically identified in this Act as an operating grant, and lapses under AS 37.25.020 unless otherwise stated or designated for a fiscal year.

*** Sec. 51.** Sections 1, 4, 10, 26, 27(b), and 30 of this Act take effect April 19, 2010.

*** Sec. 52.** Sections 25, 28, and 31 - 48 of this Act take effect June 30, 2010.

*** Sec. 53.** Except as provided in secs. 51 and 52 of this Act, this Act takes effect July 1, 2010.

Report PKg #1

2010 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language

Agency	[1] VER E SFINCS1	[2] VERS SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Agency Budgets				
Administration	33,275.0	33,275.0	0.0	
Community & Economic Dev	512,185.2	576,582.5	64,397.3	12.6 %
Corrections	11,600.0	11,600.0	0.0	
Education & Early Dev	29,410.7	29,778.7	368.0	1.3 %
Environmental Conservation	95,071.6	100,969.8	5,898.2	6.2 %
Fish and Game	24,850.0	24,850.0	0.0	
Governor	1,548.8	3,098.8	1,550.0	100.1 %
Health & Social Services	32,315.3	32,315.3	0.0	
Labor & Workforce Dev	5,912.7	7,912.7	2,000.0	33.8 %
Law	150.0	150.0	0.0	
Military & Veterans Affairs	34,542.0	34,542.0	0.0	
Natural Resources	31,643.0	31,732.0	89.0	0.3 %
Public Safety	13,136.0	13,136.0	0.0	
Revenue	58,083.1	58,083.1	0.0	
Transportation & Public Fac	1,127,272.4	1,127,622.4	350.0	
University of Alaska	53,900.0	53,900.0	0.0	
Alaska Court System	27,100.0	27,100.0	0.0	
Total	**2,091,995.7**	**2,166,648.2**	**74,652.5**	**3.6 %**
Statewide Items				
Fund Capitalization	141,425.0	142,975.0	1,550.0	1.1 %
Total	**141,425.0**	**142,975.0**	**1,550.0**	**1.1 %**
Statewide Total	**2,233,420.7**	**2,309,623.2**	**76,202.5**	**3.4 %**
Funding Summary				
General Funds (GF)	1,096,587.7	1,164,842.0	68,254.3	6.2 %
Other State Funds (Other)	130,325.2	132,375.2	2,050.0	1.6 %
Federal Receipts (Fed)	1,006,507.7	1,012,405.9	5,898.2	0.6 %
Non-Additive Items				
Fund Transfers	63,000.0	63,000.0	0.0	
Total	**63,000.0**	**63,000.0**	**0.0**	

2010 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language

	[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Total	2,233,420.7	2,309,623.2	76,202.5	3.4 %
Funding Sources				
1002 Fed Rcpts (Fed)	1,001,398.5	1,001,398.5	0.0	
1003 G/F Match (GF)	76,920.0	76,920.0	0.0	
1004 Gen Fund (GF)	879,847.2	940,778.5	60,931.3	6.9 %
1005 GF/Prgm (GF)	11,109.0	11,109.0	0.0	
1007 I/A Rcpts (Other)	1,153.5	1,153.5	0.0	
1017 Group Ben (Other)	301.4	301.4	0.0	
1024 Fish/Game (Other)	900.0	900.0	0.0	
1026 HwyCapital (Other)	15,000.0	15,000.0	0.0	
1027 IntAirport (Other)	21,925.5	21,925.5	0.0	
1029 PERS Trust (Other)	392.9	392.9	0.0	
1034 Teach Ret (Other)	164.0	164.0	0.0	
1042 Jud Retire (Other)	4.0	4.0	0.0	
1045 Nat Guard (Other)	12.7	12.7	0.0	
1048 Univ Rcpt (GF)	15,000.0	15,000.0	0.0	
1050 PFD Fund (GF)	350.0	350.0	0.0	
1052 Oil/Haz Fd (GF)	2,000.0	2,000.0	0.0	
1061 CIP Rcpts (Other)	2,900.0	2,900.0	0.0	
1063 NPR Fund (Fed)	4,847.2	4,847.2	0.0	
1075 Clean Wtr (Fed)	0.0	1,826.3	1,826.3	>999 %
1081 Info Svc (Other)	5,000.0	5,000.0	0.0	
1082 Vessel Rep (GF)	60,000.0	60,000.0	0.0	
1100 ADWF (Fed)	0.0	4,071.9	4,071.9	>999 %
1105 PF Gross (Other)	250.0	250.0	0.0	
1108 Stat Desig (Other)	14,105.0	14,605.0	500.0	3.5 %
1112 IntAptCons (Other)	8,986.2	8,986.2	0.0	
1113 AHFC Bonds (Other)	7,500.0	7,500.0	0.0	
1139 AHFC Div (GF)	31,058.5	31,058.5	0.0	
1140 AIDEA Div (GF)	13,100.0	20,423.0	7,323.0	55.9 %
1147 PublicBldg (Other)	3,000.0	3,000.0	0.0	
1153 State Land (GF)	3,668.0	3,668.0	0.0	
1156 Rcpt Svcs (GF)	0.0	0.0	0.0	
1173 GF MisEarn (GF)	2,000.0	2,000.0	0.0	
1179 PFC (Other)	2,200.0	2,200.0	0.0	
1185 Elect Fund (Other)	1,425.0	2,975.0	1,550.0	108.8 %
1195 SpecVehRct (GF)	250.0	250.0	0.0	
1201 CFEC Rcpts (GF)	1,250.0	1,250.0	0.0	
1202 Anat Fnd (GF)	35.0	35.0	0.0	
1206 CPV Tax (Other)	33,410.0	33,410.0	0.0	
1207 RCS Impact (Other)	11,695.0	11,695.0	0.0	
1212 Stimulus09 (Fed)	262.0	262.0	0.0	
1213 AHCC (GF)	0.0	0.0	0.0	

2010 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language

	[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Funding Summary				
General Funds (GF)	1,096,587.7	1,164,842.0	68,254.3	6.2 %
Other State Funds (Other)	130,325.2	132,375.2	2,050.0	1.6 %
Federal Receipts (Fed)	1,006,507.7	1,012,405.9	5,898.2	0.6 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Department of Administration					
Statewide Deferred Maintenance Projects					
AL	**Non-Public Building Fund Facilities Deferred Maintenance**	3,250,000	450,000	-2,800,000	-86.2 %
	1004 Gen Fund (UGF)	3,250,000	450,000	-2,800,000	-86.2 %
AL	**Public Building Fund Facilities Deferred Maintenance**	3,000,000	5,800,000	2,800,000	93.3 %
	1004 Gen Fund (UGF)	0	2,800,000	2,800,000	>999 %
	1147 PublicBldg (Other)	3,000,000	3,000,000	0	
*** Agency Totals **********		6,250,000	6,250,000	0	
Department of Commerce, Community and Economic Development					
AP	**Alaska Energy Authority - Railbelt Large Scale Hydro Planning, Design and Permitting**	10,000,000	10,000,000	0	
	1004 Gen Fund (UGF)	5,400,000	0	-5,400,000	-100.0 %
	1140 AIDEA Div (UGF)	4,600,000	10,000,000	5,400,000	117.4 %
AP	**Alaska Industrial Development & Export Authority - Ketchikan Shipyard Deferred Maintenance**	2,000,000	2,000,000	0	
	1004 Gen Fund (UGF)	2,000,000	77,000	-1,923,000	-96.2 %
	1140 AIDEA Div (UGF)	0	1,923,000	1,923,000	>999 %
AP	**Broadband Internet Planning and Oversight**	0	500,000	500,000	>999 %
	1108 Stat Desig (Other)	0	500,000	500,000	>999 %
AP	**Western Alaska Canned Chum & Herring Demonstration Project**	0	300,000	300,000	>999 %
	1004 Gen Fund (UGF)	0	300,000	300,000	>999 %
Grants to Named Recipients (AS 37.05.316)					
AP	**Alaska Air Show Association - 2010 Arctic Thunder Air Show**	0	75,000	75,000	>999 %
	1004 Gen Fund (UGF)	0	75,000	75,000	>999 %
AP	**Alaska Brain Injury Network, Inc. - Resource Navigation Activities**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Alaska Manufacturing Extension Partnership - State Matching Support**	500,000	800,000	300,000	60.0 %
	1004 Gen Fund (UGF)	500,000	800,000	300,000	60.0 %
AP	**Alaska Moving Image Preservation Association - State Participation Grant**	150,000	303,000	153,000	102.0 %
	1004 Gen Fund (UGF)	150,000	303,000	153,000	102.0 %
AP	**Alaska Native Tribal Health Consortium - Long Term Care Facility Planning & Construction**	0	9,260,000	9,260,000	>999 %
	1004 Gen Fund (UGF)	0	9,260,000	9,260,000	>999 %
AP	**Alaska Search and Rescue Association - Search and Rescue Statewide Training**	0	200,000	200,000	>999 %
	1004 Gen Fund (UGF)	0	200,000	200,000	>999 %
AP	**Aleutian Peninsula Broadcasting, Inc. - King Cove FM Radio Translator, Ground System, Studio Renovation, & Vehicle**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Department of Commerce, Community and Economic Development (continued)					
Grants to Named Recipients (AS 37.05.316) (continued)					
AP	**Alyeska Vocational Services - Deaf Center Planning & Development**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**American Bald Eagle Foundation - Raptor Center Completion**	0	269,800	269,800	>999 %
	1004 Gen Fund (UGF)	0	269,800	269,800	>999 %
AP	**American Legion Chappie James Post 34 - American Legion Facility Renovation**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage Park Foundation - Al Miller Park Safety and Maintenance Project**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage Park Foundation - Anchorage Senior Center Trail Connection**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Anchorage Park Foundation - Carlson Park Repairs**	0	60,700	60,700	>999 %
	1004 Gen Fund (UGF)	0	60,700	60,700	>999 %
AP	**Anchorage Park Foundation - Cheney Lake Park Improvements**	0	24,700	24,700	>999 %
	1004 Gen Fund (UGF)	0	24,700	24,700	>999 %
AP	**Anchorage Park Foundation - Cope Street Park Improvements**	0	45,700	45,700	>999 %
	1004 Gen Fund (UGF)	0	45,700	45,700	>999 %
AP	**Anchorage Park Foundation - Creekside Park Improvements**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage Park Foundation - Harvard Park Safety and Maintenance Upgrades**	0	68,700	68,700	>999 %
	1004 Gen Fund (UGF)	0	68,700	68,700	>999 %
AP	**Anchorage Park Foundation - Ira Walker Park Improvements**	0	108,000	108,000	>999 %
	1004 Gen Fund (UGF)	0	108,000	108,000	>999 %
AP	**Anchorage Park Foundation - Little Dipper Park Fix-Its**	0	45,700	45,700	>999 %
	1004 Gen Fund (UGF)	0	45,700	45,700	>999 %
AP	**Anchorage Park Foundation - Nichols Park Improvements**	0	35,000	35,000	>999 %
	1004 Gen Fund (UGF)	0	35,000	35,000	>999 %
AP	**Anchorage Park Foundation - Scenic Foothills Community Parks Webcam & Motion Dector Lights**	0	56,000	56,000	>999 %
	1004 Gen Fund (UGF)	0	56,000	56,000	>999 %
AP	**Anchorage Park Foundation - Woodland Park Improvements**	0	40,200	40,200	>999 %
	1004 Gen Fund (UGF)	0	40,200	40,200	>999 %
AP	**Angoon Senior Center - Senior Center Equipment Purchase**	0	8,000	8,000	>999 %
	1004 Gen Fund (UGF)	0	8,000	8,000	>999 %
AP	**Bering Sea Fisherman's Association - Arctic Yukon-Kuskokwim Sustainable Salmon Initiative**	0	1,000,000	1,000,000	>999 %
	1004 Gen Fund (UGF)	0	1,000,000	1,000,000	>999 %
AP	**Big Lake Elementary PTA - Playground Equipment**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Department of Commerce, Community and Economic Development (continued)					
Grants to Named Recipients (AS 37.05.316) (continued)					
AP	**Blood Bank of Alaska - Fairbanks Branch Emergency Backup Equipment**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Blood Bank of Alaska - New Building Planning & Construction**	0	13,400,000	13,400,000	>999 %
	1004 Gen Fund (UGF)	0	13,400,000	13,400,000	>999 %
AP	**Brotherhood, Inc. - Home Based After School Program**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Calypso Farm And Ecology Center - Schoolyard Garden Initiative**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Camp Fire USA - Camp Kushtaka Rebuild**	300,000	700,000	400,000	133.3 %
	1004 Gen Fund (UGF)	300,000	700,000	400,000	133.3 %
AP	**Campbell Park Community Council - Lake Otis and Waldron Safety Lighting**	0	5,000	5,000	>999 %
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
AP	**Capital Community Broadcasting, Inc. - Gavel to Gavel Video on Demand Project**	0	97,000	97,000	>999 %
	1004 Gen Fund (UGF)	0	97,000	97,000	>999 %
AP	**Catholic Community Services - Bring the Kids Home Program Site Aquisition and Building Design**	0	75,000	75,000	>999 %
	1004 Gen Fund (UGF)	0	75,000	75,000	>999 %
AP	**Communities in Schools - North Star Imagination Library**	0	18,000	18,000	>999 %
	1004 Gen Fund (UGF)	0	18,000	18,000	>999 %
AP	**Community of Elfin Cove Non-Profit Corporation - Sanitation Facility Planning**	0	75,000	75,000	>999 %
	1004 Gen Fund (UGF)	0	75,000	75,000	>999 %
AP	**Community Sports, Inc. - Development & Implementation Project**	0	100,000	100,000	>999 %
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Copper Basin Senior Citizens - Deferred Maintenance of Senior Center**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Copper River Native Association - Vehicle Acquisition**	0	44,000	44,000	>999 %
	1004 Gen Fund (UGF)	0	44,000	44,000	>999 %
AP	**Dimond High School Alumni Association - Sports Field Improvements**	0	250,000	250,000	>999 %
	1004 Gen Fund (UGF)	0	250,000	250,000	>999 %
AP	**Edzeno Native Village Council - Nikolai Electrical Metering Project**	0	60,000	60,000	>999 %
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
AP	**Fairbanks Soil & Water Conservation District - Chena Slough Restoration Project**	150,000	0	-150,000	-100.0 %
	1004 Gen Fund (UGF)	150,000	0	-150,000	-100.0 %

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		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Department of Commerce, Community and Economic Development (continued)					
Grants to Named Recipients (AS 37.05.316) (continued)					
AP	**Fairbanks Soil & Water Conservation District - Invasive Weeds Project**	**0**	**5,000**	**5,000**	**>999 %**
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
AP	**Family Centered Services of Alaska - Facility Expansion & Program Enhancement Project**	**0**	**300,000**	**300,000**	**>999 %**
	1004 Gen Fund (UGF)	0	300,000	300,000	>999 %
AP	**Federation of Community Councils, Inc - Mountain View Community Council Spring Cleanup**	**0**	**10,000**	**10,000**	**>999 %**
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Federation of Community Councils, Inc. - Chugiak & Eagle River Land Use Consortium Project**	**0**	**100,000**	**100,000**	**>999 %**
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Federation of Community Councils, Inc. - Mountain View Community Patrol**	**0**	**12,000**	**12,000**	**>999 %**
	1004 Gen Fund (UGF)	0	12,000	12,000	>999 %
AP	**Federation of Community Councils, Inc. - North East Community Patrol**	**0**	**2,500**	**2,500**	**>999 %**
	1004 Gen Fund (UGF)	0	2,500	2,500	>999 %
AP	**Federation of Community Councils, Inc. - Nunaka Valley Community Patrol**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Federation of Community Councils, Inc. - Russian Jack Community Patrol**	**0**	**2,500**	**2,500**	**>999 %**
	1004 Gen Fund (UGF)	0	2,500	2,500	>999 %
AP	**Filipino Community, Inc. - Filipino Community Historic Building Repair and Maintenance**	**0**	**50,000**	**50,000**	**>999 %**
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Food Bank of Alaska - Latino Lions Club Food Distribution**	**0**	**10,000**	**10,000**	**>999 %**
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Food Bank of Alaska - Mother Lawrence Foundation Food Distribution**	**0**	**10,000**	**10,000**	**>999 %**
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Fraternal Order of Alaska State Troopers - CSI Forensic Youth Summer Camp**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Gakona Volunteer Fire Department - Fit Five Project**	**0**	**8,800**	**8,800**	**>999 %**
	1004 Gen Fund (UGF)	0	8,800	8,800	>999 %
AP	**Gakona Volunteer Fire Department - Viable 911 Dispatch**	**0**	**14,400**	**14,400**	**>999 %**
	1004 Gen Fund (UGF)	0	14,400	14,400	>999 %
AP	**Gastineau Human Services - Safety and Security Systems Upgrades**	**0**	**39,500**	**39,500**	**>999 %**
	1004 Gen Fund (UGF)	0	39,500	39,500	>999 %
AP	**Greater Copper Valley Communications, Inc - Backup Generator & Communication Link**	**0**	**91,000**	**91,000**	**>999 %**
	1004 Gen Fund (UGF)	0	91,000	91,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Named Recipients (AS 37.05.316) (continued)					
AP	**Haines Senior Center - Senior Center Roof Maintenance & Replacement**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Haines Senior Center - Vehicle & Wheelchair Lift Purchase**	0	13,100	13,100	>999 %
	1004 Gen Fund (UGF)	0	13,100	13,100	>999 %
AP	**Homer Foundation - Community Education and Activity Programming**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Hoonah Senior Center - Kitchen Equipment**	0	18,000	18,000	>999 %
	1004 Gen Fund (UGF)	0	18,000	18,000	>999 %
AP	**Hope Community Resources, Inc. - Statewide Assisted Living Facilites Rehabilition and Refurbishment**	0	200,000	200,000	>999 %
	1004 Gen Fund (UGF)	0	200,000	200,000	>999 %
AP	**Island Trails Network - Rotary Park Trail Phase II**	0	8,000	8,000	>999 %
	1004 Gen Fund (UGF)	0	8,000	8,000	>999 %
AP	**Juneau Cooperative Christian Ministries - Glory Hole Shelter Roof Replacement**	0	65,000	65,000	>999 %
	1004 Gen Fund (UGF)	0	65,000	65,000	>999 %
AP	**Juneau Housing Trust - 20th Century Theater Affordable Housing Project**	0	55,000	55,000	>999 %
	1004 Gen Fund (UGF)	0	55,000	55,000	>999 %
AP	**Kaagwaantaan, Inc. - Alaska Native Brotherhood Hall Renovations**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Kake Senior Center - Kitchen Equipment**	0	5,500	5,500	>999 %
	1004 Gen Fund (UGF)	0	5,500	5,500	>999 %
AP	**Kasilof Regional Historical Association - Kasilof River Mouth Dune Protection**	0	60,000	60,000	>999 %
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
AP	**Kenai Peninsula Food Bank - Facility Improvements and Expansion**	0	250,000	250,000	>999 %
	1004 Gen Fund (UGF)	0	250,000	250,000	>999 %
AP	**Kodiak Women's Resource and Crisis Center - Security Fence Replacement**	0	13,000	13,000	>999 %
	1004 Gen Fund (UGF)	0	13,000	13,000	>999 %
AP	**Ma'o Tosi Alaska PRIDE - After-School and Summer Programs**	0	80,000	80,000	>999 %
	1004 Gen Fund (UGF)	0	80,000	80,000	>999 %
AP	**Mid-Valley Seniors, Inc. - Mid-Valley Senior Center Roof Replacement**	0	35,000	35,000	>999 %
	1004 Gen Fund (UGF)	0	35,000	35,000	>999 %
AP	**Mountain View Boys and Girls Club - Community Center Maintenance and Upgrades**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %

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		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Department of Commerce, Community and Economic Development (continued)					
Grants to Named Recipients (AS 37.05.316) (continued)					
AP	**Native Village of Tetlin - Community Improvements**	0	35,000	35,000	>999 %
	1004 Gen Fund (UGF)	0	35,000	35,000	>999 %
AP	**Newtok Traditional Council - Landfill Design Matching Funds**	0	75,000	75,000	>999 %
	1004 Gen Fund (UGF)	0	75,000	75,000	>999 %
AP	**Nine Star Education & Employment Services - Dropout Recovery Program**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**North Star Volunteer Fire Department - Fire Engine**	0	145,000	145,000	>999 %
	1004 Gen Fund (UGF)	0	145,000	145,000	>999 %
AP	**Peninsula Community Health Centers of Alaska - Cottonwood Health Center Equipment**	0	100,000	100,000	>999 %
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Perseverance Theatre - Facility Upgrades**	0	45,000	45,000	>999 %
	1004 Gen Fund (UGF)	0	45,000	45,000	>999 %
AP	**Rainbird Community Broadcasting, Inc. - KRBD FM Digital Equipment Upgrade**	0	35,000	35,000	>999 %
	1004 Gen Fund (UGF)	0	35,000	35,000	>999 %
AP	**REACH, Inc. - Asbestos Abatement**	0	25,500	25,500	>999 %
	1004 Gen Fund (UGF)	0	25,500	25,500	>999 %
AP	**Retirement Community of Fairbanks - Raven Landing Senior Community Center**	0	500,000	500,000	>999 %
	1004 Gen Fund (UGF)	0	500,000	500,000	>999 %
AP	**Senior Citizens of Kodiak, Inc. - Fire Sprinkler System Replacement**	0	118,200	118,200	>999 %
	1004 Gen Fund (UGF)	0	118,200	118,200	>999 %
AP	**Shiloh Community Housing Incorporated - Transitional Housing Project**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Sitka Community Hospital - Medical Equipment Replacement**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Snomads - Willard Road Improvements**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Sons of Norway Hall - Lodge No. 23 Hall Renovation and Repair**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**South Anchorage Baseball Booster Club - Taylar Young Memorial Ballpark**	0	200,000	200,000	>999 %
	1004 Gen Fund (UGF)	0	200,000	200,000	>999 %
AP	**Southeast Alaska Guidance Association - Eagle Valley Training Center Repair and Maintenance**	0	57,000	57,000	>999 %
	1004 Gen Fund (UGF)	0	57,000	57,000	>999 %
AP	**Southeast Alaska Independent Living - Lift-Equipped Vehicles**	0	9,700	9,700	>999 %
	1004 Gen Fund (UGF)	0	9,700	9,700	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Named Recipients (AS 37.05.316) (continued)					
AP	**Southeast Alaska Solid Waste Authority - SEASWA Start-up Funding**	0	125,000	125,000	>999 %
	1004 Gen Fund (UGF)	0	125,000	125,000	>999 %
AP	**Southeast Conference - Energy Program Coodination**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Southeast Regional Resource Center - Technology Upgrade**	0	63,700	63,700	>999 %
	1004 Gen Fund (UGF)	0	63,700	63,700	>999 %
AP	**Steese Fire Service Area - Steese Volunteer Fire Department Station #2 Repair And Upgrade**	0	100,000	100,000	>999 %
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Tatitlek IRA Council - Power Generators Repairs and Replacement**	0	26,600	26,600	>999 %
	1004 Gen Fund (UGF)	0	26,600	26,600	>999 %
AP	**Territorial Sportsmen, Inc. - Public Use Cabin Construction**	0	60,000	60,000	>999 %
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
AP	**United Human Services of Southeast Alaska - Non-profit Center**	0	120,000	120,000	>999 %
	1004 Gen Fund (UGF)	0	120,000	120,000	>999 %
AP	**United Way of Anchorage - Weed & Seed Program Support**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Upper Susitna Shooters Association - Range Improvements**	0	5,000	5,000	>999 %
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
AP	**VSA Arts of Alaska - Boiler Replacement**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Wasilla-Iditarod Elementary School - Playground and Exercise Equipment**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Weed and Seed East Anchorage - Russian Jack Advocacy**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Weed and Seed East Anchorage - Tax Assistance Computers**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**World Trade Center Alaska - International Trade Partnership Project**	125,000	450,000	325,000	260.0 %
	1004 Gen Fund (UGF)	125,000	450,000	325,000	260.0 %
AP	**Yakutat Senior Center - Internet Access Infrastructure & Equipment**	0	5,000	5,000	>999 %
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
Grants to Municipalities (AS 37.05.315)					
AP	**Anchorage - 13th Avenue Gateway Element Improvements**	0	100,000	100,000	>999 %
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Anchorage - Abbott Loop Elementary School Library Books**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Anchorage - Abbott Loop Elementary School Projectors & Document Cameras**	0	20,000	20,000	>999 %
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - Abbott Loop Traffic Calming Improvements**	0	60,000	60,000	>999 %
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
AP	**Anchorage - Airport Heights Elementary School Technology**	0	20,000	20,000	>999 %
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - Alexander Avenue Drainage Improvements**	0	250,000	250,000	>999 %
	1004 Gen Fund (UGF)	0	250,000	250,000	>999 %
AP	**Anchorage - Aquarian Charter School Emergency Lighting**	0	20,000	20,000	>999 %
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - Arctic Boulevard Chester Creek Flooding**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Anchorage - Bartlett High School Interactive Whiteboards**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Anchorage - Baxter Elementary School Classroom Technology Equipment**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Bayshore Elementary School Interactive Whiteboards**	0	61,000	61,000	>999 %
	1004 Gen Fund (UGF)	0	61,000	61,000	>999 %
AP	**Anchorage - Begich Middle School Science Program Supplies**	0	2,700	2,700	>999 %
	1004 Gen Fund (UGF)	0	2,700	2,700	>999 %
AP	**Anchorage - Begich Middle School Stream Gauge & Weather Shelter**	0	1,500	1,500	>999 %
	1004 Gen Fund (UGF)	0	1,500	1,500	>999 %
AP	**Anchorage - Boniface Parkway Pedestrian & Bike Path Improvements**	0	100,000	100,000	>999 %
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Anchorage - Campbell Elementary School Computer Software**	0	9,000	9,000	>999 %
	1004 Gen Fund (UGF)	0	9,000	9,000	>999 %
AP	**Anchorage - Campbell Elementary School Mobile Computer Lab**	0	40,000	40,000	>999 %
	1004 Gen Fund (UGF)	0	40,000	40,000	>999 %
AP	**Anchorage - Campbell Elementary School Projectors & Document Cameras**	0	32,000	32,000	>999 %
	1004 Gen Fund (UGF)	0	32,000	32,000	>999 %
AP	**Anchorage - Central Middle School Interactive Whiteboard**	0	38,400	38,400	>999 %
	1004 Gen Fund (UGF)	0	38,400	38,400	>999 %
AP	**Anchorage - Chester Valley Elementary School Equipment & Software**	0	53,900	53,900	>999 %
	1004 Gen Fund (UGF)	0	53,900	53,900	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Anchorage - Chinook Elementary School Construct Gym Storage Area**	0	12,000	12,000	>999 %
	1004 Gen Fund (UGF)	0	12,000	12,000	>999 %
AP	**Anchorage - Chinook Elementary School Gym Floor Protective Cover**	0	7,000	7,000	>999 %
	1004 Gen Fund (UGF)	0	7,000	7,000	>999 %
AP	**Anchorage - Chinook Elementary School Physical Education Equipment**	0	2,500	2,500	>999 %
	1004 Gen Fund (UGF)	0	2,500	2,500	>999 %
AP	**Anchorage - Chinook Elementary School Storage Cubicles**	0	20,000	20,000	>999 %
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - Chinook Elementary School Wash Station & Drinking Fountain Replacement**	0	6,000	6,000	>999 %
	1004 Gen Fund (UGF)	0	6,000	6,000	>999 %
AP	**Anchorage - Chugach Elementary School Computers**	0	44,000	44,000	>999 %
	1004 Gen Fund (UGF)	0	44,000	44,000	>999 %
AP	**Anchorage - Chugiak to Eagle River Road and Drainage Improvements**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Anchorage - College Gate Elementary School Playground Equipment**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Anchorage - Creekside Park Elementary School Library Books**	0	20,000	20,000	>999 %
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - Creekside Park Elementary Sidewalk Repairs**	0	6,200	6,200	>999 %
	1004 Gen Fund (UGF)	0	6,200	6,200	>999 %
AP	**Anchorage - Denali Montessori School Computer Lab Equipment**	0	10,300	10,300	>999 %
	1004 Gen Fund (UGF)	0	10,300	10,300	>999 %
AP	**Anchorage - Dimond High School Advanced Placement Teacher Training**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage - Dimond High School Computers**	0	42,000	42,000	>999 %
	1004 Gen Fund (UGF)	0	42,000	42,000	>999 %
AP	**Anchorage - East Anchorage Plan**	0	80,000	80,000	>999 %
	1004 Gen Fund (UGF)	0	80,000	80,000	>999 %
AP	**Anchorage - East High School Computers Purchase**	0	29,000	29,000	>999 %
	1004 Gen Fund (UGF)	0	29,000	29,000	>999 %
AP	**Anchorage - East High School Library Resources**	0	5,000	5,000	>999 %
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
AP	**Anchorage - Fairview Elementary School Book and Technology Grant**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Anchorage - Fire Lake Elementary School Physical Education Program**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage - Gladys Wood Elementary Purchase Multimedia Equipment**	0	26,000	26,000	>999 %
	1004 Gen Fund (UGF)	0	26,000	26,000	>999 %
AP	**Anchorage - Gladys Wood Elementary School Classroom Walls and Storage**	0	48,000	48,000	>999 %
	1004 Gen Fund (UGF)	0	48,000	48,000	>999 %
AP	**Anchorage - Gladys Wood Elementary School Lunchroom Tables**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Goldenview Middle School Cabinet Installation**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Government Hill Elementary School After-School Program Equipment**	0	13,000	13,000	>999 %
	1004 Gen Fund (UGF)	0	13,000	13,000	>999 %
AP	**Anchorage - Government Hill Elementary School Computer Software**	0	3,600	3,600	>999 %
	1004 Gen Fund (UGF)	0	3,600	3,600	>999 %
AP	**Anchorage - Hanshew Middle School Interactive Whiteboards**	0	110,000	110,000	>999 %
	1004 Gen Fund (UGF)	0	110,000	110,000	>999 %
AP	**Anchorage - Hightower Road Upgrade - Alyeska Highway to Community Center**	0	800,000	800,000	>999 %
	1004 Gen Fund (UGF)	0	800,000	800,000	>999 %
AP	**Anchorage - Inlet View Elementary School Library Books**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Inlet View Elementary School Outdoor Running Track**	0	24,000	24,000	>999 %
	1004 Gen Fund (UGF)	0	24,000	24,000	>999 %
AP	**Anchorage - Kasuun Elementary School Digital Projectors**	0	20,000	20,000	>999 %
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - Kasuun Elementary School Laptop Computers**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Anchorage - Kincaid Elementary School Replacement Furniture**	0	11,000	11,000	>999 %
	1004 Gen Fund (UGF)	0	11,000	11,000	>999 %
AP	**Anchorage - Kincaid Elementary Technology Upgrades**	0	20,000	20,000	>999 %
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - King Career Center Refrigeration and Freezer Replacements**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Anchorage - King Career Center Solar Panels Study**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Anchorage - Klatt Elementary School Cafeteria Tables**	0	7,500	7,500	>999 %
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Anchorage - Klatt Elementary School Exterior Siding Repair**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Klatt Elementary School Sound System**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Anchorage - Lake Hood Elementary School Book and Technology Grant**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage - Lake Hood Elementary School Cameras & Projectors**	0	13,000	13,000	>999 %
	1004 Gen Fund (UGF)	0	13,000	13,000	>999 %
AP	**Anchorage - Lake Hood Elementary School Mobile Computer Lab**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage - Lake Hood Elementary School Printers**	0	1,000	1,000	>999 %
	1004 Gen Fund (UGF)	0	1,000	1,000	>999 %
AP	**Anchorage - Lake Otis Elementary School Rock Climbing Wall**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage - Latouche and Annapolis Pedestrian Safety**	0	215,000	215,000	>999 %
	1004 Gen Fund (UGF)	0	215,000	215,000	>999 %
AP	**Anchorage - McLaughlin Secondary School Science Lab Conversion**	0	60,000	60,000	>999 %
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
AP	**Anchorage - Mears Middle School Computer Lab**	0	45,000	45,000	>999 %
	1004 Gen Fund (UGF)	0	45,000	45,000	>999 %
AP	**Anchorage - Mears Middle School Water Heater Replacement**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Mirror Lake Elementary School Library and Technology Upgrades**	0	7,500	7,500	>999 %
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Anchorage - Mount Spurr Elementary School Classroom Space Renovations**	0	35,000	35,000	>999 %
	1004 Gen Fund (UGF)	0	35,000	35,000	>999 %
AP	**Anchorage - Mountain View and Russian Jack Park Vandalism Prevention Program**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Anchorage - Mountain View Elementary School Boiler Replacement and Repairs**	0	75,000	75,000	>999 %
	1004 Gen Fund (UGF)	0	75,000	75,000	>999 %
AP	**Anchorage - Mountain View Elementary School Cameras & Projectors**	0	6,250	6,250	>999 %
	1004 Gen Fund (UGF)	0	6,250	6,250	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Anchorage - Mountain View Public Library**	0	6,000	6,000	>999 %
	1004 Gen Fund (UGF)	0	6,000	6,000	>999 %
AP	**Anchorage - Muldoon Elementary School Asphalt and Sidewalk Repairs**	0	80,000	80,000	>999 %
	1004 Gen Fund (UGF)	0	80,000	80,000	>999 %
AP	**Anchorage - Muldoon Elementary School Cameras**	0	5,000	5,000	>999 %
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
AP	**Anchorage - Newby Avenue Repair and Renovation**	0	136,000	136,000	>999 %
	1004 Gen Fund (UGF)	0	136,000	136,000	>999 %
AP	**Anchorage - North Star Elementary School Book and Technology Grant**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - North Star Elementary School Cameras & Projectors**	0	7,000	7,000	>999 %
	1004 Gen Fund (UGF)	0	7,000	7,000	>999 %
AP	**Anchorage - North Star Elementary School Mobile Computer Lab**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Northwood Elementary School Audio Book Library**	0	1,400	1,400	>999 %
	1004 Gen Fund (UGF)	0	1,400	1,400	>999 %
AP	**Anchorage - Northwood Elementary School Book and Technology Grant**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Northwood Elementary School Sidewalk Repairs**	0	11,000	11,000	>999 %
	1004 Gen Fund (UGF)	0	11,000	11,000	>999 %
AP	**Anchorage - Northwood Elementary School Sign**	0	9,000	9,000	>999 %
	1004 Gen Fund (UGF)	0	9,000	9,000	>999 %
AP	**Anchorage - Nunaka Valley Elementary School Heat Exchanger**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Anchorage - Nunaka Valley Park Facility Improvement Plan**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Anchorage - Ocean View Elementary School DVD/TV Equipment**	0	32,000	32,000	>999 %
	1004 Gen Fund (UGF)	0	32,000	32,000	>999 %
AP	**Anchorage - Ocean View Elementary School Sound System & Stage Improvements**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Orion Elementary School Classroom Equipment Purchase**	0	4,000	4,000	>999 %
	1004 Gen Fund (UGF)	0	4,000	4,000	>999 %
AP	**Anchorage - Pioneer Home Sidewalk Safety Replacement**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Anchorage - Polaris School Science Kits, Lab Equipment and Genetic Instruments**	0	18,500	18,500	>999 %
	1004 Gen Fund (UGF)	0	18,500	18,500	>999 %
AP	**Anchorage - Port of Anchorage Expansion**	10,000,000	20,000,000	10,000,000	100.0 %
	1004 Gen Fund (UGF)	10,000,000	20,000,000	10,000,000	100.0 %
AP	**Anchorage - Ptarmigan Elementary School Cameras**	0	5,000	5,000	>999 %
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
AP	**Anchorage - Road and Drainage Phase II**	0	250,000	250,000	>999 %
	1004 Gen Fund (UGF)	0	250,000	250,000	>999 %
AP	**Anchorage - Rogers Park Elementary School Computers & Training**	0	40,000	40,000	>999 %
	1004 Gen Fund (UGF)	0	40,000	40,000	>999 %
AP	**Anchorage - Rogers Park Elementary School Multipurpose Room Retrofit**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Anchorage - Romig Middle School Book and Technology Grant**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Anchorage - Romig Middle School Interactive Whiteboards**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Anchorage - Russian Jack Elementary School - Playground Equipment**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage - SAVE High School Multimedia Computer Lab**	0	34,000	34,000	>999 %
	1004 Gen Fund (UGF)	0	34,000	34,000	>999 %
AP	**Anchorage - Scenic Park Elementary School Cameras & Projectors**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - School District Child in Transition Tutoring**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Anchorage - Service High School Classroom Technology Upgrades**	0	40,000	40,000	>999 %
	1004 Gen Fund (UGF)	0	40,000	40,000	>999 %
AP	**Anchorage - Service High School World Language Department Program**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Sitka Street Culvert Replacement**	0	60,000	60,000	>999 %
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
AP	**Anchorage - South High School - Athletic Fields Artificial Turf**	0	700,000	700,000	>999 %
	1004 Gen Fund (UGF)	0	700,000	700,000	>999 %
AP	**Anchorage - Spring Hill Elementary Technology Upgrades**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Anchorage - Steller Secondary School Book and Technology Grant**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Anchorage - Steller Secondary School Computer Lab Wiring**	**0**	**20,000**	**20,000**	**>999 %**
	1004 Gen Fund (UGF)	0	20,000	20,000	>999 %
AP	**Anchorage - Steller Secondary School Library Chairs & Equipment**	**0**	**1,000**	**1,000**	**>999 %**
	1004 Gen Fund (UGF)	0	1,000	1,000	>999 %
AP	**Anchorage - Steller Secondary School Library Shelves & Furniture**	**0**	**4,000**	**4,000**	**>999 %**
	1004 Gen Fund (UGF)	0	4,000	4,000	>999 %
AP	**Anchorage - Steller Secondary School Mobile Computer Lab**	**0**	**38,000**	**38,000**	**>999 %**
	1004 Gen Fund (UGF)	0	38,000	38,000	>999 %
AP	**Anchorage - Steller Secondary School Replace Lighting Improvements**	**0**	**1,000**	**1,000**	**>999 %**
	1004 Gen Fund (UGF)	0	1,000	1,000	>999 %
AP	**Anchorage - Steller Secondary School Water Heater Replacement**	**0**	**12,000**	**12,000**	**>999 %**
	1004 Gen Fund (UGF)	0	12,000	12,000	>999 %
AP	**Anchorage - Susitna Elementary School Interactive Whiteboards**	**0**	**8,000**	**8,000**	**>999 %**
	1004 Gen Fund (UGF)	0	8,000	8,000	>999 %
AP	**Anchorage - Susitna Elementary School Mobile Computer Lab**	**0**	**14,000**	**14,000**	**>999 %**
	1004 Gen Fund (UGF)	0	14,000	14,000	>999 %
AP	**Anchorage - Susitna Elementary School Multimedia**	**0**	**18,000**	**18,000**	**>999 %**
	1004 Gen Fund (UGF)	0	18,000	18,000	>999 %
AP	**Anchorage - Taku Elementary Wireless Internet Access**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Anchorage - Trailside Elementary School Computer Lab Software**	**0**	**10,000**	**10,000**	**>999 %**
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage - Trailside Elementary School Computers**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Anchorage - Tudor Elementary School Technology, Books, and Supplies Grant**	**0**	**31,800**	**31,800**	**>999 %**
	1004 Gen Fund (UGF)	0	31,800	31,800	>999 %
AP	**Anchorage - Turnagain Boulevard Area Flooding and Glaciation**	**0**	**150,000**	**150,000**	**>999 %**
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Anchorage - Turnagain Elementary School Interactive Whiteboards**	**0**	**60,000**	**60,000**	**>999 %**
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
AP	**Anchorage - University Lake Park Bank Stabilization and Dog Amenities**	**0**	**75,000**	**75,000**	**>999 %**
	1004 Gen Fund (UGF)	0	75,000	75,000	>999 %
AP	**Anchorage - Wendler Middle School Electric Sign**	**0**	**27,000**	**27,000**	**>999 %**
	1004 Gen Fund (UGF)	0	27,000	27,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Anchorage - West High School Technology & Equipment**	0	140,000	140,000	>999 %
	1004 Gen Fund (UGF)	0	140,000	140,000	>999 %
AP	**Anchorage - Whaley Center Lifeskills Classroom Kitchen Upgrades**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Anchorage - William Tyson Elementary School Computers & Printers**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Anchorage - William Tyson Elementary School Purchase Classroom Televisions**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Willow Crest Elementary School Book and Technology Grant**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Anchorage - Willow Crest Elementary School Interactive Whiteboard**	0	8,000	8,000	>999 %
	1004 Gen Fund (UGF)	0	8,000	8,000	>999 %
AP	**Anchorage - Willow Crest Elementary School Library Books & Supplies**	0	27,000	27,000	>999 %
	1004 Gen Fund (UGF)	0	27,000	27,000	>999 %
AP	**Anchorage - Willow Crest Elementary School Playground Equipment Upgrades**	0	40,000	40,000	>999 %
	1004 Gen Fund (UGF)	0	40,000	40,000	>999 %
AP	**Anchorage - Wonder Park Elementary School Interactive Whiteboards**	0	69,250	69,250	>999 %
	1004 Gen Fund (UGF)	0	69,250	69,250	>999 %
AP	**Bethel - Electrical Utility Acquisition Study**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Bristol Bay Borough - Bear Proof Fencing for Landfill**	0	60,000	60,000	>999 %
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
AP	**Delta Junction - School District Wood Chip Heating System Project**	0	800,000	800,000	>999 %
	1004 Gen Fund (UGF)	0	800,000	800,000	>999 %
AP	**Delta Junction - Volunteer Fire Department Water Tender**	0	190,000	190,000	>999 %
	1004 Gen Fund (UGF)	0	190,000	190,000	>999 %
AP	**Denali Borough - Anderson School Lighting Improvements**	0	15,000	15,000	>999 %
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Denali Borough - Cantwell School Repairs and Upgrades**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Denali Borough - Landfill Equipment**	0	68,000	68,000	>999 %
	1004 Gen Fund (UGF)	0	68,000	68,000	>999 %
AP	**Denali Borough - Tri-Valley School Electrical Upgrades**	0	8,000	8,000	>999 %
	1004 Gen Fund (UGF)	0	8,000	8,000	>999 %
AP	**Egegik - Design and Control for a New Class A Well**	0	100,000	100,000	>999 %
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Fairbanks (City of) - Traffic Calming Demonstration Project**	0	280,000	280,000	>999 %
	1004 Gen Fund (UGF)	0	280,000	280,000	>999 %
AP	**Fairbanks North Star Borough - Hutchison High School Distance Learning System**	0	81,000	81,000	>999 %
	1004 Gen Fund (UGF)	0	81,000	81,000	>999 %
AP	**Fairbanks North Star Borough - Pearl Creek Elementary School Classroom Upgrade**	0	44,000	44,000	>999 %
	1004 Gen Fund (UGF)	0	44,000	44,000	>999 %
AP	**Fairbanks North Star Borough - Two Rivers Elementary School Classroom Improvements**	0	18,000	18,000	>999 %
	1004 Gen Fund (UGF)	0	18,000	18,000	>999 %
AP	**Fairbanks North Star Borough - University Park Elementary Mobile Computer Lab**	0	45,000	45,000	>999 %
	1004 Gen Fund (UGF)	0	45,000	45,000	>999 %
AP	**Fairbanks North Star Borough - Weller Elementary School Classroom Improvements**	0	29,000	29,000	>999 %
	1004 Gen Fund (UGF)	0	29,000	29,000	>999 %
AP	**Fairbanks North Star Borough - West Valley High School Distance Learning System**	0	81,000	81,000	>999 %
	1004 Gen Fund (UGF)	0	81,000	81,000	>999 %
AP	**Gambell - Excavator and Backhoe**	0	202,500	202,500	>999 %
	1004 Gen Fund (UGF)	0	202,500	202,500	>999 %
AP	**Homer - Deep Water Dock Expansion, Phase 1**	0	1,000,000	1,000,000	>999 %
	1004 Gen Fund (UGF)	0	1,000,000	1,000,000	>999 %
AP	**Homer - Karen Hornaday Park Improvements, Phase 1**	0	250,000	250,000	>999 %
	1004 Gen Fund (UGF)	0	250,000	250,000	>999 %
AP	**Hooper Bay - Boat Harbor and Barge Landing Reconnaissance**	0	230,000	230,000	>999 %
	1004 Gen Fund (UGF)	0	230,000	230,000	>999 %
AP	**Houston - Firefighting & Protective Equipment**	0	40,000	40,000	>999 %
	1004 Gen Fund (UGF)	0	40,000	40,000	>999 %
AP	**Houston - Municipal Road Maintenance**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Juneau - Juneau Arts & Culture Center Electrical and Facility Upgrades**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Juneau - School District School Safety Upgrades**	0	116,000	116,000	>999 %
	1004 Gen Fund (UGF)	0	116,000	116,000	>999 %
AP	**Juneau - School District Technology Infrastructure Upgrades**	0	26,000	26,000	>999 %
	1004 Gen Fund (UGF)	0	26,000	26,000	>999 %
AP	**Kenai Peninsula Borough - Kenai Central High School Auditorium Equipment**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Ketchikan Gateway Borough - Baseball Training Facility**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Ketchikan Gateway Borough - Gateway Recreation Center Emergency Roof Replacement**	**0**	**920,000**	**920,000**	**>999 %**
	1004 Gen Fund (UGF)	0	920,000	920,000	>999 %
AP	**Matanuska-Susitna Borough - Big Lake Elementary School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Big Lake Service Area Road Upgrades**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Buffalo Mine Road Street Light Installation**	**0**	**15,000**	**15,000**	**>999 %**
	1004 Gen Fund (UGF)	0	15,000	15,000	>999 %
AP	**Matanuska-Susitna Borough - Butte Elementary Library & Technology Upgrades**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Butte Volunteer Fire Department Equipment**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Caswell Lakes Service Area Equipment**	**0**	**45,000**	**45,000**	**>999 %**
	1004 Gen Fund (UGF)	0	45,000	45,000	>999 %
AP	**Matanuska-Susitna Borough - Caswell Lakes Service Area Roads Upgrade**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Fairview Service Area Roads Upgrade**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Goose Bay Elementary School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Greater Butte Service Area Roads Upgrade**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Houston High School Football Field Lights**	**0**	**100,000**	**100,000**	**>999 %**
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Matanuska-Susitna Borough - Houston High School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Houston Middle School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Knik Elementary School Gymnasium Curtain**	**0**	**17,500**	**17,500**	**>999 %**
	1004 Gen Fund (UGF)	0	17,500	17,500	>999 %

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Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Matanuska-Susitna Borough - Knik Elementary School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Knik Road Upgrade**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Lake Lucille Improvements**	**0**	**125,000**	**125,000**	**>999 %**
	1004 Gen Fund (UGF)	0	125,000	125,000	>999 %
AP	**Matanuska-Susitna Borough - Lazy Mountain Service Area Roads Upgrade**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Meadow Lakes Elementary School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Meadow Lakes Service Area Roads Upgrade**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Mid-Valley High School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Midnight Sun Family Learning Center Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Self-Contained Breathing Apparatus Purchase**	**0**	**100,000**	**100,000**	**>999 %**
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Matanuska-Susitna Borough - Snowshoe Elementary Library & Technology Upgrades**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Su Valley School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Talkeetna Service Area Equipment**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Talkeetna Service Area Roads Upgrades**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Trapper Creek Elementary School Library & Technology Upgrade**	**0**	**7,500**	**7,500**	**>999 %**
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Trapper Creek Service Area Roads Upgrade**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Wasilla-Lakes FSA Equipment**	**0**	**30,000**	**30,000**	**>999 %**
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Matanuska-Susitna Borough - West Lakes FSA Equipment**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Willow Elementary School Library & Technology Upgrade**	0	7,500	7,500	>999 %
	1004 Gen Fund (UGF)	0	7,500	7,500	>999 %
AP	**Matanuska-Susitna Borough - Willow Service Area Equipment**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Willow Service Area Roads Upgrade**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Matanuska-Susitna Borough - Wolverine Creek Dry Hydrant Project**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Napakiak - Road Maintenance and Dust Control**	0	275,000	275,000	>999 %
	1004 Gen Fund (UGF)	0	275,000	275,000	>999 %
AP	**Nenana - Nenana City Public School - Nenana Student Learning Center Debt Retirement**	0	1,500,000	1,500,000	>999 %
	1004 Gen Fund (UGF)	0	1,500,000	1,500,000	>999 %
AP	**Northwest Arctic Borough - Kiana Heavy Equipment**	0	180,000	180,000	>999 %
	1004 Gen Fund (UGF)	0	180,000	180,000	>999 %
AP	**Northwest Arctic Borough - Noatak Storage Shed**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Northwest Arctic Borough - Noorvik Heavy Equipment**	0	300,000	300,000	>999 %
	1004 Gen Fund (UGF)	0	300,000	300,000	>999 %
AP	**Old Harbor - City Dock Reconstruction**	1,350,000	3,100,000	1,750,000	129.6 %
	1004 Gen Fund (UGF)	1,350,000	3,100,000	1,750,000	129.6 %
AP	**Ouzinkie - Alternative Wind Energy Generation - Phase I Data Collection**	0	10,000	10,000	>999 %
	1004 Gen Fund (UGF)	0	10,000	10,000	>999 %
AP	**Palmer - Lift Station & Sewer System Rehabilitation**	0	750,000	750,000	>999 %
	1004 Gen Fund (UGF)	0	750,000	750,000	>999 %
AP	**Pelican - Water and Sewer Improvements**	0	200,000	200,000	>999 %
	1004 Gen Fund (UGF)	0	200,000	200,000	>999 %
AP	**Petersburg - Petersburg Medical Center - Medical Equipment Replacement**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Pilot Point - Assess Safety & Structure Issues of Old Cannery Buildings**	0	55,000	55,000	>999 %
	1004 Gen Fund (UGF)	0	55,000	55,000	>999 %
AP	**Port Alexander - Modernization and Upgrade of Community Building EMS and Media Housing**	0	5,000	5,000	>999 %
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
AP	**Saint George - Purchase Vacuum Sewage Pumper Truck**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Department of Commerce, Community and Economic Development (continued)					
Grants to Municipalities (AS 37.05.315) (continued)					
AP	**Saxman - Water and Sewer Backhoe Loader Purchase**	**0**	**75,000**	**75,000**	**>999 %**
	1004 Gen Fund (UGF)	0	75,000	75,000	>999 %
AP	**Seldovia - Water and Sewer Upgrades**	**0**	**100,000**	**100,000**	**>999 %**
	1004 Gen Fund (UGF)	0	100,000	100,000	>999 %
AP	**Sitka - Moller Park Baseball Field Improvements**	**0**	**500,000**	**500,000**	**>999 %**
	1004 Gen Fund (UGF)	0	500,000	500,000	>999 %
AP	**Sitka - Sitka School District - Vocational Education Facility Construction**	**0**	**1,400,000**	**1,400,000**	**>999 %**
	1004 Gen Fund (UGF)	0	1,400,000	1,400,000	>999 %
AP	**Soldotna - Funny River Road Relocation**	**0**	**38,900**	**38,900**	**>999 %**
	1004 Gen Fund (UGF)	0	38,900	38,900	>999 %
AP	**Soldotna - Lighting Energy Conservation Project**	**0**	**389,200**	**389,200**	**>999 %**
	1004 Gen Fund (UGF)	0	389,200	389,200	>999 %
AP	**Soldotna - Reconstruct North Binkley Street**	**0**	**544,000**	**544,000**	**>999 %**
	1004 Gen Fund (UGF)	0	544,000	544,000	>999 %
AP	**Soldotna - Soldotna Creek Park Development**	**0**	**75,000**	**75,000**	**>999 %**
	1004 Gen Fund (UGF)	0	75,000	75,000	>999 %
AP	**Tanana - Modern Fire Fighting Truck Acquisition**	**233,000**	**0**	**-233,000**	**-100.0 %**
	1004 Gen Fund (UGF)	233,000	0	-233,000	-100.0 %
AP	**Tanana - Washeteria Equipment & Sanitation Improvements**	**0**	**233,000**	**233,000**	**>999 %**
	1004 Gen Fund (UGF)	0	233,000	233,000	>999 %
AP	**Thorne Bay - Community Roads Repair and Resurface**	**0**	**150,000**	**150,000**	**>999 %**
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Togiak - Repair Storm Damage to Seawall**	**0**	**85,000**	**85,000**	**>999 %**
	1004 Gen Fund (UGF)	0	85,000	85,000	>999 %
AP	**White Mountain - Public Safety Building**	**0**	**857,000**	**857,000**	**>999 %**
	1004 Gen Fund (UGF)	0	857,000	857,000	>999 %
AP	**Wrangell - School District Replacement Wrestling Mats**	**0**	**40,000**	**40,000**	**>999 %**
	1004 Gen Fund (UGF)	0	40,000	40,000	>999 %
Grants to Unincorporated Communities (AS 37.05.317)					
AP	**Chalkyitsik - Electrical Metering Program**	**0**	**38,000**	**38,000**	**>999 %**
	1004 Gen Fund (UGF)	0	38,000	38,000	>999 %
AP	**Cooper Landing - Senior Housing Garage & Workshop**	**0**	**95,000**	**95,000**	**>999 %**
	1004 Gen Fund (UGF)	0	95,000	95,000	>999 %
AP	**Ester - John Trigg Ester Library Design and Construction**	**0**	**50,000**	**50,000**	**>999 %**
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Igiugig - Fuel Delivery Truck**	**0**	**12,000**	**12,000**	**>999 %**
	1004 Gen Fund (UGF)	0	12,000	12,000	>999 %
AP	**Igiugig - Rural Power Systems Upgrade**	**0**	**110,000**	**110,000**	**>999 %**
	1004 Gen Fund (UGF)	0	110,000	110,000	>999 %
AP	**Iliamna - Village Community Hall Renovations**	**0**	**72,000**	**72,000**	**>999 %**
	1004 Gen Fund (UGF)	0	72,000	72,000	>999 %
AP	**Klukwan - Garbage Truck Purchase**	**0**	**32,900**	**32,900**	**>999 %**
	1004 Gen Fund (UGF)	0	32,900	32,900	>999 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Department of Commerce, Community and Economic Development (continued)					
Grants to Unincorporated Communities (AS 37.05.317) (continued)					
AP	**Mentasta Lake - Multi-Purpose Community Services Center**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Nikolaevsk - Natural Gas Line Reduction Unit**	0	250,000	250,000	>999 %
	1004 Gen Fund (UGF)	0	250,000	250,000	>999 %
AP	**Northway Village - Community Center Addition**	0	125,000	125,000	>999 %
	1004 Gen Fund (UGF)	0	125,000	125,000	>999 %
*** Agency Totals **********		24,808,000	89,152,800	64,344,800	259.4 %
Department of Education and Early Development					
AP	**Mt Edgecumbe High School Cafeteria Improvements**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
Grants to Named Recipients (AS 37.05.316)					
AP	**Alaska Gateway School District - Dot Lake School Playground Equipment**	0	30,000	30,000	>999 %
	1004 Gen Fund (UGF)	0	30,000	30,000	>999 %
AP	**Chatham School District - Angoon Elementary School Playground**	0	65,000	65,000	>999 %
	1004 Gen Fund (UGF)	0	65,000	65,000	>999 %
AP	**Southeast Island School District - Port Alexander Teacher Housing Remodel & Renovation**	0	23,000	23,000	>999 %
	1004 Gen Fund (UGF)	0	23,000	23,000	>999 %
AP	**Yukon Koyukuk School District - Emergency School Renovations and Equipment Upgrades**	0	40,000	40,000	>999 %
	1004 Gen Fund (UGF)	0	40,000	40,000	>999 %
AP	**Yukon Koyukuk School District - Ruby School Playground Equipment**	0	60,000	60,000	>999 %
	1004 Gen Fund (UGF)	0	60,000	60,000	>999 %
*** Agency Totals **********		0	368,000	368,000	>999 %
Department of Environmental Conservation					
AP	**Clean Water Capitalization Grant - Subsidy Funding**	0	1,826,274	1,826,274	>999 %
	1075 Clean Wtr (Fed)	0	1,826,274	1,826,274	>999 %
AP	**Drinking Water Capitalization Grant - Subsidy Funding**	0	4,071,900	4,071,900	>999 %
	1100 ADWF (Fed)	0	4,071,900	4,071,900	>999 %
*** Agency Totals **********		0	5,898,174	5,898,174	>999 %

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

		[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Office of the Governor					
AP	**Voter Registration and Election Management System Replacement**	0	1,550,000	1,550,000	>999 %
	1185 Elect Fund (Other)	0	1,550,000	1,550,000	>999 %
*** Agency Totals **********		0	1,550,000	1,550,000	>999 %
Department of Labor and Workforce Development					
AP	**Fairbanks Pipeline Training Center Construction, Utilities and Equipment**	2,000,000	4,000,000	2,000,000	100.0 %
	1004 Gen Fund (UGF)	2,000,000	4,000,000	2,000,000	100.0 %
*** Agency Totals **********		2,000,000	4,000,000	2,000,000	100.0 %
Department of Natural Resources					
AP	**Chena River State Recreation Site ADA Improvements & Path Construction**	0	9,000	9,000	>999 %
	1004 Gen Fund (UGF)	0	9,000	9,000	>999 %
AP	**Chena State Recreation Area Campground Multi-Use Shelter**	0	25,000	25,000	>999 %
	1004 Gen Fund (UGF)	0	25,000	25,000	>999 %
AP	**Eagle Beach Public Use Cabins**	0	50,000	50,000	>999 %
	1004 Gen Fund (UGF)	0	50,000	50,000	>999 %
AP	**Upper Chatanika and Chena River State Recreation Sites Facility Upgrade**	0	5,000	5,000	>999 %
	1004 Gen Fund (UGF)	0	5,000	5,000	>999 %
*** Agency Totals **********		0	89,000	89,000	>999 %
Department of Transportation and Public Facilities					
AP	**Chena Small Tracts Road Multi-Use Path Design and Planning**	0	150,000	150,000	>999 %
	1004 Gen Fund (UGF)	0	150,000	150,000	>999 %
AP	**Williams Port and Pile Bay Access Survey and Mapping**	0	200,000	200,000	>999 %
	1004 Gen Fund (UGF)	0	200,000	200,000	>999 %
*** Agency Totals **********		0	350,000	350,000	>999 %
Fund Capitalization					
Unassigned					
AP	**Section 18(b), SB 230 Election Fund**	1,425,000	2,975,000	1,550,000	108.8 %
	1002 Fed Rcpts (Fed)	1,425,000	1,425,000	0	
	1003 G/F Match (UGF)	-56,500	-56,500	0	

2010 Legislature - Capital Budget
Project Compare by Agency - Senate Structure

Numbers and Language Differences Only

	[1] SFINCS1	[2] SFINCS2	[2] - [1] SFINCS1 to SFINCS2	
Fund Capitalization (continued)				
Unassigned (continued)				
AP **Section 18(b), SB 230**				
Election Fund (continued)				
1004 Gen Fund (UGF)	56,500	1,606,500	1,550,000	>999 %
*** Agency Totals ***	1,425,000	2,975,000	1,550,000	108.8 %
All Agencies				
*** All Agencies Totals ***	34,483,000	110,632,974	76,149,974	220.8 %

Report #2

2010 Legislature - Capital Budget
House District Summary - Senate Structure

Numbers and Language
District by Impact

House District		FY10 Sup [1] CS2 Sec1	FY10 DM [2] CS2 Sec4	FY11 Cap [3] CS2 Sec7	Grants(FY10) [4] CS2Sec10	Cruise [5] CS2Sec13	Total [6] SCS2 Total
1	Ketchikan	900.0	0.0	8,651.4	30,960.0	11,300.0	51,811.4
2	Sitka/Petersburg/Wrangell	0.0	1,850.0	26,698.4	30,543.0	11,725.0	70,816.4
3-4	Juneau Areawide	450.0	9,450.0	22,810.0	8,954.4	10,200.0	51,864.4
5	Cordova/Southeast Islands	1,573.8	100.0	26,716.0	9,303.9	8,980.0	46,673.7
1-5	Southeast Region	60,000.0	700.0	3,500.0	1,025.0	0.0	65,225.0
6	Interior Villages	2,177.5	0.0	6,056.2	9,636.9	0.0	17,870.6
7-11	Fairbanks Areawide	3,050.0	450.0	92,040.3	55,492.0	0.0	151,032.3
12	Richardson/Glenn Highways	0.0	0.0	10,270.0	8,194.4	0.0	18,464.4
13-16	Mat-Su Areawide	113.7	520.0	59,880.6	19,668.0	0.0	80,182.3
17-32	Anchorage Areawide	3,267.0	1,200.0	191,579.7	208,197.2	0.0	404,243.9
33-35	Kenai Areawide	3,720.0	1,000.0	65,091.0	19,107.1	2,300.0	91,218.1
12-35	Southcentral Region	0.0	3,300.0	55,150.0	200.0	0.0	58,650.0
36	Kodiak	500.0	1,150.0	51,969.3	11,643.2	0.0	65,262.5
37	Bristol Bay/Aleutians	4,430.0	0.0	42,895.1	12,900.0	0.0	60,225.1
38	Bethel	0.0	0.0	32,650.0	14,320.8	0.0	46,970.8
36-38	Southwest Region	0.0	0.0	300.0	0.0	0.0	300.0
39	Bering Straits	0.0	0.0	20,238.6	9,390.1	0.0	29,628.7
40	Arctic	0.0	0.0	57,332.2	1,972.5	0.0	59,304.7
1-40	Statewide	38,142.9	104,700.0	783,628.2	12,808.0	600.0	939,879.1
Statewide Total		**118,324.9**	**124,420.0**	**1,557,456.8**	**464,316.5**	**45,105.0**	**2,309,623.2**
Funding Summary							
	General Funds (GF)	90,085.1	115,100.0	495,340.5	464,316.5	0.0	1,164,842.0
	Other State Funds (Other)	15,500.0	3,000.0	68,770.2	0.0	45,105.0	132,375.2
	Federal Receipts (Fed)	12,739.8	6,320.0	993,346.1	0.0	0.0	1,012,405.9

Computed Column Definitions: [6]=[1]+[2]+[3]+[4]+[5]

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Report 2 Pkg

2010 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language
Non Mental Health Transactions Only

Agency	[1] GovInTtl	[2] SCSAdds	[3] SFINCS Total	[4] GovTotal	[3] - [4] GovTotal to SFINCS To	
Agency Budgets						
Administration	25,275.0	8,000.0	33,275.0	25,275.0	8,000.0	31.7 %
Community & Economic Dev	92,289.1	420,336.2	512,625.2	92,288.6	420,336.7	455.5 %
Corrections	9,800.0	1,800.0	11,600.0	9,800.0	1,800.0	18.4 %
Education & Early Dev	26,470.7	2,500.0	28,970.7	26,470.7	2,500.0	9.4 %
Environmental Conservation	75,339.4	19,732.2	95,071.6	75,339.4	19,732.2	26.2 %
Fish and Game	24,850.0	0.0	24,850.0	31,305.0	-6,455.0	-20.6 %
Governor	1,548.8	0.0	1,548.8	1,548.8	0.0	
Health & Social Services	32,315.3	0.0	32,315.3	32,315.3	0.0	
Labor & Workforce Dev	5,912.7	0.0	5,912.7	6,051.7	-139.0	-2.3 %
Law	150.0	0.0	150.0	150.0	0.0	
Military & Veterans Affairs	34,542.0	0.0	34,542.0	34,542.0	0.0	
Natural Resources	31,393.0	250.0	31,643.0	31,498.0	145.0	0.5 %
Public Safety	6,136.0	7,000.0	13,136.0	81,886.0	-68,750.0	-84.0 %
Revenue	58,083.1	0.0	58,083.1	58,983.1	-900.0	-1.5 %
Transportation & Public Fac	1,096,835.4	30,437.0	1,127,272.4	1,097,835.4	29,437.0	2.7 %
University of Alaska	53,900.0	0.0	53,900.0	162,500.0	-108,600.0	-66.8 %
Alaska Court System	2,500.0	24,600.0	27,100.0	2,500.0	24,600.0	984.0 %
Total	**1,577,340.4**	**514,655.3**	**2,091,995.7**	**1,770,288.9**	**321,706.8**	**18.2 %**
Statewide Items						
Fund Capitalization	141,425.0	0.0	141,425.0	141,425.0	0.0	
Total	**141,425.0**	**0.0**	**141,425.0**	**141,425.0**	**0.0**	
Statewide Total	**1,718,765.4**	**514,655.3**	**2,233,420.7**	**1,911,713.9**	**321,706.8**	**16.8 %**

Computed Column Definitions: [3]=[1]+[2]

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2010 Legislature - Capital Budget
Agency Summary - Senate Structure

Numbers and Language
Non Mental Health Transactions Only

Agency	[1] GovInTtl	[2] SCSAdds	[3] SFINCS Total	[4] GovTotal	[3] - [4] GovTotal to SFINCS To	
Funding Summary						
General Funds (GF)	605,627.4	490,960.3	1,096,587.7	627,950.9	468,636.8	74.6 %
Other State Funds (Other)	107,130.2	23,195.0	130,325.2	271,755.2	-141,430.0	-52.0 %
Federal Receipts (Fed)	1,006,007.7	500.0	1,006,507.7	1,012,007.7	-5,500.0	-0.5 %
Non-Additive Items						
Fund Transfers	35,000.0	28,000.0	63,000.0	35,000.0	28,000.0	80.0 %
Total	**35,000.0**	**28,000.0**	**63,000.0**	**35,000.0**	**28,000.0**	**80.0 %**

Computed Column Definitions: [3]=[1]+[2]

2010 Legislature - Capital Budget
House District Summary - Senate Structure

Numbers and Language
Non Mental Health Transactions
Only
District by Impact

House District		[1] GovInTtl	[2] SCSAdds	[3] SFINCS Total	[4] GovTotal	[3] - [4] GovTotal to SFINCS To	
1	Ketchikan	9,818.3	42,663.0	52,481.4	10,847.0	41,634.4	383.8 %
2	Sitka/Petersburg/Wrangell	31,740.7	36,382.7	68,123.4	32,346.7	35,776.6	110.6 %
3-4	Juneau Areawide	26,710.0	24,150.0	50,860.0	25,710.0	25,150.0	97.8 %
5	Cordova/Southeast Islands	30,799.8	15,380.0	46,179.8	31,726.9	14,452.9	45.6 %
1-5	Southeast Region	3,000.0	1,950.0	4,950.0	3,000.0	1,950.0	65.0 %
6	Interior Villages	8,233.7	7,455.1	15,688.8	13,707.2	1,981.6	14.5 %
7-11	Fairbanks Areawide	78,351.3	68,730.0	147,081.3	188,346.9	-41,265.6	-21.9 %
12	Richardson/Glenn Highways	10,270.0	7,165.0	17,435.0	10,333.6	7,101.4	68.7 %
13-16	Mat-Su Areawide	55,801.2	22,381.2	78,182.3	55,801.2	22,381.2	40.1 %
17-32	Anchorage Areawide	208,846.7	164,211.7	373,058.4	284,596.7	88,461.7	31.1 %
33-35	Kenai Areawide	70,720.0	16,841.0	87,561.0	72,581.5	14,979.5	20.6 %
12-35	Southcentral Region	45,150.0	13,300.0	58,450.0	45,150.0	13,300.0	29.5 %
36	Kodiak	48,250.0	14,719.3	62,969.3	48,786.7	14,182.6	29.1 %
37	Bristol Bay/Aleutians	44,570.0	15,155.1	59,725.1	47,496.4	12,228.7	25.7 %
38	Bethel	36,650.0	8,820.8	45,470.8	50,606.2	-5,135.4	-10.1 %
39	Bering Straits	20,238.6	8,198.1	28,436.7	27,536.2	900.5	3.3 %
40	Arctic	57,332.2	1,192.5	58,524.7	58,898.3	-373.6	-0.6 %
1-40	Statewide	932,282.9	45,960.0	978,242.9	904,242.4	74,000.5	8.2 %
Statewide Total		**1,718,765.4**	**514,655.3**	**2,233,420.7**	**1,911,713.9**	**321,706.8**	**16.8 %**
Funding Summary							
	General Funds (GF)	605,627.4	490,960.3	1,096,587.7	627,950.9	468,636.8	74.6 %
	Other State Funds (Other)	107,130.2	23,195.0	130,325.2	271,755.2	-141,430.0	-52.0 %
	Federal Receipts (Fed)	1,006,007.7	500.0	1,006,507.7	1,012,007.7	-5,500.0	-0.5 %

Computed Column Definitions: [3]=[1]+[2]

2010 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language
Non Mental Health Transactions Only

	[1] GovInTtl	[2] SCSAdds	[3] SFINCS Total	[4] GovTotal	[3] - [4] GovTotal to SFINCS To	
Total	**1,718,765.4**	**514,655.3**	**2,233,420.7**	**1,911,713.9**	**321,706.8**	**16.8 %**
Funding Sources						
1002 Fed Rcpts (Fed)	1,000,898.5	500.0	1,001,398.5	1,006,898.5	-5,500.0	-0.5 %
1003 G/F Match (GF)	73,933.0	2,987.0	76,920.0	73,864.0	3,056.0	4.1 %
1004 Gen Fund (GF)	397,008.9	482,838.3	879,847.2	246,531.9	633,315.3	256.9 %
1005 GF/Prgm (GF)	11,109.0	0.0	11,109.0	2,000.0	9,109.0	455.5 %
1007 I/A Rcpts (Other)	1,153.5	0.0	1,153.5	1,153.5	0.0	
1017 Group Ben (Other)	301.4	0.0	301.4	301.4	0.0	
1024 Fish/Game (Other)	900.0	0.0	900.0	900.0	0.0	
1026 HwyCapital (Other)	15,000.0	0.0	15,000.0	15,000.0	0.0	
1027 IntAirport (Other)	21,925.5	0.0	21,925.5	21,925.5	0.0	
1029 PERS Trust (Other)	392.9	0.0	392.9	392.9	0.0	
1034 Teach Ret (Other)	164.0	0.0	164.0	164.0	0.0	
1042 Jud Retire (Other)	4.0	0.0	4.0	4.0	0.0	
1045 Nat Guard (Other)	12.7	0.0	12.7	12.7	0.0	
1048 Univ Rcpt (GF)	15,000.0	0.0	15,000.0	35,625.0	-20,625.0	-57.9 %
1050 PFD Fund (GF)	350.0	0.0	350.0	350.0	0.0	
1052 Oil/Haz Fd (GF)	2,000.0	0.0	2,000.0	2,000.0	0.0	
1061 CIP Rcpts (Other)	2,900.0	0.0	2,900.0	2,900.0	0.0	
1063 NPR Fund (Fed)	4,847.2	0.0	4,847.2	4,847.2	0.0	
1081 Info Svc (Other)	5,000.0	0.0	5,000.0	5,000.0	0.0	
1082 Vessel Rep (GF)	60,000.0	0.0	60,000.0	60,000.0	0.0	
1105 PF Gross (Other)	250.0	0.0	250.0	250.0	0.0	
1108 Stat Desig (Other)	14,105.0	0.0	14,105.0	14,105.0	0.0	
1112 IntAptCons (Other)	8,986.2	0.0	8,986.2	8,986.2	0.0	
1113 AHFC Bonds (Other)	7,500.0	0.0	7,500.0	7,500.0	0.0	
1139 AHFC Div (GF)	31,058.5	0.0	31,058.5	31,058.5	0.0	
1140 AIDEA Div (GF)	8,000.0	5,100.0	13,100.0	13,100.0	0.0	
1147 PublicBldg (Other)	3,000.0	0.0	3,000.0	3,000.0	0.0	
1153 State Land (GF)	3,668.0	0.0	3,668.0	3,668.0	0.0	
1156 Rcpt Svcs (GF)	0.0	0.0	0.0	9,503.5	-9,503.5	-100.0 %
1163 COP (Other)	0.0	0.0	0.0	164,625.0	-164,625.0	-100.0 %
1173 GF MisEarn (GF)	2,000.0	0.0	2,000.0	0.0	2,000.0	>999 %
1179 PFC (Other)	2,200.0	0.0	2,200.0	2,200.0	0.0	
1185 Elect Fund (Other)	1,425.0	0.0	1,425.0	1,425.0	0.0	
1195 SpecVehRct (GF)	250.0	0.0	250.0	250.0	0.0	
1201 CFEC Rcpts (GF)	1,250.0	0.0	1,250.0	0.0	1,250.0	>999 %
1202 Anat Fnd (GF)	0.0	35.0	35.0	0.0	35.0	>999 %
1206 CPV Tax (Other)	21,910.0	11,500.0	33,410.0	21,910.0	11,500.0	52.5 %
1207 RCS Impact (Other)	0.0	11,695.0	11,695.0	0.0	11,695.0	>999 %
1212 Stimulus09 (Fed)	262.0	0.0	262.0	262.0	0.0	
1213 AHCC (GF)	0.0	0.0	0.0	150,000.0	-150,000.0	-100.0 %

Computed Column Definitions: [3]=[1]+[2]

2010 Legislature - Capital Budget
Statewide Totals - Senate Structure

Numbers and Language
Non Mental Health Transactions
Only

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Funding Summary						
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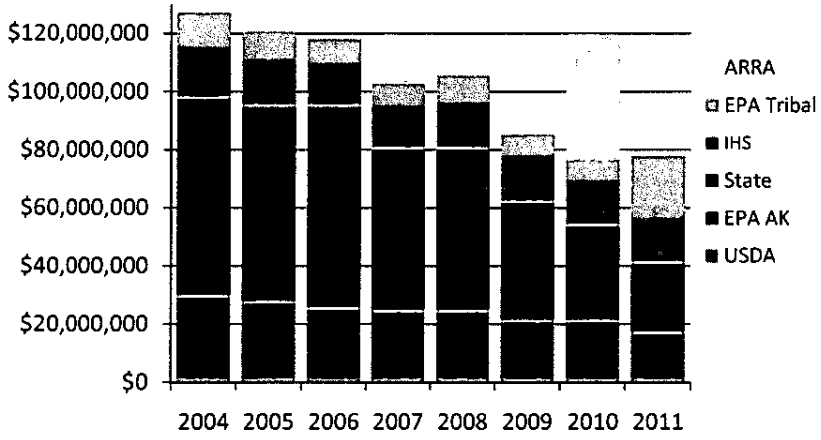
Rural Alaska Water and Sewer
The Cost of Addressing Needs is Escalating While Funding Declines

Funding for Rural Alaskia Sanitation Projects SFY 2004 - 2011



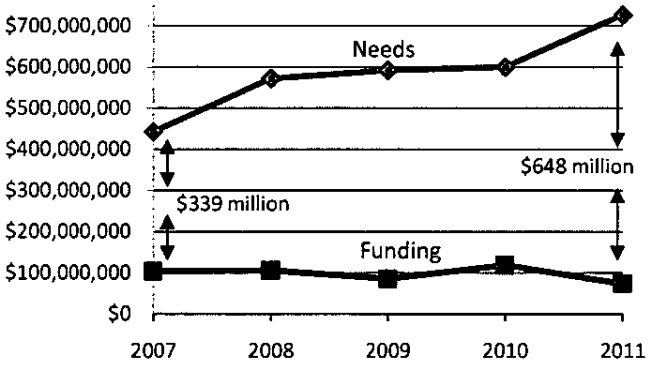
Funding <u>from all sources</u> (national tribal allocations, Alaska specific appropriations, and required State match) for rural Alaska sanitation projects has declined by over $49 million, or 39% between State Fiscal Years 2004-2011. Alaska specific appropriations and required State match (shaded purple in the graph below) have plummeted by $57 million or 58%.

Although the American Recovery and Reinvestment Act (ARRA) provided a one-time boost to rural sanitation projects in SFY 2010, the Federal 2010 (SFY 2011) budget represents the lowest funding levels for rural Alaska water and sewer projects in over 10 years – a $41 million decrease from last year's appropriations.

SFY	USDA-AK	EPA AK	State	IHS	EPA Tribal	ARRA	Total
2004	$30,000,000	$43,000,000	$24,333,331	$18,210,163	$11,598,171		$127,141,665
2005	$28,000,000	$43,000,000	$23,666,664	$16,617,560	$9,466,700		$120,750,924
2006	$26,000,000	$45,000,000	$23,666,664	$15,280,000	$8,207,000		$118,153,664
2007	$25,000,000	$35,000,000	$19,999,998	$15,411,000	$7,436,100		$102,847,098
2008	$25,000,000	$35,000,000	$19,999,998	$16,543,204	$9,055,500		$105,598,702
2009	$21,515,000	$24,610,000	$15,374,998	$16,726,000	$7,020,900		$85,246,898
2010	$21,667,000	$18,500,000	$13,388,999	$16,036,000	$6,888,052	$42,257,600	$118,737,651
2011	$17,500,000	$13,000,000	$10,166,666	$16,000,000	$21,195,000		$77,861,666

Recent appropriations for the EPA and USDA Alaska specific programs are highlighted in yellow above.

Critical Needs* -vs- Available Funding



While funding has decreased significantly, the cost of addressing critical rural Alaska sanitation needs (such as homes without running water and flush toilets or inadequately treated drinking water) has increased dramatically. This increase is due to a number of factors including inflation, population changes, aging facilities, and more stringent regulations.

The disparity between available funding and the cost of addressing rural Alaska sanitation needs is approximately $648 million – a 91% increase over SFY 2007. If current funding and cost trends do not change, this gap will continue to widen.

RURAL ALASKA SANITATION:
Status of Efforts – January 2010

Long Term Progress

As recently as 30 years ago, fewer than 25% of rural Alaska households had running water and flush toilets. In 1996 when the State first began its statewide rural sanitation survey, 55% of rural homes had piped or covered haul service. Today, approximately 75% of rural homes have indoor plumbing. (This estimate omits regional hubs such as Kotzebue and Bethel, as these larger communities tend to skew the analysis.) The progress made in improving rural sanitation conditions is significant, with an average of 1.5% of rural homes receiving first time service per year.

Recent Progress

Because of high levels of federal funding since 2000, work on several community systems was initiated and is now nearing completion. Prior to hooking up homes for the first time, significant design and construction work must take place on core facilities such as water source development, water treatment and storage, and sewage treatment and disposal. The following first-time running water and sewer systems have been under construction for several years, and are currently scheduled to have a total of approximately 1,400 homes connected between 2009 and 2011:

- Akiachak
- Akiak
- Buckland
- Chuathbaluk
- Fort Yukon
- Goodnews Bay
- Hooper Bay
- Hughes
- Kasigluk
- Kongiganak
- Nunam Iqua
- Quinhagak

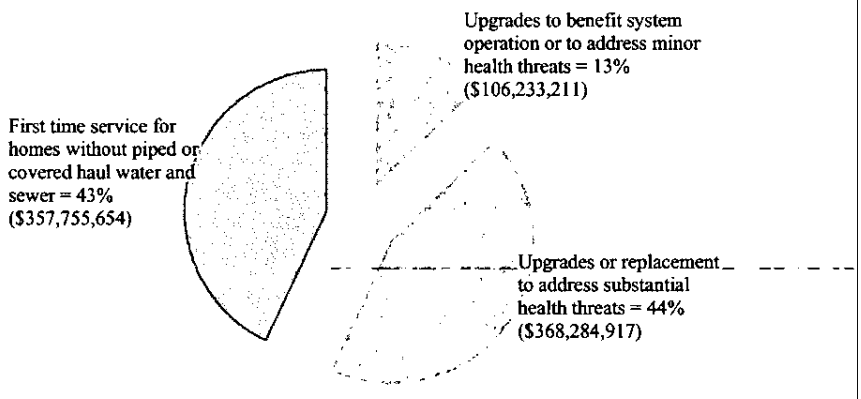
State and federal funding invested to date in providing these sixteen villages with running and water and sewer is well over $100 million. Recent decreases in funding levels have slowed progress. Without significant future investments, completion of these and other projects will be deferred.

Remaining Needs

While considerable progress has been made, much remains to be done. One in four rural households still lack running water and a flush toilet and must utilize pit privies or honey buckets and self haul water.

Although the percentage of rural households with piped or covered haul service is the measure by which progress has long been assessed, as the adjacent pie chart shows, it only takes into account part of the picture. An equal amount of assistance is needed to upgrade or replace systems that are posing a substantial health threat. Note: The first time service category and the upgrades to address substantial health risks category are often combined and referred to as "critical needs". Upgrades to benefit system operation or to address minor health threats are not considered critical and are mostly dismissed as secondary.

Rural Alaska Water and Sewer Needs



DEC Water, Wastewater and Solid Waste Grant Programs

- Facility Programs of DEC's Division of Water work with communities to develop and maintain sustainable water, sewer, and solid waste services in full regulatory compliance.

- There are two types of grant programs managed by DEC for sanitation projects. The Village Safe Water program offers 100% grant funding for smaller, rural communities and the Municipal Matching Grants program offers 60%-85% grant funding for larger communities.

Village Safe Water (VSW) Program

- VSW Funding comes from a combination of federal grants and state appropriations. The two primary federal funding sources (which have provided approximately $40.0 million in FY2010) are the U.S. Department of Agriculture and the Environmental Protection Agency. The funding trend from these sources has been declining in the past four years. Funding through these agencies requires a 25% State match. In addition, the Denali Commission and the Indian Health Service have provided a recent average of $10 million a year in 100% federal grants for projects through VSW.

- Communities apply each year for proposed sanitation project funding. Applications are scored, based heavily on the proposed project's ability to address critical public health needs, as well as the communities' demonstrated capacity to operate and maintain the facilities. Capital funding is requested for the highest ranking projects.

- Per a federal funding requirement established in 2004, the VSW CIP priority list is divided into two types of projects – those that can be completed in a single year and those that will take multiple years to complete.

- Projects that are estimated to take one year to complete receive full funding in a single fiscal year.

- The Multi-Year Priority List contains large, high scoring projects; however projects on the list are not prioritized. This allows the flexibility that is required in scheduling funding for multi-year projects. An unanticipated delay in one project will not hold up funding for a different project that is ready to go.

Updated January 2010

Funding for the construction phases of Multi-Year Priority List projects is granted based upon completion of design packages and chronological approval, available funding, and sufficient drawdown of existing project funds. In other words, this is a "first ready, first funded" list and new funds are not made available to a project until prior project grant funds for the project are exhausted. There are several projects on the Multi-Year list that are ready to proceed but have had to be postponed due to insufficient federal and state funds.

- In some cases, funding is transferred by VSW through the Indian Health Service to the Alaska Native Tribal Health Consortium, who in turn assists communities in design and construct of sanitation projects.

Municipal Matching Grants Program

- The Alaska Municipal Matching Grants program provides partial funding from General Fund appropriations and engineering support for drinking water, sewer, solid waste and non-point source pollution projects, such as water quality enhancement and waterbody restoration and recovery.

- These state grants primarily assist the larger communities and boroughs in the State.

- Each year, communities submit sanitation grant questionnaires which are scored weighing primarily the extent to which proposed projects address critical public health and environmental needs. Grants are awarded to the highest ranking projects as funding allows.

- Two years ago the Legislature amended the Municipal Matching Grants enabling statute to change the State/Local funding ratio of eligible project costs. The State share of project costs for grants awarded under the program are now:

    - 85 percent of eligible costs for a municipality with a population of 1,000 persons or less.

    - 70 percent of eligible costs for a municipality with a population of 1,001 to 10,000 persons.

    - 60 percent of eligible costs for a municipality with a population of greater than 10,000 persons.

    - The communities can borrow low interest (1.5%) loans from the Alaska Clean Water and Alaska Drinking Water funds managed by the Department to cover their portion of the match.

Adopted
4/7/10

26-GS2824\E
Kane
4/7/10

CS FOR SENATE BILL NO. 230(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making and amending appropriations, including capital appropriations, supplemental appropriations, and other appropriations; making appropriations to capitalize funds; and providing for an effective date."

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

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriations are for supplemental capital projects and grants from the general fund or other funds as set out in section 2 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
Allocations	Items	Funds	Funds
* * * * *	* * * * *		
*** * * * * Department of Corrections * * * * ***			
* * * * *	* * * * *		
Combined Hiland Mountain Correctional Center Fire Alarm Systems Replacement (HD 17-32)	350,000	350,000	
Fairbanks Correctional Center Heating System Replacement (HD 7-11)	2,500,000	2,500,000	
* * * * *	* * * * *		
*** * * * * Department of Health and Social Services * * * * ***			
* * * * *	* * * * *		
Medicaid Management Information System Completion (HD 1-40)	14,990,300	6,208,000	8,782,300
* * * * *	* * * * *		
*** * * * * Department of Natural Resources * * * * ***			
* * * * *	* * * * *		
Sale and Replacement of Tactical Firefighting Aircraft (HD 1-40)	2,600,000	2,600,000	
* * * * *	* * * * *		
*** * * * * Department of Revenue * * * * ***			
* * * * *	* * * * *		

	Allocations	Appropriation Items	General Funds	Other Funds
New Tax Revenue Management Information System Plan (HD 1-40)		300,000	300,000	
* * * * *			* * * * *	
* * * * * **Department of Transportation and Public Facilities** * * * * *				
* * * * *			* * * * *	
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		4,000,000	4,000,000	
Chignik Lagoon - Airport Safety Improvements (HD 37)		1,800,000	1,800,000	
Highways and Facilities		**3,021,100**	**3,021,100**	
Coffman Cove Maintenance Station (HD 1)	900,000			
Ester Weigh Station Scale Replacement (HD 7-11)	550,000			
Klawock Maintenance Station - Door Replacement (HD 5)	60,000			
Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement (HD 1-40)	402,600			
Retroactive Asphalt Material Price Adjustment - Glenn/Bragaw Interchange (HD 17-32)	151,500			
Skagway Land Purchase (HD 5)	407,000			
Southeast Region	450,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Headquarters – Elevator Installation (HD 3-4)				
State Equipment Fleet Vehicle Lifts (HD 1-40)	100,000			
Regulatory Compliance		**1,700,000**	**1,700,000**	
Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement (HD 33-35)	900,000			
Revegetation of Anchor River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement (HD 33-35)	800,000			
Airport Improvement Program		**18,957,500**		**18,957,500**
Alaska International Airports System: Debt Defeasance (HD 1-40)	15,000,000			
Gustavus: Airport Runway Safety Area (HD 5)	500,000			
King Cove: Airport Fencing (HD 37)	1,400,000			
Nulato: Airport Improvements (HD 6)	827,500			
Unalaska: Chemical Storage Building (HD 37)	1,230,000			
Emergency Repairs		**7,356,023**	**7,356,023**	
Central Region Hightower Emergency Maintenance and Repairs (HD 17-32)	365,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Dyea Road Washout Emergency Repair (HD 5)	101,561			
Glenn Highway MP 63.5 Erosion Emergency Repairs (HD 6)	1,125,000			
Glenn Highway Slides at MP 101 and 115 Emergency Repairs (HD 6)	225,000			
Haines Highway MP 19 Slide Emergency Repairs (HD 5)	80,000			
Kodiak Flood Emergency Repairs (HD 36)	500,000			
Petersville Road Emergency Repairs (HD 13-16)	113,700			
Salmon River Road Emergency Repairs (HD 5)	425,262			
Seward Airport Emergency Repair and Upgrade (HD 33-35)	2,020,000			
Whittier Access Emergency Repairs (HD 17-32)	2,400,000			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Corrections	
1004 Unrestricted General Fund Receipts	2,850,000
*** Total Agency Funding ***	$2,850,000
Department of Health and Social Services	
1002 Federal Receipts	8,782,300
1003 General Fund Match	6,208,000
*** Total Agency Funding ***	$14,990,300
Department of Natural Resources	
1004 Unrestricted General Fund Receipts	600,000
1005 General Fund/Program Receipts	2,000,000
*** Total Agency Funding ***	$2,600,000
Department of Revenue	
1004 Unrestricted General Fund Receipts	300,000
*** Total Agency Funding ***	$300,000
Department of Transportation and Public Facilities	
1002 Federal Receipts	3,957,500
1004 Unrestricted General Fund Receipts	17,877,123
1027 International Airports Revenue Fund	15,000,000
*** Total Agency Funding ***	$36,834,623
* * * * * Total Budget * * * * *	$57,574,923

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	6,208,000
1004 Unrestricted General Fund Receipts	21,627,123
Total Unrestricted General Funds	$27,835,123
Designated General Funds	
1005 General Fund/Program Receipts	2,000,000
Total Designated General Funds	$2,000,000
Other Non-Duplicated Funds	
1027 International Airports Revenue Fund	15,000,000
Total Other Non-Duplicated Funds	$15,000,000
Federal Funds	
1002 Federal Receipts	12,739,800
Total Federal Funds	$12,739,800
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** The following appropriations are for deferred maintenance capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Governor's House Deferred Maintenance (HD 3-4)		7,000,000	7,000,000	
Public Building Fund Facilities Deferred Maintenance (HD 1-40)		3,000,000		3,000,000
Statewide Deferred Maintenance Projects		**6,250,000**	**6,250,000**	
Non-Public Building Fund Facilities Deferred Maintenance (HD 1-40)	3,250,000			
State of Alaska Telecommunication System Deferred Maintenance (HD 1-40)	3,000,000			
*****			*****	
***** **Department of Commerce, Community and Economic Development** *****				
*****			*****	
Alaska Industrial Development & Export Authority - Ketchikan Shipyard Deferred Maintenance (HD 1)		2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Grants to Named Recipients (AS 37.05.316) - Deferred Maintenance and Upgrade to Hatchery Facilities Statewide				
Kodiak Regional Aquaculture Association (KRAA) (HD 36)		500,000	500,000	
Prince William Sound Aquaculture Corporation (PWSAC) (HD 12-35)		2,300,000	2,300,000	
Cook Inlet Aquaculture Association (CIAA) (HD 12-35)		1,000,000	1,000,000	
Northern Southeast Regional Aquaculture Association (NSRAA) (HD 1-5)		700,000	700,000	
Douglas Island Pink and Chum, Inc. (DIPAC) (HD 3-4)		500,000	500,000	
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Deferred Maintenance Projects (HD 1-40)		6,500,000	6,500,000	
Lemon Creek Correctional Center - Prison Laundry Facility Deferred Maintenance (HD 3-4)		1,700,000	1,700,000	

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** Department of Education and Early Development *****				
*****			*****	
Mt. Edgecumbe High School Deferred Maintenance (HD 2)		1,700,000	1,700,000	
*****			*****	
***** Department of Environmental Conservation *****				
*****			*****	
Environmental Health Lab Deferred Maintenance (HD 17-32)		200,000	200,000	
*****			*****	
***** Department of Fish and Game *****				
*****			*****	
Statewide Facility Deferred Maintenance Projects		**2,000,000**	**2,000,000**	
Kodiak Warehouse/Compound Upgrades (HD 36)	650,000			
Fairbanks Regional Office Repairs/Upgrades (HD 7-11)	450,000			
Yakutat Compound Electrical Repairs and Upgrades (HD 5)	100,000			
Statewide Boiler and Heating Systems Upgrades (HD 1-40)	275,000			
Statewide Access, Parking, and Drainage Repairs and Upgrades (HD 1-40)	275,000			
Statewide Bunkhouse	250,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Repairs/Upgrades (HD 1-40)				
* * * * *			* * * * *	
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *			* * * * *	
Non-Pioneer Home Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		3,020,000	3,000,000	20,000
Pioneer Homes Deferred Maintenance, Renovation, Repair and Equipment (HD 1-40)		4,000,000	4,000,000	
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
AVTEC Deferred Maintenance (HD 33-35)		1,000,000	1,000,000	
* * * * *			* * * * *	
* * * * * **Department of Military and Veterans Affairs** * * * * *				
* * * * *			* * * * *	
Deferred Maintenance Projects		**10,300,000**	**4,000,000**	**6,300,000**
Armory Facilities Deferred Maintenance (HD 1-40)	8,408,000			
Army Guard Facilities Projects Match Funding (HD 1-40)	892,000			
Military Youth Academy Deferred Maintenance, Renewal and Replacement	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
*****		*****		
***** Department of Natural Resources *****				
*****		*****		
State Parks Deferred Maintenance - House of Wickersham R & R (HD 3-4)		250,000	250,000	
Deferred Maintenance, Equipment Replacement, and Emergency Repairs		**4,000,000**	**4,000,000**	
Plant Material Center Deferred Maintenance (HD 13-16)	520,000			
State Parks Deferred Maintenance and Equipment Replacement (HD 1-40)	3,480,000			
*****		*****		
***** Department of Public Safety *****				
*****		*****		
Statewide Facilities Maintenance, Repairs, and Improvements (HD 1-40)		1,350,000	1,350,000	
*****			*****	
***** Department of Transportation and Public Facilities *****				
*****			*****	
Deferred Maintenance Projects		**25,000,000**	**25,000,000**	
Airport Deferred Maintenance (HD 1-40)	3,500,000			
Alaska Marine Highway System: Vessel and	3,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Facility Deferred Maintenance (HD 1-40)				
Facilities Deferred Maintenance and Critical Repairs (HD 1-40)	1,000,000			
Harbor Deferred Maintenance (HD 1-40)	2,500,000			
Highway Deferred Maintenance (HD 1-40)	15,000,000			
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Maintaining Existing Facilities Renewal and Renovation Annual Requirement (HD 1-40)		37,500,000	37,500,000	
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Deferred Maintenance Projects (HD 1-40)		2,500,000	2,500,000	

(SECTION 5 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	13,250,000
1147 Public Building Fund	3,000,000
*** Total Agency Funding ***	$16,250,000
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	7,000,000
*** Total Agency Funding ***	$7,000,000
Department of Corrections	
1004 Unrestricted General Fund Receipts	8,200,000
*** Total Agency Funding ***	$8,200,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	1,700,000
*** Total Agency Funding ***	$1,700,000
Department of Environmental Conservation	
1004 Unrestricted General Fund Receipts	200,000
*** Total Agency Funding ***	$200,000
Department of Fish and Game	
1004 Unrestricted General Fund Receipts	2,000,000
*** Total Agency Funding ***	$2,000,000
Department of Health and Social Services	
1002 Federal Receipts	20,000
1003 General Fund Match	100,000
1004 Unrestricted General Fund Receipts	6,900,000
*** Total Agency Funding ***	$7,020,000
Department of Labor and Workforce Development	
1004 Unrestricted General Fund Receipts	1,000,000
*** Total Agency Funding ***	$1,000,000
Department of Military and Veterans Affairs	

1002	Federal Receipts	6,300,000
1003	General Fund Match	3,000,000
1004	Unrestricted General Fund Receipts	1,000,000
***	Total Agency Funding ***	$10,300,000
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	4,250,000
***	Total Agency Funding ***	$4,250,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	1,350,000
***	Total Agency Funding ***	$1,350,000
Department of Transportation and Public Facilities		
1004	Unrestricted General Fund Receipts	25,000,000
***	Total Agency Funding ***	$25,000,000
University of Alaska		
1004	Unrestricted General Fund Receipts	37,500,000
***	Total Agency Funding ***	$37,500,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	2,500,000
***	Total Agency Funding ***	$2,500,000
* * * * *	Total Budget * * * * *	$124,270,000

(SECTION 6 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1003 General Fund Match	3,100,000
1004 Unrestricted General Fund Receipts	111,850,000
Total Unrestricted General Funds	$114,950,000
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
1002 Federal Receipts	6,320,000
Total Federal Funds	$6,320,000
Duplicated Funds	
1147 Public Building Fund	3,000,000
Total Duplicated Funds	$3,000,000

(SECTION 7 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 7.** The following appropriations are for capital projects and grants from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
Allocations	Items	Funds	Funds
* * * * *	* * * * *		
* * * * * **Department of Administration** * * * * *			
* * * * *	* * * * *		
Alaska License and Vehicle Information System (HD 1-40)	8,500,000	8,500,000	
Alaska Public Offices Commission Electronic Filing System (HD 1-40)	600,000	600,000	
Alaska Rural Communications Service Digital Conversion Planning (HD 1-40)	50,000	50,000	
Anchorage Data Center Design Support and Migration Planning (HD 17-32)	1,300,000		1,300,000
Combined Retirement System Upgrade (HD 1-40)	400,000		400,000
Enterprise Technology Services Infrastructure Upgrades and Support (HD 1-40)	3,700,000		3,700,000
Planning and Design of New State Office Building in Juneau (HD 3-4)	2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement and Benefits Document Management System (HD 1-40)		475,000		475,000
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Alaska Aerospace Corporation - Kodiak Launch Complex Sustainability (HD 36)		4,000,000	4,000,000	
Alaska Energy Authority - Electrical Emergencies Program (HD 1-40)		330,400	330,400	
Alaska Energy Authority - Railbelt Large Scale Hydro Planning, Design and Permitting (HD 12-35)		10,000,000	10,000,000	
Alaska Visitors Statistics Program (HD 1-40)		500,000	500,000	
Banking and Securities Imaging (HD 1-40)		609,000	609,000	
Community and Regional Affairs System Replacement and Consolidation (HD 1-40)		326,000	326,000	
Denali Commission Federal-State Partnership Grant (HD 1-40)		3,000,000	3,000,000	
Alaska Climate Change Impact Mitigation Program		**500,000**	**500,000**	
Community Planning Grant - Atmautluak (HD 38)	150,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Community Planning Grant - Kipnuk (HD 38)	150,000			
Hazard Impact Assessment Mini-Grant - Elim (HD 39)	50,000			
Hazard Impact Assessment Mini-Grant - Nelson Lagoon (HD 37)	50,000			
Hazard Impact Assessment Mini-Grant - Nightmute (HD 38)	50,000			
Hazard Impact Assessment Mini-Grant - Quinhagak (HD 38)	50,000			
Alaska Energy Authority		**24,500,000**	**8,500,000**	**16,000,000**
Energy Projects				
Alternative Energy and Energy Efficiency (HD 1-40)	8,000,000			
Bulk Fuel Upgrades (HD 1-40)	5,000,000			
Rural Power System Upgrades (HD 1-40)	9,000,000			
Southeast Integrated Resources Plan (HD 1-5)	500,000			
Statewide Energy Plan Development (HD 1-40)	2,000,000			
Community Block Grants Program		**5,970,000**	**70,000**	**5,900,000**
Community Development Block Grants (HD 1-40)	2,970,000			
Community Service Block	3,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Grants (RurAL CAP) (HD 1-40)				
Community Development and Assistance		**3,186,500**	**308,000**	**2,878,500**
Alaska Sustainable Salmon Fund Program (HD 1-40)	1,000,000			
Coastal Impact Assistance Program (CIAP) Administration (HD 1-40)	153,500			
Coastal Zone Management Program Grant Administration (HD 1-40)	1,120,000			
Community Mapping Program (HD 1-40)	438,000			
Cooperating Technical Partners (CTP) Program (HD 1-40)	75,000			
Floodplain & Erosion Management Program (HD 1-40)	400,000			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Anchorage Correctional Complex Renovation and Remodeling (HD 17-32)		350,000	350,000	
Community Jails Repairs, Renovations, and Equipment (HD 1-40)		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * Department of Education and Early Development * * * * *				
* * * * *			* * * * *	
Stratton Library Acquisition (HD 1-40)		2,500,000	2,500,000	
Major Maintenance Grant Fund (AS 14.11.007)		**24,770,651**	**24,770,651**	
Nome Beltz Junior/Senior High School Fire Alarm System Replacement (HD 39)	84,337			
Nome Beltz Junior/Senior High School Emergency Generator Automatic Switching Replacement (HD 39)	29,807			
Metlakatla High School Renovation Alternates (HD 5)	1,202,914			
Whittier K-12 School Sprinkler Installation and Interior Renovations (HD 17-32)	1,762,541			
Yup'ik Vocational Education Building Water Service and Boiler Replacement (HD 39)	123,701			
Yup'ik Vocational Education Building Roof Replacement (HD 39)	80,729			
Service High School Renovation (HD 17-32)	21,306,131			

	Allocations	Appropriation Items	General Funds	Other Funds
Mosquito Lake Elementary Mechanical Upgrades (HD 5)	180,491			
*****			*****	
***** Department of Environmental Conservation *****				
*****			*****	
Environmental Monitoring and Assessment of Surface Waters (EMAP) (HD 40)		450,000		450,000
Statewide Contaminated Sites Cleanup (HD 1-40)		3,000,000	3,000,000	
Village Safe Water and Wastewater Infrastructure Projects		**48,500,000**	**9,500,000**	**39,000,000**
First Time Service Projects (HD 1-40)	29,100,000			
Expansion, Upgrade, Replacement of Existing Service (HD 1-40)	19,400,000			
Municipal Water, Sewage, and Solid Waste Facilities Grants (AS 46.03.030)		**42,921,576**	**42,921,576**	
Anchorage - Girdwood Wastewater Treatment Facility (HD 17-32)	4,100,000			
Dillingham - Continued Water System Improvements Phase 2 (HD 37)	3,090,000			
Fairbanks North Star Borough - Solid Waste Landfill Leachate Recirculation Project (HD	900,450			

	Allocations	Appropriation Items	General Funds	Other Funds
7-11)				
Haines - Lilly Lake Transmission Line (HD 5)	1,117,550			
Hoonah - Water Transmission Line Replacement, Phase 1 (HD 5)	1,065,020			
Ketchikan - Alaska Avenue Water & Sewer Main Replacement (HD 1)	1,773,660			
Ketchikan - Jackson/Monroe Street & 4th/7th Avenue Water and Sewer (HD 1)	3,459,375			
Ketchikan - Baranof Reservoir Replacement (HD 1)	1,968,330			
Kodiak - Aleutian Homes Water & Sewer Replacement Phase 3 (HD 36)	2,781,000			
Kodiak - UV Secondary Water Treatment Facility (HD 36)	3,988,275			
Matanuska Susitna Borough - Central Landfill Cell 2 Closure (HD 13-16)	546,480			
North Pole - Water and Sewer Improvements (HD 7-11)	2,731,869			
North Slope Borough - Wainwright Water and Sewer Upgrades (HD 40)	3,090,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Palmer - Wastewater Treatment Plant Improvements Phase 2 (HD 13-16)	1,442,000			
Palmer - Continued Southwest Utility Extension Phase 2 (HD 13-16)	1,802,500			
Palmer - Continued Steel Water Main Replacement, Phase 7 (HD 13-16)	2,523,500			
Petersburg - Water Treatment Upgrades, Phase 3 (HD 2)	253,697			
Sand Point - Wastewater Improvements (HD 37)	386,055			
Soldotna - Water System Improvements (HD 33-35)	590,985			
Unalaska -WWTP Upgrade & Leachate Treatment Phase 3 (HD 37)	2,369,000			
Wasilla - Sewage Treatment Plant Improvements (HD 13-16)	2,271,150			
Wrangell - Landfill Closure (HD 2)	670,680			
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		
Assessment and Feasibility of Pilot Station Sonar (HD 39)		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Crew Member Fishery Participation Database Development (HD 1-40)		100,000	100,000	
Economic Contribution of Wildlife to Alaska (HD 1-40)		500,000		500,000
Endangered Species Act Listed Marine Mammals Research (HD 1-40)		600,000	150,000	450,000
Facilities, Vessels, and Aircraft Maintenance, Repair, and Upgrades (HD 1-40)		700,000	700,000	
Genetic Marker Screening for Estimating the Stock Composition of Western Alaska Salmon Fisheries (HD 37)		750,000	750,000	
Pacific Coastal Salmon Recovery Fund (HD 1-40)		9,000,000		9,000,000
Pacific Salmon Treaty Chinook Fishery Mitigation (HD 1-40)		7,500,000		7,500,000
Sport Fish Recreational Boating Access (HD 1-40)		3,100,000		3,100,000
State Contracted Hatchery Facilities Inspection (HD 1-40)		150,000	150,000	
Yukon River Chum Salmon Aerial Surveys (HD 6)		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * **Office of the Governor** * * * * *			
	* * * * *	* * * * *		
Elections Reform Under the Federal Help America Vote Act (HD 1-40)		1,425,000		1,425,000
Division of Elections Technology Refresh (HD 1-40)		123,800	123,800	
	* * * * *		* * * * *	
	* * * * * **Department of Health and Social Services** * * * * *			
	* * * * *		* * * * *	
Johnson Youth Center Renovation and Remodel to Meet Safety and Security Needs - Phase 1 (HD 3-4)		9,880,000	9,880,000	
Emergency Medical Services Ambulances and Equipment Statewide – Match for Code Blue Project (HD 1-40)		425,000	425,000	
	* * * * *		* * * * *	
	* * * * * **Department of Labor and Workforce Development** * * * * *			
	* * * * *		* * * * *	
AVTEC Alternative Energy Training Facility Expansion (HD 33-35)		1,000,000	1,000,000	
AVTEC Culinary Academy Equipment (HD 33-35)		500,000		500,000
AVTEC Culinary Video Teleconferencing Equipment (HD 1-40)		412,695	100,000	312,695

	Allocations	Appropriation Items	General Funds	Other Funds
AVTEC Medium & Heavy Duty Truck Training Equipment (HD 33-35)		1,000,000	500,000	500,000
Fairbanks Pipeline Training Center Construction, Utilities and Equipment (HD 7-11)		2,000,000	2,000,000	
*****		*****		
***** **Department of Law** *****				
*****		*****		
Fairbanks and Anchorage Key Card Office Access (HD 12-35)		150,000	150,000	
*****			*****	
***** **Department of Military and Veterans Affairs** *****				
*****			*****	
Army Guard Facilities Projects (HD 1-40)		8,342,000	1,000,000	7,342,000
Cold Weather Generation Storage and Maintenance (HD 1-40)		50,000	50,000	
Compliance Site Clean Up at Seward and Anchorage (Tudor) (HD 17-32)		250,000	250,000	
Interior Alaska Veterans Cemetery Design and Planning (HD 7-11)		6,000,000	1,000,000	5,000,000
National Guard Counterdrug Support (HD 1-40)		100,000		100,000
State Homeland Security Grant Programs (HD 1-40)		9,500,000		9,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * Department of Natural Resources * * * * *			
	* * * * *	* * * * *		
Abandoned Mine Lands Reclamation Federal Program (HD 1-40)		3,575,000		3,575,000
Alaska Coastal Management Federal Pass Through Grants (HD 1-40)		1,360,000		1,360,000
Alaska Land Mobile Radio Phase 3 of 4 (HD 1-40)		625,000	625,000	
Assessment of In-State Gas Energy Potential (HD 1-40)		500,000	500,000	
Cooperative Water Resource Program (HD 1-40)		805,000		805,000
Federal and Local Government Funded Forest Resource and Fire Program Projects (HD 1-40)		1,800,000		1,800,000
Foothills Oil and Gas Development Infrastructure Investigations (HD 1-40)		370,000	370,000	
Forest Legacy Federal Grant Program (HD 13-16)		1,000,000		1,000,000
Gas Pipeline Corridor Geologic Hazards - Phase 4 of 5 (HD 1-40)		300,000	300,000	
Information Technology Infrastructure Upgrades - Phase 2 of 2 (HD 1-40)		130,000	130,000	
Land and Water Conservation		600,000		600,000

	Allocations	Appropriation Items	General Funds	Other Funds
Fund Federal Grant Program (HD 1-40)				
Land Sale Web Enhancement (HD 1-40)		68,000	68,000	
Land Sales - New Subdivision Development (HD 1-40)		3,600,000	3,600,000	
Matanuska Susitna Borough Hydrogeology Assessment Phase 2 of 3 (HD 13-16)		295,000	295,000	
National Coastal Wetland Grant - Campbell Creek Estuary (HD 17-32)		1,000,000		1,000,000
National Historic Preservation Fund Federal Grant Program (HD 1-40)		1,200,000	200,000	1,000,000
National Recreational Trail Grants Federal Program (HD 1-40)		2,000,000		2,000,000
Reservoir Studies for North Slope and Cook Inlet (HD 1-40)		3,500,000	3,500,000	
Snowmobile Trail Development and Program Grants (HD 1-40)		250,000	250,000	
Statewide Timber Inventories (HD 1-40)		215,000	215,000	
Unified Permitting Project Phase 5 of 7 (HD 1-40)		800,000	800,000	
Wildland Fire Truck Replacement (HD 1-40)		800,000	800,000	

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * Department of Public Safety * * * * *			
	* * * * *	* * * * *		
Aircraft and Vessel Repair and Maintenance (HD 1-40)		850,000	850,000	
Alaska Public Safety Information Network Redesign Phase 3 (HD 1-40)		1,000,000	1,000,000	
Alaska State Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Alaska State Trooper Mobile Data Computers - Phase 3 (HD 1-40)		250,000	250,000	
Alaska Wildlife Trooper Law Enforcement Equipment Replacement (HD 1-40)		500,000	500,000	
Crime Laboratory Equipment Replacement (HD 17-32)		86,000	86,000	
Marine Fisheries Patrol Improvements (HD 1-40)		1,500,000		1,500,000
Public Safety Academy Dining Facility - Design & Construction (HD 1-40)		2,000,000	2,000,000	
Public Safety Academy Driver Training Facility: Land Acquisition & Construction (HD 1-40)		5,000,000	5,000,000	
Video Judicial Conference Arraignment Study (HD 1-40)		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * Department of Revenue * * * * *			
	* * * * *	* * * * *		
Child Support Services Computer Replacement Project - Phase 1 (HD 1-40)		201,600	68,544	133,056
IBM Bladecenter (HD 1-40)		230,000	230,000	
NetApp Upgrade (HD 1-40)		231,000	231,000	
Permanent Fund Dividend Master Phone Queue (HD 1-40)		350,000	350,000	
Permanent Fund Portfolio Accounting System Upgrade (HD 1-40)		250,000		250,000
Alaska Housing Finance Corporation				
AHFC Building System Replacement Program (HD 1-40)		1,500,000	1,500,000	
AHFC Competitive Grants for Public Housing (HD 1-40)		1,100,000	350,000	750,000
AHFC Denali Commission Projects (HD 1-40)		4,000,000		4,000,000
AHFC Energy Assurances/Smart Grid Resiliency Program (HD 1-40)		262,000		262,000
AHFC Energy Efficiency Monitoring Research (HD		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
1-40)				
AHFC Federal and Other Competitive Grants (HD 1-40)		4,500,000	1,500,000	3,000,000
AHFC Fire Protection Systems - Phase 2 (HD 1-40)		2,200,000	2,200,000	
AHFC Housing and Urban Development Capital Fund Program (HD 1-40)		3,200,000		3,200,000
AHFC Housing and Urban Development Federal HOME Grant (HD 1-40)		4,250,000	750,000	3,500,000
AHFC San Roberto Redevelopment (HD 17-32)		9,708,504	2,208,504	7,500,000
AHFC Security Systems Replacement/Upgrades (HD 1-40)		500,000	500,000	
AHFC Senior Citizens Housing Development Program (HD 1-40)		4,500,000	4,500,000	
AHFC State Energy Program Special Projects (HD 1-40)		300,000	50,000	250,000
AHFC Statewide ADA Improvements (HD 1-40)		500,000	500,000	
AHFC Statewide Project Improvements (HD 1-40)		2,000,000	2,000,000	
AHFC Supplemental Housing Development Program (HD 1-40)		7,000,000	7,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
AHFC Weatherization Program (HD 1-40)		4,000,000	1,000,000	3,000,000
AHFC Housing Loan Program		**6,000,000**	**6,000,000**	
Teacher, Health and Public Safety Professionals Housing (HD 1-40)	5,000,000			
Village Public Safety Officers Housing (HD 1-40)	1,000,000			
* * * * *			* * * * *	
* * * * * **Department of Transportation and Public Facilities** * * * * *				
* * * * *			* * * * *	
Alaska Aviation Safety Program (HD 1-40)		1,500,000	500,000	1,000,000
Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation (HD 1-40)		8,000,000	8,000,000	
Capital Improvement Program Equipment Replacement (HD 1-40)		1,500,000		1,500,000
Community Access Roads - Kake to Petersburg (HD 5)		4,500,000	4,500,000	
Corps of Engineers - Harbor Program - Saint Paul (HD 37)		700,000	700,000	
Dalton Highway Including Surfacing Materials (HD 1-40)		5,000,000	5,000,000	
Debarr Road School Zone (HD 17-32)		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks Metropolitan Area Transportation System (FMATS) - College Road Pavement Rehabilitation (HD 7-11)		9,000,000	9,000,000	
Fairbanks Metropolitan Area Transportation System (FMATS) - Transportation Improvement Program (HD 7-11)		5,000,000	5,000,000	
Municipal Harbor Facility Grant Fund (AS 29.60.800) (HD 1-40)		5,000,000	5,000,000	
Highways and Facilities		**22,022,000**	**7,022,000**	**15,000,000**
Americans with Disabilities Act Compliance Projects (HD 1-40)	500,000			
Central Region Signal Malfunction Management Units (HD 1-40)	22,000			
Highway Safety Corridors Near-Term Improvements (HD 1-40)	5,000,000			
Manley Hot Springs Shop/Snow Removal Equipment Building (SREB) (HD 6)	900,000			
Northern Region Bike Path Equipment (HD 1-40)	100,000			
Northern Region Maintenance Station Bunkhouse	350,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements (HD 6)				
State Equipment Fleet Replacement (HD 1-40)	15,000,000			
Statewide Anti-icing Program (HD 1-40)	150,000			
Regulatory Compliance		**2,041,000**	**2,041,000**	
EPA MS 4 Requirements - Municipality of Anchorage Sand Storage Facilities (HD 17-32)	1,041,000			
Statewide: GIS Mapping of Storm Drainage Systems for EPA MS 4 (HD 17-32)	1,000,000			
Roads to Resources		**12,000,000**	**12,000,000**	
Ambler Mining District Access - Planning, Design and Engineering (HD 1-40)	4,000,000			
Foothills West Access - Planning, Design and Engineering (HD 40)	8,000,000			
Statewide Federal Programs		**117,710,000**	**50,910,000**	**66,800,000**
Commercial Vehicle Enforcement Program (HD 1-40)	1,600,000			
Cooperative Reimbursable Projects (HD 1-40)	13,500,000			
Federal Contingency Projects (HD 1-40)	15,000,000			
Federal Emergency Projects (HD 1-40)	10,000,000			
Federal Transit	9,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Administration Grants (HD 1-40)				
Federal-Aid Aviation State Match (HD 1-40)	8,600,000			
Federal-Aid Highway State Match (HD 1-40)	41,100,000			
Highway Safety Grants Program (HD 1-40)	5,500,000			
Other Federal Program Match (HD 1-40)	1,210,000			
Statewide Safety Program (HD 1-40)	12,200,000			
Airport Improvement Program		**267,940,500**		**267,940,500**
Bethel: Airport Master Plan Update (HD 38)	350,000			
Chefornak: Airport Relocation (HD 38)	6,400,000			
Cold Bay: Airport Improvements (HD 37)	6,000,000			
Cold Bay: Airport Rescue and Firefighting Building Expansion (HD 37)	600,000			
Deadhorse: Airport Master Plan (HD 40)	150,000			
Fairbanks International Airport: Environmental Assessment and Cleanup (HD 7-11)	300,000			
Fairbanks International Airport: Equipment (HD	1,040,000			

	Allocations	Appropriation Items	General Funds	Other Funds
7-11)				
Golovin: Runway and Apron Improvements (HD 39)	12,520,000			
Haines: Airport Drainage Improvement and Taxiway, Runway and Apron Rehabilitation, and Fencing (HD 5)	7,400,000			
Kodiak: Airport Improvements (HD 36)	36,000,000			
Koliganek: Airport Reconstruction (HD 37)	8,700,000			
Kotzebue: Airport and Runway Safety Area Improvements (HD 40)	28,575,000			
Kotzebue: Airport Certification Compliance Improvements (HD 40)	1,420,000			
Lake Louise: Runway Rehabilitation (HD 12)	270,000			
Nome: Airport Master Plan (HD 39)	100,000			
Sitka: Rocky Gutierrez Airport Runway 11/29 Overlay (HD 2)	5,000,000			
Statewide: Aviation Preconstruction (HD 1-40)	18,000,000			
Statewide: Aviation Systems Plan Update (HD 1-40)	3,700,000			
Statewide: Various Airports	3,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Aeronautical Surveys (HD 1-40)				
Statewide: Various Airports Minor Surface Improvements (HD 1-40)	6,000,000			
Statewide: Various Airports Snow Removal and Safety Equipment (HD 1-40)	10,000,000			
Ted Stevens Anchorage International Airport: Advanced Project Design and Planning (HD 17-32)	1,500,000			
Ted Stevens Anchorage International Airport: Aircraft Rescue and Fire Fighting Vehicle (HD 17-32)	1,300,000			
Ted Stevens Anchorage International Airport: Badge Office Relocation (HD 17-32)	580,000			
Ted Stevens Anchorage International Airport: Deicing Mitigation (HD 17-32)	375,000			
Ted Stevens Anchorage International Airport: East Airpark Storm Drain (HD 17-32)	4,000,000			
Ted Stevens Anchorage International Airport:	4,400,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Emergency Operations Center / Airport Communication Center (HD 17-32)				
Ted Stevens Anchorage International Airport: Environmental Compliance (HD 17-32)	500,000			
Ted Stevens Anchorage International Airport: Equipment (HD 17-32)	5,000,000			
Ted Stevens Anchorage International Airport: Facility Improvements, Renovations and Upgrades (HD 17-32)	1,600,000			
Ted Stevens Anchorage International Airport: Information Technology Improvements (HD 17-32)	1,185,500			
Ted Stevens Anchorage International Airport: Lake Hood Strip Improvements (HD 17-32)	475,000			
Ted Stevens Anchorage International Airport: North Terminal Gate N7 (HD 17-32)	3,500,000			
Ted Stevens Anchorage International Airport: Part 150 Residential Sound	6,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Insulation Program (RSIP) (HD 17-32)				
Ted Stevens Anchorage International Airport: Postmark Emergency Storm Drain Replacement (HD 17-32)	3,300,000			
Ted Stevens Anchorage International Airport: Runway 7L Rehabilitation (HD 17-32)	28,125,000			
Ted Stevens Anchorage International Airport: Taxiway E and M Reconstruction (HD 17-32)	20,000,000			
Togiak: Snow Removal Equipment Building (HD 37)	850,000			
Tununak: Airport Relocation (HD 38)	24,400,000			
Whittier: Airport Master Plan (HD 17-32)	325,000			
Yakutat: Airport Runway Preservation and Drainage Improvements (HD 5)	5,000,000			
Surface Transportation Program		**537,350,240**		**537,350,240**
Alaska Marine Highway System: Ferry Vessel Refurbishment (HD 1-40)	20,000,000			
Alaska Marine Highway System: Fleet Condition	250,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Survey Update (HD 1-40)				
Alaska Marine Highway System: Terminal - Bellingham Sewage Line Installation (HD 1-40)	325,000			
Alaska Railroad: Milepost 407 and 409 Riprap Project (HD 6)	656,240			
Ambler: Sewage Lagoon Road (HD 40)	800,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Arterial Roadway Dust Control (HD 17-32)	200,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Huffman Road Reconstruction - Old Seward Highway to Pintail (HD 17-32)	15,000,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Muldoon Road Landscaping and Pedestrian Improvements (HD 17-32)	1,700,000			
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Ridesharing and Transit Marketing (HD 17-32)	680,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage Metropolitan Area Transportation Solutions (AMATS) - Transit Fleet Expansion and Replacement (HD 17-32)	1,780,000			
Anchorage: Victor Road (HD 17-32)	4,700,000			
Bethel: Ridgecrest Drive Rehabilitation (HD 38)	1,100,000			
Central Region: Guardrail End Treatment Upgrade (HD 12-35)	14,000,000			
Central Region: Intelligent Transportation System (ITS) Signal Control Upgrades (HD 12-35)	2,000,000			
Central Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 12-35)	20,000,000			
Coffman Cove: Wander Around Town Trail (HD 1)	450,000			
Congestion Mitigation and Air Quality (CMAQ) - PM 2.5 Reductions (HD 7-11)	1,879,000			
Dalton Highway: Milepost 254 to 414 Delineators (HD 40)	2,000,000			
Dalton Highway: Milepost 274 to 289 Reconstruction	8,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 40)				
Dillingham: Downtown Streets Reconstruction and Rehabilitation (HD 37)	400,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Illinois-Barnette Streets Bridge and Road Reconstruction (HD 7-11)	3,820,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Noble Street Reconstruction (HD 7-11)	9,935,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Preventative Maintenance Program (HD 7-11)	2,000,000			
Fairbanks Metropolitan Area Transportation System (FMATS) - Safety and Signage Improvements (HD 7-11)	3,500,000			
Fairbanks North Star Borough: Airport Way (West) Improvements (HD 7-11)	1,000,000			
Fairbanks: College Road Rehabilitation and Intersection (HD 7-11)	8,630,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks: Cripple Creek Road Upgrade (HD 7-11)	950,000			
Fairbanks: Curb Corner Upgrades (HD 7-11)	900,000			
Fairbanks: Potter Road Surfacing (HD 7-11)	400,000			
Fairbanks: South Cushman - Mitchell Expressway to Van Horn (HD 7-11)	1,710,000			
Galena: Campion Road Erosion Protection (HD 6)	850,000			
Geographic Information System (GIS) Development (IWAYS) (HD 1-40)	250,000			
Glenn Highway Corridor ITS Project (HD 13-16)	3,000,000			
Glenn Highway Lighting - Eklutna to Palmer Hay Flats (HD 13-16)	8,000,000			
Glenn Highway Lighting - South Birchwood to Palmer Hayflats (HD 13-16)	12,000,000			
Glenn Highway: Milepost 109 to 118 Resurfacing (HD 12)	10,000,000			
Glenn Highway: Milepost 34 to 42 Reconstruction - Parks to Old Glenn Highway (HD 13-16)	3,000,000			
Glenn Highway: Signage - Anchorage to Palmer (HD 12-35)	8,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Gustavus: Small Boat Float (HD 5)	950,000			
Haines Highway: Milepost 21 to 25.3 Reconstruction and Chilkat Bridge Replacement (HD 5)	1,000,000			
Hyder: Salmon River Road Rehabilitation (HD 5)	600,000			
Juneau: Egan Drive Resurfacing - Main Street to 10th Street (HD 3-4)	980,000			
Juneau: Glacier Highway - Fritz Cove to Auke Bay School - Intersection, Roadway and Pedestrian Improvements (HD 3-4)	1,100,000			
Juneau: Jordan Creek Bridge Replacement and Basin Road Trestle Rehabilitation (HD 3-4)	2,200,000			
Juneau: North Douglas Highway - Pavement Rehabilitation Milepost 5.9 to 12 (HD 3-4)	6,600,000			
Kake: Keku Road Rehabilitation (HD 5)	3,250,000			
King Cove to Cold Bay Corridor Road Extension (HD 37)	15,000,000			
Kodiak: Rezanof Drive Resurfacing (HD 36)	5,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Livengood: Livengood Creek Bridge Replacement (HD 6)	1,000,000			
Marshall: Airport Access Road Bridge (HD 6)	1,700,000			
Mat-Su: Off-System Bridges (HD 13-16)	6,000,000			
New Seward Highway: Rabbit Creek to 36th Avenue (HD 17-32)	23,000,000			
Nome: Nome-Council Road - Milepost 4 to 16 (HD 39)	7,000,000			
North Pole: Dennis Road Extension (HD 7-11)	2,740,000			
North Pole: Pavement Rehabilitation (HD 7-11)	456,000			
Northern Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-40)	25,000,000			
Northern Region: Winter Trail Markings (HD 1-40)	200,000			
Parks Highway: Milepost 239 to 263 Reconstruction - Nenana Canyon to Bear Creek (HD 7-11)	7,500,000			
Parks Highway: Milepost 44 to 52.3 Reconstruction - Lucas Road to Big Lake Cutoff (HD 13-16)	7,000,000			
Safe Routes to Schools (HD	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
1-40)				
Sand Point: School Loop Road Rehabilitation (HD 37)	4,000,000			
Seward Highway: Anchorage to Girdwood ITS Project (HD 17-32)	750,000			
Seward Highway: Milepost 115 to 124 Resurfacing - Potter to Dowling Road (HD 17-32)	15,000,000			
Seward Highway: Milepost 18 to 25.5 Reconstruction - Snow River to Trail River (HD 33-35)	28,000,000			
Seward Highway: Milepost 99 to 104 - Bird and Indian Improvements (HD 17-32)	2,400,000			
Seward Highway: Ptarmigan Creek Bridge Replacement (HD 33-35)	5,000,000			
Seward Meridian Parkway: Road Improvements - Parks Highway to Palmer-Wasilla Highway (HD 13-16)	9,000,000			
Sitka: Cross Trail Construction - High School to Baranof, Charles, Yaw and Pherson Streets (HD 2)	800,000			
Sitka: Halibut Point Road Resurfacing, Drainage	14,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Improvements and Bridge Replacement (HD 2)				
Sitka: Sawmill Creek Road Upgrade (HD 2)	4,000,000			
Southeast Region: Intelligent Transportation Systems (HD 1-5)	1,000,000			
Southeast Region: National Highway System and Non-National Highway System Pavement and Bridge Refurbishment (HD 1-5)	2,000,000			
Statewide: Bicycle/Pedestrian Facilities Rehabilitation and Improvements (HD 1-40)	2,500,000			
Statewide: Bridge Inventory, Inspection, Monitoring, Rehabilitation and Replacement Program (HD 1-40)	8,000,000			
Statewide: Bridge Scour Monitoring and Retrofit Program (HD 1-40)	700,000			
Statewide: Civil Rights Program (HD 1-40)	400,000			
Statewide: Comprehensive Highway Safety Plan (HD 1-40)	400,000			
Statewide: Congestion Mitigation and Air Quality	7,500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(CMAQ) Projects (HD 1-40)				
Statewide: Highway Data Equipment Acquisition and Installation (HD 1-40)	2,000,000			
Statewide: Highway Data Initiatives (HD 1-40)	3,000,000			
Statewide: Highway Fuel Tax Enforcement (HD 1-40)	100,000			
Statewide: Highway Safety Improvement Program (HSIP) (HD 1-40)	5,000,000			
Statewide: National Highway Institute and Transit Institute Training (HD 1-40)	750,000			
Statewide: Paths, Sidewalks and Bike Trails Surface Rehabilitation and Safety (HD 1-40)	5,500,000			
Statewide: Planning Work Program (HD 1-40)	7,500,000			
Statewide: Research Program (HD 1-40)	1,500,000			
Statewide: Rumble Strips (HD 1-40)	6,000,000			
Statewide: Scenic Byways Grants (HD 1-40)	500,000			
Statewide: Seismic Retrofit - Bridges (HD 1-40)	2,000,000			
Statewide: Urban Planning	1,000,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Program (HD 12-35)				
Statewide: Weigh-in-Motion Equipment (HD 1-40)	3,500,000			
Steese Highway: Milepost 62 to 81 Surfacing (HD 7-11)	15,459,000			
Sterling Highway: Milepost 45 to 60 Resurfacing (HD 33-35)	9,000,000			
Sterling Highway: Milepost 60 to 79 - Skilak Lake to Sterling Rehabilitation and Passing Lanes (HD 33-35)	13,000,000			
Sterling Highway: Milepost 83 to 90 Resurfacing (HD 33-35)	7,000,000			
Stevens Village: Sanitation Road (HD 6)	400,000			
Striping and Marking Performance Improvements (HD 1-40)	2,000,000			
Surface Transportation Preconstruction (HD 1-40)	50,000,000			
Tenakee Springs: Ferry Terminal Approach (HD 5)	450,000			
Whittier: Maintenance and Operations (HD 17-32)	2,100,000			
Wrangell: Local Roads Supplemental (HD 2)	1,000,000			
Congressional High Priority Community Projects				
Fairbanks North Star		2,000,000	1,000,000	1,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
Borough: Road and Bridge Improvements (HD 7-11)				
Ketchikan: Replacement and Rehabilitation of Municipal Bridges and Trestles (HD 1)		1,000,000	500,000	500,000
Mat-Su Borough: Arterial Road and Bridge Improvements (HD 13-16)		2,000,000	1,000,000	1,000,000
Sitka: Sawmill Cove Waterfront Development (HD 2)		974,000	487,000	487,000
*****		*****		
***** **University of Alaska** *****				
*****		*****		
Feasibility Study for Community Campuses (HD 1-40)		1,400,000	1,400,000	
University Receipt Authority (HD 1-40)		15,000,000	15,000,000	
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Boney Courthouse Campus Renovation (HD 1-40)		18,000,000	18,000,000	
Court Information Technology Enhancements (HD 1-40)		1,900,000	1,900,000	
Nome Courthouse Deferred Maintenance and Remodel (HD 1-40)		4,700,000	4,700,000	

	Appropriation	General	Other
Allocations	**Items**	**Funds**	**Funds**

(SECTION 8 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
Department of Administration	
1004 Unrestricted General Fund Receipts	2,650,000
1005 General Fund/Program Receipts	8,500,000
1017 Group Health and Life Benefits Fund	301,400
1029 Public Employees Retirement Trust Fund	392,900
1034 Teachers Retirement Trust Fund	164,000
1042 Judicial Retirement System	4,000
1045 National Guard Retirement System	12,700
1081 Information Services Fund	5,000,000
*** Total Agency Funding ***	$17,025,000
Department of Commerce, Community and Economic Development	
1002 Federal Receipts	22,625,000
1003 General Fund Match	378,000
1004 Unrestricted General Fund Receipts	14,056,400
1005 General Fund/Program Receipts	609,000
1007 Interagency Receipts	1,153,500
1061 Capital Improvement Project Receipts	1,000,000
1140 Alaska Industrial Development and Export Authority Dividend	13,100,000
*** Total Agency Funding ***	$52,921,900
Department of Corrections	
1004 Unrestricted General Fund Receipts	550,000
*** Total Agency Funding ***	$550,000
Department of Education and Early Development	
1004 Unrestricted General Fund Receipts	27,270,651
*** Total Agency Funding ***	$27,270,651
Department of Environmental Conservation	
1002 Federal Receipts	38,950,000
1003 General Fund Match	9,500,000

1004	Unrestricted General Fund Receipts	43,921,576
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1108	Statutory Designated Program Receipts	500,000
***	Total Agency Funding ***	$94,871,576
Department of Fish and Game		
1002	Federal Receipts	19,650,000
1003	General Fund Match	150,000
1004	Unrestricted General Fund Receipts	900,000
1024	Fish and Game Fund	900,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
***	Total Agency Funding ***	$22,850,000
Office of the Governor		
1004	Unrestricted General Fund Receipts	123,800
1185	Election Fund	1,425,000
***	Total Agency Funding ***	$1,548,800
Department of Health and Social Services		
1003	General Fund Match	425,000
1004	Unrestricted General Fund Receipts	9,880,000
***	Total Agency Funding ***	$10,305,000
Department of Labor and Workforce Development		
1002	Federal Receipts	1,312,695
1003	General Fund Match	600,000
1004	Unrestricted General Fund Receipts	3,000,000
***	Total Agency Funding ***	$4,912,695
Department of Law		
1004	Unrestricted General Fund Receipts	150,000
***	Total Agency Funding ***	$150,000
Department of Military and Veterans Affairs		
1002	Federal Receipts	21,942,000
1003	General Fund Match	1,750,000
1004	Unrestricted General Fund Receipts	550,000

1	*** Total Agency Funding ***	$24,242,000
2	**Department of Natural Resources**	
3	1002 Federal Receipts	11,535,000
4	1003 General Fund Match	200,000
5	1004 Unrestricted General Fund Receipts	7,535,000
6	1108 Statutory Designated Program Receipts	1,605,000
7	1153 State Land Disposal Income Fund	3,668,000
8	1195 Special Vehicle Registration Receipts	250,000
9	*** Total Agency Funding ***	$24,793,000
10	**Department of Public Safety**	
11	1002 Federal Receipts	1,500,000
12	1004 Unrestricted General Fund Receipts	10,286,000
13	*** Total Agency Funding ***	$11,786,000
14	**Department of Revenue**	
15	1002 Federal Receipts	17,833,056
16	1003 General Fund Match	68,544
17	1004 Unrestricted General Fund Receipts	461,000
18	1050 Permanent Fund Dividend Fund	350,000
19	1105 Permanent Fund Gross Receipts	250,000
20	1113 Alaska Housing Finance Corporation Statewide Bonds	7,500,000
21	1139 Alaska Housing Finance Corporation Dividend	31,058,504
22	1212 Federal Stimulus: ARRA 2009	262,000
23	*** Total Agency Funding ***	$57,783,104
24	**Department of Transportation and Public Facilities**	
25	1002 Federal Receipts	845,565,990
26	1003 General Fund Match	54,597,000
27	1004 Unrestricted General Fund Receipts	58,263,000
28	1026 Highways Equipment Working Capital Fund	15,000,000
29	1027 International Airports Revenue Fund	6,925,500
30	1061 Capital Improvement Project Receipts	1,900,000
31	1108 Statutory Designated Program Receipts	12,000,000

1112	International Airports Construction Fund	8,986,250
1179	Passenger Facility Charges	2,200,000
***	Total Agency Funding ***	$1,005,437,740
University of Alaska		
1004	Unrestricted General Fund Receipts	1,400,000
1048	University of Alaska Restricted Receipts	15,000,000
***	Total Agency Funding ***	$16,400,000
Alaska Court System		
1004	Unrestricted General Fund Receipts	24,600,000
***	Total Agency Funding ***	$24,600,000
* * * * *	Total Budget * * * * *	$1,397,447,466

(SECTION 9 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source		Amount
Unrestricted General Funds		
1003	General Fund Match	67,668,544
1004	Unrestricted General Fund Receipts	205,597,427
1139	Alaska Housing Finance Corporation Dividend	31,058,504
1140	Alaska Industrial Development and Export Authority Dividend	13,100,000
Total Unrestricted General Funds		$317,424,475
Designated General Funds		
1005	General Fund/Program Receipts	9,109,000
1048	University of Alaska Restricted Receipts	15,000,000
1050	Permanent Fund Dividend Fund	350,000
1052	Oil/Hazardous Release Prevention & Response Fund	2,000,000
1153	State Land Disposal Income Fund	3,668,000
1195	Special Vehicle Registration Receipts	250,000
1201	Commercial Fisheries Entry Commission Receipts	1,250,000
Total Designated General Funds		$31,627,000
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	301,400
1024	Fish and Game Fund	900,000
1027	International Airports Revenue Fund	6,925,500
1029	Public Employees Retirement Trust Fund	392,900
1034	Teachers Retirement Trust Fund	164,000
1042	Judicial Retirement System	4,000
1045	National Guard Retirement System	12,700
1105	Permanent Fund Gross Receipts	250,000
1108	Statutory Designated Program Receipts	14,105,000

1113	Alaska Housing Finance Corporation	7,500,000
	Statewide Bonds	
1179	Passenger Facility Charges	2,200,000
Total Other Non-Duplicated Funds		$32,755,500
Federal Funds		
1002	Federal Receipts	980,913,741
1212	Federal Stimulus: ARRA 2009	262,000
Total Federal Funds		$981,175,741
Duplicated Funds		
1007	Interagency Receipts	1,153,500
1026	Highways Equipment Working Capital Fund	15,000,000
1061	Capital Improvement Project Receipts	2,900,000
1081	Information Services Fund	5,000,000
1112	International Airports Construction Fund	8,986,250
1185	Election Fund	1,425,000
Total Duplicated Funds		$34,464,750

(SECTION 10 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 10.** The following appropriations are for capital project grants from the general fund or other funds as set out in section 11 of this Act by funding source to the agencies named for the purposes expressed. They lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients (AS 37.05.316)				
Abused Women's Aid In Crisis, Inc. - Security System Upgrades & Ventilation Repair (HD 17-32)		180,000	180,000	
Aiding Women in Abuse & Rape Emergencies, Inc. - Extended Stay Shelter and Supportive Services (HD 3-4)		1,000,000	1,000,000	
Alaska Community Foundation - Jesse Lee Home Restoration (HD 33-35)		1,500,000	1,500,000	
Alaska Disabled Veterans Sports Program - State Participation Grant (HD 1-40)		100,000	100,000	
Alaska Fire Chiefs Association - Alaska Marine Firefighter Training for		150,000	150,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Land-Based Firefighters (HD 1-40)				
Alaska Manufacturing Extension Partnership - State Matching Support (HD 1-40)		500,000	500,000	
Alaska Moving Image Preservation Association - State Participation Grant (HD 1-40)		150,000	150,000	
Alaska Partnership for Economic Development - Alaska Forward Initiative (HD 1-40)		100,000	100,000	
Alaska Search and Rescue Association - Training and Equipment for Search and Rescue Organizations Statewide (HD 1-40)		200,000	200,000	
Alaska Zoo - Polar Bear Expansion Project & Signage (HD 17-32)		500,000	500,000	
American Legion of Alaska - Youth Sports Fields (HD 1-40)		750,000	750,000	
Anchorage Community Land Trust - Mountain View Community Center (HD 17-32)		1,500,000	1,500,000	
Anchorage Economic Development Corporation -		100,000	100,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage Economic Development Grant (HD 17-32)				
Anchorage Museum at Rasmuson Center - Major Maintenance Project (HD 17-32)		2,000,000	2,000,000	
Anchorage Neighborhood Health Center, Inc. - Facility Relocation and Construction (HD 17-32)		9,000,000	9,000,000	
Anchorage Park Foundation - Cuddy Family Midtown Park Playground (HD 17-32)		75,000	75,000	
Anchorage Park Foundation - William B. Lyons Park Improvements (HD 17-32)		193,200	193,200	
Anchorage Parks Foundation - Martin Luther King Jr. Memorial Restoration (HD 17-32)		150,000	150,000	
Anchorage Urban League - Alaska Seeds of Change Transitional Youth Program (HD 17-32)		1,000,000	1,000,000	
Arc of Anchorage - Crisis Housing and Training Center (HD 17-32)		800,000	800,000	
Arctic Power - ANWR Program (HD 1-40)		160,000	160,000	
Arctic Winter Games Team		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska - State Participation Grant (HD 1-40)				
Association of Village Council Presidents - Regional Airframe & Power Plant Training School (HD 38)		1,520,000	1,520,000	
Association of Village Council Presidents - Wood Heating Demonstration Project (HD 38)		610,000	610,000	
Bethel Broadcasting Inc. - KYUK Energy Conservation and Facilities Upgrades (HD 38)		110,800	110,800	
Bridge Builders of Anchorage - Education Program (HD 17-32)		148,500	148,500	
Camp Fire USA - Camp Kushtaka Rebuild (HD 33-35)		300,000	300,000	
Chalkyitsik Traditional Council - New Clinic Match Contribution (HD 6)		103,000	103,000	
Cook Inlet Housing Authority - Workforce Development Housing Project (HD 17-32)		5,000,000	5,000,000	
Copper River School District - Copper River		300,000	300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Connects (HD 12)				
Copper Valley Electric Association - Electrical Transmission Avalanche Mitigation (HD 12)		500,000	500,000	
Copper Valley Electric Association - Silver Lake Pre-Feasibility Study (HD 12)		125,000	125,000	
Covenant House Alaska - Facility Construction (HD 17-32)		3,000,000	3,000,000	
Deltana Community Corporation - Souhrada Road Improvements (HD 6)		200,000	200,000	
Downtown Soup Kitchen - New Facility Project (HD 17-32)		500,000	500,000	
Fairbanks Soil & Water Conservation District - Chena Slough Restoration Project (HD 7-11)		150,000	150,000	
Fairbanks Soil & Water Conservation District - Chena Slough Restoration Project (HD 7-11)		150,000	150,000	
Federation of Community Councils, Inc. - Neighborhoods USA 2011 Conference (HD 17-32)		70,000	70,000	
Gakona Volunteer Fire		250,000	250,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Department - Construction and Equipment and Facility Upgrades (HD 6)				
Grayling IRA Council - Multi-Purpose Community Center Match Contribution (HD 6)		150,000	150,000	
Haines Assisted Living, Inc. - Retaining Wall, Drainage and Pavement Construction (HD 5)		325,000	325,000	
Institute of The North - Emerging Leaders Program (HD 1-40)		150,000	150,000	
Inter-Island Ferry Authority - Development Assistance (HD 1-5)		750,000	750,000	
Ketchikan Senior Services, Inc. - Access Road To Senior Housing-Pioneer Heights (HD 1)		250,000	250,000	
Kincaid Park Project - Recreation & Cultural Enhancements (HD 17-32)		2,000,000	2,000,000	
No portion of this appropriation may be used for environmental remediation-related costs at the old biathlon shooting range at Kincaid Park.				
Meadow Lakes Community Council, Inc. - Community Campus Sports Fields (HD 13-16)		195,000	195,000	
Metlakatla Indian Community		2,000,000	2,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
- Metlakatla Ketchikan Intertie (HD 5)				
Metlakatla Indian Community - Waldon Point Road Paving Project (HD 5)		1,000,000	1,000,000	
Mount Sanford Tribal Consortium - Chistochina Clinic and Multi-Use Facility (HD 6)		500,000	500,000	
Native Village of Chenega Bay - Backhoe Loader (HD 5)		125,000	125,000	
Native Village of Unalakleet (Unalakleet IRA) - Southern Sub Regional Assisted Living Facility (HD 39)		300,000	300,000	
Newtok Traditional Council - Newtok Evacuation Shelter and Access Road (HD 38)		4,000,000	4,000,000	
Orutsararmiut Native Council (ONC) - Repair and Provide Energy Efficiency for Senior Center (HD 38)		480,000	480,000	
Palmer Senior Citizens Center, Inc. - Palmer Senior Citizens Center (HD 13-16)		6,000,000	6,000,000	
Ruby Tribal Council - Water Truck Acquisition (HD 6)		80,000	80,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Rural Alaska Community Action Program, Inc. - Toksook Bay Early Learning Center (HD 38)		800,000	800,000	
Rural Deltana Volunteer Fire Department - Big D Station Deferred Maintenance (HD 6)		295,000	295,000	
Rural Deltana Volunteer Fire Department, Inc. - Energy Efficiency Upgrades (HD 6)		567,050	567,050	
Sealaska Heritage Institute - Southeast Alaska Native Cultural and Visitor Center (HD 3-4)		4,000,000	4,000,000	
Skagway Traditional Council - Completion of Public Utility Building (HD 5)		200,000	200,000	
Soteria-Alaska, Inc. - Facility Repairs (HD 17-32)		178,000	178,000	
Southern Southeast Emergency Training Center - Facility Construction (HD 1)		500,000	500,000	
Special Olympics Alaska - Training Center and Campus Expansion & Development (HD 17-32)		5,000,000	5,000,000	
Sunshine Community Health		423,000	423,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Center - Construction of New Community Health Clinic (HD 13-16)				
Tolsona Fire Department - Firefighter's Safety Equipment and Apparatus Repair (HD 6)		100,000	100,000	
Tundra Women's Coalition - Construction of Children's Advocacy Center (HD 38)		600,000	600,000	
World Trade Center Alaska - International Trade Partnership Project (HD 1-40)		125,000	125,000	
Yukon Koyukuk School District - Jimmy Huntington High School Mold Remediation (HD 6)		140,000	140,000	
Yukon-Kuskokwim Health Corporation - Sobering Center (HD 38)		475,000	475,000	
Grants to Municipalities (AS 37.05.315)				
Aleutians East Borough - Cold Bay Airport Apron and Taxiway Construction (HD 37)		1,000,000	1,000,000	
Anchorage - 100th Avenue Extension Phase II - Minnesota Drive to C Street (HD 17-32)		6,000,000	6,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - 121st Avenue Storm Drain - Mary Drive to Ellen Avenue (HD 17-32)		600,000	600,000	
Anchorage - 32nd Avenue Improvements - Muldoon Road to Brookridge Drive (HD 17-32)		3,000,000	3,000,000	
Anchorage - 35th Avenue Improvements - Wisconsin Street to Spenard Road (HD 17-32)		6,000,000	6,000,000	
Anchorage - 40th Avenue Extension - Piper Street to Dale Street (HD 17-32)		3,000,000	3,000,000	
Anchorage - 42nd Avenue Traffic & Safety Improvements (HD 17-32)		250,000	250,000	
Anchorage - 73rd and 74th Avenue Water Line Extension (HD 17-32)		1,200,000	1,200,000	
Anchorage - 74th Avenue Flooding and Glaciation Improvements (HD 17-32)		100,000	100,000	
Anchorage - 88th Avenue Upgrade - Spruce Brook Street to Elmore Road (HD 17-32)		3,000,000	3,000,000	
Anchorage - Anchorage Metropolitan Area Transportation Solutions (AMATS) Matching Funding		26,092,000	26,092,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Anchorage - Anchorage Senior Center Upgrades (HD 17-32)		770,000	770,000	
Anchorage - Bancroft Subdivision Road and Drainage Rehabilitation (HD 17-32)		250,000	250,000	
Anchorage - Bayshore LED Street Lighting Upgrades (HD 17-32)		150,000	150,000	
Anchorage - Ben Boeke Ice Arena Upgrades (HD 17-32)		300,000	300,000	
Anchorage - Blackberry Street/80th Avenue Area Local Road Surface Rehab (HD 17-32)		150,000	150,000	
Anchorage - Bluebell Drive at Golden View Drive Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Centennial Park Upgrades, Repairs and Improvements (HD 17-32)		500,000	500,000	
Anchorage - Cordova Street Pedestrian and Transportation Safety Study (HD 17-32)		60,000	60,000	
Anchorage - Crime Scene Investigation Vehicle (HD 17-32)		410,000	410,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Anchorage - Dempsey Anderson Ice Arena Upgrades (HD 17-32)		250,000	250,000	
Anchorage - Duben Street Upgrade Study - Patterson Street to Muldoon Road (HD 17-32)		100,000	100,000	
Anchorage - Egavik Drive & Denali Street Reconstruction (HD 17-32)		1,500,000	1,500,000	
Anchorage - Emergency Medical & Fire Fighting Protective Equipment (HD 17-32)		150,000	150,000	
Anchorage - Fire Station #6 Replacement (HD 17-32)		6,000,000	6,000,000	
Anchorage - Fire Station #9 Remodel (HD 17-32)		5,000,000	5,000,000	
Anchorage - Flooding and Glaciation Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Glenn Highway/Eagle Glen South Subdivision Drainage (HD 17-32)		2,500,000	2,500,000	
Anchorage - Golden View Drive Intersection and Safety Upgrade - Rabbit Creek Road to Romania Drive (HD 17-32)		8,000,000	8,000,000	
Anchorage - Independence		1,600,000	1,600,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Drive Upgrade & Extension (HD 17-32)				
Anchorage - Intersection Safety and Congestion Relief Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Jewel Lake Road Rehab - Raspberry Road to Dimond Boulevard (HD 17-32)		2,400,000	2,400,000	
Anchorage - Johns Road Reconstruction - Klatt Road to High View Drive (HD 17-32)		7,000,000	7,000,000	
Anchorage - Klatt Road at C Street Intersection Safety Improvements (HD 17-32)		1,000,000	1,000,000	
Anchorage - Klatt Road Pedestrian Facilities - C Street Trail to Via Appia Road (North side) (HD 17-32)		250,000	250,000	
Anchorage - Lake Otis Parkway Pedestrian Safety (HD 17-32)		250,000	250,000	
Anchorage - Lake Otis Parkway School Flashing Lights (HD 17-32)		75,000	75,000	
Anchorage - Little Tree Drive Road and Drainage		200,000	200,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Rehabilitation (HD 17-32)				
Anchorage - Loussac Library (HD 17-32)		4,650,000	4,650,000	
Anchorage - Margaret Circle Area Drainage Improvements (HD 17-32)		450,000	450,000	
Anchorage - Meadow Street Upgrade & Reconstruction (HD 17-32)		1,520,000	1,520,000	
Anchorage - Mears Middle School Locker Replacement (HD 17-32)		520,000	520,000	
Anchorage - Mountain View Drive Upgrade Study (HD 17-32)		150,000	150,000	
Anchorage - Muldoon Community Park (HD 17-32)		1,000,000	1,000,000	
Anchorage - Muldoon Road Pedestrian Safety (HD 17-32)		150,000	150,000	
Anchorage - Northern Lights Boulevard Bike Pathway Rehabilitation (HD 17-32)		150,000	150,000	
Anchorage - Northern Lights Boulevard Pedestrian Safety (HD 17-32)		920,000	920,000	
Anchorage - Northern Lights Boulevard Sound Barrier Fence (HD 17-32)		1,000,000	1,000,000	
Anchorage - Northwood Drive Pavement Rehabilitation		1,700,000	1,700,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 17-32)				
Anchorage - Nunaka Valley Street and Pedestrian Upgrades (HD 17-32)		50,000	50,000	
Anchorage - Old Eagle River Road Upgrade (RTP) - Monte Road to Baranoff Avenue (HD 17-32)		6,800,000	6,800,000	
Anchorage - Pavement Rehab Matching Program (HD 17-32)		5,000,000	5,000,000	
Anchorage - Pedestrian Safety and Rehabilitation Matching Program (HD 17-32)		1,000,000	1,000,000	
Anchorage - Port of Anchorage Expansion (HD 17-32)		10,000,000	10,000,000	
Anchorage - Recreation Facilities Upgrades (HD 17-32)		1,000,000	1,000,000	
Anchorage - Russian Jack Springs Park (HD 17-32)		300,000	300,000	
Anchorage - Sand Lake Watershed Drinking Water Studies (HD 17-32)		250,000	250,000	
Anchorage - Street Light Energy Conservation Upgrades (HD 17-32)		500,000	500,000	
Anchorage - Sullivan Arena Facility Upgrades (HD		1,600,000	1,600,000	

	Allocations	Appropriation Items	General Funds	Other Funds
17-32)				
Anchorage - Sylvan Drive Reconstruction (HD 17-32)		600,000	600,000	
Anchorage - Toilsome Hill Drive/Glen Alps Road/Canyon Road Improvements Phase II (HD 17-32)		2,500,000	2,500,000	
Anchorage - Totem Fields Phase II (HD 17-32)		350,000	350,000	
Anchorage - Traffic Calming and Pedestrian Safety (HD 17-32)		350,000	350,000	
Angoon - Barge Landing (HD 5)		150,000	150,000	
Angoon - Engineering Design and Renovation for Front Road (HD 5)		500,000	500,000	
Angoon - Fire Truck (HD 5)		200,000	200,000	
Bethel - Fire Station Repairs/Upgrades (HD 38)		1,000,000	1,000,000	
Bethel - New Bethel Police Station (HD 38)		3,000,000	3,000,000	
Bristol Bay Borough - Port of Bristol Bay - Improvements Phase II (HD 37)		5,000,000	5,000,000	
Craig - Public Works Heavy Equipment Purchase and Replacement (HD 5)		300,000	300,000	
Delta Junction - EMS		175,000	175,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Rescue Squad Ambulance (HD 12)				
Delta Junction - Public Works Building Renovation (HD 12)		750,000	750,000	
Delta Junction - Solid Waste & Septage Cell (HD 12)		875,000	875,000	
Delta Junction - Street Paving and Road Improvements (HD 12)		1,500,000	1,500,000	
Fairbanks - City of Fairbanks Street Reconstruction and Rehabilitation, Aurora Subdivision (HD 7-11)		7,000,000	7,000,000	
Fairbanks North Star Borough - Road Service Area Improvements (HD 7-11)		5,000,000	5,000,000	
Fairbanks North Star Borough - Salcha Elementary School Exterior Envelope Replacement & Upgrade (HD 12)		1,140,000	1,140,000	
Fairbanks North Star Borough - Tanana River Bridge Access for Military Training Grounds, River Training (HD 7-11)		40,000,000	40,000,000	
Fairbanks North Star		430,000	430,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Borough - Ticasuk Brown Elementary School Septic System Replacement (HD 7-11)				
Fort Yukon - Solid Waste Disposal Facility (HD 6)		363,000	363,000	
Galena - Galena City School District - Central Steam Plant Up-Grade (HD 6)		990,000	990,000	
Gustavus - Replace Good River Road Culverts (HD 5)		80,000	80,000	
Homer - Anchor Point to Homer Natural Gas Pipeline (HD 33-35)		4,800,000	4,800,000	
Hoonah - Phase 3, Hoonah Marine Industrial Center (HD 5)		1,000,000	1,000,000	
Huslia - Electric Distribution System (HD 6)		490,000	490,000	
Hydaburg - Water System Upgrade (HD 5)		150,000	150,000	
Juneau - Sewage System Major Repairs & Expansion (HD 3-4)		3,000,000	3,000,000	
Kaltag - New Health Clinic Match Contribution (HD 6)		148,000	148,000	
Ketchikan - Bethe Substation Replacement (HD 1)		5,000,000	5,000,000	
Ketchikan - Fire Station		5,300,000	5,300,000	

	Allocations	Appropriation Items	General Funds	Other Funds
No. 1 Replacement Project (HD 1)				
Ketchikan - Whitman Lake Hydro Project (HD 1)		16,680,000	16,680,000	
It is the intent of the legislature that this appropriation be matched 50/50 with local funds.				
Ketchikan Gateway Borough - Ketchikan International Airport Facility Renovations and Reconstruction (HD 1)		1,500,000	1,500,000	
Klawock - Drive Down Ramp Phase II (HD 5)		480,000	480,000	
Kodiak - Public Safety Building Community Jail Completion (HD 36)		2,100,000	2,100,000	
Koyukuk - New Clinic Match Contribution (HD 6)		150,000	150,000	
Lake and Peninsula Borough - Chignik Small Boat Harbor (HD 37)		1,400,000	1,400,000	
Marshall - Public Safety Facility (HD 6)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Substandard Bridge and Road Repair and Maintenance (HD 13-16)		3,000,000	3,000,000	
Matanuska-Susitna Borough - Hawk Lane Road Repair and Resurface (HD 13-16)		300,000	300,000	
Matanuska-Susitna Borough - Horseshoe Lake Road		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Upgrade (HD 13-16)				
Matanuska-Susitna Borough - Knik River Road Reconstruction (HD 13-16)		2,100,000	2,100,000	
Matanuska-Susitna Borough - North Nancy Lake Peninsula Road Rehabilitation Project (HD 13-16)		850,000	850,000	
Matanuska-Susitna Borough - Parks Highway Connector Improvements (HD 13-16)		2,000,000	2,000,000	
Matanuska-Susitna Borough - Trapper Creek Elementary School Roof Replacement (HD 13-16)		100,000	100,000	
Mountain Village - Heavy Equipment Purchase (HD 39)		240,000	240,000	
Nome - Museum Construction and Development (HD 39)		5,000,000	5,000,000	
Nome - Remodel Recreation Center for Emergency Shelter Services (HD 39)		500,000	500,000	
North Pole - Environmental Assessment for Railroad Realignment and Expansion (HD 7-11)		1,000,000	1,000,000	
North Slope Borough - Fire Station Deferred Maintenance and Safety Equipment (HD 40)		342,500	342,500	
North Slope Borough -		500,000	500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Search and Rescue Public Safety Equipment (HD 40)				
Old Harbor - City Dock Reconstruction (HD 36)		1,350,000	1,350,000	
Ouzinkie - Ouzinkie Replacement Dock/Economic Development Project (HD 36)		5,100,000	5,100,000	
Petersburg - Fire & EMS Facility Construction (HD 2)		6,700,000	6,700,000	
Pilot Station - New Public Safety Building (HD 39)		960,000	960,000	
Port Lions - Port Lions City Dock and Ferry Terminal Repairs and Replacement (HD 36)		1,000,000	1,000,000	
Saint Mary's - Rock Crusher/Screening Plant (HD 39)		300,000	300,000	
Savoonga - D6N XL Tractor (HD 39)		275,000	275,000	
Savoonga - Steel Garage (HD 39)		50,000	50,000	
Scammon Bay - Heavy Equipment (HD 39)		150,000	150,000	
Seward - Alaska Sealife Center Seawater Intake Pipelines Biofouling Remediation (HD 33-35)		1,000,000	1,000,000	
Seward - Mooring Dolphins		1,500,000	1,500,000	

	Allocations	Appropriation Items	General Funds	Other Funds
and Dock Improvements at Seward Marine Center (HD 33-35)				
Seward - The Alutiq Pride Shellfish Hatchery Repairs and Upgrade (HD 33-35)		150,000	150,000	
Shaktoolik - Heavy Equipment Purchase (HD 39)		194,800	194,800	
Sitka - Blue Lake Hydroelectric Expansion (HD 2)		15,000,000	15,000,000	
It is the intent of the legislature that this appropriation be matched 50/50 with local funds.				
Tanana - Fire Apparatus Replacement (HD 6)		270,000	270,000	
Tanana - Modern Fire Fighting Truck Acquisition (HD 6)		233,000	233,000	
Teller - Heavy Equipment Purchase (HD 39)		228,300	228,300	
Toksook Bay - Toksook Bay Dumpsite Improvement (HD 38)		225,000	225,000	
Unalaska - Unalaska Powerhouse Expansion Project (HD 37)		5,000,000	5,000,000	
Valdez - Flood Mitigation and Dike Upgrades for Subdivision at 10 Mile Richardson Hwy (HD 12)		800,000	800,000	
Valdez - Valdez High School Fire		1,000,000	1,000,000	

	Allocations	Appropriation Items	General Funds	Other Funds
Alarm/Sprinkler Replacement (HD 12)				
Whittier - Shotgun Cove Road Phase II (HD 17-32)		4,000,000	4,000,000	
Wrangell - Hospital and Nursing Home Replacement Project (HD 2)		3,000,000	3,000,000	
Yakutat - Renovation of Court House Building and City Hall (HD 5)		300,000	300,000	
Grants to Municipalities (AS 37.05.315) - Public Library Construction				
It is the intent of the legislature that the following Grants to Municipalities (AS 37.05.315) satisfy FY2011 capital funding for those public library construction projects identified by the Alaska Library Association and received by the Department of Commerce, Community and Economic Development until such time as the first round of the Public Library Construction and Major Expansion Matching Grant program (AS 14.56.355) is completed.				
Cordova - Cordova Center and Library (HD 5)		2,000,000	2,000,000	
Kenai - Community Library Expansion (HD 33-35)		1,500,000	1,500,000	
Matanuska-Susitna Borough - Sutton Community Library & Resource Center (HD 13-16)		1,700,000	1,700,000	
North Slope Borough - Tuzzy Library Expansion Project (HD 40)		350,000	350,000	
Petersburg - Public Library (HD 2)		3,300,000	3,300,000	
Seward - Community Library		4,700,000	4,700,000	

	Allocations	Appropriation Items	General Funds	Other Funds
(HD 33-35)				
Grants to Unincorporated				
Communities (AS 37.05.317)				
Alatna - Tribal Hall Construction (HD 6)		150,000	150,000	
Chalkyitsik - Energy Efficient Diesel Generator Installation (HD 6)		26,000	26,000	
Circle - New Clinic Match Contribution (HD 6)		150,000	150,000	
Evansville - New Health Clinic Match Contribution (HD 6)		150,000	150,000	
Hollis - Emergency Services Facility Construction (HD 1)		400,000	400,000	
Manley Hot Springs - Fire/Rescue/Public Safety Building (HD 6)		150,000	150,000	
Minto - Multi-Purpose Community Center (HD 6)		150,000	150,000	
Stevens Village - New Clinic Match Contribution (HD 6)		150,000	150,000	

(SECTION 11 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 11.** The following sets out the funding by agency for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1004 Unrestricted General Fund Receipts	400,466,150
*** Total Agency Funding ***	$400,466,150
* * * * * Total Budget * * * * *	$400,466,150

(SECTION 12 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 12.** The following sets out the statewide funding for the appropriations made in sec. 10 of this Act.

Funding Source	Amount
Unrestricted General Funds	
1004 Unrestricted General Fund Receipts	400,466,150
Total Unrestricted General Funds	$400,466,150
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 13 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 13.** The following appropriation items are for capital project grants to upgrade commercial passenger vessel services and infrastructure, enhance passenger safety and support cruise ship visitor activities from the Commercial Vessel Passenger Tax Account (AS 43.52.230) as set out in section 14 of this Act to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Grants to Named Recipients				
(AS 37.05.316)				
Marine Exchange of Alaska - Alaska Vessel Tracking System Upgrades and Expansion (HD 1-40)		600,000		600,000
Southeast Alaska State Fair Inc. - Harriet Hall ADA Upgrades for Commercial Passenger Vessel Visitors (HD 5)		270,000		270,000
Grants to Municipalities				
(AS 37.05.315)				
Haines - Port Chilkoot Cruise Ship Dock Upgrade (HD 5)		2,910,000		2,910,000
Hoonah - Harbor Improvements (HD 5)		1,000,000		1,000,000
Juneau - Centennial Hall Emergency Relief Center Improvements (HD 3-4)		1,200,000		1,200,000

	Allocations	Appropriation Items	General Funds	Other Funds
Juneau - Cruise Ship Dock Replacement (HD 3-4)		9,000,000		9,000,000
Ketchikan - Cruise Ship Berth IV Traffic Signal (HD 1)		1,300,000		1,300,000
Ketchikan - Replace Cruise Ship Berths I and II (HD 1)		10,000,000		10,000,000
Petersburg - Design and Construction of Commercial Dock with Vehicle Drive Down (HD 2)		1,250,000		1,250,000
Seward - Commercial Passenger Vessel Harbor Security - Coast Guard Building Relocation (HD 33-35)		300,000		300,000
Seward - Security and Fire Protection for Commercial Passenger Vessels (HD 33-35)		2,000,000		2,000,000
Sitka - Commercial Passenger Vessel Facilities and Visitor Improvements (HD 2)		4,500,000		4,500,000
Sitka - Crescent Harbor Sidewalk Widening (HD 2)		1,000,000		1,000,000
Sitka - Swan Lake Recovery and Improvements (HD 2)		1,650,000		1,650,000
Skagway - Commercial Passenger Vessel Lightering		4,000,000		4,000,000

	Allocations	Appropriation Items	General Funds	Other Funds
and Harbor Improvements (HD 5)				
Skagway - Municipal Wastewater Treatment Facility Improvements Due to Seasonal Impacts (HD 5)		800,000		800,000
Wrangell - Commercial Passenger Vessel Facility (HD 2)		3,250,000		3,250,000
Wrangell - Waterfront Master Plan (HD 2)		75,000		75,000

(SECTION 14 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 14.** The following sets out the funding by agency for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Department of Commerce, Community and Economic Development	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	11,695,000
*** Total Agency Funding ***	$45,105,000
* * * * * Total Budget * * * * *	$45,105,000

(SECTION 15 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 15.** The following sets out the statewide funding for the appropriations made in sec. 13 of this Act.

Funding Source	Amount
Unrestricted General Funds	
Total Unrestricted General Funds	$0
Designated General Funds	
Total Designated General Funds	$0
Other Non-Duplicated Funds	
1206 Commercial Passenger Vessel Tax	33,410,000
1207 Regional Cruise Ship Impact Fund	11,695,000
Total Other Non-Duplicated Funds	$45,105,000
Federal Funds	
Total Federal Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 16 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 16.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as defined in AS 44.21.045(b), receipts of the University of Alaska as described in AS 37.05.146(b)(2), receipts of commercial fisheries test fishing operations under AS 37.05.146(c)(21), corporate receipts of the Alaska Housing Finance Corporation, corporate receipts of the Alaska Aerospace Corporation, Exxon Valdez oil spill trust receipts as defined in AS 37.05.146(b)(4), and receipts of the Alaska Fire Standards Council under AS 37.05.146(b)(5), that exceed the amounts appropriated by this Act are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) exceed the estimates appropriated by this Act, the appropriations from state funds for the affected program may be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) fall short of the estimates appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

* **Sec. 17.** FUND CAPITALIZATION. The sum of $140,000,000 is appropriated from the general fund to the Alaska Gasline Inducement Act reimbursement fund (AS 43.90.400(a)) for the natural gas pipeline project construction inducement under AS 43.90.110(a)(1).

* **Sec. 18.** FUND TRANSFERS. (a) The income earned during fiscal year 2011 on revenue from the sources set out in AS 37.13.145(d) is appropriated to the Alaska capital income fund (AS 37.05.565).

(b) The following amounts are appropriated to the election fund required by the federal Help America Vote Act:

(1) interest earned on amounts in the election fund required by the federal Help America Vote Act;

(2) the sum of $1,425,000 from federal receipts.

(c) The sum of $50,000,000 is appropriated from the general fund to the renewable energy grant fund (AS 42.45.045(a)).

(d) The sum of $10,000,000 is appropriated from the general fund to the power project fund (AS 42.45.010).

*** Sec. 19.** INSURANCE CLAIMS. The amounts to be received in settlement of insurance claims for losses and the amounts to be received as recovery for losses are appropriated from the general fund to the

(1) state insurance catastrophe reserve account (AS 37.05.289(a)); or

(2) appropriate state agency to mitigate the loss.

*** Sec. 20.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. (a) The sum of $4,847,165 of the amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	ALLOCATION
(1) City of Nuiqsut	Local government operations and maintenance	$ 545,737
(2) North Slope Borough	School counselor grant application	251,243
(3) City of Atqasuk	Local government operations and youth program	403,474
(4) City of Nuiqsut	Youth center operations and maintenance	289,000
(5) North Slope Borough	Internship two-year program	391,000
(6) City of Wainwright	Wainwright youth program	327,935
(7) North Slope Borough	Mayor's job program	333,000
(8) City of Wainwright	Wainwright local government operations	455,776
(9) City of Barrow	Local government operations and maintenance	1,600,000
(10) North Slope Borough	North Slope Borough volunteer search and rescue	250,000

(b) If the amount received by the National Petroleum Reserve - Alaska special

revenue fund (AS 37.05.530(a)) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2010, is less than the sum of the allocations made in (a) of this section, the Department of Commerce, Community, and Economic Development shall work with the municipalities listed in (a) of this section to reduce the sum of the allocations made in (a) of this section to equal the amount received.

* **Sec. 21.** ALASKA ENERGY AUTHORITY. The interest earnings on the renewable energy grant fund (AS 42.45.045), estimated to be $2,000,000, are appropriated to the Alaska Energy Authority for administration of the renewable energy grant fund (AS 42.45.045) for the fiscal year ending June 30, 2011.

* **Sec. 22.** ALASKA HOUSING FINANCE CORPORATION. (a) The unexpended and unobligated balances, estimated to be a total of $1,371,893, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 83, lines 12 - 13 (AHFC maintenance workshop - $500,000), sec. 1, ch. 3, FSSLA 2005, page 64, lines 29 - 30 (AHFC Birch Park window replacement - $1,323,000), and sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 16 - 18 (AHFC Anchorage Family Investment Center (AFIC) renovation - $2,100,000) are reappropriated to the Alaska Housing Finance Corporation to build or acquire an undesignated site for relocation of the Alaska Housing Finance Corporation, Anchorage Public Housing Division, Family Investment Center, client intake, and assisted housing office.

(b) The unexpended and unobligated balances, estimated to be a total of $2,963,474, of the appropriations made in sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 14 - 15 (AHFC Alpine Terrace renovation - $6,450,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 25 - 26 (AHFC Pacific Terrace replacement - $11,426,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 27 - 28 (AHFC Ptarmigan Park renovation - $1,784,000), sec. 1, ch. 1, SSSLA 2002, page 46, lines 12 - 13, and allocated on page 46, lines 29 - 30 (AHFC Sea View Terrace renovation - $3,508,000), and sec. 13, ch. 29, SLA 2008, page 156, lines 23 - 24 (AHFC Etolin Heights roofing replacement - $500,000) are reappropriated to the Alaska Housing Finance Corporation to demolish and reconstruct units of public housing of the San Roberto redevelopment project in Anchorage.

* **Sec. 23.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The sum of $35,000 is appropriated from the anatomical gift

awareness fund (AS 13.50.160) to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Life Alaska Donor Services, Inc., for promoting the donation program prescribed in AS 13.50.150 for the fiscal year ending June 30, 2011.

(b) The sum of $250,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the 2010 world expo for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 24.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. The unexpended and unobligated balance, not to exceed $5,500,000, of the appropriation made in sec. 4, ch. 29, SLA 2007, page 13, lines 10 - 14, as amended by sec. 8(b), ch. 14, SLA 2009 (Department of Health and Social Services, MH Southcentral Foundation Residential Psychiatric Treatment Center, match for Bring the Kids Home - $7,000,000) is reappropriated to the Department of Health and Social Services for planning and design of the Alaska Center for Treatment.

*** Sec. 25.** DEPARTMENT OF NATURAL RESOURCES. Section 10, ch. 29, SLA 2008, page 70, lines 28 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Architecture and Engineering for a New Geologic Material Center [IN EAGLE RIVER] - Phase 1 (HD 17-32)	1,500,000	1,500,000

*** Sec. 26.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The sum of $60,000,000 is appropriated from the Alaska marine highway vessel replacement fund (AS 37.05.550) to the Department of Transportation and Public Facilities for construction of an Alaska marine highway Alaska class ferry.

(b) Section 58(c), ch. 3, FSSLA 2005, as amended by sec. 20(p), ch. 30, SLA 2007, is amended to read:

(c) Subject to sec. 62, ch. 3, FSSLA 2005, the sum of $40,300,000 is appropriated from the Alaska capital income fund to the Department of Transportation

and Public Facilities for the following projects in the amounts stated, subject to reallocation among the projects under AS 37.07.080(e):

PROJECT	AMOUNT
Alaska marine highway **facility in Ward Cove** [ALL-TIDE LAY-UP FACILITY]	$5,000,000
DeLong Mountain, port expansion EIS completion	500,000
Denali Borough, Stampede Road Improvements	200,000
Industrial roads	3,300,000
King Cove Road	2,000,000
McCarthy Road, major maintenance	2,000,000
Nome warm storage building construction	1,000,000
North Slope, Foothills West Road EIS	3,000,000
North Slope, Bullen Point EIS	4,500,000
Dalton Highway, surfacing upgrades	6,000,000
Dalton Highway, Washington Creek Bridge	3,500,000
Parks Highway reconstruction	1,800,000
Richardson Highway, highway passing lanes, Milepost 265 - 341	5,000,000
Richardson Highway, Shaw Creek Bridge	2,500,000

*** Sec. 27.** HOUSE DISTRICT 2. Section 16, ch. 29, SLA 2008, page 181, lines 22 - 24, is amended to read:

	APPROPRIATION ITEMS	OTHER FUNDS
Petersburg - Commercial Passenger Vessel Berthing, **Power, Uplands, and Aesthetic Improvements** [AND POWER UPGRADES] (HD 2)	1,250,000	1,250,000

*** Sec. 28.** HOUSE DISTRICTS 3 - 4. The unexpended and unobligated balance, estimated

to be $50,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 6, lines 14 - 16 (Boys and Girls Club of Southeast Alaska, capital needs - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Juneau Youth Services for residential facility maintenance and repairs.

*** Sec. 29.** HOUSE DISTRICT 5. (a) The unexpended and unobligated balances, estimated to be a total of $1,500,000, of the appropriations made in sec. 16, ch. 29, SLA 2008, page 180, lines 26 - 28 (Hoonah, cruise ship mooring buoy system - $500,000) and sec. 4, ch. 15, SLA 2009, page 44, lines 24 - 26 (Hoonah, cruise ship mooring buoy system - $1,000,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Hoonah for cruise ship passenger walkway construction and upgrades.

(b) The unexpended and unobligated balance, not to exceed $200,000, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, lines 14 - 16 (Craig, Prince of Wales health care facility - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Craig for fish processing capacity and community cold storage.

(c) The unexpended and unobligated balance, estimated to be $150,000, of the appropriation made in sec. 1, ch. 30, SLA 2007, page 63, lines 17 - 18 (Klawock, water and sewer improvements - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Klawock for community projects and improvements.

(d) The unexpended and unobligated balance, not to exceed $150,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 82, lines 28 - 30 (Yakutat, water and sewer facility upgrade and improvements - $750,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City and Borough of Yakutat for an electrical system conduit and power generation planning, design, and construction.

(e) The unexpended and unobligated balance, estimated to be $12,000, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 11, lines 17 - 18 (Chatham School District, Angoon van - $40,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the

Chatham School District for equipment purchases and upgrades.

(f) The unexpended and unobligated balances, estimated to be a total of $7,500, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 28 - 30 (Whale Pass Community Association, fire hall roof replacement - $15,000) and sec. 1, ch. 3, FSSLA 2005, page 12, lines 31 - 33 (Whale Pass Community Association, library roof replacement - $5,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Whale Pass Community Association for community projects and improvements.

(g) The unexpended and unobligated balance, estimated to be $11,800, of the appropriation made in sec. 37(a), ch. 159, SLA 2004 (Angoon, matching funds for fisheries economic development grants) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for community projects, equipment, and improvements.

(h) The unexpended and unobligated balance, estimated to be $37,500, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 92, lines 11 - 13 (Angoon Community Association, Road grader - $300,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Chatham School District for projects, equipment, and improvements for Angoon schools.

(i) The unexpended and unobligated balances, estimated to be a total of $11,000, of the appropriations made in sec. 34(a), ch. 30, SLA 2007 (Angoon Community Association, emergency medical equipment for Angoon EMS), sec. 34(e), ch. 30, SLA 2007 (Angoon Community Association, fire truck), and sec. 34(f), ch. 30, SLA 2007 (Angoon Community Association, building renovation) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Angoon for projects, equipment, and improvements for the Angoon head start program.

*** Sec. 30.** HOUSE DISTRICT 6. (a) The unexpended and unobligated balance, estimated to be $80,000, of the appropriation made in sec. 10, ch. 29, SLA 2008, page 62, lines 23 - 26 (Chalkyitsik, overhead electrical distribution system wiring renovation - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Chalkyitsik for

community projects and improvements.

(b) The unexpended and unobligated balance, estimated to be $53,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 16, lines 15 - 19 (Galena, expert legal and technical analysis for proposed mini-nuclear power plant - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Galena for community projects and improvements.

(c) The unexpended and unobligated balances, estimated to be a total of $90,000, of the appropriations made in sec. 1, ch. 30, SLA 2007, page 77, lines 16 - 17 (Tyonek, new emergency fire truck - $45,000) and sec. 10, ch. 29, SLA 2008, page 63, lines 11 - 12 (Tyonek, fire truck acquisition - $45,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.317 to the unincorporated community of Tyonek for community projects, equipment, and improvements.

*** Sec. 31.** HOUSE DISTRICTS 7 - 11. (a) The unexpended and unobligated balances, estimated to be a total of $61,000, of the appropriations made in sec. 1, ch. 3, FSSLA 2005, page 23, lines 22 - 27 (Fairbanks North Star Borough, North Star Volunteer Fire Department facility exhaust and ventilation improvements - $200,000) and sec. 1, ch. 3, FSSLA 2005, page 23, lines 28 - 31 (Fairbanks North Star Borough, Two Rivers Elementary School gym floor replacement - $70,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for the Birch Hill Disaster Communications project.

(b) The unexpended and unobligated balance, estimated to be $1,792,900, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 16, lines 17 - 18 (Ice Alaska, ice park facilities, event - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Fairbanks North Star Borough for tourism and community development and an ice park.

*** Sec. 32.** HOUSE DISTRICT 12. The unexpended and unobligated balance, estimated to be $22,200, of the appropriation made in sec. 41(a)(7), ch. 3, FSSLA 2005 (Glacier View Community Council, purchase fire-fighting equipment and training - $43,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Glacier View Community Council for purchasing fire-fighting equipment, training, and drilling a well to be used as a water source

for fire-fighting.

*** Sec. 33.** HOUSE DISTRICTS 13 - 16. The unexpended and unobligated balances, estimated to be a total of $264,500, of the appropriations made in sec. 1, ch. 82, SLA 2006, page 43, lines 14 - 16 (Matanuska-Susitna Borough, Fish Hook Fire Station on Turner Drive - $100,000) and sec. 1, ch. 3, FSSLA 2005, page 27, line 32, through page 30, line 3 (Matanuska-Susitna Borough, Colony High School running track - $172,502) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Matanuska-Susitna Borough for a new fire engine for the Greater Palmer Fire Service Area.

*** Sec. 34.** HOUSE DISTRICT 14. (a) The unexpended and unobligated balance, estimated to be $8,400, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 5, lines 29 - 32 (Areawide Council, Veteran's Memorial, new panels and landscaping beautification - $50,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Areawide Council for new panels and landscaping beautification for the Veteran's Memorial.

(b) The unexpended and unobligated balance, estimated to be $76,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 12, lines 20 - 21 (The Children's Place, expansion - $90,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to The Children's Place for expansion.

(c) The unexpended and unobligated balance, estimated to be $1,980,000, of the appropriation made in sec. 52(*l*), ch. 3, FSSLA 2005 (Wasilla, Wasilla to Big Lake trail - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Wasilla to Big Lake trail.

(d) The unexpended and unobligated balance, estimated to be $31,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 22, lines 19 - 22 (Wasilla, sports complex emergency generators and kitchen - $600,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for emergency generators and a kitchen for the sports complex.

(e) The unexpended and unobligated balance, estimated to be $5,000, of the appropriation made in sec. 42(i), ch. 3, FSSLA 2005 (Wasilla, Old Knik landfill/Smith Ball Fields ground water investigation) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for the Old Knik landfill/Smith Ball Fields ground water investigation.

(f) The unexpended and unobligated balances, estimated to be a total of $851,900, of the appropriations made in sec. 52(j), ch. 3, FSSLA 2005 (Wasilla, design of an extension of East Susitna Avenue - $125,000) and sec. 13, ch. 29, SLA 2008, page 133, lines 18 - 19 (Wasilla, East Susitna Avenue extension - $750,000) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for improvements to Swanson Avenue and Nelson Avenue.

(g) The unexpended and unobligated balance, estimated to be $116,600, of the appropriation made in sec. 52(i), ch. 3, FSSLA 2005 (Wasilla, Mission Hills water line extension - $500,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Wasilla for a new downtown water station.

*** Sec. 35.** HOUSE DISTRICT 15. The unexpended and unobligated balance, estimated to be $17,500, of the appropriation made in sec. 7, ch. 29, SLA 2008, page 13, lines 3 - 6 (Big Lake Chamber of Commerce, community information center - $17,500) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Big Lake Lions Club for a community information center.

*** Sec. 36.** HOUSE DISTRICTS 17 - 32. (a) Section 7, ch. 29, SLA 2008, page 22, lines 30 - 32, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Service High School Football Field Turf Design **and Construction** (HD 17-32)	500,000	500,000

(b) Section 10, ch. 29, SLA 2008, page 50, lines 21 - 23, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - South High School Artificial Turf Field Design **and Construction** (HD 17-32)	500,000	500,000

(c) Section 13, ch. 29, SLA 2008, page 105, lines 9 - 11, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Anchorage - Central Middle School Stage Floor Refinishing **and** **Projector Screen, Sound System, and Curtains Replacement and Installation** (HD 17-32)	20,000	20,000

(d) The unexpended and unobligated balance, not to exceed $75,000, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the Municipality of Anchorage for the Anchorage Scenic Park Subdivision area curb replacement project.

(e) The unexpended and unobligated balance, not to exceed $13,500, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 39, lines 8 - 10 (Anchorage, Foxhall Subdivision area drainage - $95,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Scenic Foothills Community Council to fund reinstatement of the Scenic Foothills community patrol for the fiscal year ending June 30, 2011.

(f) If the amount available for appropriation in (d) and (e) of this section is less than $88,500, the reappropriations made in (d) and (e) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 37.** HOUSE DISTRICT 26. The unexpended and unobligated balance, estimated to be $121,200, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 41, lines 30 - 33 (Anchorage, West Northern Lights sound barrier wall construction - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Anchorage Parks Foundation for Margaret Eagan Sullivan Park improvements.

*** Sec. 38.** HOUSE DISTRICTS 33 - 34. (a) The unexpended and unobligated balance, not to exceed $99,500, of the appropriation made in sec. 1, ch. 82, SLA 2006, page 4, lines 12 - 15 (Agrium U.S., Inc., Phase II development of the Kenai coal gasification project - $5,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kenai Peninsula Economic Development District for Cook Inlet tidal power analysis.

(b) The unexpended and unobligated balance, not to exceed $20,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the North Peninsula Recreation Service Area for replacement of the shower at the Nikiski Pool.

(c) The unexpended and unobligated balance, not to exceed $60,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Kasilof Regional Historical Association for protection of the dunes at the mouth of the Kasilof River.

(d) The unexpended and unobligated balance, not to exceed $50,000, of the appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Central Emergency Services for the off-highway rescue project.

(e) The unexpended and unobligated balance, not to exceed $73,000, of the

appropriation made in sec. 52(e), ch. 3, FSSLA 2005, page 132, lines 6 - 9 (Kenai Peninsula Borough, Kenai Peninsula Borough School District, Nikiski Elementary School crosswalk and bike path - $210,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Nikiski Fire Service Area for the purchase of a new ambulance.

(f) If the amount available for appropriation in (b) - (e) of this section is less than $203,000, the reappropriations made in (b) - (e) of this section shall be reduced in proportion to the amount of the shortfall.

* **Sec. 39.** HOUSE DISTRICT 34. (a) The unexpended and unobligated balance, not to exceed $55,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Ninilchik Fair Association for fairground improvements.

(b) The unexpended and unobligated balance, not to exceed $45,000, of the appropriation made in sec. 13, ch. 11, SLA 2008, page 83, lines 5 - 6 (Ninilchik, water system development - $100,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Ninilchik Emergency Services for vehicle purchase and improvements and equipment purchase and improvements.

(c) If the amount available for appropriation in (a) and (b) of this section is less than $100,000, the appropriations made in (a) and (b) of this section shall be reduced in proportion to the amount of the shortfall.

(d) The unexpended and unobligated balances, estimated to be a total of $41,500, of the appropriations made in sec. 41(d), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center building expansion project) and sec. 41(e), ch. 159, SLA 2004 (Nikiski Senior Citizens, Inc., Nikiski Senior Center sanitary facility) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to Nikiski Senior Citizens, Inc., for Nikiski Senior Center improvements.

* **Sec. 40.** HOUSE DISTRICT 35. The unexpended and unobligated balance, estimated to be $1,457,700, of the appropriation made in sec. 4(c), ch. 82, SLA 2006, page 118, lines 26 - 27 (Homer, Homer City Hall - $2,000,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the

City of Homer for renovation of and additions to Homer City Hall.

*** Sec. 41.** HOUSE DISTRICT 37. The unexpended and unobligated balance, estimated to be $6,300, of the appropriation made in sec. 1, ch. 3, FSSLA 2005, page 20, lines 18 - 21 (Saint George, harbor planning, engineer, FEMA disaster reconstruct - $150,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Saint George for community facilities and equipment upgrades.

*** Sec. 42.** HOUSE DISTRICT 38. Section 34(c), ch. 15, SLA 2009, is amended to read:

(c) The unexpended and unobligated balances**, estimated to be a total of $462,500,** of the appropriations made in sec. 8(a)(15), ch. 159, SLA 2004 (Kongiganak, community projects and improvements - $27,770), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 17 (Kongiganak, community projects and improvements - $55,496), sec. 8(b)(28), ch. 159, SLA 2004 (Napaskiak, community projects and improvements - $6,326), sec. 131, ch. 139, SLA 1998, page 99, lines 19 - 20 (Nunapitchuk, motor grader snowblade - $15,500), sec. 1, ch. 135, SLA 2000, page 53, lines 28 - 30 (Nunapitchuk, washeteria renovation - water improvements - $50,000), sec. 15(b), ch. 61, SLA 2001, page 78, line 19 (Nunapitchuk, capital projects and improvements - $26,322), sec. 1, ch. 1, SSSLA 2002, page 81, lines 30 - 31 (Nunapitchuk, solid waste dumpsite upgrade - $25,000), sec. 8(a), ch. 1, SSSLA 2002, page 96, line 24 (Oscarville, community projects and improvements - $88,107), sec. 71(c), ch. 1, SSSLA 2002 (Oscarville, community facilities and equipment), sec. 8(a)(19), ch. 159, SLA 2004 (Oscarville, community projects and improvements - $58,651), sec. 1, ch. 61, SLA 2001, page 63, lines 12 - 13 (Tuntutuliak, jail house completion - $16,466), sec. 67(b), ch. 61, SLA 2001 (Tuntutuliak, construction of a post office), sec. 8(a), ch. 1, SSSLA 2002, page 97, line 2 (Tuntutuliak, community projects and improvements - $54,518), sec. 8(a)(31), ch. 159, SLA 2004 (Tuntutuliak, community projects and improvements - $7,881), and sec. 8(b)(38), ch. 159, SLA 2004 (Platinum, community projects and improvements - $26,900) are reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Association of Village Council Presidents for a demonstration project to use wood as a heating source for the fiscal

year ending June 30, **2011** [2010].

*** Sec. 43.** HOUSE DISTRICT 39. The unexpended and unobligated balance, estimated to be $35,800, of the appropriation made in sec. 13, ch. 29, SLA 2008, page 120, line 7 (City of Chevak, loader - $250,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.315 to the City of Chevak for purchase of a city vehicle.

*** Sec. 44.** LAPSE. (a) The appropriations made in secs. 17, 18, and 19(1) of this Act are for the capitalization of funds and do not lapse.

(b) The appropriations made in secs. 20, 22, 24, 26(a), 28, 29(e), 29(f), 29(h), 30(a), 30(c), 32, 34(a), 34(b), 35, 36(e), 37, 38(a) - (e), 39(a), 39(b), and 39(d) of this Act are for capital projects and lapse under AS 37.25.020.

(c) A grant awarded in sec. 1 of this Act to a named recipient under AS 37.05.316 is for a capital project, unless specifically identified in this Act as an operating grant, and lapses under AS 37.25.020 unless otherwise stated or designated for a fiscal year.

*** Sec. 45.** Sections 1, 4, 10, and 26 of this Act take effect April 19, 2010.

*** Sec. 46.** Sections 22, 23(b), 24, and 27 - 43 of this Act take effect June 30, 2010.

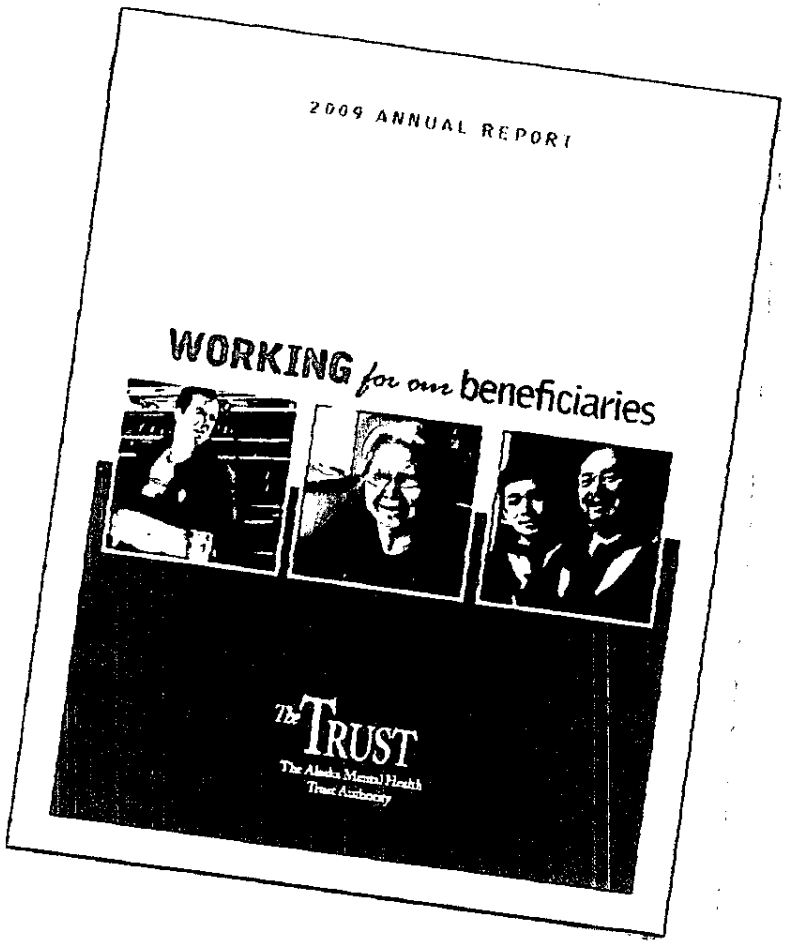
*** Sec. 47.** Except as provided in secs. 45 and 46 of this Act, this Act takes effect July 1, 2010.

SB 231

<target><bill>SB 231</bill><subject>SB 231</subject><comm>SFIN26</comm></target>

2/10/10

Senate Finance Committee FY 2011 Budget



Alaska Mental Health Trust Authority

February 10, 2010

The TRUST
The Alaska Mental Health Trust Authority

Trust Beneficiaries

- People with mental illness
- People with developmental disabilities
- People with chronic alcoholism
- People with Alzheimer's disease and other dementia

The TRUST
The Alaska Mental Health Trust Authority

Trust Advisors

- Alaska Mental Health Board
- Advisory Board on Alcoholism & Drug Abuse
- Governor's Council on Disabilities & Special Education
- Alaska Commission on Aging
- Commissioners of Health and Social Services, Natural Resources, Revenue, and Corrections
- Alaska Brain Injury Network
- Statewide Suicide Prevention Council

Trust Funding FY2011

Distributable Income	
Trust Fund Payout 4.25%	$17,739,095
Prior Year Lapse	$ 3,931,279
Land Office Income	$ 1,800,000
Interest	$ 1,400,000
Total Projected	$24,870,374

The Trust
The Alaska Mental Health Trust Authority

Joint FY2011 Legislative Priorities

- **Increase adult dental Medicaid reimbursement cap**
- **Establish regular and periodic schedule of rate reviews for home and community-based services**
- **Support 10-year plan to reduce homelessness**
- **Fund community-coordinated transportation systems**

Advisory Board on Alcoholism and Drug Abuse

abada

amhb

Alaska Mental Health Board

Governor's Council on Disabilities and Special Education

Alaskan Seniors Living Longer Growing Stronger

from the Alaska Commission on Aging

Priorities shared by The Trust and its beneficiary advisory boards: Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, Governor's Council on Disabilities and Special Education, and Alaska Commission on Aging

The Trust

The Alaska Mental Health Trust Authority

Formula for Success

- **Identify a problem or community need**
- **Collaborate with governmental agencies, advisory groups, non profits, service providers, philanthropic organizations and private sector**
- **Develop strategic, sharply focused solutions**
- **Make lasting system improvements for Trust beneficiaries**

Committed Partners + Strategic Thinking = Results for Trust Beneficiaries

Five Program Focus Areas

- **Bring the Kids Home**
  - reforming Alaska's mental health care for children and adolescents so they are diagnosed earlier and are treated as close to home as possible
- **Disability Justice**
  - reducing the involvement and recidivism of Trust beneficiaries in the criminal justice system
- **Workforce Development**
  - creating an available and competent workforce for Trust beneficiaries and service providers
- **Affordable, Appropriate Housing**
  - increasing a continuum of housing options for Trust beneficiaries
- **Beneficiary Projects Initiative**
  - supporting grassroots, peer-to-peer programs for Trust beneficiaries

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Bring the Kids Home

- **Problem or community need**
  - FY06: 743 Alaskan children with severe emotional disturbances received service in out-of-state residential psychiatric treatment centers
    - separated from families, communities
    - length of stay varies from several months to multiple years
  - FY06: $40 million for out-of-state Medicaid care
- **Committed partners**
  - DHSS, Denali Commission, Trust partner boards, Alaska Native health providers, other service providers, parents, advocacy groups, AHFC
- **Strategic thinking**
  - Each child treated at appropriate level of care as close to home as possible
    - Build appropriate treatment facilities in Alaska
    - Increase capacity/core competence for outpatient services
    - Provide family supports
    - Involve parents and youth in the solutions

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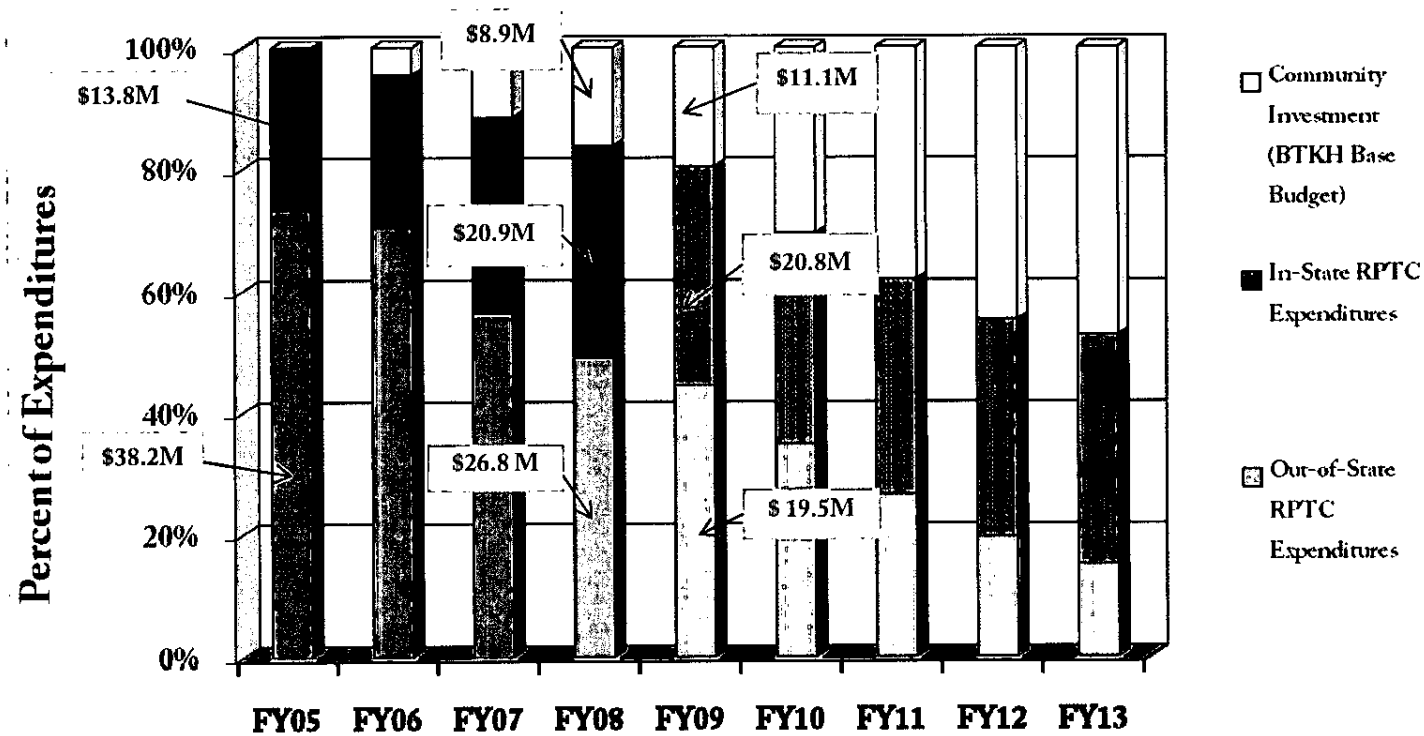
Projected BTKH Reinvestment

FY05–FY09 = Actual Expenditures *FY10 – FY13 = Projected Expenditures*



$52,115.3* $56,895.5* $65,192.8* $56,648.6* $51,400.0* * Total per year cost in thousands of dollars

Data for FY05-09 are from Division of Behavioral Health based on paid claims for Medicaid data. Expenditure data for FY08 & FY09 are from Finance Management Services and includes all claims incurred and paid in FY08 and claims incurred in FY09 and paid in the first quarter of FY10.

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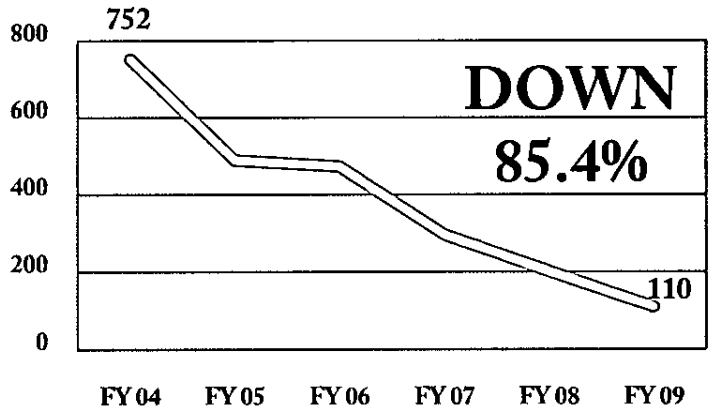
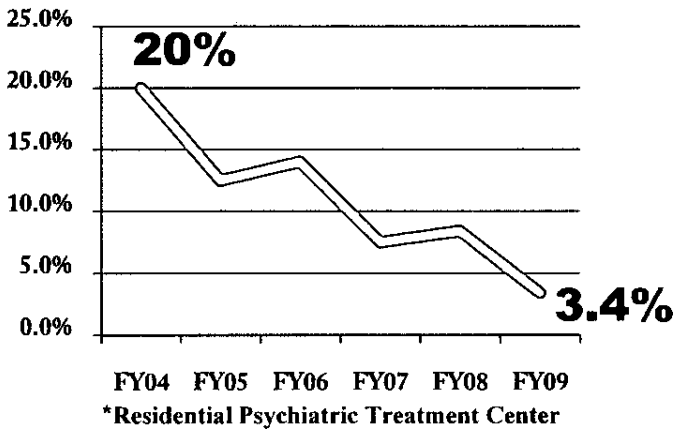
Results for Beneficiaries

Returning youth home & ensuring quality

Out of State Admits



RPTC* Recidivism Rate



*Residential Psychiatric Treatment Center

- **HOME-BASED services continue to increase during FY09**
  - 500+ youth (300+ in FY08) received INDIVIDUALIZED SERVICES
  - 900+ youth (500+ in FY08) received services via new COMMUNITY behavioral health capacity

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Ahead in FY2011

	MHTAAR	GF/MH	Gov GF/MH
Transition into BTKH base budget			
• Individualized services		$ 600.0	$ 300.0
• Behavioral health technical assistance	$ 100.0	$ 100.0	$ 0.0
Build capacity within BTKH base funding			
• Community BH capacity development	$ 450.0	$ 700.0	$ 500.0
• Crisis bed stabilization	$ 150.0	$ 400.0	$ 0.0
• Tribal/rural system development	$ 200.0	$ 200.0	$ 200.0
• Transitional-aged youth	$ 100.0	$ 100.0	$ 100.0
• BRS rate increase		$ 1,227.5	$ 0.0
• Early childhood mental health	$ 175.0	$ 175.0	$ 0.0
• School based services & toolkit	$ 250.0	$ 200.0	$ 200.0
• Foster parent/parent services	$ 275.0	$ 275.0	$ 150.0
• Strong family voice	$ 50 .0	$ 0.0	$ 0.0
• Peer navigation	$ 175.0	$ 275.0	$ 0.0
• Child psychiatrist	$ 50.0	$ 50.0	$ 0.0

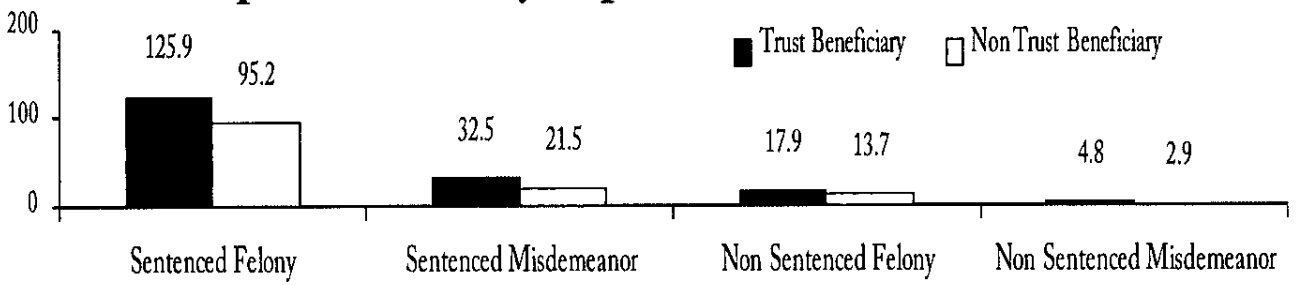
Funding in thousands of dollars

The TRUST
The Alaska Mental Health Trust Authority

Disability Justice

- **Problem/Community Need**
  - **42% of those incarcerated in DOC are Trust beneficiaries**
    - **incarcerated beneficiaries**
      - **have more difficulty adjusting to incarceration**
      - **are more likely to be victimized by other prisoners**
      - **spend a disproportionate amount of time in custody**
    - **hundreds of beneficiaries are incarcerated for "safety" because services not available**

Comparison of Days Spent in Correctional Facilities



The TRUST
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Strategic Thinking

- **Partnerships with local governments, Alaska Native tribal entities, the Alaska Court System, the Departments of Administration, Corrections, Health and Social Services, Law and Public Safety, and community behavioral health treatment providers are focused on effective strategies to:**
  1. **prevent and reduce inappropriate or avoidable arrest, prosecution, incarceration, and criminal recidivism Trust beneficiaries;**
  2. **increase criminal justice system's ability to accommodate, support, protect, and provide treatment for victims and offenders who are Trust beneficiaries;**
  3. **reduce the use of jails and prisons for providing protective custody of Trust beneficiaries under Title 47 of Alaska's Statutes; and,**
  4. **improve community reintegration planning from the Department of Corrections back into Alaskan communities.**

Outcome Driven Results

- **Therapeutic Courts**
  - Combined institutional savings generated by *Anchorage Mental Health Court* almost two and one-half times program annual operational costs ($293,000)
  - Diverting participants into *Anchorage and Palmer Mental Health Courts* poses less risk to public safety than traditional adjudication
  - *Anchorage and Palmer Mental Health Court* participants less likely to engage in new criminal conduct after exiting program than equivalent group of people experiencing mental illness and also involved in criminal justice system.
- **Adult Guardianship Mediation project**
  - Participants reached agreement on some or all of the issues in 87% of cases mediated
  - As many as 90 contested hearings over pilot period were avoided, reducing number of superior court cases and associated costs required to determine guardianship appointments.

Ahead in FY2011

	MHTAAR	Authority Grant
Training for Criminal Justice Personnel		
• Anchorage & Fairbanks police CIT training		$ 65.0
• Deliver training for defense attorneys	$ 12.5	
Sustain & Expand Therapeutic Models & Practices		
• Fairbanks Juvenile Mental Health Court	$245.9	$ 5.0
• Mental Health Court expansion in targeted community	$204.4	$ 6.0
• Access to timely neuropsych evaluations	$ 5.0	
• Flex funds for therapeutic court participants		$ 62.5
• ASAP therapeutic court case mgmt & monitoring -Barrow	$135.0	
• Treatment funding for Therapeutic Court participants	$500.0	
Transitional Planning for Beneficiaries Involved with Criminal Justice System		
• APIC Discharge Planning Model	$210.0	
• Increased mental health clinician capacity for juveniles	$189.2	
• Social Services Specialist position-Bethel (PDA)	$138.8	
Develop Alternatives to Incarcerations for Beneficiaries who Require Protective Custody (Nome)		
• Pre-Develop alternatives to incarcerations for Title 47 Substance Abuse Protective Custody Holds	$100.0	

Funding in thousands of dollars

The TRUST
The Alaska Mental Health Trust Authority

Ahead in FY2011

	MHTAAR	GF/MH	Gov. GF/MH
Sustain & Expand Therapeutic Models & Practices			
• Co-occurring treatment for therapeutic court participants (Palmer)		$ 75.0	$ 75.0
• Flexible forensic treatment team		$ 750.0	$ 250.0
Transitional Planning for Beneficiaries Involved with Criminal Justice System			
• Increased mental health clinician capacity	$ 164.0	$ 164.0	$ 0.0
• Increased capacity for IDP+ program		$ 99.4	$ 0.0
Develop Alternatives to Incarcerations for Beneficiaries who Require Protective Custody (Bethel)			
• Develop alternatives to incarcerations for Title 47 Substance Abuse Protective Custody Holds (operating)		$ 818.3	$ 518.3
• construction of Sobering Center (capital)		$ 475.0	$ 0.0
FY2011 Budget Increment Totals	$1,904.8	$2,381.7	$ 843.3

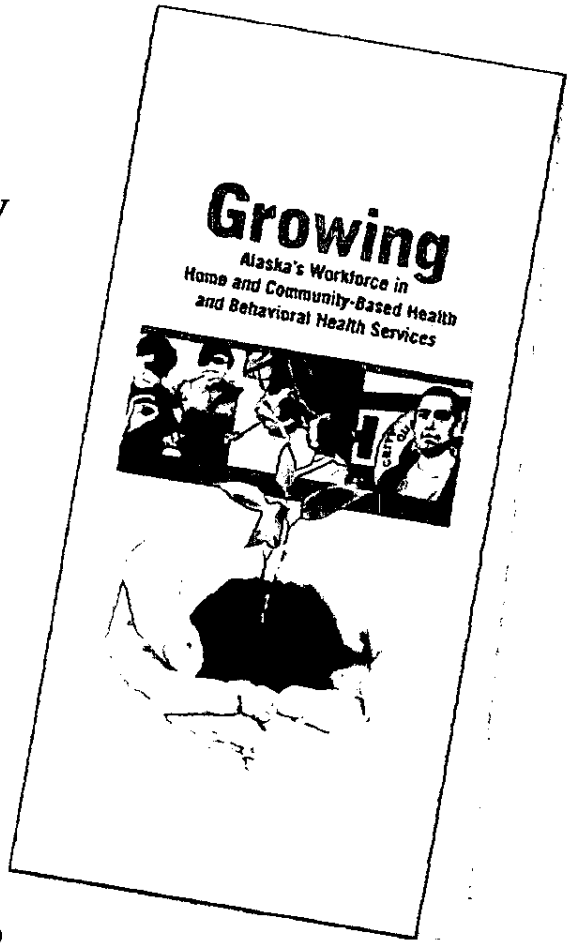
Funding in thousands of dollars

Workforce Development

- **Problem or community need**
  - shortage of health care workers in Alaska at a near-crisis level
  - health services industry fastest growing sector of Alaska's economy, more than 7% of workforce
  - burgeoning demand for increased health services for the state's steadily growing and aging population, some are Trust beneficiaries
  - need to increase pool of qualified employees in Alaska who serve Trust beneficiaries and keep adequately trained
- **Committed partnerships**
  - more than 20 partners -- service providers, Dept. of Health and Social Services, Dept. Labor and Workforce Development, Alaska Workforce Investment Board, non-profit and faith-based organizations, University of Alaska system
- **Strategic thinking**
  - key focus areas
    - Recruitment and retention
    - Wages and benefits
    - Training and education

Results for Beneficiaries

- 1,060 professionals/providers across Alaska received training on behavioral health related topics through Trust Training Cooperative
- 575 participants trained through Gerontology Training Series & Geriatric Education and Training Mini Grants by Trust Training Cooperative on issues regarding Alzheimer's disease and related dementia
- 2,096 students in 117 Alaska communities received behavioral health training through University of Alaska, a 35% increase in enrollment in beneficiary related degree programs
- 550 professionals across Alaska received training through Training and Technical Assistance for Providers program, increasing number of professionals trained to respond to disability related abuse cases



The TRUST
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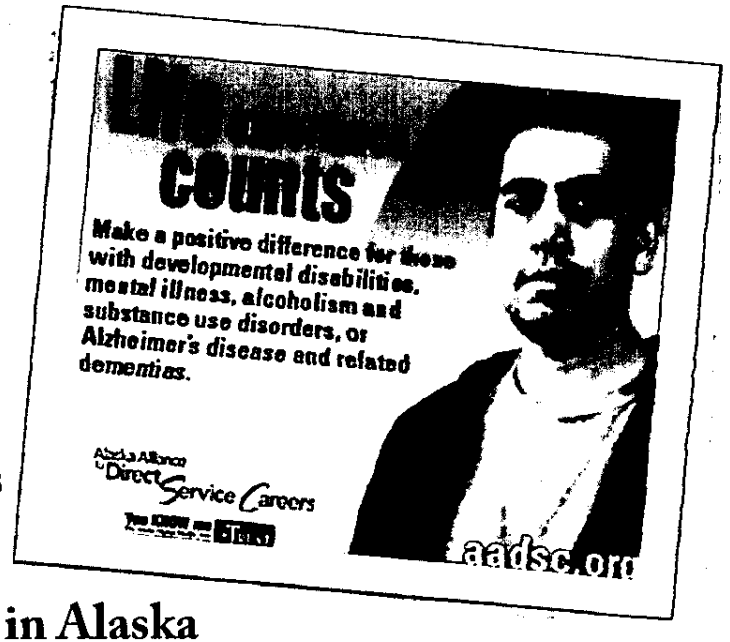
Ahead in FY2011

- Beginning a psychiatric residency program in Alaska -- #1 health residency priority of DHSS and The Trust
- Expanding student loan repayment and other incentives strategies for health professionals
- Implementing a clinicial PhD psychologist internship program in Alaska
- Supporting increments for University of Alaska health programs to continue progress in workforce development



The Trust
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Ahead in FY2011

	MHTAAR	Authority Grant
Recruitment		
• Develop "grow your own" strategy for youth		$131.0
• Media campaign		$100.0
Retention of Qualified Employees		
• Loan Repayment	$200.0	
• Vacancy Study	$ 25.0	
• Marketing, Recruitment & Conferences (Alaska Alliance for Direct Service	$175.0	
Training & Education		
• Trust Training Cooperative	$559.0	
• Increase Provider Capacity to Better Serve Cognitively Impaired Offenders	$ 80.0	
• Specialized Skills & Service Training on Serving Cognitively Impaired Offenders	$ 55.0	
• Training & Technical Assistance for Providers	$210.0	
• Alaska Core Competencies (Credentialing & Quality Standards)		$150.0
• Autism Capacity Building	$ 75.0	
• Behavioral Health Alliance	$ 25.0	
• Ph.D. Clinical Internship Accreditation	$ 87.7	
• DBH/UAA/UAF Ph.D. Student partnership	$ 50.0	

Funding in thousands of dollars

The TRUST
The Alaska Mental Health Trust Authority

Ahead in FY2011

	MHTAAR	GF/MH	Gov. GF/MH
Training & Education			
• Original Behavioral Health Initiative Partnership	$300.0	$ 200.0	$ 0.0
• Children's Mental Health (Interdisciplinary Education) combined with certification	$ 64.0	$ 100.0	$ 0.0
• Brain Injury Training for Providers		$ 100.0	$ 0.0
• Competency Experts Training		$ 42.6	$ 0.0
• API Psychiatry Residency Training		$ 325.0	$ 300.0
• Alaska Core Competencies - Curriculum		$ 165.0	$ 0.0
• AK-PIC (Ph.D. Internship Consortium)		$ 100.0	$ 100.0
• Tele-behavioral Health	$ 87.5	$ 87.5	$ 0.0
Recruitment			
• Develop "grow your own" strategy for youth	$ 10.0	$ 64.0	$ 0.0
Retention of Qualified Employees			
• OCS Marketing for Retention & Recruitment for CPS		$ 100.0	$ 0.0
• Wages & Benefits		$ 100.0	$ 0.0
FY11 Budget Increment Totals	$2,539.2	$1,384.1	$ 400.0

Funding in thousands of dollars

The TRUST
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Affordable, Appropriate Housing

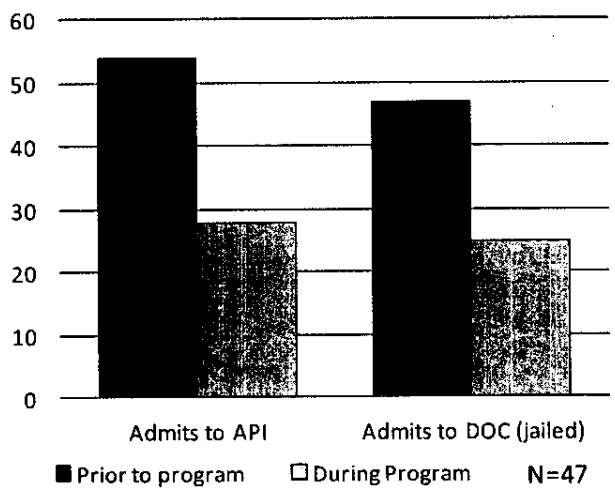
- **Problem and community need**
  - 4,623 Alaskans homeless in HUD point-in-time survey January 2009 [1]
    - 1,507 people in families with children (494 households)
    - 697 persons met the definition of "chronic homeless"
    - 161 beds in the housing inventory target "chronic homeless"
    - Department of Corrections reports approx 8,000 people discharged each year with no identified housing arrangement [2]
- **Committed partners**
    - Alaska Council on the Homeless: Alaska Housing Finance Corporation, DHSS, DOC, DOL, Public Safety, Veterans
    - Housing development organizations and social service agencies
- **Strategic thinking**
    - Adapting programs for sustainability - replicating housing trust strategies in Alaska (Special Needs Housing and HAP)
    - Replicating *housing first* in numerous settings

1. http://www.ahfc.state.ak.us/iceimages/grants/hmls2009w_ak_all.pdf
2. Department of Corrections and HUD point-in-time survey report (2007); AHFC and DOC estimates.

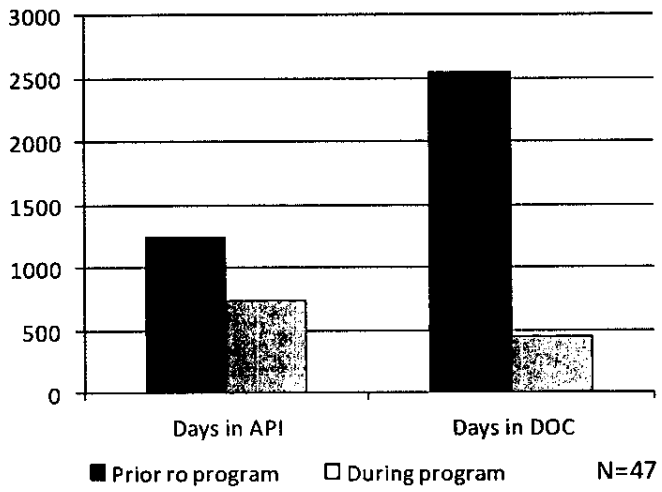
Results for Beneficiaries

Bridge Home program outcomes

API* & DOC** Admits



Days in API* & DOC**



*API = Alaska Psychiatric Institute **DOC = Department of Corrections

- **Outcomes one year prior to participation and one year during participation**
- **Rates of incarceration continued to drop for post program participants**

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Ahead in FY 2011

- **Policy - Governor's Council on the Homeless**
  - interagency collaboration
  - 10-year homeless plan and budget recommendations
- **Budget - $10 million in Governor's capital budget to begin implementing 10-year plan**
  - The Trust, AHFC, GF/MH and other sources
  - Units requested through Special Needs Housing grant program increased 52% in response to new program configuration
- **Housing First implementation projects**
  - Trust/DHSS Bridge Home pilot project expansion to serve most challenging of individuals cycling through API and DOC.
  - Replication of *housing first* to serve beneficiaries who are homeless with alcohol addiction
    - Replicating programs that have successfully housed this population: Seattle's Downtown Emergency Services Center: 1811 Eastlake (JAMA outcome study 2009)
    - Engagement happens over time while maintaining housing rather than requiring program criteria in advance of housing
    - Resulted in cost reductions in Seattle of $4 million (56% in Medicaid reductions, sobering center down 87%, homeless shelter use down 92%) in a12 mo period
    - Drinking down 30% due to engagement and assistance with goal setting/compliance while stable in housing

Ahead in FY2011

	MHTAAR	GF/MH	AHFC	Other*	Gov's Budget
Homeless Assistance Programs					
• Base Homeless Assistance Program	$1,150.0	$ 500.0	$3,350.0	$5,000.0	$10,000.0
• Special Needs Housing Grant Program			$1,750.0		$ 1,750.0
Resources assisting beneficiaries leaving institutions					
• DOC Discharge Incentive grants	$ 350.0				
• Bridge Home pilot program	$ 750.0				
• Assisted Living training	$ 100.0	$ 100.0			$ 0.0
Technical assistance and business planning resources					
• Office of Integrated Housing	$ 200.0				
• Rural Long Term Care Development (SDS)	$ 140.0				
• Aging and Disability Resource Centers	$ 125.0	$ 200.0			$ 0.0
FY2011 Budget Increment Totals	$2,815.0	$ 500.0	$6,750.0	$5,000.0	$11,750.0

Support service programs: important resources to assist beneficiaries in maintaining stability

- Housing modifications program (DHSS)
- Behavioral Health grants and Individualized Services Agreement funding (Behavioral Health)
- Personal Care Assistance and in home support services (SDS)

*Other = AIDEA and HUD funds

Funding in thousands of dollars

The TRUST
The Alaska Mental Health Trust Authority

Trust Beneficiary Projects Initiative

- **Community need:**
  - consumers active in defining and delivering recovery support
  - beneficiaries/families want consumer-driven services yet need expertise and training
  - peer services, benefit of lower cost, prevention
- **Partners:**
  - 27 beneficiary grantees since 2006
  - Alaska Peer Support Consortium
  - Division of Behavioral Health, Rasmuson Foundation, Division of Vocational Rehabilitation, UAA-Center for Human Development
  - Partner Boards - Advisory Board on Alcohol and Drug Abuse, Alaska Mental Health Board, Governors Council on Disabilities and Special Education
- **Strategic thinking:**
  - Funding/technical assistance to support safety, effectiveness and sustainability
  - Mini grants to improve beneficiaries' quality of life
    - $742,272 in FY09 to 647 individuals
  - Small projects grants for small, beneficiary-directed projects
    - $250,000 annually

FY2009 Beneficiary Mini Grants

Beneficiary Group	Number of Beneficiaries	Amount Awarded
Developmental Disabilities	202	$157,079
Mental Illness	200	$298,695
Alzheimer's Disease & Related Dementia	174	$194,486
Chronic Alcoholism	71	$ 92,012
Total	647	$742,272

Maximum grant = $2,500 per person per year

Results for Beneficiaries

- Promotes recovery, stability and wellness
- Provides sense of empowerment
- Reinforces consumer choice in managing recovery
- Wide range of beneficiary-led programs serving Trust beneficiaries through:
  - peer-support services
  - recovery community support programs
  - clubhouses
  - drop-in centers
  - community outreach and engagement
  - illness self-management
  - alternatives to residential treatment
  - supported employment
  - training and education
- State-wide presence

Ahead in FY2011

	Authority Grant	GF/MH	Other*	Gov. GF/MH
Grant Funds for Projects				
• BPI Program Grants	$1,500.0			
• Peer Operated Support Services		$200.0		$ 0.0
• Mental Health Block Grant			$200.0	$ 0.0
• DSDS Peer Operated Services	$ 50.0	$100.0		$ 0.0
Technical Assistance (TA)				
• TA for beneficiary groups & agencies	$ 265.0			
• Partners in Policymaking	$ 200.0			
Program Management				
• Initiative Administrative	$ 100.0			
• Beneficiary & family leadership conference	$ 130.0			
• Evaluation	$ 50.0			
Consumer choice & expanded services				
• Mini grants for beneficiaries – mental illness	$ 388.9			
• Mini grants for beneficiaries – ADRD	$ 260.3			
• Mini grants for beneficiaries - DD	$ 227.5			
• Mini grants – chronic alcoholism	$ 320.7			
• Small Project Grants	$ 250.0			
• Micro-Enterprise Capital	$ 100.0			
FY2011 Budget Increment Totals	$3,842.4	$300.0	$200.0	$ 0.0

*Other = DHSS Illness Self Management and Recovery Block Grant

Funding in thousands of dollars

The TRUST
The Alaska Mental Health Trust Authority

Thank You

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Anchorage AK 99508
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The TRUST
The Alaska Mental Health Trust Authority

SB 234

<target><bill>SB 234</bill><subject>SB 234</subject><comm>SFIN26</comm></target>

Alaska State Legislature

Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-4945

Senator Kevin Meyer
Senate District O

SB 234 SPONSOR STATEMENT

TITLE: "An Act extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date."

AS 04.06.010 established the Alcoholic Beverage Control Board (ABC Board) and provided for the appointment of members by the governor. The ABC Board consists of five members appointed by the governor and confirmed by a majority of the members of the legislature in joint session. Two members of the board shall be persons actively engaged in the alcoholic beverage industry; at least three members of the board shall represent the general public.

SB 234, if enacted, would extend the ABC Board for one year to June 30, 2011.

In the opinion of Legislative Audit, the Alcoholic Beverage Control Board (ABC Board) should continue to regulate the manufacture, sale, barter, and possession of alcoholic beverages in Alaska in order to protect the public's health, safety, and welfare. The Board has demonstrated a need for its continued existence by providing protection to the general public through the issuance, renewal, revocation, and suspension of liquor licenses. Protection has also been provided through active investigation of suspected licensing violations and enforcement of the state's alcoholic beverage control laws and regulations.

During the review process of the sunset audit, there were questions raised about the decision of the Legislature to move the ABC Board from the Department of Revenue to the Department of Public Safety. These questions should be asked and the issue investigated in depth. This one year extension will give the Legislature time over the interim of 2010 to review the decision and move forward with extending the Board to 2014 as recommended by the Division of Legislative Audit.

SENATE FINANCE COMMITTEE REPORT

DATE: 2/26/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 234

SB 234 EXTEND ALCOHOLIC BEVERAGE CONTROL BOARD

"An Act extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[✓] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DPS	2/24/10	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas	✓			
	EGAN	✓			
	OLSON			✓	
	Ellis			✓	
CO-CHAIR:	Hoffman	—			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
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Identifier (file name): SB234-DPS-ABCB-02-24-10
Title: EXTEND ALCOHOLIC BEVERAGE CONTROL BOARD
Sponsor: Senator Meyer
Requester: Senate Labor & Commerce

Dept. Affected: DPS
RDU: Statewide Support (165)
Component: Alcoholic Beverage Control Board
Component Number: 2690

Expenditures/Revenues

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		1,015.2					
Travel		85.9					
Contractual		285.1					
Supplies		29.6					
Equipment		16.3					
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1,432.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE				$0			
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts		1,314.6					
1037 GF/Mental Health							
1007 Interagency Receipts		117.5					
TOTAL	**0.0**	**1,432.1**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS							
Full-time		11.00					
Part-time							
Temporary							

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

This legislation extends the Alcoholic Beverage Control Board one year.

Prepared by: Shirley A. Gifford, Director — Phone 269-0351
Division: ABC Board — Date/Time 2/24/2010
Approved by: Joe Masters — Date 2/24/2010
Commissioner

(Revised 11/8/2009 OMB)

adopted 6-1 4/2/10

26-LS1350\E
Bullard
3/31/10

CS FOR SENATE BILL NO. 234(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR MEYER

A BILL

FOR AN ACT ENTITLED

"An Act relating to the voting procedures of the Alcoholic Beverage Control Board; allowing the Alcoholic Beverage Control Board to release information contained in the statewide database of alcohol purchases and shipments to the person who purchased the alcohol or to whom the alcohol was shipped; relating to the access of persons under 21 to premises where alcoholic beverages are sold, served, or consumed; extending the termination date of the Alcoholic Beverage Control Board; and providing for an effective date."

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

*** Section 1.** AS 04.06.060 is amended to read:

Sec. 04.06.060. Quorum and majority. Three members of the board constitute a quorum for the conduct of business, except that a majority of the whole membership of the board must approve all applications for new licenses, and all renewals, transfers, suspensions, and revocations of existing licenses. [IF A

MAJORITY OF THE BOARD IS PRESENT AND VOTING, THE DIRECTOR, WITH THE CONSENT OF THE MEMBERS PRESENT, MAY CAST A TIE-BREAKING VOTE.]

*** Sec. 2.** AS 04.06.095 is amended to read:

Sec. 04.06.095. Statewide database. The board, after consulting with package store licensees, shall create and maintain a statewide database that contains a monthly record of the alcohol purchased by, and shipped to, a person who resides in a municipality or established village that has restricted the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2). Except as otherwise specifically provided in this section, the information contained in the database is confidential and is not subject to inspection or copying under AS 40.25.110 - 40.25.220. Information in the database shall be purged one year after entry unless it is needed for criminal investigation or prosecution. Information in the database is available only to

(1) a package store licensee, agent, or employee to consult before shipping alcohol to a purchaser in a restricted area as provided in AS 04.11.150(g);

(2) a law enforcement officer;

(3) a probation or parole officer; and

(4) the board**; and**

(5) the person who is the subject of the information; the board shall adopt regulations concerning access by a person to information contained in the database of the purchases by, and shipments to, that person.

*** Sec. 3.** AS 44.66.010(a)(1) is amended to read:

(1) Alcoholic Beverage Control Board (AS 04.06.010) - June 30, **2011** [2010];

*** Sec. 4.** AS 04.16.049(f) and 04.16.060(f) are repealed.

*** Sec. 5.** This Act takes effect immediately under AS 01.10.070(c).

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

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August 14, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities and the attached report is submitted for your review.

DEPARTMENT OF PUBLIC SAFETY
ALCOHOLIC BEVERAGE CONTROL BOARD
SUNSET REVIEW
July 27, 2009

Audit Control Number
12-20063-09

This review examines the activities of the Alcoholic Beverage Control Board (ABC Board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner. Alaska Statute 44.66.010 specifies that the ABC Board will terminate on June 30, 2010, and will have one year from that date to conclude its administrative operations. We recommend that the legislature extend the ABC Board's termination date until June 30, 2014.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Alcoholic Beverage Control Board (ABC Board or the Board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the ABC Board should be re-established. Currently, under AS 44.66.010(a)(1), the Board will terminate on June 30, 2010 and will have one year from that date to conclude its administrative operations.

Objectives

The ABC Board was created to regulate the manufacture, sale, barter, and possession of alcoholic beverages in order to protect the public health, safety, and welfare of citizens in the State.

To this end, the primary objective of this audit was to determine whether there is public need for the Board and if its existence should be extended.

The secondary objective was to determine if the ABC Board is serving public interest in regards to licensing/permitting functions, administrative activities, board activities, and enforcement activities by reviewing these major functions for effectiveness and efficiency of operations.

Scope

Alaska Statute 44.66.050 outlines the factors to be considered in determining whether the Board has demonstrated public need for its continued existence. We reviewed the ABC Board's activities that occurred from FY 07 through FY 09. We also reviewed the board's proceedings to determine whether it complied with Alaska Statutes and regulations.

Methodology

In order to meet the various objectives of the audit, our fieldwork included:

- Review of Title IV; and Title 13, Chapter 104 of the Alaska Administrative Code to determine the ABC Board's compliance to its statutes and regulations.

- Attendance at the February and May 2009 ABC Board meetings. Examination of the ABC Board meeting records to identify board actions. We obtained notifications from the

Alaska Online Public Notice System, and used board meeting minutes to verify compliance with the public notice and board meeting requirements.

- Analysis of the ABC Board's enforcement records and the DPS information system, APSIN, case data for enforcement activities.

- We performed a reconciliation between the ABC Board's licensing database fees and the State Accounting System financial accounts. Using ALDER management reports and the ABC Board's licensing database information, we prepared a schedule of revenues, expenditures, and a list of licensing fees for FY 07 through FY 09.

- On a sample basis we selected 86 license files for examination of compliance with the ABC Board statutes, regulations, and procedures.

- We reviewed newspaper articles pertaining to liquor licensing in Alaska.

- We surveyed local governing bodies, law enforcement agencies, community groups (community councils and Mother's Against Drunk Driving) and active licensees for their opinions on the operations and decisions of the ABC Board.

  The survey questionnaires were sent to all the police departments, using information from the Alaska Peace Officer Association and to Village Public Safety Officers. All local governing bodies and community and village councils were surveyed. For the approximately 1800 active licensees, we selected a random and judgmental sample totaling 385 licensees.

Survey Group	Response Rate
Local Government	45%
Law Enforcement	48%
Active Licensees (Sample Basis)	48%
Community Groups	19%

- We tallied and analyzed responses from the survey for use in the analysis of public need section of the report

- We examined miscellaneous documents related to the board's operations as necessary for evaluating if the Board is operating in the public interest.

- We interviewed the ABC Board's staff, the director, the current board chair, and various individuals from other state agencies. We also contacted the Alaska Ombudsman; the Office of Victim's Rights Commission; Human Rights Commission; U.S. Equal Opportunity Office; Department of Administration, Division of Personnel; and Boards and Commissions regarding any complaints against the ABC Board.

ORGANIZATION AND FUNCTION

The Alcoholic Beverage Control Board (ABC Board or the Board) was established in 1959 by Title IV of the Alaska Statutes as a regulatory and quasi-judicial agency. For administrative purpose, the ABC Board is located within the Department of Public Safety (DPS). The Board controls the manufacture, barter, possession, and sale of alcoholic beverages in the State. The duties of the Board include overseeing the issuance, transfer, renewal, suspension, and revocation of licenses, and proposing and adopting regulations necessary to carry out the purposes of governing statutes in a manner that will protect the public health, safety, and welfare. In addition, the Board may grant peace officer powers to persons employed for the administration of Title IV. These powers are used as necessary for the enforcement of the criminally punishable provisions of the Title, regulations of the Board, and other criminally punishable laws and regulations including laws against prostitution and gambling. These powers are subject to the concurrence of the DPS commissioner.

The Board is composed of five members appointed by the governor and confirmed by the legislature. State law requires two board members be persons actively involved in the alcoholic beverage industry (excluding wholesale) and at least three members representing the general public. No three members of the Board may be engaged in the same business, occupation, or profession. Board members, including their immediate family, representing the general public, may not have any financial interest in the alcoholic beverage industry. Board members are appointed for overlapping three-year terms. A director, appointed by the governor, serves as the executive officer and is responsible for enforcing Title IV and the regulations adopted by the Board.

Exhibit 1

Alcoholic Beverage Control Board Members as of July 15, 2009

Robert Klein, Chairman
Anchorage, Industry Member
Term expires March 1, 2011

Ethan Billings
Juneau, Industry Member
Term expires March 1, 2012

Belen Cook
Cordova, Public Member
Term expires March 1, 2010

Joseph DelDonno
Anchorage, Public Member
Term expires March 1, 2011

Ellen Ganley
Fairbanks, Public Member
Term expires March 1, 2012

Title IV specifies the type of licenses, licensing fees and the activities allowed under each class of license issued by the Board. Title IV also establishes procedures for the issuance of new and renewal licenses.

ABC Board employees ensure that the approximately 1,800 licensees comply with Title IV. Employees provide three functions that involve licensing, enforcement, and administration activities. These services are briefly described as follows:

- Licensing

  The three-member licensing staff is responsible for processing license and permit applications, maintaining licensing records and files, collecting licensing fees, and

answering licensing questions asked by the public and licensees. The licensing supervisor is also responsible for preparing board meeting packets and for recording and transcribing the board meeting minutes.

- Enforcement

  The six-member enforcement staff currently consists of two Anchorage-based investigators, one Fairbanks-based investigator, one Juneau-based investigator, one Anchorage-based administrative clerk, and one Anchorage-based enforcement supervisor. Investigators perform various duties including inspecting licensed premises, investigating complaints of suspected licensing violations, conducting compliance checks, and responding to questions from licensees and the public. Investigators monitor server training courses and perform background checks on applicants. They also give lectures relating to alcoholic beverage control laws and regulations on behalf of the Board and provide Title IV training to law enforcement agencies on request. The administrative clerk maintains the statewide written order database which contains a monthly record of the alcohol purchased by, and shipped to a person who resides in a municipality or established village that has restricted the sale of alcohol beverages.

- Administration

  The ABC Board's director and an administrative assistant comprise the administrative staff. Administrative duties include preparation of budget documents, calculation and issuance of revenue sharing payments to local municipalities, issuing public notices, processing of vendor invoices, and the preparation of bank deposits. The director provides oversight, guidance and direction to staff, participates in public hearings and meetings, and addresses inquiries and requests from licensees, law enforcement agencies, and the general public.

The ABC Board's office is located in Anchorage. In FY 09, the Board has an operating budget of approximately $1.3 million for its ten staff positions and activities (excluding revenue sharing).

REPORT CONCLUSIONS

In our opinion, the Alcoholic Beverage Control Board (ABC Board) should continue to regulate the manufacture, sale, barter, and possession of alcoholic beverages in Alaska in order to protect the public's health, safety, and welfare. The Board has demonstrated a need for its continued existence by providing protection to the general public through the issuance, renewal, revocation, and suspension of liquor licenses. Protection has also been provided through active investigation of suspected licensing violations and enforcement of the state's alcoholic beverage control laws and regulations.

With the exceptions noted in the Findings and Recommendations section of this report, the ABC Board is operating in the public interest. However, improvements are needed to improve the effectiveness and efficiencies of its operations.

This is the third audit performed in the last seven years in which we have recommended a stronger internal control environment be implemented to include written policies and operating procedures as well as a strategic plan governing enforcement activities. The current director assumed these responsibilities in January 2009, and has made significant improvements in a matter of a few months. The current director has been proactive in improving daily operational functions and addressing outstanding and current audit issues. Although the current director has taken immediate action to make improvements to the ABC Board, we are nonetheless concerned that certain issues in the last three audits have not yet been addressed. Therefore, we recommend that AS 44.66.010(a)(1) be amended to extend the termination date of the Alcoholic Beverage Control Board to June 30, 2014.

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FINDINGS AND RECOMMENDATIONS

A current status of the previous sunset audit[1] four recommendations are presented below.

Prior Audit Recommendation No. 1 – The Alaska Beverage Control Board's (ABC Board or the Board) members and director should strengthen the control environment over alcohol regulatory functions.

This recommendation has been partially resolved. However, continued improvements are needed to improve the licensing database data, procedures, and retention of documents. These issues are further addressed in the current Recommendation No. 2 of this report.

Prior Audit Recommendation No. 2 – The ABC Board members and director should develop and implement an overall plan of enforcement activities to ensure the effective allocation of their resources.

This recommendation has not been resolved. An overall strategy has not been implemented to ensure enforcement goals are met in an efficient and effective manner. The Board continues to lack a strategy for selecting licensed premise inspections and compliance checks. Some data is entered inconsistently or inaccurately into the enforcement database system. Improvements for enforcement are discussed at Recommendations No. 1 and No. 2.

Prior Audit Recommendation No. 3 – The ABC Board's director should ensure compliance with public notice requirements and establish procedures to ensure board meeting records are complete and accurate.

This recommendation has not been implemented. The ABC Board's staff is still not providing adequate public notification of its board meetings, and meeting records are still incomplete. (See current Recommendation No. 2 for further details.)

Prior Audit Recommendation No. 4 – The legislature should consider amending Title IV to remove the voting ability of the board's director.

The ABC Board's director periodically votes on issues decided in board meetings. AS 04.06.060 provides, "*If a majority of the board is present and voting, the director, with the consent of the members present, may cast a tie-breaking vote.*"

Allowing the director a vote removes an important check and balance of good government – a separation of the executive and quasi-judicial functions. To ensure an appropriate balance

[1]Department of Public Safety, Alcoholic Beverage Control Board, August 31, 2006, (Audit Control No. 12-20047-06).

of government, we recommended that the legislature consider amending the statute to remove the director's voting ability.

The situation remains the same and there is no current legislation to address this issue. The board and the director have not reached a concurrence of opinion in developing a better methodology in solving this matter that occurs infrequently.

Current Recommendations

Recommendation No. 1

The ABC Board members and director should establish quantifiable and objective enforcement goals and develop a clear plan by which they will direct its enforcement resources to most efficiently and effectively accomplish those goals in a verifiable manner.

There is no enforcement strategy to prioritize and apply resources in a cohesive fashion to enforce the alcoholic beverage laws. The ABC Board's enforcement investigators[2] are charged with enforcing alcoholic beverage laws and are currently given wide individual latitude in selecting licensees to inspect or check for compliance. However, without quantifiable and objective goals and a review process, the agency does not know if inspecting and checking half the licenses is a good or bad outcome for their efforts, an effective or efficient use of their resources, or in the best interest of the public.

Review of the enforcement database indicates that of the approximately 1800 current active licenses, 47% had premise inspections[3] and 50% had compliance checks[4] during the three-year period of FY 07 through FY 09. The remainder of the licenses were not inspected or checked for compliance during this period. It also appears many licenses were inspected multiple times, while many were not inspected at all. The ABC Board continues to be without a systematic strategy to ensure resources are used effectively and efficiently to enforce the alcoholic beverage laws.

The ABC Board members and director should make it a priority to develop and implement goals for enforcement activities that have tangible metrics. This plan should maximize their resources and provide direction to investigators to ensure they are performing their duties effectively and efficiently, and according to the direction of the board and director.

[2]The ABC Board's enforcement staff consists of four investigators, with one based in Juneau, one based in Fairbanks, two based in Anchorage, as well as an enforcement supervisor in Anchorage. One Anchorage inspector is specifically assigned to conducting compliance checks. Premise inspections are conducted by the three remaining investigators.

[3]A premise inspection involves an enforcement investigator inspecting a licensed premise for compliance to the alcohol beverage laws.

[4]Compliance checks specifically involve determining whether licensees or agents of the licensee are furnishing alcohol to persons under the drinking age limit of 21 years and over-serving to patrons.

Recommendation No. 2

The ABC Board members and director should develop and enforce written policies and procedures to ensure their staff's compliance with state laws and decisions made by the board and director.

There are instances of non-compliance and non-enforcement with state laws, overpayments to municipalities, possible nonpayment of fees by license holders, and incomplete and inaccurate tracking of data. The ABC Board's staff lacks oversight and accountability over their activities to ensure compliance with state laws and decisions made by the board and director. Specific issues include:

1. Records Retention. The ABC Board's staff is not consistently retaining documents in accordance with the State records retention laws and the ABC Board's statutes with respect to premise inspection reports, notice of violations, criminal history records, permit applications, and notification letters.

   Premise inspection reports document an investigator's inspection of a licensed premise. Notices of violations communicate to a licensee and to the ABC Board alcoholic beverage violations by the license holder or agents of the licensee. The Board uses the criminal history records for evaluating an applicant's qualification for issuance, transfer, or renewal of an alcohol license.[5] The data from these documents should be recorded in the enforcement database; however, not all documents are retained to confirm the completeness and accuracy of the data.

   Applications received for issuance of caterers, special events, and other permits are also not retained. These applications provide important information regarding the event and conditions of approvals (e.g. police department authorizations and the ABC Board's approval).

   Notification letters to local governing bodies and expired license notifications were missing from the license files. A written notice to the local governing body is to be given within ten days after receipt of an application so that the local governing body may protest the issuance, renewal, relocation, or transfer of a license.[6] Additionally, the director is to mail a notice of expiration to each licensee who has not renewed.[7]

   All these documents serve to provide important evidence of, and support for, the board and director's actions. The staff's failure to retain these documents as records supporting the ABC Board's activities may impede the organization's ability to operate effectively, efficiently, and serve the public interest.

[5]Alaska Statute 04.11.295. Criminal justice information and records.
[6]Alaska Statute 04.11.520. Notice to local governing body.
[7]Alaska Statute 04.11.550. Notice of expiration.

2. Licensing Revenues. Licensing fee revenues recorded in the ABC Board's database does not agree with nor is reconciled to the same revenue as it is recorded in the State accounting system. The failure to reconcile has resulted in overpayments to municipalities and missed payments by licensees. Timely, complete, and accurate reconciliation between the two systems would likely resolve these problems and provide information for the board and director to take immediate action regarding noncompliant licensees.

3. Licensing and Administrative Procedures. The ABC Board members and director are not providing appropriate guidance and oversight to staff to ensure compliance with state laws, and with its decisions.

   The ABC Board does not consistently adhere to the statutory requirement of notifying the local governing body within ten days of receipt of an application per AS 04.11.520. This important requirement allows time for the local government to review and possibly protest the issuance, renewal, relocation or transfer of a license.

   The ABC Board is also not enforcing the law requiring the return of caterers and special event permits within 48 hours. Other deficiencies in the ABC Board's licensing files, recordkeeping, database, and administrative processes include:

   - No current written policy and procedures to give guidance in situations where licensees are involved in bankruptcy proceedings.
   - Staff routinely failed to properly use existing checklists for verifying the completeness of licensing applications.
   - Instances where staff had not submitted local government protests in a timely manner to the board for review and action.
   - Significant occurrences of expired and/or unpaid licenses being incorrectly listed as active license holders.
   - Failure to detect instances where required wholesale affidavits had not been filed by wholesale licensees.
   - Municipalities being over or under paid for municipal license fee refunds.
   - The ABC Board's staff is not confirming and enforcing reports that should be filed by municipal law enforcement agencies prior to refunding municipal license fees.
   - The concerns of local governments that the ABC Board's policy and procedures do not include written notification to local governments regarding expired licenses.

   The above activities show that the ABC Board may not be operating effectively and efficiently and is not achieving its potential in furthering the public interest.

4. Enforcement Data Procedures. The ABC Board's investigators inconsistently or inaccurately entered case record information into the Alaska Public Safety Information

Network (APSIN) database. Enforcement staff is not adequately trained, and there are no written procedures to ensure the proper recording of enforcement activities into the database. The quality and completeness of information about enforcement activities entered into APSIN database is critical for analyzing, planning, and managing enforcement activities. Therefore, the lack of procedures governing quality and accuracy of data reported diminishes the ABC Board's ability to evaluate the performance of enforcement staff and the effectiveness of enforcement activities.

5. Statewide Database. The ABC Board's staff is not recording and verifying on a regular basis that all restricted alcohol purchasers[8] are included in the Statewide Database. The Statewide Database[9] is used to track written orders placed with alcohol package stores for shipment to communities with alcohol restrictions. One hundred thirty-four restricted purchasers were not included in the Statewide Database. Six restricted purchasers were listed as authorized purchasers in the database and three of these individuals purchased alcohol through the Statewide Database system since it went online in July 2008.

   Package (retail) stores are required to consult the Statewide Database first before shipping alcoholic beverages to municipalities or established villages that have restrictions on the sale of alcohol beverages. The Statewide Database tracks orders of alcohol purchased by, and shipped to, a person who resides in a municipality or established village throughout Alaska that has restricted the sale (volume) of alcoholic beverages in its community.

   Periodically verifying all restricted purchasers information in the database would help with the compliance and enforcement of the law by reducing the possibilities of package stores unknowingly selling alcohol to restricted purchasers.

6. Public Notice Requirements and Meeting Records. From FY 07 through FY 09, 11 of 16 board meetings were not adequately publicly notified per statute or board policy requirement. Four meetings were not advertised on the State's Online Public Notice system; seven meetings were not advertised in the local newspaper of the board meeting venue, and seven meetings were not advertised timely.

   A review of board meeting minutes showed over 50% of official board meeting records were incomplete and not adequately maintained. The board's agendas and meeting minutes did not adequately document public comment periods. The records also showed the board failed to document its purpose for executive sessions in almost all of their motions which is required under AS 44.62.310(b).

[8]A restricted alcohol purchaser is a person who has been convicted of alcohol violation(s) under Alaska Statute 04.11.010. The ABC Board maintains a list of restricted alcohol purchasers to provide to package stores who are then prohibited from selling alcoholic beverages through written orders to these restricted purchasers under 13 AAC 104.645(1).

[9]Alaska Statute 04.06.095. Statewide Database.

In summary, the ABC Board members and director should ensure written policies and procedures are developed, and followed by staff to ensure compliance with state laws and directives from the board and director. Specific guidance should provide for: (1) conformance with state and agency records retention laws, policies, and procedures; (2) timely reconciliation of licensing revenues and licenses; (3) proper execution and documentation of licensing, permitting, and administrative activities; (4) accurate and complete data entry about enforcement activities into ASPIN; (5) confirmation that all restricted purchases are included in the Statewide Database; and, (6) adequate and timely public notification of board meetings, and accurate recording and record retention regarding board actions.

ANALYSIS OF PUBLIC NEED

The following analyses of the Alcoholic Beverage Control Board's (ABC Board or the Board) activities address both positive and negative conditions related to the public need factors established in AS 44.66.050. These analyses are not intended to be all-inclusive, but rather address those areas we were able to examine within the scope of our review.

To help assess the impact of the Board's programs and procedures, we sent questionnaires to local governing bodies, law enforcement agencies, community councils/groups, and active licensees. The surveys covered a number of issues. Pertinent results are incorporated into applicable areas of this analysis.

Determine the extent to which the board, commission, or program has operated in the public interest.

The ABC Board is operating in the public's interest and protects the public's health, safety, and welfare. The ABC Board has made an effort to allow only qualified applicants to own and operate licensed premises. It conducts background checks to ensure that licenses are not initially granted to individuals with significant criminal records. On an ongoing basis, the Board receives, reviews, and takes action on notification of any reported criminal activity of licensees.

The ABC Board also controls the manufacture and sale of alcohol in designated areas by ensuring compliance and enforcing alcoholic beverage laws. The ABC Board's staff notifies the local governing body of new applications, renewals, transfers, denials, suspensions, and revocations. The board takes into consideration the local government's response or protest in the application review process. The board restricts the number of licenses within population sizes and around churches and schools according to state law. It also provides license regulation and enforcement, investigates complaints, and when warranted, revokes or suspends a license.

From FY 07 through FY 09, the board took individual actions approving 163 new license applications, 303 transfer requests, 101 license waivers, and 25 license resurrections. The board imposes fines and may suspend or revoke licenses or permits previously authorized if it is in the best interest of the public. The disciplinary actions taken by the board are summarized in Exhibit 2.

Exhibit 2

ABC Board Disciplinary Actions
FY 07 to FY 09

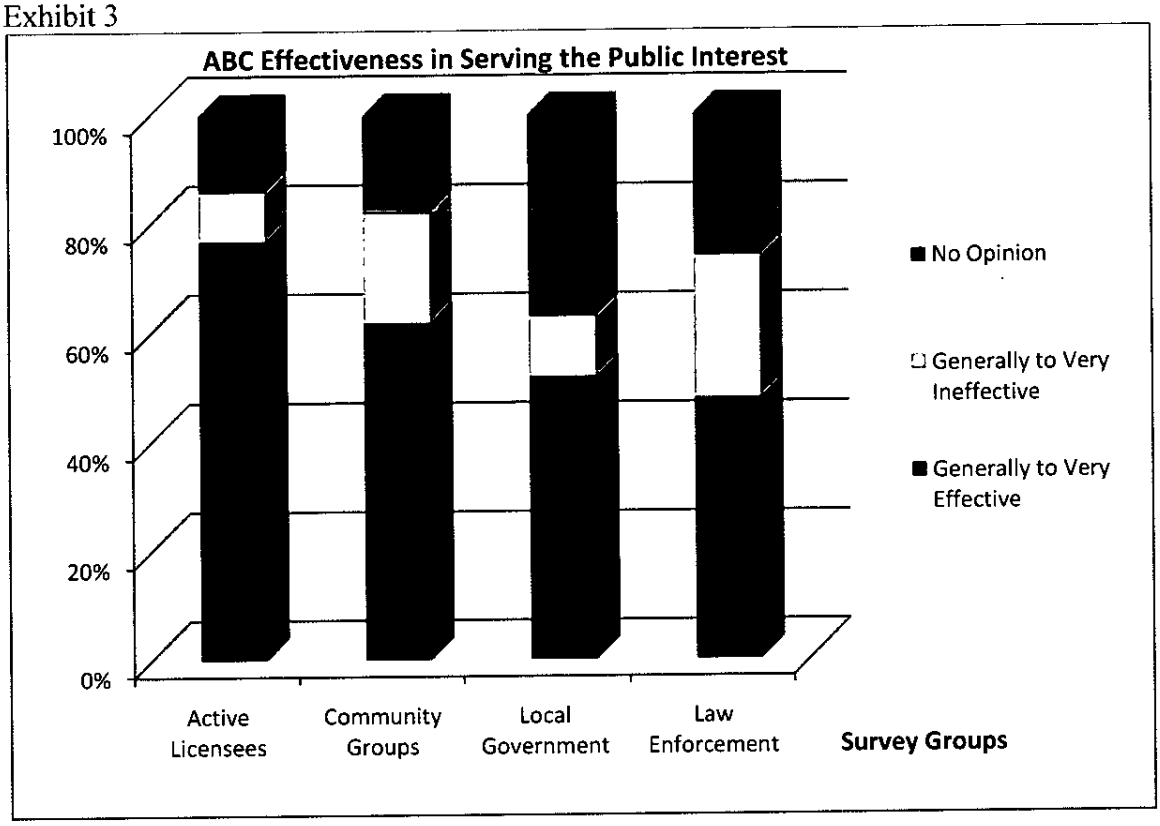
Actions	FY07	FY08	FY09	Total
Fines	12	5	8	25
Suspensions	17	7	12	36
License Denials	0	0	1	1
Renewals Denied	0	0	2	2
Transfers Denied	0	1	1	2
Waivers Denied	0	2	1	3
Revocations	0	0	0	0
Total	29	15	25	69

The lack of revocations is due to the board avoiding the process when possible. The board essentially revokes a license by either denying the renewal or allowing a licensee a set time period to transfer or sell the license. If the license is not transferred within the allotted time period, the license holder must "voluntarily" relinquish it. This is done through an informal settlement process. In the period reviewed, nine licenses were voluntarily relinquished to the board at a meeting.

The ABC Board's enforcement staff conducts premise inspections and compliance checks to ensure license holders are following the alcoholic beverage laws. However, we found the enforcement program lacked overarching goals and a plan to maximize their resources. (See Recommendation No.1)

In addition, the ABC Board's staff monitors the alcohol server training courses and answers questions from members of the public, licensees, law enforcement agencies, and local governments regarding alcoholic beverage controls statutes and regulations. We surveyed four groups (active licensees, law enforcement, local government, and community groups) to ask their overall opinion as to how effective or ineffective the ABC Board is in serving the public interest. The opinions were mixed as is shown in Exhibit 3.

Exhibit 3



Active licensees and community groups provided the most favorable rating. Alternatively, local government (at 11%) and law enforcement (at 26%) gave the least favorable rating regarding the ABC Board's effectiveness in serving the public interest.

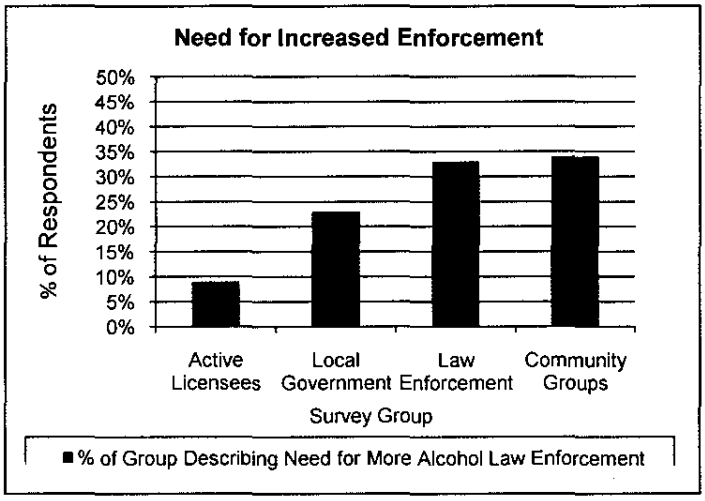
A few community group statements indicated unfamiliarity with the ABC Board. Active licensees reported having more interaction with the Board's staff than the other groups surveyed; mostly about license status, renewals, and clarification of laws. In general, active licensees indicated they found the ABC Board's staff knowledgeable, friendly, and helpful. The ABC Board provides trainings to local law enforcement regarding the enforcement of alcoholic beverage laws. Trainings may consist of conducting formal trainings at police academies, or inquires and requests from local enforcement agencies, licensees, and district attorneys. Forty-two percent of law enforcement respondents indicated they have no contact with the Board. Overall, it appears the ABC Board could do a better job working with and reaching out to educate and raise awareness of their efforts to the various groups through better communications, networking, and trainings.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The ABC Board's mission is to protect the public from alcoholic beverage abuse by enforcing state laws regulating alcoholic beverage commerce. Community and licensee respondents indicated that enforcement regarding the following activities are moderately adequate to very adequate:

- Sale of alcohol sale to minors.
- Sale of alcohol to inebriates.
- Sale of alcohol outside regulated hours of operation.
- Sale of alcohol without an alcohol servers training card.
- Gambling or prostitution on a licensed premise.
- Alcohol purchase limits in communities with alcohol restrictions.

Exhibit 4



It is noteworthy that more than half of the local law enforcement respondents were unaware of the ABC Board's enforcement staff's efforts to prevent and regulate the above activities. Respondents identified their concerns and need for improved or increased enforcement as indicated in Exhibit 4.

The community and law enforcement groups identified drunk driving and bootlegging as their primary concern. It appears that the ABC Board's only established preventative program for combating bootlegging in communities with alcohol restrictions is the Statewide Database.

One-third of local law enforcement respondents in communities with established alcohol restrictions were unaware of the Statewide Database. Of those who were aware of the purpose of the database, only 40% felt it was effective in helping maintain purchasing limits in their jurisdiction. Some of the local governing body respondents were not aware of the purpose of the Statewide Database. We asked active licensee respondents their opinion regarding the effectiveness of the Statewide Database for limiting alcohol purchases in communities. Two-thirds of the respondents who used the database to process orders to

restricted communities thought that the database was effective in managing alcohol purchasing limits.

Approximately 45% of the licensee respondents reported that they had not been subjected to any inspections or compliance checks and 24% believe the ABC Board's enforcement is not active in their area. The majority of law enforcement respondents also believe the ABC Board's enforcement is not active in their jurisdiction. Some smaller enforcement communities reported their belief that due to their size the ABC Board does not appear to be interested in working with them. A significant number of licensee respondents believe the ABC Board does not enforce the laws equally due to difficulty in traveling to remote locations and to the Board prioritization of addressing public concerns or complaints.

Exhibit 5

Inspections and Compliance Checks Performed on Active Licenses FY 07–FY 09

Region	Active Licenses Per Region	Number of Licenses Inspected	Total Inspections Performed	Number of Licenses Checked	Total Compliance Checks Performed
Southcentral					
Anchorage	458	224 49%	974	341 74%	1,086
Other Areas	447	165 37%	229	219 49%	473
Interior					
Fairbanks	93	71 76%	374	59 63%	147
Other Areas	155	106 68%	373	67 43%	159
Far North					
Nome	17	1 6%	1	16 94%	56
Other Areas	2	0	0	0	0
Southeast					
Juneau	80	55 69%	146	59 74%	153
Other Areas	185	123 66%	266	66 36%	127
Southwest					
Kodiak	22	18 82%	35	19 86%	49
Other Areas	72	17 24%	27	17 24%	25

Note: Table does not include licenses listed as Alaska Waters, Alaska Railroad, Alaskan Skies, and other licenses not identified in a Region.

Source: Enforcement Database

Exhibit 5 identifies the number and frequency of license inspections and compliance checks conducted by the ABC Board's enforcement officers on active licenses from FY 07 through FY 09. The information is presented by region with a breakdown by the primary urban area and other areas in that region. In total 50% of active license holders were inspected or checked for compliance. However, as seen in the exhibit, the highest rates for compliance checks and inspections are in the Interior and Southeast Region, with the Southwest Region having the lowest. Additionally, some licenses were inspected multiple times, while many were not inspected at all. While Exhibit 5 illustrates the enforcement activities, we found the ABC Board continues to be without a systematic strategy to ensure their enforcement resources are used effectively and efficiently. (See Recommendation No. 1.)

The ABC Board's total budget has remained relatively stable from FY 07 through FY 09. (See Appendixes A-C for revenue and expenditure information and for the current fee structure.)

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board did not recommend any statutory changes during FY 07 through FY 09. While numerous statutorily changes were made, the ABC Board only supported language modifications to the winery license type.

In June 2007, a new statute, AS 04.06.095, went into effect that involved the ABC Board creating and maintaining a Statewide Database containing a monthly record of alcohol purchased by, and shipped to, a person who resides in a municipality or established village that has restricted the sale of alcohol beverages. In addition, various restrictions were added to the local option laws. Legislative language was added to AS 04.11.499(b) to restrict the purchase from another person who has sent, transported, or brought alcohol into a municipality or established village that restricted the sale of alcohol. The package store license statute (AS 04.11.150) was also amended to address its responsibilities regarding shipments to restricted alcohol communities and for their use of the Statewide Database.

A destination resort license[10] was added to the licensing statues along with changes and clarifications to other license types. The possession of homebrew ingredients in restricted alcohol areas, AS 04.16.035, was added to prohibited acts. There were also modifications to other prohibited acts, penalties, and forfeitures (AS 04.16) during FY 07 through FY 09.

[10]Alaska Statute 04.11.255. Destination Resort License.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The board is required by statute to hold an annual meeting in each of the four judicial districts of the State in order to consider issues from both statewide and various local perspectives. It is also required to provide adequate public notice of these meetings. During FY 07 through FY 09, the board met in Anchorage, Fairbanks, Juneau, and Nome at least once per year; however, the ABC Board continues to have difficulty in providing adequate public notice for every meeting. (See Recommendation No. 2.)

A significant number of active licensee and community survey respondents are not aware they can participate in board meetings in person or by teleconference. This raises concern regarding the adequacy of the ABC Board's public notification and networking to encourage participation in its decision making process.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Survey responses and the lack of adequate public notices indicate that the ABC Board may not always encourage public participation in its decision making process.

As discussed in Recommendation No. 2, the ABC Board does not consistently provide adequate public notice of its meetings. Additionally, approximately 55% of licensee survey respondents reported sporadic or no receipt of timely notification of proposed regulations which would allow them to participate in board meetings. Those same respondents indicated they had not participated in the ABC Board's meetings in the past three years, and a majority did not know they could participate or attend by teleconference.

The majority of local government respondents did not know they could provide public comment on proposed changes to the ABC Board's regulations. These respondents also indicated they did not know they could recommend conditions be placed on specific alcohol licenses according to law. The ABC Board does not consistently adhere to the statutory requirement of notifying the local governing body within ten days of receipt of a license application per AS 04.11.520. This important requirement allows time for the local governing body to review and possibly protest the issuance, renewal, relocation or transfer of a license. Over half of the local government respondents indicated they have never, or only sometimes, received adequate notice of application for new licenses, transfers, relocations, or renewals of existing licenses. Twenty-one percent of these respondents reported they protested a new license or the renewal, relocation or transfer of an existing license. The majority of the protests were related to delinquent taxes and most of those protest respondents indicated they were not notified of when the board would consider their protest.

Additionally, 47% of the local government respondents were not aware they could recommend conditions be placed on license holders. (See Recommendation No. 2.)

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

For the period of FY 07 through April 2009, no complaints were filed with the Office of Victim Rights, Office of the Ombudsman, Boards and Commission, and Department of Public Safety. The current ABC Board director routinely responds to inquires, objections, and complaints about license and enforcement issues.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Overall, the board does an adequate job of regulating entry into the alcohol industry. The board acts on all new, renewal, and transfer applications through approval or denial. The board determines if applicants meet all required statutory qualifications. Some of the requirements include: proving the applicant advertised the location and type of license in a local newspaper; demonstrating the applicant posted the license application on the proposed licensed premises; proving right, title, or interest in the premises; and approval from the local governing body.

Our review of license files indicated appropriate action had been taken on applications made. However, we noted untimely reviews of local governing body protests and found several documentation and policies and procedures issues during this review. (See Recommendation No. 2.)

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that hiring practices or board appointments were contrary to state personnel practices. No complaints were filed with the Human Rights Commission, U.S. Equal Opportunity Office, or Boards and Commission about the ABC Board. The Department of Administration, Division of Personnel and the Department of Public Safety received no formal complaints; however, the agencies responded to informal complaints or accusations appropriately.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Recommendations for operational changes enabling the board to better serve the public interest are described in Recommendations Nos. 1 and 2.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

The ABC Board is generally effective in its objective of regulating the manufacture, sale, barter, and possession of alcoholic beverages in Alaska. The board has protected the general public through the licensing process and administrative actions. It has proposed or supported statute changes to benefit the public, actively inspected licensees to ensure compliance with the alcoholic beverage laws, conduct underage checks, and provides other enforcement activities.

Improvements are still necessary to improve the ABC Board's operations to help provide for better effectiveness and efficiencies as described in Recommendation Nos. 1 and 2. Additionally, the active licensees, law enforcement, local government, and community groups surveyed indicate that the ABC Board is generally effective in serving the public interest. However, the ABC Board could do a better job communicating and networking with these survey groups about its mission and involving them in their decision making process.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

The ABC Board is the only entity in the State that issues licenses for selling alcohol. In this regard, there is no duplication of this activity by another governmental agency or the private sector.

The ABC Board's enforcement efforts include investigation of gambling and prostitution activity, which duplicates state trooper and local law enforcement efforts throughout Alaska; however, our review of the ABC Board's participation in these efforts was minimal. All law enforcement agencies in the State also contribute to the enforcement of alcohol laws; consequently, there is an overlap in jurisdiction. This duplication was the intent of the legislature in creating the ABC Board as a regulatory and quasi-judicial agency.

The perception among the active licensee and local enforcement survey respondents is that the ABC Board's enforcement staff's efforts complement, rather than duplicate their efforts. However, the majority of law enforcement respondents also indicated that the ABC Board's enforcement staff was not active in their jurisdiction.

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APPENDIX A
Department of Public Safety
Alcohol Beverage Control Board
Schedule of Revenues
FY 07 through FY 09
(unaudited)

Revenue *(rounded to nearest hundred)*	FY 07	FY 08	FY 09
License Application Fees	$ 171,900	$ 184,600	$ 179,500
Beverage Dispensary Licenses	750,400	808,500	755,200
Restaurant Licenses	93,900	107,100	98,700
Club Licenses	48,600	52,800	46,800
Brewery Licenses	5,000	3,500	7,000
Package Store Licenses (retail)	288,800	285,800	294,800
Wholesale Licenses	20,000	16,000	30,000
Malt Beverage and Wine Wholesale Licenses	2,400	400	2,800
Common Carrier Licenses	27,000	68,000	35,500
Winery License	2,000	3,000	1,500
Miscellaneous[1]			
Wholesale Annual Fees	150,500	157,800	154,500
Other License Types	14,100	24,900	20,300
Permits	72,000	61,700	55,400
Other	189,300	167,000	150,000
Federal Grant Funds (DHSS)	100,000	99,600	100,000
Total Revenues	$ 1,935,900	$ 2,040,700	$ 1,932,000

Source: Alaska State Accounting System, ABC Board

[1]Miscellaneous includes annual wholesale fees; low volume licenses such as Pub, Golf, and Lodge Licenses; fingerprint fees; waiver fees; as well as fines and penalties and other miscellaneous receipts.

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APPENDIX B
Department of Public Safety
Alcoholic Beverage Control Board
Schedule of Expenditures
FY 07 through FY 09
(unaudited)

Expenditures *(rounded to nearest hundred)*	FY07	FY08	FY09
Personal Services	$ 782,500	$ 817,800	$ 924,000
Travel	44,000	80,900	85,400
Services	275,500	375,300	213,100
Commodities	9,500	39,500	41,700
Capital Outlay	-	-	26,400
Transfers to Municipalities[11]	785,600	889,600	813,400
Total Expenditures	$ 1,897,100	$ 2,203,100	$ 2,104,000

Source: Alaska State Accounting System

[11]In accordance with Alaska Statute 04.11.610, refunds of annual license fees, excluding annual wholesale license fees, collected within a municipality are to be given to the municipality semiannually. The total of these refunds is the "Transfers to Municipalities" amount. This activity is budgeted under the Department of Revenue as shared taxes.

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APPENDIX C
Department of Public Safety
Alcoholic Beverage Control Board
Licenses, Permits, and Fees
FY 07 through FY 09

Type	Amount
Application Filing Fees – new, transfer, or relocation of premises	$100
Application Filing Fees – renewal	200
Beverage Dispensary License	2,500
Beverage Dispensary License – Duplicate	2,500
Beverage Dispensary License – Seasonal	1,250
Beverage Dispensary License – Tourism	2,500
Beverage Dispensary License – Tourism Seasonal	1,250
Beverage Dispensary License – Public Convenience	2,500
Brewery License	1,000
Brewery License – Seasonal	500
Brewpub License	500
Brewpub License – Seasonal	250
Club License	1,200
Club License – Seasonal	600
Common Carrier License	1,000
Common Carrier License – Seasonal	500
Common Carrier License – Multiple Destination	2,000
Common Carrier License – Multiple Destination Seasonal	1,000
Destination Resort License	1,250
Destination Resort License – Seasonal	625
Distillery License	1,000
Golf Course License	400
Lodge License	1,250
Lodge License – Seasonal	625
Package Store License	1,500
Package Store License – Community License	1,500
Package Store License – Seasonal	750
Pub License	800
Permit, Caterers	50
Permit, Club	100
Permit, Conditional Contractor's – Provisional	1,200
Permit, Special Events (per day)	50
Recreational Site License	800
Recreational Site License - Seasonal	400
Restaurant/Eating Place License	600
Restaurant/Eating Place License – Seasonal	300
Restaurant/Eating Place License – Tourism	600
Restaurant/Eating Place License – Exempt	600
Restaurant/Eating Place License – Public Convenience	600
Restaurant/Eating Place License – Public Convenience Seasonal	300
Theatre License	600
Wholesale License – General	2,000
Wholesale License – Malt Beverage and Wine	400
Winery License	500
Winery License – Seasonal	250

Source of Information: Alcohol Beverage Control Board

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State of Alaska
Department of Public Safety
Alcoholic Beverage Control Board

Sean Parnell, Governor
Joseph A. Masters, Commissioner

August 21, 2009

RECEIVED
AUG 27 2009
LEGISLATIVE AUDIT

Pat Davidson
Legislative Auditor
Alaska State Legislature
Legislative Budget and Audit Committee
PO Box 113300
Juneau, Alaska 99811-3300

RE: Response to Preliminary Report Department of Public Safety, Alcoholic Beverage Control Board, Sunset Audit

To the Committee:

I have reviewed your preliminary report regarding the sunset audit conducted over the past several months of the Alcoholic Beverage Control Board. I appreciate you and your staff taking the time to conduct such a thorough audit. The Board of Directors will use your findings as an excellent tool to refine our processes. I have met with ABC Board Director Shirley Gifford and she has shared with me the numbers of issues that were "fixed" during the time your auditors were gathering their findings. I feel assured that all other areas brought forward will be taken care of in the same manner, and with the same level of diligence and dedication.

Many of the issues raised are critically important to running the agency effectively and proficiently. Fortunately, most corrections can be made with a dedicated effort of the current staffing level. Others may only be corrected with an increase in staff. In any event capturing proper statistics and developing a strategic plan will help to utilize staff in the best way possible. The written order database was a monumental project implemented during this period of review and it appears as though some errors have occurred that will be minimized in the future with a system of verification as you have recommended.

Since Director Gifford was appointed January 5, 2009 she has made progress in some areas that had been neglected in the past. She has implemented a method for capturing the activities of licensing and enforcement staff and in addition to sharing the figures with the Board of Directors she will use the figures in developing the strategic plan. Other areas where she has brought improvement include the purchase and upgrade of equipment necessary for staff to adequately perform their duties; training and education from and for staff; many policies and procedures written for the enforcement unit, licensing, and ABC Board administration; and refinement in processes that include an inspection tracking form and the consolidation of three permit

applications into one. Director Gifford started the strategic plan a couple of months ago and now with the audit complete will focus on the plan. She has already identified the goals and objectives and will ensure the issues raised in past audits will be addressed. Prior audit recommendations 1, 2, and 3 are included within your current recommendations and will be addressed under those headings. Prior audit recommendation no. 4 was not included in the current recommendation; however, steps have been taken to rectify this recommendation entitled, "The legislature should consider amending Title IV to remove the voting ability of the board's director." Director Gifford and I have met and whereas a solution had not been found I believe the solution comes with a tie vote resulting in a vote taken later if a voting member is absent, or in the event a member is recused the issue under consideration may be taken to an administrative hearing officer and superior court. This allows for the process to remain in the quasi-judicial and judicial process with no overlap with the executive branch of government. Director Gifford has met with Commissioner Masters regarding this proposal.

I will respond to the specific issues under Recommendations No. 1 and No. 2 in your letter:

Recommendation No. 1

The members of the ABCB and executive director should establish quantifiable and objective enforcement goals and develop a clear plan by which they will direct its enforcement resources to most efficiently and effectively accomplish those goals in a verifiable manner.

I agree with this recommendation. A strategic plan is being developed to capture specific, measurable, attainable, realistic, and timely (S.M.A.R.T.) goals. An inspection form has already been created and distributed to the investigators to ensure the best and most fair coverage for inspections. When a licensee fails an inspection we expect a follow-up inspection is conducted to ensure compliance; therefore, I expect more than one inspection of some premises within the year. When inspections over two in a single year occurred we found investigators were capturing "walk-throughs" in the database as inspections. As many walk-throughs that can be conducted are encouraged by the board of directors. Many areas are not easily accessible; however, the travel budget has been increased and many of these areas are now being inspected.

I appreciate your recognition that a plan will maximize the enforcement resources and expect direction will be given to the investigators "...to ensure they are performing their duties effectively and efficiently and according to the direction of the board and director."

Recommendation No. 2

The members of ABCB and executive director should develop and enforce written policies and procedures to ensure staff's compliance with state laws and decisions made by the board and director.

I agree with this recommendation. I fully expect the director will provide oversight and hold staff accountable for "their activities to ensure compliance with state laws and decisions made by the board and director." I appreciate you providing specific issues with which to address:

1. Records Retention. Records retention laws will be reviewed and written into the ABC Board Standard Operating Procedure (SOP)

a. Inspection reports and notices of violation will become part of the licensing file as opposed to keeping the documents in separate enforcement files. Criminal history records will be kept in a secure confidential file after the director has summarized the contents when necessary for the board to make decisions regarding the issuance, transfer, or renewal of a license.
b. The permit applications are now being copied onto the back of the permit with a copy kept in the permit file before presenting the permit to the licensee.
c. Notification letters will be sent to local governing bodies within 10 days after receipt of an application. This procedure will be written into the current procedures regarding notification. The director will also mail a notice of expiration to each licensee who has not renewed.

2. Licensing Revenues. Timely, complete, and accurate reconciliation between the two systems will be written into procedure and followed in an effort toward immediate action regarding noncompliant licensees.

3. Licensing and Administrative Procedures. The director takes full responsibility for not following this statutory requirement. The director believes taking care of this issue will assist local governing bodies to make timely decisions regarding licensees in their communities as well as improve the image of the ABC Board. Representatives of the local governing bodies generally take licensing seriously and count on the ABC Board staff to provide them with the information necessary to properly govern their areas. This procedure will be written and enforced. The licensing supervisor is responsible for this action and may have to delegate some of her other duties to ensure this is followed.

   A new procedure is being developed to deal with the return of caterers and special events permits. A spreadsheet will be created showing returns and notices. The director will be seeking direction from the board for a procedure as statute reads, "Failure to surrender the permit is cause, in the discretion of the board for denial of future permits."

   a. Other deficiencies to be addressed and resolved by staff:
      i. Bankruptcy proceedings
      ii. Licensing checklist applications
      iii. Local government protests to the board
      iv. Accuracy of active license holders
      v. Wholesale affidavits
      vi. Municipal revenue sharing
      vii. Notification to local governing bodies of expired licenses

4. Enforcement Data Procedures. I agree with the importance of these procedures and believe not only the incorporation of procedures to govern quality and accuracy but training to ensure all investigators understand the procedures and are uniformly entering data. Once the procedures and the training are complete the ability to evaluate performance will be enhanced.

   The APSIN database logs case numbers with their associated activity code. When investigators performed "walk throughs" of premises, they were obtaining case numbers

and activity codes for inspections, which would indicate some establishments had been inspected numerous times.

The only way to differentiate between an actual inspection and a walk through would be to hand count the APSIN activity entries and look for which inspections were checked IR (report generated) or IL (log only). If the activity was an IR, it meant an actual inspection was conducted and an inspection report generated. An IL would indicate a walk through; log only.

Procedures have been put in place and are being adhered to requiring inspection reports and NOV's be placed in the licensee file, along with an electronic inspection tracking form on our internal K drive to log inspections. An activity code for walk throughs in APSIN will be pursued. Procedures governing quality and accuracy of data will enhance the ability of the director to evaluate the performance of enforcement staff and the effectiveness of enforcement activities.

5. Statewide Database. Last year the enforcement staff hand entered all the names and information from the restricted purchaser list into the database software. Apparently, one entire section of the list did not get entered. Nevertheless, package stores were provided with an updated restricted purchaser list. The licensees who sold to restricted purchasers were in violation of Title IV. Since this has been revealed through the audit an investigation of the licensees is being conducted as licensees should have been in possession of the list of restricted purchasers. A periodic verification will be conducted to ensure the list is accurate.

6. Public Notice Requirements and Meeting Records. Policies and procedures were written by the previous director dated October 31, 2006 and were found included in the board of directors' packet for the meeting of November 29, 2006, along with the 2006 audit report. Unfortunately, these were not compiled in a book specifically labeled policies and procedures with no availability to staff as a quick reference. The policies and procedures dictate, "The date, time, location, and contact information will be noticed in at least one newspaper of general circulation within the municipality where the meeting is to be held at least 5 and no more than 14 days prior to the meeting." Director Gifford is developing with staff a "check list" of actions necessary before each board meeting. This item is on the check list and the director will go over the list with the employees responsible for specific parts of the organization of the meeting.

   Two meetings in 2006 and two meetings in 2007 were not advertised on the state's Online Public Notice system; however, the noticing on this system has been consistent since 2007. The current procedure dictates that, "At least 30 days prior to the next ABC Board meeting, the Administrative Assistant will forward to the appropriate person identified in the Commissioner's Office of the Department of Public Safety the meeting notice for publication on the Alaska Online Public Notice System. If this notice is transmitted by email, the Director is to be copied so that he may verify the timely forwarding of the notice." This procedure has recently been followed and will continue to be followed. The administrative assistant is now using Microsoft Outlook Calendar to set reminders for advertising requirements.

A frame has been installed in the lobby of the ABC Board office which will hold an inserted page showing the upcoming location, date, and time of the meeting as the meetings are set by the board of directors. The director has sent and will continue to send notice to staff of the next meetings in order that all employees are aware and can inform the public.

All of the board meeting minutes are now as complete as possible with an effort to create the files from existing files in offices other than the administrative assistant's, and will be adequately maintained. The files should include the sign-in sheet (the sheet was not signed in Juneau at the February 24, 2009 meeting), the minutes, a copy of the board packet, and the recording of the meeting.

Public testimony is allowed and encouraged in every board of directors meeting. Documentation of this will be provided in addition to what the recordings have provided. Public testimony was not specifically listed on the agenda but was listed for the July 14, 2009 meeting in Juneau and will continue to be listed for future meetings.

ANALYSIS OF PUBLIC NEED

Several issues identified through questionnaires provided to local governing bodies, law enforcement agencies, community councils/groups, and active licensees were addressed in the recommendations; therefore, I will address the findings that were not previously addressed. I am pleased that this audit shows that the ABC Board is operating in the public's interest and protects the public's health, safety, and welfare; that the ABC Board is controlling the manufacture and sale of alcohol in designated areas by ensuring compliance and enforcing alcoholic beverage laws; and that individual disciplinary actions are acceptable for licensees. Some issues that come before the board are complex and staff has provided the board with the information necessary to make good decisions on behalf of licensees, potential licensees, local governing bodies, and the communities affected. The statutes are difficult to reference and translate at times. Debate, conflict, and confrontation, although not every day occurrences are handled professionally and timely.

The ABC Board director and staff are making concerted efforts to provide education and training. Within the past six months the following presentations have been provided:

- Fire and Life Safety Building Inspectors Forum
- Anchorage International Airport Police
- Hoonah Police Department
- Tanana Valley Campus Police Academy
- Alaska Peace Officers Association Anchorage Chapter
- Alaska Association of Chiefs of Police semi-annual meeting
- Alaska Peace Officers Association Newsletter

The director is scheduled as a keynote speaker at the Alaska CHARR Convention in September as well as patrol briefings for the Anchorage Police Department. The effort to educate, improve communications, and network will continue throughout the state.

The mission of the ABC Board is to protect the public from alcoholic beverage abuse by enforcing state laws regulating alcoholic beverage commerce. Although pleased that the

ABC Board is seen to be "generally" effective in its objective of regulating the manufacture, sale, barter, and possession of alcoholic beverage in Alaska and "generally" effective in serving the public interest with the adoption of the recommendations I look forward to increasing the level of effectiveness.

Director Gifford has shared with me your positive approach to a critical process and that she and the staff enjoyed working with you and your group of professionals. I also appreciated you taking the time to talk with me about the performance of the ABC Board. I appreciate you making allowances for the many issues that were resolved during the audit. Certainly, that was your prerogative and to focus on those issues left outstanding is appreciated by all involved.

Sincerely,

Robert Klein
Chair
Alcoholic Beverage Control Board

cc: Joseph A. Masters, Commissioner, DPS
Shirley A. Gifford, Director, ABC Board

State of Alaska
Department of Public Safety

Sean Parnell, Governor
Joseph A. Masters, Commissioner

September 4, 2009

RECEIVED
SEP 10 2009
LEGISLATIVE AUDIT

Pat Davidson
Legislative Auditor
Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

RE: Response to Preliminary Report on a Sunset Review on the Department of Public Safety, Alcoholic Beverage Control Board, August 14, 2009

Dear Ms. Davidson:

I have reviewed your preliminary report on the Alcoholic Beverage Control Board (ABCB), Sunset Audit and concur with the report's conclusion that the ABCB should continue.

Your audit made two recommendations and I agree with both.

Recommendation No. 1

The members of the ABCB and executive director should establish quantifiable and objective enforcement goals and develop a clear plan by which they will direct its enforcement resources to most efficiently and effectively accomplish those goals in a verifiable manner.

Recommendation No. 2

The members of ABCB and executive director should develop and enforce written policies and procedures to ensure staff's compliance with state laws and decisions made by the board and director.

Your audit notes that both recommendations contain unresolved elements of prior audit recommendations. As you know, since your last audit the department has been actively involved with the ABCB and its staff in an attempt to improve business practices of the board. Those efforts met with limited success until recently.

The development and implementation of appropriate solutions are under the direct and immediate control of the Alcoholic Beverage Control Board and the Executive Director. As your audit notes, significant improvements have been made since the current executive director assumed her duties. I have every reason to believe this improvement will continue.

Office of the Commissioner
5700 E. Tudor Road – Anchorage, AK 99507 – Voice (907) 269-5086 – Fax (907) 269-4543
Juneau Office – Voice (907) 465-4322 – Fax (907) 465-4362

I have reviewed the response to each of your recommendations by the ABCB Chair, Bob Klein. I agree that these responses are appropriate for the recommendations. The department will work with the ABCB and its staff to assist them in implementing corrective action.

Sincerely,

Joseph A. Masters
Commissioner

Cc: Bob Klein, Chair, Alcoholic Beverage Control Board
Shirley A. Gifford, Director, ABC Board

Office of the Commissioner
5700 E. Tudor Road – Anchorage, AK 99507 – Voice (907) 269-5086 – Fax (907) 269-4543
Juneau Office – Voice (907) 465-4322 – Fax (907) 465-4362

SB 235

<target><bill>SB 235</bill><subject>SB 235</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/8/10

FURTHER:

DATE TURNED IN TO OFFICE: 4-7-10

Finance Committee considered SENATE BILL NO. 235

SB 235 CHARTER/ALTERNATIVE SCHOOL FUNDING

"An Act relating to charter school approval and funding."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
EED	4/1	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Olson			X	
	ELLIS	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB 235**
() Publish Date:

Identifier (file name): SB235-EED-ESS-4-01-10
Title: An Act relating to charter school approval and funding
Sponsor: Senate Education Committee
Requester: Senate Finance Committee

Dept. Affected: Education and Early Development
RDU: Education Support Services
Component: School Finance & Facilities
Component Number: 2737

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	150.0		150.0	154.5	159.1	163.9	168.8
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.0**	**0.0**	**150.0**	**154.5**	**159.1**	**163.9**	**168.8**
CAPITAL EXPENDITURES			**1.0**	**1.0**	**1.0**	**1.0**	
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	150.0		151.0	155.5	160.1	164.9	168.8
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**150.0**	**0.0**	**151.0**	**155.5**	**160.1**	**164.9**	**168.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**0.0**		1.0	1.0	1.0	1.0	1.0
Part-time	0.0		0.5	0.5	0.5	0.5	0.5
Temporary							

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

Sec. 1, removes limit on number of charter schools that can operate in the state. As there are only 25 operating charter schools in the state currently, there is no anticipated fiscal impact resulting from this provision.

Sec. 2, Establishes charter school construction program based on charter school enrollment. Establishing regulations will require an estimated $150,000. Management of the program will require 1.5 FTE, one full-time grant administrator (Range 17), and a half-time administrative assistant (Range 14), to assist with the required reporting paperwork. The personnel costs are escalated at 3% per year to approximate cost of living increases. While it is difficult to say how much state funding might be required, the department has estimated that the program will impact 40% of the Charter schools in each year of the program. The bill reqiures the legislature to appropriate at least a dollar for each pupil enrolled in the charter school recieving funding which amounts to approximately $1,000 per year. Personnel costs are not expected until after the first year, when regulations have been adopted and the department begins applying for any available federal grant opportunities.

Sec. 3, Sunsets the charter school construction grant program on July 1, 2015, however, the department's finanical reporting and project oversight obligations will continue beyond sunset of the program.

Prepared by: Sam Kito III, P. E., School Facilities Engineer — Phone (907) 465-6906
Division: School Finance/Facilities Section — Date/Time 4.1.2010
Approved by: Larry LeDoux, Commissioner — Date 4/1/2010

(Revised 10/13/2009 OMB)

SENATE EDUCATION COMMITTEE

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Sponsor Statement
Senate Bill 235
"An Act relating to charter school approval and funding."

Senate Bill 235 amends existing state statute to allow the Department of Education & Early Development to compete on behalf of Alaska charter schools for facility maintenance & start-up grant funds nationally available through the U.S. Department of Education. Alaska and its charter schools are currently ineligible.

Senate Bill 235 addresses this inequity in two ways:

First, Senate Bill 235 removes the statutory cap which limits the number of charter schools, on a statewide basis to sixty. As the only authorizer of charter schools, local school boards thoroughly examine and evaluate charter applications prior to agreeing to accept a charter for their district. In this way, local school boards act as a check on charter school over-proliferation and growth - today, there are only 26 charter schools in existence across Alaska – making a state mandated cap unnecessary.

Second, Senate Bill 235 creates in statute the programmatically required state funding mechanism necessary to comply under the federal grant program. It amends current law to establish in Alaska the per-pupil facilities aid program required under the U.S. Department of Education's applicant eligibility requirements. Senate Bill 235 then seeds the in-state aid program with a nominal $1 dollar per pupil per year. However, it is communities and school districts which must arrange for themselves the means to provide the 10% local contribution necessary to achieve the initial 90% federal match and subsequent, escalating match proportions.

With minimal State involvement, but maximized local initiative & control, Senate Bill 235:

- Improves the State of Alaska's ability to secure the Federal Start Up Funds for Alaskan Charter Schools.
- Makes charter schools eligible to compete for federal grants for facilities.
- Is strongly supported statewide by school boards, school districts, and charter schools.
- Reduces a major barrier to the development of charter schools.
- Benefits Alaska's children.
- Will increase educational choices for parents & opportunities for students.

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http://www.edreform.com/_upload/ranking_chart.pdf

The 2009 ranking reflects the most critical components of a good charter school law, those the federal Education Department should focus on in order to evaluate those states most likely to make it in the Race to the Top

Charter School Law Ranking and Scorecard 2009

STATE	TX	OK	NC	IL	TN	NH	AR	MD	RI	AK	CT	HI	WY	KS	VA
						D									F
Year Law Passed	95	99	96	96	02	95	95	03	95	95	96	94	95	94	98
Multiple Authorizers (15)	3	2	3	2	2	2	2	1	2	1	2	2	1	1	1
Number of Schools Allowed (10)	2	2	2	1	2	5	2	4	2	5	1	2	10	10	10
Operations (15)															
• State Autonomy	2	2	2	3	1	3	1	1	1	1	1	3	2	0	0
• District Autonomy	2	2	3	2	1	2	2	2	1	1	2	2	0	0	0
• Collective Bargaining Equity (15)	3	5	3	3	5	5	3	1	0	0	3	0	0	1	0
• 100% Funding	7	5	4	5	5	2	5	5	7	4	3	2	2	0	0
• Facilities Funds	0	0.5	0	0	0	0	0	0	0	0	0	0	0	0	0
Implementation Points	0	0	0	0	0	-3	0	0	0	0	0	0	-5	-3	-3
2009 Total Score (out of 55)	19	18.5	17	16	16	16	15	14	13	12	12	11	10	9	8
2009 Rank	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39
2008 Total Score	27.5	32.5	33.5	27.75	23.75	26.5	24	21	15	20	23	20	20.25	19	16
2008 Rank	27	19	17	26	31	29	30	33	39	36	32	35	34	37	38
Number of Charters as of Feb. 2009	331	14	103	74	14	11	25	34	11	26	21	32	3	40	4

out of 55pts possible

Definitions

1. Multiple Chartering Authorizers (15 points). Does the state permit entities other than traditional school boards to create and manage charter schools independently, and does the existence of such a provision actually lead to the active practice of independent authorizing? Independent entities may include universities, independent boards, and mayors.

2. Equity (15 points). Fiscal equity requires that not only are the amounts received the same, but charters receive monies from the identical streams and routes as other schools. If the law guarantees that charter schools receive money that is the same amount as and received in the same manner as traditional public schools, then they will be viewed as and treated the same as public schools in law and practice.

3. Operations (15 points). How much independence from existing state and district operational rules and procedures is codified in law and results in freedom and flexibility as intended? In the early charter laws, a provision known as the blanket waiver ensured that once opened, charter schools could set their own processes and rules for operations, while still adhering to standards, safety and civil rights requirements.

4. Number of Schools Allowed (10 points). How many charter schools are allowed to open, whether annually, in total throughout the state, or on a local level? Do the caps imposed through charter law hinder the growth and development of the charter school movement in the state? It is not enough to simply have an unlimited provision in a state law regarding the number of charters that can be approved. Virginia, Wyoming, and Delaware all, by law, allow an unlimited number of schools, but constrain growth in other ways. Restrictions are not only defined by how many schools exist—some states also restrict total enrollment and per pupil revenue to limit charter growth.

(States were able to score extra—or lose—points for accountability and other factors.)

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http://www.edreform.com/Fast_Facts/Ed_Reform_FAQs/?Just_the_FAQs_Charter_Schools

NATIONAL CHARTER SCHOOL & ENROLLMENT STATISTICS 2009

STATE	OPERATING IN 2008-2009	OPEN IN 2009-2010	APPROVED TO OPEN IN FUTURE	TOTAL OPERATING	TOTAL ENROLLMENT	LAW GRADE 09	LAW GRADE 10
Alaska	26	1	0	27	5,489	D	
Arkansas	28	6	0	34	7,812	D	
Colorado	151	15	8	166	63,799	B	
Delaware	19	0	3	19	8,990	B	
Florida	375	38	12	413	131,183	B	
Hawaii	32	0	0	32	7,878	D	C
Illinois	80	8	1	88	33,400	D	O
Iowa	9	0	0	9	1,462	F	M
Louisiana	65	13	2	78	29,078	C	I
Massachusetts	63	2	1	65	25,579	C	N
Minnesota	158	4	1	162	28,371	A	G
Nevada	25	3	0	28	8,559	C	
New Jersey	65	7	1	72	20,496	C	S
New York	125	29	19	154	44,000	B	O
Ohio	323	15	0	338	94,171	C	O
Oregon	92	16	0	108	16,809	C	N
Rhode Island	11	2	0	13	3,106	D	
Tennessee	16	5	1	21	4,301	D	
Utah	68	8	6	76	30,183	B	
Wisconsin	219	4	0	223	37,432	C	
TOTALS	1,640	189	54	1,829	459,497		

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State	Facility Funding Info
Arizona	Charter schools receive a per pupil allocation called "additional assistance." These monies can be used for anything from teacher salaries to transportation to facility construction. The amount of "additional assistance" is currently $1,405 per pupil in kindergarten through grade eight and $1,644 per pupil in grades nine through twelve.http://www.azleg.state.az.us/FormatDocument.asp?inDoc=/ars/15/00185.htm&Title=15&DocType=ARS (see B, 4)
California	A charter schools revolving loan fund allows charter schools to receive loans for as much as $250,000, allowing up to five years for repayment. A school can use these loans for any start-up costs, including facilities.http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=41001-42000&file=41360-41367 The charter school facilities program authorizes the State Allocation Board to provide per pupil facilities grant funding for 50% of the total project cost for new construction of charter school facilities. This program is subject to available statewide school bonds passed to support charter school facilities. Currently, no funding is available to support this program, while a backlog of almost $2 billion of eligible charter projects exists. http://www.leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=17001-18000&file=17078.52-17078.66 A lease aid funding program for charter schools in low-income areas provides up to $750 per student.http://leginfo.ca.gov/cgi-bin/displaycode?section=edc&group=47001-48000&file=47610-47615 (See 47614.5)
Colorado	For FY 2009, $5 million in capital construction funds have been appropriated and are provided to qualified charter schools on a per-pupil basis. See Word document entitled "CO Per-Pupil Charter Facilities Funds Statute." The legislature also provides a mechanism for limited credit enhancement for eligible, highly rated bond transactions for charter schools, by using the state's moral obligation to back up to $400 million in debt. See Word document entitled "CO Moral Obligation for Charter Facilities Statute."
Connecticut	For the two-year budget cycle starting on July 1, 2006, the state provided $10 million in bond financing to cover facilities costs at existing charter schools, disbursed through a competitive application process. For the two-year budget cycle starting on July 1, 2008, the state provided and additional $10 million in bond financing to cover facilities costs at existing charter schools, disbursed through a competitive application process.http://www.cga.ct.gov/2007/pub/Chap164.htm#Sec10-66ll.htmhttp://www.cga.ct.gov/2007/pub/Chap164.htm#Sec10-66hh.htm
D.C.	There is a per-pupil facilities aid program in D.C. The amount is based on a five year moving average of capital funds available to the school system. For Fiscal Year 2009, the allowance as calculated at $3,109 per pupil. See Word document entitled "DC Charter Facilities Funding Statute." The City Build Charter School Initiative promotes community revitalization with a particular emphasis on strengthening public charter schools. Most of the grants from this program have been allocated for facilities and expansion projects. The Fiscal Year 2009 District of Columbia Appropriations Act includes $3.25 million for the program. The Public Charter School Credit Enhancement Fund provides credit enhancement for the purchase, construction, and/or renovation of facilities for charter schools. The program offers guarantees or collateral pledges of up to $3 million for two to five years.http://frwebgate.access.gpo.gov/cgi-bin/getdoc.cgi?dbname=browse_usc&docid=Cite:+20USC1155 (Sections 1155(e)(2)(B) and 1155(e)(3)) The District of Columbia's Direct Loan Fund for Charter School Improvement provides flexible loan capital for the construction, purchase, renovation and maintenance of charter school facilities. Loans are capped at $2 million per school. $4.5 million in federal appropriations was earmarked for this initiative for Fiscal Year 2009.http://government.westlaw.com/linkedslice/default.asp?rs=gvt1.0&vr=2.0&sp=dcc-1000 (Section 38-1833.02)
Florida	For FY 2009, Florida appropriated $57 million for its per-pupil charter facilities funding

State	Facilities Funding
	program. http://www.flsenate.gov/statutes/index.cfm?App_mode=Display_Statute&Search_String=&URL=Ch1013/Sec62.HTM
Georgia	The state has a per-pupil, needs-based capital-funding program. Approximately $2 million was appropriated for FY 2010. See Word document entitled "GA Charter Facilities Funding Statute."
Massachusetts	Charter schools receive a per-pupil capital needs allowance as part of their per pupil tuition revenue. For Fiscal Year 2009, the per pupil capital needs component was $893.http://www.mass.gov/legis/laws/mgl/71-89.htm (See nn)
Minnesota	The state provides lease aid to charter schools in the amount of 90% of lease costs or $1,200 per-pupil. With approval of the state department of education, charter schools may lease space from public or private nonprofit, nonsectarian organizations and from sectarian organizations.http://www.revisor.leg.state.mn.us/stats/124D/11.html (See Subd. 4)
New Mexico	Lease payments for charter schools for FY 2010: $700 per student.http://nmcharterschools.org/docs/charter_schools/charter_schools_act.pdf (See 22-8B-14)
New York	The Charter Schools Stimulus Fund provides discretionary financial support to charter schools for start-up costs and for costs associated with the acquisition, renovation and construction of school facilities. Grants awarded by the New York State Board of Regents are capped at $200,000, and those awarded by the State University of New York are capped at $350,000. $5.5 million was appropriated for the FY 2009 school year. See Word document entitled "NY Charter Schools Stimulus Fund Statute."
Oklahoma	The charter school incentive fund provides up to $50,000 per school to cover costs associated with renovating or remodeling existing buildings and structures for use by a charter school. See Word document entitled "OK Charter Facilities Funding Statute."
Pennsylvania	The state department of education calculates an approved reimbursable annual rental charge for leases of buildings or portions of buildings for charter school use which have been approved by the secretary of education on or after July 1, 2001. This charge is the lesser of (1) the annual rental payable under the provisions of the approved lease agreement or (2) the product of the enrollment times $160 for elementary schools, $220 for secondary schools or $270 for area vocational-technical schools. See Word document entitled "PA Charter Facilities Funding Statute."
Utah	The Local Revenue Replacement Program provides an additional annual per pupil appropriation for charter schools to replace some of the local property tax revenue that traditionally covers maintenance and operation, capital projects and debt service. A minimum of 10% of the grant monies must be expended for facilities. This facilities dedication was $143 per pupil in Fiscal Year 2009.http://le.utah.gov/~code/TITLE53A/htm/53A02032.htm The state has created a charter school revolving loan fund. This fund provides loans to charter schools for the costs of constructing, renovating, and purchasing charter school facilities. This fund is capitalized at $6,000,000.http://www.rules.utah.gov/publicat/code/r277/r277-487.htm

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Purpose

CFDA Number: 84.282
Program Type: Discretionary/Competitive Grants
Also Known As: Charter Schools, Public Charter Schools Program, CSP

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A Commitment to Quality National Charter School Policy Forum Report
PDF (1.28MB)

PROGRAM DESCRIPTION

This program provides financial assistance for the planning, program design, and initial implementation of charter schools, and the dissemination of information on charter schools. Grants are available, on a competitive basis, to SEAs in states that have charter school laws; SEAs in turn make subgrants to developers of charter schools who have applied for a charter. If an eligible SEA elects not to participate or if its application for funding is not approved, the Department can make grants directly to charter school developers.

TYPES OF PROJECTS

An eligible applicant that receives a grant or subgrant may use the funds only for post-award planning and design of the education program of a charter school. It may carry out such activities as the refinement of the desired education results, the refinement of the methods for measuring progress toward achieving those results, and the initial implementation of the charter school. Implementation may include informing the community about the charter school and acquiring necessary equipment, materials, and supplies. Other eligible operational costs that cannot be met by state and local sources also may be covered. A state may reserve up to 10 percent of its allocation to support eligible charter schools for dissemination activities.

ADDITIONAL INFORMATION

The Public Charter Schools Program supports the planning, development, and initial implementation of charter schools. Charter schools provide enhanced parental choice and are exempt from many statutory and regulatory requirements. In exchange for increased flexibility, charter schools are held accountable for improving student academic achievement. The objective is to replace rules-based governance with performance-based accountability, thereby stimulating the creativity and commitment of teachers, parents, and citizens.

States--and specifically their State educational Agencies (SEAs)-- are eligible to compete for grants if they have a charter school law in place. If an eligible SEA does not participate, charter schools from the State may apply directly to the U.S. Department of Education. Grantees receive up to 3 years of assistance, of which the charter school may use not more than 18 months for planning and program design and not more than 2 years for the initial implementation of a charter school.

In awarding grants, the Department must give preference to States that have multiple chartering agencies (or an appeals process for prospective charter schools that initially fail to be approved by a single agency), that ensure accountability of public charter schools for reaching clear and measurable objectives, and that give public charter schools a high degree of autonomy over their budgets and expenditures.

In addition, States may reserve up to 10 percent of their grant for dissemination sub-grants to spread lessons learned form high-quality charter schools with a demonstrated history of success to other public schools, including other public charter schools, about how to create and sustain high-quality, accountable schools.

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Eligibility

Who May Apply: (by category) State Education Agencies

Who May Apply: (specifically) SEAs in states with a state statute specifically authorizing the establishment of charter schools may apply. After SEAs receive awards, they make competitive grants to charter schools. If an eligible SEA chooses not to compete for PCSP funding, then charter schools in that state may apply directly to the secretary.

(a) State educational agencies (SEAs) in States with a specific State statute authorizing the establishment of charter schools may apply for funding. The Secretary awards grants to SEAs to enable them to conduct charter school programs in their States. SEAs use their PCSP funds to award sub-grants to "eligible applicants," as defined in this notice, for planning, program design, and initial implementation of a charter school; and to support the dissemination of information about, including successful practices in, charter schools. A charter school may apply to an SEA for funds to carry out dissemination activities, whether or not the charter school has applied for or received funds under the PCSP for planning or implementation, if the charter school has been in operation for at least three consecutive years and has demonstrated overall success, including--

1. Substantial progress in improving students achievement;
2. High levels of parent satisfaction; and
3. The management and leadership necessary to overcome initial start-up problems and establish a thriving, financially viable charter school.

(b) Non-SEA eligible applicants may apply for funding directly from the U.S. Department of Education (Department) if the SEA in the State elects not to participate in the PCSP or does not have an application approved under the program. An "eligible applicant" is defined as a developer that has applied to an authorized public chartering authority to operate a charter school and has provided to that authority adequate and timely notice, and a copy of its PCSP application, except that the Secretary or the SEA may waive these requirements in the case of a pre-charter planning grant. If an SEA's application is approved in this competition, applications received from non-SEA eligible applicants in that State will be returned to the applicants. In such a case, the non-SEA eligible applicant should contact the SEA for information related to the State's subgrant competition.

Note: The Department plans to hold separate competitions for non-SEA eligible applicants under CFDA # 84.282B and # 84.282C.

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Awards

Number of New Awards Anticipated
4-6 for SEAs; 50-75 for others.

Average Award
$3,000,000 for SEAs; $150,000 for others.

Range of Awards
$500,000 - $8,000,000 for SEAs; $10,000 - $150,000 for others.

STATES WITH CURRENT APPROVED APPLICATIONS

The following States currently have approved applications under this program:

- Arkansas
- California
- Colorado
- Connecticut
- Delaware
- District of Columbia
- Florida
- Georgia
- Hawaii
- Idaho
- Illinois
- Indiana
- Louisiana
- Massachusetts
- Michigan
- Minnesota
- Missouri
- Nevada
- New Jersey
- New York
- North Carolina
- Ohio
- Oklahoma
- Oregon
- Rhode Island
- Tennessee
- Texas
- Utah
- Wisconsin

Charter schools and charter school planning groups in these states may not apply directly to the U.S. Department of Education for funds, but must apply to the SEA in their state.

EXAMPLES OF FUNDED PROGRAM ABSTRACTS

These abstracts are taken from the grant applications submitted to the U.S. Department of Education in 2002.

State Education Agencies

New Jersey--New Jersey's Charter School Program Act of 1995 became the nation's twentieth charter school law, thereby stimulating development of an important model for innovation in the State's system of public education. As amended in November 2000, the Charter School Program Act has enabled a flourishing charter school movement to take hold in New Jersey by providing a balance of flexibility, autonomy, and accountability. The number of charter schools in the state has grown from 13 in the first cohort to 50 charter schools currently in operation, serving nearly 13,000 students. Six additional charter schools are scheduled to open in September 2002. Forty of these 56 schools, or 71 percent of New Jersey's charter schools are located in the poorest urban districts in the state and provide service to educationally disadvantaged students. Forty-eight percent of all students in charter schools meet the definition of economically disadvantaged (eligible for free lunch). This percentage is equal to the percentage of students who are economically disadvantaged in the districts in which they are located, and is significantly higher than in New Jersey's traditional public schools. Charter schools serve predominantly minority students. Overall, minority students account for 89 percent of the students in the 50 operating schools.

The New Jersey Charter Schools Grant Program seeks to promote high student academic achievement and attainment of New Jersey's Core Curriculum Content Standards through the design and implementation of viable new charter schools, and the dissemination of successful charter school practices and innovations that show promise of effecting broader reforms in our traditional system of public education. The goals of this grant program parallel the state's overall objectives for the charter school initiative:

- To improve student learning and achievement;
- To increase the availability of choice to parents and students when selecting a learning environment;
- To establish a new system of accountability for schools; to make the school the unit for educational improvement;
- To establish new professional opportunities for teachers and school leaders.

Assessing the achievement of the objectives of the charter school grant program is closely aligned with evaluating the success of our charter school initiative as a whole. Specific assessment tools have been developed for both programs: required quarterly program and fiscal reports and on-site monitoring to track achievement of charter school grant program objectives; and a three-phase evaluation procedure consisting of the Annual Report, Program Review, and Renewal Process for tracking the success and viability of operating charter schools.

New Jersey's charter school program has a proven track record of success beginning with the first cohort of schools that commenced operations in the 1997-98 school year. The New Jersey Charter School Grant Program, by supporting the planning and implementation of new charter schools, has significantly contributed to this success. Going forward, the New Jersey Department of Education anticipates improved results based on refinement of programs as we incorporate lessons learned in the first six years of the charter school initiative.

New Jersey Charter School Grant Program awards will be made in two categories: Planning and Implementation Grants targeted to new charter schools; and Dissemination Grants, aimed at assisting "veteran" charter schools in adapting and sharing their successful programs with other schools, and enabling the dissemination of information about the charter school. The New Jersey Department of Education anticipates providing assistance to an estimated 30-35 new charter schools over the next 3 years through the New Jersey Charter Schools Grant Program. Dissemination grants are expected to become an increasingly important component of New Jersey's charter school initiative, and are projected at 6 grants per year over the next 3 years. The Office of Innovative Programs and Schools, Charter School Unit, is dedicated to providing administrative oversight of the charter school grant program to ensure that objectives are achieved in a timely and efficient manner.

Wisconsin--Wisconsin has 101 operating charter schools and anticipates an increase of 40 percent by the year 2005. Wisconsin Charter School growth is the result of a strong and flexible Wisconsin charter school law and the Wisconsin Charter School Program (WCSP) subgrant awards for planning, start up, implementation, and dissemination activities. Our charter schools are exempt from most state regulations. There is no limit on the number of schools to be chartered, the chartering authority and planners are given great flexibility in designing the schools, and our state law has recently expanded chartering authority. No state approval is required. However, an appeal process for denied charters is in place for a portion of our state. Our law works in concert with federal charter school statutes. The WCSP Dissemination grant program that was begun in 1999-2000, has enhanced the growth of and interest in charter schools by sharing best practices and by providing innovative models and ideas for charter school planners and developers.

The Wisconsin Charter School Program is aligned to our state content standards, the state accountability system and our state plan. The New Wisconsin Promise, which promotes early learning opportunities, educator quality, career and technology education, increased parent and community involvement, and building reading skills to close the achievement gap for minorities, children in poverty, and other children at-risk of school failure. The goals of this project are to increase the number of high quality charter schools, increase the availability of and access to resources and expertise for operators, planners and authorizers, and to award planning subgrants to groups establishing strong, innovative charter schools which support state priorities; by awarding implementation subgrants to new charter schools, and by expanding our dissemination program to share best and promising practices.

Local Education Agency

Avondale Learning, located in the suburbs of Maricopa County west of Phoenix, is a college preparatory high school for 150 students of all backgrounds and learning abilities in grades 9-12. It is based on a program the charter holder created and led for three years for a Phoenix-based charter school. Under this program, upper class students successfully attended nearby community colleges and did exceptionally well on the state's writing test Avondale Learning is a Local Educational Agency according to Arizona State law.

Avondale Learning features instruction that is student-centered. Extended lectures and worksheets are discouraged; rather, students do various projects, many of which are interdisciplinary. Required courses include four years each of English and Social Studies and three years each of Math and Science. Also, students take the sequences of career and Life Success, Leadership, and Internship courses. Leadership includes two hours minimum per week of community service, and Internship enables students to practice professional skills in a paid or nonpaid off-campus job. Students also study speech, fine arts, technology, a second language, and College Prep. College Prep improves reading comprehension and vocabulary, reduces the unknown about college life, and prepares students for standardized tests.

The mission of Avondale Learning is to help students prepare for postsecondary education and entry into careers. Our

goals are to have a strong instructional focus for all students; help establish a positive school climate; meet individual student needs; offer ongoing, relevant staff development, vary school assessment, and encourage strong parental involvement. Being accredited by North Central Association is a priority.

Juniors and seniors are encouraged to take one course each semester at nearby community colleges. Advisors and instructors from the colleges will visit our campus to ease the students' way into the college environment. Our school will provide tuition reimbursement and set the calendar to accommodate the colleges' schedule of classes.

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Last Modified: 08/29/2006

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Funding Status

2009

Appropriation: $216,031,000
Number of New Awards Anticipated: 6–10 for SEAs; 20–25 for non-SEAs
Average New Award: $5,000,000 for SEAs; $150,000 for non-SEAs
Range of New Awards: $500,000–$10,000,000 for SEAs; $10,000–$150,000 for non-SEAs
Number of Continuation Awards: 41
Average Continuation Award: $5,410,000 for SEAs; $137,342 for non-SEAs

2008

Appropriation: $190,000,000
Number of New Awards Anticipated: 10–12 for SEAs; 20–25 for non-SEAs
Average New Award: $5,000,000 for SEAs; $150,000 for non-SEAs
Range of New Awards: $500,000–$20,000,000 for SEAs; $10,000–$150,000 for non-SEAs
Number of Continuation Awards: 41
Average Continuation Award: $5,410,000 for SEAs; $137,342 for non-SEAs

2007

Appropriation: $200,000,000
Number of New Awards Anticipated: 10–12 for SEAs; 20–25 for non-SEAs
Average New Award: $5,000,000 for SEAs; $150,000 for non-SEAs
Range of New Awards: $500,000–$20,000,000 for SEAs; $10,000–$150,000 for non-SEAs
Number of Continuation Awards: 54
Average Continuation Award: $5,410,000 for SEAs; $137,342 for non-SEAs

2006

Appropriation: $214,782,480

2005

Appropriation: $216,952,384

2004

Appropriation: $218,702,000

2003

Appropriation: $198,700,000

2002

Appropriation: $200,000,000

2001

Appropriation: $190,000,000

2000

Appropriation: $145,000,000

Note: The Department is not bound by any estimates in this Guide.

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Last Modified: 07/06/2009

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FORECAST OF FUNDING OPPORTUNITIES UNDER THE DEPARTMENT OF EDUCATION DISCRETIONARY GRANT PROGRAMS FOR FISCAL YEAR (FY) 2010

(As of January 29, 2010)

This document lists virtually all programs and competitions under which the Department (we) has invited or expects to invite applications for new awards and provides actual or estimated deadline dates for the transmittal of applications under these programs. The lists are in the form of charts -- organized according to the Department's principal program offices -- and include programs and competitions we have previously announced, as well as those we plan to announce at a later date.

Note: This document is advisory only and is not an official application notice of the Department of Education. We expect to provide updates to this document starting in the first week of November in a fiscal year and continuing through the following July.

Note on printing: For best results, print this document in landscape orientation.

ORGANIZATION OF THIS DOCUMENT

We have assigned to each principal office a separate chart as follows:

Chart 1 - Office of English Language Acquisition, Language Enhancement, and Academic Achievement for Limited English Proficient Students.

Chart 2 - Institute of Education Sciences.

Chart 3 - Office of Elementary and Secondary Education.

Chart 4 - Office of Safe and Drug Free Schools.

Chart 5 - Office of Innovation and Improvement.

Chart 6 - Office of Postsecondary Education

Chart 7 - Office of Special Education and Rehabilitative Services (links to NIDRR, SEP, RSA charts).

Chart 8 - Office of Vocational and Adult Education.

DATES

Here's how you can tell whether we've already published an application notice for a particular program or competition in the *Federal Register* and whether the dates we list in this Forecast of Funding Opportunities are actual or estimates:

If we have published the application notice, we will list the *Federal Register* (FR) volume and page number (e.g., 65 FR 53402) after the date in column two. The other dates for that program or competition (columns four and five) are actual (as opposed to estimated) dates.

If we do not follow the date in column two with an FR citation, it means that we have yet to publish the application notice, and the dates (columns, two, four, and five) are estimates only. The actual dates will appear in the official application notice for that program or competition in the *Federal Register*.

Date of Application Notice. In column two of the charts, we lists the actual or estimated date for publication of the application notice for a given program or competition.

Link to Notice. In column three of the charts, after its publication in the *Federal Register*, we will provide a link to the application notice for a given program or competition.

Deadline Date for Transmitting Application. In column four of the charts, we list the actual or estimated deadline for transmitting an application under a given program or competition.

Deadline Dates for Transmitting Intergovernmental Reviews. Certain programs identified in this document are subject to Executive Order 12372 and the regulations in 34 CFR part 79. In column five of the charts, we list the actual or estimated deadline date for transmittal of State Process Recommendations by State Single Points of

84.215H Foundations for Learning **Funding Down Slate**					TBD	Dana Carr Dana.Carr@ed.gov Fax (202) 245-7166 Telephone (202) 245-7868
84.215M Grants for the Integration of Schools and Mental Health Systems	1/08/2010 (75 FR 1041)	PDF Text	2/22/2010	4/23/2010	$347,800 17	Sarah.Allen Sarah.Allen@ed.gov Fax (202) 485-0041 Telephone (202) 245-7875
84.304A Cooperative Civic Education and Economic Education Exchange Program	1/20/2010 (75 FR 3212)	PDF Text	3/08/2010	5/05/2010	$1,341,393 2	Rita Foy Moss Rita.Foy.Moss@ed.gov Fax (202) 485-0013 Telephone (202) 245-7866

TBD - To be determined

Chart 5 - Office of Innovation and Improvement (OII)

For any application notice not already published, the dates in this chart are estimates. For further information regarding any of the following competitions, please contact the person in the listing below at the Office of Innovation and Improvement, U.S. Department of Education, 400 Maryland Avenue SW, room 4W343, Washington, DC 20202-5900. If you use a telecommunications device for the deaf (TDD), you may call the Federal Information Relay Service at 1-800-877-8339.

To obtain Grant Application Packages, please contact: The Education Publication Center, PO Box 1398, Jessup, Maryland 20794-1398. Telephone; 1-877-433-7827. TDD: 1-877-576-7734. Fax: 301-470-1244. Email: customerservice@edpubs.org. Web site: http://edpubs.ed.gov/

OII CFDA No. and Name	Application Notice	Link to Notice	Application Deadline	Deadline for Intergovern - mental Review	Estimated Average Size/ Number of Awards	Program Contact Person
84.165A Magnet Schools Assistance	3/12/2010		4/26/2010	6/25/2010	TBD 30-40	Rosie Kelley Rosie.Kelley@ed.gov Fax (202) 260-5630 Telephone (202) 260-0911
84.215B Excellence in Economic Education Extending the Deadline Date	12/21/2009 (74 FR 67862) 1/21/2010 (75 FR 3448)	PDF Text PDF Text	2/22/2010	4/21/2010	$1,447,000 1	Carolyn.Warren Carolyn.Warren@ed.gov Fax (202) 205-5630 Telephone (202) 205-5443
84.215J Full Service Community Schools Program	3/19/2010		5/03/2010	7/02/2010	TBD 8-10	Jill Staton Jill.Staton@ed.gov Fax (202) 260-5630 Telephone (202) 401-2492
84.215X Teaching American History Grant Program	1/21/2010 (75 FR 3449)	PDF Text	3/22/2010	5/21/2010	$500,000-$2,000,000 120-125	Alex Stein Alex.Stein@ed.gov Fax (202) 401-8466

						Telephone (202) 205-9085
84.282A Charter Schools Program, SEA Grants	2/05/2010		3/22/2010	5/21/2010	$5,000,000 6-10	Leslie Hankerson Leslie.Hankerson@ed.gov Fax (202) 260-5630 Telephone (202) 205-8524
84.282B&C Charter Schools Program (CSP) Grants to Non-State Educational Agencies for Planning, Program Design, and Implementation and for Dissemination (Correction)	6/15/2010		7/29/2010	9/28/2010	$130,000-$175,000 17-23	Erin Pfeltz Erin.Pfeltz@ed.gov Fax (202) 260-5630 Telephone (202) 205-3525
84.282N Charter Schools National Leadership Grants	2/16/2010		4/02/2010	6/01/2010	$675,000-$1,350,000 1-2	Dean Kern Dean Kern@ed.gov Fax (202) 260-5630 Telephone (202) 260-1882
84.286A Ready to Teach Grant Program	TBD		TBD	TBD	TBD 2-4	Sharon Harris Sharon Harris@ed.gov Fax (202) 260-5630 Telephone (202) 205-5880
84.295A Ready to Learn	TBD		TBD	TBD	TBD 5-8	Joseph Caliguro Joe.Caliguro@ed.gov Fax (202) 260-5630 Telephone (202) 205-5449
84.351D Arts in Education Model Development and Dissemination Grants Program	1/15/2010 (75 FR 2523)	PDF Text	3/16/2010	5/17/2010	$275,000 28	Diane Austin Diane Austino@ed.gov Fax (202) 205-5630 Telephone (202) 260-1280
84.363A School Leadership Program	TBD		TBD	TBD	TBD 18-22	Bea Ceja Bea.Ceja@ed.gov Fax (202) 401-8466 Telephone (202) 205-5009
84.396A Investing Innovation Scale up Grants	TBD		TBD	TBD	Up to-$50,000,000 5	Mia Howerton Mia.Howerton@ed.gov Fax (202) 401-8466 Telephone (202) 205-0147
84.396B Investing Innovation Validation Grants	TBD		TBD	TBD	Up to-$30,000,000 100	Mia Howerton Mia.Howerton@ed.gov Fax (202) 401-8466 Telephone (202) 205-0147
84.396C Investing Innovation Development Grants	TBD		TBD	TBD	Up to-$5,000,000 100	Mia Howerton Mia.Howerton@ed.gov Fax (202) 401-8466 Telephone (202) 205-0147

TBD - To be determined

Anvil City Science Academy

Nome, Alaska

Senator Meyer,

On behalf of the Anvil City Science Academy's Academic Policy Committee, I would like to express our thanks for your support for SB 57 during the last legislative session. At this time, we would request your support for the passage of SB 235. Currently, charter schools all over Alaska are using a substantial portion of their funding from the student based allocation to pay for the facilities they use, since they are unable to compete for federal grants due to the cap on the number of charter schools that can operate in Alaska. SB 235 would eliminate this restriction, allowing charter schools to compete for the grants, thus getting more dollars into the classroom.

The Charter School Act has allowed parents, community members, and teachers to take the lead in developing unique educational programs and to be involved in the decision making for school policies. The result of which is a flexible education process, which provides for the needs of students and parents alike. Charter schools can create a distinctive school culture in which everyone takes ownership in the program.

Anvil City Science Academy was created twelve years ago by parents, teachers, and community members interested in a family oriented school characterized by high academic standards and a well-rounded curriculum, with an emphasis in science and math. In that time, ACSA has been able to meet the needs of its fifth through eighth grade students who come to the program with a wide variety of backgrounds, learning styles, experiences, and needs.

ACSA is currently housed in a building, which is over forty years old. The building has a roof that leaks and has past issues with Radon. If we chose to remodel, asbestos abatement could be an issue. Passage of SB 235 would allow our APC to pursue federal dollars to help finance the construction of a safe, new, permanent facility, a benefit to the students and families we serve.

In a small community such as Nome, a program such as ACSA is valuable resource to the city by providing an alternative education program. A safe, new, permanent facility would be a guarantee that our dedicated staff and parent volunteers would be able to continue serving the community of Nome for years to come.

Thank you for you time and consideration on this matter,

Todd Hindman, Lead Teacher
Anvil City Science Academy
Nome, Alaska

Academy Charter School Advisory Board

Palmer, Alaska

A Resolution from Academy Charter School's Advisory Board Supporting new Alaska State Charter School Law ✠ Sec. 14.03.250. Establishment of charter schools to eliminate caps on the number of charter schools allowed and to include language for a per pupil allotment for facility funding.

WHEREAS, the Academy Charter School Advisory Board invites support of changing Alaska State Law and

WHEREAS, removing language from the state law that limits the number of charter schools allowed in the state.

WHEREAS, charter schools give opportunities outside of traditional public schools for innovative programs to be implemented; and

WHEREAS, charter schools gain momentum and interest to meet the needs of the children of the community; and

WHEREAS, removing caps limiting the number of charter schools will allow the state of Alaska to pursue other avenues for federal funding not previously allowed due to limits.

WHEREAS adding per-pupil facility funding for charter schools,

WHEREAS, recognizing charter schools operate using funds allocated for use with students to pay for facilities,

WHEREAS, Charter schools allotted a per pupil facility fund gives economic relief by bringing a great dollar amount to the school allowing for adequate funding for students,

WHEREAS, adding an allotment for per pupil facility funding will allow the state of Alaska to pursue other avenues for federal funding not previously allowed due to lack of language.

THEREFORE BE IT RESOLVED that the Advisory Board of Academy Charter School, supports changing ✠ Sec. 14.03.250. Establishment of charter schools to remove caps on charter schools and adds state mandated per pupil facility funding.

David Dahms, Advisory Board President

Loretta Nardi 12-2-09

Loretta Nardi, Advisory Board Secretary

Thunderbird Early College Charter School, Inc.

A Resolution from Thunderbird Early College Charter School, Inc, APC Directors, supporting new Alaska State Charter School Law ✠ Sec. 14.03.250.

WHEREAS, Thunderbird Early College Charter School, Inc. was organized as a nonprofit entity in 2008, to establish, develop, and oversee a Grade 5-12 public early college charter school in compliance with a five year contract with Matanuska Susitna Borough School District and the State of Alaska, proposing to open for the 2011-2012 School Year;

NOTING THAT, charter schools are nonsectarian public schools of choice that operate with freedom from many of the regulations that apply to traditional public schools. The "charter" establishing each such school is a performance contract detailing the school's mission, program, goals, students served, methods of assessment, and ways to measure success;

FURTHER NOTING, charter schools are accountable to their sponsor, usually a state and local school board, to produce positive academic results and adhere to the charter contract ;

FURTHER NOTING, the basic concept of charter schools is that they exercise increased autonomy in return for this accountability and they are accountable for both academic results and fiscal practices to several groups: the sponsor that grants them, the parents who choose them, and the public that funds them;

EXPRESSING APPRECIATION, that charter schools increase new opportunities for learning and quality education for all students; they are established for a variety of reasons and have many benefits; they create choice for parents and students within the public school system; they provide a system of accountability for results in public education; they encourage innovative teaching practices; they create new professional opportunities for teachers and encourage community and parent involvement in public education;

WHEREAS, Thunderbird Early College Charter School, Inc., APC Directors support the changing of Alaska State Law and removing caps limiting the number of charter schools as it will allow the state of Alaska to pursue other avenues for federal funding not previously allowed due to limits;

NOTING WITH REGRET, that charter schools in our state currently operate using funds allocated for use with students to pay for facilities;

APPROVING, that if Charter schools are allotted a per pupil facility fund it provides economic relief by bringing a great dollar amount to the school allowing for adequate funding for students;

FURTHER APPROVING, that by adding an allotment for per pupil facility funding the state of Alaska will be able to pursue other avenues for federal funding not previously allowed due to lack of language;

THEREFORE BE IT RESOLVED that Thunderbird Early College Charter School, Inc. APC Directors,

1 .Support the changing ✠ Sec. 14.03.250. Establishment of charter schools, by removing language from the state law that limits the number of charter schools allowed in the state and adding language requiring state mandated per pupil facility funding.

electronic signatures on file

Anna Wilbur Roys, President

Heather Pelletier, Treasurer

Partnership for Alaska Charter Schools

Dear Education Committee,

I ask for your support of SB 235. Charter schools throughout Alaska offer families a choice in public school education. While charter schools differ from one to the other, from curriculum to immersion in different languages, we all share a common issue: facilities. SB 235 offers solutions to our facility issues because it will provide an avenue for eligibility in federal charter school facility grants. Alaska charter schools are currently eliminated from consideration for federal charter school facility grants due to the current language in the law. The new language in SB 235 that removes the caps and allows a per pupil facility allotment would allow Alaska charter schools to compete nationally for the numerous federal charter school grants.

Generally, charter schools are relegated to leasing their facilities. Often times, our charter schools use their Basic Needs funds allocated by the state for use with students to pay for their leased facilities. When charter schools can start participating in federal facility grants, the money intended for the students can go to the students. The new language of SB 235 removes the road blocks and allows the State of Alaska to pursue other avenues of federal funding to provide facilities to charter schools.

Everyone wins with the new language of SB 235. These changes in the charter school law rates high on federal grading rubrics thereby allowing for higher scores for other School District's projects. So, not only will charter schools benefit, but Alaska's local School Districts will have a higher success in seeking federal grants for traditional public schools. The language of SB 235 also creates a funding stream for new charter schools allowing for eligibility for federal start up grants. Currently, new charter schools do not receive any additional funding to open their doors. SB 235 would meet criteria for $400,000 of federal grant start up money.

On behalf of the members of Partnership for Alaskan Charter Schools, we support SB 235. It's essential for the growth and success of Alaska's charter schools. It's good for Alaska.

Sincerely,

Loretta Nardi
Partnership for Alaskan Charter Schools (PACS)
President

Jomo Stewart

From: Josh Applebee
Sent: Friday, February 05, 2010 8:28 AM
To: Jomo Stewart
Subject: FW: SB 235, please add to public testimony for Feb. 8th

-----Original Message-----
From: Roger & Contessa Gossett [mailto:messa@gci.net]
Sent: Friday, February 05, 2010 8:33 AM
To: Sen. Kevin Meyer
Subject: Re: SB 235, please add to public testimony for Feb. 8th

Dear Senator Meyer, we am writing you regarding SB 235 that is being considered.

Alaska Charter Schools are currently eliminated from consideration for federal charter school facility grants due to caps on the number of charter schools and no language for per pupil facility funding.

The new language proposed in SB 235 will remove the caps and allow a per pupil facility allotment. With that new language, Alaska charter schools will be able to compete nationally for the numerous federal facility grants that are available to charter schools.

Please consider these proposed changes. This will remove the road bloaks and allow the State of Alaska to pursue other avenues of federal funding.

In addition, this new language will open the door to eligibility in 90/10 splits where the federal government would pay 90 % of the costs for facilities for charter schools.

As parents of a charter school 5th grader, we respectfully request that SB 235 be considered.

Thank you, Roger and Contessa Gossett, Palmer, Alaska

Jomo Stewart

From: Josh Applebee
Sent: Monday, February 08, 2010 7:21 AM
To: Jomo Stewart
Subject: FW: SB 235

From: Kim & Brent Taylor [mailto:taylorkb@gci.net]
Sent: Sunday, February 07, 2010 6:02 PM
To: Sen. Kevin Meyer
Subject: SB 235

Dear Sir,
I am writing this letter to ask for your support of SB 235. As a parent of two charter school children, I can attest to the need for better facilities. I believe investing in successful educational programs benefits us all.

Sincerely,

Brent Taylor

Jomo Stewart

From: Josh Applebee
Sent: Monday, February 08, 2010 7:23 AM
To: Jomo Stewart
Subject: FW: Senate Bill 235

-----Original Message-----
From: clph28@gci.net [mailto:clph28@gci.net]
Sent: Sunday, February 07, 2010 9:42 PM
To: Sen. Kevin Meyer
Subject: Senate Bill 235

Greetings Senator Meyer,

I am writing to you in support of Senate Bill 235 and beneficial charter school legislation. Currently, starting and running a charter school in Alaska is a very challenging task with the limited funding
available from school districts and other government agencies.
Charter schools need access to state and federal financial support and start up grants, which will be instrumental in the growth and sustenance of healthy charter school options. Charter schools provide a unique educational format and/or curriculum, allowing students and their families a choice in the scope of their education. The roadblocks for charter school education need to be removed. Our public education system should encourage new models to reach the greatest number of students with quality education that meets student needs as well as public demand.

I urge you to pass this Bill and show the state and the country that we all can benefit from charter schools as a part of our public education system. Without the ability to use the money that is out there for this purpose, charter schools now in existence, are not able to operate to their fullest potentials. In addition, it is much more difficult for new charter schools to begin.

Thank you for your careful consideration of the positive impact this Bill can have.
Sincerely,

Alysia Loughlin-Bushey
Wasilla, Alaska

Please include this letter in the public testimony packet. Thank you.

Jomo Stewart

From: Josh Applebee
Sent: Monday, February 08, 2010 7:25 AM
To: Jomo Stewart
Subject: FW: SB 235
Attachments: image001.gif

From: Ryan and Erin [mailto:eleaders@mtaonline.net]
Sent: Sunday, February 07, 2010 11:12 PM
To: Sen. Kevin Meyer
Subject: SB 235

Senator Meyer,

I would like to request my name be added to the Public Testimony packet in support of SB 235.

Regards,

Erin Leaders
eleaders@mtaonline.net

From: Nancy Hiney [mailto:hineynancy@gmail.com]
Sent: Monday, February 08, 2010 6:38 PM
To: Sen. Kevin Meyer
Subject: Senate Bill 235

Dear Kevin
I apologize for not having researched your position on this bill. I am a teacher who works for Family Partnership and was informed recently about this bill. I believe that the benefits of passing this bill will allow ASD to apply for federal money which will directly benefit those of us who work for homeschooled students. As you may or may not know the face of homeschooled students is vast. It is often the traditional stay at home mom but more often than we would like, it is a child who really likes regular school but because they had a broken leg or the H1N1 virus and missed two months of school can no go to school because they are too far behind and are brought home to catch up for the year. Sometimes bringing these students together for a small class can be a life-saver for them. This is just one example of why being able to access facilities would be helpful for our school.
Thanks.
Nancy Hiney
522-2838

Jomo Stewart

From: Josh Applebee
Sent: Thursday, February 04, 2010 12:54 PM
To: Jomo Stewart
Subject: FW: In support of SB 235

From: Monica G. [mailto:wisdomak@hotmail.com]
Sent: Thursday, February 04, 2010 12:54 PM
To: Sen. Joe Thomas; Sen. Kevin Meyer
Subject: In support of SB 235

Dear Sirs:
My name is Monica Gilpin of Wasilla and I am in support of SB235. Charter schools are critical in providing exceptional educational opportunities to the public at large. Thank you for considering my testimony.

Hotmail: Powerful Free email with security by Microsoft. Get it now.

Jomo Stewart

From: rustyandliz@gci.net on behalf of rustyandliz [rustyandliz@gci.net]
Sent: Wednesday, February 03, 2010 12:35 AM
To: Jomo Stewart
Subject: Expediting SB 235

Dear Senators and Representatives,

I would greatly appreciate your help in expediting SB 235 passage through the committees and on to final approval.

Please put this attached letter in the file as public testimony.

Sincerely,

Elizabeth D. Thatcher

556

Dear Senators and Representatives,

February 3, 2010

I am the Father of two charter school students. Charter Schools provide an important parent choice option in public school education! The education my children are receiving is very impressive. After 13 years, the majority of Academy's students still attend class in old, worn out portables. I would greatly appreciate your help in expediting SB 235 passage through the committees and on to final approval. Successful passage of SB 235 will give Alaska charter schools a chance to compete for grants to obtain funding for a permanent facility.

Thank you for your support and assistance.

Please put this in the file as public testimony.

Sincerely,

Russell R. Thatcher

Russell R. Thatcher
1950 N. Spruce Dr.
Wasilla, Alaska 99654

Jomo Stewart

From: Josh Applebee
Sent: Tuesday, February 02, 2010 2:29 PM
To: Jomo Stewart
Subject: FW: SB 235
Attachments: image001.jpg; image002.gif

From: Heather R.S. Oberholtzer [mailto:heather@crystalcreeklodge.com]
Sent: Tuesday, February 02, 2010 1:33 PM
To: Sen. Kevin Meyer
Subject: SB 235

Hello Senator Meyer,

I am writing to you today to state my support for SB 235. Currently, charter schools in Alaska use their Basic Needs funds allocated by the state for use with students to pay for leased facilities. When charter schools start participating in federal facility grants, the money intended for the students can go to the students.

Federal Facility grants were created for this reason.

Please take my voice into consideration when you vote.
Thank you.

Heather Oberholtzer
Palmer, Alaska

Sincerely,

Heather R. S. Oberholtzer
Guest Relations Manager
907.357.3153

Please save my new email address to your Address Book and Spam filter
heather@crystalcreeklodge.com

If you are actively reducing your environmental footprint, we are happy to send all invoices, receipts, brochures, and trip information electronically.

Jomo Stewart

From: Josh Applebee
Sent: Tuesday, February 02, 2010 12:45 PM
To: Jomo Stewart
Subject: FW: Please support SB 235

-----Original Message-----
From: Lisa Leeper [mailto:lleeper@nomeschools.com]
Sent: Tuesday, February 02, 2010 11:33 AM
To: Sen. Kevin Meyer
Subject: Please support SB 235

Dear Senator Meyer,

I am a teacher at Anvil City Science Academy. Our school is over ten years old and is offering a unique program for 5th through 8th grade students. The program is project based learning with an emphasis in math and science. It is proven that we have helped most students increase their scores in all areas on the Standards Based Assessments.

Our school is housed in facility that needs major upgrades. We've been provided spare space, but we have a vision of building our own school to better fit our basic needs. We do not have the funds to build or relocate, but federal assistance could change this.

Please support SB235 so that we may be eligible to access federal grants for charter schools. In addition, having new charter schools throughout the state is good for kids. More options means more kids will succeed in school.

Thank you for considering my request and for your dedicated service, Lisa Leeper Teacher, Anvil City Science Academy

Jomo Stewart

From: Josh Applebee
Sent: Tuesday, February 02, 2010 9:40 AM
To: Jomo Stewart
Subject: FW: support of SB 235

-----Original Message-----
From: Greg Miller [mailto:Greg.Miller@matsuk12.us]
Sent: Tuesday, February 02, 2010 9:35 AM
To: Sen. Kevin Meyer
Subject: support of SB 235

Senator Meyer,
I wanted to convey my support for SB 235.....an important step in securing charter school facilities for our students. Because Districts do not provide funding or facilities, most of our charter schools must lease. At Twindly Bridge Charter School we lease an old strip mall with nine separate exit doors for our students., not the best environment for teaching our kids. Also, the fact that we lease means we will never have our own building....and that lease money from our budget always goes to a landlord instead of our students' education.

Thanks for your support of this bill.
Greg Miller
Palmer, Alaska

Jomo Stewart

From: Josh Applebee
Sent: Tuesday, February 02, 2010 9:39 AM
To: Jomo Stewart
Subject: FW: I support SB 235

-----Original Message-----
From: Janigo_Melissa [mailto:janigo_melissa@asdk12.org]
Sent: Tuesday, February 02, 2010 9:25 AM
To: Sen. Kevin Meyer
Subject: I support SB 235

Dear Senator Meyer,
My name is Melissa Janigo, I live in Anchorage and I am one of the four founders of Winterberry Charter School. I am writing to you to pledge my support of SB 235. Winterberry Charter School is currently in its fifth year. The birth and growth of Winterberry has been a very difficult but worthwhile endeavor, it's success is due to the devotion and hard work of many volunteer parents and teachers. Our biggest challenge has been, and continues to be in finding and funding adequate space to house our school. We are currently outgrowing our space and are having great difficulty in finding an adequate facility that is affordable and does not compromise the integrity of our educational program. I believe SB 235 is a step forward in supporting the success of Charter Schools. Please add my pledge of support to the public testimony.

Sincererly,
Melissa Janigo
Founder and Board Chair of
Winterberry Charter School
Anchorage, Alaska

Jomo Stewart

From: Josh Applebee
Sent: Monday, February 01, 2010 3:49 PM
To: Jomo Stewart
Subject: FW: SB 235

From: Tom Adams [mailto:tomisty@mtaonline.net]
Sent: Monday, February 01, 2010 2:49 PM
To: Sen. Kevin Meyer
Subject: SB 235

Dear Senator Meyer,
As a registered voter, and parent of two children who have attended a Charter school from k-8th grade and one child who will attend a Charter school in two years, I am writing to you asking that you work hard to push through SB235. This is a huge opportunity for Alaska Charter Schools that have proven to be successful an avenue to secure a permanent facility at minimal cost to the state. While my first two children received an excellent educational opportunity, I can only imagine what it could be like if our school no longer had to worry about maintaining a poor facility and focus only on education. I appreciate your support.
Misty Adams

Jomo Stewart

From: Lanissa Grogan [lilsu@mtaonline.net]
Sent: Monday, February 01, 2010 2:49 PM
To: Jomo Stewart
Subject: SB235

Dear Senators and Representatives,

I am a parent of 3 charter school students. Charter Schools provide an important parent choice option in public school education! After 13 years, the majority of Academy's students still attend class in old, worn out portables. I would greatly appreciate your help in expediting SB 235 passage through the committees and on to final approval. Successful passage of SB 235 will give Alaska charter schools a chance to compete for grants to obtain funding for a permanent facility.

Thank you for your support and assistance.

Please put this in the file as public testimony.

Sincerely,

Rob and Lanissa Grogan
961 E McAdoo Way
Wasilla, Alaska 99654

Jomo Stewart

From: Dawn Robinson [Dawn.Robinson@matsuk12.us]
Sent: Monday, February 01, 2010 2:16 PM
To: Jomo Stewart

Dear Senators and Representatives,

I am a parent of a charter school student. My daughter Claire has attended Academy Charter school for 3 years now. Charter Schools provide an important parent choice option in public school education! After 13 years, the majority of Academy's students still attend class in old, worn out portables. I would greatly appreciate your help in expediting SB 235 passage through the committees and on to final approval. Successful passage of SB 235 will give Alaska charter schools a chance to compete for grants to obtain funding for a permanent facility. They have done a wonderful job in getting a gym and main building but it sure would be nice for my 2nd grade daughter to be walking in the halls of a real school instead of running from portable to portable in all kinds of weather.

Thank you for your support and assistance.

Please put this in the file as public testimony.

Sincerely,

Dawn Robinson
1100 W. Granville St.
Palmer, AK 99645
907-746-3430

Jomo Stewart

From: Donna Button [donna@travelservicesinc.com]
Sent: Monday, February 01, 2010 1:45 PM
To: Jomo Stewart
Subject: SB 235

Dear Senators and Representatives,

I am a parent of a charter school student, for 12 years. Charter Schools provide an important parent choice option in public school education! After 13 years, the majority of Academy's students still attend class in old, worn out portables. I would greatly appreciate your help in expediting SB 235 passage through the committees and on to final approval. Successful passage of SB 235 will give Alaska charter schools a chance to compete for grants to obtain funding for a permanent facility.

Thank you for your support and assistance.

Please put this in the file as public testimony.

Sincerely,

Donna Button

POBox 1892

Palmer, AK 99645

Thank you,
Donna Button
Travel Services, Inc.
PO Box 1147
WE Moved our office! Please note our new Location!
1931 N. Hemmer Rd.
Palmer, AK 99645
907-745-2148
800-478-2148
907-745-6051/FAX
www.travelservicesinc.com

Without a travel agent, you are on your own!

Jomo Stewart

From: lorettanardi@gci.net on behalf of Loretta Nardi [lorettanardi@gci.net]
Sent: Monday, February 01, 2010 1:30 PM
To: Murray Richmond; Jomo Stewart
Subject: Support SB 235 Public Testimony

To: Senate Education Committee
Re: SB 235
Note: Please add to the Public Testimony Packet

Dear Senator Meyers and Senator Thomas,

My children attend a k-8 charter school in Palmer. My daughter graduated from 8th grade after attending Academy Charter School since kindergarten. My youngest son just started at Academy in the fall. His class room is the same old temporary portable class room that was my daughter's old temporary portable class room in the fall of 2000. This is the case for all the grades at Academy Charter School. My husband and I drive our children almost 15 miles to school each day where they attend class in old temporary portable class rooms. We do this because we love the education that our children receive.

SB 235 will answer our prayers. SB 235 would enable Alaska charter schools to be eligible for federal charter school facility grants for the first time in 13 years, since Alaska first allowed charter schools. Changing the language of the current Alaska Charter School Law and adopting SB 235 will open doors to a funding stream of federal grants that were previously closed to us.

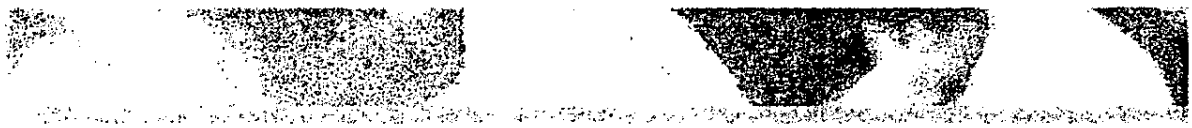
I urge your support for SB 235 so our state can pursue federal charter school facility grants that will give my kindergartner the chance to attend classes in a real school with inside doors and hallways.

Thank you,

Loretta Nardi
Palmer, Alaska
907-373-6032

Jomo Stewart

From: Tracy Adams [tadams@mta-telco.com]
Sent: Monday, February 01, 2010 1:17 PM
To: Jomo Stewart
Subject: SB 235
Attachments: image002.gif; image001.gif



Dear Senators and Representatives,

I am a parent of a charter school student. Charter Schools provide an important parent choice option in public school education! After 13 years, the majority of Academy's students still attend class in old, worn out portables. I would greatly appreciate your help in expediting SB 235 passage through the committees and on to final approval. Successful passage of SB 235 will give Alaska charter schools a chance to compete for grants to obtain funding for a permanent facility.

Thank you for your support and assistance.

Please put this in the file as public testimony.

Sincerely,

Tracy Adams
1750 E Scotwood Dr
Wasilla, AK 99654
(907)841-1345

Jomo Stewart

From: Harmon_Jennifer [harmon_jennifer@asdk12.org]
Sent: Monday, February 01, 2010 11:54 AM
To: Jomo Stewart
Subject: SB 235

Dear Representative Cissna,

I am one of your constituents in Anchorage. Thank you for your service! I am a teacher at a local charter school, and I am writing in regards to SB 235.

I am so excited to see that the charter school bill, SB 235, has been calendared in the Senate. I would greatly appreciate your help in facilitating something similar from the House. Thank you for your help in this matter.

Sincerely,

Jennifer Harmon (teacher, Winterberry Charter School)

Jomo Stewart

From: Josh Applebee
Sent: Monday, February 01, 2010 10:16 AM
To: Jomo Stewart
Subject: FW: SB 235

-----Original Message-----
From: Mall_Shanna [mailto:Mall_Shanna@asdk12.org]
Sent: Monday, February 01, 2010 10:12 AM
To: Sen. Kevin Meyer
Subject: SB 235

Dear Senator Meyer,

Please support SB 235. Charter School's greatest challenge is finding and maintaining safe, viable facilities. Please be a strong voice in Juneau helping to lead the way in passage of this charter school bill. I greatly appreciate your help in this matter.

The State of Alaska is currently ranked 34 out of 40 states in its interpretation and practice of National Charter Law. It is within your power to assure that our great State becomes a forerunner in charter school legislation.

Sincerely,

Shanna Mall

Principal
Winterberry Charter School
508 W 2nd Avenue
Anchorage, AK 99501
907.301.1201

"I hope it will be said we taught them to stand tall and proud, even in the face of history and the future was made whole for us all,
one child at a time" -Brian Andreas

Jomo Stewart

From: Josh Applebee
Sent: Monday, February 01, 2010 8:17 AM
To: Jomo Stewart
Subject: FW: Support of SB235

-----Original Message-----
From: Joe Kennedy [mailto:kennedyfish@gmail.com]
Sent: Sunday, January 31, 2010 7:20 PM
To: Sen. Kevin Meyer
Subject: Support of SB235

Dear Senator Meyer: I am writing in support of proposed SB235. I am the parent of three elementary-school age children attending school in Nome, Alaska. One child attends a public charter school and the other two will follow in the near future. I am in favor of eliminating the caps on the number of charter schools allowed in the state of Alaska and a state appropriation to be allotted for charter school facilities. Thank you for your consideration. I look forward to
hearing from you. Sincerely, Paula Kennedy, PO Box 1128, Nome, AK
99762.

Jomo Stewart

From: Kern, Dean [Dean.Kern@ed.gov]
Sent: Monday, February 22, 2010 10:34 AM
To: barbara.gerard@matsuk12.us
Subject: Charter Facilities Programs

Hi Barbara,

It was great talking with you today. Information about the State Charter School Facilities Incentive grant program can be found at http://www2.ed.gov/programs/statecharter/index.html. As you are aware, States that have enacted a state law authorizing per-pupil facilities aid for charter schools may apply. The program provides grants to eligible states to help them establish or enhance, and administer, per-pupil facilities aid programs for charter schools. States eligible for these grants are those with per-pupil aid programs to assist charter schools with their school facility costs. Federal funds are used to match programs funded with nonfederal dollars that make payments, on a per-pupil basis, to provide charter schools with facilities financing.

Priority is given to states that meet the criteria in section 5202(e) which include states that provide for a periodic review and evaluation by the authorized public chartering agency, at least once every 5 years and do all of the following: demonstrate progress in increasing the number of high-quality charter schools; provide for an authorized public chartering agency that is not a local educational agency or, if local educational agencies are the only authorized pubic chartering agencies, allow for an appeals process; and ensure that charter schools have a high degree of autonomy over the charter school's budget and expenditures.

This program is a five-year program and conducted a competition during FY09 for a new five-year cohort. The next competition is not scheduled until FY13.

State and local officials have the responsibility for determining per pupil funding and facilities funding formulas and the administration of these programs. We strongly encourage all states to provide equitable facilities funding and participation for all students attending public schools, including public charter schools, for purposes of construction, modernization, renovation, or repair of public schools.

Please feel free to contact me if you have questions or need further assistance.

Dean Kern
Director, Office of Charter Schools Program
Office of Innovation and Improvement
U.S. Department of Education
400 Maryland Ave., SW
LBJ-4W231
Washington, D.C. 20202

Sponsored by: Assemblymember Colver
Adopted: 12/15/09

MATANUSKA-SUSITNA BOROUGH
RESOLUTION SERIAL NO. 09-123

A RESOLUTION OF THE MATANUSKA-SUSITNA BOROUGH ASSEMBLY SUPPORTING CHANGES IN STATE LAW TO ALLOW CHARTER SCHOOLS IN ALASKA TO APPLY FOR FEDERAL FACILITY GRANTS.

WHEREAS, Alaska has many successful charter schools excelling in academics; and

WHEREAS, charter schools in Alaska have not been able to apply for Federal grants to provide for charter school classrooms and facilities; and

WHEREAS, the limit on the number of charter schools in Alaska needs to be repealed to be eligible to apply for Federal grants; and

WHEREAS, the State of Alaska needs to establish a matching fund with a minimal amount of funding per pupil to be eligible to apply for Federal charter school facility grants; and

WHEREAS, a matching fund will have a minimal fiscal impact;

WHEREAS, without the charter schools in the Mat-Su School District, the District would not have adequate space to house all of the students; and

WHEREAS, the Matanuska Susitna Borough Assembly supports legislation to change state law to allow Alaskan charter schools to comply with federal requirements to apply for facility grant.

NOW, THEREFORE, BE IT RESOLVED, the Matanuska-Susitna Borough Assembly respectfully requests of Governor Parnell and the Alaska State Legislature a change in State law allowing charter schools in Alaska to apply for federal facility grants.

ADOPTED by the Matanuska-Susitna Borough Assembly this 15 day of December, 2009.

TALIS J COLBERG, Borough Mayor

ATTEST:

LONNIE MCKECHNIE, CMC, Borough Clerk

(SEAL)

PASSED UNANIMOUSLY: Woods, Houston, Arvin, Ewing, Bettine, Colver, and Halter.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 235
(S) Publish Date: 2/8/10

Identifier (file name): SB235-EED-ESS-2-05-10
Title: An Act relating to charter school approval and funding
Sponsor: Senate Education Committee
Requester: Seneate Education Committee

Dept. Affected: Education and Early Development
RDU: Education Support Services
Component: School Finance & Facilities
Component Number: 2737

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	300.0		150.0	154.5	159.1	163.9	168.8
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**300.0**	**0.0**	**150.0**	**154.5**	**159.1**	**163.9**	**168.8**
CAPITAL EXPENDITURES	**1.0**		**1.0**	**1.0**	**1.0**	**1.0**	
CHANGE IN REVENUES ( )							
FUND SOURCE			(Thousands of Dollars)				
1002 Federal Receipts							
1003 GF Match							
1004 GF	301.0		151.0	155.5	160.1	164.9	168.8
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**301.0**	**0.0**	**151.0**	**155.5**	**160.1**	**164.9**	**168.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**		1.0	1.0	1.0	1.0	1.0
Part-time	0.5		0.5	0.5	0.5	0.5	0.5
Temporary							

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

Sec. 1, removes limit on number of charter schools that can operate in the state. As there are only 25 operating charter schools in the state currently, there is no anticipated fiscal impact resulting from this provision.

Sec. 2, Establishes charter school construction program based on charter school enrollment. Establishing regulations will require an estimated $150,000. Management of the program will require 1.5 FTE, one full-time grant administrator (Range 17), and a half-time administrative assistant (Range 14), to assist with the required reporting paperwork. The personnel costs are escalated at 3% per year to approximate cost of living increases. While it is difficult to say how much state funding might be required, the department has estimated that the program will impact 40% of the Charter schools in each year of the program. The bill reqiures the legislature to appropriate at least a dollar for each pupil enrolled in the charter school recieving funding which amounts to approximately $1,000 per year.

Sec. 3, Sunsets the charter school construction grant program on July 1, 2015, however, the department's finanical reporting and project oversight obligations will continue beyond sunset of the program.

Prepared by: Sam Kito III, P. E. , School Facilities Engineer — Phone (907) 465-6906
Division: School Finance/Facilities Section — Date/Time 2.5.2010
Approved by: Larry LeDoux, Commissioner — Date 2/5/2010

(Revised 10/13/2009 OMB)

SB

236

<target><bill>SB 236</bill><subject>SB
236</subject><comm>SFIN26</comm></target>

SENATE EDUCATION COMMITTEE

CO-CHAIRMEN:
SENATOR KEVIN MEYER
SENATOR JOE THOMAS

MEMBERS:
SENATOR BETTYE DAVIS
SENATOR CHARLIE HUGGINS
SENATOR GARY STEVENS
SENATOR DONALD OLSON

Sponsor Statement for Senate Bill 236

An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes or for a facility...

Under current law, state income tax payers who make cash contributions to an Alaskan educational or vocational institution receive a tax credit of 50 percent for contributions up to $100,000 and 100 percent for contributions between $100,000 and $200,000. Therefore, maximum tax credit allowable in any given year is $150,000.

SB 236 amends current the current statutes regarding higher education tax credits by adding a third tier - allowing for a 50 percent tax credit for contributions in excess of $200,000.

This limit appears to be having a constraining effect on corporate donations to & investments in educational and vocational institutions in Alaska. In 2008, only 11 donors contributed enough to the University of Alaska to maximize the current tax credit; only 4 donors gave more.

Many major employers in Alaska understand that the future success of their businesses requires a highly skilled workforce. These businesses want to hire Alaskans from Alaska's vocational schools, colleges and universities. In addition, many businesses are interested in, through commercialization of university-generated information and technologies, helping Alaska's universities expand their existing scientific research & development capacities – a process that has become a major source for economic development and diversification in other states.

By facilitating greater cooperation between Alaska's business and education sectors, and encouraging greater financial support from the former to the latter, SB 236 hopes important workforce and economic development goals such as the following can be achieved:

- Strengthening workforce development and job opportunities for Alaskans
- Increasing collaboration between Alaska's employers and its higher education institutions
- Diversifying funding sources for Alaska's higher education institutions
- Enhancing student success through internships, K-12 outreach, camps, and other developmental programs
- Developing research programs that contribute to economic development in Alaska

26-LS1191\S 2/1/10

Jomo Stewart, Committee Aide
(907) 465 - 6874

Murray Richmond, Committee Aide
(907) 465 – 6443

Senate_Education@legis.state.ak.us

SENATE FINANCE COMMITTEE REPORT

DATE: 2/18/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 236

SB 236 TAX CREDITS FOR EDUCATIONAL CONTRIBUTIONS

"An Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes or for a college facility; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[/] adopt **previous** [ ] **SCS** or [/] **CS** SB 236 (edc)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
Rev	2/4/10		✓		1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED: LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	[illegible]	✓			
	Olson			✓	
CO-CHAIR:					
CO-CHAIR:	[illegible]			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 236(EDC)
(S) Publish Date: 2/18/10

Identifier (file name): SB236-REV-TAX-02-04-10
Dept. Affected: Revenue
Title: Tax Credits for Educational Contributions
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: (EDC) Education
Requester: Co-Chairs (S)EDC
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

0.0

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

See Attached

Prepared by: Tim Harper, Economist III/Johanna Bales, Deputy Director
Phone (907) 269-1020
Division: Tax Division
Date/Time 2-4-10; 12:55pm
Approved by: Ginger Blaisdell, Director
Date 2-4-10; 1:16pm
Administartive Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE # 1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 236(EDC)

ANALYSIS CONTINUATION

Bill Language:

This bill increases the amount taxpayers who are currently eligible under AS 21.89.070, AS 21.89.075, AS 43.56.018, AS 43.20.014, AS 43.55.019, AS 43.65.018, AS 43.75.018, and AS 43.77.045 can take for education credits. Currently, taxpayers who meet the qualifications in the statutes are limited to $150,000 in credits on the first $200,000 in contributions. This bill would remove the cap on credits . All additional contributions in excess of $200,000 would be eligible for a 50% tax credit.

The intent of this bill is to provide increased contributions to qualifying higher education institutions by removing the credit cap currently in place.

Revenues:

Revenues to the State of Alaska would decline if companies increase their contributions to qualifying higher education institutions. The amount of decline cannot be determined at this time, because it is impractical and impossible to speculate on taxpayer behavior in taking advantage of this credit.

For example: if corporations were to contribute $100 million to a college, 50% of that donation would be a tax credit thereby reducing the state's general fund by $50 million. As the bill is written currently, there is no limit on the contribution amount.

The maximum decline in revenues the SOA could expect is the loss of all Petroleum Production and Property Taxes, all Corporate Income Taxes, all Fisheries Business Taxes, all Fisheries Landing Taxes, all Mining License Taxes, and all Insurance Taxes. In FY 2009 these taxes totaled $3,910,000,000. Forecasted revenues for these taxes in FY 2010 and FY 2011, are $2,866,000,000 and $3,281,000,000 respectively. This legislation would become effective for tax years beginning January 1, 2011. Therefore this credit would be allowed against tax liabilities due beginning in fiscal year 2012. In addition, the legislation provides that only contributions made prior to January 1, 2014 would be allowed as a credit. Therefore, the effects of this legislation would run through fiscal year 2014. Projected maximum revenue losses for fiscal years 2012 through 2014 are based on forecasted revenues for fiscal year 2011.

Expenditures:

The provisions of this bill can be implemented using existing resources.

SENATE EDUCATION COMMITTEE

CO-CHAIRMEN:
SENATOR KEVIN MEYER
SENATOR JOE THOMAS

MEMBERS:
SENATOR BETTYE DAVIS
SENATOR CHARLIE HUGGINS
SENATOR GARY STEVENS
SENATOR DONALD OLSON

SECTIONAL ANALYSIS
CS for Senate Bill 236

Section 1:
Amends existing statue to allow tax credits for contributions to secondary school level vocational education courses, programs and facilities.

Amends existing statue to allow tax credits for contributions to all state-operated vocational education courses, programs and facilities.

Adds language to allow tax credits for contributions for facilities at nonprofit, public or private, Alaska two- and four-year colleges or universities.

Section 2:
Amends existing statue to create 50% tax credit on contributions in excess of $200,000

Section 3:
Amends current statue to disallow the redemption of tax credits earned for a single contribution being divided across multiple tax types.

Deletes language in existing statue limiting tax credits per contributor to a maximum of $150,000 per year.

Section 4:
Amends current statue to disallow the redemption of tax credits earned for a single contribution being divided across multiple tax types.

Deletes language in existing statue limiting tax credits per contributor to a maximum of $150,000 per year.

Jomo Stewart, Committee Aide
(907) 465 - 6874

Murray Richmond, Committee Aide
(907) 465 – 6443

Senate_Education@legis.state.ak.us

Section 5:
Amends existing statue to allow tax credits for contributions to secondary school level vocational education courses, programs and facilities.

Amends existing statue to allow tax credits for contributions to all state-operated vocational education courses, programs and facilities.

Adds language to allow tax credits for contributions for facilities at nonprofit, public or private, Alaska two- and four-year colleges or universities.

Section 6:
Amends existing statue to create 50% tax credit on contributions in excess of $200,000

Section 7:
Amends current statue to disallow the redemption of tax credits earned for a single contribution being divided across multiple tax types

Leaves in place impact of claiming tax credits in Alaska on a contributor's ability to claim deductions for charitable giving under Federal Tax code.

Deletes language in existing statue limiting tax credits per contributor to a maximum of $150,000 per year.

Section 8:
Amends existing statue to allow tax credits for contributions to secondary school level vocational education courses, programs and facilities.

Amends existing statue to allow tax credits for contributions to all state-operated vocational education courses, programs and facilities.

Adds language to allow tax credits for contributions for facilities at nonprofit, public or private, Alaska two- and four-year colleges or universities.

Section 9:
Amends existing statue to create 50% tax credit on contributions in excess of $200,000

Section 10:
Amends current statue to disallow the redemption of tax credits earned for a single contribution being divided across multiple tax types.

Deletes language in existing statue limiting tax credits per contributor to a maximum of $150,000 per year.

Section 11:
Amends existing statue to allow tax credits for contributions to secondary school level vocational education courses, programs and facilities.

Amends existing statue to allow tax credits for contributions to all state-operated vocational education courses, programs and facilities.

Adds language to allow tax credits for contributions for facilities at nonprofit, public or private, Alaska two- and four-year colleges or universities.

Section 12:
Amends existing statue to create 50% tax credit on contributions in excess of $200,000

Section 13:
Amends current statue to disallow the redemption of tax credits earned for a single contribution being divided across multiple tax types.

Deletes language in existing statue limiting tax credits per contributor to a maximum of $150,000 per year.

Section 14:
Amends existing statue to allow tax credits for contributions to secondary school level vocational education courses, programs and facilities.

Amends existing statue to allow tax credits for contributions to all state-operated vocational education courses, programs and facilities.

Adds language to allow tax credits for contributions for facilities at nonprofit, public or private, Alaska two- and four-year colleges or universities.

Section 15:
Amends existing statue to create 50% tax credit on contributions in excess of $200,000

Section 16:
Amends current statue to disallow the redemption of tax credits earned for a single contribution being divided across multiple tax types.

Deletes language in existing statue limiting tax credits per contributor to a maximum of $150,000 per year.

Section 17:
Amends existing statue to allow tax credits for contributions to secondary school level vocational education courses, programs and facilities.

Amends existing statue to allow tax credits for contributions to all state-operated vocational education courses, programs and facilities.

Adds language to allow tax credits for contributions for facilities at nonprofit, public or private, Alaska two- and four-year colleges or universities.

Section 18:
Amends existing statue to create 50% tax credit on contributions in excess of $200,000

Section 19:
Amends current statue to disallow the redemption of tax credits earned for a single contribution being divided across multiple tax types.

Deletes language in existing statue limiting tax credits per contributor to a maximum of $150,000 per year.

Section 20:
Amends existing statue to allow tax credits for contributions to secondary school level vocational education courses, programs and facilities.

Amends existing statue to allow tax credits for contributions to all state-operated vocational education courses, programs and facilities.

Adds language to allow tax credits for contributions for facilities at nonprofit, public or private, Alaska two- and four-year colleges or universities.

Section 21:
Amends existing statue to create 50% tax credit on contributions in excess of $200,000

Section 22:
Amends current statue to disallow the redemption of tax credits earned for a single contribution being divided across multiple tax types.

Deletes language in existing statue limiting tax credits per contributor to a maximum of $150,000 per year.

Section 23:
Establishes an effective date of January 1, 2011

ALASKA NATIVE REGIONAL CORPORATIONS
HIGHER EDUCATION PRIORITIES
AUGUST 2009

Evaluation Criteria

- responding to ANC workforce needs
- strengthening ANC management and governance
- contributing to shareholder success
- increasing broader knowledge about ANCs
- serving ANC cultural interests
- maximizing impact through use of technology and other means

Project	Description	Priority
ANCSA course - web based	Inform students about ANCSA, increase visibility of ANCs • Content would include history, culture, politics, economics • Modify existing, already approved course • Preferably web-based, self-paced with rich content (video, archive documents) • Could be targeted to enrolled students or new employees of ANCs	**HIGH**
ANCSA course – GER	Inform students (degree seeking or not) about ANCSA, increase visibility of ANCs • Content would include history, culture, politics, economics • Face to face course, could be used as a General Education Requirement (GER) • Would expose a large number of undergraduates to ANCs	**HIGH**
Increase tax credit	Diversify funding, increase private funding, strengthen partnerships, increase exposure • Current tax credit value maximized at contribution of $150,000 • Increase tax credit to 50% of contribution	**HIGH**
Executive MBA	Enable working professionals to obtain MBAs without interrupting career or family life. Top business schools in the nation offer Executive MBA programs, which feature: • Top quality curriculum and faculty • A cohort model, resulting in high student success and career long networks • Schedule designed for working people • Use of guest faculty and practitioners, providing real world perspectives and networking opportunities	**HIGH**
ANCSA conferences	Expand knowledge of ANCSA history, issues, impacts, and opportunities • ANC leaders and scholars can provide learning opportunities for students and the broader public • UA scholars and students can use as forums for presentation and later publication • ANCs receive recognition, become familiar to students and potential employees	**HIGH**
High School outreach camps	Build on highly successful pre-college summer programs (RAHI, ANSEP) • Offer dual credit with high schools • Possibly link with sports programs and internships	**HIGH**
Self-paced develop-mental courses	Improve student preparedness and success through IT enabled self-paced courses • Faculty design courses for delivery in learning centers with long hours accessible to high school students (dual credit), working people, etc., through self-paced on-line technology, with advanced students serving as on-site course guides • Highly successful examples have improved student performance and reduced cost	**MEDIUM**
Alaska Native Arts	Expand course and program offerings • Focus on development of high value arts and crafts • Support the development of new accomplished Native artists	**MEDIUM**
Short courses for ANCs and tribes	Provide highly practical short training programs, e.g., grant writing and 8(a) • Could be delivered on-site • Tailored to each company's specific needs and interests	**MEDIUM**

ALASKA NATIVE REGIONAL CORPORATIONS
HIGHER EDUCATION PRIORITIES
AUGUST 2009 (2)

Project	Description	Priority
Political support	Provide support for University system priorities • State budget: program funding • Land grant legislation	MEDIUM
Cooperative education programs	Improve knowledge of employment opportunities for students and employers • E.g., UAF Management School has proposed a 4 year program in which students spend 3 full semesters with 3 different employers • Experience with employers is for credit and integrated with the academic program • Common in engineering and business programs	MEDIUM
Career Pathways	Show shareholders educational pathways for major job groups for each ANC • University staff will take occupational data from each ANC, focus on high demand job categories and create educational pathway materials • Materials can be distributed widely to shareholders and others about the tracks, in terms of education and training needed, increasing number of prepared applicants • Can be used as an effective advising tool to prepare shareholders for existing jobs	MEDIUM
ANCSA CEO in residence	Provide students and faculty insights on leadership of ANCs • CEO would be available for a certain time period (semester or year) • CEO would visit classes, make presentations, advise faculty and mentor students • CEO could be interviewed for ANCSA and/or ANC corporate history	MEDIUM
Visiting lecturers	Support visits of experts to campus • Bring new/outside perspectives to campus, students, and faculty • Draw members of the community onto campus	MEDIUM
Board of Directors' training	Strengthen leadership capabilities of board directors (Profit and non-profit) • UA experts provide training in fields such as governance, finance, strategy, human resources	MEDIUM
Histories of ANCSA Leaders and Corporations	Make available histories of ANCSA leaders for use in curriculum, research • University faculty and students would conduct and record interviews- likely in high definition video • Text, video, etc., could be used in web-based and face to face classes • Way to formally preserve history for future generations of shareholders, teachers and historians	MEDIUM
Collection of historic documents, images	Collect, preserve and archive papers and images of early land claims battles and development of the corporations • Collect this material before it is lost • Reposited in designated sections of libraries which create visibility for the collections	MEDIUM
Support Alaska Native Scholars	Provide support for Alaska Natives who are pursuing academic excellence in their disciplines • Increases the number of Alaska Natives with advanced degrees • Strengthens diversity among the faculty	MEDIUM
Provide scholarships in selected fields	Create an educated workforce in areas of importance to the ANCs • Provide funding in targeted fields, those of high priority to the ANCs • Flexible in terms of funding, from an annual contribution to an endowment • Can change fields as ANC needs change • Supports connection between scholarship and UA	MEDIUM
Facility purchase, construction, operation	Provide facilities (building, lecture halls, galleries, conference rooms, residence halls, labs) • Funding to provide facilities would support added capacity, services • Would provide alternative to public funding • Would provide opportunity for naming, outreach	LOW
Endow faculty chairs	Establish faculty positions with stable funding insulated from competing funding pressures • UA has very few compared to other universities • Provide funding stability, earnings off invested principal • Can be set up as a term appointment (1 year, 3 years, 5 years) • $4-5 million (approx, depending on academic field) required to establish	LOW

SEDA
SITKA ECONOMIC DEVELOPMENT ASSOCIATION
329 Harbor Drive, Suite 212 · Sitka, Alaska 99835 · (907) 747-2660 · fax (907) 747-7688 · www.sitka.net

RECEIVED
MAR 17 2010

March 17, 2010

Senator Bert Stedman
Finance Committee Co-Chair
Alaska State Capitol, Room #516
Juneau, Alaska 99801

Dear Senator Stedman:

The Sitka Economic Development Association (SEDA) would like to express its support for Senate Bill 236, an "Act relating to tax credits for cash contributions by corporate taxpayers that are accepted for certain educational purposes or for a facility."

SEDA recognizes that education is a key component to economic development and requests your support for Senate Bill 236. The current cap of $150,000 in annual tax credits on corporate contributions to Alaskan higher education institutions discourages maximum giving. Adding the 50% tax credit for contributions over $200,000 will encourage larger corporate contributions to Alaska's Universities, colleges, and vocational training schools.

Institutions of higher education play a multi-faceted role in economic development by:

1. Creating a skilled workforce that is prepared to support Alaska's key industries;
2. Providing scientific research and development of new technologies that can be commercialized or utilized in a manner that benefits Alaska's communities; and
3. Directly contributing to local and regional economies through job creation and spending.

This bill is a significant step toward diversifying funding sources for Alaska's institutions of higher education and strengthening workforce development and employment opportunities for Alaskans.

We encourage passage of Senate Bill 236 during the current session of the Twenty-sixth Legislature.

Thank you for your consideration.

Best regards,

Garry White, Executive Director

1 Doyon Place, Suite 300
Fairbanks, Alaska 99701

Toll Free (800) 478-4755
In Fairbanks 459-2000

DOYON
Limited®

January 26, 2010

Dear Senate Education Committee Members:

On behalf of Doyon, Limited—a regional Alaska Native corporation with 17,500 shareholders and more than 3,000 employees in its family of companies—I am writing in strong support of Senate Bill 236, an Act relating to tax credits for cash contributions by taxpayers that are accepted for certain educational purposes or for a facility.

Under current law Alaska state income tax payers who make cash contributions to an Alaskan higher education institution (including vocational/technical programs) receive a tax credit of 50 percent of the contribution up to $100,000 and 100 percent of the contribution between $100,000 and $200,000. The maximum tax credit in any one year is $150,000.

While the current tax credit is helpful, the cap on the current tax credit does not encourage corporate donations to higher education institutions in Alaska. Senate Bill 236 would remove the cap, setting the stage for increased private funding for higher education in Alaska.

Our company operates more than a dozen businesses across the state. We are especially active in oil field services, government contracting, and natural resource development. We take pride in contributing to Alaska's economic development and diversification. We are committed to providing employment opportunities for Alaskans as we build our businesses in the future.

Our ability to continue to grow now and in the years to come requires a well trained workforce. While not all of our employees require a college degree, some certainly do, and the others require at least some training beyond high school. We want to hire Alaskans from Alaska's vocational schools, colleges and universities. In addition, we are interested in exploring opportunities for the commercialization of scientific research, a major source for economic development and diversification in other states.

Senate Bill 236 will level the playing field with other state investment tax credits and encourage business to partner with our state's educational institutions. With this critical partnership, we can achieve key workforce and economic development and diversification goals for Alaska.

Thank you for your consideration and support of this important legislation.

Sincerely,

Norman L. Phillips, Jr.
President and CEO

ANCSA REGIONAL ASSOCIATION
Bringing Together Regional Corporation Presidents and CEOs

PO Box 240766 • Anchorage, AK 99524 • 907 339 6052

December 22, 2008

Mr. Mark R. Hamilton, President
University of Alaska Statewide System
President's Office
Suite 202 Butrovich Building
Fairbanks, Alaska 99775

Dear President Hamilton:

On behalf of the ANCSA Regional Association, I am pleased to transmit the enclosed resolution.

The presidents and chief executive officers of the regional Alaska Native Corporations voted unanimously in support of this initiative to strengthen our corporations' ties with Alaska's university system. We appreciate your encouraging response to our invitation to discuss this initiative on November 18th, 2008 and we look forward to working closely with you and other university leaders to build on the good work already being done all across the state.

The opportunities afforded by this initiative to enhance our mutual interests are enormous. We stand ready to take the next step with you.

Sincerely yours,

William Anderson, Jr., President
ANCSA Regional Association

ANCSA Regional Association
Resolution 08-01

IN SUPPORT OF ALASKA NATIVE EDUCATION

WHEREAS: The ANCSA Regional Association (the Association) has as its members the Presidents and CEOs of the Alaska Native Regional Corporations; and

WHEREAS: The Regional Corporations represent Alaska Natives and their descendents enrolled with each individual organization who strive to provide meaningful benefits in the form of dividends, education and training, job opportunities, cultural preservation and land management as the largest private landowners in Alaska. The Regional Corporations collectively represent the economic interest of over 100,000 Alaska Native people; the Regional Corporations are among the largest Alaskan-owned businesses, employ thousands of Alaskans; and generate significant benefits to the Alaskan economy; and

WHEREAS: In a short period of 35 years since ANCSA was adopted, our people have developed the skills and vision to enable and empower current and future generations the ability to run these organizations successfully; and

WHEREAS: The University of Alaska—through its three universities and 13 community campuses—has been the sole provider of public higher education in Alaska since 1917 offering more than 500 academic programs ranging from certificates to doctoral degrees. These programs include training and research in subjects of special importance to Alaska Natives because of their cultural relevance and their contribution to political, social, and economic opportunity. And the University reaches out to encourage and to prepare young people to continue their education and career development. In 2007, the University enrolled over 4,000 Alaska Native Students; and

WHEREAS: The University of Alaska has created strong statewide initiatives in recent years to provide needed research, curriculum, and outreach programs in close partnership with the health, process technology, energy, mining, transportation, and other important Alaska industries. These programs meet critical workforce development needs, provide answers to Alaska's problems, and attract new students;

WHEREAS: Communication and collaboration with the University of Alaska will strengthen Alaska's Native Corporations and their shareholders—enhancing competitive capacity while increasing opportunities in high demand occupations in Alaska—as well as enrich the University of Alaska and its programs and services;

NOW THEREFORE BE IT RESOLVED that the Association recognizes the importance of education for our people and supports development of classes, programs and a better working relationship with the University of Alaska; and

BE IT FURTHER RESOLVED that the Association supports the formation of an Alaska Native Education and Research Council, which will:

- Develop—in partnership with the President of the University of Alaska—a program that identifies, prioritizes, and supports such activities as vocational and technical training, university academic curriculum, research, community outreach, endowed chairs, and other mutually determined activities that would meet the needs and serve the interests of the Alaska Native Corporations and the University;
- Provide funding in support of the program developed above; and
- Annually evaluate program progress and reprioritize activities as appropriate.

BE IT FURTHER RESOLVED that the following are examples of the activities that could be developed to promote current and future programs, classes, and an environment to enhance education of our Alaska Native people:

- A series of courses and areas of ANCSA emphasis within the University of Alaska's business management and public administration programs, including but not limited to MBA or MPA degree programs;
- Focused outreach programs using innovative technologies that improve student readiness for success in higher education and in their subsequent careers;
- Possible short courses for contracting (tribal and 8a and others);
- Degree completion and executive programs designed for working people which recognize academic credit for professional experience;
- Programs that support Alaska Native arts, culture, history, and languages;
- Facilities for housing ANCSA papers and historic documents;
- Endowed faculty chairs;
- Conferences for the exploration of the role of Alaska Natives in Statehood; and
- Research on the economic impact of ANCSA Corporations.

ADOPTED AND DATED December 17, 2008.

Board of Directors
ANCSA Regional Association

President

12/22/2008
Date

SB 237

<target><bill>SB 237</bill><subject>SB 237</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/1/10

FURTHER: Rules / T.Cal

DATE TURNED IN TO OFFICE: 4/1/10

Finance Committee considered SENATE BILL NO. 237

SB 237 SCHOOL CONSTRUCTION DEBT REIMBURSEMENT

"An Act extending the deadline for authorizing school construction debt reimbursed by the state."

and recommends:

[✓] be **replaced** with [ ] **SCS** or [✓] **CS** SB 237 (Fin)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** ____ (____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[✓] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
EED	3/30	✓			2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

26-LS1342\C
Mischel
3/31/10

CS FOR SENATE BILL NO. 237(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act establishing a formula and a fund for school construction grant funding for regional educational attendance areas; extending the deadline for authorizing school construction debt reimbursed by the state; and requiring a report from the commissioner of revenue."

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

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

LEGISLATIVE FINDINGS. The legislature finds that

(1) the Alaska Superior Court, Third Judicial District, in Kasayulie v. State of Alaska, Case No. 3AN-97-3782 (1999), determined that

(A) the method of funding capital projects for school construction and major maintenance does not provide rural schools with adequate or equitable funding opportunities; and

(B) while urban schools are adequately funded through existing

mechanisms including bond debt, taxes, and appropriations, a comparable mechanism for funding rural schools does not exist;

(2) the mechanisms that currently exist in statute to provide construction funding to regional educational attendance areas have not resulted in sufficient funding for projects approved for those districts.

*** Sec. 2.** AS 14.11 is amended by adding new sections to read:

Sec. 14.11.025. State aid for school construction in regional educational attendance areas. (a) In addition to other appropriations and funding sources, the department shall annually provide grant funding from the fund established under AS 14.11.030 to a school district that is a regional educational attendance area in an amount determined under (b) of this section for a project approved under AS 14.11.005 - 14.11.020.

(b) The amount of money available each fiscal year for expenditure under (a) of this section shall be the outstanding debt amount required to be reimbursed by the state under AS 14.11.100, multiplied by 0.28, the product of which is to be multiplied by the percentage of students in the state enrolled in and attending a school located in a regional educational attendance area.

Sec. 14.11.030. Regional educational attendance area school fund. (a) The regional educational attendance area school fund is created as an account in the general fund to be used, in addition to other funding sources, to fund projects approved under AS 14.11.025 for the costs of school construction in regional educational attendance areas.

(b) Legislative appropriations, including appropriations of interest earned on the fund, shall be deposited in the fund established under this section. The fund balance may not exceed $100,000,000.

(c) Money appropriated to the fund does not lapse except to the extent money in the fund exceed the maximum fund balance specified in (b) of this section.

*** Sec. 3.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years

earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current

fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) $6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) $20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and

interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major

rehabilitation projects that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness

authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district under AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not

reimbursed under (o) of this section.

*** Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REPORT ON STATE BOND RATING. The commissioner of revenue shall review the effect of AS 14.11.100(a), as amended by sec. 3 of this Act, on the state's bond rating and provide a report to the legislature within 30 days of the date that is five years after the effective date of this Act.

W/D Amendment 1
by Hoffman

REPORT TO THE LEGISLATURE. By February 1, 2013, the Department of Education and Early Development shall provide to the governor and make available to the public and the legislature a report on the effectiveness including an analysis funding sources and the short and long term fiscal impacts to the state of both the school construction and major maintenance grants and school construction debt reimbursement program under AS 14.11.

SB 237

Amendment 1

by Hoffman

REPORT TO THE LEGISLATURE. By February 1, 2013, the Department of Education and Early Development shall provide to the governor and make available to the public and the legislature a report on the effectiveness including an analysis funding sources and the short and long term fiscal impacts to the state of both the school construction and major maintenance grants and school construction debt reimbursement program under AS 14.11.

SENATE FINANCE COMMITTEE REPORT

DATE: 2/1/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 237

SB 237 SCHOOL CONSTRUCTION DEBT REIMBURSEMENT

"An Act extending the deadline for authorizing school construction debt reimbursed by the state."

and recommends:

[✓] be **replaced** with [ ] **SCS** or [✓] **CS** SB237 (Fin)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[✓] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
EED					

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	EGAN	✓			
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:	STEDMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS for SB237 (FIN)**
() Publish Date:

Identifier (file name): CSSB237-EED-ESS-1-29-10
Dept. Affected: Education & Early Develo
Title "An act extending the deadline for authorizing school construction debt reimbursed by the state"
RDU School Debt Reimbursement
Component School Debt Reimbursement
Sponsor Senate Education Committee
Requester Senate Finance Committee
Component Number 153

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**3,700.0**	**3,700.0**	**3,700.0**	**3,700.0**
CAPITAL EXPENDITURES			**40,300.0**	**40,300.0**	**40,300.0**	**40,300.0**	**40,300.0**
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF			40,300.0	40,300.0	40,300.0	40,300.0	40,300.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL	**0.0**	**0.0**	**40,300.0**	**44,000.0**	**44,000.0**	**44,000.0**	**44,000.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 237 establishes a program to fund rural school construction by establishing an account in the General Fund to recieve annual appropriations based on a formula defined in the legislation. The fiscal note anticipates full expenditure of all appropriated amounts for capital in the year appropriated, although the actual cash flow may vary based on the annual CIP priority list for school construction projects. The first year of fiscal expenditure as a result of this bill will be in FY2013.

SB 237 also removes the sunset date for the existin debt reimbursement program. Anticipated increases as a result of the extension of the debt program are based on increases averaged over the prior three fiscal years. FY08-09 increased by $2,000,000; FY 09-10 increased by $3,000,000; and FY10-11 increased by $6,000,000. The average of the 3 year increases are $11,000,000÷3= $3,666,666. 70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state approved space

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 3/30/10 12:30 PM
Approved by: Larry LeDoux — Date 3/30/2010
Commissioner

(Revised 10/13/2009 OMB)

26-LS1342\C
Mischel
3/31/10

CS FOR SENATE BILL NO. 237(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act establishing a formula and a fund for school construction grant funding for regional educational attendance areas; extending the deadline for authorizing school construction debt reimbursed by the state; and requiring a report from the commissioner of revenue."

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

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

LEGISLATIVE FINDINGS. The legislature finds that

(1) the Alaska Superior Court, Third Judicial District, in Kasayulie v. State of Alaska, Case No. 3AN-97-3782 (1999), determined that

(A) the method of funding capital projects for school construction and major maintenance does not provide rural schools with adequate or equitable funding opportunities; and

(B) while urban schools are adequately funded through existing

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New Text Underlined *[DELETED TEXT BRACKETED]*

mechanisms including bond debt, taxes, and appropriations, a comparable mechanism for funding rural schools does not exist;

(2) the mechanisms that currently exist in statute to provide construction funding to regional educational attendance areas have not resulted in sufficient funding for projects approved for those districts.

*** Sec. 2.** AS 14.11 is amended by adding new sections to read:

Sec. 14.11.025. State aid for school construction in regional educational attendance areas. (a) In addition to other appropriations and funding sources, the department shall annually provide grant funding from the fund established under AS 14.11.030 to a school district that is a regional educational attendance area in an amount determined under (b) of this section for a project approved under AS 14.11.005 - 14.11.020.

(b) The amount of money available each fiscal year for expenditure under (a) of this section shall be the outstanding debt amount required to be reimbursed by the state under AS 14.11.100, multiplied by 0.28, the product of which is to be multiplied by the percentage of students in the state enrolled in and attending a school located in a regional educational attendance area.

Sec. 14.11.030. Regional educational attendance area school fund. (a) The regional educational attendance area school fund is created as an account in the general fund to be used, in addition to other funding sources, to fund projects approved under AS 14.11.025 for the costs of school construction in regional educational attendance areas.

(b) Legislative appropriations, including appropriations of interest earned on the fund, shall be deposited in the fund established under this section. The fund balance may not exceed $100,000,000.

(c) Money appropriated to the fund does not lapse except to the extent money in the fund exceed the maximum fund balance specified in (b) of this section.

*** Sec. 3.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years

earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current

fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) $6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) $20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and

interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major

rehabilitation projects that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness

authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district under AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not

reimbursed under (o) of this section.

*** Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REPORT ON STATE BOND RATING. The commissioner of revenue shall review the effect of AS 14.11.100(a), as amended by sec. 3 of this Act, on the state's bond rating and provide a report to the legislature within 30 days of the date that is five years after the effective date of this Act.

Adopted 4/1/10

26-LS1342\C
Mischel
3/31/10

CS FOR SENATE BILL NO. 237(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act establishing a formula and a fund for school construction grant funding for regional educational attendance areas; extending the deadline for authorizing school construction debt reimbursed by the state; and requiring a report from the commissioner of revenue."

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

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

LEGISLATIVE FINDINGS. The legislature finds that

(1) the Alaska Superior Court, Third Judicial District, in Kasayulie v. State of Alaska, Case No. 3AN-97-3782 (1999), determined that

(A) the method of funding capital projects for school construction and major maintenance does not provide rural schools with adequate or equitable funding opportunities; and

(B) while urban schools are adequately funded through existing

mechanisms including bond debt, taxes, and appropriations, a comparable mechanism for funding rural schools does not exist;

(2) the mechanisms that currently exist in statute to provide construction funding to regional educational attendance areas have not resulted in sufficient funding for projects approved for those districts.

*** Sec. 2.** AS 14.11 is amended by adding new sections to read:

Sec. 14.11.025. State aid for school construction in regional educational attendance areas. (a) In addition to other appropriations and funding sources, the department shall annually provide grant funding from the fund established under AS 14.11.030 to a school district that is a regional educational attendance area in an amount determined under (b) of this section for a project approved under AS 14.11.005 - 14.11.020.

(b) The amount of money available each fiscal year for expenditure under (a) of this section shall be the outstanding debt amount required to be reimbursed by the state under AS 14.11.100, multiplied by 0.28, the product of which is to be multiplied by the percentage of students in the state enrolled in and attending a school located in a regional educational attendance area.

Sec. 14.11.030. Regional educational attendance area school fund. (a) The regional educational attendance area school fund is created as an account in the general fund to be used, in addition to other funding sources, to fund projects approved under AS 14.11.025 for the costs of school construction in regional educational attendance areas.

(b) Legislative appropriations, including appropriations of interest earned on the fund, shall be deposited in the fund established under this section. The fund balance may not exceed $100,000,000.

(c) Money appropriated to the fund does not lapse except to the extent money in the fund exceed the maximum fund balance specified in (b) of this section.

*** Sec. 3.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years

earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current

fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) $6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) $20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and

interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major

rehabilitation projects that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness

authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district under AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not

reimbursed under (o) of this section.

*** Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REPORT ON STATE BOND RATING. The commissioner of revenue shall review the effect of AS 14.11.100(a), as amended by sec. 3 of this Act, on the state's bond rating and provide a report to the legislature within 30 days of the date that is five years after the effective date of this Act.

adopted 3/22/10 N/O

26-LS1342\S
Mischel
3/17/10

CS FOR SENATE BILL NO. 237(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE EDUCATION COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act establishing a formula and a fund for school construction grant funding for regional educational attendance areas; and extending the deadline for authorizing school construction debt reimbursed by the state."

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

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

LEGISLATIVE FINDINGS. The legislature finds that

(1) the Alaska Superior Court, Third Judicial District, in Kasayulie v. State of Alaska, Case No. 3AN-97-3782 (1999), determined that

(A) the method of funding capital projects for school construction and major maintenance is unconstitutional because the state does not provide rural schools with adequate or equitable funding opportunities; and

(B) while urban schools are adequately funded through existing mechanisms including bond debt, taxes, and appropriations, rural school funding

mechanisms are subject to political, arbitrary, and racially discriminatory motives;

(2) no mechanism exists in the grant funding provided under AS 14.11.008 to make future funding available to rural schools;

(3) the Department of Education and Early Development estimates that

(A) the annual outstanding debt amount owed by the state under AS 14.11.100 is approximately $1,200,000,000 and is expected to remain at that amount for the foreseeable future;

(B) $515,000,000 has been spent on rural school construction over the past 10 years;

(C) 11 rural schools are in need of approximately $344,000,000 for approved construction and maintenance projects;

(D) the amount of money spent on schools located in regional educational attendance areas as described in (B) and (C) of this paragraph represents 72 percent of the outstanding debt amount owed by the state for municipal district schools;

(4) approximately 12 percent of the student population in the state attends public school in a regional educational attendance area where the grant funding for school construction and maintenance is needed;

(5) an amount equal to approximately 28 percent of the outstanding debt amount owed by the state would help to equalize the construction funding for regional educational attendance areas.

* **Sec. 2.** AS 14.11 is amended by adding new sections to read:

Sec. 14.11.025. State aid for school construction in regional educational attendance areas. (a) In addition to other appropriations and funding sources, the department shall annually provide grant funding from the fund established under AS 14.11.030 to a school district that is a regional educational attendance area in an amount determined under (b) of this section for a project approved under AS 14.11.005 - 14.11.020.

(b) The amount of money available each fiscal year for expenditure under (a) of this section shall be the outstanding debt amount required to be reimbursed by the state under AS 14.11.100, multiplied by 0.28, the product of which is to be multiplied

by the percentage of students in the state enrolled in and attending a school located in a regional educational attendance area.

Sec. 14.11.030. Rural school construction debt fund. (a) The rural school construction debt fund is created as an account in the general fund to be used, in addition to other funding sources, to fund projects approved under AS 14.11.025 for the costs of school construction in regional educational attendance areas.

(b) Legislative appropriations, including appropriations of interest earned on the fund, shall be deposited in the fund established under this section. The fund balance may not exceed $100,000,000.

(c) Money appropriated to the fund does not lapse except to the extent money in the fund exceed the maximum fund balance specified in (b) of this section.

*** Sec. 3.** AS 14.11.100(a) is amended to read:

(a) During each fiscal year, the state shall allocate to a municipality that is a school district the following sums:

(1) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred before July 1, 1977, to pay costs of school construction;

(2) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1977, and before July 1, 1978, to pay costs of school construction;

(B) cash payments made after June 30, 1976, and before July 1, 1978, by the municipality during the fiscal year two years earlier to pay costs of school construction;

(3) 90 percent of

(A) payments made by the municipality during the fiscal year two years earlier for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after June 30, 1978, and before January 1, 1982, to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1978, and before July 1, 1982, by the municipality during the fiscal year two years earlier to pay costs of school construction projects approved under AS 14.07.020(a)(11);

(4) subject to (h) and (i) of this section, up to 90 percent of

(A) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness incurred after December 31, 1981, and authorized by the qualified voters of the municipality before July 1, 1983, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11);

(B) cash payments made after June 30, 1982, and before July 1, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(C) payments made by the municipality during the current fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are submitted to the department for approval under AS 14.07.020(a)(11) before July 1, 1983, and approved by the qualified voters of the municipality before October 15, 1983, not to exceed a total project cost of (i) $6,600,000 if the annual growth rate of average daily membership of the municipality is more than seven percent but less than 12 percent, or (ii) $20,000,000 if the annual growth rate of average daily membership of the municipality is 12 percent or more; payments made by a municipality under this subparagraph on total project costs that exceed the amounts set out in (i) and (ii) of this subparagraph are subject to (5)(A) of this subsection;

(5) subject to (h) - (j) of this section, 80 percent of

(A) payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality

(i) after June 30, 1983, but before March 31, 1990, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); or

(ii) before July 1, 1989, and reauthorized before November 1, 1989, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved under AS 14.07.020(a)(11); and

(B) cash payments made after June 30, 1983, by the municipality during the fiscal year two years earlier to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $25,000 and are approved by the department before July 1, 1990, under AS 14.07.020(a)(11);

(6) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after April 30, 1993, but before July 1, 1996, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(7) subject to (h) - (j) and (m) of this section, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality after March 31, 1990, but before April 30, 1993, to pay costs of school construction, additions to schools, and major rehabilitation projects;

(8) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1995, but before July 1, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved

under AS 14.07.020(a)(11);

(9) subject to (h), (i), (j)(2) - (5), and (n) of this section and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after July 1, 1998, but before July 1, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000 and are approved under AS 14.07.020(a)(11);

(10) subject to (h), (i), (j)(2) - (5), and (o) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by the municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1998, to pay costs of school construction, additions to schools, and major rehabilitation projects that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) of this section;

(11) subject to (h), (i), and (j)(2) - (5) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(12) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before January 1, 2005, to pay costs of school construction, additions to schools, and major

rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(13) subject to (h), (i), (j)(2) - (5), and (p) of this section, and after projects funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(14) subject to (h), (i), (j)(2), (3), and (5), and (p) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (n) or (o) of this section;

(15) subject to (h), (i), (j)(2) - (5), and (q) of this section, and after projects funded by the bonds, notes, or other indebtedness have been approved by the commissioner, 90 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after June 30, 1999, but before October 31, 2006, to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), meet the 10 percent participating share requirement for a municipal school district under AS 14.11.008(b), and are not reimbursed under (n) or (o) of this section;

(16) subject to (h), (i), and (j)(2) - (5) of this section, and after projects

funded by the tax exempt bonds, notes, or other indebtedness have been approved by the commissioner, 70 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are approved under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section;

(17) subject to (h), (i), and (j)(2), (3), and (5) of this section, 60 percent of payments made by a municipality during the fiscal year for the retirement of principal and interest on outstanding tax exempt bonds, notes, or other indebtedness authorized by the qualified voters of the municipality on or after October 1, 2006, [BUT BEFORE NOVEMBER 30, 2010,] to pay costs of school construction, additions to schools, and major rehabilitation projects and education-related facilities that exceed $200,000, are reviewed under AS 14.07.020(a)(11), and are not reimbursed under (o) of this section.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 237
(S) Publish Date: 2/1/10

Identifier (file name): SB237-EED-ESS-1-29-10
Dept. Affected: Education & Early Develo
Title "An act extending the deadline for authorizing school construction debt reimbursed by the state"
RDU School Debt Reimbursement
Component School Debt Reimbursement
Sponsor Senate Education Committee
Requester Senate Education Committee
Component Number 153

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**3,700.0**	**3,700.0**	**3,700.0**	**3,700.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		0.0	0.0	3,700.0	3,700.0	3,700.0	3,700.0
TOTAL	**0.0**	**0.0**	**0.0**	**3,700.0**	**3,700.0**	**3,700.0**	**3,700.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill is for projects approved and authorized by voters on or after November 1, 2006 but before November 30, 2013. This bill extends the current deadline to November 30, 2013 for authorizing debt reimbursements by the state. The first year of fiscal impact of this bill will be in FY2013.

Anticipated increases are based on increases averaged over the prior three fiscal years. FY08-09 increased by $2,000,000; FY 09-10 increased by $3,000,000; and FY10-11 increased by $6,000,000. The average of the 3 year increases are $11,000,000÷3= $3,666,666.

70% of school debt payments, made by a municipality, will be reimbursed by the state if they meet state approved space guidelines. 60% of school debt payments will be reimbursed by the state if the municipality exceeds state

Prepared by: Eddy Jeans, Director
Phone 465-8679
Division School Finance
Date/Time 1/29/10 12:00 AM
Approved by: Larry LeDoux
Date 1/29/2010
Commissioner

(Revised 10/13/2009 OMB)

630

Position Statement 09-5

Funding Bond Debt Reimbursement and the Capital Improvement Program

The Alaska Council of School Administrators supports the continuation of the current level of 60% and 70% debt reimbursement of voter-approved bonds, and supports the development of a process to equitably address the need of school districts unable to bond locally.

- A reduction in the payment schedule from the State of Alaska will adversely affect budgets and promises made to taxpayers at an extremely challenging economic time.
- The planning of construction projects and major maintenance efforts were carefully considered with anticipated budget information secured from a variety of sources, including the State of Alaska.
- The public was informed that local and statewide bond efforts would receive state repayment support.

Adopted by the Alaska Council of School Administrators
October and December 2009

Position Statement 09-14

DEED Audit of All Alaskan School Buildings

The Alaska Council of School Administrators urges the Legislature to fund a statewide audit of all school facilities to accurately assess which school buildings must be replaced or renovated in three, five and ten years.

- A building audit would provide the Legislature and Governor with accurate data on the state of school buildings throughout Alaska, including anticipated and immediate needs.

- The audit should focus on the expectation that all school facilities in Alaska are maximally energy-efficient and provide safe, healthy learning environments.

Adopted by the Alaska Council of School Administrators (AASA, AAESP and AASSP) October 2009

Alaska Department of Education and Early Development
School Construction and Major Maintenance funding last 20 years
Grants and Debt Reimbursement funded projects
Prepared 3/29/10

	REAA			City/Borough	
Year	Funding	# of projects		Funding	# of projects
1990	$4,115,500	16		$5,331,154	22
1991	$17,590,300	13		$268,000	1
1992	$17,594,700	17		$16,151,500	7
1993	$14,770,400	7		$52,815,700	8
1994	$38,829,471	35		$154,832,003	65
1995	$0	0		$158,935,000	17
Subtotal 1990-1995	**$92,900,371**	**88**		**$388,333,357**	**120**
1996	$400,000	2		$10,641,550	3
1997	$5,322,300	3		$66,294,985	16
1998	$336,720	1		$4,335,864	4
1999	$27,962,208	27		$338,292,184	71
2000	$0	0		$10,250,000	1
Subtotal 1996-2000	**$34,021,228**	**33**		**$429,814,583**	**95**
10yr Sub-total	**$126,921,599**	**13.43%**		**$818,147,940**	**86.57%**
2001	$88,725,178	5		$86,599,657	33
2002	$75,824,359	28		$114,686,707	36
2003	$140,182,852	32		$427,372,247	49
2004	$814,738	3		$117,978,054	46
2005	$5,839,787	11		$162,541,971	18
Subtotal 2000-2005	**$311,386,914**	**79**		**$909,178,636**	**182**
2006	$67,494,522	22		$78,422,984	21
2007	$82,268,165	21		$146,242,068	23
2008	$127,180,513	13		$124,868,261	20
2009	$139,127,653	12		$83,397,904	22
2010	$20,918,597	8		$40,374,884	17
Subtotal 2005-2010	**$436,989,450**	**76**		**$473,306,101**	**103**
10yr Sub-total	**$748,376,364**	**35.12%**		**$1,382,484,737**	**64.88%**
Total REAA	**$875,297,963**	**276**	**Total City/Borough**	**$2,200,632,677**	**500**

ALASKA COUNCIL OF SCHOOL ADMINISTRATORS

326 Fourth Street, Suite 404 • Juneau, Alaska 99801
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Alaska Council of School Administrators

March 22, 2010

Senate Finance Committee Members:

Due to conflicts with two other committees that were hearing education bills at the same time this morning, I was unable to be present to testify on the committee substitute to SB 237. Please accept this testimony in favor of the changes to SB 237.

Attached is an ACSA resolution in support of continuing the bond debt reimbursement program and in support of a process to equitably address the need of school districts unable to bond. I believe the changes in the committee substitute accomplish both concerns.

The ritual of extending the debt reimbursement program every other year and relying on annual special legislative action for REAA needs is an inefficient and unfair way of taking care of school construction projects for the entire state. SB 237 will once and for all put into statute a process to fairly deal with the statewide school projects.

My organization fully supports this approach and urges the swift passage of SB 237.

Respectfully,

Mary A. Francis, Ph.D.
Executive Director

Position Statement 09-5

Funding Bond Debt Reimbursement and the Capital Improvement Program

The Alaska Council of School Administrators supports the continuation of the current level of 60% and 70% debt reimbursement of voter-approved bonds, and supports the development of a process to equitably address the need of school districts unable to bond locally.

- A reduction in the payment schedule from the State of Alaska will adversely affect budgets and promises made to taxpayers at an extremely challenging economic time.
- The planning of construction projects and major maintenance efforts were carefully considered with anticipated budget information secured from a variety of sources, including the State of Alaska.
- The public was informed that local and statewide bond efforts would receive state repayment support.

Adopted by the Alaska Council of School Administrators
October and December 2009

Senator Lyman Hoffman

Alaska State Legislature

new

Sponsor Statement for SB 237

This proposed legislation addresses the way in which Alaska funds school construction for both REAA's and Municipal districts.

In 2001, Alaska courts ruled in Kasayulie vs. State of Alaska that the process by which REAA schools are funded in Alaska is significantly different than the process used for funding schools in municipal districts. The court further said that, as a result of this difference, funding for REAA schools has been arbitrary and inadequate.

While municipal districts are able to access the debt service program which is described in statute, the funding for REAA school construction has not been clear. Because funding depends upon legislative appropriation, there is uncertainty from year to year as to how much money will be available. This uncertainty makes construction planning difficult for both the REAA school districts and the Department of Education.

This legislation proposes to remedy this situation by creating a stream of funding that can be used for REAA construction. This funding is based on the amount of debt outstanding for municipal schools, adjusted by the amount of money spent on REAA schools and by the percent of students who attend these schools. This methodology provides a reasonable, consistent level of funding to be used for REAA school construction and moves the State along the road to addressing concerns raised in the Kasayulie case.

Additionally, the legislation provides that a fund be established into which the proceeds from this mechanism can be deposited. However, to assure that excess dollars cannot accumulate in this account, the balance of the fund is limited to $100,000,000. Also, the legislation assumes that a project must meet all current Department of Education approvals before becoming eligible to use money from this account.

This legislation also changes the State's debt reimbursement program for municipal school construction. Current law establishes the debt reimbursement to municipal districts for outstanding bonds at 70 percent and time limits for that reimbursement. Consequently, every few years, the statute needs amending to continue the program. This creates uncertainty among school district planners. The committee substitute lessens uncertainty by eliminating a date certain when the 70 percent reimbursement will sunset.

Senate District S
Senator_Lyman_Hoffman@legis.state.ak.us

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
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Juneau, Alaska 99801-1182
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MEMORANDUM March 19, 2010

SUBJECT: Sectional Summary (CSSB 237(FIN))
(Work Order No. 26-LS1342\S)

TO: Senator Lyman Hoffman
Co-chair of the Senate Finance Committee
Attn: Jay Livey

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Provides legislative findings pertaining to public school construction spending.

Section 2. Requires the Department of Education and Early Development to provide state grant funding for school construction in regional educational attendance areas that is in addition to current school construction and major maintenance grants. Provides a formula for the grant amounts that is linked to the state's bond reimbursement indebtedness for municipal school districts and the percentage of students in the state who are enrolled in and attending a school located in an REAA. Establishes a fund and fund balance limit for that purpose.

Section 3. Amends school construction bond debt reimbursement allowance for municipal school districts to eliminate the deadline for a vote on school construction indebtedness and the resultant state obligation of 60 - 70 percent reimbursement.

JMM:plm
10-159.plm

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT

WILLIE & SOPHIE KASAYULIE, et al.,

Plaintiff,

vs.

STATE OF ALASKA,

Defendant.

Case No. 3AN-97-03782 CIV

FILED
In chambers of
Superior Court
Judge John Reese
[redacted] 2 7 2001
State of Alaska
Third Judicial District
at ANCHORAGE

ORDER

The state has moved to reopen the rural school facilities funding order of this court, citing a "mistake of law" made in its prior briefing. Specifically, the state argues that its prior briefing did not present the court with information about prior appropriations made for rural school construction and maintenance.

The court has carefully reviewed the supplemental briefing and the exhibits. They show that the State of Alaska has failed to fund the C.I.P. program, to follow the legally established funding priorities in the projects it did fund, or to allocate available school facility construction and maintenance funds in a non discriminatory way. The prior findings of this court are well supported in the record, and reinforced by the new filings.

Procedure.

The States motion is a Civil R. 60(b) motion premised on a "mistake of law". The State's failure to present a more detailed funding history certainly is not a mistake of law, nor in the final analysis was it a mistake in tactics.

However, the gravity of the issues involved requires that the litigants have every opportunity to fully air their claims and defenses, even if it appears superficially to excuse tactical decisions or legal mistakes. The rules of procedure are designed to do justice, and justice requires the State to be allowed a reasonable opportunity to test a new defense, to use

different counsel, and perhaps even to craft its litigation strategy in a way to satisfy political pressures. Civ R.94 will be applied to relax the application of Rule 60(b) and Civ.R. 77 (l), and to allow the State its second bite at the apple.

Analysis:

The fundamental facts presented in the new briefing are how much money the State spent over the last 20 years or so on rural school facility funding. The State argues that since it spent hundreds of millions of dollars on rural school facilities, this courts findings of equal protection and civil rights violations was incorrect.

What this court found was that the systems for school facility funding, the C.I.P. for rural schools and the bond reimbursement program for districts with a tax base, have not been applied in a sufficiently even handed way to avoid constitutional and federal civil rights condemnation.

The C.I.P. program was established in 1990. Rural school per capita capital expenditures for FY 91, 92, 93 and 94, were roughly equal to the bond reimbursed urban expenditures, even though rural construction and maintenance costs exceed urban by a very large factor. In the six fiscal years prior to this court's order, the legislature chose to fund rural school construction at $30 or less per student four times, and at zero twice:

Fiscal Yr.	C.I.P.	Urban
95	-0-	869
96	30	724
97	389	627
98	24	581
99	1998	1009
00	-0-	556

After this court's order, the 2000-2001 fiscal year per capita funding for rural schools jumped to $6,200 versus $476 for urban schools. The State's brief claims this change was a result of the court's order, pressure from the governor, and the good faith of the legislature.

The court has no reason to doubt this, but there remains the flawed dual funding system that allowed the prior problems. The urban districts get 70% of their funding for schools reimbursed by the State. The rural districts get whatever the legislature chooses to give them.

The bond reimbursement program is automatic. The rural funding is political, and has been arbitrary, inadequate and racially discriminatory. Education health and safety of our youth have suffered. The dignity of our fellow citizens has suffered. The respect for public officials has suffered. The racial divisions in our state are further aggravated.

The media has reported legislators' comments on this issue: "It is cheaper to build a school in Homer than the bush", "There is only so much money to go around." These are absolutely true statements, of course - but they illustrate the fundamental legislative mistakes: We are constitutionally required to provide education on a substantially equal basis to all children, including rural mostly Native children, even if it costs more in the rural areas. As we spend the money available, we cannot spend it on urban, mostly non Native children first, and then say there is not enough to go around.

The present dual funding system is constitutionally flawed in form, and application: Civ.R. 54(b).

Plaintiffs ask the court to enter a final order, and to require specific funding to correct the prior errors of the legislature. This court does have the power to require remedial action, within the limitations of separation of power, but would do so only with great reluctance.

The spending of the wealth of Alaska is for the legislature to manage, within the constitutional and federal limits. Legislation takes time, and school funding is expensive and complex. This court is not prepared to say the legislature will not, within a reasonable time, create a constitutionally proper system of funding, nor is this court prepared at this time to say the legislature will not, in the mean time, provide adequate remedial and ongoing capital funding for rural schools, in light of the FY 01 appropriation.[1]

---

[1] This court is, however, concerned that the priorities established through the legislatively mandated process have not been followed even in the FY 01 funding. Urban school districts choose their capital plans, and the reimbursement law carries it out. The priority setting by the Department of Education is a surrogate for the rural districts choices. There is no inherent problem with this representative arrangement, but if the priorities are ignored, it leaves the rural districts, and the parents and children they represent, " out of the loop," effectively

What the legislature creates, and what is developed in the other parts of this litigation, will result in a comprehensive resolution. It should be done together, and therefore a Civ- R. 54 (b) partial final judgment will not be entered at this time. However, should progress be thwarted, or the good faith efforts of the players be successfully challenged, specific orders will be issued.

DATED this 27th day of March, 2001, at Anchorage, Alaska.

John Reese
Superior Court Judge

I certify that on 03-27-01
a copy of the above was mailed to
each of the following at their
addresses of record:
H. Trickey, C, Middleton.
B. Bjorkquist, AGO

Marie Suazo mo.
Secretary

disenfranchised. Considering the impermissible racial impact of the prior funding choices made by the legislature, to deprive the rural children of even the indirect voice of the priority list seems to be treading on pretty thin legal ice. Endorsement of the priorities would seem to be a much better policy.

State of Alaska
Department of Education and Early Development
Capital Improvement Projects (FY 2011)
School Construction Grant Fund (Top 11 Projects)

Reconsideration List

Summary with Student Capacity Data

Reconsideration Priority	Initial Priority	District	Project Name	Year Constructed	School Student Capacity	Current ADM	Number of Students*	District Request	Eligible Amount	Department Recommended	District Share	State Share
1	1	Lower Yukon	Alakanuk K-12 School Replacement	1974/2003	111	239	300	$47,394,170	$47,394,170	$47,394,170	$947,883	$46,446,287
2	2	Lower Kuskokwim	Kipnuk K-12 School Renovation / Addition	1990	70	209	241	$56,344,082	$50,841,480	$50,841,480	$1,016,830	$49,824,650
3	3	Lower Kuskokwim	Kwigillingok K-12 School Renovation / Addition	1979/1987	55	114	124	$39,128,740	$32,750,467	$32,750,467	$655,009	$32,095,458
4	4	Lower Kuskokwim	Napaskiak K-12 School Replacement	1973/1978/1984	77	161	206	$40,921,255	$33,586,431	$33,586,431	$671,729	$32,914,702
5	5	Lower Yukon	Emmonak K-12 School Renovation/Addition	1993/1975	143	231	231	$28,898,799	$39,990,445	$39,990,445	$799,809	$39,190,636
6	6	Lower Kuskokwim	Kuinerramiut Elitnaurviat K-12 School Renovation/Addition, Quinhagak #	1981/1986	90	212	259	$31,160,414	$31,160,414	$31,160,414	$623,208	$30,537,206
7	7	Northwest Arctic	Kivalina K-12 Renovation/Addition #	1976/1984	75	107	109	$15,414,491	$15,414,491	$15,414,491	$4,624,347	$10,790,144
8	8	Lower Kuskokwim	Kwethluk K-12 School Replacement	1981/1986	143	250	293	$80,489,918	$45,445,163	$45,445,163	$908,903	$44,536,260
9	9	Southwest Region	Koliganek K-12 School Replacement *, #	1959/1979/1981	75	51	51	$26,311,134	$22,902,662	$22,902,662	$458,053	$22,444,609
10	10	Lower Kuskokwim	Nightmute K-12 School Renovation / Addition	1980/1984	53	92	132	$33,913,215	$23,770,075	$23,770,075	$475,401	$23,294,674
11	11	Kuspuk	Auntie Mary Nicoli Elementary School Replacement, Aniak *, #	1930/1955/ 1979/1973/1993	111	63	64	$12,363,060	$12,363,060	$12,363,060	$247,261	$12,115,799
			Totals for top 11 projects on the FY2011 School Construction CIP List					$392,339,278	$355,618,858	$355,618,858	$11,428,433	$344,190,425
			Totals for all 35 projects on the FY2011 School Construction CIP List					$475,961,552	$437,939,547	$437,939,547	$26,296,398	$411,643,149

* Projected at 5 year Post Occupancy
\# Reused FY2010 data
+ Eligible Space Reduced

Kivalina K-12 Renovation/Addition adds 9,100 square feet of new space in order to address moderate overcrowding. The school has also demonstrated significant life/safety and health issues including no fire protection, no sewage lagoon for waste discharge (waste is discharged directly into the surf adjacent to the school), a leaking roof with suspected structural damage and/or rot. All plumbing and mechanical systems have exceeded their useful life and are in need of replacement, and the interior finishes are significantly aged and worn and in need of replacement. The Corps of Engineers is currently working on a shoreline protection project that is designed to protect the school property from additional erosion for the next 15-20 years. The district considered relocation, but due to land constraints in the village, there are no other locations available that could reasonably accomdate an new school facility.

Koliganek K-12 School Replacement does not add space due to overcrowding, but has demonstrated significant life/safety and health issues inlcuding no fire protection, moisture infiltration, a leaking roof that continues to leak despite repeated repairs, differential foundation movements due to several different years of construction, mechanical and electrical sysytems that no longer meet functional or code requirements, and environmental health issues including lead and asbestos.

Auntie Mary Nicholi Elementary School Replacement, Aniak does not add space due to overcrowding, but has demonstrated significant life/safety and health issues including a deteriorating foundation and differential settling, moisture and mold infiltration, a sewage lift station in the basement beneath the food preparation area and which floods often and containes no

Alaska Department of Education Debt Reimbursement FY1976 – FY2009

With Estimates for FY2010 and FY 2011

Eligible for Reimbursement vs. State Aid Provided

Fiscal Year	Eligible For Reimbursement		Actual State Aid	State Aid % Aid Provided
FY-76	$9,242,312		$8,810,500	95.33%
FY-77	10,107,336		9,051,600	89.55%
FY-78	11,408,304		11,408,304	100.00%
FY-79	27,868,182		22,273,300	79.92%
FY-80	30,823,133		24,081,000	78.13%
FY-81	38,380,174		38,380,174	100.00%
FY-82	38,262,156		38,262,156	100.00%
FY-83	60,772,910		56,169,700	92.43%
FY-84	90,600,074		90,600,074	100.00%
FY-85	93,161,981		93,161,981	100.00%
FY-86	109,707,936		106,315,600	96.91%
FY-87	125,272,615		115,845,000	92.47%
FY-88	118,701,313		109,472,700	92.23%
FY-89	118,469,048		110,193,451	93.01%
FY-90	113,923,479		107,374,886	94.25%
FY-91	123,959,155		116,276,078	93.80%
FY-92	127,245,080		127,245,080	100.00%
FY-93	124,948,218		124,948,218	100.00%
FY-94	98,648,541		98,648,541	100.00%
FY-95	93,742,116		93,742,116	100.00%
FY-96	79,212,669		79,212,669	100.00%
FY-97	62,476,074		62,476,074	100.00%
FY-98	61,639,666		61,639,666	100.00%
FY-99	61,990,844		61,990,844	100.00%
FY2000	64,349,790		64,349,790	100.00%
FY2001	52,098,690		52,098,690	100.00%
FY2002	54,057,200		54,057,200	100.00%
FY2003	51,969,968		51,969,968	100.00%
FY2004	60,592,525		60,592,525	100.00%
FY2005	71,274,983		71,274,983	100.00%
FY2006	81,695,195		81,695,195	100.00%
FY2007	87,524,109		87,524,109	100.00%
FY2008	91,764,563		91,764,563	100.00%
FY2009	94,017,490		94,017,490	100.00%
Proj. FY2010	100,045,201	*	100,045,201	100.00%
Proj. FY2011	106,258,541	*	106,258,541	100.00%

*This estimate is based on the most current available data and includes EED overhead.

1/29/10

State of Alaska

Department of Education and Early Development

Capital Improvement Projects

HB13/HB373 Debt Reimbursement Program - Effective 10/1/2006 - 11/30/2010

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
Anchorage										
		Bartlett High School Synthetic Field Surface Installation	1/26/2009	$2,380,000	$0	$2,380,000	70%	☑	☐	2009 projects did not pass voter approval on 4/7/09 .
		Bleacher Replacement, 2 Schools	1/26/2009	$725,000	$0	$725,000	70%	☑	☐	
		Eagle River High School, Connect to Public Water/Sewer Service	1/26/2009	$2,500,000	$0	$2,500,000	70%	☑	☐	
		Electrical Projects, 9 Sites	1/26/2009	$3,520,000	$0	$3,520,000	70%	☑	☐	
		Girdwood School Upgrade and Addition Design	1/26/2009	$680,000	$0	$680,000	60%	☑	☐	
		Mechanical Upgrades, 2 Schools	1/26/2009	$3,320,000	$0	$3,320,000	70%	☑	☐	
		Parking and Site Circulation Upgrades, 2 Schools	1/26/2009	$6,550,000	$0	$6,550,000	70%	☑	☐	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
		Roof Replacement, 2 Schools	1/26/2009	$2,155,000	$0	$2,155,000	70%	☑	☐	
		Security System Upgrades, 5 Schools	1/26/2009	$1,165,000	$0	$1,165,000	70%	☑	☐	
		Service High School Addition and Renewal	1/26/2009	$66,700,000	$0	66,700,000	60%	☑	☐	
		Aquarian Charter School Sprinkler System	1/26/2009	$1,165,000	$0	$1,165,000	70%	☑	☐	
	DR-07-110	Clark Middle School Replacement	2/6/2007	$65,000,000	$65,000,000	65,000,000	60%	☑	☑	2007 Anchorage projects voter approved April 3, 2007
	DR-07-111	Districtwide Code/Hazardous Materials/ADA Projects	2/6/2007	$1,265,000	$1,265,000	$1,265,000	70%	☑	☑	
	DR-07-112	Districtwide Roof Replacement and Repairs	2/6/2007	$1,950,000	$1,950,000	$1,950,000	70%	☑	☑	
	DR-07-113	Districtwide Security System Upgrades	2/6/2007	$890,000	$890,000	$890,000	70%	☑	☑	
	DR-07-114	Emergency Communication Systems-2 High Schools	2/6/2007	$650,000	$650,000	$650,000	70%	☑	☑	
	DR-07-115	Districtwide Building Renewal Projects	2/6/2007	$4,110,000	$4,110,000	$4,110,000	70%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-07-116	Districtwide Electrical Projects	2/6/2007	$2,190,000	$2,190,000	$2,190,000	70%	☑	☑	
	DR-07-117	Districtwide Mechanical Projects	2/6/2007	$5,845,000	$5,845,000	$5,845,000	70%	☑	☑	
	DR-07-118	Traffic Safety Upgrades, 3 Elementary Schools	2/6/2007	$3,100,000	$3,100,000	$3,100,000	70%	☑	☑	
	DR-08-103	Chester Valley Addition and Renewal	1/17/2008	$16,500,000	$16,500,000	16,500,000	60%	☑	☑	2008 Anchorage projects voter approved April 1, 2008
	DR-08-104	Sand Lake Addition and Renewal	1/17/2008	$17,500,000	$17,500,000	17,500,000	60%	☑	☑	
	DR-08-105	Girdwood K-8 School Design	1/17/2008	$300,000	$300,000	$300,000	60%	☑	☑	
	DR-08-106	Code Hazmat, 2 Schools	1/17/2008	$465,000	$465,000	$465,000	70%	☑	☑	
	DR-08-107	Roof Replacement, 2 Schools	1/17/2008	$950,000	$950,000	$950,000	70%	☑	☑	
	DR-08-108	Traffic Safety Upgrades, 2 Schools	1/17/2008	$600,000	$600,000	$600,000	70%	☑	☑	
	DR-08-109	Electrical Upgrades, 8 Schools	1/17/2008	$1,475,000	$1,475,000	$1,475,000	70%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-08-110	Mechanical Upgrades, 5 Schools	1/17/2008	$1,950,000	$1,950,000	$1,950,000	70%	☑	☑	
	DR-08-111	Building Renewal, 7 Schools	1/17/2008	$1,240,000	$1,240,000	$1,240,000	70%	☑	☑	
	DR-08-112	Track Improvements, 3 Schools	1/17/2008	$2,250,000	$2,250,000	$2,250,000	70%	☑	☑	
	DR-08-113	Emergency Communications Systems, 3 Schools	1/17/2008	$480,000	$480,000	$480,000	70%	☑	☑	
Anchorage Totals:				**$219,570,000**	**$128,710,000**	**$219,570,000**				
Cordova										
	DR-09-101	Mt. Eccles Elementary School Renovation	9/9/2008	$10,699,415	$10,670,111	10,699,415	70%	☑	☑	
	DR-09-102	Mt. Eccles Elementary School Addition	9/9/2008	$5,944,889	$5,944,889	$5,944,889	60%	☑	☑	
Cordova Totals:				**$16,644,304**	**$16,615,000**	**$16,644,304**				
Dillingham City										
	DR-08-101	Dillingham Elementary/Middle/High School Addition/Upgrade	8/28/2007	$1,257,551	$1,257,551	$1,257,551	70%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-08-101	Dillingham Elementary/Middle/High School Upgrade	8/28/2007	$14,433,697	$13,843,697	13,843,697	70%	☑	☑	One project agreement
Dillingham City Totals:				**$15,691,248**	**$15,101,248**	**$15,101,248**				
Fairbanks										
	DR-07-104	Barnette Elementary Renovation, Phase 2	11/17/2006	$6,591,000	$6,591,000	$6,591,000	70%	☑	☑	
	DR-07-105	Ryan Middle School Renovation, Phase 1	11/17/2006	$1,800,000	$1,800,000	$1,800,000	70%	☑	☑	
Fairbanks Totals:				**$8,391,000**	**$8,391,000**	**$8,391,000**				
Juneau City Borough										
	DR-03-125	New Juneau High School, Amendment #2	3/30/2007	$17,100,000	$17,100,000	17,100,000	70%	☑	☑	Amendment #2
	DR-06-111	Glacier Valley Elementary Renovation	9/14/2007	$7,100,000	$7,100,000	$7,100,000	70%	☑	☑	Amends DR-06-111 (DR-00-009)
	DR-08-100	Harborview Elementary Renovation	9/14/2007	$15,300,000	$15,300,000	15,300,000	70%	☑	☑	
	DR-08-102	Thunder Mountain High School Pool	6/26/2007	$19,800,000	$19,800,000	$8,650,853	60%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-09-103	Dzantik'i Heeni Middle School Covered Play Area	7/24/2008	$1,680,000	$1,680,000	$1,680,000	70%	☑	☑	
	DR-10-101	Gastineau Elementary School Renovation	11/24/2009	$11,800,000	$11,800,000	11,800,000	70%	☑	☑	
Juneau City Borough Totals:				**$72,780,000**	**$72,780,000**	**$61,630,853**				
Ketchikan										
		Mike Smithers Pool Replacement	5/29/2009	$24,576,591	$0	$5,865,000	60%	☑	☑	
		Schoenbar Middle School Repair/Remediation	8/18/2006	$8,706,000	$0	$8,706,000	70%	☑	☐	Did not receive voter approval.
Ketchikan Totals:				**$33,282,591**	**$0**	**$14,571,000**				
Kodiak Island										
	DR-05-110	New Kodiak MS/HS Pool	1/22/2007	$8,000,000	$8,000,000	$8,000,000	60%	☑	☑	Amends previous amount for a total project of $14,210,000
Kodiak Island Totals:				**$8,000,000**	**$8,000,000**	**$8,000,000**				
Mat-Su Borough										

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-08-115	Districtwide Safety & Security Upgrade	6/10/2008	$19,520,957	$14,236,720	14,236,720	70%	☑	☑	
	DR-08-116	Cottonwood Creek Site Circulation & Parking/Safety Improvements	6/10/2008	$1,500,000	$1,500,000	$1,500,000	70%	☑	☑	
	DR-08-116	Wasilla HS Fire Hydrant Installation	6/10/2008	$500,000	$500,000	$500,000	70%	☑	☑	
	DR-08-116	Wasilla HS Site Circulation & Parking/Safety Improvements	6/10/2008	$1,000,000	$1,000,000	$1,000,000	70%	☑	☑	
	DR-08-117	Palmer HS Original Building Roof Replacement	6/10/2008	$1,791,163	$1,791,163	$1,791,163	70%	☑	☑	
Mat-Su Borough Totals:				**$24,312,120**	**$19,027,883**	**$19,027,883**				
Unalaska City										
	DR-08-114	Unalaska Jr./Sr. High School Roof Replacement	8/24/2007	$2,400,000	$2,900,000	$3,198,515	70%	☑	☑	
	DR-08-114	Unalaska Jr./Sr. High School Carpet/Flooring Replacement	8/24/2007	$600,000	$600,000	$766,704	70%	☑	☑	
	DR-08-114	Unalaska Jr./Sr. High School Kitchen/Energy/Technology Upgrades	8/24/2007	$1,000,000	$1,000,000	$1,182,714	70%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
Unalaska City Totals:				$4,000,000	$4,500,000	$5,147,933				
Grand Totals:				$402,671,263	$273,125,131	$368,084,221				

Total of Projects Both Voter and EED Approved: $268,518,221

(This is a total of the EED Approved Amount.)

State of Alaska

Department of Education and Early Development

Capital Improvement Projects

HB13/HB373 Debt Reimbursement Program - Effective 10/1/2006 - 11/30/2010

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
Anchorage										
		Bartlett High School Synthetic Field Surface Installation	1/26/2009	$2,380,000	$0	$2,380,000	70%	☑	☐	2009 projects did not pass voter approval on 4/7/09
		Bleacher Replacement, 2 Schools	1/26/2009	$725,000	$0	$725,000	70%	☑	☐	
		Eagle River High School, Connect to Public Water/Sewer Service	1/26/2009	$2,500,000	$0	$2,500,000	70%	☑	☐	
		Electrical Projects, 9 Sites	1/26/2009	$3,520,000	$0	$3,520,000	70%	☑	☐	
		Girdwood School Upgrade and Addition Design	1/26/2009	$680,000	$0	$680,000	60%	☑	☐	
		Mechanical Upgrades, 2 Schools	1/26/2009	$3,320,000	$0	$3,320,000	70%	☑	☐	
		Parking and Site Circulation Upgrades, 2 Schools	1/26/2009	$6,550,000	$0	$6,550,000	70%	☑	☐	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
		Roof Replacement, 2 Schools	1/26/2009	$2,155,000	$0	$2,155,000	70%	☑	☐	
		Security System Upgrades, 5 Schools	1/26/2009	$1,165,000	$0	$1,165,000	70%	☑	☐	
		Service High School Addition and Renewal	1/26/2009	$66,700,000	$0	66,700,000	60%	☑	☐	
		Aquarian Charter School Sprinkler System	1/26/2009	$1,165,000	$0	$1,165,000	70%	☑	☐	
	DR-07-110	Clark Middle School Replacement	2/6/2007	$65,000,000	$65,000,000	65,000,000	60%	☑	☑	2007 Anchorage projects voter approved April 3, 2007
	DR-07-111	Districtwide Code/Hazardous Materials/ADA Projects	2/6/2007	$1,265,000	$1,265,000	$1,265,000	70%	☑	☑	
	DR-07-112	Districtwide Roof Replacement and Repairs	2/6/2007	$1,950,000	$1,950,000	$1,950,000	70%	☑	☑	
	DR-07-113	Districtwide Security System Upgrades	2/6/2007	$890,000	$890,000	$890,000	70%	☑	☑	
	DR-07-114	Emergency Communication Systems-2 High Schools	2/6/2007	$650,000	$650,000	$650,000	70%	☑	☑	
	DR-07-115	Districtwide Building Renewal Projects	2/6/2007	$4,110,000	$4,110,000	$4,110,000	70%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-07-116	Districtwide Electrical Projects	2/6/2007	$2,190,000	$2,190,000	$2,190,000	70%	☑	☑	
	DR-07-117	Districtwide Mechanical Projects	2/6/2007	$5,845,000	$5,845,000	$5,845,000	70%	☑	☑	
	DR-07-118	Traffic Safety Upgrades, 3 Elementary Schools	2/6/2007	$3,100,000	$3,100,000	$3,100,000	70%	☑	☑	
	DR-08-103	Chester Valley Addition and Renewal	1/17/2008	$16,500,000	$16,500,000	16,500,000	60%	☑	☑	2008 Anchorage projects voter approved April 1, 2008
	DR-08-104	Sand Lake Addition and Renewal	1/17/2008	$17,500,000	$17,500,000	17,500,000	60%	☑	☑	
	DR-08-105	Girdwood K-8 School Design	1/17/2008	$300,000	$300,000	$300,000	60%	☑	☑	
	DR-08-106	Code Hazmat, 2 Schools	1/17/2008	$465,000	$465,000	$465,000	70%	☑	☑	
	DR-08-107	Roof Replacement, 2 Schools	1/17/2008	$950,000	$950,000	$950,000	70%	☑	☑	
	DR-08-108	Traffic Safety Upgrades, 2 Schools	1/17/2008	$600,000	$600,000	$600,000	70%	☑	☑	
	DR-08-109	Electrical Upgrades, 8 Schools	1/17/2008	$1,475,000	$1,475,000	$1,475,000	70%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-08-110	Mechanical Upgrades, 5 Schools	1/17/2008	$1,950,000	$1,950,000	$1,950,000	70%	☑	☑	
	DR-08-111	Building Renewal, 7 Schools	1/17/2008	$1,240,000	$1,240,000	$1,240,000	70%	☑	☑	
	DR-08-112	Track Improvements, 3 Schools	1/17/2008	$2,250,000	$2,250,000	$2,250,000	70%	☑	☑	
	DR-08-113	Emergency Communications Systems, 3 Schools	1/17/2008	$480,000	$480,000	$480,000	70%	☑	☑	
Anchorage Totals:				**$219,570,000**	**$128,710,000**	**$219,570,000**				
Cordova										
	DR-09-101	Mt. Eccles Elementary School Renovation	9/9/2008	$10,699,415	$10,670,111	10,699,415	70%	☑	☑	
	DR-09-102	Mt. Eccles Elementary School Addition	9/9/2008	$5,944,889	$5,944,889	$5,944,889	60%	☑	☑	
Cordova Totals:				**$16,644,304**	**$16,615,000**	**$16,644,304**				
Dillingham City										
	DR-08-101	Dillingham Elementary/Middle/High School Addition/Upgrade	8/28/2007	$1,257,551	$1,257,551	$1,257,551	70%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-08-101	Dillingham Elementary/Middle/High School Upgrade	8/28/2007	$14,433,697	$13,843,697	13,843,697	70%	☑	☑	One project agreement
Dillingham City Totals:				**$15,691,248**	**$15,101,248**	**$15,101,248**				
Fairbanks										
	DR-07-104	Barnette Elementary Renovation, Phase 2	11/17/2006	$6,591,000	$6,591,000	$6,591,000	70%	☑	☑	
	DR-07-105	Ryan Middle School Renovation, Phase 1	11/17/2006	$1,800,000	$1,800,000	$1,800,000	70%	☑	☑	
Fairbanks Totals:				**$8,391,000**	**$8,391,000**	**$8,391,000**				
Juneau City Borough										
	DR-03-125	New Juneau High School, Amendment #2	3/30/2007	$17,100,000	$17,100,000	17,100,000	70%	☑	☑	Amendment #2
	DR-06-111	Glacier Valley Elementary Renovation	9/14/2007	$7,100,000	$7,100,000	$7,100,000	70%	☑	☑	Amends DR-06-111 (DR-00-009)
	DR-08-100	Harborview Elementary Renovation	9/14/2007	$15,300,000	$15,300,000	15,300,000	70%	☑	☑	
	DR-08-102	Thunder Mountain High School Pool	6/26/2007	$19,800,000	$19,800,000	$8,650,853	60%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-09-103	Dzantik'i Heeni Middle School Covered Play Area	7/24/2008	$1,680,000	$1,680,000	$1,680,000	70%	☑	☑	
	DR-10-101	Gastineau Elementary School Renovation	11/24/2009	$11,800,000	$11,800,000	11,800,000	70%	☑	☑	
Juneau City Borough Totals:				**$72,780,000**	**$72,780,000**	**$61,630,853**				
Ketchikan										
		Mike Smithers Pool Replacement	5/29/2009	$24,576,591	$0	$5,865,000	60%	☑	☑	
		Schoenbar Middle School Repair/Remediation	8/18/2006	$8,706,000	$0	$8,706,000	70%	☑	☐	Did not receive voter approval.
Ketchikan Totals:				**$33,282,591**	**$0**	**$14,571,000**				
Kodiak Island										
	DR-05-110	New Kodiak MS/HS Pool	1/22/2007	$8,000,000	$8,000,000	$8,000,000	60%	☑	☑	Amends previous amount for a total project of $14,210,000
Kodiak Island Totals:				**$8,000,000**	**$8,000,000**	**$8,000,000**				
Mat-Su Borough										

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
	DR-08-115	Districtwide Safety & Security Upgrade	6/10/2008	$19,520,957	$14,236,720	14,236,720	70%	☑	☑	
	DR-08-116	Cottonwood Creek Site Circulation & Parking/Safety Improvements	6/10/2008	$1,500,000	$1,500,000	$1,500,000	70%	☑	☑	
	DR-08-116	Wasilla HS Fire Hydrant Installation	6/10/2008	$500,000	$500,000	$500,000	70%	☑	☑	
	DR-08-116	Wasilla HS Site Circulation & Parking/Safety Improvements	6/10/2008	$1,000,000	$1,000,000	$1,000,000	70%	☑	☑	
	DR-08-117	Palmer HS Original Building Roof Replacement	6/10/2008	$1,791,163	$1,791,163	$1,791,163	70%	☑	☑	
Mat-Su Borough Totals:				**$24,312,120**	**$19,027,883**	**$19,027,883**				
Unalaska City										
	DR-08-114	Unalaska Jr./Sr. High School Roof Replacement	8/24/2007	$2,400,000	$2,900,000	$3,198,515	70%	☑	☑	
	DR-08-114	Unalaska Jr./Sr. High School Carpet/Flooring Replacement	8/24/2007	$600,000	$600,000	$766,704	70%	☑	☑	
	DR-08-114	Unalaska Jr./Sr. High School Kitchen/Energy/Technology Upgrades	8/24/2007	$1,000,000	$1,000,000	$1,182,714	70%	☑	☑	

District	Project Number	Project Title	Dept Approval	Req Amt	Voter Amt	EED Apprved Amt	Rate	EED Apprved	Voter Apprved	Comments
Unalaska City Totals:				$4,000,000	$4,500,000	$5,147,933				
Grand Totals:				$402,671,263	$273,125,131	$368,084,221				

Total of Projects Both Voter and EED Approved: $268,518,221

(This is a total of the EED Approved Amount.)

SB 238

<target><bill>SB 238</bill><subject>SB 238</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/3/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 238

SB 238 MEDICAID FOR MEDICAL & INTERMEDIATE CARE

"An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
HSS	1/29/10			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			✓	
	Olson			✓	
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 238
(S) Publish Date: 2/3/10

Identifier (file name): SB238-DHSS-SDMS-1-29-10
Dept. Affected: Health & Social Services

Title: Medicaid for Medical & Intermediate Care
RDU: Senior and Disability Services
Component: Senior and Disability Medicaid Services

Sponsor: Davis

Requester: Senate HSS
Component Number: 2662

Expenditures/Revenue (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) c

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if nece*

This bill would increase the Medicaid income eligibility standard for individuals who reside in medical institutions, typically nursing facilities. This standard is also used for people who receive home and community-based waiver services. Currently, this standard is fixed at $1,656 per month. The bill would increase the amount to 300 percent of the federal Supplemental Security Income (SSI) monthly benefit, which is currently $674, adjusted for cost of living each year. Initially, the new standard for Medicaid nursing facility residents and waiver recipients would be $2,022 per month.

DHSS does not anticipate that increasing the monthly standard for this eligibility category will increase the number of Medicaid recipients receiving services. While this is contrary to DHSS expectations when the Legislature fixed the standard at a set dollar amount in 2003, experience shows that as individuals receive cost of living increases in pensions or Social Security payments that raise their incomes over $1,656 per month, they use Medicaid qualifying income trusts to reduce their countable income below that amount and continue to qualify for Medicaid.
(Continued on Page 2).

Prepared by: William J. Streur, Deputy Commissioner
Division: DHSS Health Care Services
Phone: 269-7827
Date/Time: 1/29/10 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 1/29/2010

ANALYSIS CONTINUATION

Another consideration is that Medicaid recipients who qualify under this institutional income standard are required to make a contribution toward the cost of the Medicaid institutional or waiver services they receive if their countable income exceeds the personal needs allowance established for their living arrangement. The personal needs allowance for people on waivers has historically been set in regulation and the amount varies depending on the person's living situation, and is not linked to the institutional income standard. DHSS has not assumed an increase to the personal needs allowance. Therefore, DHSS does not anticipate an increase in Medicaid spending as a result of this legislation. If DHSS increased the personal needs allowance in conjunction with increasing the income eligibility standard, it would increase Medicaid expenditures.

Alaska State Legislature

Interim: (May - Dec.)
716 W. 4th Ave
Anchorage, AK 99501
Phone: (907) 269-0144
Fax: (907) 269-0148

Session: (Jan. - May)
State Capitol, Suite 30
Juneau, AK 99801-1182
Phone: (907) 465-3822
Fax: (907) 465-3756
Toll free: (800) 770-3822

Senator_Bettye_Davis@legis.state.ak.us
http://www.akdemocrats.org

Senator Bettye Davis

SB 238 - "An Act amending the eligibility threshold for medical assistance for persons in a medical or intermediate care facility."

SPONSOR STATEMENT

In 2003 the Legislature changed Alaska Statute Section 47.07.020(b)(6), the Medicaid long-term services income eligibility limit for persons in medical or intermediate care facilities from 300% Supplemental Security Income (SSI) to an equivalent fixed dollar amount at $1,656 per month. This change created an income ceiling for waiver eligibility, effectively freezing the eligibility limit for the last seven years, rather than allowing the limit to adjust annually in tandem with the SSI. The result was that small Social Security cost of living adjustments have disqualified many needy disabled people from the program.

Near the end of 2008 many individuals who were aged, blind, or disabled and requiring institutional care received notices that they would no longer be eligible for the Home and Community-Based Services (HCBS) waivers after the 2009 Cost of Living Adjustment went into effect. Because the waiver eligibility limits no longer increased with the cost of living, it placed a number of people over the $1,656 per month limit, or 300% of the 2003 SSI benefit rate. The 2009 income equivalent at 300% SSI was $2,022 per month. Alternatives for preserving eligibility, particularly for those requiring lifetime or long-term care, include creation of a Medicaid qualifying income trust, also known as a Miller Trust. Trusts have procedural drawbacks, including numerous responsibilities and restrictions, limited access to income, assistance of an attorney, and a trustee to manage trust assets.

The Supplemental Security Income (SSI) program is a federal needs-based disability program for low income adults over age 65, blind, or disabled. For an adult, the SSI disability requirement is based on the ability to work. An adult is considered disabled if the person cannot do the work that he/she performed before the disability occurred or cannot do alternate work because of a severe physical or mental condition. For a child to be eligible, he/she must suffer from serious physical and/or mental problems. For both adults and children, the disability must last, or be expected to last for at least a year.

Medicaid services are critical to the well-being of Alaska's most vulnerable citizens. Supporting SB 238 will ensure that eligible Alaskans can continue to receive nursing home care and in-home services. It also will save the Legislature from amending statutes every year or two as the Federal Poverty Level guidelines and Supplemental Security Income levels increase with the cost of living.

LEGAL SERVICES

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

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

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

MEMORANDUM February 4, 2010

SUBJECT: Sectional Summary (SB 238 (Work Order No. 26-LS1362\A))

TO: Senator Bettye Davis
Attn: Thomas Obermeyer

FROM: Jean M. Mischel
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Amends the eligibility threshold for medical assistance applicants who are in a medical or intermediate care facility from a specified monthly income limit to 300 percent of the Social Security income benefit rate.

JMM:ljw
10-060.ljw

STATE OF ALASKA

DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SEAN PARNELL, GOVERNOR

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

December 8, 2009

SB 238 - See item #5, page 2

Senator Johnny Ellis
716 West 4th Ave. Suite 500
Anchorage, AK 99501-2133

Dear Senator Ellis:

The Alaska Commission on Aging (ACoA) is pleased to present to you our FY2011 legislative priorities for the upcoming session. These top issues were identified with input from older Alaskans, family caregivers, providers, and senior advocates statewide. The ACoA is a state agency under the Department of Health and Social Services, established in 1982. Our charge is to plan, educate and advocate on behalf of all older Alaskans (persons aged 60 years and older) through inter-agency collaboration so that Alaska seniors/elders may lead useful and meaningful lives with dignity and independence and have access to quality services when seniors need them to remain safely in their homes and chosen communities for as long as possible.

1. **Establish a regular and periodic schedule of rate reviews for home- and community-based services** that serve persons who are Medicaid-eligible and meet nursing home level of care. This measure will promote ongoing awareness of the true costs of providing services. SB 32, sponsored by Senator Johnny Ellis, passed the Senate and the House Health and Social Services Committee last session and waits to be scheduled for a hearing in House Finance. ACoA encourages passage of this legislation.

2. **Eliminate, or alternatively, adjust the cap on adult dental services reimbursed by Medicaid** to provide program benefits that keep pace with higher health care costs due to inflation, and **allow Medicaid patients access to two-years program benefits in a single year** to permit scheduling of treatment around the oral health care needs of the patient. The current law places a statutory $1,150 limit on dental health care expenditures per eligible client. When the Medicaid Adult Dental program was created in 2005, this amount was sufficient to pay for one half of a set of dentures, either an upper or lower, with the idea that a patient who needed dentures could have both sets if the treatment was scheduled around the turn of the fiscal year. Although health care costs continue to rise, the cap has not been increased in three years. Allowing Medicaid patients access to two years of program benefits in a single year furnishes Alaskans and their dentists the flexibility needed to provide treatment addressing oral health emergencies that can occur at any time.

3. **Provide increased operating and capital funding to establish an Alaskan Public Transportation Fund for operations of local coordinated transportation systems** which the State can use to leverage additional federal funds to improve accessible, affordable transportation for older Alaskans, persons with disabilities, low-income individuals, youth and others without access to transportation so that Alaskans with special needs may have greater access to employment and community participation opportunities. According to the Governor's Coordinated Transportation Task Force Report (2009), Alaska is one of only three states in the nation that does not provide any specific state funding for public transportation.

4. **Provide operating funding to enhance the Aging and Disability Resource Centers**, administered under the Division of Senior and Disabilities Services, to streamline access to more efficient information and referral services by providing eligibility screening, options counseling, and assessments so that Alaskans can make informed decisions and have access to long-term care services through a "one-stop shop," reducing confusion and program fragmentation.

5. **Return to the original wording of AS 47.07.020 (b) (6), the Medicaid statute establishing income eligibility for persons requiring nursing home level of care, referencing 300% of the maximum Supplemental Security Income (SSI) benefit rate rather than the current frozen dollar amount ($1,656 a month) to reflect changes in cost of living** so that seniors and other Medicaid-eligible persons will not be disqualified for services, including home- and community-based waiver services, due to small increases to their Social Security and other benefits. The amount of $1,656 is the monthly amount of 300% of SSI in 2003. The 2009 income equivalent is $2,022 monthly.

We also want to take this opportunity to share with you highlights from the Alaska Elder/Senior Community Forums that we hosted in Kotzebue (August) and Anchorage (December) to increase understanding about the issues that are of most importance to older Alaskans and to identify unmet needs. These forums, to be held in other locations statewide in the coming year, are being conducted to gather public input that will be used to develop the next Alaska State Plan for Senior Services, FY2012-2016. This document, prepared every four years, provides the State with a guide for delivering senior services and meets the requirement of the U.S. Administration on Aging for the state to access funding from the Older Americans Act which provides federal funding for a range of senior programs. Although these forums will be ongoing, Anchorage and Kotzebue participants identified the following issues as the most important:

- Provide improved access to quality and affordable health care, long-term supports that include home- and community-based services in communities where older Alaskans live, and promote disease prevention and wellness programs;
- Promote financial security, increase affordable senior housing, and improve elder safety;
- Provide safe, dependable, and affordable coordinated community transportation services so that seniors/elders can get to medical appointments and remain actively engaged in their communities;
- Enhance information and assistance services to help individuals access long-term support services and make informed decisions regarding their care.

Upon retirement, more seniors are choosing Alaska as their lifelong home to be close to family, friends and the unique Alaskan lifestyle. For the first time, Alaska is now the state with the fastest growing senior population, according to the U.S. Administration on Aging (2008), replacing Nevada, which held that position for many years. Alaska is home to approximately 80,000 persons aged 60 years and older who comprise about 12% of the state's population (Alaska Department of Labor). Alaska's senior population is expected to increase by four to six percent each year through 2020, as baby boomers become of age, by which time the total number of seniors will grow by almost 64 percent. The oldest Alaska seniors, 85 and older, are expected to triple during the next 25 years, vastly increasing the number of Alaskans living with Alzheimer's disease and related disorders.

Please feel free to contact Denise Daniello, ACoA's executive director (465-4879 or denise.daniello@alaska.gov) for additional information about these issues or with any questions concerning Alaska's senior population.

The Alaska Commission on Aging will be meeting in Juneau February 10th-12th, 2010 and hopes to schedule a meeting with you to discuss our priorities in person. We look forward to working with you this legislative session. We appreciate your consideration of these advocacy priorities and thank you for your support of services for older Alaskans.

Sincerely,

Sharon Howerton-Clark
Chair, Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

AARP Alaska
3601 C Street
Suite 1420
Anchorage, AK 99503

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

February 1, 2010

The Honorable Bettye Davis, Chair
Senate Health, Education and Social Services Committee
Alaska State Capitol, Room 30
Juneau, AK 99801-1182

RE: SB 238 (Davis)--Support

Dear Chair Davis:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the Senate Health and Social Services Committee to support SB 238, which you authored.

SB 238 corrects a situation which occurred in 2003 when the Legislature changed eligibility for long-term care services in facilities from 300% of the SSI level to $1,656 per month. Since then, each year some Alaskans would find themselves no longer eligible than when the 300% level was used.

Alaska has a long history of using home and community based services in preference to institutionalized care. SB 238 will allow our most frail and vulnerable citizens to remain in their homes and communities or in institutional settings, when appropriate.

The beneficiaries of SB 238 are not well off financially. They are at risk economically as well as from a health standpoint.

AARP recommends an "AYE" vote on SB 238.

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

Thank you for your consideration.

Sincerely,

Marie Darlin

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

CC: Vice-Chair Joe Paskvan
Senator Johnny Ellis
Senator Joe Thomas
Senator Fred Dyson

ABOUT OUR PROGRAMS

MARYLAND MEDICAL ASSISTANCE FOR FAMILIES NEW!

MARYLAND MONEY FOLLOWS THE PERSON

HEALTHCHOICE

SEARCH OUR HEALTHCHOICE PROVIDER DIRECTORY

DIVISION OF COMMUNITY SUPPORT SERVICES

MONTHLY INCOME & ASSET GUIDELINES FOR MEDICAL CARE PROGRAMS

MARYLAND CHILDREN'S HEALTH PROGRAM

PRIMARY ADULT CARE PROGRAM (PAC)

MARYLAND MEDICAID PHARMACY PROGRAM

LONG TERM CARE

SPECIALTY MENTAL HEALTH SERVICES

WAIVER PROGRAMS

LISTING OF LOCAL DEPARTMENTS OF SOCIAL SERVICES

MEDICAL PROGRAMS HOME

MARYLAND MEDICAID ADVISORY COMMITTEE

EARLY & PERIODIC SCREENING, DIAGNOSIS & TREATMENT (EPSDT)

EMPLOYED INDIVIDUALS WITH DISABILITIES PROGRAM (EID) INFORMATION

MESSAGE TO COMMUNITYCHOICE ADVISORY GROUP

SITE TABLE OF CONTENTS

Waiver Programs

The Medicaid Program is responsible for the implementation and ongoing administration of home and community-based services waivers and targeted case management programs for special population groups. The Program studies, plans, and implement services relating to the needs of special populations such as the elderly, the mentally ill, and the physically and mentally disabled.

- Waiver Programs Overview
- Reportable Event Information
- Provider Billing Forms and Instructions
- Registry Policy for Closed Waivers
- Older Adults Fact Sheet Updated!
- Autism Waiver Fact Sheet
- Model Waiver Fact Sheet
- TBI Waiver Fact Sheet
- Living at Home Waiver Program
- Frequently Asked Questions List
- Estate Fact Sheet
- Estate Fact Sheet - Spanish Version
- Medical Day Care Waiver Fact Sheet NEW!
- Medical Day Care Waiver Application NEW!
- Medical Day Care Services Waiver NEW!
- Residential Treatment Center (RTC) Waiver NEW!
- Waiver Program Updates
  - Autism Waiver Application
  - Approved Living at Home Waiver Application
  - 1915 (b)(4) waiver application for Living at Home Case Management, Submitted July 2009

What is a waiver?

Under Section 1915(c) of the Social Security Act, Medicaid law authorizes the Secretary of the U.S. Department of Health and Human Services to waive certain Medicaid statutory requirements. These waivers enable States to cover a broad array of home and community-based services (HCBS) for targeted populations as an alternative to institutionalization. Waiver services may be optional State Plan services which either are not covered by a particular State or which enhance the State's coverage. Waivers may also include services not covered through the State Plan such as respite care, environmental modifications, or family training.

The four basic types of 1915(c) HCBS waivers available for states based on the target population's level of alternative long-term institutional care are:

- intermediate care facility-mental retardation (ICF-MR) level of care for mentally retarded and/or developmentally disabled individuals;
- chronic or rehabilitative hospital level of care for individuals who are medically fragile, chronically ill, or severely disabled;
- psychiatric hospital level of care for individuals who are severely or chronically mentally ill; and
- nursing facility level of care for individuals who are elderly, physically disabled, and/or cognitively impaired.

To be a waiver participant, an individual must be medically qualified, certified for the waiver's institutional level of care, choose to enroll in the waiver as an alternative to institutionalization, cost Medicaid no more in the community under the waiver than he or she would have cost Medicaid in an institution, and be financially eligible based on their income and assets.

Updated
July 16, 2009

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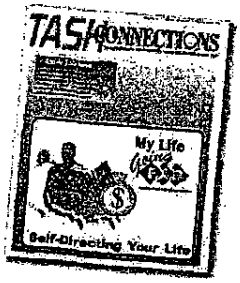
My Life Going FAR
Freedom * Authority * Responsibility

Supporting Individuals and Families to Self Direct Their Lives Through the Maryland New Directions Medicaid Waiver

About the Project
MD New Directions Waiver
New Directions Fact Sheets
Person-Centered Planning
Individualized Budgeting
What is Self-Direction?
Regional Workshops
Planning Workshops
Creating an Individualized Budget
Resources and Links
Calendar of Events
Glossary of Acronyms & Terms
Position Announcement
Outreach Tools
Contact Us



Inside the March - April 2005 Issue of TASH Connections:
Self-Directing Your Life (.pdf file)

My Life: Going FAR is a project of TASH.

This project is funded by the Maryland Developmental Disabilities Council, in cooperation with the Maryland Developmental Disabilities Administration.

What is a Medicaid Waiver?

This information is based on a Policy Brief of the National Center for Family Support. The entire brief can be found at www.familysupport-HSRI.org

The Medicaid program is an enormously important source of money to pay for services and supports for people with developmental disabilities. About $3 of every $4 that states spend for developmental disabilities services comes by way of Medicaid. Once, Medicaid dollars only paid for institutional services. Today, Medicaid allows more diverse services and supports for individuals in the community, by "waiving" the need to get those same services in an institution.

Why is it important to learn all about Medicaid?

Advocates need to keep in mind that states have the ability to decide who gets funded for what services (criteria for eligibility and coverage). To realize many of the opportunities afforded by federal policy, a state must elect to include an "option" or change its current policies. Medicaid policy change at the state level means convincing policy makers (governors and legislators) to take advantage of key options if they have not done so already. This is why it is important for individuals, families and other stakeholders to be "at the table" when Medicaid policy is discussed.

The Way Medicaid Works

Federal law (Title XIX of the Social Security Act) and regulations spell out the requirements that a state must meet in operating its Medicaid program. If a state meets these requirements, then the federal government pays a percentage of money (called the Federal Medical Assistance Percentage (FMAP)) of the amount of money that the state spends for services to people who are eligible for Medicaid. The FMAP rate varies, depending on income levels in each state. The lowest FMAP for high-income states is 50%; the maximum rate allowed is 83%. The highest rate currently being paid is about 77% (Mississippi).

States must use their own or local tax dollars (called "matching dollars") to meet their share of Medicaid costs. In order to expand Medicaid services, a state must provide more of their own tax dollars to get more money from the federal government. In the federal budget, Medicaid is an "open-ended entitlement" program. This means that the federal government is required by law to pay its share of state Medicaid costs regardless of the total amount. Each state spells out what is available under its Medicaid program in a document called the "state plan." The state plan describes the groups of individuals who can receive Medicaid services and the services that the state will make available to them. A state can amend its plan to change its program. State plan amendments are subject to federal review and approval. Each state must designate one of its agencies (called the "single state Medicaid agency") to administer its Medicaid program. The Medicaid

Sign up for the My Life: Going FAR email discussion group. This group is for sharing questions, ideas, and sucess stories related to self-directing support services and for supporting people to self-direct and use the Maryland New Directions Medicaid Waiver.

Individuals with developmental disabilities, families, and interested advocates or supporters are welcome and encouraged to participate.

If you or someone you know is interested in the information, but does not have regular access to email or the internet, please call us at 410-828-8274 x109 and we will add you to our regular mailing list.

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agency may enter into agreements with other state agencies (e.g., the state developmental disabilities agency) to administer specific services.

The federal agency responsible for the Medicaid program is the Center for Medicaid and State Operations (CMSO), a branch of the Health Care Financing Administration (HCFA) in the Federal Department of Health and Human Services. HCFA issues regulations and other policy guidance concerning Medicaid. It also oversees state Medicaid program operations. There are ten HCFA Regional Offices located around the country that work with individual states concerning the operation of their Medicaid programs.

Key Requirements For States

There are key requirements with which a state's Medicaid program must comply. These basic requirements govern Medicaid programs nationwide. They include:

- A state must make services available to individuals on a *comparable* basis. With some exceptions, a state may not provide services that differ in amount or type to one group of beneficiaries than others.
- A state must guarantee that recipients have *free choice* in selecting from among qualified service providers when obtaining Medicaid services. That is, a state cannot require a person to obtain services from a specific provider to the exclusion of others.
- A state must make Medicaid services are available *statewide* and provide that individuals have ready *access* to them.
- A state must accept and make a *prompt decision* concerning a person's application for Medicaid services.
- A state may not limit or ration services due to a funding shortfall. A state is obligated to provide services in its state plan to all eligible persons. If a state cannot afford to provide the services, it must change its state plan.
- A state also must permit individuals to appeal adverse decisions concerning their eligibility or the authorization of services. This is called the Fair Hearing process.

In some cases, a state may request *waivers* of some of these requirements. Medicaid home and community-based service waiver programs operate under such waivers. The HCBS waiver program will be discussed in more detail below. When a state decides to use a managed care arrangement to obtain services for individuals (thereby limit their freedom of choice), there are federal laws and regulations concerning how such arrangements must be set up in order to safeguard their interests. Medicaid services must be obtained from "qualified providers." A state must spell out the qualifications that an individual or agency must meet in order to furnish services. States have considerable latitude in specifying these qualifications. At a minimum, providers must meet requirements spelled out in state law. In addition, each provider must enter into a contract (called a "provider agreement") with the state in order to be paid for services it provides to beneficiaries.

Medicaid is a "vendor payment" program. Typically, states pay providers directly on a fee-for-service basis once the provider has furnished a service. Subject to federal requirements, a state may pay for Medicaid services through prepayment ("capitation") arrangements when services are provided by health maintenance organizations (HMOs) or similar organizations. States have broad discretion in determining the amount of payments for services. Federal law requires that payment rates must be

sufficient to attract enough providers so that recipients can access needed services.

Eligibility: The Portal to Medicaid Services

Medicaid services are available only to individuals determined eligible for a state's program. Eligibility is the "portal" through which people must pass in order to obtain Medicaid services. On the other side of this portal lie services that people can obtain.

There are two parts to Medicaid eligibility. One is *financial eligibility*. Medicaid is a *means-tested* program. To qualify for Medicaid, a person cannot have income or assets that exceed the amounts that the state has specified. *The second leg of eligibility is whether a person is a member of a "group" that recognized in federal law* (e.g., people with disabilities who receive federal Supplemental Security Income (SSI) benefits). In order to receive Medicaid services, a person has to meet both tests. "Mandatory" groups (e.g., individuals that all states must serve) essentially include SSI recipients and children who live in very low-income households. But, there are many options or "doors" available to states to widen Medicaid eligibility beyond the mandatory groups. People with developmental disabilities qualify for Medicaid by meeting financial eligibility tests and being members of recognized but broader groups (e.g., individuals with disabilities). It is important to understand that over the past fifteen years, federal Medicaid policy has changed to permit states to offer Medicaid services to more groups of individuals who do not actually receive public assistance payments. Medicaid no longer is closely tied to "welfare." Even though the program is still means-tested, new mandates and options have been added so that individuals and families who have income above the poverty line can pass through the portal.

There are certain eligibility options that can play an important role in enabling people with developmental disabilities to qualify for Medicaid services, even though these options are not reserved exclusively for such individuals. These options revolve around children and adults who do not qualify as members of a mandatory group, generally because their or the family's income prevents them from being eligible to receive an SSI or other public assistance payment. It is helpful to discuss these options in terms of those that are relevant to children, adults and those that cut across all ages.

- **Children**. Not all children and youth with severe disabilities can qualify for an SSI payment and, thus, Medicaid. In the case of children with severe disabilities who live with their families, SSI rules require that a portion of the family's income be counted as available ("deemed") to the child. Even in the case of low-to-moderate income families, this requirement can result in the child's not qualifying for an SSI payment and, thus, make the child ineligible for Medicaid. However, if the child were placed permanently out of the family home in an institutional setting, the family's income would not be counted and the child would qualify for Medicaid. In order to correct this problem, in 1982 Congress enacted the "Katie Beckett option" (also known as "TEFRA 134"). Under this option, a state can decide not to count the family's income when the child meets SSI disability criteria and would be eligible for Medicaid if s/he were in an institutional setting. Several states have adopted this option. One state where this option is used extensively is Wisconsin. See the _ for how to obtain more information about Wisconsin's Katie Beckett program.

- Children who do not receive SSI also can qualify for Medicaid in a variety of other ways. They can qualify as members of low and moderate income households (needy families). There can be other avenues available, depending on the state. The Vermont Parent-to-Parent Network has identified six ways (including the Katie Beckett option) that children with disabilities can obtain Medicaid eligibility in Vermont. See the _ for how to access this information.

- Congress is considering a bill (the Family Opportunity Act) that would give states still another option for extending Medicaid eligibility to children with disabilities who live in higher income households eligible for Medicaid services. We discuss this bill more in the final section.
- **Adults**. Family income does not play a role in Medicaid eligibility for adults with disabilities, including when the person lives with his/her family. Only the adult individual's own income and resources are considered. As noted previously, states must extend Medicaid eligibility to individuals who receive SSI payments. SSI program rules permit individuals to earn income up to a certain level and still qualify for SSI. Recently, these earning limits were raised to $740/month. There also are special rules that continue SSI and Medicaid benefits for a period of time after a person exceeds the earned income ceiling. It is not true that having a job automatically disqualifies a person for Medicaid. But, problems can arise once the person's income climbs above levels that SSI permits.
- Not all adults with severe disabilities qualify for an SSI payment. People who receive "adult disabled child" Social Security benefits or who have other income (including employment income) that exceed SSI maximums can qualify for Medicaid under other options. A state can set higher income thresholds that permit more of these individuals to qualify even though they do not receive SSI. Many states also permit individuals to qualify as "medically needy." In a medically needy program, people who have income above the state's maximum qualify for Medicaid by "spending down" their income on health services until it reaches the state's maximum (e.g., if a state's maximum is $600 per month and a person has income of $800, the person will qualify once he or she spends $200 on health services). Recently, HCFA issued new rules that give states more options to make it easier for people to qualify as medically needy and thus obtain Medicaid eligibility. In addition, starting in 1997, Congress has added more eligibility options that permit states to extend or continue Medicaid eligibility for adults with disabilities whose employment earnings would otherwise disqualify them for Medicaid. See the _ for how to obtain information on this new options (which some states already have adopted). The rules concerning Medicaid eligibility for adults with disabilities differ considerably from state to state with the exception of the requirement that states include SSI recipients. As with children, it is important to have solid information concerning the rules in your state.
- **Long-term Services Eligibility**. In most states, Medicaid financial eligibility rules are more liberal for people who require long-term services. For example, a state may grant Medicaid eligibility to such persons who have incomes as high as three-times the basic grant standard for the SSI program (i.e., as high as $1,590 per month). In operating an HCBS waiver program, a state may employ the same financial rules to determine eligibility as it does for institutional services. For children, this yields the same result as the Katie Beckett option. However, the Katie Beckett option is broader since it

does not hinge on whether the child participates in a waiver program. In the case of adults, using institutional financial eligibility rules can make a big difference in enabling individuals to obtain Medicaid eligibility. But, again, these special provisions apply to people who qualify for long-term services.

Medicaid operates under a simple rule: no Medicaid card, no services. States have many options for widening the eligibility portal for both children and adults with disabilities beyond those who receive an SSI payment. Advocacy with respect to Medicaid eligibility centers on urging states broaden eligibility options to more children with severe disabilities who live with their families and adults who do not qualify for SSI.

Once a person successfully navigates through a Medicaid portal, the next question is what services they can obtain that would be valuable in meeting his or her needs? Answering this question revolves around "coverage" -- the collection of "services" or "benefits" a state offers to Medicaid beneficiaries.

Medicaid coverage also has two parts. Every state must provide all Medicaid recipients with a core set of *mandatory services* (e.g., hospital, physician, nursing facility, home health services). A state also may elect to provide additional *optional services* (e.g., personal assistance, home and community-based waiver services). See the _ for how to locate information about the all the services that a state must or may offer. States can operate Medicaid programs that have either wide or narrow benefits. Usually you can find out about all the services your state offers at the Medicaid agency's website (_). Like other health insurance programs, whether a person requires a service is based on "necessity" (medical or otherwise) criteria (e.g., does a person's condition require a treatment or service that is covered under the state plan?).

State-to-state, the basic services that are available depend on whether the person is a child or adult as well as the decisions that a state has made with respect to the services it offers. Everyone who has a Medicaid card can access the services that a state offers through its Medicaid state plan. Here, we describe some key "regular" Medicaid services (e.g., services that a state can provide without seeking special waivers). In the next section, we will discuss services that a state can over through an HCBS waiver program.

There are differences in the services that a state must or may offer children and adults. In particular:

- **Children.** For more than a decade, Congress has focused on strengthening the role that the Medicaid program plays in ensuring that children (with or without disabilities) have access to health care. In 1989, Congress extensively revamped federal Medicaid law what are labeled "Early and Periodic Screening, Diagnosis and Treatment" (EPSDT) services. States must provide EPSDT services to all children who are eligible for the Medicaid program. It is one of the mandates that states must meet in operating a Medicaid program. Through EPSDT, children must be seen periodically by health care professionals. If the child is identified as having a medical condition, further diagnoses must be performed and a state must follow through to provide all necessary treatment services. However, needed services can be identified at any time by professionals other than the child's own physician. The 1989 law

changes required states to step up their performance in operating EPSDT programs. It also mandated that states furnish any necessary Medicaid service (including dental care) that a child requires – regardless of whether the state specifically covers the service as part of its regular Medicaid program or not. The EPSDT mandate, for example, means that Medicaid eligible children with severe disabilities who require therapeutic services must be provided them. A state cannot restrict the services that it provides under the EPSDT mandate; it must make all types of services available, including the services that children with severe disabilities or special health care needs require. Such services can include home health services and personal assistance. However, EPSDT services do not include services (like respite) that only can be furnished through an HCBS waiver program. It is this EPSDT mandate that potentially makes obtaining Medicaid eligibility so valuable for children with disabilities.

- **Adults**. Except for the mandatory services that all states must include in their Medicaid programs, states have latitude in terms of the types of services that they make available to adults with disabilities. With respect to adults, there is no equivalent to the EPSDT mandate. States vary considerably with respect to the optional services that they make available to adults. For example, states frequently make available only very limited dental services or restrict the provision of therapeutic services only to people who need such services to "restore function," a restriction that frequently results in persons with developmental disabilities not being able to obtain such services. In addition, often states impose restrictions on optional services that can narrow their scope considerably.

There are three "regular" Medicaid services that are especially relevant to meeting the needs of people with developmental disabilities:

- One is home health, which all states must offer in their Medicaid programs. Home health services are provided to individuals at their place of residence. Home health services must include part-time or intermittent nursing services, home health aide services, and certain medical supplies and equipment. Physical, occupational therapy and speech pathology and audiology services also may be provided on an optional basis. In some states, access to home health services has been restricted to "homebound" individuals. But in July 2000, HCFA issued a policy clarification that states cannot restrict the availability of these services to people whose condition prevents them from leaving the home. This is expected to increase access to home health services by individuals who live in the community.
- The second important "regular" Medicaid service coverage is personal care (a.k.a., "personal assistance" or "attendant care"). When this service is offered, workers can provide assistance to people with disabilities in a wide variety of ways (helping with activities of daily living, grocery shopping, or getting about in the community). Once, federal rules limited the provision of these services to the person's home and described them in "medical model" terms. In 1993, Congress changed federal law so that personal assistance could be provided out in the community and "demedicalized" them. In 1999, HCFA issued new guidelines that gave states increased flexibility in providing these services, including sanctioning the use of consumer-directed personal care services (____). A state may provide personal care/assistance services without obtaining a waiver from HCFA and people do not have a

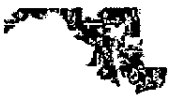
demonstrate a "need for institutional services" in order to obtain these services. Personal care is a potentially very flexible benefit that states can make available to all beneficiaries. However, fewer than 30 states offer personal care under their regular Medicaid programs and many have imposed more stringent restrictions on them than federal policy requires. A few states (e.g., Washington) make personal assistance available relatively widely.

- Another service is "targeted case management." The service is labeled "targeted" because it is one of the few regular Medicaid services that a state can cover but limit to specific groups of individuals. Many states use this coverage to fund their service coordination systems for people with developmental disabilities. States can offer these services to one or many groups of beneficiaries. Targeted case management is designed to help Medicaid beneficiaries access any of a wide range of services -- including social and educational services – not just health care services.

The "regular" services that a state offers through its Medicaid state plan make up a "core" benefit package available to all Medicaid beneficiaries. Federal policy is very liberal with respect to the range of benefits that states may offer. But, many states are reluctant to add more services to their Medicaid programs or loosen up the restrictions that apply to the services that they presently offer. It is not surprising that concerns about increased spending lie behind this reluctance. Once a service is included in the core benefit package, it becomes an entitled service that might be very costly to provide. Nonetheless, advocates should be vigilant for opportunities to urge states to take advantage of opportunities to add services that are important to people with disabilities or remove overly stringent restrictions.

This information is based on a Policy Brief of the National Center for Family Support. The entire brief can be found at www.familysupport-HSRI.org

My Life: Going FAR is a project of TASH.
This project is funded by the Maryland Developmental Disabilities Council,
in cooperation with the Maryland Developmental Disabilities Administration.



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Volume 10

TITLE 45 TO TITLE 47

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Effective Date of Statutes

See Alaska Constitution, art. II, § 18

Annotated through Sup. Ct. Op. No. 5589. For complete scope of annotations, see preface. For detailed information on the use of the Alaska Statutes, see User's Guide in Volume 1.

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AS 2002

claims under medicaid, medicare, or similar welfare programs providing medical services. 32 ALR4th 671.

Criminal liability of pharmacy or pharmacist for welfare fraud in connection with supplying prescription drugs. 16 ALR5th 390.

Sec. 47.07.020. Eligible persons. (a) All residents of the state for whom the Social Security Act requires Medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

(1) persons eligible for but not receiving assistance under any plan of the state approved under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act, Supplemental Security Income) or a federal program designated as the successor to the aid to families with dependent children program;

(2) persons in a general hospital, skilled nursing facility, or intermediate care facility, who, if they left the facility, would be eligible for assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under age 21 who are under supervision of the department, for whom maintenance is being paid in whole or in part from public funds, and who are in foster homes or private child-care institutions;

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal program designated as the successor to the aid to families with dependent children program;

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed 300 percent of the supplemental security income benefit rate under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility;

(7) persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of the federal program designated as the successor to the Aid to Families with Dependent Children program;

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal program designated as the successor to the aid to families with dependent children program;

(10) persons under age 21 not covered under (a) of this section who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 — 25.23.220;

(11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom a supplemental security income is being paid under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) because they meet all of the following criteria:

(A) they are 18 years of age or younger and qualify as disabled individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

(B) the department has determined that

ALASKA STATUTES
1962

2003 SUPPLEMENT

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Effective Date of Statutes

See Alaska Constitution, art. II, § 18

Annotated through Sup. Ct. Op. No. 5704. For complete scope of annotations, see preface. For detailed information on the use of the Alaska Statutes, see User's Guide in Volume 1 of the 2002 main set.

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(12) "medical assistance record" means records required to be kept by state or federal law or regulation regarding claims to a medical assistance agency;

(13) "organization" has the meaning given in AS 11.81.900;

(14) "person" has the meaning given in AS 11.81.900;

(15) "property" has the meaning given in AS 11.81.900;

(16) "reckless disregard" means acting recklessly, as that term is defined in AS 11.81.900;

(17) "services" or "medical assistance services" means a health care benefit that may qualify for reimbursement under AS 47.07 or AS 47.08, including health care benefits provided, attempted to be provided, or claimed to have been provided to another, by a medical assistance provider, or "services" as defined in AS 11.81.900;

(18) "unconditional discharge" has the meaning given in AS 12.55.185. (§ 3 ch 66 SLA 2003)

Chapter 07. Medical Assistance for Needy Persons.

Section
10. Purpose
20. Eligible persons
30. Medical services to be provided
32. Inpatient psychiatric services for persons under 21 years of age
35. [Repealed]
36. Cost containment measures authorized
42. Recipient cost-sharing
70. Payment rates for health facilities
73. Uniform accounting, budgeting, and reporting
74. Audits and inspections
110 — 190. [Repealed]
900. Definitions

Sec. 47.07.010. Purpose. It is declared by the legislature as a matter of public concern that the needy persons of this state who are eligible for medical care at public expense under this chapter should seek only uniform and high quality care that is appropriate to their condition and cost-effective to the state and receive that care, regardless of race, age, national origin, or economic standing. It is equally a matter of public concern that providers of services under this chapter should operate honestly, responsibly, and in accordance with applicable laws and regulations in order to maintain the integrity and fiscal viability of the state's medical assistance program, and that those who do not operate in this manner should be held accountable for their conduct. It is vital that the department administer this chapter in a manner that promotes effective, long-term cost containment of the state's medical assistance expenditures while providing medical care to recipients. Accordingly, this chapter authorizes the department to apply for participation in the national medical assistance program as provided for under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act). (§ 1 ch 182 SLA 1972; am § 4 ch 66 SLA 2003)

Effect of amendments. — The 2003 amendment, effective September 9, 2003, rewrote the first sentence, added the second sentence, and in the last sentence substituted "department" for "Department of Health and Social Services."

NOTES TO DECISIONS

Cited in Garner v. State, 63 P.3d 264 (Alaska 2003).

Sec. 47.07.020. Eligible persons. (a) All residents of the state for whom the Social Security Act requires Medicaid coverage are eligible to receive medical assistance under 42 U.S.C. 1396 — 1396p (Title XIX, Social Security Act).

(b) In addition to the persons specified in (a) of this section, the following optional groups of persons for whom the state may claim federal financial participation are eligible for medical assistance:

AS 2003

(1) persons eligible for but not receiving assistance under any plan of the state approved under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act, Supplemental Security Income) or a federal program designated as the successor to the aid to families with dependent children program;

(2) persons in a general hospital, skilled nursing facility, or intermediate care facility, who, if they left the facility, would be eligible for assistance under one of the federal programs specified in (1) of this subsection;

(3) persons under age 21 who are under supervision of the department, for whom maintenance is being paid in whole or in part from public funds, and who are in foster homes or private child-care institutions;

(4) aged, blind, or disabled persons, who, because they do not meet income and resources requirements, do not receive supplemental security income under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act), and who do not receive a mandatory state supplement, but who are eligible, or would be eligible if they were not in a skilled nursing facility or intermediate care facility to receive an optional state supplementary payment;

(5) persons under age 21 who are in an institution designated as an intermediate care facility for the mentally retarded and who are financially eligible as determined by the standards of the federal program designated as the successor to the aid to families with dependent children program;

(6) persons in a medical or intermediate care facility whose income while in the facility does not exceed $1,656 a month but who would not be eligible for an optional state supplementary payment if they left the hospital or other facility;

(7) persons under age 21 who are receiving active treatment in a psychiatric hospital and who are financially eligible as determined by the standards of the federal program designated as the successor to the Aid to Families with Dependent Children program;

(8) persons under age 21 and not covered under (a) of this section, who would be eligible for benefits under the federal program designated as the successor to the aid to families with dependent children program, except that they have the care and support of both their natural and adoptive parents;

(9) pregnant women not covered under (a) of this section and who meet the income and resource requirements of the federal program designated as the successor to the aid to families with dependent children program;

(10) persons under age 21 not covered under (a) of this section who the department has determined cannot be placed for adoption without medical assistance because of a special need for medical or rehabilitative care and who the department has determined are hard-to-place children eligible for subsidy under AS 25.23.190 — 25.23.210;

(11) persons who can be considered under 42 U.S.C. 1396a(e)(3) (Title XIX, Social Security Act, Medical Assistance) to be individuals with respect to whom a supplemental security income is being paid under 42 U.S.C. 1381 — 1383c (Title XVI, Social Security Act) because they meet all of the following criteria:

(A) they are 18 years of age or younger and qualify as disabled individuals under 42 U.S.C. 1382c(a) (Title XVI, Social Security Act);

(B) the department has determined that

(i) they require a level of care provided in a hospital, nursing facility, or intermediate care facility for the mentally retarded;

(ii) it is appropriate to provide their care outside of an institution; and

(iii) the estimated amount that would be spent for medical assistance for their individual care outside an institution is not greater than the estimated amount that would otherwise be expended individually for medical assistance within an appropriate institution;

(C) if they were in a medical institution, they would be eligible for medical assistance under other provisions of this chapter; and

Senate Finance Committee – Testimony for SB 238
March 15, 2010

- Good Morning. My name is Denise Daniello, executive director for the Alaska Commission on Aging.

- We are pleased to offer our strong support for SB 238.

- This is an important piece of legislation for older Alaskans who receive small cost-of-living increases to their Social Security and other benefit amounts. The impact from this freeze has been that from 2003 forward, a small cost-of-living adjustment to Social Security can put a senior over the $1,656 limit and in effect disqualifies them from receiving Medicaid long-term support services. These vulnerable individuals are at-risk both financially and with regards to their health.

- Our office became alerted to this issue around Christmastime in 2008 when many individuals on Social Security receiving waiver services were issued notice from the State that they would no longer be eligible for these services after the 2009 Social Security COLA went into effect. They were given the choice of either paying out-of-pocket for these services or establishing a Medicaid qualifying income trust, also known as a Miller Trust, to preserve their income eligibility. They were very distraught and called our office for help. Some called their legislators.

- (As has already been explained...) the Miller Trust reduces one's countable income below the income standard, which is now set at $1,656, so that a person can continue to qualify for Medicaid.

- The Miller Trust is a useful tool for maintaining income eligibility but has some drawbacks:

    - First, it requires an individual to seek legal assistance from an attorney to establish the Trust and then to find a person they trust to manage their account. Some elderly Medicaid recipients have no friends or family they know who can serve as reliable trustees. They must either trust a stranger to manage their money or forego benefits. Some recipients risk their money by having less-than-trustworthy relatives serve as a trustee. Recently, we learned of a case involving an elder whose granddaughter left the state with the individual's trust account funds.

    - Secondly, trustees have a lot of legal responsibilities that include registering the trust with the court system, arranging for an identification number from the IRS, setting up a special account with the bank, arranging for direct deposits to that account through Social Security, and securing approval from the Division of Public Assistance for the Trust. Trustees are also responsible for properly managing the Trust that includes distributing the correct monthly allowance to the Medicaid recipient, making allowable expenses with Trust funds that are not clearly defined by law (which creates confusion for Trustees), tracking and documenting receipts, and passing an annual audit with Public Assistance.

- Thirdly, it costs money to establish the Trust – $800 to $1,200, according to estimates from Alaska Legal Services. This fee is paid for by the senior who is living on a fixed income.

- Fourth, a Miller Trust is irrevocable. In the rare event that a person's health turns around and they are no longer medically eligible for long-term services, they will not have access to the trust funds for their daily expenses.

- Finally, managing one's own expenses is a matter of personal dignity for many older Alaskans. Being forced to give up this right can be stressful and humiliating, as well as financially risky.

- The Alaska Commission on Aging supports SB 238. We believe that this legislation is good public policy that promotes more efficient use of public funds since fewer individuals will have the need to establish Miller Trusts in order to maintain their income eligibility for Medicaid services when they receive COLA adjustments to their Social Security and other public benefits.

- Passage of this legislation will also ensure that eligible Alaskans can continue to receive nursing home care and in-home services, which are critical to an elderly person's health and well-being.

- Thank you.

SB 239

<target><bill>SB 239</bill><subject>SB 239</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

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SENATOR KEVIN MEYER
SENATE DISTRICT O

SPONSOR STATEMENT FOR SB 239

"An Act relating to ignition interlock devices, to refusal to submit to a chemical test, and to driving while under the influence."

SB 239 would clarify the sentencing statutes regarding the use of ignition interlock device (IID).

Effective in 2009, legislation was passed mandating an IID as part of the sentencing for driving while under the influence of an alcoholic beverage, inhalant, or controlled substance.

In 2009, there were 3,513 court orders requiring IID, 193 limited licenses for an IID were issued, and over 1,245 IIDs were installed in vehicles. There have been some reports of the IID being suspended in sentencing and of people with more violations having less time with an IID.

SB 239 would seek to remedy these loopholes by 1) requiring a period of time an IID to be installed stair stepped with each offense and 2) listing an IID as a condition of sentencing that cannot be suspended.

According to the National Conference of State Legislatures January 2010 Legisbrief, research shows that installation of an IID reduces can reduce recidivism up to 90 percent.

SENATE FINANCE COMMITTEE REPORT

DATE: 3/23/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 239

SB 239 IGNITION INTERLOCK DEVICES/DUI/CHEM. TEST

"An Act relating to ignition interlock devices, to refusal to submit to a chemical test, and to driving while under the influence."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[X] adopt **previous** [ ] **SCS** or [X] **CS** SB239 (Jud)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
LAW	2/19/10			✓	
ADM	2/22/10			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Ellis	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		2			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 239(JUD)
(S) Publish Date: 3/23/10

Identifier (file name): SB239-DOA-DMV-02-22-10
Dept. Affected: Administration
Title "An Act relating to ignition interlock devices, to refusal to submit to a chemical test..."
RDU Division of Motor Vehicles
Component Motor Vehicles
Sponsor Senator Meyer
Requester (S)JUD
Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1156 Receipt Supported Services							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

This bill does not fiscally impact the Division of Motor Vehicles (DMV).

Prepared by: Whitney H. Brewster, Director
Phone 907-269-5574
Division Motor Vehicles
Date/Time 2/22/10 11:30 AM
Approved by: Kevin Brooks, Deputy Commissioner
Date 2/22/2010
Department of Administration

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 239(JUD)
(S) Publish Date: 3/23/10

Identifier (file name): SB239-LAW-CRIM-02-19-10
Dept. Affected: Law
Title: An Act relating to ignition interlock devices, to refusal to submit to a chemical test and to driving while under the influence.
RDU: CRIMINAL
Component: Criminal Justice Litigation
Sponsor: Senator Meyer
Requester: Senate Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill proposes amendments to the statutes related to ignition interlock devices. The Department of Law does not anticipate any fiscal impact from passage of this legislation.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 2/19/10 5:00 PM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 2/19/2010

(Revised 11/6/2009 OMB)

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Thecla LaLonde, President
Wrangell Chapter
Wrangell

February 2, 2010

Senator Kevin Meyer
Alaska State Senate
State Capitol
Juneau AK 99801-1182

Dear Senator Meyer:

On behalf of the Alaska Peace Officers Association (APOA), I would like to thank you for introducing Senate Bill 239, an act relating to ignition interlock devices, to refusal to submit to a chemical test, and to driving while under the influence.

The APOA State Board of Directors recently reviewed this proposed legislation and decided to unanimously support this bill.

We thank you for addressing this issue. Please contact the APOA office in Anchorage at 277-0515, if there is anything our organization can do to assist in the passage of this bill.

Sincerely,

John Lucking, Jr.
State President

National Conference of State Legislatures

LEGISBRIEF

BRIEFING PAPERS ON THE IMPORTANT ISSUES OF THE DAY

JANUARY 2010 VOL. 18, NO. 3

Ignition Interlock Devices: Starting Your Engine Sober

By Anne Teigen

Ignition interlocks can help decrease the number of drunken drivers.

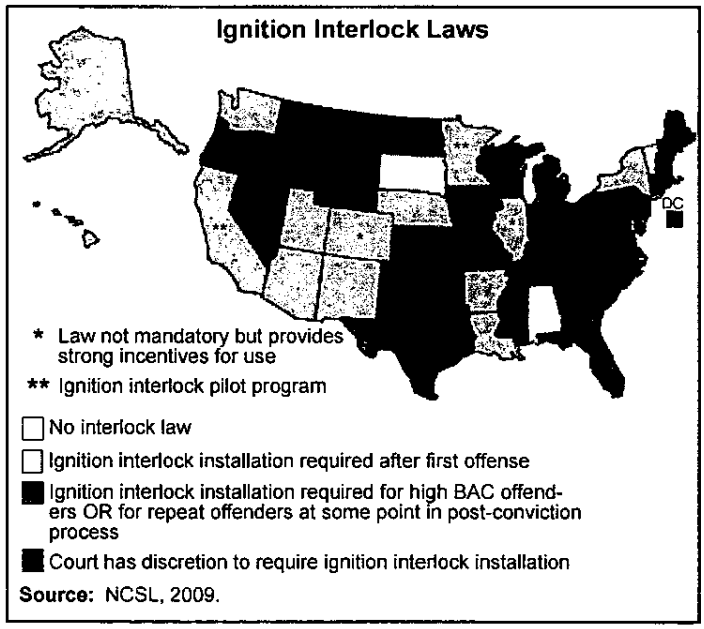
Alcohol-impaired driving fatalities still account for 32 percent of all U.S. traffic deaths. An estimated 11,700 people were killed in alcohol-impaired crashes in 2008, an approximate average of one fatality every 45 minutes. Impaired driving remains a significant public safety issue, and legislators are considering such tools as ignition interlock technology to decrease the number of drunken drivers.

Devices are more accurate and less susceptible to tampering.

Ignition interlock devices are installed in motor vehicles to prevent them from being started if alcohol is detected on the driver's breath. Most devices require periodic retesting while the car is running to ensure that the driver is not drinking once the car is started. Technological advances have made ignition interlock devices smaller, more accurate and less susceptible to tampering. Many courts include the use of devices when sentencing DUI offenders. During sentencing, an offender whose driver's license has been suspended or revoked may be granted limited driving privileges if an ignition interlock device is installed. About 146,000 ignition interlock devices currently are in use in the United States.

State ignition interlock laws vary.

State Action State ignition interlock laws vary greatly. Currently, 47 states and the District of Columbia have some type of law. Twenty-five states require installation of an interlock device after some repeat offenders or high BAC offenders are convicted. In some states, the license revocation period may be shortened if an interlock device is installed. Eight states and the District of Columbia allow judicial discretion in sentencing offenders. Alabama, South Dakota and Vermont have no ignition interlock law.



In 2005, New Mexico became the first state to require ignition interlock devices for all convicted drunken drivers, including first-time offenders. As of December

National Conference of State Legislatures

Executive Director
William T. Pound

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2009, Alaska, Arizona, Hawaii, Louisiana, Nebraska, New Mexico, New York, Utah and Washington had passed legislation to require ignition interlock devices for all convicted drunken driving offenders. New York's law takes effect in August 2010, and Hawaii's law is effective in January 2011.

New laws in nine states require devices for all DUI offenders.

Three states address interlocks for first-time offenders with certain qualifications. Colorado's ignition interlock law is not mandatory for first-time offenders. The law provides strong incentives to use ignition interlocks by allowing first-time offenders' license suspension to be reduced from nine months to one month if an interlock is installed. Illinois requires first-time offenders to have interlocks installed unless an offender chooses in writing not to do so. Arkansas allows discretion to issue an ignition interlock license to a first-time offender.

In 2009, two states authorized ignition interlock pilot programs.

In 2009, 32 states considered some sort of ignition interlock legislation, and two passed pilot programs. Minnesota's program—available to all DUI offenders—is administered by the Minnesota Department of Public Safety, Driver and Vehicle Services. The program allows first-time and repeat DUI offenders to regain driving privileges if they participate in the pilot program. First-time offenders must use an ignition interlock device for one year, after a 15-day license suspension. Second- or third-time offenders must use the device for a year and six months after a 30-day license suspension. The pilot project began July 1, 2009, and will end June 30, 2011. The commissioner must submit a final report to the Legislature by Sept. 30, 2011, evaluating the pilot project, including information on participation rates, and recommending whether to continue an ignition interlock program. California's pilot program requires interlocks for all DUI offenders in four counties. The DMV must report to the Legislature on the pilot program's effectiveness in reducing the number of first-time DUI violations and repeat offenses.

Virginia modified its ignition interlock law in 2009, making it a Class 1 misdemeanor for anyone required to have an interlock installed to operate a vehicle without the device. Convicted drivers also are subject to license revocation. Many other states are revising their laws to provide penalties for offenders who violate ignition interlock laws.

Effects of state laws. Research shows that installation of these devices reduces recidivism by between 50 percent and 90 percent. A Maryland study of repeat offenders showed that interlock program participation reduced the risk of committing an alcohol traffic violation within the first year by 65 percent. A 2002 Illinois study found offenders who used ignition interlock devices were 20 percent less likely to be re-arrested for a DUI during the first year, compared to offenders who did not install the device. The installation rate of ignition interlocks is key in determining a law's effectiveness. Approximately 1.4 million drunken driving offenders are arrested and convicted each year, yet only 10 percent of convicted DWI drivers ordered to install an interlock device on their vehicle have done so.

Federal Action In preparing to reauthorize the surface transportation program (SAFETEA-LU), Congress is considering provisions that would require states to enact and enforce ignition interlock laws. In the provisions under debate, states would have to enact mandatory ignition interlock laws for all those convicted of driving while intoxicated and require the device to be installed for at least six months for the first offense. States would lose a percentage of highway maintenance funds for failing to pass such laws. The bill was introduced in December 2009.

Contacts for More Information

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melissa.savage@ncsl.org

The Century Council
www.centurycouncil.org

SB 243

<target><bill>SB 243</bill><subject>SB 243</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

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Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Date: 2/8/10
Version: 26-LS1346\A

SPONSOR STATEMENT – SB 243

"An Act removing the royalty obligation for geothermal resources."

Electric power generated from geothermal sources is a clean, sustainable and environmentally friendly alternative to fossil fuels. It can play a major part in meeting the future energy needs of the railbelt and other regions.

The problem for any company seeking to build a commercial grade geothermal plant in Alaska is high capital costs that run 25-50 percent higher than the Lower-48. Operational costs could run 100 percent higher than the rest of the country.

Senate Bill 243 assists companies in developing geothermal resources discovered in commercial quantities on state land by lifting the 10 to 15 percent royalty payment obligation currently in state statute.

SB 243 is a common sense effort to make geothermal power projects economically viable and produce more affordable and reliable electric power for homes and businesses.

Geothermal electrical generation has been used for decades all over the world and creates "green" jobs. Alaska can now join other states and nations using geothermal sources to create a safe and secure source of electricity.

I urge all my colleagues to support SB 243 and move our state towards a secure energy future.

ALASKA STATE LEGISLATURE

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SENATOR LESIL MCGUIRE

Sectional Analysis of Senate Bill 243: 26-LS 1346\S

Please note that a sectional analysis is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 amends AS 31.05.030 clarifying that the Alaska Oil and Gas Conservation Commission (AOGCC) has jurisdiction over the exploration and development of geothermal resources; except for the management of leases and units.

Section 2 amends the royalty rate for geothermal resources in AS 38.05.181(g) to reflect federal royalty rates; 1.75% of gross income during the first 10 years and 3.5% of gross income thereafter.

Section 3 adds a new section to AS 41.06 delineating jurisdiction over geothermal resources between the AOGCC and Department of Natural Resources (DNR).

Section 4 amends AS 41.06.010 to allow the AOGCC to investigate the waste of geothermal resources.

Section 5 repeals and reenacts AS 41.06.020 to set out the jurisdiction of the AOGCC over all land in the state and to allow for the suspension of the application of chapter 06 on federal land if similarly regulated by Federal government and clarifies the application of the chapter.

Section 6 amends AS 41.06.030(a) to clarify that a plan of development and operation for a geothermal resource must be filed with the AOGCC.

Section 7 amends AS 41.06.030(b) to clarify that unitization by DNR of a geothermal resource system under AS 41.06.030 when the geothermal resource system includes state land.

Section 8 amends AS 41.06.030(c) to conform to the changes made in section 7.

Section 9 amends AS 41.06.030 by inserting a new subsection (e) that allows the commissioner of DNR to adopt regulations necessary to implement the purposes and intent of chapter 6.

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Section 10 amends AS 41.06 by adding a new section 41.06.035 allowing the AOGCC to issue orders and impose requirements to prevent waste and protect correlative rights on any geothermal opeation. This section also allows the AOGCC to adopt regulations.~~regulate the management of a geothermal resource~~.

Section 11 repeals and reenacts AS 41.06.040(a) governing the authority of the AOGCC to adopt regulations governing the safe development~~management~~ of a geothermal resource.

Section 12 amends AS 41.06.040 (b) ~~by replacing the commissioner of DNR's authority governing the filing of a surety bond with the AOGCC.~~to allow the AOGCC to require a geothermal operator to file a surety bond.

Section 13 amends AS 41.06.040(c) to require notification of the AOGCC rather than the DNR is geothermal exploration encounters hydrocarbons and other fissionable materials.

Section 14 amends AS 41.06.040(d) to replace the commissioner of DNR with the AOGCC for the purposes of authorizing inspection of a geothermal operation.

Section 15 repeals and reenacts AS 41.06.050 governing the AOGCC permitting process for geothermal exploration and development drilling.

Section 16 amends AS 41.06 by adding a new section 41.06.055 authorizing a regulatory cost charge for geothermal wells.

Section 17 repeals and reenacts AS 41.06.060 providing definitions for AS 41.06

Section 18 repeals AS 41.06.030(d) governing lease operations under an approved plan of development and AS 41.06.040(e) the exemption from AOGCC authority of geothermal resources.

Section 19 adds a new section to the uncodified law of the State of Alaska that applies the royalty rates established by section 2 to leases entered into or renewed after the effective date of the act and directs the commissioner of DNR to offer the royalty rates established by section 2 to an existing lessee.

Section 20 adds a new section to the uncodified law of the State of Alaska that governs the transition of authorities over geothermal resources established in this act.

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Section 21 adds a new section to the uncodified law of the State of Alaska that gives direction to the revisor of statutes.

Section 22 immediate effective date for section 20

Section 23 effective date of July 1, 2010

Prepared By: Michael Pawlowski, Aide to Senator McGuire

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Annual Royalty Due Under the SB 243 for the Proposed Mt. Spur Geothermal Project

The following was prepared based on the numbers provided by ORMAT, Inc. to the Senate Resources Committee.

Assumptions:

1. 50 Megawatt Geothermal Project
2. 95% Capacity factor
3. $130 per Megawatt/Hour

At the 1.75% rate for the first 10 years:

- 50 MW x 8760 hrs/yr x 95% CF x $130 MW/hr x 1.75% = $946,627.50 annually

At the 3.5% rate (effective in perpetuity after the first 10 years):

- 50 MW x 8760 hrs/yr x 95% CF x $130 MW/hr x 3.5% = $1,893,255 annually

*It is important to note that if the Mt. Spur project is developed by a private entity as proposed, the corporation would also be subject to Alaska's corporate income tax.

Prepared by: Michael Pawlowski, Aide to Senator McGuire

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 243(RES)
(S) Publish Date: 3/22/10

Identifier (file name): SB 243 DNR-OGD-02092010
Title: No Royalty on Geothermal Resources
Sponsor: Sen McGuire
Requester: SRES

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Oil and Gas Development
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 243 eliminates royalties from any state geothermal lease entered into for geothermal resources after the effective date. Under AS 38.05.140(d) the commissioner, for the purpose of encouraging the greatest ultimate resource recovery, already has the authority to reduce royalties on an entire leasehold for geothermal resources in order to promote development. Implementing this bill during the immature state of the geothermal industry may only result in the transfer of state resource revenue to private developers.

Prepared by: Kevin Banks — Phone 269-8800
Division: Oil and Gas — Date/Time 2/9/10 1:00 PM
Approved by: Tom Irwin — Date 2/9/10 5:15pm
Natural Resources

(Revised 11/6/2009 OMB)

LEGAL SERVICES

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

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FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM January 28, 2010

SUBJECT: Sectional summary for SB 243; removing the royalty obligation for geothermal resources (Work Order No. 26-LS1346\A)

TO: Senator Lesil McGuire
Attn: Mike Pawlowski

FROM: Donald M. Bullock Jr.
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Amends AS 38.05.181(c) by deleting language that requires a royalty obligation in conjunction with a noncompetitive geothermal lease.

Section 2. Amends AS 38.05.181(d) by deleting royalty share as an alternative term in a competitive geothermal lease sale.

Section 3. Amends AS 38.05.181(e) by deleting language that states that the rent paid on a geothermal lease is a credit against the royalty accruing on the lease.

Section 4. Amends AS 38.05.0181(f) by deleting a reference to royalties as a term to be considered in the renegotiation of a geothermal lease.

Section 5. Amends AS 38.05.182(a) to delete the statutory section providing for a geothermal resource royalty in a spanned citation for statutes that provide for royalties that may be taken in kind rather than in money.

Section 6. Deletes AS 38.05.181(g), which requires a royalty to be paid for the sale or use of a geothermal resource.

Section 7. Adds a section to uncodified law to state that secs. 1 - 5 of the Act apply to a lease or renewal of a lease for a geothermal lease entered into on, or after, the effective date of the Act.

DMB:ljw
10-048.ljw

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SENATOR LESIL MCGUIRE

Changes to SB 243 (26-LS1346\A) in CS SB 243 (26-LS1346\E)

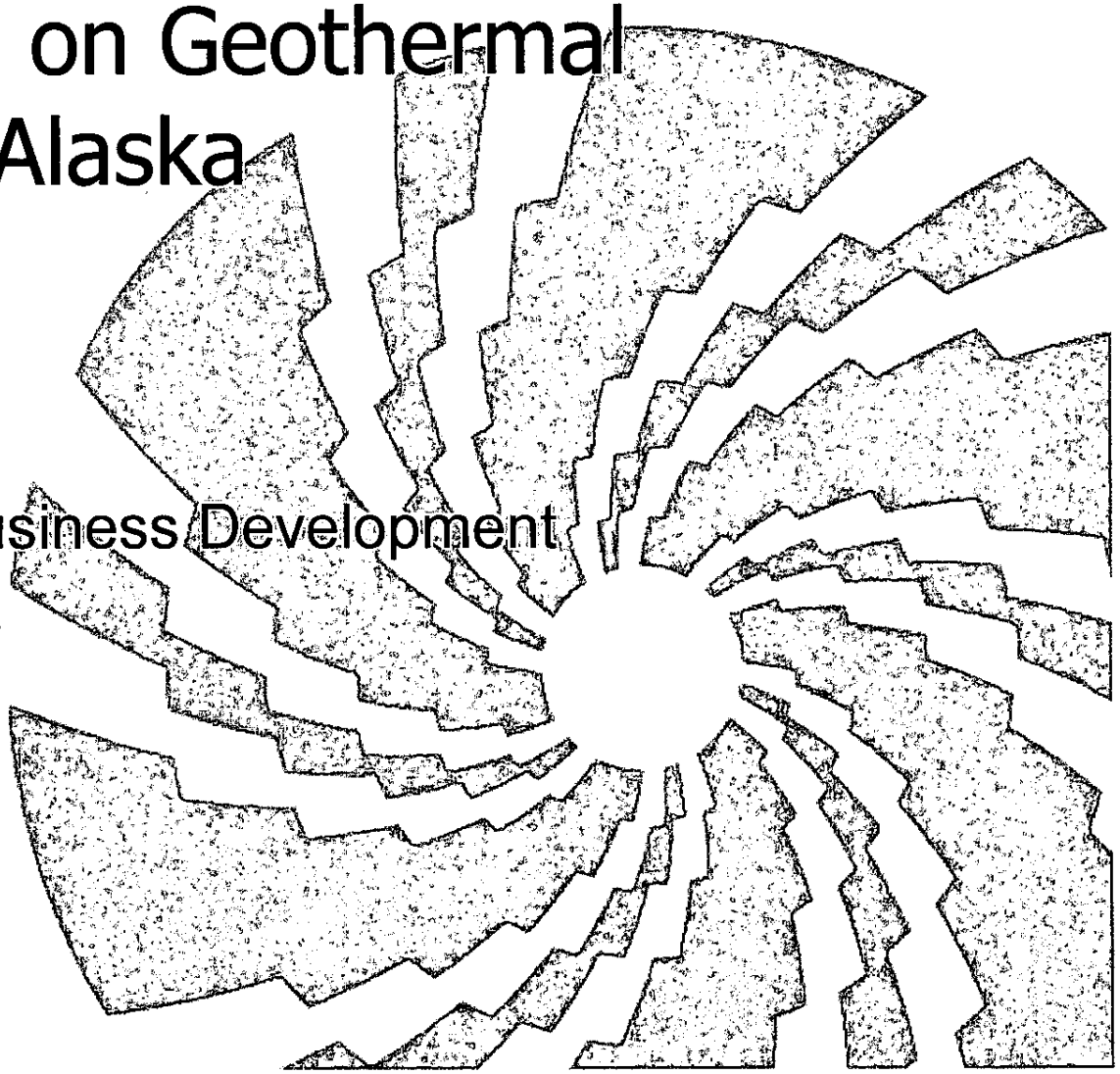
Section 1: The CS SB 243 enacts royalty rates that mirror the federal royalty rates for a geothermal resource.

1. 1.75% of gross revenues for the first 10 years
2. 3.5% of gross revenues for the following years

Section 2: Directs the Commissioner of Natural Resources to offer the royalty rates established in section 1 to existing lessees.

Impact of SB243 on Geothermal Development in Alaska

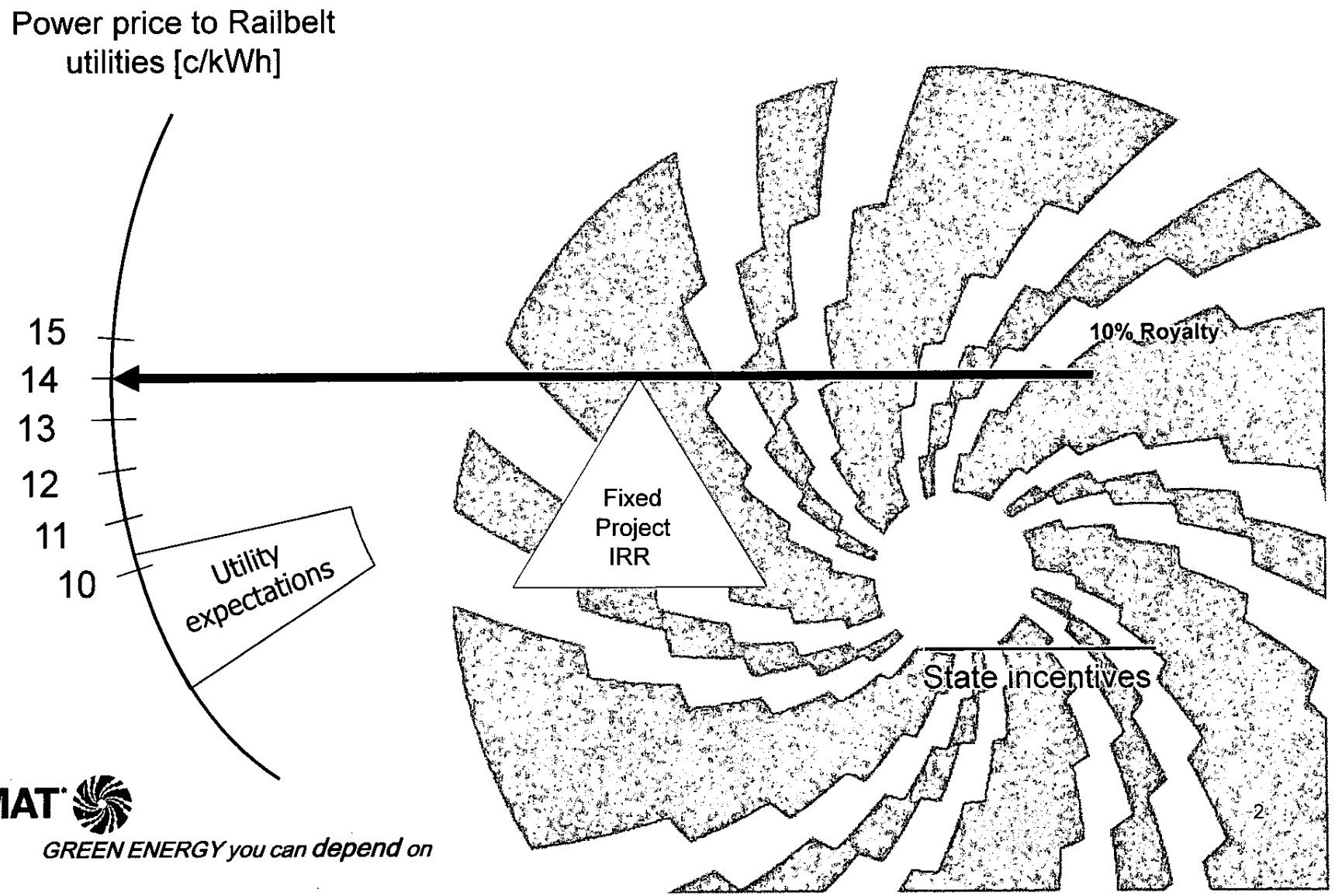
Paul Thomsen
Director of Policy and Business Development
Ormat Technologies, Inc



ORMAT

*GREEN ENERGY you can **depend** on*

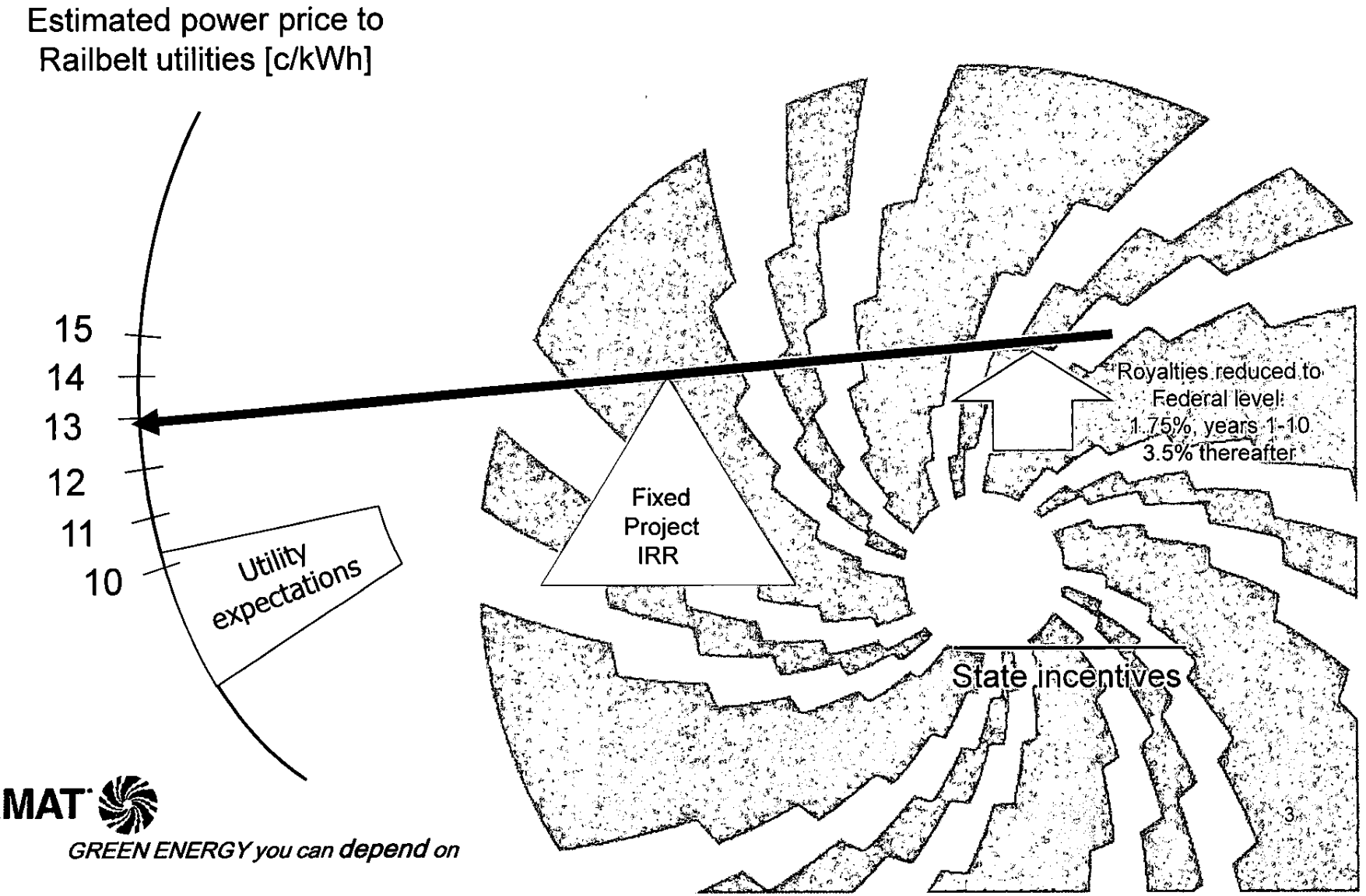
Estimated Power Price, Current Conditions



ORMAT

GREEN ENERGY you can depend on

Impact of SB243 on Mt Spurr Power Price



ORMAT

*GREEN ENERGY you can **depend** on*

Economic Benefits to the State of Alaska

- Estimated royalty payment in 25 years[1]:

  50 * 0.95 * 8760 * 130 * 2.8% * 25 = **$38 million**

  MW | availability | hours /year | $/MWh | Average royalties | years

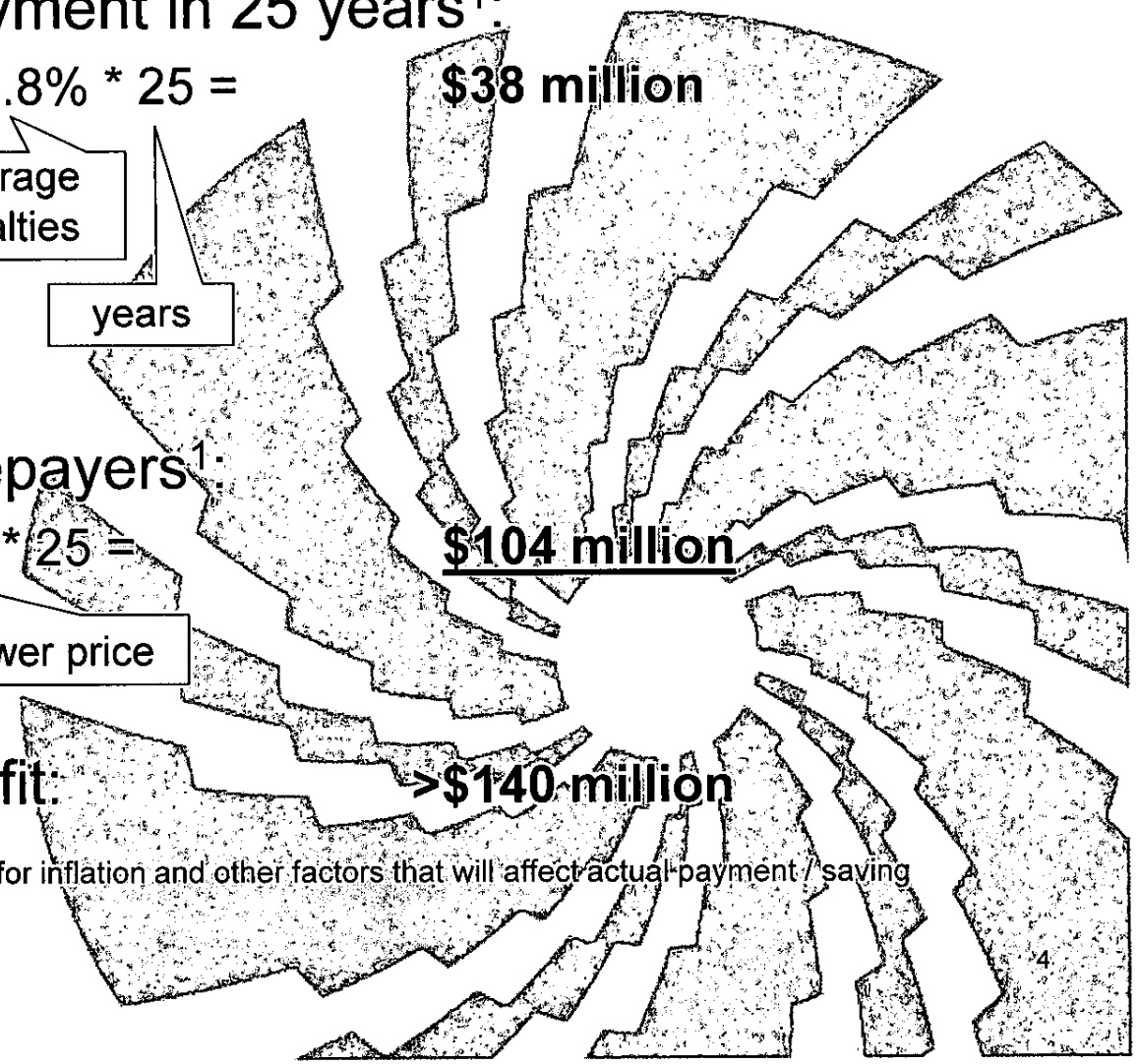
- Saving to railbelt ratepayers[1]:

  50 * 0.95 * 8760 * 10 * 25 = **$104 million**

  $/MWh reduction in power price

- Total economic benefit: **>$140 million**

[1] This is a simplified calculation, not accounting for inflation and other factors that will affect actual payment / saving



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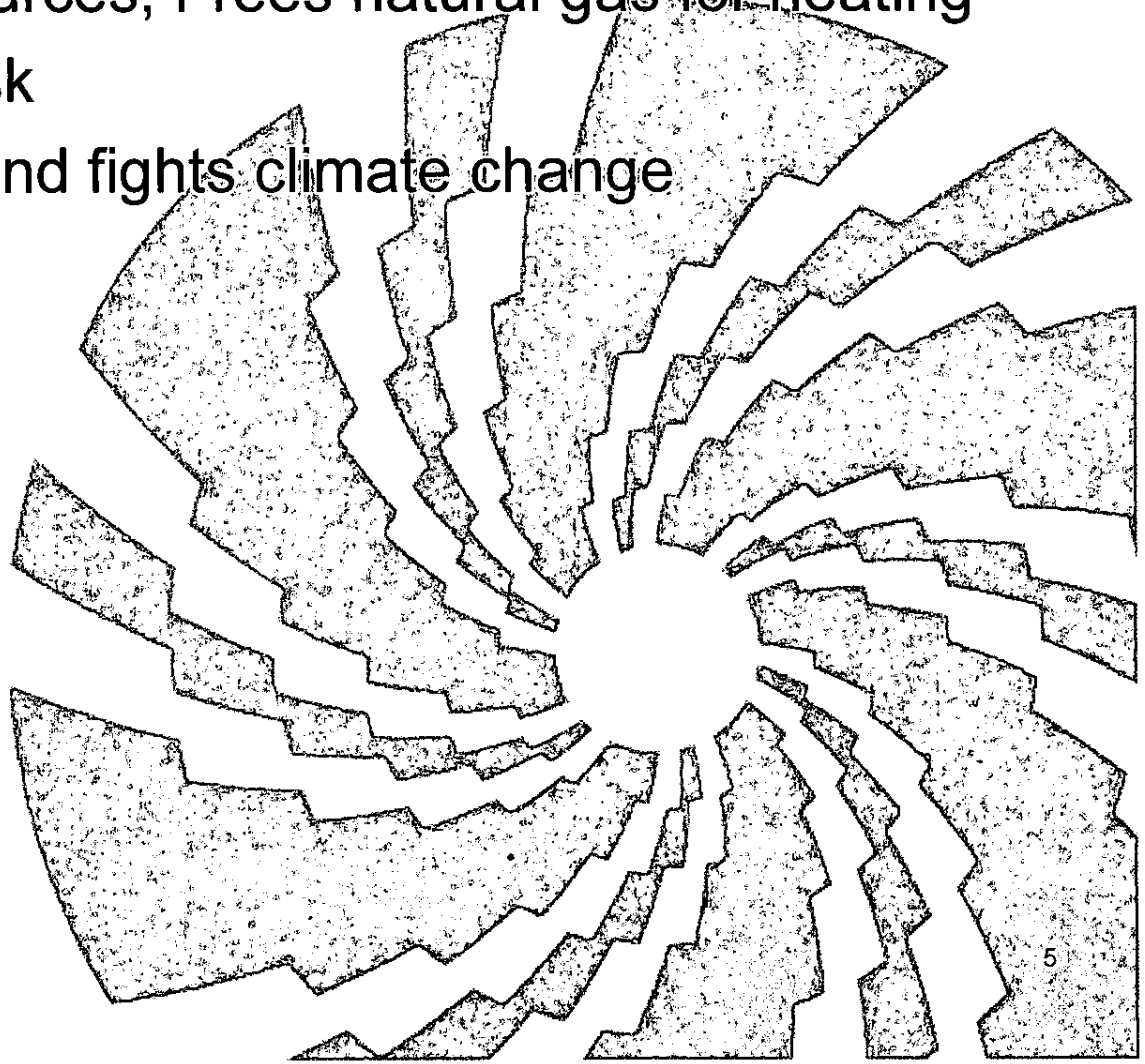
Other Benefits to the State of Alaska

- Diversifies energy sources; Frees natural gas for heating
- Removes fuel cost risk
- Reduces emissions and fights climate change
- Creates green jobs



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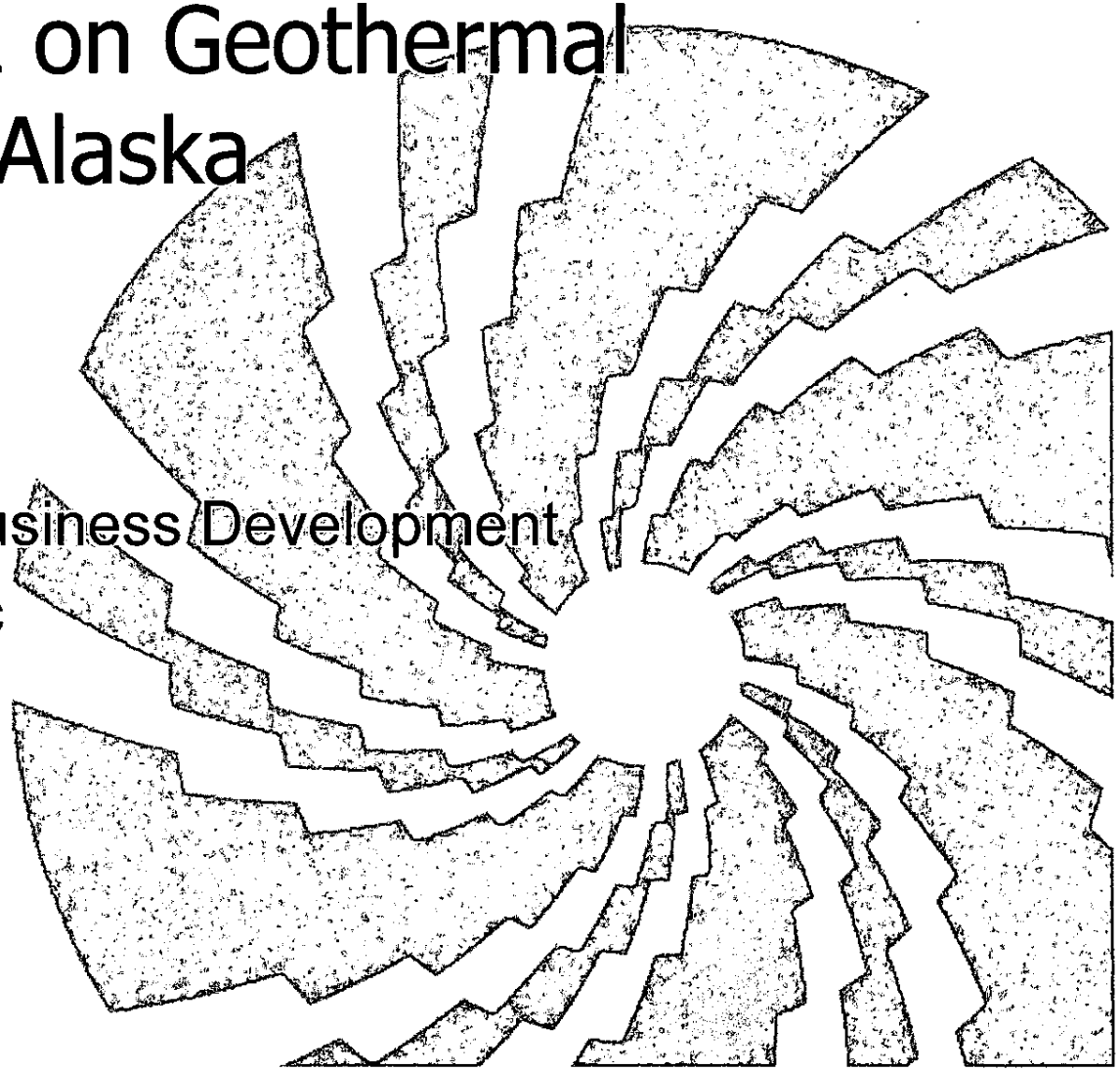
Impact of SB242 on Geothermal Development in Alaska

Paul Thomsen
Director of Policy and Business Development
Ormat Technologies, Inc



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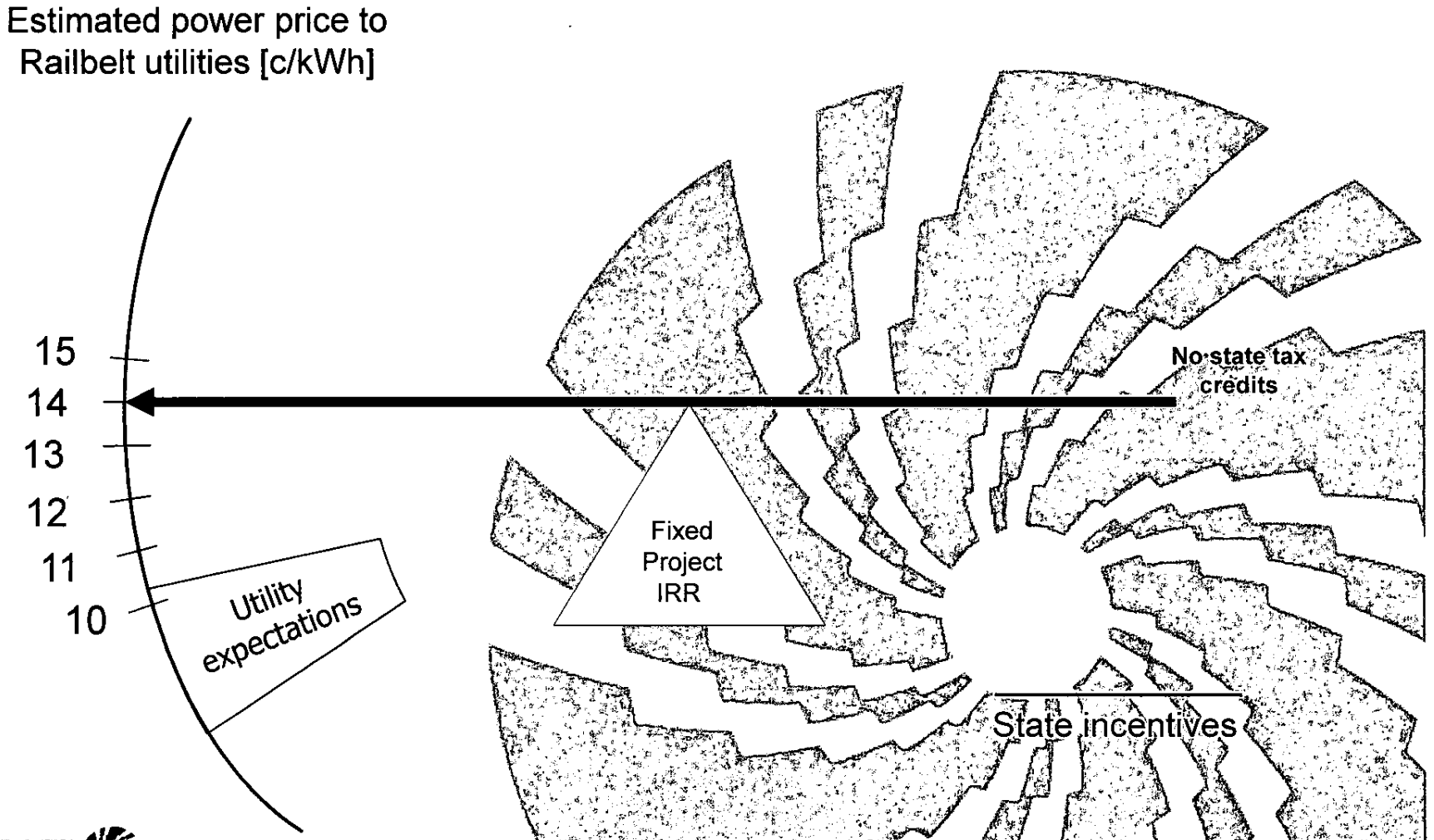
Estimated Power Price, Current Conditions



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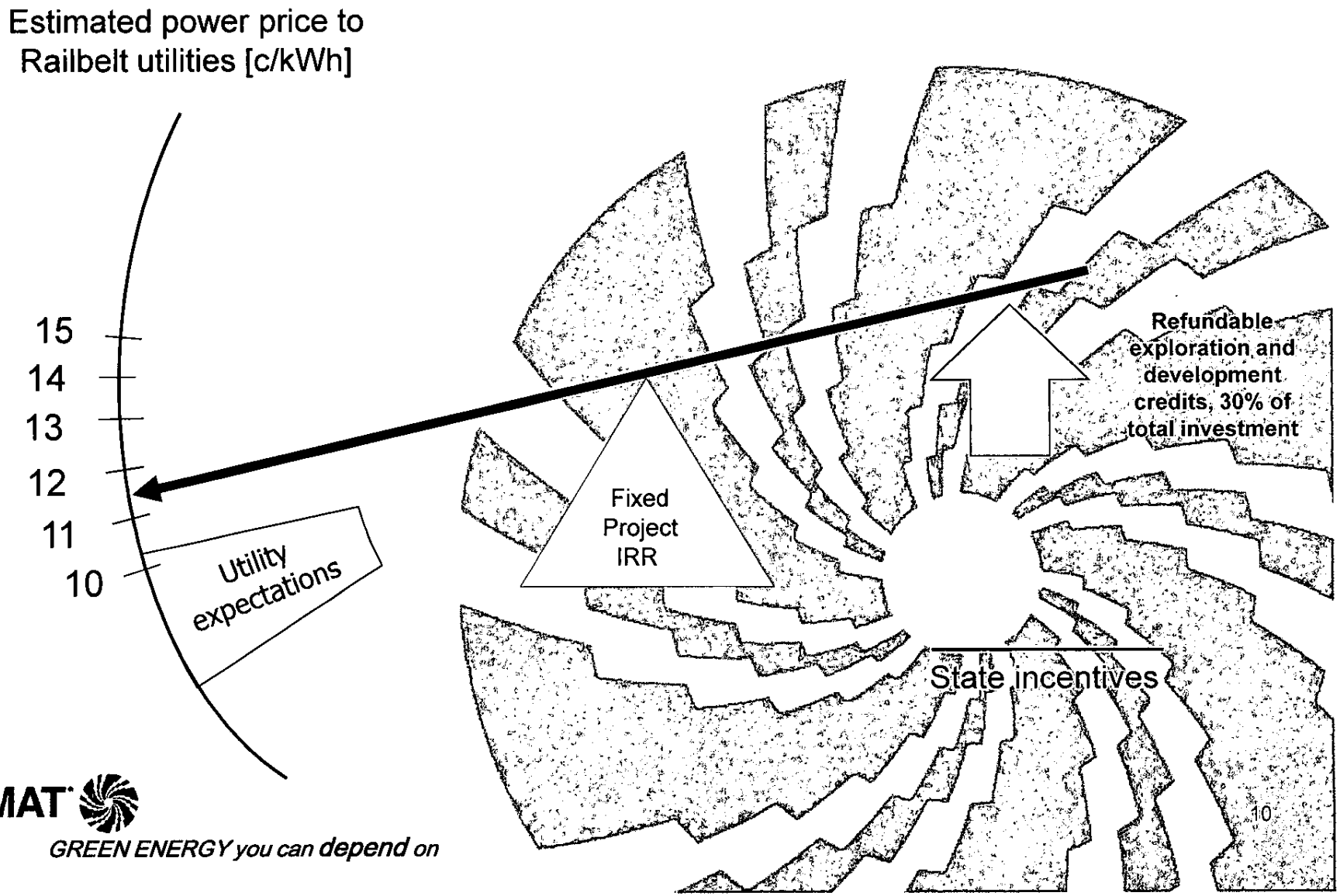
Impact of SB243 on Mt Spurr Power Price



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Cost and Economic Benefits to the State of AK

- Estimated cost of tax credits:

  30%* 275 = **($82.5 million)**

  Estimated cost of exploration and development [$m]

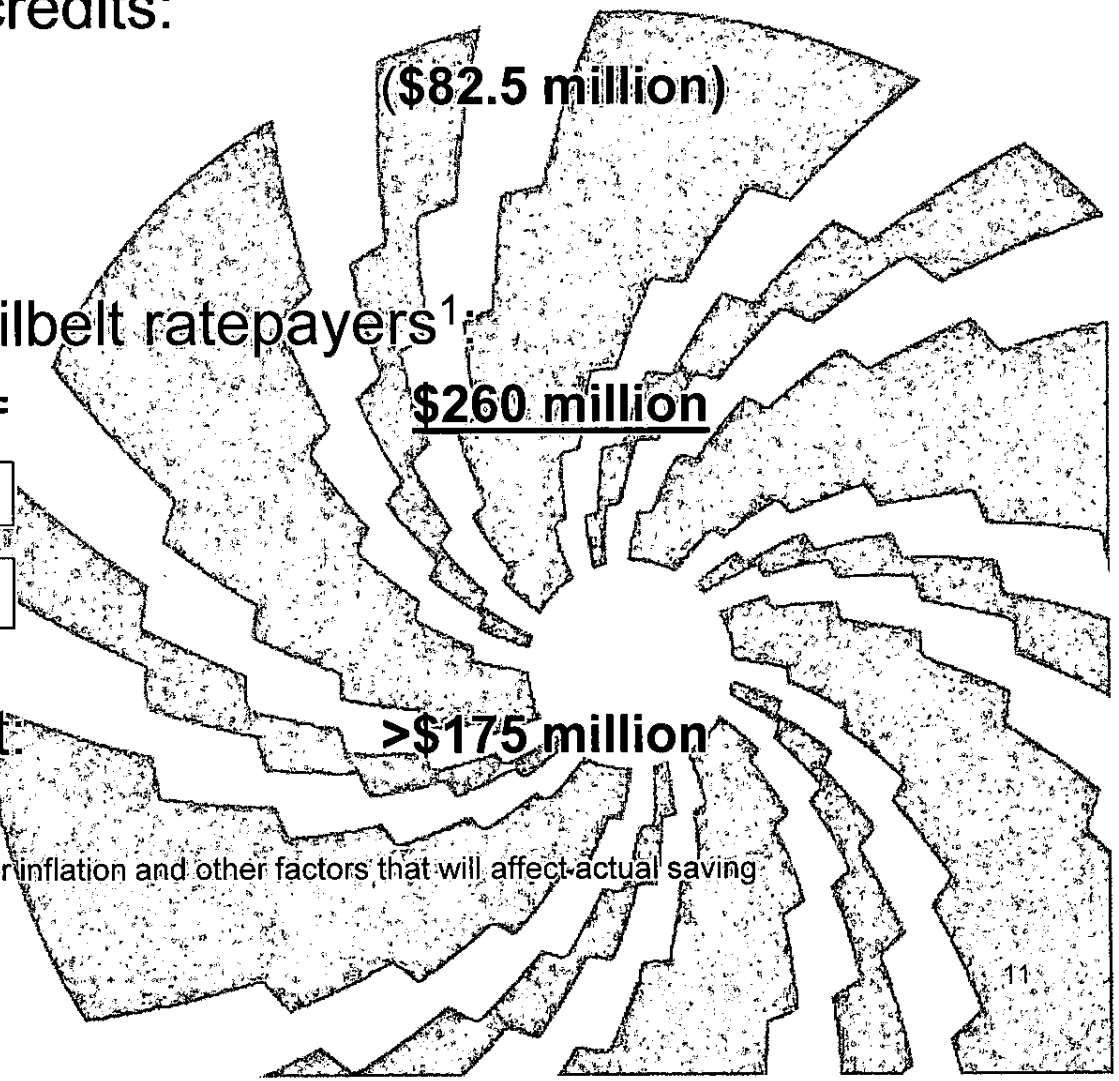
- Estimated saving to railbelt ratepayers[1]:

  50 * 0.95 * 8760 * 25 * 25 = **$260 million**

  MW | availability | hours /year | $/MWh saving | years

- Total economic benefit: **>$175 million**

[1] This is a simplified calculation, not accounting for inflation and other factors that will affect actual saving



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Other Benefits to the State of Alaska

- Diversifies energy sources; Frees natural gas for heating
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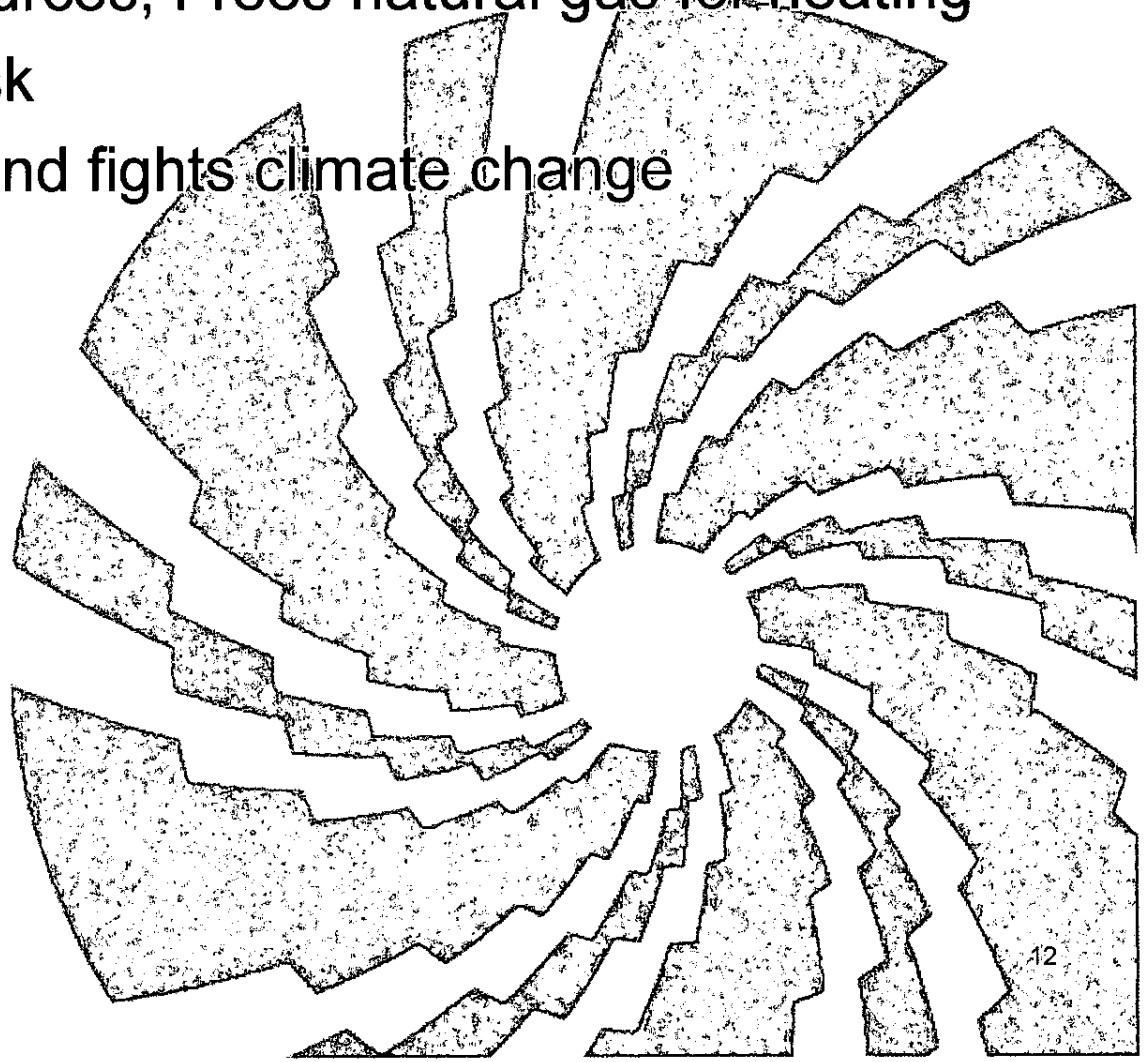
- Creates green jobs



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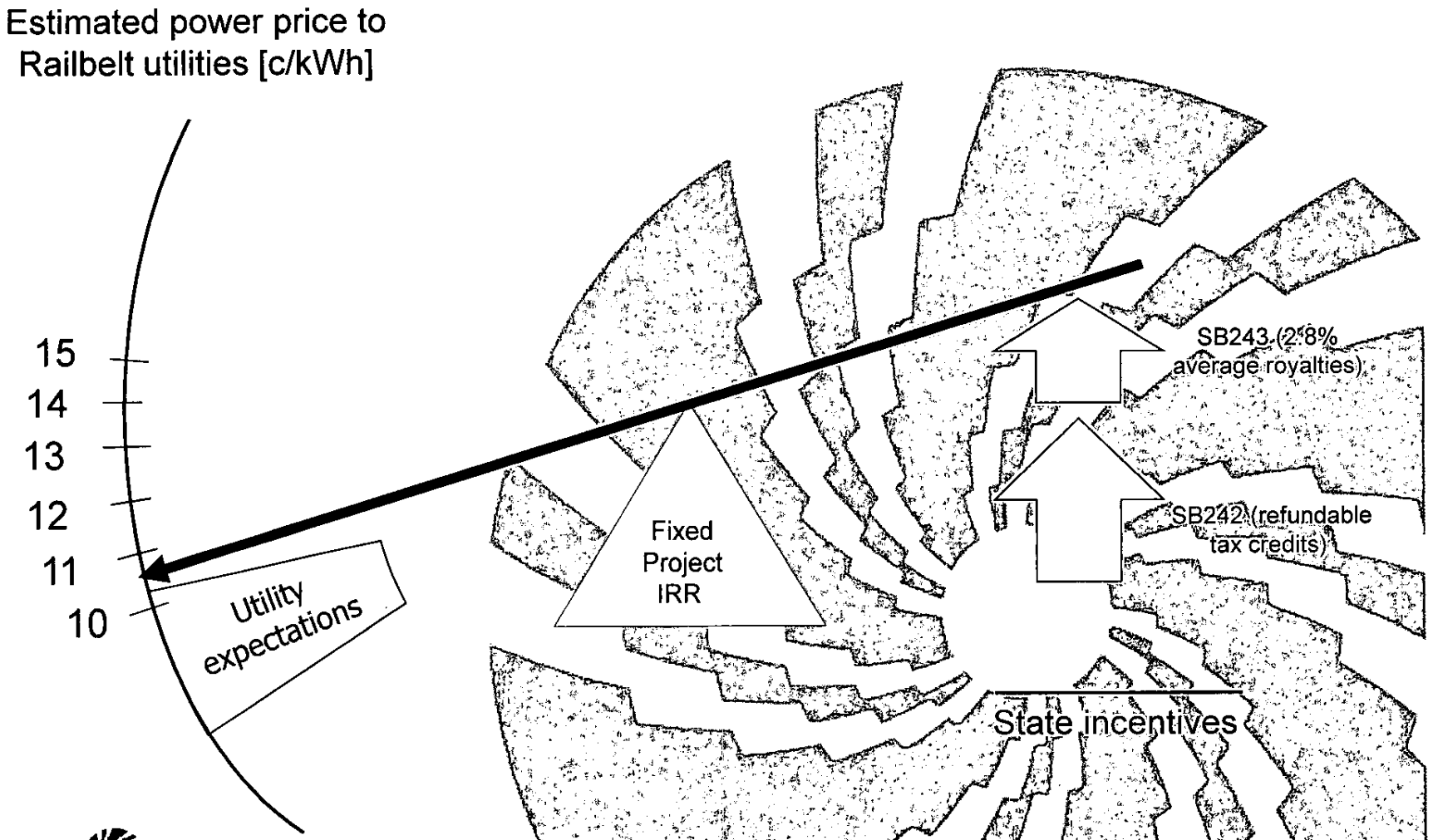
Impact of SB242 + SB243 on Power Price



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Geothermal State Leasing

(Taken from www.geothermal.org)

Alaska

Legislative Reference: Alaska Administrative Code 41.06.40 – 41.06.60; Alaska Statutes - Alaska Public Lands Act, Section 38.910, Section 38.05.181 – 38.05.182

Agency Responsible for Leasing: Department of Natural Resources Division of Lands

Leasing: Leasing is by competitive bid in areas designated by the Commissioner of the Department of Natural Resources. On state land that has not been declared a competitive geothermal area or withdrawn from geothermal prospecting, the commissioner may issue a prospecting permit to the first qualified bidder. Upon discovery of geothermal resources in commercial quantities the permit maybe converted to a noncompetitive lease.

Lease Terms:

Primary: 10 years
Renewal: 5 years if engaged in drilling and thereafter for duration of commercial production
Rentals: $3.00 per acre per year
Royalties: 10 – 15 % of gross revenue derived for products, sale, or use of geothermal resources under the lease. Royalties may be taken in kind if in the best interest of the state.

Arizona

Legislative Reference: Legislative Reference Title 12 Natural Resources Article 22 Geothermal Resource R12-5-2201 to R12-5-2217

Agency Responsible for Leasing: State Land Department

Leasing: Leasing is by competitive bid

Lease Terms:

Primary: 10 years
Renewal: As long as production is maintained
Rentals: $1.00 per acre per year
Royalties: Not less than 12.5 % of the market value

California

Legislative Reference: California Public Resource Code 6901-6925.2

Agency Responsible for Leasing: State Lands Commission

Leasing: Leasing is by competitive bid in areas selected for lease by the commission. Prospecting permits are available and may be convertible to a lease upon discovery with such terms as specified in 6913.

Lease Terms:

Primary: 10 years
Renewal: Yes, for so long as geothermal resources are being or capable of being produced or utilized in commercial quantities
Rentals: $1.00 per acre per year escalating, or prospecting permit
Royalties: Not less than 10 % of gross revenue
Not less than 20 % of gross revenue of mineral products
The Commissioner may provide for a royalty of less than 10 % for direct heat applications.

Colorado

Legislative Reference: Colorado Statutes Title 36 Natural Resources 36-1-115 Development of oil, gas, or geothermal resources areas.
36-1-147 Geothermal Leases.

Agency Responsible for Leasing: State Board of Land Commissioners

Leasing: Leases issued by the State Board of Land Commissioners may be awarded as the result of negotiation or competitive bidding. 36-1-113 (2)

Lease Terms:

Primary: Set in lease
Renewal: For as long as production continues
Rentals: Set in lease
Royalties: Set in lease

Hawaii

Legislative Reference: Hawaii Administrative Rules Title 13 Department of Land and Natural Resources Subtitle 7 Water and Land Development Chapter 183 Rules on Leasing and Drilling Geothermal Resources

Agency Responsible for Leasing: Department of Land and Natural Resources
Leasing: Leases on state land shall be granted only on a competitive bid basis. Leasing on reserved land may be granted on a competitive bid basis by public auction or without auction to the occupier or to his assignee upon a vote of two-thirds of the Board members. Exploration permits are also available on any state or reserved land.

Lease Terms:
Primary: 10 years
Renewal: For up to a maximum of 65 years
Rentals: Set by Board
Royalties: Determined by the Board
Royalties on by-products not less than 5 %

Idaho

Legislative Reference: Idaho Statutes Title 47 Mines and Mining Chapter 16 Geothermal Resources 47-1601 to 47-1611 Administrative Code 20.03.15 to 20.03.120

Agency Responsible for Leasing: State Board of Land Commissioners

Leasing: Leasing is by competitive bid in areas designated by the Director of the Department of Lands as being in a Known Geothermal Resource Area (KGRA) or where there is competitive interest, i.e. two or more applications are received on the same day for the same site. Other areas are available on a noncompetitive basis.

Lease Terms:
Primary: 10 years
Renewal: The primary term can be extended if lessee is actively engaged in drilling once geothermal resources are proved or utilized in paying quantities. The lease shall be extended but in no event for more than 40 years. After the end of the primary term, the lessee has preferential right to renewal for a second 40 years.
Rentals: $1.00 per acre per year – first five years
$2.00 per acre per year – second five years
$3.00 per acre per year – thereafter
Royalties: 10 % of the amount of value of geothermal resource, 5 % of the associated byproducts.

Kansas

No leasing regulations for geothermal.

Montana

Legislative Reference: Montana Code Annotated 2001 77-4-101 to 77-4-109, 77-4-121 to 77-4-129; Administrative Rule of Montana 36.25.103 and 104; Subchapter 4 Geothermal Rules and Regulations 36.25.401 to 36.25.413

Agency Responsible for Leasing: Board of Land Commissioners

Leasing: All leasing is by competitive bid. If at the lease sale, no bid is made on the tract for which an application was made, the applicant may negotiate with the Board.

Lease Terms:
Primary: 10 years
Renewal: The lease will continue in effect beyond the primary ten years if the lessee is engaged in drilling for geothermal resources. The lease shall continue in force so long as geothermal resources in paying quantities are produced.
Rentals: $1.00 per acre per year
Royalty: 10 % of the gross revenue; minimum $2.00 per acre per year

Nebraska

Legislative Reference: Nebraska State Statutes Section 66-1101 to 66-1106

Nebraska has not developed any provisions for leasing of state lands for geothermal exploration and development. However, for minerals as well and oil and gas, leasing competition is by competitive auction.

Nevada

Legislative Reference: Nevada Revised Statutes 534A.010; 534A.050

No leasing regulations for geothermal development.
For leasing, see Lands, Contract Department.

New Mexico

Legislative Reference: New Mexico Annotated Code Title 19 Chapter 14-1; Title 19 Chapter 2-7; Title 19 Chapter 13-7 to 13-12

Agency Responsible for Leasing: New Mexico State Lands Office

Leasing: Leases are available on a non-competitive basis. However, the Commissioner of Public Lands may at his discretion reject any application and offer the tract or tracts at public auction. Lands classified as "known geothermal fields" are leased through public auction through either sealed or oral bidding procedure.

Lease Terms:

Primary: 5 years

Renewal: Primary term can be renewed for additional 5 years and thereafter so long as geothermal resources are being produced or utilized or are capable of being produced or utilized in commercial quantities.

Rentals: $1.00 per acre or fraction thereof per year. Escalates to $5.00 per acre per year after primary lease term.

Royalties: 10 % of the gross revenue from the sale or use of steam, brines or hot water, associated gases or other forms of heat or energy derived from production with a minimum of $2.00 per acre or fraction thereof per year.
A royalty of not less than 2 % nor more than 5 % of the gross revenue received for the sale of mineral products or chemical compounds recovered from geothermal fluids.
A royalty of 8 % of the net revenue for the operation of an energy producing plant on the leased land.
A royalty of not less than 2 % nor more than 10 % of the gross revenue received from the operation of the geothermal resource for recreational, space heating, or health purposes.

North Dakota

Legislative Reference: North Dakota Century Code Chapter 38-19

Agency Responsible for Leasing: The State Industrial Commissioner – Office of the State Geologist

Leasing: Leases are negotiated.

Oklahoma

Legislative Reference: Oklahoma Statutes Title 64 Public Lands

Agency Responsible for Leasing: The Land Office

Leasing: The Commissioners of the Land Office have not adopted specific rules and regulations relating to the leasing of school or other public lands for the purpose of geothermal exploration and development.

Oregon

Legislative Reference: Oregon Revised Statues (ORS) Chapters 522 and 273, Oregon Administrative Rules 141-075

Agency Responsible for Leasing: The Division of State Lands

Leasing: Leases are available on both competitive and non-competitive bases. Geothermal exploration permits are also available, but allow only for nonexclusive access to land for geothermal exploration.

Lease Terms:

Primary: 10 years

Renewal: 5 years extension if resource discovery has been made or is imminent. No lease shall exceed 50 years; lessee has right of first refusal in the event the Division decides to continue leasing.

Rentals: Years 1 – 3: $1.00 per acre
Year 4: $3.00 per acre
Years 5 – 10: $5.00 per acre
Renewal geothermal lease: $5.00 per acre

Royalties: A royalty of at least 10 % upon the production value of the geothermal resources produced under the lease and sold or utilized by the lessee. The production value shall be determined by the gross sale price paid by the plant or other purchaser for value.

Royalties on By-Products: 1 % of the gross sale price of de-mineralized water sold, exchanged or otherwise disposed of.

South Dakota

Legislative Reference: South Dakota Codified Laws Chapter 5-1-2, 5-1-7, 5-7-19 to 25

Agency Responsible for Leasing: Department of Schools and Public Lands

Leasing: Leasing is on a competitive basis by public auction; the commissioner retains the right to reject any or all bids.

Lease Terms:

Primary: 10 years

Renewal: So long as resources are produced from the leased lands
Rental: Not less than $1.00 per acre per year.
Royalty: Not less than 10 % of the gross value received from the sale of steam brines at the point of delivery to the purchaser.
A 5 % royalty of the gross revenue from sale of mineral products or chemical compounds recovered from geothermal fluid or chemical compounds.

Texas

Legislative Reference: Texas Natural Resources Code (TNRC) – Title 5 Chapter 141 and Chapter 51.192

Agency Responsible for Leasing: Railroad Commission, Commissioner of the General Land Office

Leasing: All leasing is by competitive bid.

Lease Terms:
Primary: Generally 3-5 years
Renewable: As long as actively pursuing development. Thereafter so long as productive.
Rentals: Established at the time of bid or negotiated thereafter.
Royalties: Established at the time of bid or negotiated thereafter.

Utah

Legislative Reference: Utah Code Section 73-22-1 to 73-22-9, and 59-12-02

Agency Responsible for Leasing: Utah School and Institutional Trust Lands Administration

Leasing: In known geothermal areas lands have been withdrawn and are available for sealed bid competitive leasing upon nomination by a potential lessee. Non-withdrawn lands are available from over-the-counter leasing.

Lease Terms:
Primary: 10 years
Renewable: Primary term extendable if spudding or drilling wells. The lease is extendable indefinitely so long as in production.
Rentals: $1.00 per acre per year escalates to $4.00 per acre per year after expiration of primary lease term.
Royalties: 10% on production or minimum of $4.00 per acre per year.

Washington

Legislative Reference: Revised Code of Washington Chapter 79.76, 79.12, 79.13, 79.01, 79.02, Washington Annotated Code 332-22

Agency Responsible for Leasing: Department of Natural Resources, Division of Lands

Leasing: Leasing may be by competitive bid or negotiation.

Lease Terms:

Primary: 10 years

Renewal: Up to 55 years subject to approval every 5 years upon approval of plan of Development.

Rentals: Years 1 to 5, not less than $1.25 per acre per year or $250, whichever is greater; years 6 to 10, not less than $2.00 per acre per year or $500, whichever is greater.

Royalties: 10 % of the gross proceeds received from the sale of such geothermal resources which are derived, generated or manufactured from the premises sufficient for commercial sales, and 10 % of the fair market value thereof of products utilized but not sold, and 10 % of the gross proceeds for all byproducts derived from the leasehold estate.

Wyoming

Wyoming has never adopted rules and regulations for geothermal leasing. General leasing provisions are found in Wyoming Statutes Title 36 Chapter 5 (36-5-101) Qualification of lessees; lease terms; rental.

USGS
science for a changing world

Assessment of Moderate- and High-Temperature Geothermal Resources of the United States

Scientists with the U.S. Geological Survey (USGS) recently completed an assessment of our Nation's geothermal resources. Geothermal power plants are currently operating in six states: Alaska, California, Hawaii, Idaho, Nevada, and Utah. The assessment indicates that the electric power generation potential from identified geothermal systems is 9,057 Megawatts-electric (MWe), distributed over 13 states. The mean estimated power production potential from undiscovered geothermal resources is 30,033 MWe. Additionally, another estimated 517,800 MWe could be generated through implementation of technology for creating geothermal reservoirs in regions characterized by high temperature, but low permeability, rock formations.

Geothermal power plants at The Geysers in northern California. Currently, the United States has an installed and utilized power production capacity of more than 2,500 Megawatts-electric (MWe) from geothermal plants located in Alaska, California, Hawaii, Idaho, Nevada, and Utah. (USGS photograph by Julie Donnelly-Nolan.)

Introduction

The U.S. Geological Survey (USGS) has recently assessed the electric power generation potential of conventional geothermal resources in the United States. These resources are concentrated in the States of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming, which contain all 241 identified moderate-temperature (90 to 150°C; 194 to 302°F) and high-temperature (greater than 150°C) geothermal systems located on private or accessible public lands. (Geothermal systems located on closed public lands, such as national parks, were not included in the assessment.) Electric-power potential was also determined for seven low-temperature (less than 90°C) systems in Alaska for which local conditions make electric power generation feasible. In addition, the assessment also includes a provisional estimate of the power generation potential from the application of unconventional, Enhanced Geothermal Systems (EGS) technology in Arizona, California, Colorado, Idaho, Montana, Nevada, New Mexico, Oregon, Utah, Washington, and Wyoming. This assessment benefited from cooperation and coordination with the Department of Energy (DOE); Bureau of Land Management (BLM); the University of Nevada, Reno; the University of Utah; Idaho National Laboratory; Lawrence Berkeley National Laboratory; state and local agencies; and the geothermal industry.

Identified Geothermal Systems

Currently, the United States has an installed and utilized power production capacity of more than 2,500 Megawatts-electric (MWe) from geothermal plants located in Alaska, California, Hawaii, Idaho, Nevada, and Utah. The nearly 15,000 Gigawatt-hours (GWh) of geothermal power generated in 2005 constituted 25% of domestic nonhydroelectric renewable electrical power generation. (Power generation of 1 MWe provides 8.77 GWh of electricity in 1 year.) The results of the new assessment for the power generation potential from identified geothermal systems yield a mean total of 9,057 MWe

U.S. Department of the Interior
U.S. Geological Survey

Fact Sheet 2008–3082
2008

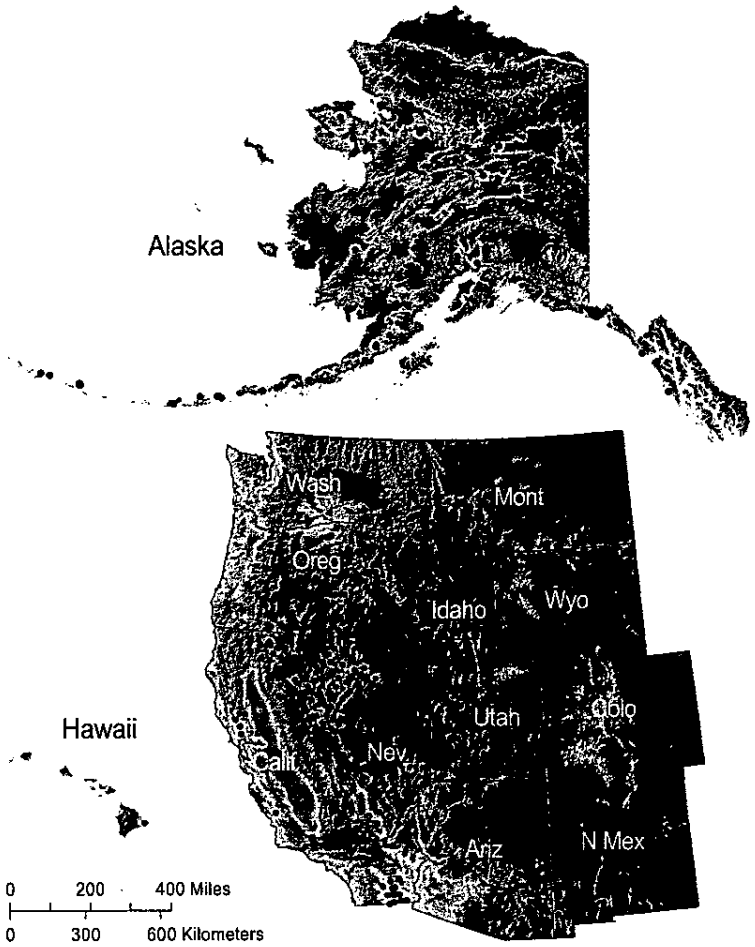

Figure 1. *Map showing the location of identified moderate-temperature and high-temperature geothermal systems in the United States. Each system is represented by a black dot.*

with a 95% probability of 3,675 MWe and a 5% probability of 16,457 MWe (table 1). The distribution of the individual systems across the study area is shown in figure 1. State totals were derived from summations of volumetric models for the thermal energy and electric generation potential of each individual geothermal system (Muffler, 1979; Williams and others, 2008). The results of the assessment indicate that full development of identified systems alone could expand geothermal power production by approximately 6,500 MWe and to seven additional states. The distribution of identified geothermal resources among the 13 states with identified geothermal resources is shown graphically in figure 2*A*. California, with large producing geothermal fields at The Geysers, the Salton Sea, and Coso, has 59.7% of the total resource, followed by Nevada with 15.4% and Alaska with 7.5%.

Undiscovered Geothermal Resources

Undiscovered geothermal resources were assessed for the same states in which the identified moderate- and high-temperature geothermal systems are located, based on a series of Geographic Information Systems (GIS) statistical models for the spatial correlation of

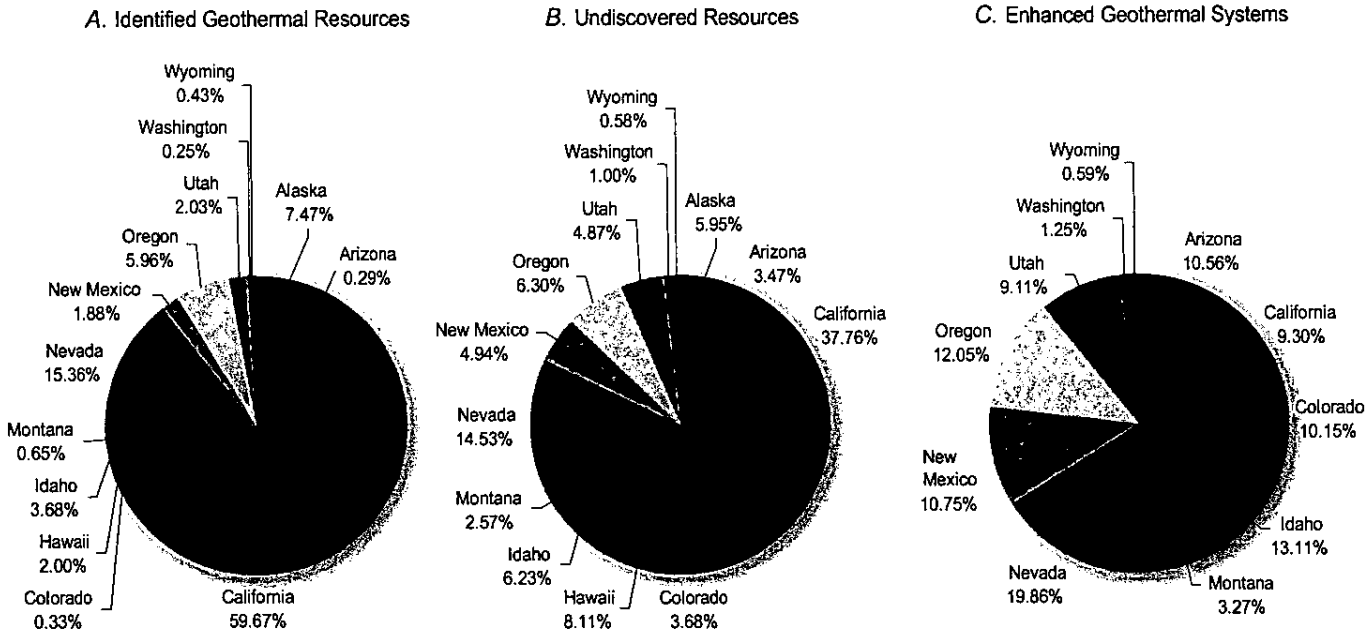

Figure 2. *Pie charts illustrating the distribution of (A) identified, (B) undiscovered and (C) Enhanced Geothermal Systems (EGS) resources (mean estimates) among the western states. Alaska and Hawaii were not included in the assessment of EGS resources because of a lack of information in those states.*

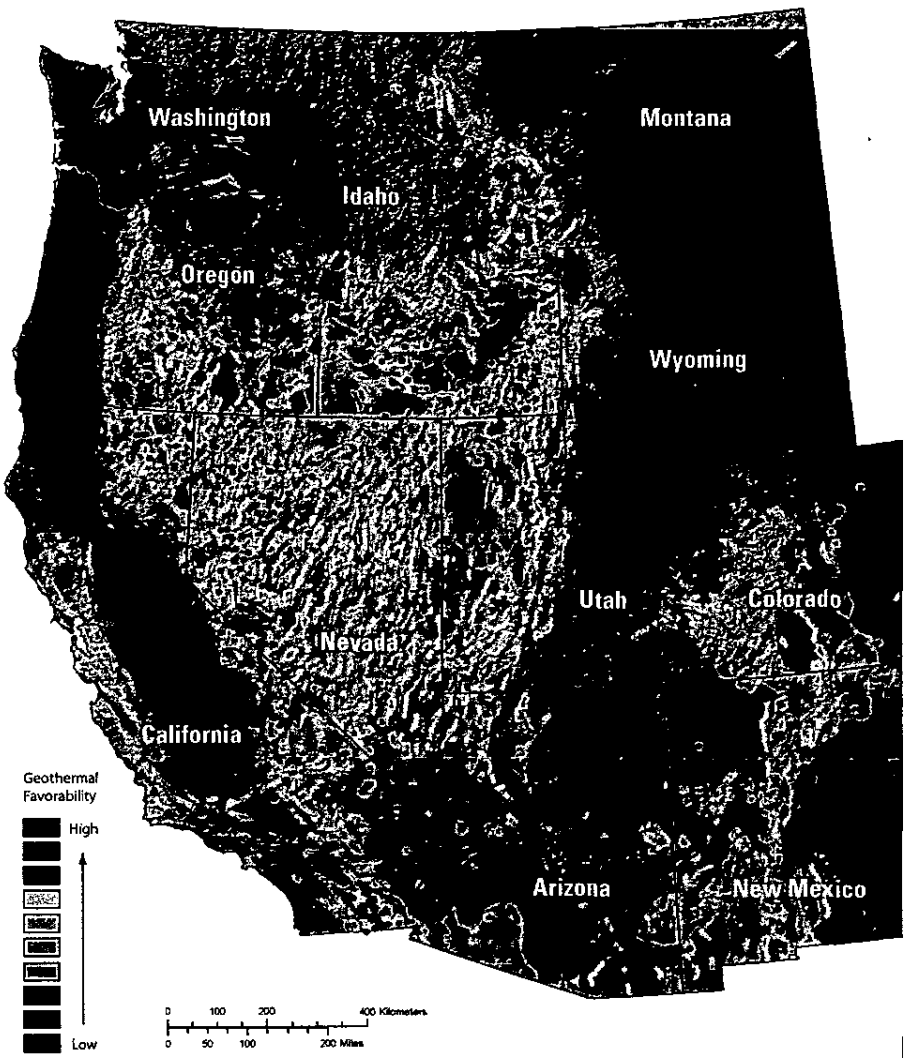

Figure 3. *Example map from one of a series of 28 spatial models showing the relative favorability of occurrence for geothermal resources in the western contiguous United States. The other models differ in details but show generally similar favorability patterns. Warmer colors equate with higher favorability. Identified geothermal systems are represented by black dots.*

geological factors that facilitate the formation of geothermal systems. The mean estimated power production potential from undiscovered resources located on private and accessible public lands is 30,033 MWe, with a 95% probability of 7,917 MWe and a 5% probability of 73,286 MWe. As illustrated in figure 2*B*, compared to the identified resources, a larger fraction of the undiscovered geothermal resources are located outside California. This reflects both the limited degree of exploration and development in States other than California and Nevada and the uniqueness of the vapor-dominated geothermal reservoir at The Geysers in northern California, which contributes approximately 1,000 MWe to the identified geothermal resource for the State but is unlikely to be matched by any equivalent occurrences on private or accessible public lands elsewhere in the United States. The undiscovered resources results indicate that additional exploration could add substantially to the total of identified geothermal resources and further expand geothermal power production. As indicated by the geothermal favorability map shown in figure 3, regions with significant geothermal potential but few identified geothermal systems include northeastern Nevada, western Utah, southern Idaho, eastern Oregon, and parts of New Mexico and Colorado.

Enhanced Geothermal Systems

Conventional geothermal resources depend on hydrothermal fluid circulation that arises only with the convergence of high temperatures—due either to magmatism or other tectonic processes that elevate temperature gradients in the Earth's crust—and permeability, typically fracture permeability produced as a result of active faulting (Duffield and Sass, 2003). Enhanced Geothermal Systems (EGS) are geothermal resources that require some form of engineering to develop the permeability necessary for the circulation of hot water or steam and the recovery of heat for electrical power generation. Because exploitation of EGS resources incorporates the augmentation or creation of permeability in place, the presence of elevated temperatures at drillable depths is the dominant factor controlling the quality of the resource.

Under the assumption of continued successful implementation of EGS technology, models for the extension of geothermal energy recovery techniques into regions of hot but low permeability crust yield an estimated mean electric power resource on private and accessible public land of 517,800 MWe (table 1), with a 95% probability of 345,100 MWe and a 5% probability of 727,900 MWe. This is approximately half of the current installed electric power generating capacity in the United States and an order of magnitude larger than the conventional geothermal resource. This estimate does not include Alaska and Hawaii, because there is not enough information to accurately estimate crustal temperatures in those States on a regional basis. With EGS technology at an early stage of development (DOE, 2008), the assessment results should be considered provisional.

The high crustal heat flow favorable for EGS development is more uniformly distributed across the western United States, and this is reflected in the distribution of the resource among the states, as shown in figure 2*C*. The EGS resource distribution, although large in total magnitude, is also relatively diffuse. In contrast to power production from conventional geothermal reservoirs, which is often concentrated at 10 to 20 MWe per km^2 of field area, the EGS resource outside of the high-temperature margins of

Table 1. Electric power generation potential in Megawatts-electric (MWe) from identified and undiscovered geothermal resources and Enhanced Geothermal Systems in the western United States.

[All electric power generation figures are calculated on a basis of 30 years of production. F95 represents a 95% chance of at least the amount tabulated; other fractiles are defined similarly. Fractiles are additive under the assumption of perfect positive correlation. N is the number of identified geothermal systems included in the estimate].

		Identified Resources (MWe)				Undiscovered Resources (MWe)				Enhanced Geothermal Systems (MWe)			
State	N	F95	F50	Mean	F5	F95	F50	Mean	F5	F95	F50	Mean	F5
Alaska	53	236	606	677	1,359	537	1,428	1,788	4,256	NA	NA	NA	NA
Arizona	2	4	20	26	70	238	775	1,043	2,751	33,000	52,900	54,700	82,200
California	45	2,422	5,140	5,404	9,282	3,256	9,532	11,340	25,439	32,300	47,100	48,100	67,600
Colorado	4	8	11	30	67	252	821	1,105	2,913	34,100	51,300	52,600	75,300
Hawaii	1	84	169	181	320	822	2,027	2,435	5,438	NA	NA	NA	NA
Idaho	36	81	283	333	760	427	1,391	1,872	4,937	47,500	66,700	67,900	92,300
Montana	7	15	51	59	130	176	573	771	2,033	9,000	16,100	16,900	27,500
Nevada	56	515	1,216	1,391	2,551	996	3,243	4,364	11,507	71,800	101,300	102,800	139,500
New Mexico	7	53	153	170	343	339	1,103	1,484	3,913	35,600	54,400	55,700	80,100
Oregon	29	163	485	540	1107	432	1,406	1,893	4,991	43,600	61,500	62,400	84,500
Utah	6	82	171	184	321	334	1,088	1,464	3,860	32,600	46,500	47,200	64,300
Washington	1	7	20	23	47	68	223	300	790	3,900	6,300	6,500	9,800
Wyoming	1	5	31	39	100	40	129	174	458	1,700	2,900	3,000	4,800
Total	248	3,675	8,356	9,057	16,457	7,917	23,739	30,033	73,286	345,100	507,000	517,800	727,900

identified geothermal systems averages approximately 0.5 MWe per km^2. However, continued advances in EGS technology, particularly with respect to creation of reservoirs at great depth and improved thermal energy recovery, could add substantially to the resource estimates (DOE, 2008).

EGS are not the only type of unconventional geothermal resource. Previous assessments (see for example, Muffler, 1979) indicated significant unconventional geothermal resource potential associated with fluids in deep sedimentary basins of the United States. These unconventional geothermal resources will be assessed in a future study.

Geothermal resources have the potential to play a much more significant role in our Nation's energy mix. This assessment of geothermal resources in the United States is only part of the USGS effort to help ensure our Nation's energy future.

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This Fact Sheet and any updates to it are available online at http://pubs.usgs.gov/fs/2008/3082/

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CITY OF AKUTAN

P.O. Box 108
Akutan, Alaska 99553-3952

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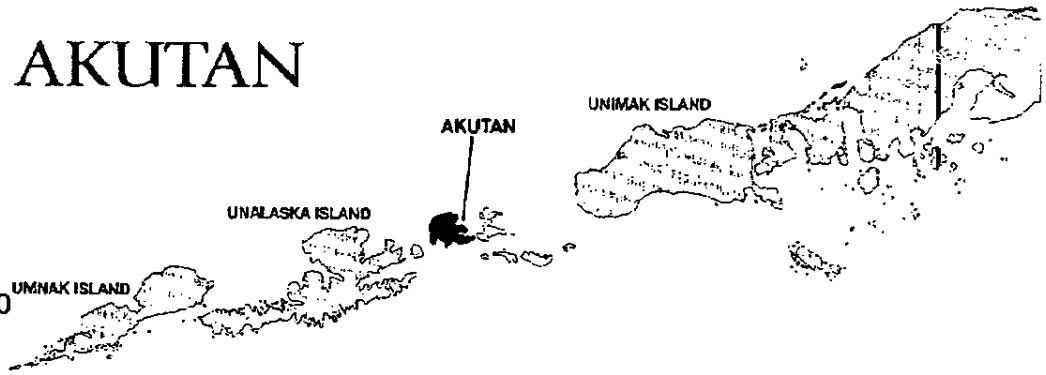


11 March 2010

The Honorable Lesil McGuire
Senate Resources Co-Chair
Alaska State Senate
State Capitol Room 125
Juneau AK 99801

Re: Support for Senate Bills 242 and 243

Dear Co-Chair McGuire:

I wish to add my support to your efforts to establish a geothermal resource development credit (CS for SB 242) and to remove royalty obligations for geothermal resources (SB 243).

The City of Akutan is currently pursuing the development of both geothermal and hydroelectric power to offset or eliminate the use of diesel fuel and dependence on State power cost equalization funding. These projects will require a combination of State, local and private funding to reduce the current cost of $0.32 per kilowatt hour.

Providing a renewable energy tax credit and elimination of royalties will allow Akutan and many other communities to attract private funding, and to create public-private partnerships for renewable energy development. This is a total win-win for the State and prospective energy producers.

Thanks for your efforts to help create affordable renewable energy and sustainable communities.

Sincerely,

Joe Bereskin
Mayor

cc: The Honorable Lyman Hoffman, Senator

SENATE FINANCE COMMITTEE REPORT

DATE: 3/22/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 243

SB 243 NO ROYALTY ON GEOTHERMAL RESOURCE

"An Act removing the royalty obligation for geothermal resources."

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SB 243 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[X] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	3/31/10		✓		
ADM	3/31/10		✓		

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Rev	2/10/10				2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 243(RES)
(S) Publish Date: 3/22/10

Identifier (file name): SB243-REV-TAX-2-10-10
Dept. Affected: Revenue
Title: Geothermal Royalties
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senator McGuire
Requester: (S) Resources
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 243 would eliminate state royalties on geothermal production. Royalty volumes are not taxable. Therefore, by eliminating state royalty on geothermal production, the taxable volume of geothermal production would be increased.

There are currently no commercial geothermal projects in Alaska. However there are projects that may begin exploration or development at a number of locations around the state including Naknek, Akutan, Chena and Mt. Spurr.

The increase in state taxes would vary based on the volume and value of geothermal production but is estimated to range from approximately $100,000 for a 5MW facility to $1.8 million for a 50MW facility. Due to uncertainty about future development the fiscal impact of this legislation can not be accurately determined at this time.

Prepared by: Cody Rice, Petroleum Economist — Phone 907-269-1024
Division: Tax Division — Date/Time 2-9-10; 6:21pm
Approved by: Ginger Blaisdell, Director — Date 2-10-10; 9:33am
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS SB 243**
() Publish Date:

Identifier (file name): SB243CS -DOA-AOGCC-03-31-10
Dept. Affected: Admin
Title "An Act relating to the royalty obligation for geothermal resources."
RDU AOGCC
Component AOGCC
Sponsor Senator Lesil McGuire
Requester (S) FIN
Component Number 2010

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

Additional work for the Alaska Oil and Gas Conservation Commission (AOGCC) resulting from this bill could be managed by existing staff. The agency would need to provide training for Commissioners and staff on geothermal drilling and production practices, but the costs would be absorbed by the agency. Therefore, AOGCC submits a zero fiscal note.

Prepared by: Jody J. Colombie, Special Assistant I
Phone (907 793-1221
Division Alaska Oil and Gas Conservation Commission
Date/Time 3/31/10 10:00 AM
Approved by: Rachael Petro, Deputy Commissioner
Date 3/31/2010
Department of Administration

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 243(FIN)**
() Publish Date:

Identifier (file name): CSSB243(FIN)-DNR-DOG-03-31-10
Dept. Affected: Natural Resources
Title: No Royalty on Geothermal Resources
RDU: Resource Development
Component: Oil and Gas Development
Sponsor: Sen McGuire
Requester: SFIN
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Under AS 38.05.181(g) SB 243 reduces royalty on gross revenues from 10% under current lease conditions to 1.75% of the gross revenues derived from geothermal leases during the first 10 years of income generating production on state leased lands, with a 3.5% royalty rate thereafter. These royalty rates apply to a geothermal lease or the renewal of a geothermal lease entered into on or after the effective date of the Act.

Given the immature state of the geothermal industry in Alaska, the impact to royalty revenue is indeterminate. Although a reduced royalty rate will lead to less royalty collected for a given geothermal project, this reduced royalty rate may make geothermal projects on state lands more competitive. This bill will also transfer certain drilling inspection functions and other authorities to AOGCC. There will be no budget impact to DNR as a consequence of this transfer. Without SB 243 DNR must either hire or contract drilling engineers and inspectors to meet the potential demand of geothermal leasing.

Sec. 17 (d) defines those waters where the Division of Mining, Land and Water will continue to manage water rights in the state when the water is not a "geothermal resource."

Prepared by: Kevin Banks
Phone 269-8800
Division: Oil and Gas
Date/Time 3/31/10 1:00 PM
Approved by: Tom Irwin
Date 3/31/10 5:15pm
Natural Resources

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. _____

ANALYSIS CONTINUATION

adopted 4-2-10 no/obj.

26-LS1346\S
Bullock
3/26/10

CS FOR SENATE BILL NO. 243( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR MCGUIRE

A BILL

FOR AN ACT ENTITLED

"An Act relating to geothermal resources; relating to the royalty obligation for geothermal resources; transferring from the Department of Natural Resources to the Alaska Oil and Gas Conservation Commission authority over permitting and inspection of geothermal wells; providing for a regulatory cost charge for geothermal wells; and providing for an effective date."

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

*** Section 1.** AS 31.05.030 is amended by adding a new subsection to read:

(m) The commission has jurisdiction and authority over all persons and property, public and private, necessary to carry out the purposes and intent of AS 41.06, except for provisions in AS 41.06 for which the Department of Natural Resources has jurisdiction.

*** Sec. 2.** AS 38.05.181(g) is amended to read:

(g) Each geothermal lease shall be conditioned upon payment by the lessee of

a royalty of **1.75 percent** [NOT LESS THAN 10 PERCENT BUT NOT MORE THAN 15 PERCENT] of the gross revenues derived from the production, sale, or use of geothermal resources under the lease **during the first 10 years immediately following the date the geothermal resource first generates gross income and 3.5 percent of the gross revenues derived from the production, sale, or use of geothermal resources under the lease after that first 10-year period**. Royalties may be taken in kind rather than in value if the commissioner determines that taking in kind would be in the best interest of the state.

*** Sec. 3.** AS 41.06 is amended by adding a new section to read:

Sec. 41.06.005. Jurisdiction over geothermal resources. (a) The commission has jurisdiction under this chapter over geothermal wells to prevent waste, to protect correlative rights, and to ensure public safety.

(b) The Department of Natural Resources has jurisdiction under this chapter over management of geothermal leases and units in the public interest and to effect development.

*** Sec. 4.** AS 41.06.010 is amended to read:

Sec. 41.06.010. Waste prohibited; investigation. The waste of geothermal resources in the state is prohibited. **The commission may investigate to determine whether waste exists or is imminent, or whether other facts exist that justify or require action by the commission to prohibit waste.**

*** Sec. 5.** AS 41.06.020 is repealed and reenacted to read:

Sec. 41.06.020. Authority of commission; application. (a) The commission has jurisdiction over all persons and property, public and private, necessary to carry out the purposes and intent of this chapter.

(b) The authority of the commission applies to all land in the state lawfully subject to the police power of the state, including private land, municipal land, state land, land of the United States, and land subject to the jurisdiction of the United States, and to all land included in a voluntary cooperative or unit plan of development or operation entered into in accordance with AS 38.05.181. When land that is subject to the commission's authority is committed to a unit agreement involving land subject to federal jurisdiction, the operation of this chapter or a part of this chapter may be

suspended if

(1) the unit operations are regulated by the United States; and

(2) the conservation of geothermal resources is accomplished under the unit agreement.

(c) This chapter applies

(1) to wells drilled in search of, in support of, or for the recovery or production of geothermal resources;

(2) when a person engaged in drilling activity not otherwise subject to the provisions of this chapter encounters geothermal resources, fluid, or water of sufficient heat or pressure to constitute a threat to human life or health unless the drilling operation is subject to oil and gas drilling regulation under AS 31.05;

(3) in areas and under conditions in which the commission determines that drilling may encounter geothermal resources, fluid, or water of sufficient heat or pressure to constitute a threat to human life or health.

(d) To the extent the provisions of AS 31.05 do not conflict with the provisions of this chapter, the provisions of AS 31.05 are applicable to wells drilled in search of, in support of, or for the recovery or production of geothermal resources.

(e) Nothing in this chapter limits the authority of the department

(1) over geothermal resources under AS 38.05.181; or

(2) to approve and manage geothermal units or operations that include state land.

*** Sec. 6.** AS 41.06.030(a) is amended to read:

(a) The commissioner shall require the filing and approval of a plan of development and operation on **a** [EACH PRODUCING] geothermal system **that includes state land** [AND MAY ISSUE WELL-SPACING AND POOLING ORDERS, LIMITS ON PRODUCTION, AND REINJECTION REQUIREMENTS, IN ORDER TO PREVENT WASTE, PROMOTE MAXIMUM ECONOMIC RECOVERY, AND PROTECT CORRELATIVE RIGHTS].

*** Sec. 7.** AS 41.06.030(b) is amended to read:

(b) Lessees of all or part of a geothermal system **that includes state land** may enter into a unit agreement for cooperative development, with the approval of the

commissioner. The commissioner may suspend or modify the approved development plan in accordance with the unit agreement.

*** Sec. 8.** AS 41.06.030(c) is amended to read:

(c) If the owners of at least two-thirds of the leasehold interests in a geothermal system ratify a unit agreement approved **under (b) of this section** by the commissioner, the commissioner may enforce the agreement as to lessees not a party to the agreement by allocating production under the principle of correlative rights and by apportioning costs and revenues.

*** Sec. 9.** AS 41.06.030 is amended by adding a new subsection to read:

(e) The commissioner may adopt regulations under AS 44.62 to carry out the purposes and intent of this chapter for duties assigned to the department, including the promotion of maximum economic recovery.

*** Sec. 10.** AS 41.06 is amended by adding a new section to read:

Sec. 41.06.035. Reservoir management; commission's regulations. (a) The commission may issue well-spacing and pooling orders, place limits on production, and impose reinjection requirements for the purpose of preventing waste and to protect correlative rights in a geothermal system.

(b) The commission may adopt regulations under AS 44.62 and issue orders appropriate to carry out the purposes and intent of this chapter for duties assigned to the commission, including orders regarding the establishment of drilling units for pools as set out in AS 31.05.100 and orders regarding unitized operation and integration of interests as set out in AS 31.05.110.

*** Sec. 11.** AS 41.06.040(a) is repealed and reenacted to read:

(a) The commission shall adopt regulations under AS 44.62 (Administrative Procedure Act), issue orders, and take other appropriate action to carry out the purposes and intent of this chapter, including adopting regulations to prevent

(1) geothermal resources, water or other fluids, and gases from escaping into strata other than that in which they are found, unless in accordance with an approved reinjection program;

(2) contamination of surface and groundwater;

(3) premature degradation of a geothermal system by water

encroachment or otherwise;

(4) blowouts, cavings, and seepage; and

(5) unreasonable disturbance or injury to neighboring properties, prior water rights, prior oil or gas rights, human life, health, and the natural environment.

* **Sec. 12.** AS 41.06.040(b) is amended to read:

(b) The **commission** [COMMISSIONER] shall **require** [CAUSE] the operator of a geothermal well [OR WELLS] to file adequate **an** individual or blanket surety **bond** [BONDS] to ensure compliance with regulations adopted under this section.

* **Sec. 13.** AS 41.06.040(c) is amended to read:

(c) The **commission** [COMMISSIONER] shall require a geothermal operator to notify the **commission** [DEPARTMENT] if the operator discovers significant quantities of hydrocarbon substances, helium, or fissionable materials.

* **Sec. 14.** AS 41.06.040(d) is amended to read:

(d) The **commission and its staff** [COMMISSIONER] may enter upon any property, public or private, to inspect a geothermal operation for compliance with regulations adopted under this section.

* **Sec. 15.** AS 41.06.050 is repealed and reenacted to read:

Sec. 41.06.050. Permits to drill. (a) A person shall apply for and receive a permit from the commission before drilling a well in

(1) search of geothermal resources; or

(2) support of the recovery or production of geothermal resources.

(b) The application required in (a) of this section must contain sufficient information to enable the commission to determine if the operation of the well will interfere with or impair a prior water, oil, or gas right.

(c) A person must submit a separate permit application for each well. The permit application must be in the form or format required by the commission and include all information required by the commission.

(d) As soon as practicable after receiving an application under (a) of this section, the commission shall approve or deny the application for a permit to drill.

(e) In making the determination under (d) of this section, the commission shall

consider whether the

(1) proposed well will significantly interfere with or substantially impair a prior water, oil, or gas right;

(2) proposed well is contrary to a provision of this chapter, a regulation adopted by the commission, another law, or an order, stipulation, or term of a permit issued by the commission; and

(3) applicant is in violation of a provision of this chapter, a regulation adopted by the commission, another law, or an order, stipulation, or term of a permit issued by the commission; the commission shall consider the magnitude of the violation.

* **Sec. 16.** AS 41.06 is amended by adding a new section to read:

Sec. 41.06.055. Regulatory cost charge for geothermal wells. (a) Each person that, on the first day of a state fiscal year, operates a well within the jurisdiction of the commission for which a permit to drill has been issued under AS 41.06.050 shall pay to the commission an annual regulatory charge for each well that has not, before the first day of that state fiscal year, been

(1) plugged and abandoned; and

(2) reported as abandoned in accordance with regulations of the commission.

(b) The commission shall annually determine the regulatory cost charge to be paid under this section. The regulatory cost charge to be paid by a person for a state fiscal year must be based on the total volume during the most recent calendar year for the wells described in (a) of this section of which the person was the operator on the first day of the fiscal year as a percentage of the total volume during the same calendar year for all wells described in (a) of this section. In this subsection, "total volume" means the sum of the volume of all geothermal resources produced from a well and all fluids and substances injected or otherwise artificially introduced into the well.

(c) The commission shall determine the regulatory cost charges levied under this section so that the total amount to be collected approximately equals the appropriations made for the operating costs of the commission that have been incurred under this chapter for the fiscal year.

(d) The commission shall collect the regulatory cost charges imposed under this section. The Department of Administration shall identify the amount of appropriations made for the operating costs of the commission under this chapter that lapse into the general fund each year. The legislature may appropriate an amount that is at least equal to the lapsed amount to the commission for its operating costs under this chapter for the next fiscal year. If the legislature makes an appropriation to the commission under this subsection that is equal to or greater than the lapsed amount, the commission shall reduce the total regulatory cost charge collected for that fiscal year by a comparable amount.

(e) The commission may adopt regulations relating to the investigation of the accuracy of reported information and for collecting required payments under this section.

* **Sec. 17.** AS 41.06.060 is repealed and reenacted to read:

Sec. 41.06.060. Definitions. In this chapter, unless the context otherwise requires,

(1) "commission" means the Alaska Oil and Gas Conservation Commission created under AS 31.05.005;

(2) "correlative rights" means the right of an owner of each property in a geothermal system to produce without waste the owner's just and equitable share of the geothermal resources in the geothermal system; a just and reasonable share is an amount, so far as can be practically determined and so far as can be practically produced without waste, that is substantially in proportion to the quantity of recoverable geothermal resources under the owner's property relative to the total recoverable geothermal resources in the geothermal system;

(3) "geothermal fluid" means liquids and steam at temperatures greater than 120 degrees Celsius or any commercial use of liquids and steam naturally present in a geothermal system at temperatures less than 120 degrees Celsius;

(4) "geothermal resources"

(A) means the natural heat of the earth at temperatures greater than 120 degrees Celsius, or any use of that heat for commercial purposes, measured at the point where the highest-temperature resources encountered

enter or contact a well or other resource extraction device or any commercial use of the natural heat of the earth;

(B) includes

(i) the energy, including pressure, in whatever form present in, resulting from, created by, or that may be extracted from that natural heat;

(ii) the material medium, including steam and other gases, hot water, and hot brines constituting the geothermal fluid naturally present, as well as substances artificially introduced to serve as a heat transfer medium; and

(iii) all dissolved or entrained minerals and gases that may be obtained from the material medium, but excluding hydrocarbon substances and helium;

(5) "geothermal system" means a stratum, pool, reservoir, or other geologic formation containing geothermal resources;

(6) "operator" means a person drilling, maintaining, operating, producing, or in control of a well;

(7) "owner" means the person who has the right to drill into or produce from a geothermal system and to appropriate the geothermal resources produced from a geothermal system for that person and others;

(8) "waste" means, in addition to its ordinary meaning, physical waste, and includes an inefficient, excessive, or improper production, use, or dissipation of geothermal resources, including

(A) drilling, transporting, or storage methods that cause or tend to cause unnecessary surface loss of geothermal resources;

(B) locating, spacing, drilling, equipping, operating, producing, or venting of a well in a manner that results or tends to result in reducing the ultimate economic recovery of geothermal resources;

(9) "well" means a well drilled, converted, or reactivated for the discovery, testing, production, or subsurface injection of geothermal resources.

*** Sec. 18.** AS 41.06.030(d) and 41.06.040(e) are repealed.

*** Sec. 19.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY; AMENDMENT OF EXISTING LEASES. (a) Section 2 of this Act applies to a lease for a geothermal resource or the renewal of a lease for a geothermal resource entered into on or after the effective date of sec. 2 of this Act.

(b) The commissioner of natural resources shall offer the royalty rates in AS 38.05.181(g), as amended by sec. 2 of this Act, as an amendment to a lease or a renewal of a lease entered into before the effective date of sec. 2 of this Act.

*** Sec. 20.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. (a) To the extent the regulations are not inconsistent with the language and purposes of this Act, regulations relating to geothermal wells adopted by the Department of Natural Resources under AS 41.06 before July 1, 2010, remain in effect as valid regulations implementing this Act. The Alaska Oil and Gas Conservation Commission may administer and enforce regulations previously adopted under AS 41.06 relating to geothermal wells until the Alaska Oil and Gas Conservation Commission adopts regulations in accordance with this Act.

(b) The Alaska Oil and Gas Conservation Commission may immediately proceed to adopt regulations necessary to implement the changes made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2010.

*** Sec. 21.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTIONS. The revisor of statutes is instructed to change the catchline of AS 41.06.030 from "Reservoir management" to "Unitization."

*** Sec. 22.** Section 20 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 23.** Except as provided in sec. 22 of this Act, this Act takes effect July 1, 2010.

SB 246

<target><bill>SB 246</bill><subject>SB 246</subject><comm>SFIN26</comm></target>

Sponsor Statement
SB 246

The Alaska Supreme Court is asking for a new superior court judge in Anchorage. The judge would be assigned to civil cases.

An additional judge is needed because Anchorage superior court judges have the highest caseloads in the state and a combination of devoting more time to Child in Need of Aid (CINA) cases and an ever-increasing number of unrepresented litigants has created a workload that is unsustainable.

Although judges' workloads are increasing, some of the additional work is the result of the court system doing a better job meeting the needs of those who come before it. This is particularly true with CINA cases.

Prior CINA practice was to have standing masters preside over all phases of a case with the exception of contested hearings. If a hearing was contested it would be assigned to an available superior court judge who would resolve the contested issue and then return the case to the standing master. Although that practice saved superior court time, it led to other problems.

The new practice begins the same as the old; a CINA case starts with a master until there is a contested issue. However, once that occurs, the case is permanently assigned to a superior court judge; it does not return to the master. Having a judge permanently assigned to the case is a better model in a number of ways, one of which is that it eliminates shuffling the family back and forth between a standing master and any number of superior court judges.

In addition to CINA cases, another prime driver behind the current workload is the prevalence of unrepresented litigants in domestic relations cases. Although we do not have historical statistics that track these cases, Alaska judges, like judges from across the country, have seen a significant increase over the past several years. What we know from current data is that when first filed about 37% of the cases have attorneys for both parties, 25% have an attorney for only one party and in 37% of the cases neither party has an attorney. The percentage of litigants appearing without counsel increases as the cases progress and increases significantly once litigants are filing motions after the initial decree is entered. Most of these post-judgment motions relate to child custody disputes.

Judges cite a list of time-consuming challenges that arise when counsel is absent from one side or both sides. Frequent motion practice, arguments unrelated to the relevant legal issues, delays stemming from the failure to submit needed information and judicial time spent calculating child support awards are some of those challenges. However, even though these litigants take more time, their cases are as important as those where the parties have lawyers and the judiciary is committed to ensuring that they too can meaningfully access the court.

Adding one new judge will not significantly reduce the workload of the Anchorage superior court (more judges will likely be needed in the very near future), but it will provide some relief as the court works to develop alternative ways to manage that workload. Thank you for considering this request.

SENATE FINANCE COMMITTEE REPORT

DATE: 2/10/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 246

SB 246 INCREASING NUMBER OF SUPERIOR CT JUDGES

"An Act increasing the number of superior court judges designated for the third judicial district; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CRT	2/3/10	✓			1
CRT	2/8/10			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			✓	
		✓			
				✓	
CO-CHAIR:	Hoffman			✓	
CO-CHAIR:	Stedman			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 246
(S) Publish Date: 2/12/10

Identifier (file name): SB246-AJC-AJC-2-8-10
Title: Increasing Number of Superior Court Judges
Sponsor: Rules Committee by request
Requester: Alaska Court System

Dept. Affected: Alaska Judicial Council
RDU: Alaska Judicial Council
Component: Alaska Judicial Council
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Ordinarily, the Alaska Judicial Council incurs costs when a new judgeship is created. This new judgeship will coincide with another judicial vacancy on the Anchorage Superior Court. The Council intends to coordinate the solicitation and screening of applicants for these two positions. As a result, the increased cost to the Council is negligible.

Prepared by: Larry Cohn, Executive Director — Phone 279-2526
Division: Alaska Judicial Council — Date/Time 2/8/10 12:00 AM
Approved by: Larry Cohn, Executive Director — Date 2/8/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 246
(S) Publish Date: 2/12/10

Identifier (file name):
Title: An Act Relating to the Number of Superior Court Judges
Sponsor: Senate Rules Committee
Requester: Alaska Supreme Court

Dept. Affected:
RDU: Alaska Court System
Component: Trial Courts
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	440.5	440.5	440.5	440.5	440.5	440.5	440.5
Travel							
Contractual	18.8	18.8	18.8	18.8	18.8	18.8	18.8
Supplies	39.8	39.8	6.0	6.0	6.0	6.0	6.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**499.1**	**499.1**	**465.3**	**465.3**	**465.3**	**465.3**	**465.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	499.1	499.1	465.3	465.3	465.3	465.3	465.3
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**499.1**	**499.1**	**465.3**	**465.3**	**465.3**	**465.3**	**465.3**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**4.0**	**4.0**	**4.0**	**4.0**	**4.0**	**4.0**	**4.0**
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
Senate Bill 246 adds a new superior court judge position in the third judicial district. This fiscal note reflects the cost of that new position.

Prepared by: Doug Wooliver, Administrative Attorney
Division: Alaska Court System
Phone 907-463-4750
Date/Time 2/03/2010 @ 1:30 pm

Approved by: Doug Wooliver for Christine Johnson, Administrative Director
Alaska Court System
Date 2/3/2010

(Revised 10/13/2009 OMB)

FISCAL NOTE # 1 BILL NO. SB 246

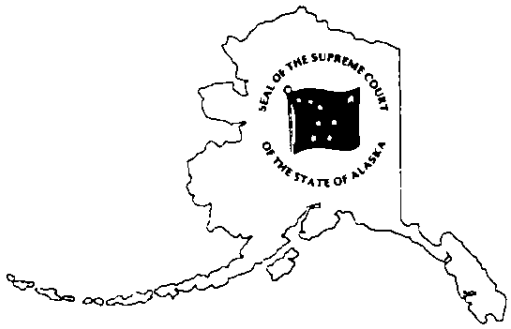
Alaska Court System
Fiscal Note Calculations for SB 246

Personal Services

Superior Court Judge - Anchorage		257,300
In-Court Clerk - Anchorage, Range 12A		61,400
Law Clerk - Anchorage, Range 13D		60,400
Administrative Assistant - Anchorage, Range 12A		61,400
	Subtotal Personal Services	440,500
WAN Fees, Software & Licensing		18,800
Supplies (desk, computer, courtroom electronics, and chair) for four PFT positions		39,800
Fiscal Note Total		499,100

Breakdown by Expense Category:

Personal Services Total		440,500
Contractual Total		18,800
Supplies Total		39,800
	Total	499,100



ALASKA COURT SYSTEM
State of Alaska
Office of the Administrative Director

820 West 4th Avenue
Anchorage, Alaska 99501-2005
(907) 264-8265
FAX (907) 264-8291

Doug Wooliver
Administrative Attorney

March 16, 2010

The Honorable Bert Stedman
Co-Chair, Senate Finance
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Stedman:

Following testimony on SB 246 this past Friday, you asked for a breakdown of superior court case filing statistics by judicial district going back to FY 2000. You also asked how many superior court judges have been added to the bench since that time and where those judges were seated.

Number of superior court cases filed by year and judicial district

First District		Second District		Third District		Fourth District	
FY 00	1,966	FY 00	1,035	FY 00	11,300	FY 00	3,484
FY 01	1,988	FY 01	985	FY 01	11,388	FY 01	3,441
FY 02	2,102	FY 02	1,063	FY 02	11,431	FY 02	3,547
FY 03	2,028	FY 03	911	FY 03	11,953	FY 03	3,692
FY 04	2,103	FY 04	865	FY 04	12,614	FY 04	3,784
FY 05	2,100	FY 05	1,070	FY 05	13,156	FY 05	3,635
FY 06	2,183	FY 06	982	FY 06	13,133	FY 06	3,729
FY 07	2,035	FY 07	938	FY 07	13,495	FY 07	3,800
FY 08	2,091	FY 08	966	FY 08	13,731	FY 08	3,678
FY 09	1,954	FY 09	936	FY 09	13,605	FY 09	3,808

New superior court judges added since 2000

Since 2000, the legislature has increased by eight the number of superior court judges in the state. In 2001, one new judge was added in Anchorage and one in Bethel; in 2006, two judges were added Anchorage, two were added in Palmer, one was added in Kenai and one was added in Fairbanks.

I hope that this answers your questions. Please let me know if you would like any additional information.

Sincerely,

Doug Wooliver
Administrative Attorney
Alaska Court System

SB 247

<target><bill>SB 247</bill><subject>SB 247</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/24/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 247

SB 247 EXTENDING BOARD OF PHARMACY

"An Act extending the termination date of the Board of Pharmacy; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[✓] adopt **previous** [ ] **SCS** or [✓] **CS** SB 247 (L+C)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/22/10	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Cook	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 247(L&C)**
() Publish Date:

Identifier (file name): SB247CS(L&C)-CED-CBPL-3-22-10
Dept. Affected: DCCED
Title: Extending Board of Pharmacy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Olson
Requester: Senate Finance
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	98.1	98.1	98.1	98.1	98.1	98.1
Travel	0.0	10.4	10.4	10.4	10.4	10.4	10.4
Contractual	0.0	21.7	21.7	21.7	21.7	21.7	21.7
Supplies	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	130.3	130.3	130.3	130.3	130.3	130.3
TOTAL	**0.0**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

CSSB 247(L&C) extends the Board of Pharmacy to June 30, 2018. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 7 member board and 2 staff to meet at least 3 times each year in accordance with AS 08.80.060.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 03/22/2010 2:00PM
Approved by: Emil Notti, Commissioner — Date 3/22/2010
Commerce, Community, and Economic Development

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

CSSB 247 (L&C) – Extend Board of Pharmacists

Version 26-LS1405/R, February 24, 2010
STAFF: Tim Benintendi, 465-4989

SPONSOR STATEMENT

This bill would extend the termination date of the Board of Pharmacists until June 30, 2018.

According to the legislative audit for this panel, there were no issues discovered adversely affecting the public, but auditors commented that the Administration needs to improve support for this board and make more timely appointments.

The Committee Substitute was generated because the original bill was ordered drafted for the number of years in the last extension, which was different from the recommendation in the audit. Once I read the audit, we wanted to conform to their report.

No opposition has surfaced to this bill or the Committee Substitute.

Alaska Pharmacists Association

February 5, 2010

Senator Joe Paskvan
Chairman, Senate Labor & Commerce Committee
State Capitol
Juneau, AK 99801

RE: Letter of Support SB247
Extending Termination date of Board of Pharmacy

Dear Senator Paskvan,

The Board of Pharmacy promotes compliance of pharmacy and drug law in Alaska in addition to providing controls, registration, disciplinary sanctions and the regulation of controlled substances. The state of Alaska has been awarded a grant to implement a prescription drug monitoring program (PDMP) that will be implemented by the Board of Pharmacy in 2010.
The Alaska Pharmacists Association supports the extension of the Board of Pharmacy.

Respectfully,

Nancy Davis
Executive Director

Cc Senator Donald Olson

E-mail: akphrmcy@alaska.net

203 W. 15th Ave., Suite 100 • Anchorage, Alaska 99501 • (907) 563-8880 • (907) 563-7880

BOARD MEMBER ROSTER

Board	Full Name	Title/ Position on Board		Expiration Date	
PHA	MARY D. MUNDELL	PHARMACIST		PHARMACY BOARD MEMBEI	
	Address SUSITNA PROFESSIONAL PHARMACY 1751 E. GARDNER WAY, STE. G WASILLA AK 99654		(H) 907-688-5566 (W) 907-373-7933 (Fax) 907-373-7939 (Cell) –	Expiration Appointment Reappointment	03/01/13 04/14/05
	Email susprof@mtaonline.net				
PHA	LEAH HANDLEY	PUBLIC MEMBER		PHARMACY BOARD MEMBEI	
	Address P.O. BOX 900 HOMER AK 99603		(H) 907-235-2838 (W) – (Fax) – (Cell) 907-299-2755	Expiration Appointment Reappointment	03/01/13 03/01/09
	Email leah.fernwood@gmail.com				
PHA	RICHARD C. HOLM	PHARMACIST		CHAIR	
	Address NORTH POLE PRESCRIPTION LABORATORY, INC 167 SANTA CLAUS LANE NORTH POLE AK 99705		(H) 907-488-1776 (W) 907-488-8555 (Fax) 907-488-8556 (Cell) –	Expiration Appointment Reappointment	03/01/10 03/31/06
	Email nprxlab@hotmail.com				
PHA	DIRK WHITE	PHARMACIST		VICE CHAIR	
	Address 106 LINCOLN ST. SITKA AK 99835		(H) 907-747-5976 (W) 907-738-6337 (Fax) 907-966-3979 (Cell) –	Expiration Appointment Reappointment	03/01/11 03/01/07
	Email dirkrph@ptialaska.net				
PHA	CHRISTOPHER J. KIM	PHARMACIST		PHARMACY BOARD MEMBE	
	Address 9445 ENDICOTT ST ANCHORAGE AK 99502		(H) 907-245-2687 (W) 907-339-1360 (Fax) 907-339-1319 (Cell) 907-441-7054	Expiration Appointment Reappointment	03/01/12 03/01/09
	Email gowmoto@gmail.com				
PHA	STEVEN JOHNSON	PHARMACIST		SECRETARY	
	Address P O BOX 4393 PALMER AK 99645		(H) 907-982-0102 (W) 907-746-4061 (Fax) – (Cell) –	Expiration Appointment Reappointment	03/01/12 12/03/08
	Email ebersteve@yahoo.com				

Division of Legislative Audit

Report Digest #08-20065-10

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

SUMMARY OF: A Sunset Review on the Department of Commerce, Community, and Economic Development (DCCED), Board of Pharmacy (BOP), November 12, 2009

PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of BOP. The purpose of this audit was to determine if there is a demonstrated public need for its continued existence and if it has been operating in an effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BOP's termination date should be extended. Currently under AS 08.03.010(c)(15), BOP is scheduled to terminate on June 30, 2010. If the legislature does not extend the board's termination date, BOP will have one year to conclude its administrative operations.

REPORT CONCLUSIONS

The termination date for BOP should be extended until June 30, 2018. The board is safeguarding the public interest by ensuring the competence of individuals who present themselves to the public as pharmacists, pharmacist interns, and pharmacist technicians through licensing and regulatory requirements. The board also has an integral role in the regulation of pharmacies, drug rooms, and wholesale distributors and should continue to regulate those entities.

FINDINGS AND RECOMMENDATIONS

1. BOP should approve collaborative protocols in accordance with regulation.

2. DCCED's professional licensing administrative officer should improve administrative support.

3. BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

December 4, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Pharmacy (BOP) and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BOARD OF PHARMACY

November 12, 2009

Audit Control Number
08-20065-10

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Alaska Statute 44.66.050(c) lists criteria to be used to assess the demonstrated public need for a given board, commission, agency, or program subject to the sunset review process. Currently under AS 08.03.010(c)(15), BOP is scheduled to terminate on June 30, 2010. If the legislature does not extend the termination date, the board has one year in which to conclude its administrative operations. We recommend that the legislature extend the board's termination date to June 30, 2018.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson, CPA
Legislative Auditor

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Department of Commerce, Community, and Economic Development	19
Board	21

OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Board of Pharmacy (BOP) to determine if there is a demonstrated public need for its continued existence, if it has been operating in an efficient and effective manner, and if its activities are duplicated by other private or governmental entities.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BOP's termination date should be extended. Currently under AS 08.03.010(c)(15), the board will terminate on June 30, 2010. If the legislature does not extend the board's termination date, BOP will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the board's termination date should be extended.
2. To determine if the board is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of licensed pharmacists, pharmacy technicians, pharmacy interns, pharmacies, drug rooms and wholesale drug distributors.

The assessment of the board's operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need.

Scope and Methodology

The major areas of our review were board proceedings, licensing, complaint investigations, and duplication of efforts for FY 05 through FY 09. During the course of our examination we reviewed and evaluated the following:

- Applicable statutes and regulations related to the licensing of pharmacists, pharmacy technicians, pharmacy interns, pharmacies, drug rooms, and wholesale drug distributors. Statutes and regulations were reviewed to identify board duties and responsibilities and board member composition and qualifications. We also identified additions, deletions, and changes to BOP statutes and regulations

- Files and documentation related to individuals licensed as pharmacists or pharmacy technicians and organizations licensed as pharmacies, drug rooms or wholesale drug distributors. Licensing documentation was reviewed to ensure people/organizations were

licensed in accordance with regulations. We also reviewed documentation to evaluate compliance with continuing education requirements.

- Board meeting minutes, budget documents, and annual reports related to or issued by BOP to gain an understanding of board proceedings and activities.

- Public notice documentation to ascertain whether public notice for BOP meetings and proposed regulation changes were published as required by statute.

- Financial records related to BOP revenues and expenditures to identify BOP's surplus or deficit for each fiscal year.

- Complaints regarding individuals or organizations licensed by BOP to gain an understanding of the nature of complaints and timeliness of the investigative process. Complaints filed with the following organizations were reviewed: the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing; the Human Rights Commission; the Office of the Ombudsman; the Office of Victims' Rights; and the Federal Equal Employment Opportunity Commission.

Additionally, we conducted interviews with staff within the Division of Corporations, Business, and Professional Licensing; BOP board members; and Department of Law attorneys.

ORGANIZATION AND FUNCTION

The Board of Pharmacy (BOP) was established for the purpose of controlling and regulating the practice of pharmacy in Alaska. Alaska Statute 08.80.005 states that effective control and regulation of the practice of pharmacy is necessary to promote, preserve, and protect the public's health, safety, and welfare.

Board of Pharmacy Members as of June 30, 2009

Registered Pharmacists

Mary Mundell, Chairman
Richard Holm
Dirk White
Steve Johnson
Christopher Kim

Public Members

Leah Handley
Public Vacancy

Board Membership

BOP is composed of seven members. State law requires five board positions be licensed pharmacists actively engaged in the practice of pharmacy in the State for a period of three years immediately preceding their appointment. The remaining two positions are to be filled by individuals from the general public. Statute prohibits these public members from having a direct financial interest in the health care industry.

Board Duties

In general, the board regulates admission into the practice of pharmacy, establishes and enforces competency by ensuring compliance with professional standards, and adopts regulations. Enforcement includes assisting in the investigation of potential violations and suspending or revoking licenses when determined necessary.

The board licenses pharmacists, retail facilities, wholesale distributors, drug rooms, institutional facilities, and out-of-state facilities. It also issues permits to individuals to act as pharmacy interns, and pharmacy technicians.

Pharmacist applicants are required to pass a National Association of Boards of Pharmacy licensing examination. Additionally, applicants must pass a jurisprudence examination covering Alaska pharmacy law and the Federal Controlled Substance Act. Applicants who are licensed to practice pharmacy in another state may be awarded an Alaska license to practice, based on their credentials, as long as they have passed the national examination.

The Department of Commerce, Community, and Economic Development's, Division of Corporations, Business, and Professional Licensing

The Division of Corporations, Business, and Professional Licensing staff provide administrative support to BOP. Division staff process applications, maintain licensing files, answer board-related correspondence, and provide general administrative support to the board. Additionally, division staff investigates complaints involving the practice of pharmacy.

REPORT CONCLUSIONS

The termination date for the Board of Pharmacy (BOP) should be extended until June 30, 2018. The board is safeguarding the public interest by ensuring the competence of individuals who present themselves to the public as pharmacists, pharmacist interns, and pharmacist technicians through licensing and regulatory requirements. The board also has an integral role in the regulation of pharmacies, drug rooms,[1] and wholesale distributors and should continue to regulate those entities.

Alaska Statute 08.03.010(c)(15) requires BOP to terminate on June 30, 2010. If the termination date is not extended, AS 08.03.020 gives the board a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2018, the maximum allowed per statute.

[1]The term *drug room* refers to an institutional facility that does not maintain a pharmacy but prepares and administers prescription drugs from bulk supplies for patients receiving treatment within the facility.

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FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Board of Pharmacy (BOP) should approve collaborative protocols in accordance with regulation.

Collaborative protocols are cooperative practice agreements in which practitioners authorize pharmacists to administer or dispense drugs in accordance with a written protocol. The agreements specify a time period in which the protocol is in effect, the types of drugs that pharmacists may administer or dispense, and a plan for practitioners to review the decisions made by pharmacists during the period of agreement. Regulations specify the requirements to be included in the cooperative practice agreements.

Of the five collaborative protocols reviewed, one protocol, with a one year period, was approved by BOP for a two year period. Furthermore, three requests for collaborative protocol were approved by the board even though the associated written agreements did not fully comply with regulation.

According to 12 AAC 52.240(b)(3), a written protocol must include the time period during which the protocol will be in effect, not to exceed two years. To facilitate tracking and monitoring of the agreements, the board's policy is to approve protocols for a two year period, regardless of the time period specified in the agreement. This practice may lead to a licensee performing a protocol without practitioner oversight. The practitioner may consider the agreement terminated at the date specified in the agreement, while the pharmacy could continue administering or dispensing drugs for the full two year period.

Furthermore, 12 AAC 52.240(b) specifies that cooperative practice agreements must include specific information including (1) a plan for the physician to review the decisions made by the pharmacist at least once every three months, and (2) a plan for providing to the physician patient records created under the agreement. The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business, and Professional Licensing's staff do not require written agreements to include these two regulatory requirements as long as the application itself indicates that the requirements are satisfied. Without requiring written plans in accordance with regulation, BOP is not providing adequate review and oversight.

We recommend the board approve collaborative protocols for the time period specified in the agreement, not to exceed two years. We further recommend that BOP review and approve only those collaborative protocols that include a written plan with all of the elements required by regulation.

Recommendation No. 2

The division's professional licensing administrative officer should improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in division administrative support. Specifically:

- FY 06, FY 07, and FY 08 annual reports contained errors in license statistics.
- Three of 13 board meetings were not published on the State's online public notice system.
- Indirect costs for the division were treated inconsistently between fiscal years.
- Hearing fees were inconsistently treated as indirect versus direct costs between fiscal years.
- Fines of $5,500, recorded in FY 08, were incorrectly reported as BOP revenue.

The division is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, duties include collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. DCCED is also responsible for annually reviewing fee levels of the occupational boards to determine whether the regulatory costs of the occupation are approximately equal to fee collections related to that occupation. BOP is required by AS 08.01.070 to submit, before the end of the fiscal year, an annual performance report to the department stating the board's accomplishments, activities, and needs. The division's policy is to produce a single annual report incorporating both board and division information requirements.

The deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exacerbated by a lack of accounting and reporting procedures. Turnover in staff positions caused the oversight in posting public notices.

Inadequate administrative support hampers BOP's ability to fulfill its responsibilities and may provide policymakers with misleading information. We recommend that the division's professional licensing administrative officer improve administrative support.

Recommendation No. 3

BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

BOP board appointments did not fully comply with state law. One public member board position was vacant for a total of 17 months from FY 07 through FY 08. Furthermore, one of the public board members had a direct financial interest in the health care industry. Alaska Statute 08.80.010 requires the board to consist of five professional members and two public members. Public board members are prohibited from having a direct financial interest in the health care industry.

Public members are intended to provide a consumer perspective. This perspective enhances consumer protection which is the basis of regulation. The extended absence of the public seat may prevent the board from conducting business with the appropriate public input and perspective.

A lack of qualified applicants led to the board vacancy. At the time of this review, staff within the Governor's office were unaware that one of the BOP public board members had a financial interest in the healthcare industry. The member has since resigned and the position is currently vacant.

We recommend BOP and staff within the Office of the Governor work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

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ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive but to address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The board has served the public through licensing qualified applicants, drafting new regulations, imposing disciplinary sanctions when necessary, and publishing a newsletter to apprise licensees of new regulatory requirements and pertinent issues.

A prescription drug database program, authorized by legislation in 2008, is intended to serve the public by helping curb the State's controlled substance abuse problem as well as deterring insurance and Medicaid fraud. The program also gives assurance to doctors that they are not prescribing contradicting medications to patients with more than one doctor. The program has been slow to move forward due to a lack of funding. However, a federal grant for approximately $400,000 was awarded in September 2009, and the Department of Commerce, Community, and Economic Development (DCCED) has started the procurement process.

Persons served by pharmacies operated by certain Native health organizations are not being fully protected by state licensing laws. Currently, there are three such unlicensed pharmacies that consider themselves exempt from state licensing requirements. The Board of Pharmacy (BOP) disagreed with their position and requested legal advice from the Department of Law in 2003. Department of Law attorneys met with the board, but no legal opinion was issued and the pharmacies remain unlicensed.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

As discussed in Recommendation No. 3, BOP board appointments did not fully comply with state law. BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

Several deficiencies were noted in administrative support to the board by staff within DCCED's Division of Corporations, Business, and Professional Licensing. Inadequate notice of board meetings, incorrect licensing statistics in annual reports, and inaccurate and inconsistent recording of expenditures and revenues are discussed in Recommendation No. 2.

BOP revenues come from licensing and renewal fees. Renewals are conducted on a biennial basis. This creates a two-year cycle in board revenues, with BOP receiving most of its revenues during the renewal year. We reviewed the division's internal records to identify BOP revenues and expenditures. The table below presents the board's revenues and expenditures for FY 04 through FY 09.

Under AS 08.01.065(c), DCCED must *"establish fee levels... so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* BOP reviews and provides feedback on changes in fees proposed by the division. Licensing fees were increased in FY 04 and again in FY 06. Given that BOP appears to have a growing surplus, the division should consider a reduction of fees for the next license renewal cycle.

State of Alaska
Board of Pharmacy
Schedule of License Revenues and Board Expenditures
FY 04 - FY 09
(Unaudited)

	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$ 261,300	$ 98,900	$ 472,600	$ 158,400	$ 573,500	$ 186,840
Direct Expenses						
Personal Services	73,400	68,400	70,000	78,400	83,900	113,196
Travel	12,800	8,800	9,200	7,900	7,200	13,472
Contractual	34,500	27,800	46,000	8,300	17,600	25,562
Supplies	100	200	-0-	100	-0-	205
Equipment	-0-	-0-	-0-	-0-	-0-	-0-
Total Direct Expenses	120,800	105,200	125,200	94,700	108,700	152,435
Indirect Expenses	104,000	117,500	94,700	148,800	140,500	140,254
Total Expenses	224,800	222,700	219,900	243,500	249,200	292,689
Annual Surplus (Deficit)	36,500	(123,800)	252,700	(85,100)	324,300	(105,849)
Beginning Cumulative Surplus (Deficit)	(65,100)	(28,600)	(152,400)	100,300	15,200	339,500
Ending Cumulative Surplus (Deficit)	$ (28,600)	$(152,400)	$ 100,300	$ 15,200	$ 339,500	$ 233,651

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

BOP actively supported statutory changes by testifying at legislative committee hearings. One of the most significant statutory changes was the passage of SB 196 which established the controlled substance prescription database. This bill mandates participation by pharmacists in a prescription drug database program and is designed to curb the abuse of controlled substances as well as insurance and Medicaid fraud.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

BOP encouraged public participation by setting aside time at each board meeting for public comment. Notices of board meetings were published in the *Anchorage Daily News*. However, from FY 05 through FY 09, three of 13 board meetings were not posted on the State's online public notification system (discussed in Recommendation No. 2). Notices of regulation changes were posted to the online notification system with adequate time for response.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The board consistently encouraged public participation when proposing regulation changes. Notice of proposed regulation changes were posted on the State's online public notice system and in the *Anchorage Daily News*. Detailed instructions for submitting public comment were included in the posting. The board reviewed and considered public comment before adopting new regulations. We noted 10 instances of interested persons providing public comment from the period FY 04 through FY 09.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

During the period of May 25, 2004 through March 3, 2009, 103 complaints were received and 112 cases were opened related to BOP licensees or applicants.

Status of Complaints		Status of Cases	
Complaint closed and case opened	29	Licensing action	29
Determined not in violation	29	Non-violation or insufficient evidence	36
Sent advisement letter	18	Advisement letter or compliance	28
Compliance	1	Still open	19
Still open	26		112
	103		

In general, complaints and cases were investigated in a reasonable and appropriate manner. Of the three complaints and 15 cases reviewed, one complaint and two cases were not investigated in a timely manner. All three untimely investigations were assigned a low priority by investigative staff. We also noted three cases that were not closed timely even though investigative work was complete.

There were no BOP complaints filed with the Office of Victim's Rights, the Human Rights Commission, or the Office of the Ombudsman. A summary of the complaints and cases by type is presented below:

Complaints by Type		Cases by Type	
License application issues	40	License application issues	39
Unlicensed practice	18	Continuing education	13
Drug diversion	10	Drug diversion	11
Violating regulations	6	Negligence	8
Substance abuse	5	Unlicensed practice	8
Negligence	4	Criminal action	6
Standards of care	3	Licensing action in another state	5
Licensing action in another state	3	Practicing beyond scope	4
Other	14	Violating regulations	3
	103	Violating professional ethics	3
		Other	12
			112

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

BOP is adequately regulating entry into the profession by licensing qualified applicants to serve the public. Continuing education is required and adequately monitored by the board to promote a high level of quality and ensure the integrity of the profession. Board meeting minutes reflect that BOP considers each applicant and verifies licensing requirements are satisfied prior to issuing a license.

During FY 08, BOP began to license remote pharmacies.[2] The table below summarizes licensing activity for the past six fiscal years.

Type of License	Newly Issued Licenses (Exclusive of Renewals)						Total Licensees at June 30, 2009
	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	
Pharmacist	61	53	58	58	71	89	846
Pharmacist – Temporary	1	0	2	1	0	0	0
Pharmacy Intern	83	68	77	99	122	141	265
Pharmacy Technician	215	243	278	315	324	372	1,240
Pharmacy	14	11	10	8	9	16	131
Drug Room	10	4	3	1	2	2	24
Wholesale Drug Distributor	1	1	8	1	2	3	25
Out of State Pharmacy	86	81	90	69	55	68	274
Remote Pharmacy	0	0	0	0	2	0	2
Total	471	461	526	552	587	691	2,807

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that the board has not complied with state personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

BOP is responsible for the implementation of a controlled substance database. Little progress has been made on this project since it was enacted in 2008 because DCCED and the board were waiting for federal funding to become available. A federal grant was awarded in September 2009, and DCCED has moved forward with the procurement process. The implementation of the database will take the cooperative efforts of several state entities such as the Department of Administration, Enterprise Technology Services Division and the State Security Office to ensure confidential information is protected and used appropriately in accordance with state law. The public interest will be served by an expeditious and well planned implementation of the database.

BOP has encountered challenges in licensing all facilities that the board believes are subject to state licensing statutes. Specifically, certain pharmacies run by Native health organizations are not complying with state licensing statutes, citing federal exemption laws. Based on a 1992 opinion issued by the Department of Law, the board does not agree that Native health organizations are exempt and has sought clarification of their specific case from the

[2]A *remote pharmacy* is a facility that provides pharmacy services, including the storage and distribution of prescription drugs, drug regimen review, and patient counseling through a telepharmacy system.

Department of Law in the form of a legal opinion. Although the Department of Law has consulted with BOP, the department has not responded with a formal opinion. Other than requesting status updates from both DCCED and Department of Law, BOP has not taken further action.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

The board has effectively met its purpose and attained its objectives except in the area of approving collaborative protocols (discussed in Recommendation No. 1).

BOP's efficiency and effectiveness would be strengthened if it maintained a full board membership free of conflicts of interest (discussed in Recommendation No. 3). Furthermore, the board's effectiveness was somewhat limited by inadequate administrative support by DCCED staff (discussed in Recommendation No. 2).

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

National pharmacist organizations support BOP rather than duplicate its efforts. Additionally, we did not find evidence of other state or private agencies that duplicate the efforts of the board.

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www.gov..alaska.gov
Governor@alaska.gov

Office of Governor Sean Parnell
STATE OF ALASKA

RECEIVED
DEC 30 2009
LEGISLATIVE AUDIT

December 30, 2009

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your November 12, 2009 "CONFIDENTIAL" preliminary audit report on the Board of Pharmacy (BOP).

The Office of the Governor concurs with recommendation number three which states, "BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation." Currently, the board has one vacant seat reserved for a public member, and we are currently recruiting applicants for this vacancy who have no financial interest in the health care industry. I am committed to assisting the Governor in making a timely appointment to allow the board to function productively.

With respect to the former public member who was found to have a direct financial relationship in the health care industry, I want to provide some information that completes your account of this situation in your November 18, 2009 letter. When the member was appointed, she was not working in the health care industry and was qualified for a public seat. Later, unbeknownst to our office, she was hired at Providence Alaska Medical System into a position that did not relate to the practice of pharmacy. It is our understanding that, after raising the issue with the board, she was told that her continued service on the board was appropriate. After several promotions and changes of job duties, she raised the issue with the board, and was told that she could continue to serve. When the eligibility of that member was questioned through the sunset audit process, it was our office's first notification that the member was an employee of Providence Alaska Medical System, and we contacted her to discuss the matter. Then, after conferring with the Department of Law, we concluded that she was ineligible to remain serving on the board, and after discussing this conclusion with the member, she promptly submitted her resignation.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

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STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

RECEIVED
1/7/2010

Ms. Pat Davidson
Legislative Auditor
Division of Legislative Audit
Legislative Budget and Audit Committee
P.O. Box 113300
Juneau, Alaska 99811-3300

Re: Preliminary Audit, Board of Pharmacy

Dear Ms. Davidson:

Thank you for the opportunity to comment on your Preliminary Audit findings concerning the Board of Pharmacy.

Recommendation No. 1

The Board of Pharmacy (BOP) should approve collaborative protocols in accordance with regulation.

The department will review its procedures and discuss concerns with the board to clarify the appropriate approval process for collaborative agreements.

Recommendation No. 2

The division's professional licensing administrative officer should improve administrative support.

As we have stated on many occasions, we could not agree more. The division has undergone a number of changes in key management positions and is now optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

Unfortunately, the current incumbents are also faced with clean up of the accounting inaccuracies created by former employees in recent past years. We are confident that progress is being made to clean up the inaccuracies and to reestablish credibility of the division's cost-accounting system. Procedures for accounting for revenues and expenditures and preparation of financial reports did exist before it went awry. Correcting past errors has been a priority since current and future financial analysis is dependent on using correct data.

Recommendation No. 3

BOP and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

The department agrees with the recommendation.

The department concurs with the extension of the BOP to June 30, 2018. Thank you for the opportunity to comment on your recommendations.

Sincerely,

for Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

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RECEIVED
1/6/10

To: **Pat Davidson, Legislative Auditor**

From: **Mary D. Mundell, RPh, Chairperson Board of Pharmacy**

Re: **Extension of termination date for BOP to June 30, 2018**

Findings and Recommendations:

1) There is no disagreement with the finding that BOP should approve collaborative protocols in accordance with regulations and the BOP will continue to strive diligently to maintain standards with regards to collaborative practice protocols.
2) DCCED has been extremely helpful to the BOP in determining budgetary goals and setting fees accordingly. Therefore, it is very important for the administrative officer to improve in anyway any and all administrative support for the BOP. The BOP has been operating in the black due to our ability to anticipate future expenses and pay for all operating expenses. At this point the BOP feels it may be in the financial position to decrease fees for pharmacist, pharmacy interns, and pharmacy technician licenses after the next licensing period. This is due to excellent cooperation between the BOP and DCCED's administrative office.
3) Currently, the BOP is short one public member and has had to operate many times without a full compliment of members to the board. It is very difficult for the board to find a competent public member, thus the board must rely heavily on support from the Office of Governor to supply the BOP with qualified applicants so the BOP can maintain full representation.

As determined by the Legislative Auditor, the BOP will be pursuing the completion of the Drug Monitoring Program since the board has received the financial grant from the Federal Government. To date, the BOP has already interviewed all vendors currently available to help implement the program. The BOP is offering to work with a few volunteer pharmacies particularly those pharmacies located in very rural communities to establish the program and determine any flaws and have them worked out before requiring full statewide operation.

The Drug Monitoring Program will be a vital tool to determine waste or fraud and will be a valuable resource that will maintain compliance with Medicare/Medicaid, CMS fraud, waste and abuse requirements.

Also determined by the Legislative Auditor, the BOP wishes to work closely with the Attorney General's office to determine licensure requirements by pharmacies run by Native health organizations.

To date, the BOP works diligently to maintain the highest standards for the profession of pharmacy so the profession delivers the finest in pharmaceutical health care that is necessary to promote, preserve, and protect the health, safety, and welfare of all persons in the State of Alaska.

Therefore, it is respectfully requested of the Alaska State Legislature to extend the termination date for the Board of Pharmacy until June 30, 2018.

Regards,

Mary D. Mundell

Mary D. Mundell RPh
Chairperson
Board of Pharmacy
1751 E. Gardner Way, Suite G
Wasilla, AK. 99654

Date: 12/4/2010

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 247(L&C)
(S) Publish Date: 2/24/10

Identifier (file name): SB247-CED-CBPL-2-5-10
Dept. Affected: DCCED
Title: Extending Board of Pharmacy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Olson
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	98.1	98.1	98.1	98.1	98.1	98.1
Travel	0.0	10.4	10.4	10.4	10.4	10.4	10.4
Contractual	0.0	21.7	21.7	21.7	21.7	21.7	21.7
Supplies	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	130.3	130.3	130.3	130.3	130.3	130.3
TOTAL	**0.0**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**	**130.3**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 247 extends the Board of Pharmacy to June 30, 2015. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the operating budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 7 member board and 2 staff to meet at least 3 times each year in accordance with AS 08.80.060.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 1/29/2010 5:10PM
Approved by: Emil Notti, Commissioner — Date 2/5/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

SB 248

<target><bill>SB 248</bill><subject>SB 248</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

CSSB 248 (L&C) – Extend Board of Marital and Family Therapists

Version 26-LS1404/R, February 24, 2010
STAFF: Tim Benintendi, 465-4989

SPONSOR STATEMENT

This bill would extend the termination date of the Board of Marital and Family Therapists until June 30, 2014.

According to the legislative audit for this panel, there were no issues adversely affecting the public, but auditors commented on its deficit. In trying to manage that, the board has postponed making necessary and timely changes to its regulations.

The audit also commented that the Administration needs to improve support for this board and make more timely appointments.

The Committee Substitute was generated because the original bill was ordered drafted for the number of years in the last extension, which was different from the recommendation in the audit. Once I read the audit, we wanted to conform to their report.

No opposition has surfaced to this bill or the Committee Substitute.

State of Alaska

Office of Boards and Commissions Roster

MARITAL AND FAMILY THERAPY (173)

Member	Date Appointed	Reappointed	Term Expires
VACANT Therapist/Counselor			3/1/2009
John W. Downing Public 18735 Monastery Drive Eagle River, AK 99577	1/28/2008		3/1/2012
Kimberly K. Horn Public P.O. Box 33472 Juneau, AK 99803 4003 Mendenhall Loop Road Juneau, AK 99801	2/2/2009		3/1/2010
Larry J. Severson Therapist/Counselor 3150 C Street, Suite 280 Anchorage, AK 99503	3/1/2007		3/1/2011
Patricia A. White Therapist/Counselor -- Chair Patricia White, M.S., L.M.F.T. 6008 Lemon Street Juneau, AK 99801	8/22/2005	3/1/2009	3/1/2013

Return to the fact sheet

SENATE FINANCE COMMITTEE REPORT

DATE: 2/24/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 248

SB 248 EXTEND BD OF MARITAL & FAMILY THERAPY

"An Act extending the termination date of the Board of Marital and Family Therapy; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[✓] adopt **previous** [ ] **SCS** or [✓] **CS** SB 248 (L&C)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
CED	3/23/10	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins				
	Thomas	✓			
	Ellis	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB 248(L&C)
() Publish Date:

Identifier (file name):SB248CS(L&C)-CED-CBPL-3-23-10
Dept. Affected: Commerce
Title: Extend Board of Marital & Family Therapy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Olson
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	16.0	16.0	16.0	16.0	16.0	0.0
Travel	0.0	5.6	5.6	5.6	5.6	5.6	0.0
Contractual	0.0	1.2	1.2	1.2	1.2	1.2	0.0
Supplies	0.0	0.4	0.4	0.4	0.4	0.4	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	23.2	23.2	23.2	23.2	23.2	0.0
TOTAL	**0.0**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

CSSB 248(L&C) extends the Board of Marital and Family Therapy to June 30, 2014. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.63.030.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 03/23/2010 11:30AM
Approved by: Emil Notti, Commissioner
Date 3/23/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

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October 22, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities of the Board of Marital and Family Therapy (BMFT), and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY
AND ECONOMIC DEVELOPMENT
BOARD OF MARITAL AND FAMILY THERAPY
SUNSET REVIEW

September 21, 2009

Audit Control Number
08-20060-09

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). If not extended by the legislature, BMFT is required to terminate on June 30, 2010. Under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs.

In our opinion, BMFT should continue to regulate marital and family therapists and associates. Except for the significant issue of postponing regulation changes, the board is operating efficiently and effectively.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities and operations of the Board of Marital and Family Therapy (BMFT). As required by state law, the legislative committees of reference are to consider this report when determining whether to extend the termination date for BMFT. Currently under AS 08.03.010(c)(11), the board will terminate on June 30, 2010. If the legislature does not extend the termination date, BMTF will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of BMFT should be extended.

2. To determine if BMFT is operating in the public interest.

3. To determine if the board has exercised appropriate regulatory oversight of licensed marital and family therapists and associates.

The assessment of BMFT operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board.

Scope and Methodology

Our audit assessed BMFT's operations and activities for the period spanning FY 05 through FY 09. The major areas of our review were licensing, investigations, board proceedings and duplication of efforts. We examined and evaluated the following:

1. Applicable statutes and regulations.

2. Licensee files and other related licensee information.

3. Board meeting minutes.

4. BMFT annual reports.

5. BMFT related public notices published in the *Anchorage Daily News* and the State's online notification system.

6. Case and compliant files involving or related to professionals licensed by, and applicants seeking licensure, from BMFT.

7. Board revenues and expenditures for the audit period.

8. Board member resumes and related information maintained by the Office of the Governor.

We also interviewed two board members and various division staff including the licensing examiner, investigators, and administrative staff.

ORGANIZATION AND FUNCTION

The Board of Marital and Family Therapy (BMFT)

BMFT was established under the provisions of Title 8, Chapter 63 of the Alaska Statutes. The board consists of five members appointed by the Governor and subject to legislative confirmation. Three members must be licensed marital and family therapists and two members must be members of the general public.

The board regulates licensed marital and family therapists in the State. It sets education, training, and work experience standards necessary for an individual to be licensed as a marital and family therapist or a marital and family associate. Alaska statute defines the practice of marital and family therapy as the diagnosis and treatment of mental and emotional disorders that are referenced in the standard diagnostic nomenclature for marital and family therapy. This covers all disorders, whether cognitive, affective, or behavioral, within the context of human relationships, particularly the marital and family system.

Board of Marital and Family Therapy
(As of June 30, 2009)

Therapist
Patricia White, Chair
Larry Severson
Vacant

Public Member
John Downing
Kimberly Horn

Per statute, the board's duties include:

1. Examining and issuing licenses to qualified applicants;
2. Ordering the disciplinary sanction of a person who violates the statutes or regulations related to the licensure of marital and family therapists;
3. Adopt regulations necessary to enforce BMFT statutes; and
4. Adopt a code of ethical practice for marital and family therapy.

A marital and family therapy applicant may be licensed by passing an examination given by the board, or by what is termed "credentials." In order to be licensed by credentials, an applicant must provide proof of licensure by another authority, such as a state, that has equal or more stringent licensing requirements than the State of Alaska.

In order to become licensed by examination, an applicant must have an advanced degree in marital and family therapy or an allied mental health field from a regionally accredited educational institution approved by the board for which the person completed substantially equivalent course work[1] in the following: (1) marital and family therapy, (2) marital and

[1]AS 08.63.100(b) permits the substitution of post-degree courses or practice, as approved by the board, by a person whose master or doctorate degree in marital and family therapy or allied health field but whose course of study did not include all the course or clinical practice requirements of AS 08.63.100(a)(3)(B).

family studies, (3) human development, (4) professional studies or professional ethics and law, (5) research, and (6) supervised clinical practice; meet specific supervised experience requirements;[2] and pass an examination as required by BMFT. BMFT utilizes a national examination developed jointly by the Association of Marital and Family Therapy Regulatory Boards and Professional Examination Service.

Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing (division)

The division provides administrative and investigative assistance to occupational boards including BMFT. Administrative assistance includes budgetary services and functions such as collecting fees; maintaining files; receiving and issuing application forms; and publishing notices of examinations, meetings and proposed regulations.

Alaska Statute 08.01.087 empowers DCCED with the authority to act on its own initiative or in response to a complaint. The division may:

1. Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice.
2. Bring an action in Superior Court to enjoin the act.
3. Examine the books and records of an individual.
4. Issue subpoenas for the attendance of witnesses and records.

[2]The following practical experience is required in addition to obtaining a degree in accordance with the requirements of AS 08.63.100(a)(3)(b):

- Practiced marital and family therapy within three years of the person's application, including 1,500 hours of direct clinical contact with couples and families.
- Has been supervised in the clinical contact for at least 200 hours, including 100 hours of individual supervision and 100 hours of group supervision approved by the board.
- Has received training related to domestic violence.

REPORT CONCLUSIONS

The Board of Marital and Family Therapy's (BMFT) termination date should be extended until June 30, 2014.

The termination date for BMFT should be extended four years – until June 30, 2014. This extension term is half of the eight-year maximum allowed per statute in recognition that BMFT has not met its statutory responsibility for initiating regulation changes. BMFT has not pursued regulation changes because it has been in a deficit position for over 10 years and has not wanted to further weaken its financial position by incurring the costs associated with changing regulation (discussed in Recommendation No. 1).

BMFT's financial deficit has gradually decreased from FY 05 through FY 09. The deficit at the beginning of FY 05 was $75,400 versus a deficit of $29,200 at the beginning of FY 09. The deficit has been a continual challenge for the board. The board believes the low number of licenses is the result of the high cost of licensure ($775).

The number of licensees continues to decrease. There were 94 licenses in FY 04 compared to 84 in FY 09. It has taken approximately 10 years for this small group to pay down a $200,000 deficit.

BMFT is composed of three therapist members and two public members. From FY 05 through FY 09, BMFT seats were not filled timely. One seat was vacant for eight months and one for approximately 11 months. Additionally, one board member's term expired, but the member continued to serve for 19 months before being reappointed (discussed in Recommendation No. 3).

BMFT should continue to regulate marital and family therapists and associates. Except for the significant issue of postponing regulation changes, the board is operating efficiently and effectively. BMFT is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed marital and family therapists and associates.

Alaska Statute 08.03.010(c)(11) requires BMFT to terminate on June 30, 2010. If not extended by the legislature, under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs. We recommend BMFT's termination date be extended to June 30, 2014.

Improvements are needed in administrative support to the board by staff within the Division of Corporations, Business and Professional Licensing.

There were several deficiencies in the administrative support provided to BMFT. Information contained in the annual reports was often inaccurate and incomplete. Methodologies used to account for BMFT revenues and expenditures were inconsistent and, in some cases, inaccurate. These deficiencies were caused by an unqualified staff member and a lack of written procedures for support functions (discussed in Recommendation No. 2).

FINDINGS AND RECOMMENDATIONS

During the 2005 sunset review of the Board of Marital and Family Therapy (BMFT), we recommended BMFT and the Board of Professional Counselors be combined into a single oversight and licensing board. Department of Commerce, Community, and Economic Development's (DCCED) commissioner favored the recommendation, but chairs of both BMFT and the Board of Professional Counselors objected. No actions have been taken to combine the boards. Consequently, we are not reiterating the recommendation.

Recommendation No. 1

BMFT should actively pursue regulation changes that are necessary to protect the public interest.

BMFT did not actively pursue regulation changes. The board adopted only one regulation change; yet, regulations were a regular agenda item, and the board minutes reflect continued consideration of several regulation changes. Board meeting minutes and statements in the annual reports reflect the board's decision to delay regulation changes. BMFT's chair stated:

> *There are several recommendations for statute and regulations changes that the board would like to initiate in the future. However, the board is postponing these changes until there is no longer a financial debt, as changes incur more expenses.*

Under AS 08.63, BMFT is authorized and obligated to adopt regulations necessary to carry out its duties. The board's reluctance to initiate regulation changes raises the question of whether the board has adequately protected the public interest. Regardless of its financial position, the board is statutorily mandated to perform its regulatory function. We recommend BMFT actively consider and propose regulations necessary to protect the public interest.

Recommendation No. 2

The Division of Corporations, Business and Professional Licensing's professional licensing administrative manager should take steps to improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in administrative support by division staff. Specifically:

- The FY 05 and 06 annual reports did not contain the required financial data.
- FY 08 annual report contained several finance related inaccuracies resulting in the reported deficit being overstated by approximately $14,000.

- Support for the financial amounts presented in the annual reports was not consistently maintained.
- Indirect costs for the division were treated inconsistently between fiscal periods.
- Hearing fees were inconsistently treated as direct versus indirect costs between fiscal periods.

The division's professional licensing section is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, duties include: collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. The division is also responsible for annually reviewing fee levels of the occupational boards to determine whether the regulatory costs of the occupation are approximately equal to fee collections related to that occupation. BMFT is required by AS 08.01.070 to submit, before the end of the fiscal year, an annual performance report to the department stating the board's accomplishments, activities, and needs. The division's policy is to produce a single annual report incorporating both the board and the division's information requirements.

The deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exasperated by a lack of accounting and reporting procedures.

Less than adequate administrative support hampers BMFT's ability to fulfill its responsibilities and may provide policymakers misleading information. We recommend professional licensing's administrative manager take steps to improve administrative support.

Recommendation No. 3

The Office of the Governor should make the necessary appointments to keep BMFT at full membership.

BMFT is made up of five members – two representatives from the general public and three licensed professionals. One public seat was vacant for eight months, and one licensed position was vacant for over 11 months. We also noted one professional member served 19 months past the date her seat expired. The board's seats were vacant because of a lack of applicants.

Alaska Statute 08.63.020 requires the Office of the Governor to appoint both public and professional board members. Maintaining board membership that includes both public and professional members ensures balanced representation. The lack of sufficient BMFT members prevents the board from conducting business with the appropriate public and professional input and perspective.

Accordingly, we recommend that BMFT and the Office of the Governor work to fill appointments to all board seats, with particular emphasis on public member seats, designed to represent the State's citizenry.

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ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

BMFT has operated in the public interest by licensing only qualified individuals. The board has established licensing requirements and minimal practice standards that licensed marital and family therapists (MFTs) are to adhere to in the course of practice. BMFT has also established regulations governing its duties and licensure requirements, enforced the laws for issuing licenses in a uniform and consistent manner, held meetings, and administered examinations in accordance with statutory requirements.

In FY 08, the board changed an existing regulation to require a more detailed description of continuing education courses claimed on renewal applications. This will help the board determine, with greater efficiency, whether a course is an approved continuing education activity, or that it contributes directly to an MFT's professional competency.

As discussed in Recommendation No. 1, the board determined that it could not initiate all necessary regulation changes due to the associated expense and its ongoing financial deficit. By delaying regulation changes, BMFT failed to operate in the public interest.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Alaska statutes require BMFT to consist of three board-licensed therapists and two members of the public. There were instances that board seats were vacant or not appointed in a timely manner (discussed in Recommendation No. 3).

Under AS 08.01.065(c), the Department of Commerce, Community, and Economic Development (DCCED) must *"establish fee levels... so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* The board reviews and provides feedback for changes in fees proposed by DCCED's Division of Corporations, Business and Professional Licensing. In 1998, the license fee was increased from $300 to $775 to cover a financial deficit caused by a few expensive investigations.

Licensing fees for BMFT remained at $775 from FY 05 through FY 09 while the number of licensees declined.

State of Alaska
Board of Marital and Family Therapy
Schedule of Revenues and Expenditures
FY 05 through FY 09
(Unaudited)

	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$ 68,600	$ 2,200	$ 63,200	$ 5,700	$ 63,100
Direct Expenditures					
Personal Services	7,800	9,900	12,700	19,400	13,600
Travel	1,700	5,600	4,300	6,200	5,900
Contractual	2,100	1,500	1,000	1,200	1,100
Supplies & Equipment	0	0	100	0	200
Total Direct Expenditures	11,600	17,000	18,100	26,800	20,800
Indirect Expenditures	5,200	4,100	5,500	5,200	4,900
Total Expenditures	16,800	21,100	23,600	32,000	25,700
Net Income (Loss)	51,800	(18,900)	39,600	(26,300)	37,400
Beginning Surplus (Deficit)	(75,400)	(23,600)	(42,500)	(2,900)	(29,200)
Ending Surplus (Deficit)	$ (23,600)	$ (42,500)	$ (2,900)	$ (29,200)	$ 8,200

The division's professional licensing section evaluates fee levels by analyzing costs and revenues on a biennial roll forward or cumulative basis. As reflected by the summary schedule above, BMFT renews licenses in odd-numbered fiscal years resulting in higher revenues during odd-numbered years.

BMFT showed a surplus at the end of FY 09 but will likely show a deficit in FY 10 because expenditures typically outweigh revenues during non-renewal years. We expect the FY 10 deficit to be less than the $29,200 deficit reported at the end of FY 08, the end of the last license renewal cycle.

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board recommended a change to its supervised clinical contact hours during FY 08 to make supervision less of a burden for MFTs. The board recommended that AS 08.63.100(a)(3)(c)(ii) which requires 200 supervised hours (including 100 hours of individual supervision and 100 hours of group supervision approved by the board) be revised to require 200 individual or group hours (including at least 100 hours of individual supervision). This recommendation is intended to remove potential barriers to MFT licensure in rural Alaska, where options for supervision may be more limited. DCCED has forwarded the recommended statutory change to the Governor's office for consideration.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The location, date, and time of upcoming BMFT meetings and notices of proposed changes in regulations are posted on the State's online public notice system, and published in the *Anchorage Daily News* with adequate time for interested individuals to attend or to submit written comment for review. Though the public does not constitute a significant presence at the board's meetings, minutes do reflect time for public comment.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The board proposed one regulation change in FY 08. This proposal was posted on the State's online public notification system and published in the *Anchorage Daily News* with adequate time for interested individuals to attend or to submit written comment for review. Additionally, the division's regulations specialist maintains a list of interested parties and contacts these individuals when regulation changes are proposed. As noted above, adequate time is set aside during board meetings for public comment.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

From May 2004 through February 2009, professional licensing's investigative unit examined four MFT related complaints, one of which resulted in a case investigation. Two were complaints of ethics violations, one was for negligence, and one was a report of unlicensed practice. Two complaints were from clients or patients, and two were from members of the general public.

We reviewed three of the four complaint files, including the one which resulted in a case investigation. We conclude the investigation process for BMFT related complaints was carried out in an effective and efficient manner.

No BMFT complaints or investigations were carried out by the Office of Victim's Rights, Human Rights Commission or the Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The board licenses applicants that have applied for licensure by credentials or by examination. Each applicant is required to meet stringent licensing requirements including the necessary educational background and adequate work experience. Continuing education is required and monitored by BMFT to promote a high level of performance and to help ensure the profession's integrity. BMFT meeting minutes show that a significant portion of each meeting was spent considering licensing applications and ensuring that the licensing requirements were satisfied prior to issuing a license. License activity for the last five fiscal years is presented below.

	Newly Issued					Total
Type of License	FY 05	FY 06	FY 07	FY 08	FY 09	Licensees as of June 30, 2009
Marital and Family Therapist	3	2	1	6	5	83
Marital and Family Associate	1	0	0	0	2	1

The total number of BMFT licensees has decreased from 94 in FY 04 to 84 in FY 09.

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We did not find evidence that BMFT was not in compliance with state personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

As discussed in Recommendation No. 2, the administrative support provided by the division's professional licensing section was not accurate, comprehensive or consistent. The administrative staff should provide the necessary and required information so that BMFT can perform its functions and serve the public interest effectively and efficiently.

As discussed in Recommendation No. 3, the Office of the Governor should take steps to expedite appointments to the board.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

Except for BMFT's reluctance to pursue all necessary regulation changes, the board effectively met it objectives. Furthermore, except for its vacant board positions, BMFT operated efficiently.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

BMFT uses the information produced by national associations when licensing and regulating MFTs while taking into consideration Alaska's unique needs. There was no substantial duplication of efforts between BMFT and national MFT organizations.

We compared various elements of the MFT occupation to several other mental health licenses (professional counselors, social workers, and psychologists and psychological examiners). Similarities were noted in the issues treated, intervention techniques, and client populations. Regulations for MFTs and professional counselors effectively permit cross-training between the two license types. There are common issues for groups, such as professional accessibility for supervised experience, license portability, distance counseling, and background checks.

Though similarities exist, there are still distinctions between the license types and professional philosophies. Though parallels and possible duplication of efforts between these license types are present, there are sufficient practical and philosophical distinctions that it is reasonable that these professions continue to be licensed separately.

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Office of Governor Sean Parnell
STATE OF ALASKA

December 7, 2009

RECEIVED
DEC 0 7 2009
LEGISLATIVE AUDIT

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your November 6, 2009 "CONFIDENTIAL" preliminary audit report on *A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Marital and Family Therapy, September 21, 2009.*

Regarding recommendation No. 3: The Office of the Governor should take steps to make the necessary appointments to keep the Board of Marital and Family Therapy (BMFT) at full membership:

The Office of the Governor concurs with this recommendation. Currently, the board has one vacant seat reserved for a licensee. Soon after assuming the position of Director of Boards and Commissions, I asked board staff to encourage the board to recruit applicants from rural Alaska, in light of the absence of applicants. I am committed to assisting the Governor in making timely appointments to allow the board to function productively.

Your report also mentioned the issue of combining BMFT with the Board of Professional Counselors (BPC) into a single oversight and licensing board. If that recommendation is proposed in the future, I am supportive of those efforts. Unless significant difficulties arise, combining boards that operate in close proximity to each other in related fields, such as BMFT and BPC, leads to a more efficient State government.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

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STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

December 2, 2009

RECEIVED
DEC 0 3 2009
LEGISLATIVE AUDIT

Ms. Pat Davidson, Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

Thank you for the opportunity to comment on the preliminary audit report on the Board of Marital and Family Therapy (BMFT).

Recommendation No. 1: BMFT should actively pursue regulation changes that are necessary to protect the public interest.

The department understands the board's concern in not wanting to increase its costs through new regulation projects, however, we concur the board is statutorily mandated to perform its regulatory function in protecting the public's interest. The department will encourage the BMFT to consider its responsibilities by adopting regulations in the interest of public safety.

Recommendation No. 2: The Division of Corporations, Business and Professional Licensing's professional licensing administrative manager should take steps to improve administrative support.

The department fully agrees with this recommendation. The division has undergone a number of changes in key management positions and is optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

Recommendation No 3. The Office of the Governor should make the necessary appointments to keep BMFT at full membership.

The department agrees with this recommendation.

In summary, we support your findings and recommendations and also concur with the extension of the BMFT to June 30, 2014. Thank you again for the opportunity to comment on the preliminary audit report.

Sincerely,

Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

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6008 Lemon Street

Juneau, Alaska 99801

November 20, 2009

RECEIVED
NOV 23 2009
LEGISLATIVE AUDIT

Pat Davidson, Legislative Auditor

Alaska State Legislature/Division of Legislative Audit

P.O. Box 113300

Juneau, Alaska 99811-3300

Dear Ms. Davidson:

As Chairperson of the Board of Marital and Family Therapy, I am responding to your preliminary audit report, dated November 6, 2009. I understand its confidential nature. I would like to respond to your recommendations.

I met with the board on November 13, 2009 by telephone, and we discussed the findings of your preliminary audit.

Overall, I believe the audit to be comprehensive and fair. The difficulty the BMFT has encountered with such a large deficit has been adequately understood and the placing of responsibility on not only the BMFT, but the Division and the Office of the Governor was appreciated.

In regards to recommendation # 1: The board has decided to review the minutes of each board meeting within the audit time frame to ascertain any instances of not protecting the public interest. The licensing examiner will review the minutes and bring them to our next BMFT meeting which is in March of 2010, in Juneau. The BMFT will them begin a process of review. I suspect a completion date could be by October of 2010.

The other two recommendations have pointed out the shortcomings of the Division and the Office of the Governor, and as I have mentioned is appreciated and I understand that the BMFT has no authority to suggest change to either entity. If I do not understand this process correctly please offer correction. Thank you.

Sincerely,

Patricia White, MS, LMFT

Patricia White, MS, LMFT

FISCAL NOTE

[redacted]LASKA
ATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 248(L&C)
(S) Publish Date: 2/24/10

Identifier (file name): SB248-CED-CBPL-2-5-10
Dept. Affected: DCCED
Title: Extend Board of Marital & Family Therapy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Olson
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	16.0	16.0	16.0	16.0	16.0	16.0
Travel	0.0	5.6	5.6	5.6	5.6	5.6	5.6
Contractual	0.0	1.2	1.2	1.2	1.2	1.2	1.2
Supplies	0.0	0.4	0.4	0.4	0.4	0.4	0.4
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	23.2	23.2	23.2	23.2	23.2	23.2
TOTAL	**0.0**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**	**23.2**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 248 extends the Board of Marital and Family Therapy to June 30, 2015. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.63.030.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 2/01/2010 5:00PM
Approved by: Emil Notti, Commissioner — Date 2/5/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

SB 254

<target><bill>SB 254</bill><subject>SB 254</subject><comm>SFIN26</comm></target>

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
1	1	Administration	Administrative Hearings	Tax appeal case cost increase - 27 open cases as of January 2010, driving a need to keep all Administrative Law Judge positions filled.	85.0				85.0
2	1	Administration	EPORS	Elected Public Officers' Retirement System - total of 38 members (retirees and survivors) - increased costs due to mandatory benefit increases based on the salaries of the position from which a member retired.	250.0				250.0
3	1	Administration	Office of Public Advocacy	Increased operating costs - During FY 2010, OPA has experienced a significant spike in case assignments throughout the state. In the first two quarters of this fiscal year, the agency has seen a 21% increase in case assignments over the same time period in FY 2009. The most notable areas of increase are as follows: criminal defense representation, 47%; child advocacy representation in Child in Need of Aid (CINA) cases, 20%; parental representation in CINA cases, 30%. This amounts to 869 more new cases than over the same time period last year. Due to unexpectedly high growth in the guardianship caseload of 13.6% in FY 2009, the agency added a public guardian position during this fiscal year. Also during FY 2010, to meet the needs of abused and neglected children in the Yukon-Kuskokwim Delta, the agency is issuing a contract for additional guardian ad litem services due to an 18.5% increase in CINA cases during FY 2009.	865.0				865.0
4	1	Administration	Office of Public Advocacy	Supplemental authorization is needed to accept and spend federal grant funds for the Court Appointed Special Advocate (CASA) program, awarded to the Office of Public Advocacy after the end of the last legislative session.		27.6			27.6
5	1	Administration	Public Defender Agency	Increased operating costs - The PD has experienced significant increases in caseloads throughout the state in all types of cases in the first and second quarters of FY2010 as compared to the same period in FY2009. All cases statewide are up approximately 10%, felonies are up 15%, and misdemeanors are up 11%. Anchorage felonies are up 16% and misdemeanors are up 8%. Northern Region cases are up 25%, felonies are up 37%, and misdemeanors are up 30%. Overall that means there are 1,000 more new cases assigned already this year than for the same period last year.	800.0				800.0
6	1	Administration	Motor Vehicles	Federally mandated programming improvements to the National Motor Vehicle Information System - funded via a Department of Justice grant.		100.0			100.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
7	1	Administration	Motor Vehicles	Purchase of current technology, digital driver's license printers to replace outdated and increasingly irreparable 2004-purchased printers.		191.8			191.8
8	1	Commerce, Community and Economic Development	Insurance Operations	Print, mail and legal costs have increased $300.0 in two years. The division is statutorily required to provide notification of changes in rules, regulations and policies to occupational licensees. The tremendous increase in licensees over the last several years has brought with it increased need for legal counsel. This increase will allow the Division of Insurance to provide basic core functions necessary to ensure a level of consumer protection.			77.1	Receipt Supported Services	77.1
9	1	Corrections	Institution Director's Office	Coverage of projected shortfalls in 24-hour facilities - fuel and utility costs, and commodities (inmate food, clothing, bedding, institutional cleaning supplies, etc.)	2,409.6				2,409.6
10	1	Corrections	Wildwood Correctional Center	Operating costs, Wildwood Correctional Center 32-bed prefabricated offender housing unit - opening February 2010 - covers partial-year costs for filling six existing vacant positions.	494.4				494.4
11	1	Corrections	Physical Health Care	The Department of Corrections is obligated to deliver essential medical care to incarcerated offenders. The department is requesting a supplemental of $4,650.1 for increased inmate health care costs that includes fees-for-service and Inmate Health Care staff cost overages due to overtime for 24-hour medical coverage. There has been a dramatic increase in catastrophic cases in FY2010, as well as increases in general medical costs.	4,650.1				4,650.1
12	1	Environmental Conservation	Laboratory Services	Coverage of lab maintenance and service contract shortfalls, in lieu of elimination of 4-5 filled positions - an action which would seriously compromise public health and result in the likely shutdown of the State Lab within a year.	260.0				260.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
13	1	Fish and Game	Wildlife Conservation Special Projects	Decrease excess EVOS authority and increase Statutory Designated Program Receipts (SDPR) authority by $150.0 to a) accept two grants from the National Fish and Wildlife Foundation (NFWF) during the spring of 2009 to support the following research projects: Dall Sheep ecology within northern Alaska, and Reduce conflicts between Grizzly bears and old development within northern Alaska; and b) work with the Matanuska-Susitna Borough to complete some restroom improvements at Reflections Lake in the Palmer Hay Flats. EVOS funding is being reduced as the Harlequin Duck research by the division was not funded by the EVOS Trustee Council for new work during FY10.			0.0	EVOS (150.0) SDPR 150.0	0.0
14	1	Governor	Elections	Offset increased operating costs - coverage of costs for two filed petitions, Dept. Law legal fees for the Nick case, printing and supply purchases specific to the on-election-year, additional election worker training costs, increased postage and printing costs, and annual maintenance of optical scan units.	477.0				477.0
15	1	Health and Social Services	Behavioral Health Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	4,166.8	4,378.3			8,545.1
16	1	Health and Social Services	Children's Services Management	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	165.0				165.0
17	1	Health and Social Services	Front Line Social Workers	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	955.3				955.3
18	1	Health and Social Services	Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	33,296.6	37,319.7			70,616.3
19	1	Health and Social Services	Health Facilities Survey	Funding to cover shortfall, operating costs - provision of mandated state and federal oversight of state health facilities' licenses - renewal, denial, suspension or revocation as needed - to promote safe and adequate treatment of individuals in state facilities.	396.1				396.1

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
20	1	Health and Social Services	Health Planning and Infrastructure	Funding to replace loss of federal revenues - to cover provision of health care data and policy analysis related to access to services, health insurance coverage, utilization of services, health workforce and industry analysis - and management of the statutorily required Comprehensive Integrated Mental Health Plan.	575.0				575.0
21	1	Health and Social Services	McLaughlin Youth Center	Funding to cover projected shortfall, mandated client medical services costs - supplemental to be redistributed among four Division of Juvenile Justice facilities.	136.0				136.0
22	1	Health and Social Services	McLaughlin Youth Center	Funding to cover projected personal services shortfall due to higher than anticipated premium pay costs.	130.6				130.6
23	1	Health and Social Services	Probation Services	Funding to cover projected personal services shortfall due to an actual vacancy factor lower than budgeted, and need to cover a loss of SDPR revenues funding one position only through 12/31/09.	300.0				300.0
24	1	Health and Social Services	Energy Assistance Program	Increased federal authority to accept an increase in federal Low Income Home Energy Assistance Program revenues, as announced by the National Energy Assistance Director's Association.		2,300.0			2,300.0
25	1	Health and Social Services	Women, Children, and Family Health	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	347.8				347.8
26	1	Health and Social Services	State Medical Examiner	Unanticipated costs due to caseload increase - will cover one additional autopsy technician, one medical transcriptionist, and increased costs for body transport.	300.0				300.0
27	1	Health and Social Services	General Relief/Temporary Assisted Living	Additional funding to meet projected increase in both number of clients and service costs within the General Relief program - FY2010 actuals are 15% above those of FY2009 - applicant eligibility review and other cost containment measures in place.	3,800.0				3,800.0
28	1	Health and Social Services	Senior/Disabilities Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	6,152.4	3,056.8			9,209.2

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
29	1	Health and Social Services	Senior/Disabilities Services Administration	Costs associated with compliance with the Centers for Medicaid and Medicare Services' approved Corrective Action Plan - personal service costs for necessary nonpermanent positions, travel costs connected to conducting assessments under Medicaid Waivers, and modification of the management information system.	885.0	590.0			1,475.0
30	1	Health and Social Services	Medicaid School Based Administrative Claims	Replace unrealizable interagency receipts for unallowable costs under federally funded RSAs within the department, to stabilize funding for centralized Administrative Support Services.	700.0				700.0
31	1	Health and Social Services	Information Technology Services	Funding to replace uncollectible federal revenues and cover increased personal service costs for this centralized function - unfunded costs would otherwise either be passed to divisions, resulting in a displacement of core program services, or IT staffing and workload would have to be significantly cut.	1,050.0				1,050.0
32	1	Law	Deputy Attorney General's Office	Legal analysis and litigation on items not budgeted - Cruise ship study, Kaltag Supreme Court appeal, PERL bankruptcy, and others	964.2				964.2
33	1	Natural Resources	Gas Pipeline Implementation	The unanticipated agreement between TransCanada Corporation and ExxonMobil to work together to progress the Alaska Gasline Inducement Act (AGIA) Gas Pipeline Project has accelerated the pace of the project. There is currently not enough funding in the FY10 budget to fully fund the four positions in the office. With the faster pace of the project, due diligence contractual requirements have increased, meaning more travel. There may be increased need to represent the state's interest in Washington, D.C., as well as other locations. Competitive Benchmark Study - Competitive benchmarking will allow the state to better understand market and supply changes that have occurred since the AGIA finding that might affect the economic viability of the gasline. There is increased need for additional field work and other small contractual studies needed to ensure the state has the most up-to date and accurate data.	537.6				537.6
34	1	Natural Resources	Large Project Permitting	Completion of Environmental Impact Statements associated with proposed Outer Continental Shelf oil and gas leasing and exploration activities.	85.0				85.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
35	1	Natural Resources	Fire Suppression Activity	The funding included in the FY2010 budget of $6,712.5 for wildland fire suppression is a "placeholder" amount based on historical cost (SLA 2009, Ch 12, Sec 1, Pg. 34, Ln 7). The amount proved to be insufficient to address the heavy fire activity during the summer of 2009. On July 22, 2009, the Governor signed a Declaration of a Disaster Emergency to authorize the use of additional funds to continue fire suppression operations and activities. New declarations are issued every 30 days. The total of the those declarations for FY2010in excess of the FY2010 authorized budget is $35,371,400.	35,371.4				35,371.4
36	1	Public Safety	Special Projects	Authority for receipt of additional ARRA federal funding to augment personal services costs of a forensic examiner, provide training to investigators in combatting Internet crimes, and purchase computer forensic equipment.		97.0			97.0
37	1	Public Safety	Special Projects	Continue cold case investigations and illegal drug and alcohol enforcement.	369.5				369.5
38	1	Public Safety	Prisoner Transportation	Funding to cover projected shortfall in prisoner transportation costs - airline ticket and private charter costs, baggage fees, out-of-state extradition fees and state travel office fees - based on straight-line projection for the year from the past 6.5 months.	300.0				300.0
39	1	Revenue	Treasury Division	Establish partial-year funding and new state investment officer position, coinciding with a state investment strategy change to support an internal effort to begin active management of other public market investments. Approval of this request and related funding in the Alaska Retirement Management Board (ARMB) component will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.			50.0	I/A Receipts	50.0
40	1	Revenue	Alaska Retirement Management Board	Increases funding in the Alaska Retirement Management Board (ARMB) component to fund one new investment officer position requested by the Treasury Division. Approval of the new Investment Officer position and funding will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.			50.0	$8.8 Benefit Systems Receipts $28.3 PERS $12.5 TRS $0.3 JRS $0.1 NGRS	50.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
41	1	Revenue	Alaska Retirement Management Board Custody and Management Fees	Reduced authorization is requested to reflect a decline in management fees resulting from a reduction in actively managed large cap publicly traded stocks as well as a decrease in management fees resulting from manager terminations due to organizational and performance issues and renegotiated contracts at a lower rate. The request represents the potential savings to the State by establishing and funding a new in-house Investment Officer in the Treasury Division to make asset allocation decisions rather than contracting with external managers.			(850.0)	($584.6) PERS ($256.3) TRS ($7.1) JRS ($2.0) NGRS	(850.0)
42	1	Revenue	Permanent Fund Dividend Division	Postage and printing costs for an unanticipated and necessary additional public outreach about the change from hard copy PFD applications to the web version. During this transitional year, however, the division has encountered the need for additional public notification and outreach about the changes that had not initially been anticipated.			94.1	Permanent Fund Dividend	94.1
43	1	Revenue	Child Support Services Division	One-time fund source change from Receipt Supported Services to federal incentive receipt authority. The Child Support Services Division (CSSD) earned additional federal incentive receipts in FFY2008 for meeting or exceeding federal performance standards. The division received notification on December 17, 2009 that additional FFY08 incentive dollars had been earned.		217.7	(217.7)	Receipt Supported Services	0.0
44	1	Revenue	Administrative Services	The Department of Revenue's servers crashed on 9/20/2009, affecting the Permanent Fund Dividend Application Information System (DAIS), the Tax Division's systems, and State Treasury systems. The need to bring all systems back online was critical. As a result, the department entered into an emergency agreement with Microsoft to provide problem resolution services and assist in bringing the systems back online.	60.1				60.1

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
45	1	Revenue	Administrative Services	The Department of Revenue maintains significant server and database infrastructures that include the Permanent Fund Dividend Division, the Tax Division, and the State Treasury Division. These systems use Microsoft Windows Server, SQL production and test databases VMware, and two NetApp storage filers in Juneau and Anchorage. In order for the department to provide the appropriate level of reliability and operational support, these systems need best practices defined and implemented for security, change control, documentation, backups, disaster recovery and planning. This request is to fund the following two contracts: Disaster Recovery and Security Procedures Backup Support - $70.0 Windows Server, SQL Server, and Help Desk Support - $30.0	100.0				100.0
46	1	Transportation and Public Facilities	Central Region Support Services	Legal Costs Related to Nikishka Beach Road Case The Department of Transportation and Public Facilities (DOT&PF) contends that Offshore Systems Kenai (OSK) is illegally engaged in the obstruction, control and closure of public access to and through Nikishka Beach Road which is a public road owned and operated by DOT&PF. OSK has established a guard shack and gate to prevent access to the road and beach in response to U.S. Coast Guard requirements that they secure and protect OSK's facility from trespass, vandalism, theft, etc. The case began in late FY08 and a trial has taken place; however the Judge has still not issued a ruling on the trial. We have incurred $45.5 in legal costs through December 2009. If a "Notice of Appeal" is not filed, the estimated amount needed for the Department of Law to complete post trial work is approximately $15.0 for a total of $60.5 in FY10.	60.5				60.5

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
47	1	Transportation and Public Facilities	Program Development	Road Weather Information System (RWIS) Maintenance Costs State funding will provide the resources to conduct critical maintenance work on the Department's Road Weather Information System (RWIS) program. The funding is necessary to maintain the RWIS software, equipment and a network of forty-nine (49) environmental sensor stations (ESS) strategically located along the highway system. Each ESS provides weather sensor data (temperature, wind speed, wind direction, relative humidity, pavement and sub-surface temperatures) and camera images. RWIS maintenance activities are not eligible for federal dollars and without adequate funding there is a potential risk of the entire RWIS network becoming inoperable.	175.0				175.0
48	1	Transportation and Public Facilities	State Equipment Fleet	Increased Operational Costs for Parts, Commodities, Services, and Fuel Purchases Travel - Travel is required to support the repairs and preventative maintenance programs for vehicles and equipment at rural airports and highways. Due to the unprecedented increase in fuel costs, airfares throughout the state were increased, having a direct impact on maintaining existing services. Services - Costs continue stay at higher levels than currently reflected in the component's budget for the shipment of freight such as parts, commodities, vehicles and equipment, the mission of the program is seriously impacted. Additional costs for vendor repairs are also being passed along to the State by the contractors. Commodities - Fuel costs and necessary consumables paid by the State Equipment Fleet and billed to the corresponding executive branch agencies have increased substantially since FY07. An increase in budget authority is required based on the projected use of these services through historical data. Parts and other commodities used by the State have also increased in cost.			2,706.7	Highway Equipment Working Capital Fund	2,706.7
49	1	Transportation and Public Facilities	Northern Region Facilities	Galena Maintenance Facility Operating and Maintenance Costs The FY09 operating budget contained a $110.0 increment to maintain a maintenance building at Galena that was transferred to the Department from the U.S. Air Force. That funding level was based upon completion of some aggressive cost savings measures which would be accomplished as part of a capital project for energy improvements. The project is scheduled for completion in the summer of 2010. FY10 estimated expenditures are $209.9, leaving a projected shortfall of $99.9.	99.9				99.9

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
50	1	Transportation and Public Facilities	Central Region Highways and Aviation	Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs Additional funding is required to meet the minimum requirements of the Environmental Protection Agency (EPA) Municipal Separate Storm Sewer System (MS4) Permit. The MS4 permit will go into effect on February 1, 2010. The EPA's MS4 permit increases the street sweeping requirements that are above and beyond the current MS4 permit, monitoring various aspects of the permit and reporting to EPA with regards to the permit. The FY2011 Governor's budget request includes $1,682.0 for these new ongoing requirements.	606.0				606.0
51	1	Transportation and Public Facilities	Northern Region Highways and Aviation	Legal Costs for Material Site Lawsuits Due to ongoing lawsuits filed by one of the regional native corporations for alleged infringement on their land and rights of way, we have incurred excessive costs again this year for Department of Law attorneys. None of the three lawsuits filed have yet gone to court so the total cost is unknown. Additional funding for $150.0 is based on the amount expended to date for attorneys and expert witnesses.	150.0				150.0
52	1	Transportation and Public Facilities	Southeast Region Highways and Aviation	Transportation Security Agency Requirements - Door Lock System and Fingerprint Machine To continue to meet Transportation Security Agency requirements a new security access door lock system needs to be installed for the Sitka Airport Terminal. The control system for these doors is outdated and has become unreliable. A replacement system is estimated to cost $30.0. Transportation Security Administration regulations require the Department to fingerprint all badge holders at our certificated airports. The existing fingerprint machine is out of date and has become unreliable. A new machine is estimated to cost $14.9.	44.9				44.9

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
53	1	Transportation and Public Facilities	Whittier Access and Tunnel	Bid Protest Costs for Whittier Tunnel Operations Contract A bidder protested the award of a contract for operation of the Whittier Tunnel Toll Facility. This resulted in unplanned attorney and hearing officer costs which will continue until a settlement is reached. The Department of Law has billed $12.0 for attorney services through November 2009, and we estimate $8.0 of additional legal fees for the remainder of FY10. The Department of Administration has billed $11.7 for a hearing officer; we anticipate needing approximately $18.3 ($3.0 on average) for additional mediation services through June. It is unknown whether there will be additional expenses associated with this litigation such as potential settlement costs.	50.0				50.0
54	1	Transportation and Public Facilities	Whittier Access and Tunnel	Increased Operating Costs and Reduced Toll Revenue at the Whittier Tunnel Additional funding is necessary to fund the operation of the Whittier Tunnel Toll Facility for the remainder of FY10. Additional costs were incurred for cable repair, railroad crossing fees, increased State Equipment Fleet equipment replacement fees, CPI adjustments for the current contract, and additional roadway maintenance work leading up to the tunnel. In addition to increased costs, toll revenues have declined due to economic conditions, reduced cruise ship dockings, and gasoline prices.	385.0				385.0
55	1	Court System	Administration and Support	Appropriation of a settlement the State received on a claim for prepaid phone card long distance charges.	35.5				35.5
56	2			Sets out the funding by agency for the appropriations in Section 1.					
57	3	Commerce, Community and Economic Development	Capital	City of Kodiak: Public Safety Building Community Jail Completion The City of Kodiak requests a municipal grant for $2.1 million to finish the community jail portion of their new facility. The State contracts with the City of Kodiak for beds in their community jail. The $2.1 million amount is to finish out that portion of the new facility.	2,100.0				2,100.0
58	3	Corrections	Capital	Replacement of the failed fire alarm system located at the Combined Hiland Mountain Correctional Center, housing units I, II and III. Due to the system's age, repairs are no longer supported by the manufacturer. The department is meanwhile providing a 24/7 fire watch in lieu of the incalculable cost of relocating inmates to another site.	350.0				350.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
59	3	Corrections	Capital	Replacement of the Fairbanks Correctional Center frequently failing 1966 steam heating system, at the recommendation of a contracted engineer, with a hot water/glycol heating system that bears a lower cost of operation.	2,500.0				2,500.0
60	3	Health and Social Services	Capital	Medicaid Management Information System Completion.	6,208.0	8,782.3			14,990.3
61	3	Transportation and Public Facilities	Capital	Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation This amends an existing FY2010 project (sec. 1, Ch 15, SLA 2009, page 21, lines 17 - 20), increasing the FY2010 appropriation to $10,000,000. Annual maintenance and overhaul on vessels and at terminals, particularly component or system failures which will impact service in the short term. Annual overhaul of vessels is necessary to pass United States Coast Guard (USGS) inspections and obtain a Certificate of Inspection (COI) necessary to operate.	4,000.0				4,000.0
62	3	**Transportation and Public Facilities**	**Capital**	**Airport Improvement Program - Appropriation Level**		**5,257.5**	**15,000.0**		**20,257.5**
63	3	Transportation and Public Facilities	Capital	Debt Defeasance - International Airports This is a new project request for FY2010. Implement recommendations by the State's bond counsel to minimize the amount of revenue needed to be collected from airport customers and to meet debt service coverage ratios required under the bond resolution rate covenant. This request will allow the International Airport System to meet the technical requirements of the bond resolution rate covenant while also minimizing the amount of revenue needed from rates and fees. Both are required to meet all fiscal obligations and maintain fiscal integrity.	0.0	0.0	15,000.0	International Airport Revenue Fund	15,000.0
64	3	Transportation and Public Facilities	Capital	Gustavus: Airport Runway Safety Area This amends an existing FY2010 project (sec. 1, Ch 15, SLA 2009, page 25, lines 10 - 11), increasing the FY2010 allocation to $10,500,000. The Gustavus Airport Runway Safety Area (RSA) does not meet Federal Aviation Administration (FAA) standards for the size of the area surrounding a runway that protects aircraft that land short, over-run, or veer off the paved runway surface. This project consists of the design and construction of an expanded RSA that will meet standards and improve safety for all aircraft operating at Gustavus. The engineer's estimate has been revised and advertising of the project is expected in mid-May, which would allow for construction during summer 2010.		500.0			500.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
65	3	Transportation and Public Facilities	Capital	King Cove: Airport Fencing This is a new project request for FY2010. The airport was recently reconstructed including installation of a new lighting system. The King Cove area borders on Izembek National Wildlife Refuge and experiences frequent visitation by brown bears. The new vertical elements of the lighting system are being subjected to intense ursine scrutiny as possible additions to their culinary menu. Resultant equipment damage is becoming excessive and a fencing project is needed to protect the Federal Aviation Administration funded investments and reduce maintenance costs. The engineer's estimate has been revised and advertising of the project is expected in mid-March with contract award expected in mid-May.		1,400.0			1,400.0
66	3	Transportation and Public Facilities	Capital	Kodiak: Chemical Storage Building This is a new project request for FY2010. This project will provide a safe storage and mixing area for liquid de-icing materials and equipment. Without the building and storage tanks to mix the dry urea for liquid application, the use of sand for runway de-icing will continue. New Alaska Airlines jets have a less-forgiving engine for sand or foreign object debris ingestion which could lead to engine failure. The need to switch from sand to chemical de-icing at Kodiak is further underscored by Central Region Maintenance and Operations' inability to obtain sand that meets the minimum specifications identified by the Federal Aviation Administration (FAA). The de-icing material storage facility will provide a controlled environment, thereby minimizing the possibility of a spill or handling accident. The engineer's estimate has been revised and advertising of the project is expected in mid-February with contract award expected in mid-April.		1,300.0			1,300.0
67	3	Transportation and Public Facilities	Capital	Nulato: Airport Improvements This is a new project request for FY2010. Resurface the airport operational surfaces, rehabilitate the access road, apply dust palliative, replace lighting, construct a snow removal equipment building, and other improvements as funds allow. This project is expected to be advertised in early March.		827.5			827.5

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
68	3	Transportation and Public Facilities	Capital	Unalaska: Chemical Storage Building This is a new project request for FY2010. This facility is needed in order to use the new de-icing vehicle already in place. The chemical de-icing material is needed to reduce the use of sand at the airport because Maintenance and Operations cannot obtain sand that meets the minimum specifications identified in the new Federal Aviation Administration Circular. Unalaska has frequent periods of zero traction ratings which result in closure of the airport. This building is needed to house the new specialized de-icing truck in a controlled environment minimizing the possibility of a spill or handling accident. The engineer's estimate has been revised and advertising of the project is expected in mid-February with contract award expected in mid-April.		1,230.0			1,230.0
69	3	**Transportation and Public Facilities**	**Capital**	**Emergency Repairs - Appropriation level**	**7,356.1**				**7,356.1**
70	3	Transportation and Public Facilities	Capital	Central Region Hightower Emergency Maintenance and Repairs This is a new project request for FY2010. Inspections of hightower lighting structures in Central Region have identified work that needs to be performed on 17 of these structures in order for them to remain structurally sound. This work includes welding repairs and foundation bolt tightening. The repairs will require the use of specialized equipment, crane services, materials, labor, and contracted welding/engineering support.	365.5				365.5
71	3	Transportation and Public Facilities	Capital	Dyea Road Washout Emergency Repair This is a new project request for FY2010. On August 28, 2009 the ADOT/PF Maintenance Foreman at our Skagway Station alerted us of erosion problems occurring along our Dyea Road adjacent to Taiya River. There are reported to be about 30 residents living beyond the erosion area. The roadway in this area is very narrow with rock wall on the one side and the river on the other. The area has been repaired several time over the years. The erosion caused several areas of the roadway to become very narrow and a major safety issue to the traveling public. Temporary barricades and notices were installed. All work was completed in a timely fashion, just prior to winter weather setting in.	101.6				101.6

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
72	3	Transportation and Public Facilities	Capital	Glenn Highway MP 63.5 Erosion Emergency Repairs This is a new project request for FY2010. The Matanuska River eroded into the roadway embankment approximately 400 feet in length, resulting in a 9-foot vertical drop close to the edge of the highway pavement, within one foot at some locations. Immediate repairs taken to preserve the integrity of the embankment and save the highway included placement of super sacks at the toe of the embankment to protect it from further erosion. Permanent repairs will include removal of temporary shore protection, removal of existing guardrail, and installation of new embankment and riprap rock armor for approximately 530 linear feet and installation of new guardrail.	1,125.0				1,125.0
73	3	Transportation and Public Facilities	Capital	Glenn Highway Slides at MP 101 and 115 Emergency Repairs This is a new project request for FY2010. Emergency repairs performed as a result of slides on the Glenn Highway at MP 101 and 115. MP 101 - A beaver dam failure on the uphill side of the Glenn Highway caused a slide with a large amount of water, gravel and debris overtopping the highway at MP 101 on July 9, 2009. M&O forces responded and initiated immediate repairs by removing debris and gravel from the road surface as well as removing debris from plugged culverts to allow the material to subside naturally. MP 115 - A slide with a large amount of water, mud, and debris overtopped the Glenn Highway am MP 115 on July 16, 2009. M&O forces responded and initiated immediate repairs by removing mud and debris from the highway and reestablished drainage features of the highway ditches.	225.0				225.0
74	3	Transportation and Public Facilities	Capital	Haines Highway MP 19 Slide Emergency Repairs This is a new project request for FY2010. On August 29, 2009 heavy rains in the Haines area created a gravel, rock and mud slide on, over, and across the Haines Highway from the adjacent hillside. This slide followed a creek bed down to the highway and clogged the culverts and closed the highway to traffic for approximately 4 hrs. Work was completed by ADOT/PF maintenance crews with some equipment rented from local sources. Material was hauled off, highway was cleaned, ditches and culverts were cleaned and re-established, and the upland creek bed was cleared of debris.	80.0				80.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
75	3	Transportation and Public Facilities	Capital	Kodiak Flood Emergency Repairs This is a new project request for FY2010. A major storm caused flooding and mudslides on Rezanof Drive, Anton Larsen Bay Road, Chiniak Highway and at the Kodiak Airport totaling approximately 2.3 million dollars. Damage on Anton Larsen Bay Road included replacement of failed culverts, reconstruction of sections of washed out roadway, and repairs to a portion of Red Cloud Bridge that had collapsed into the water. Rezanof Drive required cleaning of ditches, culverts and guardrail repair or replacement, debris removal and slope contouring. Chiniak Highway required culvert replacement, pavement repairs and ditch and culvert cleaning. Funding is requested for costs associated with the October 2009 declared emergency for flood damage on Kodiak Island that are not eligible for reimbursement by the Federal Highway Administration (FHWA) or the Federal Emergency Management Administration (FEMA).	500.0				500.0
76	3	Transportation and Public Facilities	Capital	Petersville Road Emergency Repairs This is a new project request for FY2010. In May of 2005, a section of Petersville Road near MP 14.5 at Kroto Creek failed. This section of road climbs along the side of the hill and is formed on steep embankments. Due to spring thaw and water a portion of the road embankment slid down the hill. Repair of the embankment failure by Central Region Maintenance and Operations forces is beyond what is considered maintenance. This supplemental request is needed to close the project.	113.7				113.7
77	3	Transportation and Public Facilities	Capital	Salmon River Road Emergency Repairs This is a new project request for FY2010. August rains and melting glaciers created a heavy river flow that eroded the banks of the Salmon River paralleling our Salmon River Road. This heavy flow washed out over 250 feet of roadway at Mile 7. This area had not been provided bank stabilization. The washout closed the road which at the time was providing access to crews working at a gold mine further up the road. The washout and continued erosion was threatening three power poles along the road. A closely coordinated effort by the ADOT/PF construction section, ADOT/PF maintenance section, the U.S. Forest Service and local private parties completed the project in a timely fashion.	425.3				425.3

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
78	3	Transportation and Public Facilities	Capital	Seward Airport Emergency Repair and Upgrade This is a new project request for FY2010. The Seward Airport Taxiway was damaged by flooding from the Resurrection River in July 2009. Emergency repairs were completed in August of 2009. The Taxiway's location is a low point in the airfield and is inundated with water every time the Resurrection River overflows its bank. A short term solution is to install 19 new 42" culverts alongside the three existing 42" culverts. If funding is not provided for permanent repairs, the State will have to continue performing emergency repairs along the taxiway when the Resurrection River floods. This will cause the taxiway to be shut down and impairs the usage for the Seward Airport.	2,020.0				2,020.0
79	3	Transportation and Public Facilities	Capital	Whittier Access Emergency Repairs This is a new project request for FY2010. A rockslide covered the Whittier Access Road on April 11, 2009 with approximately 40,000 cubic yards of rock causing a temporary closure, and the need for alternative transportation to and from the City of Whittier. Repairs needed to reopen the road included removing the rock, reestablishing the grade, replacing the guardrail and pavement, and installing concrete barriers.	2,400.0				2,400.0
80	3	**Transportation and Public Facilities**	**Capital**	**Highways and Facilities - Appropriation Level**	**3,021.1**				**3,021.1**
81	3	Transportation and Public Facilities	Capital	Coffman Cove Maintenance Station This is a new project request for FY2010. Beginning in 2008, Southeast Region Highways and Aviation assumed maintenance responsibility for the 22 mile long Coffman Cove Highway. The closest established maintenance station is at Klawock, approximately 57 miles from Coffman Cove, and too far away to provide efficient maintenance service. The original request in FY2009 underestimated the consultant design fees and construction contract cost, and did not account for construction engineering and administrative costs.	900.0				900.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
82	3	Transportation and Public Facilities	Capital	Ester Weigh Station Scale Replacement This is a new project request for FY2010. The Ester Weigh Scale has currently been removed form service due to inaccuracies in its measurements. The steel scale deck support system and steel scale mechanisms have deteriorated beyond the point of reasonable repair. The scale platform is closed and means have been utilized to prevent traffic from driving over this scale assembly for safety reasons. This project was originally requested last year as a supplemental for $120,000 in federal receive/expend authority. There were/are no federal funds available for this project and it should have been originally requested as general fund authority. The federal authority will be administratively lapsed at the end of the current fiscal year. This new request reflects the updated estimate to replace the scales and get the weigh station opened.	550.0				550.0
83	3	Transportation and Public Facilities	Capital	Klawock Maintenance Station – Door Replacement This is a new project request for FY2010. The initial project entailed replacing one unsafe door. On investigation by an overhead door technician, it was discovered three other doors have aged and deteriorated to a point replacement is required for safety reasons (doors falling out of control due to worn parts, thereby endangering Departmental staff).	60.0				60.0
84	3	Transportation and Public Facilities	Capital	Measurement Standards and Commercial Vehicle Enforcement Equipment Replacement This amends an existing FY2010 project (sec. 1, Ch 15, SLA 2009, page 22, lines 8 - 11), increasing the FY2010 appropriation to $464,100. MSCVE plans to replace a high mileage 3/4-ton pickup truck with a 1-ton class dual rear wheel flatbed with a light duty crane. The 1-ton class test trucks originally built in 2003 have exceeded our expectations for increased device testing efficiency and employee safety and the light duty scale testing fleet will be replaced with this vehicle design over the next decade. Additional capital funds totaling $30,500 is being requested to accomplish this upgrade. In addition, MSCVE has recently purchased several vehicles with capital funds. These vehicles are replacing older vehicles that were not in the replacement program. A one-time supplemental to bring the replacement program current is being requested in the amount of $372,100.	402.6				402.6

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
85	3	Transportation and Public Facilities	Capital	Retroactive Asphalt Material Price Adjustment - Glenn/Bragaw Interchange This is a new project request for FY2010. Average rack price for asphalt cement in Alaska increased from $373/ton in January 2008, to a high of $710/ton in August that year. Although contractors typically plan for some increase in material costs throughout the life of a contract, they couldn't reasonably anticipate this level of inflation. In August 2008 the department committed to retroactively add an asphalt cement price adjustment, to share the unanticipated inflationary costs with the contractors. The state general funded Glenn / Bragaw project met the criteria for receiving this price adjustment; however the projects budget to complete construction does not have sufficient funding available to reimburse the contractor.	151.5				151.5
86	3	Transportation and Public Facilities	Capital	Skagway Land Purchase This is a new project request for FY2010. The Skagway Maintenance Station is situated on leased property. In 2008 the Department entered a new lease agreement for the Skagway maintenance station with an option to purchase the 2.23 acre property plus the adjoining 1.59 acre vacant property for a fair market value price of $513,412. The Department has secured $107,000 for the purchase of the property and is requesting an additional $407,000. The option to purchase expires on September 12, 2010. This is the last opportunity to fund the purchase at the negotiated price.	407.0				407.0
87	3	Transportation and Public Facilities	Capital	Southeast Region Headquarters -- Elevator Installation This is a new project request for FY2010. Project includes design, building modifications and installation of a new elevator to bring the state-owned facility into compliance with the Americans with Disabilities Act. Southeast Region does not have sufficient available space to provide ADA accommodations for staff working on the 2nd floor to relocate their workspace to the 1st floor when temporary or permanent disabilities prohibit access to their normal workspace. This lack of space is compounded when relocation does take place due to separation of staff from coworkers. Additionally, public access to all sections on the 2nd floor is inhibited by the lack of adequate conveyance.	450.0				450.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
88	3	Transportation and Public Facilities	Capital	State Equipment Fleet Vehicle Lifts This is a new project request for FY2010. Replace the original vehicle lift in Haines, AK. The original lift does not have safety features to prevent damage to equipment and/or injury to staff tasked with using it. Funding will allow for the purchase and installation of equipment that has life-safety features that will support the Department in meeting safe workplace requirements.	100.0				100.0
89	3	Transportation and Public Facilities	Capital	**Regulatory Compliance - Appropriation Level**	**1,700.0**				**1,700.0**
90	3	Transportation and Public Facilities	Capital	Kenai Peninsula Watershed Improvements - Clean Water Act, Section 404, Settlement This is a new project request for FY2010. Project fulfills one of two conditions of a negotiated settlement, between the State of Alaska, Department of Transportation (DOT&PF) and the Environmental Protection Agency, for alleged violations of Section 404 of the Clean Water Act (CWA). The funding will be provided to a qualified, third party, non-profit established to preserve, for public benefit, land with significant natural, recreational, or cultural value on the Kenai Peninsula. The non-profit is to purchase and place conservation easements over properties that will preserve water quality and salmon habitat.	900.0				900.0
91	3	Transportation and Public Facilities	Capital	Revegetation of Anchor River and Deep Creek Highway Embankments - Clean Water Act, Section 404 Settlement This is a new project request for FY2010. Project fulfills one of two conditions of a negotiated settlement, between the State of Alaska, Department of Transportation (DOT&PF) and the Environmental Protection Agency, for alleged violations of Section 404 of the Clean Water Act (CWA). The funding will be utilized to plant and establish natural vegetation and monitor those planting at three sites along the Sterling Highway. The vegetation is to enhance and improve water quality and habitat.	800.0				800.0
92	4			Sets out the funding by agency for the appropriations in Section 3.					0.0
93	5	Findings		FY2010 savings from ARRA 2009 Medicaid provisions are applied to the GF supplementals appropriated in this Act.					0.0
94	6	Corrections	(multiple)	Funding to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2010	3,302.3	32.7			3,335.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
95	7	Education and Early Development	Special Schools	Pupil transportation services from Mat-Su to the Alaska School for the Deaf, housed in the Russian Jack Elementary, Hanshew Middle School and East High School of the Anchorage area.	180.0				180.0
96	8	Health and Social Services	Probation Services	Miscellaneous claim to pay outstanding FY2004 medical bills for a minor in the custody of the Division of Juvenile Justice that received medical treatment from the Central Peninsula Hospital.	0.2				0.2
97	9	Labor and Workforce Development	Workforce Investment Board	Amend language - the unexpended/unobligated balance from Sec 1, Ch 27, SLA 2008, page 17, line 4 (Branch-wide Oil & Gas Development) is appropriated to Workforce Investment Board for continued work in FY2010.	85.0				85.0
98	10	Law	Deputy Attorney General's Office	Actual judgments and settlements finalized as of 1/11/2010.	28.9				28.9
99	11(a)	Natural Resources	Capital	Scope Change: Architecture and Engineering for a New Geologic Material Center [IN EAGLE RIVER] - Phase 1					0.0
100	11(b)	Natural Resources	Capital	Sale and Replacement of PC7 Aircraft for Wildland Firefighting. Language section to use the proceeds from the sale of aircraft, surplus aircraft parts, and engine escrows for the purchase of replacement aircraft.	2,000.0			General Fund Program Receipts	2,000.0
101	12(a)	Fund Transfer	Savings Public Education Fund	Fully capitalize the Public Education Fund for the projected FY2011 need for Foundation Formula $1,053,147.4 and Pupil Transportation $63,839.2.	1,116,986.6				1,116,986.6
102	12(b)	Fund Transfer	Small Business Economic Development RLF	Match for federal EDA funds transferred from the Kenai Peninsula Economic Development District - transfer $79.0 from Revolving Fund to Small Business Economic development Loan Fund - allows for receipt of $231.3 EDA federal grant funds.			79.0	AIDEA Receipts	79.0
103	12(c)	Fund Transfer	Disaster Relief Fund	Disaster relief funding - Kodiak Island flood, Pelican water system failure, Steward storm surge - plus fund replenishment in preparation for providing immediate assistance during spring floods and storms.	5,000.0				5,000.0
104	13	Ratifications (see below)							0.0
105	14	Retained Fees and Bankcard Services		Amends Section 22(b), ch. 12, SLA 2009 to include the Department of Law statutory authority for receipt of restitutions on juvenile cases.					0.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
106	15	Debt Service	International Airport Revenue Bonds	Alaska International Airport System Debt Defeasance Implement recommendations by the State's bond counsel to minimize the amount of revenue needed to be collected from airport customers and to meet debt service coverage ratios required under the bond resolution rate covenant. This request will allow the International Airport System to meet the technical requirements of the bond resolution rate covenant while also minimizing the amount of revenue needed from rates and fees.	0.0	0.0	0.0	($10,000.0) International Airport Revenue Fund $10,000.0 International Airport Construction Fund	0.0
107	16	Governor	AK Resources Marketing and Development	Extend lapse date from 2/28/2010 to 6/30/2010 for SLA 2009 Ch 14, Sec. 19 - $8,289.0 for the development of an in-state natural gas pipeline - so that development work may continue.	0.0	0.0	0.0		0.0
108	17(a)	Savings	Constitutional Budget Reserve	Full Repayment of the Constitutional Budget Reserve The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).	401,617.0				401,617.0
109	17(b)		Budget Reserve Fund	Adds language to access the budget reserve fund (AS 37.05.540) to balance the FY2010 budget, if necessary.					0.0
110	17(c)	Revenue	Treasury Division	Fund Source Change for Constitutional Budget Reserve Fund Investment Management Section 27(c), ch. 12, SLA 2009, is amended to read: (c) The sum of $1,673,000 is appropriated from the general fund [budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.	1,673.0		(1,673.0)	Constitutional Budget Reserve Fund	0.0
111	18	Lapse of Appropriations							0.0
112	19	Repealer		Section 43(c), ch. 15, SLA 2009 is repealed. That section reads: (c) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010 is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund. The administration is proposing to repay in full the amount owed to the constitutional budget reserve fund in FY2010, and does not want to draw any amount from the fund. Current calculations indicate the above section is not necessary.					0.0

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
113	20	Effective date - Section 7 is immediate upon passage of this Act.							0.0
114	21	Effective date of the balance of the Act is April 18, 2010.							0.0
115									
116				**Total of Supplemental Requests**	**1,661,150.5**	**62,351.4**	**15,316.2**		**1,738,818.1**
117									
118	**RATIFICATIONS**			**AR and AR Name**					
119	13(a)	Natural Resources	Fire Suppression Activity	AR 37313-09 Fire General Fund	10,297,678.22				10,297,678.22
120	13(b)(1)	Commerce, Community and Economic Development	Alaska Energy Authority Owned Facilities	AR 29605-08 Alaska Energy Authority Owned Facilities	12.95				12.95
121	13(b)(2)	Education and Early Development	Student and School Achievement	AR 17722-07 Student and School Achievement	293.08				293.08
122	13(b)(3)	Health and Social Services	Unbudgeted RSA	AR 22708-03 DAS DMA Unbudgeted RSA for Staff Support	140.40				140.40
123	13(b)(4)	Health and Social Services	Unbudgeted RSA	AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	11.00				11.00
124	13(b)(5)	Health and Social Services	Unbudgeted RSA	22736-03 DFYS DMA Unbudgeted RSA	0.34				0.34
125	13(b)(6)	Health and Social Services	Unbudgeted RSA	AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	259.54				259.54
126	13(b)(7)	Health and Social Services	Behavioral Health Administration	AR 23125-05 Behavioral Health Administration	5,482.79				5,482.79
127	13(b)(8)	Health and Social Services	Health Planning and Infrastructure	AR 23932-08 Health Planning and Infrastructure	633.78				633.78
128	13(b)(9)	Health and Social Services	Information Technology Services	AR 23934-06 Information Technology Services	4.92				4.92
129	13(b)(10)	Health and Social Services	Epidemiology	AR 23610-05 Epidemiology	295,356.97				295,356.97
130	13(b)(11)	Health and Social Services	Certification and Licensing	AR 23608-05 Certification and Licensing	31,701.51				31,701.51
131	13(b)(12)	Health and Social Services	Medicaid State Programs	AR 23315-04 Medicaid State Programs	1,380,444.00				1,380,444.00
132	13(b)(13)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-05 Medicaid School Based Administrative Claims	221,290.00				221,290.00
133	13(b)(13)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-06 Medicaid School Based Administrative Claims	2,283,323.00				2,283,323.00
134	13(b)(15)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-07 Medicaid School Based Administrative Claims	3,060,691.00				3,060,691.00
135	13(b)(16)	Alaska Court System	RSA	AR 76560-08 Domestic Violence VAWA RSA	322.50				322.50
136	13(c)(1)	Corrections	Anchorage Correctional Complex	AR 50662-05 Anchorage Correctional Complex	409,334.19				409,334.19
137	13(c)(2)	Corrections	Probation And Parole Director's Office	AR 50760-07 Probation And Parole Director's Office	2,661.22				2,661.22

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
138	13(c)(3)	Education and Early Development	Program Administration	AR 18005-04 Program Administration	22,694.51				22,694.51
139	13(c)(4)	Labor and Workforce Development	Employment Services	AR 28500-02 Employment Services	39.41				39.41
140	13(c)(5)	Labor and Workforce Development	Labor Market Information	AR 28190-05 Labor Market Information	290.99				290.99
141	13(c)(6)	Labor and Workforce Development	Independent Living Rehabilitation	AR 28230-03 Independent Living Rehabilitation	649.53				649.53
142	13(c)(7)	Labor and Workforce Development	Unemployment Insurance	AR 28510-04 Unemployment Insurance	442.91				442.91
143	13(c)(8)	Labor and Workforce Development	Unemployment Insurance	AR 28510-05 Unemployment Insurance	14,592.60				14,592.60
144	13(c)(9)	Labor and Workforce Development	Unemployment Insurance	AR 28510-07 Unemployment Insurance	3,592.15				3,592.15
145	13(c)(10)	Labor and Workforce Development	Unemployment Insurance	AR 28510-08 Unemployment Insurance	150.00				150.00
146	13(c)(11)	Labor and Workforce Development	Capital	AR 27790-08 North Pacific Fisheries Disaster – Aid RSA	4,400.00				4,400.00
147	13(c)(12)	Revenue	Long Term Care Ombudsman Office	AR 15530-07 Long Term Care Ombudsman Office	7,004.19				7,004.19
148	13(c)(13)	Transportation and Public Facilities	Capital	61686-10 Federal Transit Administration Grants	2.18				2.18
149	13(c)(13)	Transportation and Public Facilities	Capital	AR 58096-10 Cooperative Reimbursable Projects	29.65				29.65
150	13(c)(15)	Transportation and Public Facilities	Capital	AR 58622-11 Cooperative Reimbursable Projects	0.37				0.37
151	13(c)(16)	Transportation and Public Facilities	Capital	AR 58662-11 Federal Transit Administration Grants	0.72				0.72
152	13(c)(17)	Transportation and Public Facilities	Capital	AR 59198-11 Alaska Marine Highway: Terminal – Alaska Marine Highway System Headquarters Building, Grounds, and Renovation	0.22				0.22
153	13(c)(18)	Transportation and Public Facilities	Capital	58640-10 Alaska Mobility Coalition	0.13				0.13
154	13(c)(19)	Transportation and Public Facilities	Capital	AR 60252-10 Cooperative Reimbursable Projects	0.88				0.88
155	13(c)(20)	Transportation and Public Facilities	Capital	AR 61219-12 Federal Transit Administration Grants	0.17				0.17
156	13(c)(21)	Transportation and Public Facilities	Capital	AR 61009-10 Federal Transit Administration Grants	14,254.03				14,254.03
157	13(c)(22)	Transportation and Public Facilities	Capital	AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	0.21				0.21
158	13(c)(23)	Transportation and Public Facilities	Capital	AR 63203-10 Surface Transportation Preconstruction	0.09				0.09
159	13(c)(24)	Transportation and Public Facilities	Capital	AR 61613-10 Federal Transit Administration Grants	2.02				2.02
160	13(c)(25)	Transportation and Public Facilities	Capital	AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	205.06				205.06

FY2010 SUPPLEMENTAL REQUESTS

	Sec. No.	Department	Component or Capital	Description of Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
161	13(c)(26)	Transportation and Public Facilities	Capital	AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1.19				1.19
162	13(c)(27)	Transportation and Public Facilities	Capital	AR 62598-10 Kodiak: Selief Lane Reconstruction	1,062.98				1,062.98
163	13(c)(28)	Transportation and Public Facilities	Capital	AR 62656-10 Cooperative Reimbursable Projects	0.01				0.01

SB

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<target><bill>SB 255</bill><subject>SB
255</subject><comm>SFIN26</comm></target>

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB255**
() Publish Date:

Identifier (file name): SB255-DFG-CFEC-04-06-10
Dept. Affected: Fish and Game
Title: An Act relating to sharing records regarding fish purchased by
RDU: Comm Fisheries Entry Commission
Component: Comm Fisheries Entry Commission
Sponsor: SENATOR(S) OLSON, Egan
Requester: Senate Finance Committee
Component Number: 471

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

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

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

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

Prepared by: Shirley Penrose, Administrative Officer
Phone 907-790-6960
Division: Commercial Fisheries Entry Commission
Date/Time 4/6/10 1:20 PM
Approved by: Frank M. Homan, Chairman
Date 4/6/2010
Comercial Fisheries Entry Commission

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 255
(S) Publish Date: 4/1/10

Identifier (file name): SB255-REV-TAX-03-26-10
Dept. Affected: Revenue
Title: Fish Processor Fees, Licenses, Records
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senator Olson
Requester: Senate Resources
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

See Attached.

Prepared by: Tim Cottongim, Revenue Audit Supervisor
Phone (907) 465-3695
Division: Tax Division
Date/Time 03-26-10; 12:41pm
Approved by: Ginger Blaisdell, Director
Date 03-26-10; 2:54pm
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE # 1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 255

ANALYSIS CONTINUATION

Bill Language:

This bill authorizes the department to withhold issuing a fisheries business license to applicants that fail to pay industry fees levied by NMFS under a fishing capacity reduction program.

Revenues:

The provisions of this bill will have no impact on tax collections.

Expenditures:

The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed.

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

Senate Bill 255 – Fish Processor Fees, Licenses, and Records

Version 26-LS1413/A, February 3, 2010
STAFF: Tim Benintendi, 465-4989

SPONSOR STATEMENT

SB 255 will enable fisheries that have elected to pursue a capacity reduction (permit buyback) program to have the legal mechanism in place to ensure proper accounting of the transactions involved. The steps taken by this bill are procedural in nature.

Policy regarding capacity reduction through self- imposed fee collections have already been made in both state and federal statute. While allowing the National Oceanic & Atmospheric Administration (NOAA) and the National Marine Fishery Service (NMFS) access to fish ticket data held by the state to monitor loan repayments, this bill puts the final pieces together so that fishermen can decide on their participation based on a complete program.

Fleet capacity reduction programs are mechanisms that allow for stabilization of effort within a fishery. They are intended to ensure the long-term economic sustainability of the fishery by addressing the problem of over-capitalization. Based on the pilot program, 80% of permits bought back were non-resident. Alaska's legal framework for these programs ensures that they are:

FISHERY SPECIFIC - by requiring an affirmative vote of the registered and licensed permit-holding fishermen in the subject fishery. This process is spelled out in AS 43.76.230-270, statutes that were generated by the Joint Legislative Salmon Industry Task Force in 2002. The concept behind that legislation was that each fishery in Alaska has its own specific set of economic

factors, and therefore the participants should have the right of group self-determination in legally meeting the challenges of their fishery. This legislation will not affect any fishery that does not meet the previously established guidelines for capacity reduction.

SELF-FUNDED - In the case of the Southeast Alaska Purse Seine fishery, for example, the fishermen will have to agree to a self-assessment of 3% on each sale of fish they catch to cover the costs of the program.

VOLUNTARY - only fishermen who choose to sell their permits may do so. There is no effort to force any fishermen out of the fishery.

SB 255 does not affect any of the previously enacted pieces of the program. It simply enables the federal NMFS and the state Commercial Fisheries Entry Commission (CFEC) to share required information from the fish tickets (receipts for fish delivery transactions) in order to monitor loan repayments. It also requires processors to remit the fees to NMFS, using the same method as is already in practice for remission of the Alaska Salmon Enhancement Tax.

This legislation takes care of the final procedural hurdles to enable permit capacity reduction programs to go forward in any fishery that chooses to pursue that option and passes the other strict statutory requirements.

Senate Bill 255 is supported by the Southeast Seiners' Association, the United Fishermen of Alaska, and the Alaska Commercial Fishery Entry Commission, among others.

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

ALASKA
STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182

(907) 465-3707
FAX (907) 465-4821

SECTIONAL ANALYSIS

Senate Bill 255 – Fish Processors Fees, Licenses, and Records

Version 26-LS1413/A, February 3, 2010
STAFF: Tim Benintendi, 465-4989

SECTION 1: Amends AS 16.05.815(a) by adding to the list of information items which may be released by the Department of Fish & Game and by the Alaska Commercial Fisheries Entry Commission. It adds fish ticket information, records, and reports of the total value purchased by each fisherman, buyer, or processor, and makes it available to the National Marine Fisheries Service. This strengthens the NMFS position as loan guarantor of the fleet reduction loan program.

SECTION 2: Amends AS 43.75.020(a) by adding a subsection which provides that an applicant for a fishery business license agrees to pay the 3% fee levied under the fleet reduction program.

SECTION 3: Amends AS 43.75.020(b) by adding final administrative determinations of the National Marine Fisheries Service to the list of judgments or determinations which, if not received by the Department, will not prevent the issuance of a fishery business license to an applicant.

SECTION 4: Provides for an immediate effective date.

Legislative Letter of Intent for HB365/ SB255

The Alaska Legislature recognizes that passage of HB365/ SB255 is a necessary step to enable a planned permit buyback program in the Southeast Alaska Salmon Seine fishery to move forward. Further, while the Legislature recognizes the value of reducing the number of permits in the Southeast Salmon Seine fishery, it is also concerned that the permit buyback program not remove more permits than necessary for the health and viability of the fishery, nor result in negative economic impacts to the region or state, including diminishment of the economic benefits of the investments that have been made in Alaska communities.

Specifically, the Legislature is passing this legislation with the understanding, and the assurance of the Southeast Revitalization Association, that the permit reduction program the association seeks to undertake for the Southeast Alaska Salmon Seine fishery and to implement through the provisions of this bill will not reduce the number of permits in that fishery to less than 260.

MEMORANDUM OF UNDERSTANDING

The Southeast Revitalization Association ("SRA") has entered into the following understanding with the undersigned seafood companies:

1. AS 16.40.250 allows permit holders in a salmon fishery to form non-profit associations for the purpose of promoting consolidation or reductions in the number of limited entry permits in a fishery for which the Commercial Fisheries Entry Commission ("CFEC") has issued limited entry permits.

2. The SRA is a duly qualified salmon fishery association under AS 16.40.250 and was organized for the express purpose of developing and implementing a consolidation plan for the Southeast purse seine salmon fishery.

3. Congress under Public Law 108-447, section 209 of the Consolidated Appropriations Act of 2005 amended the Magnuson-Stevens Act ("MSA") making the SRA eligible under a federal buyback loan program established under the U.S. Department of Commerce and administered through the National Marine Fisheries Service ("NMFS").

4. The SRA has developed a draft consolidation or fishing capacity reduction plan ("plan") for the fishery and has submitted that draft plan for approval by the Secretary of Commerce and then NMFS publication of rules to implement the plan.

5. The undersigned seafood companies have expressed concerns that the plan may unnecessarily result in the purchase and relinquishment of too many permits. This occurrence could result in too few fishermen and vessels operating and the potential to reduce the amount of salmon that could be purchased from fishermen by these companies.

6. To address these concerns, the SRA will revise the plan now under NMFS review to provide the following:

   The SRA will amend the plan to provide that under no circumstances will the SRA accept a bid that upon final implementation of the plan could result in fewer than 260 permits remaining in the fishery.

7. The NMFS has indicated it will consent to the proposed plan amendment to limit the number of permits that can be purchased and ultimately relinquished. However, it voiced a cautionary note that the plan is subject

to further review by legal counsel, the Office of Financial Management and Budget and others, which could cause further changes to the plan, including deletion of the proposed limit on the minimum number of permits that would remain in the fishery.

8. The SRA will maintain the position that limiting the number of permits to be purchased and relinquished under the amended plan to 260 is wholly consistent with the MSA, Section 312(b)(2) requirement to achieve the maximum sustained reduction in fishing capacity at the least cost.

9. The undersigned seafood companies agree to support passage of SB 255 and HB 365, as introduced, under the condition that the attached Letter of Intent, or a mutually acceptable revised version of it, is adopted and passed with the legislation by the Alaska Legislature

Southeast Revitalization Assoc.
Rob Zuanich, Manager — Date: 3-30-10

Ocean Beauty Seafoods
Mark Palmer, President — Date: 3/31/10

Trident Seafoods
Joe Plesha, Chief Legal Officer — Date: 3/29/10

Attachment: Legislative Letter of Intent for HB365 / SB255

STATE OF ALASKA
COMMERCIAL FISHERIES ENTRY COMMISSION

SEAN PARNELL, GOVERNOR

8800 GLACIER HWY, #109
P.O. Box 110302
JUNEAU, AK 99811-0302

(907) 789-6150 Licensing Calls
(907) 789-6160 Other Business
(907) 789-6170 FAX
(907) 789-6180 BBS

INTERNET: www.cfec.state.ak.us

February 24, 2010

Senator Donald Olson
Alaska State Senate
State Capitol, Room 508
Juneau, AK 99801-1182

Re: SB 255, Fish Processor Fees, Licenses, and Records

Dear Senator Olson:

Thank you for the opportunity to respond to your inquiry regarding SB 255, Fish Processor Fees, Licenses, and Records.

SB 255 is a continuation of a program established by the Alaska State Legislature in 2002 allowing Salmon Fishery Associations (AS 16.40.250) formed by fishermen for the purpose of promoting fleet consolidation and capacity reduction. That legislation (HB 286-2002) encourages the Commissioner of the Alaska Department of Fish and Game to assist fishermen in the formation of these associations among the various Alaska salmon fisheries. In 2006, the Alaska State Legislature modified AS 16.43.330 through HB 484 to allow reimbursement to Salmon Fishery Associations in the unlikely event the State of Alaska, through the Commercial Fisheries Entry Commission, issued more limited entry permits into a salmon fishery that has an outstanding loan for fleet consolidation and capacity reduction.

SB 255 is simply an accounting procedure modification to make the program operate more efficiently and allow the lender to monitor the capacity reduction loan repayment. It does not change the program established in 2002 in any way.

The Southeast Revitalization Association (SRA), the fishermen's association formed by the SE Alaska Salmon Purse Seine fleet under the 2002 legislation, is close to receiving federal funding in the form of a loan through the National Marine Fisheries Service (NMFS) to carry out the purposes of the Salmon Fishery Association legislation. NMFS will provide a long term loan to SRA to be paid back by Southeast salmon seine fishermen from future salmon harvests. NMFS requires a mechanism to be able to monitor the loan payback. SB 255 provides that mechanism.

SB 255 will allow NMFS access to confidential state records and reports through an exception to AS 16. 05. 815 (a) (Confidential nature of certain reports and records). This is not an unusual request since a dozen other exceptions have been granted in statute, including NMFS but for purposes of fishery management and enforcement. This legislation is necessary since it is the State of Alaska that maintains the fish ticket harvest data and fish processor annual reports. This exception will provide

assurance to NMFS that they are receiving the proper repayment of their loan. Similarly a requirement is added to AS 43.75.020(a), the Alaska Fisheries Business License, that the applicant in addition to other conditions, agrees to pay the fee assessment collected from the Southeast seine fleet to NMFS.

The original legislation in 2002 was supported by the Alaska fishing community and had overwhelming legislative support in both the House and Senate, as did the 2006 modification. This support stemmed from the fact that the program was initiated by fishermen for fishermen, it is a voluntary program (no one will be forced to sell their limited entry permit), the program requires a majority vote of all the fishermen to implement the loan agreement, the fishery association will have access to federal funds through the Magnuson-Stevens Fishery Conservation and Management Act, there is little State expense or administration, the State maintains all its responsibility to manage its fisheries in the future should conservation or economic conditions change, and the program has had a history of legislative support.

We have been pleased to work with the SRA on the establishment of their association and the success of their pilot program in 2008 which resulted in the buyback of 35 limited entry permits in the SE Alaska salmon purse seine fishery.

With the passage of SB 255 we look forward to a continuous working relationship with SRA and the Alaska fishing community.

Thank you for the opportunity to provide these comments.

Sincerely,

Frank Homan, Chairman
Peter Froehlich, Commissioner
Bruce Twomley, Commissioner

2/2010

CAPACITY REDUCTION PROGRAM FOR THE SOUTHEAST ALASKA PURSE SEINE SALMON FISHERY

By Southeast Revitalization Association

SUMMARY: State and federal legislation authorized this fishing capacity reduction program for the Southeast Alaska purse seine salmon fishery. The program will reduce fishing capacity by permanently relinquishing permits, promote economic efficiency, improve flexibility in the conservation and management of the fishery and obtain the maximum reduction in permits at the least cost.

The program is voluntary and only permit holders of the fishery are eligible to participate. Participating permit holders must abide by the terms and conditions of the program set forth in the Bid Agreement and, if their bid is accepted, a Relinquishment Contract ("Contract") with the Southeast Revitalization Association (SRA) and the Alaska Commercial Fisheries Entry Commission (CFEC). The aggregate of all Bid Agreements and Contracts signed by permit holders whose bids are accepted, will together with supporting rationale, constitute the Reduction Plan ("Plan") to be submitted to the Secretary of Commerce ("Secretary") for approval. Permit holders participating in the program will receive up to $23.5 million in exchange for relinquishing permits.

To obtain the maximum capacity reduction at the least cost, SRA will use reverse auction procedures to rank and determine which bids to accept. If bids are accepted, the SRA will accept the bid with the lowest dollar amount and successively accept each additional bid with the next lowest dollar amount until it either elects not to accept a bid, there are no more bids to accept, or acceptance of the last bid with the next lowest dollar amount would cause the total cost to exceed $23.5 million. The SRA may conduct one or more separate auctions before determining whether the number of bids it elects to accept is sufficient to submit a Plan.

Following SRA submission of the Plan and approval by the Secretary, National Marine Fisheries Service ("NMFS") will conduct a referendum to determine the willingness of the permit holders to repay a fishing capacity reduction loan ("loan") to finance the Plan. A majority vote of all permit holders in favor would bind all permit holders. NMFS will issue a $23.5 million, 40-year loan to be repaid by those permit holders who continue operations in the fishery after implementation of the Plan.

In the event the aggregate amount of all accepted bids is less than $23.5 million, the remaining loan funds would be available for reduction payments as part of a later SRA submitted Plan, subject to approval by the Secretary, and after a successful referendum by the permit holders.

1. **Statutory Background**: The authority for the SRA to conduct the program is Alaska Statute 16.40.250. The program was established under the Consolidated Appropriations Act of 2005 (Act) authorizing the (NMFS) to establish up to a $50 million loan to finance the program and appropriated $500,000 for the cost of the loan. That law was subsequently amended by Section 121 of the Magnuson-Stevens (MSA) Reauthorization Act of 2006 (Public Law 109-447) reducing the loan amount to no more than $25 million and clarifying the respective roles of NMFS and SRA relative to development and implementation of the program. The sum of $235,000 was later appropriated for the cost of guaranteeing the loan amount. The authority for making the loan is sections 1111 and 1112 of the Merchant Marine Act, 1936. NMFS will implement the industry fee system to repay the loan under section 312(d)(2) of the MSA.

2. ***Purpose***. The program will reduce fishing capacity by permanently relinquishing permits, promote economic efficiencies, improve flexibility in the conservation and management off the fishery and obtain the maximum reduction in permits at the least cost by establishing reverse auction bidding procedures under the Plan.

3. ***Definitions***. Unless otherwise defined, the following terms have the following meanings for the purpose of this program.

Acceptance means SRA acceptance of a bid.

Act means section 209 of Title II of Division B of Public Law 108-447 as amended by section 121 of Public Law 109-447.

Bid means a bidder's irrevocable offer under the Bid Agreement to relinquish a permit.

Bid Agreement means the form identifying the eligible bidder, procedures for the completion and submission of a bid; requirements upon acceptance of a bid and resulting relinquishment of the permit, and any other necessary implementation.

Bid Amount means the dollar amount of each bid by which SRA determines in what order to rank and potentially accept bids.

Final Plan means the aggregate of all Bid Agreements, Commercial Fisheries Entry Commission ("CFEC") documents, Relinquishment Contracts, and supporting documents and rationale; submitted to the Secretary for approval.

Conditional Notice means the CFEC form that any permit holder must sign and agree to abide upon submission of a Bid Agreement.

Conditional Relinquishment means the CFEC form that any permit holder agreeing to relinquish a permit must sign and agree to abide by upon SRA acceptance of the bid.

Fishery means the commercial taking of salmon with purse gear within the Southeast Alaska administrative area as defined under Title 5 Alaska Administrative Code Section 33.100.

Permit means a valid entry permit issued by CFEC to operate in the fishery.

Permit Holder means an individual at the time of bidding is the holder of record of a permit.

Relinquishment Contract means the contract that any permit holder agreeing to relinquish a permit pursuant to Alaska Statute (A.S. 16.43.150(i) must sign and agree to abide by upon acceptance of the bid, and before payment of the bid amount.

Secretary means the Secretary of Commerce or a designee.

Southeast Revitalization Association (SRA) is a qualified fishery association authorized to develop and implement this capacity reduction program under Alaska Statute 16.40.250 and federal law.

4. Eligibility and Application of permit holders

(a) Notification. A copy of the Bid Agreement, CFEC Conditional Notice and Conditional Relinquishment forms, and the Contract shall be mailed to each permit holder.

(b) Application. Any permit holder may apply to participate in the program, by submitting a fully completed and executed, Bid Agreement, including the necessary CFEC forms and the Contract.

5. **Withdrawal:** By submitting a completed and executed Bid Agreement, the person makes an irrevocable offer to relinquish a permit. No person, once having submitted the Bid Agreement, is entitled to withdraw or in any way amend the Bid Agreement.

6. Bid—(i) Binding agreement. A submitted Bid Agreement shall be an irrevocable offer to relinquish the permit for the bid amount, contingent on such offer being accepted by SRA. A bid that is submitted by the permit holder, but is not accepted by SRA, shall be deemed terminated and both the permit holder and SRA shall have no further obligation with respect to Bid Agreement.

(ii) Bid Content. The submitted Bid Agreement shall include the following information: name, address, telephone number and (if available) electronic mail address of the submitting permit holder; permit number and whether any authorized party holds a security interest in the permit.

(iii) ***Bid submission.*** Any permit holder may submit a Bid Agreement. If a permit holder holds a second permit, such permit holder may, but is not required to submit a Bid Agreement for such second permit. Each application must be submitted to the SRA, c/o Elgee, Rehfeld, Mertz, LLC, Professional Plaza Building B, 9309 Glacier Highway, Suite B-200, Juneau, AK 99801.

(iv) **Valldity of Bid.** SRA in consultation with CFEC shall examine each Bid Agreement for consistency and the necessary elements. SRA shall notify the permit holder if the Bid Agreement is non-conforming. In such cases, the permit holder may submit a revised, conforming Bid Agreement if within the prescribed period.

7. Warranty. By submitting a Bid Agreement, the permit holder warrants and represents that the permit holder has read and understands the terms of the Bid Agreement, Contract, CFEC forms, and has had the opportunity to seek independent legal counsel regarding such documents and the consequences of submitting the Bid Agreement.

8. Bids—(i) Ranking. *The* SRA shall rank bids by using a reverse auction in which the SRA ranks the bid with the lowest dollar amount and successively ranks each additional bid with the next lowest dollar amount until there are no more bids or the ranking of the next lowest bid would cause the total program cost to exceed $23.5 million.

(ii) Acceptance and Post-acceptance transfers. Upon expiration of the bid closing date the SRA will determine whether the number of ranked bids it is willing to accept is sufficient to achieve a substantive reduction in harvest capacity and increased economic efficiencies for those permit holders remaining in the fishery. If the SRA makes such a determination and thereafter accepts bids, SRA will send *CFEC* the Conditional Notice form restricting transfer of the permit to any person whose bid was accepted.

9. Submission of Plan, including repayment. The aggregate of all Bid Agreements, the CFEC forms and Contracts will, together with supporting documents and rationale, constitute the Plan to be submitted to NMFS for final approval on behalf of the Secretary. The Plan shall identify as the proposed capacity reduction, the permits identified in the Bid Agreements.

10. **Selection of fishing capacity to be removed by Plan.** The fishing capacity removed under the Plan will be the permits voluntarily offered by permit holders and accepted by SRA up to an aggregate amount of $23.5 million.

11. Approval of the Plan. The criteria for NMFS, on behalf of the Secretary, to approve any Plan must include a finding by the Administrator of NMFS that the Plan is consistent with the Act and MSA, and that it will result in the maximum reduction in permits and fishing capacity at the least cost and in the minimum amount of time.

12. Referendum. NMFS will conduct a referendum to determine the permit holder's willingness to repay a fishing capacity reduction loan to purchase the permits identified in the Plan. A successful referendum by a majority of the permit holders will bind all parties and complete the reduction process.

13. Reduction Payments. Within 60 days of a successful referendum and CFEC receipt of the Contract, SRA through the Secretary will tender the accepted bid amount.

14. Later Pan The SRA may accept a total number of bids in an aggregate amount less than $23.5 million. If this occurs, any remaining funds would be available for reduction payments as part of a later Plan.

15. Reduction Loan —(i) Term. As authorized by the Act, the capacity Reduction Loan ("Loan") shall be amortized over a forty (40) year term. The Loan's original principal amount may not exceed $23.5 million, but may be less if the ultimate reduction cost is less. NMFS has promulgated framework regulations generally applicable to all fishing capacity reduction programs and the Loan shall be subject to the provisions of these regulations.

16. Loan Repayment Permit holders operating in the fishery shall be obligated to pay the fee in accordance with the regulations. Permit holders acknowledge that in the event payments made under the Plan are insufficient to pay the actual Loan, the term of the repayment shall be extended by NMFS until the Loan is paid in full.

(i) Interest. The Loan's interest rate will be the U.S. Treasury's cost of borrowing equivalent maturity funds plus 2 percent. NMFS will determine the Loan's initial interest rate when NMFS borrows from the U.S. Treasury the funds with which to disburse the reduction payments. The initial interest rate will change to a final interest rate at the end of the Federal fiscal year in which NMFS borrows the money from the U.S. Treasury. The final interest rate will be 2 percent plus a weighted average, throughout the fiscal year, of the U.S. Treasury's cost of borrowing equivalent maturity funds. The final interest rate will be fixed, and will not vary over the remainder of the reduction loan's 40-year term. The Loan will be subject to a level debt amortization. There is no prepayment penalty.

(ii) **Fees**. The Loan shall be repaid by fees collected from the remaining permit holders operating in the fishery.

(A) The fee will be expressed as a percentage of the ex-vessel price of all salmon harvested and landed in the fishery. For example, if the fee is 3% and the ex-vessel weighted average round price is $0.50, then the fee per pound of salmon will equal to $0.015 per pound.

(B) Fees must be assessed and collected on all salmon harvested in the fishery. Although the fee could be up to 3 percent of the ex-vessel price of all post-reduction landings, the fee will be less than 3 percent if NMFS projects that a lesser rate can amortize the Loan over the 40-year term.

(C) It is possible that the fishery may not open during some years. Consequently, the fishery will not produce fee revenue with which to service the Loan during these years. However, interest will continue to accrue on the principal balance. When this happens, if the fee is not already at the maximum 3 percent, NMFS will increase the fee to the maximum 3 percent, apply all subsequent fee revenue first to the payment of accrued interest, and continue the maximum fee rates until the principal and interest payments become current. Once all principal and interest payments are current, NMFS will make a determination about adjusting the fee rate.

(D) **Collection.** The permit holder or the person who purchases and processes the salmon landed in the fishery shall be responsible for collecting and submitting the fees to NMFS.

(E) **Record keeping and Reporting**. The permit holder or the person who purchases and processes the salmon landed in the fishery shall be responsible for compliance with the applicable record keeping and reporting requirements.

17. Enforcement/Specific Performance. The parties to the Contract have agreed that the opportunity to develop and submit a capacity reduction program for the fishery under the terms of the Act is both unique and finite. The failure of a permit holder whose bid was accepted to perform the obligations under the Contract will result in irreparable damage to the SRA and the permit holders upon submittal of the Plan to the Secretary for approval. Accordingly, the parties to the Contract expressly acknowledge that money damages are an inadequate means of redress and agree that upon failure of the permit holder to fulfill his obligations under the Contract that specific performance of those obligations may be obtained by suit in equity brought by the SRA in any court of competent jurisdiction without obligation to arbitrate such action.

8/2008

RESULTS OF PILOT PROJECT

SOUTHEAST REVITALIZATION ASSOCIATION

FLEET CONSOLIDATION PROGRAM FOR THE SOUTHEAST ALASKA PURSE SEINE SALMON FISHERY

SUMMARY:

The Southeast Revitalization Association ("SRA") a qualified fishery association under Alaska state law, established and implemented a fleet consolidation program for the Southeast Alaska purse seine salmon fishery.[1] The program utilized a reverse auction system to achieve the greatest consolidation or permit reduction with the available $2,872,746 in federal grant funding[2]. The program allowed for the purchase and relinquishment of 35 permits or 8.4% of all permits at an average cost of $82,020.

STATUTORY AND REGULATORY AUTHORITY:

The statutory authority for SRA to conduct the program is Alaska Statute ("AS") 16.40.250. The program was financed through Pacific Coast Salmon Recovery Fund (PCSRF) dollars designated to SRA under the Consolidated Appropriations Act of 2006 (P.L. 109-108) and related Commerce, Justice, State Conference Report. The authority for relinquishing limited entry fishing permits is AS 16.43.150(1).

RATIONALE:

The Alaska Legislature enacted legislation in 1973 establishing a system for limiting the number of individuals participating in commercial salmon fisheries. The Commercial Fisheries Entry Commission ("CFEC") was also created to implement and administer the "limited entry" system. CFEC determined that 415 was the optimal number of permits (and vessels) for the fishery. For the period 1992-2001 an average of 364 or almost 90% of the permits were fished each

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[1] A potential second and separate consolidation program has also been enacted for the fishery. Under this program permit holders would receive up to a $23.5 million in exchange for relinquishing permits. Following submission of a consolidation plan by SRA and approval by the Secretary of Commerce, the National Marine Fisheries Service (NMFS) would conduct a referendum to determine the willingness of permit holders remaining in the fishery to repay the loan to effect the second program. A majority vote of all permit holders in favor would bind all remaining permit holders to repay the loan. NMFS would issue a 40-year loan and establish a fee system for repayment of the loan not to exceed three percent (3.0%) of the ex-vessel of all salmon harvested in the fishery.

[2] Initially the SRA was scheduled to receive an additional $1 million in PCSRF grant funding. Unfortunately the State of Alaska and ADF&G reallocated the dollars to Southeast salmon processors to promote canned pink salmon sales

year. By 2003 participation had fallen to only 210 and in 2007 active participation was no greater than 230.

The dramatic decline was not attributable to resource depletion or excessive vessel capacity, but rather to the dramatic reduction in ex-vessel salmon prices caused by competition from imported farm salmon[3]. Historically, 83% of the Southeast seine harvest is pink salmon. In 1988 the ex-vessel price of pink salmon reached $.88 per pound and then dropped precipitously. For the period 1992-2001 the average price fell to only $.19 per pound. The 2002 price plummeted to $.10 and in 2003 to a mere $.08. Ex-vessel prices rebounded slightly in 2007, but are still far below levels necessary to ensure an economically viable fishery.

The fall in salmon prices, higher operating costs and related consolidation in the processing sector, triggered a call for commensurate consolidation in the Southeast seine fleet. This was a difficult decision. However, it was almost universally recognized that if everyone stays in the fishery, no one will be profitable and the fishery will continue to teeter on economic collapse. Responding to this need, the Legislature under AS 16.40.250 authorized the formation of qualified salmon fishery associations for the purpose of reducing or consolidating a salmon fishery for which CFEC has issued limited entry permits.

GOALS:

The program sought to 1) reduce fishing capacity by permanently revoking a substantial number of permits, 2) promote economic efficiency, 3) improve flexibility in the conservation and management of the fishery and 4) obtain the maximum reduction in permits at the least cost.

DESIGN:

The program was voluntary and all permit holders of the fishery were eligible to participate. To maximize consolidation, the SRA designed a consolidation plan utilizing reverse auction bidding procedures. The SRA then consulted with CFEC to establish program requirements relating to notification, bidding procedures, method of payment and administration. The SRA mailed the consolidation plan to all permit holders on April 7, 2008 and published notice of the plan in various Southeast newspapers.

[3] In 1992 imports of farmed salmon began to seriously impact the U.S. market and ex-vessel prices paid Alaska salmon fishermen. Encouraged by U.S free trade policy, these imports ultimately flooded the U S and then Japanese markets. Today farmed salmon accounts for over 70% of the worldwide market while Alaska salmon accounts for less than 15% of the market.

ADMINISTRATION:

The program was administered by the SRA Manager and Board of Directors. The SRA also utilized the services of the Southeast Alaska Seiners Association ("SEAS") and the Purse Seine Vessel Owners Association ("PSVOA"). Program administration was conducted consistent with the Statement of Work filed with the Alaska Department of Fish & Game ("ADF&G") as part of the PCSRF grant process. The SRA retained the CPA firm of Elgee, Rehfeld, Mertz, LLC, in Juneau, Alaska to receive and log bid applications. The SRA Manager processed the accepted bids and handled the logistics of permit purchasers and ultimate relinquishment of permits by CFEC. Decisions regarding the maximum purchase price and acceptance of a bid were made by the SRA Board. Legal consultation was provided by PSVOA and CFEC.

ADMINISTRATIVE COSTS:

The ADF&G Statement of Work proposed that the SRA receive $42,500 to administer the program. [4] However, upon the withdrawal of bids and subsequent acceptance of higher bids the SRA elected to forego all administrative fees and expenses to maximize the number of permits purchased.

IMPLEMENTATION:

Licenses Available:
The number of permits eligible for 2008 renewal was 415.

Number of Bids Submitted and Accepted:
82 bids were submitted for the cumulative amount of $9,642,994. Individual bid amounts ranged from $44,000 to $700,000. The SRA Board initially accepted 35 bids for a cumulative amount of $2,798,115. Certain accepted bidders later withdrew their bid and upon withdrawal the SRA Board selected the next highest bid amount. The SRA ultimately purchased 35 permits, but for the increased cumulative amount of $2,870,355[5]. The accepted bid amounts ranged from $55,000 to $94,950.

Number of Permits Relinquished:
The program purchased a total of 35 permits or 8.4 % of all permits. These permits were then relinquished and revoked by CFEC pursuant to the terms and conditions of a "Relinquishment Contract" executed by the accepted bidders.

[4] ADF&G received $86,183 to administer its portion of the program.
[5] The PCSRF is a reimbursement only grant program. That is, SRA was first required to expend funds before seeking reimbursement. To initiate the program, the SRA borrowed $1 4 million from the Seine Vessels' Reserve, a for profit affiliate of PSVOA. This loan was made without interest and was subsequently repaid.

Identification of Accepted Bidders:
An alphabetical list of the 35 bidders, including the permit number and state of residency follows:

Last	First	Residency[6]	Permit #
Ancich, Jr.	Peter	CA	S01A57650E
Anderson	Norman	WA	S01A55309W
Babich	Randall	WA	S01A57232I
Bozanich	Tony	WA	S01A58439
Burdett-Gross	Jared	AK	S01A56465W
Buttle	Teddy	WA	S01A61889
Cresswell	Bruce	WA	S01A55420U
Dontos	Larry	WA	S01A56486K
Engblom	Larry	WA	S01A56841Q
Gilbert	Daniel	WA	S01A58994O
Hanson	Audrey	WA	S01A58949M
Hisaw	Edmond	WA	S01A60531E
Hooper	George	WA	S01A57908F
Jacobs	Mary	AK	S01A60278P
Janovich	Doris	WA	S01A61603C
Kjarstad	Arnie	WA	587693
Krigbaum	Gilbert L.	WA	S01A56694P
Kyle	James	WA	S01A5922OX
Lovrovich	Pauline	WA	S01A57227W
Lovrovich	Tom	WA	S01A58181U
Manos	William	CA	S01A61626A
Maricich	Roy	WA	S01A55069I
McVicker	Lee Ann	AK	S01A59504X
Meiners Jr.	Herman M.	AK	S01A639855
Menten	Erik	WA	S01A57486J
Quarterman	Robert	WA	S01A58864M
Ranniger	Royce	AK	S01A58341V
Riggs	Darrell	AK	S01A58413V
Schonberg	Paul	WA	S01A61461M
Stager	Frederick	AK	S01A56039N
Stroup	Rex	WA	S01A65976L
Vitalich	Janet	WA	S01A61538Z
Wartman	Sharon	WA	S01A55040
Wells	Douglas	WA	S01A55235M
Weynands	Mark	WA	S01A57229H

[6] Eighty percent (80%) of the accepted bidders (and permits relinquished) were held by non-Alaskan residents.

REVENUE & EXPENDITURES

The following is a summary of SRA program revenue and expenditures as of August 1, 2008:

SRA BALANCE SHEET

REVENUE		
PCSRF GRANT FUNDS	$	2,872,746
PSVOS/SEAS LOAN[7]		11,714
TOTAL		**2,884,460**
EXPENDITURES		
PERMIT PURCHASES	$	2,870,355
ELGEE REHFELD MERTZ		3,447
PUBLICATIONS[8]		1,789
SMS, INC[9]		3,423
EXPRESS MAIL		630
TRAVEL		3,966
PHONE		485
BANK FEES		365
TOTAL		**2,884,460**

[7] PSVOA and SEAS jointly loaned the SRA this amount to allow the entire grant to be applied toward the purchase of permits.
[8] The SRA published notice of the program in the Juneau Empire, Sitka Sentinel, Petersburg Pilot, Wrangell Sentinel and Ketchikan Daily.
[9] SRA contracted with SMS, Inc. a for profit affiliate of PSVOA. to coordinate mailings to permit holders and payments to accepted bidders.

(3) rearing and sale of ornamental finfish for aquariums or ornamental ponds provided that the fish are not reared in or released into water of the state.

(c) In this section "ornamental finfish" means fish commonly known as "tropical fish," "aquarium fish," or "goldfish," that are imported, cultured, or sold in the state customarily for viewing in aquaria or for raising in artificial systems, and not customarily used for sport fishing or human consumption purposes. (§ 2 ch 91 SLA 1990)

Cross references. — For legislative findings in connection with the enactment of this section, see § 1, ch. 91, SLA 1990 in the Temporary and Special Acts.

Article 4. Fishery Associations.

Section
240. Regional dive fishery development associations
250. Salmon fishery associations

Sec. 16.40.240. Regional dive fishery development associations. (a) The commissioner shall assist in and encourage the formation of qualified regional dive fishery development associations for the purpose of developing dive fisheries in administrative areas of the state in which dive fisheries exist. A regional dive fishery development association is qualified if the commissioner determines that the regional association

(1) is incorporated as a nonprofit corporation under AS 10.20;

(2) represents commercial fishermen who participate in each dive fishery in the region; and

(3) possesses a board of directors that

(A) is representative of commercial dive fishermen who fish in each of the significant commercial dive fishing areas in the administrative area;

(B) has a member who is representative of fish processors who process dive fishery resources in the administrative area; and

(C) has a member who is representative of municipalities in the administrative area.

(b) In this section, "administrative area" has the meaning given in AS 43.76.210. (§ 1 ch 90 SLA 1997)

Sec. 16.40.250. Salmon fishery associations. The commissioner may assist in and encourage the formation of qualified salmon fishery associations for the purpose of promoting the consolidation of the fishing fleet in a salmon fishery for which the Alaska Commercial Fisheries Entry Commission has issued commercial fishing entry permits under AS 16.43. A salmon fishery association is qualified if the commissioner determines that the regional association

(1) is incorporated as a nonprofit corporation under AS 10.20;

(2) is comprised of interim-use permit and entry permit holders in the salmon fishery for which the association is established; and

(3) has a board of directors that is comprised of interim-use permit and entry permit holders in the salmon fishery. (§ 1 ch 134 SLA 2002)

Cross references. — For reimbursement of expenses of fleet reduction programs, see AS 16.43.330(c).

Article 5. Sport Fishing Services.

Section
260. Sport fishing operator license
270. Sport fishing guide license
280. Reports
290. Penalty
299. Definitions

ffective dates. — Sectio
ves this article effective J

Sec. 16.40.260. Spo
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(1) holds a current
shermen;
(2) presents proof sat
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he person and the pers
nat $100,000 for each
(3) pays the license fe
(4) satisfies all addi
Fisheries.
(b) A person may not
sport fishing operator lic
this section.
(c) A person who holds
sport fishing guide serv
current sport fishing gui
(d) A person who holds
sport fishing guide servic
sport fishing guide licens
(e) A person who holds
of a violation of AS 16.05 -
including regulations rel
guide who is employed by
(§ 6 ch 70 SLA 2004)

Delayed repeal. — Under §
this section is repealed January

Sec. 16.40.270. Sport
annual sport fishing guide
(1) is a citizen of the U
(2) is certified in first ai
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Guard if the person operat
the license is required by t
guide provides fishing gui
(4) holds a current sport
(5) pays the license fee
(6) satisfies all addition
Fisheries.
(b) A natural person ma
guide combined license if
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section and pays the licens
(c) A person may not pr
(1) holds a current sport
(2) holds a current sport
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State of Alaska
Commercial Fisheries Entry Commission
Statistics on Fishing Activity for Permits in the Southeast Salmon Purse Seine Fishery (S 01A)
1999-2008 by Resident Type

February 11, 2010

Fishery Description	Year	Permit Residency	Permits Issued: Number Issued	Permits Issued: % by Residency	Permits Fished - Not Fished: Number Fished	Permits Fished - Not Fished: % Fished	Permits Fished - Not Fished: Number Not Fished	Permits Fished - Not Fished: % Not Fished
S 01A Salmon, Purse Seine, Southeast		Resident	188	49.5	113	53.3	75	44.6
		Nonresident	192	50.5	99	46.7	93	55.4
	2008	Year Totals	380	100.0	212	100.0	168	100.0
		Resident	198	47.7	121	51.1	77	43.3
		Nonresident	217	52.3	116	48.9	101	56.7
	2007	Year Totals	415	100.0	237	100.0	178	100.0
		Resident	198	47.8	125	54.3	73	39.7
		Nonresident	216	52.2	105	45.7	111	60.3
	2006	Year Totals	414	100.0	230	100.0	184	100.0
		Resident	193	46.5	119	51.3	74	40.4
		Nonresident	222	53.5	113	48.7	109	59.6
	2005	Year Totals	415	100.0	232	100.0	183	100.0
		Resident	185	44.7	109	52.2	76	37.1
		Nonresident	229	55.3	100	47.8	129	62.9
	2004	Year Totals	414	100.0	209	100.0	205	100.0
		Resident	184	44.2	115	48.9	69	38.1
		Nonresident	232	55.8	120	51.1	112	61.9
	2003	Year Totals	416	100.0	235	100.0	181	100.0
		Resident	187	45.1	128	46.9	59	41.5
		Nonresident	228	54.9	145	53.1	83	58.5
	2002	Year Totals	415	100.0	273	100.0	142	100.0
		Resident	188	45.3	148	42.9	40	57.1
		Nonresident	227	54.7	197	57.1	30	42.9
	2001	Year Totals	415	100.0	345	100.0	70	100.0
		Resident	189	45.4	161	45.2	28	46.7
		Nonresident	227	54.6	195	54.8	32	53.3
	2000	Year Totals	416	100.0	356	100.0	60	100.0
		Resident	191	45.9	165	46.0	26	45.6
		Nonresident	225	54.1	194	54.0	31	54.4
	1999	Year Totals	416	100.0	359	100.0	57	100.0

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Commercial Fisheries Entry Commission
Basic Information Table
S 01A SALMON, PURSE SEINE, SOUTHEAST

Year		Residency	Permanent Permits Renewed	Interim Permits Issued	Total Permits Issued/ Renewed	Total Permits Fished	Total Pounds	Average Pounds	Total Gross Earnings	Average Gross Earnings	Average Permit Price
2008	*	Resident	187	0	187	113	41,115,902	363,858	$21,058,568	$186,359	
		Nonresident	193	0	193	99	40,262,245	406,689	$19,927,471	$201,288	
		Year Totals	380	0	380	212	81,378,147	383,859	$40,986,039	$193,330	$67,800
2007		Resident	198	0	198	121	95,024,646	785,328	$24,632,323	$203,573	
		Nonresident	217	0	217	116	90,244,723	777,972	$25,013,727	$215,636	
		Year Totals	415	0	415	237	185,269,369	781,727	$49,646,050	$209,477	$59,700
2006		Resident	198	0	198	125	53,037,973	424,304	$14,582,833	$116,663	
		Nonresident	216	0	216	105	43,038,415	409,890	$12,953,195	$123,364	
		Year Totals	414	0	414	230	96,076,388	417,723	$27,536,028	$119,722	$52,900
2005		Resident	193	0	193	119	121,367,012	1019891	$18,534,431	$155,752	
		Nonresident	222	0	222	113	105,326,313	932,091	$17,539,218	$155,214	
		Year Totals	415	0	415	232	226,693,325	977,126	$36,073,649	$155,490	$41,800
2004		Resident	185	0	185	109	109,121,597	1001116	$16,277,145	$149,332	
		Nonresident	229	0	229	100	97,968,963	979,690	$15,395,307	$153,953	
		Year Totals	414	0	414	209	207,090,560	990,864	$31,672,452	$151,543	$32,100
2003		Resident	184	0	184	115	107,652,418	936,108	$13,197,585	$114,762	
		Nonresident	231	1	232	120	104,489,485	870,746	$13,508,155	$112,568	
		Year Totals	415	1	416	235	212,141,903	902,732	$26,705,739	$113,641	$32,800
2002		Resident	187	0	187	128	78,142,583	610,489	$9,276,587	$72,473	
		Nonresident	227	1	228	145	93,196,668	642,736	$10,967,583	$75,639	
		Year Totals	414	1	415	273	171,339,251	627,616	$20,244,170	$74,154	$22,800
2001		Resident	188	0	188	148	111,933,441	756,307	$21,623,106	$146,102	
		Nonresident	226	1	227	197	139,215,120	706,676	$27,119,695	$137,663	
		Year Totals	414	1	415	345	251,148,561	727,967	$48,742,800	$141,283	$34,700
2000		Resident	189	0	189	161	64,590,834	401,185	$17,173,538	$106,668	
		Nonresident	226	1	227	195	76,721,153	393,442	$20,887,226	$107,114	
		Year Totals	415	1	416	356	141,311,987	396,944	$38,060,764	$106,912	$39,300
1999		Resident	191	0	191	165	132,746,677	804,525	$25,130,026	$152,303	
		Nonresident	224	1	225	194	163,070,469	840,569	$31,272,063	$161,196	
		Year Totals	415	1	416	359	295,817,146	824,003	$56,402,089	$157,109	$40,400
1998		Resident	189	0	189	163	97,935,311	600,830	$19,213,605	$117,875	
		Nonresident	226	1	227	214	123,567,242	577,417	$26,296,141	$122,879	
		Year Totals	415	1	416	377	221,502,553	587,540	$45,509,746	$120,716	$49,500
1997		Resident	188	0	188	160	78,644,528	491,528	$18,773,766	$117,336	
		Nonresident	227	1	228	191	78,917,546	413,181	$22,040,231	$115,394	
		Year Totals	415	1	416	351	157,562,074	448,895	$40,813,997	$116,279	$50,000
1996		Resident	183	0	183	154	115,404,055	749,377	$16,994,911	$110,357	
		Nonresident	233	1	234	203	163,201,719	803,949	$25,818,543	$127,185	
		Year Totals	416	1	417	357	278,605,774	780,408	$42,813,455	$119,926	$61,200
1995		Resident	182	0	182	169	79,102,923	468,065	$22,438,129	$132,770	
		Nonresident	235	1	236	204	118,879,852	582,744	$33,368,683	$163,572	
		Year Totals	417	1	418	373	197,982,775	530,785	$55,806,812	$149,616	$75,900
1994		Resident	180	0	180	168	94,774,661	564,135	$25,321,902	$150,726	
		Nonresident	237	1	238	222	122,538,557	551,975	$35,842,665	$161,453	

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Commercial Fisheries Entry Commission
Basic Information Table
S 01A SALMON, PURSE SEINE, SOUTHEAST

Year		Residency	Permanent Permits Renewed	Interim Permits Issued	Total Permits Issued/ Renewed	Total Permits Fished	Total Pounds	Average Pounds	Total Gross Earnings	Average Gross Earnings	Average Permit Price
		Year Totals	417	1	418	390	217,313,218	557,213	$61,164,567	$156,832	$73,600
1993		Resident	178	0	178	167	85,239,895	510,419	$21,806,922	$130,580	
		Nonresident	239	2	241	215	118,444,777	550,906	$31,087,396	$144,593	
		Year Totals	417	2	419	382	203,684,672	533,206	$52,894,318	$138,467	$79,600
1992		Resident	181	1	182	158	59,626,323	377,382	$21,785,271	$137,881	
		Nonresident	236	2	238	196	74,440,329	379,798	$29,269,611	$149,335	
		Year Totals	417	3	420	354	134,066,652	378,719	$51,054,882	$144,223	$65,000
1991		Resident	181	1	182	169	78,326,334	463,469	$15,171,332	$89,771	
		Nonresident	236	2	238	214	104,975,063	490,538	$20,899,772	$97,662	
		Year Totals	417	3	420	383	183,301,397	478,594	$36,071,105	$94,180	$92,700
1990		Resident	183	1	184	164	45,178,677	275,480	$18,582,464	$113,308	
		Nonresident	234	2	236	196	61,548,061	314,021	$26,239,039	$133,873	
		Year Totals	417	3	420	360	106,726,738	296,463	$44,821,503	$124,504	$110,563
1989		Resident	182	1	183	168	83,438,346	496,657	$37,818,947	$225,113	
		Nonresident	234	3	237	197	115,360,380	585,586	$53,422,114	$271,178	
		Year Totals	416	4	420	365	198,798,726	544,654	$91,241,060	$249,976	$79,267
1988		Resident	184	1	185	173	22,379,852	129,363	$23,603,598	$136,437	
		Nonresident	232	3	235	221	26,522,341	120,011	$29,710,776	$134,438	
		Year Totals	416	4	420	394	48,902,193	124,117	$53,314,374	$135,316	$65,833
1987		Resident	182	1	183	165	18,158,827	110,053	$10,621,316	$64,372	
		Nonresident	234	3	237	216	20,925,297	96,876	$12,118,213	$56,103	
		Year Totals	416	4	420	381	39,084,124	102,583	$22,739,529	$59,684	$40,832
1986		Resident	184	1	185	158	68,638,440	434,421	$21,548,318	$136,382	
		Nonresident	232	3	235	210	102,408,682	487,660	$32,345,497	$154,026	
		Year Totals	416	4	420	368	171,047,122	464,802	$53,893,815	$146,451	$36,059
1985		Resident	184	1	185	165	80,530,322	488,063	$23,322,047	$141,346	
		Nonresident	232	3	235	203	93,375,832	459,979	$28,696,887	$141,364	
		Year Totals	416	4	420	368	173,906,154	472,571	$52,018,934	$141,356	$37,907
1984		Resident	188	2	190	168	44,554,659	265,206	$15,051,777	$89,594	
		Nonresident	229	4	233	215	59,775,376	278,025	$19,948,289	$92,783	
		Year Totals	417	6	423	383	104,330,035	272,402	$35,000,066	$91,384	$40,884
1983		Resident	187	1	188	157	49,761,844	316,954	$13,684,595	$87,163	
		Nonresident	229	4	233	181	69,210,905	382,381	$19,607,699	$108,330	
		Year Totals	416	5	421	338	118,972,749	351,990	$33,292,294	$98,498	$38,531
1982		Resident	186	2	188	159	41,063,358	258,260	$12,591,892	$79,194	
		Nonresident	228	5	233	211	46,112,250	218,541	$15,555,878	$73,725	
		Year Totals	414	7	421	370	87,175,608	235,610	$28,147,770	$76,075	$40,636
1981		Resident	194	1	195	175	38,819,364	221,825	$18,017,116	$102,955	
		Nonresident	220	3	223	189	40,267,166	213,054	$18,769,228	$99,308	
		Year Totals	414	4	418	364	79,086,530	217,271	$36,786,344	$101,061	$43,333
1980		Resident	193	1	194	163	29,593,745	181,557	$14,228,239	$87,290	
		Nonresident	221	3	224	172	32,608,378	189,584	$15,259,747	$88,719	
		Year Totals	414	4	418	335	62,202,123	185,678	$29,487,986	$88,024	$45,960
1979		Resident	189	2	191	160	23,417,245	146,358	$10,440,835	$65,255	

WWWBITP-A State of Alaska 2010-01-14
Commercial Fisheries Entry Commission
Basic Information Table
S 01A SALMON, PURSE SEINE, SOUTHEAST

Year		Residency	Permanent Permits Renewed	Interim Permits Issued	Total Permits Issued/ Renewed	Total Permits Fished	Total Pounds	Average Pounds	Total Gross Earnings	Average Gross Earnings	Average Permit Price
		Nonresident	224	3	227	159	19,126,818	120,294	$9,191,935	$57,811	
		Year Totals	413	5	418	319	42,544,063	133,367	$19,632,769	$61,545	$49,500
1978		Resident	193	2	195	170	30,840,986	181,418	$12,516,752	$73,628	
		Nonresident	220	5	225	206	37,563,079	182,345	$15,147,894	$73,533	
		Year Totals	413	7	420	376	68,404,065	181,926	$27,664,646	$73,576	$40,000
1977		Resident	196	2	198	159	34,095,906	214,440	$13,231,509	$83,217	
		Nonresident	215	1	216	166	29,755,899	179,252	$11,297,251	$68,056	
		Year Totals	411	3	414	325	63,851,805	196,467	$24,528,760	$75,473	.
1976		Resident	202	2	204	144	12,646,703	87,824	$5,463,056	$37,938	
		Nonresident	207	7	214	136	13,236,853	97,330	$5,601,198	$41,185	
		Year Totals	409	9	418	280	25,883,556	92,441	$11,064,253	$39,515	.
1975		Resident	198	34	232	159	10,281,573	64,664	$3,484,050	$21,912	
		Nonresident	200	45	245	128	7,227,447	56,464	$2,563,854	$20,030	
		Year Totals	398	79	477	287	17,509,020	61,007	$6,047,904	$21,073	.

Notes:

A "*" following the year field indicates data are preliminary.
Selected data fields are represented by "." when fewer than four people participated in a fishery.
Selected data fields are represented by "0" when no activity has occurred in a fishery (i.e.,closure).
Gross earnings are estimated using an average annual ex-vessel price per area, species, and gear type.
These data are aggregated by type of permit fished, and thus contain both targeted and incidentally landed species.
Data includes only commercial catch landed on valid permits.
Data associated with test fishing, illegal landings, derbies, educational permits, or unmatchable permits are excluded.

Average Permit Price Notes:
--- indicates that there were no monetary transfers for this fishery.
... indicates confidential information because fewer than four surveys exist.

Petersburg Vessel Owners Association

PO Box 232
Petersburg, AK 99833
Phone & Fax: 907.772.9323
pvoa@gci.net • www.pvoaonline.org

March 10, 2010

The Honorable Lesil McGuire & Bill Wielechowski
Co-Chairs, Senate Resources Committee
Alaska State Capitol
Juneau, AK 99801-1182
Via email: Senator_Lesil_McGuire@legis.state.ak.us
Senator_Bill_Wielechowski@legis.state.ak.us

RE: SUPPORT SB 255, FINALIZE SOUTHEAST ALASKA SEINE BUYBACK

Dear Senators McGuire and Wielechowski,

The Petersburg Vessel Owners Association (PVOA) is a diverse group of 100 commercial fishermen and businesses operating primarily in Southeast Alaska. Our members provide millions of meals to the public annually by participating in a variety of fisheries statewide. Most PVOA members are salmon harvesters, and are also active sport, personal use, and subsistence fishermen who depend on sustainable and conservative management of Alaska's fishing resources to ensure healthy fisheries for the future.

PVOA supports the work of Southeast Alaska Seiners (SEAS) and both HB 365 and SB 255 which will provide the necessary vehicle to specify the route and parameters of the National Marine Fisheries Service (NMFS) loan that fishermen will repay with a 3% assessment. Passage of HB 365 will allow a vote to support that commitment to the assessment as well as support of the program.

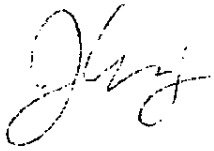
Petersburg is one of the top ports in Alaska and the Nation for both pounds landed (#6 in Alaska, #26 in the Nation) and dollar value of landings (#7 in Alaska, #26 in the Nation) due in large part to salmon landings. The Southeast Alaska Seine fleet is a vital component of Petersburg's socio-economic well being.

In 2009, there were approximately 70 southeast seine permits actively fished out of Petersburg (Petersburg listed as the mailing address). Each permit and vessel employs four crewmembers who contribute to the local economy and rely on income provided by salmon fishing. Fishing vessels, support businesses, and fishing families are sustained by salmon revenues that are essential to coastal economics. While Petersburg is the most

active commercial fishing port in Southeast Alaska, not one of active permits will be extinguished in a mandatory manner as a result of SB 255.

Thank you for your time and attention to this important matter. If we can provide further information or answer any questions as you finalize the Southeast Alaska seine buyback, please feel free to contact us.

Sincerely,



Julianne Curry
Director

UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

March 4, 2010

Senator Lesil McGuire, Co-Chair
Senator Bill Wielechowski, Co-Chair
Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: Support for SB255

Dear Senators,

The United Fishermen of Alaska (UFA) supports passage of SB255/HB365.

The bill, while extremely timely and important to certain of our members, is nothing but a "housekeeping" bill that is needed as the last piece of work to finish off the SE fleet consolidation program for SEAS but will also set up a precedence and framework for any similar effort in the state of Alaska conducted at a later date. This legislation allows NMFS to confirm fish ticket/processor data to confirm that the assessment collected to pay back the federal government for the loan is correctly determined and allow for enforcement of those that don't pay the assessment. NMFS only has access to data for a specific fishery that has a federal loan program and not access to all salmon harvest data.

When UFA embraced the Legislative Salmon Task Force in 2001, we recognized that different regions require different solutions. Some groups wanted status quo. Other groups wanted market-oriented solutions. Others wanted to restructure their fishery, or basically re-limit limited entry. We want to acknowledge that many, probably most, of our state waters groups do not support a fleet consolidation program for their own region.

But when the Legislature embarked upon the Legislative Salmon Task Force, this was one of the major solutions that came out for each region to choose from. HB286, authored in 2002 by Drew Scalzi, was one of the resulting pieces of legislation. One of our groups, the Southeast Alaska Seiners Association (SEAS) chose to follow up on this and has already "permanently retired" around 20% of their consolidation target in 2008 with $3 million in NMFS grants that were authorized by the Alaska State Legislature.

Another piece of the pie here is HB484, passed in 2006 by the Alaska State Legislature that mandates a solution in the event of an "optimum number determination" in a court of law that causes retired permits to become reissued. HB484 allows that the Legislature "may" send the resulting funds back to the fleet consolidators, hence relieving fishermen of the uncertainty resulting from the "optimum number" issue.

In the case of SE seine fishery, the active fleet size has not exceeded the buydown goal of the buyback program since 2002. So this fleet consolidation is very unlikely to cost a single job or boat. The 3% assessment that these guys are paying is just an insurance policy for the fishermen (and processors) that there won't be a new "group" or company that will bring in some of the currently unused and dormant 140 permits. In fact there will be at least several dozen permits remaining on poor years and likely a dozen or so remaining even on good years.

UFA supports swift passage of this legislation, which is the wrap-up of the Legislative task force bill HB286 from 2002. It is now 2010 and it seems fitting that the Alaska State Legislature would be willing and able to support a "housekeeping" bill that brings to fruition a bill (nearly unanimous in passage in both the House and Senate) that was brought forth as a result of the Alaska State Legislative Task Force.

Thank you for your consideration of this legislation for one of our group members.

Sincerely

Mark Vinsel
Executive Director

Cc:
Senator Donald Olson
Senator Dennis Egan

March 17, 2010

The Honorable Lesil McGuire & Bill Wielechowski
Co-Chairs, Senate Resources Committee
Alaska State Capitol
Juneau, AK 99801-1182

RE: SUPPORT SB 255, FINALIZE SOUTHEAST ALASKA SEINE BUYBACK

Dear Representatives McGuire and Wielechowski,

I am writing on behalf of Cordova District Fishermen United (CDFU), a member organization representing over 300 commercial fishermen in Prince William Sound, including 60 seine fishermen, to request your support of SB255.

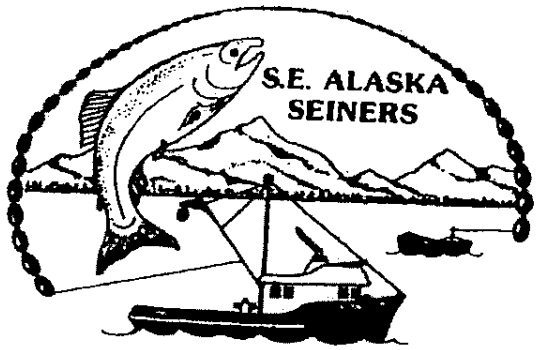
CDFU is in alliance with the Southeast Alaska Seiners (SEAS) on this bill, and believes the passage of both HB 365 and SB 255 will provide a relatively simple solution in specifying the route and parameters of the National Marine Fisheries Service (NMFS) loan that fishermen will repay with a 3% assessment.

While not directly related to present seine activity in Prince William Sound, the adoption of SB255 will provide a solid framework for any group within the State looking into practical solutions to stabilize their fishery.

We trust that you will see the merits in supporting this bill.

Sincerely,

Rochelle van den Broek
Executive Director



2 March 2010

The Honorable Lesil McGuire and Bill Wielechowski
Co-Chairs, Senate Resources Committee
Butrovich 205
Alaska State Capitol
Juneau, AK 99801-1182

Dear Senators McGuire and Wielechowski:

The Southeast Alaska Seiners Association (SEAS) fully supports SB 255 and would appreciate the opportunity to express such support before your Committee.

SEAS is a trade association of 127 member skippers (of 5 crew), who purse seine for salmon in Southeast Alaska, predominantly with 58 foot vessels. SEAS also has nearly 60 business members who support the fleet, consisting primarily of processors, fuel docks, grocery stores and marine suppliers, contractors, electronic suppliers, mechanics, shipyards and outfitters.

SB 255 Background

SEAS worked with the Congressional delegation to secure a $3 million grant that was spent in 2008, after being authorized to do so by the Alaska State Legislature, to retire 35 permits, or approximately 22% of our target permit reduction. The first part of our fleet consolidation was done under the supervision of the Commercial Fisheries Entry Commission (CFEC), the program was run by Elgee, Rehfeld, CPAs and we advertised throughout Southeast Alaska for a reverse auction. **These are the first ever Alaska state limited entry salmon permits retired under such a program.**

After the further repurchase of around 120-125 permits we expect to get to the 255-260 range of permits remaining available to fish. This time the fishermen are paying and the financing source is a National Marine Fisheries Service (NMFS) loan that fishermen will repay with a 3% assessment. A couple weeks into the 2010 legislative session the main NMFS Financial Services Division personnel came to Juneau to meet with the CFEC leadership as well as the state of Alaska in

☼ PO Box 23081, Juneau, AK 99802 ☼ 907-463-5030 ☼ Fax: 907-463-5083 ☼

order to prepare a bill that would work as the basic "closing document" on our loan.

SB 255 is exactly phrased and intently written with at least a dozen basic drafts prior to introduction. There is no fiscal note and should there be any concern to processors about extra paperwork, the processor can apply for compensation from the assessment. We do not believe at this time that the financial burden of adding a box to the fish ticket will cause any undue financial concern as this is already done in many Boroughs (such as Bristol Bay) and by enhancement taxation as well in the same section of the fish ticket.

This bill is the vehicle that specifies the route and parameters of this assessment and is necessary because this is not only Alaska's first, but it is likely that this is the first state water's fishery that has ever received a NMFS restructuring loan for fleet consolidation. According to NMFS, this bill cannot be changed in any fashion whatsoever - or our $20 million loan for Alaskan fishermen will fail.

When Southeast Alaska was rolled into the state's limited entry program in 1974, there was a **larger than average number of non-resident licenses due to the close proximity to Puget Sound and the Boldt Decision**, while not made until that very year, as well as the first shot at limited entry in 1969, made for a larger fleet than existed in the decade(s) prior to limited entry.

One other compelling reason seiners have sought out fleet consolidation is due to the amount of historical and traditional fishing area currently not available to access by the seine fleet. The Icy Strait corridor of about 100 miles of fishing shoreline was closed nearly simultaneously to the initiation of limited entry. Then in 1985, the 75 mile shoreline of Noyes Island and Dall Island outside of Prince of Wales Island was closed for most of the July fishery and has remained mostly closed by Treaty since then during the month of July. The fleet was bottled up in long line-ups *(boats idling their engines while waiting for hours for the opportunity to set the net and catch fish)* for much of the season save for the peak of some of our better runs. Certainly fuel savings and energy implications were there, but this was not our impetus.

Consequent to the major price crash in 1991 (12 cents per pound for pinks) after the introduction of Russian pink salmon into the Western world, another major price crash in 1996 (7-8 cents) and then again in 2002 (7-8 cents), SEAS decided to get rolling on a major fleet consolidation program. By 2003 and 2004 the fleet had been cut to around 225 boats from 360-375 during the prior decade. Most of these boats and crews no longer fishing were non-residents. **The fleet is a stable 225 average now with as little as 205 permits operated on poorer seasons while 240 is our high in recent years.**

With over 80% of the permits bought back in the first round having been owned by non-residents, the fleet has become even more 'Alaskan'. This trend is expected to continue in the next round, thereby resulting in strong and financially viable fishing families within Alaska.

SB 255 is an important bill because it is the final hurdle to clear in order to facilitate the NMFS Federal loan program so that it will work with Alaskan limited entry fisheries. While it is not a big bill, it is a huge bill for our members and is a necessary step towards stabilizing, modernizing, and maintaining our fishery here in Southeast Alaska.

Sincerely

Dan Castle
SEAS President

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Southeast Alaska Fishermen's Alliance
9369 North Douglas Highway
Juneau, AK 99801
Phone 907-586-6652
Fax 907-523-1168 Website: http://www.seafa.org E-mail: seafa@gci.net

March 8, 2010

Senate Resources
Senator Lesil McGuire, Chair
Alaska State Legislature; State Capitol, Room 205
Juneau, AK 99801

Senator McGuire, Chair and Committee Members

RE: Support SB 255

Southeast Alaska Fishermen's Alliance (SEAFA) supports HB 365/SB 255. This is legislation that <u>simply</u> allows NMFS to confirm that all the assessment collected from the fishermen by the Processors for a buyback program using federal loan programs has been collected and paid to the federal government and allows for enforcement against those who have not paid.

This legislation would not allow NMFS to collect information for programs that don't have a federal buy-back assessment. This legislation would allow this tool to be used in the future if another buyback with federal funds occurs. The other thing we would point out is that any buyback program has been created occurred by a vote of the fleet.

We support the legislation as a housekeeping measure to correct an oversight to the legislation previously passed to set up associations to conduct buy-back programs.

Southeast Alaska Fishermen's Alliance is a multi-gear/multi-species non-profit membership organization representing our members involved in the salmon, crab, shrimp and longline fisheries of Southeast Alaska. We represent salmon gillnet, seine and troll fishermen.

Sincerely,

Kathy Hansen, Executive Director

SB 257

<target><bill>SB 257</bill><subject>SB 257</subject><comm>SFIN26</comm></target>

Senator Dennis Egan

Senate Bill 257

Youth Court Funding

Youth Courts are one of Alaska's most effective crime prevention programs. For more than 20 years, youth courts have boasted a ten percent reoffense rate – dramatically lower than the traditional juvenile justice system. Youth courts save our state money, and deliver on the constitution's promise of a trial by one's peers. SB 257 provides a stable source of state investment.

Alaska has one of the strongest Youth Court statutes in the United States. It allows nonprofit and municipal youth courts to handle cases in which youths are accused of misdemeanors, violations, and alcohol crimes. A minor accused of breaking the law is tried, represented, and adjudicated by the minor's peers, with assistance and oversight from volunteer attorneys.

A comprehensive mix of state support, municipal grants, private sector funds, volunteers and federal money keep Alaska's youth courts functioning. SB 257 designates a source for state dollars to go to youth courts: criminal fines. Today, criminal fines are spent on the general administration of state government. SB 257 would require government to account separately for these fines, and allow the legislature to appropriate up to 25 percent of the funds to support youth courts.

Alaska's 12 youth courts operate in communities from Ketchikan to Nome. Alaska's youth courts are tailored to their local communities. Some only sentence youths who have admitted guilt. Others take cases from shortly after arrest through jury trials. But all Alaska Youth Courts relieve a tremendous burden from the traditional juvenile justice system. By providing significant attention to even the smallest infractions, young offenders are held accountable in a meaningful way. By diverting minor offenses, youth courts free highly trained youth corrections staff at the Department of Health & Social Services to focus valuable time and energy on turning around the hard cases.

Youth courts provide a valuable service to Alaskan and are a wise investment. Using criminal fines to pay for crime prevention makes sense.

ALASKA SENATE
STATE CAPITOL • JUNEAU, ALASKA 99801-1182 • (907) 465-4947 • FAX (907) 465-2108

SENATE FINANCE COMMITTEE REPORT

DATE: 2/26/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 257

SB 257 YOUTH COURTS AND CRIMINAL FINES

"An Act relating to funding for youth courts; and relating to accounting for criminal fines."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CRT	2/15/10			√	1
HSS	2/16/10			√	2
LAW	2/12/10			√	3

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
		√			
		√			
	Olson			√	
CO-CHAIR:	Hoffman			—	
CO-CHAIR:	Stedman	√			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 257
(S) Publish Date: 2/26/10

Identifier (file name):
Title: Youth Court Funding
Sponsor: Senator Egan
Requester:

Dept. Affected:
RDU: Alaska Court System
Component: Trial Courts
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
The court system does not anticipate any fiscal impact from the passage of SB 257.

Prepared by: Doug Wooliver, Administrative Attorney — Phone 907-463-4750
Division: Alaska Court System — Date/Time 02-12-10 @ 8:30 am
Approved by: Doug Wooliver for Christine Johnson, Administrative Director — Date 2/15/2010
Alaska Court System

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 257
(S) Publish Date: 2/26/10

Identifier (file name): SB257-DHSS-YC-2-16-10
Dept. Affected: Health & Social Services

Title: Youth Courts and Criminal Fines
RDU: Juvenile Justice
Component: Youth Courts

Sponsor: Egan

Requester: S Judiciary
Component Number: 2768

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 257 allows the legislature to appropriate 25 percent of the fines imposed under AS 12.55.035, collected and separately accounted for by the state under AS 37.05.142, to the Department of Health and Social Services for distribution to youth courts established under AS 47.12.400. The bill would provide an alternate source of funding for youth courts, which have been supported since FY2006 with a Congressional appropriation that will be exhausted by early FY2011. Youth courts are typically operated as nonprofit organizations or within municipalities. The Division of Juvenile Justice relies upon these courts as a community-based diversion response for low-risk juvenile offenders. In FY09, 13% of all delinquency referrals made to the division were referred to youth courts and other community-based diversion panels.

The division is submitting a zero fiscal note because no new authorization is necessarily invoked by passage of this bill.
(Continued on Page 2)

Prepared by: Stephen F. McComb
Phone (907) 261-4335
Division: Juvenile Justice
Date/Time 2/11/10 12:40 PM

Approved by: Alison Elgee, Assistant Commissioner
Date 2/16/2010
DHSS Finance & Management Services

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 257

ANALYSIS CONTINUATION

Should the Legislature decide to appropriate the full balance authorized through this legislation, an additional appropriation will be necessary.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: **SB 257**
(S) Publish Date: 2/26/10

Identifier (file name): SB257-LAW-CIV-02-12-10
Dept. Affected: Law

An Act relating to funding for youth courts; and relating to accounting for criminal fines.
RDU: Civil
Component: Collections and Support

Sponsor: Senator(s) Egan, Menard
Requester: Senate Judiciary
Component Number: 2210

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

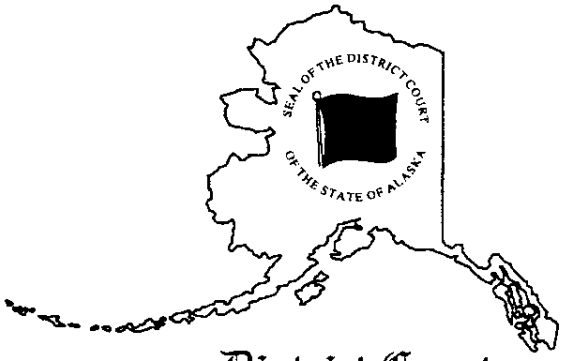
This bill proposes amendments to statutes to separately account for fines imposed and collected. The bill gives the legislature the authority to appropriate up to 25% of those fines to fund youth courts. The Department of Law does not anticipate any fiscal impact from passage of this legislation.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 2/12/10 8:30 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 2/12/2010

(Revised 11/6/2009 OMB)

My name is Courtney Enright and I have been a member of Ketchikan Youth Court for the past seven years, further I've been involved with the Alaska Juvenile Justice Advisory Committee as a youth member, the past two years. I have found the youth court programs to be a positive experience for me, personally, but also for the other youth involved. Youth court programs provide an amazing opportunit for youth to learn about our judicial system, be in a position of responsibility. It has greatly impacted my personal and professional growth in a positive manner. It has meant a great deal to me to be able to be a part of changing the path of many of my peers. The numbers speak clearly - only 10.6% of youth court defendants reoffend as opposed to 23% that reoffend at district court. The results are clear - peer involvement is an effective deterrant to recidavism. Youth court programs benefit th individual communities in which they reside as well as the state as an entirety, through reducing crime rates, saving the courts and the State of Alaska over $10,000 per client that utalizes our program, and providing thousands of hours of community service.

SB257



District Court

State of Alaska

FIRST JUDICIAL DISTRICT

KEITH B. LEVY
Judge

P.O. BOX 114100
JUNEAU, ALASKA 99811-4100

(907) 463-4730
FAX (907) 463-3788

Juneau Youth Court/JDHS
10014 Crazy Horse Drive
Juneau, AK 99801
Attn: Beth Leban-Coordinator

Tuesday, January 26, 2010

Dear Beth:

I am writing to express my appreciation for the work done by the Juneau Youth Court. The Youth Court is an integral sentencing option for students under the age of 18 who are charged with consuming or possessing alcohol for the first time.

As you know, students who choose the Youth Court option are given the opportunity to have their District Court case dismissed if they successfully complete the Youth Court requirements. For some, this brief involvement in the criminal justice system is a turning point. Those who choose Youth Court and succeed are far less likely to return to District Court on other criminal charges. The students benefit because they end up with no conviction on their record. And the community benefits because the Youth Court graduates are contributing to the community rather than causing harm to themselves and others.

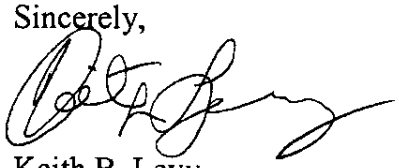
The Youth Court is the only diversion program available in District Court to enable individuals to have their cases dismissed without resulting in a criminal record. The trust the program has earned from both the District Court and the prosecution is a testament to the value and integrity of the program.

I appreciate that you or another representative of the Youth Court always attends the arraignment hearings for minor consuming. The information you provide to the students about Youth Court is invaluable and helps them understand their options in the justice system.

Finally, the Youth Court program provides an opportunity for students to be judged by their peers. I believe this is valuable because the students in the program have far more information about the defendants than is provided to me in formal sentencing proceedings. The Youth Court is able to impose consequences that are more meaningful than the limited options I have when sentencing.

Thanks again for the important service the Youth Court provides to the community.

Sincerely,



Keith B. Levy

KODIAK
CHAMBER
OF COMMERCE

100 E. Marine Way, Suite 300, Kodiak Alaska 99615 • (907) 486-5557 • FAX: (907) 486-7605
www.kodiak.org • Email: chamber@kodiak.org

February 11, 2010

Senator Dennis Egan
State Capitol, Room 510
Juneau, AK 99801-1182

Dear Senator Egan,

The Kodiak Chamber of Commerce fully supports SB 257 "An Act relating to funding for youth courts; and relating to accounting for criminal fines"

The United Youth Courts of Alaska provide an extremely important function in the communities they serve. Their handling of approximately 900 cases per year reduces recidivism and crime rates in our State. In addition, savings to the State of Alaska is estimated at $10,145 per defendant. Youth courts in Alaska generate over $100,000 worth of Community Work Service product annually, at no cost to the communities or the State.

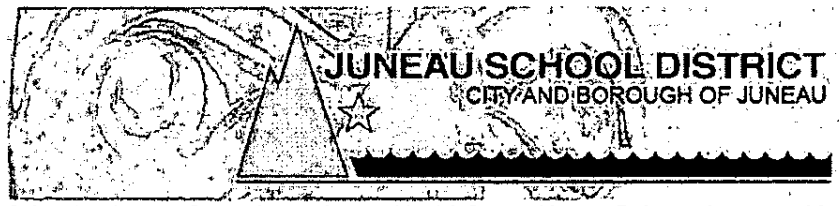
The juvenile population of our State is expected to increase by 27% by 2015. With this dramatic increase in the juvenile population, juvenile crimes will likely also increase, and thus the sustainability of youth courts is even more critical.

Thank you for the support of Senate Bill 257.

Sincerely,

Debora King
Executive Director

Dedicated to Kodiak's Economic Future



Office of the Assistant Superintendent • 10014 Crazy Horse Drive • Juneau, Alaska 99801 • (907) 523-1704

To whom it may concern:

I am writing in support of legislation that would provide sustainable funding for youth court programs in Juneau and other communities in Alaska. For over a decade Juneau Youth Court has provided a vital and important service to the City and Borough of Juneau.

Juneau Youth Court is a diversion program that removes young people who are first time offenders from the traditional juvenile justice system and handles the case in a court of peers. The program works with families to ensure that teens are held accountable for their actions and that consequences are constructive and tailored to the individual youth thereby benefiting both the young person and the community at large. Last year Juneau Youth Court ordered over 600 hours of community work service that were completed at Zach Gordon Youth Center, the American Red Cross, Meals on Wheels, the Glory Hole, the Salvation Army, and at schools throughout Juneau School District.

On average Juneau Youth Court serves 50 youth each year handling referrals from both District Court and Juvenile Justice Probation Officers. This frees up the court and probation officers to handle more serious offenders and helps to reduce their large caseloads. Youth Courts have the additional advantage of educating the youth who volunteer for the program. Youth Court advocates reap the benefits of learning about the legal system, performing meaningful community service, and gaining the opportunity to help their peers.

Juneau Youth Court operates on a very small budget of $35,000 per year with one part time paid staff person, two dozen volunteer student advocates, a community advisory board including representatives from the Police Department, the Division of Juvenile Justice, the legal community, and community partners. The program offers an important service to the community at a very low cost.

Juneau Youth Court is just one example of a successful diversion program known as youth court. Around the state Youth Courts are doing important work for Alaska by addressing juvenile crime in its earliest stage. I strongly urge you to support legislation that would provide sustainable funding to support these community-based programs.

Sincerely,

Laury Scandling

KETCHIKAN DISTRICT COURT

TO: WHOM IT MAY CONCERN

FROM: KEVIN G. MILLER, JUDGE

SUBJECT: KETCHIKAN YOUTH COURT

DATE: 2/11/2010

CC:

Thank you for the opportunity to provide a letter supporting the Ketchikan Youth Court's efforts in Ketchikan.

I am a District Court Judge and have referred many cases to the Youth Court since its inception. The majority of the cases referred relate to minors consuming alcohol or tobacco.

Alcohol related crime and crimes committed by persons that are alcohol dependant make up the majority of criminal cases that come before the District Court in Ketchikan. Thus a coordinated approach between the Court System, treatment monitors and providers is the only practical response to assure public safety, rehabilitation and meaningful consequences for offenders.

The Ketchikan Youth Court is a vital tool in a coordinated approach to youth offenders. I am impressed with the dedication of the Youth Court members as well as the results. Youth that complete the Youth Court Program are much less likely to reoffend than those youth offenders that do not enter or complete the program.

Thank you again for the opportunity to provide this support letter, if you need any further information, please let me know.

Mary P. Treiber
MAGISTRATE

Alaska Court System

415 Main Street
Ketchikan, AK 99901
(907) 225-3195; FAX (907) 225-7849

February 5, 2010

Margaret McCloy
Executive Director
Ketchikan Youth Court
2417 Tongass Avenue, Suite 215
Ketchikan, AK 99901

Dear Ms. McCloy:

As the Magistrate for the Ketchikan Trial Courts, I am the judicial officer who most frequently deals with school age teenagers charged by the State of Alaska and the City of Ketchikan with violations of laws or ordinances prohibiting possession or consumption of alcohol by minors, establishing curfews, and prohibiting possession or use of tobacco products by minors. The existence of and the programs offered by the Ketchikan Youth Court provide me with a meaningful sentencing alternative in dealing with these cases.

The KYC process teaches teens referred by the court to KYC about the court process itself, and provides a group of same-age and same-interests teens for these youthful defendants to work with. The resolution of cases through KYC requires engagement of both the defendant and that teen's parents, ultimately strengthening the family abilities to deal with problems a defendant is having as expressed through these quasi-criminal charges. The Court System sees fewer recidivists among those teens who are referred to and who successfully complete the KYC program.

KYC has added the Prime for Life alcohol information classes, and has agreed to make the class available to teens other than those actively participating in the full KYC program. This is a good program, and adds significantly to the resources available within Ketchikan.

I fully support Ketchikan Youth Court.

Sincerely,

Mary P. Treiber
Magistrate

City of Kodiak
KODIAK POLICE DEPARTMENT
Office of the Chief of Police

February 12, 2010

Senator Dennis Egan
Finance Committee
State Capitol, Room 150
Juneau, AK 99801-1182

Re: Youth Court Program

Dear Senator Egan:

Our department supports legislative funding by money obtained from court fees to support the twelve Youth Court programs in the state of Alaska. These programs offer an option for youth who have had their first experience breaking the law – by having their cases removed from the traditional juvenile justice system by referral from juvenile probation officers and district court judges and diverted to a court of their peers.

The mission of the youth court programs in Alaska is to work in partnership with Alaskan communities and the formal juvenile justice system to develop and sustain innovative youth courts programs. Services offered by the programs in which youth are sentenced by their peers for minor delinquent status offenses and other problem behaviors frees state employees in the court system and the Juvenile Justice division.

The funding of the Youth Court program will serve the needs of Alaska citizens, state agencies, and law enforcement. Thank you for your consideration of this important matter.

Sincerely,

Charles "TC" Kamai
Chief of Police

STATE OF ALASKA
DEPARTMENT OF HEALTH AND SOCIAL SERVICES
DIVISION OF JUVENILE JUSTICE

SEAN PARNELL, Governor
Kodiak District Probation
204 Mission Road, Room 131
Kodiak, Alaska 99615
(907) 486-4788

February 16, 2010

Kodiak Teen Court
Darlene Turner, Program Manager
610 Mill Bay Road
Kodiak, AK 99615

Letter in support of the Kodiak Teen Court,

I am writing to express my strong support for the Kodiak Teen Court and its ongoing efforts to enhance the court's sustainability.

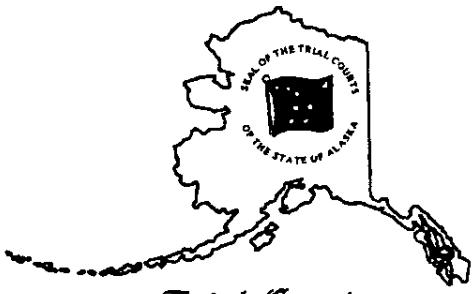
As we all know, Juveniles are highly influenced by their peers. The Kodiak Teen Court takes advantage of this by having juveniles stand in judgment by their peers. Kodiak students make up the membership of the court and act as both attorneys and judges. In doing so, they learn valuable lessons about the legal process while have an opportunity to help their community. In addition, low-level, first-time offenders are given opportunity to have their case diverted from the juvenile justice system. This is a win-win situation.

Over the years, my office has referred a number of cases to the Kodiak Teen Court. The feedback I have received from the juveniles and their parents has been very positive. Few of these juveniles ever return to the system. This has allowed me to focus my attention on those juveniles who pose a more serious risk to the community.

I look forward to continuing the relationship between my office and the Kodiak Teen Court and strongly support your efforts to ensure its long-term sustainability.

Respectfully,

Paul Caldentey
Juvenile Probation Officer II



Trial Courts
State of Alaska

Box 869
Wrangell, Alaska, 99929

To Whom It May Concern: Date: January 8, 2010

Re: Wrangell Youth Court

The purpose of this letter is to express the continued support of the Wrangell Trial Courts for the Wrangell Youth Court program.

Since its inception ten years ago, the Wrangell Youth Court has been widely accepted and respected in the local community. Having youthful offenders appear before a group of their peers has had a very positive effect in this community. Most individuals appearing before the Youth Court successfully complete their requirements and never return to the court.

The youth court provides the added bonus of "hands on" knowledge of the justice system and public service opportunities for its members. They graduate with solid ethical standards and a commitment to public service and the administration of justice.

Although the success of a program is frequently measured by the number of cases or clients handled, that is not really an adequate standard in looking at a youth court program, particularly in a small town. If this court never heard another case, it would be a successful program based on the dedication and commitment of its members.

Thank you for your continued support of the Wrangell Youth Court program. We are looking forward to continuing to work with this program for the next ten years.

Chris Ellis
Magistrate

If funding is an issue, I would urge you to consider a Bill that would add significant surcharges for Minor Consuming Alcohol (MCA) cases. The current slap on the wrist for a first MCA is so negligible that many minors view getting an MCA as a badge of honor and not something negative. The fines come from their PFD's and have little, if any, importance. Perhaps the surcharge, due much sooner, will make a bigger impact – at the very least it will generate income that will allow youth courts to continue operating.

I thank you for your consideration into this matter.

Sincerely,

Patty C. Burley
Magistrate

Patty Burley
PO Box 2715
Bethel AK 99559-2715
(907) 543-3098

January 6, 2010

Dear Representative Cathy Munoz:

I am writing to you to request your support in ensuring that Youth Courts remain a part of Alaska's legal system. They are invaluable and give so much more than initially may be seen.

Here in Bethel we have a very small youth court still struggling to get squarely off the ground. We have graduated only a handful of youth but I can tell you first-hand the impact such a small project has had on the youth in this area.

While to date we have only graduated a few students, each of those has at one point or another been enrolled at the Bethel Alternative Boarding School (BABS). Each of those youngsters has a unique learning style that makes it difficult for them to fit in or do well in mainstream schools. One of the youngsters was actually a drop-out. Despite those hurdles these teenagers came week after week to the 2 hour-long classes. They studied hard and took both a written final exam and an oral exam. These teenagers who fight so hard just to finish or stay in school actually excelled. They worked incredibly hard and it showed. Each of those teens gained confidence and a sense of accomplishment. A few were on the road to trouble with the law. They were bored, felt they had nothing to offer, and nowhere to go. Youth court changed that for them. It gave them a sense of purpose, a moral compass and a sense of belonging. These individuals will go further than they would have if youth court had not become a part of their lives.

Today I note that there appears to be a strong correlation between underage drinking and crime(s). There is also a strong correlation between underage drinking and trouble at school. Right now we do the best we can for these students via the Community Diversion Panel (CDP). While that is an amazing program that has provided a considerable amount to the community, it is only catching the tip of the iceberg. For many kids, by the time they come to the CDP their problems with alcohol have spiraled out of control. For others, alcohol comes much later in the process – they instead start with truancy and behavior problems at the school. These are the early cries for help. An active youth court would be able to intercede early enough to stem the upcoming tide. It would give minors an opportunity to start anew with the help and support of those whose input they seek the most: their peers.

There are some wonderful youth courts in other areas of Alaska which are at jeopardy as well: Anchorage, Kenai, and Fairbanks just to name a few. These programs have been around a while longer than Bethel's and have made even bigger impacts on the lives of minors. They have also reached out to lend support to those smaller youth courts still working to get established and on more solid ground. These programs are too valuable to lose.

February 9, 2010

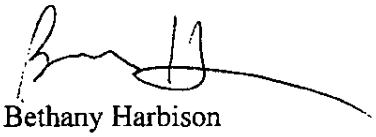
Wendy Leach
North Star Youth Court
800 Cushman St., Suite 101
Fairbanks, AK 99701

Dear Wendy,

I am writing to compliment you and the rest of the North Star Youth Court on the great job you are doing with Minor Consuming and Minor Operating After Consuming cases that are referred to the Youth Court by our court. It is important for our society to have a variety of options for the administration of criminal justice in order to promote rehabilitation and public safety, and to decrease recidivism. Youth courts are one such option. As you know, our referrals to your court are good for both the offender and for the public. I have seen that the confidentiality of your program is a real benefit to young offenders. Similarly, the public benefits in many ways, including through a reduced financial cost to the court system and law enforcement, through the Youth Court's focus on service to our community, and through the high rate of successful rehabilitation for offenders who complete the youth court program. It is my experience that offenders who are referred to your court are unlikely to return to ours.

Thank you very much for the work done by the young people and the adults of the North Star Youth Court. I would be happy to continue to work with the Youth Court to provide training for your judges, so please let me know when there is a Youth Court Judge who would like to shadow a Magistrate in the Fairbanks District Court or when you would like me to speak at a Youth Court Judge's training session.

Cordially,



Bethany Harbison
Magistrate

February 5, 2010

To Whom It May Concern:

I am writing to emphasize the importance of the Mat-Su Youth Court to the welfare of the Mat-Su community and to express my support for that organization.

In my almost 20 years on the bench, mostly as a magistrate and superior court master, recently as a district court judge, I have presided over literally thousands of cases involving teenagers. As the Mat-Su Valley population grew, the ability of the juvenile probation office (JPO) to handle all the cases involving teenagers was greatly diminished. Rightfully so, the JPO has to concentrate on the more serious crimes, such as burglaries and felony level assaults, that were committed by teenagers. As a result, many teens who committed lower level crimes, particularly shoplifting, either merely got a warning letter or their crimes were ignored all together.

Participation in lower level crimes leads to a disrespect of the law, of other people's rights in their person and their property, costs local storekeepers significant amounts of money, and often leads to greater criminal behavior if left undressed. Into this gap stepped the Mat-Su Youth Court. Many crimes that would not have been addressed because of the caseload of JPO are being handled by the Youth Court. The imposition of sanctions including restitution, community work service and letters accepting responsibility and apologizing for committing the crime all serve both the victim and the community as well as the defendant, who is more likely to grow to be a responsible citizen from the experience.

Over the years the Mat-Su Youth Court has added a program for first time offenders under the age of 18 convicted of Minor Consuming Alcohol. Not only is the program educational, but being run by a peer group, it sets the example that being clean and sober is an acceptable lifestyle that is respected by one's peers. Given that not only locally but nationally roughly 80% of adult crimes are somehow related to alcohol abuse, getting the message to an offender earlier in life may keep them from becoming part of that statistic as they grow older.

I wholeheartedly support and recommend the Mat-Su Youth Court program and urge others to do so, also.

Sincerely,

David L. Zwink
District Court Judge, Palmer, Alaska

PO Box 1841
Nome, AK 99762
February 15, 2010

To Whom It May Concern:

I am writing to express my support of the Youth Court program in Alaska. I moved to Nome, Alaska from South Royalton, Vermont to work as a clerk and deputy magistrate at the Superior and District Court and had no idea I would also be involved with the Youth Court program. When I found out that I was to serve as Youth Court Legal Advisor I was ecstatic. Youth Court excited me because, as a former social studies teacher, I saw a program that raises students' knowledge of the law, legal process and their civic rights and duties and excites a new generation of responsible, active and thoughtful citizens.

Youth Court gives students many unique opportunities and learning experiences. Just the personal responsibility required by participants makes this program invaluable. Students between the ages of twelve and eighteen literally participate in the court process representing clients and handing down legally binding sentences. In doing so they acquire many social skills and thinking strategies. Students learn empathy and professionalism when dealing with clients. They learn public speaking and writing. They learn how to separate facts from belief and emotion, how to see all sides of an issue, and how to logically and carefully present these issues. Through zealous representation of clients students grow as citizens, people and community members.

Perhaps the most important part of Youth Court is the clients themselves. Youth Court is a diversionary program targeting at risk youth, who, if thrown into the court system at such an early age, hazard becoming the repeat offenders I often see at my job. Youth Court gives these young men and women a second chance. Anybody who has worked with teenagers knows how much weight is placed on the opinion of their peers. In the Youth Court process, defendants are tried and sentenced by their peers, not a mysterious adult. This reinforces lessons learned and allows defendants to feel that they have been fairly judged.

Most importantly, Youth Court is not about punishing these young offenders. Sentences are not handed out in retribution. Instead, sentencing is designed to show the defendant the error of their ways, to intervene and work with the defendant's specific personality so they may see the connection between their actions and the effects of those actions, and finally to benefit the community. As the saying goes, an ounce of prevention is worth a pound of cure. The Youth Court program is many ounces of prevention.

The Alaska Youth Court program is one of the best and most innovative programs in the entire United States. Creating future active, intelligent, informed and free-thinking citizens cannot be measured by dollars or statistics. It would be a shame to see such a program falter for lack of funding. I fully support keeping this wonderful program alive and active.

Thank you for your time and support.

Sincerely,

Jeffrey Davis, Esq.

Darlene Turner February 15, 2010

Kodiak Teen Court
610 Mill Bay Road
Kodiak, Ak. 99615

Dear Darlene:

I am writing to you today to express my heartfelt thanks and continued support for Kodiak Teen Court. Since the program started in 1995, it has enjoyed tremendous success in our community, giving hundreds of youthful offenders over the years an opportunity to have their cases taken out of the traditional juvenile court system and instead dealt with in a more informal, less intimidating and more meaningful atmosphere, as the teen defendants are literally tried by their own peers serving as teen prosecutors, represented by their own peers as teen defense attorneys and sentenced by their own peers serving as teen judges. Besides being dealt with in a courtroom where everyone else is their same age (who they can relate to more than adult judges and attorneys), the teen defendants are given an opportunity to come out of Teen Court with a clean record if they comply with the sentence given them by the teen judges. It is no wonder, then, that the rate of re-offending in youth courts in Kodiak and in other parts of the State is significantly lower than with those teens who stay in regular juvenile court. Additional benefits to our community include an emphasis on restorative justice, making the victim feel "whole" again, and the imposition of a meaningful amount of community work service that many non-profits organizations in Kodiak find very helpful. Finally, I have been told by all the juvenile probation officers throughout the last 15 years, past and present, that they appreciate Teen Court because it allows them to divert less troublesome teens from the regular juvenile justice system into Teen Court, thus giving them more time to devote to the more serious teen offenders on their heavy caseload that *really* need their help in the formal, structured setting of the traditional juvenile court system.

The Kodiak Teen Court is an asset to our community in another, very big way. As the program celebrates its 15th year in existence this year, I have had the distinct pleasure over these years to work with hundreds of fine outstanding teens at Kodiak High and in our middle schools who have served as teen judges, prosecutors and defense attorneys. These students are given a unique perspective on how our justice system works, they are tremendous ambassadors of the program and great role models to teens who have gotten themselves into trouble and come into the program. Many of these former Teen Court judges and attorneys have kept in contact with me, and are already doing well in their chosen field, whether it's teaching in graduate school at Notre Dame, working as a detective in Portland, serving as a soldier in Iraq or attending good law schools and medical schools across the United States, many of whom intend to someday return to Alaska and work.

Again, I thank you for the wonderful program!

Sincerely yours,

STEVE COLE
Superior Court Judge, Kodiak

JUNEAU
YOUTH COURT
Restorative Justice

Juneau Douglas High School
10014 Crazy Horse Drive
Juneau, AK 99801

Phone: 523-1594
Fax: 523-1616

juneauyouthcourt@jsd.k12.ak.us

February 12, 2010

The Juneau Youth Court Community Advisory Board supports House Bill 331 and Senate Bill 257, *"an Act relating to funding for youth courts; and relating to accounting for criminal fines"*. This legislation would appropriate 25 percent of the court fines imposed under AS 12.55.035 to established and operating youth courts. Federal funding will not be available after this year and the future of the Alaska Youth courts depend upon state and local ownership.

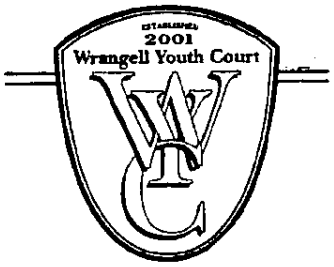
A recent study shows Alaska Youth Courts to be among the most effective in the nation. According to the Urban Institute's Evaluation of Teen Courts Project, which was based on four teen court programs studied in four different states (Alaska, Maryland, Arizona, and Missouri), the six-month recidivism figures among the programs ranged from 6 percent to 9 percent. Alaska's recidivism rate was the lowest of these four states, and compared to the recidivism rate of 18 percent for the regular juvenile justice system, shows that youth who go through youth courts are significantly less inclined to re-offend within the following year.

The primary function of youth court programs is to determine a fair and restorative sentence for young offenders. Youth courts are programs in which youth sentence their peers for minor delinquent and status offenses and other problem behaviors. According to the National Youth Court Database, in 1994 there were only 78 youth court programs in operation; as of October, 2006, there were over 1127 youth court programs in operation in 49 states and the District of Columbia.

The Alaska Youth Courts is a vital form of community justice and reweaves the fabric of community by forging a partnership between local governmental entities, the private sector, and community groups to facilitate the performance by private citizens of the functions that were once performed by the extended family, neighborhood, and school.

Sincerely,

Cindy L. Cashen
President
Juneau Youth Court Community Advisory Board



January 7, 2010

To whom it may Concern:

Wrangell Youth court is an innovative alternate traditional justice system and is empowered by the Alaska Statute 47.12.400 to make a positive difference in Alaskan communities.

Youth Court programs are rapidly advancing in goals of Restorative Justice, by developing programs that are not only cost effective but promote youth accountability by involving youth in obligations of taking an active role in their community. Youth are encouraged to connect in our community and in our State, where youth partner together, encourage and share information that enable youth with critical decisions making skills.

The purpose of the program is to decrease juvenile crime and the recidivism amongst juvenile offenders as well as to involve students in implementing restorative justice. Youth Court members learn valuable experiences in assuming the role and responsibility of a judge, prosecute or defend first-time juvenile offenders in a court of their peers.

The Wrangell Youth Court program eases the caseload of the district and superior courts, juvenile probation offices and schools district. We have found that this program is cost effective when you compare to the cost of one incarceration of a juvenile offender. Cost can be greater than $40,000 for a first time offense. If Wrangell Youth Court prevents one student from attending a youth detention facility it has paid for the entire year of the Wrangell Youth Court program.

In the year of 2000 the community of Wrangell, Alaska had a high juvenile crime rate and an even higher rate of minors consuming alcohol. In fact our community was 30% higher than another community similar in size and location. Since Wrangell Youth Court was established in 2001 the crime rate and rate of minors consuming alcohol has decreased greatly.

This program is a community base form of restorative justice that builds ties between youth, victims and other members of the community, offering youth the option to learn from their mistakes. Youth volunteers that participate, explore a variety of short and long term consequences of substance abuse, including cost to the individual and the community and its relation to other types of crime.

The Wrangell Youth Court has been nothing less than a success and has provided our youth with the opportunity to be involved and vision other career paths that they may had never seen. The training provided in the areas of legal and court procedures have offered a better opportunity to understand our Constitution and Bill of Rights and to actively give them a voice and feel valued, while at the same time engaging and bringing about social change.

Wrangell Youth Court not only mentors peers, has developed a positive relationship with the community, schools, business and other local communities.

Sincerely,

Dorthea Rooney
Wrangell Youth Court Coordinator

Hi, my name is Fred Becker V, I am the loss prevention manager for the Abbott Road Fred Meyers in Anchorage, and a active board member for the
Anchorage Youth Court.

I have worked in the Loss Prevention Profession for over 26 years in the Anchorage Area. I became concerned with the consequences the youth were receiving very early on in my career as I was apprehending the same individuals over and over again. After discussing with those that I did apprehend a second and third time what had happen to them after the first and second time I found that many had not had any contact with anyone in the judicial system. Most stated they received a letter from McLaughlin Youth Center advising them to stay out of trouble, and some said then did not hear from anyone.

Since the inception of the Youth Court in Anchorage I rarely apprehend a juvenile a second time. I strongly believe that Anchorage Youth Court has provided the consequences necessary to deter individuals from re-offending, and prevented many young adults from having a adult criminal recorded. Because without the Anchorage Youth Court most juveniles would continue with their criminal behavior into their young adult life.

I believe in the successes of AYC as a highly-effective juvenile alternative justice program and that we do transform the lives of over 600 anchorage youths per year. The 300 plus youth volunteers are trained and receive extraordinary experiences in real live judicial matters. The 300-350 juvenile offenders referred to Anchorage Youth Court each year are given an opportunity to make amends to the community and are held personally accountable for their actions. This is why I am honored to be a AYC board member.

As a member of the retail industry I am happy to be part of a program that is also a benefit to our ability to continue to employ

about 300 employees per location with a total of about 3,300 employees in the state of Alaska. The Youth Courts around the state provided a restitution program that did not exist and by providing a deterrent program for juvenile offenders results in less individuals using the five finger discount at our locations. My board membership has also resulted in the financial backing of Fred Meyers to help support our community.

As a board member I feel that some times we are not afforded the opportunity to address some issues because we spend a lot of our productive time finding ways to raise funds to support the financial requirements of AYC. With a stable source of funding I feel the board could focus more of our efforts on making Anchorage Youth Court as beneficial to the community, members, and offenders as possible.

Thank you for your time and I would be happy to discuss further my personnel or business involvement with AYC to you.

Fred Becker V
Fred Meyers Loss Prevention Manager
907-365-2026
Emai: fred.becker@stores.fredmeyer.com

Larry Dickerson
Chief of Police

WASILLA
POLICE
DEPARTMENT
City of Wasilla

1800 E. Parks Hwy.
Wasilla, AK 99654

907.352.5401
Fax: 907.357.7877
www.cityofwasilla.com

Vernon Rupright
Mayor

February 9, 2010

Charlie Huggins
State Senator
600 E. Railroad Av
Wasilla, AK 99654

Dear Mr. Huggins,

I would like to express my support of HB331 and SB257 which would provide continued funding of State wide Youth Court Programs.

I fully support youth courts as statewide diversion programs that address first time juvenile offenses. These programs operate in twelve communities around the state. My current experience with youth courts is with the Mat-Su Youth Court (MSYC) program, which falls under the umbrella of the Wasilla Police Department and is funded wholly through grants. The Wasilla Police Department supports the MSYC with in-kind donations by providing office space and some supplies.

It is my firm belief that without MSYC operating in the Mat-Su Valley the police department would continue to see increased juvenile crime. Young offenders who do not suffer consequences as first time offenders will continue to commit crimes according to recent statistics.

Wasilla Police officers know that when they complete a report on a juvenile first time offender who has committed a low-level offense, that juvenile will not simply be given a letter from the State or a verbal warning from a Juvenile Probation Officer. Virtually every first time offense that is referred to the Division of Juvenile Justice office in the Mat-Su Valley gets referred to MSYC. MSYC takes action to insure the juvenile offender is made aware of what he/she did, who it affected in the community, and what to do to avoid repeating their conduct.

I support these bills to allow youth courts around the state to work on sustainability of their programs and to insure that they continue to address juvenile crime in the State of Alaska.

Greg Wood
Deputy Chief of Police

SB

262

<target><bill>SB 262</bill><subject>SB 262</subject><comm>SFIN26</comm></target>

Alaska State Legislature

Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-4945

Legislative Budget & Audit Committee

SB 262 SPONSOR STATEMENT

TITLE: "An Act extending the termination date of the Board of Social Work Examiners; and providing for an effective date."

The Board of Social Work Examiners (BSWE) was established for the purpose of controlling and regulating the practice of social work in the State. A licensed social worker applies social work principles and methods, as defined by AS 08.95.990(7), to help individuals achieve more adequate, satisfying, and productive social adjustments.

BSWE is composed of five members appointed by the Governor. Statutes requires that one board member be a licensed baccalaureate social worker, one a licensed master social worker, two members be licensed clinical social workers, and one be a member of the general public.

In the opinion of Legislative Audit, the BSWE should continue to regulate clinical, master, and baccalaureate social workers. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed social workers. BSWE continues to enforce and propose changes to regulations to improve BSWE's effectiveness and ensure that social workers are appropriately licensed.

SB 262, if enacted, would extend the Board for eight years to June 30, 2018.

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 262

SB 262 EXTEND BOARD OF SOCIAL WORK EXAMINERS

"An Act extending the termination date of the Board of Social Work Examiners; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/8/10	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	EGAN	✓			
	ELLIS	✓			
CO-CHAIR	Hoffman	✓			
CO-CHAIR	Stedman	✓			

Fiscal Note

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 262
(S) Publish Date: 3/12/10

Identifier (file name):SB262-CED-CBPL-3-8-10
Dept. Affected: CDCCED
Title: Extend Board of Social Work Examiners
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Rules Committee by Request
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	49.5	49.5	49.5	49.5	49.5	49.5
Travel	0.0	6.4	6.4	6.4	6.4	6.4	6.4
Contractual	0.0	2.7	2.7	2.7	2.7	2.7	2.7
Supplies	0.0	0.2	0.2	0.2	0.2	0.2	0.2
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**58.8**	**58.8**	**58.8**	**58.8**	**58.8**	**58.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	58.8	58.8	58.8	58.8	58.8	58.8
TOTAL	**0.0**	**58.8**	**58.8**	**58.8**	**58.8**	**58.8**	**58.8**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 262 extends the Board of Social Work Examiners to June 30, 2018. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.95.020.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 2/22/2010 10:15AM
Approved by: Emil Notti, Commissioner
Date 3/8/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

October 26, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Social Work Examiners (BSWE), and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY AND
ECONOMIC DEVELOPMENT
BOARD OF SOCIAL WORK EXAMINERS

September 30, 2009

Audit Control Number
08-20062-09

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Under AS 08.03.010(c)(6), the board will terminate on June 30, 2010. If the legislature does not extend the termination date, the board will have one year to conclude its administrative operations.

In our opinion, BSWE's termination date should be extended until June 30, 2018. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed social workers.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities and operations of the Board of Social Work Examiners (BSWE). As required by state law, the legislative committees of reference are to consider this report when determining whether to extend the termination date for BSWE. Currently under AS 08.03.010(c)(6), the board will terminate on June 30, 2010. If the legislature does not extend the termination date for the board, BSWE will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of BSWE should be extended.
2. To determine if BSWE is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of licensed social work examiners.

The assessment of BSWE's performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board.

Scope and Methodology

Our audit reviewed BSWE's operations and activities for the period spanning FY 05 through FY 09. The major areas of our review were licensing, investigations, board proceedings, and duplication of efforts. Our review included the following:

1. Applicable statutes and regulations were reviewed to identify changes. The board's participation in the change process was reviewed to help assess board activities;

2. Licensee files and related documentation were evaluated to determine whether licenses were issued in accordance with state law;

3. Board meeting minutes were evaluated to identify board activities and help assess performance;

4. BSWE annual reports were evaluated to identify board membership, goals, accomplishments, and financial activity;

5. BSWE-related public notices published in the *Anchorage Daily News* and the State's online notification system were reviewed to ensure meetings and regulations were properly noticed;

6. BSWE-related cases and complaints opened from July 1, 2004 through February 18, 2009 were reviewed to gain an understanding of the types of complaints and to evaluate the investigative process;

7. Board revenues and expenditures for the audit period were reviewed to identify BSWE's financial surplus/deficit and to assess the adequacy of license fees; and

8. Board member resumes and related information maintained by the Office of the Governor were reviewed to ensure members qualified to serve in accordance with state law.

We also interviewed the BSWE chair and various division staff including the licensing examiner, investigators, and administrative staff to gain an understanding of board activities and operations.

ORGANIZATION AND FUNCTION

The Board of Social Work Examiners (BSWE)

BSWE was established for the purpose of controlling and regulating the practice of social work in the State. A licensed social worker applies social work principles and methods, as defined by AS 08.95.990(7), to help individuals achieve more adequate, satisfying, and productive social adjustments.

BSWE is composed of five members appointed by the Governor. Statutes requires that one board member be a licensed baccalaureate social worker, one a licensed master social worker, two members be licensed clinical social workers, and one be a member of the general public. Statute prohibits the public member from having a direct financial interest in the health care industry.

The board regulates the practice of social work and sets the minimum standards to practice in Alaska by:

1. Examining and issuing licenses to qualified applicants;
2. Establishing continuing education requirements for license renewal;
3. Establishing a code of ethics for social work examiners;
4. Adopting regulations necessary to enforce BSWE statutes; and
5. Imposing disciplinary sanctions on persons who violate BSWE statutes or regulations.

Exhibit 1

Board of Social Work Examiners
(As of June 30, 2009)

Sammye Pokryfki, L.M.S.W
Darrell Allman, L.C.S.W
Gail La Rose-Hendersen, L.C.S.W.
Jason Floyd, L.B.S.W.

Public Member
Vacant

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing

The division provides administrative and investigative assistance to occupational boards including BSWE. Administrative assistance includes budgetary services and functions such as collection of fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations, meetings, and proposed regulations.

Alaska Statute 08.01.087 empowers DCCED with the authority to conduct an investigation on its own initiative or in response to a complaint. The division may:

1. Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice;

2. Bring an action in Superior Court to enjoin the act;

3. Examine the books and records of an individual; and

4. Issue subpoenas for the attendance of witnesses and records.

REPORT CONCLUSIONS

The Board of Social Work Examiners' (BSWE) termination date should be extended until June 30, 2018.

BSWE should continue to regulate clinical, master, and baccalaureate social workers. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed social workers. BSWE continues to enforce and propose changes to regulations to improve BSWE's effectiveness and ensure that social workers are appropriately licensed.

Alaska Statute 08.03.010(c)(6) terminates BSWE on June 30, 2010. If not extended by the legislature, under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs. We recommend the board's termination date be extended until June 30, 2018.

Staff within the Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing should improve administrative support to BSWE.

Several deficiencies were noted in the administrative support provided to BSWE. The information contained in the annual reports prepared by division staff was often inaccurate and incomplete. The methodologies used to account for BSWE revenues and expenditures were inconsistent and, in some cases, inaccurate. Furthermore, division staff failed to consistently publish public notice of BSWE meetings. These deficiencies were caused by untrained/inexperienced staff and a lack of written procedures for support functions. The deficiencies are described in Recommendation No. 1.

(Intentionally left blank)

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing's professional licensing administrative officer should take steps to improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in administrative support. Specifically:

- The FY 05, FY 07, and FY 08 annual reports did not contain the required financial data.
- The FY 06 and FY 07 annual reports contained errors in licensing statistics.
- Support for financial amounts presented in the annual reports was not consistently maintained.
- Indirect costs were inconsistently treated between fiscal periods.
- The public was not provided with notice of two BSWE meetings and four meetings were not published in the State's online notification system as required by statute.
- The public was not provided an accurate phone number by which they could attend a BSWE meeting via teleconference.

The division's professional licensing section is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, DCCED's duties include collecting and recording fees, maintaining records and files, compiling and maintaining a current register of licensees, arranging for printing and advertising, providing inspection, enforcement, and investigative services. DCCED is also responsible for annually reviewing board fees to determine whether the regulatory costs of the occupation are approximately equal to fee collections related to that occupation. BSWE is required by AS 08.01.070 to submit, before the end of the fiscal year, an annual performance report to DCCED stating the board's accomplishments, activities, and needs. Professional licensing's policy is to produce a single annual report incorporating both the board and the division's information requirements.

The deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exasperated by insufficient accounting and reporting procedures. Public notices for BSWE meetings included the licensing examiner's phone number as the number to call in order to attend meetings via teleconference. This number was not an effective means for reaching a division staff member because the licensing examiner was often attending the meeting in-person and unavailable via phone.

Less than adequate administrative support hampers BSWE's ability to fulfill its responsibilities and may provide policymakers misleading information. We recommend professional licensing's administrative officer take steps to improve administrative support.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The Board of Social Work Examiners (BSWE) has operated in the public interest by licensing only qualified individuals. The board has established licensing requirements and minimal practice standards that professionals must adhere to in the course of practice. BSWE has established regulations governing its duties and licensure requirements, enforced the laws for issuing licenses in a uniform and consistent manner, held meetings, and administered examinations in accordance with statutory requirements. The board has effectively monitored licensees to confirm that social workers are fulfilling continuing education requirements associated with license renewal.

There have been no significant vacancies in the board's membership, and the board consistently meets a minimum of two times per year.

BSWE continues to send new members to the Association of Social Work Boards' meetings. The primary purpose of attending these conferences is to keep the board apprised of various exam and professional licensing regulation issues.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

Under AS 08.01.065(c), the Department of Commerce, Community, and Economic Development (DCCED), must *"establish fee levels... so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* The board reviews and provides feedback regarding any changes in fees proposed by DCCED. License fees were reduced in FY 06 from $410 to $310 in recognition of a growing surplus.

DCCED's Division of Corporations, Business and Professional Licensing's professional licensing section evaluates the fee level by analyzing costs and revenues on a biennial roll forward or cumulative basis. BSWE renews licenses in even-numbered fiscal years resulting in higher revenues during even-numbered years.

As reflected in Exhibit 2 (below), BSWE had a surplus at the end of FY 09. The division and the board should consider a further reduction in fees.

Exhibit 2

State of Alaska
Board of Professional Counselors
Schedule of Revenues and Expenditures
FY 05 - FY 09
(Unaudited)

	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$ 29,300	$ 71,800	$ 12,600	$ 84,300	$ 16,100
Direct Expenditures					
Personal Services	27,800	31,300	28,900	39,000	42,500
Travel	1,800	8,900	12,100	14,800	17,800
Contractual	5,600	7,300	3,400	3,100	4,300
Supplies & Equipment	100	100	100	0	300
Total Direct Expenditures	35,300	47,600	44,500	56,900	64,900
Indirect Expenditures	16,500	15,900	21,700	20,400	19,400
Total Expenditures	51,800	63,500	66,200	77,300	84,300
Net Income (Loss)	(22,500)	8,300	(53,600)	7,000	(68,200)
Beginning Surplus (Deficit)	266,700	244,200	252,500	198,900	205,900
Ending Surplus (Deficit)	$ 244,200	$ 252,500	$ 198,900	$ 205,900	$ 137,700

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

We saw no evidence of formal testimony made on behalf of the board, for any legislation considered during the 2005 through 2009 legislative sessions. Board members did not report issues of concern that would require statutory changes.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The location, date, and time of upcoming board meetings and notices of proposed changes in regulations are published in the *Anchorage Daily News* as well as posted on the State's online notification system. Of 20 total meetings held from FY 05 through FY 09, we found two without public notices. We also noted four meetings that were advertised in the *Anchorage Daily News* but not posted in the State's online notification system. These deficiencies are included in Recommendation No.1.

BSWE's meeting agendas set aside time for public comment. However, we noted a general lack of public participation at meetings.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Public notices of proposed regulations were adequately published in the *Anchorage Daily News* and posted on the State's online notification system. The division's regulations specialist also sends notifications to interested parties who have requested notice of regulation changes. The agendas for BSWE meetings set aside time for public testimony when regulation changes were considered.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

From July 2004 through February 2009, the division's investigative unit opened 17 complaints and 21 cases related to BSWE. Seven of the cases were handled by the division's paralegal who manages application denials and continuing education compliance issues.

Of the 38 complaints/cases, 24 were initiated internally by the division, 10 were from the public or a professional associate, and four were from a client or patient. Twelve complaints were associated with application problems, 10 involved ethics questions, six were associated with practicing beyond the scope of the license, and 10 involved other issues such as continuing education requirements.

We reviewed nine of the investigations, and five of the paralegal cases. Overall, complaints and cases handled by investigators and the paralegal were resolved appropriately, and were carried out in a timely manner. We conclude that the complaint investigation process for BSWE was conducted in an effective and efficient manner.

There were no BSWE complaints filed with the Office of Victim's Rights, the Human Rights Commission or the Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The board licenses applicants that have applied for licensure by credentials or by examination. Each applicant is required to meet stringent licensing requirements including the necessary educational background and adequate work experience. Continuing education is required and monitored by BSWE to promote a high level of performance and to help ensure the profession's integrity. License activity for the last five fiscal years is presented below:

Type of License	Newly Issued (Excluding Renewals)[1]					Total Licensees June 30, 2009
	FY 05	FY 06	FY 07	FY 08	FY 09	
Clinical Social Workers	34	39	39	37	23	408
Master Social Workers	19	17	16	12	11	68
Baccalaureate Social Workers	9	16	8	7	5	59

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that BSWE did not comply with the State's personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

As discussed in Recommendation No. 1, the administrative support provided by the division's professional licensing section was not accurate, comprehensive, or consistent. The administrative staff should provide the necessary information so that the board can perform its functions and serve the public interest effectively and efficiently.

[1]Does not include temporary licenses. Temporary license may be issued to Master and Baccalaureate Social Workers so that those who are qualified per AS 08.95.125 may practice while they are waiting to sit for the exam or during the application process for licensure by credentials. The temporary license may be issued only once and is valid for one year.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

BSWE has effectively met its objectives and has operated effectively and efficiently

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

BSWE uses the information produced by a national association when licensing and regulating locally while considering Alaska's unique needs. There is no substantial duplication of efforts between BSWE and the national social work organization.

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STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

December 2, 2009

RECEIVED
DEC 03 2009
LEGISLATIVE AUDIT

Ms. Pat Davidson, Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

Thank you for the opportunity to comment on the preliminary audit report on the Board of Social Work Examiners.

Recommendation No. 1: The division's professional licensing administrative officer should take steps to improve administrative support.

The department agrees with this recommendation. The division has undergone a number of changes in key management positions and is optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

In summary, we fully support your findings and recommendations; and that the legislature extends the board to June 30, 2018. Your audit report supports our belief that the board is operating in the best interest of the public by promoting the competence and integrity of those who provide services to the public as licensed social workers.

Thank you again for the opportunity to comment on the preliminary audit report.

Sincerely,

Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

920

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Board of Social Work Examiners
Darrell Allman, LCSW, DCSW, CDCS
Licensed Clinical Social Worker

November 24, 2009

RECEIVED
NOV 25 2009
LEGISLATIVE AUDIT

Ms Pat Davidson
Legislative Auditor
Division of Legislative Audit
P.O.Box 113300
Juneau, AK 99811-3300

Dear Ms Davidson:

I have reviewed the preliminary audit report on the Board of Social Work Examiners and I concur with all recommendations. I am pleased with the recommendation that the Board's termination date be extended to June 30, 2018. While there is no specific recommendation for BSWE, I do support the recommendation that steps be taken to improve the administrative support of the board in meeting its public services duties.

Sincerely,

Darrell Allman
Chairperson,
Board of Social Work Examiners

7120 McLin Circle
Anchorage, Alaska 99507
Phone (907)344-0520

As reflected in Exhibit 2 (below), BSWE had a surplus at the end of FY 09. The division and the board should consider a further reduction in fees.

Exhibit 2

State of Alaska
Board of Social Work Examiners
FY 05 - FY 09
Schedule of Revenues and Expenditures
(Unaudited)

		FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$	65,500	115,900	76,300	129,000	57,000
Direct Expenditures						
Personal Services		33,300	36,800	34,300	41,000	58,000
Travel		1,400	3,100	5,000	1,400	11,300
Contractual		13,100	16,300	1,200	4,600	700
Supplies & Equipment		0	100	100	0	300
Total Direct Expenditures		47,800	56,300	40,600	47,000	70,300
Indirect Expenditures		23,500	20,600	28,800	31,200	31,000
Total Expenditures		71,300	76,900	69,400	78,200	101,300
Net Income (Loss)		(5,800)	39,000	6,900	50,800	(44,300)
Beginning Surplus (Deficit)		39,000	33,200	72,200	79,100	129,900
Ending Surplus (Deficit)	$	33,200	72,200	79,100	129,900	85,600

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

We saw no evidence of formal testimony made on behalf of the board, for any legislation considered during the 2005 through 2009 legislative sessions. Board members did not report issues of concern that would require statutory changes.

SB 263

<target><bill>SB 263</bill><subject>SB 263</subject><comm>SFIN26</comm></target>

Alaska State Legislature

Interim:
716 West 4th Ave.
Anchorage, Alaska 99501
(907) 269-0199

Session:
State Capitol Building
Juneau, Alaska 99801-1182
(907) 465-4945

Legislative Budget & Audit Committee

SB 263 SPONSOR STATEMENT

TITLE: "An Act extending the termination date of the Board of Professional Counselors; and providing for an effective date."

The Board of Professional Counselors (BPC) was established under the provisions of Title 8, Chapter 29 of Alaska Statutes. BPC consists of five members appointed by the governor. Four members must be professional counselors and one member must be appointed from the general public. Board members serve staggered terms of four years.

The division provides administrative and investigative assistance to occupational boards including BPC. Administrative assistance includes budgetary services and functions such as collection of fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations, meetings, and proposed regulations.

In the opinion of Legislative Audit, the BPC should continue to regulate professional counselors. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed professional counselors.

SB 263, if enacted, would extend the Board for eight years to June 30, 2018.

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 263

SB 263 EXTEND BOARD OF PROFESSIONAL COUNSELORS

"An Act extending the termination date of the Board of Professional Counselors; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
CED	3/8/10	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Tecan	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 263**
(S) Publish Date: 3/12/10

Identifier (file name):SB263-CED-CBPL-3-8-10
Dept. Affected: DCCED
Title: Extend Board of Professional Counselors
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senate Rules by Request
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	34.0	34.0	34.0	34.0	34.0	34.0
Travel	0.0	13.5	13.5	13.5	13.5	13.5	13.5
Contractual	0.0	3.3	3.3	3.3	3.3	3.3	3.3
Supplies	0.0	0.1	0.1	0.1	0.1	0.1	0.1
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**50.9**	**50.9**	**50.9**	**50.9**	**50.9**	**50.9**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	50.9	50.9	50.9	50.9	50.9	50.9
TOTAL	**0.0**	**50.9**	**50.9**	**50.9**	**50.9**	**50.9**	**50.9**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 263 extends the Board of Professional Counselors to June 30, 2018. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.01.070.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 2/18/2010 10:30AM
Approved by: Emil Notti, Commissioner — Date 3/8/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

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October 26, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Professional Counselors (BPC), and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BOARD OF PROFESSIONAL COUNSELORS

September 30, 2009

Audit Control Number
08-20061-09

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Under AS 08.03.010(c)(17), the board will terminate on June 30, 2010. If the legislature does not extend the termination date, the board will have one year to conclude its administrative operations.

In our opinion, BPC's termination date should be extended until June 30, 2018. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed professional counselors.

This audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Title 24 and Title 44 of the Alaska Statutes, we have reviewed the activities and operations of the Board of Professional Counselors (BPC). As required by state law, the legislative committees of reference are to consider this report when determining whether to extend the termination date for BPC. Currently under AS 08.03.010(c)(17), the board will terminate on June 30, 2010. If the legislature does not extend the termination date for the board, BPC will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of BPC should be extended.
2. To determine if BPC is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of licensed professional counselors.

The assessment of BPC's performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board.

Scope and Methodology

Our audit reviewed BPC's operations and activities for the period spanning FY 05 through FY 09. The major areas of our review were licensing, investigations, board proceedings, and duplication of efforts. We reviewed and evaluated the following;

1. Applicable statutes and regulations to identify changes. The board's participation in the change process was reviewed to help assess board activities;

2. Licensee files and related documentation to determine whether licenses were issued in accordance with state law;

3. Board meeting minutes and Department of Commerce, Community, and Economic Development, Division of Corporations, Business, and Professional Licensing correspondence files to identify board activities and help assess performance;

4. BPC's annual reports to identify BPC membership, goals, accomplishments, and financial activity;

5. BPC-related public notices published in the *Anchorage Daily News* and the State's online notification system to ensure meeting and regulations were properly noticed;

6. BPC-related case and complaint files for cases or complaints opened from May 25, 2004 through February 18, 2009 to gain an understanding of the types of complaints and to evaluate the investigative process;

7. Board revenues and expenditures for the audit period were reviewed to identify BPC's financial surplus/deficit and to assess the adequacy of license fees; and

8. Board member resumes and related information maintained by the Office of the Governor to ensure that board members were qualified to serve on the board in accordance with state law.

We also interviewed two board members and various division staff including the licensing examiner, investigators and administrative staff to gain an understanding of the board's activities and performance.

ORGANIZATION AND FUNCTION

The Board of Professional Counselors (BPC) was established under the provisions of Title 8, Chapter 29 of Alaska Statutes. BPC consists of five members appointed by the governor. Four members must be professional counselors and one member must be appointed from the general public. Board members serve staggered terms of four years.

The board regulates the practice of professional counselors. BPC sets the minimum standards to practice in Alaska through the following measures:

1. Examining and issuing licenses to qualified applicants;
2. Establishing continuing education requirements for license renewal;
3. Adopting a code of ethics for professional counselors;
4. Establishing education and training requirements that must be met before professional counselors can administer and use assessment instruments described in AS 08.29.490(1)(c);
5. Adopting regulations necessary to enforce BPC; and
6. Imposing disciplinary sanctions on persons who violate the statutes or regulations related to the licensure of professional counselors.

Exhibit 1

Board of Professional Counselors (As of June 30, 2009)

Professional Members
Tashawna Olson, Chair
Jennifer Burkholder
Ray DePalatis
Emily Zimbrich

Public Members
Lillian Mitchell

An applicant can be licensed by meeting the licensing requirements under AS 08.29.110 which includes passing a written examination required by the board. Alternatively, AS 08.29.120 permits applicants to obtain their initial professional counseling license through possession of the appropriate credentials. In order to be licensed by credentials, an applicant must provide proof of licensure by another jurisdiction. BPC must find that the other jurisdiction has the same or higher licensure requirements in comparison to the State of Alaska.

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business and Professional Licensing

The division provides administrative and investigative assistance to occupational boards including BPC. Administrative assistance includes budgetary services and functions such as

collection of fees, maintaining files, receiving and issuing application forms, and publishing notice of examinations, meetings, and proposed regulations.

Alaska Statute 08.01.087 empowers DCCED with the authority to conduct an investigation on its own initiative or in response to a complaint. The division may implement the following:

1. Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice;

2. Bring an action in Superior Court to enjoin the act;

3. Examine the books and records of an individual; and

4. Issue subpoenas for the attendance of witnesses and records.

REPORT CONCLUSIONS

The Board of Professional Counselors' (BPC) termination date should be extended to June 30, 2018.

BPC should continue to regulate professional counselors. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as licensed professional counselors.

BPC has conducted its business in a satisfactory manner. It continues to propose regulation changes to improve the board's effectiveness and ensure that professional counselors are properly licensed.

Alaska Statute 08.03.010(c)(17) terminates BPC on June 30, 2010. If not extended by the legislature, under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs. We recommend the legislature extend the board's termination date to June 30, 2018.

The Department of Commerce, Community, and Economic Development, Division of Corporations, Business and Professional Licensing's investigation unit is not addressing all investigations in a timely manner.

We reviewed BPC complaints and cases received and processed by the division's investigative unit during the period May 2004 to February 2009. Of the 14 complaints/cases reviewed, five had periods of inactivity greater than four months. We also found that investigators record information in the investigative database and close and/or open cases in an inconsistent manner. These findings are addressed in Recommendation No. 2.

Improvements are needed in the division's administrative support to the board.

Several deficiencies were noted in the administrative support provided to BPC. The information contained in the annual reports prepared by division staff was often inaccurate and incomplete. The methodologies used to account for BPC revenues and expenditures were inconsistent and, in some cases, inaccurate. Furthermore, important information was not forwarded to investigative staff. These deficiencies were caused by untrained/inexperienced staff, a lack of written procedures for support functions, and an incorrect assumption that investigative staff were already aware of certain information. The deficiencies are described in Recommendation No. 1.

(Intentionally left blank)

FINDINGS AND RECOMMENDATIONS

During the 2005 Board of Professional Counselors (BPC) sunset review, we recommended BPC and the Board of Marital and Family Therapy (BMFT) be combined into a single oversight and licensing board. The Department of Community, Commerce, and Economic Development's (DCCED) commissioner favored the recommendation, but chairs of both BMFT and BPC objected. There has been no evidence of further interest or intent by legislators regarding board combination during the scope of this sunset review. Consequently, we did not reiterate the recommendation.

Recommendation No. 1

DCCED's Division of Corporations, Business and Professional Licensing's professional licensing administrative officer should take steps to improve its administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in administrative support. Specifically:

- Required annual fee analyses were not done for FY 07 through FY 09.
- FY 06 and FY 07 annual reports contained errors in license statistics.
- Financial data was missing from FY 05 and FY 07 annual reports.
- Indirect costs for the division were treated inconsistently between fiscal periods.
- Hearing fees were inconsistently treated as indirect versus direct costs between fiscal periods.
- Information related to a licensee with an open investigation was not routed to the division's investigative staff.

The division's professional licensing section is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, DCCED duties include: collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. The division is also responsible for annually reviewing occupational boards' fee levels to determine whether an occupation's regulatory costs are approximately equal to fee collections related to that occupation. BPC is required by AS 08.01.070 to submit, before the end of the fiscal year, an annual performance report to the DCCED stating the board's accomplishments, activities, and needs. Professional licensing's policy is to produce a single annual report incorporating both board and division information requirements.

All the deficiencies in administrative support, except for the last one noted above, were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exasperated by insufficient procedures for accounting for revenues

and expenditures and for preparing financial reports. Information was not routed to the division's investigative staff because a licensing examiner mistakenly believed that the investigative staff was already aware of the information.

Inadequate administrative support hampers BPC's ability to fulfill its responsibilities and may provide policymakers misleading information. Failing to forward salient licensee information to investigative staff could allow a licensee to inappropriately continue to practice. We recommend professional licensing's administrative officer take steps to improve administrative support.

Recommendation No. 2

The division's chief investigator should establish procedures to ensure information is consistently recorded in the case management system and should take steps to ensure complaints/cases are investigated in a timely manner.

We reviewed the professional counselor complaints/cases opened by the investigative unit during the period May 2004 to February 2009. Of the 14 complaints/cases reviewed, three complaints and two cases were inactive for over four months. Additionally, investigators did not open/close cases or record information in the investigative database in a consistent manner.

It is the division's responsibility to provide investigative support for BPC. Investigators examine and research each complaint to determine jurisdiction and whether a violation exists. If the complaint meets these conditions, a case is opened and a priority is assigned. The priority reflects the level of imminent danger to the public.

Investigative staff attributes the delays to higher priority cases and tasks taking precedence. The staff also believes the investigative database contributed to the problem. The database does not have a user-friendly mechanism for flagging inactive cases. Consequently, supervisors/investigators cannot effectively monitor caseloads. Ineffective monitoring leads to unnecessary delays. We also found a lack of procedures to ensure investigators consistently record information in the case management system.

Complaints and cases that are not investigated timely may allow licensees who are practicing inappropriately or outside their scope to continue these violations. Additionally, not standardizing the data within the database limits its usefulness.

Cases with life threatening repercussions should take priority. However, it is still reasonable for the public to expect that all complaints against licensees will be addressed as efficiently as possible. We recommend the division's chief investigator take steps to ensure complaints/cases are investigated timely. We further recommend that the chief investigator establish procedures to ensure information is consistently recorded in the case management system.

Recommendation No. 3

The division's professional licensing supervisors should take steps to ensure salient investigative information is forwarded to the investigative section.

In one case, the division's investigative staff suspended an investigation when a licensee became uncooperative. The licensee stopped cooperating with investigators once a related civil lawsuit was filed. Although the responded refused to communicate with investigative staff, he attached a letter to his license-renewal form admitting the ethical violation and agreeing to abide by necessary sanctions. The licensing examiner believed that the investigative staff were privy to the letter and did not forward it. Furthermore, the licensing examiner did not forward the letter on to the Board for consideration because BPC does not routinely review renewal forms. As a result, the investigation remained stalled and the licensee continued to maintain an active license and was free to seek out-of-state licensure.

Alaska Statute 08.01.050 requires DCCED to provide inspection, enforcement, and investigative services to occupational licensing boards regarding all licenses issued by or through the department. The licensing examiner should have forwarded the licensee's letter to the investigative unit and possibly BPC. By not completing an investigation and bringing the results to the board for consideration, a licensee allowed to maintain an active practice and/or seek out-of-state licensure when they might have otherwise been subject to disciplinary sanctions.

We recommend the division's professional licensing supervisors take steps to ensure salient investigative information is forwarded to the investigative section.

Recommendation No. 4

The Office of the Governor should take steps to make the necessary appointments to keep BPC at full membership.

BPC is made up of five members – one representative from the general public and four licensed professionals. One professional is employed in the private sector, and one is employed in the public sector. One public member seat was open for 12 months during FY 04 through FY 05. One licensed professional seat was vacant for 11 months during FY 08 through FY 09.

Alaska Statute 08.29.010 requires the Office of the Governor to appoint both public and professional board members. Maintaining board membership that includes public and professional members, ensures a balanced representation. The lack of sufficient BPC members prevents the board from conducting business with the appropriate public and professional input and perspective.

Accordingly, we recommend that BPC and the Governor's office work to fill appointments to all seats on the board, with particular emphasis on public member seats, designed to represent the State's citizenry.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The Board of Professional Counselors (BPC) has operated in the public interest by licensing qualified individuals. The board established licensing requirements and minimal practice standards that licensed, professional counselors must adhere to in the course of practice. BPC has established regulations governing its duties and licensure requirements, enforced laws for issuing licenses in a uniform and consistent manner, held meetings, and administered examinations in accordance with statutory requirements.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

According to AS 08.01.065(c), the Department of Commerce, Community, and Economic Development (DCCED) must *"establish fee levels... so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* BPC reviews and provides feedback on changes in fees proposed by DCCED's Division of Corporations, Business and Professional Licensing. Exhibit 2 (on the following page) reflects BPC's financial information for the period FY 05 through FY 09.

Professional counselors renew licenses during even-numbered fiscal years. By the end of FY 04, BPC's biennial roll-forward balance was $266,600. In response to the surplus, licensing fees were reduced from $500 to $200 beginning FY 05. As noted in Recommendation No.1, there was no fee analysis performed for FY 07, FY 08, or FY 09, and revenue and expenditure information was inconsistently provided to BPC. From the surplus shown in the summary schedule on the following page, licensing fees should be analyzed for adequacy before the FY 10 renewal period.

Exhibit 2

State of Alaska
Board of Professional Counselors
Schedule of Revenues and Expenditures
FY 05 - FY 09
(Unaudited)

	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$ 29,300	$ 71,800	$ 12,600	$ 84,300	$ 16,100
Direct Expenditures					
Personal Services	27,800	31,300	28,900	39,000	42,500
Travel	1,800	8,900	12,100	14,800	17,800
Contractual	5,600	7,300	3,400	3,100	4,300
Supplies & Equipment	100	100	100	0	300
Total Direct Expenditures	35,300	47,600	44,500	56,900	64,900
Indirect Expenditures	16,500	15,900	21,700	20,400	19,400
Total Expenditures	51,800	63,500	66,200	77,300	84,300
Net Income (Loss)	(22,500)	8,300	(53,600)	7,000	(68,200)
Beginning Surplus (Deficit)	266,700	244,200	252,500	198,900	205,900
Ending Surplus (Deficit)	$ 244,200	$ 252,500	$ 198,900	$ 205,900	$ 137,700

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

During FY 07, BPC promoted two statutory changes by testifying in legislative committee meetings. One restricted the title of 'professional counselor' to those licensed – this change was enacted via AS 08.29.100(a). Another included professional counselors in the list of licensed providers who may not be discriminated against regarding insurance reimbursement – this was enacted via AS 21.36.090(d).

During FY 08, BPC recommended a statutory change to require continuing education for the renewal of approved professional counselor supervisors. BPC also recommended a statute change to address distance counseling, so that further regulations for this new trend of counseling could be created. To date, neither of these statutory changes has been made.

The board also supported the division in the pursuit of a statutory change that would provide a combined legal trust for various mental health boards. The trust is intended to provide advanced funding for costly legal issues or investigations and provide for consistent license fees over fiscal periods.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The location, date, and time of upcoming BPC meetings and notices of proposed changes in regulations are posted on the State's online public notice system, and published in the *Anchorage Daily News* with adequate time for interested individuals to attend or to submit written comment for review. Board minutes reflect public participation and BPC's meeting agendas reflect time for public comment.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

The board proposed a number of regulation changes during the period under review. The proposed changes were advertised on the State's online public notice system and published in the *Anchorage Daily News* in time for interested individuals to attend or to submit written comment for review. Additionally, the division's regulations specialist maintains a list of interested parties and contacts these individuals prior to any proposed regulation change. As already noted, BPC's meeting agendas set aside time for public comment.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

From May 2004 through February 2009, the division's investigative unit opened 13 complaints and 20 cases related to BPC licensees or applicants.

Eleven of the complaints/cases were alleged ethics violations or sexual misconduct, and eight were license application issues. The remaining complaints/cases were made up of practicing beyond the license scope, incompetence, and compliance with continuing education requirements.

We reviewed 10 of the 33 investigative complaint/case files. Five were carried out in a timely manner and five were delayed and marked with significant periods of inactivity (discussed in Recommendation No. 2). We also reviewed four cases assigned to the

division's paralegal, and found that these were investigated and resolved in a reasonable and timely manner.

Four of the 33 complaints/cases were still open investigations. Of the 29 resolved complaints/cases, eight resulted in disciplinary license action.

There were no BPC related complaints filed with the Office of Victim's Rights, the Human Rights Commission or the Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

BPC has ensured only qualified applicants receive a professional counselor license. An applicant may apply for licensure by either credentials or examination. Requirements for licensing are stringent and eliminate applicants who do not have the necessary educational background or adequate work experience.

Applicants licensed by credentials are required to have been licensed in another jurisdiction with licensing requirements similar to the State of Alaska. These applicants must list the requirements of their prior licensing jurisdiction and disclose any disciplinary actions against them. Those licensed by examination pass a uniform computer-based test, and provide a record of their required academic credit hours and supervised/unsupervised contact hours in the field of counseling.

The State allows people to counsel without a license. However, as noted previously, since AS 08.29.100 was enacted, those without a license may not profess to be a licensed professional counselor, a professional counselor, or a licensed counselor, or make use of a title, words, letters, or abbreviations that may reasonably be confused with the title of "licensed professional counselor," "professional counselor," or "licensed counselor." BPC license activity for the past five fiscal years is presented below:

	Newly Issued					Total at
Licenses Issued	**FY 05**	**FY 06**	**FY07**	**FY08**	**FY09**	**June 30, 2009**
Professional Counselors	34	51	35	48	39	449

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We did not find any evidence that BPC was not in compliance with state personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

As discussed in Recommendation No. 1, the administrative support provided by the division's professional licensing section was not accurate, comprehensive, or consistent. The administrative staff should provide the necessary and required information so that the board can perform its functions and serve the public interest effectively and efficiently.

As discussed in Recommendation No. 4, the Office of the Governor should take steps to expedite BPC appointments.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

BPC has met its purpose and objectives effectively and efficiently during the period under review.

BPC enacted a number of regulation changes. Most significantly, it passed regulations requiring criminal background checks of all applicants, a clear step toward protecting the public interest. It also added continuing education requirements for its licensed supervisors to help regulate the quality of supervised experience of its licensees, enacted board attendance provisions, and made various changes to clarify existing regulations.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

BPC uses the information produced by a national association in order to license and regulate locally while considering Alaska's unique needs. We determined that there was no substantial duplication of efforts between the BPC and the national counseling organization.

We compared various elements of professional counseling to several other mental health licenses (marital and family therapists, social workers, and psychologists and psychological examiners). There are similarities in the issues treated, intervention techniques, and client populations. Regulations for professional counselors and marital and family therapists effectively permit cross-training between the two license types. There are common issues for groups, such as professional accessibility for supervised experience, license portability, distance counseling, and background checks.

Though similarities exist, there are still some distinctions between the license types and professional philosophies. Though there are parallels and some possible duplication of efforts between these license types, there are sufficient practical and philosophical distinctions that it is reasonable that these professions be licensed separately.

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Office of Governor Sean Parnell
STATE OF ALASKA

December 7, 2009

RECEIVED
DEC 0 7 2009
LEGISLATIVE AUDIT

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your November 6, 2009 "CONFIDENTIAL" preliminary audit report on *A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Professional Counselors, September 21, 2009.*

Regarding recommendation No. 4: The Office of the Governor should take steps to make the necessary appointments to keep the Board of Professional Counselors (BPC) at full membership:

The Office of the Governor concurs with this recommendation, and currently, the board is at full membership. As the new Director of the Office of Boards and Commissions, I am committed to assisting the Governor in making timely appointments that allow the boards to function productively. Two licensee seats on the board expire on March 1, 2010, and I intend to make recommendations for the Governor's review well in advance of that expiration date.

Your report also mentioned the issue of combining BPC with the Board of Marital and Family Therapy (BMFT) into a single oversight and licensing board. If that recommendation is proposed in the future, I am supportive of those efforts. Unless significant difficulties arise, combining boards that operate in close proximity to each other in related fields, such as BPC and BMFT, leads to a more efficient State government.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

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STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

December 2, 2009

RECEIVED
DEC 0 3 2009
LEGISLATIVE AUDIT

Ms. Pat Davidson, Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

Thank you for the opportunity to comment on the preliminary audit report on the Board of Professional Counselors (BPC).

Recommendation No. 1: The division's professional licensing administrative officer should take steps to improve administrative support.

The department agrees with this recommendation. The division has undergone a number of changes in key management positions and is optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

Recommendation No. 2: The division's chief investigator should establish procedures to ensure investigators consistently enter information into the case management system and should take steps to ensure complaints/cases are investigated timely.

For several years, the division has attempted to obtain a new case management tracking system for the Investigations Unit. The current case management system is old and the information that can be added to the system is limited. We now have the funding and a contract for the construction of a new case management tracking system. We anticipate it to be operational by April 2010 and it will help eliminate the voids found in the BPC investigations.

Recommendation No. 3: The division's professional licensing supervisors should take steps to ensure salient investigative information is forwarded to the investigative section.

The department agrees with this recommendation and is making every effort to improve communications between office staff and office locations.

Recommendation No. 4: The Office of the Governor should take steps to make the necessary appointments to keep BPC at full membership.

The department agrees with this recommendation.

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

The department concurs with the extension of BPC to June 30, 2018. Thank you again for the opportunity to comment on the preliminary audit report.

Sincerely,

Emil Notti
Commissioner

Shawnie Olson – Counseling Services

Box 2914
Homer, AK 99603
907-235-8808 or 235-8886
saje@ak.net

November 15, 2009

Alaska State Legislature
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, AK
99811-3300

RECEIVED
NOV 19 2009
LEGISLATIVE AUDIT

Dear Auditors:

This is the Board of Professional Counselors response to the Sunset Audit that was conducted on the Board of Professional Counselors, Alaska in the fall of 2009. As chair of this Board, I understand that it is my responsibility to reply to this audit.

The Board appreciates the time and energy put forth by the representatives who conducted the Sunset Audit. This letter will respond to the recommendations made in the report:

1. The first recommendation deals with the Department of Community, Commerce, and Economic Development's ((DCCED) Division of Corporations, Business and professional Licensing professional licensing administrative officer. The request is that the Division improves its administrative support to the Board. The Board admits to being unaware that it didn't receive many of the items enumerated in your report and was not made aware of errors. Therefore, we appreciate the information that this data should come to the Board (and be accurate) so that we are better able to serve the Licensed Professional Counselors in the state of Alaska. We appreciate the Division's support and hope that we can work even better together in the future.
2. The second recommendation states that the Division's chief investigator take action to ensure that information is recorded in a consistent manner and that the cases be investigated in a timely manner. It is the Board's understanding that these delays were due to more pressing cases. The Board is grateful for the investigative process and our newly assigned investigator is already very involved with the Board.
3. The third recommendation deals with investigative information not being passed to the investigative section. The Board was unaware of this issue. Our current licensing examiner works diligently to support the work of the Board and her service is commendable.
4. The fourth recommendation states that the Office of the Governor should take steps to make appointments to the BCP in order to keep it at full membership. I personally asked the Division many times to encourage the Office to fill positions. It is a small

4. The fourth recommendation states that the Office of the Governor should take steps to make appointments to the BCP in order to keep it at full membership. I personally asked the Division many times to encourage the Office to fill positions. It is a small

Board that is scattered across the state. We must have three members present to have a quorum. Processing a large number of new licensees and working through renewal applications is arduous without a full Board in attendance. The Board appreciates this recommendation.

The Board of Professional Counselors appreciates the recommendations of the Sunset Audit to continue their work and to act as a solo Board representing the Licensed Professional Counselors in the state of Alaska. Our goal is to make things run more smoothly and efficiently as we strive to protect the public.

Thank you for providing this audit.

Sincerely,

Shawnie Olson

Shawnie Olson, LPC
Board of Professional Counselors, Chair

SB 264

<target><bill>SB 264</bill><subject>SB 264</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR JOHN COGHILL

State Capitol, Room 504, Juneau, AK 99801-1182 (907) 465-3719
3340 Badger Road Suite #290, North Pole, AK 99705 (907) 488-5725

SB 264 Alaska Commercial Fishing and Agriculture Bank
SPONSOR STATEMENT

SB 264 makes two changes to statutes for the Commercial Fishing & Agriculture Bank (CFAB).

SB 264 would eliminate the designation for a ""resident farmer" to be required as a member of the board. The Commercial Fishing and Agriculture Bank (CFAB) was created by the legislature in a time when there was emphasis on agriculture in the State. CFAB did make considerable agriculture loans in the 1980's but when the Agricultural Revolving Loan Fund became available to the agriculture loan market the number of persons eligible as "a resident farmer" has dwindled.

The bill would also require CFAB financial records to be examined by the Department of Commerce Division of Banking at 36 month intervals.

ALASKA STATE LEGISLATURE

SENATOR JOHN COGHILL

State Capitol, Room 504, Juneau, AK 99801-1182 (907) 465-3719
3340 Badger Road Suite #290, North Pole, AK 99705 (907) 488-5725

SB 264 Alaska Commercial Fishing and Agriculture Bank
SECTIONAL Version A

Section 1. Adds a definition to AS 06.01.010(b) Examination and investigation fees and assessments. The section adds CFAB to the definition of "financial institutions".

Sec. 2. Eliminates the requirement that one member of the CFAB board of directors must be a resident farmer.

Sec. 3. Adds an audit by Department of Commerce, Community, and Economic Development, Division of Banking and Securities, as an exception to the confidentiality provision of CFAB's financial records.

Sec. 4. Establishes a new section in CFAB statutes providing for a bank examination at intervals of not more than 36 months.

Sec. 5. House cleaning provision repeals definition of "resident farmer".

Sec. 6. Provides for an immediate effective date for resident farmer provisions.

Sec. 7. Establishes an effective date of July 1, 2011 for examinations as requested by the Division of Banking and Securities.

SENATE FINANCE COMMITTEE REPORT

DATE: 3/17/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 264

SB 264 COMMERCIAL FISHING & AGRICULTURE BANK

"An Act relating to the board, investigations, and examinations of the Alaska Commercial Fishing and Agriculture Bank; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
C.E.D		✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins				
	Thomas	✓			
	Egan	✓			
	Ellis			✓	
	Olson			✓	
CO-CHAIR:					
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 264**
(S) Publish Date: 3/17/10

Identifier (file name): SB264-CED-BSS-3-15-10
Dept. Affected: DCCED
Title: Commercial Fishing and Agriculture Bank
RDU: Banking and Securities
Component: Banking and Securities
Sponsor: Senator Coghill
Requester: Senate Labor and Commerce
Component Number: 2808

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	10.6		10.6	10.6	10.6	10.6	10.6
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**10.6**	**0.0**	**10.6**	**10.6**	**10.6**	**10.6**	**10.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Receipts Svs (1156)	10.6		10.6	10.6	10.6	10.6	10.6
TOTAL	**10.6**	**0.0**	**10.6**	**10.6**	**10.6**	**10.6**	**10.6**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill changes the requirements of board membership of the Commercial Fishing and Agriculture Bank(CFAB) and requires the Department of Commerce, Community and Economic Development to perform examinations of CFAB at a minimum of every three years, however examinations could take place more frequently at the discretion of the department.

Assuming a standard 2 week examination, costs incurred are travel costs for Juneau based examiners to travel to Anchorage. Estimated airfare, hotel, car rental, and per diem for 3 examiners for a two week period: $10,600. CFAB would be required to reimburse for the exam but spending authorization would still be required up front.

Prepared by: Lorie Hovanec, Director — Phone 269-8140
Division: Banking and Securities — Date/Time 3/15/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 3/15/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

Year	Amount	Date Paid
2002 Exam	6,307.61	03/03/03
2001 Exam	10,507.77	01/08/02
2000 Exam	9,281.99	10/20/00
1999 Exam	10,333.05	10/21/99
1998 Exam	13,149.33	10/27/98
1997 Exam	12,421.67	09/22/97
1996 Exam	10,495.32	12/11/96
1995 Exam	16,337.93	10/13/95
1994 Exam	14,618.27	09/30/94
1993 Exam	14,231.52	01/11/94
1992 Exam	7,500.00	12/11/92
1991 Exam	7,500.00	02/19/92
1990 Exam	7,500.00	02/27/91
1989 Exam	7,500.00	02/14/90
1988 Exam	7,500.00	03/21/89

4255 S McKechnie Loop
Palmer, AK 99695-9708
March 5, 2010

Dear Senator Coghill,

I was one of the original Directors of CFAB, appointed in 1979 by Governor Jay Hammond. I served as CFAB's "farmer Director" through the late 1980's, and for most of that period I was Chairman of the Board. I have first-hand knowledge of the problem SB264 is intended to address: Although I resigned from Board service in 1988 due to family considerations, in the early 1990's I agreed to run, and serve, again because there were no other eligible "farmer members" willing to serve.

Neither I nor my company have an ongoing need to borrow from CFAB; however, I remain an active member in order to take advantage of other services offered by the cooperative. I keep myself very much aware of CFAB's circumstances, both through published reports and through personal associations. When I contemplate the record CFAB has established, especially in light of early missteps, and the valuable services it continues to offer to the commercial fishing and agriculture communities and to its other constituencies, I count my involvement as one of the significant contributions of my nearly 60 years in Alaska.

I was very much involved in the process leading to CFAB's creation, and am aware of the philosophy behind the inclusion of a "farmer Director" requirement in the founding legislation. It was a logical, and effective, approach. I am also aware, however, of the ways in which the commercial agriculture community has developed over the ensuing 30 years, and of the difficulties CFAB has encountered in attempting to reach out to the relatively small universe of eligible operators whose needs are not met by subsidized public programs. But my experience and observations over those years have made me equally aware of CFAB's need, and persistent efforts, to extend lending services to any markets that will lead to diversification of its loan portfolio.

My conclusion, despite my attraction to and defense of the original requirement, is that CFAB and its statutory missions are best served by a Board of Directors consisting of mature and business-oriented persons who respect cooperative principles and practices, who attach value to sound credit standards and procedures, who understand basic financing and economic dynamics, and who appreciate the opportunities and limitations inherent to CFAB's circumstances. The "pedigrees" of individual Directors really do not matter. Because CFAB is a statewide financing cooperative whose members are widely dispersed and diversified, and are largely unknown to each other, the annual election of Directors is a challenging and imperfect process at best; maintenance of the "farmer Director" requirement is a further and unnecessary impediment. While SB264 indeed eliminates that requirement, the fact remains that any eligible CFAB member from the agricultural community may run for election to the Board if (s)he so desires. The "A" in "CFAB" will continue to stand for Agriculture, and CFAB will continue efforts to serve Agriculture. I support, and urge, the passage of SB264.

Paul A Huppert

Lela F. Klingert
President

March 19, 2003

The Honorable Frank Murkowski
Governor, State of Alaska
Post Office Box 110001
Juneau, Alaska 99811-0011

Dear Governor Murkowski,

We have reviewed House Bill 159 and Senate Bill 113, each introduced by the respective Rules Committee at your request.

We note that Section 2 of each bill provides for the repeal of AS 44.81.270(d), which authorizes and directs annual examination of the Alaska Commercial Fishing and Agriculture Bank. This is problematic to us, and we are wondering if a modified approach might be crafted; one which would support the bills' purposes and intents while continuing to meet the needs of CFAB and other interested parties.

To that end, we would offer the following points of perspective. They may seem somewhat lengthy, but our purposes are (1) to provide sufficient information to permit full consideration of an alternate approach; and (2) to emphasize that the examination function has been extremely useful to CFAB and its resident member-owners.

AS 44.81.270(d) was the result of 1987 legislation. CFAB had begun operations in early 1980. By the end of 1984, and into 1985, it had become clear that cumulative losses and other effects of inappropriate credit judgments and practices threatened CFAB's failure. During the late '80's, and into the early 90's, CFAB was "in recovery." (At that time, the State of Alaska owned $32.0 million of CFAB's preferred stock.) Among the ancillary effects of the publicity and perceptions concerning CFAB's circumstances were the generally unfounded yet understandable allegations of a wide range of improprieties within CFAB and the expressed frustrations that "nobody knows what the real story is." These emanated from both the legislative and executive branches, as well as from member-owners, competing lenders, and various media, etc.

Thus, one of the practical, and successful, purposes of the 1987 legislation was establishment of a process by which a professional, credible, and independent

periodic evaluation of CFAB's loan/asset quality, management, practices, and statutory compliance may be submitted to authorized and interested parties. Over the years many examination reports – or elements thereof – have been noted by, or discussed with, a range of administrators, legislators, lenders, and others. Those examination reports have proven to be extremely useful.

Quite often the value of a safeguard, or a safety element such as a fire extinguisher, may become "invisible" because it has never been called upon. That may be the case here. CFAB has the statutory authority, unique among private lenders, to acquire and administer a consensual lien on a Commercial Fisheries Limited Entry Permit. CFAB has always exercised this authority within a context of fiduciary responsibility, and has attempted to adhere to the spirit, as well as the letter, of the comprehensive statutory limitations. There has *never* been a sustained, or even substantial, suggestion of CFAB failure in this regard.

Notwithstanding the foregoing, it should not be overlooked that the annual examination has been a most effective means of oversight of this area, and AS 44.81 in general, for the benefit and protection of the thousands of Alaska residents potentially affected. Similarly, these examinations have provided an element of protection for those Alaska residents who are the collective owners of over $19.0 million of CFAB equity. This is not unlike the efforts undertaken by the State to protect the depositors and/or owners of other institutions.

We note the suggestion that the annual examination is redundant to the statutorily-mandated financial audit. However, those processes encompass significantly different professional disciplines and emphases, and are complimentary to each other. Simply put, an examination is focused on the quality/value of assets, whereas an audit is concerned primarily with appropriate accounting for the assets and liability of the subject. If CFAB makes a $100,000 loan to Bill Jones, who confirms to the auditors that he indeed owes CFAB $100,000, the auditors are satisfied that $100,000 has been accounted for. However, the *examiners'* process is concerned with whether or not it made professional sense for CFAB to make the loan, and with whether or not Bill Jones has the intent and capacity to repay.

We do not consider the annual audit and annual examination, each of which we value, to be at all redundant. For over 15 years CFAB's management has viewed the annual examination to be a necessary and valuable check on its own analyses and judgments. Its officers, while not lacking in confidence, have welcomed the scrutiny of objective and professional eyes. In short, the examination has proved a valuable tool in assuring the effective management of CFAB, to the benefit of Alaska residents. Similarly, CFAB's Board of Directors has utilized the examination and the resultant report and examiners' presentation as an element of its ongoing evaluation of

management, in keeping with the Board's fiduciary duty to member-owners. Finally, CFAB's lender – without which CFAB could not function – has clearly viewed the annual examination as an important element of its evaluation of CFAB's creditworthiness.

Your letters transmitting HB 159 and SB 113 suggest that certain fiscal objectives will be served through passage of this legislation. Obviously, we have no insight into the agency finances involved, and would not presume to offer comments in that regard. Neither would we suggest that a reduction in agency net expense is inappropriate. However, we are somewhat confused as to the relevance of AS 44.81.270(d) to that issue. Through 1992 CFAB, like each other state-chartered financial institution, was charged a maximum of $7,500 (or actual costs, if less) for each examination. Beginning in 1993, premised on a change in the relevant statute, CFAB has been charged – and has paid – what has been expressed as the "actual costs" of each examination. CFAB has paid a total of $117,684 for the ensuing examinations – an average of $11,768, with a high of $16,338 and a low of $6,308. If those charges have indeed reflected the actual costs of examination, it is difficult to understand how a cessation of those examinations will have a significant fiscal impact.

As a closing observation, we would like to assure that a modification of the required examination interval to 18 months, as your bills provide for other non-banking entities, would be a workable approach from CFAB's standpoint.

Governor Murkowski, we are somewhat troubled at the appearance of "opposing" your legislation; we would have preferred an earlier discussion. CFAB is a private cooperative institution with unique purposes, authorities, foundation, and history, and is charged with serving a public interest. We believe that routine professional examinations are an important element for the protection of the State, the public, the cooperative, and its member-owners. And, of course, CFAB is willing to continue to pay its own way on the same bases as in the past.

Very truly yours,

Lela F. Klingert

Lela F. Klingert
President

Sec. ⏭44.81.270⏮. Audits and examinations of bank.

(a) The legislative auditor may cause the bank to be audited in the manner and under the conditions established by AS 24.20.271 for audits performed by the legislative audit division. The legislative audit division has free access to all books and papers of the bank that relate to the business of the bank and books and papers kept by a director, officer, or employee relating to or upon which a record of the business of the bank is kept. The legislative audit division may summon witnesses and administer oaths or affirmations in the examination of directors, officers, or employees of the bank or another person in relation to the affairs, transactions, and conditions of the bank, and may require and compel the production of records, books, papers, contracts, or other documents by court order if not voluntarily produced. At the direction of the Legislative Budget and Audit Committee under AS 24.20.271 , the legislative auditor may conduct an audit of the bank.

(b) The legislative auditor and the auditor's employees may not disclose information acquired by them in the course of an audit of the bank concerning the particulars of the business or affairs of a borrower of the bank or another person, unless the information is required to be disclosed by law or under a court order.

(c) The bank shall be audited annually by independent outside auditors. The legislative auditor may confer with the outside auditors and review the work papers of the audit. The board shall engage the outside auditors, who shall be responsible to the board. The bank shall submit copies of each report of the outside auditors to the legislative auditor within 30 days of the report by the bank.

(⏭d⏮) The state bank examiners shall perform an annual qualitative examination and evaluation of the bank. The commissioner of community and economic development shall assess the bank a fee established under AS 06.01.010 (b) for the actual expenses incurred by the Department of Community and Economic Development in connection with the examination. The examiners shall report to the board on the examination. The examiners shall prepare a summary report evaluating the bank's loan portfolio quality on a statistical basis and addressing the appropriateness and effectiveness of the bank's policies, practices, and management within the context of the bank's statutory purposes. The examiners shall distribute copies of the summary report to the bank, the legislature, and the governor, and the other records related to the examination of the bank are subject to AS 06.01.025 .

SB 266

<target><bill>SB 266</bill><subject>SB 266</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR JOE THOMAS

Senate Bill 266

An Act relating to emergency compensation from the Violent Crimes Compensation Board

Sponsor Statement

The Victims of Violent Crimes Compensation Board (VCCB) was created in 1972 in an attempt to mitigate the financial hardships suffered by victims of violent crimes. This board is able to support these victims and their dependents with up to $40,000 and $1,500 in immediate emergency compensation.

Senate Bill 266 proposes to increase the limit for emergency compensation to $3,500.

The allowable amount for emergency compensation has not been increased since 1975 and is limited to verifiable lost wages, counseling, security measures and relocation costs. The most pressing need for emergency compensation is to cover relocation costs when a victim is in immediate danger at their current location.

The costs for these emergency expenses have increased substantially over the years, and $1,500 is unable to cover deposit and first and last month rents, especially when a family or dependents are involved. Emergency awards are necessary because the Board only meets approximately five times per year, and it can be several weeks or months before a claim is considered.

In Fiscal Year 2009 there was $25,547.80 given in emergency compensation for 22 claims. 12 of these were made at the maximum amount of $1,500. So far in FY2010, $29,699.17 has been awarded by way of emergency awards for 24 claims. The crime victim compensation fund receives approximately 70% of its appropriations from the state in the form of felon's garnished Permanent Fund Dividends and 30% from federal funds. This type of compensation is deducted from the final amount given to the victim and any excess award must be repaid to the Board.

I urge you to join me in assisting Alaska's victims of violent crimes when their need is greatest and support Senate Bill 266.

January – May: State Capitol – Juneau, Alaska 99801 – (907) 465-2327 – 1 (800) 336-7383 – Fax (907) 465-5241
June – December: 1292 Sadler Way Ste 203 – Fairbanks, Alaska 99701 – (907) 456-8161 – Fax (907) 456-8163
Senator.Joe.Thomas@legis.state.ak.us

VIOLENT CRIMES COMPENSATION BOARD

EMERGENCY AWARDS

The State's violent crimes compensation program is funded through both state and federal funds. Approximately 70% of the amount awarded annually in compensation comes from a legislative appropriation of state funds, and 30% comes from federal funds in the form of an annual federal grant.

In FY2009 the VCCB received authorization by the legislature to spend $510,100 in federal funds, and $1,233,300 from PFD criminal receipts on awards to victims of crime. (Note these figures exclude monies for the program's operating expenses)

In FY2009 the total amount paid to victims = $1,701,795, including $25,547.80 awarded by way of emergency awards.

In FY2010 to date the Board has awarded $29,699.17 by way of emergency awards.

Note: amounts awarded as emergency funds are deducted from the amount of the final award made to the victim. Should the claim be deemed ineligible, the emergency funds would be required to be repaid. This does not happen in practice since it is only those claims where eligibility already appears to be established where emergency awards can be considered (see Board policy)

Emergency awards are necessary because the Board only meets approximately 5 times a year. Therefore, it can be several weeks or even months before a claim is considered for award. The Board exercises its discretion in determining whether it believes an emergency award is justified, which awards are limited to lost wages, counseling, relocation or security measures.

In FY 2009 emergency awards were made on 22 claims. 10 were for lost wages; 5 for counseling; 6 for relocation and 1 for both lost wages and counseling. The average amount awarded was $1,161.26, but 12 awards were made at the maximum $1,500 level.

The maximum amount that may be awarded as an emergency award has not increased since 1975. The main reason for requesting the increase is that rental costs have increased significantly over the years. If someone needs to find a new place to live urgently, whether as a matter of security or for their emotional wellbeing, $1,500 does not go very far, particularly where a family is involved. Raising the emergency award amount to $3,500 will enable the board to sufficiently provide for emergency situations.

E.g. we recently relocated a family where the 13 year old daughter had been raped in her bed by a family acquaintance. The family was being harassed by the family of the perpetrator. The Board awarded $1,500 in emergency funds so that they could relocate as soon as possible for safety and because the little girl was extremely traumatized. The funds paid for the security deposit ($1,000) and part of one month's rent ($1,600). At the next Board meeting additional funds were awarded to this family for relocation costs as well as funds for counseling.

Provided by Sen. Thomas

SENATE FINANCE COMMITTEE REPORT

DATE: 2/26/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 266

SB 266 VIOLENT CRIMES EMERGENCY COMPENSATION

"An Act relating to emergency compensation from the Violent Crimes Compensation Board."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
ADM	2/24/10			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas	✓			
	Ecr	✓			
	Olson			X	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stevens			X	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 266
(S) Publish Date: 2/26/10

Identifier (file name) SB266-DOA-DAS-02-24-10
Title "An Act relating to emergency compensation from the Violent Crimes Compensation Board."
Sponsor Senator Thomas
Requester (S) STA

Dept. Affected: DOA
RDU VCCB
Component VCCB
Component Number 2694

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
No fiscal impact is anticipated, therefore the agency submits a zero fiscal note.

Prepared by: Eric Swanson, Director
Division Administrative Services
Approved by: Kevin Brooks, Deputy Commissioner
Department of Administration

Phone (907) 723-9686
Date/Time 02/24/2010 3:00pm
Date 2/24/2010

(Revised 11/6/2009 OMB)

Alaska Department of Administration

Violent Crimes Compensation Board

Board Awards

Quick Links

Forms
Policies

Emergency Awards

Short Description

If a claim appears to be eligible for compensation and a claimant would suffer undue hardship if assistance were not provided, the Board may award up to $1,500 in emergency assistance.

Policy

Adopted 9-27-06

Utilizing statutory discretion, if it appears to the Board, prior to taking action on an application, that the claim is one for which compensation is likely, and undue hardship would result to the applicant if immediate payment is not made, the Board may make an emergency award of compensation to the applicant and/or their service provider pending a final decision. However, the amount of the emergency compensation may not exceed $1,500.00 per applicant. The amount of the emergency compensation shall be deducted from the final compensation made to the applicant and the excess of the amount of the emergency compensation over the final amount awarded shall be repaid by the applicant to the Board.

Emergency awards shall be limited to verifiable lost wages, counseling only when payments are made directly to the service provider, relocation costs, and security measures if/when relocation assistance is not requested. The Board will not consider awarding medical costs through emergency awards.

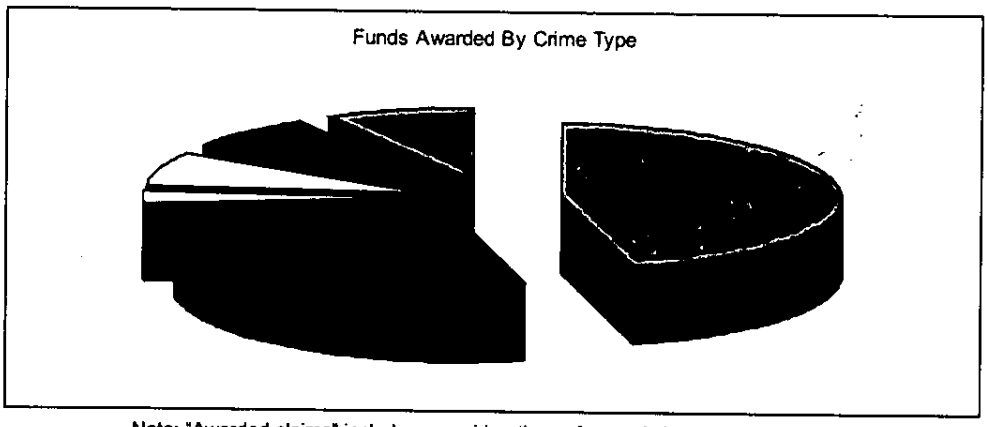
PO Box 110230, Juneau, AK 99811
10th Fl., State Office Building, 333 Willoughby Ave., Juneau, Alaska
Email VCCB | Fax: (907) 465-2379 | Phone: (907) 465-3040
State of Alaska | Webmaster

The Board receives applications for compensation from all regions of the state. The following table shows the number of new applications received during the reporting period by location:

SFY2009					
Aklachak	2	Fairbanks	47	Nikiski	3
Afognak	1	Fort Wainwright	1	Ninilchik	1
Alakanuk	1	Fort Greely	4	Nondalton	1
Anchorage	289	Girdwood	1	Noorvik	1
Anderson	1	Grayling	2	Nome	10
Angoon	5	Haines	2	North Pole	13
Aniak	1	Houston	3	Palmer	20
Barrow	7	Homer	8	Perryville	1
Bethel	12	Hoonah	1	Point Hope	2
Big Lake	2	Hooper Bay	4	Petersburg	10
Birch Creek	1	Iliamna	1	Port Alexander	2
Chefornak	2	Juneau	40	Quinhagak	1
Chevak	4	Kasilof	2	Russian Mission	4
Chickaloon	1	Kasigluk	1	Razdolna	1
Chuathbaluk	1	Kenai	21	Seward	4
Chugiak	1	Ketchikan	11	Sitka	9
Craig	1	Kiana	1	Soldotna	17
Cordova	1	Kivalina	2	Shageluk	1
Copper Center	2	Knik Knik River	1	Selawik	1
Crooked Creek	1	Koyukuk	2	Stebbins	1
Delta Junction	1	Kodiak	15	St Mary's	1
Dillingham	7	Kotlik	4	Tuntutiak	2
Eagle River	3	Kotzebue	10	Talkeetna	1
Elelson AFB	1	Lower Kalskag	1	Valdez	2
Emmonak	9	Metlakatla	1	Willow	2
Elmendorf	2	Mountain Village	5	Wasilla	40
		Total Alaska	703		
		Out of State	7		
		TOTAL	710		

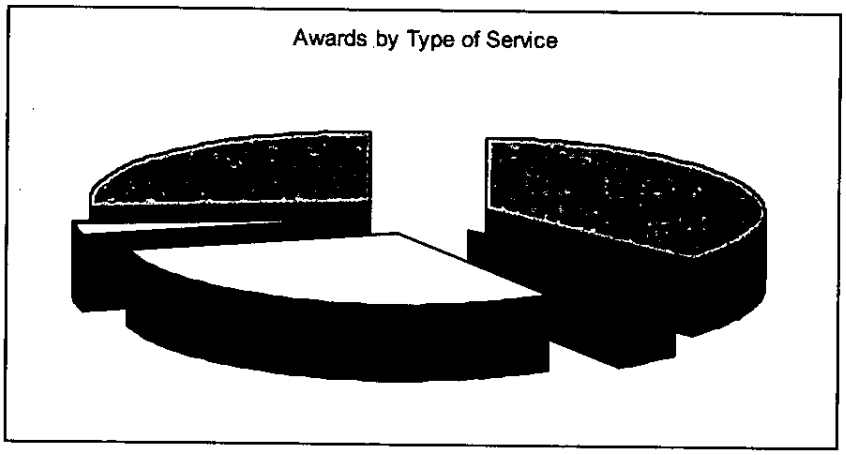
 Provided by Sen. Thomas

VIOLENT CRIMES COMPENSATION BOARD AWARDS – 2009



Note: "Awarded claims" include reconsiderations of pre-existing claims and new claims

Assault	$782,077.17
Homicide	$460,268.65
[illegible]	$50,486.61
Child Physical and Sexual Abuse	$130,492.70
DUI/DWI	$131,898.22
Other: robbery, arson, kidnapping, trafficking, other vehicular	$146,572.08



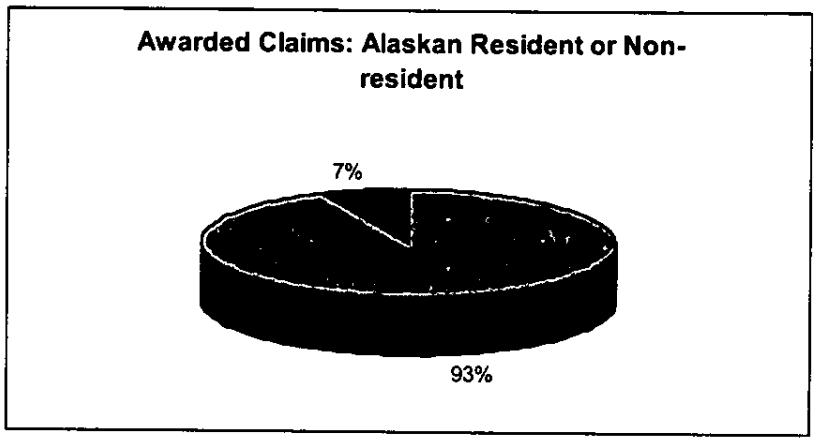
Note: "Awarded claims" include reconsiderations of pre-existing claims and new claims

Medical/Dental	$625,823.45
Counseling	$70,082.29
[illegible]	$504,079.36
Funeral	$46,165.48
Crime Scene Cleanup	$3,036.36
Other (e.g. relocation)	$452,608.50

In 2009, the total amount paid out was $1,701,795.

VIOLENT CRIMES COMPENSATION BOARD AWARDS – 2009

The following chart shows how funds were paid out during this reporting period by resident and non-resident:

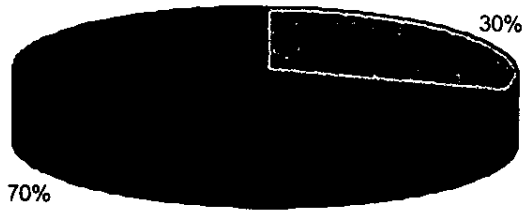


Note: "Awarded claims" include reconsiderations of pre-existing claims and new claims

Residents 93% **Non-residents 13%**

The following charts shows how funds were paid out during this reporting period by the victim's age, type of crime and type of service.

Awarded Claims by Age of Victim



Note: "Awarded claims" include reconsiderations of pre-existing claims and new claims

30% of Claims Approved Involved Victims Age 17 and under
70% of Claims Approved Involved Victims Age 17 and Over

Sample of Emergency Awards from Fiscal Year 2009

#34183 The claimant, a female, filed as a victim of sexual assault and the Board previously awarded an emergency award in the amount of $700 for Other-replace clothing and CITA. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67. It was the decision of the Board to award the requested compensation under AS 18.67.110(a)(4). All Board members concurred with the decision.
AWARDED: $0

#34583 The claimant, a female, filed as a victim of sexual assault. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67. It was the decision of the Board to award emergency relocation under AS 18.67.(a)(1). All Board members concurred with the decision.
AWARDED: $1,500 Relocation

#34551, 673-4 The claimant, a female, was a victim of a domestic assault and the Board previously awarded an emergency award in the amount of $1,500 for airfare, food, glasses, CITA housing expenses. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67, and awarded relocation expenses. It was the decision of the Board to award the requested compensation under AS 18.67.110(a)(1)(4). All Board members concurred with the decision.
AWARDED: $0
Pre-approve up to $2,600 MHT
Pre-approve up to $1,200 MHT
Pre-approve up to $1,200 MHT
Pre-approve up to $3,736.90 Relocation

#34584 The claimant, a female, was a victim of human trafficking and the Board previously awarded an emergency award in the amount of $1,500.00 for relocation. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67, and awarded relocation. It was the decision of the Board to award the requested compensation under AS 18.67.110(a)(1)(4). All Board members concurred with the decision.
AWARDED: $1,444.70 Relocation
Pre-approve up to $2,600.00 MHT
Pre-approve up to $300.00 Mileage
Pre-approve up to $2,055.30 Relocation
Pre-approve up to $600.00 CITA

#34583 The claimant, a female, was a victim of sexual assault and the Board previously awarded an emergency award in the amount of $1,500 for relocation. The Board determined the claimant to be an innocent victim of a violent crime under AS 18.67, and awarded relocation expenses. It was the decision of the Board to award the requested compensation under AS 18.67.110(a)(1)(4). All Board members concurred with the decision.
AWARDED: $2,128.22 Relocation
Pre-approve up to $2,600.00 MHT
Pre-approve up to $1,609.78 Relocation
Pre-approve up to $2,500.00 Re-establishment

 Provided By Sen. Thomas

SB 269

<target><bill>SB 269</bill><subject>SB 269</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 2/10/10

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 269

SB 269 ECON. STIMULUS BONDS: REALLOCATION/WAIVER

"An Act relating to the waiver of volume cap of recovery zone economic development bonds authorized by 26 U.S.C. 1400U-2 and reallocation by the Alaska Municipal Bond Bank Authority of the waived volume cap; relating to the waiver of volume cap of recovery zone facility bonds authorized by 26 U.S.C. 1400U-3 and reallocation by the Alaska Industrial Development and Export Authority of the waived volume cap; increasing the total amount of bonds and notes that the Alaska Municipal Bond Bank Authority may have outstanding; relating to revenue bonds issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date."

and recommends:

[✓] be **replaced** with [ ] **SCS** or [✓] **CS** SB 269 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[x] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	2/10/10			✓	1
REV	2/10/10	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 269
(S) Publish Date: 2/10/10

Identifier (file name): LL 0880-REV-MBBA-2-9-10
Title: Recovery Zone Volume Cap
Sponsor: Rules by request of the Governor
Requester:

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Alaska Municipal Bond Bank Auth
Component Number: 44

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	20.0						
Contractual	60.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**80.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Bond Bank retained earnings	80.0						
TOTAL	**80.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 15.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

The Bill authorizes the Alaska Municipal Bond Bank Authority to reallocate waived recovery zone economic development bond volume cap. The allocations provide issuers a 45% subsidy from the US Treasury on qualified taxable debt of the issuer. In some markets this structure results in a 1.5% reduction in the cost of capital, and up to .5% more reduction than the Build America Bond structure with its 35% subsidy.

The allocation process would be conducted within the normal course of business of the Bond Bank. There will be legal counsel and financial advisory service costs to prepare the legal documents required to allocate the economic development bond volume cap. Travel costs will be incurred providing training and advice to municipalities as well as for additional board meetings of the five member Bond Bank board that will be required to ensure timely delivery of the allocations.

Prepared by: Deven Mitchell, Executive Director — Phone 465-3750
Division: Alaska Municipal Bond Bank — Date/Time 12/28/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 2-9-10; 4:52pm
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 269
(S) Publish Date: 2/10/10

Identifier (file name): 0880-CED-AIDEA-1-12-10
Title: Municipal Bond Bank and Recovery Zone Bonds
Sponsor
Requester

Dept. Affected: DCCED
RDU: AIDEA (125)
Component: AIDEA operations
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Rcpt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill proposes to authorize the Alaska Industrial Development and Export Authority (AIDEA) to use or reallocate waived recovery zone facility bond volume cap originally allocated under 26U.S.C. 1400U-1-1400U-3, as amended. AIDEA shall use or allocate the waived volume cap for the most efficient job creation and economic recovery in areas of the state particularly affected by employment declines. AIDEA shall give priority to projects within a borough or census area that received an allocation of volume cap under 26U.S.C. 1400U-1-1400U-3, as amended. AIDEA shall charge and collect a fee for reallocating waived recovery zone facility bond volume cap to reimburse AIDEA for administrative and contract expenses associated with the reallocation not to exceed 1% of the reallocation.

(Continued on Page 2)

Prepared by: Sara Fisher-Goad
Phone 771-3012
Division: AIDEA
Date/Time 1/12/10 12:00 AM
Approved by: Emil Notti, Commissioner
Department of Commerce, Community and Economic Development
Date 1/12/2010

The potential fee amount to be collected is indeterminate; however, Alaska's total recovery zone facility bonds volume cap allocation is $135,000,000, with $87,930,000 allocated to boroughs and $47,070,000 allocated to census areas. AIDEA's normal bond fees would apply for any bonds issued under AS 44.88 as recovery zone facility bonds.

No additional operating costs are anticipated with this legislation.

adopted N/O 3/10/10

26-GS2880\E
Cook
3/8/2010

CS FOR SENATE BILL NO. 269(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act relating to the waiver of volume cap of recovery zone economic development bonds authorized by 26 U.S.C. 1400U-2 and reallocation by the Alaska Municipal Bond Bank Authority of the waived volume cap; relating to the waiver of volume cap of recovery zone facility bonds authorized by 26 U.S.C. 1400U-3 and reallocation by the Alaska Industrial Development and Export Authority of the waived volume cap; increasing the total amount of bonds and notes that the Alaska Municipal Bond Bank Authority may have outstanding; relating to revenue bonds and to obligations secured by lease that are issued by the Alaska Municipal Bond Bank Authority; relating to allocations of tax credit and bonding limits imposed by the federal government; and providing for an effective date."

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

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

to read:

FINDINGS AND INTENT FOR SECS. 5 AND 6 OF THIS ACT. (a) The legislature finds for secs. 5 and 6 of this Act that P.L. 111-5 (American Recovery and Reinvestment Act of 2009)

(1) authorized the issuance of certain tax-advantaged bonds known as recovery zone economic development bonds and recovery zone facility bonds under Division B, Title I, Subtitle E, sec. 1401, P.L. 111-5 (26 U.S.C. 1400U-1 - 1400U-3); the purpose of those bonds is to provide tax incentives for state and local governmental borrowing at lower borrowing costs to promote job creation and economic recovery that is targeted to areas particularly affected by employment declines;

(2) set a national volume limitation for recovery zone economic development bonds of $10,000,000,000, and a national volume limitation for recovery zone facility bonds of $15,000,000,000 under 26 U.S.C. 1400U-1(a)(4);

(3) authorized the United States Secretary of the Treasury to allocate the national volume limitation for those bonds among the states under 26 U.S.C. 1400U-1(a);

(4) required each state to reallocate its volume among the counties and large municipalities in the state in proportion to relative employment declines in 2008 under 26 U.S.C. 1400U-1(a)(3); because that requirement was nondiscretionary, the Internal Revenue Service performed the reallocations within states and published them on its website under I.R.B. 2009-26;

(5) permits a county or municipality to waive its allocation under 26 U.S.C. 1400U-1(a)(3); the Internal Revenue Service guidance relating to the allocation of recovery zone economic development bonds and recovery zone facility bonds provides that a county or large municipality may waive a portion of the volume cap allocation received for recovery zone bonds; upon a waiver, the state in which the county or large municipality is located is authorized to reallocate the waived volume cap in any reasonable manner as it shall determine in good faith in its discretion under I.R.B. 2009-26; the guidance further provides that the states have authority to consider a waiver; in this state, the Internal Revenue Service allocated the bond volume to boroughs and census areas; and

(6) requires the bonds to be issued before January 1, 2011, under 26 U.S.C. 1400U-2(b)(1) and 26 U.S.C. 1400U-3(b)(1)(B).

(b) It is the intent of the legislature for secs. 5 and 6 of this Act to

(1) define when a borough or census area to which recovery zone economic development bond volume cap and recovery zone facility bond volume cap have been allocated is considered to have waived the volume cap;

(2) authorize the Alaska Municipal Bond Bank Authority to reallocate waived recovery zone economic development bond volume cap; and

(3) authorize the Alaska Industrial Development and Export Authority to reallocate waived recovery zone facility bond volume cap.

*** Sec. 2.** AS 37.15.800 is amended by adding a new subsection to read:

(f) The committee shall allocate tax credit limits and tax-exempt bond limits for the state in accordance with requirements imposed by federal law in connection with the tax credits and tax-exempt bonds. This subsection does not apply to low-income housing tax credits, qualified veterans' mortgage bonds under applicable provisions of 26 U.S.C. (Internal Revenue Code), or private activity bonds.

*** Sec. 3.** AS 44.85.180(c) is amended to read:

(c) Notwithstanding the provisions of (a) and (b) of this section, the total amount of bond bank authority bonds and notes outstanding at any one time may not exceed **$1,000,000,000** [$750,000,000]. This subsection does not apply to

(1) bonds or notes issued to fund or refund bonds or notes;

(2) bonds, notes, commercial paper, and other obligations issued under AS 44.85.086 or (a)(5) of this section.

*** Sec. 4.** AS 44.85.410(4) is amended to read:

(4) "municipal bond" means a bond or note or evidence of debt that constitutes

(A) a general obligation bond that is a direct and general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note, or evidence of debt, and the interest without limitation, as to rate or amount generally to the extent permitted by law or to avoid a default as provided for second class cities under AS 29.45.590;

(B) a revenue bond [, EXCEPT A REVENUE BOND FOR

ELECTRICAL GENERATION PURPOSES OTHER THAN DIESEL-POWERED GENERATION,] issued by a municipality, a solid waste management authority, or a port authority that pledges the revenue of a revenue-producing capital improvement and that is payable solely from the revenue of the revenue-producing capital improvement;

(C) a general obligation bond or revenue bond combined or additionally secured;

(D) a bond of a borough issued as a general obligation of a service area under AS 29.47.440 or former AS 29.58.340; or

(E) an obligation of a municipality secured only by

(i) special assessments on benefited property;

(ii) tax increments and a letter of credit or equal security; or

(iii) a lease [FOR EQUIPMENT OR BUILDING IMPROVEMENTS IF THE STATE IS NOT A LESSEE];

*** Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

WAIVER AND REALLOCATION OF RECOVERY ZONE ECONOMIC DEVELOPMENT BOND VOLUME CAP. (a) A borough in the state that has received an allocation of recovery zone economic development bond volume cap under 26 U.S.C. 1400U-1 and 1400U-2, as amended, may waive all or part of its allocation at any time.

(b) A borough in the state that has received an allocation of recovery zone economic development bond volume cap under 26 U.S.C. 1400U-1 and 1400U-2, as amended, is considered to have waived the unused portion of the borough's recovery zone economic development bond volume cap as of the close of business June 30, 2010, unless the borough has authorized the issuance of bonds and files a written notice with the Alaska Municipal Bond Bank Authority before June 30, 2010, stating its intention to use the volume cap before August 31, 2010. If the borough files the written notice, the borough is considered to have waived the unused portion of its volume cap on the close of business, August 31, 2010.

(c) The recovery zone economic development bond volume cap for a census area in the state that has received an allocation of recovery zone economic development bond volume

cap under 26 U.S.C. 1400U-1 and 1400U-2, as amended, is considered waived as of the close of business June 30, 2010.

(d) The recovery zone economic development bond volume cap that has been waived or considered waived under this section lapses to the Alaska Municipal Bond Bank Authority (AS 44.85.020). The Alaska Municipal Bond Bank Authority is authorized to reallocate the waived recovery zone economic development bond volume cap.

(e) An issuer of recovery zone economic development bonds authorized by 26 U.S.C. 1400U-1 and 1400U-2, as amended, shall at the time of issuance, notify the Alaska Municipal Bond Bank Authority in writing of the principal amount of the recovery zone economic development bonds being issued and the date of issuance.

(f) The Alaska Municipal Bond Bank Authority may designate any bonds it issues under AS 44.85 as recovery zone economic development bonds authorized by 26 U.S.C. 1400U-1 and 1400U-2, as amended. In connection with issuing recovery zone economic development bonds, the Alaska Municipal Bond Bank Authority may designate areas in the state as recovery zones and may apply recovery zone economic development bond volume cap the authority has received under this section to the bonds. The Alaska Municipal Bond Bank Authority may reallocate recovery zone economic development bond volume cap to other issuers of bonds in the state and may authorize those issuers to designate areas as recovery zones for purposes of using the recovery zone economic development bond volume cap the authority allocates to those issuers.

(g) The Alaska Municipal Bond Bank Authority may use or reallocate waived recovery zone economic development bond volume cap under this section in the manner the authority considers most likely to achieve the efficient use of all the waived recovery zone economic development bond volume cap, taking into consideration job creation and economic recovery in areas of the state particularly affected by employment declines. The Alaska Municipal Bond Bank Authority shall give priority to projects in a borough or census area that received an allocation of recovery zone economic development bond volume cap under 26 U.S.C. 1400U-1 and 1400U-2, as amended. If a borough that received the allocation designates a project within the borough or designates a project outside of the borough that benefits the borough or its residents, the Alaska Municipal Bond Bank Authority shall reallocate the volume cap for that project in the amount designated and to the designated

eligible issuer of recovery zone economic development bonds.

(h) The Alaska Municipal Bond Bank Authority may reallocate recovery zone economic development bond volume cap allocations from a census area to political subdivisions located in the census area. Before making a reallocation, the Alaska Municipal Bond Bank Authority shall consult with all political subdivisions in the census area having legal authority to issue the bonds regarding the need for reallocation of volume cap.

*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

WAIVER AND REALLOCATION OF RECOVERY ZONE FACILITY BOND VOLUME CAP. (a) A borough in the state that has received an allocation of recovery zone facility bond volume cap under 26 U.S.C. 1400U-1 and 1400U-3, as amended, may waive all or part of its allocation at any time.

(b) A borough in the state that has received an allocation of recovery zone facility bond volume cap under 26 U.S.C. 1400U-1 and 1400U-3, as amended, is considered to have waived the unused portion of the borough's recovery zone facility bond volume cap as of the close of business June 30, 2010, unless the borough has authorized the issuance of bonds and files a written notice with the Alaska Industrial Development and Export Authority before June 30, 2010, stating its intention to use the volume cap before August 31, 2010. If the borough files the written notice, the borough is considered to have waived the unused portion of its volume cap on the close of business, August 31, 2010.

(c) The recovery zone facility bond volume cap for a census area in the state that has received an allocation of recovery zone facility bond volume cap under 26 U.S.C. 1400U-1 and 1400U-3, as amended, is considered waived as of the close of business June 30, 2010.

(d) The recovery zone facility bond volume cap that has been waived or considered waived under this section lapses immediately to the Alaska Industrial Development and Export Authority (AS 44.88). The Alaska Industrial Development and Export Authority is authorized to reallocate the waived recovery zone facility bond volume cap.

(e) An issuer of recovery zone facility bonds authorized by 26 U.S.C. 1400U-1 and 1400U-3, as amended, shall at the time of issuance, notify the Alaska Industrial Development and Export Authority in writing of the principal amount of the recovery zone facility bonds being issued and the date of issuance.

(f) The Alaska Industrial Development and Export Authority may designate any bonds it issues under AS 44.88 as recovery zone facility bonds authorized by 26 U.S.C. 1400U-1 and 1400U-3, as amended. In connection with issuing recovery zone facility bonds, the Alaska Industrial Development and Export Authority may designate areas in the state as recovery zones and may apply recovery zone facility bond volume cap the authority has received under this section to the bonds. The Alaska Industrial Development and Export Authority may reallocate recovery zone facility bond volume cap to other issuers of bonds in the state and may authorize those issuers to designate areas as recovery zones for purposes of using the recovery zone facility bond volume cap the authority allocates to those issuers.

(g) The Alaska Industrial Development and Export Authority may use or reallocate waived recovery zone facility bond volume cap under this section in the manner the authority considers most likely to achieve the efficient use of all the waived recovery zone facility bond volume cap, taking into consideration job creation and economic recovery in areas of the state particularly affected by employment declines. The Alaska Industrial Development and Export Authority shall give priority to projects in a borough or census area that received an allocation of recovery zone facility bond volume cap under 26 U.S.C. 1400U-1 and 1400U-3, as amended. If a borough that received the allocation designates a project within the borough or designates a project outside of the borough that benefits the borough or its residents, the Alaska Industrial Development and Export Authority shall reallocate the volume cap for that project in the amount designated and to the designated eligible issuer of recovery zone facility bonds.

(h) The Alaska Industrial Development and Export Authority may use or reallocate waived recovery zone facility bond volume cap according to regulations adopted by the Alaska Industrial Development and Export Authority, which may include regulations requiring the use of documents prepared by the Alaska Industrial Development and Export Authority for that purpose and regulations establishing one or more deadlines for use of the waived recovery zone facility bond volume cap by the applicant. The Alaska Industrial Development and Export Authority may grant an application in whole or in part or may reject an application entirely after taking into consideration the factors established in (g) of this section.

(i) Before making a reallocation under this section, the Alaska Industrial

Development and Export Authority shall charge and collect a fee for reallocating waived recovery zone facility bond volume cap. The fee must be an amount sufficient to reimburse the Alaska Industrial Development and Export Authority for administrative and contract expenses associated with the reallocation but may not exceed one percent of the amount of the reallocation.

*** Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to read:

REVISOR'S INSTRUCTION. The revisor of statutes is instructed under AS 01.05.031 to change the heading of AS 37.15.800 from "Private activity bonds" to "Tax-exempt bonds and tax credits."

*** Sec. 8.** This Act takes effect immediately under AS 01.10.070(c).

26-GS2880\A.1
Cook
3/5/10

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR THOMAS

TO: SB 269

Page 4, line 16, following "2010":

Insert ", unless the borough has authorized the issuance of bonds and files a written notice with the Alaska Municipal Bond Bank Authority before June 30, 2010, stating its intention to use the volume cap before August 31, 2010. If the borough files the written notice, the borough is considered to have waived the unused portion of its volume cap on the close of business, August 31, 2010"

Page 5, line 15, following "amended.":

Insert "If a borough that received the allocation designates a project within the borough or designates a project outside of the borough that benefits the borough or its residents, the Alaska Municipal Bond Bank Authority shall reallocate the volume cap for that project in the amount designated and to the designated eligible issuer of recovery zone economic development bonds."

Page 5, line 31, following "2010":

Insert ", unless the borough has authorized the issuance of bonds and files a written notice with the Alaska Industrial Development and Export Authority before June 30, 2010, stating its intention to use the volume cap before August 31, 2010. If the borough files the written notice, the borough is considered to have waived the unused portion of its volume cap on the close of business, August 31, 2010"

Page 6, line 28, following "amended.":

Insert "If a borough that received the allocation designates a project within the

borough or designates a project outside of the borough that benefits the borough or its residents, the Alaska Industrial Development and Export Authority shall reallocate the volume cap for that project in the amount designated and to the designated eligible issuer of recovery zone economic development bonds."

26-GS2880\R
Cook
3/2/10

CS FOR SENATE BILL NO. 269(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act relating to the waiver of volume cap of recovery zone economic development bonds authorized by 26 U.S.C. 1400U-2 and reallocation by the Alaska Municipal Bond Bank Authority of the waived volume cap; relating to the waiver of volume cap of recovery zone facility bonds authorized by 26 U.S.C. 1400U-3 and reallocation by the Alaska Industrial Development and Export Authority of the waived volume cap; increasing the total amount of bonds and notes that the Alaska Municipal Bond Bank Authority may have outstanding; relating to revenue bonds and to obligations secured by lease that are issued by the Alaska Municipal Bond Bank Authority; and providing for an effective date."

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

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

FINDINGS AND INTENT FOR SECS. 4 AND 5 OF THIS ACT. (a) The legislature finds for secs. 4 and 5 of this Act that P.L. 111-5 (American Recovery and Reinvestment Act of 2009)

(1) authorized the issuance of certain tax-advantaged bonds known as recovery zone economic development bonds and recovery zone facility bonds under Division B, Title I, Subtitle E, sec. 1401, P.L. 111-5 (26 U.S.C. 1400U-1 - 1400U-3); the purpose of those bonds is to provide tax incentives for state and local governmental borrowing at lower borrowing costs to promote job creation and economic recovery that is targeted to areas particularly affected by employment declines;

(2) set a national volume limitation for recovery zone economic development bonds of $10,000,000,000, and a national volume limitation for recovery zone facility bonds of $15,000,000,000 under 26 U.S.C. 1400U-1(a)(4);

(3) authorized the United States Secretary of the Treasury to allocate the national volume limitation for those bonds among the states under 26 U.S.C. 1400U-1(a);

(4) required each state to reallocate its volume among the counties and large municipalities in the state in proportion to relative employment declines in 2008 under 26 U.S.C. 1400U-1(a)(3); because that requirement was nondiscretionary, the Internal Revenue Service performed the reallocations within states and published them on its website under I.R.B. 2009-26;

(5) permits a county or municipality to waive its allocation under 26 U.S.C. 1400U-1(a)(3); the Internal Revenue Service guidance relating to the allocation of recovery zone economic development bonds and recovery zone facility bonds provides that a county or large municipality may waive a portion of the volume cap allocation received for recovery zone bonds; upon a waiver, the state in which the county or large municipality is located is authorized to reallocate the waived volume cap in any reasonable manner as it shall determine in good faith in its discretion under I.R.B. 2009-26; the guidance further provides that the states have authority to consider a waiver; in this state, the Internal Revenue Service allocated the bond volume to boroughs and census areas; and

(6) requires the bonds to be issued before January 1, 2011, under 26 U.S.C. 1400U-2(b)(1) and 26 U.S.C. 1400U-3(b)(1)(B).

(b) It is the intent of the legislature for secs. 4 and 5 of this Act to

(1) define when a borough or census area to which recovery zone economic development bond volume cap and recovery zone facility bond volume cap have been allocated is considered to have waived the volume cap;

(2) authorize the Alaska Municipal Bond Bank Authority to reallocate waived recovery zone economic development bond volume cap; and

(3) authorize the Alaska Industrial Development and Export Authority to reallocate waived recovery zone facility bond volume cap.

*** Sec. 2.** AS 44.85.180(c) is amended to read:

(c) Notwithstanding the provisions of (a) and (b) of this section, the total amount of bond bank authority bonds and notes outstanding at any one time may not exceed **$1,000,000,000** [$750,000,000]. This subsection does not apply to

(1) bonds or notes issued to fund or refund bonds or notes;

(2) bonds, notes, commercial paper, and other obligations issued under AS 44.85.086 or (a)(5) of this section.

*** Sec. 3.** AS 44.85.410(4) is amended to read:

(4) "municipal bond" means a bond or note or evidence of debt that constitutes

(A) a general obligation bond that is a direct and general obligation of a political subdivision of the state, all the taxable property within which is subject to taxation to pay the bond, note, or evidence of debt, and the interest without limitation, as to rate or amount generally to the extent permitted by law or to avoid a default as provided for second class cities under AS 29.45.590;

(B) a revenue bond [, EXCEPT A REVENUE BOND FOR ELECTRICAL GENERATION PURPOSES OTHER THAN DIESEL-POWERED GENERATION,] issued by a municipality, a solid waste management authority, or a port authority that pledges the revenue of a revenue-producing capital improvement and that is payable solely from the revenue of the revenue-producing capital improvement;

(C) a general obligation bond or revenue bond combined or additionally secured;

(D) a bond of a borough issued as a general obligation of a service area under AS 29.47.440 or former AS 29.58.340; or

(E) an obligation of a municipality secured only by

(i) special assessments on benefited property;

(ii) tax increments and a letter of credit or equal security; or

(iii) a lease [FOR EQUIPMENT OR BUILDING IMPROVEMENTS IF THE STATE IS NOT A LESSEE];

*** Sec. 4.** The uncodified law of the State of Alaska is amended by adding a new section to read:

WAIVER AND REALLOCATION OF RECOVERY ZONE ECONOMIC DEVELOPMENT BOND VOLUME CAP. (a) A borough in the state that has received an allocation of recovery zone economic development bond volume cap under 26 U.S.C. 1400U-1 and 1400U-2, as amended, may waive all or part of its allocation at any time.

(b) A borough in the state that has received an allocation of recovery zone economic development bond volume cap under 26 U.S.C. 1400U-1 and 1400U-2, as amended, is considered to have waived the unused portion of the borough's recovery zone economic development bond volume cap as of the close of business June 30, 2010.

(c) The recovery zone economic development bond volume cap for a census area in the state that has received an allocation of recovery zone economic development bond volume cap under 26 U.S.C. 1400U-1 and 1400U-2, as amended, is considered waived as of the close of business June 30, 2010.

(d) The recovery zone economic development bond volume cap that has been waived or considered waived under this section lapses to the Alaska Municipal Bond Bank Authority (AS 44.85.020). The Alaska Municipal Bond Bank Authority is authorized to reallocate the waived recovery zone economic development bond volume cap.

(e) An issuer of recovery zone economic development bonds authorized by 26 U.S.C. 1400U-1 and 1400U-2, as amended, shall at the time of issuance, notify the Alaska Municipal Bond Bank Authority in writing of the principal amount of the recovery zone economic development bonds being issued and the date of issuance.

(f) The Alaska Municipal Bond Bank Authority may designate any bonds it issues

under AS 44.85 as recovery zone economic development bonds authorized by 26 U.S.C. 1400U-1 and 1400U-2, as amended. In connection with issuing recovery zone economic development bonds, the Alaska Municipal Bond Bank Authority may designate areas in the state as recovery zones and may apply recovery zone economic development bond volume cap the authority has received under this section to the bonds. The Alaska Municipal Bond Bank Authority may reallocate recovery zone economic development bond volume cap to other issuers of bonds in the state and may authorize those issuers to designate areas as recovery zones for purposes of using the recovery zone economic development bond volume cap the authority allocates to those issuers.

(g) The Alaska Municipal Bond Bank Authority may use or reallocate waived recovery zone economic development bond volume cap under this section in the manner the authority considers most likely to achieve the efficient use of all the waived recovery zone economic development bond volume cap, taking into consideration job creation and economic recovery in areas of the state particularly affected by employment declines. The Alaska Municipal Bond Bank Authority shall give priority to projects in a borough or census area that received an allocation of recovery zone economic development bond volume cap under 26 U.S.C. 1400U-1 and 1400U-2, as amended.

(h) The Alaska Municipal Bond Bank Authority may reallocate recovery zone economic development bond volume cap allocations from a census area to political subdivisions located in the census area. Before making a reallocation, the Alaska Municipal Bond Bank Authority shall consult with all political subdivisions in the census area having legal authority to issue the bonds regarding the need for reallocation of volume cap.

*** Sec. 5.** The uncodified law of the State of Alaska is amended by adding a new section to read:

WAIVER AND REALLOCATION OF RECOVERY ZONE FACILITY BOND VOLUME CAP. (a) A borough in the state that has received an allocation of recovery zone facility bond volume cap under 26 U.S.C. 1400U-1 and 1400U-3, as amended, may waive all or part of its allocation at any time.

(b) A borough in the state that has received an allocation of recovery zone facility bond volume cap under 26 U.S.C. 1400U-1 and 1400U-3, as amended, is considered to have waived the unused portion of the borough's recovery zone facility bond volume cap as of the

close of business June 30, 2010.

(c) The recovery zone facility bond volume cap for a census area in the state that has received an allocation of recovery zone facility bond volume cap under 26 U.S.C. 1400U-1 and 1400U-3, as amended, is considered waived as of the close of business June 30, 2010.

(d) The recovery zone facility bond volume cap that has been waived or considered waived under this section lapses immediately to the Alaska Industrial Development and Export Authority (AS 44.88). The Alaska Industrial Development and Export Authority is authorized to reallocate the waived recovery zone facility bond volume cap.

(e) An issuer of recovery zone facility bonds authorized by 26 U.S.C. 1400U-1 and 1400U-3, as amended, shall at the time of issuance, notify the Alaska Industrial Development and Export Authority in writing of the principal amount of the recovery zone facility bonds being issued and the date of issuance.

(f) The Alaska Industrial Development and Export Authority may designate any bonds it issues under AS 44.88 as recovery zone facility bonds authorized by 26 U.S.C. 1400U-1 and 1400U-3, as amended. In connection with issuing recovery zone facility bonds, the Alaska Industrial Development and Export Authority may designate areas in the state as recovery zones and may apply recovery zone facility bond volume cap the authority has received under this section to the bonds. The Alaska Industrial Development and Export Authority may reallocate recovery zone facility bond volume cap to other issuers of bonds in the state and may authorize those issuers to designate areas as recovery zones for purposes of using the recovery zone facility bond volume cap the authority allocates to those issuers.

(g) The Alaska Industrial Development and Export Authority may use or reallocate waived recovery zone facility bond volume cap under this section in the manner the authority considers most likely to achieve the efficient use of all the waived recovery zone facility bond volume cap, taking into consideration job creation and economic recovery in areas of the state particularly affected by employment declines. The Alaska Industrial Development and Export Authority shall give priority to projects in a borough or census area that received an allocation of recovery zone facility bond volume cap under 26 U.S.C. 1400U-1 and 1400U-3, as amended.

(h) The Alaska Industrial Development and Export Authority may use or reallocate waived recovery zone facility bond volume cap according to regulations adopted by the

Alaska Industrial Development and Export Authority, which may include regulations requiring the use of documents prepared by the Alaska Industrial Development and Export Authority for that purpose and regulations establishing one or more deadlines for use of the waived recovery zone facility bond volume cap by the applicant. The Alaska Industrial Development and Export Authority may grant an application in whole or in part or may reject an application entirely after taking into consideration the factors established in (g) of this section.

(i) Before making a reallocation under this section, the Alaska Industrial Development and Export Authority shall charge and collect a fee for reallocating waived recovery zone facility bond volume cap. The fee must be an amount sufficient to reimburse the Alaska Industrial Development and Export Authority for administrative and contract expenses associated with the reallocation but may not exceed one percent of the amount of the reallocation.

*** Sec. 6.** This Act takes effect immediately under AS 01.10.070(c).

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Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 9, 2010

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

Dear President Stevens,

Under the authority of Art. III, Sec. 18 of the Alaska Constitution, I am transmitting a bill relating to the waiver of volume cap of recovery zone economic development bonds authorized by 26 U.S.C. 1400U-2 and reallocation by the Alaska Municipal Bond Bank Authority of the waived volume cap; and relating to the waiver of volume cap of recovery zone facility bonds authorized by 26 U.S.C. 1400U-3 and reallocation by the Alaska Industrial Development and Export Authority of the waived volume cap.

The bill will benefit Alaskans by authorizing the Alaska Industrial Development Export Authority to administer the American Recovery and Reinvestment Act (ARRA) program. The result subsidizes interest rates on bonds for government infrastructure and private economic development, removes limitation on the Municipal Bond Bank to allow for energy-related projects in addition to diesel projects, and increases the bond limit to $1 billion.

The bill sets out legislative findings and intent for Secs. 4 and 5 of the bill related to the federal authorization of recovery zone economic development bonds and recovery zone facility bonds and the allocation of the volume cap of the bonds. The bill provides that it is the Legislature's intent to define when volume cap is waived, and to authorize the Alaska Municipal Bond Bank Authority to reallocate waived recovery zone economic development bond volume cap, and to authorize the Alaska Industrial Development and Export Authority to reallocate waived recovery zone facility bond volume cap.

The bill will provide that unused recovery zone economic development bond volume cap is waived on June 30, 2010. The bill will authorize the Alaska Municipal Bond Bank Authority to reallocate waived recovery zone economic development bond volume cap.

The bill will provide that unused recovery zone facility bond volume cap will be waived on June 30, 2010. The bill will authorize the Alaska Industrial Development and Export Authority to reallocate waived recovery zone facility bond volume cap.
The bill will increase the total amount of bonds and notes that the Alaska Municipal Bond Bank Authority may have outstanding from $750,000,000 to $1,000,000,000. The bill will allow the Alaska Municipal Bond Bank Authority to expand its authorization to issue bonds for energy projects and to amend the definition of "municipal bond."

COMMITTEE COPY

The Alaska Municipal Bond Bank Authority's bonding authorization has been increased several times in the last 30 years. In 2003, the limit increased from $300,000,000 to $500,000,000, and in 2006, the limit increased from $500,000,000 to $750,000,000. As of December 2009, the Alaska Municipal Bond Bank Authority had $623,090,878 in outstanding bonds. This leaves $126,909,122 available for additional loans to communities. Applications to the Alaska Municipal Bond Bank Authority over the next six months are expected to total approximately $150,000,000. This increase is a natural progression for the program, and fits with the historically conservative increases in the borrowing cap. The underlying loan portfolio of the Alaska Municipal Bond Bank Authority is strong and has fully supported all loans for 35 years. Without passage of this bill, it is likely that municipalities will not be able to take advantage of the program.

The bill will repeal an existing limitation on the Alaska Municipal Bond Bank Authority's authorization that limits municipal revenue bonds issued by the bank to only diesel energy projects. With this change, the banks will have the ability to provide financing for a wide variety of energy projects. This change is consistent with the purpose of the Alaska Municipal Bond Bank Authority – to assist municipalities in financing capital improvements and to allow municipalities to create and improve energy facilities across the state. Further, the bill would eliminate the restriction in the definition of "municipal bond" in AS 44.85.410(4)(E)(iii), which currently does not authorize a lease for equipment or building improvement if the State is the lessee. This change will allow small municipalities the ability to finance community buildings if they plan to partner with the State to achieve project efficiency.

The bill provides for an immediate effective date.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

ALASKA MUNICIPAL BOND BANK AUTHORITY

2009 ANNUAL REPORT

THE BOND BANK *An Idea That Works*

ALASKA MUNICIPAL BOND BANK AUTHORITY

2009 ANNUAL REPORT

PO BOX 110405
JUNEAU, ALASKA 99811-0405

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LETTER FROM THE CHAIRPERSON

To all Alaskans:

The year 2009 marked the 34th year of existence for the Alaska Municipal Bond Bank Authority (Bond Bank). Since its inception in August of 1975, the Bond Bank has helped Alaskan communities secure almost $1 billion dollars in financing for public works projects that have improved the standards of health, safety and education for our citizens.

The Bond Bank was created to assist Alaskan communities issue bonds. Some communities simply lack familiarity with the financial markets, others seek to reduce the cost of issuing bonds, and some municipalities find they can get better terms on bonds issued by the Bond Bank.

The Bond Bank realizes savings for communities in a number of ways. We pool bonds, selling much larger issues than any one community would, thereby creating economies of scale. Because of our level of activity, we contract for professional services at a lower cost than could less active bond issuers. The Bond Bank also has a better credit rating than is available to most communities. All of these factors result in lower interest rates for community capital projects.

Beginning in 1977, the Bond Bank has remitted to the State of Alaska annual investment earnings in excess of operating needs. At $27.8 million, those remittances now exceed, by over $9.2 million, the $18.6 million appropriated by the State of Alaska to the Bond Bank between the years 1976 and 1986.

Over the last six years, the Bond Bank has more than doubled the amount of funds loaned to accomplish community projects. This heightened level of activity warrants additional support for the Bond Bank. For the first time in 23 years retention of earnings was approved for the reserve of the Bond Bank in the State's 2009 budget, and again in the 2010 budget. The earnings of the Bond Bank from FY 2009 are $819,843. These appropriations are significant steps in ensuring the continued ability of the bond Bank to provide value to Alaskans.

The Bond Bank issued three series of bonds in fiscal year 2009 totaling $76.7 million for nine loans to Alaskan communities. Bond Bank participation in these transactions is estimated to have saved these communities over $6.8 million. These savings equate to a direct reduction to the burden on local taxpayers. The Bond Bank is indeed an idea that works, and an example of the benefits that can be realized through good government.

In accordance with Alaska Statute 44.85.100, we respectfully submit the attached year 2009 report of the activities and financial condition of the Bond Bank.

We hope you share with us our pride in the Bond Bank's accomplishments this past year.

Sincerely,

Mark Pfeffer

THE ALASKA MUNICIPAL BOND BANK AUTHORITY

The Bond Bank is a public corporation that aids Alaskan communities by issuing bonds, and using the proceeds to purchase the municipalities' general obligation and revenue bonds. It commenced operations in August 1975.

The Bond Bank has a legal existence independent of and separate from the State of Alaska. Bonds issued by the Bond Bank are payable only from Bond Bank funds. The State has pledged its moral obligation to the maintenance of a debt service reserve for all of the Bond Bank's bonds. (For more information please see Notes to Financial Statements.)

The powers of the Bond Bank are vested in its Board of Directors. The membership of the Board consists of five directors representing both the public and private sector. The three private sector board members are appointed by the Governor and serve four-year terms. They are joined on the Board by the Commissioner of Revenue and the Commissioner of Commerce, Community & Economic Development (or their assigned representatives).

The Board of Directors operates in accordance with the Bond Bank Act (AS 44.85), its published regulations (15 AAC144) and its by-laws. The board's main responsibility is to consider municipal loans and approve bond issues.

The Bond Bank may not issue revenue bonds in excess of $75 million in any fiscal year unless the Alaska Legislature approves a greater amount. The Bond Bank is further restricted to a limit of $750 million of bonds or notes outstanding. As of June 30, 2009, obligations totaled $587.2 million, allowing for additional bond issuances of $162.8 million.

ALASKA MUNICIPAL BOND BANK AUTHORITY

AN IDEA THAT WORKS

The Bond Bank pays its own way. The Bond Bank's reserve accounts serve to both guarantee the bonds and provide investment income. All of the Bond Bank's costs are paid from these investment earnings. The statutory earnings from its investment accounts exceeded expenses by $819,843 during the fiscal year ending June 30, 2009. Such excess funds have historically been paid to the State of Alaska, but for the last two years the amounts have been appropriated to the Bond Bank. Since 1977 the Bond Bank has returned $27.8 million in excess earnings to the State, exceeding the State's original investment of $18.6 million (appropriated in the years 1976 through 1986) by over $9.2 million. FY 2008 and FY 2009 generated $855,347 and $819,843 respectfully in excess earnings that have been appropriated to the Bond Bank. These were the first times since 1986 that the reserve appropriation has been increased.

Alaska's investment in the Bond Bank is compounded in other ways.

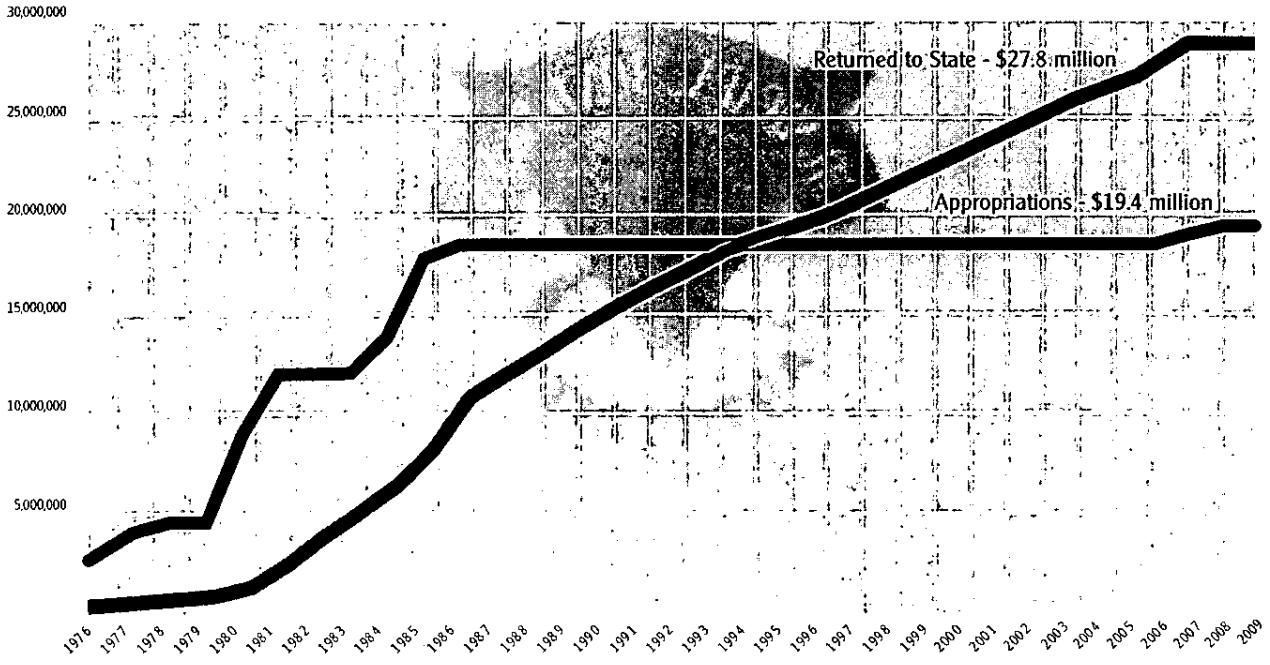
Alaskan communities taking advantage of the Bond Bank's services realize considerable savings. These communities may have low bond ratings, or although credit worthy have not issued bonds, or have little outstanding debt, and lack investor familiarity.

Some larger communities, capable of issuing their own bonds, find that the Bond Bank's services result in less expense, especially for small bond issues.

In addition to the annual dividends received from the Bond Bank, it costs the State of Alaska less money to reimburse communities for such capital projects as schools built with funds provided by Bond Bank issues. Since bonding expenses and interest rates for Alaskan communities are less than they would be otherwise, the reimbursement expense is less for the State.

The Bond Bank operates efficiently. Department of Revenue staff serve as executive director and provide accounting support. Where economies of scale dictate, the Bond Bank hires outside professional staff.

CUMULATIVE APPROPRIATIONS COMPARED TO CUMULATIVE EXCESS EARNINGS RETURNED TO STATE

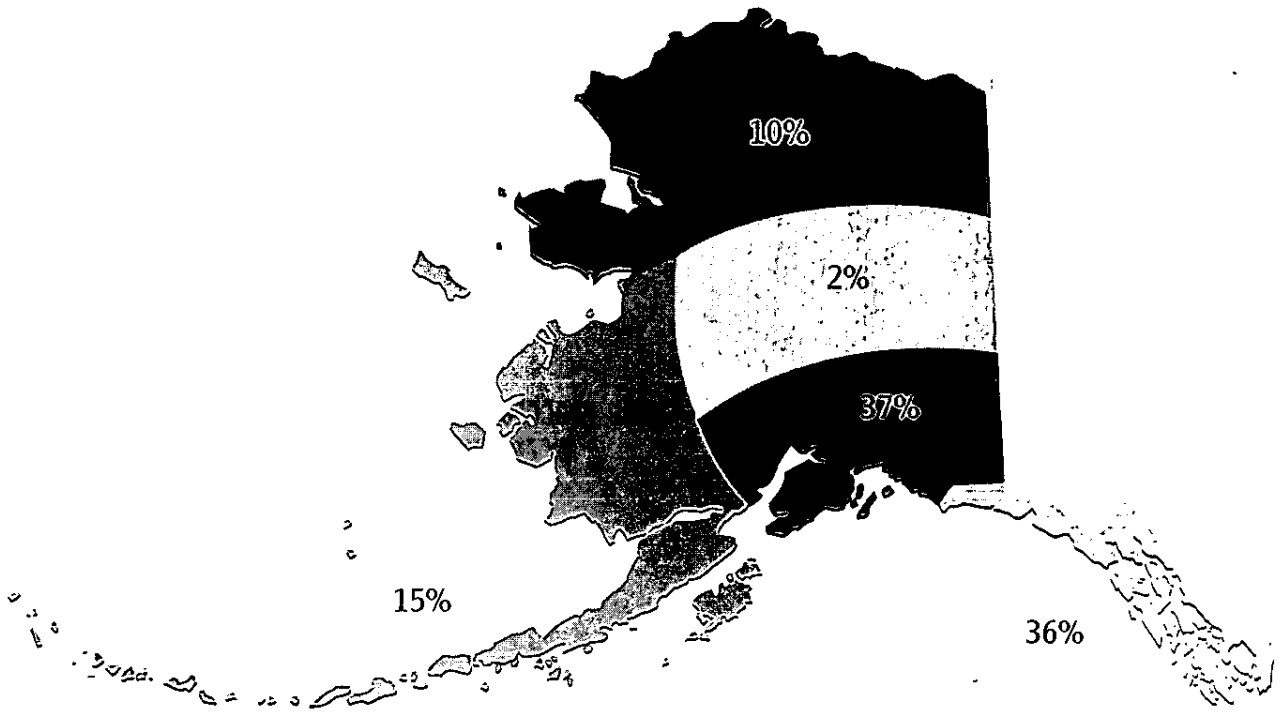


HELPING ALASKAN COMMUNITIES

The Bond Bank is organized to work with all Alaska's municipalities, especially new and infrequent issuers of debt for capital projects. From the time a municipality contacts the Bond Bank, legal and financial professionals with extensive experience in Alaska financing begin working with municipal managers to develop the most advantageous financing program for the community.

If it becomes clear that debt financing through the Bond Bank is neither possible nor appropriate for any particular municipality, the Bond Bank will continue to work with the municipality's administration to find other means of meeting their financial objectives.

In most instances the Bond Bank is able to relieve municipalities from paying certain costs of issuing bonds, such as official statement printing, rating agency analysis, trustee and paying agent fees. For this reason, even large communities with a track record of issuing bonds occasionally seek the services provided by the Bond Bank.



ALL BOND PROCEEDS DISTRIBUTION
BY AREA PERCENTAGES

ISSUING BONDS

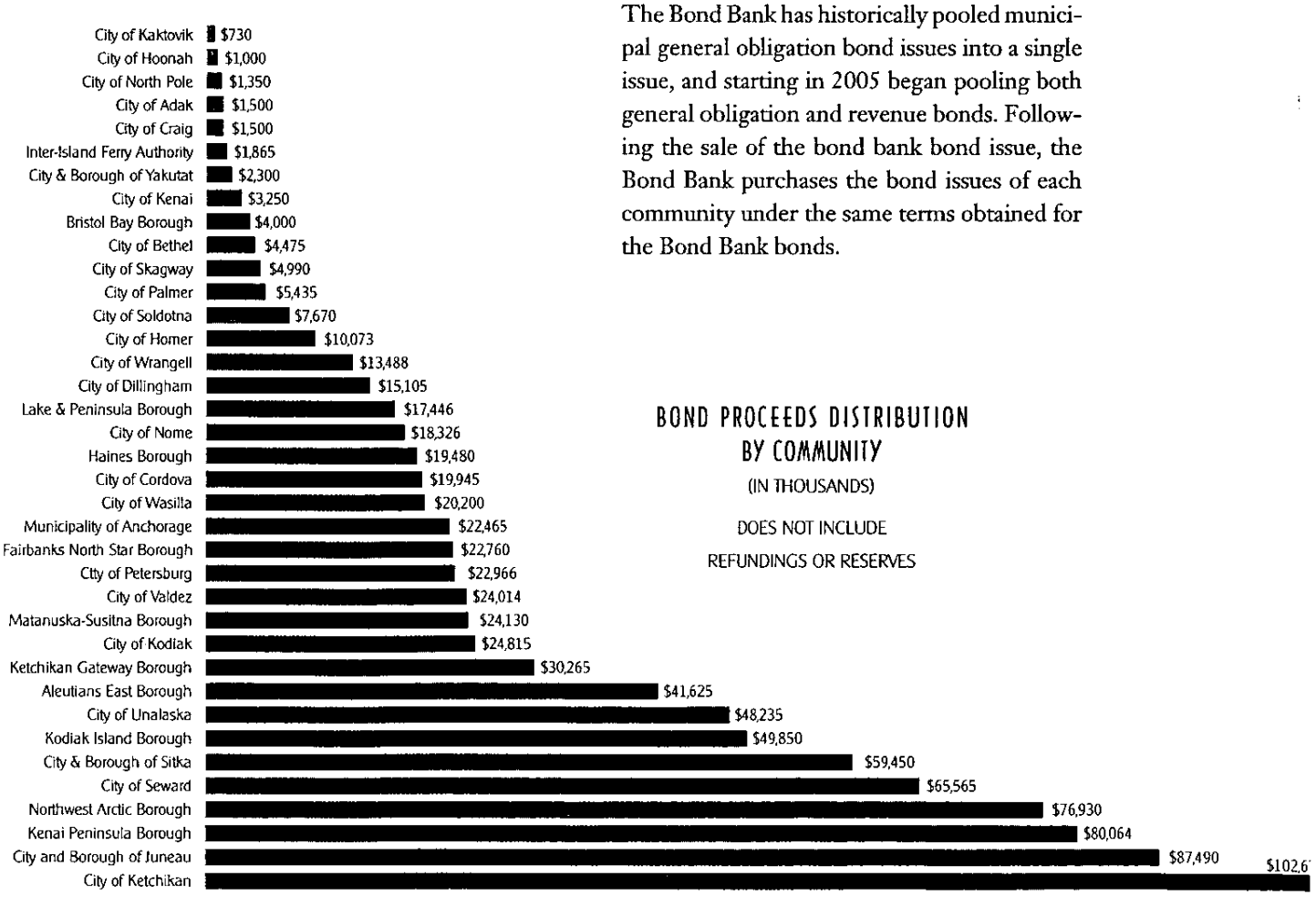
The Bond Bank almost exclusively issues tax exempt bonds. Purchasers of these bonds including bond mutual funds, institutional investors, insurance companies, or private individual investors do not have to pay federal income taxes on the interest income received.

Historically all General Obligation Bond issues of the Bond Bank have been reviewed by Moody's Investors Service and Standard and Poor's Corporation. During FY 2010 the Bond Bank has shifted from Standard and Poor's to Fitch Ratings. The Bond Bank's General Obligation Bonds have received "A1 and AA-" ratings, considered "investment grade," from Moody's Investors Service and Fitch Ratings respectively. As a result the Bond Bank is able to borrow money at lower interest rates than most Alaskan municipalities.

In addition, when it is economical and cost effective to do so, the Bond Bank obtains bond insurance to secure "AAA" ratings. In the current market, additional insured bond issues are not anticipated.

The Bond Bank strengthens its portfolio by including Alaskan communities widely distributed geographically, with different economic bases, and limiting the total percentage of bonds committed to any one municipality.

The Bond Bank has historically pooled municipal general obligation bond issues into a single issue, and starting in 2005 began pooling both general obligation and revenue bonds. Following the sale of the bond bank bond issue, the Bond Bank purchases the bond issues of each community under the same terms obtained for the Bond Bank bonds.



BOND PROCEEDS DISTRIBUTION BY COMMUNITY

(IN THOUSANDS)

DOES NOT INCLUDE

REFUNDINGS OR RESERVES

LEVERAGING STATE DOLLARS

An important reason for the Bond Bank's favorable bond rating and lower borrowing costs is that it secures its bonds with reserve funds supported by the "moral obligation" of the State of Alaska. The State has demonstrated the depth of this pledge, by appropriating an unlimited amount in the FY 2010 budget to satisfy the moral obligation.

The reserve funds are available to cure defaults, should they occur, and sized to an amount equal to 125% of average debt service over the life of all bond issues in the specific program. For the 1976 loan program, at least two-thirds of the reserve must be funded from bond bank assets and up to one-third funded from the proceeds of new bond issues, for older revenue bond issues Bond bank assets funded the entire reserve, and with the 2005 loan program there is flexibility to use any combination of bond bank assets, bond proceeds, or surety policies to satisfy reserve requirements. For both the 1976 and the 2005 loan program the reserve is pooled, meaning that the reserve that is in place is equivalent to many years of debt payments on even the largest of borrower loans.

The reserve fund has historically been used to leverage debt at better than an eleven to one ratio. For every $1 million placed in the reserve fund, more than $11 million of outside capital is attracted to the state. As the 2005 lending program has matured this ratio has increased.

GENERAL OBLIGATION BONDS

The majority of the Bond Bank's bonds have been issued to fund general obligation loans. Communities typically issue general obligation bonds to finance facilities that do not generate revenue, such as schools, roads, public safety and municipal buildings. Such bonds must be approved by the municipal voters.

REVENUE BONDS

The Bond Bank also funds loans for community revenue bonds that are used to finance revenue-producing capital improvements such as utility or port facilities. Because they are not secured by a municipality's taxing power, such bonds do not normally require municipal voter approval.

CURRENT FINANCINGS FY 2009 BONDS ISSUE

$19,700,000

GENERAL OBLIGATION 2008 SERIES TWO

City of Skagway – Community Health Center
City of Seward – Electrical emergency generators
City and Borough of Sitka – School renovations
30 year: True Interest Cost 4.9277%

$26,730,000

GENERAL OBLIGATION 2009 SERIES ONE

City of Unalaska – Powerhouse and electrical generators
City of Kodiak – Boat lift
30 year: True Interest Cost 5.4526%

$30,295,000

GENERAL OBLIGATION 2009 SERIES TWO

City of Cordova – School renovation
City of Nome – School renovations
Kodiak Island Borough – Refund city issued 1998 bonds
City or Unalaska – School renovations
25 year: True Interest Cost 5.0216%

ISSUED AMOUNTS ARE INCLUSIVE OF RESERVE OBLIGATIONS

2005 BOND INDENTURE

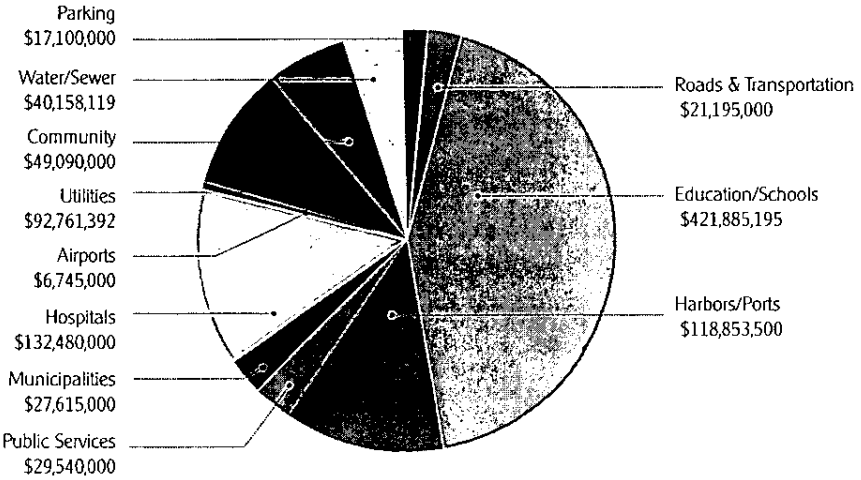
The Bond Bank has historically issued general obligation bonds only to fund loans purchasing one or more municipal general obligation bond issue, while revenue bonds were issued only to fund loans purchasing one municipal revenue bond issue. In Fiscal Year 2006 the Bond Bank created the 2005 lending program that can support loans to purchase both general obligation bonds and revenue bonds through the issuance of general obligation bonds of the Bond Bank. The three transactions issued in Fiscal Year 2009 combined loans that previously would have required five bond issues. This ability to pool communities' bonds provides greater operational efficiency for the Bond Bank and provides additional flexibility and savings to communities. The 2005 lending program is now used for all issues of the Bond Bank.

Bonds issued by the Bond Bank to purchase municipal general obligation bonds are secured by:

- For general obligation loans the full faith and credit of each respective community with no taxing limitation.
- For revenue bond loans the revenues for the facility or enterprise being financed
- The Bond Bank's general obligation debt service reserve fund. This pooled reserve is generally funded in an amount equal to annual debt service on all the bonds in the program.
- All Bond Bank assets shall be used to restore the debt service reserve to an amount that equals the maximum annual debt service on the Bond Bank bonds.
- The statutory right of the Bond Bank, in the event of default, to demand and receive any funds held by a state agency which are payable to the defaulting municipality.
- The moral obligation of the State of Alaska to maintain the debt service reserves at their required levels. This commitment is currently funded in the State's FY2010 operating budget for the 2005 G.O. program.

USES OF BOND PROCEEDS – INCEPTION TO DATE

DOES NOT INCLUDE REFUNDINGS



SUMMARY OF DEBT SERVICE

SCHEDULE OF TOTAL DEBT SERVICE BY CLASSIFICATION AT JUNE 30, 2009

1976 GENERAL BOND RESOLUTION FUND	PRINCIPAL	INTEREST	TOTAL
1998 Series A	$ 405,000	19,231	424,231
1998 Series B	270,000	31,830	301,830
2000 Series A	630,000	17,325	647,325
2000 Series B	1,045,000	90,181	1,135,181
2000 Series C	3,005,000	251,156	3,256,156
2000 Series D	165,000	13,750	178,750
2000 Series E	3,795,000	350,315	4,145,315
2000 Series F	310,000	33,530	343,530
2001 Series A	5,805,000	1,127,078	6,932,078
2001 Series B	2,920,000	1,013,716	3,933,716
2002 Series A	6,725,000	646,625	7,371,625
2002 Series B	9,260,000	3,303,378	12,563,378
2003 Series A	7,320,000	2,625,958	9,945,958
2003 Series C	3,695,000	339,700	4,034,700
2003 Series D	11,615,000	4,532,873	16,147,873
2003 Series E	7,775,000	2,126,250	9,901,250
2003 Series F	430,000	21,525	451,525
2003 Series G	19,345,000	8,209,513	27,554,513
2004 Series A	13,715,000	3,583,103	17,298,103
2004 Series B	12,610,000	3,951,175	16,561,175
2004 Series C	12,145,000	4,828,732	16,973,732
2004 Series D	10,910,000	4,392,575	15,302,575
2005 Series A	31,380,000	10,104,320	41,484,320
2005 Series B	21,200,000	7,808,258	29,008,258
2005 Series C	28,990,000	11,495,716	40,485,716
2006 Series A	15,765,000	3,929,266	19,694,266
	$ 231,230,000	74,847,079	306,077,079

2005 SERIES GENERAL BOND RESOLUTION PROGRAM	PRINCIPAL	INTEREST	TOTAL
2005 Series ONE	15,350,000	4,079,468	19,429,468
2006 Series ONE	6,720,000	3,059,490	9,779,490
2006 Series TWO	38,985,000	33,761,163	72,746,163
2007 Series ONE	26,175,000	8,475,214	34,650,214
2007 Series TWO	24,710,000	15,562,075	40,272,075
2007 Series THREE	14,455,000	9,616,322	24,071,322
2007 Series FOUR	15,160,000	7,670,944	22,830,944
2007 Series FIVE	6,000,000	5,262,842	11,262,842
2008 Series ONE	61,500,000	40,824,675	102,324,675
2008 Series TWO	19,245,000	12,870,233	32,115,233
2009 Series ONE	26,730,000	22,801,275	49,531,275
2009 Series TWO	30,295,000	14,144,298	44,439,298
	$ 285,325,000	178,127,999	463,452,999

COASTAL ENERGY IMPACT PROGRAM AND REVENUE BONDS	PRINCIPAL	INTEREST	TOTAL
COASTAL ENERGY FUND	10,962,416	–	10,962,416
1998A Revenue Bond Resolution	3,355,000	319,099	3,674,099
1998B Revenue Bond Resolution	185,000	4,163	189,163
1999A Revenue Bond Resolution	90,000	2,520	92,520
2000B Revenue Bond Resolution	400,000	32,444	432,444
2001A Revenue Bond Resolution	1,205,000	309,388	1,514,388
2001B Revenue Bond Resolution	1,785,000	484,125	2,269,125
2002A Revenue Bond Resolution	3,450,000	479,888	3,929,888
2003B Revenue Bond Resolution	16,980,000	6,669,769	23,649,769
2004A Revenue Bond Resolution	27,295,000	22,077,848	49,372,848
2004B Revenue Bond Resolution	4,960,000	3,750,894	8,710,894
	70,667,416	34,130,138	104,797,554
	$ 587,222,416	287,105,216	874,327,632

SUMMARY OF TOTAL DEBT SERVICE REQUIREMENTS BY FISCAL YEAR

FISCAL YEAR	PRINCIPAL	INTEREST	TOTAL
2010	32,784,582	26,169,370	58,953,952
2011	33,058,247	25,174,400	58,232,647
2012	34,427,061	23,760,491	58,187,552
2013	33,716,032	22,383,108	56,099,140
2014	31,305,165	20,867,130	52,172,295
2015-2019	153,659,869	83,579,943	237,239,812
2020-2024	130,010,848	50,210,819	180,221,668
2025-2029	80,066,976	24,553,322	104,620,298
2030-2034	43,323,872	9,324,435	52,648,307
2035 and after	14,869,764	1,082,198	15,951,962
	$ 587,222,416	287,105,216	874,327,634

THE BOND BANK HAS FIVE DIRECTORS CONSISTING OF THREE PUBLIC MEMBERS APPOINTED BY THE GOVERNOR, THE COMMISSIONER OF REVENUE, AND THE COMMISSIONER OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT.

THE COMMISSIONERS HAVE TRADITIONALLY APPOINTED DELEGATES TO SERVE IN THEIR PLACE.

THE BOARD OF DIRECTORS

MARK PFEFFER
Chairman
Term expires July 15, 2013

Mr. Pfeffer was appointed October 10, 2001. Mr. Pfeffer is a registered architect who has owned and led an architectural practice in Alaska for over 24 years. He is active in the development, design and management of commercial real estate projects, many of which include public/private partnerships. He is a partner in the firms Koonce Pfeffer Bettis, Inc. and Venture Development Group, LLC. Mr. Pfeffer received a Bachelor of Architecture Degree from the University of Nebraska in 1980.

LUKE WELLES
Vice Chairman
Term expires July 15, 2010

Mr. Welles was appointed on May 16, 2008. Mr. Welles is Chief Financial Officer for the Yukon Kuskokwim Healthcare Corporation which administers healthcare in 52 rural communities, including a hospital located in Bethel, Alaska. He has management experience in healthcare, civil construction and commercial real estate. Over the past 16 years he has served on several economic development commissions in the State, a city council member in Homer, Alaska and multiple boards. Mr. Welles received a Bachelor of Arts in Foreign Service and International Business from Baylor University in 1989.

ALASKA MUNICIPAL BOND BANK AUTHORITY

GREGORY GURSEY
Member
Term expires July 15, 2010

Mr. Gursey was appointed to the board on June 22, 2009. Mr. Gursey became President of Benefit Brokers, Inc in 2001, after working as Vice President of Investments for Wedbush Morgan Securities for 11 years. Benefit Brokers has been providing investment advisory services to clients for over 30 years. Mr. Gursey also serves as a FINRA industry arbitrator in both civil and industry arbitration cases. After graduating from the University of Alaska Anchorage with a degree in finance, Mr. Gursey became involved with the University of Alaska Foundation. He served as the first Chairman of the UAA College of Fellows, currently is a member of the Investment Committee and serves as a Trustee to the UA Foundation. Mr. Gursey has served on the U.S. Treasury's Department, Taxpayer Advocacy Panel, State of Alaska Dental Examiner's Board, the Investment Commission for the Municipality of Anchorage, as well as numerous other boards. Mr. Gursey received the "UAA Alumnus of the Year Award", the "Mayor's Award for Public Service," the Anchorage Chamber of Commerce, "Top Forty under 40 Award," and most recently the "President's Volunteer Service Award," by President George W. Bush. He has been a resident of Alaska since 1983.

JERRY BURNETT
Member

Mr. Burnett is the first delegate for Patrick Galvin, Commissioner of the Department of Revenue. Mr. Burnett was appointed Deputy Commissioner in January 2009, after acting since August 2008. He previously was the Administrative Services Director and Legislative Liaison, for the Department of Revenue. Other state service includes two years as Administrative Services Director at the Department of Corrections and twelve years as Finance Committee and Budget and Audit Committee staff to the Alaska Legislature. From 1983 to 2002 Mr. Burnett was an adjunct professor of business at the University of Alaska Southeast and during this time also worked as a Real Estate Broker and Life and Health Insurance Agent. He has a Masters of Business Administration and a Masters of Public Administration from the University of Alaska and a Bachelor of Science in Occupational Safety and Health from Central Washington University.

GREG WINEGAR
Member

Mr. Winegar is the first delegate for William Noll, Commissioner of the Department of Commerce, Community & Economic Development. Mr. Winegar was appointed Director of the Division of Investments on May 22, 2000. This Division administers various direct lending programs for the State and services loans for other State agencies, representing approximately 3,500 accounts totaling $250 million. Prior to his appointment as Acting Director, Mr. Winegar served as the Division of Investment's Lending Branch Manager for 21 years. Mr. Winegar received his Bachelor's degree from the Evergreen State College in 1973. In 1974, he accepted a position with the predecessor to the Department of Community and Economic Development as a Clerk Typist III and was promoted several times over the next five years. In addition to his work as Lending Branch Manager, he also served as a Loan Officer for the Department for five years where his responsibilities included credit analysis and recommendations for commercial, multi-family, residential and consumer loan requests.

THE STATE'S DEPARTMENT OF REVENUE-TREASURY DIVISION (DOR-TREASURY) FULFILLS ADMINISTRATIVE AND MANAGEMENT RESPONSIBILITIES FOR THE BOND BANK.

DEVEN MITCHELL

Executive Director, appointed April 7, 1998

Mr. Mitchell also serves as the State Debt Manager and Investment officer in Department of Revenue-Treasury. Mr. Mitchell has worked for the State of Alaska Department of Revenue since 1992. He previously held several positions in Alaskan financial institutions. Mr. Mitchell holds a Bachelor of Science in Business Administration from Northern Arizona University.

PAMELA GREEN, CPA

Deputy Treasurer, appointed October 15, 2007

Ms. Green is the Comptroller for the State of Alaska Department of Revenue, Treasury Division. Ms. Green started her career as an auditor with Price Waterhouse. She became partner in the firm PricewaterhouseCoopers, advising and consulting clients on various disciplines, including securities litigation and bankruptcy. Prior to joining Treasury, Ms. Green worked for the Alaska Permanent Fund Corporation. Ms. Green holds a Bachelor of Science degree in Economics from the Wharton School, University of Pennsylvania and is a Certified Public Accountant in the State of Alaska.

RATHER THAN EMPLOY STAFF, THE BOND BANK CONTRACTS IN THE PRIVATE SECTOR FOR A WIDE RANGE OF PROFESSIONAL SERVICES. THE EXECUTIVE DIRECTOR COORDINATES THE ACTIVITIES OF THESE PROFESSIONALS INCLUDING BOND COUNSEL, FINANCIAL ADVISOR, ACCOUNTANTS, AUDITORS, FUND TRUSTEES, BOND TRUSTEES AND CLERICAL SUPPORT.

FINANCIAL ADVISOR

WESTERN FINANCIAL GROUP, LLC

Provides loan analysis services, including recommendations as to the adequacy of loan applications, credit worthiness, projected capability to repay, and the overall effect a proposed loan will have on the credit of the Bond Bank. Assists in preparation of the official statements, recommends type and timing of bond sales, negotiates with underwriters and assists with investment of various funds. Also coordinates financial reviews with bond rating houses and prepares other general financial reviews and analyses required by the Bond Bank.

BOND COUNSEL

WOHLFORTH JOHNSON BRECHT CARTLEDGE & BROOKING

Prepares for the authorization, sale, issuance and delivery of Bond Bank bonds. Prepares series resolutions, notices of sale; assists in preparation of official statements; renders necessary opinions as required; and provides other general legal services.

TRUSTEE/PAYING AGENT

JP MORGAN TRUST COMPANY

Acts as custodian of the bond proceeds and supervises the investment of funds for the purposes specified in the bond resolutions. The trustee oversees debt service funds and maintenance of certain reserve accounts required in the contract with the bondholders. As paying agent, makes all necessary interest and principal payments to the bondholders.

INVESTMENT MANAGER

BOND LOGISTIX

Supervises and controls the investment of the custodial funds and the trustee funds. Also provides analyses of investments, advice on investment guidelines, and directs the investment of all funds in accordance with Bond Bank procedures and guidelines.

CUSTODIAL BANK

FIRST NATIONAL BANK ALASKA

Acts as the Authority's bank for processing all fund transactions.

FINANCIAL STATEMENTS

JUNE 30, 2009

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MANAGEMENT'S DISCUSSION AND ANALYSIS

This Management's Discussion and Analysis (MD&A) is required by GASB 34, a rule established by the Governmental Accounting Standards Board. This section is intended to make the financial statements more understandable to the average reader who is not familiar with traditional accounting terminology.

This financial report has two integral parts: this MD&A and the financial statements with the accompanying notes that follow. Together, they present the Alaska Municipal Bond Bank Authority's ("Bond Bank") financial performance during the fiscal year ended June 30, 2009. Summarized prior fiscal year information is shown within this MD&A, as needed for comparative purposes.

REQUIRED FINANCIAL STATEMENTS

GASB 34 requires two types of financial statements: the statement of net assets and governmental fund balance sheet and the statement of activities and governmental fund revenues, expenditures and changes in fund balances. These statements report financial information about the Bond Bank's activities using generally accepted accounting principles.

FINANCIAL HIGHLIGHTS:

During fiscal year 2009 the Bond Bank approved 9 municipal loan applications for projects in 9 communities, resulting in $76.7 million in bonds being issued and funding $72.6 million worth of loan activity. Bond Bank Bond activity in FY2009 resulted in approximate savings of $6.8 million to the borrowing communities. The activity level and community benefit is comparable to FY2008 when the Bond Bank issued $98.7 million to fund 9 community projects and provided savings of $3.4 million to the borrowing communities.

The financial position of the Bond Bank remains strong. All reserves are fully funded and invested. Fiscal year 2009 investment earnings funded fiscal year 2009 operations and will provide for $819,843 excess earnings that is appropriated to the Bond Bank. As of June 30, 2009, the Bond Bank holds approximately $12 million unrestricted reserves, that is to make up shortfalls in years that investment earnings are not sufficient to fund operations.

STATEMENT OF NET ASSETS

The statement of net assets reports assets, liabilities and net assets of the Bond Bank.

ASSETS

Assets represent 1) the value of the Bond Bank's investments and investment income receivable on the financial statement dates, recorded at fair market value, and (2) bond principal and interest payments receivable from municipalities. The investments generate income for the Bond Bank to use to meet reserve requirements and pay operating costs. Historically, excess operating account earnings have been appropriated to the State of Alaska's (State) general fund each year. House Bill 81 however, for the fiscal year ending June 30, 2009, appropriated the excess earnings of the operating account to the Bond Bank's reserve fund. Interest received on bonds purchased from municipalities is used to pay the Bond Bank's corresponding interest payments on the bonds that it has issued.

LIABILITIES

Liabilities represent claims against the fund for 1) goods and services provided before the financial statement date but not yet paid for at that date, and 2) interest and bond payments due to purchasers of the Bond Bank's bonds after the financial statement date.

RESTRICTED AND UNRESTRICTED NET ASSETS

Net assets are comprised of two components. The restricted portion reflects monies maintained in separate trust accounts where their use is limited by applicable bond covenants for repayment of bonds. The unrestricted portion reflects the accumulated excess of the Authority's share of earnings on investments held over those earnings distributed to the State as well as investment income that has not been realized and therefore is not yet subject to distribution to the State's general fund.

The following table shows the value of Bond Bank assets summarized as of June 30, 2009 and 2008 as well as liabilities and net assets.

	As of June 30		Change from 2008 to 2009 Increase (Decrease)	
	2009	2008	Dollars	Percent
ASSETS:				
Cash and investments	$ 67,000,925	$ 61,744,682	$ 5,256,243	8.51%
Bonds and bond interest receivable	571,017,973	525,186,003	45,831,970	8.73%
Total assets	638,018,898	586,930,685	51,088,213	8.70%
LIABILITIES:				
Accounts payable and accrued liabilities	1,505,169	1,676,238	(171,069)	-10.21%
Bonds and bond interest payable	592,790,073	542,625,282	50,164,791	9.24%
Due to Primary Government	-	458,769	(458,769)	-100.00%
Total liabilities	594,295,242	544,760,289	49,534,953	9.09%
NET ASSETS:				
Restricted	31,673,324	30,575,766	1,097,558	3.59%
Unrestricted	12,050,332	11,594,630	455,702	3.93%
Total net assets	$ 43,723,656	$ 42,170,396	$ 1,553,260	3.68%

The increase in cash and investments reflects realized and unrealized investment income.

The increase in bonds and bond interest receivable, as well as in bonds and bond interest payable, reflects the issuance of approximately $76.7 million in new bonds during the year, net of principal payments on bonds previously issued of almost $27.3 million.

Payments to primary government represent the excess of realized investment income over current year operating expenses and reserve requirements. The increase reflects higher investment earnings on fixed income marketable securities resulting in current year realized investment income greater than current year operating expenses. There is excess investment income in the current year payments to primary government.

Restricted net assets represents the original appropriations made by the State of $18,601,414 to fund the Bond Bank, as well as Bond Bank funds placed into separate accounts in accordance with

the reserve requirements of each bond indenture. All of the original $18,601,414 appropriated by the State, was allocated to reserve accounts at June 30, 2009. As directed by HB310, prior earnings of $855,847 were allocated to reserve accounts from the Custodial Account at June 30, 2008. This was the first time since 1986 that the reserve appropriation has been increased. In addition, as directed by HB81, $819,843 was appropriated the Custodial Account from the State at June 20, 3009. This amount was unallocated at June 30, 2009.

Unrestricted net assets represent accumulated earnings on Bond Bank investments, not used to fund reserves, and unrealized gains that are segregated until realized. The decrease in unrestricted net assets is due primarily to the funding of bond issue reserves. The Bond Bank's investments are all held in U.S. Government securities.

STATEMENTS OF ACTIVITIES

The statement of activities shows the activity that occurred during each of the last fiscal years.

Revenues

Revenues include total return on investments and interest payments received from municipalities. Earnings on investments include interest on fixed income marketable securities and the change in fair market value of those investments.

Expenses

Expenses include interest payments made to bond holders who purchased the Bond Bank's bonds, payments made to the State of Alaska and operating expenses. Operating expenses include all expenditures required to issue bonds during the current year and include in-house expenses, as well as external consultant fees. Expenses are subtracted from revenues.

The following is a condensed statement of AMBBA's changes in net assets:

	As of June 30		Change from 2008 to 2009 Increase (Decrease)	
	2009	2008	Dollars	Percent
REVENUES:				
Interest income on bonds receivable	$ 24,562,340	$ 21,417,339	$ 3,145,001	14.68%
Investment earnings	2,995,730	3,464,191	(468,461)	-13.52%
Total income	27,558,070	24,881,530	2,676,540	10.76%
EXPENSES:				
Interest expense on bonds payable	25,449,575	22,034,415	3,415,160	15.50%
Operating expenses	555,235	473,802	81,433	17.19%
Payments to primary government	819,843	855,347	(35,504)	-4.15%
Total expenses	26,824,653	23,363,564	3,461,089	14.81%
Other financing source - transfer from primary government	819,843	855,347	(35,504)	-4.15%
CHANGE IN NET ASSETS:	1,553,260	2,373,313	(820,053)	-34.55%
Net assets, beginning of period	42,170,396	39,797,083	2,373,313	5.96%
Net assets, end of period	$ 43,723,656	$ 42,170,396	$ 1,553,260	3.68%

Interest income and expense on bonds receivable and payable are a function of the total amount of bonds outstanding, the age of the bonds and the interest rates at which they are issued. The increases in both these line items are consistent with the net increase in bond interest receivable and payable of $45.8 million and $50.2 million, respectively. Net earnings totaled $2.3 million and $1.5 million, at June 30, 2008 and 2009, respectively.

Investment earnings are a function of market conditions. The Bond Bank uses other assets to subsidize debt service during times of low investment returns in bond reserve funds.

GOVERNMENTAL FUNDS

The governmental funds include the General Fund, which accounts for the primary operations of the Bond Bank, and the Debt Service Fund, which accounts for the resources accumulated and payments made on the long-term debt of the Bond Bank. The primary difference between the governmental funds balance sheet and the statement of net assets is the elimination of inter-fund payables and receivables. Bond proceeds are reported as other financing source in the governmental funds statement of revenues and expenses and this contributes to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of debt principal is recorded as an expenditure in the governmental funds statement of revenues and expenses, but reduces the liability in the statement of net assets.

The following tables show the changes in governmental funds:.

GENERAL FUND

	As of June 30		Change from 2008 to 2009 Increase (Decrease)	
	2009	2008	Dollars	Percent
ASSETS:				
Cash and Investments	$ 7,485,057	$ 7,735,502	$ (250,445)	-3.24%
Accrued interest receivable	46,701	185,802	(139,101)	-74.87%
Interfund receivable	5,284,620	5,549,982	(265,362)	-4.78%
Total assets	$ 12,816,378	$ 13,471,286	$ (654,908)	-4.86%
LIABILITIES:				
Accounts payable and accrued liabilities	$ 13,273	$ 158,775	$ (145,502)	-91.64%
Due to primary government	–	458,769	(458,769)	-100.00%
Total liabilities	13,273	617,544	(604,271)	-97.85%
FUND BALANCE				
Unreserved	12,803,105	12,853,742	(50,637)	-0.39%
Total fund balance	12,803,105	12,853,742	(50,637)	-0.39%
Total liabilities and fund balance	$ 12,816,378	$ 13,471,286	$ (654,908)	-4.86%

DEBT SERVICE FUND

	As of June 30		Change from 2008 to 2009 Increase (Decrease)	
	2009	2008	Dollars	Percent
ASSETS:				
Cash and Investments and related receivables	$ 60,374,381	$ 54,994,030	$ 5,380,351	9.78%
Bonds and bond interest receivable	570,112,759	524,015,351	46,097,408	8.80%
Total assets	$ 630,487,140	$ 579,009,381	$ 51,477,759	8.89%
LIABILITIES:				
Accounts payable and accrued liabilities	$ 1,491,896	$ 1,517,463	$ (25,567)	-1.68%
Interfund payables	5,284,620	5,549,982	(265,362)	-4.78%
Total liabilities	6,776,516	7,067,445	(290,929)	-4.12%
FUND BALANCE				
Reserved	623,710,624	571,941,936	51,768,688	9.05%
	$ 630,487,140	$ 579,009,381	$ 51,477,759	8.89%

GENERAL FUND

	As of June 30		Change from 2008 to 2009 Increase (Decrease)	
	2009	2008	Dollars	Percent
REVENUES				
Interest Income	$ 330,371	$ 470,989	$ (140,618)	-29.86%
Total income	330,371	470,989	(140,618)	-29.86%
EXPENDITURES				
Operating expenses	555,235	473,802	81,433	17.19%
Payments to primary government	819,843	855,347	(35,504)	-4.15%
Total expenses	1,375,078	1,329,149	45,929	3.46%
Excess of revenues over expenditures	(1,044,707)	(858,160)	(186,547)	21.74%
Other financing sources (uses) - Transfers	994,070	1,798,184	(804,114)	-44.72%
Fund balance, beginning of period	12,853,742	11,913,718	940,024	7.89%
Fund balance, end of period	$ 12,803,105	$ 12,853,742	$ (50,637)	-0.39%

DEBT SERVICE FUND

	As of June 30		Change from 2008 to 2009 Increase (Decrease)	
	2009	2008	Dollars	Percent
REVENUES:				
Interest income on bonds receivable	$ 24,537,300	$ 21,384,343	$ 3,152,957	14.7%
Investment earnings	2,690,399	3,026,198	(335,799)	-11.1%
Total Income	27,227,699	24,410,541	2,817,158	11.5%
EXPENDITURES				
Interest payments	24,691,322	20,970,749	3,720,573	17.7%
Principal payments	27,318,462	26,590,000	728,462	2.74%
Total expenses	52,009,784	47,560,749	4,449,035	9.35%
Excess of revenues over expenditures	(24,782,085)	(23,150,208)	(1,631,877)	7.05%
Other financing sources -				
Bond proceeds	76,725,000	99,470,000	(22,745,000)	-22.9%
Transfers	(174,227)	(942,837)	768,610	-81.5%
Excess of revenues and transfers over expenditures	51,768,688	75,376,955	(23,608,267)	-31.3%
Fund balance, beginning of period	571,941,936	496,564,981	75,376,955	15.2%
Fund balance, end of period	$ 623,710,624	$ 571,941,936	$ 51,768,688	9.05%

DEBT

At year end the Bond Bank had $587,222,416 of bonds and notes outstanding up 9.2% from $537,815,878 at June 30, 2008. This debt is secured by the assets of the Bond Bank, except for the Coastal Energy notes payable, see note (5). The outstanding balance is comprised of the following table of bonds issued for loans and $22.5 million in bonds issued for reserve deposits:

	As of June 30		Change from 2008 to 2009 Increase (Decrease)	
	2009	2008	Dollars	Percent
GO bonds payable	$ 516,555,000	$ 463,705,000	$ 52,850,000	11.40%
Revenue bonds payable	59,705,000	63,105,000	(3,400,000)	-5.39%
Coastal Energy notes payable	10,962,416	11,005,878	(43,462)	-0.39%
	$ 587,222,416	$ 537,815,878	$ 49,406,538	9.19%

CONTACTING THE BOND BANK'S FINANCIAL MANAGEMENT

This financial report is designed to provide our customers, investors, and creditors with a general overview of the Bond Bank's finances and to demonstrate the Bond Bank's accountability of its assets. If you have any questions about this report or need additional financial information, contact the Executive Director of the Bond Bank at (907) 465-3750.

ELGEE REHFELD MERTZ, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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907.789.3178 • FAX 907.789.7128 • www.ermcpa.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Alaska Municipal Bond Bank Authority
Juneau, Alaska

We have audited the accompanying financial statements of the governmental activities and each major fund of Alaska Municipal Bond Bank Authority (the Authority), a component unit of the State of Alaska, as of and for the year ended June 30, 2009, which collectively comprise the Authority's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the management of the Authority. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Alaska Municipal Bond Bank Authority as of June 30, 2009, and the changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, on pages 14 through 19, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it. The Supplemental Schedule of Statutory Reserve Accounts – Assets, Liabilities and Account Reserves, on pages 39 and 40, is presented for purposes of additional analysis and is not a required part of the basic financial statements. The schedule has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as whole.

ERM

September 29, 2009

An Independent Member of BDO SEIDMAN ALLIANCE.

STATEMENT OF NET ASSETS AND GOVERNMENTAL FUNDS BALANCE SHEETS

For the year ended June 30, 2009

	General Fund	Debt Service Fund	Total	Adjustments (Note 7)	Statement of Net Assets
ASSETS					
Cash and cash equivalents	$ 1,340,425	9,520,859	10,861,284	-	10,861,284
Investments, at fair value (note 4)	5,689,632	50,450,009	56,139,641	-	56,139,641
Accrued interest receivable:					
Bonds receivable	3,792	5,354,148	5,357,940	-	5,357,940
Investment securities	42,909	403,513	446,422	-	446,422
Bonds receivable (note 5)	455,000	564,758,611	565,213,611	-	565,213,611
Interfund receivables	5,284,620	-	5,284,620	(5,284,620)	-
Total assets	$ 12,816,378	630,487,140	643,303,518	(5,284,620)	638,018,898
LIABILITIES					
Accounts payable	$ 13,273	-	13,273	-	13,273
Deferred revenue	-	1,491,896	1,491,896	-	1,491,896
Accrued interest payable	-	-	-	5,567,657	5,567,657
Interfund payables	-	5,284,620	5,284,620	(5,284,620)	-
Long-term liabilities (notes 5 and 6)					
Portion due or payable within one year:					
General obligation bonds payable	-	-	-	26,915,000	26,915,000
Revenue bonds payable	-	-	-	3,280,000	3,280,000
Other long-term debt	-	-	-	2,589,582	2,589,582
Portion due or payable after one year:					
General obligation bonds payable	-	-	-	489,640,000	489,640,000
Revenue bonds payable	-	-	-	56,425,000	56,425,000
Other long-term debt	-	-	-	8,372,834	8,372,834
Total liabilities	13,273	6,776,516	6,789,789	587,505,453	594,295,242
FUND BALANCES/NET ASSETS					
Fund balances:					
Reserved	819,843	623,710,624	624,530,467	(624,530,467)	-
Unreserved	11,983,262	-	11,983,262	(11,983,262)	-
Total fund balances	12,803,105	623,710,624	636,513,729	(636,513,729)	-
Total liabilities and fund balances	$ 12,816,378	630,487,140	643,303,518		
Net assets:					
Restricted for debt service				31,673,324	31,673,324
Unrestricted				12,050,332	12,050,332
Total net assets				$ 43,723,656	43,723,656

See accompanying notes to financial statements.

ALASKA MUNICIPAL BOND BANK AUTHORITY (A Component Unit of the State of Alaska)

STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUNDS STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN FUND BALANCE/NET ASSETS

For the year ended June 30, 2009

	General Fund	Debt Service Fund	Total	Adjustments (Note 7)	Statement of Activities
REVENUES					
Investment earnings	$ 252,891	2,690,399	2,943,290	-	2,943,290
Interest income on bonds receivable	25,040	24,537,300	24,562,340	-	24,562,340
Other income	52,440	-	52,440	-	52,440
Total revenues	330,371	27,227,699	27,558,070	-	27,558,070
EXPENDITURES / EXPENSES:					
Debt service:					
Principal payments	-	27,318,462	27,318,462	(27,318,462)	-
Interest payments / expense	-	24,691,322	24,691,322	758,253	25,449,575
Payments to Primary Government	819,843	-	819,843	-	819,843
Professional services	394,525	-	394,52	-	394,525
Personal services	133,832	-	133,832	-	133,832
Administrative travel	6,537	-	6,537	-	6,537
Printing and advertising	16,167	-	16,167	-	16,167
Office expense	4,135	-	4,135	-	4,135
Miscellaneous expenses	39	-	39	-	39
Total expenditures / expenses	1,375,078	52,009,784	53,384,862	(26,560,209)	26,824,653
Excess (deficiency) of revenues over expenditures / expenses	(1,044,707)	(24,782,085)	(25,826,792)	26,560,209	733,417
Other financing source/uses:					
Proceeds of bonds payable	-	76,725,000	76,725,000	(76,725,000)	-
Transfers from Primary Government	819,843	-	819,843	-	819,843
Transfers to/from Custodial Fund	(1,133,063)	1,133,063	-	-	-
Transfers - internal activities	1,307,290	(1,307,290)	-	-	-
Total other financing source/use	994,070	76,550,773	77,544,843	(76,725,000)	819,843
Excess (deficiency) of revenues and transfers in over expenditures / expenses and transfers out	(50,637)	51,768,688	51,718,051	(50,164,791)	1,553,260
FUND BALANCES / NET ASSETS:					
Beginning of the year	12,853,742	571,941,936	584,795,678	(542,625,282)	42,170,396
End of the year	$ 12,803,105	623,710,624	636,513,729	(592,790,073)	43,723,656

See accompanying notes to financial statements.

NOTES TO FINANCIAL STATEMENTS

NOTE 1 ▸ HISTORY/REPORTING ENTITY

The Alaska Municipal Bond Bank Authority (Authority or Bond Bank) was created pursuant to Alaska Statute, Chapter 85, Title 44, as amended, (Act) as a public corporation and instrumentality of the State of Alaska (State), but with a legal existence independent of and separate from the State. The Authority is a discretely presented component unit of the State of Alaska for purposes of financial reporting.

The Authority was created for the purpose of making funds available to municipalities within the State to finance capital projects or for other authorized purposes by means of issuance of bonds by the Authority and use of proceeds from such bonds to purchase from the municipalities their general obligation and revenue bonds. The Authority commenced operations in August 1975.

The bonds are obligations of the Authority, payable only from revenues or funds of the Authority, and the State of Alaska is not obligated to pay principal or interest thereon, and neither the faith and credit nor the taxing power of the State is pledged to the bonds. The municipal bonds and municipal bond payments, investments thereof and proceeds of such investments, if any, and all funds and accounts established by the bond resolution to be held by the Trustee (with the exception of the Coastal Energy Loan Debt Service Program, which is administered by the Authority) are pledged and assigned for the payment of bonds.

The Authority may not issue revenue bonds in excess of $75 million in any fiscal year unless the State of Alaska Legislature approves a greater amount. Revenue refunding bonds are not included in the $75 million fiscal year limitation.

AS 44.85.180(c) was enacted in 1975, limiting Bond Bank outstanding bonds at any time to $150 million. This Statue has been periodically amended to raise the limit. In fiscal year 2009, the limit is $750 million. Total Bond Bank bonds and notes outstanding as of June 30, 2009 are approximately $587.2 million. Thus, the limit on additional bond issuance as of June 30, 2009 is approximately $162.8 million.

NOTE 2 ▸ SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial principles. The most significant of the Authority's accounting policies are described below.

(A) GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The statement of net assets and the statement of activities report information on all of the activities of the Authority. For the most part, the effect of interfund activity has been removed from these statements. The balance sheet and statement of revenues, expenditures and changes in fund balances are provided for governmental funds.

Summary of Significant Accounting Policies, continued

(B) MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 180 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

The Authority reports the following major governmental funds:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the Authority, except those required to be accounted for in another fund. The Authority adopts an annual budget for the operating account only.

The *Debt Service Fund* accounts for the resources accumulated and payments made for principal and interest on long-term debt of the Authority. The Authority does not adopt a budget for the Debt Service Fund because it is not legally required to do so.

The purposes of each of these funds are described in the following paragraphs:

GENERAL FUND

The General Fund is comprised of a Custodian Account and an Operating Account. The Custodian Account is established to account for appropriations by the State of Alaska Legislature available to fund the Special Reserve Accounts. The Operating Account is established to account for the ordinary operations of the Authority. Moneys are derived from the following sources: (a) amounts appropriated by the Legislature, (b) fees and charges collected, (c) income on investments of the Statutory Reserve Account in excess of required debt service reserves required by bond resolutions and (d) any other moneys made available for purposes of the General Fund from any other source.

Amounts in the Operating Account may be used to pay (a) administrative expenses of the Authority, (b) fees and expenses of the Trustee and paying agents, (c) financing costs incurred with respect to issuance of bonds and (d) any expenses in carrying out any other purpose then authorized by the Act. The excess revenues of the Operating Account are returned to the State of Alaska. The State of Alaska may appropriate the excess revenues to the Bond Bank Custodian Account to fund Special Reserve Accounts.

DEBT SERVICE FUND

Within the Debt Service Fund, separate Debt Service Programs have been established for each bond resolution to account for the portion of bond sale proceeds used to purchase obligations of the municipalities and for the payment of interest and principal on all bonds of the Authority issued under its resolutions. Each program is comprised of an

"interest account" and a "principal account", both of which are maintained by a trustee. The receipts of interest and principal from the municipalities and the Statutory Reserve Account are deposited in these programs and are used to pay interest and principal on the Authority bonds. One additional Debt Service Program has been established to account for transactions not involving bond resolutions. This is the Coastal Energy Loan Debt Service Program. The Coastal Energy Loan Debt Service Program is not maintained by a trustee. Payments of interest and principal by municipalities having coastal energy loans are made directly to the federal government by the municipalities and are accounted for in the Coastal Energy Loan Debt Service Program.

Each debt service fund program contains a Statutory Reserve Account established to account for (a) money available to fund debt service reserves required by future bond sales under various bond resolutions (Custodian Account) and by (b) debt service reserves which have already been established under various bond resolutions which are to be used in the case of deficiency in a Debt Service Program in accordance with its respective bond resolution (reserve accounts). Separate reserve accounts exist under each bond resolution as follows:

1976 General Bond Resolution – The amount on deposit in the reserve account is to be the greater of the maximum annual debt service requirement or 10% of all municipal loan obligations outstanding. The reserve account is comprised of an ordinary reserve sub-account and a special reserve sub-account. The ordinary reserve sub-account is created as a result of the Authority increasing each bond issue by the amount necessary to fund up to one-third of the required debt service reserve or with a transfer from the Custodian Account. The special reserve sub-account is created and funded from the Custodian Account at an amount equal at least to two-thirds of the required debt service reserve. Both sub-accounts are maintained by a trustee.

On August 23, 1999, the Authority amended the debt service reserve requirement for the 1976 bond resolution that takes effect when all bonds outstanding as of the date of the resolution are retired. Under this new requirement, the reserve must be the least of: (i) 10% of the original stated principal amount of all bonds outstanding; (ii) the maximum annual principal and interest requirements on all bonds then outstanding; (iii) 125% of the average principal and interest requirements on all bonds then outstanding; or (iv) such lesser amount as shall be required to maintain the exemption of interest of all bonds outstanding from inclusion in gross income for federal income tax purposes under the Internal Revenue Code.

1998 Revenue Bond Resolution – Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

1999 Revenue Bond Resolution – Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

Summary of Significant Accounting Policies, continued

2000 Revenue Bond Resolution – Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

2001 Revenue Bond Resolution – Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys made available by legislative appropriation residing in the Custodian Account.

2002 A Revenue Bond Resolution – Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys residing in the Custodian Account.

2003 B Revenue Bond Resolution – Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys residing in the Custodian Account.

2004 A Revenue Bond Resolution – Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys residing in the Custodian Account.

2004 B Revenue Bond Resolution – Under this resolution a special reserve account was created at an amount equal to the maximum annual debt service of municipal obligations outstanding from moneys residing in the Custodian Account.

2005 General Bond Resolution – The reserve must be the least of: (i) 10% of the initial principal amount of each Series of Bonds outstanding; (ii) the maximum annual principal and interest requirements on all bonds outstanding; (iii) 125% of the average annual debt service on all bonds then outstanding; or (iv) such lower amount as may be allowed by law.

The reserve account is comprised of an ordinary reserve sub-account and a special reserve sub-account. The ordinary reserve sub-account is created as a result of the Authority increasing each bond issue or with a transfer from the Custodian Account. The special reserve sub-account is created and funded from the Custodian Account. Both sub-accounts are maintained by a trustee.

Amounts in the Statutory Reserve Account in excess of (a) required debt service reserves, (b) appropriations by the legislature residing in the Custodian Account, and (c) income on non-legislature-appropriated funds are transferred to the Operating Account. Income on non-legislature-appropriated funds, representing excess of revenues over expenditures of the ordinary reserve accounts and interest earned on the unreserved investment earnings account is accumulated in the Custodian Account and is available to fund the Special Reserve account.

(C) RESTRICTED ASSETS

Certain resources set aside for the repayment of the Authority's bonds, net of certain proceeds from additional bonds issued, are classified as restricted net assets on the statement of net assets because they are maintained in separate trust accounts and their use is limited by applicable bond covenants. Cash and cash equivalents and investments include $31,673,324 of restricted assets. These assets were funded from transfers from the Custodial Account to reserve accounts of Bond Bank equity of $11,396,720 and $19,456,761 of State appropriated equity. All of the original State appropriation of $18,601,414 and fiscal year 2008 appropriation of $855,347 were allocated to reserve accounts at June 30, 2009. As of June 30, 2009, $819,843 of earnings on the original State appropriation was available to allocate to reserve accounts from the Custodial Account.

(D) LONG-TERM OBLIGATIONS

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets.

(E) FUND EQUITY

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. In the government-wide financial statements, restrictions of net assets are reported when externally imposed.

(F) INTEREST ARBITRAGE REBATE

Bonds issued and funds segregated into reserves after August 15, 1986 are subject to Internal Revenue Service income tax regulations which require rebates to the U.S. Government of interest income earned on investments purchased with the proceeds from the bonds or any applicable reserves in excess of the allowable yield of the issue. Amounts owed are expensed when paid and refunds are recorded when received.

(G) INCOME TAXES

The Authority is exempt from paying federal and state income taxes.

(H) REFUNDING GAINS/LOSSES

The Authority reports gains or losses recognized from the refunding of bonds in interest revenue or expense.

NOTE 3 ▸ CASH

The Authority considers all highly liquid investments purchased with an original maturity of three months or less at the date of purchase to be cash equivalents. Cash and cash equivalents at June 30, 2009 consist of money market accounts held with various financial institutions.

The bank balance of all of the Authority's cash and cash equivalents are collateralized by securities held in the Authority's name by its custodial agent. At June 30, 2009, the amounts recorded in the Authority's general ledger equaled its bank balances.

NOTE 4 ▸ INVESTMENTS

The fair value as of June 30, 2009 of the Authority's investments is $56,139,641. At June 30, 2009 the investments held in the reserve accounts total $50,450,009, and the Custodian account total $5,689,632.

The fair value of debt security investments by contractual maturity as of June 30, 2009 is shown below. Expected maturities may differ from contractual maturities because borrowers may have the right to call or prepay obligations with or without penalty.

	Investment Maturities (in Years)				
	Less than 1	1-5	6-10	More than 10	Total
U.S. Treasury securities	$ 2,688,274	36,799,315	485,000	-	39,972,589
U.S. Government agencies securities	1,527,391	14,639,662	-	-	16,167,053
Total investments	$ 4,215,664	51,438,977	485,000	-	56,139,641

(A) INVESTMENT POLICIES

The Authority has distinct investment objectives and policies associated with the Custodian Account, Reserve Funds, and municipal debt payments. The three classes of funds are listed below:

- Custodian Account – The Custodian Account investment portfolio is designed with the objective of attaining the highest market rate of return subject to the required use of the Custodian Account for operation, funding transfers to the state, and funding reserves. When the Custodian Account balance allows, a longer investment horizon is implemented for the Custodian Account, accepting the limited probability of short-term loss in exchange for higher yield on investments. The Custodian Account balance must exceed $15 million, and be forecast to exceed $15 million for the subsequent six-month period, and an analysis of risk profile and historical benefit between the varying strategies must be undertaken before any shift in the investment strategy of the Account. The Custodian Account has to maintain sufficient liquidity to meet operating requirements, provide the prior fiscal year's state dividend, and to allow transfers to reserves as needed for bond issuance activity. Long-term preservation of principal is the third objective of the Custodian Account's investment program. Investments shall be undertaken in a manner that minimizes the probability of long-term loss.
  - The Custodian Account balance is a critical component in determining anticipated life, ability to diversify, and investment policy in this account. Accordingly, when the account balance is above $15 million a more aggressive policy will be implemented. When the account balance is below $15 million a more conservative policy will be used.
  - Shifting from one asset allocation to another may be approved by the Investment Committee when there is a projection of a continued trend in account balance justifying the shift.
  - There are no arbitrage restrictions.

- When the Custodian Account balance is less than $15 million, the following policies apply:
  - 20% Money Market Fund and 80% government agencies and U.S. Treasuries with maturities of less than 5 years.
  - Performance benchmark for the 20%: Three month U.S. Treasury Bill.
  - Performance benchmark for the 80%: Merrill Lynch 1-5 Government Index.
- When the Custodian Account balance exceeds and is expected to remain in excess of $15 million, the following policies apply:
  - Greater of 10% or a percentage equal to $750,000 in market value: Money Market Fund.
  - Up to 90%: Broad U.S. Bond Market Fund.
  - Performance benchmark for the greater of 10% or the percentage of the fund invested that is benchmarked to Money Market Fund: Three-month U.S. Treasury Bill.
  - Performance benchmark for the up to 90%: Lehman Brothers Aggregate Index.
- The following transactions are prohibited with the Custodian Account unless those transactions have the prior written consent of the Investment Committee:
  - Short sale of securities (the sale and settlement of a security not currently owned by the Authority and a formal agreement to borrow the security to facilitate the settlement of the short sale);
  - Purchases of futures, forwards or options for the purpose of speculating (currency futures, forwards and options are permitted only for hedging or to facilitate otherwise permissible transactions);
  - Borrowing to leverage the return on investments. Extended settlement of securities purchases executed to facilitate or improve the efficiency of a transaction will not be considered borrowing, provided that sufficient cash equivalent securities or receivables are available to facilitate the extended settlement;
  - Purchases of "private placement" or unrated corporate bonds.

- Bond Reserve Funds - Preservation of principal is the foremost objective of the Bond Reserve Funds investment program. These funds shall be managed to ensure that the corpus is preserved. These funds will not be expended until the final maturity of the bond issue they secure, unless there is a failure to pay debt service by a community. As there is limited benefit in maximizing return it is the least important objective of the Bond Reserve Funds. It is anticipated that the Reserve Funds cumulative average return should target the blended arbitrage yield limit of the bond issues secured.

Investment Policies, continued

- Bond resolutions limit allowed investment of these funds. Investment risk should be examined on an annual basis to ensure that no greater than the minimum level of risk required to achieve the highest probability of earning the arbitrage yield limit on the bonds is incurred.
- 100% government agencies and U.S. Treasuries with maturities of less than 5 years.
- Performance benchmark is Merrill Lynch 1-5 Government Index.

- Municipal Debt Payments - Preservation of principal and liquidity are the foremost objectives of the Municipal Debt Payments investment program, as these funds will be expended within seven business days of receipt. Return on investment is a benefit of holding these funds for the advance payment period, but not the focus of investing the funds. The bond resolutions limit investments.
  - 100% Money Market Fund.
  - Performance benchmark is three-month U.S. Treasury Bill.

It is the policy of the Authority to diversify its investments and to ensure the safety and liquidity of the investments by observing the following sound investment practices:

- Not more than 5% of the Custodian Account may be invested in the corporate debt of any one issuer, at the time of purchase.
- In the event of a credit downgrade which reduces a security below the required rating written notification will be made to the Investment Committee setting forth the particulars of the downgrade and recommending a course of action.
- Not more than 50% of the Custodian Account may be invested in corporate securities, at the time of purchase.
- The duration of the Custodian Account must remain within 80 to 120 percent of the duration of the Lehman Brothers Aggregate Index.
- Purchases of more than 10% of a corporate bond issue shall not be made.

(B) CONCENTRATION RISK

Concentration risk is the risk of loss attributed to the magnitude of the Authority's investment in a single issuer. Concentration limits are not established in the bond indentures and governing agreements for pledged investments. The Authority's policies set out maximum concentration limits for investments managed by the external investment manager.

(C) CREDIT RISK

Credit risk is the risk of loss due to the failure of the security or backer. The Authority mitigates its credit risk by limiting investments permitted in the investment policies. The credit quality ratings of the Authority's investments are AAA and Aaa as of June 30, 2009 as described by nationally recognized statistical rating organization Standard and Poor, and Moody's, respectively. U.S. Treasury securities and securities of agencies that are explicitly guaranteed by the U.S. government total $56,139,641, and are not considered to have credit risk.

(D) CUSTODIAL CREDIT RISK

The Authority assumes levels of custodial credit risk for its deposits with financial institutions, bank investment agreements, and investments. For deposits, custodial credit risk is the risk that, in the event of a bank failure, the Authority's deposits may not be returned. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the Authority will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. The Authority has not established a formal custodial credit risk policy for its investments.

The Authority had no investments registered in the name of a counterparty.

(E) INTEREST RATE RISK

Interest rate risk is the risk that the market value of investments will decline as a result of changes in general interest rates. For non-pledged investments, the Authority mitigates interest rate risk by structuring its investment's maturities to meet cash requirements, thereby avoiding the need to sell securities in the open market prior to maturity. For investments held in trust, investment maturities are structured to meet cash requirements as outlined in its bond indentures and contractual and statutory agreements.

(F) MODIFIED DURATION

Modified duration estimates the sensitivity of an investment to interest rate changes. The following table shows the Authority's investments with their weighted average modified duration as of June 30, 2009 by investment type:

	INVESTMENT FAIR VALUE	MODIFIED DURATION
U.S. Treasury securities	$ 39,972,589	3.48
U.S. Government agencies securities	16,167,053	3.19
Total Portfolio	$ 56,139,641	3.34

The Authority's investment policies require the duration of the Custodian Account must remain within 80 to 120 percent of the duration of the prevailing performance benchmark.

NOTE 5 ▸ BOND AND NOTES RECEIVABLE

Bonds and notes receivable by debt service program at June 30, 2009 mature in varying annual installments as follows:

Year ending June 30	1976 General	2005 General	1998A Ketchikan Revenue	1998B Homer Revenue	1999A Inter-Island Ferry Revenue	2000B Seward Revenue
2010	$ 18,865,000	8,044,195	785,000	185,000	90,000	125,000
2011	19,728,000	9,115,000	820,000	-	-	135,000
2012	18,565,000	10,550,000	855,000	-	-	140,000
2013	16,750,000	11,135,000	895,000	-	-	-
2014	15,740,000	11,665,000	-	-	-	-
2015–2019	72,064,000	57,925,000	-	-	-	-
2020–2024	53,720,000	58,990,000	-	-	-	-
2025–2029	7,665,000	60,850,000	-	-	-	-
2030–2034	-	32,945,000	-	-	-	-
2035 and after	-	9,775,000	-	-	-	-
	$ 223,097,000	270,994,195	3,355,000	185,000	90,000	400,000

Year ending June 30	2001A Ketchikan Revenue	2001B Ketchikan Revenue	2002A Ketchikan Revenue	2003B Valdez Revenue	2004A CBJ Revenue
2010	$ 95,000	140,000	520,000	680,000	555,000
2011	100,000	150,000	540,000	865,000	575,000
2012	105,000	155,000	560,000	935,000	595,000
2013	110,000	165,000	585,000	1,000,000	620,000
2014	115,000	175,000	610,000	1,070,000	650,000
2015–2019	680,000	1,000,000	635,000	6,290,000	3,705,000
2020–2024	-	-	-	6,140,000	4,735,000
2025–2029	-	-	-	-	6,145,000
2030–2034	-	-	-	-	7,890,000
2035 and after	-	-	-	-	1,825,000
	$ 1,205,000	1,785,000	3,450,000	16,980,000	27,295,000

Year ending June 30	2004B Anchorage Revenue	Coastal Energy Loan	Total Principal
2010	$ 105,000	2,589,582	32,778,777
2011	110,000	543,247	32,681,247
2012	115,000	547,061	33,122,061
2013	120,000	551,032	31,931,032
2014	125,000	555,165	30,705,165
2015–2019	700,000	2,299,869	145,298,869
2020–2024	865,000	725,848	125,175,848
2025–2029	1,090,000	886,976	76,636,976
2030–2034	1,405,000	1,083,872	43,323,872
2035 and after	325,000	1,179,764	13,104,764
	$ 4,960,000	10,962,416	564,758,611

NOTES TO FINANCIAL STATEMENTS, CONTINUED

The General Fund includes $455,000 of 5% bonds receivable due from the City of Yakutat that mature through 2013.

Under the Coastal Energy Loan Program (Program), the Authority issued $5,000,000 1986 Series A Coastal Energy Bonds (Bonds) payable to the National Oceanic and Atmospheric Administration (NOAA). The proceeds of these bonds were used to purchase port revenue bonds from the City of Nome. The City of Nome entered into a tripartite agreement with NOAA and the Authority effective August 2, 1994 to defer payment of the principal and accrual of interest for ten years. Effective January 29, 2009 a second amendment to the tripartite agreement was executed. The amendment authorized the issuance of 2009A Bonds for the purpose of refunding by exchange the outstanding City of Nome, Alaska, Port Revenue Bond 1986 Series A. The related loan payable does not represent a general obligation of the Authority as it is payable only from proceeds received from the City of Nome.

Also under the Program, the Authority issued $6,563,000 1987 Series A Coastal Energy Bonds payable to NOAA. The proceeds of these bonds were used to purchase port revenue bonds from the City of St. Paul. The City of St. Paul entered into a tripartite agreement with NOAA and the Authority effective December 14, 2000 to modify and amend the repayment terms including principal and interest. On April 18, 2005, the City of St. Paul asked for NOAA's recommendation for loan forgiveness which was denied on January 24, 2006. Subsequently, on March 17, 2009, NOAA issued another determination on request for recommendation of CEIP loan forgiveness but a final agreement has not been reached between the City of St. Paul and NOAA as of June 30, 2009.

The related loan payables do not represent a general obligation of the Authority as they are payable only from proceeds received from the City of Nome and St. Paul, respectively. Payment of principal and interest on the Bond Bank's Coastal Energy Bond is not secured by a pledge of any amounts held by or payable to the Bond Bank under the General Bond Resolution, including the Reserve Account, and is not in any way a debt or liability of the Bond Bank. The Coastal Energy Bonds and related accounts are included in the Bond Bank's statutory limit for total bonds outstanding and therefore included in the Bond Bank's financial statements.

NOTE 6 ▸ LONG TERM LIABILITIES

ISSUE	Debt Service Account		Statutory Reserve Account	
	Interest Rate	Principal Outstanding	Interest Rate	Principal Outstanding
1976 General Bond Resolution Program:				
1998 Series A	4.625%-6%	405,000		
Aleutians East, City of				
1998 Series B - Cordova, City of	4%-4.75%	270,000	-	-
2000 Series A:	5.5%-5.875%	630,000	-	-
Fairbanks, City of				
Cordova, City of				
2000 Series B:	4.8%-6%	1,045,000	-	-
Kaktovik, City of				
Sitka, City of				
Unalaska, City of				
2000 Series C - Northwest Arctic Borough	4.53%-5.75%	3,005,000	-	-
2000 Series D - Petersburg	4.55% - 5.70%	165,000	-	-
2000 Series E:	4.75%-5.375%	3,372,000	5.00%-5.375%	423,000
Kenai				
Kodiak Island Borough				
Lake and Peninsula				
Wrangell				
Nome				
2000 Series F - Kodiak Island Borough	6.9%-9%	310,000	-	-
2001 Series A - Northwest Arctic Borough	4.4%-5%	5,805,000	-	-
2001 Series B - Aleutians East Borough	3.875%-4.75%	2,635,000	3.875%-4.75%	285,000
2002 Series A - Wasilla, City of	2.5%-4.5%	5,970,000	2.50%-4.50%	755,000
2002 Series B	3.875%-4.80%	8,735,000	3.875%-4.80%	525,000
City of Wrangell				
Northwest Arctic Borough				
2003 Series A - Ketchikan Gateway Borough	3.70%-4.80%	7,015,000	4.80%	305,000
2003 Series C	2.00%-3.625%	3,485,000	2.00%-3.625%	210,000
Kenai Peninsula Borough				
Lake & Peninsula Borough				
2003 Series D - Kenai	4.90%-6.00%	11,250,000	4.90%-6.00%	365,000
2003 Series E	2.00%-5.25%	7,775,000	-	-
Aleutians East Borough				
Kenai Peninsula Borough				
2003 Series F - Seward	2.00%-3.5%	430,000	-	-
2003 Series G - NW Arctic Borough	2.00%-5.00%	19,345,000	-	-
2004 A Series	3.00%-4.40%	13,715,000	-	-
Fairbanks				
Sitka				
2004 B Series	2.00%-4.00%	12,385,000	2.00%-4.00%	225,000
Nome				
Valdez				
Petersburg				
Craig				
Seward				
2004 C Series	4.00%-5.00%	12,145,000	-	-
Kodiak Island Borough				
Palmer				
Petersburg				
2004 D Series	3.00%-5.00%	10,910,000	-	-
Adak				
Kodiak Island Borough				
2005 A Series	2.50%-5.00%	29,940,000	2.75%-5.00%	1,440,000
Cordova				
Fairbanks				
Ketchikan Gateway Borough				
Northwest Arctic Borough				
Sitka				
Unalaska				

NOTES TO FINANCIAL STATEMENTS, CONTINUED

Long Term Liabilities, continued

ISSUE	Debt Service Account		Statutory Reserve Account	
	Interest Rate	Principal Outstanding	Interest Rate	Principal Outstanding
2005 B Series	3.00%-5.00%	20,735,000	5.00%	465,000
Haines				
Ketchikan Gateway Borough				
North Pole, City of				
Palmer				
Sitka				
2005 C Series	4.00%-5.00%	26,805,000	5.00%	2,185,000
Haines				
Petersburg				
Northwest Arctic Borough				
2006 A Series	4.00%-4.35%	14,815,000	4.00%	950,000
Aleutians East Borough				
Ketchikan Gateway Borough				
Lake & Peninsula Borough				
Nome				
Wrangell				
Total 1976 General Bond Resolution Fund		223,097,000		8,133,000
2005 Series General Bond Resolution Program:				
2005 - One Series	3.00%-5.00%	15,000,000	3.00%-5.00%	350,000
Ketchikan, City of				
Nome				
Seward				
2006 - One Series	4.00%-6.00%	6,330,000	4.50%-6.00%	390,000
Kenai Peninsula Borough				
Seward				
2006 - Two Series - Ketchikan, City of	4.25%-4.75%	37,220,000	5%	1,765,000
2007- One Series	4.00%-5.50%	24,885,000	4.00%-5.50%	1,290,000
Kenai Peninsula Borough				
Inter-Island Ferry Authority				
Nome, City of				
NW Arctic Borough				
Petersburg				
Seward, City of				
Sitka, City of				
Wasilla, City of				
2007 - Two Series	3.75%-5.00%	24,025,000	4.50%	685,000
Kenai Peninsula Borough				
Aleutians East Borough				
2007 - Three Series	4.25%-5.50%	14,040,000	4.00%	415,000
Bethel, City of				
Juneau, City and Borough of				
2007 - Four Series - Kenai Peninsula Borough	4.25%-5.00%	14,090,000	4.25%-4.50%	1,070,000
2007 - Five Series - Kodiak, City of	4.00%-6.00%	6,000,000		
2008 - One Series	4.00%-5.00%	57,250,000	5.00%	4,250,000
Dillingham				
Kodiak Island Borough				
Kodiak, City of				
Seward				
2008 - Two Series	4.40%-6%	17,685,000	4.75%-6.00%	1,560,000
Seward				
Sitka, City of				
Skagway				
2009 - One Series	3.0%-5.625	26,000,000	4.00%-5.50 %	730,000
Kodiak, City of				
Unalaska, City of				
2009 - Two Series	4.0%-6.00%	28,469,195	4.0%-6.00%	1,825,805
Cordova				
Nome, City of				
Unalaska, City of				
Kodiak Island Borough				
Total 2005 Series General Bond Resolution Fund		270,994,195		14,330,805

Long Term Liabilities, continued

ISSUE	Debt Service Account		Statuatory Reserve Account	
	Interest Rate	Principal Outstanding	Interest Rate	Principal Outstanding
1998A Ketchikan Revenue Bond Resolution Program	4%-4.7%	3,355,000	-	-
1998B Homer Revenue Bond Resolution Program	4%-4.5%	185,000	-	-
1999A Inter-Island Ferry Revenue Bond Resolution Program	5.125%-5.9%	90,000	-	-
2000B Seward Revenue Bond Resolution Program	4.35%-5.5%	400,000	-	-
2001A Ketchikan Revenue Bond Resolution Program	4.5%-4.9%	1,205,000	-	-
2001B Ketchikan Revenue Bond Resolution Program	4.5%-4.9%	1,785,000	-	-
2002A Ketchikan Revenue Bond Public Utilities	3.00%-5.00%	3,450,000	-	-
2003B Valdez, City of Bond Resolution Program	2.75%-5.25%	16,980,000	-	-
2004A Juneau, City & Borough of Bond Resolution Program	6.25%-4.375%	27,295,000	-	-
2004B Anchorage Bond Resolution Program	4.00%-4.75%	4,960,000	-	-
Total Revenue Bonds		59,705,000		-
Coastal Energy Reserve Loan Account				
City of Nome Port Facility Revenue Bond	8.50%	4,956,538	-	-
City of Saint Paul - Fuel Dock	5%	6,005,878	-	-
Total Coastal Energy Reserve Loan Account		10,962,416		-
		$ 564,758,611		$ 22,463,805

During the year ended June 30, 2009 the Authority's long-term liabilities changed as follows:

	Beginning of year	New debt	Repayments	End of year
General obligation bonds payable	$ 463,705,000	76,725,000	23,875,000	516,555,000
Revenue bonds payable	63,105,000	-	3,400,000	59,705,000
Other long-term debt	11,005,878	-	43,462	10,962,416
Total	$ 537,815,878	76,725,000	27,318,462	587,222,416

General obligation bonds are secured by bonds receivable and by amounts in the ordinary reserve account. The Act further provides that if a municipality defaults on its principal and/or interest payments, upon written notice by the Authority, the State of Alaska must pay to the Authority all funds due from the defaulting municipality from the State in an amount sufficient to clear the default.

If the Alaska Municipal Bond Bank Authority must draw on the Alaska municipal bond bank authority reserve fund (AS 44.85.270), 2005 General Bond Resolution Reserve, because of a default by a borrower, an amount equal to the amount drawn from the reserve is appropriated from the State of Alaska General Fund to the Authority reserve fund (AS 44.85.270).

Loans made under the Coastal Energy Loan Program are payable only from proceeds received from the municipalities to which the loans were made.

The above bonds mature in varying annual installments. The maturities at June 30, 2009 are as follows:

Year ending June 30	–1976– General	–1976– Reserve	–2005– General	–2005– Reserve	1998A Ketchikan Revenue	1998B Homer Revenue
2010	$ 18,865,000	5,000	8,044,195	805	785,000	185,000
2011	19,728,000	377,000	9,115,000	–	820,000	–
2012	18,565,000	1,225,000	10,550,000	80,000	855,000	–
2013	16,750,000	435,000	11,135,000	1,350,000	895,000	–
2014	15,740,000	5,000	11,665,000	595,000	–	–
2015-2019	72,064,000	3,996,000	57,925,000	4,365,000	–	–
2020-2024	53,720,000	2,090,000	58,990,000	2,745,000	–	–
2025-2029	7,665,000	–	60,850,000	3,430,000	–	–
2030-2034	–	–	32,945,000	–	–	–
2035 and after	–	–	9,775,000	1,765,000	–	–
	$ 223,097,000	8,133,000	270,994,195	14,330,805	3,355,000	185,000

Year ending June 30	1999A Inter-Island Ferry Revenue	2000B Seward Revenue	2001A Ketchikan Revenue	2001B Ketchikan Revenue	2002A Ketchikan Revenue	2003B Valdez Revenue
2010	$ 90,000	125,000	95,000	140,000	520,000	680,000
2011	–	135,000	100,000	150,000	540,000	865,000
2012	–	140,000	105,000	155,000	560,000	935,000
2013	–	–	110,000	165,000	585,000	1,000,000
2014	–	–	115,000	175,000	610,000	1,070,000
2015-2019	–	–	680,000	1,000,000	635,000	6,290,000
2020-2024	–	–	–	–	–	6,140,000
2025-2029	–	–	–	–	–	–
2030-2034	–	–	–	–	–	–
2035 and after	–	–	–	–	–	–
	$ 90,000	400,000	1,205,000	1,785,000	3,450,000	16,980,000

Year ending June 30	2004A CBJ Revenue	2004B Anchorage Revenue	Coastal Energy Loan	Total Principal	Total Interest
2010	$ 555,000	105,000	2,589,582	32,784,582	26,329,788
2011	575,000	110,000	543,247	33,058,247	25,331,154
2012	595,000	115,000	547,061	34,427,061	23,913,430
2013	620,000	120,000	551,032	33,716,032	22,532,076
2014	650,000	125,000	555,165	31,305,165	21,011,964
2015-2019	3,705,000	700,000	2,299,869	153,659,869	84,360,952
2020-2024	4,735,000	865,000	725,848	130,010,848	50,932,089
2025-2029	6,145,000	1,090,000	886,976	80,066,976	25,113,463
2030-2034	7,890,000	1,405,000	1,083,872	43,323,872	9,687,681
2035 and after	1,825,000	325,000	1,179,764	14,869,764	1,204,840
	$ 27,295,000	4,960,000	10,962,416	587,222,416	290,417,437

NOTE 7 ▸ ADJUSTMENTS

Certain adjustments are considered to be necessary to the governmental funds in order to present the Authority's financial position and the results of its operations. These adjustments include the elimination of inter-fund payables and receivables. Additionally, bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds, but reduces the liability in the statement of net assets.

NOTE 8 ▸ COMMITMENTS

The amount of Authority receipts determined under AS 44.85.270(h) available for transfer by the Authority for fiscal year 2009 were appropriated to the Bond Bank Authority Reserve Fund (AS 44.85.270(a)) in the amount of $819,843, increasing the cumulative state appropriated amount to $20,276,604 at June 30, 2009. The entire Custodian Account balance is available for appropriation, at any time, by the State Legislature.

NOTE 9 ▸ SUBSEQUENT EVENTS

The Bond bank has approved loans to the communities of the City and Borough of Juneau in the amount of $12,758,000 and the Kenai Peninsula Borough in the amount of $4,960,000. Each of these loans is supported by a general obligation pledge of the community. The Authority bonds are scheduled to be issued in September 2009 and the loan should close in October 2009.

In addition the Bond Bank has issued a direct loan to the City of Galena on July 1, 2009 in the amount of $1,150,000.

SUPPLEMENTAL SCHEDULE OF STATUTORY RESERVE ACCOUNTS – ASSETS, LIABILITIES AND ACCOUNT RESERVES

For the year ended June 30, 2009

	1976 General "Ordinary"	1976 General "Special"	2005 Series Obligation Interest	2005 Series Resolution
ASSETS				
Cash	$ 50,578	247,303	572,976	147,023
Accrued interest receivable	79,091	166,679	-	157,743
Marketable securities	10,021,674	20,479,977	-	19,948,358
Interaccount receivables	-	3,280,516	-	-
	10,151,343	24,174,475	572,976	20,253,124
LIABILITIES				
Interaccount payables	2,032,991	5,121,984	572,976	704,551
Bond payable	8,133,000	-	-	14,330,805
Accrued interest payable	100,443	-	-	113,066
	10,266,434	5,121,984	572,976	15,148,422
RESERVES				
Special Reserve - State Appropriated	-	15,663,302	-	1,574,096
Special Reserve - Unappropriated	-	3,243,578	-	3,530,398
Special Reserve - Unrealized gain (loss)	-	145,611	-	208
Ordinary Reserve - Unallocated	(236,726)	-	-	-
Ordinary Reserve - Unrealized gain (loss)	121,635	-	-	-
	(115,091)	19,052,491	-	5,104,702
	$ 10,151,343	24,174,475	572,976	20,253,124

	2005 Series Investment	1998A Ketchikan	1998B Homer	1999A Inter-Island
ASSETS				
Cash	$ 177,714	1,326,471	251,900	97,200
Accrued interest receivable	-	-	-	-
Marketable securities	-	-	-	-
Interaccount receivables	987,312	11,750	-	-
	1,165,026	1,338,221	251,900	97,200
LIABILITIES				
Interaccount payables	1,165,026	-	504	2,788
Bond payable	-	-	-	-
Accrued interest payable	-	-	-	-
	1,165,026	-	504	2,788
RESERVES				
Special Reserve - State Appropriated	-	1,341,299	251,396	94,412
Special Reserve - Unappropriated	-	-	-	-
Special Reserve - Unrealized gain (loss)	-	(3,078)	-	-
Ordinary Reserve - Unallocated	-	-	-	-
Ordinary Reserve - Unrealized gain (loss)	-	-	-	-
	-	1,338,221	251,396	94,412
	$ 1,165,026	1,338,221	251,900	97,200

See Independent Auditors' Report

SUPPLEMENTAL SCHEDULE OF STATUTORY RESERVE ACCOUNTS – ASSETS, LIABILITIES AND ACCOUNT RESERVES

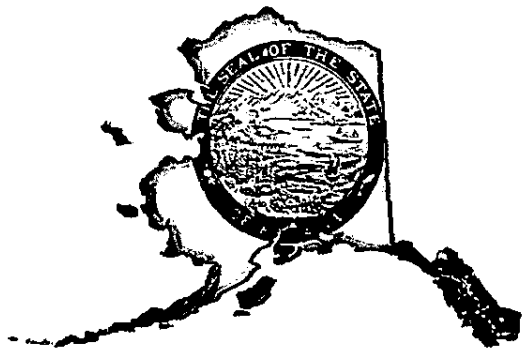
For the year ended June 30, 2009

	2000B Seward	2001A Ketchikan	2001B Ketchikan	2002A Ketchikan
ASSETS				
Cash	$ 149,469	154,707	229,918	625,130
Accrued interest receivable	-	-	-	-
Marketable securities	-	-	-	-
Interaccount receivables	7,760	-	-	-
	157,229	154,707	229,918	625,130
LIABILITIES				
Interaccount payables	-	32	48	130
Bond payable	-	-	-	-
Accrued interest payable	-	-	-	-
	-	32	48	130
RESERVES				
Special Reserve - State Appropriated	147,711	154,675	229,870	-
Special Reserve - Unappropriated	-	-	-	625,000
Special Reserve - Unrealized gain (loss)	9,518	-	-	-
Ordinary Reserve - Unallocated	-	-	-	-
Ordinary Reserve - Unrealized gain (loss)	-	-	-	-
	157,229	154,675	229,870	625,000
	$ 157,229	154,707	229,918	625,130

	2003B Valdez	2004A CBJ	2004B Anchorage	Total
ASSETS				
Cash	$ 1,780,433	1,876,140	342,004	8,028,966
Accrued interest receivable	-	-	-	403,513
Marketable securities	-	-	-	50,450,009
Interaccount receivables	29,306	-	-	4,316,644
	1,809,739	1,876,140	342,004	63,199,132
LIABILITIES				
Interaccount payables	-	240	-	9,601,270
Bond payable	-	-	-	22,463,805
Accrued interest payable	-	-	-	213,509
	-	240	-	32,278,584
RESERVES				
Special Reserve - State Appropriated	-	-	-	19,456,761
Special Reserve - Unappropriated	1,780,063	1,875,750	341,931	11,396,720
Special Reserve - Unrealized gain (loss)	29,676	150	73	182,158
Ordinary Reserve - Unallocated	-	-	-	(236,726)
Ordinary Reserve - Unrealized gain (loss)	-	-	-	121,635
	1,809,739	1,875,900	342,004	30,920,548
	$ 1,809,739	1,876,140	342,004	63,199,132

See Independent Auditors' Report

Alaska Municipal Bond Bank
Alaska Industrial & Export Authority



February 15, 2010

Alaska Municipal Bond Bank

Outstanding Loans to Municipalities
Funded with Bonds as of 6/30/2009

$ (thousands)

Governmental Unit	Outstanding Loan Amount	Percentage of Total
Northwest Arctic Borough	61,015	10.80%
City of Ketchikan	58,810	10.41%
City of Seward	45,630	8.08%
Kenai Peninsula Borough	42,909	7.60%
City & Borough of Juneau	37,745	6.68%
City & Borough of Sitka	34,410	6.09%
City of Unalaska	33,125	5.87%
Kodiak Island Borough	32,595	5.77%
Aleutians East Borough	30,670	5.43%
Ketchikan Gateway Borough	21,615	3.83%
City of Valdez	21,165	3.75%
City of Cordova	18,615	3.30%
Haines Borough	16,335	2.89%
City of Kodiak	14,865	2.63%
City of Dillingham	14,635	2.59%
City of Nome	13,766	2.44%
City of Petersburg	13,510	2.39%
City of Wasilla	9,340	1.65%
City of Fairbanks	7,560	1.34%
Lake and Peninsula Bor.	7,219	1.28%
St. Paul	6,006	1.06%
Municipality of Anchorage	4,960	0.88%
Municipality of Skagway	4,840	0.86%
City of Bethel	3,590	0.64%
City of Wrangell	2,979	0.53%
City of Palmer	2,085	0.37%
Inter-island Ferry Authority	1,360	0.24%
City of Adak	1,305	0.23%
City of North Pole	1,170	0.21%
City of Craig	650	0.12%
City of Homer	185	0.03%
City of Kaktovik	95	0.02%
Total	$ 564,759	100.00%

Source: Alaska Municipal Bond Bank
Does not include reserve obligations

Fiscal Year	Community Loans	Bonds Issued (millions)	Community Savings
2001	9	50.1	4.2
2002	4	39.2	3.1
2003	9	62.3	3.6
2004	11	113.1	4.8
2005	14	123.2	16.7
2006	11	77.4	3.8
2007	14	106.6	14.3
2008	9	98.7	3.4
2009	9	76.7	6.8

Alaska Public Debt Book – Table 4.5 and Alaska Municipal Bond Bank Annual Reports

Bond Bank Statute Changes

Increase borrowing limit by $250 million

- $162.8 million of cap remaining at June 30
- $120.5 million of cap remaining on March 1.
- Expect up to $100 million of loan requests during the remainder of calendar year 2010

Eliminate restriction on Revenue Bonds

Eliminate restrictions on leases

History and Applicable Laws for Recovery Zone Bonds

The "American Recovery and Reinvestment Act of 2009" created a number of new financing options for communities

- Providing valuable incentives for both public and private projects
- With limited windows of opportunity

Build America Bonds

- Alternative structure for financings that otherwise qualify as tax exempt
- Sell taxable bonds and receive 35% subsidy from Federal Government on interest expense
- Beneficial on yields for maturities beyond 8-12 years depending upon market
- On 20 year loan has lowered interest rate by 50 to 100 basis points depending on market

Recovery Zone Bonds

Recovery Zone Economic Development Bonds

- Identical to BABs but a boosted 45% subsidy
- $90 million allocation to Alaska

Recovery Zone Facility Bonds

- Provide opportunity for municipalities to offer tax exemption to businesses investing in their communities.
- $135 million allocated to Alaska

Recovery Zone

A "recovery zone" is:

- An area designated as having significant poverty, unemployment, rate of home foreclosures, or general distress
- An area economically distressed due to military installation closure or base realignment
- An empowerment zone or renewal community

Recovery Zone Allocations

AREA	Economic Development Bonds	Facility Bonds
Anchorage	0	0
Aleutians East Borough	0	0
Aleutians West Census Area	$ 4,680,000	$ 7,020,000
Bethel Census Area	$15,271,000	$22,906,000
Bristol Bay Borough	$ 246,000	$ 369,000
Denali Borough	0	0
Dillingham Census Area	$ 1,724,000	$ 2,586,000
Fairbanks North Star Borough	$32,760,000	$49,137,000
Haines Borough	$ 1,576,000	$ 2,365,000
Juneau Borough	$ 7,586,000	$11,379,000
Kenai Peninsula Borough	$ 4,877,000	$ 7,315,000
Ketchikan Gateway Borough	$ 3,744,000	$ 5,616,000
Kodiak Island Borough	$ 2,266,000	$ 3,399,000
Lake & Peninsula Borough	$ 1,970,000	$ 2,956,000
Matanuska-Susitna Borough	0	0
Nome Census Area	$ 1,773,000	$ 2,660,000
North Slope Borough	0	0
Northwest Arctic Borough	$ 887,000	$ 1,330,000
Prince of Wales-Outer Ketchikan Census Area	$ 1,921,000	$ 2,956,000
Sitka Borough	$ 2,709,000	$ 4,064,000
Skagway Hoonah Angoon Census Area	$ 985,000	$ 1,478,000
Southeast Fairbanks Census Area	0	0
Valdez-Cordova Census Area	$ 2,906,000	$ 4,360,000
Wade Hampton Census Area	0	0
Wrangell Petersburg Census Area	$ 2,020,000	$ 3,030,000
Yakutat Borough	$ 99,000	$ 148,000
Yukon-Koyukuk Census Area	0	0

Why Legislation?

- Status quo has disconnect between allocations and projects
- Failure to use allocation results in loss of allocation on 1/1/2011
- Current allocations will guarantee loss of substantial volume cap
- Establishes a framework and legal basis to ensure this limited resource is used

Alaska Municipal Bond Bank
Recovery Zone Statutes

- Provides for sub allocating the allocations to Census Areas to the communities in the Census Areas immediately
- Provides for Boroughs to waive allocations that aren't needed or can't be used immediately
- Provides a June 30, 2010 deadline for Boroughs to use their allocations
- Provides for reallocation of the allocations with priority to projects in original allocation regions

Alaska Industrial Development and Export Authority Recovery Zone Facility Bonds

Used to finance new capital improvements owned and used by almost any:

- Industrial
- Commercial
- Retail
- Office
- Or other business activity located in a "recovery zone"

Exceptions are rental housing, airplanes, health clubs, liquor stores, race tracks, luxury boxes, gambling facilities, massage parlors, etc.

Alaska Industrial Development and Export Authority
Recovery Zone Facility Bonds
Features and Uses

- Issued for private projects
- Interest is tax-exempt (no 45% or 35% subsidy as with Recovery Zone Economic Development Bonds and other BAB's)
- Offer lower interest rates
- Likely issued in Alaska as conduit private activity bonds (PAB's)
- Debt service is funded by the private business that owns and uses the property
- Subject to most federal tax and securities laws relating to PAB's and all applicable state and local laws limiting bond issuances

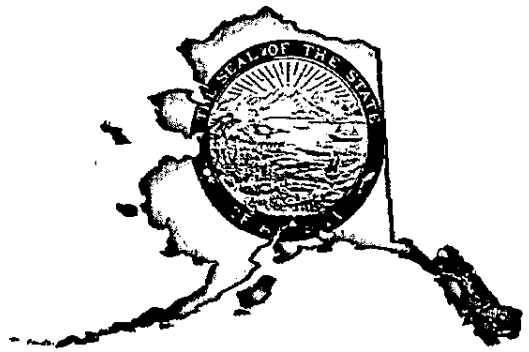
Alaska Industrial Development and Export Authority

Recovery Zone Regulations

Regulation features:

- Ensure allocations to recovery zones and areas of high unemployment and economic distress
- Efficient use of reallocated volume cap to avoid lapsing
- Giving priority to original allocations
- Want to make sure we do not lose this opportunity

Alaska Municipal Bond Bank
Alaska Industrial & Export Authority



February 15, 2010

Alaska Municipal Bond Bank

Outstanding Loans to Municipalities
Funded with Bonds as of 6/30/2009

$ (thousands)

Governmental Unit	Outstanding Loan Amount	Percentage of Total
Northwest Arctic Borough	61,015	10.80%
City of Ketchikan	58,810	10.41%
City of Seward	45,630	8.08%
Kenai Peninsula Borough	42,909	7.60%
City & Borough of Juneau	37,745	6.68%
City & Borough of Sitka	34,410	6.09%
City of Unalaska	33,125	5.87%
Kodiak Island Borough	32,595	5.77%
Aleutians East Borough	30,670	5.43%
Ketchikan Gateway Borough	21,615	3.83%
City of Valdez	21,165	3.75%
City of Cordova	18,615	3.30%
Haines Borough	16,335	2.89%
City of Kodiak	14,865	2.63%
City of Dillingham	14,635	2.59%
City of Nome	13,766	2.44%
City of Petersburg	13,510	2.39%
City of Wasilla	9,340	1.65%
City of Fairbanks	7,560	1.34%
Lake and Peninsula Bor.	7,219	1.28%
St. Paul	6,006	1.06%
Municipality of Anchorage	4,960	0.88%
Municipality of Skagway	4,840	0.86%
City of Bethel	3,590	0.64%
City of Wrangell	2,979	0.53%
City of Palmer	2,085	0.37%
Inter-island Ferry Authority	1,360	0.24%
City of Adak	1,305	0.23%
City of North Pole	1,170	0.21%
City of Craig	650	0.12%
City of Homer	185	0.03%
City of Kaktovik	95	0.02%
Total	$ 564,759	100.00%

Source: Alaska Municipal Bond Bank
Does not include reserve obligations

Fiscal Year	Community Loans	Bonds Issued (millions)	Community Savings
2001	9	50.1	4.2
2002	4	39.2	3.1
2003	9	62.3	3.6
2004	11	113.1	4.8
2005	14	123.2	16.7
2006	11	77.4	3.8
2007	14	106.6	14.3
2008	9	98.7	3.4
2009	9	76.7	6.8

Alaska Public Debt Book – Table 4.5 and Alaska Municipal Bond Bank Annual Reports

Bond Bank Statute Changes

Increase borrowing limit by $250 million

- $162.8 million of cap remaining at June 30
- $120.5 million of cap remaining on March 1.
- Expect up to $100 million of loan requests during the remainder of calendar year 2010

Eliminate restriction on Revenue Bonds

Eliminate restrictions on leases

Recovery Act Opportunities Available in 2010

- Build America Bonds
- Recovery Zone Economic Development Bonds
- Recovery Zone Facility Bonds
- Qualified School Construction Bonds
- Other allocations smaller than statewide in nature

Build America Bonds

- Alternative structure for financings that otherwise qualify as tax exempt
- Sell taxable bonds and receive 35% subsidy from Federal Government on interest expense
- Beneficial on yields for maturities beyond 8-12 years depending upon market
- On 20 year loan has lowered interest rate by 50 to 100 basis points depending on market

Recovery Zone Bonds

Recovery Zone Economic Development Bonds

- Identical to BABs but a boosted 45% subsidy
- $90 million allocation to Alaska

Recovery Zone Facility Bonds

- Provide opportunity for municipalities to offer tax exemption to businesses investing in their communities.
- $135 million allocated to Alaska

Recovery Zone Allocations

AREA	Economic Development Bonds	Facility Bonds
Anchorage	0	0
Aleutians East Borough	0	0
Aleutians West Census Area	$ 4,680,000	$ 7,020,000
Bethel Census Area	$15,271,000	$22,906,000
Bristol Bay Borough	$ 246,000	$ 369,000
Denali Borough	0	0
Dillingham Census Area	$ 1,724,000	$ 2,586,000
Fairbanks North Star Borough	$32,760,000	$49,137,000
Haines Borough	$ 1,576,000	$ 2,365,000
Juneau Borough	$ 7,586,000	$11,379,000
Kenai Peninsula Borough	$ 4,877,000	$ 7,315,000
Ketchikan Gateway Borough	$ 3,744,000	$ 5,616,000
Kodiak Island Borough	$ 2,266,000	$ 3,399,000
Lake & Peninsula Borough	$ 1,970,000	$ 2,956,000
Matanuska-Susitna Borough	0	0
Nome Census Area	$ 1,773,000	$ 2,660,000
North Slope Borough	0	0
Northwest Arctic Borough	$ 887,000	$ 1,330,000
Prince of Wales-Outer Ketchikan Census Area	$ 1,921,000	$ 2,956,000
Sitka Borough	$ 2,709,000	$ 4,064,000
Skagway Hoonah Angoon Census Area	$ 985,000	$ 1,478,000
Southeast Fairbanks Census Area	0	0
Valdez-Cordova Census Area	$ 2,906,000	$ 4,360,000
Wade Hampton Census Area	0	0
Wrangell Petersburg Census Area	$ 2,020,000	$ 3,030,000
Yakutat Borough	$ 99,000	$ 148,000
Yukon-Koyukuk Census Area	0	0

Alaska Municipal Bond Bank Recovery Zone Statutes

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ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

March 3, 2010

TO: Senate Finance

RE: Alaska Municipal League Support for SB 269 and HB 338.

As the ARRA created differing finance options for communities across the U.S. to include Recovery Zone Facility Bonds (RZFB) and Recovery Zone Economic Development Bonds (RZEDB), communities are now able to offer businesses in distressed areas tax-exempt funding for capital projects. The amounts of bonds available to Alaska are $135 million for RZFB, and $90 million for RZEDB.

Recovery zones are created by resolution and bonds from that area must be issued no later than January 1, 2011 or the funds go back to the federal government.

As bond allocations were based on relative declines in employment in 2008, Anchorage and the Mat-Su Borough received no allocation. Large allocations, however, were given to more than a few census areas in Alaska, such as the Wade Hampton area. Census areas, however, do not have bonding authority. That leaves municipalities such as Bethel and the surrounding communities, unable to utilize the allocation.

SB 269 and HB 338 will allow communities within the state to effectively receive and utilize bonds by providing the Alaska Municipal Bond Bank (AMBB) and the Alaska Industrial Development and Export Authority (AIDEA), the ability to reallocate these funds to communities that can utilize them. It would be a shame to see these allocations lapse, when they could be otherwise put to such good use.

Some communities which received allocations may not have enough allocation or not have viable projects; while other communities may have many projects, but receive no allocation.

In summary, this bill would allow boroughs to waive all or part of their allocation. It would allow the waiver of unused allocations to be provided by June 30, 2010. It would lapse all waived RSFBs to AIDEA and all waived RZEDBs to AMBB. It would allow the AMBB and AIDEA to designate Recovery Zones and then, reallocate funds. It would provide for the adoption of regulations to the AMBB and AIDEA to use or to reallocate. It would, also, prioritize the reallocation of Recovery Zone Bonds to projects within a borough or census area that had already received an allocation.

We would highly recommend passing these two worthwhile bills.

Sincerely,

Kathie Wasserman

Kathie Wasserman
Executive Director
Alaska Municipal League

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Kathie Wasserman

Kathie Wasserman
Executive Director
Alaska Municipal League

SB 270

<target><bill>SB 270</bill><subject>SB 270</subject><comm>SFIN26</comm></target>

Alaska Housing
FINANCE CORPORATION

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Internet Web Site
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Senate Bill 270
AHFC Transfer Plan
Sponsor Statement

Senate Bill 270 will modify the Alaska Housing Finance Corporation's transfer plan statutes to reflect federal changes in generally accepted accounting principles.

House Bill 256 passed in 2003 that set in statute a transfer plan for AHFC to pay an annual dividend to the state of Alaska. The yearly dividend would be lesser of $103 million or 75 percent of the Corporation's net income for the previously completed fiscal year minus bond repayments for state capital projects.

In 2006, Senate Bill 236 passed that made the first adjustments to the transfer plan. This bill changed the definition of "net income" to "adjusted change in net assets", which reflected federal changes to generally accepted accounting principles.

SB 270 will make another modification due to federal changes in generally accepted accounting principles. It will add to the definition of "adjusted change in net assets" to include "temporary market value adjustments to assets and liabilities made during the base fiscal year". This change will allow for a true dollar figure for the Corporation's dividend to be calculated from rather than inaccurately high or low numbers based on how interest rate swaps are now considered.

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Senate Bill 270
Sectional Analysis

Section 1 -
Section 1 adds language to the statutory definition of "adjusted change in net assets" to reflect current changes in generally accepted accounting principles related to market value adjustments to assets and liabilities.

Section 2 -
Section 2 provides for an effective date for the bill.

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 2/10/10

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 270

SB 270 AK HOUSING FIN CORP DIVIDEND

"An Act relating to the dividend paid to the state by the Alaska Housing Finance Corporation; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	2/10			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	EGAN	✓			
	OLSON			✓	
	ELLIS	✓			
CO-CHAIR:					
CO-CHAIR:	STEDMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 270
(S) Publish Date: 2/10/10

Identifier (file name): 0847-DOR-AHFC-12-17-09
Dept. Affected: Revenue
Title: AHFC Transfer
RDU: Alaska Housing Finance Corp.
Component: Operations
Sponsor: Rules
Requester: Request of Governor
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The passage of this bill will not have an impact on AHFC's operating budget.

This bill will amend 18.56.089(d)(1) to change the definition of "adjusted change in net assets" to mean the change in net assets from the base fiscal year, adjusted for capital expenditures incurred during the base fiscal year and adding "**and temporary market value adjustments to assets and liabilities made during the base fiscal year.**"
This will update the statute so that it will reflect changes in federal accounting principles regarding interest rate swaps.
This will allow for a more accurate representation of AHFC's net income for the determining of the yearly dividend.

Prepared by: Bryan Butcher, Director, Gov't Relations/Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 12/17/09 12:00 AM
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 11:28am
Administrative Services Division

(Revised 11/6/2009 CMB)

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Section 2 -
Section 2 provides for an effective date for the bill.

SB 279

<target><bill>SB 279</bill><subject>SB 279</subject><comm>SFIN26</comm></target>

Senator Joe Paskvan

Alaska State Senate • District E • Fairbanks • Ft Wainwright

Sponsor Statement
SB 279: Mortgage Lending

Senate Bill 279 "An Act relating to the regulation of residential real property mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

Senate Bill 279, along with regulations promulgated when the bill becomes law, will bring Alaska's mortgage lending law into compliance with the new federal law and national licensing system.

Alaska's current mortgage lending law, the Alaska Mortgage Lending Regulation Act ("AMLRA"), became effective July 1, 2008. The law requires that mortgage lenders, brokers, and originators apply for and obtain a mortgage license in order to do business in Alaska. The purpose of this law is to protect consumers and hinder predatory lending and fraudulent behavior.

On July 30, 2008, a new federal law called the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act) became effective. The SAFE Act requires that all states (1) implement mortgage laws which conform to its requirements by July 30, 2009, and (2) join and use a national database called the National Mortgage Licensing System and Registry (Registry) to license mortgage loan originators. States may implement more comprehensive mortgage lending laws than are provided under the federal SAFE Act, which provides minimum standards and requirements.

Alaska was able to join and begin licensing through the Registry on August 1, 2009, as the result of the passage of House Bill 221 last legislative session, which authorized participation in the Registry, enabling the state to comply with that part of the SAFE Act.

Under the SAFE Act, a state which is unable to meet the July 30, 2009 compliance deadline and whose legislature meets annually, may apply for a one-year extension to the U.S. Department of Housing and Urban Development (HUD), the federal agency tasked with compliance oversight. Alaska requested an extension on August 25, 2009.

If a state does not comply with the federal law by the deadline, then HUD is required under the SAFE Act to license loan originators in the state. While a state may maintain authority under its existing law, the authority will be subordinate to HUD. This structure would increase the regulatory burden and cost on the industry. HUD is not required to coordinate with the states.

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A few examples of revisions and requirements under the SAFE Act include (a) changing our current license renewal from a biennial to an annual renewal and (b) requiring 20 hours of pre-licensing education.

For consumers and state regulators, one of the primary advantages to joining the Registry is the sharing of information about mortgage lenders and loan originators among states, as well as the ability to conduct joint exams with other states for out-of-state mortgage lenders doing business in Alaska, including those which operate via the Internet. The Registry also increases and centralizes information available to state regulators, the industry and consumer about the mortgage lending companies and professionals. The use of a national licensing database is also beneficial to the mortgage lending industry, making it easier to track mortgage loan originators and creating a uniform, electronic application process for licensing.

I respectfully request your consideration of this bill and look forward to hearing your questions and concerns.

Senator Joe Paskvan

Alaska State Senate • District E • Fairbanks • Ft Wainwright

SECTIONAL ANALYSIS
Senate Bill 279: Mortgage Lending

"An Act relating to regulation of residential mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators, and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

Section 1

Amends the definition of financial institution in Title 06 to delete reference to "small mortgage lender," because the new federal requirements of Public Law 110-289, Title V, Secure and Fair Enforcement for Mortgage Licensing Act (SAFE) do not allow states to offer a small mortgage lender exception.

Sections 2-3

Require the state to use the National Mortgage Licensing System and Registry ("registry") to license mortgage lenders, mortgage brokers, and mortgage loan originators and to issue them a unique identifier per SAFE. Doing business in the state includes doing business in the state from a location outside the state or via the Internet. Outlines loan processor and underwriter licensing requirements per Model State Language approved by HUD. If they are independent contractors, they must be licensed as a mortgage loan originator. If they are not independent contractors, and if they do not advertise or represent themselves to the public as mortgage loan originators, then they do not need to be licensed.

Section 4

Sets forth the allowed exemptions to licensing under this chapter per SAFE.

Section 5

Grants authority for the state to participate in the registry, pay the required fees, require industry licensing through the registry and establish a process for licensees to challenge information entered into the registry, as required by SAFE.

Section 6

Describes license application requirements, which include: be on a form prescribed by the department (defined as DCCED) and the registry; contain complete information; include applicant and control person fingerprints, and contain financial background and experience. AS 06.60.020 and .025 are combined into this new section and .025 is repealed. Regulations will include any other registry application process requirements not

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included in statute and required by SAFE.

Section 7

Reference to "originator" is changed to "mortgage loan originator. No substantive change.

Section 8

Per the SAFE act, requires applicant for mortgage license to furnish to the registry or the department, information regarding applicant's identity, including fingerprints, personal history and experience, credit report, and information related to administrative, civil or criminal findings. It reduces points of contact and allows department to use the registry as a channeling agent for requesting and distributing information for any source directed by the department.

Section 9

Requires payment of application fee and license fee, and changes license renewal from biennial to annual renewal based on the calendar year, per SAFE.

Section 10

Clarifies that state mortgage license fees are in addition to registry fees and business license fees assessed under AS 43.70.

Section 11

Permits fees under this chapter to be set in regulation.

Section 12

Modifies prelicensing and relicensing education requirements for mortgage loan originators per SAFE requirements.

Section 13

Sets forth SAFE requirements for pre-licensing test. The test measures an applicant's knowledge and comprehension, including ethics, and federal and state law relating to loan origination, fraud prevention, consumer protection, nontraditional mortgages and fair lending. The minimum passing score is 75 % correct answers. Mortgage loan originators may retake the test 3 consecutive times after waiting 30 days after the proceeding test. After failing 3 consecutive tests, an individual may not retest for at least 6 months. A mortgage loan originator who does not maintain a valid license for 5 years, must retake the test. This period without a license does not take into account time during which individual is a registered mortgage loan originator. Department is authorized to access a fee for each test administration.

Section 14

Authorizes the department to adopt regulations to cover bonding requirements.

Section 15

Requires that bonds be continuous and last until three years after a license is terminated or revoked. This brings the bonding requirements into line with the requirements for other licensed industries (*i.e.*, money service businesses and payday lenders, which are also licensed by the department).

Section 16

Deletes a reference to AS 06.60.025 (Application for originator license), which is being repealed and its subject matter added to SAFE-compliant AS 06.60.020 (Application for license).

Section 17

Sets forth the determinations the department must make before granting a mortgage license under SAFE. Applicants must have met the requirements of this chapter. General financial fitness and character of the applicants, directors, officers, members, owners, and other principals must indicate that the business will operate efficiently, fairly, in the public interest and under the law. Replaces the term "principals" with "control person" per the Model State Language. Control person is subsequently defined in Section 81 (Definitions).

Section 18

In order to be responsive to the industry and not halt the course of commerce, this amendment is added because of the length of time it sometimes takes to process fingerprint cards: sometimes up to 4 months in the past. The change authorizes the department to issue a provisional license, the duration of which may last no more than 90 days, if applicant meets all licensure requirements, with the exception of receipt of a background check, which is delayed, through no fault of the applicant, more than 60 days after the date the fingerprints were submitted by the applicant.

Section 19

Per SAFE requirements, changes the duration of the license from 2 years to one year, renewing each December 31st.

Section 20

Requires a licensee to renew license in a form and manner required by the department and the registry and to submit certain information. Changes the renewal fee from biennial to annual fee to comply with SAFE. Renewals are submitted through the registry, not the department. Authorizes the department to adopt procedures and deadlines for license renewal and the assessment of a penalty for late filing, consistent with registry requirements.

Section 21

Per SAFE, adds a new section, which states the minimum standards for license renewal, which include: meeting license issuance standards, satisfying continuing education requirements, paying fees, and complying with requirements under the chapter. Allows the department to establish reinstatement process for expired licenses via regulation.

Section 22

Adds clarifying language. Omits reference to the return of a paper license, in contemplation of going paperless, since all up-to-date records are fully accessible by the public on the registry website.

Section 23

Reference to "originator" is changed to "mortgage loan originator."

Section 24

Clarifies process for a licensee to request the reactivation of a license.

Section 25

Changes three license inactivation requirements, which include: (1) paying annual license fee per SAFE, (2) maintaining the bond required by AS 06.60.045, instead of letting the bond expire, and (3) filing the annual report required by AS 06.60.100. During inactive status, a licensee must inform the department of any changes in name, address, location or business operations or control person.

Section 26

Modifies the requirements for reactivation of an inactive license, taking into account annual license renewals under SAFE and eliminating reference to 24 months, since inactive licenses expire within 12 months, if not reactivated and renewed. If reactivated, a license expires on December 31st of the year issued.

Section 27

Provides that the date licensees must file an annual report will be established by regulation, as well as the report's form and content.

Section 28

Requires licensee to submit reports to the registry, as required by the registry.

Section 29

Adds a new section to deal with branch office applications through the registry, and authorizing the department to adopt regulations regarding procedures and fees for the submission of a branch office application consistent with the requirements of the registry.

Section 30

Adds the authority for the department to establish by regulation, the fees and other requirements for requesting approval of a change in control of a mortgage licensee, consistent with the requirements of the registry.

Section 31

Technical change to correct reference to a statute's subparagraph lettering, which is changed.

Sections 32-34

Reference to "originator" is changed to "mortgage loan originator."

Section 35

Establishes continuing education requirements for mortgage loan originators in accordance with SAFE. Changes current law (which requires 24 hours of education for each biennial license period) to at least 8 hours annually, and specifies 3 hours of federal law and regulation, 2 hours of ethics (including instruction on fraud prevention, consumer protection, and fair lending issues), and 2 hours of non-traditional mortgage product marketplace (*i.e.,* reverse mortgages). Continuing education courses must be approved by the department. A mortgage loan originator may only receive credit in the year for which the course was taken and may not retake the same course in the same or successive years to meet the annual continuing education requirement. A mortgage loan originator who is an approved instructor may receive credit at a rate of 2 hours for every hour taught. Successful completion of a continuing education course approved for another state by the registry shall be accepted as credit in Alaska. A mortgage loan originator who becomes unlicensed must complete the continuing education requirements for the last year in which they held a valid
license. The department may establish by regulation procedures for making up deficiencies in continuing education.

Section 36

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE). This section authorizes the department to deny, suspend, revoke, condition, or decline to renew a license, or to take other disciplinary action, and sets forth the conditions under which disciplinary action may be applied.

Section 37

Changes "originator" to "mortgage loan originator." States the department may suspend or revoke a license when an award is made from the surety fund. Adds departmental authority to "decline to renew" a license as well.

Section 38

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 39

Clarifies that reinstatement of a license may occur when that license is under suspension (not when it has been revoked). Deletes reference to AS 06.60.017, the small mortgage lender statute (no small lender exemption allowed under SAFE).

Section 40

Clarifies and better defines the department's investigation and examination authority. Eliminates the 36 month suggested examination schedule and provides that the department may conduct reviews, investigations, or examinations as often as necessary to carry out the purposes of the chapter.

Sections 41-42

References to "originator" are changed to "mortgage loan originator."

Section 43

Adds a new section as required by SAFE, which mandates the department making regular reports of violations, as well as enforcement actions to the registry, subject to provisions established in regulations regarding confidentiality. Reportable information will include employment history and publicly adjudicated disciplinary and enforcement actions. Privileged and otherwise confidential information will be protected.

Section 44

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 45

Adds a new section which requires everyone operating as a mortgage loan originator, mortgage broker or mortgage lender to clearly display the unique identifier, which has been assigned by the registry, on all residential mortgage loan application forms, solicitations, and advertisements, including business cards or websites, and any other documents as established by regulation or order of the department. This language comes from the Model State Language.

Section 46

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE). Corrects the over-inclusiveness of AS 06.60.330(6) by limiting applicability from "any other federal law or regulation" to "any other federal statute the purpose of which is to regulate residential mortgage lending" and the regulations adopted under the statutes identified in AS 06.60.330.

Section 47

Prohibited activities from current law (subsections 1-2, and 16-25) are expanded to include additional prohibited activities for consumer protection from the Model State Language (subsections 3-15, and 26). These provisions are intended to protect consumers.

Section 48

Adds a new subsection to define "escrow account."

Section 49

Adds clarifying language and deletes reference to small mortgage lender (no small lender exemption allowed under SAFE) and the statutes which apply to small mortgage lenders.

Section 50

More clearly outlines the provisions for cease and desist proceedings per SAFE.

Section 51

Increases rights of licensees by adding a new section, which provides for the right of review of temporary cease and desist orders.

Sections 52-53

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 54-55

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 56

Reference to "originator" is changed to "mortgage loan originator." Describes the surety fund purpose to be to pay fund claims against mortgage loan originator licensees.

Section 57

Reference to "originator" is changed to "mortgage loan originator." Adds clarifying language to describe the composition of the surety fund, which includes: (1) appropriations of payments made by mortgage loan originator licensees, (2) filing fees for fund claims, (3) income earned on the investment of money in the fund, and (4) subrogation money deposited in the fund by the department under AS 06.60.740.

Section 58

Reference to "originator" is changed to "mortgage loan originator." Authorizes the department to establish the fund fee, which is paid by mortgage loan originator licensees, to be set in regulations.

Section 59

Reference to "originator" is changed to "mortgage loan originator." The amount of the fund fee ($150) is omitted and will be set in regulations.

Sections 60-62

Reference to "originator" is changed to "mortgage loan originator" and clarifying language added regarding the penalty of unsworn falsification.

Section 63

Extends the time from 7 days to 30 days in which an originator may elect to defend a fund

claim in small claims court.

Sections 64-71

Reference to "originator" is changed to "mortgage loan originator."

Section 72

Clarifies language with regards to the surety fund, by adding the word "limit" to denote the $50,000 liability limit for fund claims against one originator licensee. Reference to "originator" is changed to "mortgage loan originator."

Section 73

Adds a new section, which provides that the rights granted to a claimant under the surety fund statutes do not limit any other cause of action the claimant may have against a mortgage loan originator.

Section 74-75

Reference to "originator" is changed to "mortgage loan originator."

Section 76

Adds a new subsection (e), which calls for the $10 program administration fees authorized to be collected under this section to be separately accounted for, and provides that the fees may be appropriated by the legislature to DCCED for the operation of the chapter. Under a later repealer section, the requirement that the Department of Natural Resources (DNR) collect the program administration fee is repealed. The process for the collection of the fee will be implemented through regulation. DNR determined that it would cost more for it to collect the fee than would actually be collected in fees. Therefore, a different procedure will be established via regulation, involving collection of the fee by title companies at closing, and direct submittal to DCCED, bypassing DNR entirely.

Section 77

Per SAFE, the department is authorized to publish disciplinary action taken against a licensee under this chapter, via the Internet, the registry or other publication.

Section 78

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE). Also adds that this chapter applies to Internet activities from within or outside the state.

Section 79

Adds clarifying language to the effect that notwithstanding the provisions of AS 06.01.030(f), the Administrative Code applies to departmental disciplinary actions and hearings and to the issuance of disciplinary orders.

Section 80

Deletes reference to small mortgage lender (no small lender exemption allowed under SAFE).

Section 81

Repeals current definitions section AS 06.60.900 and reenacts it to incorporate the following substantive changes per the SAFE Act and as follows:

- Omits definition of "agent."
- Omits definition of "broker."
- Adds "consumer reporting agency" per Fair Credit Reporting Act.
- Redefines "control" and "control person" per the registry's MU1 application form. Changes to 10% the amount of voting shares in a corporation or 10% of the capital of an LLC or partnership, which determines when the person is considered to have control. "Control person" is defined according to the meaning provided in the registry's MU1 application form. The 10% is presumptuous of control; however, this presumption can be overcome by a person having the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise.
- Adds "depository institutions" which, per SAFE, has the meaning given in the Federal Deposit Insurance Act and includes a credit union.
- Adds "dwelling" which, per SAFE, means a residential structure or mobile home that contains one to four family housing units, or the individual units of condominiums or cooperatives.
- Omits definition of "escrow account."
- Adds "federal banking agencies" which, per SAFE, means the Board of Governors of the Federal Reserve System, the comptroller of the currency, the director of the OTS, the NCUA and the FDIC.
- Adds "individual" which means natural person.
- Changes the meaning of "knowingly" to that meaning given in AS 11.81.900(a)
- Adds "licensed mortgage loan originator"
- Adds "loan processor or underwriter"
- Omits "mortgage lender license"
- Omits "mortgage lender licensee"
- Changes the definition of "mortgage loan" to use SAFE language. The main difference is the addition of mobile homes and encompasses non-owner-occupied one to four family units as well as owner-occupied one to four family units. (See definition of "dwelling.")
- Adds "mortgage loan originator" per SAFE, and includes in the definition, the meaning of "real estate brokerage activity" per SAFE.
- Adds "mortgage loan originator license."
- Adds "Nationwide Mortgage Licensing System and Registry" per SAFE.
- Adds "nontraditional mortgage product" which, per SAFE, means any mortgage product other than a 30-year fixed rate mortgage.
- Adds to the meaning of "operate" to include "hold out" which means to represent to

the public, through advertising or other means of communication or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the person can or will perform an activity for which a license is required under this chapter.

- Adds "operate in the state" which includes Internet businesses.
- Omits "originator," "originator license," and "originator licensee," having replaced these definition with the those involving "mortgage loan originator."
- Adds "registered mortgage loan originator" which, per SAFE, means those who work as originators for a depository institution and its subsidiaries or an institution regulated by the Farm Credit Administration. These originators must be registered through the registry and maintain a unique identifier.
- Adds "registry" per SAFE.
- Adds "residential mortgage loan."
- Defines "residential property" to mean, per SAFE, real property located in the state on which a dwelling is constructed or is intended to be constructed.
- Omits "small mortgage lender," because no small lender exemption is allowed under SAFE.
- Adds "unique identifier" which, per SAFE, means a number or other identifier assigned to a licensee by protocols established by the registry.

Section 82

Amends the short title to the Alaska Secure and Fair Enforcement for Mortgage Licensing Act of 2010.

Section 83

Reference to "originator" is changed to "mortgage loan originator."

Section 84

Amends AS 12.62.400 (National criminal history record checks for employment, licensing and other noncriminal justice purposes) is amended by adding a new subsection which permits the submittal of fingerprints to the registry, per SAFE requirements. Under the statute as it currently stands, these fingerprint cards must be submitted to the Department of Public Safety.

Section 85

This is the repealer section. It repeals the following statutes as follow:

06.60.017 — (Small mortgage lenders and originators) This exemption is not permitted by SAFE.

06.60.025 — (Application for originator license) Application provisions for obtaining a mortgage loan originator license are added to AS 06.60.020 (Application for license).

06.60.065 — (Determinations for originator licensing) Determinations to be made by the department before issuing a mortgage loan originator, mortgage broker or mortgage lender license are all included in AS 06.60.60 (Determinations before licensing).

06.60.070 — (Form and contents of license) The department will no longer supply paper licenses. More complete and up-to-date information is available to the public on the registry website.

06.60.075 — (License availability) Eliminated, in contemplation of paperless license and more complete and up-to-date information is available to the public on the registry website.

06.60.090(i) — (Inactive license) Again, anticipates paperless license and obtaining license status via the registry website.

06.60.097(b) — (Surrender of license) Paperless license; therefore no surrender, merely license status on the registry website.

06.60.105 — (Biennial license fee) SAFE requires annual license fee, which is covered in this Bill Draft Section 20 (AS 06.60.085 – Renewal of license) provisions and Section 11 (AS 06.60.035 – Fees and expenses) which permits fees under this chapter to be set in regulation.

06.60.145 — (Disqualified persons) Inapplicable.

06.60.150 — (Posting of license) Eliminated, in contemplation of paperless license and more complete and up-to-date information is available to the public on the registry website.

06.60.440 — (Definition) "small mortgage lender" definition is eliminated because SAFE Act does not allow this exemption.

06.60.540 — (Approval required) Department is not authorized to and will not use surety fund for these purposes.

06.60.810 — (Payment and use of fees) Repeals the requirements that DNR collect the program administrative fee. Instead, this $10 fee collection will be established via regulation.

06.60.870 — Temporary section passed last legislative session which authorized participation in the Registry; authorization is included elsewhere in statutes.

Section 86

Transitional section provides that

- a person holding a valid license issued under Chapter 06.60 on or before July 1, 2010, may continue to operate under that license until license expires, is revoked, or is suspended except for a mortgage license application amendment submitted on or after July 1, 2010 requesting approval of a change of a control person and this Act, including its provisions on expiration, renewal, prohibitions, revocation, suspension, and enforcement, apply to the license and to the person's operation under the license;
- a person who is not licensed under Chapter 06.60 before July 1, 2010 and files an application for licensing under this Act after July 1, 2010, shall comply with the requirements of this Act to receive a license under this Act; and

Section 87

Transitional section provides for temporary fees and bond amount during the period from July 1, 2010 and effective date of new regulations. The intent is to have regulations in

place by July1st, but if delayed, fees during this period will essentially remain the same as under current statutes.

Section 88

Authorizes the department adopt regulations necessary to implement this Act. They will take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2010.

Section 89

Section 88 of this Act (authorizing the department to adopt regulations) takes effect immediately under AS 01.10.070(c).

Section 90

Except as provided in sec. 89 of this Act, this Act takes effect July 1, 2010.

Heard & Held 3/23/10

26-LS1295\E

SENATE BILL NO. 279

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY SENATOR PASKVAN

Introduced: 2/15/10
Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

"An Act relating to regulation of residential mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators, and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

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

*** Section 1.** AS 06.01.050(3) is amended to read:

(3) "financial institution" means an institution subject to the regulation of the department under this title; in this paragraph, "institution" includes a commercial bank, savings bank, credit union, premium finance company, small loan company, bank holding company, financial holding company, trust company, savings and loan association, deferred deposit advance licensee under AS 06.50, **and** a licensee under AS 06.60 [, A SMALL MORTGAGE LENDER UNDER AS 06.60, AND AN ORIGINATOR UNDER AS 06.60 WHO IS EMPLOYED BY OR WORKS UNDER EXCLUSIVE CONTRACT FOR A SMALL MORTGAGE LENDER; IN

THIS PARAGRAPH,

(A) "LICENSEE UNDER AS 06.60" HAS THE MEANING GIVEN TO "LICENSEE" IN AS 06.60.990;

(B) "ORIGINATOR UNDER AS 06.60" HAS THE MEANING GIVEN TO "ORIGINATOR" IN AS 06.60.990;

(C) "SMALL MORTGAGE LENDER UNDER AS 06.60" HAS THE MEANING GIVEN TO "SMALL MORTGAGE LENDER" IN AS 06.60.990];

* **Sec. 2.** AS 06.60.010 is repealed and reenacted to read:

Sec. 06.60.010. Mortgage lender or mortgage broker license required. (a) Unless exempt under AS 06.60.015, a person may not operate in the state as a mortgage lender or mortgage broker with respect to a dwelling located in the state unless the person is licensed as a mortgage lender or mortgage broker under this chapter.

(b) A mortgage lender or mortgage broker required to be licensed under this chapter shall register with the registry and maintain a valid unique identifier issued by the registry.

(c) A mortgage license may cover more than one location of a mortgage licensee.

(d) A person who operates as both a mortgage lender and a mortgage broker is only required to obtain one mortgage license.

* **Sec. 3.** AS 06.60 is amended by adding new sections to read:

Sec. 06.60.012. Mortgage loan originator license required. (a) Unless exempt under AS 06.60.015, an individual may not operate in the state as a mortgage loan originator with respect to a dwelling located in the state unless the individual is licensed as a mortgage loan originator under this chapter.

(b) An individual required to be licensed as a mortgage loan originator shall

(1) register with the registry and maintain a valid unique identifier issued by the registry;

(2) work under exclusive contract for, or as an employee of, a mortgage licensee; and

(3) be sponsored in the registry by a mortgage licensee under a sponsorship approved in the registry by the department; in this paragraph, "sponsored" means authorized to conduct business as a mortgage loan originator under the supervision of a mortgage licensee.

Sec. 06.60.013. Loan processors or underwriters. (a) A loan processor or underwriter who is an independent contractor may not operate as a loan processor or underwriter unless the independent contractor loan processor or underwriter is licensed as a mortgage loan originator under this chapter. An independent contractor loan processor or underwriter licensed as a mortgage loan originator shall register with the registry and maintain a valid unique identifier issued by the registry.

(b) An individual engaged solely in loan processor or underwriter activities who is not an independent contractor is not required to be licensed as a mortgage loan originator under this chapter if the individual does not represent to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator.

* **Sec. 4.** AS 06.60.015 is repealed and reenacted to read:

Sec. 06.60.015. Exemptions. (a) The following persons are exempt from the mortgage lender or mortgage broker licensing requirements of this chapter:

(1) a depository institution;

(2) a subsidiary that is

(A) owned and controlled by a depository institution; and

(B) regulated by a federal banking agency; or

(3) an institution regulated by the Farm Credit Administration.

(b) The following individuals are exempt from the mortgage loan originator licensing requirements of this chapter:

(1) a registered mortgage loan originator, when acting for an entity described in (a)(1), (2), or (3) of this section;

(2) an individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual; in

this paragraph, "immediate family member" means a spouse, child, stepchild, sibling, stepsibling, parent, stepparent, grandparent, or grandchild;

(3) an individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that serves as the individual's residence;

(4) a licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or another mortgage loan originator or by an agent of a lender, a mortgage broker, or another mortgage loan originator.

* **Sec. 5.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.016. Registry. (a) The department may participate in the registry and pay the fees required for participation in the registry.

(b) The department

(1) may establish relationships or contracts with the registry or other entities designated by the registry to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter;

(2) shall require mortgage licensees and mortgage loan originators to register with the registry; and

(3) shall establish by regulation a process that allows mortgage licensees and mortgage loan originators to challenge information entered into the registry by the department.

(c) The department may adopt emergency regulations under AS 44.62 (Administrative Procedure Act) to implement this section, including emergency regulations for the assessment of fees.

* **Sec. 6.** AS 06.60.020 is repealed and reenacted to read:

Sec. 06.60.020. Application for license. (a) An application for a license under this chapter must

(1) be on the form prescribed by the department and the registry;

(2) contain complete information regarding the applicant;

(3) include fingerprints of the applicant, as needed to conduct a

background check; and

(4) contain other information or supporting material that the department may require concerning the applicant, including the organization and operations of an applicant for a mortgage license and the financial responsibility, background, experience, and activities of the applicant.

(b) In this section, "applicant" includes a control person of an applicant for a mortgage license.

*** Sec. 7.** AS 06.60.026 is amended to read:

Sec. 06.60.026. Transfer of mortgage loan originator license. A person who holds **a mortgage loan** [AN] originator license may not transfer or assign the **mortgage loan** originator license.

*** Sec. 8.** AS 06.60.027 is repealed and reenacted to read:

Sec. 06.60.027. Background checks. (a) To apply for a mortgage loan originator license or a mortgage license, the applicant shall, at a minimum, furnish information concerning the applicant's identity to the registry or the department, including

(1) fingerprints for submission to the Federal Bureau of Investigation and any governmental agency or entity authorized to receive that information for a state, national, and international criminal history background check; and

(2) personal history and experience in a form prescribed by the registry and authorization for the registry and the department to obtain

(A) an independent credit report from a consumer reporting agency; and

(B) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

(b) For the purposes of this section, the department may use the registry as an agent for requesting information from and distributing information to the United States Department of Justice, another governmental agency, or another source directed by the department.

(c) As part of the investigation of an application for a license under this chapter, the department or the registry shall

(1) submit fingerprints of the applicant and a control person of the applicant to the governmental agency or entity authorized to receive the fingerprints for a state, national, or international criminal history background check under (a)(1) of this section; and

(2) obtain an independent credit report and other information related to administrative, civil, or criminal findings regarding the applicant and each control person of the applicant under (a)(2) of this section.

*** Sec. 9.** AS 06.60.035(a) is amended to read:

(a) **When** [EXCEPT AS PROVIDED BY (c) OF THIS SECTION, WHEN] an applicant submits an application for a license under this chapter to the department, the applicant shall pay to the department

(1) **an** [A NONREFUNDABLE] application fee [OF $250] in partial payment of those investigation expenses incurred by the department; and

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(2) **an annual** [A BIENNIAL] license fee [OF $500] for the period that terminates **on December 31** [TWO YEARS] after the date the license is issued; after this payment, the **annual** [BIENNIAL] license fee is due every **year, subject to renewal by the department** [TWO YEARS ON THE ANNIVERSARY DATE OF THE ORIGINAL ISSUANCE OF THE LICENSE].

*** Sec. 10.** AS 06.60.035(c) is repealed and reenacted to read:

(c) The fees imposed by this section are in addition to the fees charged by the registry and the business license fees assessed under AS 43.70 (Alaska Business License Act).

*** Sec. 11.** AS 06.60.035 is amended by adding a new subsection to read:

3rd change

(d) The department may establish by regulation the amount and manner of payment of application fees, examination fees, license fees, permit fees, investigation fees, and all administrative or other fees or penalties under this chapter. The fees established under this chapter are nonrefundable.

*** Sec. 12.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.038. Prelicensing and relicensing education of mortgage loan originators. (a) Before being licensed as a mortgage loan originator, an individual shall complete at least 20 hours of education approved under (b) of this section. At a

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minimum, the education must include

(1) three hours of instruction in federal statutes and regulations relating to mortgage origination, fraud prevention, consumer protection, the nontraditional mortgage marketplace, and fair lending.;

(2) three hours of instruction in ethics, including instruction on issues related to fraud prevention, consumer protection, and fair lending; and

(3) two hours of training related to lending standards for the nontraditional mortgage product marketplace.

(b) For the purposes of (a) of this section, prelicensing education courses must be approved by the department. Approval of a prelicensing education course includes review and approval of the course provider.

(c) Nothing in this section precludes a prelicensing education course that is approved by the department and that is provided by the employer of the applicant, an entity affiliated with the applicant, or a subsidiary or affiliate of an employer or entity affiliated with the applicant.

(d) Prelicensing education may be offered in a classroom, on-line, or by other means approved by the department.

(e) The department shall accept the prelicensing education requirements approved by another state as credit toward completion of prelicensing education requirements of this state.

* **Sec. 13.** AS 06.60.040 is repealed and reenacted to read:

Sec. 06.60.040. Testing of mortgage loan originators. (a) Before being licensed as a mortgage loan originator, an individual shall pass, under the standards established by this section, a qualified written national test and a qualified written state test. The national test and test provider must be approved by the registry, and the state test and test provider must be approved by the department.

(b) The department shall treat a written test as a qualified written national test for purposes of (a) of this section if the department finds that the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including

(1) ethics; and

(2) federal and state statutes and regulations relating to mortgage origination, fraud prevention, consumer protection, the nontraditional mortgage marketplace, and fair lending.

(c) This section does not prohibit a test provider approved by the registry from providing a test at the location of the employer of the applicant, the location of a subsidiary or affiliate of the employer of the applicant, or the location of an entity with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

(d) To pass a qualified written test, an applicant must answer at least 75 percent of the questions correctly.

(e) An individual may retake a test three consecutive times, but each consecutive taking of a test must occur at least 30 days after taking the preceding test.

(f) After failing three consecutive takings of the same test, an individual shall wait at least six months before retaking the test.

(g) A licensed mortgage loan originator who fails to maintain a valid license for a period of five years or longer shall retake the test. The period without a valid license under this subsection does not include the time the individual is a registered mortgage loan originator.

(h) The department may assess a fee for each administration of a qualified written test.

* **Sec. 14.** AS 06.60.045(a) is amended to read:

(a) An applicant for a mortgage license shall file with the application submitted to the department under AS 06.60.020 a bond with one or more sureties. **The department shall establish by regulation the amount of the required bond and the standards and procedures for recovery on the bond** [IN THE AMOUNT OF $25,000 UNDER WHICH THE APPLICANT IS THE OBLIGOR]. The bond must be satisfactory to the department.

* **Sec. 15.** AS 06.60.045(d) is amended to read:

(d) The bond required under (a) of this section must be continuous until **three years after** the department revokes or otherwise terminates the license.

* **Sec. 16.** AS 06.60.050(a) is amended to read:

(a) Within 30 days after the date the department determines that it has received a complete application under **AS 06.60.020** [AS 06.60.020 OR 06.60.025], the required bond if the application is for a mortgage license, and any required fees and investigative costs, the department shall either grant or deny the license.

*** Sec. 17.** AS 06.60.060 is repealed and reenacted to read:

Sec. 06.60.060. Determinations before licensing. Before granting a license under this chapter, the department shall determine, at a minimum, that

(1) the applicant has complied with the requirements of this chapter for obtaining the license;

(2) the applicant, including a control person of the applicant, has

(A) never had a mortgage lender, mortgage broker, or mortgage loan originator license revoked by a governmental jurisdiction, except that, if a revocation has been formally vacated, the revocation is not considered a revocation under this paragraph; in this paragraph,

(i) a control person of an applicant for a mortgage license includes an entity over which the control person exercised control at the time of the revocation; and

(ii) an applicant for a mortgage loan originator license includes an entity over which the applicant exercised control at the time of the revocation;

(B) not been convicted of, or pled guilty or no contest to, a felony involving an act of fraud or dishonesty, a breach of trust, or money laundering, in a domestic, foreign, or military court during the seven-year period preceding the date of the application, or at any time preceding the date of application if the felony involved an act of fraud, dishonesty, a breach of trust, or money laundering; however, if the applicant has been pardoned for the conviction, the conviction is not considered a conviction under this subparagraph;

(C) demonstrated financial responsibility, character, and general fitness sufficient to command the confidence of the community and to warrant a determination that the applicant will operate honestly, fairly, and

efficiently within the purposes of this chapter; under this subparagraph,

(i) an applicant does not show financial responsibility if the applicant has shown inattention to or neglect of the management of the person's own financial condition;

(ii) a determination that an applicant has not shown financial responsibility may include current outstanding judgments against the applicant, except judgments related solely to a claim related to medical expenses; current outstanding tax liens or other government liens and filings against the applicant; foreclosures of the applicant's property within the three years preceding the date of the application; and a pattern by the applicant of seriously delinquent accounts within the three years preceding the date of the application;

(3) the applicant for a mortgage loan originator license

(A) has completed the prelicensing education requirement described in AS 06.60.038;

(B) has passed a national test and a state test that meet the test requirements described in AS 06.60.040; and

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(C) has paid the fund fee as required by AS 06.60.550; and

(4) the applicant for a mortgage license has provided a bond as required by AS 06.60.045.

*** Sec. 18.** AS 06.60 is amended by adding a new section to article 1 to read:

Sec. 06.60.077. Authority to issue provisional license. (a) Subject to (b) of this section, the department may issue a provisional license to an applicant for a mortgage license if the department has made all determinations under AS 06.60.060 necessary for licensure except those determinations based on the criminal history background check required by AS 06.60.027.

(b) A provisional license may be granted under this section if the

(1) receipt by the department of the results of the criminal history background check is delayed more than 60 days after the date the fingerprints are submitted to the governmental agency that conducts the criminal history background check; and

(2) delay described in (1) of this subsection is not caused by the applicant.

(c) The duration of a provisional license issued under this section may not exceed 90 days.

*** Sec. 19.** AS 06.60.080 is amended to read:

Sec. 06.60.080. Duration of license. **Except for a provisional license issued under AS 06.60.077, a** [A] license issued under this chapter remains in effect **until December 31 of the year in which** [FOR TWO YEARS AFTER] the license is issued, unless **the license is** revoked, suspended, **or** surrendered, or **becomes** [BECOMING] inactive under this chapter.

*** Sec. 20.** AS 06.60.085 is repealed and reenacted to read:

Sec. 06.60.085. Renewal of license. (a) If a licensee intends to renew a license, the licensee shall submit to the department

(1) a renewal application at a time and in the form and manner established by the department and the registry;

(2) the annual license fee;

(3) if the renewal is for a mortgage license,

(A) a report, as required by regulation, identifying any changes in the information provided to the department; and

(B) current information indicating that the mortgage licensee continues to meet the minimum standards for license issuance;

(4) if the renewal is for a mortgage loan originator license,

(A) a report, as required by regulation, identifying any changes in the information provided to the department;

(B) current information indicating that the mortgage loan originator continues to meet the minimum standards for license issuance;

(C) certificates or other documents showing the mortgage loan originator has satisfied the annual continuing education requirements of AS 06.60.160; and

(D) the fund fee required by AS 06.60.550; and

(5) payment of any other required fees for renewal of the license.

(b) The department may adopt by regulation procedures and deadlines regarding the filing of an application for renewal of a license and the assessment of a penalty or other consequence for late filing, consistent with the requirements of the registry.

*** Sec. 21.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.087. Standards for license renewal. (a) After a licensee complies with AS 06.60.085, the department may renew the licensee's license if

(1) the licensee continues to meet the standards for license issuance under AS 06.60.060;

(2) in the case of a mortgage loan originator license, the mortgage loan originator licensee has satisfied the annual continuing education requirements of AS 06.60.160;

(3) the licensee has paid all required fees for renewal of the license; and

(4) the licensee is in compliance with the requirements of this chapter and regulations adopted and orders issued under this chapter.

(b) If a licensee fails to satisfy (a) of this section, the license expires at the end of the period for which the license was issued. The department may adopt by regulation procedures for the reinstatement of expired licenses. The procedures must be consistent with the standards established by the registry.

*** Sec. 22.** AS 06.60.090(c) is amended to read:

(c) For a license to become inactive, a licensee shall provide the department with a written request that the license become inactive [AND RETURN THE LICENSE CERTIFICATE TO THE DEPARTMENT]. The request must include the licensee's name **and** [,] address [,] and other information [THAT] the department requires to process the request**. If the request is made by mortgage licensee, the request must include** [AND] a statement by the **mortgage** licensee that all mortgage loans of the **mortgage** licensee have been paid in full or sold.

*** Sec. 23.** AS 06.60.090(e) is amended to read:

(e) If a person holds a license that becomes inactive under this section, the person may not operate as a mortgage lender, mortgage broker, or **mortgage loan**

originator under the license in this state until the license is reactivated.

*** Sec. 24.** AS 06.60.090(f) is amended to read:

(f) If a license becomes inactive under this section, the license remains inactive until the license expires, the person surrenders the license, or the **department approves the reactivation of the license, whichever event occurs first** [PERSON WHO HOLDS THE INACTIVE LICENSE PROVIDES THE DEPARTMENT WITH A WRITTEN REQUEST THAT THE LICENSE BE REACTIVATED]. The **licensee's** request **for reactivation** must include the information that the department requires to process the request.

*** Sec. 25.** AS 06.60.090(g) is repealed and reenacted to read:

(g) While a license is inactive under this section, the person holding the inactive license shall

(1) pay the annual license fee as required by AS 06.60.035;

(2) inform the department of any change that occurs in the name and address of the person, the location of the person's business, or the business operations or control of the person;

(3) maintain the bond required by AS 06.60.045; and

(4) file the annual report required by AS 06.60.100(a).

*** Sec. 26.** AS 06.60.095 is repealed and reenacted to read:

Sec. 06.60.095. Reactivation of inactive license. (a) A person who has an inactive license certificate under AS 06.60.090 may apply to the department for an active license and pay the required fees. To be eligible for license reactivation, the applicant shall comply with all requirements for licensure in effect at the time of reactivation.

(b) If the department reactivates a license under this section, the license expires on December 31 of the year in which it is issued.

*** Sec. 27.** AS 06.60.100(a) is amended to read:

(a) **Annually, on** [ON] or before **a** [MARCH 15, OR ON ANOTHER] date established by the department by regulation, [OF EACH YEAR] a mortgage licensee shall file a report with the department **providing** [GIVING] relevant information that the department requires concerning the business and operations of [EACH

LOCATION IN THIS STATE WHERE] the mortgage licensee [CONDUCTS BUSINESS IN THIS STATE DURING THE PRECEDING CALENDAR YEAR]. The mortgage licensee shall make the report under oath or on affirmation. The content and form of the report shall be established by the department by regulation.

*** Sec. 28.** AS 06.60.100 is amended by adding a new subsection to read:

(c) A mortgage licensee shall submit to the registry, as required by the registry, reports of the condition of the licensee, which must be in the form and contain the information that the registry may require.

*** Sec. 29.** AS 06.60 is amended by adding a new section to read:

change

Sec. 06.60.112. Branch office application. A mortgage licensee shall submit an application to register a branch office to the department through the registry. The department may adopt by regulation procedures and fees for the submission of an application to register a branch office, consistent with the requirements of the registry. The department may adopt by regulation fees and other requirements for renewal of a branch office registration that are consistent with the requirements of the registry.

*** Sec. 30.** AS 06.60.130(a) is amended to read:

(a) The prior [WRITTEN] approval of the department is required for the continued operation of a mortgage licensee's business when a change in control of the mortgage licensee is proposed. The department may require the information it considers necessary to determine whether a new application is required. The mortgage licensee requesting approval of the change in control shall pay all reasonable expenses incurred by the department to investigate and approve or deny the change in control. **The department may establish by regulation the fees and other requirements for requesting approval of a change in control that are consistent with the requirements of the registry.**

*** Sec. 31.** AS 06.60.140 is amended to read:

Sec. 06.60.140. Availability of out-of-state records. A mortgage licensee who operates an office or other place of business outside this state shall, at the request of the department,

(1) make the records of the office or place of business available to the department at a location within this state; or

(2) reimburse the department its reasonable costs, as provided in **AS 06.60.250(k)** [AS 06.60.250(f)], that are incurred by the department in conjunction with an investigation or examination conducted at the office or place of business.

*** Sec. 32.** AS 06.60.155 is amended to read:

Sec. 06.60.155. Restriction on mortgage loan originator licensee's [LICENSEE] work. A mortgage loan [AN] originator licensee may only work as **a mortgage loan** [AN] originator licensee under contract for, or as an employee of, one mortgage licensee.

*** Sec. 33.** AS 06.60.157 is amended to read:

Sec. 06.60.157. Restrictions [MORTGAGE LICENSEE RESTRICTIONS] on mortgage licensee's performance of mortgage loan originator activities. A mortgage licensee may not perform **mortgage loan** originator activities except through a licensed **mortgage loan** originator who is an employee of or under exclusive contract with a mortgage licensee.

*** Sec. 34.** AS 06.60.159 is amended to read:

Sec. 06.60.159. Mortgage licensee's [LICENSEE] employment of, contract with, and liability for mortgage loan originator. (a) A mortgage licensee may not employ or enter into a contract with a person who acts as **a mortgage loan** [AN] originator for the mortgage licensee unless the person has **a mortgage loan** [AN] originator license.

(b) A mortgage licensee is liable for the conduct of a person acting as **a mortgage loan** [AN] originator if the mortgage licensee knows or should have known that the person's conduct violates this chapter and the person is employed by or is under contract with the mortgage licensee to act as **a mortgage loan** [AN] originator.

*** Sec. 35.** AS 06.60.160 is repealed and reenacted to read:

Sec. 06.60.160. Continuing education requirements for mortgage loan originators. (a) Each calendar year, a licensed mortgage loan originator shall complete at least eight hours of education approved under (b) of this section. At a minimum, these hours must include

(1) three hours of instruction in federal statutes and regulations;

(2) two hours of instruction in ethics, including instruction on issues

related to fraud prevention, consumer protection, and fair lending; and

(3) two hours of training related to lending standards for the nontraditional mortgage product marketplace.

(b) For the purposes of (a) of this section, a continuing education course and the course provider must be approved by the department.

(c) Nothing in this section precludes a continuing education course that is approved by the department and that is provided by the employer of the applicant, an entity affiliated with the applicant, or a subsidiary or affiliate of an employer or entity affiliated with the applicant.

(d) Continuing education may be offered in a classroom, on-line, or by other means approved by the department.

(e) A licensed mortgage loan originator

(1) except as provided by (i) of this section, may only receive credit for a continuing education course in the calendar year in which the course is taken; and

(2) may not retake an approved course in the same or successive calendar years if the mortgage loan originator has previously taken the course to meet the annual requirements for continuing education.

(f) A licensed mortgage loan originator who is an approved instructor of an approved continuing education course may receive credit for the licensed mortgage loan originator's own annual continuing education requirement at the rate of two hours of credit for each one hour taught.

(g) Successful completion of a continuing education course approved for another state by the registry shall be accepted as credit toward completion of continuing education requirements in this state.

(h) Before a new or renewed license may be issued to a licensed mortgage loan originator who has become unlicensed, the mortgage loan originator shall complete the continuing education requirements for the last calendar year in which the mortgage loan originator's license was valid.

(i) A person meeting the requirements of AS 06.60.087, other than the continuing education requirement of AS 06.60.087(a)(2), may make up a deficiency in continuing education in a manner established by regulation.

* **Sec. 36.** AS 06.60.200 is repealed and reenacted to read:

Sec. 06.60.200. Disciplinary action. (a) In addition to other disciplinary action allowed under this chapter or under AS 06.01, the department may deny, suspend, revoke, condition, or decline to renew a license or take other disciplinary action against a person subject to this chapter, including action under a regulation adopted under this chapter, if the department finds that the person

(1) fails to comply with an applicable provision of this title, an applicable regulation adopted under this title, a lawful demand, ruling, order, or requirement of the department, or other state or federal statute or regulation applicable to the conduct of the licensee's business;

(2) fails to meet the minimum standards for issuance or renewal of a license; or

(3) knowingly withholds material information or negligently makes a material misstatement in an application for or renewal of a license.

(b) The department may

(1) order a person subject to this chapter to cease and desist from conducting business, including an immediate temporary order to cease and desist;

(2) order a person subject to this chapter to cease and desist from violating this chapter, including an immediate temporary order to cease and desist;

(3) impose a fine on a person subject to this chapter under AS 06.60.420;

(4) issue an order of rescission, restitution, or disgorgement directed to a person subject to this chapter for a violation of this chapter;

(5) order other affirmative action that the department considers necessary, including an accounting, an asset freeze, or the appointment of a receiver.

(c) A disciplinary action under this section may be taken by itself or in conjunction with one or more other disciplinary actions under this chapter or under AS 06.01.

* **Sec. 37.** AS 06.60.210 is amended to read:

Sec. 06.60.210. Suspension, [OR] revocation, or renewal related to fund. (a) When an award is made from the fund, the department may suspend, [OR] revoke,

or decline to renew the license of the **mortgage loan** originator licensee whose actions formed the basis of the award.

(b) The department shall lift a suspension made under (a) of this section if the **mortgage loan** originator licensee reaches an agreement with the department on terms and conditions for the repayment to the fund of the money awarded to the claimant and the costs of hearing the fund claim. The department may reimpose the suspension if the **mortgage loan** originator licensee violates the terms of a repayment agreement entered into under this subsection.

*** Sec. 38.** AS 06.60.230 is amended to read:

Sec. 06.60.230. Divestment. If the department revokes a mortgage license [OR A REGISTRATION OF A SMALL MORTGAGE LENDER], the mortgage licensee [OR THE SMALL MORTGAGE LENDER] shall divest itself of all outstanding loans that were issued under this chapter by selling or assigning them to another mortgage licensee [OR SMALL MORTGAGE LENDER]. Divestment under this section must be approved by the department.

*** Sec. 39.** AS 06.60.240 is amended to read:

Sec. 06.60.240. Reinstatement. The department may reinstate a **suspended** [REVOKED] license [OR REGISTRATION UNDER AS 06.60.017] if the licensee [OR SMALL MORTGAGE LENDER] complies with this chapter or with a demand, ruling, or requirement made by the department under this chapter. Before reinstatement of a license [OR REGISTRATION UNDER AS 06.60.017], the licensee [OR SMALL MORTGAGE LENDER] shall pay any fees, restitution, and civil penalties owing under this chapter.

*** Sec. 40.** AS 06.60.250 is repealed and reenacted to read:

Sec. 06.60.250. Investigation and examination authority. (a) For the purpose of initial licensing, license renewal, license suspension, license conditioning, license revocation, license termination, or general or specific inquiry or investigation to determine compliance with this chapter, the department may access, receive, use, and copy any books, accounts, records, files, documents, information, or evidence, including

(1) criminal, civil, and administrative history information, including

nonconviction information; in this paragraph, "nonconviction information" has the meaning given in AS 12.62.900;

(2) personal history and experience information, including independent credit reports obtained from a consumer reporting agency; and

(3) other documents, information, and evidence the department considers relevant to the inquiry or investigation, regardless of the location, possession, or custody of the documents, information, or evidence.

(b) Notwithstanding AS 06.01.015, for the purpose of investigating violations or complaints arising under this chapter, or for the purpose of examination, the department may review, investigate, or examine an applicant, licensee, or another person subject to this chapter as often as necessary to carry out the purposes of this chapter. The department may conduct an examination without prior notice to the licensee.

(c) A licensee or other person subject to this chapter shall make available to the department, on request, the place of business, books, records, accounts, safes, and vaults relating to the operations of the licensee or other person subject to this chapter. The department may interview the officers, principals, mortgage loan originators, employees, independent contractors, agents, and customers of the licensee or other person subject to this chapter concerning the licensee's or other person's business.

(d) For the purpose of hearings, investigations, or other proceedings under this chapter, the department or an officer designated by the department may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the department considers relevant or material to the matter.

(e) If a person refuses to comply with a subpoena, the superior court, on application by the department, may issue to the person an order requiring the person to appear before the department to produce documentary evidence or to give evidence regarding the matter under investigation or in question.

(f) A licensee or other person subject to this chapter shall make or compile reports or prepare other information as directed by the department to carry out the

purposes of this section, including

(1) accounting compilations;

(2) information lists and data concerning loan transactions in a format prescribed by the department; and

(3) other information considered necessary to carry out the purposes of this section.

(g) In making an examination or investigation authorized by this chapter, the department may control access to documents and records of the licensee or other person under examination or investigation. The department may take possession of the documents and records or place a person in exclusive charge of the documents and records in the place where they are usually kept. During the period of control, a person may not remove or attempt to remove any of the documents and records except under a court order or with the consent of the department. In this subsection, "control" does not have the meaning given in AS 06.60.990.

(h) To carry out the purposes of this section, the department may

(1) retain attorneys, accountants, or other professionals and specialists, including examiners, auditors, or investigators, to conduct or assist in the conduct of examinations or investigations;

(2) enter into agreements or relationships with other government officials or regulatory associations to improve efficiency and reduce the regulatory burden by sharing resources, standardized or uniform methods or procedures, and documents, records, information, and evidence obtained under this section;

(3) use, hire, contract, or employ public or privately available analytical systems, methods, or electronic software to examine or investigate the licensee, individual, or other person subject to this chapter;

(4) accept and rely on examination or investigation reports made by other government officials in this or another state;

(5) share information received or collected during an examination, investigation, or other proceeding with other law enforcement agencies; or

(6) accept an audit report prepared by an independent certified public accountant for the licensee or other person subject to this chapter and may incorporate

an audit report in the report of the examination or other writing of the department.

(i) The authority under this section remains in effect, whether or not a licensee or other person subject to this chapter acts or claims to act under a licensing or registration law of the state or claims to act without the authority of a licensing or registration law of the state.

(j) A licensee or other person subject to investigation or examination under this section may not knowingly withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information.

(k) A person shall reimburse the department for reasonable costs incurred by the department to conduct an examination or investigation under this section. The reimbursement under this subsection may not exceed the rate of $75 an hour for the examination or investigation, plus travel costs, including a per diem allowance that does not exceed the per diem allowance for employees of the state under AS 39.20.110.

*** Sec. 41.** AS 06.60.260 is amended to read:

Sec. 06.60.260. Revocation, removal, or suspension of mortgage loan originator licensee. If the department finds that **a mortgage loan** [AN] originator licensee is dishonest, reckless, or incompetent when operating as **a mortgage loan** [AN] originator or fails to comply with applicable law, with regulations or orders of the department, or with written requirements or instructions of the department relating to the **mortgage loan** originator license, the department may revoke or suspend the **mortgage loan** originator license, remove the **mortgage loan** originator licensee from operating as **a mortgage loan** [AN] originator in the state, or order a person licensed under this title to remove the **mortgage loan** originator licensee from operating as **a mortgage loan** [AN] originator for the person.

*** Sec. 42.** AS 06.60.270 is amended to read:

Sec. 06.60.270. Removal by entity. A mortgage licensee shall remove **a mortgage loan** [AN] originator licensee from acting as **a mortgage loan** [AN] originator for the mortgage licensee if the department directs the mortgage licensee to remove the **mortgage loan** originator licensee under AS 06.60.260.

*** Sec. 43.** AS 06.60 is amended by adding a new section to article 4 to read:

Sec. 06.60.290. Report to the registry. Notwithstanding AS 06.01.025, the department shall regularly report violations of this chapter, as well as enforcement actions and other relevant information, to the registry, subject to provisions established by the department by regulation.

*** Sec. 44.** AS 06.60.320 is amended to read:

Sec. 06.60.320. False, misleading, or deceptive advertising prohibited. A person [, INCLUDING A SMALL MORTGAGE LENDER,] may not advertise, print, display, publish, distribute, broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner a statement or representation with regard to the rates, terms, or conditions for a mortgage loan that is false, misleading, or deceptive.

*** Sec. 45.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.325. Display of unique identifier. A person operating as a mortgage lender, mortgage broker, or mortgage loan originator shall clearly display the unique identifier assigned to the person by the registry on all residential mortgage loan application forms, solicitations, and advertisements, including business cards or websites, and any other documents as established by regulation or order of the department.

*** Sec. 46.** AS 06.60.330 is amended to read:

Sec. 06.60.330. Compliance with federal requirements. A person [, INCLUDING A SMALL MORTGAGE LENDER,] subject to this chapter shall conduct the person's mortgage loan activities in compliance with [12 CFR PART 226 AND OTHER REGULATIONS ADOPTED BY THE FEDERAL GOVERNMENT UNDER]

(1) 12 U.S.C. 2601 - 2617 (Real Estate Settlement Procedures Act of 1974);

(2) 12 U.S.C. 2801 - 2810 (Home Mortgage Disclosure Act of 1975);

(3) 12 U.S.C. 2901 - 2908 (Community Reinvestment Act of 1977);

(4) **12 U.S.C. 5101 - 5116 (Secure and Fair Enforcement for Mortgage Licensing Act of 2008);**

(5) 15 U.S.C. 1601 - 1666j and 1671 - 1693r (Consumer Credit

Protection Act);

(6) [(5)] 42 U.S.C. 3601 - 3631 (Fair Housing Act of 1968);

(7) [(6)] any other federal **statute the purpose of which is to regulate residential mortgage lending; and**

(8) regulations adopted under the statutes identified in (1) - (7) of this section [LAW OR REGULATION].

*** Sec. 47.** AS 06.60.340 is repealed and reenacted to read:

Sec. 06.60.340. Prohibited activities. In addition to activities prohibited elsewhere in this chapter or by other law, a person who is a licensee, a person who is required to be licensed under this chapter, and a person who is licensed under AS 06.20 may not, in connection with a mortgage loan transaction,

(1) misrepresent or conceal a material fact or make a false promise likely to influence, persuade, or induce an applicant for a mortgage loan or a borrower to enter into a mortgage loan transaction;

(2) pursue a course of misrepresentation through an agent;

(3) directly or indirectly employ any scheme, device, or artifice to defraud or mislead a borrower or lender or to defraud a person;

(4) engage in any unfair or deceptive act or practice toward any person;

(5) obtain property by fraud or misrepresentation;

(6) solicit or enter into a contract with a borrower that provides, in substance, that the person subject to this chapter may earn a fee or commission through using the person's best efforts to obtain a loan, even though a loan is not actually obtained for the borrower;

(7) solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are actually available at the time of soliciting, advertising, or contracting;

(8) conduct a business covered by this chapter without holding a valid license as required under this chapter, or assist a person in the conduct of business under this chapter without a valid license as required under this chapter;

(9) fail to make disclosures as required by this chapter or by another

applicable state or federal statute, including regulations adopted under the statute;

(10) fail to comply with this chapter or regulations adopted under this chapter or fail to comply with another state or federal statute, including regulations adopted under the statute, applicable to a business authorized or conducted under this chapter;

(11) make, in any manner, false or deceptive statements or representations, including statements or representations about rates, points, or other financing terms or conditions, or engage in bait and switch advertising;

(12) negligently make a false statement or knowingly omit a material fact in connection with information or reports filed with the department or the registry or in connection with an investigation conducted by the department;

(13) make a payment, threat, or promise, directly or indirectly, to a person for the purposes of influencing the independent judgment of the person in connection with a mortgage loan, or make a payment, threat, or promise, directly or indirectly, to an appraiser of a property, for the purpose of influencing the independent judgment of the appraiser with respect to the value of the property;

(14) collect, charge, attempt to collect, attempt to charge, or use or propose an agreement purporting to collect or charge a fee prohibited by this chapter;

(15) cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost, as established by the property insurer, of the improvements;

(16) improperly refuse to issue a satisfaction of a mortgage loan;

(17) fail to account for or deliver to a person money, a document, or another thing of value obtained in connection with a mortgage loan, including money provided for a real estate appraisal or a credit report, if the person is not entitled to retain the money under the circumstances;

(18) pay, receive, or collect, in whole or in part, a commission, fee, or other compensation for brokering a mortgage loan in violation of this chapter, including a mortgage loan brokered by an unlicensed person;

(19) fail to disburse money in accordance with a written commitment or agreement to make a mortgage loan;

(20) engage in a transaction, practice, or course of business that is not engaged in by the person in good faith or fair dealing or that constitutes a fraud on a person in connection with the brokering, making, purchase, or sale of a mortgage loan;

(21) influence or attempt to influence, through coercion, extortion, or bribery, the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan; this paragraph does not prohibit a person from asking an appraiser to

(A) consider additional appropriate property information;

(B) provide further detail, substantiation, or explanation for the appraiser's value determination; or

(C) correct errors in the appraisal report;

(22) make a false or misleading statement in a mortgage loan commitment or prequalification letter, or omit material information necessary to make the statements made not misleading, if the person knew or reasonably should have known the statement was false or misleading or the omission consisted of material information necessary to make the statements made not misleading;

(23) engage in a practice or course of business in which the ultimate rates, terms, or costs of mortgage loans are materially worse for the borrower than they are represented to be in the first good faith estimates the person provides to the borrower, unless

(A) the person's generally published or advertised rates, terms, or costs, if any, change for a borrower's loan program; or

(B) new or changed information from the borrower makes it necessary to change the loan program offered to the borrower;

(24) represent that the person has a license, registration, title, certification, sponsorship, approval, status, affiliation, or connection that the person does not have;

(25) engage in unfair, deceptive, or fraudulent advertising; or

(26) authorize, direct, plan, or aid in the publishing, distribution, or circulation of a materially false statement or a material misrepresentation concerning the licensee's business or concerning mortgage loans originated in the course of the

licensee's business in this or another state.

*** Sec. 48.** AS 06.60.360 is amended by adding a new subsection to read:

(f) In this section, "escrow account" means an account

(1) to which a borrower makes payments for obligations related to the real property that is the subject of a residential mortgage loan of the borrower;

(2) held by a third person; and

(3) from which the third person identified in (2) of this subsection disburses money in accordance with a written agreement to pay obligations related to the real property that is the subject of a residential mortgage loan of the borrower.

*** Sec. 49.** AS 06.60.370 is amended to read:

Sec. 06.60.370. Criminal <u>penalties</u> [LIABILITY OF LICENSEE OR SMALL MORTGAGE LENDER]. (a) The department may report **<u>a violation</u>** [VIOLATIONS] of (b) - (e) of this section to the attorney general, who may institute the proper proceedings to enforce the criminal penalties provided in (b) - (e) of this section.

(b) A person [, INCLUDING A SMALL MORTGAGE LENDER,] who knowingly provides false or misleading information to the department that is material under this chapter is guilty of a class A misdemeanor.

(c) A [LICENSEE, PERSON WHO IS A SMALL MORTGAGE LENDER, OR] person [WHO IS EXEMPT UNDER AS 06.60.015] who knowingly fails to account for or deliver to a person money, deposits, or checks or other forms of negotiable instruments in violation of the provisions of this chapter is guilty of a class A misdemeanor.

(d) A licensee [OR A SMALL MORTGAGE LENDER] who knowingly fails to disburse money belonging to the borrower without just cause is guilty of a class A misdemeanor.

(e) **<u>Unless the person is exempt from licensing under this chapter, a person</u>** [A MORTGAGE LENDER, MORTGAGE BROKER, OR ORIGINATOR] who knowingly operates **<u>in this state as a mortgage lender, mortgage broker, or mortgage loan originator</u>** without a license **<u>issued under this chapter</u>** [OR WITHOUT BEING REGISTERED UNDER AS 06.60.017 AND IS NOT EXEMPT

UNDER AS 06.60.015] is guilty of a class A misdemeanor.

* **Sec. 50.** AS 06.60.400 is repealed and reenacted to read:

Sec. 06.60.400. Cease and desist proceedings. (a) Notwithstanding AS 06.01.030(d) and (e), if the department finds, after notice and opportunity for a hearing, that a person has violated, is violating, or is about to violate any provision of this chapter, a regulation adopted under this chapter, or an order issued under this chapter, the department may publish findings and enter an order requiring the person to cease and desist from committing or causing the violation and any future violation of the same provision or regulation. An order may, in addition to requiring a person to cease and desist from committing or causing a violation, require the person to comply, or to take steps to effect compliance, with a provision or regulation, on terms and conditions and within a time, as the department may specify in the order. An order may require future compliance or steps to result in future compliance, either permanently or for a period of time, as the department may specify.

(b) Notwithstanding AS 06.01.030(d) and (e), if the department determines that the alleged violation or threatened violation is likely to result in significant dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest before the completion of cease and desist proceedings, the department may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest as the department determines appropriate pending completion of the proceedings. A temporary order may be entered only after notice and opportunity for a hearing, unless the department determines that notice and hearing before entry would be impracticable or contrary to the public interest. A temporary order becomes effective on service on the respondent and, unless set aside, limited, or suspended by the department or a court of competent jurisdiction, remains effective and enforceable pending the completion of the cease and desist proceedings.

* **Sec. 51.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.405. Review of temporary cease and desist orders. (a) At any

time after the respondent has been served with a temporary cease and desist order under AS 06.60.400(b), the respondent may apply to the department to have the order set aside, limited, or suspended. If the respondent has been served with a temporary cease and desist order entered without a prior hearing, the respondent may, within 10 days after the date on which the order was served, request a hearing on the application, and the office of administrative hearings shall hold a hearing and render a decision on the application under AS 44.64.060. A respondent served with a temporary cease and desist order entered without a prior hearing may not apply to the court except after hearing and decision by the department on the respondent's application under this subsection.

(b) The commencement of proceedings under this section does not, unless specifically ordered by the court, operate as a stay of the department's order.

(c) In a cease and desist proceeding under this section, the department may issue an order to prohibit, conditionally or unconditionally, permanently or for a period of time the department determines, a person who has violated this chapter from operating as a mortgage lender, mortgage broker, or mortgage loan originator if the conduct of that person demonstrates unfitness to operate as a mortgage lender, mortgage broker, or mortgage loan originator.

* **Sec. 52.** AS 06.60.410 is amended to read:

Sec. 06.60.410. Censure, suspension, or bar. (a) In addition to any other remedy provided under this chapter, the department may, by order after appropriate notice and opportunity for a hearing, censure a person, suspend the license of a person for a period not to exceed 12 months, [SUSPEND THE REGISTRATION OF A SMALL MORTGAGE LENDER FOR A PERIOD NOT TO EXCEED 12 MONTHS,] or bar a person from a position of employment, management, or control of a licensee [OR A SMALL MORTGAGE LENDER] if the department finds that

(1) the censure, suspension, or bar is in the public interest;

(2) the person has knowingly committed or caused a violation of this chapter or a regulation adopted under this chapter; and

(3) the violation has caused material damage to the licensee [, TO THE SMALL MORTGAGE LENDER,] or to the public.

(b) When a person who is the subject of a proposed order under this section receives a notice of the department's intention to issue an order under this section, the person is immediately prohibited from engaging in any activities for which a license [OR REGISTRATION AS A SMALL MORTGAGE LENDER] is required under this chapter.

(c) A person who is suspended or barred under this section is prohibited from participating in a business activity of a licensee [OR A SMALL MORTGAGE LENDER] and from engaging in a business activity on the premises where a licensee [OR SMALL MORTGAGE LENDER] is conducting the licensee's [OR SMALL MORTGAGE LENDER'S] business. This subsection may not be construed to prohibit a suspended or barred person from having the person's personal transactions processed by a licensee [OR A SMALL MORTGAGE LENDER].

*** Sec. 53.** AS 06.60.420 is amended to read:

Sec. 06.60.420. Civil penalty for violations. (a) **Notwithstanding AS 06.01.035, a** [A] person [, INCLUDING A SMALL MORTGAGE LENDER,] who violates a provision of this chapter, or a regulation adopted **or an order issued** under this chapter, is liable for a civil penalty not to exceed $10,000 for each violation.

(b) The remedies provided by this section and by other sections of this chapter are not exclusive and may be **sought** [APPLIED] in combination with other remedies to enforce the provisions of this chapter.

*** Sec. 54.** AS 06.60.430(a) is amended to read:

(a) The department may treat a licensee [OR A SMALL MORTGAGE LENDER] as a financial institution under AS 06.01 when applying the enforcement provisions of AS 06.01.

*** Sec. 55.** AS 06.60.430(c) is amended to read:

(c) If the department determines that a licensee [, A SMALL MORTGAGE LENDER,] or a person acting on behalf of the licensee [OR SMALL MORTGAGE LENDER] is in violation of, or has violated, a provision of this chapter, the department may refer the information to the attorney general and request that the attorney general investigate the violation under AS 45.50.495. The attorney general may enjoin a violation of this chapter and may seek restitution, rescission, and other

relief as allowed by law.

*** Sec. 56.** AS 06.60.500 is amended to read:

Sec. 06.60.500. Mortgage loan originator [ORIGINATOR] surety fund. The **mortgage loan** originator surety fund is established as a separate account in the general fund. **The purpose of the fund is to pay fund claims against mortgage loan originator licensees.**

*** Sec. 57.** AS 06.60.510 is amended to read:

Sec. 06.60.510. Composition of fund. The fund consists of **appropriations of** payments made by **mortgage loan** originator licensees under AS 06.60.550, filing fees **for fund claims** retained under AS 06.60.620, income earned on the investment of the money in the fund, and money deposited in the fund by the department under AS 06.60.740.

*** Sec. 58.** AS 06.60.550(a) is amended to read:

(a) A person who applies for or renews **a mortgage loan** [AN] originator license shall pay to the department, in addition to the fees required by AS 06.60.035, a fund fee **established by the department** [NOT TO EXCEED $150].

*** Sec. 59.** AS 06.60.550(d) is amended to read:

(d) Notwithstanding (a) of this section, **a mortgage loan** [AN] originator licensee who obtains an initial **a mortgage loan** originator license when the department has reduced the fund fee to nothing shall nonetheless pay **the** [A] fund fee **established by regulation** [OF $150] to the department for the first year of the **mortgage loan** originator license [OR, FOR A MORTGAGE LICENSEE, OF OPERATING AS AN ORIGINATOR].

*** Sec. 60.** AS 06.60.560 is amended to read:

Sec. 06.60.560. Claim for reimbursement. In addition to any other remedies available to the person, a person may seek reimbursement for a loss suffered in a mortgage loan transaction as a result of fraud, misrepresentation, deceit, or the wrongful conversion of money by **a mortgage loan** [AN] originator licensee and is eligible to be reimbursed under AS 06.60.500 - 06.60.750 for the loss from money appropriated for that purpose.

*** Sec. 61.** AS 06.60.580 is amended to read:

Sec. 06.60.580. Form and contents of fund claim. The form for a fund claim shall be executed under penalty of unsworn falsification **in the second degree** and must include

(1) the name and address of each **mortgage loan** originator licensee involved;

(2) the amount of the alleged loss;

(3) the date or period of time during which the alleged loss occurred;

(4) the date when the alleged loss was discovered;

(5) the name and address of the claimant; and

(6) a general statement of the facts related to the fund claim.

*** Sec. 62.** AS 06.60.600 is amended to read:

Sec. 06.60.600. Filing and distribution of claim. At least 20 days before a hearing is held on the fund claim by the office of administrative hearings (AS 44.64.010), the department shall send a copy of the claim filed with the department to

(1) each **mortgage loan** originator licensee alleged to have committed the misconduct resulting in the alleged loss;

(2) the employer of the **mortgage loan** originator licensee described in (1) of this section; and

(3) any other parties involved in the mortgage loan transaction that is the subject of the fund claim.

*** Sec. 63.** AS 06.60.610(a) is amended to read:

(a) Within **30** [SEVEN] days after receiving a copy of a fund claim under AS 06.60.600, **a mortgage loan** [EACH] originator licensee against whom **a** [THE] claim is made may elect to defend the fund claim as a small claims action in district court under District Court Rules of Civil Procedure if the claim does not exceed the small claims jurisdictional limit.

*** Sec. 64.** AS 06.60.610(b) is amended to read:

(b) **A mortgage loan** [AN] originator licensee who elects under (a) of this section to defend a fund claim in district court under the small claims rules may not revoke the election without the consent of the person who filed the fund claim.

* **Sec. 65.** AS 06.60.640 is amended to read:

Sec. 06.60.640. Defense of claim. When the department receives a fund claim, the department shall allow each **mortgage loan** originator licensee against whom the claim is made an opportunity to file with the department, within seven days after receipt of notification of the fund claim under AS 06.60.600, a written statement in opposition to the fund claim and a request for a hearing.

* **Sec. 66.** AS 06.60.650 is amended to read:

Sec. 06.60.650. Standard of proof. A person who submits a fund claim under AS 06.60.570 bears the burden of establishing by a preponderance of the evidence that the person suffered a loss in a mortgage loan transaction as a result of fraud, misrepresentation, deceit, or the conversion of trust funds by **a mortgage loan** [AN] originator licensee and the extent of those losses.

* **Sec. 67.** AS 06.60.680(b) is amended to read:

(b) If the department determines that the claimant has suffered a loss in a mortgage loan transaction as a result of fraud, misrepresentation, deceit, or the wrongful conversion of money by **a mortgage loan** [AN] originator licensee, the department may award the person who filed the fund claim reimbursement from money appropriated to the fund.

* **Sec. 68.** AS 06.60.690 is amended to read:

Sec. 06.60.690. Fund operations. The department shall deposit into the fund money that the department recovers from **a mortgage loan** [AN] originator licensee under AS 06.60.745. The department may not consider amounts paid from the fund for hearing or legal expenses when determining the maximum reimbursement to be awarded under AS 06.60.710 or the maximum liability for fund claims under AS 06.60.710.

* **Sec. 69.** AS 06.60.700(a) is amended to read:

(a) If a fund claim dismissed under AS 06.60.610 results in a monetary award against **a mortgage loan** [AN] originator licensee, the department may pay, subject to AS 06.60.710 and 06.60.720, any outstanding portion of the small claims judgment from money appropriated to the department for the purpose.

* **Sec. 70.** AS 06.60.700(b) is amended to read:

(b) Before making payment under (a) of this section, the person who received the award shall file with the department a copy of the final judgment and an affidavit stating that more than 30 days have elapsed since the judgment became final and that the judgment has not yet been satisfied by the **mortgage loan** originator licensee against whom the award was made.

* **Sec. 71.** AS 06.60.710(b) is amended to read:

(b) The maximum liability for fund claims against one **mortgage loan** originator licensee may not exceed $50,000.

* **Sec. 72.** AS 06.60.710(c) is amended to read:

(c) If the $50,000 liability **limit** under (b) of this section is insufficient to pay in full the valid fund claims of all persons who have filed fund claims against one **mortgage loan** originator licensee, the $50,000 shall be distributed among the claimants in the ratio that their individual fund claims bear to the aggregate of valid fund claims against that **mortgage loan** originator licensee. The department shall distribute the money among the persons entitled to share in the recovery without regard to the order in which their fund claims were filed.

* **Sec. 73.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.715. Other rights of claimant. The rights granted to a claimant under AS 06.60.500 - 06.60.750 do not limit any other cause of action the claimant may have against a mortgage loan originator.

* **Sec. 74.** AS 06.60.745 is amended to read:

Sec. 06.60.745. Reimbursement for expenses. If the department pays all or a portion of a fund claim against **a mortgage loan** [AN] originator licensee under AS 06.60.680 or 06.60.700, the department may recover from the **mortgage loan** originator licensee, in addition to the payment of the fund claim, the expenses incurred by the department to process and otherwise handle the fund claim.

* **Sec. 75.** AS 06.60.750 is amended to read:

Sec. 06.60.750. Disciplinary action against a mortgage loan [AN] originator licensee. Repayment in full of all obligations to the fund does not nullify or modify the effect of disciplinary proceedings brought against **a mortgage loan** [AN] originator licensee under this chapter.

* **Sec. 76.** AS 06.60.800 is amended by adding a new subsection to read:

(e) The program administration fees collected under this section shall be separately accounted for and may be appropriated by the legislature to the department for the operation of this chapter.

* **Sec. 77.** AS 06.60.850 is amended to read:

Sec. 06.60.850. Publication of disciplinary action. The department may release**, through the Internet, the registry, or other** [FOR] publication**,** [IN A NEWSPAPER OF GENERAL CIRCULATION IN THE LOCALE OF A LICENSEE'S PRINCIPAL OFFICE] notice of disciplinary action taken by the department against **a person required to be licensed under this chapter** [THE LICENSEE].

* **Sec. 78.** AS 06.60.890 is amended to read:

Sec. 06.60.890. Application to Internet activities. This chapter applies to a person [, INCLUDING A SMALL MORTGAGE LENDER TO THE EXTENT THIS CHAPTER APPLIES TO A SMALL MORTGAGE LENDER,] even if the person is engaging in the activities regulated by this chapter by using an Internet website from within or outside the state.

* **Sec. 79.** AS 06.60.900 is amended to read:

Sec. 06.60.900. Applicability of administrative procedures. **Notwithstanding AS 06.01.030(f), the** [THE] provisions of AS 44.62 (Administrative Procedure Act) apply to an action of the department to deny, revoke, or suspend a license under this chapter, to censure, suspend, or bar a person under AS 06.60.410, to take other disciplinary action under this chapter, to hold **disciplinary** hearings, and to issue **disciplinary** orders.

* **Sec. 80.** AS 06.60.905 is amended to read:

Sec. 06.60.905. Untrue, misleading, or false statements. A person [, INCLUDING A SMALL MORTGAGE LENDER,] may not, in a document filed with the department or in an examination, an investigation, a hearing, or another proceeding under this chapter, make or cause to be made an untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading or false.

* **Sec. 81.** AS 06.60.990 is repealed and reenacted to read:

Sec. 06.60.990. Definitions. In this chapter, unless the context otherwise requires,

(1) "borrower" means an individual who receives a mortgage loan;

(2) "consumer reporting agency" means a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis; in this paragraph, "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" has the meaning given in 15 U.S.C. 1681a(p) (Fair Credit Reporting Act);

(3) "control" means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise; an individual is presumed to control a company if the individual

(A) is a director, general partner, or executive officer, including chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief credit officer, or chief compliance officer, or occupies a similar position or performs a similar function;

(B) directly or indirectly, has the right to vote 10 percent or more of a class of voting security or has the power to sell or direct the sale of 10 percent or more of a class of voting securities;

(C) in the case of a limited liability company,

(i) is a managing member;

(ii) is a member who has the right to receive on dissolution, or has contributed, 10 percent or more of the capital of the limited liability company; or

(iii) if the limited liability company is managed by elected or appointed managers, is an elected or appointed manager; or

(D) in the case of a partnership, has the right to receive on dissolution, or has contributed, 10 percent or more of the capital;

(4) "control person" means an individual described in the uniform mortgage lender and mortgage broker application form of the registry who directly or

indirectly exercises control over the applicant;

(5) "department" means the Department of Commerce, Community, and Economic Development;

(6) "depository institution" has the meaning given in 12 U.S.C. 1813 (Federal Deposit Insurance Act) and includes a credit union;

(7) "dwelling" means a residential structure or mobile home that contains one to four family housing units, or the individual units of condominiums or cooperatives;

(8) "federal banking agency" means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the director of the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation;

(9) "fund" means the mortgage loan originator surety fund established under AS 06.60.500;

(10) "fund claim" means a claim against the fund;

(11) "fund fee" means the fee required to be paid by AS 06.60.550;

(12) "individual" means a natural person;

(13) "knowingly" has the meaning given in AS 11.81.900(a);

(14) "license" means a license issued under this chapter;

(15) "licensed mortgage loan originator" means a person who holds a mortgage loan originator license issued under this chapter;

(16) "licensee" means a person who holds a license issued under this chapter;

(17) "loan processor or underwriter" means an individual who performs clerical or support duties as an employee at the direction of and subject to the supervision and instruction of a person required to be licensed or exempt from licensing under this chapter; in this paragraph, "clerical or support duties" includes, subsequent to the receipt of an application,

(A) the receipt, collection, distribution, and analysis of information common for the processing or underwriting of a mortgage loan; and

(B) communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that the communication does not include offering or negotiating loan rates or terms or counseling consumers about mortgage loan rates or terms;

(18) "mortgage broker" means a person who, for compensation or gain, or in the expectation of compensation or gain, directly or indirectly, by telephone, by electronic means, by mail, through the Internet, in person, or by the person itself or a mortgage loan originator,

(A) arranges with a variety of lending sources, including private lenders, institutional investors, or wholesale lenders, to provide financing for mortgage loans; or

(B) assists or offers to assist a borrower or potential borrower to obtain financing for a mortgage loan;

(19) "mortgage lender"

(A) means a person who consummates and funds a mortgage loan and who is named as the payee in the promissory note and as the beneficiary of the deed of trust;

(B) does not include a subsequent purchaser of a mortgage loan or an interest in a mortgage loan that is originated by a licensee under this chapter;

(20) "mortgage license" means a license issued under this chapter to operate as a mortgage lender or a mortgage broker;

(21) "mortgage licensee" means a person who holds a mortgage license;

(22) "mortgage loan" means a loan that is primarily for personal, family, or household use and that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or residential property on which a dwelling is constructed or intended to be constructed;

(23) "mortgage loan originator"

(A) means an individual who, for compensation or gain, or in the expectation of compensation or gain,

(i) takes a mortgage loan application; or

(ii) offers or negotiates terms of a mortgage loan;

(B) does not include an individual who is not otherwise described in (A) of this paragraph and who is engaged solely as a loan processor or underwriter on behalf of a person described in (A) of this paragraph, except as provided in AS 06.60.013;

(C) does not include an individual who only performs real estate brokerage activities and is licensed or registered under applicable state law, unless the individual is compensated by a lender, a mortgage broker, or another mortgage loan originator, or by an agent of the lender, mortgage broker, or other mortgage loan originator; in this subparagraph, "real estate brokerage activity" means an activity that involves offering or providing real estate brokerage services to the public, including

(i) acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(ii) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

(iii) negotiating, on behalf of a party, a portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property other than in connection with providing financing with respect to the transaction;

(iv) engaging in an activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under an applicable law; and

(v) offering to engage in an activity, or act in a capacity, described in (i), (ii), (iii), or (iv) of this subparagraph; and

(D) does not include a person solely involved in extensions of credit relating to timeshare plans; in this subparagraph, "timeshare plan" has the meaning given in 11 U.S.C. 101 (Bankruptcy Code);

(24) "mortgage loan originator license" means a license issued to a person to operate as a mortgage loan originator;

(25) "Nationwide Mortgage Licensing System and Registry" has the meaning given in 12 U.S.C. 5102 (Secure and Fair Enforcement for Mortgage Licensing Act of 2008);

(26) "nontraditional mortgage product" means a mortgage product other than a 30-year fixed-rate mortgage;

(27) "operate" means hold out, do business, offer to provide services, or provide services; in this paragraph, "hold out" means to represent to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the person can or will perform an activity for which a license is required under this chapter;

(28) "operate in the state" includes operating in the state from a location outside the state or from an Internet website that originates inside or outside the state;

(29) "program administration fee" means the fee described under AS 06.60.800(a);

(30) "record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form;

(31) "registered mortgage loan originator" means an individual who

(A) is a mortgage loan originator and is an employee of

(i) a depository institution;

(ii) a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency; or

(iii) an institution regulated by the Farm Credit Administration; and

(B) is registered with the registry and maintains a unique identifier with the registry;

(32) "registry" means the Nationwide Mortgage Licensing System and Registry;

(33) "residential mortgage loan" means a mortgage loan for residential real property;

(34) "residential property" means real property located in the state on which a dwelling is constructed or intended to be constructed;

(35) "unique identifier" means a number or other identifier assigned to a licensee by protocols established by the registry.

* **Sec. 82.** AS 06.60.995 is amended to read:

Sec. 06.60.995. Short title. This chapter may be known as the **Alaska Secure and Fair Enforcement for Mortgage Licensing Act of 2010** [MORTGAGE LENDING REGULATION ACT].

* **Sec. 83.** AS 12.62.400 is amended to read:

Sec. 12.62.400. National criminal history record checks for employment, licensing, and other noncriminal justice purposes. To obtain a national criminal history record check for determining a person's qualifications for a license, permit, registration, employment, or position, a person shall submit the person's fingerprints to the department with the fee established by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau of Investigation to obtain a national criminal history record check of the person for the purpose of evaluating a person's qualifications for

(1) a license or conditional contractor's permit to manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage under AS 04.11;

(2) licensure as a mortgage lender, a mortgage broker, or **a mortgage loan** [AN] originator under AS 06.60;

(3) admission to the Alaska Bar Association under AS 08.08;

(4) licensure as a collection agency operator under AS 08.24;

(5) a certificate of fitness to handle explosives under AS 08.52;

(6) licensure to practice nursing or certification as a nurse aide under AS 08.68;

(7) a position involving supervisory or disciplinary power over a minor or dependent adult for which criminal justice information may be released under

AS 12.62.160(b)(9);

(8) a teacher certificate under AS 14.20;

(9) licensure as a security guard under AS 18.65.400 - 18.65.490;

(10) a concealed handgun permit under AS 18.65.700 - 18.65.790;

(11) licensure as an insurance producer, managing general agent, reinsurance intermediary broker, reinsurance intermediary manager, surplus lines broker, or independent adjuster under AS 21.27;

(12) serving and executing process issued by a court by a person designated under AS 22.20.130;

(13) a school bus driver license under AS 28.15.046;

(14) licensure as an operator or an instructor for a commercial driver training school under AS 28.17;

(15) registration as a broker-dealer, agent, investment adviser representative, or state investment adviser under AS 45.55.030 - 45.55.060.

*** Sec. 84.** AS 12.62.400 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, an applicant for a license under AS 06.60 may submit the applicant's fingerprints to the Nationwide Mortgage Licensing System and Registry. In this subsection, "Nationwide Mortgage Licensing System and Registry" has the meaning given in 12 U.S.C. 5102.

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*** Sec. 85.** AS 06.60.017, 06.60.025, 06.60.065, 06.60.070, 06.60.075, 06.60.090(i), 06.60.097(b), 06.60.105, 06.60.145, 06.60.150, 06.60.440, 06.60.540, 06.60.810, and 06.60.870 are repealed.

*** Sec. 86.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: EXISTING LICENSES ISSUED UNDER FORMER AS 06.60; LICENSES AFTER JULY 1, 2010. (a) A person holding a valid license issued under former AS 06.60, on or before July 1, 2010, may continue to operate under that license until the license expires, is revoked, or is suspended, and, except as provided by (c) of this section, this Act, including its provisions on expiration, renewal, prohibitions, revocation, suspension, and enforcement, applies to the license and to the person's operation under the license.

(b) A person who is not licensed under former AS 06.60 before July 1, 2010, and files

an application for licensing under this Act on or after July 1, 2010, shall comply with the requirements of this Act to receive a license under this Act.

(c) AS 06.60.027, as repealed and reenacted by sec. 8 of this Act, does not apply to the renewal of a mortgage license valid on July 1, 2010, except for a mortgage license application amendment submitted on or after July 1, 2010, requesting approval of a change of a control person. In this subsection, "control person" and "mortgage license" have the meanings given in AS 06.60.990.

* **Sec. 87.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: TEMPORARY FEES AND BOND AMOUNT. (a) If the regulations adopted by the Department of Commerce, Community, and Economic Development under sec. 88 of this Act do not take effect July 1, 2010, then, during the period of July 1, 2010, until the effective date of the regulations adopted under sec. 88 of this Act,

(1) notwithstanding AS 06.60.035(a), as amended by sec. 9 of this Act, the application fee under AS 06.60.035(a)(1), as amended by sec. 9 of this Act, shall be $250, and the license fee under AS 06.60.035(a)(2), as amended by sec. 9 of this Act, shall be $500;

(2) notwithstanding AS 06.60.045(a), as amended by sec. 14 of this Act, the amount of the bond under AS 06.60.045(a), as amended by sec. 14 of this Act, shall be $25,000;

(3) notwithstanding AS 06.60.550(a), as amended by sec. 58 of this Act, the amount of the fund fee under AS 06.60.550(a), as amended by sec. 58 of this Act, shall be $150; and

(4) notwithstanding AS 06.60.550(d), as amended by sec. 59 of this Act, the amount of the fund fee under AS 06.60.550(d), as amended by sec. 59 of this Act, shall be $150.

* **Sec. 88.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. (a) The Department of Commerce, Community, and Economic Development may adopt regulations necessary to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2010.

(b) The department shall notify the revisor of statutes of the date on which the regulations take effect.

*** Sec. 89.** Section 88 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 90.** Except as provided in sec. 89 of this Act, this Act takes effect July 1, 2010.

Senate Finance Committee Hearing
March 23, 2010

CS for Senate Bill 279

Lorie Hovanec, Director
Division of Banking and Securities

Purpose: to bring Alaska's Mortgage Lending Regulation Act into compliance with federal Public Law 110-289, Title V, Secure and Fair Enforcement for Mortgage Licensing Act (the SAFE Act).

Two Requirements: The SAFE Act requires each state to: (1) license mortgage loan originators through a nationwide database and (2) amend its statutes to meet minimum licensing standards. States still review the uniform applications submitted by applicants, and state regulators issue the licenses.

Alaska met the first requirement last year, by joining the Nationwide Mortgage Licensing System and Registry (the registry) and began licensing through the registry on August 1, 2009.

If Alaska does not comply with the second requirement, through the passage of SB 279, then the SAFE Act mandates that the U.S. Dept. of Housing and Urban Development begin enforcing the required licensing standards. The effective date of this bill is July 1, 2010.

Major Changes to Alaska Law:

P6/L8; **Sect. 9**	Renewals changed from biennial to annual
P6/L23; **Sect. 11**	Permits fees to be set in regulation
P6/L28; **Sect. 12**	Requires 20 hours of pre-licensing education.
P10/L18; **Sect. 18**	Authorizes the division to issue a provisional license if fingerprint card processing is excessively delayed, but all other requirements are met
P12/L18; **Sect. 22**	Omits references to paper licenses, in anticipation of going paperless, due to availability of registry data
P14/L6; **Sect. 29**	Permits branch office registration
P15/L22; **Sect. 35**	Modifies continuing education requirements from 24 hours every 2 years, to 8 hours annually
P41/L12; **Sect. 84**	Allows fingerprint cards to be sent to the registry, rather than the Department of Public Safety for submittal to the FBI for background checks
P41/L17; **Sect. 85**	Eliminates the small mortgage lender/originator exemption

Fiscal Note:

Adds funding for the following expenses:

- One additional occupational licensing position ($65,000 per year) and in the contractual line $3,000 for costs and supplies associated with this position
- Increased travel to out-of-state exams, due to the additional number of licensees in other states doing business in Alaska particularly over the Internet
- Annual membership fee for AARMR ($750 annually)
- State background check fee ($5250) which the division must upfront until fee is collected from licensee for deposit into the general fund. The licensee will pay the federal background check fee directly.

Revenue is expected to increase substantially, due to expansion of licensee definition to include loan modification and servicing companies, as well as the required change to annual license renewal.

Explanation of CS to SB 279

Attached are proposed technical changes to SB 279, prepared in response to comments received from the Conference of State Bank Supervisors ("CSBS")* after the bill passed out of the Senate Labor and Commerce Committee. None of these amendments provides any change in the intent behind the language of SB 279. With these changes, CSBS will be satisfied that SB 279 complies with the SAFE Act.

1. Approval authority for education courses

Under the SAFE Act, courses required for pre-licensing education and for continuing education have to be approved by the registry. Due to concern within the Department of Law (DOL) that the state's approval authority cannot be delegated, the bill provided for approval of the courses by the state, with the understanding that the state would rely on the registry's approval in making its decision to approve. CSBS felt this language conflicted with the registry's approval authority.

The conflict is resolved with the amendments to the satisfaction of both the DOL and CSBS. In those sections of the bill that previously referred to approval of courses by the state, the bill now cites the approval under the specific SAFE Act section that describes the registry's authority in this area. CSBS also pointed out that paragraph (e) on page 7 of the bill will be unnecessary under the SAFE Act. The changes that address these issues are in AS 06.60.038 (pre-licensing education) on page 7 of the bill and in AS 06.60.160 (continuing education) on page 16 of the bill.

2. Approval authority for licensing test

The SAFE Act provides that the licensing test will be developed by SAFE and that the test will cover both federal and state law. CSBS felt that the separate approval in the bill by the state for the state component of the test conflicted with the SAFE Act. The amendments take out the separate references to the "national" and the "state" tests and just cite the section of the SAFE Act that describes the authority of the registry to develop the licensing test on both federal and state law. This change is in AS 06.60.040 on page 7 of the bill.

3. Disqualifying felony convictions

The SAFE Act requires that an applicant for licensing as a mortgage loan originator who has been convicted of any felony in the seven years before the application is disqualified from licensing. If a felony conviction involves "an act of fraud or dishonesty, a breach of trust, or money laundering," then the applicant is disqualified not for seven years but for life. SB 279 included the limitation involving "fraud or

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* A wholly-owned subsidiary of CSBS owns and operates the Nationwide Mortgage Licensing System and Registry ("registry").

dishonesty, a breach of trust, or money laundering" for felonies occurring within seven years of the application. This is inconsistent with the SAFE Act. The amendment to AS 06.60.060 on page 9 of the bill corrects the inconsistency.

4. Definition of "residential mortgage loan"

The SAFE Act contains a definition of "residential mortgage loan" that is applicable to the states in their licensing of mortgage loan originators. SB 279 incorporates the elements of the SAFE definition in "mortgage loan," read in combination with the definition of "residential property." SB 279 also contains a separate definition of "residential mortgage loan" that incorporates the defined phrase "mortgage loan," but adds "for residential real property." This arrangement could have created some confusion about whether "residential mortgage loan" and "mortgage loan," both of which are used in the bill, are intended to have the same meaning and whether that meaning is consistent with the SAFE Act definition. To clear up any possible confusion, these amendments define "mortgage loan" to be the same as "residential mortgage loan" and all the SAFE definition elements are included in the "residential mortgage loan" definition. This change is reflected in the amendments to AS 06.60.990 on pages 37 and 40 of the bill.

SENATE FINANCE COMMITTEE REPORT

DATE: 3/4/10

FURTHER:

DATE TURNED IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 279

SB 279 MORTGAGE LENDING

"An Act relating to regulation of residential mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators, and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SB 279 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	2/23	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Egan	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Brown	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 279**
(S) Publish Date: 3/4/10

Identifier (file name): SB279-CED-BSS-2-23-10
Dept. Affected: DCCED
Title: Regulation of Mortgage Lending
RDU: Banking and Securities
Component: Banking and Securities
Sponsor: Senator Paskvan
Requester: Senate Labor and Commerce Committee
Component Number: 2808

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	65.0		65.0	65.0	65.0	65.0	65.0
Travel	20.0		20.0	20.0	20.0	20.0	20.0
Contractual	43.0		13.0	6.0	6.0	6.0	6.0
Supplies	3.0		3.0	3.0	3.0	3.0	3.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**131.0**		**101.0**	**94.0**	**94.0**	**94.0**	**94.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**384.0**		**438.0**	**438.0**	**438.0**	**438.0**	**438.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Rcpt Svcs (1156)	131.0		101.0	94.0	94.0	94.0	94.0
TOTAL	**131.0**	**0.0**	**101.0**	**94.0**	**94.0**	**94.0**	**94.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	1	0	1	1	1	1	1
Part-time							
Temporary							

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

This bill will bring the State of Alaska's mortgage lending statutes into compliance with the minimum federal licensing standards that are required by the federal S.A.F.E Act.

Alaska's state mortgage lending law (effect July 1, 2008) requires that mortgage lenders, brokers, and originators apply for and obtain a mortgage license to do business in Alaska. The federal S.A.F.E. Act (enacted July 30, 2008) requires, in part, that all states utilize a national database licensing system called the National Mortgage Licensing System and Registry to license mortgage loan originators. This was achieved with the passage of House Bill 221 during the 2009 legislative session, and Alaska joined the Registry August 1, 2009. The second part of the federal S.A.F.E. Act requires that states implement minimum federal licensing standards, which is the purpose of this bill.

Prepared by: Lorie Hovanec, Director — Phone 269-8140
Division: Banking and Securities — Date/Time 2/22/10 10:30 AM
Approved by: Emil Notti, Commissioner — Date 2/23/2010
Department of Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 279

ANALYSIS CONTINUATION

The personal services component includes the addition of one occupational licensing position. Currently, one staff member handles the processing of license application, changes and renewals for two programs: mortgage lending as well as money service businesses. This position will be hired in FY11 to perform primarily mortgage lending and Registry licensing, change notice processing, and renewal functions, as well as support for the examiners. Our currently employed occupational licensing position will focus on money service business licensing, renewals and examiner support, as well as back-up in mortgage lending at peak times, such as year end when all licenses renew. The contractual line includes $3,000 in FY11 for costs associated with this new position as well as an ongoing $3,000 in the supplies line.

The travel component reflects the department licensing numerous out-of-state mortgage lending companies due to the national registry, requiring travel to examinations. The department estimates these out-of-state exams will cost about $20,000 per year, with travel to three exams per year, considering a 3 year exam schedule and reliance on other states for some portions of most out-of-state exams.

American Association of Residential Mortgage Regulators (AARMR) and the Conference of State Bank Supervisors (CSBS) oversee the national Registry. The CSBS membership fee is already included in the division's budget; however, the AARMR annual fee of $750 is new and is included in the contractual component.

Additionally, the Registry only processes federal background checks, and a licensee pays for this federal background check fee directly to the Registry. State background checks (*e.g.*, for mortgage company control persons) are paid up-front by the division. When the fee is collected from a licensee it goes into the general fund. We estimate the division's cost to be approximately $5,250 per year for this state background check service and is included in the contractual component.

The contractual component also reflects $30,000 in legal fees in FY11 associated with drafting the regulation package and an increase in our contract for legal hearing officer services in FY11. Other states already in compliance with the new federal laws have experienced increased legal and hearing fees associated with changes affecting the industry. The department expects an increase totaling $14,000 for in FY11 and FY12 as the result of changes in current law.

Change in Revenue:

An increase in FY11 revenue is expected due to changes brought about expansion of the definition of "mortgage loan originator." This expansion includes licensing of loss mitigation specialists as mortgage loan originators, thereby affecting loan modification and servicing companies. Licensing these individuals will also increase the number of companies needing to be licensed.

Additionally, the S.A.F.E. Act limits exemptions, such that non-profits, mobile home dealerships and previously exempt subsidiaries of financial institutions must now be licensed.
We estimate that all of these changes will increase FY11 revenue by $384.0.

In FY12 and beyond, the revenue increase is primarily due to the S.A.F.E. Act requiring annual, rather than biennial renewals. To estimate this increase, we reduced the number of additional applicants resulting from change in law in FY11, determined a number that anticipates new applicants and non-renewing licensees in relative stasis, and estimated the change in revenue to be $483.0 per year.

adopted 3/29/10 N/O

26-LS1295\S.1
Bailey/Bannister
3/29/10

AMENDMENT By Senator Egan

OFFERED IN THE SENATE

TO: CSSB 279( ), Draft Version "S"

Page 3, line 15, following "of":

Insert "the Internet,"

Page 4, line 3, following "individual":

Insert "seller"

Page 11, line 6:

Delete "suspended, **or**"

Insert "**is** suspended, **is**"

Page 12, following line 1:

Insert a new subsection to read:

"(c) The department shall approve or deny the application for renewal of a license not later than 60 days after the renewal application is filed."

Page 12, line 22:

Delete ~~Insert~~ "**and** [,] address [,]"

Insert ", **the licensee's** address,"

Page 14, line 14, following "department":

Insert "**that is made in a record**"

Page 20, line 6:

Delete "section"

Insert "chapter"

Page 30, line 19:

Delete "a"

Adopted 3/29/10 N/O

26-LS1295\S
Bannister
3/19/10

CS FOR SENATE BILL NO. 279( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR PASKVAN

A BILL

FOR AN ACT ENTITLED

"An Act relating to regulation of residential mortgage lending, including the licensing of mortgage lenders, mortgage brokers, and mortgage loan originators, and compliance with certain federal laws relating to residential mortgage lending; and providing for an effective date."

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

*** Section 1.** AS 06.01.050(3) is amended to read:

(3) "financial institution" means an institution subject to the regulation of the department under this title; in this paragraph, "institution" includes a commercial bank, savings bank, credit union, premium finance company, small loan company, bank holding company, financial holding company, trust company, savings and loan association, deferred deposit advance licensee under AS 06.50, **and** a licensee under AS 06.60 [, A SMALL MORTGAGE LENDER UNDER AS 06.60, AND AN ORIGINATOR UNDER AS 06.60 WHO IS EMPLOYED BY OR WORKS UNDER EXCLUSIVE CONTRACT FOR A SMALL MORTGAGE LENDER; IN

THIS PARAGRAPH,

(A) "LICENSEE UNDER AS 06.60" HAS THE MEANING GIVEN TO "LICENSEE" IN AS 06.60.990;

(B) "ORIGINATOR UNDER AS 06.60" HAS THE MEANING GIVEN TO "ORIGINATOR" IN AS 06.60.990;

(C) "SMALL MORTGAGE LENDER UNDER AS 06.60" HAS THE MEANING GIVEN TO "SMALL MORTGAGE LENDER" IN AS 06.60.990];

*** Sec. 2.** AS 06.60.010 is repealed and reenacted to read:

Sec. 06.60.010. Mortgage lender or mortgage broker license required. (a) Unless exempt under AS 06.60.015, a person may not operate in the state as a mortgage lender or mortgage broker with respect to a dwelling located in the state unless the person is licensed as a mortgage lender or mortgage broker under this chapter.

(b) A mortgage lender or mortgage broker required to be licensed under this chapter shall register with the registry and maintain a valid unique identifier issued by the registry.

(c) A mortgage license may cover more than one location of a mortgage licensee.

(d) A person who operates as both a mortgage lender and a mortgage broker is only required to obtain one mortgage license.

*** Sec. 3.** AS 06.60 is amended by adding new sections to read:

Sec. 06.60.012. Mortgage loan originator license required. (a) Unless exempt under AS 06.60.015, an individual may not operate in the state as a mortgage loan originator with respect to a dwelling located in the state unless the individual is licensed as a mortgage loan originator under this chapter.

(b) An individual required to be licensed as a mortgage loan originator shall

(1) register with the registry and maintain a valid unique identifier issued by the registry;

(2) work under exclusive contract for, or as an employee of, a mortgage licensee; and

(3) be sponsored in the registry by a mortgage licensee under a sponsorship approved in the registry by the department; in this paragraph, "sponsored" means authorized to conduct business as a mortgage loan originator under the supervision of a mortgage licensee.

Sec. 06.60.013. Loan processors or underwriters. (a) A loan processor or underwriter who is an independent contractor may not operate as a loan processor or underwriter unless the independent contractor loan processor or underwriter is licensed as a mortgage loan originator under this chapter. An independent contractor loan processor or underwriter licensed as a mortgage loan originator shall register with the registry and maintain a valid unique identifier issued by the registry.

(b) An individual engaged solely in loan processor or underwriter activities who is not an independent contractor is not required to be licensed as a mortgage loan originator under this chapter if the individual does not represent to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the individual can or will perform any of the activities of a mortgage loan originator.

*** Sec. 4.** AS 06.60.015 is repealed and reenacted to read:

Sec. 06.60.015. Exemptions. (a) The following persons are exempt from the mortgage lender or mortgage broker licensing requirements of this chapter:

(1) a depository institution;

(2) a subsidiary that is

(A) owned and controlled by a depository institution; and

(B) regulated by a federal banking agency; or

(3) an institution regulated by the Farm Credit Administration.

(b) The following individuals are exempt from the mortgage loan originator licensing requirements of this chapter:

(1) a registered mortgage loan originator, when acting for an entity described in (a)(1), (2), or (3) of this section;

(2) an individual who offers or negotiates terms of a residential mortgage loan with or on behalf of an immediate family member of the individual; in

this paragraph, "immediate family member" means a spouse, child, stepchild, sibling, stepsibling, parent, stepparent, grandparent, or grandchild;

(3) an individual who offers or negotiates terms of a residential mortgage loan secured by a dwelling that serves as the individual's residence;

(4) a licensed attorney who negotiates the terms of a residential mortgage loan on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, a mortgage broker, or another mortgage loan originator or by an agent of a lender, a mortgage broker, or another mortgage loan originator.

*** Sec. 5.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.016. Registry. (a) The department may participate in the registry and pay the fees required for participation in the registry.

(b) The department

(1) may establish relationships or contracts with the registry or other entities designated by the registry to collect and maintain records and process transaction fees or other fees related to licensees or other persons subject to this chapter;

(2) shall require mortgage licensees and mortgage loan originators to register with the registry; and

(3) shall establish by regulation a process that allows mortgage licensees and mortgage loan originators to challenge information entered into the registry by the department.

(c) The department may adopt emergency regulations under AS 44.62 (Administrative Procedure Act) to implement this section, including emergency regulations for the assessment of fees.

*** Sec. 6.** AS 06.60.020 is repealed and reenacted to read:

Sec. 06.60.020. Application for license. (a) An application for a license under this chapter must

(1) be on the form prescribed by the department and the registry;

(2) contain complete information regarding the applicant;

(3) include fingerprints of the applicant, as needed to conduct a

background check; and

(4) contain other information or supporting material that the department may require concerning the applicant, including the organization and operations of an applicant for a mortgage license and the financial responsibility, background, experience, and activities of the applicant.

(b) In this section, "applicant" includes a control person of an applicant for a mortgage license.

* **Sec. 7.** AS 06.60.026 is amended to read:

Sec. 06.60.026. Transfer of mortgage loan originator license. A person who holds **a mortgage loan** [AN] originator license may not transfer or assign the **mortgage loan** originator license.

* **Sec. 8.** AS 06.60.027 is repealed and reenacted to read:

Sec. 06.60.027. Background checks. (a) To apply for a mortgage loan originator license or a mortgage license, the applicant shall, at a minimum, furnish information concerning the applicant's identity to the registry or the department, including

(1) fingerprints for submission to the Federal Bureau of Investigation and any governmental agency or entity authorized to receive that information for a state, national, and international criminal history background check; and

(2) personal history and experience in a form prescribed by the registry and authorization for the registry and the department to obtain

(A) an independent credit report from a consumer reporting agency; and

(B) information related to administrative, civil, or criminal findings by a governmental jurisdiction.

(b) For the purposes of this section, the department may use the registry as an agent for requesting information from and distributing information to the United States Department of Justice, another governmental agency, or another source directed by the department.

(c) As part of the investigation of an application for a license under this chapter, the department or the registry shall

(1) submit fingerprints of the applicant and a control person of the applicant to the governmental agency or entity authorized to receive the fingerprints for a state, national, or international criminal history background check under (a)(1) of this section; and

(2) obtain an independent credit report and other information related to administrative, civil, or criminal findings regarding the applicant and each control person of the applicant under (a)(2) of this section.

*** Sec. 9.** AS 06.60.035(a) is amended to read:

(a) **When** [EXCEPT AS PROVIDED BY (c) OF THIS SECTION, WHEN] an applicant submits an application for a license under this chapter to the department, the applicant shall pay to the department

(1) **an** [A NONREFUNDABLE] application fee [OF $250] in partial payment of those investigation expenses incurred by the department; and

(2) **an annual** [A BIENNIAL] license fee [OF $500] for the period that terminates **on December 31** [TWO YEARS] after the date the license is issued; after this payment, the **annual** [BIENNIAL] license fee is due every **year, subject to renewal by the department** [TWO YEARS ON THE ANNIVERSARY DATE OF THE ORIGINAL ISSUANCE OF THE LICENSE].

*** Sec. 10.** AS 06.60.035(c) is repealed and reenacted to read:

(c) The fees imposed by this section are in addition to the fees charged by the registry and the business license fees assessed under AS 43.70 (Alaska Business License Act).

*** Sec. 11.** AS 06.60.035 is amended by adding a new subsection to read:

(d) The department may establish by regulation the amount and manner of payment of application fees, examination fees, license fees, permit fees, investigation fees, and all administrative or other fees or penalties under this chapter. The fees established under this chapter are nonrefundable.

*** Sec. 12.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.038. Prelicensing and relicensing education of mortgage loan originators. (a) Before being licensed as a mortgage loan originator, an individual shall complete at least 20 hours of education approved under (b) of this section. At a

minimum, the education must include

(1) three hours of instruction in federal statutes and regulations relating to mortgage origination, fraud prevention, consumer protection, the nontraditional mortgage marketplace, and fair lending.;

(2) three hours of instruction in ethics, including instruction on issues related to fraud prevention, consumer protection, and fair lending; and

(3) two hours of training related to lending standards for the nontraditional mortgage product marketplace.

(b) For the purposes of (a) of this section, a prelicensing education course must be approved under 12 U.S.C. 5104(c)(2) (Secure and Fair Enforcement for Mortgage Licensing Act of 2008). Review and approval of a prelicensing education course includes review and approval of the course provider.

(c) Nothing in this section precludes a prelicensing education course that is approved under (b) of this section and that is provided by the employer of the applicant, an entity affiliated with the applicant, or a subsidiary or affiliate of an employer or entity affiliated with the applicant.

(d) Prelicensing education may be offered in a classroom, on-line, or by other means approved under 12 U.S.C. 5104(c)(2) (Secure and Fair Enforcement for Mortgage Licensing Act of 2008).

* **Sec. 13.** AS 06.60.040 is repealed and reenacted to read:

Sec. 06.60.040. Testing of mortgage loan originators. (a) Before being licensed as a mortgage loan originator, an individual shall pass, under the standards established by this section, a qualified written test on appropriate subject areas, including federal and state law, under 12 U.S.C. 5104(d) (Secure and Fair Enforcement for Mortgage Licensing Act of 2008).

(b) The department shall treat a written test as a qualified written test for purposes of (a) of this section if the department finds that the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including

(1) ethics; and

(2) federal and state statutes and regulations relating to mortgage origination, fraud prevention, consumer protection, the nontraditional mortgage

marketplace, and fair lending.

(c) This section does not prohibit a test provider approved by the registry from providing a test at the location of the employer of the applicant, the location of a subsidiary or affiliate of the employer of the applicant, or the location of an entity with which the applicant holds an exclusive arrangement to conduct the business of a mortgage loan originator.

(d) To pass a qualified written test, an applicant must answer at least 75 percent of the questions correctly.

(e) An individual may retake a test three consecutive times, but each consecutive taking of a test must occur at least 30 days after taking the preceding test.

(f) After failing three consecutive takings of the same test, an individual shall wait at least six months before retaking the test.

(g) A licensed mortgage loan originator who fails to maintain a valid license for a period of five years or longer shall retake the test. The period without a valid license under this subsection does not include the time the individual is a registered mortgage loan originator.

(h) The department may assess a fee for each administration of a qualified written test.

*** Sec. 14.** AS 06.60.045(a) is amended to read:

(a) An applicant for a mortgage license shall file with the application submitted to the department under AS 06.60.020 a bond with one or more sureties**.** **The department shall establish by regulation the amount of the required bond and the standards and procedures for recovery on the bond** [IN THE AMOUNT OF $25,000 UNDER WHICH THE APPLICANT IS THE OBLIGOR]. The bond must be satisfactory to the department.

*** Sec. 15.** AS 06.60.045(d) is amended to read:

(d) The bond required under (a) of this section must be continuous until **three years after** the department revokes or otherwise terminates the license.

*** Sec. 16.** AS 06.60.050(a) is amended to read:

(a) Within 30 days after the date the department determines that it has received a complete application under **AS 06.60.020** [AS 06.60.020 OR 06.60.025],

the required bond if the application is for a mortgage license, and any required fees and investigative costs, the department shall either grant or deny the license.

*** Sec. 17.** AS 06.60.060 is repealed and reenacted to read:

Sec. 06.60.060. Determinations before licensing. Before granting a license under this chapter, the department shall determine, at a minimum, that

(1) the applicant has complied with the requirements of this chapter for obtaining the license;

(2) the applicant, including a control person of the applicant, has

(A) never had a mortgage lender, mortgage broker, or mortgage loan originator license revoked by a governmental jurisdiction, except that, if a revocation has been formally vacated, the revocation is not considered a revocation under this paragraph; in this paragraph,

(i) a control person of an applicant for a mortgage license includes an entity over which the control person exercised control at the time of the revocation; and

(ii) an applicant for a mortgage loan originator license includes an entity over which the applicant exercised control at the time of the revocation;

(B) not been convicted of, or pled guilty or no contest to, a felony in a domestic, foreign, or military court during the seven-year period preceding the date of the application, or at any time preceding the date of application if the felony involved an act of fraud, dishonesty, a breach of trust, or money laundering; however, if the applicant has been pardoned for the conviction, the conviction is not considered a conviction under this subparagraph;

(C) demonstrated financial responsibility, character, and general fitness sufficient to command the confidence of the community and to warrant a determination that the applicant will operate honestly, fairly, and efficiently within the purposes of this chapter; under this subparagraph,

(i) an applicant does not show financial responsibility if the applicant has shown inattention to or neglect of the management of

the person's own financial condition;

(ii) a determination that an applicant has not shown financial responsibility may include current outstanding judgments against the applicant, except judgments related solely to a claim related to medical expenses; current outstanding tax liens or other government liens and filings against the applicant; foreclosures of the applicant's property within the three years preceding the date of the application; and a pattern by the applicant of seriously delinquent accounts within the three years preceding the date of the application;

(3) the applicant for a mortgage loan originator license

(A) has completed the prelicensing education requirement described in AS 06.60.038;

(B) has passed a test that meets the requirements described in AS 06.60.040; and

(C) has paid the fund fee as required by AS 06.60.550; and

(4) the applicant for a mortgage license has provided a bond as required by AS 06.60.045.

*** Sec. 18.** AS 06.60 is amended by adding a new section to article 1 to read:

Sec. 06.60.077. Authority to issue provisional license. (a) Subject to (b) of this section, the department may issue a provisional license to an applicant for a mortgage license if the department has made all determinations under AS 06.60.060 necessary for licensure except those determinations based on the criminal history background check required by AS 06.60.027.

(b) A provisional license may be granted under this section if the

(1) receipt by the department of the results of the criminal history background check is delayed more than 60 days after the date the fingerprints are submitted to the governmental agency that conducts the criminal history background check; and

(2) delay described in (1) of this subsection is not caused by the applicant.

(c) The duration of a provisional license issued under this section may not

exceed 90 days.

* **Sec. 19.** AS 06.60.080 is amended to read:

Sec. 06.60.080. Duration of license. **Except for a provisional license issued under AS 06.60.077, a** [A] license issued under this chapter remains in effect **until December 31 of the year in which** [FOR TWO YEARS AFTER] the license is issued**,** unless **the license is** revoked, suspended, **or** surrendered, or **becomes** [BECOMING] inactive under this chapter.

* **Sec. 20.** AS 06.60.085 is repealed and reenacted to read:

Sec. 06.60.085. Renewal of license. (a) If a licensee intends to renew a license, the licensee shall submit to the department

(1) a renewal application at a time and in the form and manner established by the department and the registry;

(2) the annual license fee;

(3) if the renewal is for a mortgage license,

(A) a report, as required by regulation, identifying any changes in the information provided to the department; and

(B) current information indicating that the mortgage licensee continues to meet the minimum standards for license issuance;

(4) if the renewal is for a mortgage loan originator license,

(A) a report, as required by regulation, identifying any changes in the information provided to the department;

(B) current information indicating that the mortgage loan originator continues to meet the minimum standards for license issuance;

(C) certificates or other documents showing the mortgage loan originator has satisfied the annual continuing education requirements of AS 06.60.160; and

(D) the fund fee required by AS 06.60.550; and

(5) payment of any other required fees for renewal of the license.

(b) The department may adopt by regulation procedures and deadlines regarding the filing of an application for renewal of a license and the assessment of a penalty or other consequence for late filing, consistent with the requirements of the

registry.

*** Sec. 21.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.087. Standards for license renewal. (a) After a licensee complies with AS 06.60.085, the department may renew the licensee's license if

(1) the licensee continues to meet the standards for license issuance under AS 06.60.060;

(2) in the case of a mortgage loan originator license, the mortgage loan originator licensee has satisfied the annual continuing education requirements of AS 06.60.160;

(3) the licensee has paid all required fees for renewal of the license; and

(4) the licensee is in compliance with the requirements of this chapter and regulations adopted and orders issued under this chapter.

(b) If a licensee fails to satisfy (a) of this section, the license expires at the end of the period for which the license was issued. The department may adopt by regulation procedures for the reinstatement of expired licenses. The procedures must be consistent with the standards established by the registry.

*** Sec. 22.** AS 06.60.090(c) is amended to read:

(c) For a license to become inactive, a licensee shall provide the department with a written request that the license become inactive [AND RETURN THE LICENSE CERTIFICATE TO THE DEPARTMENT]. The request must include the licensee's name **and** [,] address [,] and other information [THAT] the department requires to process the request**. If the request is made by mortgage licensee, the request must include** [AND] a statement by the **mortgage** licensee that all mortgage loans of the **mortgage** licensee have been paid in full or sold.

*** Sec. 23.** AS 06.60.090(e) is amended to read:

(e) If a person holds a license that becomes inactive under this section, the person may not operate as a mortgage lender, mortgage broker, or **mortgage loan** originator under the license in this state until the license is reactivated.

*** Sec. 24.** AS 06.60.090(f) is amended to read:

(f) If a license becomes inactive under this section, the license remains

inactive until the license expires, the person surrenders the license, or the **department approves the reactivation of the license, whichever event occurs first** [PERSON WHO HOLDS THE INACTIVE LICENSE PROVIDES THE DEPARTMENT WITH A WRITTEN REQUEST THAT THE LICENSE BE REACTIVATED]. The **licensee's** request **for reactivation** must include the information that the department requires to process the request.

*** Sec. 25.** AS 06.60.090(g) is repealed and reenacted to read:

(g) While a license is inactive under this section, the person holding the inactive license shall

(1) pay the annual license fee as required by AS 06.60.035;

(2) inform the department of any change that occurs in the name and address of the person, the location of the person's business, or the business operations or control of the person;

(3) maintain the bond required by AS 06.60.045; and

(4) file the annual report required by AS 06.60.100(a).

*** Sec. 26.** AS 06.60.095 is repealed and reenacted to read:

Sec. 06.60.095. Reactivation of inactive license. (a) A person who has an inactive license certificate under AS 06.60.090 may apply to the department for an active license and pay the required fees. To be eligible for license reactivation, the applicant shall comply with all requirements for licensure in effect at the time of reactivation.

(b) If the department reactivates a license under this section, the license expires on December 31 of the year in which it is issued.

*** Sec. 27.** AS 06.60.100(a) is amended to read:

(a) **Annually, on** [ON] or before **a** [MARCH 15, OR ON ANOTHER] date established by the department by regulation, [OF EACH YEAR] a mortgage licensee shall file a report with the department **providing** [GIVING] relevant information that the department requires concerning the business and operations of [EACH LOCATION IN THIS STATE WHERE] the mortgage licensee [CONDUCTS BUSINESS IN THIS STATE DURING THE PRECEDING CALENDAR YEAR]. The mortgage licensee shall make the report under oath or on affirmation. The content

and form of the report shall be established by the department by regulation.

*** Sec. 28.** AS 06.60.100 is amended by adding a new subsection to read:

(c) A mortgage licensee shall submit to the registry, as required by the registry, reports of the condition of the licensee, which must be in the form and contain the information that the registry may require.

*** Sec. 29.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.112. Branch office application. A mortgage licensee shall submit an application to register a branch office to the department through the registry. The department may adopt by regulation procedures and fees for the submission of an application to register a branch office, consistent with the requirements of the registry. The department may adopt by regulation fees and other requirements for renewal of a branch office registration that are consistent with the requirements of the registry.

*** Sec. 30.** AS 06.60.130(a) is amended to read:

(a) The prior [WRITTEN] approval of the department is required for the continued operation of a mortgage licensee's business when a change in control of the mortgage licensee is proposed. The department may require the information it considers necessary to determine whether a new application is required. The mortgage licensee requesting approval of the change in control shall pay all reasonable expenses incurred by the department to investigate and approve or deny the change in control. **The department may establish by regulation the fees and other requirements for requesting approval of a change in control that are consistent with the requirements of the registry.**

*** Sec. 31.** AS 06.60.140 is amended to read:

Sec. 06.60.140. Availability of out-of-state records. A mortgage licensee who operates an office or other place of business outside this state shall, at the request of the department,

(1) make the records of the office or place of business available to the department at a location within this state; or

(2) reimburse the department its reasonable costs, as provided in **AS 06.60.250(k)** [AS 06.60.250(f)], that are incurred by the department in conjunction with an investigation or examination conducted at the office or place of business.

* **Sec. 32.** AS 06.60.155 is amended to read:

Sec. 06.60.155. Restriction on mortgage loan originator licensee's [LICENSEE] work. **A mortgage loan** [AN] originator licensee may only work as **a mortgage loan** [AN] originator licensee under contract for, or as an employee of, one mortgage licensee.

* **Sec. 33.** AS 06.60.157 is amended to read:

Sec. 06.60.157. Restrictions [MORTGAGE LICENSEE RESTRICTIONS] on mortgage licensee's performance of mortgage loan originator activities. A mortgage licensee may not perform **mortgage loan** originator activities except through a licensed **mortgage loan** originator who is an employee of or under exclusive contract with a mortgage licensee.

* **Sec. 34.** AS 06.60.159 is amended to read:

Sec. 06.60.159. Mortgage licensee's [LICENSEE] employment of, contract with, and liability for mortgage loan originator. (a) A mortgage licensee may not employ or enter into a contract with a person who acts as **a mortgage loan** [AN] originator for the mortgage licensee unless the person has **a mortgage loan** [AN] originator license.

(b) A mortgage licensee is liable for the conduct of a person acting as **a mortgage loan** [AN] originator if the mortgage licensee knows or should have known that the person's conduct violates this chapter and the person is employed by or is under contract with the mortgage licensee to act as **a mortgage loan** [AN] originator.

* **Sec. 35.** AS 06.60.160 is repealed and reenacted to read:

Sec. 06.60.160. Continuing education requirements for mortgage loan originators. (a) Each calendar year, a licensed mortgage loan originator shall complete at least eight hours of education approved under (b) of this section. At a minimum, these hours must include

(1) three hours of instruction in federal statutes and regulations;

(2) two hours of instruction in ethics, including instruction on issues related to fraud prevention, consumer protection, and fair lending; and

(3) two hours of training related to lending standards for the nontraditional mortgage product marketplace.

(b) For the purposes of (a) of this section, a continuing education course must be approved under 12 U.S.C. 5105(b)(2) (Secure and Fair Enforcement for Mortgage Licensing Act of 2008). Review and approval of a continuing education course includes review and approval of the course provider.

(c) Nothing in this section precludes a continuing education course that is approved under (b) of this section and that is provided by the employer of the applicant, an entity affiliated with the applicant, or a subsidiary or affiliate of an employer or entity affiliated with the applicant.

(d) Continuing education may be offered in a classroom, on-line, or by other means approved under 12 U.S.C. 5105(b)(2) (Secure and Fair Enforcement for Mortgage Licensing Act of 2008).

(e) A licensed mortgage loan originator

(1) except as provided by (i) of this section, may only receive credit for a continuing education course in the calendar year in which the course is taken; and

(2) may not retake an approved course in the same or successive calendar years if the mortgage loan originator has previously taken the course to meet the annual requirements for continuing education.

(f) A licensed mortgage loan originator who is an approved instructor of an approved continuing education course may receive credit for the licensed mortgage loan originator's own annual continuing education requirement at the rate of two hours of credit for each one hour taught.

(g) Successful completion of a continuing education course approved for another state by the registry shall be accepted as credit toward completion of continuing education requirements in this state.

(h) Before a new or renewed license may be issued to a licensed mortgage loan originator who has become unlicensed, the mortgage loan originator shall complete the continuing education requirements for the last calendar year in which the mortgage loan originator's license was valid.

(i) A person meeting the requirements of AS 06.60.087, other than the continuing education requirement of AS 06.60.087(a)(2), may make up a deficiency in continuing education in a manner established by regulation.

* **Sec. 36.** AS 06.60.200 is repealed and reenacted to read:

Sec. 06.60.200. Disciplinary action. (a) In addition to other disciplinary action allowed under this chapter or under AS 06.01, the department may deny, suspend, revoke, condition, or decline to renew a license or take other disciplinary action against a person subject to this chapter, including action under a regulation adopted under this chapter, if the department finds that the person

(1) fails to comply with an applicable provision of this title, an applicable regulation adopted under this title, a lawful demand, ruling, order, or requirement of the department, or other state or federal statute or regulation applicable to the conduct of the licensee's business;

(2) fails to meet the minimum standards for issuance or renewal of a license; or

(3) knowingly withholds material information or negligently makes a material misstatement in an application for or renewal of a license.

(b) The department may

(1) order a person subject to this chapter to cease and desist from conducting business, including an immediate temporary order to cease and desist;

(2) order a person subject to this chapter to cease and desist from violating this chapter, including an immediate temporary order to cease and desist;

(3) impose a fine on a person subject to this chapter under AS 06.60.420;

(4) issue an order of rescission, restitution, or disgorgement directed to a person subject to this chapter for a violation of this chapter;

(5) order other affirmative action that the department considers necessary, including an accounting, an asset freeze, or the appointment of a receiver.

(c) A disciplinary action under this section may be taken by itself or in conjunction with one or more other disciplinary actions under this chapter or under AS 06.01.

* **Sec. 37.** AS 06.60.210 is amended to read:

Sec. 06.60.210. Suspension, [OR] revocation, or renewal related to fund. (a) When an award is made from the fund, the department may suspend, [OR] revoke,

or decline to renew the license of the **mortgage loan** originator licensee whose actions formed the basis of the award.

(b) The department shall lift a suspension made under (a) of this section if the **mortgage loan** originator licensee reaches an agreement with the department on terms and conditions for the repayment to the fund of the money awarded to the claimant and the costs of hearing the fund claim. The department may reimpose the suspension if the **mortgage loan** originator licensee violates the terms of a repayment agreement entered into under this subsection.

*** Sec. 38.** AS 06.60.230 is amended to read:

Sec. 06.60.230. Divestment. If the department revokes a mortgage license [OR A REGISTRATION OF A SMALL MORTGAGE LENDER], the mortgage licensee [OR THE SMALL MORTGAGE LENDER] shall divest itself of all outstanding loans that were issued under this chapter by selling or assigning them to another mortgage licensee [OR SMALL MORTGAGE LENDER]. Divestment under this section must be approved by the department.

*** Sec. 39.** AS 06.60.240 is amended to read:

Sec. 06.60.240. Reinstatement. The department may reinstate a **suspended** [REVOKED] license [OR REGISTRATION UNDER AS 06.60.017] if the licensee [OR SMALL MORTGAGE LENDER] complies with this chapter or with a demand, ruling, or requirement made by the department under this chapter. Before reinstatement of a license [OR REGISTRATION UNDER AS 06.60.017], the licensee [OR SMALL MORTGAGE LENDER] shall pay any fees, restitution, and civil penalties owing under this chapter.

*** Sec. 40.** AS 06.60.250 is repealed and reenacted to read:

Sec. 06.60.250. Investigation and examination authority. (a) For the purpose of initial licensing, license renewal, license suspension, license conditioning, license revocation, license termination, or general or specific inquiry or investigation to determine compliance with this chapter, the department may access, receive, use, and copy any books, accounts, records, files, documents, information, or evidence, including

(1) criminal, civil, and administrative history information, including

nonconviction information; in this paragraph, "nonconviction information" has the meaning given in AS 12.62.900;

(2) personal history and experience information, including independent credit reports obtained from a consumer reporting agency; and

(3) other documents, information, and evidence the department considers relevant to the inquiry or investigation, regardless of the location, possession, or custody of the documents, information, or evidence.

(b) Notwithstanding AS 06.01.015, for the purpose of investigating violations or complaints arising under this chapter, or for the purpose of examination, the department may review, investigate, or examine an applicant, licensee, or another person subject to this chapter as often as necessary to carry out the purposes of this chapter. The department may conduct an examination without prior notice to the licensee.

(c) A licensee or other person subject to this chapter shall make available to the department, on request, the place of business, books, records, accounts, safes, and vaults relating to the operations of the licensee or other person subject to this chapter. The department may interview the officers, principals, mortgage loan originators, employees, independent contractors, agents, and customers of the licensee or other person subject to this chapter concerning the licensee's or other person's business.

(d) For the purpose of hearings, investigations, or other proceedings under this chapter, the department or an officer designated by the department may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of books, papers, correspondence, memoranda, agreements, or other documents or records that the department considers relevant or material to the matter.

(e) If a person refuses to comply with a subpoena, the superior court, on application by the department, may issue to the person an order requiring the person to appear before the department to produce documentary evidence or to give evidence regarding the matter under investigation or in question.

(f) A licensee or other person subject to this chapter shall make or compile reports or prepare other information as directed by the department to carry out the

purposes of this section, including

(1) accounting compilations;

(2) information lists and data concerning loan transactions in a format prescribed by the department; and

(3) other information considered necessary to carry out the purposes of this section.

(g) In making an examination or investigation authorized by this chapter, the department may control access to documents and records of the licensee or other person under examination or investigation. The department may take possession of the documents and records or place a person in exclusive charge of the documents and records in the place where they are usually kept. During the period of control, a person may not remove or attempt to remove any of the documents and records except under a court order or with the consent of the department. In this subsection, "control" does not have the meaning given in AS 06.60.990.

(h) To carry out the purposes of this section, the department may

(1) retain attorneys, accountants, or other professionals and specialists, including examiners, auditors, or investigators, to conduct or assist in the conduct of examinations or investigations;

(2) enter into agreements or relationships with other government officials or regulatory associations to improve efficiency and reduce the regulatory burden by sharing resources, standardized or uniform methods or procedures, and documents, records, information, and evidence obtained under this section;

(3) use, hire, contract, or employ public or privately available analytical systems, methods, or electronic software to examine or investigate the licensee, individual, or other person subject to this chapter;

(4) accept and rely on examination or investigation reports made by other government officials in this or another state;

(5) share information received or collected during an examination, investigation, or other proceeding with other law enforcement agencies; or

(6) accept an audit report prepared by an independent certified public accountant for the licensee or other person subject to this chapter and may incorporate

an audit report in the report of the examination or other writing of the department.

(i) The authority under this section remains in effect, whether or not a licensee or other person subject to this chapter acts or claims to act under a licensing or registration law of the state or claims to act without the authority of a licensing or registration law of the state.

(j) A licensee or other person subject to investigation or examination under this section may not knowingly withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information.

(k) A person shall reimburse the department for reasonable costs incurred by the department to conduct an examination or investigation under this section. The reimbursement under this subsection may not exceed the rate of $75 an hour for the examination or investigation, plus travel costs, including a per diem allowance that does not exceed the per diem allowance for employees of the state under AS 39.20.110.

* **Sec. 41.** AS 06.60.260 is amended to read:

Sec. 06.60.260. Revocation, removal, or suspension of mortgage loan originator licensee. If the department finds that **a mortgage loan** [AN] originator licensee is dishonest, reckless, or incompetent when operating as **a mortgage loan** [AN] originator or fails to comply with applicable law, with regulations or orders of the department, or with written requirements or instructions of the department relating to the **mortgage loan** originator license, the department may revoke or suspend the **mortgage loan** originator license, remove the **mortgage loan** originator licensee from operating as **a mortgage loan** [AN] originator in the state, or order a person licensed under this title to remove the **mortgage loan** originator licensee from operating as **a mortgage loan** [AN] originator for the person.

* **Sec. 42.** AS 06.60.270 is amended to read:

Sec. 06.60.270. Removal by entity. A mortgage licensee shall remove **a mortgage loan** [AN] originator licensee from acting as **a mortgage loan** [AN] originator for the mortgage licensee if the department directs the mortgage licensee to remove the **mortgage loan** originator licensee under AS 06.60.260.

* **Sec. 43.** AS 06.60 is amended by adding a new section to article 4 to read:

Sec. 06.60.290. Report to the registry. Notwithstanding AS 06.01.025, the department shall regularly report violations of this chapter, as well as enforcement actions and other relevant information, to the registry, subject to provisions established by the department by regulation.

* **Sec. 44.** AS 06.60.320 is amended to read:

Sec. 06.60.320. False, misleading, or deceptive advertising prohibited. A person [, INCLUDING A SMALL MORTGAGE LENDER,] may not advertise, print, display, publish, distribute, broadcast, or cause or permit to be advertised, printed, displayed, published, distributed, or broadcast, in any manner a statement or representation with regard to the rates, terms, or conditions for a mortgage loan that is false, misleading, or deceptive.

* **Sec. 45.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.325. Display of unique identifier. A person operating as a mortgage lender, mortgage broker, or mortgage loan originator shall clearly display the unique identifier assigned to the person by the registry on all residential mortgage loan application forms, solicitations, and advertisements, including business cards or websites, and any other documents as established by regulation or order of the department.

* **Sec. 46.** AS 06.60.330 is amended to read:

Sec. 06.60.330. Compliance with federal requirements. A person [, INCLUDING A SMALL MORTGAGE LENDER,] subject to this chapter shall conduct the person's mortgage loan activities in compliance with [12 CFR PART 226 AND OTHER REGULATIONS ADOPTED BY THE FEDERAL GOVERNMENT UNDER]

(1) 12 U.S.C. 2601 - 2617 (Real Estate Settlement Procedures Act of 1974);

(2) 12 U.S.C. 2801 - 2810 (Home Mortgage Disclosure Act of 1975);

(3) 12 U.S.C. 2901 - 2908 (Community Reinvestment Act of 1977);

(4) **12 U.S.C. 5101 - 5116 (Secure and Fair Enforcement for Mortgage Licensing Act of 2008);**

(5) 15 U.S.C. 1601 - 1666j and 1671 - 1693r (Consumer Credit

Protection Act);

(6) [(5)] 42 U.S.C. 3601 - 3631 (Fair Housing Act of 1968); [AND]

(7) [(6)] any other federal **statute the purpose of which is to regulate residential mortgage lending; and**

(8) regulations adopted under the statutes identified in (1) - (7) of this section [LAW OR REGULATION].

*** Sec. 47.** AS 06.60.340 is repealed and reenacted to read:

Sec. 06.60.340. Prohibited activities. In addition to activities prohibited elsewhere in this chapter or by other law, a person who is a licensee, a person who is required to be licensed under this chapter, and a person who is licensed under AS 06.20 may not, in connection with a mortgage loan transaction,

(1) misrepresent or conceal a material fact or make a false promise likely to influence, persuade, or induce an applicant for a mortgage loan or a borrower to enter into a mortgage loan transaction;

(2) pursue a course of misrepresentation through an agent;

(3) directly or indirectly employ any scheme, device, or artifice to defraud or mislead a borrower or lender or to defraud a person;

(4) engage in any unfair or deceptive act or practice toward any person;

(5) obtain property by fraud or misrepresentation;

(6) solicit or enter into a contract with a borrower that provides, in substance, that the person subject to this chapter may earn a fee or commission through using the person's best efforts to obtain a loan, even though a loan is not actually obtained for the borrower;

(7) solicit, advertise, or enter into a contract for specific interest rates, points, or other financing terms unless the terms are actually available at the time of soliciting, advertising, or contracting;

(8) conduct a business covered by this chapter without holding a valid license as required under this chapter, or assist a person in the conduct of business under this chapter without a valid license as required under this chapter;

(9) fail to make disclosures as required by this chapter or by another

applicable state or federal statute, including regulations adopted under the statute;

(10) fail to comply with this chapter or regulations adopted under this chapter or fail to comply with another state or federal statute, including regulations adopted under the statute, applicable to a business authorized or conducted under this chapter;

(11) make, in any manner, false or deceptive statements or representations, including statements or representations about rates, points, or other financing terms or conditions, or engage in bait and switch advertising;

(12) negligently make a false statement or knowingly omit a material fact in connection with information or reports filed with the department or the registry or in connection with an investigation conducted by the department;

(13) make a payment, threat, or promise, directly or indirectly, to a person for the purposes of influencing the independent judgment of the person in connection with a mortgage loan, or make a payment, threat, or promise, directly or indirectly, to an appraiser of a property, for the purpose of influencing the independent judgment of the appraiser with respect to the value of the property;

(14) collect, charge, attempt to collect, attempt to charge, or use or propose an agreement purporting to collect or charge a fee prohibited by this chapter;

(15) cause or require a borrower to obtain property insurance coverage in an amount that exceeds the replacement cost, as established by the property insurer, of the improvements;

(16) improperly refuse to issue a satisfaction of a mortgage loan;

(17) fail to account for or deliver to a person money, a document, or another thing of value obtained in connection with a mortgage loan, including money provided for a real estate appraisal or a credit report, if the person is not entitled to retain the money under the circumstances;

(18) pay, receive, or collect, in whole or in part, a commission, fee, or other compensation for brokering a mortgage loan in violation of this chapter, including a mortgage loan brokered by an unlicensed person;

(19) fail to disburse money in accordance with a written commitment or agreement to make a mortgage loan;

(20) engage in a transaction, practice, or course of business that is not engaged in by the person in good faith or fair dealing or that constitutes a fraud on a person in connection with the brokering, making, purchase, or sale of a mortgage loan;

(21) influence or attempt to influence, through coercion, extortion, or bribery, the development, reporting, result, or review of a real estate appraisal sought in connection with a mortgage loan; this paragraph does not prohibit a person from asking an appraiser to

(A) consider additional appropriate property information;

(B) provide further detail, substantiation, or explanation for the appraiser's value determination; or

(C) correct errors in the appraisal report;

(22) make a false or misleading statement in a mortgage loan commitment or prequalification letter, or omit material information necessary to make the statements made not misleading, if the person knew or reasonably should have known the statement was false or misleading or the omission consisted of material information necessary to make the statements made not misleading;

(23) engage in a practice or course of business in which the ultimate rates, terms, or costs of mortgage loans are materially worse for the borrower than they are represented to be in the first good faith estimates the person provides to the borrower, unless

(A) the person's generally published or advertised rates, terms, or costs, if any, change for a borrower's loan program; or

(B) new or changed information from the borrower makes it necessary to change the loan program offered to the borrower;

(24) represent that the person has a license, registration, title, certification, sponsorship, approval, status, affiliation, or connection that the person does not have;

(25) engage in unfair, deceptive, or fraudulent advertising; or

(26) authorize, direct, plan, or aid in the publishing, distribution, or circulation of a materially false statement or a material misrepresentation concerning the licensee's business or concerning mortgage loans originated in the course of the

licensee's business in this or another state.

*** Sec. 48.** AS 06.60.360 is amended by adding a new subsection to read:

(f) In this section, "escrow account" means an account

(1) to which a borrower makes payments for obligations related to the real property that is the subject of a residential mortgage loan of the borrower;

(2) held by a third person; and

(3) from which the third person identified in (2) of this subsection disburses money in accordance with a written agreement to pay obligations related to the real property that is the subject of a residential mortgage loan of the borrower.

*** Sec. 49.** AS 06.60.370 is amended to read:

Sec. 06.60.370. Criminal penalties [LIABILITY OF LICENSEE OR SMALL MORTGAGE LENDER]. (a) The department may report **a violation** [VIOLATIONS] of (b) - (e) of this section to the attorney general, who may institute the proper proceedings to enforce the criminal penalties provided in (b) - (e) of this section.

(b) A person [, INCLUDING A SMALL MORTGAGE LENDER,] who knowingly provides false or misleading information to the department that is material under this chapter is guilty of a class A misdemeanor.

(c) A [LICENSEE, PERSON WHO IS A SMALL MORTGAGE LENDER, OR] person [WHO IS EXEMPT UNDER AS 06.60.015] who knowingly fails to account for or deliver to a person money, deposits, or checks or other forms of negotiable instruments in violation of the provisions of this chapter is guilty of a class A misdemeanor.

(d) A licensee [OR A SMALL MORTGAGE LENDER] who knowingly fails to disburse money belonging to the borrower without just cause is guilty of a class A misdemeanor.

(e) **Unless the person is exempt from licensing under this chapter, a person** [A MORTGAGE LENDER, MORTGAGE BROKER, OR ORIGINATOR] who knowingly operates **in this state as a mortgage lender, mortgage broker, or mortgage loan originator** without a license **issued under this chapter** [OR WITHOUT BEING REGISTERED UNDER AS 06.60.017 AND IS NOT EXEMPT

UNDER AS 06.60.015] is guilty of a class A misdemeanor.

* **Sec. 50.** AS 06.60.400 is repealed and reenacted to read:

Sec. 06.60.400. Cease and desist proceedings. (a) Notwithstanding AS 06.01.030(d) and (e), if the department finds, after notice and opportunity for a hearing, that a person has violated, is violating, or is about to violate any provision of this chapter, a regulation adopted under this chapter, or an order issued under this chapter, the department may publish findings and enter an order requiring the person to cease and desist from committing or causing the violation and any future violation of the same provision or regulation. An order may, in addition to requiring a person to cease and desist from committing or causing a violation, require the person to comply, or to take steps to effect compliance, with a provision or regulation, on terms and conditions and within a time, as the department may specify in the order. An order may require future compliance or steps to result in future compliance, either permanently or for a period of time, as the department may specify.

(b) Notwithstanding AS 06.01.030(d) and (e), if the department determines that the alleged violation or threatened violation is likely to result in significant dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest before the completion of cease and desist proceedings, the department may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest as the department determines appropriate pending completion of the proceedings. A temporary order may be entered only after notice and opportunity for a hearing, unless the department determines that notice and hearing before entry would be impracticable or contrary to the public interest. A temporary order becomes effective on service on the respondent and, unless set aside, limited, or suspended by the department or a court of competent jurisdiction, remains effective and enforceable pending the completion of the cease and desist proceedings.

* **Sec. 51.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.405. Review of temporary cease and desist orders. (a) At any

time after the respondent has been served with a temporary cease and desist order under AS 06.60.400(b), the respondent may apply to the department to have the order set aside, limited, or suspended. If the respondent has been served with a temporary cease and desist order entered without a prior hearing, the respondent may, within 10 days after the date on which the order was served, request a hearing on the application, and the office of administrative hearings shall hold a hearing and render a decision on the application under AS 44.64.060. A respondent served with a temporary cease and desist order entered without a prior hearing may not apply to the court except after hearing and decision by the department on the respondent's application under this subsection.

(b) The commencement of proceedings under this section does not, unless specifically ordered by the court, operate as a stay of the department's order.

(c) In a cease and desist proceeding under this section, the department may issue an order to prohibit, conditionally or unconditionally, permanently or for a period of time the department determines, a person who has violated this chapter from operating as a mortgage lender, mortgage broker, or mortgage loan originator if the conduct of that person demonstrates unfitness to operate as a mortgage lender, mortgage broker, or mortgage loan originator.

*** Sec. 52.** AS 06.60.410 is amended to read:

Sec. 06.60.410. Censure, suspension, or bar. (a) In addition to any other remedy provided under this chapter, the department may, by order after appropriate notice and opportunity for a hearing, censure a person, suspend the license of a person for a period not to exceed 12 months, [SUSPEND THE REGISTRATION OF A SMALL MORTGAGE LENDER FOR A PERIOD NOT TO EXCEED 12 MONTHS,] or bar a person from a position of employment, management, or control of a licensee [OR A SMALL MORTGAGE LENDER] if the department finds that

(1) the censure, suspension, or bar is in the public interest;

(2) the person has knowingly committed or caused a violation of this chapter or a regulation adopted under this chapter; and

(3) the violation has caused material damage to the licensee [, TO THE SMALL MORTGAGE LENDER,] or to the public.

(b) When a person who is the subject of a proposed order under this section receives a notice of the department's intention to issue an order under this section, the person is immediately prohibited from engaging in any activities for which a license [OR REGISTRATION AS A SMALL MORTGAGE LENDER] is required under this chapter.

(c) A person who is suspended or barred under this section is prohibited from participating in a business activity of a licensee [OR A SMALL MORTGAGE LENDER] and from engaging in a business activity on the premises where a licensee [OR SMALL MORTGAGE LENDER] is conducting the licensee's [OR SMALL MORTGAGE LENDER'S] business. This subsection may not be construed to prohibit a suspended or barred person from having the person's personal transactions processed by a licensee [OR A SMALL MORTGAGE LENDER].

*** Sec. 53.** AS 06.60.420 is amended to read:

Sec. 06.60.420. Civil penalty for violations. (a) **Notwithstanding AS 06.01.035, a** [A] person [, INCLUDING A SMALL MORTGAGE LENDER,] who violates a provision of this chapter, or a regulation adopted **or an order issued** under this chapter, is liable for a civil penalty not to exceed $10,000 for each violation.

(b) The remedies provided by this section and by other sections of this chapter are not exclusive and may be **sought** [APPLIED] in combination with other remedies to enforce the provisions of this chapter.

*** Sec. 54.** AS 06.60.430(a) is amended to read:

(a) The department may treat a licensee [OR A SMALL MORTGAGE LENDER] as a financial institution under AS 06.01 when applying the enforcement provisions of AS 06.01.

*** Sec. 55.** AS 06.60.430(c) is amended to read:

(c) If the department determines that a licensee [, A SMALL MORTGAGE LENDER,] or a person acting on behalf of the licensee [OR SMALL MORTGAGE LENDER] is in violation of, or has violated, a provision of this chapter, the department may refer the information to the attorney general and request that the attorney general investigate the violation under AS 45.50.495. The attorney general may enjoin a violation of this chapter and may seek restitution, rescission, and other

relief as allowed by law.

*** Sec. 56.** AS 06.60.500 is amended to read:

Sec. 06.60.500. Mortgage loan originator [ORIGINATOR] surety fund. The **mortgage loan** originator surety fund is established as a separate account in the general fund. **The purpose of the fund is to pay fund claims against mortgage loan originator licensees.**

*** Sec. 57.** AS 06.60.510 is amended to read:

Sec. 06.60.510. Composition of fund. The fund consists of **appropriations of** payments made by **mortgage loan** originator licensees under AS 06.60.550, filing fees **for fund claims** retained under AS 06.60.620, income earned on the investment of the money in the fund, and money deposited in the fund by the department under AS 06.60.740.

*** Sec. 58.** AS 06.60.550(a) is amended to read:

(a) A person who applies for or renews **a mortgage loan** [AN] originator license shall pay to the department, in addition to the fees required by AS 06.60.035, a fund fee **established by the department** [NOT TO EXCEED $150].

*** Sec. 59.** AS 06.60.550(d) is amended to read:

(d) Notwithstanding (a) of this section, **a mortgage loan** [AN] originator licensee who obtains an initial **a mortgage loan** originator license when the department has reduced the fund fee to nothing shall nonetheless pay **the** [A] fund fee **established by regulation** [OF $150] to the department for the first year of the **mortgage loan** originator license [OR, FOR A MORTGAGE LICENSEE, OF OPERATING AS AN ORIGINATOR].

*** Sec. 60.** AS 06.60.560 is amended to read:

Sec. 06.60.560. Claim for reimbursement. In addition to any other remedies available to the person, a person may seek reimbursement for a loss suffered in a mortgage loan transaction as a result of fraud, misrepresentation, deceit, or the wrongful conversion of money by **a mortgage loan** [AN] originator licensee and is eligible to be reimbursed under AS 06.60.500 - 06.60.750 for the loss from money appropriated for that purpose.

*** Sec. 61.** AS 06.60.580 is amended to read:

Sec. 06.60.580. Form and contents of fund claim. The form for a fund claim shall be executed under penalty of unsworn falsification **in the second degree** and must include

(1) the name and address of each **mortgage loan** originator licensee involved;

(2) the amount of the alleged loss;

(3) the date or period of time during which the alleged loss occurred;

(4) the date when the alleged loss was discovered;

(5) the name and address of the claimant; and

(6) a general statement of the facts related to the fund claim.

*** Sec. 62.** AS 06.60.600 is amended to read:

Sec. 06.60.600. Filing and distribution of claim. At least 20 days before a hearing is held on the fund claim by the office of administrative hearings (AS 44.64.010), the department shall send a copy of the claim filed with the department to

(1) each **mortgage loan** originator licensee alleged to have committed the misconduct resulting in the alleged loss;

(2) the employer of the **mortgage loan** originator licensee described in (1) of this section; and

(3) any other parties involved in the mortgage loan transaction that is the subject of the fund claim.

*** Sec. 63.** AS 06.60.610(a) is amended to read:

(a) Within **30** [SEVEN] days after receiving a copy of a fund claim under AS 06.60.600, **a mortgage loan** [EACH] originator licensee against whom **a** [THE] claim is made may elect to defend the fund claim as a small claims action in district court under District Court Rules of Civil Procedure if the claim does not exceed the small claims jurisdictional limit.

*** Sec. 64.** AS 06.60.610(b) is amended to read:

(b) **A mortgage loan** [AN] originator licensee who elects under (a) of this section to defend a fund claim in district court under the small claims rules may not revoke the election without the consent of the person who filed the fund claim.

* **Sec. 65.** AS 06.60.640 is amended to read:

Sec. 06.60.640. Defense of claim. When the department receives a fund claim, the department shall allow each **mortgage loan** originator licensee against whom the claim is made an opportunity to file with the department, within seven days after receipt of notification of the fund claim under AS 06.60.600, a written statement in opposition to the fund claim and a request for a hearing.

* **Sec. 66.** AS 06.60.650 is amended to read:

Sec. 06.60.650. Standard of proof. A person who submits a fund claim under AS 06.60.570 bears the burden of establishing by a preponderance of the evidence that the person suffered a loss in a mortgage loan transaction as a result of fraud, misrepresentation, deceit, or the conversion of trust funds by **a mortgage loan** [AN] originator licensee and the extent of those losses.

* **Sec. 67.** AS 06.60.680(b) is amended to read:

(b) If the department determines that the claimant has suffered a loss in a mortgage loan transaction as a result of fraud, misrepresentation, deceit, or the wrongful conversion of money by **a mortgage loan** [AN] originator licensee, the department may award the person who filed the fund claim reimbursement from money appropriated to the fund.

* **Sec. 68.** AS 06.60.690 is amended to read:

Sec. 06.60.690. Fund operations. The department shall deposit into the fund money that the department recovers from **a mortgage loan** [AN] originator licensee under AS 06.60.745. The department may not consider amounts paid from the fund for hearing or legal expenses when determining the maximum reimbursement to be awarded under AS 06.60.710 or the maximum liability for fund claims under AS 06.60.710.

* **Sec. 69.** AS 06.60.700(a) is amended to read:

(a) If a fund claim dismissed under AS 06.60.610 results in a monetary award against **a mortgage loan** [AN] originator licensee, the department may pay, subject to AS 06.60.710 and 06.60.720, any outstanding portion of the small claims judgment from money appropriated to the department for the purpose.

* **Sec. 70.** AS 06.60.700(b) is amended to read:

(b) Before making payment under (a) of this section, the person who received the award shall file with the department a copy of the final judgment and an affidavit stating that more than 30 days have elapsed since the judgment became final and that the judgment has not yet been satisfied by the **mortgage loan** originator licensee against whom the award was made.

*** Sec. 71.** AS 06.60.710(b) is amended to read:

(b) The maximum liability for fund claims against one **mortgage loan** originator licensee may not exceed $50,000.

*** Sec. 72.** AS 06.60.710(c) is amended to read:

(c) If the $50,000 liability **limit** under (b) of this section is insufficient to pay in full the valid fund claims of all persons who have filed fund claims against one **mortgage loan** originator licensee, the $50,000 shall be distributed among the claimants in the ratio that their individual fund claims bear to the aggregate of valid fund claims against that **mortgage loan** originator licensee. The department shall distribute the money among the persons entitled to share in the recovery without regard to the order in which their fund claims were filed.

*** Sec. 73.** AS 06.60 is amended by adding a new section to read:

Sec. 06.60.715. Other rights of claimant. The rights granted to a claimant under AS 06.60.500 - 06.60.750 do not limit any other cause of action the claimant may have against a mortgage loan originator.

*** Sec. 74.** AS 06.60.745 is amended to read:

Sec. 06.60.745. Reimbursement for expenses. If the department pays all or a portion of a fund claim against **a mortgage loan** [AN] originator licensee under AS 06.60.680 or 06.60.700, the department may recover from the **mortgage loan** originator licensee, in addition to the payment of the fund claim, the expenses incurred by the department to process and otherwise handle the fund claim.

*** Sec. 75.** AS 06.60.750 is amended to read:

Sec. 06.60.750. Disciplinary action against a mortgage loan [AN] originator licensee. Repayment in full of all obligations to the fund does not nullify or modify the effect of disciplinary proceedings brought against **a mortgage loan** [AN] originator licensee under this chapter.

* **Sec. 76.** AS 06.60.800 is amended by adding a new subsection to read:

(e) The program administration fees collected under this section shall be separately accounted for and may be appropriated by the legislature to the department for the operation of this chapter.

* **Sec. 77.** AS 06.60.850 is amended to read:

Sec. 06.60.850. Publication of disciplinary action. The department may release, **through the Internet, the registry, or other** [FOR] publication, [IN A NEWSPAPER OF GENERAL CIRCULATION IN THE LOCALE OF A LICENSEE'S PRINCIPAL OFFICE] notice of disciplinary action taken by the department against **a person required to be licensed under this chapter** [THE LICENSEE].

* **Sec. 78.** AS 06.60.890 is amended to read:

Sec. 06.60.890. Application to Internet activities. This chapter applies to a person [, INCLUDING A SMALL MORTGAGE LENDER TO THE EXTENT THIS CHAPTER APPLIES TO A SMALL MORTGAGE LENDER,] even if the person is engaging in the activities regulated by this chapter by using an Internet website from within or outside the state.

* **Sec. 79.** AS 06.60.900 is amended to read:

Sec. 06.60.900. Applicability of administrative procedures. **Notwithstanding AS 06.01.030(f), the** [THE] provisions of AS 44.62 (Administrative Procedure Act) apply to an action of the department to deny, revoke, or suspend a license under this chapter, to censure, suspend, or bar a person under AS 06.60.410, to take other disciplinary action under this chapter, to hold **disciplinary** hearings, and to issue **disciplinary** orders.

* **Sec. 80.** AS 06.60.905 is amended to read:

Sec. 06.60.905. Untrue, misleading, or false statements. A person [, INCLUDING A SMALL MORTGAGE LENDER,] may not, in a document filed with the department or in an examination, an investigation, a hearing, or another proceeding under this chapter, make or cause to be made an untrue statement of a material fact, or omit to state a material fact necessary in order to make the statement made, in the light of the circumstances under which it is made, not misleading or false.

* **Sec. 81.** AS 06.60.990 is repealed and reenacted to read:

Sec. 06.60.990. Definitions. In this chapter, unless the context otherwise requires,

(1) "borrower" means an individual who receives a mortgage loan;

(2) "consumer reporting agency" means a consumer reporting agency that compiles and maintains files on consumers on a nationwide basis; in this paragraph, "consumer reporting agency that compiles and maintains files on consumers on a nationwide basis" has the meaning given in 15 U.S.C. 1681a(p) (Fair Credit Reporting Act);

(3) "control" means the power, directly or indirectly, to direct the management or policies of a company, whether through ownership of securities, by contract, or otherwise; an individual is presumed to control a company if the individual

(A) is a director, general partner, or executive officer, including chief executive officer, chief financial officer, chief operations officer, chief legal officer, chief credit officer, or chief compliance officer, or occupies a similar position or performs a similar function;

(B) directly or indirectly, has the right to vote 10 percent or more of a class of voting security or has the power to sell or direct the sale of 10 percent or more of a class of voting securities;

(C) in the case of a limited liability company,

(i) is a managing member;

(ii) is a member who has the right to receive on dissolution, or has contributed, 10 percent or more of the capital of the limited liability company; or

(iii) if the limited liability company is managed by elected or appointed managers, is an elected or appointed manager; or

(D) in the case of a partnership, has the right to receive on dissolution, or has contributed, 10 percent or more of the capital;

(4) "control person" means an individual described in the uniform mortgage lender and mortgage broker application form of the registry who directly or

indirectly exercises control over the applicant;

(5) "department" means the Department of Commerce, Community, and Economic Development;

(6) "depository institution" has the meaning given in 12 U.S.C. 1813 (Federal Deposit Insurance Act) and includes a credit union;

(7) "dwelling" means a residential structure or mobile home that contains one to four family housing units, or the individual units of condominiums or cooperatives;

(8) "federal banking agency" means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the director of the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation;

(9) "fund" means the mortgage loan originator surety fund established under AS 06.60.500;

(10) "fund claim" means a claim against the fund;

(11) "fund fee" means the fee required to be paid by AS 06.60.550;

(12) "individual" means a natural person;

(13) "knowingly" has the meaning given in AS 11.81.900(a);

(14) "license" means a license issued under this chapter;

(15) "licensed mortgage loan originator" means a person who holds a mortgage loan originator license issued under this chapter;

(16) "licensee" means a person who holds a license issued under this chapter;

(17) "loan processor or underwriter" means an individual who performs clerical or support duties as an employee at the direction of and subject to the supervision and instruction of a person required to be licensed or exempt from licensing under this chapter; in this paragraph, "clerical or support duties" includes, subsequent to the receipt of an application,

(A) the receipt, collection, distribution, and analysis of information common for the processing or underwriting of a mortgage loan; and

(B) communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that the communication does not include offering or negotiating loan rates or terms or counseling consumers about mortgage loan rates or terms;

(18) "mortgage broker" means a person who, for compensation or gain, or in the expectation of compensation or gain, directly or indirectly, by telephone, by electronic means, by mail, through the Internet, in person, or by the person itself or a mortgage loan originator,

(A) arranges with a variety of lending sources, including private lenders, institutional investors, or wholesale lenders, to provide financing for mortgage loans; or

(B) assists or offers to assist a borrower or potential borrower to obtain financing for a mortgage loan;

(19) "mortgage lender"

(A) means a person who consummates and funds a mortgage loan and who is named as the payee in the promissory note and as the beneficiary of the deed of trust;

(B) does not include a subsequent purchaser of a mortgage loan or an interest in a mortgage loan that is originated by a licensee under this chapter;

(20) "mortgage license" means a license issued under this chapter to operate as a mortgage lender or a mortgage broker;

(21) "mortgage licensee" means a person who holds a mortgage license;

(22) "mortgage loan" means a residential mortgage loan;

(23) "mortgage loan originator"

(A) means an individual who, for compensation or gain, or in the expectation of compensation or gain,

(i) takes a mortgage loan application; or

(ii) offers or negotiates terms of a mortgage loan;

(B) does not include an individual who is not otherwise

described in (A) of this paragraph and who is engaged solely as a loan processor or underwriter on behalf of a person described in (A) of this paragraph, except as provided in AS 06.60.013;

(C) does not include an individual who only performs real estate brokerage activities and is licensed or registered under applicable state law, unless the individual is compensated by a lender, a mortgage broker, or another mortgage loan originator, or by an agent of the lender, mortgage broker, or other mortgage loan originator; in this subparagraph, "real estate brokerage activity" means an activity that involves offering or providing real estate brokerage services to the public, including

(i) acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(ii) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

(iii) negotiating, on behalf of a party, a portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property other than in connection with providing financing with respect to the transaction;

(iv) engaging in an activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under an applicable law; and

(v) offering to engage in an activity, or act in a capacity, described in (i), (ii), (iii), or (iv) of this subparagraph; and

(D) does not include a person solely involved in extensions of credit relating to timeshare plans; in this subparagraph, "timeshare plan" has the meaning given in 11 U.S.C. 101 (Bankruptcy Code);

(24) "mortgage loan originator license" means a license issued to a person to operate as a mortgage loan originator;

(25) "Nationwide Mortgage Licensing System and Registry" has the meaning given in 12 U.S.C. 5102 (Secure and Fair Enforcement for Mortgage Licensing Act of 2008);

(26) "nontraditional mortgage product" means a mortgage product other than a 30-year fixed-rate mortgage;

(27) "operate" means hold out, do business, offer to provide services, or provide services; in this paragraph, "hold out" means to represent to the public, through advertising or other means of communicating or providing information, including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items, that the person can or will perform an activity for which a license is required under this chapter;

(28) "operate in the state" includes operating in the state from a location outside the state or from an Internet website that originates inside or outside the state;

(29) "program administration fee" means the fee described under AS 06.60.800(a);

(30) "record" means information that is inscribed on a tangible medium or that is stored in an electronic or other medium and is retrievable in perceivable form;

(31) "registered mortgage loan originator" means an individual who

(A) is a mortgage loan originator and is an employee of

(i) a depository institution;

(ii) a subsidiary that is owned and controlled by a depository institution and regulated by a federal banking agency; or

(iii) an institution regulated by the Farm Credit Administration; and

(B) is registered with the registry and maintains a unique identifier with the registry;

(32) "registry" means the Nationwide Mortgage Licensing System and Registry;

(33) "residential mortgage loan" means a loan that is primarily for personal, family, or household use and that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling or residential real estate located in the state; in this paragraph "residential real estate" means real property on

which a dwelling is constructed or intended to be constructed;

(34) "unique identifier" means a number or other identifier assigned to a licensee by protocols established by the registry.

*** Sec. 82.** AS 06.60.995 is amended to read:

Sec. 06.60.995. Short title. This chapter may be known as the **Alaska Secure and Fair Enforcement for Mortgage Licensing Act of 2010** [MORTGAGE LENDING REGULATION ACT].

*** Sec. 83.** AS 12.62.400 is amended to read:

Sec. 12.62.400. National criminal history record checks for employment, licensing, and other noncriminal justice purposes. To obtain a national criminal history record check for determining a person's qualifications for a license, permit, registration, employment, or position, a person shall submit the person's fingerprints to the department with the fee established by AS 12.62.160. The department may submit the fingerprints to the Federal Bureau of Investigation to obtain a national criminal history record check of the person for the purpose of evaluating a person's qualifications for

(1) a license or conditional contractor's permit to manufacture, sell, offer for sale, possess for sale or barter, traffic in, or barter an alcoholic beverage under AS 04.11;

(2) licensure as a mortgage lender, a mortgage broker, or **a mortgage loan** [AN] originator under AS 06.60;

(3) admission to the Alaska Bar Association under AS 08.08;

(4) licensure as a collection agency operator under AS 08.24;

(5) a certificate of fitness to handle explosives under AS 08.52;

(6) licensure to practice nursing or certification as a nurse aide under AS 08.68;

(7) a position involving supervisory or disciplinary power over a minor or dependent adult for which criminal justice information may be released under AS 12.62.160(b)(9);

(8) a teacher certificate under AS 14.20;

(9) licensure as a security guard under AS 18.65.400 - 18.65.490;

(10) a concealed handgun permit under AS 18.65.700 - 18.65.790;

(11) licensure as an insurance producer, managing general agent, reinsurance intermediary broker, reinsurance intermediary manager, surplus lines broker, or independent adjuster under AS 21.27;

(12) serving and executing process issued by a court by a person designated under AS 22.20.130;

(13) a school bus driver license under AS 28.15.046;

(14) licensure as an operator or an instructor for a commercial driver training school under AS 28.17;

(15) registration as a broker-dealer, agent, investment adviser representative, or state investment adviser under AS 45.55.030 - 45.55.060.

*** Sec. 84.** AS 12.62.400 is amended by adding a new subsection to read:

(b) Notwithstanding (a) of this section, an applicant for a license under AS 06.60 may submit the applicant's fingerprints to the Nationwide Mortgage Licensing System and Registry. In this subsection, "Nationwide Mortgage Licensing System and Registry" has the meaning given in 12 U.S.C. 5102.

*** Sec. 85.** AS 06.60.017, 06.60.025, 06.60.065, 06.60.070, 06.60.075, 06.60.090(i), 06.60.097(b), 06.60.105, 06.60.145, 06.60.150, 06.60.440, 06.60.540, 06.60.810, and 06.60.870 are repealed.

*** Sec. 86.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: EXISTING LICENSES ISSUED UNDER FORMER AS 06.60; LICENSES AFTER JULY 1, 2010. (a) A person holding a valid license issued under former AS 06.60, on or before July 1, 2010, may continue to operate under that license until the license expires, is revoked, or is suspended, and, except as provided by (c) of this section, this Act, including its provisions on expiration, renewal, prohibitions, revocation, suspension, and enforcement, applies to the license and to the person's operation under the license.

(b) A person who is not licensed under former AS 06.60 before July 1, 2010, and files an application for licensing under this Act on or after July 1, 2010, shall comply with the requirements of this Act to receive a license under this Act.

(c) AS 06.60.027, as repealed and reenacted by sec. 8 of this Act, does not apply to

the renewal of a mortgage license valid on July 1, 2010, except for a mortgage license application amendment submitted on or after July 1, 2010, requesting approval of a change of a control person. In this subsection, "control person" and "mortgage license" have the meanings given in AS 06.60.990.

*** Sec. 87.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: TEMPORARY FEES AND BOND AMOUNT. (a) If the regulations adopted by the Department of Commerce, Community, and Economic Development under sec. 88 of this Act do not take effect July 1, 2010, then, during the period of July 1, 2010, until the effective date of the regulations adopted under sec. 88 of this Act,

(1) notwithstanding AS 06.60.035(a), as amended by sec. 9 of this Act, the application fee under AS 06.60.035(a)(1), as amended by sec. 9 of this Act, shall be $250, and the license fee under AS 06.60.035(a)(2), as amended by sec. 9 of this Act, shall be $500;

(2) notwithstanding AS 06.60.045(a), as amended by sec. 14 of this Act, the amount of the bond under AS 06.60.045(a), as amended by sec. 14 of this Act, shall be $25,000;

(3) notwithstanding AS 06.60.550(a), as amended by sec. 58 of this Act, the amount of the fund fee under AS 06.60.550(a), as amended by sec. 58 of this Act, shall be $150; and

(4) notwithstanding AS 06.60.550(d), as amended by sec. 59 of this Act, the amount of the fund fee under AS 06.60.550(d), as amended by sec. 59 of this Act, shall be $150.

*** Sec. 88.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. (a) The Department of Commerce, Community, and Economic Development may adopt regulations necessary to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before July 1, 2010.

(b) The department shall notify the revisor of statutes of the date on which the regulations take effect.

*** Sec. 89.** Section 88 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 90.** Except as provided in sec. 89 of this Act, this Act takes effect July 1, 2010.

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Banking and Securities

Sean Parnell, Governor
Emil Notti, Commissioner
Lorie Hovanec, Director

Loan originators who are employees of federally regulated depository institutions and their subsidiaries are required to register through the NMLSR, but are not subject to state licensing requirements. Our mortgage lending law applies to non-depository lenders; while banks, savings associations, and credit unions are depository institutions subject to federal oversight.

This bill incorporates the minimum licensing requirements of the SAFE Act. The state will conduct a background check on the applicant, based on the submission of fingerprints, personal history and experience, an independent credit report, and information relating to any administrative, civil, or criminal findings by any governmental institution. To be eligible for a license, an individual must not have been convicted of any felony within the preceding seven years or convicted of certain types of felonies at any time prior to application. Applicants must complete at least twenty hours of approved pre-licensing education, which shall include at least three hours on federal law and regulation; three hours of ethics, including fraud prevention, consumer protection, and fair lending issues; and two hours regarding lending standards for nontraditional mortgage products. The applicant must pass a written test approved by the NMLSR, which includes a state law component, administered by an approved test provider. Mortgage licensees must submit reports of condition to the NMLSR.

The SAFE Act requires that the state provide effective supervision and enforcement, and the draft bill provides for more specificity in this area, in accordance with the model state law developed by the Conference of State Banking Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) and approved by HUD and the standards in SAFE that HUD will follow in a state where it establishes a licensing system.

Timeline for Compliance

The SAFE Act is administered by the Department of Housing and Urban Development (HUD), which must either approve each state's licensing and registration program or establish a HUD-operated program in that state. If HUD determines that a state does not have a SAFE-compliant program in place by the statutory deadline, or if a state's mortgage loan origination licensing standards do not meet the minimum requirements of the Act, HUD is charged with establishing and implementing a system for licensing mortgage loan originators in that state.

The SAFE Act requires states to have compliant standards in place by July 31, 2009, for states whose legislatures meet annually. HUD may extend the deadline to be in compliance for up to 24 months on evidence that a state is making a good faith effort to adopt and implement the new mortgage licensing requirements.

On December 15, 2009, HUD published proposed rules regarding the procedures and standards it will follow in exercising its authority under the SAFE Act. Under those proposed rules, HUD provides deadlines for mortgage loan originators to meet the new education, testing, and background check requirements. For those licensed under a system enacted prior to the SAFE-compliant system, the

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STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Banking and Securities

Sean Parnell, Governor
Emil Notti, Commissioner
Lorie Hovanec, Director

proposed rules require that compliance occur by December 31, 2010. For individuals not licensed under a prior scheme, the deadline for compliance may not extend past July 31, 2010. The proposed rules state that HUD may approve later compliance dates based on unusual hardship to a substantial number of mortgage loan originators through no fault of the originators or the state.

Nationwide Compliance

According to a posting on the CSBS website,* which indicates it was undated on August 5, 2009, only one state (Minnesota) has not enacted SAFE-compliant legislation. Because Alaska enacted legislation that provided authority for participation in the national registry, that legislation is reflected on the posted chart. The chart does not indicate whether other states have passed legislation that so far only partially complies with the SAFE Act.

We look forward to working with you, your staff, and other legislators this session. You may call on me or section chief Patrice Walsh at any time, should you have questions or require further information.

Sincerely yours,

Lorie L. Hovanec

Lorie L. Hovanec, Director
Division of Banking and Securities

cc: Emil Notti, Commissioner, DCCED
Tyson Fick, Legislative Liaison, DCCED

*http://mortgage.nationwidelicensingsystem.org/SAFE/NMLS%20Document%20Library/State%20SAFE%20Legislation.pdf

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STATES MOVE AGGRESSIVELY TO IMPLEMENT SAFE ACT AND IMPROVE MORTGAGE SUPERVISION

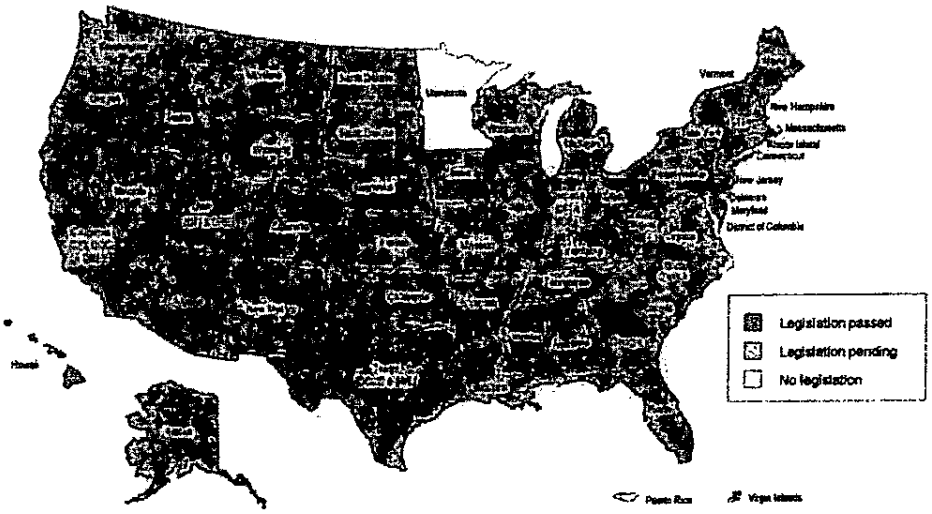
Title V of P.L. 110-289, the *Secure and Fair Enforcement for Mortgage Licensing Act of 2008* ("SAFE Act"), was passed on July 30, 2008. The SAFE Act gave states one year to pass legislation requiring the licensure of mortgage loan originators according to national standards and the participation of state agencies on the Nationwide Mortgage Licensing System and Registry (NMLS).

States have moved in an unprecedented manner in just **ONE YEAR** to accomplish the following:

Legislation

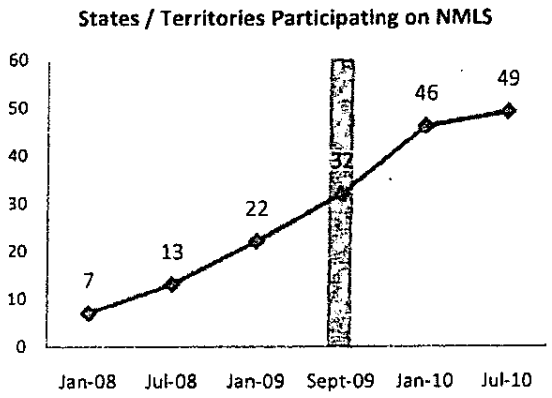
- **49 states** and the District of Columbia have *passed* legislation implementing the SAFE Act.
    - Puerto Rico and the Virgin Islands have *legislation pending*.
- **All** legislation enacted to date includes standardized definitions, national pre-licensure and continuing education and testing requirements, and criminal background standards for mortgage loan originators as contained in the SAFE Act.
- **Virtually all of the** legislation enacted to date includes a robust set of prohibited acts and practices to protect consumers as promoted in the CSBS/AARMR Model State Law.
- **Uniformity in mortgage regulation** has been fostered and driven by enactment of the SAFE Act as the 50 existing state licensing laws are revised in a nationally consistent manner to establish standardized licensing applications, processes and practices.

State SAFE Legislative Activity



Participation in NMLS

- **32 states** and territories are already participating on the Nationwide Mortgage Licensing System.
    - 14 more states and territories (for a total of 46) are scheduled to participate by January 2010.
- **90% of states** are scheduled to be participating in NMLS by January 2010, just two years after launch of the system.

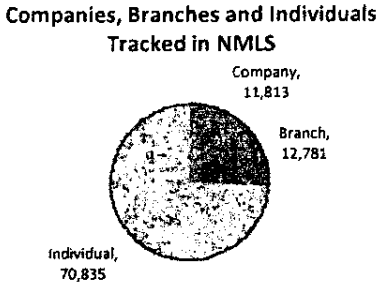


Testing and Education Standards

- NMLS developed the psychometrically valid SAFE Mortgage Loan Originator Test, with the national component of the test available for all state licensed mortgage loan originators on July 30, 2009.
- NMLS developed eleven SAFE state component tests that were available on July 30, 2009. Twenty-four state component tests will be available by December 2009 and the remaining state tests will be rolled out on a quarterly basis over the next year.
- Since July 13, 2009, 2,415 licensees or applicants have enrolled to take the national or state test components and since July 30, 2009, 664 test components have been administered.
- NMLS developed policy and procedures for approving course providers to offer pre-licensure and continuing education according to national standards. As of June 22, 2009, NMLS had approved 90 course providers, and as of July 15, 2009, had approved 70 pre-license education courses.
- As of September 1, 2009, state licensed MLOs and applicants have begun taking NMLS approved courses.

Coordinated Licensing of Companies and Mortgage Loan Originators

- **70,835 mortgage loan originators** in 32 states and territories have been issued a NMLS unique identifier and are being tracked in the system.
- **11,813 mortgage broker and lender companies** in 32 states and territories have also received an NMLS unique identifier and are being tracked in the system.



More information about state efforts to implement the SAFE Act and improve supervision can be found on the CSBS website at www.csbs.org.

More information about the Nationwide Mortgage Licensing System and Registry (NMLS) can be found at http://www.stateregulatoryregistry.org/NMLS.

State SAFE Act Legislative Tracking		
State/Agency	Bill Number	Enacted
Alabama	SB 249	5/21/2009
Alaska	HB 221	6/16/2009
American Samoa		
Arizona	HB 2143	7/13/2009
Arkansas	HB 1881	4/1/2009
California DOC	SB 36	9/8/2009
California DRE	SB 36	9/8/2009
Colorado	HB 1085	5/21/2009
Connecticut	SB 948	6/18/2009
Delaware	SB 73	7/6/2009
District of Columbia	B17-1021	1/12/2009
Florida	SB 2226	6/29/2009
Georgia	HB 312	4/29/2009
Guam		
Hawaii	SB 1218	7/16/2009
Idaho	HB 169	4/7/2009
Illinois	HB 4011	7/31/2009
Indiana DFI	SS 1001	6/30/2009
Indiana SOS	HB 1646	5/12/2009
Iowa	SF 355	4/15/2009
Kansas	SB 240	3/27/2009
Kentucky	HB 106	3/27/2009
Louisiana	HB 810	7/10/2009
Maine	SP0523	6/11/2009
Maryland	HB 292/SB 269	4/14/2009
Massachusetts	HB 4127	7/31/2009
Michigan	SB 462/	7/29/2009
Minnesota		
Mississippi	SB 2983	4/15/2009
Missouri	HB 382	7/8/2009
Montana	SB 351	4/20/2009
Nebraska	LB 328	4/22/2009
Nevada	AB 523	6/8/2009
New Hampshire	HB 610 FN	7/31/2009
New Jersey	AB 3816	5/4/2009
New Mexico	SB 342 / HB 316	4/6/2009
New York	A6924	7/11/2009
North Carolina	HB 1523	7/31/2009
North Dakota	SB 2160	4/9/2009
Northern Mariana Islands		
Ohio	HB 1	7/17/2009
Oklahoma	SB 1062	5/12/2009
Oregon	HB 2189	6/26/2009
Pennsylvania	HB 1654	8/5/2009
Puerto Rico	PC 1578	
Rhode Island	H 5704 / S 0461	7/16/2009
South Carolina	SB 673	6/3/2009
South Dakota	HB 1060	3/16/2009
Tennessee	HB2316	6/23/2009
Texas OCCC	HB 10	6/19/2009
Texas SML	HB 10	6/19/2009
Utah DFI	HB 286	3/20/2009
Utah DRE	SB 31	2/20/2009
Vermont	HB 171	5/21/2009
Virgin Islands	Bill 28-0106	12/2/2009
Virginia	SB 1171	3/27/2009
Washington	SB 1749/ HB 1621	4/17/2009
West Virginia	SB 532	5/7/2009
Wisconsin	SB62	2/19/2009
Wyoming	HB 169	3/12/2009
60	56	Enacted - 55

Updated: August 5, 2009

Senate Bill 279
Regulation of Mortgage Lending

Lorie Hovanec, Director
Division of Banking and Securities

Purpose: to bring Alaska's Mortgage Lending Regulation Act into compliance with federal Public Law 110-289, Title V, Secure and Fair Enforcement for Mortgage Licensing Act (the SAFE Act).

Two Requirements: The SAFE Act requires each state to: (1) license mortgage loan originators through a nationwide database and (2) amend its statutes to meet minimum licensing standards. States still review the uniform applications submitted by applicants, and state regulators issue the licenses.

Alaska met the first requirement last year, by joining the Nationwide Mortgage Licensing System and Registry (the registry) and began licensing through the registry on August 1, 2009.

If Alaska does not comply with the second requirement, through the passage of SB 279, then the SAFE Act mandates that the U.S. Dept. of Housing and Urban Development begin enforcing the required licensing standards. The effective date of this bill is July 1, 2010.

Major Changes to Alaska Law:

- Renewals changed from biennial to annual
- Eliminates the small mortgage lender/originator exemption
- Allows fingerprint cards to be sent to the registry, rather than the Department of Public Safety for submittal to the FBI for background checks
- Permits fees to be set in regulation
- Requires 20 hours of pre-licensing education
- Authorizes the division to issue a provisional license if fingerprint card processing is excessively delayed, but all other requirements are met
- Omits references to paper licenses, in anticipation of going paperless, due to availability of registry data
- Permits branch office registration
- Modifies continuing education requirements from 24 hours every 2 years, to 8 hours annually

Fiscal Note

Adds funding for the following expenses:

- One additional occupational licensing position ($65,000 per year) and in the contractual line $3,000 for costs and supplies associated with this position
- Increased travel to out-of-state exams, due to the additional number of licensees in other states doing business in Alaska particularly over the Internet
- Annual membership fee for AARMR ($750 annually)
- State background check fee ($5250) which the division must upfront until fee is collected from licensee for deposit into the general fund. The licensee will pay the federal background check fee directly.

Revenue is expected to increase substantially, due to expansion of licensee definition to include loan modification and servicing companies, as well as the required change to annual license renewal.

NATIONAL CONFERENCE *of* STATE LEGISLATURES

The Forum for America's Ideas

Joe Hackney
Speaker of the House
North Carolina
President, NCSL

Gary VanLandingham
Director, Office of Program
Policy Analysis and Government
Accountability (OPPAGA)
Staff Chair, NCSL

William T. Pound
Executive Director

February, 2009

[To: State Legislative Leaders and Financial Services Committee Chairpersons and Vice Chairpersons]

We write on behalf of the National Conference of State Legislatures (NCSL) to respectfully urge your consideration of legislation in this legislative session to implement the federal Secure and Fair Enforcement (S.A.F.E.) for Mortgage Licensing Act. **If your state fails to act by July 31, 2009, your authority to license and regulate mortgage loan originators would be preempted.** Mortgage loan originators in any state that fails to act by July 31, 2009 would be licensed and regulated by the federal Department of Housing and Urban Development (HUD).

The S.A.F.E. Act was included in the Housing and Economic Recovery Act (H.R. 3221), signed into law on July 30, 2008. This provision requires that any residential mortgage originator must be either state-licensed or federally registered by July 31, 2009. A state not enacting legislation by July 31st, can be granted a two-year extension by HUD if they make a good faith effort to incorporate a state-licensing system by that date. In addition, states must ensure loan originators register with the Nationwide Mortgage Licensing System (NMLS) for accountability and transparency purposes.

The state-licensing system must meet several minimum requirements to maintain supervisory authority for loan originators. These include having a process to assess individuals acting as mortgage originators in their state without proper license or registration, criminal history and credit background checks, pre-licensure education and testing, establishing a minimum net worth or surety bonding requirements to reflect the dollar amount of loans by the originator and abiding by the obligations in the Nationwide Mortgage Licensing System, among others.

The Conference of State Banking Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) have created model state legislation which provides states with guidance in creating a system of licensure. This model state law (http://www.csbs.org/AM/Template.cfm?Section=SAFE_Act) addresses the aforementioned major standards under the S.A.F.E. Act which state regulatory agencies and mortgage loan originators must abide by. In January 2009, HUD reviewed the model legislation and determined that it met the minimum requirements of the S.A.F.E. Mortgage Licensing Act.

We also must bring to your attention that in some states a version of the legislation may have been introduced that while purporting to implement the SAFE Act will actually dilute the minimum license requirements and will result in a state being determined to be out of compliance with the SAFE Act. This would allow HUD to then license and regulate the brokers in that state. We would urge you to review any legislation already introduced in your state to ensure that the legislation meets the minimum requirements as outlined in the CSBS model.

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Washington
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Phone 202.624.5400 Fax 202.737.1069

Website www.ncsl.org

We appreciate the opportunity to bring this matter your attention. Should you have questions about our concerns, please contact Neal Osten at 202-624-8660 (neal.osten@ncsl.org) or Jeff Hurley at 202-624-7753 (Jeff.Hurley@ncsl.org) in NCSL's Washington office.

Sincerely,

Speaker Joe Hackney, NCSL President

From: Jordan Estey **On Behalf Of** NCOIL President Sen. James Seward, NY
Sent: Friday, March 06, 2009 2:58 PM
Subject: NCOIL State Mortgage Licensing Model Act
Importance: High
March 6, 2009

Dear Colleague:

On behalf of the National Conference of Insurance Legislators (NCOIL), I am forwarding to you a model law that would establish critical mortgage licensing standards in your state. The *State Model Legislation for Implementation of Public Law 110-289, Title V—S.A.F.E. Mortgage Licensing Act* was unanimously approved by the NCOIL Executive Committee during the NCOIL Spring Meeting in Washington, DC.

The model legislation provides a template for states to enact and comply with the *S.A.F.E. Act's* minimum requirements for licensing state residential loan originators—including that all mortgage loan originators be either licensed or registered through a Nationwide Mortgage Licensing System (NMLS), which state regulators launched in 2008.

If a state legislature fails to implement all of the S.A.F.E. Act requirements by July 31, 2009, the U.S. Department of Housing and Urban Development (HUD) could establish a duplicative and costly regulatory regime to license and regulate loan originators in your state.

The model bill—developed by the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR)—addresses national testing, prelicensing, continuing education, background checks, and license suspension, termination, and nonrenewal, among other things.

For your reference, I am also forwarding a CSBS document that provides additional information on the *Housing and Economic Recovery Act of 2008* and on the *S.A.F.E. Act*, specifically.

NCOIL is an organization of state legislators whose primary area of interest is insurance legislation and regulation. Many legislators active in NCOIL either chair or are members of the committees responsible for insurance legislation in their respective state houses across the country. More information is available at www.ncoil.org.

Please do not hesitate to contact Mike Humphreys in the NCOIL Washington, DC, Office at 202-220-3014 or at mhumphreys@ncoil.org should you have any questions.

Sincerely,

Senator James Seward
NCOIL President
New York Senate

This page is located on the U.S. Department of Housing and Urban Development's Homes and Communities Web site at http://www.hud.gov/offices/hsg/ramh/safe/smlicact.cfm.

SAFE Mortgage Licensing Act

About the Act

Information by State
Print version

Safe Act Model State Law

The Housing and Economic Recovery Act of 2008, signed into law on July 30, 2008 (Public Law 110-289) (HERA), constitutes a major new housing law that is designed to assist with the recovery and the revitalization of America's residential housing market - from modernization of the Federal Housing Administration, to foreclosure prevention, to enhancing consumer protections. The SAFE Act is a key component of HERA.

The SAFE Act is designed to enhance consumer protection and reduce fraud by encouraging states to establish minimum standards for the licensing and registration of state-licensed mortgage loan originators and for the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to establish and maintain a nationwide mortgage licensing system and registry for the residential mortgage industry for the purpose of achieving the following objectives:

(1) Providing uniform license applications and reporting requirements for state licensed-loan originators;

(2) Providing a comprehensive licensing and supervisory database;

(3) Aggregating and improving the flow of information to and between regulators;

(4) Providing increased accountability and tracking of loan originators;

(5) Streamlining the licensing process and reducing regulatory burden;

(6) Enhancing consumer protections and supporting anti-fraud measures;

(7) Providing consumers with easily accessible information, offered at no charge, utilizing electronic media, including the Internet, regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators;

(8) Establishing a means by which residential mortgage loan originators would, to the greatest extent possible, be required to act in the best interests of the consumer;

(9) Facilitating responsible behavior in the subprime mortgage market place and providing comprehensive training and examination requirements related to subprime mortgage lending;

(10) Facilitating the collection and disbursement of consumer complaints on behalf of state mortgage regulators.

The new standards, as well as the uniformity and consistency of such standards, directed to be established nationwide by the SAFE Act present a significant step in the effort to increase integrity in the residential mortgage loan market, enhance consumer protections, and reduce fraud. The SAFE Act encourages states to participate in the Nationwide Mortgage Licensing System and Registry, and

requires states to have in place, by law or regulation, a system for licensing and registering loan originators that meets the requirements of sections 1505, 1506, and 1508(d) of the SAFE Act.The SAFE Act requires the states to have the licensing and registration system in place by: (1) July 31, 2009, for states whose legislatures meet annually; and (2) July 31, 2010, for states whose legislatures meet biennially. For both this 1-year period and 2-year period, HUD may extend the deadline, by not more than 24 months, if HUD determines that a state is making a good faith effort to establish a state licensing law that meets the minimum requirements of the SAFE Act. (See the complete text of the SAFE Act.)

To aid and facilitate states' compliance with the requirements of the SAFE Act, the Act directs the establishment of a nationwide mortgage licensing system and registry (NMLSR), to be developed and maintained by CSBS and AARMR. If HUD determines that a state's mortgage loan originator licensing standards do not meet the minimum requirements of the Act, HUD must implement and administer a licensing system for that state. A loan originator in such a state would have to comply with the requirements of HUD's SAFE Act-compliant licensing system for that state as well as with any applicable state requirements. A HUD license for a state would be valid only for that state, even if HUD must implement licensing systems in multiple states. Additionally, if HUD determines that the NMLSR is failing to meet the requirements and purposes of the SAFE Act, HUD must establish a system that meets the requirements of the SAFE Act.

For the last several months, CSBS and AARMR have undertaken considerable outreach to states and the financial services industry regarding the development of the NMLSR and of legislation that would meet the requirements of the SAFE Act. CSBS and AARMR have developed a model state law (MSL) designed to assist and facilitate states to enact legislation on mortgage loan originator licensing that complies with the SAFE Act and by the deadlines imposed by the SAFE Act. While states are charged with enacting licensing standards that meet the requirements of the SAFE Act, overall responsibility for interpretation, implementation, and compliance with the SAFE Act rests with HUD. In this regard, CSBS and AARMR requested that HUD review the model legislation, and advise of its sufficiency in meeting applicable minimum requirements of the SAFE Act.

CSBS/AARMR Model Legislation

HUD reviewed the model legislation to determine whether it meets the minimum requirements of the SAFE Act and finds that it does. State legislation that follows the provisions of the model legislation, whether by statute or regulation, will be determined to have met the applicable minimum requirements of the SAFE Act. The complete text of the model legislation, reviewed by HUD, is provided here.) More information about the model legislation can be found at CSBS's website. The commentary that follows presents HUD's views and interpretations of certain statutory provisions that required consideration and analysis in determining that the model legislation meets the minimum requirements of the SAFE Act.

HUD Commentary

Through this commentary, HUD advises of the analysis of the SAFE Act that was undertaken in reviewing the model legislation and of HUD's interpretation of certain provisions in the SAFE Act. These interpretations are designed to assist the states, as well as members of the public, in understanding how HUD determined that the model legislation meets the minimum requirements of the SAFE Act, and to assist states in adopting legislation or regulations that meet the minimum requirements of the SAFE Act.

A. Standards in Legislation May Exceed Standards in SAFE Act

The SAFE Act's licensing and registration standards for mortgage loan originators are minimum standards. (See section 1505(b).) Legislation enacted or regulations promulgated by a state may exceed the minimum standards of the SAFE Act.

States may not, however, enact legislation, promulgate regulations, or otherwise impose requirements that would frustrate the objectives of the SAFE Act, keeping in mind that the SAFE Act's primary objectives include provision of a comprehensive licensing and supervisory system with uniform application and reporting requirements.

B. Definition of Loan Originator

Section 1503(3)(A)(i) of the SAFE Act defines "loan originator" as "an individual who (I) takes a residential mortgage loan application; and (II) offers or negotiates terms of a residential mortgage loan for compensation or gain." Section 1503(3)(B), entitled "Other Definitions Relating to Loan Originator" provides "For purposes of this subsection, an individual `assists a consumer in obtaining or applying to obtain a residential mortgage loan' by, among other things, advising on loan terms (including rates, fees, other costs), preparing loan packages, or collecting information on behalf of the consumer with regard to a residential mortgage loan.

" HUD interprets "application" to include any request from a borrower, however communicated, for an offer (or in response to a solicitation of an offer) of residential mortgage loan terms, as well as the information from the borrower that is typically required in order to make such an offer. HUD interprets "tak[ing]" an application to mean receipt of an application for the purpose of deciding whether or not to extend the requested offer of a loan to the borrower, whether the application is received directly or indirectly from the borrower.

Since it generally would not be possible for an individual to offer to or negotiate residential mortgage loan terms with a borrower without first receiving the request from the borrower (including a positive response to a solicitation of an offer) as well as the information typically contained in a borrower's application, HUD considers the definition of loan originator to encompass any individual who, for compensation or gain, offers or negotiates pursuant to a request from and based on the information provided by the borrower. Such an individual would be included in the definition of loan originator, regardless of whether the individual takes the request from the borrower for an offer (or positive response to an offer) of residential mortgage loan terms directly or indirectly from the borrower.

The SAFE Act also describes activities in the residential mortgage process that are excluded from the definition of "loan originator." Activities that are excluded are those that pertain to administrative or clerical tasks; real estate brokerage activities by individuals licensed or registered by a state to undertake real estate brokerage activities unless a person is compensated by a loan originator, loan processing or underwriting undertaken under the direction and supervision of a state-licensed loan originator or registered loan originator; and those individuals solely involved in extensions of credit relating to timeshare plans.

HUD interprets an individual who "takes a residential mortgage loan application" to exclude an individual who performs purely administrative or clerical tasks, such as physically handling a completed application form or transmitting a completed form to a lender on behalf of a prospective borrower. This interpretation is consistent with the exclusion defined in section 1503(3)(C) of the SAFE Act. On the other hand, HUD views activity that involves assisting or advising a prospective borrower in the completion of an application extending beyond purely administrative or clerical tasks falls within coverage of the SAFE Act provided by section 1503(3)(B). As a result, an individual who offers or negotiates residential mortgage loan terms for compensation or gain could not avoid applicability of the SAFE Act standards by having another person or entity take the application from the prospective borrower and then pass the application to the individual. A state licensing and registration system that permits such individuals to avoid compliance with SAFE Act standards would be determined by HUD to be not in compliance with the SAFE Act. A state may clarify that such individuals are not exempt from licensing requirements. The MSL provides one approach in making this clarification in section XX.XXX.030(6).

Notwithstanding the broad definition of "loan originator" in the SAFE Act, there are some limited contexts where offering or negotiating residential mortgage loan terms would not make an individual a loan originator. The provision in the definition that loan originators are individuals who take an "application" implies a formality and commercial context that is wholly absent where an individual offers or negotiates terms of a residential mortgage loan with or on behalf of a member of his or her immediate family. State legislation that excludes from licensing and registration requirements an individual who offers or negotiates terms of a residential mortgage loan only with or on behalf of an immediate family member will not be found to be out of compliance with the SAFE Act merely because of such exclusion. The MSL includes this exclusion in section XX.XXX.040(3)(b).

The commercial context implied by the taking of an "application" is also absent where an individual seller provides financing to a buyer pursuant to the sale of the seller's own residence. The frequency with which a particular seller provides financing is so limited that HUD's view is that Congress did not intend to require such sellers to obtain loan originator licenses. Accordingly, state legislation that excludes from licensing and registration requirements an individual who offers or negotiates terms of a residential mortgage loan only to the buyer or prospective buyer of the seller's residence will not be found to be out of compliance with the SAFE Act. The MSL includes this exclusion in section XX.XXX.040(3)(c).

Additionally, the definition generally would not apply to, for example, a licensed attorney who negotiates terms of a residential mortgage loan with a prospective lender on behalf of a client as an ancillary matter to the attorney's representation of the client, unless the attorney is compensated by a lender, mortgage broker, or other mortgage loan originator or by an agent of such lender, mortgage broker, or other loan originator. In such cases, the duties of loyalty, competence, and diligence owed by the attorney to his or her client are significant. HUD views the SAFE Act's requirements for registration and licensing as not applying in this context, which is distinguished from the commercial context contemplated in the SAFE Act. The MSL includes this exclusion in section XX.XXX.040(3)(d).

C. Definition of "Dwelling"

The SAFE Act's definition of "residential mortgage loan" includes a loan secured by a consensual security interest on a "dwelling" and cross-references the definition of dwelling in section 103(v) of the Truth in Lending Act (TILA) (15 U.S.C. 1601 note).

Regulation Z, which implements TILA, defines dwelling to mean "a residential structure that contains 1 to 4 units, whether or not that structure is attached to real property. The term includes an individual condominium unit, cooperative unit, mobile home, and trailer, if it is used as a residence." (12 CFR 226.2(a)(19).) Since both the SAFE Act and TILA address consumer protections for borrowers in housing finance transactions, HUD finds that the same interpretation applies under the SAFE Act. In addition, HUD interprets "mobile home" to include a manufactured home, as defined in the National Manufactured Housing Construction and Safety Standards Act of 1974. (42 U.S.C. 5402(6).)

D. Delayed Effective Date of Requirement to Obtain and Maintain a License

Under the SAFE Act, HUD may determine the acceptability of states' licensing and registration systems and of their participation in the NMLS as early as July 31, 2009, or July 31, 2010, as applicable. As a result, states are facing tight deadlines before they must enact legislation and implement systems to carry out licensing and registration requirements. To meet the SAFE Act's licensing requirements, NMLSR will have to develop tests and approve educational courses, mortgage loan originators will have to comply with testing, education, and bonding requirements, and states will have to evaluate the records of thousands of applicants.

Although a state should enact legislation or promulgate regulations by the applicable deadline, HUD's position is that Congress did not intend for states to require all mortgage loan originators to be licensed in accordance with the SAFE Act's standards immediately upon enactment of the state's legislation or issuance of regulations. Such a requirement could cause a massive disruption in the housing finance industry at a time when millions of Americans may be seeking to refinance their existing mortgages or to purchase a new home. The ability of loan originators to facilitate such transactions is critical to ameliorate the current conditions in the housing market, but in many states, individuals currently performing loan originations may not be able to meet the educational, testing, and background check requirements by the time required legislation or regulations become effective. In addition, HUD is aware that some states already require licensure of loan originators, and that some individuals in those states will hold licenses that do not expire until as late as December 2010. Nonetheless, the provision for HUD to enforce the SAFE Act's standards in any state that fails to implement these standards reflects the underlying statutory concern that loan originators who do not meet these standards pose a significant risk to borrowers and the housing finance system. As a result, any period during which loan originators may operate without a SAFE Act-compliant license must be only as long as necessary for substantial numbers of qualified loan originators to obtain licenses.

Accordingly, HUD will not determine that a state's legislation is not in compliance with the SAFE Act merely because the legislation or regulations provide for a reasonable period following enactment for certain loan originators to be licensed under the new requirements. Considering the education, testing, and background check standards that license applicants must meet, HUD views a reasonable delay, with respect to individuals who do not already possess a valid loan originator license, is one which does not extend past July 31, 2010. Such a delay generally provides one year from state enactment of legislation for individuals to come into compliance with applicable requirements. (HUD has determined that all state legislatures that meet only biennially meet in 2009, which means that these states will have the opportunity to enact SAFE Act compliant legislation by July 31, 2009.) For individuals who possess licenses granted under a system that was in place prior to the SAFE Act-compliant system, HUD views a reasonable delay is one that does not extend past December 31, 2010. This effective date will accommodate individuals with two-year licenses that were granted or renewed as late as December 2008, and also synchronizes with the NMLSR's uniform annual license expiration date of December 31. The MSL provides in section L26-(1)(2) for these delayed effective dates for the state licensing requirement, and provides that these effective dates could be further extended only with HUD's approval. HUD may approve a later date only upon a state's demonstration that substantial numbers of loan originators (or of a class of loan originators) who require a state license face unusual hardship, through no fault of their own or of the state government, in complying with the standards required by the SAFE Act to be in the state legislation and in obtaining state licenses within one year.

E. State of Licensure

Section 1504(a) of the SAFE Act prohibits an individual from "engag[ing] in the business of a loan originator" without first obtaining a registration or state license. HUD interprets this provision to mean that an individual must comply with licensing and registry requirements of a state in order to engage in the business of a loan originator with respect to any residential property in that state, regardless of whether the individual or the prospective borrower is located in the state. This interpretation ensures that each state is able to establish and enforce the provisions of its SAFE Act licensing system and prevents an individual from circumventing a state's requirements simply by physically locating outside of the state and conducting business by telephone or other means. This interpretation, however, does not affect the level of reciprocity a state may grant to another state's determination that its own SAFE Act-compliant licensing requirements have been met. This interpretation promotes clarity by unambiguously determining which state's license is required for a given transaction. The MSL incorporates this

interpretation in section XX.XXX.040(1).

F. Felony Convictions

Section 1505(b)(2) of the SAFE Act provides that, to be eligible for a license, an individual must not have been convicted of any felony within the preceding seven years or convicted of certain types of felonies at any time prior to application. Since the provision is triggered by a conviction, rather than by an extant record of a conviction, HUD interprets the provision to make an individual ineligible for a loan originator license even if the conviction is later expunged. Pardoned convictions, in contrast, are generally treated as legal nullities for all purposes under state law and would not render an individual ineligible. The law under which an individual is convicted, rather than the state where the individual applies for a license, determines whether a particular crime is classified as a felony. The MSL clarifies that a pardoned conviction does not render an individual ineligible for a license under section XX.XXX.060(2)(c).

G. Surety Bond

Section 1508(d)(6) of the SAFE Act provides that states must set minimum net worth or surety bond requirements or establish a recovery fund paid into by loan originators. HUD has determined that a state may comply with the SAFE Act requirement by providing that, in the case of a company that employs more than one loan originator, the bonding requirement may be met at the company level. Individual loan originators would not have to be bonded separately. The MSL incorporates this interpretation in section XX.XXX.140(1).

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TITLE V—S.A.F.E. MORTGAGE LICENSING ACT

Sec. 1501. Short title.
Sec. 1502. Purposes and methods for establishing a mortgage licensing system and registry.
Sec. 1503. Definitions.
Sec. 1504. License or registration required.
Sec. 1505. State license and registration application and issuance.
Sec. 1506. Standards for State license renewal.
Sec. 1507. System of registration administration by Federal agencies.
Sec. 1508. Secretary of Housing and Urban Development backup authority to establish a loan originator licensing system.
Sec. 1509. Backup authority to establish a nationwide mortgage licensing and registry system.
Sec. 1510. Fees.
Sec. 1511. Background checks of loan originators.
Sec. 1512. Confidentiality of information.
Sec. 1513. Liability provisions.
Sec. 1514. Enforcement under HUD backup licensing system.
Sec. 1515. State examination authority.
Sec. 1516. Reports and recommendations to Congress.
Sec. 1517. Study and reports on defaults and foreclosures.

TITLE V—S.A.F.E. MORTGAGE LICENSING ACT

SEC. 1501. SHORT TITLE.

This title may be cited as the "Secure and Fair Enforcement for Mortgage Licensing Act of 2008" or "S.A.F.E. Mortgage Licensing Act of 2008".

SEC. 1502. PURPOSES AND METHODS FOR ESTABLISHING A MORTGAGE LICENSING SYSTEM AND REGISTRY.

In order to increase uniformity, reduce regulatory burden, enhance consumer protection, and reduce fraud, the States, through the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators, are hereby encouraged to establish a Nationwide Mortgage Licensing System and Registry for the residential mortgage industry that accomplishes all of the following objectives:

(1) Provides uniform license applications and reporting requirements for State-licensed loan originators.

(2) Provides a comprehensive licensing and supervisory database.

(3) Aggregates and improves the flow of information to and between regulators.

(4) Provides increased accountability and tracking of loan originators.

(5) Streamlines the licensing process and reduces the regulatory burden.

(6) Enhances consumer protections and supports anti-fraud measures.

(7) Provides consumers with easily accessible information, offered at no charge, utilizing electronic media, including the Internet, regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, loan originators.
(8) Establishes a means by which residential mortgage loan originators would, to the greatest extent possible, be required to act in the best interests of the consumer.

(9) Facilitates responsible behavior in the subprime mortgage market place and provides comprehensive training and examination requirements related to subprime mortgage lending.

(10) Facilitates the collection and disbursement of consumer complaints on behalf of State and Federal mortgage regulators.

SEC. 1503. DEFINITIONS.

For purposes of this title, the following definitions shall apply:

(1) FEDERAL BANKING AGENCIES.—The term "Federal banking agencies" means the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Director of the Office of Thrift Supervision, the National Credit Union Administration, and the Federal Deposit Insurance Corporation.

(2) DEPOSITORY INSTITUTION.—The term "depository institution" has the same meaning as in section 3 of the Federal Deposit Insurance Act, and includes any credit union.

(3) LOAN ORIGINATOR.—

(A) IN GENERAL.—The term "loan originator"—

(i) means an individual who—

(I) takes a residential mortgage loan application; and

(II) offers or negotiates terms of a residential mortgage loan for compensation or gain;

(ii) does not include any individual who is not otherwise described in clause (i) and who performs purely administrative or clerical tasks on behalf of a person who is described in any such clause;

(iii) does not include a person or entity that only performs real estate brokerage activities and is licensed or registered in accordance with applicable State law, unless the person or entity is compensated by a lender, a mortgage broker, or other loan originator or by any agent of such lender, mortgage broker, or other loan originator; and

(iv) does not include a person or entity solely involved in extensions of credit relating to timeshare plans, as that term is defined in section 101(53D) of title 11, United States Code.

(B) OTHER DEFINITIONS RELATING TO LOAN ORIGINATOR.—For purposes of this subsection, an individual "assists a consumer in obtaining or applying to obtain a residential mortgage loan" by, among other things, advising on loan terms (including rates, fees, other costs), preparing loan packages, or collecting information on behalf of the consumer with regard to a residential mortgage loan.

(C) ADMINISTRATIVE OR CLERICAL TASKS.—The term "administrative or clerical tasks" means the receipt, collection, and distribution of information common for the processing or underwriting of a loan in the mortgage industry and communication with a consumer to obtain information necessary for the processing or underwriting of a residential mortgage loan.

(D) REAL ESTATE BROKERAGE ACTIVITY DEFINED.—The term "real estate brokerage activity" means any activity that involves offering or providing real estate brokerage services to the public, including—

(i) acting as a real estate agent or real estate broker for a buyer, seller, lessor, or lessee of real property;

(ii) bringing together parties interested in the sale, purchase, lease, rental, or exchange of real property;

(iii) negotiating, on behalf of any party, any portion of a contract relating to the sale, purchase, lease, rental, or exchange of real property (other than in connection with providing financing with respect to any such transaction);

(iv) engaging in any activity for which a person engaged in the activity is required to be registered or licensed as a real estate agent or real estate broker under any applicable law; and

(v) offering to engage in any activity, or act in any capacity, described in clause (i), (ii), (iii), or (iv).

(4) LOAN PROCESSOR OR UNDERWRITER.—

(A) IN GENERAL.—The term "loan processor or underwriter" means an individual who performs clerical or support duties at the direction of and subject to the supervision and instruction of—

(i) a State-licensed loan originator; or

(ii) a registered loan originator.

(B) CLERICAL OR SUPPORT DUTIES.—For purposes of subparagraph (A), the term "clerical or support duties" may include—

(i) the receipt, collection, distribution, and analysis of information common for the processing or underwriting of a residential mortgage loan; and

(ii) communicating with a consumer to obtain the information necessary for the processing or underwriting of a loan, to the extent that such communication does not include offering or negotiating loan rates or terms, or counseling consumers about residential mortgage loan rates or terms.

(5) NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY.—The term "Nationwide Mortgage Licensing System and Registry" means a mortgage licensing system developed and maintained by the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators for the State licensing and registration of State-licensed loan originators and the registration of registered loan originators or any system established by the Secretary under section 1509.

(6) NONTRADITIONAL MORTGAGE PRODUCT.—
The term "nontraditional mortgage product" means any mortgage product other than a 30-year fixed rate mortgage.

(7) REGISTERED LOAN ORIGINATOR.—The term "registered loan originator" means any individual who—

(A) meets the definition of loan originator and is an employee of—

(i) a depository institution;

(ii) a subsidiary that is—

(I) owned and controlled by a depository institution; and

(II) regulated by a Federal banking agency; or

(iii) an institution regulated by the Farm Credit Administration; and

(B) is registered with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

(8) RESIDENTIAL MORTGAGE LOAN.—The term "residential mortgage loan" means any loan primarily for personal, family, or household use that is secured by a mortgage, deed of trust, or other equivalent consensual security interest on a dwelling (as defined in section 103(v) of the Truth in Lending Act) or residential real estate upon which is constructed or intended to be constructed a dwelling (as so defined).

(9) SECRETARY.—The term "Secretary" means the Secretary of Housing and Urban Development.

(10) STATE.—The term "State" means any State of the United States, the District of Columbia, any territory of the United States, Puerto

Rico, Guam, American Samoa, the Trust Territory of the Pacific Islands, the Virgin Islands, and the Northern Mariana Islands.

(11) STATE-LICENSED LOAN ORIGINATOR.—The term "State-licensed loan originator" means any individual who—

(A) is a loan originator;

(B) is not an employee of—

(i) a depository institution;

(ii) a subsidiary that is—

(I) owned and controlled by a depository institution; and

(II) regulated by a Federal banking agency; or

(iii) an institution regulated by the Farm Credit Administration; and

(C) is licensed by a State or by the Secretary under section 1508 and registered as a loan originator with, and maintains a unique identifier through, the Nationwide Mortgage Licensing System and Registry.

(12) UNIQUE IDENTIFIER.—

(A) IN GENERAL.—The term "unique identifier" means a number or other identifier that—

(i) permanently identifies a loan originator;

(ii) is assigned by protocols established by the Nationwide Mortgage Licensing System and Registry and the Federal banking agencies to facilitate electronic tracking of loan originators and uniform identification of, and public access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against loan originators; and

(iii) shall not be used for purposes other than those set forth under this title.

(B) RESPONSIBILITY OF STATES.—To the greatest extent possible and to accomplish the purpose of this title, States shall use unique identifiers in lieu of social security numbers.

SEC. 1504. LICENSE OR REGISTRATION REQUIRED.

(a) IN GENERAL.—Subject to the existence of a licensing or registration regime, as the case may be, an individual may not engage in the business of a loan originator without first—

(1) obtaining, and maintaining annually—

(A) a registration as a registered loan originator; or

(B) a license and registration as a State licensed loan originator; and

(2) obtaining a unique identifier.

(b) LOAN PROCESSORS AND UNDERWRITERS.—

(1) SUPERVISED LOAN PROCESSORS AND UNDERWRITERS.—A loan processor or underwriter who does not represent to the public, through advertising or other means of communicating or providing information (including the use of business cards, stationery, brochures, signs, rate lists, or other promotional items), that such individual can or will perform any of the activities of a loan originator shall not be required to be a State-licensed loan originator.

(2) INDEPENDENT CONTRACTORS.—An independent contractor may not engage in residential mortgage loan origination activities as a loan processor or underwriter unless such independent contractor is a State-licensed loan originator.

SEC. 1505. STATE LICENSE AND REGISTRATION APPLICATION AND ISSUANCE.

(a) BACKGROUND CHECKS.—In connection with an application to any State for licensing and registration as a State-licensed loan originator, the applicant shall, at a minimum, furnish to the Nationwide Mortgage Licensing System and Registry information concerning the applicant's identity, including—

(1) fingerprints for submission to the Federal Bureau of Investigation, and any governmental agency or entity authorized to receive such information for a State and national criminal history background check; and

(2) personal history and experience, including authorization for the System to obtain—

(A) an independent credit report obtained from a consumer reporting agency described in section 603(p) of the Fair Credit Reporting Act; and
(B) information related to any administrative, civil or criminal findings by any governmental jurisdiction.

(b) ISSUANCE OF LICENSE.—The minimum standards for licensing and registration as a State-licensed loan originator shall include the following:

(1) The applicant has never had a loan originator license revoked in any governmental jurisdiction.
(2) The applicant has not been convicted of, or pled guilty or nolo contendere to, a felony in a domestic, foreign, or military court—
(A) during the 7-year period preceding the date of the application for licensing and registration; or
(B) at any time preceding such date of application, if such felony involved an act of fraud, dishonesty, or a breach of trust, or money laundering.
(3) The applicant has demonstrated financial responsibility, character, and general fitness such as to command the confidence of the community and to warrant a determination that the loan originator will operate honestly, fairly, and efficiently within the purposes of this title.
(4) The applicant has completed the pre-licensing education requirement described in subsection (c).
(5) The applicant has passed a written test that meets the test requirement described in subsection (d).
(6) The applicant has met either a net worth or surety bond requirement, or paid into a State fund, as required by the State pursuant to section 1508(d)(6).

(c) PRE-LICENSING EDUCATION OF LOAN ORIGINATORS.—
(1) MINIMUM EDUCATIONAL REQUIREMENTS.—In order to meet the pre-licensing education requirement referred to in subsection (b)(4), a person shall complete at least 20 hours of education approved in accordance with paragraph (2), which shall include at least—
(A) 3 hours of Federal law and regulations;

(B) 3 hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and
(C) 2 hours of training related to lending standards for the nontraditional mortgage product marketplace.

(2) APPROVED EDUCATIONAL COURSES.—For purposes of paragraph (1), pre-licensing education courses shall be reviewed, and approved by the Nationwide Mortgage Licensing System and Registry.

(3) LIMITATION AND STANDARDS.—
(A) LIMITATION.—To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer pre-licensure educational courses for loan originators.
(B) STANDARDS.—In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

(d) TESTING OF LOAN ORIGINATORS.—
(1) IN GENERAL.—In order to meet the written test requirement referred to in subsection (b)(5), an individual shall pass, in accordance with the standards established under this subsection, a qualified written test developed by the Nationwide Mortgage Licensing System and Registry and administered by an approved test provider.
(2) QUALIFIED TEST.—A written test shall not be treated as a qualified written test for purposes of paragraph (1) unless the test adequately measures the applicant's knowledge and comprehension in appropriate subject areas, including—
(A) ethics;
(B) Federal law and regulation pertaining to mortgage origination;
(C) State law and regulation pertaining to mortgage origination;
(D) Federal and State law and regulation, including instruction on fraud, consumer protection, the nontraditional mortgage marketplace, and fair lending issues.

(3) MINIMUM COMPETENCE.—

(A) PASSING SCORE.—An individual shall not be considered to have passed a qualified written test unless the individual achieves a test score of not less than 75 percent correct answers to questions.

(B) INITIAL RETESTS.—An individual may retake a test 3 consecutive times with each consecutive taking occurring at least 30 days after the preceding test.

(C) SUBSEQUENT RETESTS.—After failing 3 consecutive tests, an individual shall wait at least 6 months before taking the test again.

(D) RETEST AFTER LAPSE OF LICENSE.—A State-licensed loan originator who fails to maintain a valid license for a period of 5 years or longer shall retake the test, not taking into account any time during which such individual is a registered loan originator.

(e) MORTGAGE CALL REPORTS.—Each mortgage licensee shall submit to the Nationwide Mortgage Licensing System and Registry reports of condition, which shall be in such form and shall contain such information as the Nationwide Mortgage Licensing System and Registry may require.

SEC. 1506. STANDARDS FOR STATE LICENSE RENEWAL.

(a) IN GENERAL.—The minimum standards for license renewal for State-licensed loan originators shall include the following:

(1) The loan originator continues to meet the minimum standards for license issuance.

(2) The loan originator has satisfied the annual continuing education requirements described in subsection (b).

(b) CONTINUING EDUCATION FOR STATE-LICENSED LOAN ORIGINATORS.—

(1) IN GENERAL.—In order to meet the annual continuing education requirements referred to in subsection (a)(2), a State-licensed loan originator shall complete at least 8 hours of education approved in accordance with paragraph (2), which shall include at least—

(A) 3 hours of Federal law and regulations;

(B) 2 hours of ethics, which shall include instruction on fraud, consumer protection, and fair lending issues; and

(C) 2 hours of training related to lending standards for the nontraditional mortgage product marketplace.

(2) APPROVED EDUCATIONAL COURSES.—For purposes of paragraph (1), continuing educationcourses shall be reviewed, and approved by the Na1tionwide Mortgage Licensing System and Registry.

(3) CALCULATION OF CONTINUING EDUCATION CREDITS.—A State-licensed loan originator—

(A) may only receive credit for a continuing education course in the year in which the course is taken; and

(B) may not take the same approved course in the same or successive years to meet the annual requirements for continuing education.

(4) INSTRUCTOR CREDIT.—A State-licensed loan originator who is approved as an instructor of an approved continuing education course may receive credit for the originator's own annual continuing education requirement at the rate of 2 hours credit for every 1 hour taught.

(5) LIMITATION AND STANDARDS.—

(A) LIMITATION.—To maintain the independence of the approval process, the Nationwide Mortgage Licensing System and Registry shall not directly or indirectly offer any continuing education courses for loan originators.

(B) STANDARDS.—In approving courses under this section, the Nationwide Mortgage Licensing System and Registry shall apply reasonable standards in the review and approval of courses.

SEC. 1507. SYSTEM OF REGISTRATION ADMINISTRATION BY FEDERAL AGENCIES.

(a) DEVELOPMENT.—

(1) IN GENERAL.—The Federal banking agencies shall jointly, through the Federal Financial Institutions Examination Council, and together with the Farm Credit Administration, develop and maintain a system for registering employees of a depository institution, employees of a subsidiary that is owned and

controlled by a depository institution and regulated by a Federal banking agency, or employee of an institution regulated by the Farm Credit Administration, as registered loan originators with the Nationwide Mortgage Licensing System and Registry. The system shall be implemented before the end of the 1-year period beginning on the date of enactment of this title.

(2) REGISTRATION REQUIREMENTS.—In connection with the registration of any loan originator under this subsection, the appropriate Federal banking agency and the Farm Credit Administration shall, at a minimum, furnish or cause to be furnished to the Nationwide Mortgage Licensing System and Registry information concerning the employees' identity, including—

(A) fingerprints for submission to the Federal Bureau of Investigation, and any governmental agency or entity authorized to receive such information for a State and national criminal history background check; and

(B) personal history and experience, including authorization for the Nationwide Mortgage Licensing System and Registry to obtain information related to any administrative, civil or criminal findings by any governmental jurisdiction.

(b) COORDINATION.—

(1) UNIQUE IDENTIFIER.—The Federal banking agencies, through the Financial Institutions Examination Council, and the Farm Credit Administration shall coordinate with the Nationwide Mortgage Licensing System and Registry to establish protocols for assigning a unique identifier to each registered loan originator that will facilitate electronic tracking and uniform identification of, and public access to, the employment history of and publicly adjudicated disciplinary and enforcement actions against loan originators.

(2) NATIONWIDE MORTGAGE LICENSING SYSTEM AND REGISTRY DEVELOPMENT.—To facilitate the transfer of information required by subsection (a)(2), the Nationwide Mortgage Licensing System and Registry shall coordinate with the Federal banking agencies, through the Financial Institutions Examination Council, and the Farm Credit Administration concerning the development and operation, by such

System and Registry, of the registration functionality and data requirements for loan originators.

(c) CONSIDERATION OF FACTORS AND PROCEDURES.—In establishing the registration procedures under subsection (a) and the protocols for assigning a unique identifier to a registered loan originator, the Federal banking agencies shall make such de minimis exceptions as may be appropriate to paragraphs (1)(A) and (2) of section 1504(a), shall make reasonable efforts to utilize existing information to minimize the burden of registering loan originators, and shall consider methods for automating the process to the greatest extent practicable consistent with the purposes of this title.

SEC. 1508. SECRETARY OF HOUSING AND URBAN DEVELOPMENT BACKUP AUTHORITY TO ESTABLISH A LOAN ORIGINATOR LICENSING SYSTEM.

(a) BACKUP LICENSING SYSTEM.—If, by the end of the 1-year period, or the 2-year period in the case of a State whose legislature meets only biennially, beginning on the date of the enactment of this title or at any time thereafter, the Secretary determines that a State does not have in place by law or regulation a system for licensing and registering loan originators that meets the requirements of sections 1505 and 1506 and subsection (d) of this section, or does not participate in the Nationwide Mortgage Licensing System and Registry, the Secretary shall provide for the establishment and maintenance of a system for the licensing and registration by the Secretary of loan originators operating in such State as State-licensed loan originators.

(b) LICENSING AND REGISTRATION REQUIREMENTS.—The system established by the Secretary under subsection (a) for any State shall meet the requirements of sections 1505 and 1506 for State-licensed loan originators.

(c) UNIQUE IDENTIFIER.—The Secretary shall coordinate with the Nationwide Mortgage Licensing System and Registry to establish protocols for assigning a unique identifier to each loan originator licensed by the Secretary as a State-licensed loan originator that will facilitate electronic tracking and uniform identification of, and public

access to, the employment history of and the publicly adjudicated disciplinary and enforcement actions against loan originators.

(d) STATE LICENSING LAW REQUIREMENTS.—For purposes of this section, the law in effect in a State meets the requirements of this subsection if the Secretary determines the law satisfies the following minimum requirements:

(1) A State loan originator supervisory authority is maintained to provide effective supervision and enforcement of such law, including the suspension, termination, or nonrenewal of a license for a violation of State or Federal law.
(2) The State loan originator supervisory authority ensures that all State-licensed loan originators operating in the State are registered with Nationwide Mortgage Licensing System and Registry.
(3) The State loan originator supervisory authority is required to regularly report violations of such law, as well as enforcement actions and other relevant information, to the Nationwide Mortgage Licensing System and Registry.
(4) The State loan originator supervisory authority has a process in place for challenging information contained in the Nationwide Mortgage Licensing System and Registry.
(5) The State loan originator supervisory authority has established a mechanism to assess civil money penalties for individuals acting as mortgage originators in their State without a valid license or registration.
(6) The State loan originator supervisory authority has established minimum net worth or surety bonding requirements that reflect the dollar amount of loans originated by a residential mortgage loan originator, or has established a recovery fund paid into by the loan originators.

(e) TEMPORARY EXTENSION OF PERIOD.—The Secretary may extend, by not more than 24 months, the 1-year or 2-year period, as the case may be, referred to in subsection (a) for the licensing of loan originators in any State under a State licensing law that meets the requirements of sections 1505 and 1506 and subsection (d) if the Secretary determines that such State is making a good faith effort to establish a State licensing law that meets such requirements, license

mortgage originators under such law, and register such originators with the Nationwide Mortgage Licensing System and Registry.

SEC. 1509. BACKUP AUTHORITY TO ESTABLISH A NATIONWIDE MORTGAGE LICENSING AND REGISTRY SYSTEM.

If at any time the Secretary determines that the Nationwide Mortgage Licensing System and Registry is failing to meet the requirements and purposes of this title for a comprehensive licensing, supervisory, and tracking system for loan originators, the Secretary shall establish and maintain such a system to carry out the purposes of this title and the effective registration and regulation of loan originators.

SEC. 1510. FEES.

The Federal banking agencies, the Farm Credit Administration, the Secretary, and the Nationwide Mortgage Licensing System and Registry may charge reasonable fees to cover the costs of maintaining and providing access to information from the Nationwide Mortgage Licensing System and Registry, to the extent that such fees are not charged to consumers for access to such system and registry.

SEC. 1511. BACKGROUND CHECKS OF LOAN ORIGINATORS.

(a) ACCESS TO RECORDS.—Notwithstanding any other provision of law, in providing identification and processing functions, the Attorney General shall provide access to all criminal history information to the appropriate State officials responsible for regulating State-licensed loan originators to the extent criminal history background checks are required under the laws of the State for the licensing of such loan originators.

(b) AGENT.—For the purposes of this section and in order to reduce the points of contact which the Federal Bureau of Investigation may have to maintain for purposes of subsection (a), the Conference of State Bank Supervisors or a wholly owned subsidiary may be used as a channeling agent of the States for requesting and distributing information between the Department of Justice and the appropriate State agencies.

SEC. 1512. CONFIDENTIALITY OF INFORMATION.

(a) SYSTEM CONFIDENTIALITY.—Except as otherwise provided in this section, any requirement under Federal or State law regarding the privacy or confidentiality of any information or material provided to the Nationwide Mortgage Licensing System and Registry or a system established by the Secretary under section 1509, and any privilege arising under Federal or State law (including the rules of any Federal or State court) with respect to such information or material, shall continue to apply to such information or material after the information or material has been disclosed to the system. Such information and material may be shared with all State and Federal regulatory officials with mortgage industry oversight authority without the loss of privilege or the loss of confidentiality protections provided by Federal and State laws.

(b) NONAPPLICABILITY OF CERTAIN REQUIREMENTS.—Information or material that is subject to a privilege or confidentiality under subsection (a) shall not be subject to—

(1) disclosure under any Federal or State law governing the disclosure to the public of information held by an officer or an agency of the Federal Government or the respective State; or

(2) subpoena or discovery, or admission into evidence, in any private civil action or administrative process, unless with respect to any privilege held by the Nationwide Mortgage Licensing System and Registry or the Secretary with respect to such information or material, the person to whom such information or material pertains waives, in whole or in part, in the discretion of such person, that privilege.

(c) COORDINATION WITH OTHER LAW.—Any State law, including any State open record law, relating to the disclosure of confidential supervisory information or any information or material described in subsection (a) that is inconsistent with subsection (a) shall be superseded by the requirements of such provision to the extent State law provides less confidentiality or a weaker privilege.

(d) PUBLIC ACCESS TO INFORMATION.—This section shall not apply with respect to the information or material relating to the employment history of, and publicly adjudicated disciplinary and enforcement

actions against, loan originators that is included in Nationwide Mortgage Licensing System and Registry for access by the public.

SEC. 1513. LIABILITY PROVISIONS.

The Secretary, any State official or agency, any Federal banking agency, or any organization serving as the administrator of the Nationwide Mortgage Licensing System and Registry or a system established by the Secretary under section 1509, or any officer or employee of any such entity, shall not be subject to any civil action or proceeding for monetary damages by reason of the good faith action or omission of any officer or employee of any such entity, while acting within the scope of office or employment, relating to the collection, furnishing, or dissemination of information concerning persons who are loan originators or are applying for licensing or registration as loan originators.

SEC. 1514. ENFORCEMENT UNDER HUD BACKUP LICENSING SYSTEM.

(a) SUMMONS AUTHORITY.—The Secretary may—

(1) examine any books, papers, records, or other data of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 1508; and

(2) summon any loan originator referred to in paragraph (1) or any person having possession, custody, or care of the reports and records relating to such loan originator, to appear before the Secretary or any delegate of the Secretary at a time and place named in the summons and to produce such books, papers, records, or other data, and to give testimony, under oath, as may be relevant or material to an investigation of such loan originator for compliance with the requirements of this title.

(b) EXAMINATION AUTHORITY.—

(1) IN GENERAL.—If the Secretary establishes a licensing system under section 1508 for any State, the Secretary shall appoint examiners for the purposes of administering such section.

(2) POWER TO EXAMINE.—Any examiner appointed under paragraph (1) shall have power, on behalf of the Secretary, to make any examination of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 1508 whenever the Secretary determines an examination of any loan originator is necessary to determine the compliance by the originator with this title.

(3) REPORT OF EXAMINATION.—Each examiner appointed under paragraph (1) shall make a full and detailed report of examination of any loan originator examined to the Secretary.

(4) ADMINISTRATION OF OATHS AND AFFIRMATIONS; EVIDENCE.—In connection with examinations of loan originators operating in any State which is subject to a licensing system established by the Secretary under section 1508, or with other types of investigations to determine compliance with applicable law and regulations, the Secretary and examiners appointed by the Secretary may administer oaths and affirmations and examine and take and preserve testimony under oath as to any matter in respect to the affairs of any such loan originator.

(5) ASSESSMENTS.—The cost of conducting any examination of any loan originator operating in any State which is subject to a licensing system established by the Secretary under section 1508 shall be assessed by the Secretary against the loan originator to meet the Secretary's expenses in carrying out such examination.

(c) CEASE AND DESIST PROCEEDING.—

(1) AUTHORITY OF SECRETARY.—If the Secretary finds, after notice and opportunity for hearing, that any person is violating, has violated, or is about to violate any provision of this title, or any regulation thereunder, with respect to a State which is subject to a licensing system established by the Secretary under section 1508, the Secretary may publish such findings and enter an order requiring such person, and any other person that is, was, or would be a cause of the violation, due to an act or omission the person knew or should have known would contribute to such violation, to cease and desist from committing or causing such violation and any future violation of the same provision, rule, or regulation. Such order may, in addition to requiring a person to cease and desist from

committing or causing a violation, require such person to comply, or to take steps to effect compliance, with such provision or regulation, upon such terms and conditions and within such time as the Secretary may specify in such order. Any such order may, as the Secretary deems appropriate, require future compliance or steps to effect future compliance, either permanently or for such period of time as the Secretary may specify, with such provision or regulation with respect to any loan originator.

(2) HEARING.—The notice instituting proceedings pursuant to paragraph (1) shall fix a hearing date not earlier than 30 days nor later than 60 days after service of the notice unless an earlier or a later date is set by the Secretary with the consent of any respondent so served.

(3) TEMPORARY ORDER.—Whenever the Secretary determines that the alleged violation or threatened violation specified in the notice instituting proceedings pursuant to paragraph (1), or the continuation thereof, is likely to result in significant dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest prior to the completion of the proceedings, the Secretary may enter a temporary order requiring the respondent to cease and desist from the violation or threatened violation and to take such action to prevent the violation or threatened violation and to prevent dissipation or conversion of assets, significant harm to consumers, or substantial harm to the public interest as the Secretary deems appropriate pending completion of such proceedings. Such an order shall be entered only after notice and opportunity for a hearing, unless the Secretary determines that notice and hearing prior to entry would be impracticable or contrary to the public interest. A temporary order shall become effective upon service upon the respondent and, unless set aside, limited, or suspended by the Secretary or a court of competent jurisdiction, shall remain effective and enforceable pending the completion of the proceedings.

(4) REVIEW OF TEMPORARY ORDERS.—

(A) REVIEW BY SECRETARY.—At any time after the respondent has been served with a temporary cease and desist order pursuant to paragraph (3), the respondent may apply to the Secretary to have the order set aside,

limited, or suspended. If the respondent has been served with a temporary cease and desist order entered without a prior hearing before the Secretary, the respondent may, within 10 days after the date on which the order was served, request a hearing on such application and the Secretary shall hold a hearing and render a decision on such application at the earliest possible time.

(B) JUDICIAL REVIEW.—Within—

(i) 10 days after the date the respondent was served with a temporary cease and desist order entered with a prior hearing before the Secretary; or

(ii) 10 days after the Secretary renders a decision on an application and hearing under paragraph (1), with respect to any temporary cease and desist order entered without a prior hearing before the Secretary, the respondent may apply to the United States district court for the district in which the respondent resides or has its principal place of business, or for the District of Columbia, for an order setting aside, limiting, or suspending the effectiveness or enforcement of the order, and the court shall have jurisdiction to enter such an order. A respondent served with a temporary cease and desist order entered without a prior hearing before the Secretary may not apply to the court except after hearing and decision by the Secretary on the respondent's application under subparagraph (A).

(C) NO AUTOMATIC STAY OF TEMPORARY ORDER.—The commencement of proceedings under subparagraph (B) shall not, unless specifically ordered by the court, operate as a stay of the Secretary's order.

(5) AUTHORITY OF THE SECRETARY TO PROHIBIT PERSONS FROM SERVING AS LOAN ORIGINATORS.—In any cease and desist proceeding under paragraph (1), the Secretary may issue an order to prohibit, conditionally or unconditionally, and permanently or for such period of time as the Secretary shall determine, any person who has violated this title or regulations thereunder, from acting as a loan originator if the conduct of that person demonstrates unfitness to serve as a loan originator.

(d) AUTHORITY OF THE SECRETARY TO ASSESS MONEY PENALTIES.—

(1) IN GENERAL.—The Secretary may impose a civil penalty on a loan originator operating in any State which is subject to a licensing system established by the Secretary under section 1508, if the Secretary finds, on the record after notice and opportunity for hearing, that such loan originator has violated or failed to comply with any requirement of this title or any regulation prescribed by the Secretary under this title or order issued under subsection (c).

(2) MAXIMUM AMOUNT OF PENALTY.—The maximum amount of penalty for each act or omission described in paragraph (1) shall be $25,000.

SEC. 1515. STATE EXAMINATION AUTHORITY.

In addition to any authority allowed under State law a State licensing agency shall have the authority to conduct investigations and examinations as follows:

(1) For the purposes of investigating violations or complaints arising under this title, or for the purposes of examination, the State licensing agency may review, investigate, or examine any loan originator licensed or required to be licensed under this title, as often as necessary in order to carry out the purposes of this title.

(2) Each such loan originator shall make available upon request to the State licensing agency the books and records relating to the operations of such originator. The State licensing agency may have access to such books and records and interview the officers, principals, loan originators, employees, independent contractors, agents, and customers of the licensee concerning their business.

(3) The authority of this section shall remain in effect, whether such a loan originator acts or claims to act under any licensing or registration law of such State, or claims to act without such authority.

(4) No person subject to investigation or examination under this section may knowingly withhold, abstract, remove, mutilate, destroy, or secrete any books, records, computer records, or other information.

SEC. 1516. REPORTS AND RECOMMENDATIONS TO CONGRESS.

(a) ANNUAL REPORTS.—Not later than 1 year after the date of enactment of this title, and annually thereafter, the Secretary shall submit a report to Congress on the effectiveness of the provisions of this title, including legislative recommendations, if any, for strengthening consumer protections, enhancing examination standards, streamlining communication between all stakeholders involved in residential mortgage loan origination and processing, and establishing performance based bonding requirements for mortgage originators or institutions that employ such brokers.

(b) LEGISLATIVE RECOMMENDATIONS.—Not later than 6 months after the date of enactment of this title, the Secretary shall make recommendations to Congress on legislative reforms to the Real Estate Settlement Procedures Act of 1974, that the Secretary deems appropriate to promote more transparent disclosures, allowing consumers to better shop and compare mortgage loan terms and settlement costs.

SEC. 1517. STUDY AND REPORTS ON DEFAULTS AND FORECLOSURES.

(a) STUDY REQUIRED.—The Secretary shall conduct an extensive study of the root causes of default and foreclosure of home loans, using as much empirical data as is available.

(b) PRELIMINARY REPORT TO CONGRESS.—Not later than 6 months after the date of enactment of this title, the Secretary shall submit to Congress a preliminary report regarding the study required by this section.

(c) FINAL REPORT TO CONGRESS.—Not later than 12 months after the date of enactment of this title, the Secretary shall submit to Congress a final report regarding the results of the study required by this section, which shall include any recommended legislation relating to the study, and recommendations for best practices and for a process to provide targeted assistance to populations with the highest risk of potential default or foreclosure.

disaster declaration under the Robert T. Stafford Disaster Relief and Emergency Assistance Act, 42 U.S.C. 5121–5207 (the Stafford Act). Therefore, I declare that such a major disaster exists in the State of South Dakota.

In order to provide Federal assistance, you are hereby authorized to allocate from funds available for these purposes such amounts as you find necessary for Federal disaster assistance and administrative expenses.

You are authorized to provide Public Assistance in the designated areas; assistance for emergency protective measures (Public Assistance Category B), including snow removal for any continuous 48-hour period during or proximate to the incident period in the designated areas; Hazard Mitigation throughout the State; and any other forms of assistance under the Stafford Act that you deem appropriate. Consistent with the requirement that Federal assistance be supplemental, any Federal funds provided under the Stafford Act for Hazard Mitigation will be limited to 75 percent of the total eligible costs. Federal funds provided under the Stafford Act for Public Assistance also will be limited to 75 percent of the total eligible costs, except for any particular projects that are eligible for a higher Federal cost-sharing percentage under the FEMA Public Assistance Pilot Program instituted pursuant to 6 U.S.C. 777. If Other Needs Assistance under Section 408 of the Stafford Act is later requested and warranted, Federal funding under that program also will be limited to 75 percent of the total eligible costs.

Further, you are authorized to make changes to this declaration to the extent allowable under the Stafford Act.

The Federal Emergency Management Agency (FEMA) hereby gives notice that pursuant to the authority vested in the Administrator, under Executive Order 12148, as amended, Nancy M. Casper, of FEMA is appointed to act as the Federal Coordinating Officer for this major disaster.

The following areas of the State of South Dakota have been designated as adversely affected by this major disaster:

Bennett, Butte, Corson, Dewey, Haakon, Harding, Jackson, Meade, Mellette, Perkins, Shannon, Todd, and Ziebach Counties and the portions of the Pine Ridge Reservation, Rosebud Reservation, Cheyenne River Reservation, and Standing Rock Reservation that lie within the designated counties for Public Assistance.

Butte and Perkins Counties for emergency protective measures (Category B), including snow removal assistance, under the Public Assistance program for any continuous 48-hour period during or proximate to the incident period.

All counties and Tribal Reservations within the State of South Dakota are eligible to apply for assistance under the Hazard Mitigation Grant Program.

The following Catalog of Federal Domestic Assistance Numbers (CFDA) are to be used for reporting and drawing funds: 97.030, Community Disaster Loans; 97.031, Cora Brown Fund; 97.032, Crisis Counseling; 97.033, Disaster Legal Services; 97.034, Disaster Unemployment Assistance (DUA); 97.046, Fire Management Assistance Grant; 97.048, Disaster Housing Assistance to Individuals and Households in Presidentially Declared Disaster Areas; 97.049, Presidentially Declared Disaster Assistance—Disaster Housing Operations for Individuals and Households; 97.050, Presidentially Declared Disaster Assistance to Individuals and Households—Other Needs; 97.036, Disaster Grants—Public Assistance (Presidentially Declared Disasters); 97.039, Hazard Mitigation Grant.)

R. David Paulison,

Administrator, Federal Emergency Management Agency.

[FR Doc. E8–31291 Filed 1–2–09; 8:45 am]

BILLING CODE 9111–23–P

DEPARTMENT OF HOMELAND SECURITY

U.S. Customs and Border Protection

Approval of Amspec Services LLC, as a Commercial Gauger

AGENCY: U.S. Customs and Border Protection, Department of Homeland Security.

ACTION: Notice of approval of Amspec Services LLC, as a commercial gauger.

SUMMARY: Notice is hereby given that, pursuant to 19 CFR 151.13, Amspec Services LLC, 22010 South Wilmington Avenue Suite #304, Carson, CA 90745, has been approved to gauge petroleum, petroleum products, organic chemicals and vegetable oils for customs purposes, in accordance with the provisions of 19 CFR 151.13. Anyone wishing to employ this entity to conduct gauger services should request and receive written assurances from the entity that it is approved by the U.S. Customs and Border Protection to conduct the specific gauger service requested. Alternatively, inquires regarding the specific gauger service this entity is approved to perform may be directed to the U.S. Customs and Border Protection by calling (202) 344–1060. The inquiry may also be sent to *cbp.labhq@dhs.gov*. Please reference the Web site listed below for a complete listing of CBP approved gaugers and accredited laboratories: *http://cbp.gov/xp/cgov/import/operations_support/labs_scientific_svcs/commercial_gaugers/*.

DATES: The approval of Amspec Services LLC, as commercial gauger became effective on October 22, 2008. The next triennial inspection date will be scheduled for October 2011.

FOR FURTHER INFORMATION CONTACT: Randall Breaux, Laboratories and Scientific Services, U.S. Customs and Border Protection, 1300 Pennsylvania Avenue, NW., Suite 1500N, Washington, DC 20229, 202–344–1060.

Dated: December 24, 2008.

Ira S. Reese,

Executive Director, Laboratories and Scientific Services.

[FR Doc. E8–31289 Filed 1–2–09; 8:45 am]

BILLING CODE 9111–14–P

DEPARTMENT OF HOUSING & URBAN DEVELOPMENT

[Docket No. FR–5271–N–01]

S.A.F.E. (SAFE) Mortgage Licensing Act; Notification of Availability of Model Legislation

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: This notice announces that the Conference of State Bank Supervisors and the American Association of Residential Mortgage Regulators have developed model legislation to assist states in meeting the minimum requirements of the SAFE Mortgage Licensing Act. HUD has reviewed this model legislation and finds that it meets the minimum requirements of the SAFE Mortgage Licensing Act. The model legislation is available on HUD's Web site at *http://www.hud.gov/offices/hsg/sfh/reguprog.cfm*, along with HUD commentary on certain provisions of the statute, and the model legislation.

FOR FURTHER INFORMATION CONTACT: For information contact William Matchneer, Office of Regulatory Affairs and Manufactured Housing, Office of Housing, Department of Housing and Urban Development, 451 7th Street, SW., Washington, DC 20410–8000; telephone number 202–708–6401. (This is not a toll-free number.) Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Information Relay Service at 1–800–877–8339.

SUPPLEMENTARY INFORMATION:

The Secure and Fair Enforcement Mortgage Licensing Act of 2008 (SAFE Act or Act) was enacted into law on July 30, 2008, as part of the Housing and Economic Recovery Act of 2008. This new law encourages the Conference of State Bank Supervisors (CSBS) and the American Association of Residential Mortgage Regulators (AARMR) to establish a nationwide mortgage

licensing system for the residential mortgage industry for the purpose of providing (1) uniform state-licensing application and reporting requirements for residential mortgage loan originators, and (2) a comprehensive database by which such mortgage loan originators may be found and tracked. This new law also imposes the obligation on states to adopt mortgage licensing requirements that meet the minimum standards specified in the law in lieu of HUD establishing and maintaining a licensing system for loan originators.

To aid and facilitate states' compliance with the requirements of the SAFE Act, the Act directs the establishment of a nationwide mortgage licensing system and registry (NMLSR), to be developed and maintained by CSBS and AARMR. If HUD determines that a state's mortgage loan originator licensing standards do not meet the minimum requirements of the Act, HUD must implement and administer a licensing system for that state. A loan originator in such a state would have to comply with the requirements of HUD's SAFE Act-compliant licensing system for that state as well as with any applicable state requirements. A HUD license for a state would be valid for that state only, even if HUD must implement licensing systems in multiple states. Additionally, if HUD determines that the NMLSR is failing to meet the requirements and purposes of the SAFE Act, HUD must establish a system that meets the requirements of the SAFE Act. While states are charged with enacting licensing standards that meet the requirements of the SAFE Act, overall responsibility for interpretation, implementation, and compliance of the SAFE Act rests with HUD.

To assist states in complying with the requirements of the SAFE Act, the CSBS and AARMR have developed model legislation. This legislation was developed through outreach to and consultation with the states and industry. HUD has reviewed this model legislation and finds that it meets the minimum requirements of the SAFE Act. State legislation that follows the provisions of the model state law will not be determined by HUD to be noncompliant with SAFE Act.

The model legislation, reviewed by HUD and found to be compliant with the SAFE Act, is available on HUD's Web site at *http://www.hud.gov/offices/hsg/sfh/reguprog.cfm*. Additionally, the Web site provides HUD commentary on certain provisions of the SAFE Act, and the model legislation.

Dated: December 24, 2008.

Brian D. Montgomery,

Assistant Secretary for Housing—Federal Housing Commissioner.

[FR Doc. E8–31389 Filed 1–2–09; 8:45 am]

BILLING CODE 4210–67–P

DEPARTMENT OF THE INTERIOR

Fish and Wildlife Service

DEPARTMENT OF COMMERCE

National Oceanic and Atmospheric Administration

[FWS–R1–R–2008–N0233; 1265–0000–10137–S3]

Papahānaumokuaākea Marine National Monument, Hawai'i

AGENCIES: Fish and Wildlife Service (FWS), Interior; National Oceanic and Atmospheric Administration (NOAA), Commerce.

ACTION: Notice of availability of the monument management plan, environmental assessment, and findings of no significant impact.

SUMMARY: This notice advises the public that NOAA, FWS, the State of Hawai'i's Department of Land and Natural Resources (DLNR), and the Office of Hawai'ian Affairs have completed a Monument Management Plan (MMP) for the Papahānaumokuaākea Marine National Monument (Monument) located in the Northwestern Hawai'ian Islands (NWHI). The Monument's resources, and current and future management activities, are described in the MMP and associated environmental assessment (EA). The NOAA and FWS developed separate findings of no significant impact (FONSIs) to address each agency's MMP/EA findings. Both FONSIs are available with the MMP/EA.

DATES: The MMP/EA and FONSIs are now available. Implementation of the MMP is effective and may begin immediately.

ADDRESSES: Printed copies of the MMP/EA and FONSIs are available for viewing at NOAA's Papahānaumokuaākea Marine National Monument office at 6600 Kalaniana'ole Highway, Suite 300, Honolulu, HI 96825, and may be obtained by visiting or writing to the office or by telephone at (808) 397–2660. These documents are also available on compact disk from the Monument, and for viewing and downloading on the Internet at *http://papahanaumokuakea.gov*, and *http://www.fws.gov/pacific/planning/*. Additional documents developed as part of the MMP/EA planning process that specifically support FWS programs and environmental compliance requirements are also available on *http://www.fws.gov/pacific/planning/*.

FOR MORE INFORMATION CONTACT: Susan White, FWS Superintendent, phone (808) 792–9480.

SUPPLEMENTARY INFORMATION:

Monument Background

On June 15, 2006, President George W. Bush established the NWHI Marine National Monument by issuing Presidential Proclamation 8031 (Proclamation) (71 FR 36443, June 26, 2006) under the authority of the Antiquities Act of June 8, 1906 (34 Stat. 225, 16 U.S.C. 431) (the Act).

On December 8, 2006, the Secretaries of Commerce and the Interior and the Governor of Hawai'i signed a Memorandum of Agreement to jointly manage Federal and State lands and waters within the Monument as Co-Trustees and to collectively protect, conserve, and enhance the Monument's marine and terrestrial habitats and resources.

On February 28, 2007, President Bush amended the Proclamation to rename the Monument the Papahānaumokuaākea Marine National Monument to reflect the region's significance in Native Hawai'ian culture (72 FR 10031, March 6, 2007).

Location, Size, and Federal and State Resource Management

Proclamation 8031 reserves all lands and interests in lands owned or controlled by the Government of the United States in the NWHI, including emergent and submerged lands and waters out to a distance of approximately 50 nautical miles from the islands.

The Monument is approximately 100 nautical miles wide and 1,200 miles in length, and extends around coral islands, seamounts, banks, and shoals. The Monument encompasses the following areas.

- Northwestern Hawai'ian Islands Coral Reef Ecosystem Reserve.
- Midway Atoll National Wildlife Refuge/Battle of Midway National Memorial.
- Hawai'ian Islands National Wildlife Refuge.
- Hawai'i State Seabird Sanctuary at Kure Atoll.
- State of Hawai'i's Northwestern Hawai'ian Islands Marine Refuge.

The NOAA maintains responsibility for managing the NWHI Coral Reef Ecosystem Reserve, included within the Monument, and has primary

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Banking and Securities

Sean Parnell, Governor
Emil Notti, Commissioner
Lorie Hovanec, Director

December 28, 2009

The Honorable Joe Paskvan
State Senate
1292 Sadler Way Suite 308
Fairbanks AK, 99701

Re: Mortgage Lending Bill Draft

Dear Senator Paskvan:

Enclosed for your consideration is a draft bill related to the regulation of residential mortgage lending. This bill is a continuation of the legislative work on this subject that began in the 2009 session. As you know, the Secure and Fair Enforcement for Mortgage Licensing Act of 2008, 12 U.S.C. 5101-5116 (SAFE Act), requires changes in state law. Although the legislature provided authority for the state to participate in the Nationwide Mortgage Licensing System and Registry ("NMLSR" or "national registry"), which is one of the requirements of the SAFE Act, the other requirements of the SAFE Act remain to be addressed.

To recap last year's progress, the legislature first considered a bill that would have allowed the department to make the changes required by the SAFE Act through regulation. The bill was later revised to incorporate more of the SAFE requirements in the statute. Near the end of the session, an alternate bill was introduced and enacted for the limited purpose of granting the department authority to participate in the national registry.

General Description of Draft Bill

The attached draft bill addresses all the remaining requirements of the SAFE Act. Most importantly, it provides for the licensing of mortgage loan originators in conformity with the federal requirements, which include pre-licensing education and testing, authorization for obtaining background checks and credit reports, and continuing education. This bill also aligns various aspects of state law with SAFE Act requirements. For example, this bill provides for annual (rather than biennial) licensing as required for the registry under the SAFE Act.

In accordance with last year's legislation and regulations that have been adopted under it, mortgage lending professionals are now being licensed in Alaska through the national registry. The objectives of the registry (and its value), among other things, are (1) to aggregate and improve the flow of information to and between regulators; (2) provide increased accountability and tracking of mortgage lending professionals; (3) enhance consumer protections; (4) reduce fraud in the residential mortgage loan origination process; and (5) provide consumers with easily accessible information at no charge regarding the employment history of, and publicly adjudicated disciplinary and enforcement actions against, mortgage lending professionals. An additional benefit to the industry is the increased uniformity of the license application process, when doing business in more than one state.

550 W. 7th Avenue, Suite 1940, Anchorage, Alaska 99501
Telephone: (907) 269-8140 Fax: (907) 269-8146 Text Telephone: (907) 465-5437

SB 284

<target><bill>SB 284</bill><subject>SB 284</subject><comm>SFIN26</comm></target>

Alaska State Legislature

Senator Hollis French, Chair
State Capitol, Room 417
Juneau, Alaska 99801
Phone: (907) 465-3892
Fax: (907) 465-6595

Committee Members:
Senator Bill Wielechowski
Senator Dennis Egan
Senator Lesil McGuire
Senator John Coghill

Senate Judiciary Committee

Sponsor Statement: Senate Bill 284 Campaign Expenditures

In the wake of the recent U.S. Supreme Court ruling, *Citizens United v. Federal Election Commission*, the Senate Judiciary Committee has worked to determine the changes to Alaska's elections laws that will be needed. Corporations and labor unions have been banned from participating in Alaska's elections prior to this ruling. This means many of Alaska's laws regarding disclosure and disclaimers simply do not apply to corporations and labor unions making independent expenditures to support or oppose specific candidates in elections.

Testimony from Legislative Legal Services attorneys and from the Alaska Department of Law indicated that changes would be needed to Alaska's campaign laws, and this bill was subsequently drafted to address the concerns raised by the attorneys and by committee members.

Senate Bill 284 amends state election laws to clarify that corporations and labor unions are covered by all applicable reporting requirements. It expands communication identification requirements to ensure accurate reporting of top contributors, to require the approval of the content by the principal officer of the corporation or union, and to require statements in each communication that its content has not been authorized or approved by the candidate. It also speeds reporting requirements for communications expenditures in the last nine days of the election so that expenditures over $250 must be reported within 24 hours.

Recent opinion surveys show broad disapproval by Americans across party lines for the decision reached by the U.S. Supreme Court. In order to retain Alaskans' trust in our system it is vital that legislation be passed this year to ensure that corporations and labor unions spending money to influence elections are at least required to disclose it in a timely fashion. I urge you to support Senate Bill 284.

SENATE FINANCE COMMITTEE REPORT

DATE: 3/18/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 284

SB 284 CAMPAIGN EXPENDITURES

"An Act relating to state election campaigns, the duties of the Alaska Public Offices Commission, the reporting and disclosure of expenditures and independent expenditures, the filing of reports, and the identification of certain communications in state election campaigns; and providing for an effective date."

and recommends:

[√] be **replaced** with [ ] **SCS** or [√] **CS** SB284 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[X] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
GOV	2/24			√	1
ADM	2/24	√			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas	√			
	Egan	√			
CO-CHAIR:	Hoffman	√			
CO-CHAIR:	Stedman	√			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 284
(S) Publish Date: 3/2/10

Identifier (file name): SB284-OOG-DOE-2-26-10
Dept. Affected: OOG
Title "An Act relating to state election campaigns, the duties of the Alaska Public Offices Commission, the reporting...."
RDU Elections
Component Elections
Sponsor Senate Judiciary Committee
Requester Senate State Affairs Committee
Component Number 21

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
This legislation has no fiscal impact on the division.

Prepared by: Gail Fenumiai, Director
Phone 465-4611
Division Division of Elections
Date/Time 2/26/10, 10:39am
Approved by: Linda Perez, Director
Date 2/26/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 284
(S) Publish Date: 3/2/10

Identifier (file name) SB284-DOA-APOC-02-24-10
Title "An Act relating to state election campaigns ..."
Dept. Affected: Administration
RDU AK Public Offices Commission
Component AK Public Offices Commission
Sponsor (S) JUD
Requester (S) STA
Component Number 70

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	78.7		78.7	78.7	78.7	78.7	78.7
Travel							
Contractual	50.0						
Supplies							
Equipment	2.5						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**131.2**	**0.0**	**78.7**	**78.7**	**78.7**	**78.7**	**78.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	131.2		78.7	78.7	78.7	78.7	78.7
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**131.2**	**0.0**	**78.7**	**78.7**	**78.7**	**78.7**	**78.7**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	1		1	1	1	1	1
Part-time							
Temporary							

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

This bill would impact the Alaska Public Offices Commission (APOC) through changes to regulations and changes to the electronic filing program, currently in development. As the bill requires more reporting, it will require additional staff time in assisting the filers; preparing manuals, performing training; and tracking and auditing reports. Changes to regulations will require an amendment to an existing contract estimated at $25.0 and $25.0 is included to analyze programming changes and capital funds necessary or the electronic filing program to accomodate the new reports. This increment includes 1 FT employee (range 16, Paralegal II) with computer and furniture.

Prepared by: Holly Hill, Director
Phone (907) 334-1726
Division Alaska Public Office Commission
Date/Time 02/24/10 12:00pm
Approved by: Rachael Petro, Deputy Commissioner
Date 2/24/2010
Department of Administration

(Revised 11/6/2009 OMB)

1222

adopted 3/29/10 N/O

26-LS1448\S.2
Bullard
3/27/10

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR HUGGINS

TO: CSSB 284(JUD)

Page 6, lines 3 - 4:

Delete "apply only to the extent permitted by federal law"

Insert "prohibit a foreign national from making a contribution or expenditure in connection with a state election only to the extent

(1) that federal law prohibits a foreign national from making a contribution or expenditure in connection with a state election; and

(2) permitted by federal law"

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MEMORANDUM March 27, 2010

SUBJECT: Requested amendments to CSSB 284(JUD)
(Work Order Nos. 26-LS1448\S.2 and S.3)

TO: Senator Charlie Huggins
Attn: Jody Simpson

FROM: Alpheus Bullard
Legislative Counsel

This memorandum accompanies the amendments to CSSB 284(JUD) that you requested. I have two comments.

Amendments

Jody Simpson, of your staff, requested an amendment to CSSB 284(JUD) that would provide that sec. 10 of the bill (expenditures and contributions by foreign nationals) should not be interpreted to establish a more stringent prohibition against contributions and expenditures by a foreign national in state elections than that which exists under federal law.

Amendment 26-LS1448\S.2 provides, in relevant part, that sec. 10 of the bill should be interpreted to "prohibit a foreign national from making a contribution or expenditure in connection with a state election only to the extent that federal law prohibits a foreign national from making a contribution or expenditure in connection with a state election . . ." If the intent of the amendment is to ensure that the state law does no more and no less than the applicable federal law and that the federal law applies to state elections,[1] the utility of continuing to include a prohibition against contributions and expenditures made, directly or indirectly, by foreign nationals is not clear to me. The

[1] See 2 U.S.C. § 441e(a)(1) and 11 C.F.R. § 110.20(i). 2 U.S.C. § 441e(a)(1) prohibits a foreign national, directly or indirectly, from making a contribution or donation of money in connection with a federal, state, or local election. 11 C.F.R. § 110.20(i) states that [a] foreign national shall not direct, dictate, control, or directly or indirectly participate in the decision-making process of any person, such as a corporation, labor organization, political committee, or political organization with regard to such person's [f]ederal or non-[f]ederal election related activities, such as decisions concerning the making of contributions, donations, expenditures, or disbursements in connection with elections for any [f]ederal, [s]tate, or local office . . . ."

same substantive effect can be achieved by deleting sec. 10 from the bill. Amendment 26-LS1448\S.3 removes sec. 10 from the bill.

Federal preemption

The Federal Election Campaign Act (FECA) prohibits any foreign national from contributing, donating, or spending funds in connection with any federal, state, or local election in the United States, either directly or indirectly.[2] Because 2 U.S.C. § 441e already clearly prohibits foreign nationals from making campaign contributions, expenditures, and independent expenditures in federal, state, and local elections, a state effort to legislate in this area may face a preemption challenge.

The Supremacy Clause, art. VI, cl. 2 of the Constitution of the United States, provides:

> This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

The Alaska Supreme Court has noted that "[u]nder the Supremacy Clause of the federal constitution, state laws that interfere with federal laws are invalid." Allen v. State, 203 P.3d 1155, 1161, n. 12 (Alaska 2009), quoting State v. Dupier, 118 P.3d 1039, 1049 (Alaska 2005). The court recently summarized federal preemption law as follows:

> There is a presumption against federal preemption of state law, and preemption doctrine "enjoin[s] seeking out conflicts between state and federal regulation where none clearly exists." Additionally, "[w]here co-ordinate state and federal efforts exist within a complementary administrative framework, and in the pursuit of common purposes," . . . "the case for federal pre-emption becomes a less persuasive one." But where state law comes into conflict with federal law, the Supremacy Clause of the United States Constitution dictates that state law must always yield.
>
> There are three major types of federal preemption of state law: "express," "field," and "conflict" preemption. Express preemption occurs when Congress explicitly declares an intent to preempt state law in a particular area. . . .
>
> Field preemption is the term used when the federal law governing a particular area is so comprehensive and so complete that Congress is said to have completely occupied a field, leaving no room for state law. We

[2] See 2 U.S.C. § 441e, 22 U.S.C. § 611(b), and 11 C.F.R. 110.4.

> "will not infer an intent to occupy the field where Congress has left some room for state involvement." . . .
>
> Conflict preemption occurs when a state law and a federal law are in conflict, either because compliance with both state and federal law is impossible or because the state law "stands as an obstacle to accomplishment and execution of the full purposes and objectives of Congress." . . .

Allen v. State, 203 P.3d 1155, 1160 - 1161 (Alaska 2009) (citations and footnotes omitted).

The state clearly does not have authority to regulate contributions and expenditures in campaigns for federal office; that has been expressly preempted by federal law. 2 U.S.C. § 453 (specifying that the provisions of the federal election campaigns act "supersede and preempt any provision of state law with respect to election to federal office"); 11 C.F.R. 108.7(b)(3) (federal law "supersedes state law concerning the . . . [l]imitation on contributions and expenditures regarding Federal candidates and political committees.").

Whether the state may prohibit independent expenditures from foreign nationals in campaigns for state office is less clear. I am not aware of any federal statute or regulation which expressly preempts state regulation of foreign expenditures in campaigns for state office. However, field preemption may apply here. To the extent a court finds that the federal law governing contributions and expenditures by foreign nationals is so comprehensive and complete as to "occupy the field," it could invalidate state law attempting to cover the same ground. To the extent that the state and federal laws conflict, conflict preemption is also a possibility.

Given that the two amendments achieve the same substantive result and the possible preemption risks inherent in the first approach, The second of the two amendments, amendment S.3, may better realize your intent.

If you have further questions, please do not hesitate to contact me.

ALB:lmb
10-012.lmb

Enclosures

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MEMORANDUM March 20, 2010

SUBJECT: Sectional summary of CSSB 284(JUD)
(Work Order No. 26-LS1448\S)

TO: Senator Hollis French
Chair of the Senate Judiciary Committee
Attn: Cindy Smith

FROM: Alpheus Bullard
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1. Amends language relating to the applicability of AS 15.13 (state election campaigns) to clarify that the chapter applies to all contributions, expenditures, and communications made for the purpose of influencing the outcome of an election covered by the chapter.

Section 2. Amends language relating to the duties of the Alaska Public Offices Commission (APOC) to clarify that the commission will assist all persons to comply with the requirements of AS 15.13.

Section 3. Amends AS 15.13.040(d) to clarify that every person making an independent expenditure must make a full report of expenditures and contributions received to the commission unless the person is exempted from reporting by another provision of the chapter.

Section 4. Adds new requirements to the expenditure report required under AS 15.13.040(d) and specifies that the report must be filed in accordance with AS 15.13.110(g).

Section 5. Amends language in AS 15.13.040(h) to clarify that the reporting requirements of AS 15.13.040(d) do not apply to an expenditure made by certain individuals acting independently of any other person.

Section 6. Amends AS 15.13.040(p) to clarify that a person who is required to disclose contributions received by that person in an expenditure report under AS 15.13.040(d) must report the true source of the contributions as the "contributor."

Section 7. Defines "director" and "officer" for the purposes of AS 15.13.040(e), as that subsection is amended by the bill.

Section 8. Requires each person other than an individual, candidate, or nongroup entity with an annual operating budget of $250 or less, to establish an account from which all funds, used by the person to make independent expenditures, must be drawn. Requires the person to (1) make records relating to the account available to APOC and (2) preserve all records relating to the account for a period of six years.

Section 9. Amends AS 15.13.067 to clarify who may make an expenditure, that is not an independent expendture, in a state election for public office.

Section 10. Prohibits a foreign national from making a contribution or expenditure or an express or implied promise to make a contribution or expenditure in connection with a state election.

Section 11. Provides that no person, other an individual exempt from reporting under AS 15.13.040(h), may make an expenditure unless the source of the expenditure has been disclosed.

Section 12. Amends language in AS 15.13.084 to clarify that a person may not make an expenditure anonymously unless it is made (1) for certain communications, (2) in connection with a ballot proposition as that term is defined by AS 15.13.065(c), and (3) by an individual acting independently of any other person.

Section 13. Expands the communication identification requirements of AS 15.13.090 to apply to communications made by all persons, and additionally requires a person other than a candidate, individual, or a political party to (1) identify the person's principal officer, (2) include a statement from that officer approving the communication, (3) provide the address of the person's principal place of business, and (4) identify the person's five largest contributors.

Section 14. Provides how the communication identification requirements of AS 15.13.090(a), as amended by the bill, must be met in print, video, and audio components of a communication.

Section 15. Requires expenditure reports filed under AS 15.13.040(e) to be filed within 10 days of the expenditure being made, except for an expenditure that exceeds $250 and that is made within nine days of an election must be reported to APOC within 24 hours of the expenditure being made.

Section 16. Amends the language of AS 15.13.111(a) to require all persons who are required to report under AS 15.13 to preserve certain records for a period of six years.

Section 17. Removes language from AS 15.13.135 that permitted only individuals, groups, or nongroup entities to make independent expenditures in support or in opposition to a candidate for public office. Adds language requiring all persons making certain independent expenditures to comply with AS 15.13.090.

Section 18. Amends language in AS 15.56.014(a) to clarify that any person who knowingly prints, publishes, or leases a communication without the "paid for language" required by AS 15.13.090 has committed campaign misconduct in the second degree, a class B misdemeanor.

Section 19. Repeals AS 15.13.140(a), a provision that provided that AS 15.13 should not be interpreted to prohibit a person from making independent expenditures in support or in opposition to a ballot proposition or question. As the chapter now reads, there is no ambiguity as to whether the chapter prohibits persons from making independent expenditures relating to a ballot proposition or question.

Section 20. Gives the Act an immediate effective date.

TLAB:ljw
10-198.ljw

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MEMORANDUM March 17, 2010

SUBJECT: Committee questions of March 15, 2010 (CSSB 284(JUD))
(Work order No. 26-LS1448\E)

TO: Senator Hollis French
Chair of the Senate Judiciary Committee
Attn: Cindy Smith

FROM: Alpheus Bullard
Legislative Counsel

As part of a legislative response to the United States Supreme Court's ruling in Citizens United v. Federal Election Commission, No. 08-205, 558 U.S. ___ (January 21, 2010), you requested a legal opinion as to whether the state could prohibit independent expenditures made in connection with a state election, by (1) foreign nationals, (2) American subsidiaries of foreign nationals, (3) domestic corporations owned in part by foreign nationals, and (4) domestic corporations or entities not domiciled in Alaska.

Any statute prohibiting a person from making an independent expenditure in connection with a state election is likely to be challenged on First Amendment grounds. A state prohibition against independent expenditures made by foreign nationals, who are already prohibited from making contributions or expenditures in connection with federal, state, or local elections under federal law, raises federal preemption issues. Prohibiting independent expenditures by domestic subsidiaries of foreign corporations, domestic corporations owned in part by foreign nationals, and domestic corporations or entities not domiciled in Alaska raise additional constitutional issues.

First Amendment

The First Amendment of the Constitution of the United States protects freedom of speech and freedom of association.[1] Independent expenditures made in connection with state elections are protected speech under the First Amendment. See Randall v. Sorrell, 548 U.S. 230 (2006), and Buckley v. Valeo, 424 U.S. 1 (1976).

[1] Note that the freedom of speech provision in article I, section 5 of the Constitution of the State of Alaska is more protective of speech than the United States Constitution's First Amendment. Mickens v. City of Kodiak, 640 P.2d 818, 820 (Alaska 1982); Messerli v. State, 626 P.2d 81, 83 (Alaska 1980).

An attempt to prohibit independent expenditures by any class or category of persons is likely to encounter constitutional problems associated with First Amendment protections of the rights of association and expression.

> The concept that government may restrict the speech of some elements of our society in order to enhance the relative voice of others is wholly foreign to the First Amendment, which was designed "to secure the widest possible dissemination of information from diverse and antagonistic sources," and "to assure unfettered interchange of ideas for the bringing about of political and social changes desired by the people."

Buckley, 424 U.S. at 48 - 49 (quoting New York Times Co. v. Sullivan, 376 U.S. 254, 266, 269 (1964) (citations omitted)). In State v. Alaska Civil Liberties Union, 978 P.2d 597 (1999), the Alaska Supreme Court observed that existing campaign finance jurisprudence was based on the threat of corruption. Id. at 606 - 607. The Supreme Court has recently concluded that "independent expenditures, including those made by corporations, do not give rise to corruption or the appearance of corruption." Citizens United v. Federal Election Commission, No. 08-205, 558 U.S. ___, Slip op. at 42 (January 21, 2010).

Given that independent expenditures have not been found to present a risk of corruption or the appearance of corruption, a state effort to prohibit independent expenditures from any source may face significant First Amendment hurdles.

The state's interest in prohibiting independent expenditures made by nonresidents or persons domiciled outside the state

I am not aware of any applicable judicial decision holding that protecting state residents from nonresident domination or enhancing voter participation is a compelling state interest. See Alaska Civil Liberties Union, 978 P.2d at 615. Instructive, however, is VanNatta v. Keisling, 151 F.3d 1215 (9th Cir. 1998), in which the Ninth Circuit invalidated a geographically based restriction on political contributions enacted by initiative in Oregon. The court found:

> Measure 6 bans all out-of-district donations, regardless of size or any other factor that would tend to indicate corruption. Appellants are unable to point to any evidence which demonstrates that all out-of-district contributions lead to the sort of corruption discussed in Buckley. . . . Measure 6 is not closely drawn to advance the goal of preventing corruption and under this analysis fails to pass muster under the First Amendment.

Id. at 1221. The proponents of the initiated law in VanNatta also offered an alternate justification for the measure, apart from the corruption rationale. They argued that the measure protected the state's interest in the integrity of republican government by, in the

court's words, "assuring that representatives are truly selected by their own constituents." Id. However, the court rejected this justification, observing that "[t]he right to a republican form of government has never been recognized as a sufficiently important state interest." Id., citing Whitmore v. Federal Election Comm'n, 68 F.3d 1212 (9th Cir.1995) (rejecting the same argument as a justification for a ban on out-of-state contributions in Alaska). A state law prohibiting independent expenditures made by persons who are citizens of, or who are domiciled in, other states would be similarly evaluated by a court, and absent some evidence showing the corrupting influence of non-resident expenditures, would be struck down by a court.

Privileges and immunities

Prohibiting independent expenditures from non-residents would also be subject to challenge under the privileges and immunities clause. The federal privileges and immunities clause restricts the state's ability to interfere with the fundamental rights of non-residents. See Robison v. Francis, 713 P.2d 259, 263 (Alaska 1986). The Alaska Supreme Court has summarized the effect of the privileges and immunities clause as follows:

> Article IV, section 2 prohibits discrimination against nonresidents "where there is no substantial reason for the discrimination beyond the mere fact that they are citizens of other states." No "substantial reason" will be found absent some showing that nonresidents are "a peculiar source of the evil" which the state's action is meant to remedy. In addition, the discrimination worked upon nonresidents must "bear a substantial relationship to the particular 'evil' they are said to present." Only if the challenged discriminatory action surmounts both of these hurdles will it survive privileges and immunities clause scrutiny.

Noll v. Alaska Bar Association, 649 P.2d 241, 244 (Alaska 1982) (quoting Toomer v. Witsell, 334 U.S. 385, 396 (1948), and Hicklin v. Orbeck, 437 L.Ed.2d 397, 404 (1978); citations omitted). So, in addition to having to provide a "compelling justification" for the measure to satisfy the First Amendment, you would also need to show a "substantial reason" why a prohibition against independent expenditures should apply only to non-residents in order to withstand a privileges and immunities clause challenge.

Equal protection

If the state were to prohibit domestic subsidiaries of foreign corporations, domestic corporations owned in part by foreign nationals, or domestic corporations or other organizations not domiciled in the state from making independent expenditures in connection with a state election, the prohibition would likely also face an equal protection challenge. "The common question in addressing equal protection cases is whether two groups of people who are treated differently are similarly situated and thus entitled to

equal treatment."[2] In order for a classification to be valid under the state's equal protection test, it must be reasonable, not arbitrary, and must bear a fair and substantial relation to a legitimate governmental objective. Wilson v. Municipality of Anchorage, 669 P.2d 569, 572 (Alaska 1983). Alaska evaluates equal protection claims using a sliding scale.[3] There are several steps involved. First, the court determines the importance of the interest impaired by the challenged statute. Then the court looks at the purposes served by the statute. Finally, the court looks at how well the statutory means fits the purpose.

Because federal law prohibits foreign nations from making contributions or expenditures, directly or indirectly, in connection with a state election, it is not clear to me what state purpose any of these possible prohibitions would serve. Consequently, I do not know how a court would evaluate the state's interest in prohibiting domestic subsidiaries of foreign corporations, domestic corporations owned in part by foreign nationals, or domestic corporations or other organizations not domiciled in the state from exercising their First Amendment right recognized in Citizens United to make independent expenditures.

Preemption

In Citizens United, the Supreme Court neither considered nor overruled the existing federal law that prohibits a "foreign national" from making a direct or indirect expenditure in connection with a federal, state, or local election. The Federal Election Campaign Act (FECA) prohibits any foreign national from contributing, donating, or spending funds in connection with any federal, state, or local election in the United States, either directly or indirectly.[4] Because 2 U.S.C. § 441e already clearly prohibits foreign nationals from making campaign contributions, expenditures, and independent expenditures in federal, state, and local elections, a state effort to legislate in this area may face a preemption challenge.

The Supremacy Clause, Art. VI, cl. 2 of the Constitution of the United States, provides:

> This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the Contrary notwithstanding.

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[2] Anderson v. State, 78 P.3d 710, 718 (Alaska 2003).

[3] Matanuska-Susitna Borough School v. State, 931 P.2d 391, 396 (Alaska 1997).

[4] See 2 U.S.C. § 441e, 22 U.S.C. § 611(b), and 11 C.F.R. 110.4.

The Alaska Supreme Court has noted that "[u]nder the Supremacy Clause of the federal constitution, state laws that interfere with federal laws are invalid." Allen v. State, 203 P.3d 1155, 1161, n. 12 (Alaska 2009), quoting State v. Dupier, 118 P.3d 1039, 1049 (Alaska 2005). The court recently summarized federal preemption law as follows:

> There is a presumption against federal preemption of state law, and preemption doctrine "enjoin[s] seeking out conflicts between state and federal regulation where none clearly exists." Additionally, "[w]here co-ordinate state and federal efforts exist within a complementary administrative framework, and in the pursuit of common purposes," . . . "the case for federal pre-emption becomes a less persuasive one." But where state law comes into conflict with federal law, the Supremacy Clause of the United States Constitution dictates that state law must always yield.
>
> There are three major types of federal preemption of state law: "express," "field," and "conflict" preemption. Express preemption occurs when Congress explicitly declares an intent to preempt state law in a particular area. . . .
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> Field preemption is the term used when the federal law governing a particular area is so comprehensive and so complete that Congress is said to have completely occupied a field, leaving no room for state law. We "will not infer an intent to occupy the field where Congress has left some room for state involvement." . . .
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> Conflict preemption occurs when a state law and a federal law are in conflict, either because compliance with both state and federal law is impossible or because the state law "stands as an obstacle to accomplishment and execution of the full purposes and objectives of Congress." . . .

Allen v. State, 203 P.3d 1155, 1160 - 1161 (Alaska 2009) (citations and footnotes omitted).

The state clearly does not have authority to regulate contributions and expenditures in campaigns for federal office; that has been expressly preempted by federal law. 2 U.S.C. § 453 (specifying that the provisions of the federal election campaigns act "supersede and preempt any provision of state law with respect to election to federal office"); 11 C.F.R. 108.7(b)(3) (federal law "supersedes state law concerning the . . . [l]imitation on contributions and expenditures regarding Federal candidates and political committees.").

Whether the state may prohibit independent expenditures from foreign nationals in campaigns for state office is less clear. I am not aware of any federal statute or regulation which expressly preempts state regulation of foreign expenditures in campaigns for state

office. However, field preemption may come into play here. To the extent a court found that the federal law governing contributions and expenditures by foreign nationals is so comprehensive and complete as to "occupy the field," it could invalidate state law attempting to cover the same ground. To the extent that the state and federal laws conflict, conflict preemption is also a possibility.

If you have further questions, please do not hesitate to contact me.

TLAB:ljw:plm
10-191.ljw

MEMORANDUM

STATE OF ALASKA
DEPARTMENT OF LAW

TO: Mike Nizich
Chief of Staff
Office of the Governor

DATE: February 19, 2010

FROM: Daniel S. Sullivan
Attorney General

SUBJECT: Analysis of *Citizens United v. Federal Election Commission* and its Impact on Alaska Campaign Finance Laws

The following is our response to your request for an analysis of the United States Supreme Court's decision in *Citizens United v. Federal Election Commission* 558 U.S. ___, --- S.Ct. ---- (2010) and how that decision impacts Alaska's campaign finance laws. The ruling affects the balance between a government's interest in ensuring transparent and fair elections and the First Amendment rights of organizations, such as corporations and labor unions, to engage in political speech. In this memorandum we will describe the holding of the case as well as its direct and indirect effects on Alaska law.

I. Summary

Our analysis addresses two main points. First, under *Citizens United*, Alaska may not prohibit political speech by corporations and labor unions altogether.[1] As a result, our laws prohibiting independent expenditures by corporations and labor unions in a candidate election are likely unconstitutional.

Second, Alaska's laws regarding contributions to candidates, coordinated expenditures, disclaimers, and disclosures are not directly affected by *Citizens United*. Alaska's laws continue to regulate corporate and labor union political speech through disclaimer and disclosure requirements. However, some disclaimer and disclosure laws that provide specific standards for reporting and identification of expenditures do not currently apply to corporations and labor unions.

II. *Citizens United v. Federal Election Commission*

On January 21, 2010, the United States Supreme Court issued its opinion in *Citizens United v. Federal Election Commission*.[2] The Court's main holding was that

[1] *See* 558 U.S. ___, at 2, --- S.Ct. ---- (2010).

[2] 558 U.S. ___, --- S.Ct. ---- (2010).

"the Government may regulate corporate political speech through disclaimer and disclosure requirements, but it may not suppress that speech altogether."[3] The particular federal law reviewed by the Court, part of the Bipartisan Campaign Reform Act of 2002,[4] prohibited corporations and unions from using their general treasury funds to make independent expenditures for speech that is an electioneering communication or for speech that expressly advocates the election or defeat of a candidate.[5] The Court held that this prohibition on corporate and labor union speech violated the First Amendment to the United States Constitution. Because the First Amendment applies to states as well as the federal government, the ruling not only strikes down the federal requirement, it also calls into question similar provisions enacted by the State of Alaska.[6]

The Court further ruled that the disclosure and disclaimer laws under the Bipartisan Campaign Reform Act are justified to provide the electorate with information about the sources of election-related spending and that disclosure assists citizens in making informed choices in the marketplace of political ideas.[7]

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[3] *Id.* at 1-2.

[4] 2 U.S.C. § 441b (2000).

[5] 2 U.S.C. § 441b(b)(2) prohibited corporations and labor unions from using general treasury funds to make expenditures on electioneering communications, which include broadcast, cable, or satellite communications that refer to a clearly identified candidate for federal office and are made within 30 days of a primary or 60 days of a general election. 2 U.S.C. § 434(f)(3)(A); 11 CFR § 100.29(a)(2)(2009).

[6] *See Gitlow v. New York*, 268 U.S. 652, 666, 45 S.Ct. 625, 630 (1925) (freedom of speech protected by the First Amendment from abridgment by Congress is among the fundamental personal rights protected by the due process clause of the Fourteenth Amendment from impairment by the States); *see also Near v. Minnesota*, 283 U.S. 697, 51 S.Ct. 625 (1931); *DeJonge v. Oregon*, 299 U.S. 353, 57 S.Ct. 255 (1937).

[7] 558 U.S. ___ , at 51-2 (citing *Buckley v. Valeo*, 424 U.S. 1, 66, 96 S.Ct. 612, 657 (1976) (*per curiam*)). Under federal law, televised electioneering communications funded by anyone other than a candidate must include a disclaimer describing the entity responsible for the content of the ad. The required statement must be made in a clearly spoken manner and displayed on the screen in a clearly readable manner for at least four seconds. It must state that the communication is not authorized by any candidate or candidate's committee and it must display the name and address of the person or group that funded the advertisement. *Id.* (citing 2 U.S.C. § 441d(a)(2)).

III. The Direct and Indirect Impacts of *Citizens United* on Alaska Laws

A. Overview

Alaska campaign finance laws regulate a majority of state elections, the ballot proposition process, lobbying, and the judicial retention process.[8] These laws regulate the conduct of candidates, political parties, individuals, lobbyists, corporations, labor unions, groups, and other entities. Both state and federal campaign finance laws make several important distinctions with respect to the application of such laws. For instance, Alaska campaign finance laws distinguish "contributions" from "expenditures." A contribution is basically a purchase, payment, or deposit rendered directly to a candidate or political party.[9] An expenditure is defined broadly to include several activities which are not direct contributions to candidates. Expenditures include direct payments for services but also include various communications.[10] An "independent expenditure" is a type of expenditure but is more limited in that it is made without any coordination with a candidate.[11]

Another important distinction is between disclosures and disclaimers. Certain campaign finance laws mandate public reporting of expenditures made. In campaign finance jurisprudence, these laws are referred to as disclosure laws. When a campaign finance law requires an identification to be placed on a communication, courts and campaign finance law commentators broadly refer to this as a disclaimer law. The Alaska Public Offices Commission enforces the legality of contributions and expenditures and also ensures that individuals and entities are properly disclosing and disclaiming their conduct as it relates to an election.[12]

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[8] *See* AS 15.13.010(a)(1)-(2)(describing scope of AS 15.13, entitled State Election Campaigns).

[9] *See* AS 15.13.400(4)(A).

[10] An expenditure is defined, in relevant part, as "a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of...influencing...[the outcome of an election]." Expenditures also include "express communications" and "electioneering communications." AS 15.13.400(6).

[11] An independent expenditure "means an expenditure that is made without the direct or indirect consultation or cooperation with, or at the suggestion or the request of, or with the prior consent of, a candidate, a candidate's campaign treasurer or deputy campaign treasurer, or another person acting as a principal or agent of the candidate." AS 15.13.400(10).

[12] *See generally* AS 15.13.010(b); AS 15.13.400(1); AS 15.13.400(8), (11), (13)-(15); AS 15.13.030.

Citizens United directly implicates one key aspect of Alaska's campaign finance laws: Alaska's prohibition on independent expenditures by corporations or labor unions in candidate elections.[13] The decision does not directly call into question the constitutionality of any other contribution, expenditure, disclaimer or disclosure law. For example, Alaska's prohibition on direct contributions to candidates by corporations and labor unions is unaffected.[14] Candidates and their agents are still prohibited from accepting contributions from corporations and labor unions.[15] A corporation or labor union still may not directly or indirectly consult or cooperate with candidates or their agents when making an expenditure.[16] Individuals are still limited to contributing $500 per year to a candidate, and $5,000 per year to a political party,[17] and corporations and labor unions must continue to follow disclosure laws whenever applicable.[18] The current statutes and regulations that require that an independent expenditure in a candidate election be reported within 10 days will be applicable to a corporation or labor union that makes such an expenditure.[19] There must be some identification of corporations or labor

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[13] *See* AS 15.13.067; AS 15.13.135(a).

[14] *See* AS 15.13.065(a); AS 15.13.074(a).

[15] AS 15.13.072(a)(1).

[16] AS 15.13.400(10). 2 AAC 50.270 provides guidance as to what constitutes an independent expenditure. Where an expenditure is based on information provided by the candidate or an agent of a group or nongroup entity, it is not an independent expenditure. An expenditure is not an independent expenditure if it is made based on data from a candidate's, group's, or nongroup entity's pollster or campaign consultant or any other person who receives compensation or reimbursement from the campaign. Solicitations to a candidate, group, or nongroup entity, or an expenditure made to finance distribution of campaign material provided by the candidate or his agents are not independent expenditures.

[17] AS 15.13.070(b)(1)-(2).

[18] *See* AS 15.13.400(14); AS 01.10.060. Because the relevant statutes define "person" to include a corporation or labor union, statutes and regulations that cover a "person" apply to any corporation or union making an independent expenditure in a candidate election.

[19] AS 15.13.040(d) states that "every individual, person, nongroup entity, or group making an expenditure shall make a full report of expenditures, upon a form prescribed by the commission, unless exempt from reporting." AS 15.13.040(e) states that "the report required under (d) must contain the name, address, principal occupation, and employer of the individual filing the report, and an itemized list of expenditures. The report shall be filed with the commission no later than 10 days after the expenditure is made." The reporting requirement of AS 15.13.040(d) and (e) applies to all "persons"

unions making an independent expenditure as they are subject to the requirement that such independent expenditures may not be made anonymously.[20]

B. Alaska's Prohibition on Expenditures – AS 15.13.067 and AS 15.13.135(a)

Citizens United likely invalidates AS 15.13.067 and AS 15.13.135(a) in their current form. Under AS 15.13.067, expenditures in candidate elections may only be made by candidates, individuals, groups, and nongroup entities. Under AS 15.13.135(a), "independent expenditures" in candidate elections may only be made by individuals, groups and nongroup entities. Because labor unions and corporations do not fall within the definitions of individual, group, or non-group entity,[21] AS 15.13.067 and AS 15.13.135(a) prohibit corporations and labor unions from making any expenditures in candidate elections. Alaska law defines expenditure broadly to include activities which are political speech.[22] After *Citizens United*, these specific prohibitions will not likely pass constitutional muster.

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who make an expenditure. A person is defined to include corporations and unions. AS 15.13.400(14); AS 01.10.060.

Alaska regulations likewise require reporting of all independent expenditures. 2 AAC 50.270(c) provides that "a person making an independent expenditure must disclose the following on an independent expenditure report under AS 15.13.040 (d) and (e): (1) the date of the expenditure; (2) the amount of the expenditure; (3) the check number, if the expenditure is paid by check; (4) the name and address of the payee; (5) a description of items or services purchased; (6) identification of the candidate or ballot proposition the expenditure was intended to influence; (7) a statement as to whether the expenditure was intended to support or oppose the candidate or ballot proposition."

[20] AS 15.13.084 states that "a person may not make an expenditure anonymously," unless the expenditure is made by an individual acting independently and the expenditure is made for a billboard or sign, or printed material other than an advertisement in a newspaper or other periodical.

[21] AS 15.13.400(8), (11), (13).

[22] Specifically, Alaska law prohibits corporations and labor unions from making express communications, electioneering communications, and any payment made to influence the outcome of a candidate election. AS 15.13.400(6)(A)(i);(C); *see also* AS 15.13.400(5), (7). Other parts of the expenditure definition do not implicate political speech. For example, expenditures include purchases made for the purpose of a political party or direct payment of personal services rendered to a candidate or political party. *See, e.g.*, AS 15.13.400(6)(A)(ii)-(iii).

Accordingly, we recommend that these two statutes be amended to conform to the holding of *Citizens United* in order to clarify the extent to which corporations and labor unions may make independent expenditures.

C. Disclosure of Expenditures – AS 15.13.040(d) and (e)

The Supreme Court in *Citizens United* specifically upheld laws requiring the disclosure of independent expenditures. The Court found that the disclosure laws assisted the electorate in making informed choices in the marketplace of political ideas.[23] Accordingly, *Citizens United* does not suggest that Alaska's disclosure laws are in any way unconstitutional. Alaska Statute 15.13.040(d) and (e) is a disclosure law that broadly applies to corporations and labor unions making independent expenditures in a candidate election. It provides that any person making any expenditure must report the expenditure within 10 days. Because corporations and unions are deemed to be "persons" under Alaska law, this requirement applies to them as well.[24] Thus, the requirement to disclose is written broadly enough to require disclosure of expenditures made by corporations and labor unions.

D. Disclaimers For Communications – AS 15.13.084; AS 15.13.090; and AS 15.13.135(b)(2)

Citizens United upheld federal disclaimer laws.[25] Thus, the decision does not suggest that Alaska's disclaimer laws suffer from any constitutional infirmity. Alaska Statute 15.13.090 is a disclaimer law requiring certain communications to be identified by the words "paid for by" followed by the name of the candidate, group or nongroup entity paying for the communication. Alaska Statute 15.13.135(b)(2) is a disclaimer law which requires that certain independent expenditures contain a disclaimer that they are not authorized or paid for by a candidate. However, because corporations and labor unions were not permitted to make any expenditures in a candidate election, these specific statutes were not written to apply to them, and only refer to individuals, groups, and nongroup entities.

Corporations and labor unions are nevertheless subject to AS 15.13.084 which prohibits independent expenditures in a candidate election from being made

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[23] 558 U.S. at 51-2 (citing *Buckley*, 424 U.S. at 66, 96 S.Ct. at 657).

[24] *See supra* note 18. *Cf* 2 AAC 50.270(c) (reporting of independent expenditures applies to "persons," and thus to corporations and labor unions). Additionally, "persons," including corporations and labor unions, are required to preserve their expenditure records for up to 6 years after the expenditure is made. AS 15.13.111.

[25] 558 U.S. at 51-2 (citing *Buckley v. Valeo*, 424 U.S. at 66, 96 S.Ct. at 657).

anonymously; thus some identification is required.[26] This prohibition is very general and it is unclear how a corporation or labor union must identify itself when making the expenditure. This may create uncertainty among corporations and labor unions about how to proceed with speech protected under *Citizens United*. Therefore, consideration should be given to amending AS 15.13.084 to clarify how corporations or labor unions must identify themselves when exercising their right to make independent expenditures in an election. As discussed above, it would be constitutional to extend the requirements of AS 15.13.090 and AS 15.13.135(b)(2) to corporations and labor unions.

E. Other Reporting and Disclosure Issues – AS 15.13.110 and AS 15.13.086(2)

As stated above, *Citizens United* did not invalidate disclosure or disclaimer laws,[27] and Alaska statutes currently require all persons making independent expenditures to report those expenditures to The Alaska Public Offices Commission within 10 days.[28] However, policy makers should consider whether other forms of disclosure for corporations and labor unions making independent expenditures in candidate elections are appropriate. For example, under AS 15.13.110, groups, nongroup entities, and candidates must file reports for election-related activity 30 days before an election, seven days before an election, and at year's end. The reporting requirements under AS 15.13.110 do not apply to "persons" and thus corporations and labor unions, like individuals, are exempt. Because corporations and labor unions were not allowed to make independent expenditures when this statutory scheme was created, we do not believe the drafters had corporations and unions in mind when this requirement was imposed only on candidates, groups and nongroup entities.

In addition to reporting expenditures, AS 15.13.110 requires groups,[29] nongroup entities,[30] and candidates[31] to include information regarding the source of all contributions in these reports. Under current Alaska law, corporations and labor unions would be required to report only their expenditures.[32] But as there is currently no Alaska

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[26] AS 15.13.084, prohibits all "persons" from making anonymous expenditures and expenditures using a fictitious name or the name of another. As explained above, corporations and labor unions are persons under the law.

[27] 558 U.S. at 51-2.

[28] AS 15.13.040(d)-(e).

[29] AS 15.13.400(8).

[30] AS 15.13.400(13).

[31] AS 15.13.400(1).

[32] AS 15.13.040(d)-(e).

law that requires a corporation or labor union to report the source of funds used to make expenditures, corporations and labor unions could receive funds for the purpose of making an independent expenditure in a candidate election. This situation was not contemplated at the time these reporting statutes were enacted due to the prohibition on expenditures by corporations or labor unions in candidate elections.

Additionally, while candidate contributions exceeding $250 made within nine days of the election must be reported to The Alaska Public Offices Commission within 24 hours of receipt by the candidate,[33] under current law, an independent expenditure made within 10 days of a candidate election does not have to be reported until after the election.[34] The latter timeline now likely applies to corporations and labor unions making independent expenditures in candidate elections after *Citizens United.*

F. Independent Expenditures by Foreign Corporations

Federal law currently prohibits expenditures made by foreign nationals and foreign corporations in state elections.[35] *Citizens United* did not invalidate this law, nor did it decide whether the federal government has a compelling interest in preventing foreign individuals or associations from influencing our nation's political process.[36] Alaska law does not have a corresponding prohibition on expenditures made by foreign nationals or foreign corporations in our elections.[37]

IV. Conclusion

Citizens United has had both direct and indirect impacts on Alaska campaign financing laws. We recommend that those laws directly impacted by the ruling, the prohibition on expenditures by corporations and labor unions, be amended to provide more clarity to Alaskans. We also identify, for your consideration, other areas of law regulating expenditures that were indirectly impacted by this decision.

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[33] AS 15.13.110(b).

[34] *See* AS 15.13.040(d)-(e).

[35] 2 U.S.C. § 441e prohibits any foreign national, including any foreign associations such as foreign corporations, from spending funds in connection with any state or local election in the United States.

[36] 558 U.S. ___ , at 47 *citing* 2 U.S.C. § 441(e).

[37] Because Alaska law currently restricts all expenditures, Alaska statutes do not differentiate between foreign and domestic corporations. AS 15.13.400(14); AS 01.10.060.

LEGAL SERVICES

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MEMORANDUM January 25, 2010

SUBJECT: Citizens United v. Federal Election Commission
(Work Order No. 26-LS1367)

TO: Representative Jay Ramras
Attn: Jane Pierson

FROM: Alpheus Bullard 1443
Legislative Counsel

You requested a legal analysis of the United States Supreme Court's ruling in Citizens United v. Federal Election Commission, No. 08-205, 558 U.S. ___ (January 21, 2010), and its effect on Alaska law.

WHAT IS MOST SIGNIFICANT

The Court held that the government cannot suppress political speech on the basis of the speaker's corporate identity.

WHAT THE DECISION DOES NOT DO

This is a case about independent election campaign expenditures made by corporations. Because one of the statutes involved in this case and considered by the Court concerned labor unions, it also, arguably, is a case about independent election campaign expenditures made by labor unions, though that is not made explicit in the opinion. Laws regulating corporate and union contributions to candidates, party committees, and political action committees, whether direct or in-kind, are not directly affected by the ruling. Disclosure and disclaimer requirements for communications relating to elections for public office and laws requiring corporations and unions to identify the sources of money for their political activities are also unaffected.

FACTS AND PROCEDURAL POSTURE

The case involved a documentary critical of the then potential presidential candidacy of Hillary Clinton. The documentary, "Hillary: The Movie," was produced by Citizens United, a nonprofit corporation. Anticipating that it would make the documentary available within a time period prohibited under the Bipartisan Campaign Reform Act of 2002 (BCRA),[1] Citizens United sought declaratory and injunctive relief in the United

[1] 2 U.S.C. § 431 *et seq.* (also known as the McCain-Feingold Act (Pub. L. No. 107-155, 116 Stat. 81)).

States District Court for the District of Columbia seeking to prevent the Federal Election Commission (FEC) from enforcing provisions of the BCRA.[2] Citizens United argued that § 203 of the BCRA[3] violated the First Amendment on its face and as applied to the documentary and its related advertisements, and that §§ 201[4] and 311[5] of the Act, relating to disclosure, disclaimer, and reporting requirements were, as applied to the documentary, also unconstitutional.

The United States District Court denied the injunction, holding that under § 203 of the BCRA the documentary could not be shown on television in the 30 day period preceding the 2008 Democratic primaries. The court held that the BCRA prohibitions against corporate independent expenditures were constitutional, reasoning that the question had been answered by the Supreme Court in McConnell v. Federal Election Commission, 540 U.S. 93 (2003).[6] The United States District Court held that the documentary had no other purpose than to discredit Hillary Clinton and inform viewers that she was unfit for public office, and thus the provision of the BCRA relating to electioneering communications

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[2] Citizens United v. Fed. Election Commission, 530 F. Supp. 2d 274 (D.D.C. 2008).

[3] Section 203 of the BCRA regulates "electioneering communications." Generally, these are broadcast, cable, or satellite communications made within 60 days of a general election or 30 days of a primary election. 2 U.S.C. § 434(f)(3)(A)(i). Section 203 restricts corporations (other than media corporations) and labor organizations from funding electioneering communications from their general funds except under certain specific circumstances, e.g., get-out-the-vote campaigns. 2 U.S.C. § 441b(b)(2).

[4] Under § 201 of the BCRA, persons who disburse an aggregate of $10,000 or more a year for the production and airing of electioneering communications are required to file a statement with the Federal Election Commission (FEC) that includes the names and addresses of persons who have contributed in excess of $1,000 to accounts funding the communication. See 2 U.S.C. § 434(f)(1) and (2).

[5] Under the BCRA's § 311, the entity paying for a communication that is not authorized by a candidate or the candidate's political committee, must include in the communication a statement that the organization "is responsible for the content of this advertising." See 2 U.S.C. § 441d.

[6] In McConnell, the United States Supreme Court upheld § 203 as facially constitutional, reasoning that the justifications for regulating independent corporate expenditures constituting express advocacy "apply equally" to ads that are "the functional equivalent of express advocacy." Id. at 206. The Court held that the regulation of such independent expenditures was acceptable because the government has a compelling interest in countering the kind of "corrosive and distorting effect" identified in Austin. Id. at 205.

was not unconstitutionally applied. Lastly, the court ruled that the Act's disclosure, disclaimer, and reporting requirements were not unconstitutional as applied to the documentary or its advertisements.

Citizens United appealed the decision and the Supreme Court docketed the case on August 18, 2008,[7] hearing oral arguments on March 24, 2009. However, on June 29, 2009, the Supreme Court ordered the parties to reargue the case on September 9 after submitting briefs on the larger questions of whether the Court should overrule Austin v. Michigan Chamber of Commerce, 494 U.S. 652 (1990)[8], that portion of McConnell 540 U.S. 93 (2003) that found § 203 of the BCRA to be facially valid, or both.

ANALYSIS

In Citizens United, 558 U.S. ___ (January 21, 2010), the Supreme Court considered (1) the validity of § 203 of the BCRA, which prohibits corporations and unions from using their general treasury funds to make independent expenditures for speech that is an "electioneering communication"; (2) the Court's prior holding in Austin that political speech may be banned based on the speaker's corporate identity; and (3) whether §§ 201 and 311 of the BCRA, which mandate disclaimer and disclosure requirements for Citizens United's ads, were constitutionally invalid.

Prohibitions on Independent Expenditures

The Court held that § 203 of the BCRA, which prohibits certain corporations and unions from using funds from their general treasuries[9] for certain independent expenditures made to influence the outcomes of elections for federal public office, was unconstitutional.[10] It

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[7] Under § 403(a)(3) of the BCRA, the final decision of the district court in this case is "reviewable only by appeal directly to the Supreme Court of the United States."

[8] In Austin, the Court upheld a Michigan law that barred corporations from using their general treasury funds to support or oppose any state candidate, even though the spending occurred independently of that candidate's campaign operation.

[9] Prior to the ruling, to spend money on "electioneering communications" under federal law, corporations and unions were required to establish political action committees (PACS) that had a separate legal identity from the corporation or union. PACS could receive limited donations from employees, shareholders, or organization members. Now, after the Citizens United decision, corporations and unions may spend money directly from their treasuries on independent expenditures to influence elections for public office.

[10] While § 203 of the BCRA applied equally to corporations and unions, independent expenditures made by unions were not an issue before the Court, and it is not explicit in the ruling that the BCRA's independent expenditure prohibition is lifted for unions.

determined that prohibitions on corporate independent expenditures are an impermissible "ban on speech," id. at 22, and that political speech does not lose First Amendment protection "simply because its source is a corporation," id. at 26.[11]

The Court held that the case could not be decided in an examination of the relevant provisions of the BCRA alone, because the fundamental legal rationale underlying the challenged provisions of the Act was itself unjustified by a sufficient governmental interest.[12] The Court held that this rationale, identified in Austin, the prevention of "the corrosive and distorting effects of immense aggregations of wealth that are accumulated with the help of the corporate form that have little or no correlation to the public's support for the corporation's political ideas," id. at 660, is inconsistent with the protections offered speech and speakers by the First Amendment.[13]

Precedent Overturned

The Court overruled Austin, and those portions of McConnell that upheld the BCRA's restrictions on independent expenditures made by corporations and labor organizations. It did so holding that "no sufficient governmental interest justifies limits on the political speech of nonprofit or for-profit corporations[,]" and "[g]overnment may not suppress political speech on the basis of the speaker's corporate identity." Citizens United, 558 U.S. at 50.[14]

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[11] Of less immediate consequence, in the absence of acknowledgement by the Court of any permissible First Amendment distinctions between corporate and natural persons, the case raises questions relating to whether corporations' newly realized equality under the First Amendment will affect (1) the constitutionality of existing prohibitions against corporate contributions to candidates in elections for public office and (2) other corporate related constitutional jurisprudence. These remain for future litigation.

[12] "When constitutional questions are 'indispensably necessary' to resolving the case at hand, 'the court must meet and decide them.'" Citizens United v. Federal Election Commission, 558 U.S. at 4 of Roberts, C.J. (concurring opinion), quoting Ex parte Randolph, 20 F. Cas. 242, 254 (No. 11, 558) (CC Va. 1833) (Marshall, C.J.).

[13] The First Amendment to the United States Constitution provides that "Congress shall make no law . . . abridging the freedom of speech . . . ."

Given the Court's interpretation of the requirements of the First Amendment, existing distinctions between "express advocacy" versus "issue advocacy" and "independent expenditures" versus contributions to candidates are less clear. Citizens United does not address these distinctions, but the logic underlying the decision suggests that they may soon be revisited.

[14] In addition to overturning Austin, the Court dismissed arguments that independent corporate expenditures in elections for federal office give rise to corruption or its appearance (Citizens United at 41 - 45) and that the government has a compelling interest

Disclosure and Disclaimer Requirements
The Court upheld the BCRA's disclosure and disclaimer requirements which were applied to the documentary (§§ 201 and 311 of the Act), holding that such requirements "may burden the ability to speak, but they 'impose no ceiling on campaign-related activities,' [Buckley v. Valeo, 424 U.S. 1, 64 (1976)] and 'do not prevent anyone from speaking,' McConnell, [540 U.S.] at 201." Citizens United, 558 U.S. at 51. Citing Buckley and McConnell, the Court held that these requirements bear a substantial relation to the government's interest in ensuring that the electorate is able to evaluate the arguments to which it is being subjected, and that Citizens United did not demonstrate that the requirements imposed a chill on the organization's (or the organization's members') speech or expression. Id. at 51 - 56.

EFFECT ON ALASKA LAW
1. Under existing AS 15.13.067 (who may make expenditures in an election for candidates for elective office) and AS 15.13.135 (independent expenditures for or against candidates), only individuals, groups, and nongroup entities, as these terms are defined under AS 15.13.400, are permitted to make independent expenditures supporting or opposing candidates in elections under AS 15.13.[15] The terms "individual," "group," and "nongroup entity" are defined at AS 15.13.400. Together, these provisions effectively prohibit independent expenditures by for-profit corporations, and are likely to be interpreted by a court as unconstitutional in light of this decision.[16]

2. For-profit corporations are currently prohibited from making independent expenditures for or against candidates in elections under AS 15.13. Because of that, existing state statutes relating to (1) disclosure of expenditures, (2) limitations on expenditures, (3) identification of communications, and (4) filing of reports[17] under AS 15.13 do not currently account for independent expenditures and communications by for-profit corporations. Given the silence of our state statutes, and the likelihood that our existing

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in regulating corporations' independent expenditures to protect dissenting shareholders from being compelled to fund corporate political speech. (Citizens United at 46 - 47).

[15] Under AS 15.13.010(a), AS 15.13 applies to elections for governor, lieutenant governor, a member of the state legislature, a delegate to a constitutional convention, and a judge seeking judicial retention, and to elections for municipal office in municipalities with a population of more than 1,000 inhabitants unless the municipality has exempted itself from the provisions of the chapter.

[16] These statutes remain the law for the State of Alaska. If left unchanged, will they be enforced? The state could attempt to enforce them; however, enforcement would likely be quickly curtailed once the aggrieved party petitioned the state's courts.

[17] See AS 15.13.040, AS 15.13.082, AS 15.13.090, and AS 15.13.110.

statutes will not be enforced following the Court's holding in Citizens United, there are now no limits on independent expenditures made by for-profit corporations and no statutory disclosure, identification, or reporting requirements for these expenditures.

If I may be of further assistance, please advise.

TLAB:plm
10-035.plm

Sec. ⏭15.13.010⏮. Applicability.

(a) This chapter applies

(1) in every election for governor, lieutenant governor, a member of the state legislature, a delegate to a constitutional convention, or judge seeking judicial retention;

(2) to every candidate for election to a municipal office in a municipality with a population of more than 1,000 inhabitants according to the latest United States census figures or estimates of population certified as correct for administrative purposes by the Department of Commerce, Community, and Economic Development unless the municipality has exempted itself from the provisions of this chapter; a municipality may exempt its elected municipal officers from the requirements of this chapter if a majority of the voters voting on the question at a regular election, as defined by AS 29.71.800 (20), or a special municipality-wide election called for that purpose, votes to exempt its elected municipal officers from the requirements of this chapter; the question of exemption from the requirements of this chapter may be submitted by the governing body by ordinance or by initiative election.

(b) Except as otherwise provided, this chapter applies to contributions, expenditures and communications made by a candidate, group, nongroup entity, municipality or individual for the purpose of influencing the outcome of a ballot proposition or question as well as those made to influence the nomination or election of a candidate.

(c) This chapter does not prohibit a municipality from regulating by ordinance election campaign contributions and expenditures in municipal elections, or from regulating those campaign contributions and expenditures more strictly than provided in this chapter.

(d) This chapter does not limit the authority of a person to make contributions to influence the outcome of a voter proposition submitted to the public for a vote at a municipal election. In this subsection, in addition to its meaning under AS 15.13.065 (c), "proposition" means a municipal reclassification, proposal to adopt or amend a home rule charter, a unification proposal, a boundary change proposal, or the approval of an ordinance when approval by public vote is a requirement for the ordinance.

Sec. 15.13.030. Duties of the commission.

The commission shall

(1) develop and provide all forms for the reports and statements required to be made under this chapter, AS 24.45, and AS 39.50;

(2) prepare and publish a manual setting out uniform methods of bookkeeping and reporting for use by persons required to make reports and statements under this chapter and otherwise assist candidates, groups, and individuals in complying with the requirements of this chapter;

(3) receive and hold open for public inspection reports and statements required to be made under this chapter and, upon request, furnish copies at cost to interested persons;

(4) compile and maintain a current list of all filed reports and statements;

(5) prepare a summary of each report filed under AS 15.13.110 and make copies of this summary available to interested persons at their actual cost;

(6) notify, by registered or certified mail, all persons who are delinquent in filing reports and statements required to be made under this chapter;

(7) examine, investigate, and compare all reports, statements, and actions required by this chapter, AS 24.45, and AS 39.50;

(8) prepare and publish a biennial report concerning the activities of the commission, the effectiveness of this chapter, its enforcement by the attorney general's office, and recommendations and proposals for change; the commission shall notify the legislature that the report is available;

(9) adopt regulations necessary to implement and clarify the provisions of AS 24.45, AS 39.50, and this chapter, subject to the provisions of AS 44.62 (Administrative Procedure Act); and

(10) consider a written request for an advisory opinion concerning the application of this chapter, AS 24.45, AS 24.60.200 - 24.60.260, or AS 39.50.

Sec. 15.13.040. Contributions, expenditures, and supplying of services to be reported.

(a) Except as provided in (g) and (l) of this section, each candidate shall make a full report, upon a form prescribed by the commission,

(1) listing

(A) the date and amount of all expenditures made by the candidate;

(B) the total amount of all contributions, including all funds contributed by the candidate;

(C) the name, address, date, and amount contributed by each contributor; and

(D) for contributions in excess of $50 in the aggregate during a calendar year, the principal occupation and employer of the contributor; and

(2) filed in accordance with AS 15.13.110 and certified correct by the candidate or campaign treasurer.

(b) Each group shall make a full report upon a form prescribed by the commission, listing

(1) the name and address of each officer and director;

(2) the aggregate amount of all contributions made to it; and, for all contributions in excess of $100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor, and the date and amount contributed by each contributor; for purposes of this paragraph, "contributor" means the true source of the funds, property, or services being contributed; and

(3) the date and amount of all contributions made by it and all expenditures made, incurred, or authorized by it.

(c) The report required under (b) of this section shall be filed in accordance with AS 15.13.110 and shall be certified as correct by the group's treasurer.

(d) Every individual, person, nongroup entity, or group making an expenditure shall make a full report of expenditures, upon a form prescribed by the commission, unless exempt from reporting.

(e) The report required under (d) of this section must contain the name, address, principal occupation, and employer of the individual filing the report, and an itemized list of expenditures. The report shall be filed with the commission no later than 10 days after the expenditure is made.

(f) During each year in which an election occurs, all businesses, persons, or groups that furnish any of the following services, facilities, or supplies to a candidate or group shall maintain a record of each transaction: newspapers, radio, television, advertising, advertising agency services, accounting, billboards, printing, secretarial, public opinion polls, or research and professional campaign consultation or management, media production or preparation, or computer services. Records of provision of services, facilities, or supplies shall be available for inspection by the commission.

(g) The provisions of (a) and (l) of this section do not apply to a delegate to a constitutional convention, a judge seeking judicial retention, or a candidate for election to a municipal office under AS ⏩15.13.010⏪, if that delegate, judge, or candidate

(1) indicates, on a form prescribed by the commission, an intent not to raise and not to expend more than $5,000 in seeking election to office, including both the primary and general elections;

(2) accepts contributions totaling not more than $5,000 in seeking election to office, including both the primary and general elections; and

(3) makes expenditures totaling not more than $5,000 in seeking election to office, including both the primary and general elections.

(h) The provisions of (d) of this section do not apply to one or more expenditures made by an individual acting independently of any group or nongroup entity and independently of any other individual if the expenditures

(1) cumulatively do not exceed $500 during a calendar year; and

(2) are made only for billboards, signs, or printed material concerning a ballot proposition as that term is defined by AS 15.13.065(c).

(i) The permission of the owner of real or personal property to post political signs, including bumper stickers, or to use space for an event or to store campaign-related materials is not considered to be a contribution to a candidate under this chapter unless the owner customarily charges a fee or receives payment for that activity. The fact that the owner customarily charges a fee or receives payment for posting signs that are not political signs is not determinative of whether the owner customarily does so for political signs.

(j) Except as provided in (l) of this section, each nongroup entity shall make a full report in accordance with AS 15.13.110 upon a form prescribed by the commission and certified by the nongroup entity's treasurer, listing

(1) the name and address of each officer and director of the nongroup entity;

(2) the aggregate amount of all contributions made to the nongroup entity for the purpose of influencing the outcome of an election;

(3) for all contributions described in (2) of this subsection, the name, address, date, and amount contributed by each contributor and, for all contributions described in (2) of this subsection in excess of $250 in the aggregate during a calendar year, the principal occupation and employer of the contributor; and

(4) the date and amount of all contributions made by the nongroup entity, and, except as provided for certain independent expenditures in AS 15.13.135 (a), all expenditures made, incurred, or authorized by the nongroup entity, for the purpose of influencing the outcome of an election; a nongroup entity shall report contributions made to a different nongroup entity for the purpose of influencing the outcome of an election and expenditures made on behalf of a different nongroup entity for the purpose of influencing the outcome of an election as soon as the total contributions and expenditures to that nongroup entity for the purpose of influencing the outcome of an election reach $500 in a year and for all subsequent contributions and expenditures to that nongroup entity in a year whenever the total contributions and expenditures to that nongroup entity for the purpose of influencing the outcome of an election that have not been reported under this paragraph reach $500.

(k) Every individual, person, nongroup entity, or group contributing a total of $500 or more to a group organized for the principal purpose of influencing the outcome of a proposition shall report the contribution or contributions on a form prescribed by the commission not later than 30 days after the contribution that requires the contributor to report under this subsection is made. The report must include the name, address, principal occupation, and employer of the individual filing the report and the amount of the contribution, as well as the total amount of contributions made to that group by that individual, person, nongroup entity, or group during the calendar year.

(l) Notwithstanding (a), (b), and (j) of this section, for any fund-raising activity in which contributions are in amounts or values that do not exceed $50 a person, the candidate, group, or nongroup entity shall report contributions and expenditures and supplying of services under this subsection as follows:

(1) a report under this subsection must

(A) describe the fund-raising activity;

(B) include the number of persons making contributions and the total proceeds from the activity;

(C) report all contributions made for the fund-raising activity that do not exceed $50 a person in amount or value; if a contribution for the fund-raising activity exceeds $50, the contribution shall be reported under (a), (b), and (j) of this section;

(2) for purposes of this subsection,

(A) "contribution" means a cash donation, a purchase such as the purchase of a ticket, the purchase of goods or services offered for sale at a fund-raising activity, or a donation of goods or services for the fund-raising activity;

(B) "fund-raising activity" means an activity, event, or sale of goods undertaken by a candidate, group, or nongroup entity in which contributions are $50 a person or less in amount or value.

(m) Information required under this chapter shall be submitted to the commission electronically, except that the following information may be submitted in clear and legible black typeface or hand-printed in dark ink on paper in a format approved by the commission or on forms provided by the commission:

(1) information submitted by

(A) a candidate for election to a borough or city office of mayor, membership on a borough assembly, city council, or school board, or any state office, who meets the requirements of (g)(1) - (3) of this section; or

(B) a candidate for municipal office for a municipality with a population of less than 15,000; in this subparagraph, "municipal office" means the office of an elected borough or city

(i) mayor; or

(ii) assembly, council, or school board member;

(2) any information if the commission determines that circumstances warrant an exception to the electronic submission requirement.

(n) The commission shall print the forms to be provided under this chapter so that the front and back of each page have the same orientation when the page is rotated on the vertical axis of the page.

(o) Information required by this chapter that is submitted to the commission on paper and not electronically shall be electronically scanned and published on the Internet by the commission, in a format accessible to the general public, within two working days after the commission receives the information.

(p) For purposes of (b) and (j) of this section, "contributor" means the true source of the funds, property, or services being contributed.

Sec. 15.13.067. Who may make expenditures.

Only the following may make an expenditure in an election for candidates for elective office:

(1) the candidate;

(2) an individual;

(3) a group that has registered under AS 15.13.050 ; and

(4) a nongroup entity that has registered under AS 15.13.050 .

Sec. 15.13.082. Limitations on expenditures.

(a) A candidate or group may not make an expenditure in cash that exceeds $100 unless the candidate, or the campaign treasurer or deputy campaign treasurer, obtains a written receipt from the person to whom the expenditure is made.

(b) A candidate, group, or nongroup entity may not make an expenditure unless the source of the expenditure has been disclosed as required by this chapter.

(c) If a candidate receives a contribution in the form of cash, check, money order, or other negotiable instrument and is subject to being reported to the commission under this chapter, the candidate may neither expend the contribution nor, in the case of a negotiable instrument, convert it to cash unless the candidate, campaign treasurer, or deputy campaign treasurer first records the following information for disclosure to the commission:

(1) the name, address, principal occupation, and employer of the contributor; and

(2) the date and amount of the contribution.

Sec. 15.13.084. Prohibited expenditures.

A person may not make an expenditure

(1) anonymously, unless the expenditure is

(A) paid for by an individual acting independently of any group or nongroup entity and independently of any other individual;

(B) made to influence the outcome of a ballot proposition as that term is defined by AS 15.13.065 (c); and

(C) made for

(i) a billboard or sign; or

(ii) printed material, other than an advertisement made in a newspaper or other periodical;

(2) using a fictitious name or using the name of another.

Sec. 15.13.086. Authorized makers of expenditures.

An expenditure

(1) authorized by or in behalf of a candidate may be made only by

(A) the candidate; or

(B) the candidate's campaign treasurer or a deputy campaign treasurer;

(2) authorized by AS 15.13.067 (3) by or in behalf of a group may be made only by the group's campaign treasurer.

Sec. 15.13.090. Identification of communication.

(a) All communications shall be clearly identified by the words "paid for by" followed by the name and address of the candidate, group, nongroup entity, or individual paying for the communication. In addition, candidates and groups may identify the name of their campaign chairperson.

(b) The provisions of (a) of this section do not apply when the communication

(1) is paid for by an individual acting independently of any group or nongroup entity and independently of any other individual;

(2) is made to influence the outcome of a ballot proposition as that term is defined by AS 15.13.065 (c); and

(3) is made for

(A) a billboard or sign; or

(B) printed material other than an advertisement made in a newspaper or other periodical.

Sec. 15.13.110. Filing of reports.

(a) Each candidate, group, and nongroup entity shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it must cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, it must cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on February 1 of that year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 105 days after a special election; and

(4) February 15 for expenditures made and contributions received that were not reported previously, including, if applicable, all amounts expended from a public office expense term account established under AS 15.13.116(a)(8) and all amounts expended from a municipal office account under AS 15.13.116 (a)(9), or when expenditures were not made or contributions were not received during the previous year.

(b) Each contribution that exceeds $250 and that is made within nine days of the election shall be reported to the commission by date, amount, and contributor within 24 hours of receipt by the candidate, group, campaign treasurer, or deputy campaign treasurer. Each contribution to a nongroup entity for the purpose of influencing the outcome of an election that exceeds $250 and that is made within nine days of the election shall be reported to the commission by date, amount, and contributor within 24 hours of receipt by the nongroup entity.

(c) All reports required by this chapter shall be filed with the commission's central office and shall be kept open to public inspection. Within 30 days after each election, the commission shall prepare a summary of each report which shall be made available to the public at cost upon request. Each summary shall use uniform categories of reporting.

(d) *[Repealed, Sec. 35 ch 126 SLA 1994].*

(e) A group formed to sponsor an initiative, a referendum or a recall shall report 30 days after its first filing with the lieutenant governor. Thereafter each group shall report within 10 days after the end of each calendar quarter on the contributions received and expenditures made during the preceding calendar quarter until reports are due under (a) of this section.

(f) During the year in which the election is scheduled, each of the following shall file the campaign disclosure reports in the manner and at the times required by this section:

(1) a person who, under the regulations adopted by the commission to implement AS 15.13.100, indicates an intention to become a candidate for elective state executive or legislative office;

(2) a person who has filed a nominating petition under AS 15.25.140 - 15.25.200 to become a candidate at the general election for elective state executive or legislative office;

(3) a person who campaigns as a write-in candidate for elective state executive or legislative office at the general election; and

(4) a group or nongroup entity that receives contributions or makes expenditures on behalf of or in opposition to a person described in (1) - (3) of this subsection, except as provided for certain independent expenditures by nongroup entities in AS 15.13.135 (a).

Sec. 15.13.111. Preservation of records.

(a) Each candidate, group, nongroup entity, or person required to report under this chapter shall preserve all records necessary to substantiate information required to be reported under this chapter for a period of six years from the date of the election for which the information was required to be reported, unless the records have been submitted to the commission under (c) of this section.

(b) Information preserved under (a) of this section must be made available for inspection by the commission.

(c) A candidate for state elected office who was not elected or a person who has left state elected office may submit the records required to be preserved under (a) of this section to the commission electronically. Records submitted under this subsection shall be preserved by the commission for a period of six years from the date of the election for which the information was required to be reported.

Sec. 15.13.135. Independent expenditures for or against candidates.

(a) Only an individual, group, or nongroup entity may make an independent expenditure supporting or opposing a candidate for election to public office. An independent expenditure supporting or opposing a candidate for election to public office, except an independent expenditure made by a nongroup entity with an annual operating budget of $250 or less, shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110 and other requirements of this chapter.

(b) An individual, group, or nongroup entity who makes independent expenditures for a mass mailing, for distribution of campaign literature of any sort, for a television, radio, newspaper, or magazine advertisement, or any other communication that supports or opposes a candidate for election to public office

(1) shall comply with AS 15.13.090 ; and

(2) shall place the following statement in the mailing, literature, advertisement, or other communication so that it is readily and easily discernible:

This NOTICE TO VOTERS is required by Alaska law. (I/we) certify that this (mailing/literature/advertisement) is not authorized, paid for, or approved by the candidate.

Sec. 15.13.140. Independent expenditures for or against ballot proposition or question.

(a) This chapter does not prohibit a person from making independent expenditures in support of or in opposition to a ballot proposition or question.

(b) An independent expenditure for or against a ballot proposition or question

(1) shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110 and other requirements of this chapter; and

(2) may not be made if the expenditure is prohibited by AS 15.13.145 .

Sec.15.13.400. Definitions

In this chapter,

(1) "candidate"

(A) means an individual who files for election to the state legislature, for governor, for lieutenant governor, for municipal office, for retention in judicial office, or for constitutional convention delegate, or who campaigns as a write-in candidate for any of these offices; and

(B) when used in a provision of this chapter that limits or prohibits the donation, solicitation, or acceptance of campaign contributions, or limits or prohibits an expenditure, includes

(i) a candidate's campaign treasurer and a deputy campaign treasurer;

(ii) a member of the candidate's immediate family;

(iii) a person acting as agent for the candidate;

(iv) the candidate's campaign committee; and

(v) a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of the candidate;

(2) "commission" means the Alaska Public Offices Commission;

(3) "communication" means an announcement or advertisement disseminated through print or broadcast media, including radio, television, cable, and satellite, the Internet, or through a mass mailing, excluding those placed by an individual or nongroup entity and costing $500 or less and those that do not directly or indirectly identify a candidate or proposition, as that term is defined in AS 15.13.065(c);

(4) "contribution"

(A) means a purchase, payment, promise or obligation to pay, loan or loan guarantee, deposit or gift of money, goods, or services for which charge is ordinarily made and that is made for the purpose of influencing the nomination or election of a candidate, and in AS ⏭15.13.010⏮ (b) for the purpose of influencing a ballot proposition or question, including the payment by a person other than a candidate or political party, or compensation for the personal services of another person, that are rendered to the candidate or political party;

(B) does not include

(i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of a political party, candidate, or ballot proposition or question;

(ii) ordinary hospitality in a home;

(iii) two or fewer mass mailings before each election by each political party describing the party's slate of candidates for election, which may include photographs, biographies, and information about the party's candidates;

(iv) the results of a poll limited to issues and not mentioning any candidate, unless the poll was requested by or designed primarily to benefit the candidate;

(v) any communication in the form of a newsletter from a legislator to the legislator's constituents, except a communication expressly advocating the election or defeat of a candidate or a newsletter or material in a newsletter that is clearly only for the private benefit of a legislator or a legislative employee; or

(vi) a fundraising list provided without compensation by one candidate or political party to a candidate or political party;

(5) "electioneering communication" means a communication that

(A) directly or indirectly identifies a candidate;

(B) addresses an issue of national, state, or local political importance and attributes a position on that issue to the candidate identified; and

(C) occurs within the 30 days preceding a general or municipal election;

(6) "expenditure"

(A) means a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of

(i) influencing the nomination or election of a candidate or of any individual who files for nomination at a later date and becomes a candidate;

(ii) use by a political party;

(iii) the payment by a person other than a candidate or political party of compensation for the personal services of another person that are rendered to a candidate or political party; or

(iv) influencing the outcome of a ballot proposition or question;

(B) does not include a candidate's filing fee or the cost of preparing reports and statements required by this chapter;

(C) includes an express communication and an electioneering communication, but does not include an issues communication;

(7) "express communication" means a communication that, when read as a whole and with limited reference to outside events, is susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate;

(8) "group" means

(A) every state and regional executive committee of a political party; and

(B) any combination of two or more individuals acting jointly who organize for the principal purpose of influencing the outcome of one or more elections and who take action the major purpose of which is to influence the outcome of an election; a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of a candidate shall be considered to be controlled by that candidate; a group whose major purpose is to further the nomination, election, or candidacy of only one individual, or intends to expend more than 50 percent of its money on a single candidate, shall be considered to be controlled by that candidate and its actions done with the candidate's knowledge and consent unless, within 10 days from the date the candidate learns of the existence of the group the candidate files with the commission, on a form provided by the commission, an affidavit that the group is operating without the candidate's control; a group organized for more than one year preceding an election and endorsing candidates for more than one office or more than one political party is presumed not to be controlled by a candidate; however, a group that contributes more than 50 percent of its money to or on behalf of one candidate shall be considered to support only one candidate for purposes of AS 15.13.070, whether or not control of the group has been disclaimed by the candidate;

(9) "immediate family" means the spouse, parents, children, including a stepchild and an adoptive child, and siblings of an individual;

(10) "independent expenditure" means an expenditure that is made without the direct or indirect consultation or cooperation with, or at the suggestion or the request of, or with the prior consent of, a candidate, a candidate's campaign treasurer or deputy campaign treasurer, or another person acting as a principal or agent of the candidate;

(11) "individual" means a natural person;

(12) "issues communication" means a communication that

(A) directly or indirectly identifies a candidate; and

(B) addresses an issue of national, state, or local political importance and does not support or oppose a candidate for election to public office.

(13) "nongroup entity" means a person, other than an individual, that takes action the major purpose of which is to influence the outcome of an election, and that

(A) cannot participate in business activities;

(B) does not have shareholders who have a claim on corporate earnings; and

(C) is independent from the influence of business corporations.

(14) "person" has the meaning given in AS 01.10.060 , and includes a labor union, nongroup entity, and a group;

(15) "political party" means any group that is a political party under AS 15.60.010 and any subordinate unit of that group if, consistent with the rules or bylaws of the political party, the unit conducts or supports campaign operations in a municipality, neighborhood, house district, or precinct;

(16) "publicly funded entity" means a person, other than an individual, that receives half or more of the money on which it operates during a calendar year from government, including a public corporation.

Chapter 15.15. ELECTIONS AND BALLOTS

Sec. 15.13.010. Applicability.

(a) This chapter applies

(1) in every election for governor, lieutenant governor, a member of the state legislature, a delegate to a constitutional convention, or judge seeking judicial retention;

(2) to every candidate for election to a municipal office in a municipality with a population of more than 1,000 inhabitants according to the latest United States census figures or estimates of population certified as correct for administrative purposes by the Department of Commerce, Community, and Economic Development unless the municipality has exempted itself from the provisions of this chapter; a municipality may exempt its elected municipal officers from the requirements of this chapter if a majority of the voters voting on the question at a regular election, as defined by AS 29.71.800 (20), or a special municipality-wide election called for that purpose, votes to exempt its elected municipal officers from the requirements of this chapter; the question of exemption from the requirements of this chapter may be submitted by the governing body by ordinance or by initiative election.

(b) Except as otherwise provided, this chapter applies to contributions, expenditures and communications made by a candidate, group, nongroup entity, municipality or individual for the purpose of influencing the outcome of a ballot proposition or question as well as those made to influence the nomination or election of a candidate.

(c) This chapter does not prohibit a municipality from regulating by ordinance election campaign contributions and expenditures in municipal elections, or from regulating those campaign contributions and expenditures more strictly than provided in this chapter.

(d) This chapter does not limit the authority of a person to make contributions to influence the outcome of a voter proposition submitted to the public for a vote at a municipal election. In this subsection, in addition to its meaning under AS 15.13.065 (c), "proposition" means a municipal reclassification, proposal to adopt or amend a home rule charter, a unification proposal, a boundary change proposal, or the approval of an ordinance when approval by public vote is a requirement for the ordinance.

Sec. 15.13.030. Duties of the commission.

The commission shall

(1) develop and provide all forms for the reports and statements required to be made under this chapter, AS 24.45, and AS 39.50;

(2) prepare and publish a manual setting out uniform methods of bookkeeping and reporting for use by persons required to make reports and statements under this chapter and otherwise assist candidates, groups, and individuals in complying with the requirements of this chapter;

(3) receive and hold open for public inspection reports and statements required to be made under this chapter and, upon request, furnish copies at cost to interested persons;

(4) compile and maintain a current list of all filed reports and statements;

(5) prepare a summary of each report filed under AS 15.13.110 and make copies of this summary available to interested persons at their actual cost;

(6) notify, by registered or certified mail, all persons who are delinquent in filing reports and statements required to be made under this chapter;

(7) examine, investigate, and compare all reports, statements, and actions required by this chapter, AS 24.45, and AS 39.50;

(8) prepare and publish a biennial report concerning the activities of the commission, the effectiveness of this chapter, its enforcement by the attorney general's office, and recommendations and proposals for change; the commission shall notify the legislature that the report is available;

(9) adopt regulations necessary to implement and clarify the provisions of AS 24.45, AS 39.50, and this chapter, subject to the provisions of AS 44.62 (Administrative Procedure Act); and

(10) consider a written request for an advisory opinion concerning the application of this chapter, AS 24.45, AS 24.60.200 - 24.60.260, or AS 39.50.

Sec. 15.13.040. Contributions, expenditures, and supplying of services to be reported.

(a) Except as provided in (g) and (l) of this section, each candidate shall make a full report, upon a form prescribed by the commission,

(1) listing

(A) the date and amount of all expenditures made by the candidate;

(B) the total amount of all contributions, including all funds contributed by the candidate;

(C) the name, address, date, and amount contributed by each contributor; and

(D) for contributions in excess of $50 in the aggregate during a calendar year, the principal occupation and employer of the contributor; and

(2) filed in accordance with AS 15.13.110 and certified correct by the candidate or campaign treasurer.

(b) Each group shall make a full report upon a form prescribed by the commission, listing

(1) the name and address of each officer and director;

(2) the aggregate amount of all contributions made to it; and, for all contributions in excess of $100 in the aggregate a year, the name, address, principal occupation, and employer of the contributor, and the date and amount contributed by each contributor; for purposes of this paragraph, "contributor" means the true source of the funds, property, or services being contributed; and

(3) the date and amount of all contributions made by it and all expenditures made, incurred, or authorized by it.

(c) The report required under (b) of this section shall be filed in accordance with AS 15.13.110 and shall be certified as correct by the group's treasurer.

(d) Every individual, person, nongroup entity, or group making an expenditure shall make a full report of expenditures, upon a form prescribed by the commission, unless exempt from reporting.

(e) The report required under (d) of this section must contain the name, address, principal occupation, and employer of the individual filing the report, and an itemized list of expenditures. The report shall be filed with the commission no later than 10 days after the expenditure is made.

(f) During each year in which an election occurs, all businesses, persons, or groups that furnish any of the following services, facilities, or supplies to a candidate or group shall maintain a record of each transaction: newspapers, radio, television, advertising, advertising agency services, accounting, billboards, printing, secretarial, public opinion polls, or research and professional campaign consultation or management, media production or preparation, or computer services. Records of provision of services, facilities, or supplies shall be available for inspection by the commission.

(g) The provisions of (a) and (l) of this section do not apply to a delegate to a constitutional convention, a judge seeking judicial retention, or a candidate for election to a municipal office under AS ⏩15.13.010 ⏪, if that delegate, judge, or candidate

(1) indicates, on a form prescribed by the commission, an intent not to raise and not to expend more than $5,000 in seeking election to office, including both the primary and general elections;

(2) accepts contributions totaling not more than $5,000 in seeking election to office, including both the primary and general elections; and

(3) makes expenditures totaling not more than $5,000 in seeking election to office, including both the primary and general elections.

(h) The provisions of (d) of this section do not apply to one or more expenditures made by an individual acting independently of any group or nongroup entity and independently of any other individual if the expenditures

(1) cumulatively do not exceed $500 during a calendar year; and

(2) are made only for billboards, signs, or printed material concerning a ballot proposition as that term is defined by AS 15.13.065(c).

(i) The permission of the owner of real or personal property to post political signs, including bumper stickers, or to use space for an event or to store campaign-related materials is not considered to be a contribution to a candidate under this chapter unless the owner customarily charges a fee or receives payment for that activity. The fact that the owner customarily charges a fee or receives payment for posting signs that are not political signs is not determinative of whether the owner customarily does so for political signs.

(j) Except as provided in (l) of this section, each nongroup entity shall make a full report in accordance with AS 15.13.110 upon a form prescribed by the commission and certified by the nongroup entity's treasurer, listing

(1) the name and address of each officer and director of the nongroup entity;

(2) the aggregate amount of all contributions made to the nongroup entity for the purpose of influencing the outcome of an election;

(3) for all contributions described in (2) of this subsection, the name, address, date, and amount contributed by each contributor and, for all contributions described in (2) of this subsection in excess of $250 in the aggregate during a calendar year, the principal occupation and employer of the contributor; and

(4) the date and amount of all contributions made by the nongroup entity, and, except as provided for certain independent expenditures in AS 15.13.135 (a), all expenditures made, incurred, or authorized by the nongroup entity, for the purpose of influencing the outcome of an election; a nongroup entity shall report contributions made to a different nongroup entity for the purpose of influencing the outcome of an election and expenditures made on behalf of a different nongroup entity for the purpose of influencing the outcome of an election as soon as the total contributions and expenditures to that nongroup entity for the purpose of influencing the outcome of an election reach $500 in a year and for all subsequent contributions and expenditures to that nongroup entity in a year whenever the total contributions and expenditures to that nongroup entity for the purpose of influencing the outcome of an election that have not been reported under this paragraph reach $500.

(k) Every individual, person, nongroup entity, or group contributing a total of $500 or more to a group organized for the principal purpose of influencing the outcome of a proposition shall report the contribution or contributions on a form prescribed by the commission not later than 30 days after the contribution that requires the contributor to report under this subsection is made. The report must include the name, address, principal occupation, and employer of the individual filing the report and the amount of the contribution, as well as the total amount of contributions made to that group by that individual, person, nongroup entity, or group during the calendar year.

(l) Notwithstanding (a), (b), and (j) of this section, for any fund-raising activity in which contributions are in amounts or values that do not exceed $50 a person, the candidate, group, or nongroup entity shall report contributions and expenditures and supplying of services under this subsection as follows:

(1) a report under this subsection must

(A) describe the fund-raising activity;

(B) include the number of persons making contributions and the total proceeds from the activity;

(C) report all contributions made for the fund-raising activity that do not exceed $50 a person in amount or value; if a contribution for the fund-raising activity exceeds $50, the contribution shall be reported under (a), (b), and (j) of this section;

(2) for purposes of this subsection,

(A) "contribution" means a cash donation, a purchase such as the purchase of a ticket, the purchase of goods or services offered for sale at a fund-raising activity, or a donation of goods or services for the fund-raising activity;

(B) "fund-raising activity" means an activity, event, or sale of goods undertaken by a candidate, group, or nongroup entity in which contributions are $50 a person or less in amount or value.

(m) Information required under this chapter shall be submitted to the commission electronically, except that the following information may be submitted in clear and legible black typeface or hand-printed in dark ink on paper in a format approved by the commission or on forms provided by the commission:

(1) information submitted by

(A) a candidate for election to a borough or city office of mayor, membership on a borough assembly, city council, or school board, or any state office, who meets the requirements of (g)(1) - (3) of this section; or

(B) a candidate for municipal office for a municipality with a population of less than 15,000; in this subparagraph, "municipal office" means the office of an elected borough or city

(i) mayor; or

(ii) assembly, council, or school board member;

(2) any information if the commission determines that circumstances warrant an exception to the electronic submission requirement.

(n) The commission shall print the forms to be provided under this chapter so that the front and back of each page have the same orientation when the page is rotated on the vertical axis of the page.

(o) Information required by this chapter that is submitted to the commission on paper and not electronically shall be electronically scanned and published on the Internet by the commission, in a format accessible to the general public, within two working days after the commission receives the information.

(p) For purposes of (b) and (j) of this section, "contributor" means the true source of the funds, property, or services being contributed.

Sec. 15.13.067. Who may make expenditures.

Only the following may make an expenditure in an election for candidates for elective office:

(1) the candidate;

(2) an individual;

(3) a group that has registered under AS 15.13.050 ; and

(4) a nongroup entity that has registered under AS 15.13.050 .

Sec. 15.13.082. Limitations on expenditures.

(a) A candidate or group may not make an expenditure in cash that exceeds $100 unless the candidate, or the campaign treasurer or deputy campaign treasurer, obtains a written receipt from the person to whom the expenditure is made.

(b) A candidate, group, or nongroup entity may not make an expenditure unless the source of the expenditure has been disclosed as required by this chapter.

(c) If a candidate receives a contribution in the form of cash, check, money order, or other negotiable instrument and is subject to being reported to the commission under this chapter, the candidate may neither expend the contribution nor, in the case of a negotiable instrument, convert it to cash unless the candidate, campaign treasurer, or deputy campaign treasurer first records the following information for disclosure to the commission:

(1) the name, address, principal occupation, and employer of the contributor; and

(2) the date and amount of the contribution.

Sec. 15.13.084. Prohibited expenditures.

A person may not make an expenditure

(1) anonymously, unless the expenditure is

(A) paid for by an individual acting independently of any group or nongroup entity and independently of any other individual;

(B) made to influence the outcome of a ballot proposition as that term is defined by AS 15.13.065 (c); and

(C) made for

(i) a billboard or sign; or

(ii) printed material, other than an advertisement made in a newspaper or other periodical;

(2) using a fictitious name or using the name of another.

Sec. 15.13.086. Authorized makers of expenditures.

An expenditure

(1) authorized by or in behalf of a candidate may be made only by

(A) the candidate; or

(B) the candidate's campaign treasurer or a deputy campaign treasurer;

(2) authorized by AS 15.13.067 (3) by or in behalf of a group may be made only by the group's campaign treasurer.

Sec. 15.13.090. Identification of communication.

(a) All communications shall be clearly identified by the words "paid for by" followed by the name and address of the candidate, group, nongroup entity, or individual paying for the communication. In addition, candidates and groups may identify the name of their campaign chairperson.

(b) The provisions of (a) of this section do not apply when the communication

(1) is paid for by an individual acting independently of any group or nongroup entity and independently of any other individual;

(2) is made to influence the outcome of a ballot proposition as that term is defined by AS 15.13.065 (c); and

(3) is made for

(A) a billboard or sign; or

(B) printed material other than an advertisement made in a newspaper or other periodical.

Sec. 15.13.110. Filing of reports.

(a) Each candidate, group, and nongroup entity shall make a full report in accordance with AS 15.13.040 for the period ending three days before the due date of the report and beginning on the last day covered by the most recent previous report. If the report is a first report, it must cover the period from the beginning of the campaign to the date three days before the due date of the report. If the report is a report due February 15, it must cover the period beginning on the last day covered by the most recent previous report or on the day that the campaign started, whichever is later, and ending on February 1 of that year. The report shall be filed

(1) 30 days before the election; however, this report is not required if the deadline for filing a nominating petition or declaration of candidacy is within 30 days of the election;

(2) one week before the election;

(3) 105 days after a special election; and

(4) February 15 for expenditures made and contributions received that were not reported previously, including, if applicable, all amounts expended from a public office expense term account established under AS 15.13.116(a)(8) and all amounts expended from a municipal office account under AS 15.13.116 (a)(9), or when expenditures were not made or contributions were not received during the previous year.

(b) Each contribution that exceeds $250 and that is made within nine days of the election shall be reported to the commission by date, amount, and contributor within 24 hours of receipt by the candidate, group, campaign treasurer, or deputy campaign treasurer. Each contribution to a nongroup entity for the purpose of influencing the outcome of an election that exceeds $250 and that is made within nine days of the election shall be reported to the commission by date, amount, and contributor within 24 hours of receipt by the nongroup entity.

(c) All reports required by this chapter shall be filed with the commission's central office and shall be kept open to public inspection. Within 30 days after each election, the commission shall prepare a summary of each report which shall be made available to the public at cost upon request. Each summary shall use uniform categories of reporting.

(d) *[Repealed, Sec. 35 ch 126 SLA 1994].*

(e) A group formed to sponsor an initiative, a referendum or a recall shall report 30 days after its first filing with the lieutenant governor. Thereafter each group shall report within 10 days after the end of each calendar quarter on the contributions received and expenditures made during the preceding calendar quarter until reports are due under (a) of this section.

(f) During the year in which the election is scheduled, each of the following shall file the campaign disclosure reports in the manner and at the times required by this section:

(1) a person who, under the regulations adopted by the commission to implement AS 15.13.100, indicates an intention to become a candidate for elective state executive or legislative office;

(2) a person who has filed a nominating petition under AS 15.25.140 - 15.25.200 to become a candidate at the general election for elective state executive or legislative office;

(3) a person who campaigns as a write-in candidate for elective state executive or legislative office at the general election; and

(4) a group or nongroup entity that receives contributions or makes expenditures on behalf of or in opposition to a person described in (1) - (3) of this subsection, except as provided for certain independent expenditures by nongroup entities in AS 15.13.135 (a).

Sec. 15.13.111. Preservation of records.

(a) Each candidate, group, nongroup entity, or person required to report under this chapter shall preserve all records necessary to substantiate information required to be reported under this chapter for a period of six years from the date of the election for which the information was required to be reported, unless the records have been submitted to the commission under (c) of this section.

(b) Information preserved under (a) of this section must be made available for inspection by the commission.

(c) A candidate for state elected office who was not elected or a person who has left state elected office may submit the records required to be preserved under (a) of this section to the commission electronically. Records submitted under this subsection shall be preserved by the commission for a period of six years from the date of the election for which the information was required to be reported.

Sec. 15.13.135. Independent expenditures for or against candidates.

(a) Only an individual, group, or nongroup entity may make an independent expenditure supporting or opposing a candidate for election to public office. An independent expenditure supporting or opposing a candidate for election to public office, except an independent expenditure made by a nongroup entity with an annual operating budget of $250 or less, shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110 and other requirements of this chapter.

(b) An individual, group, or nongroup entity who makes independent expenditures for a mass mailing, for distribution of campaign literature of any sort, for a television, radio, newspaper, or magazine advertisement, or any other communication that supports or opposes a candidate for election to public office

(1) shall comply with AS 15.13.090 ; and

(2) shall place the following statement in the mailing, literature, advertisement, or other communication so that it is readily and easily discernible:

This NOTICE TO VOTERS is required by Alaska law. (I/we) certify that this (mailing/literature/advertisement) is not authorized, paid for, or approved by the candidate.

Sec. 15.13.140. Independent expenditures for or against ballot proposition or question.

(a) This chapter does not prohibit a person from making independent expenditures in support of or in opposition to a ballot proposition or question.

(b) An independent expenditure for or against a ballot proposition or question

(1) shall be reported in accordance with AS 15.13.040 and 15.13.100 - 15.13.110 and other requirements of this chapter; and

(2) may not be made if the expenditure is prohibited by AS 15.13.145 .

Sec.15.13.400. Definitions

In this chapter,

(1) "candidate"

(A) means an individual who files for election to the state legislature, for governor, for lieutenant governor, for municipal office, for retention in judicial office, or for constitutional convention delegate, or who campaigns as a write-in candidate for any of these offices; and

(B) when used in a provision of this chapter that limits or prohibits the donation, solicitation, or acceptance of campaign contributions, or limits or prohibits an expenditure, includes

(i) a candidate's campaign treasurer and a deputy campaign treasurer;

(ii) a member of the candidate's immediate family;

(iii) a person acting as agent for the candidate;

(iv) the candidate's campaign committee; and

(v) a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of the candidate;

(2) "commission" means the Alaska Public Offices Commission;

(3) "communication" means an announcement or advertisement disseminated through print or broadcast media, including radio, television, cable, and satellite, the Internet, or through a mass mailing, excluding those placed by an individual or nongroup entity and costing $500 or less and those that do not directly or indirectly identify a candidate or proposition, as that term is defined in AS 15.13.065(c);

(4) "contribution"

(A) means a purchase, payment, promise or obligation to pay, loan or loan guarantee, deposit or gift of money, goods, or services for which charge is ordinarily made and that is made for the purpose of influencing the nomination or election of a candidate, and in AS ⏭15.13.010⏮ (b) for the purpose of influencing a ballot proposition or question, including the payment by a person other than a candidate or political party, or compensation for the personal services of another person, that are rendered to the candidate or political party;

(B) does not include

(i) services provided without compensation by individuals volunteering a portion or all of their time on behalf of a political party, candidate, or ballot proposition or question;

(ii) ordinary hospitality in a home;

(iii) two or fewer mass mailings before each election by each political party describing the party's slate of candidates for election, which may include photographs, biographies, and information about the party's candidates;

(iv) the results of a poll limited to issues and not mentioning any candidate, unless the poll was requested by or designed primarily to benefit the candidate;

(v) any communication in the form of a newsletter from a legislator to the legislator's constituents, except a communication expressly advocating the election or defeat of a candidate or a newsletter or material in a newsletter that is clearly only for the private benefit of a legislator or a legislative employee; or

(vi) a fundraising list provided without compensation by one candidate or political party to a candidate or political party;

(5) "electioneering communication" means a communication that

(A) directly or indirectly identifies a candidate;

(B) addresses an issue of national, state, or local political importance and attributes a position on that issue to the candidate identified; and

(C) occurs within the 30 days preceding a general or municipal election;

(6) "expenditure"

(A) means a purchase or a transfer of money or anything of value, or promise or agreement to purchase or transfer money or anything of value, incurred or made for the purpose of

(i) influencing the nomination or election of a candidate or of any individual who files for nomination at a later date and becomes a candidate;

(ii) use by a political party;

(iii) the payment by a person other than a candidate or political party of compensation for the personal services of another person that are rendered to a candidate or political party; or

(iv) influencing the outcome of a ballot proposition or question;

(B) does not include a candidate's filing fee or the cost of preparing reports and statements required by this chapter;

(C) includes an express communication and an electioneering communication, but does not include an issues communication;

(7) "express communication" means a communication that, when read as a whole and with limited reference to outside events, is susceptible of no other reasonable interpretation but as an exhortation to vote for or against a specific candidate;

(8) "group" means

(A) every state and regional executive committee of a political party; and

(B) any combination of two or more individuals acting jointly who organize for the principal purpose of influencing the outcome of one or more elections and who take action the major purpose of which is to influence the outcome of an election; a group that makes expenditures or receives contributions with the authorization or consent, express or implied, or under the control, direct or indirect, of a candidate shall be considered to be controlled by that candidate; a group whose major purpose is to further the nomination, election, or candidacy of only one individual, or intends to expend more than 50 percent of its money on a single candidate, shall be considered to be controlled by that candidate and its actions done with the candidate's knowledge and consent unless, within 10 days from the date the candidate learns of the existence of the group the candidate files with the commission, on a form provided by the commission, an affidavit that the group is operating without the candidate's control; a group organized for more than one year preceding an election and endorsing candidates for more than one office or more than one political party is presumed not to be controlled by a candidate; however, a group that contributes more than 50 percent of its money to or on behalf of one candidate shall be considered to support only one candidate for purposes of AS 15.13.070 , whether or not control of the group has been disclaimed by the candidate;

(9) "immediate family" means the spouse, parents, children, including a stepchild and an adoptive child, and siblings of an individual;

(10) "independent expenditure" means an expenditure that is made without the direct or indirect consultation or cooperation with, or at the suggestion or the request of, or with the prior consent of, a candidate, a candidate's campaign treasurer or deputy campaign treasurer, or another person acting as a principal or agent of the candidate;

(11) "individual" means a natural person;

(12) "issues communication" means a communication that

(A) directly or indirectly identifies a candidate; and

(B) addresses an issue of national, state, or local political importance and does not support or oppose a candidate for election to public office.

(13) "nongroup entity" means a person, other than an individual, that takes action the major purpose of which is to influence the outcome of an election, and that

(A) cannot participate in business activities;

(B) does not have shareholders who have a claim on corporate earnings; and

(C) is independent from the influence of business corporations.

(14) "person" has the meaning given in AS 01.10.060 , and includes a labor union, nongroup entity, and a group;

(15) "political party" means any group that is a political party under AS 15.60.010 and any subordinate unit of that group if, consistent with the rules or bylaws of the political party, the unit conducts or supports campaign operations in a municipality, neighborhood, house district, or precinct;

(16) "publicly funded entity" means a person, other than an individual, that receives half or more of the money on which it operates during a calendar year from government, including a public corporation.

Chapter 15.15. ELECTIONS AND BALLOTS

SB 287

<target><bill>SB 287</bill><subject>SB 287</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

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Senate Special Committee on
World Trade, Technology, and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee
Joint Armed Services Committee

Senator.Lesil.McGuire@legis.state.ak.us

SPONSOR STATEMENT FOR SENATE BILL 287

"Act amending the powers and duties of the Alaska Railroad Corporation and the Alaska Housing Finance Corporation related to the exercise of authority to purchase, transport, and sell natural gas produced on the North Slope for in-state use, and transferring exclusive and primary responsibility for the initiation and development of that project from the Office of the Governor and the Department of Natural Resources to those corporations; and providing for an effective date."

Since the discovery of natural gas in Cook Inlet by Unocal in 1958, the residents of Southcentral Alaska have enjoyed relatively cheap and abundant energy. While the development of Cook Inlet natural gas reserves over the succeeding decades was eclipsed by the discovery of the mammoth reserves at Prudhoe Bay; the Inlet has provided gas to generations of Alaskans and fueled the growth of Southcentral since statehood. From the LNG export terminal to the value-added manufacturing facility producing fertilizer at Nikiski, natural gas created an industrial hub on the Kenai. Cheap gas also fueled electric generation throughout the Railbelt, heated homes and facilitated economic growth throughout the region.

Today however, gas supplies in Cook Inlet are declining; threatening the energy security of major segments of Alaska's population. The challenge facing Southcentral is certainly not new; the residents of interior and rural Alaska have faced similar circumstances for generations. That is why the solution lies not in meeting the needs of Southcentral through imported LNG or stop-gap measures, but in a broader strategy to deliver gas to Alaskans. The vast supplies of gas on the North Slope provide an opportunity to meet not only the existing needs in Cook Inlet, but to distribute gas more widely across the state. In communities as diverse as Bethel and Fairbanks, community leaders are working to develop ways to get gas to their community and their efforts ultimately depend on access to a stable supply of gas.

Senate Bill 287 takes an important step towards that goal by tasking the Alaska Railroad, a public corporation of the State of Alaska with developing the Alaska Stand Alone Pipeline (ASAP) project. Work on the ASAP project was started in the latter days of the 2009 legislative session, when language was attached to the Supplemental Appropriations bill (Ch. 14 SLA 09) authorizing work on an in-state natural gas pipeline. As the project has progressed, the need to accelerate its development has become more apparent as the discovery of large deposits of previously inaccessible natural gas reserves in the lower 48 have clouded the future of the American natural gas market. SB 287 moves the ASAP pipeline project beyond legislative intent language into a more enduring statutory framework that will enable the project to progress.

Bringing Alaskans' natural gas to Alaskans will invigorate the economy and should enable the development of value-added industries; providing jobs in-state and a strong economic legacy to Alaskans. While the future demand for gas in the Lower 48 is questionable, the need for gas in Alaska is self-evident. SB 287 focuses the attention on that need and takes a first step toward bringing the energy security Cook Inlet has enjoyed statewide.

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Changes to CS SB 287 (RES) in CS SB 287 (FIN)

Please note that this analysis is not an authoritative interpretation of changes to the bill. The bill itself is the best statement of its contents.

The following references are to the S version of SB 287

Title The following changes were made to the Title of the bill:

1. Page 1, line 2: deleted "purchase" and ", and sell"
2. Page 1, line 2:Inserted "plan and develop an in-state natural gas pipeline to" following "authority to"

Section 1 The following changes were made to section 1: Legislative Findings and Purpose

1. Page 2, lines 18-22: deleted all material following "Alaska Railroad Corporation" up to "to plan and develop."
2. Page 2, line 26: inserted "by July 1, 2013" following "project sanction"
3. Page 2, line 28: inserted new (3) directing the chairman of the board to oversee the project.

Section 3 The following changes were made to section 3: AS 42.40.560

1. Page 3, line 5: inserted "provide" following "facilities, and"
2. Page 3, lines 13-15: deleted all material following "markets in the" and inserted "state."
3. Page 3, line 26: inserted "generally" before "using one of two routes"

Section 4 The following changes were made to section 4: AS 42.40.560

1. Page 4, line 4: deleted "subsidiary" and inserted "separate division"
2. Page 4, line 8: replaced "reports" with "updates"
3. Page 5, line 6: inserted new language specifying that the requirements of 38.05.850 do not apply.

Section 5 The following pages were made to section 5: uncodified law

1. Page 5, line 30: replaced "report" with "update"
2. Page 6, line 19: inserted new subsection directing the Alaska Railroad to account for expenditures related to the project separately and submit quarterly reports to the legislature.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 287(RES)
(S) Publish Date: 3/23/10

Identifier (file name): SB287-CED-ARR-3-19-10
Dept. Affected: DCCED
Title: In-State Gas Pipeline
RDU
Component: Alaska Railroad
Sponsor: Senator McGuire
Requester: Senate Resources Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**34,222.0**		**20,628.0**	**2,709.0**	**1,794.0**	**1,884.0**	**1,978.0**
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	34,222.0		20,628.0	2,709.0	1,794.0	1,884.0	1,978.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**34,222.0**		**20,628.0**	**2,709.0**	**1,794.0**	**1,884.0**	**1,978.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

SB 287 amends the Alaska Railroad Corporation's (ARRC or the corporation) enabling statute to require ARRC to initiate planning and development of construction of an in-state natural gas pipeline. The project is well outside ARRC's norms, both in type and size. Similar to the approach currently underway, this fiscal note addresses funding necessary for ARRC to bring the project through permitting and preliminary engineering phases. Construction costs are not included at this juncture. Also excluded from this analysis are estimated costs to be incurred by a pipeline company or other entity that would presumably complete design and build the project.

(Continued)

Prepared by: Wendy Lindskoog
Phone 907-265-2498
Division: Alaska Railroad Corporation
Date/Time 3/19/10 12:00 AM
Approved by: Emil Notti, Commissioner
Commerce, Community and Economic Development
Date 3/19/2010

FISCAL NOTE # 1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 287(RES)

ANALYSIS CONTINUATION

This fiscal note assumes the corporation will establish a project office, staffed mainly by newly hired ARRC employees. The office will function autonomously from other railroad operations and be funded by the State of Alaska, presumably out of the General Fund. Contractors will be used for all major project functions including engineering, permitting, right of way acquisition, cost estimation, and marketing activities.

ARRC's preliminary evaluation is that substantial progress has been made to date along the critical path to project completion. First, an Environmental Impact Statement (EIS) is well underway. The EIS is almost certainly the most important effort to meet an aggressive project schedule. Second, a well-founded cost estimate for construction is due in June, 2010. This is critical to determining the project financial feasibility and for development of both supplier and customer contracts.

The fiscal analysis summary below is predicated upon ARRC hiring seven new employees to support this effort. By statute, ARRC employees are not state employees; the corporation has a distinct employment system separate from the State of Alaska. The initial basis for the cost estimates shown below are derived from analysis performed by the Office of the Governor, Alaska In-State Gas Pipeline Project office.

(Thousands)

ARRC Funding Needs	2011	2012	2013	2014	2015	2016	2017	Totals
Internal Costs	1,550	1,628	1,709	1,794	1,884	1,978	2,077	12,620
RSA's DNR & JPO	1,172							1,172
Pipeline Engineering	8,500	1,000						9,500
Permitting/ ROW	20,000	10,000						30,000
Facilities		5,000						5,000
Commercial Analysis	3,000	3,000	1,000					7,000
Totals - ARRC	34,222	20,628	2,709	1,794	1,884	1,978	2,077	65,292

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 287(RES)
(S) Publish Date: 3/23/10

Identifier (file name): SB287-REV-TAX-03-19-10
Dept. Affected: Revenue
Title: In State Gas Pipeline
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senator Lesil McGuire
Requester: (S) Resources
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

There is no fiscal impact to the Department of Revenue.

This bill amends the powers and duties of the Alaska Railroad Corporation (ARRC) and the Alaska Housing Finance Corporation (AHFC) related to the exercise of authority to purchase, transport, and sell natural gas produced on the North Slope for in state use. This bill also transfers exclusive and primary responsibility for the initiation and development of the project from the Office of the Governor and Department of Natural Resources to the Alaska Railroad Corporation and the Alaska Housing Finance Corporation.Under this bill, the ARRC and AHFC may apply to the governor to transfer unexpended balances and appropriations for use in support of the in-state North Slope natural gas pipeline project . The effective date of the bill would be immediately under AS 01.10.070(c).

Prepared by: Dona B. Keppers, Audit Master
Phone (907) 269-1034
Division: Tax Division
Date/Time 03-19-10; 6:32pm
Approved by: Ginger Blaisdell, Director
Date 03-20-10; 1:03pm
Administrative Services Division

(Revised 11/6/2009 OMB)

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SENATOR LESIL MCGUIRE

Changes to SB 287 (26-LS1467\A) in CS SB 287 (RES) (26-LS1467\S)

Please note that this analysis is not an authoritative interpretation of changes to the bill. The bill itself is the best statement of its contents.

Title The following changes were made to the bill *Title*:

1. Page 1, line 2 – deleted "Alaska Housing Finance Corporation"
2. Page 1, line 5 – deleted "from the Office of the Governor and Department of Natural Resources"
3. Page 1, line 6 – changed "corporations" to "corporation" to reflect the removal of AHFC.

Section 1 The following changes were made to the *Legislative Findings and Purpose* section:

1. Page 2, line 1 – following "significant" and before "shortages" inserted "short-term"
2. Page 2, line 7 – inserted a new subsection (5) expressing findings related to the work of the Alaska Natural Gas Development Authority.
3. Page 2, line 9 – deleted "only"
4. Page 2, line 11 – deleted "will result in" and inserted "is necessary for"
5. Page 2, line 25-27 – deleted all material
6. Page 2, inserted new subsection (b)(2) describing the purpose of the act as advancing to the point of project sanction an in-state natural gas pipeline.

Section 2 Section 2 was deleted to remove AHFC from the CS.

Section 3 Section 3 was deleted to remove AHFC from the CS.

Section 4 No changes were made to section 4 (section 2 of the S version).

New Section A new section 3 was added in the S version clarifying the AKRR has authority to engage in the construction of the gas pipeline project and providing clarification about the specific project being authorized.

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Section 5 The following changes were made to section 5 (section 4 of the S version):

1. Page 3, inserted new subsection (b)(1) directing the AKRR to establish a subsidiary corporation to perform the work described in the section.
2. Page 4, lines 10-11 – deleted all material to remove references to AHFC.
3. Page 4, line 15 – page 5, line 8 – subsection (d) was rewritten to provide a process for the granting of a conditional right-of-way to the AKRR for the project as opposed to a transfer of land.

Section 6 The following changes were made to section 6 (section 5 of the S version):

1. Subsection (c) was deleted.
2. Project timelines were inserted (subsections (3)-(6) in section 5 of the S version).
3. A new subsection (c) was inserted establishing a mechanism to cancel the project.

Section 7 The effective date was changed to July 1, 2010.

ALASKA STATE LEGISLATURE

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Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

Sectional Analysis of Senate Bill 287: 26-LS 1467\A

Please note that a sectional analysis is not an authoritative interpretation of a bill. The bill itself is the best statement of its contents.

Section 1 of the bill establishes legislative findings and provides the general purpose of the act.

Section 2 of the bill amends AS 18.56.086 to authorize the Alaska Housing Finance Corporation to create subsidiary corporations to finance or facilitate the financing of the project described in section 5.

Section 3 of the bill provides a broad authority to the Alaska Housing Finance Corporation, or a subsidiary thereof, working with the Alaska Railroad, to finance or facilitate the financing of the project described in section 5.

Section 4 of the bill clarifies that the provisions in subsection (d) of section 5 supersede other land transfer processes set out in current law.

Section 5 of the bill expands the authority of the Alaska Railroad under AS 42.40.560 in relationship to financing a natural gas pipeline project, provides direction for the management of a project and directs the Railroad to identify a right-of-way for the project. Section 5 also directs the Department of Natural Resources to convey the selected land and waives the best interest findings of AS 38.05.

Section 6 of the bill amends uncodified law by providing further direction for the transfer of responsibility for the Alaska Stand Alone Pipeline project to the Alaska Railroad.

Section 7 of the bill provides an immediate effective date.

Prepared By: Michael Pawlowski, Aide to Senator McGuire

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

July 17, 2009

Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Dear Alaska Legislators:

In accordance with the legislative intent language of Section 19 of SCS CS HB113(FIN) directing me to submit monthly written reports to all legislators, this is the second monthly report on the evaluation and development of an in-state natural gas pipeline. I hope these short summaries are helpful and I certainly welcome any calls or e-mails with requests for additional information.

Much of the activity in June focused on the commercial working group's first meeting. Two dozen representatives - BP, ConocoPhillips, ExxonMobil, Anadarko, Chugach Electric Association, Golden Valley Electric Association, Agrium, Enstar, Barrick Gold Corporation and contractors and subcontractors on this effort - met for two days in Anchorage to review the project.

Baker, a worldwide engineering firm with offices in Anchorage, is the lead contractor for the evaluation and assessment project. The commercial working group listed the questions, the known and missing information, and the research and analysis needed to define the project. Work assignments were handed out with a schedule determining the order of the pieces for the project to proceed on schedule.

The work breaks down into several categories for planning and analysis - the pipeline and compressors along the route, the North Slope gas conditioning plant, other necessary North Slope infrastructure, a natural gas liquids extraction plant, permitting, Fairbanks and Interior Alaska needs, Southcentral customers (utilities and industry), other possible users around the state, and alternatives - to meet Alaska's natural gas needs.

This state-funded effort will prepare an estimate for the cost of moving gas down the pipe (pipeline tariff), not the cost of gas to consumers. That final cost will depend on the cost of production, distribution charges and market issues, all outside of this assessment.

Our work continues to focus on three principal aspects of the project: Define the project, determine the demand for gas, and calculate the cost of service (tariff) for the pipeline.

The project drivers are a stable, affordable energy supply for businesses, residential customers and to promote economic growth.

Baker is managing the work on the pipeline alternative route analysis, in addition to construction cost estimates for the project. The focus of their work will be to identify the capital cost of each option and the potential customers, in addition to potential environmental impacts. I expect to have cost comparisons and analysis by this fall of the two pipeline routes for moving North Slope gas south — the Parks Highway or Glenn Highway — so that a decision can be made on which route is best for the project and the people of Alaska.

Baker is working under a cost-plus fixed-fee contract, not to exceed $5 million. Payments to Baker were not included in June totals. These costs will be reflected in the July report.

The environmental services contract was awarded in June to ASRC, on a cost-plus basis not to exceed $2 million. ASRC's role will be to gather environmental data in support of the EIS process for the pipeline right-of-way application, looking at both the Glenn and Parks highway routes. The contract started in June; payments will be reflected in the July report.

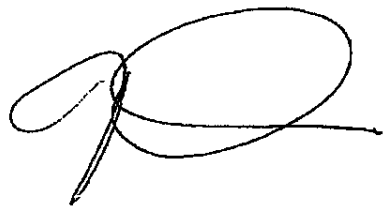
Administrative costs for June were $19,419; year to date they total $98,621. Other work last month included:

- Meetings with the federal lead agency (U.S. Army Corps of Engineers) to discuss how the permitting process would proceed.
- Planning work started on the option of a pipeline extension to the west to potentially serve the Donlin Creek mine.

The work program for July includes detailed review of a potential pipeline route around Denali National Park, completing a draft of the alternative routing analysis, a field trip with key state and federal agency personnel to plan permitting of the project, and starting site selection and analysis for the gas conditioning plant on the North Slope and also for a natural gas liquids extraction plant at tidewater. In addition, we will obtain mapping for a routing study of the pipeline to western Alaska

A long-term natural gas supply is important to Alaska and I appreciate your support as we move forward make this project a success. Please call on me if I can provide any additional information as we work toward answering that one big question for Alaskans.

Sincerely,



Harry Noah
Project Manager
Alaska In-state Natural Gasline

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Governor Sean Parnell
STATE OF ALASKA

August 21, 2009

Members of the Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801-1182

Dear Legislators:

It has been a busy summer month for the team as we work to determine the costs and feasibility of a stand-alone Alaska natural gas pipeline project. Work continues on the route analysis for the gas pipeline from the North Slope, along with engineering work on a possible route for a pipeline extension toward Western Alaska and site selection for a natural gas liquids extraction plant. The engineering work that is currently being done will allow for cost estimates to be derived for any potential pipeline option potentially serving the railbelt area. This would include gas from the Foothills area of the North Slope, the Nenana basin, or Cook Inlet.

I expect to have the first summary report of the alternative route analysis completed by early September, and will promptly send a copy to legislators. The Baker engineering team continues to analyze the capital cost differences, environmental issues, and a number of potential customers for the two routes: from the North Slope to Fairbanks and down the Parks Highway to Southcentral Alaska versus the route to Fairbanks and then along the Richardson Highway over to Delta and down to Glennallen and along the Glenn Highway to Southcentral.

The summary report of the route analysis will not propose a decision but rather will set out the facts for policymakers to use in a future determination of the preferred route.

The current plan is to submit a right-of-way application for both routes in October. The right-of-way applications will go to the Alaska Department of Natural Resources, United States Bureau of Land Management, and the United States Army Corps of Engineers, with the Army Corps expected to serve as the lead federal agency in charge of the environmental impact statement process.

As part of the right-of-way preparations, we held field trips last month with state and federal agency personnel to familiarize everyone with some of the issues that will come up in the right-of-way and environmental impact statement process.

Our work this past month also included more detailed review of a potential pipeline route around Denali National Park to avoid the obvious problems with national park lands. We believe we have identified a possible route outside the park boundary, just east of the Parks Highway. It appears to offer an economic option to running the pipe through the park and the special permission that would be required for such an undertaking. Of course, the route could run along the highway in the park if the National Park Service were to prefer having the pipe closer to its main facilities. This

work is part of the route analysis between the two alternatives for a gas line from the North Slope to connect with the existing Southcentral pipeline system, as there are locational issues specific to each route.

Engineering work is also continuing on a possible extension toward Western Alaska to serve the proposed Donlin Creek mine, just north of the Middle Kuskokwim River village of Crooked Creek, about 280 miles northwest of Anchorage. One possible pipeline route would run from the west side of Cook Inlet to Donlin Creek, and another route under review would connect to the stand-alone pipe just south of Nenana and extend west from there.

The team just started work in July on site review for a possible natural gas liquids plant to extract the heavier gas liquids from the gas stream. The team is looking at sites in Cook Inlet.

I have enclosed a copy of the stand-alone gas line project action plan, which the team put together in a meeting with engineers, North Slope producers, Southcentral utilities, potential natural gas customers, and others. It provides additional details on our scope of work, our objectives, infrastructure issues, and timelines for the project team's work assignments.

Our expense report is as follows:

> The project spent $321,040 during the month of July and has spent a total of $470,943 year to date.

Thank you for your support in this work. Please call on me if I can provide any additional information, and I will have another update for you in about 30 days.

Sincerely,

Harry Noah
Project Manager
In-state Gas Program

Enclosure

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Office of Governor Sean Parnell
STATE OF ALASKA

November 18, 2009

Members of the Alaska State Legislature
State Capitol Building
Juneau, AK 99801-1182

Re: September/October Instate Gasline Report

Dear Legislators,

The State team and its contractors continue to work on permit applications, refine cost estimates, and review project alternatives toward the goal of having a final environmental impact statement by December 2010 for a possible in-state natural gas pipeline from the North Slope to tidewater at Cook Inlet. We are doing the preparatory work; the final project decision will be up to the Legislature, the Governor, and whether private interests see a need for the project. Our work is only to analyze and present the pipeline as an option.

Our work over the past couple of months has concentrated on:

- Completion of the hydraulic analysis for the gas pipeline in order to establish the best locations for compressor stations along the pipeline route. Compressor turbines operate most efficiently at colder temperatures, so the analysis included soil and ambient temperature analysis up and down the two potential pipeline routes from the North Slope to tidewater (the Parks Highway and the Glenn/Richardson Highway routes). The work included modeling the temperatures, compressor efficiency, and drop-off in pipeline pressure to determine the most effective locations for compressor stations. The work identified potential sites, within a four or five mile range, also considering ground composition, access, and wetlands issues. The exact number of compressor stations and precise location for each station would depend on the capacity of the gas line and would be a decision for the project developer.

- Preparation of right-of-way permit applications to State and federal agencies. The State team and its contractors expect to submit those permit applications later this month. The Alaska Department of Transportation and Public Facilities (DOT & PF) will be the permit applicant. Applications will be filed for both pipeline routes. A decision on which route to select will be up to the Legislature and the Governor, and a private developer, at a later date.

- Preparation of wetlands permits that will be submitted later this month to the U.S. Army Corps of Engineers.

- Working with the DOT & PF to identify potential gravel sites along the pipeline routes.

- Determining the need and cost for a gas treatment plant to remove carbon dioxide, hydrogen sulfide, and other impurities from the gas stream before it enters the pipeline. Though Enstar has shared with the State team its work on an in-state gas line, that effort did not include a review of gas treatment needs or costs. The State team will be talking with North Slope producers and others in the coming months to learn more about possible gas treatment plant configurations, costs, and operations. Certainly, the size and cost will depend on the volume of gas expected to move through the line, and planning for any possible expansions.

- And, we are continuing with cost and economic feasibility analysis of natural gas liquids extraction in Alaska, possible sites for an Natural Gas Liquids plant, and marketing issues.

The reference case for our work is a 24-inch line from Prudhoe Bay to tidewater at Cook Inlet, though the team also is looking at smaller pipe for a lower-capacity line. A 24-inch line could accommodate up to one billion cubic feet per day, depending on the number of compressor stations. The reference case would be a pipe capable of moving wet or dry gas, while we also look at a dry-gas only line as an option. Obtaining gas supplies from Gubik in the Brooks Range Foothills is another option that will be considered as the team models out all the alternatives in the coming months. Those alternatives will range from a pipeline capacity of 250 million cubic feet per day to one billion cubic feet per day.

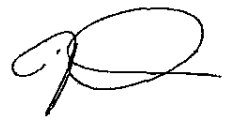
Upcoming work will also include flow simulations and diagrams to help determine major equipment needs and costs for the line, including a component-by-component analysis of costs, investigating cost-reduction opportunities for the project, and conducting field work next summer to verify site data — particularly at river crossings, gravel sites, fault crossings — and to conduct a geotechnical borehole drilling program. The State's team includes Baker for engineering, design, and cost work, and Arctic Slope Regional Corporation for much of the permit work.

Assuming the State obtains all of the right-of-way permits, wetlands permits, and a final Environmental Impact Statement next winter, the State would be ready in the spring of 2011 to turn over (sell) the package of engineering work and permits to a private entity to build the line, if the Legislature and Governor decide that is the best option for Alaska.

Our expenses for September and October were $445,364 and $399,968 respectively. Total expenditures for the year-to-date are $1,826,859.

Please do not hesitate to contact me at 907-269-8656 if you have any questions. I will have another report in December.

Sincerely,



Harry Noah
Project Manager
In-state Gas Program

SEAN PARNELL
Governor

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STATE OF ALASKA
OFFICE OF THE GOVERNOR

February 8, 2010

Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Dear Legislators,

As the new Alaska in-state gas line project manager, I am pleased to have the opportunity to introduce myself. I am honored by the appointment, and humbled by the responsibility of helping to provide adequate information to evaluate the many energy resource options that Alaska is so fortunate to have. I am keenly aware that energy development in this state is at a crossroads, and that the decisions we make will have a significant impact on the fiscal well-being of our state and its citizens. For this reason, we must be diligent in our pursuit of fact-based analysis and forecasts, and tenacious in our efforts to incorporate long-term stability to create a well-balanced energy future.

Since my appointment by Governor Parnell in January, I have spent a great deal of time reviewing project status and work plans, managing critical project risks, incorporating present and potential options, meeting with the Governor and his staff, and meeting with Legislators who are committed to ensuring that natural gas remains a significant element of our developing in-state energy portfolio.

In-state gas project activities that occurred during the month of December include:

- The Corps of Engineers Environmental Impact Statement (EIS) scoping meetings were held from December 8 through 17. The communities where public hearings were held include: Glennallen, Delta Junction, Nenana, Fairbanks, Denali National Park and McKinley Village, Anchorage, Wasilla, and Barrow. The website for the EIS materials and schedule can be found at <http://www.asapeis.com>. The Wetlands Field Report was completed and work continues on wetlands pre-mapping for the alternative Richardson Highway Stand Alone Route.
- The collection of previously prepared information and documents for the In-state Project Library is nearing completion.
- The *Initial Project Description* derived from the results of the *Alternative Analysis* was compiled and presented to the Legislature. The final *Project Description* will include elements such as the Geographical Information System, Library, Mapping, and Cost of Service products.

The project expenses for the month of December are $354,765. Total expenditures for calendar year 2009 are $2,664,244.

I look forward to working with the Alaska State Legislature to secure Alaska's energy future. Please feel free to contact me at 907-257-1352, if I can be of assistance.

Sincerely,

Robert Swenson
Project Manager
Alaska In-State Natural Gas Line

SEAN PARNELL
Governor

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STATE OF ALASKA
OFFICE OF THE GOVERNOR

February 19, 2010

Alaska State Legislature
Alaska State Capitol
Juneau, AK 99801

Dear Legislators,

This is my first opportunity to address a full month of program activity for the in-state gas line project. The new reporting format below is designed to help you easily track activities and progress. As always, I welcome your feedback.

In January, I was focused on the necessary review of this complex program, and the work team remained focused on moving critical action items forward. I congratulate them for their diligence in staying on task, on time, and under budget.

In my initial review, I identified a number of project risks requiring immediate attention. As a result, a significant amount of time and effort was expended to reduce or mitigate any potential detrimental affects posed by the risks. Nevertheless, the team worked hard to stay on task, and to date, no deadlines or milestones were missed as a result of this extended transition period. I am pleased to report that forward progress was significant and we remain on track.

The outline below provides an executive summary of in-state gas project activities that occurred during the month of January. Furthermore, I have included an overview of planned project activities over the coming months.

I. **Project Results for January 2010:**

- We are making significant progress on the final Project Description. This involves calculating the pipeline configurations and material quantities in preparation for pipeline and facilities cost estimating phase, beginning on March 15. Also, development of capital cost quantity calculations, analysis of civil quantity, construction logistics, and material costs have been initiated.

- Subcontractors are working on finalizing facilities schematic variations that will provide data for cost modeling efforts by Larkspur. This information is the first estimate of over 40 separate facilities construction cost estimates that will feed into the final project cost matrix.

- The project team has continued work for the Environmental Impact Study (EIS) being conducted under the oversight of the U.S. Army Corps of Engineers. The information that has been collected and updated includes extensive landowner and stakeholder databases, the transcripts and comments of all scoping meetings held, and the drafting of the scoping report.

- Coordination for establishing an agreement with the Office of History and Archaeology so that we may share our Alaska Heritage Resource Survey data.

- Continued to incorporate data into the electronic library for use by contractors and regulators.

The project expenses for the month of January were $511,872. Total expenditures for the project to date are $3,175,710.

II. Below is an overview of planned activities:

- Finalize data agreement with ENSTAR Natural Gas Company; coordinate permitting and Right-of-Way (ROW) application efforts with the Alaska Natural Gas Development Authority and work with federal and State regulatory bodies to minimize duplication of effort; identify additional data-mining opportunities so pertinent information from previous permitting efforts is used where appropriate (these two activities have the potential to save over a million dollars of State funds); and prepare work plans for summer 2010 environmental and geohazards field work.

- Hold two-day workshop to calibrate cost of transportation analysis and further refine remaining FY10 program focus; re-initiate and broaden contacts with commercial working group to identify potential upstream supply and downstream market opportunities; meet with potential pipeline companies to overview program progress and solicit feedback; and initiate cost of service modeling and refine construction schedules for commercial and economic feasibility modeling.

- Support on-going EIS and ROW activity and address project concerns and questions; continue to refine project and permit schedules as necessary; address scoping extension reports; provide background for purpose and need reports; finalize draft wetlands report; and finalize contract for new engineering project oversight manager.

Like any review of this magnitude, communication and collaboration with other agencies will be a huge component for success. The Governor's goal of consistently evaluating all potential energy projects will be accomplished through attention to details and diligence in providing consistent peer-reviewed work product. Focused plans and transparency of scope in the near term will ultimately pay significant dividends as Alaska defines its bright energy future.

Sincerely,

Robert Swenson
Project Manager
Alaska In-State Natural Gas Line

Enclosures

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Governor Sean Parnell
STATE OF ALASKA

March 18, 2010

The Honorable Lesil McGuire
Alaska State Legislature
State Capitol, Room 125
Juneau, AK 99801-1182

Re: SB 287/ Work Draft "R"

Dear Senator McGuire,

Thank you for speaking with me yesterday regarding SB 287 and Work Draft "R" of that legislation. I believe this legislation is on the right track to codifying the work being done by our bullet line gas team and I welcome the opportunity to work further with you on it.

Alaska's natural gas is a rich and abundant resource that must be commercialized for the benefit of Alaskans. To that end, the State is currently pursuing two paths, effectively leaving open more opportunities for a gasline than choosing only one pipeline at this time.

The State has a project team pursuing bullet line opportunities intended to bring natural gas to Alaskan homes and businesses. I instructed the engineering team to determine the cost of a pipeline from the Interior basins near Nenana, to the foothills of the North Slope, or if need be, all the way to the North Slope so that the least costly routing and long term gas supply can be identified.

Last year, the Legislature approved funding for the bullet line work and we are pleased with the progress to date. An Environmental Impact Statement is in progress, preliminary engineering and permitting is underway, and we anticipate the initial cost estimates will be available this summer. In addition, a commercial group of gas owners, utilities, and other private sector parties continue to meet to support our efforts to move forward.

On a parallel path, the Alaska Gas Pipeline Project being pursued by TC Alaska and ExxonMobil is scheduled to initiate its open season in the weeks ahead. These private sector companies are bringing their expertise and capital to the table to assure a gasline project moves forward. The Alaska Gas Pipeline Project has been fully engineered and tariffs established for gas delivery to Alaskan communities (including a tidewater LNG project) and throughout North America. I fully support maintaining this Alaskan private sector opportunity.

Earlier, I noted that your bill is headed in the right direction. We need to foster opportunities for a gasline, rather than limit our options by picking only one path that may or may not lead to a project. Because Work Draft "R" of SB 287 leaves open opportunities for Alaska jobs and Alaska energy for Alaskans, I will continue working with you on the merits of the bill.

Regards,

Sean Parnell
Governor

DON YOUNG
CONGRESSMAN FOR ALL ALASKA
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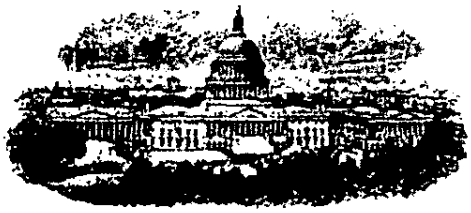

COMMITTEE ON RESOURCES
COMMITTEE ON TRANSPORTATION
REPUBLICAN POLICY COMMITTEE

Congress of the United States
House of Representatives
Washington, DC 20515

March 19, 2010

Sen. Lesil McGuire, Co-Chair
AK State Capitol, Room 125
Juneau, AK 99801

Rep. Craig Johnson, Co-Chair
State Capitol, Room 126
Juneau AK, 99801

Sen. Charlie Huggins, Co-Chair
State Capitol, Room 119
Juneau AK, 99801

Rep. Mark Neuman, Co-Chair
State Capitol, Room 432
Juneau AK, 99801

Dear Members of the Alaska State Legislature, In-State Gas Caucus,

Over three decades ago we built the Trans-Alaska Pipeline; one of the greatest achievements in Alaska's history. Unfortunately, since that time, Alaskans have seen few large-scale projects that would generate the economic activity needed to shape and guarantee the economic prosperity of our state for succeeding generations.

Today, our State finds itself in the unique position to unite around a project that will do just that. So on this historic occasion, I pledge my full support for your efforts in developing Alaska's natural gas for the in-state needs of Alaskans.

As deliverability shortfalls in Anchorage become imminent, and an explosion of natural gas reserves in the Lower 48 are already a reality, it is my view that the best way to bring Alaska's great natural gas potential to fruition is through the construction of an in-state line. An in-state gas line from the North Slope to Kenai or Valdez that also meets the local domestic and industrial needs of Fairbanks and Anchorage is the best option for developing Alaska's natural gas resources and shoring up Alaska's economy for decades to come.

An in-state gas line will fuel electric generation throughout the Railbelt, heating homes and facilitating economic growth throughout the region. Proposals such as Alaska Senate Bill 287, which tasks the Alaska Railroad with developing an in-state pipeline project, and Alaska House Bill 369, which creates an in-state gas development team, are positive steps towards this goal.

In Congress, I will help assist in these endeavors in any way possible beginning with a letter to the Secretary of Energy requesting a long-term extension for the export license of Liquefied Natural Gas. Now is the time to seize upon this opportunity to put Alaskans to work with a project that will carry our economy into the future.

Sincerely,

DON YOUNG
Congressman for All Alaska

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CALL TOLL-FREE
1-866-990-5979

failed in HFin

OPERATING BUDGET AMENDMENT

OFFERED IN: The House Finance Committee

TO: CSHB 300(FIN)/CSHB 302(FIN)

OFFERED BY:

DEPARTMENT: Governor
APPROPRIATION: Executive Office
ALLOCATION: AK Resources Marketing and Development

ADD: $6,500.0 AHCC Receipts, Fund Code 1213

Personal Services	$ 321,960
Travel	$ 36,040
Services	$ 6,130,000
Commodities	$ 12,000
Total expenditures	**$ 6,500,000**

EXPLANATION: The In-State Gas Line Project requests a budget amendment to complete the evaluation of a stand-alone in-state gas line, and to prepare a detailed project package for a commercial offering to be performed in the 4th quarter of FY 2011, there are four project tasks that need to be funded:

1. Completion of environmental and permitting for U. S. Army Corps of Engineers and State and Federal right-of-way approvals. $2,365,000

This includes:
- development and coordination of permitting,
- working with stakeholders such as local communities, native corporations, BLM and others,
- beginning studies on wetlands, stream crossings, cultural impacts, lake studies, wildlife and bird surveys and air and noise analysis

2. Project management and engineering data acquisition for further refinement engineering design of the project. $2,750,000
- Project management
- Gathering detailed geotechnical data
- Refinement of pipeline routing for final EIS and optimization

3. Refinement of Cost of Service estimates and Tariff modeling $750,000
- Reviewing costs of the different project alternatives, and analyzing the cost of capital for in-state gas supply options and cost of service modeling

4. Prepare complete project documentation of In-State pipeline asset for consideration by private pipeline developer $250,000

Action Plan for a Feasibility Analysis

of the

STAND-ALONE GAS PROJECT

State of Alaska

Baker

ORION*FPI

1305

ACTION PLAN for a **PREFEASIBILITY STUDY**
of the
STAND-ALONE GAS PROJECT
State of Alaska

SUMMARY

INTRODUCTION

The attached Action Plan was developed by representatives of the State of Alaska, with active participation of representatives of ExxonMobil, BP, ConocoPhillips, Anadarko, Enstar, Fairbanks Gas, Golden Valley Electric, Chugach Electric, Agrium, and Barrick Gold, and with technical support from representatives of Michael Baker Engineering, during a two-day VIP (Value-added Interactive Planning) Session held in the Opportunity Salon of the Embassy Suites in Anchorage on Thursday and Friday, June 18th and 19th, 2009.

The planning session was facilitated and documented by ORION Facilitated Planning Inc.

NAME OF PROJECT

The project is evolving, and a generic working name was selected for the early phases of the project: it will be known on an interim basis as the ***Stand-Alone Gas Project.***

OWNER

For purposes of this workshop, the Owner of the project was identified as the ***State of Alaska***.

OBJECTIVE OF PROJECT

The Owner's objective of the project was established as a desire " - - - for the development of a commercially-viable in-state natural gas system with these embedded characteristics:

- Producers to make a net profit equal to, or greater than, by exporting gas;
- Industrial users to be served at a cost that enables them to be competitive in a world market; and
- To turn the project over to a private developer who will recoup costs and make a profit on the operation of the pipeline."

It was noted that the State considers that it has the authority to be the Developer, if necessary.

OBJECTIVE OF VIP SESSION

The objective of the VIP Session was defined as a need " - - - to develop an action plan for a Prefeasibility Study of the Stand-Alone Gas Project."

ACTION PLAN for a **PREFEASIBILITY STUDY**
of the
STAND-ALONE GAS PROJECT
State of Alaska

SUMMARY

PLANNING TEAM

The Action Plan defined in this document was developed by the planning session participants identified below. The full planning team functioned on an interactive, participative basis, with an Owner-oriented focus. These same participants also wrote the scope descriptions in Section 2 of this document; there, their initials identify the authors of each work package. The corporate affilitation of each participant is indicated by a superscript following his or her name.

Planners		***Areas of Relevant Experience***
Ken Pohle [AK DNR]	KRP	*Mine Eng; Mine Ops Mgt & Admin; Proj Mgt*
Dan Clark [ConocoPhillips]	DMC	*Mech Eng; Nat Gas Processing; O&G Production Mgt*
Kate Lamal [GVEA]	KKL	*Geologist; Economics; Au Mines; Energy Mgt*
Vin Robinson [ENSTAR]	VLR	*Civil Eng; PL Studies & Design PL Projs TAPS*
Robert Wall [ExxonMobil]	RAW	*Mech Eng; Gas Processing & Treatment; Design; Risk Mgt*
Steve Wendt [Agrium]	SMW	*Nitrogen Fertilizer Operations; Proj Mgt*
Mike Metz [Baker Eng]	MCM	*Eng Geol; R&D; Cold Regions O&G Projects*
Keith Meyer [Baker Eng]	KJM	*Pipeline Eng; Nat Gas Transmission; Production Ops*
Ward Whitmore [Baker Eng]	WAW	*Chem Eng; O&G Operations; North Slope; Nat Gas Issues*
Terry Lee [ORION*FPI]	TDL	*Facilitator*

Sponsors		***Areas of Relevant Experience***
Harry Noah [AK DNR]	HAN	*Enviro; Mine Permitting*
John Lau [ENSTAR]	JJL	*Elec Eng; Conoco Eng & Field Mgt; Enstar; Pipeline Projects*
Marty Massey [ExxonMobil]	MWM	*Petroleum Eng; Commercial; Gas Project Marketing*
John Reeves [AK DOT]	JMR	*Business; Valdez Port; Gas Pipelines*
Brad Evans [CHUGACH]	BWE	*Elec Eng; Pipeline Projects; Heavy Const; Utilities Ops & Mtce*
Colleen Starring [ENSTAR]	MCS	*Nat Gas; User Management*
Dan Simpson [Baker Eng]	DGS	*Civil Eng; North Slope Projs; Heavy Civil Projs; Proj Mgt*

Supporters		***Areas of Relevant Experience***
Dave Anderson [Anadarko]	DBA	*Business; Gas Processing & Commercial; AK Gas Markets*
John Denis [BP]	JRD	*Geol; Resource Mgt; Tech Mgt*
Hiten Mehta [BP]	HM	*Chem Eng; MBA; Contract Negotiations; Commercial*
Eduardo Naranjo [ExxonMobil]	EJN	*Bus Admin; Gas Commercial; O&G Operations*
Stan Foo [Barrick]	STF	*Geology; Gold Mine Ops, NV & AK; Donlin Admin*
Dan Britton [Fairbanks Gas]	DWB	*Nat Gas Utilities; Gas & LNG Distribution*
Jerry Gallagher [AK DNR]	JLG	*Geol; Mines; Expl; Govt-Community Relations; Legislative Dir*
Larry Persily [AK]	LP	*O&G Tax Fiscal Issues; AK O&G Policy Issues*

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METHODOLOGY

The VIP process is an interactive, Owner-oriented, high-level planning process that focuses on development of a plan by a designated team to achieve the Owner's objectives for his project or program. The process is guided by an experienced Facilitator who records the aggregate input of the planning team, but does not influence the content, direction or technical viability of the plan.

For this project, the State's Sponsor (identified on the previous page) clearly identified the strategic objective of the project, and then identified the objective of the VIP Session. These objectives, coupled with other basic project information that was developed interactively during the Kickoff Portion of the workshop with the participation and endorsement of the Sponsors, are included in Section 1 of this Action Plan; they provided solid parameters for development of the plan.

The participants then developed their plan to achieve the stated project objectives. First, they developed a logic network that established the work packages and their logic-driven interactions. This part of the process largely ignored the durations of individual activities, and maintained an objective focus on the work process. As a wrap-up step, the participants made a thorough review of the logic network they had created -- they adjusted interactions if necessary and added durations to each of the work packages, remaining consciously objective through this vital phase of the planning process.

The result of the VIP Session was a plan that was developed by the team that, to large extent, will be involved with the execution of the program. This document records their plan to execute a Prefeasibility Study for the Stand-Alone Gas Project.

"COST OF SERVICE"

It was recognized that the phrase "cost of service" is potentially very misleading, that there are three significant and distinctly different components to the cost of gas, and that "cost" is not the same as "price". The participants resolved that the cost of the three components, as used in this study, should be referred to as follows:

- Production Cost
- Treatment & Pipeline Cost
- Distribution (incl Storage) Cost
- Total Cost = the Sum of these three cost elements

ACTION PLAN for a **PREFEASIBILITY STUDY**
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ASSUMPTIONS

Two clarifying assumptions were discussed briefly during the planning session; they are included in this document to provide clarification to the context of this Action Plan:
Assumption #1: the major working assumption was that a stand-alone gas pipeline project would only be constructed if the 48-inch pipeline to the lower 48 states is either delayed from the planned 2019 start-up date, or will not be constructed at all.
Assumption #2: this action plan is focused on defining a cost of service for a stand-alone gas pipeline project. There are other aspects of the In-State gas project work that are not included in this document.

PROJECT DRIVERS

During a focused discussion, each of three groups identified the "drivers" for the project from their unique perspectives:

State of Alaska – wants the pipeline system

- to provide an energy supply to support economic growth;
- to provide a financial opportunity to the State; and
- to provide affordable natural gas service to home-owners.

Producers – want to

- sell all gas at highest possible net-back; and
- sell largest volume of gas possible.

Users – wants vary, depending on the User organization, as follows:

- Agrium: Could re-start its Kenai operations and operate at full capacity, if long-term gas service was available.
- Western Alaska: Residents of western Alaska could be served by a pipeline; the Donlin Creek mining project is one example of a major potential user.
- Utilities: Requires long-term, secure, reliable supply for existing and growing customer base; there is a sense of urgency for secure supply, and the pipeline option appears to be superior to current options.

ACTION PLAN for a **PREFEASIBILITY STUDY**
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POTENTIAL OPPORTUNITIES

Two potentially-significant opportunities to improve the success potential for the project were identified by the participants:

- Develop opportunities to confirm and increase gas volume requirements; and
- Adopt a proactive approach to permitting by the State, to avoid project schedule delays.

POTENTIAL THREATS, RISKS & ISSUES

Six potentially-significant threats, risks or issues were identified and discussed briefly:

- Ramp-up may be slow, impacting the economics of the project;
- Industrial users (e.g., Agrium) may not commit if schedule is deferred;
- Possible users (e.g., Barrick) may not materialize;
- If the "big line" proceeds, this project would not be viable in the current configuration;
- If a major discovery is made in Cook Inlet, this line would not be necessary; and
- High pricing would threaten the economics of the project.

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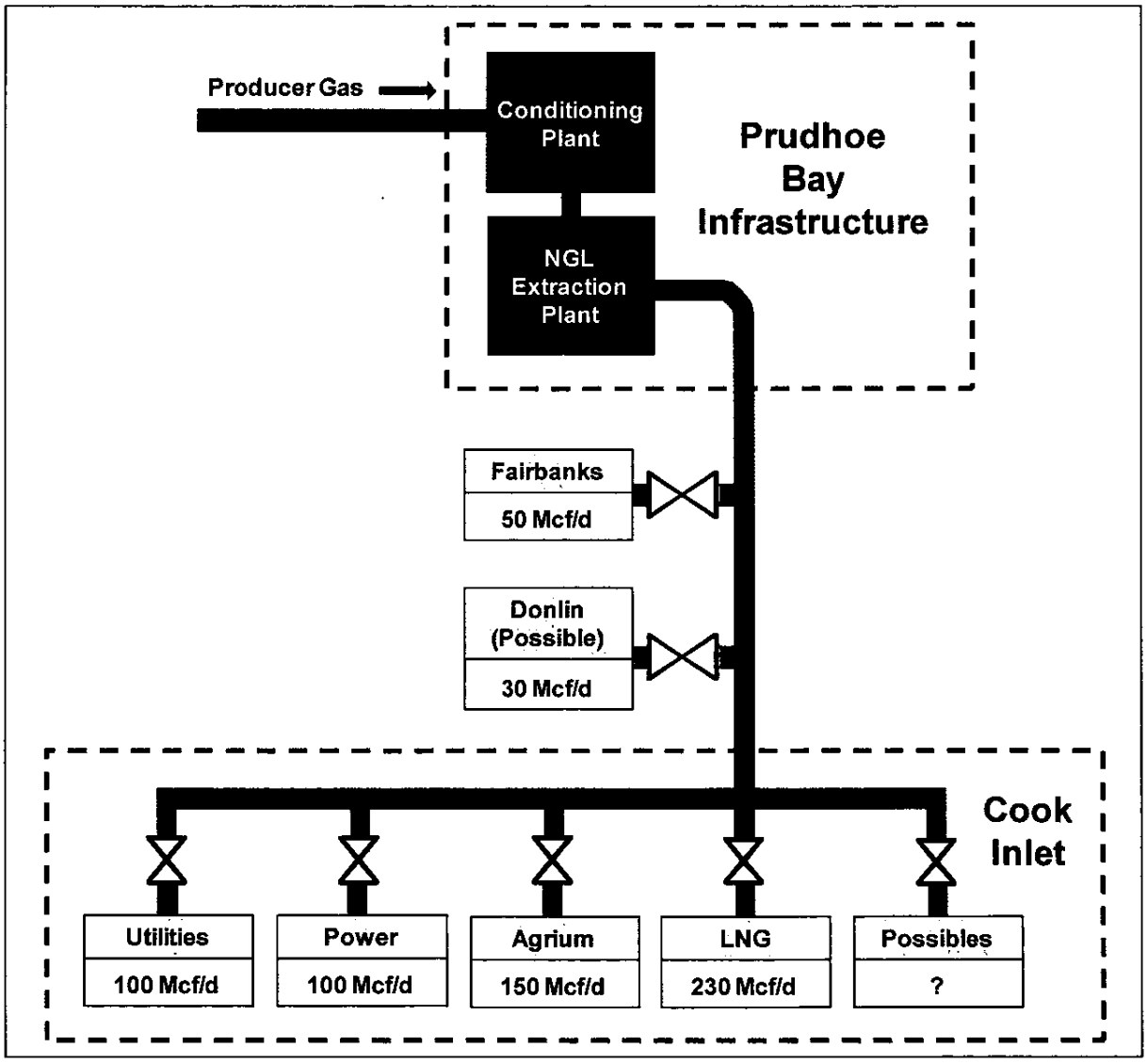
REFERENCE CASE

Prior to development of their plan, the participants established a "reference case" to describe the scope of the project in simple graphic format:



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ACTION PLAN for a **PREFEASIBILITY STUDY**
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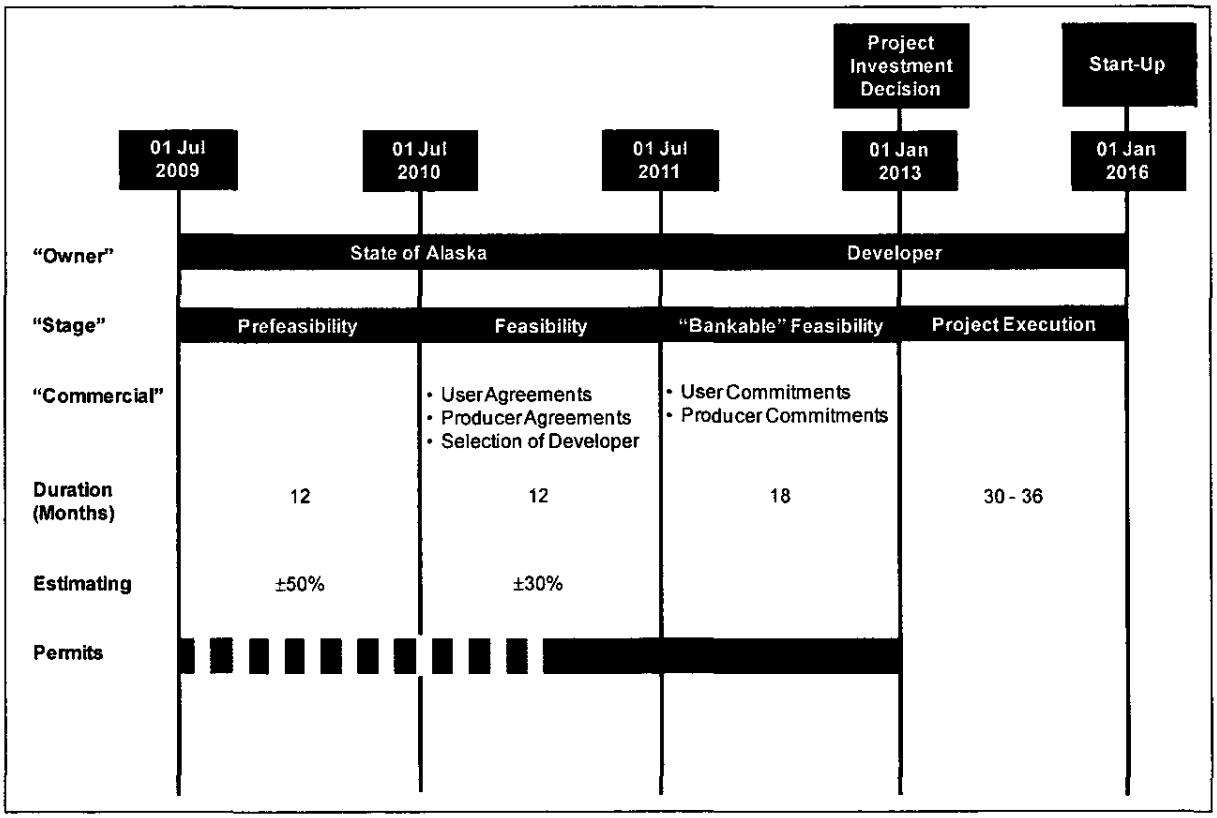
SUMMARY

PROJECT OVERVIEW SCHEDULE

Prior to commencement of planning, the participants developed and reviewed a simple overview schedule of the project, to understand the State's perspective of a possible advancement program for the Stand-Alone Gas Project. The numbers under the bars identify the number of months each activity could require. It is emphasized that this conceptual sketch does not represent a committed program – it was developed simply to provide a vehicle for discussion.



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ACTION PLAN for a **PREFEASIBILITY STUDY**
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SUMMARY

WORK BREAKDOWN STRUCTURE (WBS)

The Stand-Alone Gas Project has numerous asset or administrative themes. These themes, or Work Areas, were defined by the planning team at the start of the active planning session; they form the primary structure of this action plan:

A	Program Administration
B	Conditioning Plant
C	NGL Plant
D	North Slope Infrastructure
E	Pipeline & Compressors
F	Fairbanks
G	Cook Inlet – Utilities
H	Cook Inlet – Industrial
J	Possible Users
K	Permitting
L	Alternatives

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SCHEDULE CALENDAR

The schedules in this document were prepared using the Primavera software package. They were based on the precedence [logic] network developed during the planning session, and used a start date of June 22nd, 2009

The schedules use one-day time units, with five days per calendar week. No allowances were provided for statutory holidays or vacation periods, apart from a nominal two-week lost time allowance over the Christmas period.

SCHEDULE RESULTS

The as-developed schedule indicated that the Prefeasibility Report would not be finalized and issued until August 18th, 2010 – about two months beyond the milestone date of June 30th, 2010.

The development of a logic network using the VIP process tends to create a schedule that can be reduced by some amount while staying faithful to the content of the workshop and the intent of the participants. In this case, ORION*FPI's Facilitator subsequently made a total of five carefully-considered adjustments to the schedule to enable the Prefeasibility Report to be issued on June 9th. This post-workshop pattern is a normal follow-up to an VIP Session. Only one duration was changed; the balance of the improvement was achieved by creating or extending the "overlaps" between adjacent work packages.

The schedule included in this action plan incorporates these five adjustments:

ITEM	WP – or – RELATIONSHIP	ADJUSTMENT	
		From	To
1	A-08 / A-09	FF^{15}	FF^{10}
2	A-16 / A-17	FF^{10}	FF^{5}
3	E-03 / E-04	FS	SS^{10}
4	E-04	90	70
5	E-04 / A-07	FF^{10}	FF^{5}

SUMMARY

SCHEDULE FORMATS

The ***Prefeasibility Master Schedule*** for the ***Stand-Alone Gas Project*** is presented in this report in three different formats:

- A 2-page tabulation of the work packages which describes the early start and finish dates, the late start and finish dates, the duration, and the total float for each activity; it is included on Pages 3-02 to 3-03 of this report.

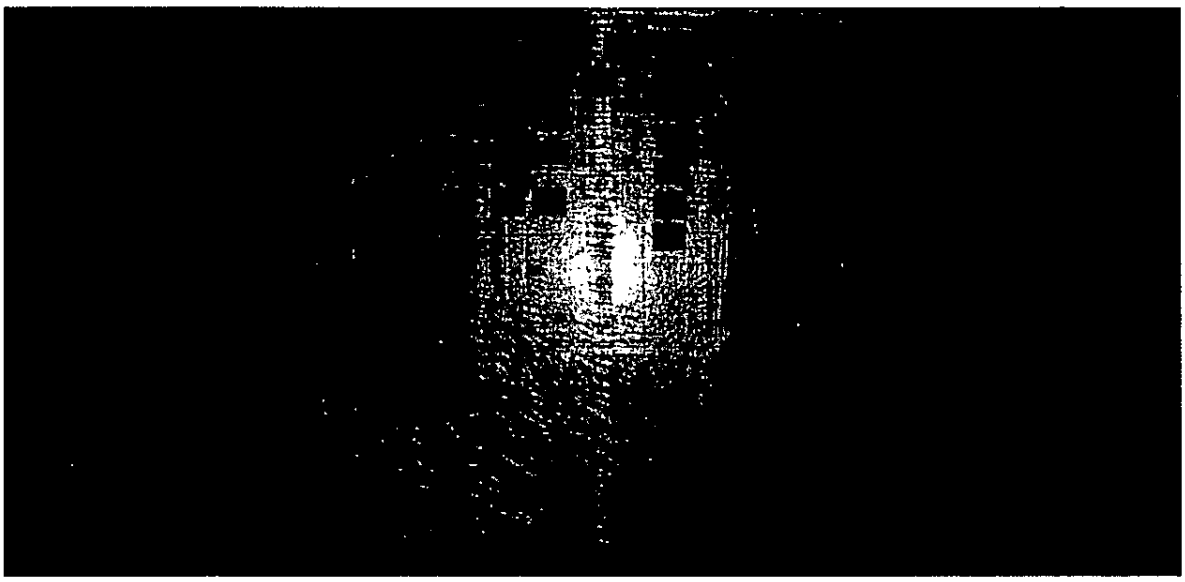
- A 4-page detailed bar chart, in color, of all work packages sorted by program areas. It is a simple and clear presentation of all of the work packages, sorted in the usual early-start, early-finish fashion; it can be found following Page 3-03.

- A large Time-Scaled Logic Diagram of all work packages, grouped by Work Areas. This format is similar to the bar charts above, but it is a large, fold-out version. It is included in a plastic pocket in the back of certain Action Plan reports, flagged by an asterisk (*) behind the names on the Letter of Transmittal.

SUMMARY

PHOTOGRAPH

The following photograph shows the logic network, as developed at the VIP Session – although not legible in this format, it will serve as a visual reminder of shape of the plan.



SCOPE DESCRIPTION

The scope description of each work package on the following pages is brief, but it highlights the essential content and context of the work for each activity. The key persons who attended the planning session also wrote the scope descriptions for the individual work packages. For convenience, the initials of each Planner have been placed adjacent to the scope descriptions which he or she prepared; note that the initials are not intended to imply a responsibility for execution of the work package. The write-ups have been edited by the Facilitator to achieve similarity of format and presentation, and to stay within the context of the VIP Session; in cases where the edits have been significant, the Facilitator's initials have been inserted following those of the primary author.

* * * * *

A PROJECT ADMINISTRATION

A-01 **Develop Project OrChart** (KRP)

An organization chart will be produced to show the relationship of the private and public entities participating in the project.

A-02 **Develop Points of Contact** (KRP)

An individual will be identified within each organization to handle inquiries and determine subordinate participation in the gas project.

A-03 **Develop RASCI Matrix** (KRP)

A grid system (responsibility matrix) will be established assigning roles and responsibilities within the team, bringing structure and clarity to the system, and ensuring everything the team will need to do will be taken care of. The matrix will establish interacting responsibilities regarding deliverables, processes and procedures.

A-04 **Develop Level 2 Schedules** (KJM/TDL)

This action plan includes a Level 1 (or "Master") schedule, and provides an overview of the Prefeasibility program. Level 2 schedules, including significantly more detail, will be developed with continuing reference to the Level 1 schedule, and expected inconsistencies will be rationalized. The product will be a tier of schedules, from the overview-level master schedule to the detailed Level 2 and 3 schedules that will be used to manage the program effectively.

SCOPE DESCRIPTION

A-05 **Develop Project Execution Strategy** (DGS/TDL)

An owner-oriented project execution strategy will be developed to establish the parameters within which the capital project will be implemented. To ensure the project's success, a clear vision of the purpose and objectives will be developed so that the general work activities can be identified. A project organization chart will be developed to manage the resources.

A-06 **Execute Contructability Review** (DGS)

A detailed field review of the route and conceptual plans will be performed by experienced pipeline construction personnel to identify significant factors for consideration such as routing, terrain and geotechnical issues, appropriate construction techniques and materials, logistical constraints, and cost saving measures. The proposed construction schedule will be analyzed for feasibility and significant risk factors will be identified. A similar process will address the construction of the conditioning plant and the NGL extraction plant at the north end of the pipeline, and the gas compressor stations. The results of the reviews will be fed forward into the design process.

A-07 **Develop Project Execution Plan** (DGS/TDL)

A number of detailed project execution plan components will be developed to define the execution phase of the project. Level 2 EPCM schedules will be prepared for the capital program. Critical assumptions and constraints will be identified. Quality assurance and quality control procedures will be documented. A Safety Plan will identify proper field conduct and procedures. These elements will support the development of the Basis of Estimates.

A-08 **Develop Logistics Plan** (DGS)

A Logistics Plan will be developed for the project. It will provide a time and spatial reference addressing the major elements of material and personnel transportation for the project. In conjunction with the construction schedule, likely material sources will be identified and matched with transportation modes such as air, shipping, railroads, and trucking – and perhaps sea-lifts for the facilities on the north slope. Camp and material storage locations and capacities will be identified. Water and fuel requirements will be estimated. Other material preparation or handling sites such as pipe coating and double jointing yards will be located. This plan will form the basis of transportation costs for the construction cost estimate.

SCOPE DESCRIPTION

A-09 **Establish Basis of Estimates** (DGS)

All relevant information for the pipeline, compressor stations and the conditioning plant/NGL extraction plant will be assembled and the unit costs required for the project construction cost estimate will be documented. Prevailing union labor rates and equipment rental rates will be collected. An estimating system will be set up for manpower by craft, equipment by units, fuel consumption, consumables and supplies. A crew-up type estimating system will be assembled to factor union labor rates and fringes, equipment rental rates, equipment operation and maintenance costs, cost of supplies/consumables, small tools mark-up system, applicable payroll taxes, and insurance and personnel per diem cost. Collectively, these elements will establish the basis for estimating the direct and indirect costs of the project by work area.

A-10 **Assemble Cost Estimates** (DGS)

Using the prefeasibility-level project description, unit quantities will have been determined and construction cost estimates will be prepared for the Gas Treatment Plant, the NGL Extraction Facility, and the pipeline system. Ideally, two estimates for each facility will have been prepared for comparison purposes. Conflicts will be reconciled and GTP and NGL costs will be compiled with pipeline costs into one package. The estimates that were developed by work area will be assembled and reviewed to avoid gaps and overlaps.

A-11 **Establish Commercial Parameters** (EJN)

A listing of pipeline commercial parameters will be developed including return on investment, debt-equity ratio, depreciation methodology, financing costs, pipeline access terms, and methods for allocation of cost overruns. To develop these parameters, a comparison to other pipelines will be established for relevant benchmarks. The overall return of the pipeline investment will be assessed to ensure the pipeline investment can be financed.

A-12 **Estimate Reference Project Cost** (DGS)

The "reference project" has been defined as a no-frills baseline (see sketch on Page 1-06). The project cost will be calculated from the sum of the component costs (design costs, owner-supplied long-lead time items, infrastructure development, project management, quality assurance, contingency, construction, environmental restoration and as-built costs).

SCOPE DESCRIPTION

A-13 **Execute Reference Project Cost Reviews** (KJM)

An interactive workshop will be prepared for review of the capital costs developed for the reference case. The workshop participants will have a background in developing detailed greenfield pipeline and related facility cost estimates. The workshop will have the unit cost basis of estimate, the work breakdown, crew development, as well as related production factors. As appropriate, the information will be compared and calibrated against other project cost estimates and/or relevant cost estimate items. A similar review will be conducted for evaluation of the operational costs.

A-14 **Execute Reference Project Commercial Reviews** (EJN)

An expert review of commercial terms will be performed to assess if the commercial parameters selected are appropriate. An estimation of the gas treatment and pipeline costs will be presented at this review.

A-15 **Develop Project Scenario Matrix** (KJM)

Using developed information from prior work tasks, the relevant project data and completed costs will be assembled into a scenario matrix that will succinctly describe the base elements of the project, especially as they relate to the cost of service of the project. A narrative description of significant items in the completed matrix will be developed with reference to reports that further explain these differences, especially as these items may affect the cost of service.

A-16 **Develop Alternate Scenario Cost Estimates** (KJM)

Using the same format as for the reference case, the completed information for the studied alternatives will be assembled into an analogous matrix. Along with this, a narrative description of significant differences in the completed matrix will be developed with reference to reports that will further explain these differences.

A-17 **Develop Draft Prefeasibility Report** (KJM)

The information from work tasks will be compiled into a draft prefeasibility report on an evolutionary basis throughout the study period. The report will reference completed prior reports as appropriate and summarize the findings. It will explain the matrix for comparison of the reference and alternate scenarios and will outline the significant conclusions.

A-18 **Review Draft Prefeasibility Report** (KJM)

A review of the draft prefeasibility report will be completed by the entire Working Group as well as interested personnel in the Client Group. The comments and edits will be assembled in a spreadsheet with resolution of each item noted.

SCOPE DESCRIPTION

A-19 **Finalize & Issue Prefeasibility Report** (KJM)

As appropriate, the developed actions from the review of the draft report will be incorporated into the final document. The report will be attributed with appropriate project description as a contract deliverable and prepared for further distribution as a paper report and an electronic version.

SCOPE DESCRIPTION

B CONDITIONING PLANT

B-01 **Develop Conditioning Design Basis** (WAW)

A design basis will be developed to describe major components of a Gas Conditioning Plant to remove carbon dioxide, hydrogen sulfide and water from source gas and deliver it to the inlet of the NGL Extraction Plant on the North Slope per the reference case scenario. Flow rates and compositions of all GCP sources, products and by-products will be identified. Applicable codes and standards will be identified. Facilities and supporting infrastructure will be described to a level only as required to support project permitting and cost estimation.

B-02 **Develop Conditioning Plant Specifications** (WAW)

Specifications for major components of the Gas Conditioning Plant will be developed from information in the GCP design basis. Specifications will be developed in conjunction with cost estimation and project permitting only to the detail required to support these activities. Specifications will include a block flow diagram and process flow diagram with overall material balance including fuel. A preliminary site plan showing connections to existing infrastructure will be developed. A preliminary design will not be done, but a. preliminary module layout will be developed.

B-03 **Estimate Conditioning Plant Costs** (WAW)

A +/- 50% capital cost estimate, with a corresponding non-fuel operating cost estimate, will be developed for the Gas Conditioning Plant based upon GCP specifications. Capital costs will be based on use of modules typical of North Slope construction and will include module transport to the site.

SCOPE DESCRIPTION

C NGL EXTRACTION

C-01 Establish NGL Extraction Design Basis (WAW)

A design basis will be developed to describe major components of the NGL Extraction Plant to be located immediately downstream of the Gas Conditioning Plant on the North Slope per the reference case. The design basis will include all facilities necessary to deliver compressed and chilled utility grade natural gas to the pipeline inlet. Flow rates and compositions of all feed, product, and by-product streams will be identified. Applicable codes and standards will be identified. Facilities and supporting infrastructure will be described to a level only as required to support project permitting and cost estimation.

C-02 Develop NGL Extraction Specifications (WAW)

Specifications for major components of the NGL Extraction Plant will be developed from information in the NGL plant design basis. Specifications will be developed in conjunction with cost estimation and project permitting only to the detail required to support these activities. Specifications will include a block flow diagram and process flow diagram with overall material balance including fuel. A rough site plan showing module layout and connections to existing infrastructure will be developed. A preliminary design will not be done.

C-03 Estimate NGL Extraction Costs (WAW)

A ±50% capital cost estimate with corresponding non-fuel operating cost estimate will be developed for the NGL Extraction Plant based upon NGL Plant specifications. Capital costs will be based on use of modules typical of North Slope construction and will include module transport to the site.

SCOPE DESCRIPTION

D NORTH SLOPE INFRASTRUCTURE

D-01 **Develop North Slope Infrastructure Design Basis** (DGS)

A design basis will be developed for the north slope infrastructure that will be associated with the conditioning plant and the NGL extraction plant. It will follow standard practice for BP operations near the existing gas handling facilities. A review of these design standards will be performed in consultation with BP.

D-02 **Develop North Slope Infrastructure Concepts** (DGS)

Infrastructure design will support the main GTP and NGL Extraction Facility complex and will be dependent on the layout of those facilities. Features that will drive the design include main and injection pipeline routing, access to the road system and power grid, proximity to existing facilities, and permitting issues. Photogrammetric level mapping will be required for the layouts. The conceptual design process will be iterative and may require several cycles and several concepts to settle the design. A basic cost estimate will be developed to aid in decision making, but the main facility cost will overshadow infrastructure cost.

D-03 **Develop North Slope Infrastructure Design** (DGS)

Prefeasibility-level design efforts will involve a modest improvement of the conceptual level design. Some local, up-to-date as-builts may be required to determine tie-in points of existing facilities. Plans will be developed to the level necessary to determine quantity takeoffs.

D-04 **Estimate North Slope Infrastructure Costs** (DGS)

For the associated pipelines, pads, roads, injection wells, power generation, and other necessary infrastructure facilities, relevant unit quantities will be determined and tabulated. Capital and operating costs will be calculated on a unit cost basis from historical cost databases for the North Slope.

SCOPE DESCRIPTION

E PIPELINE & COMPRESSORS

E-01 Develop Gas Market Projection (JJL)

A gas-needs market projection will be prepared for use in sizing the Alaska Stand-Alone Gas Pipeline. Information from this summary will be used to determine the throughput and ramp-up requirements of the system. In general, the pipeline throughput will be the difference between the estimated market projections (Fairbanks/Interior AK, Cook Inlet Utilities, LNG-Nikiski, Agrium-Nikiski, and other potential prospects) and existing gas contracts for Cook Inlet area gas, projected annually over the life of the pipeline. One key assumption is that annual usage will be normalized across each year through storage adequate to address peak usage and backup supply needs.

E-02 Establish Reference Flow Rate (WAW)

A schedule of annual pipeline flow rates for the reference case will be developed for use in pipeline hydraulic simulations and specification of attendant gas handling facilities. Annual pipeline flow will be estimated as the difference between projected Cook Inlet demand and supply, both of which will be developed via other items in the Action Plan. Annual flows will be expressed in volumetric and thermal (BTU) rates to allow adjustment based on pipeline gas heating value. Reference case flow will include gas to Fairbanks.

E-03 Establish Pipeline Design Basis (MCM)

A pipeline design basis will be established for a reference case from Prudhoe Bay to Cook Inlet. The basis for design will address the basic criteria and general guidelines under which the gas pipeline will be designed and constructed. The document will include average daily gas flow rate, pipe diameter, operating pressure, grade of steel, compressor and metering facilities, routing criteria, environmental data, hydrologic data, geotechnical data, construction and operational philosophy, construction scheduling and seasonal constraints. Additionally, the design basis will include a listing of applicable regulations, codes, and standards.

SCOPE DESCRIPTION

E-04 **Design Pipeline System** (MCM)

The pipeline conceptual design will utilize the pipeline design basis to complete a mile-by-mile conceptual design for input to a +/- 30% defensible cost estimate. The pipeline design will be based on terrain unit/landform mapping, permafrost mapping, digital elevation model, longitudinal slopes, cross slopes, and other derived data. The mile-by-mile design will be summarized to include compressor station locations, recommended construction season, anticipated soil and thermal conditions, pressure profile, temperature profile, ditch type, erosion control, civil grading requirements and quantities, material sites, temporary facilities sites, river crossings, road crossings, facility crossings, and an assessment of geohazards. The format of the final document will be coordinated with the pipeline cost estimate team, but will include alignment sheets and design segment summary.

E-05 **Estimate Pipeline System Costs** (MCM)

A prefeasibility level cost estimate will be developed using the mile-by-mile pipeline design. The pipeline design will be provided as alignment sheets and in a spreadsheet format to facilitate the development of a defensible cost estimate. The cost estimate format will be itemized and as a crewed-up estimate.

SCOPE DESCRIPTION

F FAIRBANKS

F-01 **Develop Fairbanks & Interior Projection** (JJL)

A summary of the expected gas use for Fairbanks and interior Alaska will be assembled to be used for input to the overall gas needs for the Alaska Stand-Alone Gas Pipeline. Estimation of loads for the Fairbanks area will be based on quantities provided directly from the Fairbanks area utilities (Fairbanks Natural Gas, Golden Valley Electric Association, University of Alaska Fairbanks, and the local military bases), a study of the potential gas customers along each potential pipeline corridor (Parks Highway and Richardson/Glenn Highway), and work that has been compiled by Northern Economics. Information from this projection will feed into the overall market projection for the project.

SCOPE DESCRIPTION

G COOK INLET - UTILITIES

G-01 Develop Cook Inlet Utilities Projection (JJL)

A summary of the expected gas use in the Cook Inlet area will be prepared for use in estimating the overall gas needs for the Alaska Stand-Alone Gas Pipeline. This summary will include demand projections that have been assembled from ENSTAR and the local power utilities (Matanuska Electric Association, Chugach Electric Association, Municipal Light and Power, and Homer Electric Association). Information from this projection will feed into the overall market projection for the project.

SCOPE DESCRIPTION

H COOK INLET - INDUSTRIAL

H-01 **Establish Projection Criteria** (JJL)

Criteria will be established to use as a guideline when projecting the gas requirements for areas where gas service will be provided from the proposed Alaska Stand-Alone Gas Pipeline. The criteria will establish the assumed user growth rates as well as a build-out schedule. Assumptions are that the gas storage necessary to allow utility loads to be consistent throughout the year will be in place.

H-02 **Develop Agrium Projection** (SMW)

A preliminary plan will be developed that will establishe baseline projections for gas usage at the Agrium's Kenai Nitrogen Operations facility. The plan will include daily as well as annual projections and corresponding delivery schedules.

H-03 **Develop LNG Export Projection** (DMC)

The potential capacity of the LNG Plant that could be available beginning in the 2016 timeframe will be determined. It will be assumed that the LNG Plant could take supplies from either the pipeline from the North Slope or Cook Inlet area fields. The described capacity will reflect what could be achieved assuming that necessary investments are made and customer support through appropriate commercial arrangements.

H-04 **Develop Cook Inlet Supply Projection** (JJL)

A summary of Cook Inlet gas reserves will be assembled for use in the determination of gas needs for south-central and interior Alaska. Data will be first compiled from current reserve information sources. Second, future supply/reserve projections will be developed by assigning a probability to geotechnical estimates. This information will be used to help determine the gas flow ramp-up for the Alaska Stand-Alone Gas Pipeline.

SCOPE DESCRIPTION

J POSSIBLE USERS

J-01 **Develop Possible Users Projection** (KRP)

Possible major natural gas users not already active in the Stand-Alone Gas Project will be identified. The associated gas specifications and projected annual consumption will be determined. Possible delivery methods and infrastructure needed to deliver the gas will be identified. It is anticipated this data will be used for inclusion in a ramp-up schedule for the pipeline under the future possibility category.

SCOPE DESCRIPTION

K PERMITTING

K-01 **Execute Alternative Routing Analysis** (HAN)

There are two major pipeline route alternatives south of Fairbanks, following either the Richardson Highway or the Parks Highway. An alternative routing analysis will compare the capital costs, people served, and potential environmental impacts of each route and a report will be produced.

K-02 **Define Alternatives** (HAN)

A specific report along with drawings will be produced to identify localized routing options. Those areas include the Minto Flats area, Denaili Park area and Sheep Mountain. The best route option will be determined.

K-03 **Establish Reference Project Footprint** (HAN)

A pipeline corridor will be established from Prudhoe Bay to the Cook Inlet. This corridor will be 2500 ft wide and will include both major pipeline route alternatives. Support facilities such as compressor stations, construction camps, and lay-down areas will be described but not specifically sited.

K-04 **Develop Project Description** (HAN)

A permitting level project description will be prepared to present an overview of the project including alternatives considered and rejected, pipeline routing, and general description of support facilities needed to operate the pipeline. In addition, this document will describe the general approach to construction and it will include a schedule.

K-05 **Develop Regulatory & Environmental Strategy** (HAN)

A report outlining the Permitting Plan for the project will be produced. The key element will be the role of the FERC. The second major issue will be the level of detail needed for information during the EIS process.

K-06 **Request FERC Jurisdictional Determination** (HAN)

A formal request will be made to the FERC to define their jurisdiction.

K-07 **Obtain EIS Memorandum of Understanding** (HAN)

A MOU will be written between the Federal lead agency and the applicant. The MOU will define how the permit process will be managed, the schedule, and how the other Federal and State agencies will be involved in the process.

SCOPE DESCRIPTION

K-08 **Execute EIS Process** (HAN)

The EIS process will include scoping, preparation of a draft and final EIS, and a record of the decision.

K-09 **Estimate Enviro-Permitting Costs** (KRP)

The scope of major environmental permitting activities will be established according to the outcome of FERC versus RCA determination. Ongoing environmental tasks required for permit maintenance during the operating phase of the pipe line will be identified. The level of project decommissioning for final close-out will be described. Estimates will be prepared for the initial permitting for capital cost purposes, the ongoing environmental costs for operating cost purposes, and the closure costs. The level of precision will be the same as the Stand-Alone Gas Project Report. The estimates will be included in the capital estimates.

SCOPE DESCRIPTION

L ALTERNATIVES

L-01 **Develop Liquid Demand Forecast** (MWM)

A liquid demand forecast will be developed that will describe a most likely 30-year outlook for in-State liquid and export opportunities. The forecast will include high-side and low-side outlooks based on existing demand and the probability of additional demand developing. The liquid forecast will also consider the potential location of each potential demand.

L-02 **Develop Alternate Gas Market Projections** (DMC)

A projection of possible markets in which to place ethane will be determined based on the potential volumes that could be supplied by the Stand-Alone Gas Project. Both domestic and export markets will be considered. Existing methane markets will be investigated as to their ability to take this heavier hydrocarbon component.

L-03 **Develop Alternate Project Scenarios** (WAW)

Alternate project scenarios to the reference case will be developed in conjunction with the Commercial Team with the goal of enhancing project viability. Alternates will address gas markets and potentially new gas supplies in the interior of Alaska as well as transport of North Slope NGL if this becomes available in the future. Overall project material balances will be developed for alternate scenarios. Capital and operating costs for alternate scenarios will be factored from capital costs developed for the reference case. New facility capital and operating costs will be developed if alternatives differ significantly from the reference case.

SCHEDULE

SCHEDULE FORMATS

The ***Prefeasibility Master Schedule*** for the ***Stand-Alone Gas Project*** is presented in this report in three different formats:

- A 2-page tabulation of the work packages which describes the early start and finish dates, the late start and finish dates, the duration, and the total float for each activity; it is included on Pages 3-02 to 3-03 of this report.

- A 4-page detailed bar chart, in color, of all work packages sorted by program areas. It is a simple and clear presentation of all of the work packages, sorted in the usual early-start, early-finish fashion; it can be found following Page 3-03.

- A large Time-Scaled Logic Diagram of all work packages, grouped by Work Areas. This format is similar to the bar charts above, but it is a large, fold-out version. It is included in a plastic pocket in the back of certain Action Plan reports, flagged by an asterisk (*) behind the names on the Letter of Transmittal.

ACTION PLAN for a **PREFEASIBILITY STUDY**
of the
STAND-ALONE GAS PROJECT
State of Alaska

SCHEDULE

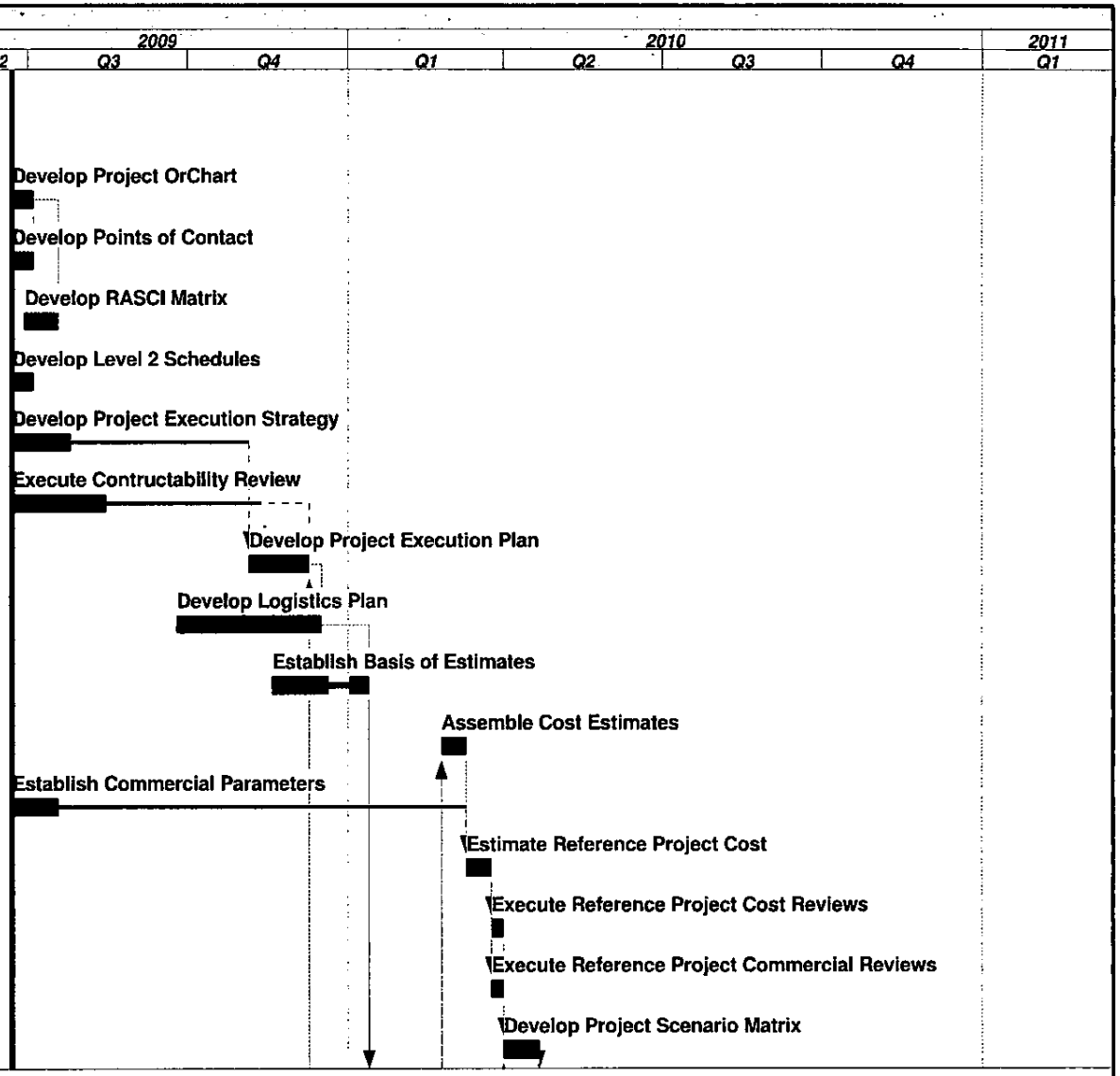
Activity ID	Activity Description	Early Start	Early Finish	Late Start	Late Finish	Original Duration	Total Float
A	**PROJECT ADMINISTRATION**						
A-01	Develop Project OrChart	22-Jun-09	03-Jul-09	22-Jun-09	03-Jul-09	10	0
A-02	Develop Points of Contact	22-Jun-09	03-Jul-09	22-Jun-09	03-Jul-09	10	0
A-03	Develop RASCI Matrix	29-Jun-09	17-Jul-09	29-Jun-09	17-Jul-09	15	0
A-04	Develop Level 2 Schedules	22-Jun-09	03-Jul-09	22-Jun-09	03-Jul-09	10	0
A-05	Develop Project Execution Strategy	22-Jun-09	24-Jul-09	01-Oct-09	04-Nov-09	25	73
A-06	Execute Contructability Review	22-Jun-09	14-Aug-09	17-Sep-09	11-Nov-09	40	63
A-07	Develop Project Execution Plan	05-Nov-09	09-Dec-09	05-Nov-09	09-Dec-09	25	0
A-08	Develop Logistics Plan	24-Sep-09	16-Dec-09	24-Sep-09	16-Dec-09	60	0
A-09	Establish Basis of Estimates	19-Nov-09	13-Jan-10	19-Nov-09	13-Jan-10	30	0
A-10	Assemble Cost Estimates	25-Feb-10	10-Mar-10	25-Feb-10	10-Mar-10	10	0
A-11	Establish Commercial Parameters	22-Jun-09	17-Jul-09	11-Feb-10	10-Mar-10	20	158
A-12	Estimate Reference Project Cost	11-Mar-10	24-Mar-10	11-Mar-10	24-Mar-10	10	0
A-13	Execute Reference Project Cost Reviews	25-Mar-10	31-Mar-10	25-Mar-10	31-Mar-10	5	0
A-14	Execute Reference Project Commercial Reviews	25-Mar-10	31-Mar-10	25-Mar-10	31-Mar-10	5	0
A-15	Develop Project Scenario Matrix	01-Apr-10	21-Apr-10	01-Apr-10	21-Apr-10	15	0
A-16	Develop Alternate Scenario Cost Estimates	22-Apr-10	05-May-10	22-Apr-10	05-May-10	10	0
A-17	Develop Draft Prefeasibility Report	04-Feb-10	12-May-10	04-Feb-10	12-May-10	70	0
A-18	Review Draft Prefeasibility Report	13-May-10	26-May-10	13-May-10	26-May-10	10	0
A-19	Finalize & Issue Prefeasibility Report	27-May-10	09-Jun-10	27-May-10	09-Jun-10	10	0
B	**CONDITIONING PLANT**						
B-01	Develop Conditioning Design Basis	13-Aug-09	26-Aug-09	10-Sep-09	23-Sep-09	10	20
B-02	Develop Conditioning Plant Specifications	27-Aug-09	23-Sep-09	29-Oct-09	25-Nov-09	20	45
B-03	Estimate Conditioning Plant Costs	14-Jan-10	24-Feb-10	14-Jan-10	24-Feb-10	30	0
C	**NGL EXTRACTION**						
C-01	Establish NGL Extraction Design Basis	13-Aug-09	26-Aug-09	10-Sep-09	23-Sep-09	10	20
C-02	Develop NGL Extraction Specifications	27-Aug-09	23-Sep-09	29-Oct-09	25-Nov-09	20	45
C-03	Estimate NGL Extraction Costs	14-Jan-10	24-Feb-10	14-Jan-10	24-Feb-10	30	0
D	**NORTH SLOPE INFRASTRUCTURE**						
D-01	Develop North Slope Infrastructure Design Basis	16-Jul-09	09-Sep-09	13-Aug-09	07-Oct-09	40	20
D-02	Develop North Slope Infrastructure Concepts	10-Sep-09	07-Oct-09	08-Oct-09	04-Nov-09	20	20
D-03	Develop North Slope Infrastructure Design	17-Sep-09	28-Oct-09	15-Oct-09	25-Nov-09	30	20
D-04	Estimate North Slope Infrastructure Costs	14-Jan-10	24-Feb-10	14-Jan-10	24-Feb-10	30	0
E	**PIPELINE & COMPRESSORS**						
E-01	Develop Gas Market Projection	02-Jul-09	15-Jul-09	02-Jul-09	15-Jul-09	10	0
E-02	Establish Reference Flow Rate	16-Jul-09	12-Aug-09	16-Jul-09	12-Aug-09	20	0
E-03	Establish Pipeline Design Basis	13-Aug-09	16-Sep-09	13-Aug-09	16-Sep-09	25	0
E-04	Design Pipeline System	27-Aug-09	02-Dec-09	27-Aug-09	02-Dec-09	70	0
E-05	Estimate Pipeline System Costs	14-Jan-10	10-Feb-10	28-Jan-10	24-Feb-10	20	10

ACTION PLAN for a **PREFEASIBILITY STUDY**
of the
STAND-ALONE GAS PROJECT
State of Alaska

SCHEDULE

Activity ID	Activity Description	Early Start	Early Finish	Late Start	Late Finish	Original Duration	Total Float
F	**FAIRBANKS**						
F-01	Develop Fairbanks & Interior Projection	06-Jul-09	08-Jul-09	06-Jul-09	08-Jul-09	3	0
G	**COOK INLET -- UTILITIES**						
G-01	Develop Cook Inlet Utilities Projection	06-Jul-09	08-Jul-09	06-Jul-09	08-Jul-09	3	0
H	**COOK INLET -- INDUSTRIAL**						
H-01	Establish Projection Criteria	22-Jun-09	03-Jul-09	22-Jun-09	03-Jul-09	10	0
H-02	Develop Agrium Projection	06-Jul-09	08-Jul-09	06-Jul-09	08-Jul-09	3	0
H-03	Develop LNG Export Projection	06-Jul-09	08-Jul-09	06-Jul-09	08-Jul-09	3	0
H-04	Develop Cook Inlet Supply Projection	06-Jul-09	08-Jul-09	06-Jul-09	08-Jul-09	3	0
J	**POSSIBLE USERS**						
J-01	Develop Possible Users Projection	06-Jul-09	08-Jul-09	06-Jul-09	08-Jul-09	3	0
K	**PERMITTING**						
K-01	Execute Alternative Routing Analysis	22-Jun-09	14-Aug-09	26-Oct-09	18-Dec-09	40	90
K-02	Define Alternatives	22-Jun-09	17-Jul-09	23-Nov-09	18-Dec-09	20	110
K-03	Establish Reference Project Footprint	22-Jun-09	14-Aug-09	26-Oct-09	18-Dec-09	40	90
K-04	Develop Project Description	26-Oct-09	29-Jan-10	26-Oct-09	29-Jan-10	60	0
K-05	Develop Regulatory & Environmental Strategy	22-Jun-09	14-Aug-09	21-Sep-09	13-Nov-09	40	65
K-06	Request FERC Jurisditional Determination	20-Jul-09	09-Oct-09	19-Oct-09	22-Jan-10	60	65
K-07	Obtain EIS Memorandum of Understanding	21-Sep-09	16-Oct-09	04-Jan-10	29-Jan-10	20	65
K-08	Execute EIS Process	01-Feb-10	28-Jan-11	01-Feb-10	28-Jan-11	250	0
K-09	Estimate Enviro-Permitting Costs	14-Jan-10	10-Feb-10	28-Jan-10	24-Feb-10	20	10
L	**ALTERNATIVES**						
L-01	Develop Liquid Demand Forecast	22-Jun-09	11-Sep-09	22-Jun-09	11-Sep-09	60	0
L-02	Develop Alternate Gas Market Projections	14-Sep-09	09-Oct-09	14-Sep-09	09-Oct-09	20	0
L-03	Develop Alternate Project Scenarios	12-Oct-09	18-Dec-09	12-Oct-09	18-Dec-09	50	0

Activity ID	Orig Dur	Early Start	Early Finish	Total Float
STAND-ALONE GAS PROJECT				
A PROJECT ADMINISTRATION				
A-01	10	22JUN09	03JUL09	0
A-02	10	22JUN09	03JUL09	0
A-03	15	29JUN09	17JUL09	0
A-04	10	22JUN09	03JUL09	0
A-05	25	22JUN09	24JUL09	73
A-06	40	22JUN09	14AUG09	63
A-07	25	05NOV09	09DEC09	0
A-08	60	24SEP09	16DEC09	0
A-09	30	19NOV09	13JAN10	0
A-10	10	25FEB10	10MAR10	0
A-11	20	22JUN09	17JUL09	158
A-12	10	11MAR10	24MAR10	0
A-13	5	25MAR10	31MAR10	0
A-14	5	25MAR10	31MAR10	0
A-15	15	01APR10	21APR10	0



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Finish Date 28JAN11
Data Date 22JUN09
Run Date 25JUN09 08:55

Early Bar
Float Bar
Progress Bar
Critical Activity

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STA2 Sheet 1 of 4

STAND-ALONE GAS PROJECT

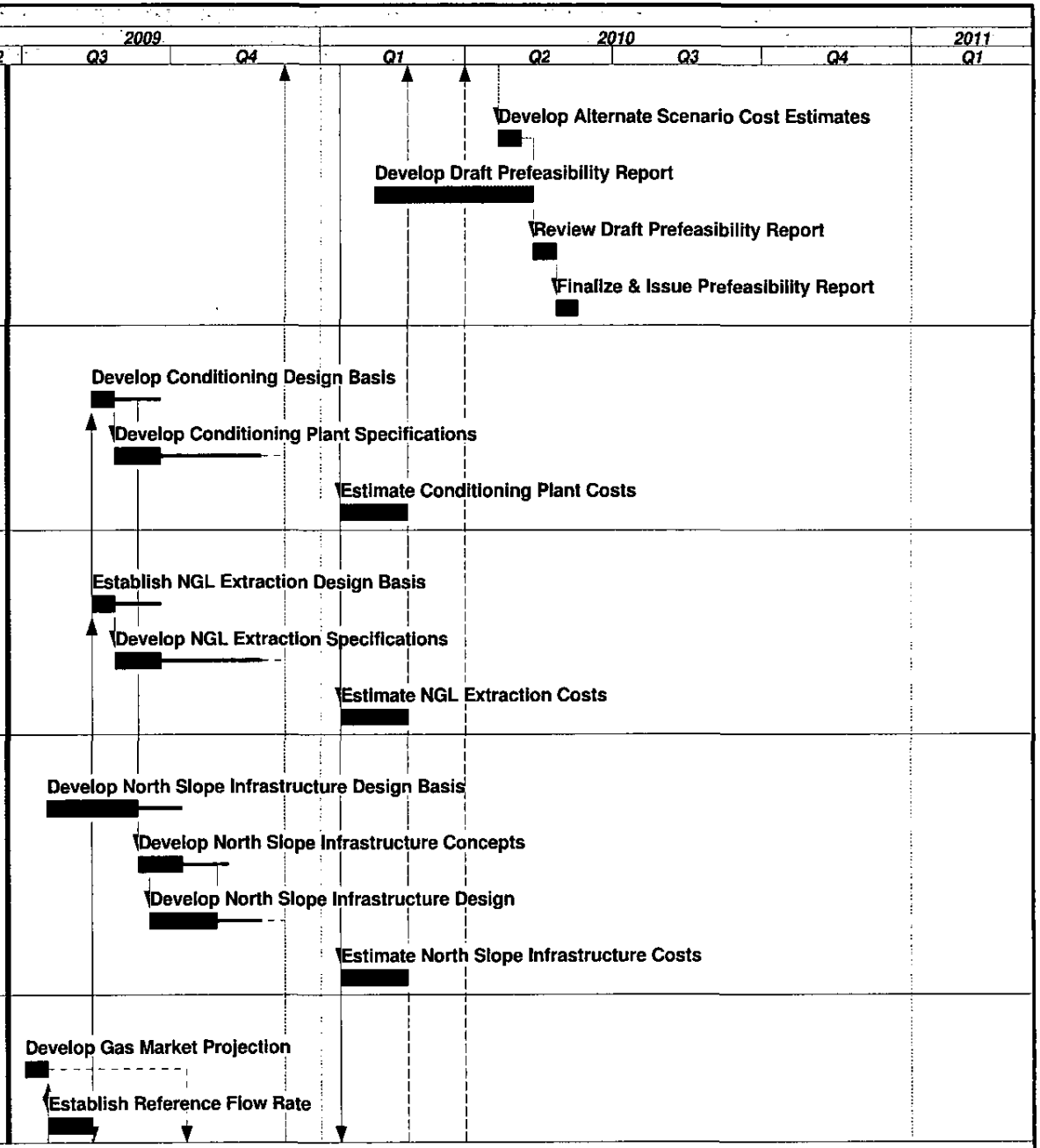
State of Alaska

PREFEASIBILITY MASTER SCHEDULE

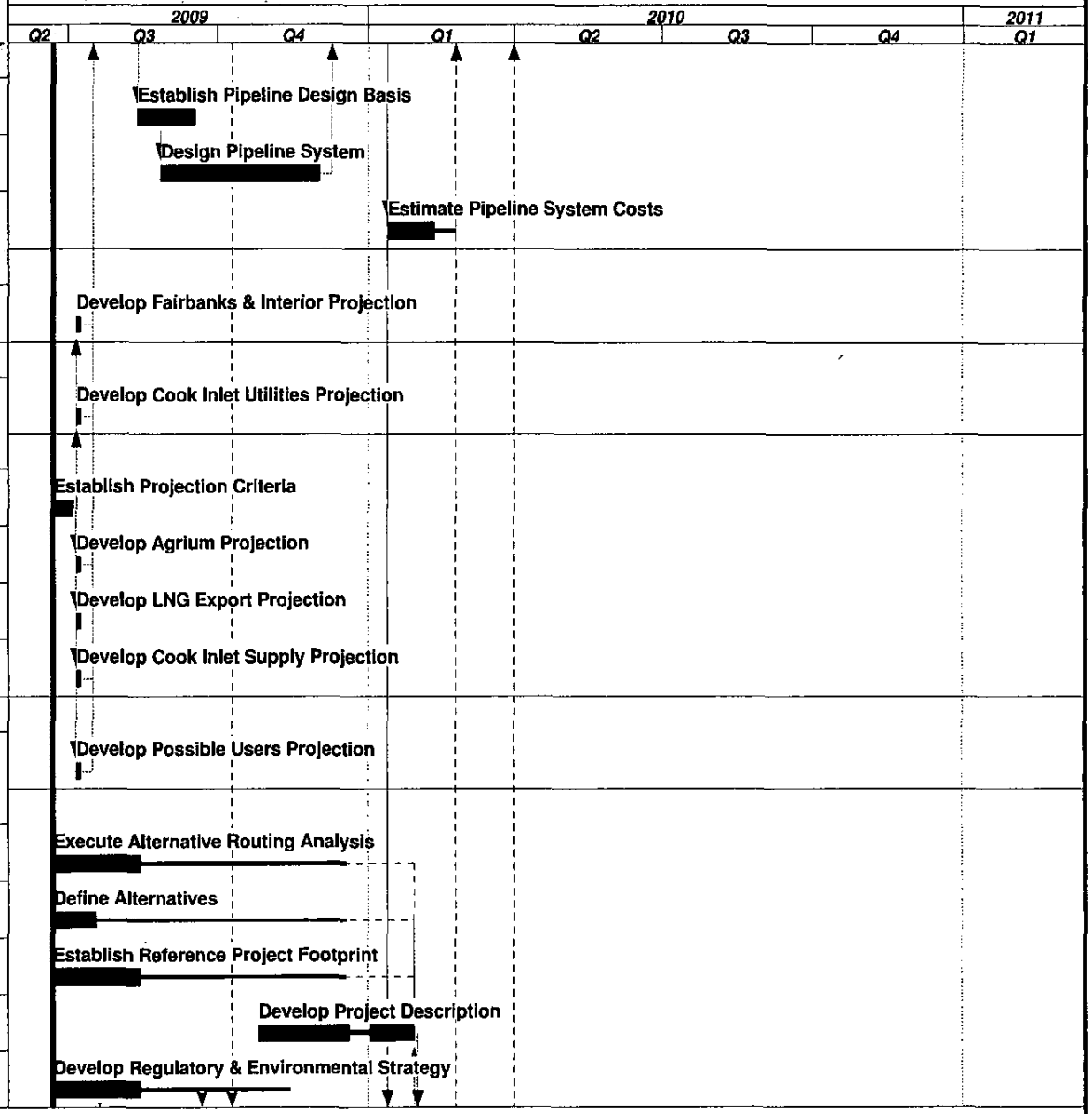
Baker

ORION*FPI

Activity ID	Orig Dur	Early Start	Early Finish	Total Float
A PROJECT ADMINISTRATION				
A-16	10	22APR10	05MAY10	0
A-17	70	04FEB10	12MAY10	0
A-18	10	13MAY10	26MAY10	0
A-19	10	27MAY10	09JUN10	0
B CONDITIONING PLANT				
B-01	10	13AUG09	26AUG09	20
B-02	20	27AUG09	23SEP09	45
B-03	30	14JAN10	24FEB10	0
C NGL EXTRACTION				
C-01	10	13AUG09	26AUG09	20
C-02	20	27AUG09	23SEP09	45
C-03	30	14JAN10	24FEB10	0
D NORTH SLOPE INFRASTRUCTURE				
D-01	40	16JUL09	09SEP09	20
D-02	20	10SEP09	07OCT09	20
D-03	30	17SEP09	28OCT09	20
D-04	30	14JAN10	24FEB10	0
E PIPELINE & COMPRESSORS				
E-01	10	02JUL09	15JUL09	0
E-02	20	16JUL09	12AUG09	0

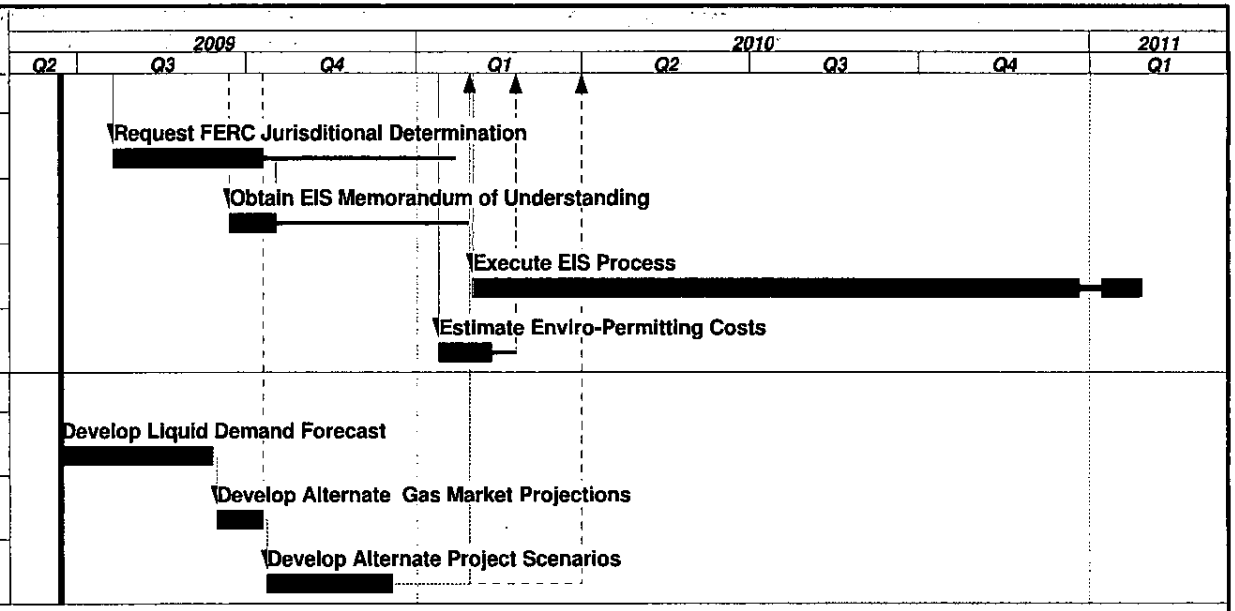


Activity ID	Orig Dur	Early Start	Early Finish	Total Float
E PIPELINE & COMPRESSORS				
E-03	25	13AUG09	16SEP09	0
E-04	70	27AUG09	02DEC09	0
E-05	20	14JAN10	10FEB10	10
F FAIRBANKS				
F-01	3	06JUL09	08JUL09	0
G COOK INLET - UTILITIES				
G-01	3	06JUL09	08JUL09	0
H COOK INLET - INDUSTRIAL				
H-01	10	22JUN09	03JUL09	0
H-02	3	06JUL09	08JUL09	0
H-03	3	06JUL09	08JUL09	0
H-04	3	06JUL09	08JUL09	0
J POSSIBLE USERS				
J-01	3	06JUL09	08JUL09	0
K PERMITTING				
K-01	40	22JUN09	14AUG09	90
K-02	20	22JUN09	17JUL09	110
K-03	40	22JUN09	14AUG09	90
K-04	60	26OCT09	29JAN10	0
K-05	40	22JUN09	14AUG09	65



1340

Activity ID	Orig Dur	Early Start	Early Finish	Total Float
K PERMITTING				
K-06	60	20JUL09	09OCT09	65
K-07	20	21SEP09	16OCT09	65
K-08	250	01FEB10	28JAN11	0
K-09	20	14JAN10	10FEB10	10
L ALTERNATIVES				
L-01	60	22JUN09	11SEP09	0
L-02	20	14SEP09	09OCT09	0
L-03	50	12OCT09	18DEC09	0



Alaska In-State Gas Pipeline Project January 2010

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Michael Baker, Inc. – Project Activity Detail – January 2010 4
ENTRIX, Inc. – Project Activity Report – January 2010 6

Summary of Project Activities for January 2010

ASRC

- Continued work on the Environmental Impact Study throughout the month of January.
- Plans for the 2010 field seasons and pre-mapping completed and submitted for approval.
- Coordinated to establish agreement from the Office of History and Archaeology so that we may share our Alaska Heritage Resource Survey data.
- Continued to incorporate data into the electronic library for use by contractors and regulators.
- Finalizing draft Wetland Technical Report.

Baker

- Significant progress was made on the final Project Description. This involved the calculation of the pipeline configurations and material quantities in preparation for beginning the pipeline cost estimating phase beginning on March 15. This included:
  - developing capital cost quantity calculations;
  - preparing spreadsheets for distribution to capital cost estimators and GIS; and
  - analyzing civil quantity, pipeline class locations, ditch load locations, buoyancy control, construction logistics, material costs.
- Subcontractors worked to finalize facilities schematic variations that will provide data for cost modeling efforts by Larkspur. They have completed the first estimate of over 40 separate facilities construction cost estimates that will feed into the project cost matrix.
- Moved forward to request authorization Task 10, EIS Support to ensure adequate response to the requests for analysis, data and GIS support of the EIS effort.
- Ongoing property ownership data gathering.
- Worked to incorporate property ownership data into GIS database.
- Worked to incorporate Harvested JPO Data into Data Library.

ENTRIX

- Compiled transcripts from scoping meetings.

- Uploaded comments and scoping meeting transcripts to stakeholder database.
- Cleaned up landowner mailing list to a usable document.
- Uploaded mailings and email information into stakeholder database.
- Compiled existing information into draft scoping report.
- Identified issues that need clarification for project description, purpose and need, resource analysis.
- Identified, located, acquired, and reviewed project and resources data; began data gap analysis.

ASRC Energy Services – Project Activity Detail – January 2010
Stand Alone Pipeline – Environmental Support

Milestones:

- Participated in weekly Project Team team meetings.
- Attended USACE EIS scoping meetings as the ADNR consultant representative.
- Continued to work with ENTRIX to provide data and information for the EIS.

TASK LEVEL DETAILS

Task 1 –	**Project Management**
Current Activity:	Attend weekly Project Team meetings with engineering and environmental. Track USACE EIS scoping meetings as the ADNR consultant representative. Provide budgetary information presentation by State Project staff to the Office of Management and Budget.
Look Ahead:	Continue to be available to BLM, State of Alaska Joint Pipeline Office, and USACE regarding draft permit applications and questions regarding information provided. Task orders for pre-planning of 2010 field seasons and pre-mapping submitted to ADNR for approval. Work on budget for 2010-2011 legislative approval process.
Concerns:	**Resolve the data ownership with ENSTAR.** **Clarification from FERC on jurisdictional opinion.** Approval of task orders so that planning for the 2010 wetland, cultural resources, stream studies, and lake surveys will be adequately resourced.

Task 2 –	**Cultural Resources**
Current Activity:	Communication with Paul Lawrence, Stephen R. Braund and Associates, was initiated and has continued into February. SRBA is working on the cultural resource piece for the USACE EIS. Working on the 2009 report and predictive model with Michael Yarborough. Coordinated on establishing agreement from the Office of History and Archaeology so that we may share our Alaska Heritage Resource Survey data.
Look Ahead:	Continue to work with CRC on the predictive model, and circling back with CRC and GIS where needed. Lack of tools and need for GIS to provide GIS model so

CRC and Shawna can develop and test the predictive model. Jason Rogers, is waiting for a first run of at least a test area in order to exam the applicability of variables he defined, and to draft a narrative for the model. GIS had just started in December, and lacked necessary data. Looking into a GIS module that would do a *chi* square test on the model.

Task 3 – Wetlands Analysis

Current Activity: Continue work on draft Wetland Technical Report, which should be available in February 2010. Prepared 2010 Field Work Order Tasks. Prepared PowerPoint slide presentation for Bob Swenson held at Baker's office.
Met with USACE Project Manager to discuss permit application.

Look Ahead: Continue to coordinate with the USACE re the draft permit.

Task 4 – Project Library

Current Activity: Completed library tasks assigned for this task order.

Look Ahead: New task order and budget, discussed in January 2010. Determination not made yes as to whether more work is required to support EIS 3rd Party Contractor.
All library reference materials are ready to be entered into the SharePoint system.

Concerns: Need to discuss copyright requirements for hard-copy and access to library information with ADNR.

Task 5 – Permitting

Current Activity: Continue to support ADNR ROW permits and Section 404 permits with BLM, ADNR, and USACE as needed.

Look Ahead: Will attend and present the project description as the ADNR consultant representative.

Concerns: None at this time.

Task 6 – GIS Support

Current Activity: Task Work Order approved by ADNR in late November. Purpose is to support ADNR through permitting and EIS as needed/requested.

Look Ahead: Land ownership information is supposed to be available in early February from M. Baker, Jr. Work with M. Baker, Jr. to ensure that proper data transfer of GIS information is made to ENTRIX.

Concerns: None at this time.

Michael Baker, Inc. - Project Activity Detail – January 2010

Milestones

Past Monthly Narrative

Task 1 Project Management:

- Ongoing Internal Project Coordination/Planning
- Weekly Project Meetings
- Accounting activities, preparing invoices
- Preparing sub-consulting scopes, schedules and budgets
- Reviewing sub-invoices
- Reviewing project expenditures, budget
- Reporting activities

Task 2 Data Management/Library:

- Data gathering from federal, state and borough databases
- Geo database compilation
- Quality control activities
- Ongoing GIS database layers; material sites, land ownership and cost of service elements
- Ongoing JPO ANGTS data evaluation / incorporation into GIS

Task 3 Outreach:

- Legislative Outreach Support

Task 4 Alternative Analysis:

- Complete

Task 5 Supply/Demand Analysis:

- Reviewed TCPL Report
- Reviewed DGGS Report

Task 6 Project Description:

- Additional Mapping Discussions
- Developing capital cost quantity calculations
- Preparing spreadsheets for distribution to capital cost estimators and GIS.
- Analyzing civil quantity, pipeline class locations, ditch load locations, buoyancy control, construction logistics, material costs

Task 7 Cost of Service:

- Gathering and incorporating data for cost modeling
- Formatting Cost Estimating System
- Weekly COS team progress meetings
- Ongoing Facilities Scenario Modeling by Doyon Emerald
- Ongoing facilities cost estimate by Larkspur

Task 8 ROW Application:

- Ongoing property ownership data gathering
- Incorporating property ownership data into GIS database

Task 9 Construction Planning: NTP not received

Task 10 EIS Support: NTP not received

Forecast Narrative

Task 1 Project Management:

- Ongoing Internal Project Coordination/Planning
- Refine Project Schedule, Refine Scope
- Weekly Project Meetings

Task 2 Data Management/Library:

- Incorporating Harvested JPO Data into Data Library
- Data Management Committee ongoing meeting
- Building GIS Database
- Sharepoint Updating and Maintenance

Task 3 Outreach:

- Support USACOE activities and requests

Task 4 Alternative Analysis:

- Complete

Task 5 Supply/Demand Analysis:

- Redevelop scope to incorporate NGL

Task 6 Project Description:

- Compiling final project description due 7/1/10

Task 7 Cost of Service:

- Gathering and incorporating data for cost modeling
- Formatting Cost Estimating System
- Weekly COS team progress meetings
- Ongoing Facilities Scenario Modeling by Doyon Emerald
- Ongoing facilities cost estimate by Larkspur

Task 8 ROW Application:

- Ongoing property ownership data gathering
- Incorporating property ownership data into GIS database

Task 9 Construction Planning: NTP not received

Task 10 EIS Support: NTP not received

Actual vs. work order Dollars

Task	Estimate	Actual Labor	Actual Expense	Actual Subs
1-Project Management	$549,313	$229,603	$4,755	$0
2-Data Management/Library	$219,548	$82,589	$36,941	$0
3-Outreach	$268,154	$33,743	$28,114	$74,496
4-Alternative Analysis	$269,221	$221,361	$10,633	$31,742
5-Supply/Demand Analysis	$104,200	$0	$450	$24,909
6-Project Description	$2,179,606	$882,877	$36,302	$181,682
7-Cost of Service	$1,022,328	$0	$1,358	$22,781
8-ROW Application	$54,632	$0	$0	$0
9-Construction Planning	NTP not received			
10-EIS Support	NTP not received			
Total				

Monthly man-hours (cumulative man-hour vs. budget)

Task	Budget Man-Hours	Baker Cumulative Man-Hours
1-Project Management		1207.5
2-Data Management/Library		620.5
3-Outreach		258.0
4-Alternative Analysis		1,625.0
5-Supply/Demand Analysis		0
6-Project Description		7,079.7
7-Cost of Service		0
8-ROW Application		0
9-Construction Planning		
10-EIS Support		
Total		

Narrative comparing actual vs. budget of overall project completion

The project is progressing under budget and on schedule.

Short written discussion addressing upcoming work order packages

Significant progress is being accomplished weekly on the Task 6 Project Description as we calculate pipeline configurations and material quantities in preparation for beginning the pipeline cost estimating phase beginning on March 15. We are also completing the facilities schematics for estimating by Larkspur. They have completed the first estimate of over 40 separate facilities construction cost estimates that will feed into the project cost matrix. Baker will request authorization Task 10, EIS Support to ensure adequate response to the requests for analysis, data and GIS support of the EIS effort.

ENTRIX, Inc. – Project Activity Report – January 2010

The following project activities were conducted during the month of January 2010:

- Developed and obtained advertising for reminder of the close of the formal scoping period in/on the Anchorage Daily News website, Frontiersman, Fairbanks Daily Newsminer, Delta Wind, Copper River Record and Arctic Sounder.
- Submitted announcement to What's Up website.
- Compiled transcripts from scoping meetings.
- Uploaded comments and scoping meeting transcripts to stakeholder database.
- Organized landowner mailing list into a usable document.
- Uploaded mailings and email information into stakeholder database.
- Compiled existing information into draft scoping report.
- Conducted project team meeting to discuss work plan for PDEIS.
- Met with USACE to discuss scoping process issues.
- Identified issues that need clarification for project description, purpose and need, resource analysis.

- Met with USACE and Bob Swenson to discuss project.
- Identified, located, acquired, and reviewed project and resources data; began data gap analysis.
- Maintained stakeholder database; Maintained project website and updated documents as available.

The following activities are planned for the month of February 2010:

- Develop and publish/distribute additional notices regarding scoping period extension
- Update and maintain interested parties mailing list from scoping responses and property owner information provided by ASRC.
- Collect and review scoping comments, develop scoping report.
- Develop EIS annotated outline; develop more detailed work plan and schedule.
- Conducted meetings with lead and cooperating agencies and applicant to define purposes and need, project description and alternatives.
- Draft Purpose and Need Section; continue data gap analysis; develop information requests.

Outstanding Issues:

- A clear understanding of purpose and need, project description, and path forward needs to be established with the applicant and cooperating agencies by the end of February.
- ENTRIX conducted or is conducting several out of scope items at the request of USACE: Dec 09; translator at the Barrow scoping meeting; additional advertising regarding the close of the formal scoping period. Feb 10; Develop and publish/distribute additional notices regarding scoping period extension.

SB 292

<target><bill>SB 292</bill><subject>SB 292</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

Senate District H
600 E. Railroad Avenue
Wasilla AK 99654
907-376-4866
907-373-4724 :Fax

State Capitol
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Charlie Huggins
Senator

Sponsor Statement SB292

"An Act relating to the registration and operation of pawnbrokers, to the exemption for pawnbrokers under the Alaska Small Loans Act, and to the exclusion of pawnbrokers under certain definitions in the Uniform Commercial Code; and providing for an effective date."

SB 292 institutes a regulatory framework for the operation of pawn shops in the State of Alaska. Currently, there is no codified regulation of this industry in statute – an oversight when it comes to consumer protection and protecting small businesses. Alaska is currently the only state without statewide regulation of the pawn shop industry.

Under present law, Alaska Statute 08.76.040 "The Disposition of Unredeemed Property" is the controlling language under which all pawnbrokers in Alaska currently conduct business. Under that statute, four paragraphs outline the redemption period, notices, and entitlements. SB 292 establishes a more robust structure that is easy for pawnbrokers to follow and effective for the state to regulate. This bill holds all pawn shops to the same transparent standard.

This legislation protects consumers as they will pay consistent rates and have specified rights throughout the State when utilizing pawn shops. It protects service-members who have pawned property and then been deployed, their interest will be frozen, and their property will be held until they return.

SB 292 helps business by providing a consistent regulatory framework under which to operate statewide. The legislation also assists local and state police forces by requiring a simple, but clear reporting system whereby all transactions are catalogued, inventoried and available to the authorities.

This legislation is not attempting to "fix a problem" that exists within the State. Rather it is a pro-active attempt to protect consumers and small businesses. I urge your support of this legislation

SENATE FINANCE COMMITTEE REPORT

DATE: 4/6/10

FURTHER: Rules

DATE TURNED IN TO OFFICE: 4/10/10

Finance Committee considered SENATE BILL NO. 292

SB 292 PAWNBROKERS

"An Act relating to the registration and operation of pawnbrokers and to the exemption for pawnbrokers under the Alaska Small Loans Act; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[✓] adopt **previous** [ ] **SCS** or [✓] **CS** SB 292 (Jud)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[✓] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/10/10	✓		✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Egan	✓			
	Olsdot			X	
	Ellis			X	
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 292(L&C)
(S) Publish Date: 3/22/10

Identifier (file name): SB292-CED-CBPL-3-16-10
Dept. Affected: DCCED
Title: Pawnbrokers
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Senator Huggins
Requester: Senate Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	36.0	0.0	36.0	36.0	36.0	36.0	36.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Supplies	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**38.0**	**0.0**	**38.0**	**38.0**	**38.0**	**38.0**	**38.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)	**76.0**	**0.0**	**0.0**	**76.0**	**0.0**	**76.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	38.0	0.0	38.0	38.0	38.0	38.0	38.0
TOTAL	**38.0**	**0.0**	**38.0**	**38.0**	**38.0**	**38.0**	**38.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time	1	0	1	1	1	1	1
Temporary							

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

SB 292 places the licensing of pawnbrokers in the Department of Commerce, Community and Economic Development with an effective date for most provisions of the bill of July 1, 2011. Information on file indicates there would be approximately 30 licensees under this legislation.

The program would be required to cover its costs with licensing fees under AS 08.01.065, and revenue generated from program fees would be required to cover its full operating costs.

Prepared by: Jennifer Strickler, Division Operations Manager — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 03/16/2010 1:00PM
Approved by: Emil Notti, Commissioner — Date 3/16/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 292(L&C)

ANALYSIS CONTINUATION

Total PERSONAL SERVICES: $ 36.0
- One (1) part-time Investigator III position, Range 18 to ensure reports and pawnbroker operations are in compliance with transaction details and recording requirements.

The license requirements of Pawnbrokeers established in the bill are minimal. As such, the department anticipates that a part time Investigator may be able to fulfill both licensing and enforcement needs of the program.

Total CONTRACTUAL: $1.0
- Contractual costs include printing of applications, and communication costs.

Total SUPPLIES: $1.0
- Supplies consists of standard operating desk top supplies (paper, etc.)

TOTAL: $ 38.0

REVENUE: The funding source for this program is Receipt Supported Services (RSS) from licensing fees. Revenue will be generated by individuals who seek licensure under this program and licensing fees will be established to cover all costs, direct and indirect, of the program.

LEGAL SERVICES

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

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

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

MEMORANDUM April 6, 2010

SUBJECT: Sectional summary of CSSB 292(JUD) relating to pawnbrokers (Work Order No. 26-LS1487\W)

TO: Senator Charlie Huggins
Attn: Josh Tempel

FROM: Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Amends a small loans provision to define a "pawnbroker" to be a person regulated under the new article.

Section 2. Adds the regulation of pawnbrokers under the new provisions to the list of subjects to which the chapter on centralized licensing applies.

Section 3. Removes persons regulated by the new provisions from a statute that currently regulates persons who buy, sell, and loan money on secondhand articles.

Section 4. Makes amendments to conform a current statute to the repeal (in bill sec. 6) of AS 08.76.010(b), which requires certain persons who lend money on secondhand articles to keep records electronically.

Section 5. Establishes a new article in AS 08.76 to license and regulate pawnbrokers.

Sec. 08.76.100. Requires a person who wants to engage in business as a pawnbroker to be licensed. Prohibits the transfer or assignment of a license.

Sec. 08.76.110. Sets out the conditions a person must satisfy in order for the department to issue the person a pawnbroker license.

Sec. 08.76.130. Allows the department to consider an application to be withdrawn under certain listed conditions.

Sec. 08.76.140. Makes a license valid for two years. Allows a person to renew the license. Sets the renewal fee. Adds a renewal penalty fee if renewal is delayed. Prohibits a person who fails to renew from engaging in business as a pawnbroker until the license is renewed or a new license is issued. Allows the department to refuse to renew for a reason that would have prevented the license's issuance.

Sec. 08.76.160. Limits pawn transactions to not more than $500. Excludes the finance fee and any fees under sec. 08.76.220 from this amount.

Sec. 08.76.170. Prohibits a pawnbroker from knowingly entering into pawnbroker transactions with certain listed categories of persons. Prohibits a pawnbroker from knowingly accepting or receiving misappropriated property.

Sec. 08.76.180. Requires a pawnbroker to maintain a register for pawnbroker transactions. Requires entering in the register certain specified items, including the signature of the pledgor or seller, at the time of each pawnbroker transaction. Allows the register to be made in a book or electronically, but requires electronic format where a pawnbroker is located in a municipality that has more than a certain population. Prohibits a pawnbroker from falsifying or intentionally failing to make an entry of a material matter in a register. Requires a pawnbroker to maintain in good condition in a register the record of a transaction for one year after its completion.

Sec. 08.76.190. Establishes requirements for making entries in a register. Prohibits a pawnbroker from changing a record in a register by obliteration, alteration, or erasure. Provides a method for correcting entries.

Sec. 08.76.200. Requires a pawnbroker to provide to a pledgor or seller a copy of the agreement with the pawnbroker. Lists the items that the agreement must disclose, including each fee charged under secs. 08.76.210 and 08.76.220.

Sec. 08.76.210. Establishes how much a pawnbroker may charge a pledgor as a finance fee. Indicates when a finance fee is considered to be earned.

Sec. 08.76.220. Identifies what other charges a pawnbroker may charge a pledgor. Allows for a processing fee and, when dealing with a firearm, a firearm processing fee and a governmental fee.

Sec. 08.76.230. Prohibits a pawnbroker from selling to, or charging a pledgor for, insurance -- except to cover shipment of property redeemed by mail.

Sec. 08.76.240. Requires a pawnbroker to return pledged property to the pledgor when redeemed. Requires a pawnbroker to provide a redemption receipt. Requires a pawnbroker to use a department-approved form for the receipt.

Sec. 08.76.250. Allows a pawnbroker and a pledgor to agree to an extension of the grace period allowed under sec. 08.76.270(b). Limits the length of an extension. Requires the extension to be written. Requires a pawnbroker to give the pledgor a copy of the extension agreement. Indicates that the agreement must clearly state the last day of the extension and the finance fee for the extension.

Sec. 08.76.260. Requires a pawnbroker to store the pledged property in a secure area. Requires a pawnbroker to maintain the property in an unaltered condition. Prohibits a pawnbroker from leasing the property.

Sec. 08.76.270. With three exceptions relating to hold orders, claims, and lessors, allows a pledgor to redeem pledged property. Establishes what the pledgor must do to redeem the property.

If property is not redeemed as required by closing time on the maturity date, directs the pawnbroker to hold the property for a specified grace period. Allows the pledgor to redeem the property during the grace period. Indicates how and when the pledgor may redeem the property during the grace period.

Requires that any hold order be released before a pledgor may redeem the property. Addresses when a pledgor may redeem property that is subject to a claim under sec. 08.76.370 or 08.76.380.

Provides that title and all interest in property transfer to the pawnbroker if the pledgor does not redeem as provided under (a) - (d) of this section.

Establishes a presumption that the holder of the transaction agreement is the person entitled to redeem. Directs a pawnbroker to deliver the pledged property to the person who presents the transaction agreement and pays the required amounts.

Sec. 08.76.280. Establishes special rules for payment and holding pledged property for pawn transactions relating to military personnel who are deployed abroad for service relating to a military conflict.

Sec. 08.76.290. Prohibits a pawnbroker from using a business method in which a person remains in a motor vehicle while conducting a transaction. Prohibits a pawnbroker from operating during specified early morning hours.

Sec. 08.76.300. Prohibits a pawnbroker from requiring or allowing a person to waive a provision of the new article.

Sec. 08.76.310. Prohibits a pawnbroker from knowingly hiring a person with a background involving a felony, or a misdemeanor involving dishonesty, within the past five years.

Sec. 08.76.320. Allows a law enforcement officer to issue a hold order on property suspected of being misappropriated. Requires the pawnbroker to hold the property until the hold order terminates or a court orders release of the hold order or disposal of the property. Indicates when the hold order takes effect.

Sec. 08.76.330. Allows a law enforcement officer to issue an evidentiary hold order on property that may be needed as evidence in a filed court criminal action. Requires the pawnbroker to hold the property until the hold order terminates or a court orders release of the hold order or disposal of the property. Indicates how long the pawnbroker is to hold the property. Requires the attorney general to notify the pawnbroker after the disposition of the filed court action.

Sec. 08.76.340. Requires a hold order to be in writing and to contain specified information.

Sec. 08.76.350. Limits a police hold order to 30 days. Allows for two extensions of 30 days each. Indicates how extensions are made. Prohibits the issuance of a new police hold order after the second extension has ended. Provides that the termination of a police hold order does not affect an existing or future evidentiary hold order on the same property. Allows for release of a police hold order before the time expires.

Sec. 08.76.360. Allows the department to suspend or revoke a pawnbroker's license for knowingly failing to comply with a hold order.

Sec. 08.76.370. Provides a procedure for a person who believes that pledged property was misappropriated to notify the pawnbroker of the person's claim and to delay the disposal of the property for 30 days, except as provided by sec. 08.76.380.

Sec. 08.76.380. If a misappropriation claim is not resolved within a specified time, allows the claimant to file a court action to order the pawnbroker to return the property. Prohibits the pawnbroker, after notification about the court action, from disposing of the property until the court disposes of the court action or allows the pawnbroker to dispose of the property.

Sec. 08.76.390. Establishes the liability of the pledgor or seller of property to a pawnbroker in a court action under sec. 08.76.380 when the court finds that the property was misappropriated and orders the pawnbroker to return the property to the claimant.

Sec. 08.76.400. Requires a pawnbroker, under certain conditions, to return property to the lessor of the property if the property was leased to the pledgor or seller when pledged or sold to the pawnbroker. Requires the lessor to provide supporting evidence and to pay a specified amount. Removes any liability of the pawnbroker to the pledgor or seller for returning the property to the lessor.

Sec. 08.76.410. Requires a pawnbroker to provide weekly reports to law enforcement officers. Makes the reports confidential under the Alaska Public Records Act and limits how a law enforcement officer and a law enforcement agency may use the reports.

Sec. 08.76.420. Lists what a law enforcement report must contain.

Sec. 08.76.430. Prohibits, if the investigation case number is provided, a pawnbroker from refusing to allow a law enforcement agency to inspect the register, and the purchased property or unredeemed property involved in the investigation, during normal business hours .

Sec. 08.76.440. Allows the department to take the listed disciplinary action against a licensee if the licensee, or the licensee's agents, officers, or employees, violates the new article. Requires notice and a reasonable opportunity to be heard. Within one year after disciplinary action prohibits the department from issuing another license to the licensee or to the listed persons related to the licensee. Requires the department to allow a licensee 30 days to correct a violation before taking disciplinary action.

Sec. 08.76.450. Establishes a civil penalty if a licensee, or an officer, agent, or employee of the licensee, violates the new article. Sets the penalty from $200 to $2,000. Requires the amount of the civil penalty to be adjusted for the seriousness of the violation.

Sec. 08.76.460. Authorizes municipalities (with the authority under AS 29) to regulate pawnbrokers if the ordinances at a minimum comply with the new article. Prohibits municipal requirements requiring fees or taxes or restricting hours of operation (except as provided by sec. 08.76.290(2)). Voids an ordinance that violates this section.

Sec. 08.76.470. Authorizes the department to adopt regulations to implement the new article. Requires the department to notify licensees of proposed regulations and to provide them with copies of new regulations.

Sec. 08.76.500. Exempts specified financial institutions from the new article.

Sec. 08.76.590. Defines the terms for the new article.

Section 6. Defines "pawnbroker" for the Uniform Commercial Code.

Section 7. Repeals AS 08.76.010(b), the provision requiring pawnbrokers in certain-sized municipalities to keep records electronically and to submit them as required by the municipal law enforcement agency. Repeals AS 08.76.040, which relates to the disposition of unredeemed property.

Section 8. Allows the Department of Commerce, Community, and Economic Development to adopt regulations necessary to implement the bill.

Section 9. Provides transition provisions for pawnbrokers who are currently licensed by a municipality.

Section 10. Voids a municipal ordinance that is in effect on July 1, 2011, if the ordinance does not comply with the new article.

Section 11. Gives sec. 8 an immediate effective date.

Section 12. Gives the bill, except for sec. 8, an effective date of July 1, 2011.

If I may be of further assistance, please advise.

TLB:plm
10-206.plm

Cash America Statement

Why Alaska Should Regulate Pawnbrokers

SB 292 brings the pawn industry in Alaska into the 21st century. This bill marries the best of current regulation among the lower 48 states by instituting a regulatory framework for the operation of pawn shops in Alaska. Alaska is the only state in the nation without statewide regulation of pawn shops. This bill addresses this oversight and provides for needed consumer and business operator protections alike.

SB 292 is not attempting to fix a problem that exists currently. What it is trying to do is be proactive since current operators and their customers are vulnerable to unforeseen circumstances that could affect the industry. This proactive approach will protect both the consumer and business operator by instituting a regulatory framework under which to operate statewide.

Who pawnbrokers serve

In today's difficult economy, many people depend on pawnbrokers to help them meet daily financial needs not offered by other financial institutions. Pawn customers represent the working families of America who periodically experience an unexpected need for short-term funds. Pawn loans keep the electricity on, the rent paid and cars running with full tanks of gas. And pawn shops also provide a retail store environment where shoppers and sellers alike can save time and money by taking advantage of lower prices and favorable transaction terms.

Pawnshop customers have regular jobs, from working in hospitals to home construction. They support our economy by working in government, teaching our children and caring for the elderly, to name a few. Just like you, pawn customers have dreams; want better lives for their children and a stronger sense of security. However, they also have pressing bills and unforeseen financial issues.

According to GAO analysis of November 1999 Census, SIPP data, as many as 55 million people (28% of US adults) are un-banked. Pawn customers, therefore, use a pawn shop because they may or may not have a banking relationship and they find our pawnshops welcoming places to do business.

Average Pawn Customer

- Age: 36
- Household Income: $29,000
- 80% are employed
- 82% have high school diploma or GED
- 33% are homeowners
- All ethnicities

- **Pawnbrokers are governed by all of the major federal laws that apply to other entities designated as financial institutions including:**

- USA Patriot Act
- Truth-in-Lending Act
- Bank Secrecy Act and IRS regulations requiring reporting of certain cash transactions
- Trading with the Enemy Act and related Execute Orders and regulations
- Privacy provisions of the Gramm-Leach-Bliley Financial Services Modernization Act
- FTC Privacy Rule
- FTC Safeguards Rule
- Fair Credit Reporting Act
- FTC Consumer Information Disposal Rule
- Equal Credit Opportunity Act
- Servicemembers Civil Relief Act

Highlights of SB 292:

- Regulated by the Department of Commerce, Community, and Economic Development.
- Establishes a transparent operating structure for pawnbrokers to follow so customers know what to expect in any statewide shop.
- Holds pawnbrokers to a higher standard by strengthening the relationship between pawnbrokers and police agencies across the state.
- Assists law enforcement by providing for straight forward pawn transaction reporting requirements.
- Brings due process for misappropriated property to all parties involved.
- Allows our service members who have been deployed overseas the opportunity of not having to be concerned about any property that is in a pawnshop as this bill provides for the freezing of the interest charge and requires that items be held until their return.
- Standardizes the fee structure while maintaining the same rate cap.
- Allows customers who frequent a pawnshop for their financial needs an extra 30-day grace period upon the loan expiration date to retrieve their personal belongings.

SB 294

<target><bill>SB 294</bill><subject>SB 294</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
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Chair
Senate Special Committee on Energy
Senate Special Committee on
World Trade, Technology, and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee
Joint Armed Services Committee

Senator.Lesil.McGuire@legis.state.ak.us

SENATOR LESIL MCGUIRE

SPONSOR STATEMENT FOR SENATE BILL 294

"An Act repealing the termination date of the licensing of sport fishing operators and sport fishing guides; and providing for an effective date."

Senate Bill 294 will ensure the continuation of Alaska's sport fish guide licensing and reporting program. Legislation authorizing the program was passed in 2004 and the program has proven beneficial to both the sport fishing industry and resource managers. With more than 1.8 million clients, 88% of whom are nonresidents, taking more than 460,000 guided fishing trips in Alaska annually; guided sport fishing has become an integral part of Alaska's tourism economy. In fact, a study commissioned by the Alaska Department of Fish and Game estimated that nonresident spending on sport fishing was more than $650 million in 2007.

Since the program's inception, an average of 1,670 sport fishing business licenses and 1,981 sport fishing guide licenses have been sold annually. 90% of license holders are Alaska residents and the professionalization of the sport fishing guide industry has benefitted both the industry and the resource. The data collected through the program provides the information state and federal managers need to sustainably manage sport fish populations. The program also allows Alaska to receive an exemption from the National Saltwater Angler Registry; a federal program that would begin levying fees for registration in 2011.

Recognizing the importance of the program, the Alaska legislature extended the program's termination date for one year in 2009; SB 294 proposes to permanently repeal the program's associated termination language in existing statutes in order to allow this valuable program to continue serving Alaskans and their valuable fishery resources.

SENATE FINANCE COMMITTEE REPORT

DATE: 3/26/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 294

SB 294 SPORT FISH GUIDE LICENSES

"An Act repealing the termination date of the licensing of sport fishing operators and sport fishing guides; and providing for an effective date."

and recommends:

[✓] be **replaced** with [ ] **SCS** or [✓] **CS** SB294 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[✓] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
DFG		✓			

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			✓	
	Thomas	✓			
	EGAN	✓			
	OLSON			✓	
	ELLIS	✓			
CO-CHAIR:				✓	
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 294
(S) Publish Date: 3/26/10

Identifier (file name): SB294-DFG-SFD-03-10-10
Dept. Affected: ADFG
Title: An act repealing the termination of the sport fish operator/guide/vessel program
RDU: Sport Fisheries
Component: Sport Fisheries
Sponsor: Senator McGuire
Requester: Resources, Finance
Component Number: 464

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		337.1	337.1	337.1	337.1	337.1	337.1
Travel		10.0	10.0	10.0	10.0	10.0	10.0
Contractual		83.5	83.5	83.5	83.5	83.5	83.5
Supplies		7.0	7.0	7.0	7.0	7.0	7.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		437.6	437.6	437.6	437.6	437.6	437.6
TOTAL	**0.0**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

The division has budgeted $437.6 in the FY11 Governor's budget to administer the Sport Fish operator/guide/vessel program. The program generates average Fish & Game Fund revenues of $242.8, with the balance of program expenditures funded with Sport Fishing license sale revenue. Although potential cost savings measures are being implemented, it is untenable at this time to make accurate projections on what monetary savings will be realized for this program over the upcoming years.

Prepared by: Charles O. Swanton, Director — Phone 465-6184
Division: Sport Fisheries — Date/Time 3/10/10 4:00 PM
Approved by: Tom Lawson, Director — Date 3/11/2010
Administrative Services

(Revised 11/6/2009 OMB)

Adopt R 4/10/10

26-LS1546\R
Kane
4/9/10

CS FOR SENATE BILL NO. 294(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR MCGUIRE

A BILL

FOR AN ACT ENTITLED

"An Act amending the termination date of the licensing of sport fishing operators and sport fishing guides; and providing for an effective date."

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

*** Section 1.** Section 8, ch. 70, SLA 2004, as amended by sec. 3, HCS CSSB 177(FIN), as enacted into law by the First Regular Session of the Twenty-Sixth Legislature, is amended to read:

Sec. 8. AS 16.05.340(a)(26); AS 16.40.260, 16.40.270, 16.40.280, 16.40.290, 16.40.299; AS 25.27.244(s)(2)(A)(xviii), and 25.27.244(s)(2)(A)(xix) are repealed January 1, **2017** [2011].

*** Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

LAWS OF ALASKA

2004

Source
SCS CSHB 452(RES)

Chapter No.
_____

AN ACT

Relating to licensing and regulation of sport fishing operators and sport fishing guides; relating to licensing and registration of sport fishing vessels; authorizing the Department of Fish and Game and the Alaska Commercial Fisheries Entry Commission to release records and reports to the Department of Natural Resources and the Department of Public Safety; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

Relating to licensing and regulation of sport fishing operators and sport fishing guides; relating to licensing and registration of sport fishing vessels; authorizing the Department of Fish and Game and the Alaska Commercial Fisheries Entry Commission to release records and reports to the Department of Natural Resources and the Department of Public Safety; and providing for an effective date.

*** Section 1.** AS 16.05.340(a) is amended by adding a new paragraph to read:

(26) Fishing services licenses

(A) Sport fishing operator license $100

(B) Sport fishing guide license 50

(C) Sport fishing operator and sport fishing guide combined license 100

*** Sec. 2.** AS 16.05 is amended by adding a new section to read:

Sec. 16.05.395. Sport fishing vessel registration. For calendar year 2005 and subsequent calendar years, a person may not use a vessel to provide sport fishing services under AS 16.40.260 - 16.40.299 unless the vessel is registered with the department and proof of registration is attached to and clearly visible on the vessel while the vessel is used to provide sport fishing services. The department shall register vessels used to provide sport fishing services, and provide proof of registration, without charge. The department may adopt regulations as the department finds necessary to implement this section.

*** Sec. 3.** AS 16.05.420 is amended to read:

Sec. 16.05.420. License, tag, [AND] permit, and registration violations. (a) A false statement of a material fact in an application for a license, tag, [OR] permit, **and sport fishing vessel registration** issued under AS 16.05.330 - 16.05.430 voids the license, tag, [OR] permit, **or registration** for which the application is made.

(b) A person may not make a false statement, or omit a material fact, in an application for a license, tag, [OR] permit, **or sport fishing vessel registration** issued under AS 16.05.330 - 16.05.430. A person who without any culpable mental state makes a false statement as to the person's identity or residency in an application for a license, tag, [OR] permit, **or sport fishing vessel registration** issued under AS 16.05.330 - 16.05.430 is guilty of a violation and upon conviction is punishable by a fine of not more than $300. A person who knowingly violates this subsection is guilty of a class A misdemeanor.

(c) A person to whom a license, [OR] tag, **or sport fishing vessel registration** has been issued under this chapter may not alter, change, loan, or transfer the license, [OR] tag, **or sport fishing vessel registration**. A person may not use a license, [OR] tag, **or sport fishing vessel registration** that has been issued under this chapter to another person.

*** Sec. 4.** AS 16.05.490(a) is amended to read:

(a) As a condition to delivery or landing of fish or engaging in commercial fishing in the state, a license is required for a commercial vessel [, INCLUDING A VESSEL USED IN CHARTER SERVICE FOR THE RECREATIONAL TAKING OF FISH AND SHELLFISH].

* **Sec. 5.** AS 16.05.815(a) is amended to read:

(a) Except as provided in (b) and (c) of this section, records required by regulations of the department concerning the landings of fish, shellfish, or fishery products, and annual statistical reports of fishermen, buyers, and processors required by regulation of the department are confidential and may not be released by the department or by the Alaska Commercial Fisheries Entry Commission except as set out in this subsection. The department may release the records and reports set out in this subsection to the Alaska Commercial Fisheries Entry Commission. The department and the Alaska Commercial Fisheries Entry Commission may release the records and reports set out in this subsection to the recipients identified in this subsection if the recipient, other than a recipient under (5) - (9) of this subsection, agrees to maintain the confidentiality of the records and reports. The department and the Alaska Commercial Fisheries Entry Commission may release

(1) any of the records and reports to the National Marine Fisheries Service and the professional staff of the North Pacific Fishery Management Council as required for preparation and implementation of the fishery management plans of the North Pacific Fishery Management Council within the exclusive economic zone;

(2) any of the records and reports to the professional staff of the Pacific States Marine Fisheries Commission who are employed in the Alaska Fisheries Information Network project for the purpose of exchanging information with users authorized by the department;

(3) any of the records and reports to the Department of Revenue to assist the **department** [DEPARTMENT OF REVENUE] in carrying out its statutory responsibilities;

(4) records or reports of the total value purchased by each buyer to a municipality that levies and collects a tax on fish, shellfish, or fishery products if the municipality requires records of the landings of fish, shellfish, or fishery products to be submitted to it for purposes of verification of taxes payable;

(5) such records and reports as necessary to be in conformity with a court order;

(6) on request, the report of a person to the person whose fishing

activity is the subject of the report, or to a designee of the person whose fishing activity is the subject of the report;

(7) on request, annual statistical reports of a fisherman, buyer, or processor to the fisherman, buyer, or processor whose activity is the subject of the report, or to a designee of the fisherman, buyer, or processor whose activity is the subject of the report;

(8) **any of the records and reports** [FISH TICKETS, FISH TICKET INFORMATION, SALTWATER CHARTER LOGBOOKS, SALTWATER CHARTER LOGBOOK INFORMATION, AND ANNUAL STATISTICAL REPORTS OF FISHERMEN, BUYERS, AND PROCESSORS AND INFORMATION IN THOSE REPORTS] to the Department of Public Safety **for law enforcement purposes**;

(9) fish tickets, fish ticket information, and annual statistical reports of fishermen, buyers, and processors and information in those reports to the law enforcement personnel of the National Marine Fisheries Service and the National Oceanic and Atmospheric Administration for the purpose of enforcing fishery laws in waters of this state and in waters of the exclusive economic zone adjacent to this state;

(10) fish tickets and fish ticket information regarding halibut to the International Pacific Halibut Commission; [AND]

(11) any of the records and reports to the child support enforcement agency created in AS 25.27.010, or the child support enforcement agency of another state, for child support purposes authorized under law**; and**

(12) any of the records and reports to the Department of Natural Resources to assist the department in carrying out its statutory responsibilities in regard to sport fishing operations and sport fishing guides within the Kenai River Special Management Area under AS 41.21.500 - 41.21.514.

*** Sec. 6.** AS 16.40 is amended by adding new sections to read:

Article 6. Sport Fishing Services.

Sec. 16.40.260. Sport fishing operator license. (a) The department shall issue an annual sport fishing operator license to a person who

(1) holds a current business license under AS 43.70 to provide services

to sport fishermen;

(2) presents proof satisfactory to the department of a general liability insurance policy or marine protection and indemnity insurance policy, covering the services provided by the person and the person's employees to sport fishermen, that provides coverage of at least $100,000 for each incident, and $300,000 for all incidents in a year;

(3) pays the license fee prescribed by AS 16.05.340(a); and

(4) satisfies all additional requirements adopted in regulation by the Board of Fisheries.

(b) A person may not provide sport fishing services unless the person holds a current sport fishing operator license and has current insurance coverage as required in (a)(2) of this section.

(c) A person who holds a current sport fishing operator license may contract to provide sport fishing guide services to a sport fisherman through an employee who holds a current sport fishing guide license under AS 16.40.270.

(d) A person who holds a current sport fishing operator license may not directly provide sport fishing guide services to a sport fisherman unless the person also holds a current sport fishing guide license under AS 16.40.270(b).

(e) A person who holds a sport fishing operator license may not aid in the commission of a violation of AS 16.05 - AS 16.40 or a regulation adopted under AS 16.05 - AS 16.40, including regulations relating to the proper method to release fish, by a sport fishing guide who is employed by the person or by a sport fisherman who is a client of the person.

Sec. 16.40.270. Sport fishing guide license. (a) A natural person may obtain an annual sport fishing guide license if the person

(1) is a citizen of the United States, Canada, or Mexico, or is a resident alien;

(2) is certified in first aid by the American Red Cross or a similar organization;

(3) holds a license to carry passengers for hire issued by the United States Coast Guard if the person operates a vessel in the provision of sport fishing

guide services and the license is required by the United States Coast Guard for the area in which the fishing guide provides fishing guide services;

(4) holds a current sport fishing license from this state;

(5) pays the license fee prescribed by AS 16.05.340(a); and

(6) satisfies all additional requirements adopted in regulation by the Board of Fisheries.

(b) A natural person may obtain an annual sport fishing operator and sport fishing guide combined license if the person satisfies the requirements for a sport fishing operator license under AS 16.40.260 and for a sport fishing guide license under this section and pays the license fee prescribed by AS 16.05.340(a).

(c) A person may not provide sport fishing guide services unless the person

(1) holds a current sport fishing guide license; and

(2) holds a current sport fishing operator license or is an employee of a person who holds a current sport fishing operator license.

(d) A sport fishing guide may provide sport fishing guide services only to persons who have engaged the services of the sport fishing operator by whom the sport fishing guide is employed. A sport fishing guide may not contract directly with a person to provide sport fishing guide services to a person unless the sport fishing guide also holds a current sport fishing operator license.

(e) While engaged in providing sport fishing guide services, a sport fishing guide shall have readily available for inspection

(1) a current sport fishing guide license;

(2) the current licenses, tags, and permits that are required to engage in the sport fishery for which the sport fishing guide services are being provided;

(3) a driver's license or similar identification card that is issued by a state or federal agency and that bears a photograph of the fishing guide; and

(4) proof of

(A) employment as a sport fishing guide by a person who holds a current sport fishing operator license; or

(B) current licensure as a sport fishing operator.

(f) A sport fishing guide may not

(1) aid in the commission of a violation of AS 16.05 - AS 16.40 or a regulation adopted under AS 16.05 - AS 16.40 by a client of the sport fishing guide; or

(2) permit the commission by a client of the sport fishing guide of a violation of AS 16.05 - AS 16.40 or a regulation adopted under AS 16.05 - AS 16.40 that the sport fishing guide knows or reasonably believes is being or will be committed without

(A) attempting to prevent it, short of using force; and

(B) reporting the violation.

Sec. 16.40.280. Reports. (a) The department may collect information from sport fishing guides, including

(1) the name and license number of each vessel licensed under AS 16.05.490 that is used in providing sport fishing guide services;

(2) the amount of fishing effort, catch, and harvest by clients of a sport fishing guide;

(3) the locations fished during the provision of sport fishing guide services; and

(4) other information that the department or board requires by regulation.

(b) A person who holds a license issued under AS 16.40.260 or 16.40.270 shall comply with the reporting requirements in this section and reporting requirements adopted in regulation by the department or board. The department and the board may adopt by regulation requirements for timely submission of reports required under this section or under regulations adopted by the department or board.

(c) A person who is required to complete reports under this section may not provide false information or omit material facts in a report.

(d) A person who is required to complete reports under this section may not be issued a new license under AS 16.40.260 or 16.40.270 unless the department has received all reports required under this section for the preceding year.

(e) Information collected under this section is confidential to the extent provided under AS 16.05.815.

(f) The department or board may adopt regulations under AS 44.62

(Administrative Procedure Act) that it considers necessary to implement this section.

Sec. 16.40.290. Penalty. (a) Except as provided in (b) and (c) of this section, a person who knowingly violates AS 16.40.260 - 16.40.299 or a regulation adopted under AS 16.40.260 - 16.40.299 is guilty of a class A misdemeanor.

(b) A person who, without any culpable mental state, violates AS 16.40.270(e) is guilty of a violation.

(c) A person who knowingly violates AS 16.40.270(e) or who knowingly fails to comply with a requirement for timely submission of reports required by a regulation adopted under AS 16.40.280(b) is, for a

(1) first offense in a three-year period, guilty of a violation; and

(2) second or subsequent offense in a three-year period, guilty of a class B misdemeanor.

(d) In addition to any other penalty provided by law, a court may revoke the sport fishing guide license of a person who is convicted under (a) or (c)(2) of this section.

(e) In this section, "knowingly" has the meaning given in AS 11.81.900.

Sec. 16.40.299. Definitions. In AS 16.40.260 - 16.40.299,

(1) "sport fishing guide" means a person who is licensed to provide sport fishing guide services to persons who are engaged in sport fishing;

(2) "sport fishing guide services" means assistance, for compensation or with the intent to receive compensation, to a sport fisherman to take or to attempt to take fish by accompanying or physically directing the sport fisherman in sport fishing activities during any part of a sport fishing trip; "sport fishing guide services" does not include

(A) sport fishing services; or

(B) services provided by an assistant, deckhand, or similar person who works directly under the supervision of and on the same vessel as a sport fishing guide;

(3) "sport fishing services" means the indirect provision of assistance, for compensation or with the intent to receive compensation, to a person engaged in sport fishing in taking or attempting to take fish or shellfish by a business that

employs a sport fishing guide to provide sport fishing guide services to the person during any portion of a sport fishing trip; "sport fishing services" does not include

(A) an activity for which a sport fishing guide license is required; or

(B) booking and other ancillary services provided by a tour broker or agent to a sport fishing services operator.

*** Sec. 7.** AS 25.27.244(s)(2)(A) is amended by adding new sub-subparagraphs to read:

(xviii) sport fishing operator license under AS 16.40.260;

(xix) sport fishing guide license under AS 16.40.270;

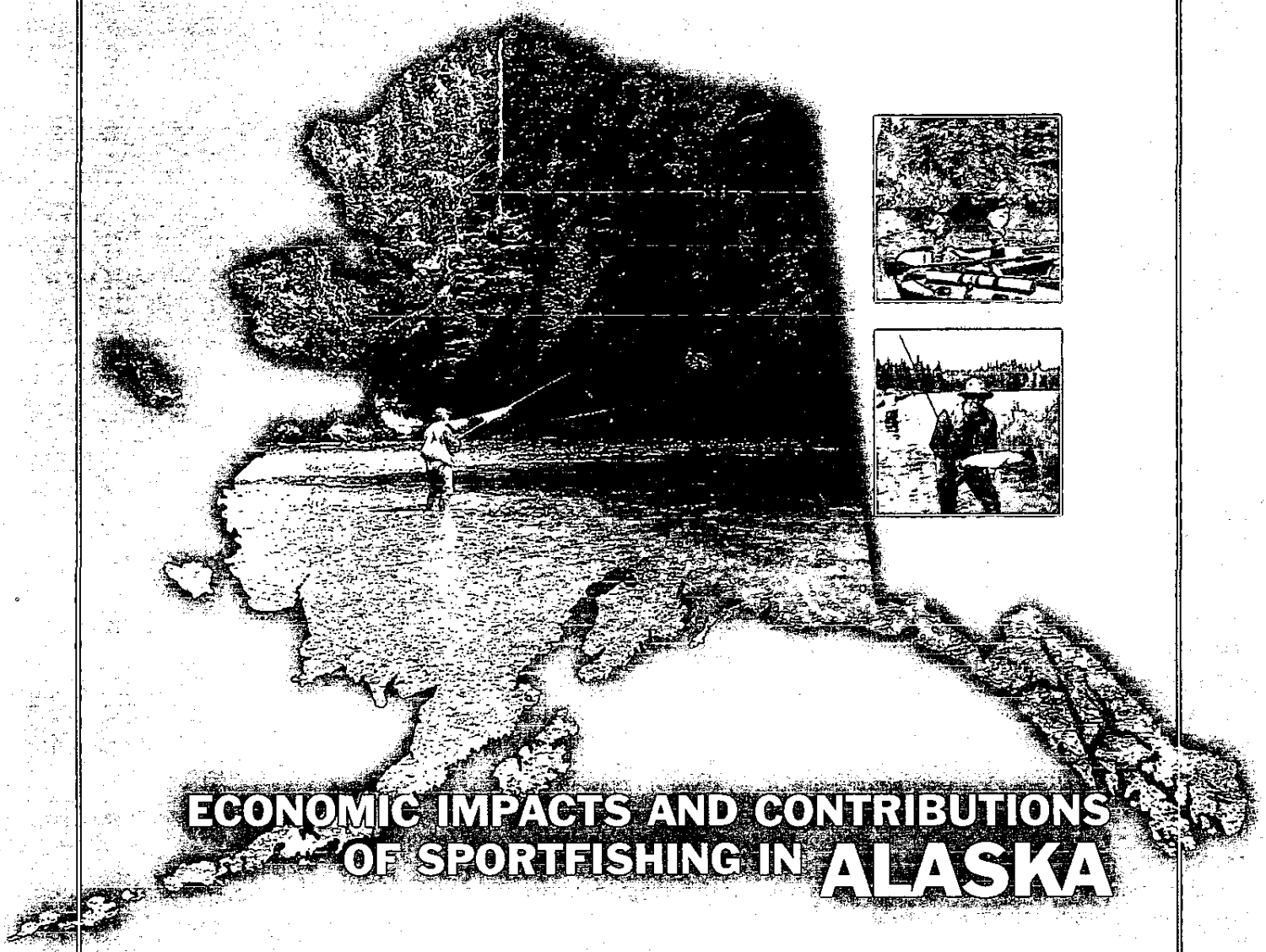
*** Sec. 8.** AS 16.05.340(a)(26); AS 16.40.260, 16.40.270, 16.40.280, 16.40.290, 16.40.299; AS 25.27.244(s)(2)(A)(xviii), and 25.27.244(s)(2)(A)(xix) are repealed January 1, 2010.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION; REGULATIONS. The Board of Fisheries and the Department of Fish and Game each may proceed to adopt regulations necessary to implement the changes made by secs. 1, 3, 4, 5, and 6 of this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the statutory changes.

*** Sec. 10.** Sections 2 and 9 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 11.** Except as provided in sec. 10 of this Act, this Act takes effect January 1, 2005.



ECONOMIC IMPACTS AND CONTRIBUTIONS OF SPORTFISHING IN ALASKA

2007 REPORT

A Message from the Director

CHARLIE SWANTON, DIRECTOR
ADF&G, DIVISION OF SPORT FISH

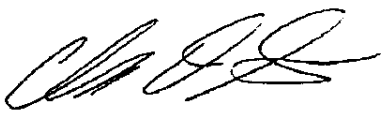
Alaska supports arguably some of the finest and most diverse sportfishing in the world. These opportunities provide Alaskans with a significant and sustainable source of food, relaxation, and social benefits. Additionally, the money spent by residents and visitors who participate in sportfishing activities produces significant economic benefits to Alaska.

The Division of Sport Fish is committed to providing an array of biological, social and economic information to fishery managers and fishery regulators who plan and evaluate fishery projects and make informed decisions about the management of fishery resources.

This report summarizes a recent effort by the Division to provide estimates of angler spending in Alaska and the contribution it makes to Alaska's economy. The results are based on an extensive statewide study of resident and nonresident anglers who went sportfishing in Alaska during 2007. The report contains estimates of the total expenditures on sportfishing by anglers and estimates of the subsequent economic effects this spending had in terms of employment, wages, salaries and tax receipts.

A key objective of this project was to establish a consistent and repeatable methodology for collecting and reporting estimates of economic contribution in Alaska such that reasonably precise estimates would be routinely available to agency personnel, fisheries decision-makers, and the public.

We hope that you find the following information useful and that it contributes to well-informed decision making.



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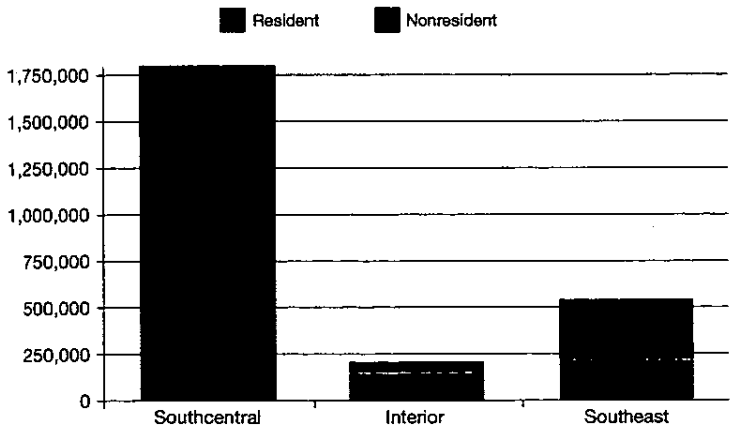
Sportfishing in ALASKA

Sportfishing is an important component of the Alaskan economy. It contributes to the well-being of Alaskans as recreation, as a source of food, and as part of the state's collective economic fabric. In 2007, 190,644 Alaska residents bought a fishing license, along with 284,890 nonresidents.

Spending a day fishing with rod and reel usually involves spending at least some money for travel, equipment, and supplies. Because a large number of anglers—both resident and nonresident—spend many days each year enjoying Alaska's diverse fishing opportunities, the annual total of that spending is substantial.

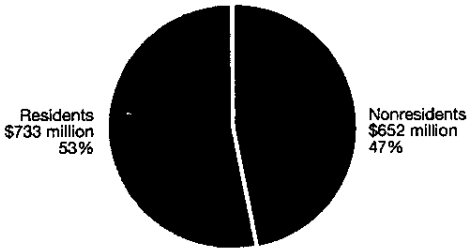
The money spent by anglers in turn helps to support thousands of Alaskan jobs in industries ranging from fishing tackle sales to hospitality and lodging to air taxi and guide services which are an important part of the economy in many of Alaska's local communities. At the same time, angler spending is also creating federal, state and local tax revenues which support local and borough governments and help pay for fisheries management in Alaska.

DAYS OF SPORTFISHING IN ALASKA BY REGIONS AND RESIDENCY, 2007

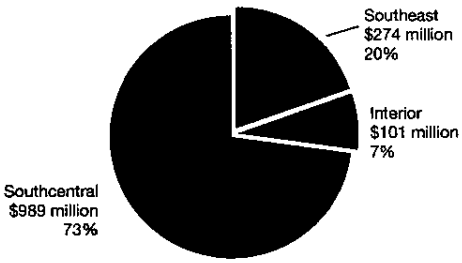


TOTAL SPORTFISHING EXPENDITURES, All ANGLERS

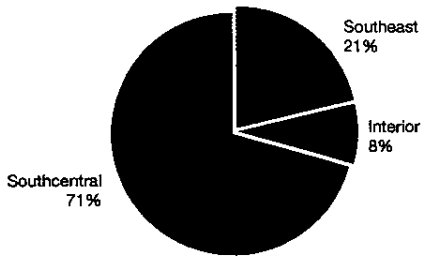
$1.4 billion



SPORTFISHING EXPENDITURES BY REGION, ALL ANGLERS



DAYS OF SPORTFISHING BY REGION, ALL ANGLERS



Economic IMPACTS & Contributions

The purpose of the study was to obtain current estimates of the economic contribution of sportfishing activities to the Alaska economy and to develop a consistent method for producing such estimates on a regular basis. This project provides a survey-based process that can now be updated periodically at reasonable cost.

For 2007, the year covered by this report, 1,163 resident and 1,807 nonresident surveys were completed by anglers who fished in Alaska. From the survey responses collected, estimates of how much each angler spends per day of fishing and per year on fishing-related equipment were produced. These survey results were combined with the total number of licensed anglers in 2007 and the total days of fishing in Alaska as estimated by the Division's Statewide Harvest Survey. This survey, conducted every year by the Division, tracks annual sportfishing participation and harvest. By combining the economic survey results with the Statewide Harvest Survey results, it was possible to estimate the total amount of resident and nonresident spending in Alaska as a whole and within specific regions of the state.

An economic model was then used to estimate the additional economic effects that angler spending produced within each region of the state. Using the collective dollars spent by anglers, an economic model known as IMPLAN estimated the total jobs, tax revenues and other economic contributions. Regional as well as statewide totals can be determined and are summarized in the following pages. Information on the dollars associated with guided fishing trips and with nonresident fishing is also included. First, here are some statewide highlights.

Economic Impact vs. Economic Contribution

This project measured and reported the economic impacts and contributions of licensed anglers to Alaska's state and regional economies. The words "impact" and "contribution" are not necessarily synonymous.

Economic impact typically refers to the effects of money being brought in from outside the state or region. It was possible to estimate the total amount of resident and nonresident spending in Alaska as a whole and within specific regions by combining the economic survey results with the ADF&G Statewide Harvest Survey results.

Economic contribution refers to in-state spending by all anglers. In theory, if the dollars spent by resident anglers were not spent on sportfishing, the same money would be spent on other things and would still stimulate economic activity. It isn't possible to accurately predict whether these local dollars would be spent in or outside of Alaska.

This study generated both economic impact estimates (non-resident spending) as well as estimates of the economic contributions of spending by Alaska anglers in 2007.

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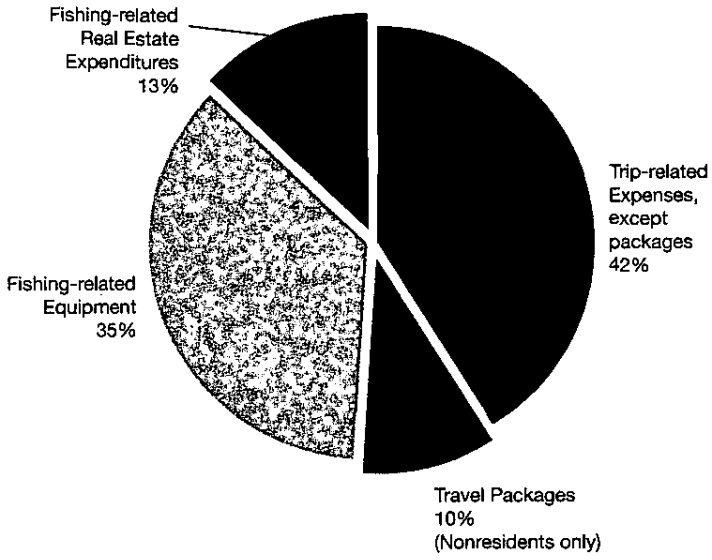
Total Resident and Nonresident Sportfishing Expenditures, by Category

	Resident Anglers	Nonresident Anglers	All Anglers
Licenses and Fees	$6,627,558	$16,536,955	$23,164,513
Trip Expenditures (non-package)	$219,829,151	$347,358,999	$567,188,150
Package Expenditures	n/a	$137,519,700	$137,519,700
Equipment Expenditures	$433,693,104	$41,385,450	$475,078,554
Real Estate Expenditures	$73,139,537	$109,697,619	$182,837,156
Total Expenditures	**$733,289,349**	**$652,498,723**	**$1,385,788,072**

TOTAL ANGLER SPENDING BY CATEGORY



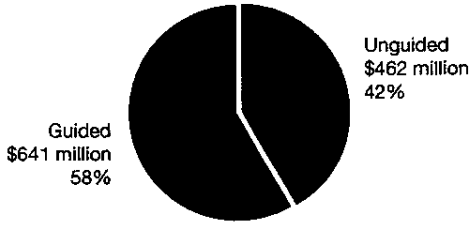
Average Per Day Expenditure for Trip-Related Items Only, Including Package Trips

(Lodging, fuel, food, travel packages, etc.)

	Per Day
All Alaska Fishing Combined	**$277.46**
Residents Only	$150.63
Non-Residents Only	$448.78
Saltwater	
Residents, Unguided	$162.81
Residents, Guided	$466.53
Non-Residents, Unguided	$209.40
Non-Residents, Guided	$744.03
Freshwater	
Residents, Unguided	$91.73
Residents, Guided	$509.56
Non-Residents, Unguided	$213.24
Non-Residents, Guided	$790.41

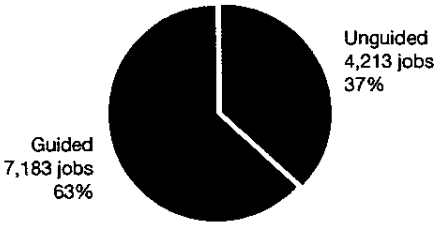
ECONOMIC ACTIVITY, OR MULTIPLIER EFFECT: SUPPORTED BY GUIDED AND UNGUIDED FISHING TRIPS

Trip-related and Package Expenditures*

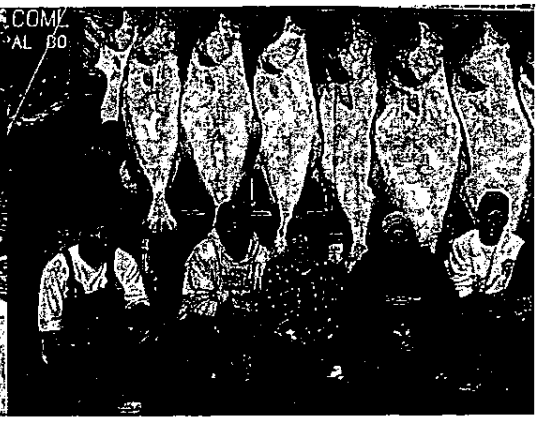


JOBS: SUPPORTED BY GUIDED AND UNGUIDED FISHING TRIPS

Trip-related and Package Expenditures*



*Only trip related expenditures (food, fuel, lodging, etc.) could be divided into guided and unguided portions. It was not possible to divide equipment expenditures in such a manner.



How Economic Effects Occur

While the economic effects of sportfishing occur on a large scale statewide, it's important to note that they happen one angler at a time.

Suppose, for example, that a construction worker in downtown Anchorage decides to go fishing on his day off. He stops after work at the local tackle shop and spends $250 for a rod and reel along with some line, lures, a knife and cooler. Sandwiches, soda, and ice for the trip come from the local grocery store, and he spends still more money to fill his vehicle with gas on the way home. Very early the next morning, he starts the 150-mile drive out the Seward and Sterling highways to the Kenai River where he'll fish for king or coho salmon.

Meanwhile, the money he left behind goes to work. Some of the money he spent for fishing gear helps to pay the wages of a sales clerk, for example, who in turn spends some that evening at a local restaurant, to buy groceries, or pays his utility bill at the local light and power company. These payments, known collectively as the "multiplier effect", help to support still other jobs as the money our angler spent ripples outward in many directions through the local economy, even to those sectors not directly related to fishing. See page 11 for more definitions.

Regional Economic EFFECTS

Economic effects can be measured regionally and locally as well as statewide. Alaska has several distinct regions, each with its own characteristic sport fisheries that show different patterns in angling participation, spending, and economic effects.

STATEWIDE RESULTS

Alaska is blessed with many world-class freshwater and marine fisheries. In 2007, resident and nonresident anglers spent nearly $1.4 billion on equipment, boats, and trip-related and other items. Alaska anglers on average spent $2,914 on sportfishing trip expenses, fishing-related equipment, licenses, and other items in 2007. The actual amount spent per angler varies based on his or her preferred fishing locations, region, and more. Details are available in the technical report (see sidebar on page 8).

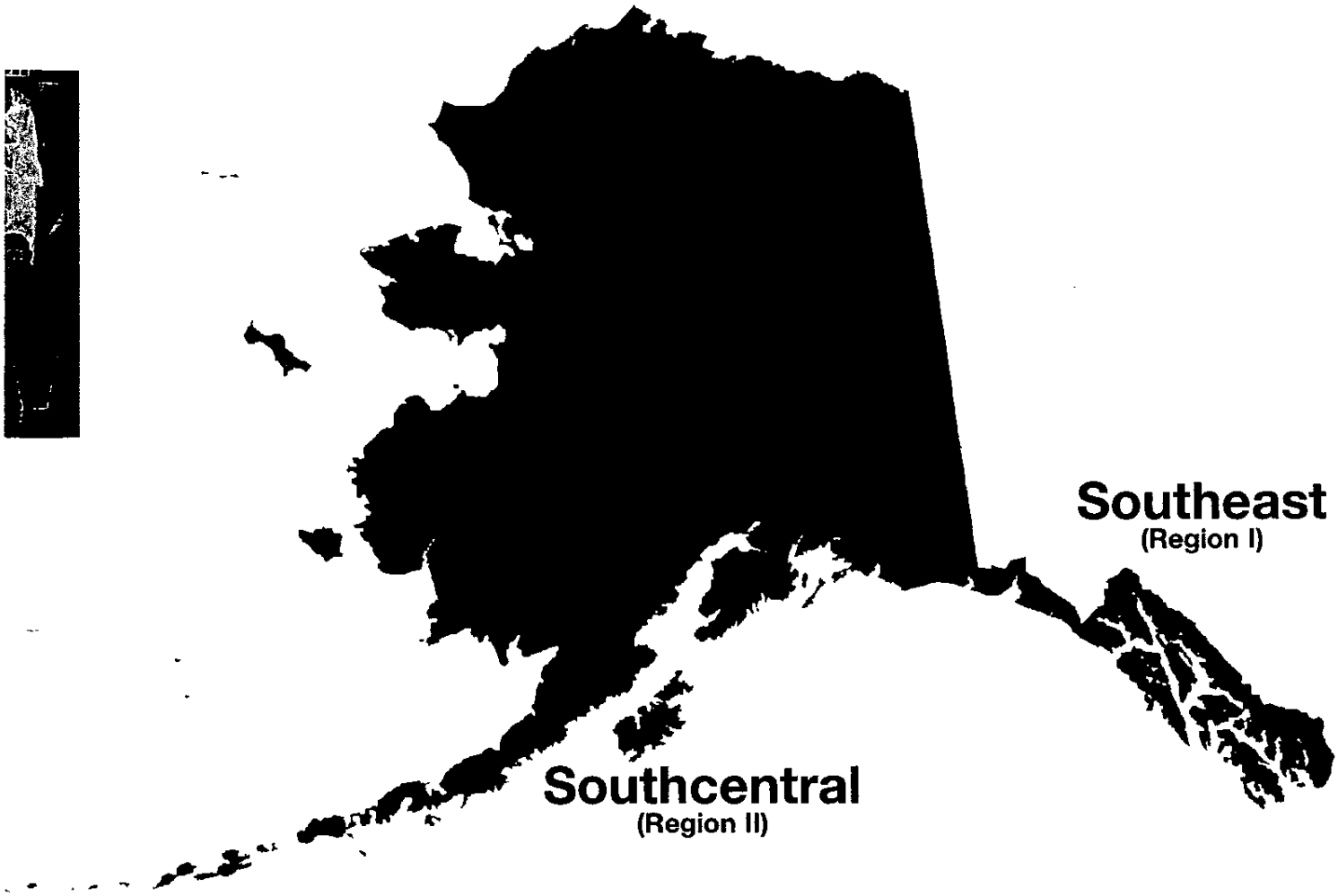
As anglers' expenditures exchange hands, economic contributions are generated statewide. In 2007, these contributions amounted to 15,879 jobs, $246 million in tax revenues and $545 million in income. Economic output, which is the value of all goods and services produced by businesses as a result of anglers' expenditures, was just over $1.6 billion.

SOUTHEAST (REGION I)

The so-called Panhandle area extending roughly from Yakutat south-southwest through Juneau and Ketchikan to the British Columbia border is a complex maze of islands, straits, and mountains. The saltwater salmon fishing here is outstanding, although some anglers find steelhead, along with river-resident trout, to be just as appealing.

Total spending by all anglers, resident and nonresident combined, for Southeast Alaska in 2007 was estimated to be $274 million. The total economic output came to $295 million, which supported 3,063 jobs and generated $22 million in state and local taxes.

1381



SOUTHEAST MARINE (SUBREGION)

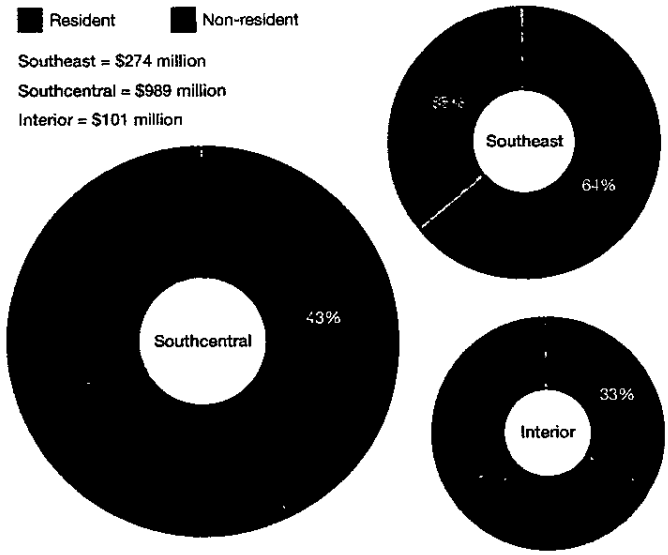
Within southeast Alaska, the popularity of salt-water fishing accounted for almost half of all angler spending. Saltwater anglers in southeast Alaska spent $132 million of the $274 million spent on sportfishing in southeast Alaska in 2007, which supported 1,897 jobs and created $14 million in state and local tax revenues.

SOUTHCENTRAL (REGION II)

This is by far the most popular angling region in Alaska as measured in total angler days. It includes Prince William Sound, Cook Inlet and the Anchorage area, as well as Kodiak Island and the Bristol Bay area to the west of Cook Inlet. All five salmon species are fished widely here in both salt- and fresh-water, along with halibut and other saltwater species. Trophy rainbow trout in the various Bristol Bay drainages are world-famous.

Anglers spent $989 million in the Southcentral region in 2007, supporting 11,535 area jobs and creating $91 million in state and local taxes.

RESIDENT AND NONRESIDENT EXPENDITURES BY REGION



Economic measures reported in this chart are based on regional IMPLAN model outputs using 2007 angler expenditures.

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For More Details...

This report is a summary of a 300 page technical report available free from the Alaska Department of Fish and Game, Division of Sport Fish. The complete report presents detailed descriptions of the methods and data sources used in the study, as well as the complete results. Visit ***www.sf.adfg.state.ak.us/statewide/economics*** *to download a copy in PDF form. You may also contact the Department at (907) 267-2366, or william.romberg@alaska.gov, to request a printed copy of the report.*

Regional Economic EFFECTS (cont.)

COOK INLET (SUBREGION)

Notably, much of Southcentral's economic activity centers around the Cook Inlet area, partly because Anchorage and the Matanuska-Susitna valley are such large population centers with good fishing nearby. The Kenai River, for example, is an easy drive from Anchorage and is widely known among anglers as one of the world's foremost salmon rivers. In addition, there are large sport fisheries for halibut and other groundfish that are accessed from several communities that border Cook Inlet. In the Cook Inlet subregion alone (a subset of Southcentral region), anglers spent about $733 million in 2007, which supported 8,056 jobs and generated $55 million in state and local taxes.

INTERIOR (REGION III)

Among anglers, the northern two-thirds of the state could be called the road less traveled. This vast area contains many small communities and sport fisheries located off the road system with fisheries less accessible than places farther south in the state. However, the fishing is none the less exceptional, and in addition to salmon and trout there are fisheries for unique species such as sheefish, arctic char, and burbot, as well as huge northern pike found in the "flats" region of the lower Yukon River.

Angling traffic here is lighter than in other regions of the state but still significant. Total regional spending by all anglers in this region topped $101 million in 2007 and directly or indirectly supported 923 area jobs and $7 million in state and local taxes.

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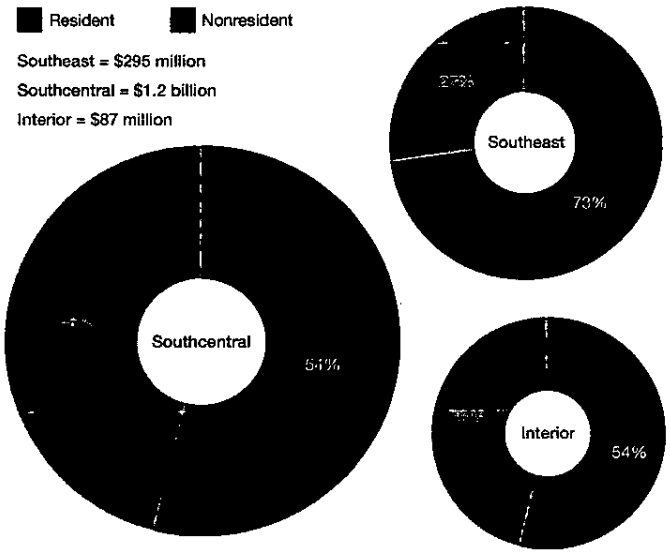
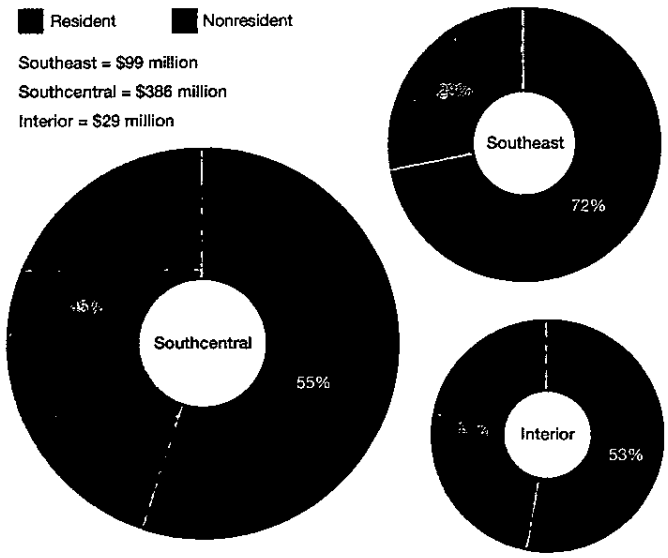
Total Angler Expenditures
$1.4 Billion

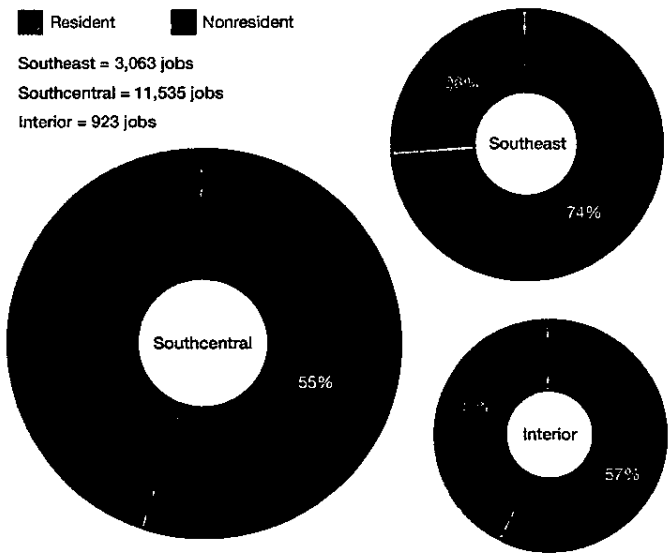
RESIDENT AND NONRESIDENT OUTPUT BY REGION



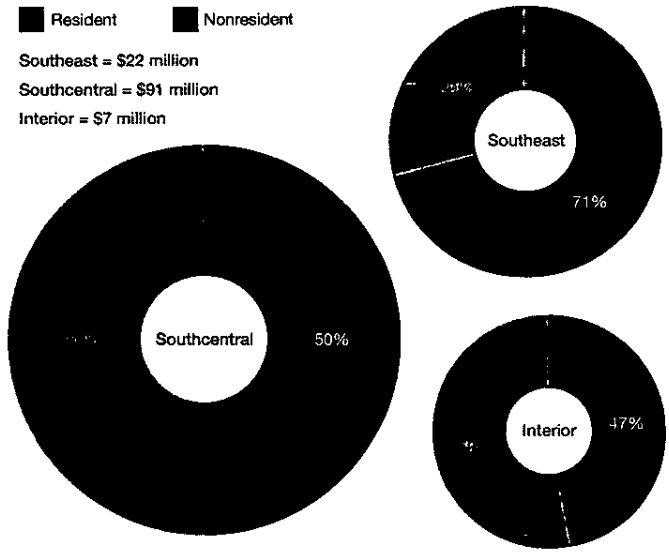
RESIDENT AND NONRESIDENT INCOME BY REGION



RESIDENT AND NONRESIDENT EMPLOYMENT BY REGION



RESIDENT AND NONRESIDENT STATE & LOCAL TAX REVENUES BY REGION



Sportfishing-related Jobs
15,879

Economic measures reported in these charts are based on regional IMPLAN model outputs using 2007 angler expenditures.
See page 11 for definitions of terms used on this page.

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Economic Contributions of Sportfishing in Alaska, by Residency & Region, 2007

	Resident Anglers	Nonresident Anglers	All Anglers
ALASKA - STATEWIDE RESULTS			
Anglers' expenditures	$733,289,349	$652,498,723	$1,385,788,072
Output	$668,729,829	$938,863,856	$1,607,593,685
Income	$223,373,937	$321,882,151	$545,256,088
Jobs	6,442	9,437	15,879
Tax Revenues	$107,433,533	$138,881,701	$246,315,114
Local & State	*$56,509,573*	*$66,632,831*	*$123,142,404*
Federal	*$50,923,959*	*$72,248,870*	*$123,172,709*
SOUTHEAST REGION			
Anglers' expenditures	$98,613,993	$174,890,811	$273,504,804
Output	$79,385,025	$215,874,985	$295,260,010
Income	$27,316,008	$71,825,686	$99,141,694
Jobs	791	2,273	3,063
Tax Revenues	$12,227,368	$31,368,564	$43,595,932
Local & State	*$6,376,236*	*$15,686,783*	*$22,063,019*
Federal	*$5,851,132*	*$15,681,782*	*$21,532,913*
SOUTHCENTRAL REGION			
Anglers' expenditures	$560,955,071	$427,603,048	$988,558,119
Output	$534,838,006	$630,707,507	$1,165,545,513
Income	$174,829,996	$211,633,737	$386,463,733
Jobs	5,170	6,365	11,535
Tax Revenues	$86,563,199	$93,692,068	$180,255,267
Local & State	*$45,612,530*	*$45,187,101*	*$90,799,631*
Federal	*$40,950,668*	*$48,504,967*	*$89,455,636*
INTERIOR REGION			
Anglers' expenditures	$67,092,727	$33,467,916	$100,560,637
Output	$40,133,830	$46,578,879	$86,712,709
Income	$13,263,706	$15,300,176	$28,563,882
Jobs	399	524	923
Tax Revenues	$6,710,270	$6,708,875	$13,419,146
Local & State	*$3,825,310*	*$3,396,831*	*$7,222,141*
Federal	*$2,884,961*	*$3,312,044*	*$6,197,005*

Output = total economic activity generated by angler spending
Income = salaries, wages, employee benefits and proprietors' profits stimulated by anglers
Jobs = same as employment, these are the total number of both full-time and part-time jobs supported by angler spending
Tax Revenues = the total personal and business tax revenues earned by local, state, and federal government that are generated by angler spending

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Economic Contributions of Sportfishing for Specific Subregions, 2007

	Resident Anglers	Nonresident Anglers	All Anglers
COOK INLET (A SUBREGION OF THE SOUTHCENTRAL REGION)			
Anglers' expenditures	$457,938,464	$275,030,511	$732,968,975
Output	$413,287,612	$414,602,226	$827,889,838
Income	$136,650,136	$142,124,416	$278,774,552
Employment	4,010	4,046	8,056
Tax Revenues	$67,097,024	$44,445,496	$111,542,520
Local & State	*$35,189,444*	*$20,091,926*	*$55,281,369*
Federal	*$31,907,580*	*$24,353,570*	*$56,261,150*
SOUTHEAST REGION - MARINE FISHING ONLY[1]			
Anglers' expenditures	$21,268,271	$110,345,177	$131,613,448
Output	$28,244,412	$138,794,141	$167,038,552
Income	$9,132,220	$44,692,671	$53,824,891
Employment	301	1,595	1,897
Tax Revenues	$4,791,024	$21,577,594	$26,368,559
Local & State	*$2,713,584*	*$11,473,357*	*$14,186,941*
Federal	*$2,077,440*	*$10,104,178*	*$12,181,618*

Output = total economic activity generated by angler spending
Income = salaries, wages, employee benefits and proprietors' profits stimulated by anglers
Jobs = same as employment, these are the total number of both full-time and part-time jobs supported by angler spending
Tax Revenues = the total personal and business tax revenues earned by local, state, and federal government that are generated by angler spending
[1]The contributions are for trip spending only, including travel packages. It was not possible to allocate equipment and real estate expenditures by type of water fished.

Definitions of Terms Used in this Report

Angler Expenditures: the dollars spent for the primary reason of sportfishing. Such expenditures include trip-related expenses for fishing (fuel, guide services, lodging, etc.), fishing tackle and other fishing equipment, the portion of ancillary equipment used for fishing that may have multiple uses (e.g., coolers, binoculars), and real estate maintenance and construction expenditures if used primarily for the pursuit of sportfishing.

Total Multiplier Effect (also known as Total Economic Activity): the results (measured in output, income, jobs and taxes) of the total rounds of business and consumer spending stimulated by anglers' original expenditures.

Income: generated as a result of anglers' expenditures, this includes total payroll, including salaries and wages, as well as benefits such as insurance, and retirement benefits paid to employees and business proprietors.

Employment: the total number of both full-time and part-time jobs supported as a result of anglers' expenditures.

Tax Revenues: the total tax revenues earned by local, state and federal governments as a result of anglers' expenditures. All forms of local, state and federal taxes are included.

ACKNOWLEDGEMENTS

Southwick Associates, formed in Fernandina Beach, FL, was founded in 1987 to serve state fish and wildlife agencies and the sportfishing and hunting industries. From our North Florida offices, we continue to serve this core group, and now provide economic and business intelligence to many more.

SOUTHWICK ASSOCIATES

U.S. Fish and Wildlife Service

Office of Land Conservation, U.S. Department of the Interior

Brief for SB 294: SPORT FISH GUIDE LICENSES
(Reauthorization of Program/Repeal of Sunset)
March 10, 2010

Alaska Department of Fish and Game Contacts:
Charlie Swanton- Charles.Swanton@alaska.gov; phone: 465-6184 or 321-0955
Jennifer Yuhas - Jennifer.Yuhas@alaska.gov; phone: 465-6137 or 388-7951.

Background:

- Original legislation passed in May, 2004; effective January 1, 2005.

- Proposed by the Department for three main reasons:
  1. Information on guide numbers and their fishing activities was either not available or limited in many parts of the state;
  2. Establish minimum standards to operate a business or contract as a guide (safety, liability insurance, US Coast Guard license, etc.) as a means to increase professionalism and reduce speculative entry; and
  3. Provide comprehensive and credible data on guided sport fishing activities to regulatory agencies: Alaska Board of Fisheries (BOF), International Pacific Halibut Commission (IPHC), and North Pacific Fisheries Management Council (NPFMC).

Legislation:

Sec.16.40.260 Sport fishing operator license;
Sec.16.40.270 Sport fishing guide license;
Sec.16.40.280 Reports;
Sec.16.40.290 Penalties for violations.

These legislative sections include licensing provisions and fees (AS. 16.05.340(a)) for sport fishing business owners ($100), sport fishing guides working for the business ($50), and business owners who are also a guide (owner/operator combo $100). The mandatory reporting requirements, logbooks, are for both fresh and saltwater guide activities (freshwater logbooks were instituted in 2005). The penalties for sport fish guiding violations by business owners and guides include possible revocation of their license.

Companion Regulations:

5 AAC 75.075 Sport fishing services and sport fishing guide services; license requirements; regulation of activities.

5 AAC 75.076. Sport fishing services and sport fishing guides reporting requirements.

5 AAC 75.077. Sport fishing guide vessel registration requirements.

Present Benefits and Utility:

- A comprehensive list of all sport fishing guides working in salt water is part of the data requirements that will allow Alaska to receive an exemption from participating in the National Saltwater Angler Registry (up to $25/saltwater angler in 2011).

- The logbook data for saltwater anglers has been used extensively within the IPHC and NPFMC for rule making on Pacific Halibut.

- Both freshwater and saltwater logbook harvest data has been presented and utilized by the Alaska Board of Fisheries. Harvest estimate verification studies are being conducted comparing logbook, statewide sport fish harvest survey, and dock side creel programs.

Participation Statistics:

- An average of **1,647 sport fishing business licenses** (including owner/operator combo) have been sold (2005-2009); 90% of owners are Alaskan residents.

- An average of **1,882 sport fishing guide licenses** have been sold (2005-2009); 73% of guides are Alaskan residents.

- Based on logbook data, over **2.1 million clients took 536,960 guided fishing trips** (from 2005 through 2009); 67% of clients fished in saltwater, 33% fished in freshwater and 88% of all clients were nonresidents.

- An average of **1,334 vessels in saltwater** were used for guided fishing trips (2005-2009).

Electronic Reporting (Modernization initiative):

- One of Commissioner Lloyd's initiatives is modernization and timely reporting of recreational harvest data. We have been actively working on this task:

    - In July, 2009 we developed a scannable saltwater logbook form which will reduce the time lag when logbook data is available from 2 to 3 months to 1 to 2 weeks. This new form will be employed for saltwater forms statewide in 2010. Ten public meetings were held across the state to explain this new format and received nearly unanimous support from user groups and public.

    - In April, 2010 the point of sale hunting and fishing licensing program will be launched at all ADF&G regional offices. This program will be made available to all license vendors shortly thereafter.

    - We will convert the freshwater logbook to a scannable format starting in 2011.

Special Publication No. 09-11

Participation, Effort, and Harvest in the Sport Fish Business/Guide Licensing and Logbook Programs, 2006-2008

by

Dora Sigurdsson

and

Bob Powers

September 2009

Alaska Department of Fish and Game

Divisions of Sport Fish and Commercial Fisheries

1390

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Division of Sport Fish Research and Technical Services, Anchorage

Alaska Department of Fish and Game
Division of Sport Fish, Research and Technical Services
333 Raspberry Road, Anchorage, Alaska, 99518-1599

September 2009

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ABSTRACT

In 2006, 1,677 sport fishing businesses and 3,454 guides licensed under the Alaska Department of Fish and Game guide and business registration program, signifying intent to provide sport fishing services in Alaska. The program licensed 1,695 businesses and 3,531 guides in 2007, and 1,659 sport fishing businesses and 3,522 sport fishing guides in 2008. Of the 1,659 sport fishing businesses registered in 2008, 1,525 were combination owner/guide licenses. Based on the 2008 physical addresses of both the businesses and guides, 90% of the businesses were residents of Alaska, and 10% were from other residency strata (defined as nonresidents), 72% of the guides were residents and 28% were nonresidents.

Of the 2,553 saltwater logbooks issued in 2008, 2,089 were activated, and of the 2,538 freshwater logbooks issued in 2008, 1,785 were activated. Of those businesses that submitted logbook information in 2008, 58% offered saltwater services, and 42% offered freshwater guided services. In 2006, logbook records show that 1,368 saltwater vessels were active, 1,409 were active in 2007 and 1,355 were active in 2008. On average during those three years, 55% of the saltwater vessels were active in Southeast Alaska and 45% were active in Southcentral Alaska.

A total of 65,671 saltwater charter trips were conducted in 2006, 67,152 trips in 2007, and 62,006 trips in 2008 statewide. On average, 84% of the saltwater angler days were nonresidents, 12% were residents and 4% were crew, comped fishing or unknown residency. In freshwater, 46,781 trips were taken in 2006, 48,697 in 2007, and 48,501 in 2008. Of the statewide freshwater trips, 90% of the angler days were nonresidents, 8% were residents, and 2% were crew fishing or unknown residency.

Average saltwater salmon harvests between 2006 and 2008 show that coho and king salmon were the predominant species, consisting of 67% and 15% of the harvest respectively statewide. Saltwater bottomfish harvests between 2006 and 2008 show that Pacific halibut were the predominant species with 68% of the total saltwater harvest statewide. Total halibut harvest statewide ranged from 379,473 fish in 2007 to a low of 339,718 fish in 2008. In freshwater, coho salmon were the predominant harvested species, followed by sockeye and then king salmon.

Key words: Sport fishing, guide and business registration, freshwater logbook, saltwater logbook, participation, effort, harvest, sport fishing vessel, Pacific halibut, salmon, bottomfish, Southeast Alaska, Southcentral Alaska

BACKGROUND

The Alaska Department of Fish and Game (ADF&G) Division of Sport Fish (DSF) has operated a program since 1998 to register and license both sport fishing guides and sport fishing guide businesses and to collect information on sport fishing participation, effort, and harvest by saltwater and freshwater guided clients. This report briefly summarizes the approach, history, and results of this program for 2006 through 2008.

GUIDE AND BUSINESS REGISTRATION AND LICENSING

The activities of the guided sport fishing industry in Alaska have significantly increased in recent years with implications to fish allocation and management decisions. Resolution of related issues was hampered by lack of information regarding the industry and its impact on fishery resources in many parts of Alaska. The sport fishing guide and business registration and licensing programs were designed to provide a comprehensive system to better define this diverse industry throughout Alaska. A brief history of the statewide registration and licensing process follows.

Beginning in May 1995 the owner(s) of any business that engaged in sport fish guiding of anglers anywhere in Alaska were required to register their business information, employees acting as sport fishing guides for the business, and listing all vessels used for guiding. In 1997 sport fishing guides were required to register and provide information about the employing business (Dean 2001; Dean and Howe 1999).

452, adopted in 2004, not only established new licensing requirements, but also established a logbook reporting requirement for all freshwater businesses in addition to the existing saltwater reporting requirements. For various reasons, both technical and policy-based, information on halibut harvests was not collected from 2002 through 2005. The collection of halibut data was resumed in 2006. In addition, the 2006 logbook was redesigned to require reporting of angler license numbers and the harvest and release numbers by angler in an effort to improve reporting and facilitate evaluation of the quality of logbook data (Appendix C).

The data from logbooks are compiled to show where fishing effort occurs, the extent of participation, and the species and numbers of fish kept and released by individual clients. This information is used for regulation and the development and management of fisheries, for project evaluation, and for formulation of department policies and priorities that reflect angler needs, concerns, and preferences. It also provides ADF&G with a tool to promote management of Alaska's resources for sustained yield.

Table 1.–Division of Sport Fish regions and management areas.

	Regions
SE	Southeast Alaska
SC	Southcentral Alaska
AYK	Arctic-Yukon-Kuskokwim
	Areas
Southeast Alaska	
A	Ketchikan
B	Prince of Wales Island
C	Kake, Petersburg, Wrangell, Stikine
D	Sitka
E	Juneau
F	Haines-Skagway
G	Glacier Bay
H	Yakutat
Southcentral Alaska	
J	North Gulf Coast/Prince William Sound
K	Knik Arm Drainage
L	Anchorage
M	Susitna River Drainage
N	West Side Cook Inlet
P	Kenai Peninsula
Q	Kodiak
R	Naknek River Drainage/Alaska Peninsula Area
S	Kvichak River Drainage
T	Nushagak, Wood River and Togiak
Arctic-Yukon-Kuskokwim	
I	Upper Copper River Drainage
U	Tanana River Drainage
V	Kuskokwim River/Kuskokwim Bay Drainages
W	Norton Sound/Seward Peninsula
X	Northwest Alaska
Y	Yukon River Drainage
Z	North Slope/Brooks Range

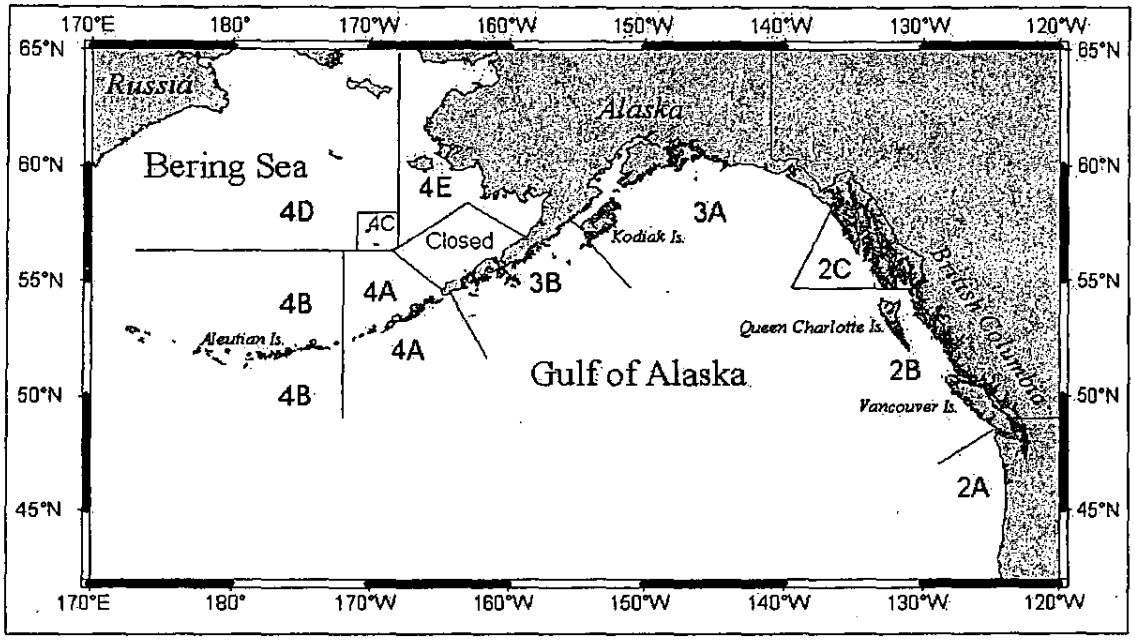

Figure 2.–International Pacific Halibut Commission (IPHC) regulatory areas.

Currently, a logbook record is required for every chartered or guided trip taken with clients, defined as an outing with one group of clients that ends when the clients and their fish (if fish were kept) are offloaded. Each trip is associated with an individual licensed business and guide.

VESSEL REGISTRATION

In addition to establishing a licensing program and statewide freshwater logbook requirement, HB 452 included establishment of a vessel registration program to be conducted by ADF&G as part of the logbook program to monitor the number of vessels used in the guided marine and freshwater fisheries. All boats used in marine or fresh water were referred to as "charter or guide boats" regardless of their size or the manner in which they are used. All vessels used in the charter guide industry were required to be registered with ADF&G. Vessel registration information was collected when logbooks were issued to a business. Registration information included the Department of Motor Vehicles or DMV number or the U.S. Coast Guard vessel documentation number. Upon completion of vessel registration with ADF&G, each vessel was provided with two decals and year tags to indicate that the vessel is used in the guide industry (Appendix B3 and B4). Decals must be applied and visible on both sides of the vessel.

METHODS

GUIDE AND BUSINESS LICENSING

Businesses and guides can be licensed to provide sport fishing guided services if they meet the minimum qualifications specified in regulation (AS 16.40.260 and AS 16.40.270).

During the month of January from 2006 through 2008, the Division of Sport Fish mailed renewal license applications to each sport fishing guide and sport fishing business that was licensed in the previous year. In addition, guides and businesses could obtain a license in person at local

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Changes between the 2005 and 2006 saltwater logbooks included:

- The data page design went from a single page designed to collect information from nine different trips to a data page that collected information from one unique trip per page.
- A section to collect Business and Vessel Information was added. Business and Guide license numbers along with the Alaska Boat Registration number (AK. #) or U.S.C.G. documentation number was recorded on every data page. This information was intended to confirm that the information was associated with the correct business on record, and to validate the vessel registration information.
- A section to collect Trip information was added. Trip information collected the date fished, port or community where clients or fish were off-loaded, total number of clients on the vessel including those that did not fish, targeted species (salmon or bottomfish), primary statistical area fished, maximum number of rods fished, and number of boat hours fished. This design change resulted in more detailed information unique to each trip taken with a group of clients.
- A section to collect Individual Angler and Catch Information was added. In 2006, the collection of halibut information resumed. The new design also required the reporting of individual angler license numbers along with harvest and release numbers by angler in an effort to improve reporting and facilitate evaluation of the quality of logbook data.
- A signature line was added that required the guide who led the trip to sign their name certifying that the information was true and correct to the best of their knowledge.
- A notice statement drafted by the NPFMC was printed within the front cover of the 2006 saltwater logbook. The notice announced that a control date of December 9, 2005 was being established. Those businesses and guides not participating in the Southeast or Southcentral charter halibut industry by this date might not be eligible for future access and/or quota in these fisheries.

No significant changes took place in the freshwater logbook design between 2005 and 2006 (Appendix D).

Changes between the 2006 and 2007 saltwater logbooks include:

- Additional client information was obtained, to indicate if "comped" anglers fished. A "comped" angler was an angler who did not compensate the guide for that charter trip. By including "comped" anglers, the data captured by onsite dockside samplers and data from the logbook census were more comparable, since all anglers on board a charter vessel and their catches were now being counted.
- Vessel AK # or U.S.C.G. documentation numbers were no longer being collected on each data page. The vessel information collected during the logbook assignment to a business on the sign-out sheet was adequate.

No significant changes took place in the freshwater logbook design between 2006 and 2007 (Appendix D).

salmon, halibut, lingcod, pelagic rockfish, yelloweye, and other nonpelagic rockfish, salmon shark *Lamna ditropis*, and a category for the number of all other species not already listed (Appendix C).

To determine the number of businesses and guides that were "active" in the industry, a cross reference is made to the logbooks to determine if actual guided trips were provided. If ADF&G received at least one charter vessel trip form that reported targeted effort, the charter operation turning in the form was considered an "active" bottomfish or salmon charter operator with an "active" vessel.

Freshwater Logbook Forms

A freshwater logbook consisted of the cover page, schedule of reporting deadlines, one logbook check out sheet to show the business to which the logbook was issued, a freshwater vessel registration page that collects the unique AK # assigned by the Department of Motor Vehicles (DMV) or a United States Coast Guard (USCG) documentation number and primary drainage, a set of instructions for filling out the information on the logbook sheets, and 50 data sheets to record trip information. Data collection on each of the 50 pages consisted of:

- ADF&G guide license number,
- Date that fishing took place,
- Specific name of river, stream or lake fished,
- Site code of site fished as reference within a list provided with each logbook,
- Number of logbook pages used for a specific trip,
- Name of any other species kept,
- Crew, client, and "comped" angler's current ADF&G sport fishing license number, and a youth angler designation for anglers under 16 years of age.
- Client residency,
- A breakdown by fish species kept and released.

Upon acquiring a freshwater logbook, the operator registers all vessels that may be used during the course of the fishing season. Freshwater vessel registration requires that the vessel already have a unique AK # assigned by DMV or a USCG documentation number. Freshwater vessels primarily have AK #'s. The operator must provide the AK # and indicate the primary freshwater drainage where the vessel will operate.

The freshwater logbook does not collect targeted species information like the saltwater logbook, it collects information on species kept and released regardless of what was targeted or sought after. A trip is counted if a logbook data page is submitted with effort information regardless of catch. Freshwater trips are assigned a region of the state based on the name of the site fished, each freshwater site is assigned a unique regional alpha code followed by a numeric code within the region in which it is located (Table 1).

Freshwater information collected were: kept and released numbers for king, coho, and sockeye salmon, cutthroat *O. clarkii*, rainbow and steelhead trout *O. mykiss*, lake trout *Salvelinus namaycush*, Dolly Varden *S. malma*, Arctic grayling *Thymallus arcticus*, northern pike *Esox lucius*, sheefish *Stenodus leucichthys* and a category for the number of all other fish not already listed (Appendix D).

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Phone calls to the business owners and guides significantly improved the quality of the data, minimized reoccurring mistakes by the guide, increased compliance, and contributed to the outreach portion of this program. Logbook data entry staff contacted charter operators to resolve logbook reporting issues and to improve future reporting. These calls were intended to improve data quality and reinforce the message to the guide industry that logbook data are important and are consistently being reviewed. In 2006, 3,011 calls were made to operators, 1,415 in 2007 and 2,160 in 2008. Follow up phone calls have become a valuable outreach tool and will continue to be a standard procedure in the future.

Verification

Logbook data were compared to actual counts of harvested fish (verified) and to reported harvest data (unverified) from onsite interviews. These comparisons are ongoing and are part of a more comprehensive evaluation of logbook data quality (Meyer et al. 2008).

Two unique methods were used to conduct post-season verification of logbook data:

1. A comparison was made between logbook data and guided trip information collected from the Alaska Statewide Harvest Survey (SWHS; Jennings et al. 2007).
2. The data collected from the logbooks was compared to the data collected in the saltwater creel programs administered through ADF&G. Saltwater creel programs include the *Assessment of Recreational Halibut and Groundfish Harvest in Southcentral Alaska* program in Homer, the *Haines Marine Sport Fishery Harvest in Southeast Alaska*(Chapell *In prep*), and the *Harvest estimates for selected marine sport fisheries in Southeast Alaska* (Wendt and Jaenicke *In prep*).

RESULTS

GUIDE AND BUSINESS LICENSING

In 2006, 1,677 sport fishing businesses and 3,454 guides were licensed with ADF&G. In 2007, 1,695 businesses and 3,531 guides were licensed, and in 2008, 1,659 sport fishing businesses and 3,522 sport fishing guides were licensed with ADF&G to provide sport fishing services in Alaska. The total number of businesses and guides includes all saltwater and freshwater operators. Of the 1,659 sport fishing businesses licensed in 2008, 1,525 were combination owner/guide licenses. Physical addresses of both the businesses and guides in 2008 indicated that 90% of the businesses were Alaska residents, and 10% were from other residency strata (defined as nonresidents), 72% of the guides were residents and 28% were nonresidents.

The licensed businesses and guides were subtotaled by region for Southeast, Southcentral, and Other Alaska, including the Arctic-Yukon-Kuskokwim area and nonresident license applicants.

From 2006 through 2008, an average of 28% of the licensed businesses had physical addresses in Southeast, 57% in Southcentral, 5% had permanent addresses in other parts of Alaska, and 10% had nonresident addresses based on their license applications. From 2006 through 2008, an average of 22% of the licensed guides had permanent addresses in Southeast, while 47% in Southcentral, 4% in other parts of Alaska and 27% had nonresident addresses based on their license applications (Table 2).

Based on the submission of saltwater logbook data pages with trip information in 2006, 777 businesses provided saltwater services and 503 provided freshwater services, and 140 businesses

Table 3.–Number of active saltwater businesses and guides by region, 2006–2008.

	Active Businesses[a]			Active Guides[b]		
Region[c]	2006	2007	2008	2006	2007	2008
SE	439	430	429	881	873	860
SC	479	488	459	772	766	740
Total[d]	917	918	888	1,603	1,602	1,562

Note: Data are current as of 07/16/09.

[a] Business counts are based on the business number listed on the signout sheet of a logbook (this can be a business only or a combined business/guide license).

[b] Guide counts are based on the guide number written on each log page (this can be a guide only or a combined business/guide license).

[c] Region is based on the port of offloading, salmon stat area and bottomfish stat area.

[d] Total is not additive because a business or guide could operate in both areas. Includes businesses and guides that offered both saltwater and freshwater services.

Table 4.–Number of active freshwater businesses and guides by region, 2006–2008.

	Active Businesses[a]			Active Guides[b]		
Region[c]	2006	2007	2008	2006	2007	2008
SE	69	73	70	173	177	178
SC	528	528	512	1,224	1,272	1,305
AYK	71	68	69	194	224	222
Site code missing	0	4	7	0	4	7
Total[d]	643	645	630	1,518	1,581	1,636

Note: Data are current as of 07/16/09.

[a] Business counts are based on the business number listed on the signout sheet of a logbook (this can be a business only or a combined business/guide license).

[b] Guide counts are based on the guide number written on each log page (this can be a guide only or a combined business/guide license).

[c] Region is based on the site code provided for the site fished on each log page.

[d] Total is not additive because a business or guide could operate in both areas. Includes businesses and guides that offered both saltwater and freshwater services.

VESSELS

Saltwater

The number of vessels registered to provide saltwater sport fishing charter services was 1,671 in 2006, 1,666 in 2007, and 1,604 in 2008. A vessel, though registered, is not considered "active" unless that vessel was used on a guided trip as indicated by the submission of a logbook data page. Of the 1,671 saltwater vessels registered in 2006, 1,368 were active, of the 1,666 vessels registered in 2007, 1,409 were active, and in 2008 of the 1,604 registered vessels, 1,355 were active in saltwater. Based on the primary port of operation indicated at registration and port of offloading, 746 saltwater vessels operated in Southeast, 621 operated in Southcentral, and 1 vessel operated in both Southeast and Southcentral in 2006. In 2007, 768 saltwater vessels operated in Southeast, 641 operated in Southcentral, and 0 vessels operated in both Southeast and Southcentral. In 2008, 759 saltwater vessels operated in Southeast, 596 operated in Southcentral, and 0 vessels operated in both Southeast and Southcentral (Table 5).

Logbook data indicate that vessels will target all possible species; bottomfish, salmon and both during the course of a fishing season (Table 6).

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TRIPS

Saltwater

Logbook data indicate that 65,671 saltwater charter trips were conducted statewide in 2006, 67,152 trips were conducted in 2007, and 62,006 trips were conducted in 2008. During all three years, a majority of the trips that targeted salmon only occurred in Southeast, whereas, the majority of trips that targeted bottomfish only occurred in Southcentral. During the same three years, operators in Southeast conducted significantly more trips in which both salmon and bottomfish were targeted on the same trip. If a statistical area fished was not provided, no targeted species was assigned (Table 8).

Table 8.–Number of saltwater trips by targeted species by region, 2006–2008.

		Species Targeted[a]				
Year	Region[b]	Salmon[c]	Bottomfish[c]	Both[c]	No Statistical Area	Total
2006	SE	14,309	6,146	18,628	5	39,088
	SC	3,481	15,555	7,537	10	26,583
	Total	17,791	21,702	26,165	15	65,671
2007	SE	12,759	6,144	20,633	62	39,598
	SC	2,876	16,489	8,145	44	27,554
	Total	15,635	22,633	28,778	106	67,152
2008	SE	11,338	7,368	18,634	109	37,449
	SC	2,135	15,733	6,617	72	24,557
	Total	13,473	23,101	25,251	181	62,006

Note: Data are current as of 07/09/09.

[a] Species targeted is based on the provision of salmon and bottomfish statistical areas.

[b] Region is based on the port of offloading, and salmon or bottomfish statistical areas.

[c] The same vessel can make multiple trips targeting either salmon, bottomfish or both.

Freshwater

In 2006, 46,781 freshwater guided fishing trips were taken, 48,697 were taken in 2007, and 48,501 taken in 2008. On average, 84% of the freshwater trips took place in Southcentral, 10% in the Arctic-Yukon-Kuskokwim (AYK) area, and 6% in Southeast (Table 9).

Table 9.–Number of freshwater trips by region, 2006–2008.

	Region[a]			
Year	SE	SC	AYK	Total
2006	3,038	39,512	4,231	46,781
2007	3,256	40,543	4,898	48,697
2008	3,113	40,587	4,801	48,501

Note: Data are current as of 07/16/09.

[a] Region is based on the area code on the site code listed on each log page.

[b] Unknown means the record didn't have a site code listed, thus a region could not be determined.

Table 10.–Saltwater and freshwater trips and angler days by region, 2006–2008.

Year	Region[a]	Saltwater		Freshwater	
		Trips	Angler Days	Trips	Angler Days
2006	SE	39,088	154,549	3,038	11,464
	SC	26,583	175,695	39,512	125,055
	AYK	0	0	4,231	10,888
	Total	65,671	330,244	46,781	147,407
2007	SE	39,599	158,551	3,256	11,671
	SC	27,553	163,964	40,543	126,387
	AYK	0	0	4,898	12,262
	Total	67,152	322,515	48,697	150,320
2008	SE	37,449	150,793	3,113	10,730
	SC	24,557	146,717	40,587	126,596
	AYK	0	0	4,801	11,833
	Total	62,006	297,510	48,501	149,159

Note: Data are current as of 08/28/09.

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Table 13.–Saltwater salmon effort and harvest by region, 2007.

Region[a]	Type of Angler	Angler Days[b]	King salmon		Coho	Sockeye	Pink	Chum
			Large ≥ 28"	Small < 28"				
SE	Resident	1,892	1,332	13	2,454	4	545	97
	Nonresident	131,423	48,331	1,559	192,163	1,226	68,117	7772
	Comped	206	75	0	181	0	48	2
	Crew	193	27	0	122	8	10	3
	Unknown	476	70	4	576	3	233	32
	Total	134,190	49,835	1,576	195,496	1,241	68,953	7,906
SC	Resident	12,924	1,175	97	20,722	262	720	20
	Nonresident	45,803	6,947	468	70,041	1,196	3,846	204
	Comped	426	60	1	403	4	12	0
	Crew	579	4	0	131	0	8	0
	Unknown	267	15	0	473	1	33	0
	Total	59,999	8,201	566	91,770	1,463	4,619	224
Total	Resident	14,816	2,507	110	23,176	266	1,265	117
	Nonresident	177,226	55,278	2,027	262,204	2,422	71,963	7,976
	Comped	632	135	1	584	4	60	2
	Crew	772	31	0	253	8	18	3
	Unknown	743	85	4	1,049	4	266	32
	Total	194,189	58,036	2,142	287,266	2,704	73,572	8,130

Note: Data are current as of 07/09/09.

[a] Region is based on the port of offloading, salmon statistical area and bottomfish statistical area.

[b] Angler days totals all anglers who fished on a day when a salmon statistical area was entered, plus angler days where an angler harvested a salmon when a bottomfish statistical area was provided.

Table 14.–Saltwater bottomfish effort and harvest by region, 2007.

Region[a]	Type of Angler	Angler Days[b]	Halibut	Lingcod	Rockfish			Salmon Shark
					Pelagic	Yelloweye	Other Non-Pelagic	
SE	Resident	1,747	2,204	159	535	229	286	0
	Nonresident	109,487	120,798	8,429	46,267	19,155	18,078	54
	Comped	176	138	11	48	11	13	0
	Crew	227	79	9	28	18	11	0
	Unknown	314	352	8	92	41	73	0
	Total	111,951	123,571	8,616	46,970	19,454	18,461	54
SC	Resident	34,979	60,016	3,343	11,210	2,475	963	94
	Nonresident	113,337	193,271	11,044	40,488	6,601	2,529	95
	Comped	1,064	1,553	98	393	63	22	0
	Crew	1,166	259	21	60	12	4	0
	Unknown	518	803	66	179	39	8	1
	Total	151,064	255,902	14,572	52,330	9,190	3,526	190
Total	Resident	36,726	62,220	3,502	11,745	2,704	1,249	94
	Nonresident	222,824	314,069	19,473	86,755	25,756	20,607	149
	Comped	1,240	1,691	109	441	74	35	0
	Crew	1,393	338	30	88	30	15	0
	Unknown	832	1,155	74	271	80	81	1
	Total	263,015	379,473	23,188	99,300	28,644	21,987	244

Note: Data are current as of 07/09/09.

[a] Region is based on the port of offloading, bottomfish statistical area and salmon statistical area.

[b] Angler days totals all anglers who fished on a day when a bottomfish statistical area was entered, plus angler days where an angler harvested a bottomfish when a salmon statistical area was provided.

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Table 17.–Freshwater effort and harvest by region, 2006.

Region[a]	Type of Angler	Angler Days	Number Kept							
			King	Coho	Sockeye	Cutthroat	Rainbow	Steelhead	Grayling	Dolly Varden
SE	Resident	106	4	41	30	3	0	0	0	2
	Nonresident	10,970	174	6,849	2,132	109	19	4	25	621
	Crew	179	15	103	91	1	0	0	0	1
	Unknown	209	0	178	21	0	0	0	0	7
	Total	11,464	193	7,171	2,274	113	19	4	25	631
SC	Resident	9,742	2,529	2,467	1,145	0	73	1	0	153
	Nonresident	111,956	20,988	40,480	26,207	6	1426	19	321	1961
	Crew	2,123	55	548	276	1	6	2	0	56
	Unknown	1,234	231	641	448	0	7	0	3	38
	Total	125,055	23,803	44,136	28,076	7	1,512	22	324	2,208
AYK	Resident	883	389	77	255	0	4	0	23	45
	Nonresident	9,573	1,786	3,277	1,013	0	23	0	184	535
	Crew	291	7	5	55	0	0	0	0	14
	Unknown	141	16	79	30	0	0	0	3	0
	Total	10,888	2,198	3,438	1,353	0	27	0	210	594
Total	Resident	10,731	2,922	2,585	1,430	3	77	1	23	200
	Nonresident	132,499	22,948	50,606	29,352	115	1,468	23	530	3,117
	Crew	2,593	77	656	422	2	6	2	0	71
	Unknown	1,584	247	898	499	0	7	0	6	45
	Total	147,407	26,194	54,745	31,703	120	1,558	26	559	3,433

Note: Data are current as of 07/10/09.

[a] Region is based on the SWHS area listed as the first character in the site code.

Table 19.–Freshwater effort and harvest by region, 2008.

Region[a]	Type of Angler	Angler Days	Number Kept										
			King	Coho	Sockeye	Cutthroat	Rainbow	Steelhead	Lake Trout	Grayling	Dolly Varden	Pike	Sheefish
SE	Resident	320	16	136	11	5	0	1	0	1	4	0	0
	Nonresident	10,143	69	5,686	1,069	20	7	1	0	0	586	0	0
	Comped	19	0	10	1	0	0	0	0	0	3	0	0
	Crew	197	7	94	4	0	0	0	0	0	4	0	0
	Unknown	51	0	5	2	0	0	0	0	0	5	0	0
	Total	10,730	92	5,931	1,087	25	7	2	0	1	602	0	0
SC	Resident	11,059	2,096	3,388	1,459	0	55	0	3	4	143	179	0
	Nonresident	113,089	16,967	47,724	30,937	0	614	9	159	254	1925	290	1
	Comped	299	38	97	59	0	0	0	0	0	12	3	0
	Crew	1,306	36	344	143	0	3	0	1	1	44	24	0
	Unknown	843	175	243	208	0	2	0	1	0	9	0	0
	Total	126,596	19,312	51,796	32,806	0	674	9	164	259	2,133	496	1
AYK	Resident	860	285	45	46	0	11	0	2	17	14	17	6
	Nonresident	10,828	1,569	2,676	573	0	57	2	3	61	404	52	54
	Comped	7	3	12	2	0	0	0	0	0	3	0	0
	Crew	112	8	30	26	0	10	0	0	5	10	0	0
	Unknown	26	5	0	1	0	0	0	0	0	0	0	0
	Total	11,833	1,870	2,763	648	0	78	2	5	83	431	69	60
Total	Resident	12,239	2,397	3,569	1,516	5	66	1	5	22	161	196	6
	Nonresident	134,060	18,605	56,086	32,579	20	678	12	162	315	2,915	342	55
	Comped	325	41	119	62	0	0	0	0	0	18	3	0
	Crew	1,615	51	468	173	0	13	0	1	6	58	24	0
	Unknown	920	180	248	211	0	2	0	1	0	14	0	0
	Total	149,159	21,274	60,490	34,541	25	759	13	169	343	3,166	565	61

Note: Data are current as of 07/10/09.

[a] Region is based on the SWHS area listed as the first character in the site code.

likely make the weekly reporting requirement more palatable knowing that the data would be more immediately available.

In 2010, a field test of the redesigned saltwater logbooks will be conducted to test the new scannable saltwater logbook data page and scanning software. Upon review of the test data pages and likely adjustments to the design, it is hoped that this new design will be fully adopted and implemented by 2011.

Preliminary results from verification studies comparing the accuracy of logbook harvest data with the statewide harvest survey estimates, and onsite creel programs are favorable. Logbook data will continue to be compared to counts from those two programs. Comparisons are ongoing and are part of a more comprehensive evaluation of logbook data quality. Logbook halibut data has been used extensively. Saltwater and freshwater logbook data have also been used for a variety of regulatory analyses for state managed species.

ACKNOWLEDGEMENTS

Southeast and Southcentral regional and area staff, especially numerous front counter personnel, have been critical to the success of the ADF&G sport fishing guide and business licensing and logbook program. The above staff along with Rob Bentz, Bob Chadwick and Mike Jaenicke from Southeast, Scott Meyer, Matt Miller and Tom Vania from Southcentral, and Tom Taube from Fairbanks have also provided valuable comments during the process of registration and logbook form design.

Doug Vincent-Lang has provided valuable insight on the history of the program and facilitated numerous discussions with NOAA and IPHC. Bob Clark's thoughtful insight and direction has been very much appreciated. We also acknowledge the expertise and infinite patience exhibited by Joanne MacClellan in preparing this report. Her knowledge and willingness to assist is invaluable.

Kirk Brogdon of the division's Research and Technical Services section deserves considerable credit for designing and implementing efficient information management systems for data capture, cleaning, storage, and reporting. These systems, accessible via the division's Intranet, allowed area staff statewide to query the most up-to-date registration and logbook databases via their Internet browser.

Kathy Kush should be acknowledged for her incredible skills in streamlining the licensing process and making sure that all license applications are processed in a timely manner that has allowed the guides and businesses to start operation without delay.

Margaret Nussbaum, Diane Novinska, Jennifer Bond, Mary Yanagawa and several seasonal technicians deserve credit for receiving, entering, and filing the licensing and logbooks forms. With their perseverance, we met reporting deadlines that seemed nearly impossible with available staffing and workloads.

We also acknowledge the cooperation of the thousands of sport fishing guides and sport fishing businesses that licensed and completed their logbooks in a timely and compliant manner.

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APPENDIX A
SPORT FISH BUSINESS OWNER/GUIDE LICENSE APPLICATION

2007 SPORT FISH BUSINESS OWNER/GUIDE LICENSE

License #

Alaska Department of Fish and Game / Division of Sport Fish - RTS
333 Raspberry Road, Anchorage, Alaska 99518-1599
Telephone: (907) 267-2369 or (907) 267-2390
http://www.sf.adfg.state.ak.us/statewide/Guides/guide.cfm

CHECK ONE: *All fees are nonrefundable*

- ☐ $50.00 Guide Only License
- ☐ $100.00 Business Only License
- ☐ $100.00 Combined Business/Guide License
- ☐ $50.00 Guide Only Upgrade to Combination Business/Guide License

METHOD OF PAYMENT:

- ☐ Check # : _____ Make checks payable to State of Alaska
- ☐ Money Order #: _____
- ☐ Cash *(Anchorage, Juneau, Fairbanks offices ONLY)*
- ☐ Credit Card *(Anchorage, Juneau, Fairbanks offices ONLY or Internet)*

LICENSE MUST BE STAMPED BY ADF&G TO BE VALID

This is a temporary license good for 14 business days after date signed by Dept Representative

SEE REVERSE FOR INSTRUCTIONS

SECTION A: TO BE FILLED OUT BY ALL APPLICANTS

Name of Business Owner or Guide: _____ (Last) _____ (First) _____ (M.I.)
Permanent Mailing Address : _____ (City) _____ (State) _____ (Zip)
Telephone Number: (___) _____ In-season Telephone Number: (___) _____
e-mail address if available: _____

SECTION B: TO BE FILLED OUT BY THE BUSINESS OWNER OR THEIR AGENT

BUSINESS INFORMATION:
Name of Business: _____
Name of Business Owner: _____
Alaska Div. of Occupational Business License Number: _____ Expiration Date: _____
INSURANCE: *See detailed insurance requirements on back.*
Name of Insurance Company: _____
Policy/Binder #: _____ Effective Dates: From: _____ To: _____
Remember to get a logbook for your business at the nearest ADF&G office prior to commencement of guiding activities.

SECTION C: TO BE FILLED OUT BY THE GUIDE OR THEIR AGENT

Are you a citizen of the United States, Canada, Mexico or a resident alien? Yes ☐ No ☐
Current First Aid card: Certifying agency: _____ Exp. Date: Mo: ____ Yr: ____
2007 Alaska Sport Fishing License # (not your Guide License #): _____
U.S. COAST GUARD OPERATOR'S LICENSE: *(See explanation on back)*
Do you plan to operate a motorized vessel in Navigable Waters? Yes ☐ No ☐ If yes, complete the next line.
U. S. Coast Guard Operator's License #: _____ Expiration Date: _____

SIGNATURE OF BUSINESS OWNER/AGENT or GUIDE:
I hereby certify that all information is true and correct and that I understand this information is subject to public disclosure.
X _____ Circle one: Applicant or Agent Date: _____

This temporary license must be signed and stamped by an ADF&G employee and in your possession before guiding activities begin. Keep this temporary license while operating until your permanet wallet-sized card arrives. Allow up to 14 business days.

Name of ADF&G Representative *(print)* _____ Place of Issue _____
Signature _____ Date _____

Appendix A2.–Sport fish business owner/guide license application, 2007.

INSTRUCTIONS FOR THE 2008 SPORT FISH BUSINESS OWNER/ GUIDE LICENSE APPLICATION

Attention: ***The following will apply without exception:***

1. **All applicable sections of the license application must be complete and legible prior to ADF&G validation. No "pending", "unknowns," or blanks will be accepted.**
2. **Incomplete license applications will be returned, resulting in a processing delay.**
3. **A signature is required.**
4. **This is a license application only. A *permanent* license will be mailed within 21 business days.**
5. **There may be requirements by other state and federal agencies to operate as a guide in Alaska.**

INSTRUCTIONS:

SECTION A: ALL applicants must complete this section.

SECTION B: BUSINESS OWNER OR THEIR AGENT - Complete this section if you are the owner/agent of the sport fishing business. This section should be filled out even if the owner does not intend to personally guide clients. An agent for this business CANNOT apply as a guide on the same application. A seperate license application must be submitted.

LIABILITY INSURANCE REQUIREMENT: General liability or marine protection that covers at least $100,000 for each incident and $300,000 for all incidents in a year. Insurance must cover **ALL** periods of time when the owner or owner's employees are providing sport fishing services to clients. Insurance must be current, **NOT** pending.

IMPORTANT NOTICE TO BUSINESS OWNERS

State regulation (5 AAC 75.075) requires that all operators providing sport fishing guide services in Alaska must apply annually for a license with the Department of Fish and Game ***before*** guiding services begin. Business owners are required to register all charter vessels with ADF&G and acquire a logbook prior to commencement of guiding activities. *Guides hired by an operator must keep a copy of the business license in their possession while guiding.*

SECTION C: GUIDES - Complete this section if you intend to guide for a sport fish operation owned by someone other than you or if you are the business owner who also intends to guide (owner/operator).

U.S. COAST GUARD OPERATOR'S LICENSE: A licensed sport fish guide must have, at minimum, an OUPV or 6-pak U.S.C.G. operator's license in their possession while operating a motorized vessel with clients or transporting clients on a motorized vessel in navigable waters. Navigable waters are determined by the U.S. Coast Guard. Applicant must provide the U.S.C.G. license number, expiration date and date of birth (DOB).

IMPORTANT NOTICE TO GUIDES

State regulation (5 AAC 75.075) requires that all licensed guides providing sport fishing guide services in Alaska must apply annually for a license with the Department of Fish and Game ***before*** guiding activities begin.

WHAT A GUIDE MUST HAVE IN POSSESSION WHILE GUIDING

A sport fish business owner or guide should be able to present all documents required for licensing upon request by a representative of the department of fish and game, or any peace officer of the state. While engaged in providing sport fishing guide services, a sport fishing guide shall have the following readily available for inspection:

- A current sport fishing guide license;
- A copy of the current ADF&G sport fishing business license of the guide's employer;
- A current Alaska sport fishing license, tags, stamps or permits that are required to engage in the sport fishery for which the guide services are providing;
- An identification card issued to the sport fishing guide by a state or federal agency that bears a photo of the sport fishing guide.

Appendix A3.–Page 2 of 2.

APPENDIX B
VESSEL REGISTRATION FORMS, DECALS AND TAGS

LOGBOOK NO.

2008 FRESHWATER SPORT FISH GUIDE

Vessel Registration

NOTE TO ADF&G REPRESENTATIVE

Confirm that the vessel information requested on the bottom of this page is complete. Every vessel that this business is intending to operate while providing sport fishing guided services, must be recorded.

Attach the white (top) copy of this page to the sign-out sheet, whether or not there are registered vessels. Mail the sign-out sheet and the vessel registration page to the Anchorage ADF&G RTS office.

REGISTERING YOUR VESSEL(S)

For each vessel you plan to use to conduct sport fishing guided activities, please fill out the information below.

If a vessel is newly purchased, leased or borrowed at anytime during the guiding season, it must have a current AK Number. or a U.S.C.G. documentation number. If a vessel is added midseason, add it to the (pink) portion of this page and turn it in with your final logbook data sheet.

For purposes of vessel registration, vessels are defined as: **rafts, canoes, motorized and nonmotorized water vehicles.**

Single person float tubes are exempt from registration.

See page iv for detailed information on vessel registration.

VESSEL AK # (DMV) OR U.S.C.G. VESSEL DOCUMENTATION NO.	PRIMARY AK DRAINAGE/COMMUNITY THE VESSEL WILL OPERATE OUT OF IN 2008

Continue on another sheet if you have more vessels. Transfer the business name and logbook number onto that extra sheet.

Appendix B2.–Freshwater sport fish guide vessel registration form, 2008.

APPENDIX C
SALTWATER LOGBOOK FORMS

1412

ALASKA DEPARTMENT OF FISH & GAME SALTWATER SPORT FISHING CHARTER TRIP LOGBOOK. LOGBOOK NO:
333 RASPBERRY RD., ANCHORAGE, ALASKA 99518. QUESTIONS: CALL (907) 267-2359.

COMPLETE THIS SECTION FOR EVERY TRIP

INSTRUCTIONS: Complete one row below for each client and crew who fished on this trip.

BUSINESS AND VESSEL INFORMATION

- 2006 ADF&G BUSINESS OWNER LICENSE #: _____ (License assigned to you by ADF&G).
- 2006 ADF&G GUIDE LICENSE #: _____ (If same as Business Owner license #, write down same #).
- VESSEL AK. OR U.S.C.G #: _____

TRIP INFORMATION

- DATE OF OFF-LOADING: MO: _____ DAY: _____ , 2006. (Date that fish or clients were offloaded from vessel).
- PORT OR SITE OF OFF-LOADING: _____ (Port or Site where fish or clients were off-loaded from vessel).
- TOTAL NO. CLIENTS ON THE VESSEL: _____ (Include those that did not fish).
- PRIMARY STAT AREA, NO. OF RODS FISHED & BOAT HOURS:

Targeted Species	Primary Stat. Area where most fish were caught. (6-digit Code)	Max. no. of Rods Fished	No. of Boat Hours Fished this Trip
Salmon			
Bottomfish			

- DAY NO. _____ OF _____ . (NO. OF CALENDAR DAYS FOR A MULTI-DAY TRIP).
- PAGE NO. _____ OF _____ . (TOTAL NO. OF PAGES FOR THIS TRIP).

RETURN LOGBOOK/REPORTS WEEKLY

- LOGBOOK TRIP REPORTS MUST BE COMPLETED AFTER EACH TRIP BEFORE OFF-LOADING ANY CLIENTS OR FISH. (SEE PG. ## FOR NO DOCKING FACILITIES)
- RETURN COMPLETED TRIP SHEETS PER THE WEEKLY SCHEDULE PRINTED ON THE INSIDE OF THE FRONT COVER.
- LOGBOOK TRIP SHEETS MUST BE RECIEVED BY ADF&G OFFICES OR POSTMARKED BY THE DATE SPECIFIED ON THE SCHEDULE WITHIN THIS LOGBOOK.

Form 11-340 (01-2006)

INDIVIDUAL ANGLER AND CATCH INFORMATION

Sport Fishing License Number of each Client and Crew Fishing OR Record those anglers under 16 as "Youth Angler"(#1, #2 etc.)	Circle next to each license if Resident, Nonresident, or Crew	Number of King Salmon: 28" and Larger (Kept, Rels)	Number of King Salmon: "Shakers" Less Than 28" (Kept, Rels)	Number of Other Salmon: Coho (Kept, Rels)	Number of Other Salmon: Sockeye (Kept)	Number of Other Salmon: Pink (Kept)	Number of Other Salmon: Chum (Kept)	Number of Halibut (Kept, Rels)	Number of Lingcod (Kept, Rels)	Number of Pelagic Rockfish (Black bass, etc.) (Kept, Rels)	Number of Yelloweye Rockfish (Kept, Rels)	Number of Nonpelagic Rockfish not including Yelloweye (Kept, Rels)	Number of Salmon Shark (Kept, Rels)	All Other Fish (optional) (Kept)
		Salmon						Bottomfish						
	R C													
	R C													
	R C													
	R C													
	R C													
	R C													
	R C													
	R C													
	R C													
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	R C													
	R C													

CERTIFICATION I certify that all information contained in this document is true and correct to the best of my knowledge. X (GUIDE SIGNATURE)

CONTINUE ON NEXT PAGE IF MORE ANGLERS OR TRIPS.

1

Appendix C1.–Page 2 of 2.

ALASKA DEPARTMENT OF FISH & GAME SALTWATER SPORT FISHING CHARTER TRIP LOGBOOK
333 RASPBERRY RD., ANCHORAGE, ALASKA 99518. QUESTIONS: CALL (907) 267-2369.

LOGBOOK NO:

COMPLETE THIS SECTION FOR EVERY TRIP

BUSINESS AND VESSEL INFORMATION

⇨ 2007 FISH & GAME BUSINESS OWNER LICENSE #: _____
(License # assigned to you by ADF&G)

⇨ 2007 FISH & GAME GUIDE LICENSE #: _____
(If same as Business Owner license #, write down same #).

TRIP INFORMATION

⇨ DATE FISHED: MO: _____ DAY: _____, 2007.

⇨ PORT OR COMMUNITY OF OFF-LOADING: _____
(Port or Community where fish or effects were off-loaded from vessel).

⇨ TOTAL NO. PAYING CLIENTS ON THE VESSEL: _____
(Include all paying clients, even those that did not fish and those who did not catch anything).
(DO NOT include "owners" anglers and crew members that fished).

⇨ PRIMARY STAT AREA & BOAT HOURS:

Targeted Species	Primary Stat. Area where most fish were caught. (6-digit Code)	No. of Boat Hours Fished this Trip
Salmon		
Bottomfish		

⇨ PAGE NO. _____ OF _____. (TOTAL NO. OF PAGES FOR THIS TRIP)

RETURN LOGBOOK/REPORTS WEEKLY

⇨ RETURN COMPLETED TRIP SHEETS FOR THE WEEKLY SCHEDULE PRINTED ON THE INSIDE OF THE FRONT COVER.

⇨ LOGBOOK TRIP SHEETS MUST BE RECEIVED BY ADF&G OFFICES OR POSTMARKED BY THE DATE SPECIFIED ON THE SCHEDULE WITHIN THE INSIDE FRONT COVER THIS LOGBOOK.

Form 11-540 (01-2007)

INSTRUCTIONS: Complete one row below for each client, non paying angler, and crew, who fished on this trip.

INDIVIDUAL ANGLER AND CATCH INFORMATION

Sport Fishing License Number of each Client, Non Paying angler, and Crew THAT FISHED AND Record those anglers under 16 as "Youth Angler"(#1, #2 etc.).	Circle Halibut to each License # Resident, Nonresident, R for "Charter" or Crew	Number of King Salmon: 28" and Larger (Kept, Rels.)	Number of King Salmon: "Stickers" Less Than 28" (Kept, Rels.)	Number of Other Salmon: Coho (Kept, Rels.)	Number of Other Salmon: Sockeye (Kept)	Number of Other Salmon: Pink (Kept)	Number of Other Salmon: Chum (Kept)	Number of Halibut (Kept, Rels.)	Number of Lingcod (Kept, Rels.)	Number of Pelagic Rockfish (black bar, etc.) (Kept, Rels.)	Number of Yelloweye Rockfish (Kept, Rels.)	Number of Nonpelagic Rockfish (all including Yelloweye) (Kept, Rels.)	Number of Salmon Shark (Kept)	All Other Fish (Kept)
	R N X													
	R N X													
	R N X													
	R N X													
	R N X													
	R N X													
	R N X													
	R N X													
	R N X													
	R N X													
	R N X													

CERTIFICATION: I certify that the information contained in this document is true, complete, and correct to the best of my knowledge.

X _____ GUIDE SIGNATURE

CONTINUE ON NEXT PAGE IF MORE THAN 12 ANGLERS.

Appendix C2.–Page 2 of 2.

1415

ALASKA DEPARTMENT OF FISH & GAME 2008 SALTWATER SPORT FISHING CHARTER TRIP LOGBOOK. LOGBOOK NO:
333 RASPBERRY RD., ANCHORAGE, ALASKA 99518. QUESTIONS: CALL (907) 267-2369.

COMPLETE THIS SECTION FOR EVERY TRIP

⇨ 2008 FISH & GAME BUSINESS OWNER LICENSE #: _____
(License # assigned to you by ADF&G)

⇨ 2008 FISH & GAME GUIDE LICENSE #: _____

TRIP INFORMATION

⇨ DATE FISHED: MO: _____ DAY: _____, 2008.

⇨ PORT OR COMMUNITY WHERE FISHING TRIP BEGAN: _____
(Port or Community where clients were loaded and trip began)

⇨ PORT OR COMMUNITY OF OFF-LOADING: _____
(Port or Community where fish or clients were off-loaded from vessel)

⇨ TOTAL NO. PAYING CLIENTS ON THE VESSEL: _____
(include ALL paying clients, even those that did not fish and those who did not catch anything)
DO NOT include "comped" anglers and crew members that fished)

⇨ PRIMARY STAT AREA & BOAT HOURS:

Targeted Species	Primary Stat. Area where most fish were caught. (6-digit Code)	No. of Boat Hours Fished this Trip
Salmon		
Bottomfish		

COMPLETE THE FOLLOWING FOR ALL TRIPS

Circle the IPHC Area Fished if HALIBUT were Kept during this trip: 2C 3A 3B or 4 (Circle Only One)

If HALIBUT were kept in more than one IPHC area during this trip, a separate logbook data sheet must be used for each IPHC area fished.

⇨ PAGE NO. _____ OF _____ (TOTAL NO. OF PAGES FOR THIS TRIP)

Form 11-348 (01-2008)

INSTRUCTIONS: Complete one row below for each angler who fished on this trip.

INDIVIDUAL ANGLER AND CATCH INFORMATION

Sport Fishing License Number AND printed name of each angler that fished OR Record those anglers under 16 by Birthdate (e.g., 8/28/1988) and First & Last Name.	Circle next to each License if Resident, Nonresident, X for "Comped" or Crew	Number of King Salmon: 28" and Longer Kept	Number of King Salmon: 28" and Longer Rel.	Number of King Salmon: "Shakers" (Less Than 28") Kept	Number of King Salmon: "Shakers" (Less Than 28") Rel.	Number of Other Salmon: Coho Kept	Number of Other Salmon: Coho Rel.	Number of Other Salmon: Sockeye Kept	Number of Other Salmon: Pink Kept	Number of Other Salmon: Chum Kept	Number of Halibut: 1 Fish Kept / 2 Fish / 3 Fish	Number of Halibut Kept	Number of Halibut Rel.	Number of Lingcod Kept	Number of Lingcod Rel.	Number of Pelagic Rockfish (black bass, etc.) Kept	Number of Pelagic Rockfish (black bass, etc.) Rel.	Number of Yelloweye Rockfish Kept	Number of Yelloweye Rockfish Rel.	Number of Nonpelagic Rockfish (excluding Yelloweye) Kept	Number of Nonpelagic Rockfish (excluding Yelloweye) Rel.	Number of Salmon Shark Kept	ALL Other Fish Caught
		SALMON									BOTTOMFISH													
1. LICENSE NUMBER	R N X																							
2. LICENSE NUMBER	R N X																							
3. LICENSE NUMBER	R N X																							
4. LICENSE NUMBER	R N X																							
5. LICENSE NUMBER	R N X																							
6. LICENSE NUMBER	R N X																							
7. LICENSE NUMBER	R N X																							
8. LICENSE NUMBER	R N X																							

CONTINUE ON NEXT PAGE IF MORE THAN 8 ANGLERS.

CHECK IF TRIP INFORMATION IS CONTINUED ON NEXT PAGE: ☐

1

CERTIFICATION: I certify that the information contained in this document is true and correct to the best of my knowledge. X GUIDE SIGNATURE

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Appendix C3.–Page 2 of 2.

APPENDIX D
FRESHWATER LOGBOOK FORMS

1416

Alaska Department of Fish & Game

Freshwater Sport Fish Trip Logbook

LOG BOOK #

333 RASPBERRY ROAD, ANCHORAGE, AK 99518 • QUESTIONS: (907) 267-2369

Logbook pages must be received at ADF&G offices (or postmarked) by the date specified on the inside cover.

RIVER / STREAM / LAKE (SPECIFY) _____ OF _____ TOTAL PAGES FOR THIS TRIP

SITE CODE _____ DATE _____

GUIDE LICENSE # _____ * WRITE-IN OTHER SPECIES HERE _____

SPORTFISH LICENSE #		SALMON			TROUT			OTHER		
List for each person fishing. Anglers under 16, enter as "Youth #1," etc.	KEPT / RELEASED	KING	COHO	SOCKEYE	CUTTHROAT	RAINBOW	STEELHEAD	A. GRAYLING	D.VARDEN	*
CIRCLE APPROPRIATE STATUS: NON-RESIDENT RESIDENT CREW										
N R C	K									
	R									
N R C	K									
	R									
N R C	K									
	R									
N R C	K									
	R									
N R C	K									
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N R C	K									
	R									
N R C	K									
	R									

GUIDE SIGNATURE: I CERTIFY THIS DOCUMENT IS CORRECT TO THE BEST OF MY KNOWLEDGE.

Appendix D1.–Page 2 of 2.

Alaska Department of Fish & Game

2007 Freshwater Sport Fish Trip Logbook

RETURN TO: 333 RASPBERRY ROAD, ANCHORAGE, AK 99518 • QUESTIONS: (907) 267-2369

LOGBOOK NO. _____

TRIP INFORMATION

ADF&G GUIDE LICENSE #: _____

DATE FISHED: _____ (Month) _____ (Day), 2007

RIVER/STREAM/LAKE (SPECIFY)

SITE CODE *(REFER TO SITE CODE LIST)*

PAGE NO. _____ OF _____

TOTAL NO OF PAGES FOR THIS TRIP

* WRITE IN OTHER SPECIES HERE

Sport Fish License Number of each Client, Nonpaying angler, and Crew THAT FISHED AND Record all those anglers under 16 as "Youth Angler" (#1, #2 etc.)	Circle next to each License if Resident, Nonresident, X for "Comped" or Crew	KEPT / RELEASED	SALMON			TROUT				OTHER				
			KING	COHO	SOCKEYE	CUTTHROAT	RAINBOW	STEELHEAD	LAKE TROUT	DOLLY VARDEN	ARCTIC GRAYLING	NORTHERN PIKE	SHEEFISH	*
	R N X G	K												
		R												
	R N X G	K												
		R												
	R N X G	K												
		R												
	R N X G	K												
		R												
	R N X G	K												
		R												
	R N X G	K												
		R												

CERTIFICATION - I certify that the information contained in this document is true and correct to the best of my knowledge.

X GUIDE SIGNATURE

CONTINUE ON NEXT PAGE IF MORE THAN 6 ANGLERS.

RETURN WHITE COPY TO ADF&G

Appendix D2.–Page 2 of 2.

Alaska Department of Fish & Game

2008 Freshwater Sport Fish Trip Logbook

RETURN TO: 333 RASPBERRY ROAD, ANCHORAGE, AK 99518 - QUESTIONS: (907) 267-2369

LOGBOOK NO. _____

TRIP INFORMATION

ADF&G GUIDE LICENSE #: _____

DATE FISHED: _____ (Month) _____ (Day), 2008

_____ RIVER / STREAM / LAKE (SPECIFY)

_____ SITE CODE *(REFER TO SITE CODE LIST)*

PAGE NO. _____ OF _____

TOTAL NO OF PAGES FOR THIS TRIP ↑

_____ * WRITE IN OTHER SPECIES HERE

Sport Fish License Number of each Client, Nonpaying angler, and Crew THAT FISHED AND Record all those anglers under 16 as "Youth Angler" (#1, #2 etc.)	Circle next to each License if Resident, Nonresident, X for "Comped" or C for Crew	KEPT / RELEASED	SALMON: KING	SALMON: COHO	SALMON: SOCKEYE	TROUT: CUTTHROAT	TROUT: RAINBOW	TROUT: STEELHEAD	TROUT: LAKE TROUT	OTHER: DOLLY VARDEN	OTHER: ARCTIC GRAYLING	OTHER: NORTHERN PIKE	OTHER: SHEEFISH	OTHER: *
	R N X C	K					KEPT							
		R				RELEASED								
	R N X C	K					KEPT							
		R				RELEASED								
	R N X C	K					KEPT							
		R				RELEASED								
	R N X C	K					KEPT							
		R				RELEASED								
	R N X C	K					KEPT							
		R				RELEASED								
	R N X C	K					KEPT							
		R				RELEASED								

CERTIFICATION: I certify that the information contained in this document is true and correct to the best of my knowledge.

X _____ GUIDE SIGNATURE

CONTINUE ON NEXT PAGE IF MORE THAN 6 ANGLERS.

RETURN WHITE COPY TO ADF&G

Appendix D3.–Page 2 of 2.

APPENDIX E
ADF&G COMMISSIONER STATEMENT

APPENDIX F
SALTWATER LOGBOOK SUMMARIES BY AREA AND PORT OF OFFLOADING

1421

Appendix F2.–Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2006.

Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Angler Days	King Salmon ≥ 28"		King Salmon < 28"		Coho		Sockeye	Pink	Chum
						Kept	Released	Kept	Released	Kept	Released	Kept	Kept	Kept
J	Cordova	9	12	203	857	0	0	0	0	492	296	5	122	111
J	Seward	102	142	5,439	42,681	1,057	57	176	90	44,892	422	126	1,163	39
J	Valdez	44	50	1,832	9,992	52	5	35	24	12,647	257	31	552	14
J	Whittier	28	30	637	3,247	8	8	8	3	900	36	156	113	20
J	Other	5	7	96	500	0	0	0	0	463	59	1	24	4
P	Anchor Point	48	53	1,682	10,137	623	23	20	6	737	5	24	422	7
P	Deep Creek	89	114	4,233	27,109	1,146	71	47	9	143	0	6	63	1
P	Homer	167	196	7,476	58,222	2,162	103	135	67	6,079	88	89	1,666	55
P	Ninilchik	20	24	511	2,924	176	12	2	0	5	0	2	7	3
P	Seldovia	7	7	140	803	5	0	1	0	79	3	1	38	4
P	Other	10	22	626	2,286	372	17	21	0	633	83	1	27	0
Q	Anton Larsen Bay	8	8	62	313	153	1	1	1	18	0	0	10	0
Q	Kodiak	35	35	1,155	6,258	2,693	49	118	30	3,120	101	26	821	14
Q	Larsen Bay	9	20	520	2,104	109	33	3	18	1,787	278	20	63	19
Q	Old Harbor	4	9	368	1,317	723	57	6	3	678	21	7	68	18
Q	Port Lions	9	9	350	1,512	897	34	28	10	892	300	5	65	5
Q	Ugak Bay	4	5	68	354	79	2	0	0	130	28	0	18	1
Q	Other	26	40	783	2,893	204	56	35	9	2,729	517	338	239	11
R	Other	11	14	175	636	2	0	0	0	65	28	1	4	3
	Other SC	4	8	227	1,550	2	0	0	0	882	10	0	67	1
SC Total		479	622	26,583	175,695	10,463	528	636	270	77,371	2,532	839	5,552	330

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F3.–Saltwater logbook salmon participation, effort, kept and released by region, statewide, 2006.

Region	Businesses	Vessels	Trips	Angler Days	King Salmon ≥ 28"		King Salmon < 28"		Coho		Sockeye	Pink	Chum
					Kept	Released	Kept	Released	Kept	Released	Kept	Kept	Kept
SE Total	439	747	39,088	154,549	56,548	12,855	1,062	12,184	135,830	3,624	898	27,456	2,643
SC Total	479	622	26,583	175,695	10,463	528	636	270	77,371	2,532	839	5,552	330
Total	917	1,368	65,671	330,244	67,011	13,383	1,698	12,454	213,201	6,156	1,737	33,008	2,973

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

Appendix F5.–Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2006.

										Rockfish							
					Angler	Halibut		Lingcod		Pelagic		Yelloweye		Other Non-Pelagic		Salmon Shark	
Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Days	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
J	Cordova	9	12	203	857	581	325	123	109	302	76	127	23	83	2	2	9
J	Seward	102	142	5,439	42,681	47,866	26,680	4,327	3,683	19,924	4,446	3,898	182	1,691	373	15	34
J	Valdez	44	50	1,832	9,992	9,335	8,575	1,830	1,223	1,480	122	1,349	124	310	39	171	58
J	Whittier	28	30	637	3,247	3,724	2,805	324	228	505	77	753	20	340	27	8	4
J	Other	5	7	96	500	501	248	18	15	94	40	99	4	70	7	5	1
P	Anchor Point	48	53	1,682	10,137	18,525	21,212	225	212	66	19	47	4	7	0	2	15
P	Deep Creek	89	114	4,233	27,109	49,889	64,178	32	6	11	0	9	0	2	0	2	7
P	Homer	167	196	7,476	58,222	102,442	171,735	2,362	1,391	4,288	1,474	814	54	311	126	4	161
P	Ninilchik	20	24	511	2,924	5,361	5,522	0	0	0	0	0	0	0	0	9	0
P	Seldovia	7	7	140	803	1,297	1,189	34	25	15	12	36	1	0	2	1	13
P	Other	10	22	626	2,286	3,315	4,411	1	50	33	210	1	0	0	0	0	0
Q	Anton Larsen Bay	8	8	62	313	505	379	0	1	10	64	0	0	0	0	0	0
Q	Kodiak	35	35	1,155	6,258	9,141	5,356	619	133	4,182	1,719	148	4	100	37	1	13
Q	Larsen Bay	9	20	520	2,104	2,710	6,830	68	93	545	119	54	0	30	0	2	3
Q	Old Harbor	4	9	368	1,317	1,323	772	60	19	558	227	177	5	52	2	0	0
Q	Port Lions	9	9	350	1,512	1,496	1,495	8	5	401	429	9	0	27	0	0	0
Q	Ugak Bay	4	5	68	354	203	133	15	18	152	265	0	0	2	5	0	0
Q	Other	26	40	783	2,893	2,940	2,789	238	121	374	742	100	27	11	78	1	8
R	Other	11	14	175	636	779	1,021	1	2	85	393	5	0	2	0	1	4
	Other SC	4	8	227	1,550	1,011	152	124	82	2,370	29	245	8	131	7	0	1
SC Total		479	622	26,583	175,695	262,944	325,807	10,409	7,416	35,395	10,463	7,871	456	3,169	705	224	331

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F6.–Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2006.

										Rockfish							
					Angler	Halibut		Lingcod		Pelagic		Yelloweye		Other Non-Pelagic		Salmon Shark	
Region	Businesses	Vessels	Trips	Days	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
SE Total	439	747	39,088	154,549	114,422	52,726	12,761	15,592	38,211	14,617	20,767	1,510	16,515	4,840	60	112
SC Total	479	622	26,583	175,695	262,944	325,807	10,409	7,416	35,395	10,463	7,871	456	3,169	705	224	331
Total	917	1,368	65,671	330,244	377,366	378,533	23,170	23,008	73,606	25,080	28,638	1,966	19,684	5,545	284	443

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

Appendix F8.–Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2007.

Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Angler Days	King Salmon ≥ 28" Kept	King Salmon ≥ 28" Released	King Salmon < 28" Kept	King Salmon < 28" Released	Coho Kept	Coho Released	Sockeye Kept	Pink Kept	Chum Kept
J	Chenega	4	4	58	227	12	10	0	0	190	9	0	0	31
J	Cordova	7	9	173	679	1	0	0	0	242	22	1	66	1
J	Seward	104	143	5,700	42,142	661	44	113	47	58,473	803	438	1,760	25
J	Valdez	46	55	1,694	8,549	24	3	26	116	11,224	215	154	571	13
J	Whittier	31	34	753	3,537	19	0	0	3	1,527	588	56	118	64
P	Anchor Point	46	51	1,762	8,905	500	13	7	4	832	3	42	112	2
P	Deep Creek	87	116	4,428	24,327	670	23	21	4	208	1	2	18	0
P	Happy Valley	4	16	637	2,247	414	10	13	3	427	0	4	11	0
P	Homer	165	190	7,506	52,791	1,063	108	101	27	7,183	99	112	806	40
P	Ninilchik	15	15	446	2,139	105	7	0	0	19	0	0	0	0
P	Seldovia	10	11	195	869	4	1	0	0	127	1	5	56	0
P	Other	10	11	62	225	5	0	5	0	83	7	0	0	0
Q	Kodiak	38	38	1,326	6,029	3,661	77	98	21	2,314	102	23	608	20
Q	Larsen Bay	8	18	559	2,157	27	0	2	0	2,242	234	8	38	7
Q	Old Harbor	4	9	370	1,297	474	5	0	0	396	3	25	18	2
Q	Port Lions	10	12	424	1,819	353	20	26	9	1,831	71	8	100	3
Q	Raspberry Island	4	5	54	291	28	3	0	28	282	21	0	46	0
Q	Other	28	41	909	3,239	170	100	154	20	3,168	459	575	158	11
R	Chignik	4	4	16	49	0	0	0	0	10	0	0	0	0
R	Other	13	17	216	797	9	0	0	0	32	0	0	1	0
	Other SC	9	12	265	1,649	1	0	0	0	955	55	10	132	5
SC Total		488	641	27,553	163,964	8,201	424	566	282	91,765	2,693	1,463	4,619	224

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F9.–Saltwater logbook salmon participation, effort, kept and released by region, Statewide, 2007.

Region	Businesses	Vessels	Trips	Angler Days	King Salmon ≥ 28" Kept	King Salmon ≥ 28" Released	King Salmon < 28" Kept	King Salmon < 28" Released	Coho Kept	Coho Released	Sockeye Kept	Pink Kept	Chum Kept
SE Total	430	768	39,599	158,551	49,835	6,874	1,576	11,881	195,501	4,040	1,241	68,953	7,906
SC Total	488	641	27,553	163,964	8,201	424	566	282	91,765	2,693	1,463	4,619	224
Total	918	1,409	67,152	322,515	58,036	7,298	2,142	12,163	287,266	6,733	2,704	73,572	8,130

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Data are current as of 07/15/09.

Appendix F11.–Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2007.

						Halibut		Lingcod		Rockfish: Pelagic		Rockfish: Yelloweye		Rockfish: Other Non-Pelagic		Salmon Shark	
Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Angler Days	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
J	Chenega	4	4	58	227	339	145	66	190	404	41	35	1	3	0	0	0
J	Cordova	7	9	173	679	594	312	76	49	422	33	99	11	103	21	1	0
J	Seward	104	143	5,700	42,142	53,694	29,272	5,693	4,633	26,299	3,491	4,415	84	1,758	263	24	1
J	Valdez	46	55	1,694	8,549	8,625	9,089	1,963	1,332	2,785	203	1,783	213	401	126	148	0
J	Whittier	31	34	753	3,537	3,328	2,676	284	563	779	912	614	13	211	28	4	1
P	Anchor Point	46	51	1,762	8,905	16,573	22,981	124	257	75	12	26	0	1	0	0	0
P	Deep Creek	87	116	4,428	24,327	45,541	63,804	109	28	98	4	14	6	6	2	2	0
P	Happy Valley	4	16	637	2,247	3,405	3,543	3	0	0	0	0	0	0	0	0	0
P	Homer	165	190	7,506	52,791	97,213	151,973	4,428	2,740	6,624	1,505	951	22	339	36	5	0
P	Ninilchik	15	15	446	2,139	4,012	7,394	0	17	6	2	16	0	0	0	1	0
P	Seldovia	10	11	195	869	1,449	1,611	42	70	12	63	39	5	4	0	0	0
P	Other	10	11	62	225	217	306	4	13	0	0	1	0	0	0	0	0
Q	Kodiak	38	38	1,326	6,029	9,457	6,774	845	119	7,303	2,063	226	24	188	81	3	0
Q	Larsen Bay	8	18	559	2,157	2,794	6,317	61	33	1,183	188	160	7	145	14	0	0
Q	Old Harbor	4	9	370	1,297	1,277	503	113	43	1,513	1,060	208	2	49	33	1	0
Q	Port Lions	10	12	424	1,819	1,827	1,357	70	30	733	441	28	1	71	115	0	0
Q	Raspberry Island	4	5	54	291	212	305	36	15	49	157	0	0	2	9	1	0
Q	Other	28	41	909	3,239	3,430	3,294	542	310	1,254	3,712	186	23	50	62	0	0
R	Chignik	4	4	16	49	73	54	2	0	36	0	0	0	0	0	0	0
R	Other	13	17	216	797	1,072	1,542	5	5	149	553	23	0	4	0	0	0
	Other SC	9	12	265	1,649	770	411	106	131	2,606	249	366	36	191	105	0	0
SC Total		488	641	27,553	163,964	255,902	313,663	14,572	10,578	52,330	14,689	9,190	448	3,526	895	190	2

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F12.–Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2007.

					Halibut		Lingcod		Rockfish: Pelagic		Rockfish: Yelloweye		Rockfish: Other Non-Pelagic		Salmon Shark	
Region	Businesses	Vessels	Trips	Angler Days	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
SE Total	430	768	39,599	158,551	123,571	51,707	8,616	18,862	46,970	10,389	19,454	1,353	18,461	3,398	54	0
SC Total	488	641	27,553	163,964	255,902	313,663	14,572	10,578	52,330	14,689	9,190	448	3,526	895	190	2
Total	918	1,409	67,152	322,515	379,473	365,370	23,188	29,440	99,300	25,078	28,644	1,801	21,987	4,293	244	2

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Data are current as of 07/15/09.

Appendix F14.–Saltwater logbook salmon participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2008.

Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Angler Days	King Salmon ≥ 28"		King Salmon < 28"		Coho		Sockeye	Pink	Chum
						Kept	Released	Kept	Released	Kept	Released	Kept	Kept	Kept
J	Cordova	5	7	102	349	0	0	0	0	54	18	2	32	4
J	Seward	98	136	5,182	39,091	354	27	57	57	38,711	485	261	2,838	32
J	Valdez	40	47	1,412	7,159	23	4	13	7	6,636	117	35	626	3
J	Whittier	28	31	755	3,726	5	0	1	1	617	114	107	195	93
J	Other	8	10	106	531	4	0	5	2	696	39	6	43	7
P	Anchor Point	44	49	1,419	7,297	222	6	21	10	249	0	7	158	1
P	Deep Creek	75	100	4,196	23,318	387	4	27	3	134	0	1	35	14
P	Homer	144	166	6,461	45,650	657	13	70	10	4,341	21	63	651	9
P	Ninilchik	27	29	487	2,197	89	0	4	0	0	0	0	1	0
P	Seldovia	8	8	176	784	5	0	0	0	104	0	0	35	0
P	Other	10	21	593	2,074	255	11	2	0	540	3	5	52	0
Q	Anton Larsen Bay	6	6	17	66	7	0	0	0	5	0	0	12	0
Q	Kodiak	47	49	1,350	5,839	2,583	120	242	131	3,265	76	16	704	15
Q	Larsen Bay	9	16	461	1,782	116	53	69	71	1,438	37	21	61	0
Q	Port Lions	11	14	329	1,325	190	10	14	16	887	38	7	152	4
Q	Raspberry Island	5	5	73	336	17	40	1	1	63	4	4	46	6
Q	Other	25	40	1,127	3,963	416	60	81	17	2,674	129	246	188	10
R	Other	9	14	176	596	0	0	0	0	55	49	0	1	1
	Other SC	6	9	135	634	1	0	5	0	228	0	0	43	0
SC Total		459	596	24,557	146,717	5,331	348	612	326	60,697	1,130	781	5,873	199

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F15.–Saltwater logbook salmon participation, effort, kept and released by region, Statewide, 2008.

Region	Businesses	Vessels	Trips	Angler Days	King Salmon ≥ 28"		King Salmon < 28"		Coho		Sockeye	Pink	Chum
					Kept	Released	Kept	Released	Kept	Released	Kept	Kept	Kept
SE Total	429	759	37,449	150,793	20,552	8,421	672	9,682	125,072	1,701	730	47,292	3,357
SC Total	459	596	24,557	146,717	5,331	348	612	326	60,697	1,130	781	5,873	199
Total	888	1,355	62,006	297,510	25,883	8,769	1,284	10,008	185,769	2,831	1,511	53,165	3,556

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Data are current as of 07/15/09.

Appendix F17.–Saltwater logbook bottomfish participation, effort, kept and released by area and port of offloading, Southcentral Alaska, 2008.

Area	Port of Offloading	Businesses[a]	Vessels[a]	Trips	Angler Days	Halibut		Lingcod		Rockfish						Salmon Shark	
										Pelagic		Yelloweye		Other Non-Pelagic			
						Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
J	Cordova	5	7	102	349	183	53	58	58	309	67	81	6	57	5	1	0
J	Valdez	40	47	1,412	7,159	6,818	4,990	1,886	985	2,153	59	1,470	169	345	27	45	0
J	Seward	98	136	5,182	39,091	50,194	26,642	6,536	4,314	28,723	3,156	4,375	142	2,101	241	10	0
J	Whittier	28	31	755	3,726	4,266	2,854	616	460	1,473	345	702	13	362	126	9	0
J	Other	8	10	106	531	342	197	69	164	289	86	63	19	70	55	0	0
P	Anchor Point	44	49	1,419	7,297	13,813	19,992	409	438	286	18	72	0	2	0	1	0
P	Deep Creek	75	100	4,196	23,318	43,555	60,633	117	47	197	1	16	0	1	0	0	0
P	Homer	144	166	6,461	45,650	82,104	114,970	4,594	2,566	5,861	967	1,016	54	242	35	0	0
P	Ninilchik	27	29	487	2,197	4,088	5,695	5	13	2	1	20	0	0	1	0	0
P	Seldovia	8	8	176	784	1,370	1,814	82	43	22	50	45	10	1	1	0	0
P	Other	10	21	593	2,074	3,163	3,783	2	1	0	0	0	0	0	0	0	0
Q	Anton Larsen Bay	6	6	17	66	88	84	1	0	34	0	0	0	0	0	0	0
Q	Kodiak	47	49	1,350	5,839	8,647	7,169	1,178	350	7,746	1,530	441	4	124	27	1	0
Q	Larsen Bay	9	16	461	1,782	2,692	6,808	48	71	596	178	135	3	74	71	0	0
Q	Port Lions	11	14	329	1,325	1,583	1,096	117	25	593	328	20	1	63	24	0	0
Q	Raspberry Island	5	5	73	336	333	381	39	22	73	131	4	0	19	0	0	0
Q	Other	25	40	1,127	3,963	4,218	4,315	700	500	2,489	2,590	478	15	135	200	0	0
R	Other	9	14	176	596	883	1,361	24	49	131	552	15	1	2	0	0	0
	Other SCI	6	9	135	634	824	267	85	48	704	26	116	16	24	51	1	0
SC Total		459	596	24,557	146,717	229,164	263,104	16,566	10,154	51,681	10,085	9,069	453	3,622	864	68	0

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 07/15/09.

[a] Business and vessel regional and total counts are not additive as they can offload at various ports.

Appendix F18.–Saltwater logbook bottomfish participation, effort, kept and released by region, statewide, 2008.

Region	Businesses	Vessels	Trips	Angler Days	Halibut		Lingcod		Rockfish						Salmon Shark	
									Pelagic		Yelloweye		Other Non-Pelagic			
					Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released	Kept	Released
SE Total	429	759	37,449	150,793	110,554	40,111	7,499	20,736	68,963	9,683	18,328	1,287	20,910	3,471	26	1
SC Total	459	596	24,557	146,717	229,164	263,104	16,566	10,154	51,681	10,085	9,069	453	3,622	864	68	0
Total	888	1,355	62,006	297,510	339,718	303,215	24,065	30,890	120,644	19,768	27,397	1,740	24,532	4,335	94	1

Note: Participation (number of businesses, vessels, trips, and angler days) was determined by number of trips, not by targeted species. Data are current as of 07/15/09.

APPENDIX G
FRESHWATER LOGBOOK SUMMARIES BY AREA

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Appendix G2.–Freshwater logbook participation by site code and area, Southcentral Alaska, 2006.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days				
					Resident	Nonres	Unknown	Crew	Total
J	East Prince William Sound Streams	93	4	9	25	433	0	4	462
J	Other Lakes and Streams	12	7	9	6	52	0	1	59
K	Knik Arm Streams	375	13	19	486	853	11	44	1,394
M	Willow Creek	88	13	14	40	146	0	1	187
M	Montana Creek	21	4	5	14	31	0	2	47
M	Clear Creek (Chunilna Creek)	80	9	16	31	276	15	1	323
M	Little Willow Creek	39	9	10	25	101	8	3	137
M	Kashwitna River	54	5	5	79	133	1	9	222
M	Talkeetna River	417	10	31	182	1,489	101	48	1,820
M	Other Lakes and Streams - East Susitna Drainage	72	13	16	24	155	2	4	185
M	Lake Creek	1,072	25	61	240	2,950	39	95	3,324
M	Talachulitna River	392	11	22	159	1,024	7	33	1,223
M	Fish Lake Creek and Fish Lakes	69	6	16	5	156	0	2	163
M	Yentna River Drainage (Remainder)	135	16	25	25	458	0	3	486
M	Yentna River	197	9	23	29	507	2	10	548
M	Deshka River (Kroto Creek) above weir	94	11	14	120	196	5	23	344
M	Deshka River (Kroto Creek) below weir	312	18	26	362	825	31	28	1,246
M	Indian Creek (into Yentna near Fish Lakes)	126	8	21	31	324	1	40	396
M	Other Lakes - West Susitna Drainage	6	4	5	2	22	0	0	24
M	Other Streams - West Susitna Drainage	44	7	10	20	124	0	3	147
M	Other Lakes and Streams	21	5	5	0	82	0	0	82
N	Chuitna River	115	15	27	31	374	1	1	407
N	Big River Lakes	912	16	43	128	3,265	97	7	3,497
N	Crescent Lake	16	8	11	0	74	3	0	77
N	Crescent River (Grecian River)	136	4	6	6	460	3	0	469
N	Kamishak River	162	10	34	2	488	0	5	495
N	Kustatan River	253	17	43	44	1,051	15	12	1,122
N	Bachatna Creek	12	5	7	0	52	0	0	52
N	Other Lakes and Streams	151	10	17	32	438	2	0	472
N	Wolverine Creek (by Big River Lakes)	809	15	42	96	2,887	101	6	3,090
P	Anchor River	52	9	10	0	166	2	4	172
P	Deep Creek	25	5	6	0	103	4	0	107
P	Russian River	88	13	19	10	169	1	2	182
P	Crescent Lake	18	4	7	0	66	4	0	70
P	Quartz Creek	18	6	6	3	46	0	0	49
P	Kasilof River below Highway	1,936	113	151	766	5,670	14	113	6,563
P	Kasilof River above Highway	47	14	15	11	139	2	6	158
P	Kasilof River reach not specified	57	18	21	25	155	2	0	182
P	Other Lakes	73	14	20	9	189	3	26	227
P	Other Streams	145	15	21	34	549	7	12	602

-continued-

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Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days				
					Resident	Nonres	Unknown	Crew	Total
S	Nonvianuk Lake	30	10	15	7	58	0	0	65
S	Nonvianuk River (into Alagnak)	208	14	50	7	554	0	69	630
S	Tazimina River	68	7	22	3	164	1	0	168
S	Moraine Creek	645	22	107	30	1,522	23	56	1,631
S	Battle River	108	10	27	2	274	1	4	281
S	Funnel Creek	52	10	18	3	109	0	0	112
S	Nanuktuk Creek	103	13	33	8	231	0	0	239
S	Long Lake	26	5	8	1	86	0	0	87
S	Kijik River	21	4	10	0	72	0	0	72
S	Kijik Lake	9	4	7	0	28	0	0	28
S	Gibraltar River	145	10	27	8	321	0	1	330
S	Kukaklek River (Big Ku) (into Alagnak)	427	14	55	36	863	5	1	905
S	Little Kulik (into Nanuktuk Creek)	26	6	12	0	59	0	0	59
S	Other Lakes and Streams	17	6	9	0	41	0	0	41
T	Nushagak River System	226	22	34	17	552	4	66	639
T	Wood River Lakes System	265	10	50	3	627	6	5	641
T	Tikchik-Nuyakuk Lake System	138	8	24	7	271	3	1	282
T	Togiak River System	1,173	10	61	19	2,419	34	13	2,485
T	Mulchatna River	97	14	22	19	359	11	27	416
T	Agulowak River	499	9	45	5	1,019	8	3	1,035
T	Aleknagik Lake	150	5	22	1	367	4	2	374
T	Kulukak River	155	4	12	2	324	3	0	329
T	Agulukpak River	304	10	43	3	593	2	1	599
T	Nushagak River - upstream of Mulchatna River	368	15	46	5	734	0	2	741
T	Wood River	51	4	16	5	131	1	0	137
T	Nushagak River - Black Point to Sonar Site	1,225	32	110	210	3,443	34	56	3,743
T	Nushagak River - Sonar Site to Mulchatna	1,506	38	134	196	4,386	38	196	4,816
T	Other Lakes and Streams	232	8	22	0	461	5	0	466
	Other Lakes and Streams in SC	98	3	4	17	318	3	0	338
SC total		39,512	528	1,224	9,742	111,956	1,234	2,123	125,055

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G4.–Freshwater logbook participation by region, 2006.

Region	Trips	Businesses[a]	Guides[a]	Angler Days				
				Resident	Nonres	Unknown	Crew	Total
SE	3,038	69	173	106	10,970	209	179	11,464
SC	39,512	528	1,224	9,742	111,956	1,234	2,123	125,055
AYK	4,231	71	194	883	9,573	141	291	10,888
Total	46,781	643	1,518	10,731	132,499	1,584	2,593	147,407

Note: Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G6.–Freshwater logbook effort and species released by area and site, Southeast Alaska 2006.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
			King	Coho	Sockeye					
A	Other Lakes	352	0	2	4	1,326	34	0	352	23
A	Other Streams	424	4	26	0	74	119	1	192	0
B	Harris River	88	0	23	0	6	0	1	223	0
B	Staney Creek	128	0	25	1	7	3	20	237	0
B	Thorne System Stream and Lake	147	0	28	4	62	17	20	535	0
B	Sweetwater System Stream and Lake	47	0	0	98	11	2	0	3	0
B	Other Lakes	96	0	8	7	68	5	0	114	0
B	Other Streams	192	0	12	95	240	106	23	334	0
C	All Lakes and Streams	147	26	16	23	272	55	51	102	0
D	Eva Lake and Stream	50	0	0	0	157	2	0	39	0
D	Unspecified Streams	81	0	19	10	20	247	0	439	0
D	Baranof Lake (Warm Springs Lake)	92	0	0	0	530	4	0	3	0
D	Deer Lake (Baranof Island)	30	2	25	0	0	10	0	0	0
D	Nakwasina Sound Streams	78	0	0	0	0	0	0	262	0
D	Other Lakes	41	0	15	0	5	14	0	59	0
D	Other Streams	754	0	86	0	361	230	4	3,883	91
E	Admiralty Island Streams	1,059	0	374	8	35	4	0	3,443	50
E	Other Lakes	96	0	129	2	121	2	0	245	0
E	Other Streams	1,650	0	134	15	26	5	7	4,354	0
G	Mud Bay Creek (Chichagof Island)	108	0	2	0	1	1	0	608	14
G	Trail River (Chichagof Island)	123	0	7	0	0	0	0	255	0
G	Chicken Creek (Chichagof Island)	27	0	0	0	10	0	1	200	0
G	North Chichagof Island Streams	52	0	28	0	5	0	0	158	0
H	Situk River (reach unspecified)	1,042	127	965	926	1	16	1,210	59	67
H	Akwe River	478	105	2,293	1	186	4	73	154	4
H	Tsiu River	1,494	0	9,939	1	0	0	25	12	0
H	Other Lakes and Streams	1,703	69	4,289	836	6	0	0	10	0
	Other Lakes and Streams in SE	885	0	29	473	3	0	0	891	7
SE Total		11,464	333	18,474	2,504	3,533	880	1,436	17,166	256

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

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Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
			King	Coho	Sockeye					
P	Kenai River - Cook Inlet to Soldotna Bridge	33,331	8,099	5,422	1,210	0	227	0	174	17
P	Kenai River - Soldotna Bridge to Moose R	2,843	475	800	1,121	0	209	0	13	1
P	Kenai River - Moose River to Skilak Outlet	3,339	100	1,418	1,541	0	91	0	98	0
P	Kenai River - Skilak Inlet to Kenai Lake	6,233	16	176	2,709	0	95	0	70	0
P	Kenai River - reach not specified	285	48	20	130	0	0	0	1	0
Q	Buskin River	54	0	91	0	0	0	0	8	0
Q	Pasagshak River	49	0	10	24	0	0	0	4	0
Q	Roadside Streams	272	1	97	49	0	0	0	29	0
Q	Other Remote Lakes and Streams	1,425	124	366	668	0	2	1	202	0
Q	Roadside Lakes	172	9	28	6	0	1	0	97	0
Q	Olds River	61	0	8	0	0	0	0	1	0
Q	Ayakulik River (sometimes called Red River)	954	54	502	528	0	0	2	111	0
Q	Saltery River	867	0	507	108	0	0	0	359	1
Q	Browns Lagoon River	49	0	2	0	0	0	0	5	0
Q	Afognak Island Lakes and Streams	56	0	70	10	0	1	0	0	0
Q	Chiniak River	24	0	1	0	0	0	0	0	0
Q	Zachar Bay Streams	124	0	227	0	0	0	0	7	0
Q	Karluk Lake and River above Weir	986	587	81	65	0	3	7	61	0
Q	Karluk Lagoon and River below Weir	795	134	1,141	654	5	0	3	29	0
Q	Other Streams	86	0	0	1	0	0	0	125	0
R	Naknek River and Tributaries	1,543	496	828	288	0	29	0	9	0
R	Naknek Lake	234	0	0	5	0	0	0	0	0
R	Brooks River	848	0	0	0	0	36	0	0	0
R	Ugashik System	186	0	38	2	0	0	0	33	1
R	Becharof System	1,129	20	1,485	163	0	2	0	41	3
R	Brooks Lake	77	2	0	4	0	5	0	0	0
R	Chignik River	181	245	0	0	0	0	0	0	0
R	American Creek	1,258	0	0	0	0	16	0	25	0
R	Naknek River (Rapids Camp upstream to Naknek Lk)	1,205	110	745	965	0	13	0	0	0
R	Naknek River (dwnstream from Rapids Camp)	756	435	208	160	0	1	0	0	0
R	Other Alaska Peninsula / Aleutian Lakes and Streams	1,681	327	1,552	321	0	1	0	56	1
R	Other Streams	417	0	220	19	0	26	0	7	0
S	Kvichak River	2,160	34	361	1,145	0	91	0	0	62
S	Lower Talarik Creek	165	0	5	0	0	0	0	0	0
S	Copper River (Lake Iliamna Area)	1,282	0	0	394	0	56	0	0	0
S	Newhalen River	275	0	15	593	0	0	0	0	16
S	Alagnak (Branch) River	5,093	684	815	3,347	0	160	0	6	75
S	Lake Clark	247	0	0	10	0	0	0	4	2
S	Iliamna River	431	8	0	634	0	3	0	0	0

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Appendix G8.–Freshwater logbook effort and species released by area and site, Southcentral Alaska, 2006.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
			King	Coho	Sockeye					
J	East Prince William Sound Streams	462	36	3,574	54	18	34	1	91	0
J	Other Lakes and Streams	59	0	37	120	4	0	0	131	0
K	Streams	1,394	72	625	24	6	3	0	10	0
M	Willow Creek	187	26	71	0	0	1,273	0	4	205
M	Montana Creek	47	3	0	0	0	398	0	0	8
M	Clear Creek (Chunilna Creek)	323	45	166	5	0	48	0	25	0
M	Little Willow Creek	137	28	212	0	0	16	0	0	0
M	Kashwitna River	222	63	52	20	0	33	0	0	0
M	Talkeetna River	1,820	517	575	15	1	281	3	696	140
M	Other Lakes and Streams - East Susitna Drainage	185	12	11	0	0	204	0	0	40
M	Lake Creek	3,324	1,131	1,541	51	2	2,512	3	4	857
M	Talachulitna River	1,223	903	3,019	46	0	1,387	0	72	297
M	Fish Lake Creek and Fish Lakes	163	9	0	0	0	1	0	0	0
M	Yentna River Drainage (Remainder)	486	154	690	20	0	357	0	27	120
M	Yentna River	548	188	14	3	14	222	0	17	26
M	Deshka River (Kroto Creek) above weir	344	159	22	2	0	519	0	0	5
M	Deshka River (Kroto Creek) below weir	1,246	179	1,391	0	2	69	0	0	1
M	Indian Creek (into Yentna near Fish Lakes)	396	71	215	3	0	1	0	0	0
M	Other Lakes - West Susitna Drainage	24	0	0	0	0	0	0	0	0
M	Other Streams - West Susitna Drainage	147	15	1,082	0	0	29	0	0	65
M	Other Lakes and Streams	82	6	25	9	0	6	0	0	187
N	Chuitna River	407	258	971	0	0	20	0	2	0
N	Big River Lakes	3,497	51	2,924	6,447	0	0	0	43	0
N	Crescent Lake	77	1	29	26	0	0	0	563	0
N	Crescent River (Grecian River)	469	4	296	148	0	0	0	943	0
N	Kamishak River	495	36	2,811	42	0	0	0	2,498	0
N	Kustatan River	1,122	0	1,609	12	0	0	0	238	3
N	Bachatna Creek	52	0	397	0	0	0	0	14	0
N	Other Lakes and Streams	472	60	1,481	15	0	48	0	943	0
N	Wolverine Creek (by Big River Lakes)	3,090	2	823	7,719	0	1	0	17	0
P	Anchor River	172	11	20	1	0	32	10	170	12
P	Deep Creek	107	3	46	0	0	0	4	39	0
P	Russian River	182	0	11	203	0	864	0	110	0
P	Crescent Lake	70	0	0	0	0	198	0	32	380
P	Quartz Creek	49	0	0	20	0	29	0	1,080	0
P	Kasilof River below Highway	6,563	1,501	71	37	2	200	217	1,039	23
P	Kasilof River above Highway	158	25	0	0	0	7	6	17	4
P	Kasilof River reach not specified	182	39	5	3	0	37	0	37	0
P	Other Lakes	227	20	0	29	0	1,217	33	10	128
P	Other Streams	602	322	1,096	5	0	213	6	468	0

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Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
			King	Coho	Sockeye					
S	Kukaklek Lake	24	0	0	205	0	115	0	0	0
S	Kulik River	1,134	0	0	214	0	19,517	0	11	0
S	Iliamna Lake	223	0	21	80	0	1,573	0	1	32
S	Nonvianuk Lake	65	0	3	2	0	826	0	0	0
S	Nonvianuk River (into Alagnak)	630	8	12	56	0	6,407	0	1	61
S	Tazimina River	168	0	0	35	0	789	0	8	2,359
S	Moraine Creek	1,631	21	0	287	0	17,694	0	104	285
S	Battle River	281	0	0	174	0	1,689	0	0	163
S	Funnel Creek	112	0	0	3	0	1,448	0	17	0
S	Nanuktuk Creek	239	0	0	28	0	3,433	0	423	45
S	Long Lake	87	0	0	0	0	0	0	0	7
S	Kijik River	72	0	0	57	0	0	0	0	904
S	Kijik Lake	28	0	0	53	0	0	0	1	52
S	Gibraltar River	330	0	20	249	0	6,014	1	0	26
S	Kukaklek River (Big Ku) (into Alagnak)	905	1	55	526	0	13,531	0	24	167
S	Little Kulik (into Nanuktuk Creek)	59	0	1	2	0	1,133	0	64	2
S	Other Lakes and Streams	41	0	103	4	0	284	0	178	0
T	Nushagak River System	639	142	132	28	0	3,163	0	1,384	3,707
T	Wood River Lakes System	641	504	1,320	250	0	470	0	515	735
T	Tikchik-Nuyakuk Lake System	282	29	157	180	0	228	0	48	1,585
T	Togiak River System	2,485	6,022	11,715	117	0	1,004	5	2,420	109
T	Mulchatna River	416	206	475	53	0	1,584	0	276	1,110
T	Agulowak River	1,035	18	50	3,088	0	7,843	0	2,236	2,318
T	Aleknagik Lake	374	0	560	1,271	0	31	0	1,143	72
T	Kulukak River	329	471	1,947	57	0	40	0	18	0
T	Agulukpak River	599	0	0	524	0	3,986	0	1,200	1,134
T	Nushagak River - upstream of Mulchatna River	741	136	440	20	0	4,427	0	2,044	2,774
T	Wood River	137	2	312	123	0	6	0	1	1
T	Nushagak River - Black Point to Sonar Site	3,743	12,885	379	15	0	2	0	10	1
T	Nushagak River - Sonar Site to Mulchatna	4,816	14,514	1,598	34	0	246	0	44	204
T	Other Lakes and Streams	466	163	2,011	228	0	348	0	33	402
	Other Lakes and Streams in SC	338	35	61	0	0	257	0	433	37
	SC Total	125,055	57,911	73,512	50,068	49	224,429	2,033	100,522	32,861

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G11.–Freshwater logbook effort and species kept by region, Statewide, 2006.

Region	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
		King	Coho	Sockeye					
SE	11,464	193	7,171	2,274	113	19	4	631	25
SC	125,055	23,803	44,136	28,076	7	1,512	22	2,208	324
AYK	10,888	2,198	6,418	3,438	0	27	0	594	210
Total	147,407	26,194	54,745	31,703	120	1,558	26	3,433	559

Note: Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G12.–Freshwater logbook effort and species released by region, Statewide, 2006.

Region	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Dolly Varden	Grayling
		King	Coho	Sockeye					
SE	11,464	333	18,474	2,504	3,533	880	1,436	17,166	256
SC	125,055	57,911	73,512	50,068	49	224,429	2,033	100,522	32,861
AYK	10,888	6,418	25,044	2,810	6	14,211	6	31,189	13,921
Total	147,407	64,662	117,030	55,382	3,588	239,520	3,475	148,877	47,038

Note: Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G14.–Freshwater logbook participation by site code and area, Southcentral Alaska, 2007.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days					
					Resident	Nonres	Comped	Unknown	Crew	Total
J	Delight Lake	6	6	6	2	23	0	0	0	25
J	Other Lakes and Streams	90	9	12	38	368	1	0	9	416
K	Knik Arm Lakes and Streams	456	13	19	508	1,130	9	21	16	1,684
L	Anchorage Area Lakes and Streams	97	4	4	32	278	12	6	0	328
M	Willow Creek	93	8	11	42	153	1	1	3	200
M	Clear Creek (Chunilna Creek)	195	9	20	77	751	0	7	2	837
M	Sheep Creek	12	5	5	3	27	8	0	0	38
M	Little Willow Creek	28	5	4	39	58	0	4	0	101
M	Indian River (into Susitna)	30	4	6	12	93	0	1	0	106
M	Talkeetna River	363	9	24	145	1,417	2	32	10	1,606
M	Other Lakes - East Susitna Drainage	20	5	5	11	50	1	0	0	62
M	Other Streams - East Susitna Drainage	139	10	14	84	325	5	4	3	421
M	Lake Creek	1,344	21	58	367	3,444	14	10	67	3,902
M	Talachulitna River	425	10	30	64	1,342	8	8	8	1,430
M	Alexander Lake	6	4	6	0	22	0	0	1	23
M	Donkey Creek, Donkey Creek Slough	40	5	9	9	119	6	0	0	134
M	Fish Lake Creek and Fish Lakes	15	4	11	0	37	2	1	0	40
M	Yentna River Drainage (Remainder)	298	14	34	15	947	0	0	4	966
M	Yentna River	52	4	11	20	110	0	0	0	130
M	Deshka River (Kroto Creek) above weir	34	5	5	44	97	6	1	2	150
M	Deshka River (Kroto Creek) below weir	390	15	21	621	861	4	25	5	1,516
M	Indian Creek (into Yentna near Fish Lakes)	59	4	12	43	181	0	0	29	253
M	Other Lakes and Streams - West Susitna Drainage	70	10	15	42	190	0	0	5	237
M	Other Lakes and Streams	66	8	16	12	194	0	0	2	208
N	Chuitna River	136	15	24	35	508	1	3	1	548
N	Theodore River	32	4	5	13	77	2	0	4	96
N	Big River Lakes	959	30	44	196	3,395	0	33	3	3,627
N	Crescent Lake	33	14	18	11	138	0	0	0	149
N	Crescent River (Grecian River)	139	6	8	4	458	0	0	2	464
N	Kamishak River	143	7	28	8	336	1	1	8	354
N	Kustatan River	330	23	45	105	1,305	1	10	3	1,424
N	Bachatna Creek	19	7	9	8	65	0	1	0	74
N	Other Sites North Forelands to Susitna Drainage	23	5	5	0	93	0	0	0	93
N	Other Sites (South of North Forelands)	83	13	20	6	251	0	0	1	258
N	Wolverine Creek (by Big River Lakes)	915	24	46	150	3,374	5	62	3	3,594
P	Anchor River	46	5	9	9	149	2	6	7	173
P	Ninilchik River	100	5	8	5	443	13	2	12	475
P	Russian River	91	12	17	16	221	0	1	0	238
P	Swanson River Canoe Route Lakes	23	4	5	3	52	0	0	20	75
P	Crescent Creek	14	6	6	0	50	0	0	0	50

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Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days					
					Resident	Nonres	Comped	Unknown	Crew	Total
R	Other Alaska Peninsula / Aleutian Lakes and Streams	745	19	52	63	2,197	12	2	17	2,291
R	Other Lakes and Streams	64	13	28	3	181	0	0	7	191
S	Kvichak River	922	23	100	76	1,798	16	4	34	1,928
S	Lower Talarik Creek	40	8	13	1	117	4	0	1	123
S	Copper River (Lake Iliamna Area)	492	9	35	5	1,193	22	0	1	1,221
S	Newhalen River	137	8	25	29	329	26	1	1	386
S	Alagnak (Branch) River	2,157	24	102	55	4,641	1	26	35	4,758
S	Lake Clark	106	9	23	10	312	23	0	0	345
S	Kukaklek Lake	11	6	9	0	29	0	0	0	29
S	Kulik River	387	19	56	36	1,011	7	1	0	1,055
S	Lake Iliamna	282	11	37	11	711	22	2	5	751
S	Nonvianuk Lake	26	6	6	4	99	1	1	6	111
S	Nonvianuk River (into Alagnak)	135	15	40	14	342	0	4	13	373
S	Tazimina River	59	8	18	2	161	0	0	0	163
S	Moraine Creek	653	24	104	36	1,504	22	1	52	1,615
S	Upper Talarik Creek	28	4	14	1	99	3	0	0	103
S	Battle River	129	10	33	8	342	0	0	31	381
S	Funnel Creek	21	5	14	1	50	0	0	0	51
S	Nanuktuk Creek	100	10	28	3	198	0	2	0	203
S	Long Lake	52	6	12	0	122	5	0	0	127
S	Kijik Lake	5	4	4	0	15	0	0	2	17
S	Gibraltar River	127	10	31	3	316	17	1	1	338
S	Kukaklek River (Big Ku) (into Alagnak)	378	14	58	44	750	6	7	8	815
S	Little Kulik (into Nanuktuk Creek)	41	7	16	0	83	0	0	0	83
S	Other Lakes	7	6	6	0	24	0	0	0	24
S	Other Streams	42	8	15	0	104	1	0	0	105
T	Nushagak River System	180	18	31	36	449	2	1	1	489
T	Wood River Lakes System	326	13	54	12	715	2	0	4	733
T	Tikchik-Nuyakuk Lake System	146	6	23	0	293	0	0	0	293
T	Togiak River System	1,032	7	69	19	2,184	7	0	1	2,211
T	Mulchatna River	102	15	19	14	366	0	2	4	386
T	Agulowak River	482	10	54	10	943	3	1	0	957
T	Aleknagik Lake	123	6	17	2	291	0	0	0	293
T	Agulukpak River	351	11	50	4	677	2	0	2	685
T	Nushagak River - upstream of Mulchatna River	362	6	34	3	710	2	0	0	715
T	Wood River	43	4	14	1	99	0	0	0	100
T	Nushagak River - Black Point to Sonar Site	1,321	31	132	193	3,638	19	6	26	3,882
T	Nushagak River - Sonar Site to Mulchatna	1,177	34	120	188	3,511	12	2	37	3,750
T	Other Lakes and Streams	419	8	32	3	836	0	0	1	840
	Other Lakes and Streams in SC	5	4	4	0	15	0	0	0	15
SC Total		40,543	528	1,272	11,278	112,358	572	883	1,296	126,387

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G16.–Freshwater logbook participation by region, 2007.

Region	Trips	Businesses[a]	Guides[a]	Angler Days					
				Resident	Nonres	Comped	Unknown	Crew	Total
SE	3,256	73	177	300	11,156	44	54	117	11,671
SC	40,543	528	1,272	11,278	112,358	573	883	1,296	126,388
AYK	4,898	68	224	928	11,006	125	34	169	12,262
Total	48,697	645	1,581	12,506	134,520	741	971	1,582	150,320

Note: Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G18.–Freshwater logbook effort and species released by area and site, Southeast Alaska 2007.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
A	Other Lakes	345	0	0	0	1,150	16	0	0	0	0	0	0
A	Other Streams	602	6	14	1	104	414	0	0	151	0	0	0
B	Harris River	64	0	4	0	5	0	3	0	12	0	0	0
B	Luck Lake	47	0	9	158	21	17	0	0	85	0	0	0
B	Staney Creek	153	0	23	12	21	9	18	0	112	0	0	0
B	Thorne System Stream and Lake	120	0	11	11	89	14	16	0	161	0	0	0
B	Other Lakes	27	0	4	0	34	1	2	0	56	0	0	0
B	Other Streams	212	0	29	69	285	71	3	0	345	0	0	0
C	Lakes and Streams	175	2	73	2	35	51	111	0	35	0	0	0
D	Plotnikof and Rezanof System Streams and Lakes	40	0	7	0	0	0	5	0	1	0	0	0
D	Eva Lake and Stream	107	0	4	1	77	3	1	0	283	0	0	0
D	Sitkoh Creek and Lake (Chichagof Island)	24	0	31	1	7	56	9	0	72	0	0	0
D	Unspecified Streams	45	0	9	1	0	33	11	0	251	0	0	0
D	Katlian River	297	0	1	0	0	1	0	0	2,161	0	0	0
D	Nakwasina Sound Streams	158	0	0	0	0	0	0	0	776	0	0	0
D	Baranof System	207	0	12	0	107	172	28	0	412	0	0	0
D	Other Lakes	95	0	0	4	295	6	0	0	135	0	0	0
D	Other Streams	490	8	19	46	42	75	21	0	3,792	0	0	0
E	Dupont to Echo Cove (Juneau Road System)	63	0	129	3	26	0	0	0	149	0	0	0
E	Admiralty Island Streams	529	0	217	6	30	4	0	0	1,190	0	0	0
E	Chaik Bay Streams	188	0	0	1	6	0	0	0	2,018	0	0	0
E	Other Lakes and Streams	1,429	0	21	0	25	0	3	0	5,429	0	0	0
G	Mud Bay Creek (Chichagof Island)	119	0	0	0	0	0	1	0	566	0	0	0
G	Trail River (Chichagof Island)	104	0	2	0	0	0	0	0	192	0	0	0
G	North Chichagof Island Streams	116	0	0	0	5	0	2	0	639	0	0	0
G	Other Lakes and Streams	72	0	11	0	1	0	0	0	275	0	0	0
H	Situk River (reach unspecified)	1,236	87	687	854	0	32	2,196	0	12	0	0	0
H	Akwe River	821	67	2,531	18	165	6	74	0	232	0	0	0
H	Tsiu River	1,507	0	6,470	6	0	3	3	0	5	0	0	0
H	Other Lakes and Streams	1,719	19	3,076	1,130	8	1	1	0	23	0	0	0
	Other Lakes and Streams in SE	560	0	1	211	0	0	0	0	317	0	0	0
	SE Total	11,671	189	13,395	2,535	2,538	985	2,508	0	19,887	0	0	0

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

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Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
P	Crescent Lake	26	0	0	0	0	6	0	0	0	3	0	0
P	Packers Lake (Creek) (Kalgin Island)	56	0	0	1	0	29	0	0	0	0	0	0
P	Quartz Creek	57	4	0	0	0	2	0	0	20	0	0	0
P	Russian Lake (Upper and Lower)	36	0	0	0	0	0	0	0	2	0	0	0
P	Kasilof River below Highway	6,761	2,553	793	279	0	2	10	0	136	0	0	0
P	Kasilof River above Highway	89	0	101	21	0	4	2	0	5	0	0	0
P	Kasilof River reach not specified	220	68	38	4	0	0	3	0	5	0	0	0
P	Other Lakes	109	0	0	0	0	11	0	4	0	1	0	0
P	Other Streams	655	1	195	1	0	51	1	0	13	0	0	0
P	Kenai River - Cook Inlet to Soldotna Bridge	30,139	6,613	5,610	1,281	3	146	0	1	125	1	0	0
P	Kenai River - Soldotna Bridge to Moose R	2,947	488	1,002	1,546	0	73	0	0	18	0	0	0
P	Kenai River - Moose River to Skilak Outlet	3,923	124	1,580	2,037	0	183	0	1	66	0	0	0
P	Kenai River - Skilak Inlet to Kenai Lake	6,303	10	88	2,145	0	193	0	0	61	0	0	0
P	Kenai River - reach not specified	1,840	163	293	433	0	48	0	0	23	4	0	0
Q	Buskin River	67	0	18	0	0	0	0	0	0	0	0	0
Q	Pasagshak River	115	0	18	31	0	0	0	0	13	0	0	0
Q	Roadside Streams	204	0	7	0	0	0	0	0	10	0	0	0
Q	Other Remote Lakes and Streams	1,008	1	480	123	0	5	2	0	172	0	0	0
Q	Roadside Lakes	148	0	32	1	0	0	0	0	18	0	0	0
Q	American River	29	0	4	0	0	0	0	0	4	0	0	0
Q	Dog Salmon Creek (Frazer River)	171	0	0	516	0	0	0	0	11	0	0	0
Q	Monashka Creek	12	0	0	0	0	0	0	0	1	0	0	0
Q	Olds River	55	0	17	0	0	0	0	0	3	0	0	0
Q	Ayakulik River (sometimes called Red River)	1,041	116	492	661	0	0	3	0	91	0	0	0
Q	Saltery River	844	0	247	78	0	0	0	0	650	1	0	0
Q	Afognak Island Lakes and Streams	40	0	104	0	0	1	1	0	0	0	0	0
Q	Zachar Bay Streams	197	0	236	0	0	0	0	0	40	0	0	0
Q	Karluk Lake and River above Weir	994	146	50	493	0	2	6	0	433	0	0	0
Q	Karluk Lagoon and River below Weir	870	48	454	1,639	0	1	4	0	60	0	0	0
Q	Unspecified Streams	47	0	0	0	0	0	0	0	4	0	0	0
R	Naknek River and Tributaries	1,896	575	892	836	0	44	0	0	30	6	4	0
R	Naknek Lake	393	0	0	79	0	1	0	6	0	0	3	0
R	Brooks River	856	5	0	15	0	22	0	0	0	0	0	0
R	Ugashik System	434	7	205	25	0	0	0	3	106	14	0	0
R	Becharof System	756	3	1,303	45	0	21	0	0	208	48	0	0
R	Brooks Lake	97	0	0	6	0	27	0	0	0	0	0	0
R	Chignik River	242	190	25	15	0	0	0	0	0	0	0	0
R	American Creek	1,184	0	0	22	0	123	0	0	119	0	0	0
R	Naknek R (Rapids Camp upstream to Naknek Lk)	1,425	80	806	1,491	0	8	0	0	4	1	0	0
R	Naknek River (dwnstream frm Rapids Camp)	660	241	193	270	0	0	0	0	0	0	0	0
R	Other Ak Peninsula / Aleutian Lakes and Streams	2,291	414	1,991	311	0	11	0	0	55	0	0	0

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Appendix G20.–Freshwater logbook effort and species released by area and site, Southcentral Alaska, 2007.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
J	Delight Lake	25	0	7	43	0	0	0	0	0	0	0	0
J	Other Lakes and Streams	416	2	1,527	132	4	0	1	0	159	0	0	0
K	Lakes and Streams	1,684	51	70	64	0	9	0	0	17	0	0	0
L	Lakes and Streams	328	51	8	3	0	82	0	0	402	29	0	0
M	Willow Creek	200	3	8	0	0	1,537	0	0	2	75	6	0
M	Clear Creek (Chunilna Creek)	837	216	295	61	5	230	0	0	178	30	0	0
M	Sheep Creek	38	0	1	0	0	99	0	0	0	17	0	0
M	Little Willow Creek	101	6	34	29	0	4	0	0	0	0	0	0
M	Indian River (into Susitna)	106	112	1	0	0	19	0	0	0	3	5	0
M	Talkeetna River	1,606	381	417	190	2	143	0	6	511	28	0	0
M	Other Lakes - East Susitna Drainage	62	1	0	0	0	97	0	14	5	201	45	0
M	Other Streams - East Susitna Drainage	421	48	27	35	0	331	13	0	4	98	1	0
M	Lake Creek	3,902	775	344	934	4	4,025	44	14	4	122	109	10
M	Talachulitna River	1,430	1,198	1,498	238	0	1,778	0	0	56	406	93	0
M	Alexander Lake	23	0	0	0	0	0	0	0	0	0	363	0
M	Donkey Creek, Donkey Creek Slough	134	34	12	0	0	121	0	6	10	7	0	0
M	Fish Lake Creek and Fish Lakes	40	0	24	2	0	0	0	0	0	4	190	0
M	Yentna River Drainage (Remainder)	966	518	323	86	0	2,233	0	20	461	124	0	0
M	Yentna River	130	12	108	0	0	0	0	0	0	0	0	0
M	Deshka River (Kroto Creek) above weir	150	97	0	0	0	432	0	0	0	1	59	0
M	Deshka River (Kroto Creek) below weir	1,516	69	125	0	0	58	0	0	17	14	0	0
M	Indian Creek (into Yentna near Fish Lakes)	253	1	93	1	0	40	0	0	0	0	4	0
M	Other Lakes and Streams - West Susitna Drainage	237	104	137	0	0	63	0	0	1	61	0	0
M	Other Lakes and Streams	208	166	133	49	0	805	0	5	402	142	1	0
N	Chuitna River	548	449	552	0	0	77	0	0	8	0	0	0
N	Theodore River	96	44	183	0	0	21	0	0	28	0	0	0
N	Big River Lakes	3,627	0	1,330	8,320	34	10	0	1	116	0	0	8
N	Crescent Lake	149	3	3	325	0	0	0	84	1,288	37	0	0
N	Crescent River (Grecian River)	464	5	101	303	0	0	0	67	1,485	2	0	0
N	Kamishak River	354	22	724	5	17	0	0	0	2,625	0	0	0
N	Kustatan River	1,424	0	1,049	35	1	1	0	0	322	0	0	0
N	Bachatna Creek	74	0	195	0	0	0	0	0	3	0	0	0
N	Other Sites North Forelands to Susitna Drainage	93	3	60	3	0	67	0	0	313	5	87	0
N	Other Sites (South of North Forelands)	258	1	219	11	0	5	0	18	271	40	0	0
N	Wolverine Creek (by Big River Lakes)	3,594	31	311	8,754	0	1	30	61	7	0	0	0
P	Anchor River	173	12	20	0	0	2	10	0	544	0	0	0
P	Ninilchik River	475	685	29	0	0	3	33	0	10	0	0	0
P	Russian River	238	1	1	77	0	742	8	0	30	0	0	0
P	Swanson River Canoe Route Lakes	75	0	1	0	0	104	0	0	3	0	0	0
P	Crescent Creek	50	0	0	4	0	5	0	0	133	4	0	0

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Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
R	Other Lakes and Streams	191	22	773	45	0	93	3	0	501	0	7	0
S	Kvichak River	1,928	14	979	2,510	0	17,698	0	1	159	3,821	10	0
S	Lower Talarik Creek	123	0	29	2	0	1,699	0	0	0	43	0	0
S	Copper River (Lake Iliamna Area)	1,221	0	3	1,453	0	13,548	0	0	96	55	26	0
S	Newhalen River	386	0	5	329	0	1,004	0	255	226	630	176	0
S	Alagnak (Branch) River	4,758	2,867	1,872	6,963	0	18,107	0	33	693	4,671	73	15
S	Lake Clark	345	0	12	2	0	83	0	306	141	2,147	32	0
S	Kukaklek Lake	29	0	0	30	0	534	0	0	5	3	0	0
S	Kulik River	1,055	0	0	15	0	19,455	0	193	9	9	0	0
S	Lake Iliamna	751	0	0	1,156	0	2,422	0	0	1,996	4	25	0
S	Nonvianuk Lake	111	0	0	0	0	1,108	0	34	0	0	0	0
S	Nonvianuk River (into Alagnak)	373	31	18	124	0	3,681	0	64	2	20	0	0
S	Tazimina River	163	0	0	12	0	449	0	23	27	1,036	30	0
S	Moraine Creek	1,615	0	0	768	0	19,781	0	23	98	484	2	0
S	Upper Talarik Creek	103	0	73	32	0	548	0	0	0	0	0	0
S	Battle River	381	0	0	653	0	2,651	0	10	24	117	0	0
S	Funnel Creek	51	0	0	3	0	508	0	0	18	1	0	0
S	Nanuktuk Creek	203	0	0	13	0	2,781	0	0	234	20	0	0
S	Long Lake	127	0	0	0	0	0	0	0	0	0	1,970	0
S	Kijik Lake	17	0	0	0	0	0	0	25	36	102	0	0
S	Gibraltar River	338	0	2	637	0	4,705	0	0	80	50	0	0
S	Kukaklek River (Big Ku) (into Alagnak)	815	1	0	224	0	11,192	0	15	126	137	2	0
S	Little Kulik (into Nanuktuk Creek)	83	0	0	22	0	1,073	0	1	86	12	1	0
S	Other Lakes	24	0	0	22	0	52	0	20	44	0	32	0
S	Other Streams	105	0	54	111	0	809	0	0	198	25	12	0
T	Nushagak River System	489	335	58	106	0	1,735	0	53	1,168	3,541	42	0
T	Wood River Lakes System	733	340	156	775	0	1,116	0	0	1,051	1,440	962	0
T	Tikchik-Nuyakuk Lake System	293	39	5	12	0	172	0	672	144	926	286	0
T	Togiak River System	2,211	7,248	2,990	336	0	880	0	0	5,484	117	111	0
T	Mulchatna River	386	337	516	444	0	1,684	0	25	754	1,719	165	0
T	Agulowak River	957	0	7	1,250	0	8,811	0	0	1,221	1,488	79	0
T	Aleknagik Lake	293	0	45	174	0	0	0	0	926	13	280	0
T	Agulukpak River	685	0	0	336	0	3,386	0	0	697	974	185	0
T	Nushagak R - upstream of Mulchatna River	715	85	316	27	0	3,546	0	0	2,363	2,246	23	0
T	Wood River	100	3	176	108	0	64	0	0	44	6	7	0
T	Nushagak River - Black Point to Sonar Site	3,882	12,209	2,270	10	0	395	0	0	236	395	86	0
T	Nushagak River - Sonar Site to Mulchatna	3,750	8,717	697	1	0	50	0	0	36	22	95	0
T	Other Lakes and Streams	840	999	2,206	242	0	1,153	0	25	144	631	6	0
	Other Lakes and Streams in SC	15	1	0	7	0	39	0	0	16	24	0	0
	SC Total	126,387	50,465	34,732	53,666	83	244,595	2,334	3,756	124,289	30,457	5,918	53

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

▪ Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G22.–Freshwater logbook effort species released by area and site, AYK Alaska, 2007.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
I	Gulkana River (Highway to Copper River)	68	39	0	0	0	0	0	0	0	135	0	0
I	Klutina River	1,657	549	0	453	0	7	0	0	26	13	0	0
I	Gulkana River (West Fork to Highway)	1,045	528	0	101	0	15	0	23	0	58	0	0
I	Other Lakes and Streams	141	89	0	0	0	15	2	91	0	246	0	0
U	Other Lakes	1,239	0	20	1	0	961	1	0	0	341	88	0
U	Other Streams	316	29	149	0	0	0	0	0	0	2,826	72	0
V	Kanektok River (Quinhagak, Chosen)	2,722	1,627	4,375	1,300	0	9,579	0	5	14,551	1,818	13	0
V	Goodnews River	1,139	537	2,138	88	0	1,323	0	4	3,747	236	0	0
V	Aniak River	665	1,600	1,908	81	0	3,132	0	0	3,821	1,160	523	68
V	Holitna River	440	550	317	45	0	5	0	0	931	666	1,806	165
V	Streams - Kuskokwim Drainages above Aniak	36	27	61	12	0	53	0	0	43	66	35	0
V	Lakes - Kuskokwim Drainages above Aniak	9	0	0	0	0	0	0	52	0	67	12	0
V	Kuskokwim Drainage below Aniak	351	316	719	69	0	2,939	0	0	2,918	1,328	28	1
V	Lakes and Streams - Kuskokwim Bay	213	32	494	18	0	949	0	79	642	102	1	0
W	Streams of Seward Peninsula/Norton Sount	885	700	7,258	0	0	0	0	0	1,625	2,609	18	0
Y	Streams of the Yukon River Drainage	1,273	566	2,218	18	0	0	0	0	660	8,826	9,267	84
	Other Lakes and Streams in AYK	63	0	0	0	0	0	0	0	129	345	0	484
	AYK Total	12,262	7,189	19,657	2,186	0	18,978	3	254	29,093	20,842	11,863	802

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/07/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G25.–Freshwater logbook participation by site code and area, Southeast Alaska, 2008.

Area	Description	Trips	Businesses[a]	Angler Days						
				Guides[a]	Resident	Nonres	Comped	Unknown	Crew	Total
A	Lakes and Streams	173	6	19	4	548	0	15	1	568
B	Eagle Creek (Bear Creek)	20	7	8	3	49	0	0	0	52
B	Harris River	20	6	8	0	52	0	0	1	53
B	Luck Lake	9	4	4	2	25	1	0	0	28
B	Staney Creek	42	9	11	2	105	0	0	2	109
B	Thorne System Stream and Lake	59	11	15	3	172	0	1	0	176
B	Sweetwater System Stream and Lake	13	4	4	0	40	0	0	0	40
B	Other Lakes and Streams	97	9	12	2	259	0	0	2	263
C	Lakes and Streams	57	10	11	11	160	0	0	1	172
D	Plotnikof and Rezanof System Streams and Lakes	25	6	9	2	77	0	0	0	79
D	Eva Lake and Stream	16	4	7	1	62	0	0	4	67
D	Sitkoh Creek and Lake (Chichagof Island)	17	5	8	0	55	0	0	0	55
D	Katlian River	78	5	8	0	237	2	1	0	240
D	Nakwasina Sound Streams	49	6	10	2	150	0	0	0	152
D	Saook Bay Streams	48	4	16	2	214	0	0	20	236
D	Fish Bay Streams	5	4	5	0	24	0	0	0	24
D	Other Lakes	36	6	7	4	93	0	0	3	100
D	Other Streams	187	14	37	16	616	0	0	6	638
E	Dupont to Echo Cove (Juneau Road System)	7	4	4	10	19	0	0	0	29
E	Admiralty Island Streams	196	6	23	5	801	1	0	7	814
E	Chaik Bay Streams	52	4	12	1	206	0	0	4	211
E	Other Lakes and Streams	379	7	27	6	1,470	0	10	4	1,490
G	Mud Bay Creek (Chichagof Island)	26	5	8	1	98	0	0	4	103
G	Trail River (Chichagof Island)	21	6	8	2	89	0	0	13	104
G	Chicken Creek (Chichagof Island)	43	4	14	1	174	0	0	1	176
G	North Chichagof Island Streams	9	4	6	2	31	0	0	1	34
G	Other Lakes and Streams	16	4	5	5	57	0	0	4	66
H	Akwe River	121	4	5	71	380	0	0	70	521
H	Situk River (above weir)	501	7	16	100	1,047	1	1	17	1,166
H	Situk River (below weir)	56	4	11	1	113	0	1	1	116
H	Other Lakes and Streams	613	14	34	61	2,194	14	3	30	2,302
	Other Lakes and Streams in SE	122	2	7	0	526	0	19	1	546
SE Total		3,113	70	178	320	10,143	19	51	197	10,730

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

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Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days					
					Resident	Nonres	Comped	Unknown	Crew	Total
P	Russian River	137	15	22	20	276	0	3	0	299
P	Swanson River Canoe Route Lakes	16	4	4	19	27	0	0	12	58
P	Crescent Lake	44	4	9	0	125	0	0	0	125
P	Quartz Creek	31	6	8	0	51	0	2	0	53
P	Kasilof River below Highway	1,980	88	139	858	5,627	19	58	98	6,660
P	Kasilof River above Highway	28	10	11	8	75	1	1	4	89
P	Kasilof River reach not specified	97	19	21	47	268	0	1	0	316
P	Stocked Lakes	13	5	5	1	37	0	0	1	39
P	Other Lakes	47	15	18	18	148	0	0	11	177
P	Other Streams	105	11	17	36	367	1	4	0	408
P	Kenai River - Cook Inlet to Soldotna Bridge	8,560	211	321	4,243	25,574	120	236	61	30,234
P	Kenai River - Soldotna Bridge to Moose R	803	65	94	222	2,368	2	9	86	2,687
P	Kenai River - Moose River to Skilak Outlet	1,104	80	108	469	2,933	16	20	12	3,450
P	Kenai River - Skilak Inlet to Kenai Lake	2,381	40	94	874	6,548	13	54	83	7,572
P	Kenai River - reach not specified	175	31	37	62	479	4	11	1	557
Q	Buskin River	19	4	4	6	49	0	0	2	57
Q	Pasagshak River	38	7	7	24	88	0	0	3	115
Q	Roadside Streams	35	11	11	1	97	0	0	6	104
Q	Other Remote Lakes and Streams	296	20	32	49	940	4	0	5	998
Q	Roadside Lakes	45	6	8	9	155	3	0	2	169
Q	American River	16	6	6	1	37	0	0	1	39
Q	Buskin Lake	7	4	4	0	20	0	0	2	22
Q	Dog Salmon Creek (Frazer River)	98	6	16	11	327	0	0	5	343
Q	Olds River	21	7	7	6	63	0	0	0	69
Q	Ayakulik River (sometimes called Red River)	207	4	10	23	680	3	2	3	711
Q	Saltery River	349	11	17	97	1,056	4	4	10	1,171
Q	Uganik River	96	4	6	8	341	2	2	39	392
Q	Browns Lagoon River	15	5	6	0	54	0	0	1	55
Q	Zachar Bay Streams	33	4	8	1	96	0	0	5	102
Q	Karluk Lake and River above Weir	109	6	12	13	552	0	10	0	575
Q	Karluk Lagoon and River below Weir	100	5	14	3	588	1	8	0	600
R	Naknek River and Tributaries	684	22	66	165	1,590	11	6	109	1,881
R	Naknek Lake	66	5	10	10	215	3	0	5	233
R	Brooks River	317	20	73	34	783	7	4	5	833
R	Ugashik System	113	14	34	7	324	0	0	8	339
R	Becharof System	234	19	47	12	671	2	1	12	698
R	American Creek	595	19	71	60	1,512	1	0	1	1,574
R	Naknek River (Rapids Camp upstream to Naknek Lk)	639	18	49	43	1,562	3	6	92	1,706
R	Naknek River (dwnstream frm Rapids Camp)	276	14	33	39	604	0	1	42	686
R	Other Alaska Peninsula / Aleutian Streams	1,014	18	57	75	2,620	0	3	44	2,742
R	Other Alaska Peninsula / Aleutian Lakes	34	7	10	5	95	0	0	1	101
R	Other Streams	76	17	31	0	263	0	0	4	267

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Appendix G27.–Freshwater logbook participation by site code and area, AYK Alaska, 2008.

Area	Description	Trips	Businesses[a]	Guides[a]	Angler Days					
					Resident	Nonres	Comped	Unknown	Crew	Total
I	Klutina River	470	11	22	331	1,200	4	10	26	1,571
I	Gulkana River (reach unspecified)	75	5	8	58	165	0	0	16	239
I	Gulkana River (West Fork to Highway)	205	14	25	156	588	0	2	8	754
I	Other Lakes and Streams	11	4	5	9	19	0	0	0	28
U	Other Lakes	227	5	15	18	911	1	3	13	946
U	Other Streams	72	6	15	68	128	0	5	9	210
V	Kanektok River (Quinhagak, Chosen)	1,390	5	56	37	2,775	0	0	0	2,812
V	Goodnews River	583	6	20	18	1,041	0	0	0	1,059
V	Aniak River	380	7	19	17	814	0	0	0	831
V	Holitna River	223	7	21	7	525	1	0	3	536
V	Lakes and Streams - Kuskokwim Bay	97	5	14	0	198	0	0	5	203
V	Other Lakes and Streams - Kuskokwim Drainage	155	12	22	53	589	1	0	19	662
W	Streams of Seward Peninsula/Norton Sound	418	6	18	33	875	0	1	11	920
Y	Streams of the Yukon River Drainage	484	7	22	45	941	0	5	1	992
	Other Lakes and Streams in AYK	11	3	3	10	59	0	0	1	70
AYK Total		4,801	69	222	860	10,828	7	26	112	11,833

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G29.–Freshwater logbook effort species kept by area and site, Southeast Alaska 2008.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
A	Lakes and Streams	568	0	83	0	0	0	0	0	4	0	0	0
B	Eagle Creek (Bear Creek)	52	0	0	0	0	0	0	0	0	0	0	0
B	Harris River	53	0	3	0	0	0	0	0	0	0	0	0
B	Luck Lake	28	0	0	0	0	0	0	0	7	0	0	0
B	Staney Creek	109	0	11	0	0	0	0	0	0	0	0	0
B	Thorne System Stream and Lake	176	0	56	0	1	0	0	0	42	0	0	0
B	Sweetwater System Stream and Lake	40	0	45	26	1	0	0	0	2	0	0	0
B	Other Lakes and Streams	263	0	51	7	0	0	0	0	1	0	0	0
C	Lakes and Streams	172	0	30	0	0	0	0	0	3	0	0	0
D	Plotnikof and Rezanof System Streams and Lakes	79	0	34	0	0	0	0	0	0	0	0	0
D	Eva Lake and Stream	67	0	0	0	1	1	0	0	14	0	0	0
D	Sitkoh Creek and Lake (Chichagof Island)	55	0	0	0	0	1	0	0	4	0	0	0
D	Katlian River	240	0	12	0	0	0	0	0	1	0	0	0
D	Nakwasina Sound Streams	152	0	0	0	0	0	0	0	0	0	0	0
D	Saook Bay Streams	236	0	0	0	0	0	0	0	19	0	0	0
D	Fish Bay Streams	24	0	0	0	0	0	0	0	0	0	0	0
D	Other Lakes	100	0	1	1	0	2	0	0	2	0	0	0
D	Other Streams	638	0	82	0	0	3	0	0	33	0	0	0
E	Dupont to Echo Cove (Juneau Road System)	29	0	13	0	0	0	0	0	7	0	0	0
E	Admiralty Island Streams	814	0	36	0	0	0	0	0	230	0	0	0
E	Chaik Bay Streams	211	0	2	0	0	0	0	0	53	0	0	0
E	Other Lakes and Streams	1,490	0	3	0	0	0	0	0	12	0	0	0
G	Mud Bay Creek (Chichagof Island)	103	0	0	0	0	0	0	0	41	0	0	0
G	Trail River (Chichagof Island)	104	0	0	0	0	0	0	0	2	0	0	0
G	Chicken Creek (Chichagof Island)	176	0	0	0	0	0	0	0	12	0	0	0
G	North Chichagof Island Streams	34	0	16	0	0	0	0	0	13	0	0	0
G	Other Lakes and Streams	66	0	30	0	0	0	0	0	0	0	0	0
H	Akwe River	521	42	657	1	2	0	0	0	24	0	0	0
H	Situk River (above weir)	1,166	0	578	498	16	0	1	0	7	0	0	0
H	Situk River (below weir)	116	0	33	311	0	0	0	0	15	0	0	0
H	Other Lakes and Streams	2,302	50	4,155	158	4	0	1	0	49	1	0	0
	Other Lakes and Streams in SE	546	0	0	85	0	0	0	0	5	0	0	0
	SE Total	10,730	92	5,931	1,087	25	7	2	0	602	1	0	0

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

[a] Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G31.–Freshwater logbook effort and species kept by area and site, Southcentral harvest, 2008.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
J	Other Lakes	20	0	15	0	0	0	0	0	13	0	0	0
J	Other Streams	405	1	403	16	0	0	0	0	14	0	0	0
K	Knik Arm Lakes and Streams	1,889	419	1,361	3	0	1	0	0	0	0	0	0
M	Willow Creek	99	12	5	0	0	6	0	0	0	3	0	0
M	Clear Creek (Chunilna Creek)	265	8	120	12	0	0	0	0	0	0	0	0
M	Little Willow Creek	159	11	143	1	0	1	0	0	0	0	0	0
M	Indian River (into Susitna)	42	5	4	0	0	0	0	0	0	0	0	0
M	Talkeetna River	2,192	396	897	666	0	2	0	0	3	0	0	0
M	Other Lakes - East Susitna Drainage	33	0	0	0	0	3	0	2	0	9	0	0
M	Other Streams - East Susitna Drainage	389	91	117	1	0	20	0	0	2	0	9	0
M	Deshka River (Kroto Creek)	112	29	0	0	0	5	0	0	0	0	0	0
M	Lake Creek	3,415	546	1,562	281	0	80	0	0	0	0	19	0
M	Talachulitna River	2,592	382	1,455	192	0	0	0	0	5	5	6	0
M	Alexander Lake	45	0	0	0	0	0	0	0	0	0	8	0
M	Chelatna Lake	114	0	0	0	0	0	0	41	0	1	1	0
M	Eightmile Creek	115	43	157	0	0	0	0	0	0	0	8	0
M	Fish Lake Creek and Fish Lakes	408	78	82	91	0	0	0	0	0	0	248	0
M	Moose Creek (into Yentna)	59	21	28	1	0	0	0	0	0	0	0	0
M	Skwentna River	182	23	148	19	0	0	0	0	0	0	0	0
M	Susitna River	69	1	18	0	0	0	0	0	0	0	0	0
M	Yentna River Drainage (Remainder)	1,249	251	560	41	0	14	0	0	5	0	31	0
M	Yentna River	634	141	592	12	0	0	0	0	0	0	0	0
M	Deshka River (Kroto Creek) below weir	776	164	467	3	0	5	0	0	0	0	1	0
M	Indian Creek (into Yentna near Fish Lakes)	379	45	361	1	0	0	0	0	0	0	5	0
M	Other Lakes and Streams - West Susitna Drainage	282	36	83	4	0	1	0	0	0	0	117	0
M	Streams and Lakes	34	2	10	0	0	15	0	0	0	0	5	0
N	Chuitna River	221	24	265	0	0	0	0	0	0	0	0	0
N	Big River Lakes	5,329	15	9,401	4,006	0	0	0	0	8	0	0	0
N	Big River	16	0	31	11	0	0	0	0	0	0	0	0
N	Crescent Lake	245	0	133	79	0	0	0	11	82	0	3	0
N	Crescent River (Grecian River)	311	0	518	121	0	0	0	3	58	0	0	0
N	Kamishak River	255	0	352	0	0	0	0	0	29	0	0	0
N	Kustatan River	1,378	4	3,648	13	0	1	0	0	37	0	0	0
N	Silver Salmon Creek	142	0	108	2	0	0	0	0	14	0	0	0
N	Bachatna Creek	54	0	151	0	0	0	0	0	0	0	0	0
N	Other Sites North Forelands to Susitna Drainage	162	1	105	26	0	0	0	1	13	1	0	0
N	Other Sites (South of North Forelands)	241	5	218	21	0	0	0	0	6	0	0	0
N	Wolverine Creek (by Big River Lakes)	2,318	0	988	4,475	0	0	0	0	3	0	0	0
P	Anchor River	199	42	16	0	0	0	0	0	66	0	0	0
P	Ninilchik River	257	52	38	0	0	0	0	0	13	0	0	0
P	Deep Creek	178	0	106	0	0	0	0	0	28	0	0	0

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Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
R	Other Streams	267	0	286	6	0	0	0	0	12	6	0	0
S	Kvichak River	2,218	66	357	2,267	0	29	0	0	4	27	0	0
S	Lower Talarik Creek	143	0	5	0	0	0	0	0	0	0	0	0
S	Copper River (Lake Iliamna Area)	1,390	0	0	236	0	0	0	0	0	0	0	0
S	Gibraltar Lake	69	0	0	3	0	0	0	0	0	0	0	0
S	Newhalen River	441	0	3	1,099	0	0	0	0	0	1	0	0
S	Alagnak (Branch) River	4,173	308	663	3,787	0	13	0	5	25	22	0	0
S	Lake Clark	330	0	0	2	0	0	0	3	0	0	0	0
S	Kulik River	1,448	0	0	0	0	50	0	0	0	0	0	0
S	Lake Iliamna	675	0	15	642	0	15	0	0	0	0	0	0
S	Nonvianuk Lake	79	0	0	19	0	1	0	4	0	0	0	0
S	Nonvianuk River (into Alagnak)	399	0	0	32	0	4	0	17	0	0	0	0
S	Pike Lakes	17	0	0	0	0	0	0	0	0	0	1	0
S	Tazimina River	141	0	0	2	0	0	0	0	0	2	0	0
S	Moraine Creek	1,237	0	0	4	0	27	0	0	0	4	0	0
S	Upper Talarik Creek	111	0	96	0	0	0	0	0	0	0	0	0
S	Battle River	364	0	0	0	0	17	0	0	0	0	0	0
S	Funnel Creek	103	0	0	0	0	3	0	0	0	0	0	0
S	Nanuktuk Creek	302	0	0	0	0	0	0	0	0	0	0	0
S	Kijik River	64	0	0	0	0	0	0	0	0	1	0	0
S	Kijik Lake	40	0	0	0	0	0	0	7	6	2	0	0
S	Gibraltar River	265	0	0	40	0	0	0	0	0	0	0	0
S	Kukaklek River (Big Ku) (into Alagnak)	549	0	0	276	0	4	0	1	0	0	0	0
S	Battle Lake	12	0	0	0	0	0	0	0	0	0	0	0
S	Little Kulik (into Nanuktuk Creek)	141	0	0	0	0	0	0	0	0	0	0	0
S	Other Lakes and Streams	62	0	10	0	0	0	0	0	0	0	0	0
T	Nushagak River System	913	245	52	3	0	5	0	0	3	0	1	0
T	Wood River Lakes System	768	14	317	154	0	2	0	0	14	2	1	0
T	Tikchik-Nuyakuk Lake System	355	0	0	120	0	1	0	9	1	5	21	0
T	Togiak River System	1,818	685	1,945	269	0	10	2	0	44	0	0	0
T	Mulchatna River	421	52	2	81	0	11	0	1	16	17	0	0
T	Agulowak River	1,073	0	26	995	0	0	0	0	14	2	2	0
T	Aleknagik Lake	148	0	67	41	0	0	0	0	0	0	3	0
T	Agulukpak River	480	0	0	6	0	6	0	0	11	0	0	0
T	Nushagak R. - upstream of Mulchatna River	330	19	196	2	0	0	0	0	1	0	0	0
T	Nushagak River - Black Point to Sonar Site	3,178	1,825	296	16	0	2	0	0	3	0	0	0
T	Nushagak River - Sonar Site to Mulchatna	4,560	2,500	1,592	41	0	6	0	0	1	3	2	1
T	Other Lakes	57	0	0	0	0	0	0	0	0	0	1	0
T	Other Streams	788	46	472	81	0	0	0	0	0	0	0	0
	Other Lakes and Streams in SC	364	1	296	51	0	0	0	0	24	0	0	0
	SC Total	126,596	19,312	51,796	32,806	0	674	9	164	2,133	259	496	1

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

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Area	Description	Angler Days	Salmon King	Salmon Coho	Salmon Sockeye	Cutthroat	Rainbow	Steelhead	Laake trout	Dolly Varden	Grayling	Pike	Sheefish
P	Russian River	299	0	1	164	0	525	0	0	111	1	0	0
P	Swanson River Canoe Route Lakes	58	0	0	0	0	161	0	0	0	0	0	0
P	Crescent Lake	125	1	0	39	0	30	0	8	74	107	0	0
P	Quartz Creek	53	0	0	26	0	15	0	0	625	1	0	0
P	Kasilof River below Highway	6,660	990	29	29	0	128	337	7	917	0	0	0
P	Kasilof River above Highway	89	7	0	0	0	12	7	0	12	0	0	0
P	Kasilof River reach not specified	316	55	5	0	0	12	1	0	13	0	0	0
P	Stocked Lakes	39	0	12	0	0	142	0	0	0	57	0	0
P	Other Lakes	177	0	15	12	0	553	0	0	83	302	0	0
P	Other Streams	408	1	307	42	0	241	14	0	798	121	0	0
P	Kenai River - Cook Inlet to Soldotna Bridge	30,234	2,304	310	130	0	2,111	0	0	1,202	0	0	0
P	Kenai River - Soldotna Bridge to Moose R	2,687	192	86	284	0	3,599	23	1	979	0	0	0
P	Kenai River - Moose River to Skilak Outlet	3,450	44	259	631	0	17,164	1	9	9,983	10	0	0
P	Kenai River - Skilak Inlet to Kenai Lake	7,572	14	132	2,179	1	26,761	2	41	28,552	29	1	0
P	Kenai River - reach not specified	557	33	29	24	0	900	0	0	1,409	0	0	0
Q	Buskin River	57	0	5	0	0	1	0	0	156	0	0	0
Q	Pasagshak River	115	0	121	10	0	0	0	0	17	0	0	0
Q	Roadside Streams	104	0	32	0	0	0	0	0	100	0	0	0
Q	Other Remote Lakes and Streams	998	158	470	2,059	0	76	85	0	1,297	8	0	0
Q	Roadside Lakes	169	0	161	15	0	0	0	0	34	0	0	0
Q	American River	39	0	1	0	0	0	0	0	200	0	0	0
Q	Buskin Lake	22	0	1	0	0	0	0	0	100	0	0	0
Q	Dog Salmon Creek (Frazer River)	343	12	60	1,181	0	10	51	0	146	0	0	0
Q	Olds River	69	0	2	2	0	0	0	0	114	0	0	0
Q	Ayakulik River (sometimes called Red River)	711	174	1,557	782	0	17	308	1	2,458	0	0	0
Q	Saltery River	1,171	0	231	885	0	59	3	10	3,232	2	0	0
Q	Uganik River	392	0	178	3	0	411	0	0	3,542	0	0	0
Q	Browns Lagoon River	55	0	0	0	0	0	0	0	19	0	0	0
Q	Zachar Bay Streams	102	0	72	0	0	0	0	0	44	0	0	0
Q	Karluk Lake and River above Weir	575	107	214	523	0	36	321	0	3,639	0	0	0
Q	Karluk Lagoon and River below Weir	600	7	204	369	0	0	21	0	576	0	0	0
R	Naknek River and Tributaries	1,881	425	959	616	1	4,281	0	742	1,666	776	55	0
R	Naknek Lake	233	0	5	52	0	956	7	418	163	93	164	0
R	Brooks River	833	0	1	819	3	4,108	0	41	99	6	0	0
R	Ugashik System	339	397	344	61	0	89	0	4	1,276	329	2	0
R	Becharof System	698	15	1,696	100	0	606	0	0	3,650	587	0	0
R	American Creek	1,574	0	6	261	0	7,532	0	18	13,329	81	8	0
R	Naknek R (Rapids Camp upstream to Naknek Lk)	1,706	310	344	1,082	0	3,319	0	12	456	46	11	0
R	Naknek River (dwnstream frm Rapids Camp)	686	147	118	249	0	246	0	0	10	0	45	0
R	Other Alaska Peninsula / AleutianStreams	2,742	1,679	6,231	500	0	560	490	27	3,673	1	0	0
R	Other Alaska Peninsula / Aleutian Lakes	101	0	206	7	0	251	0	50	32	8	0	0

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Appendix G33.–Freshwater logbook effort and species kept by area and site, AYK Alaska, 2008.

Area	Description	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
			King	Coho	Sockeye								
I	Klutina River	1,571	688	4	266	0	4	0	0	84	21	0	0
I	Gulkana River (reach unspecified)	239	120	0	0	0	0	0	0	0	8	0	0
I	Gulkana River (West Fork to Highway)	754	384	0	11	0	0	2	0	1	0	0	0
I	Other Lakes and Streams	28	6	0	0	0	0	0	2	0	0	0	0
U	Other Lakes	946	0	117	9	0	68	0	0	1	2	20	0
U	Other Streams	210	10	36	0	0	0	0	0	3	10	0	0
V	Kanektok River (Quinhagak, Chosen)	2,812	243	813	194	0	0	0	0	39	1	0	0
V	Goodnews River	1,059	82	294	120	0	5	0	0	31	0	0	0
V	Aniak River	831	31	126	3	0	1	0	0	22	7	12	6
V	Holitna River	536	184	65	37	0	0	0	0	12	5	24	20
V	Lakes and Streams - Kuskokwim Bay	203	1	2	0	0	0	0	0	1	0	0	0
V	Other Lakes and Streams - Kuskokwim Drainage	662	0	90	3	0	0	0	3	7	6	0	0
W	Streams of Seward Peninsula/Norton Sound	920	49	972	4	0	0	0	0	225	8	0	0
Y	Streams of the Yukon River Drainage	992	72	244	1	0	0	0	0	5	15	12	8
	Other Lakes and Streams in AYK	70	0	0	0	0	0	0	0	0	0	1	26
	AYK Total	11,833	1,870	2,763	648	0	78	2	5	431	83	69	60

Note: Responses of 3 or less businesses are not reported separately, to protect confidentiality of respondent. Data are current as of 08/12/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G35.–Freshwater logbook effort and species kept by region, Statewide, 2008.

Region	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
		King	Coho	Sockeye								
SE	10,730	92	5,931	1,087	25	7	2	0	602	1	0	0
SC	126,596	19,312	51,796	32,806	0	674	9	164	2,133	259	496	1
AYK	11,833	1,870	2,763	648	0	78	2	5	431	83	69	60
Total	149,159	21,274	60,490	34,541	25	759	13	169	3,166	343	565	61

Note: Data are current as of 08/12/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Appendix G36.–Freshwater logbook effort and species released by region, Statewide, 2008.

Region	Angler Days	Salmon			Cutthroat	Rainbow	Steelhead	Lake trout	Dolly Varden	Grayling	Pike	Sheefish
		King	Coho	Sockeye								
SE	10,730	99	13,382	943	1,365	1,208	2,820	64	23,961	34	0	0
SC	364	29	28	7	0	90	0	0	381	21	0	0
AYK	11,833	4,166	20,323	996	1	19,952	0	158	28,413	15,911	7,697	652
Total	149,159	34,359	87,332	45,795	1,392	216,309	4,619	3,473	161,200	44,075	13,709	654

Note: Data are current as of 08/12/2009.

* Regional and statewide business and guide totals aren't additive because a business and/or guide can operate in multiple sites and areas.

Brief for SB 294: SPORT FISH GUIDE LICENSES
(Resident/Nonresident Differential License fees)
April 8, 2010

Alaska Department of Fish and Game Contacts:
Charlie Swanton- Charles.Swanton@alaska.gov; phone: 465-6184 or 321-0955
Jennifer Yuhas - Jennifer.Yuhas@alaska.gov; phone: 465-6137 or 388-7951.

Background:

- At a Senate Resources Committee meeting on March 24, 2010, the Department was instructed to investigate charging Sport fishing Owner/Operators and Guides differentially based upon residency.
- We consulted with the Commercial Fisheries Entry Commission and Department of Law personnel familiar with the Carlson Case.
- A cursory analysis using Southeast Alaska Sport fishing use and participation statistics is employed as an example.

Legislation:

Sec.16.40.260 Sport fishing operator license;
Sec.16.40.270 Sport fishing guide license;
Sec.16.40.280 Reports;
Sec.16.40.290 Penalties for violations.

Licensing provisions and fees (AS. 16.05.340(a)) for sport fishing business owners ($100), sport fishing guides working for the business ($50), and business owners who are also a guide ($100).

Sec. 16.43.160(c) Fees.
This section offers instruction to the Commercial Fisheries Entry Commission for establishing annual fees charged for renewal of entry permits or interim-use permits.

The law requires that the state establish the annual nonresident surcharge by regulation "at an amount that is as close as practicable to the maximum allowed by law" and must be calculated using the Court's formula and hence costs and expenditures that were determined by the Court that could be included.

Differential fees (Simplified Southeast Alaska Example):

- Calculation of nonresident surcharge: expenditures paid by residents that are not paid by nonresidents, in this case for guided anglers:
    - In FY10 Sport Fish Division spent $4.78 million on fisheries management projects, while 34% of sport fishing effort was conducted by guided anglers.
        - $4.78 million X 0.34=$1.67 million was spent on fisheries benefitting guided anglers, owners, guides and businesses.

- $1.67 million divided by 698,000 Alaska residents=$2.40 which represents the per capita cost that an Alaskan pays to support sport fisheries management that a nonresident does not pay.

The $2.40 nonresident surcharge could be applied to business owner/operator and guide license fees of $100 and $50 respectively according to provisions of the Carlson Case based upon constitutional principles that apply to the regulation of livelihoods, rather than just fishing opportunity.

- Calculation of nonresident owner/operator and guide license revenue:
  - In 2009 10% (456 licenses) of sport fishing business owners and 28% (319) of fishing guides were nonresidents.
  - The revenue generated would be $2.40 X 775 (456+319) = $1,860 dollars per year.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: **SB 294**
(S) Publish Date: 3/26/10

Identifier (file name): SB294-DFG-SFD-03-10-10
Dept. Affected: ADFG
Title: An act repealing the termination of the sport fish operator/guide/vessel program
RDU: Sport Fisheries
Component: Sport Fisheries
Sponsor: Senator McGuire
Requester: Resources, Finance
Component Number: 464

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		337.1	337.1	337.1	337.1	337.1	337.1
Travel		10.0	10.0	10.0	10.0	10.0	10.0
Contractual		83.5	83.5	83.5	83.5	83.5	83.5
Supplies		7.0	7.0	7.0	7.0	7.0	7.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts		437.6	437.6	437.6	437.6	437.6	437.6
TOTAL	**0.0**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**	**437.6**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

The division has budgeted $437.6 in the FY11 Governor's budget to administer the Sport Fish operator/guide/vessel program. The program generates average Fish & Game Fund revenues of $242.8, with the balance of program expenditures funded with Sport Fishing license sale revenue. Although potential cost savings measures are being implemented, it is untenable at this time to make accurate projections on what monetary savings will be realized for this program over the upcoming years.

Prepared by: Charles O. Swanton, Director — Phone 465-6184
Division: Sport Fisheries — Date/Time 3/10/10 4:00 PM
Approved by: Tom Lawson, Director — Date 3/11/2010
Administrative Services

(Revised 11/6/2009 OMB)

Adopt R 4/10/10

26-LS1546\R
Kane
4/9/10

CS FOR SENATE BILL NO. 294(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATOR MCGUIRE

A BILL

FOR AN ACT ENTITLED

"An Act amending the termination date of the licensing of sport fishing operators and sport fishing guides; and providing for an effective date."

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

*** Section 1.** Section 8, ch. 70, SLA 2004, as amended by sec. 3, HCS CSSB 177(FIN), as enacted into law by the First Regular Session of the Twenty-Sixth Legislature, is amended to read:

Sec. 8. AS 16.05.340(a)(26); AS 16.40.260, 16.40.270, 16.40.280, 16.40.290, 16.40.299; AS 25.27.244(s)(2)(A)(xviii), and 25.27.244(s)(2)(A)(xix) are repealed January 1, **2017** [2011].

*** Sec. 2.** This Act takes effect immediately under AS 01.10.070(c).

L
1457

New Text Underlined [DELETED TEXT BRACKETED]

SB 300

<target><bill>SB 300</bill><subject>SB 300</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/22/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 300

SB 300 AIDEA LOANS

"An Act relating to loan participations and development finance projects of the Alaska Industrial Development and Export Authority; and relating to loans from the rural development initiative fund."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [X] **CS** SB 300 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	1/6/10			✓	1
Rev	1/6/10			✓	2
DOT	11/18/09			✓	3

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	~~X~~	~~X~~			
	Thomas	✓			
	EGAN	✓			
	Olson	X			
	ELLIS	X			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-CED-AIDEA-1-6-10
Title: AIDEA programs
Sponsor
Requester

Dept. Affected: DCCED
RDU: AIDEA (125)
Component: AIDEA operations
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Rcpt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill proposes to 1) amend the method by which AIDEA determines minimum interest rates for certain loan participations; 2) provide AIDEA the ability to provide incentive rate rebates for loan participations that meet certain economic development criteria; 3) clarify AIDEA to ability finance, own and operate a percentage of a development finance project. The amount of potential AIDEA payments for the proposed incentive rate rebates is indeterminate until the program criteria are established and demand for the program is evaluated.

(continued on Page 2)

Prepared by: Sara Fisher-Goad, Deputy Director — Phone 771-3012
Division: AIDEA — Date/Time 1/8/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 1/6/2010
Department of Commerce, Community and Economic Development

(Revised 11/6/2008 OMB)

The bill limits the total amount of loans subject to incentive rate rebates to 5% of the total of the amount of the proposed loan participation which would be subject to rebate plus the combined outstanding balance of all loan participations of the Authority. As of 6/30/09, AIDEA's outstanding balance of loan participations was $340,346,000; 5% = $17,017,300.

The bill also makes changes to the Rural Development Initiative Fund (RDIF). The RDIF provides long term financing to small businesses located in communities of 5,000 population or less if not connected by road or rail to Anchorage or Fairbanks or communities of 2,000 population or less if connected by road or rail to Anchorage or Fairbanks. This legislation would increase the amount that could be borrowed from the fund and it would remove the restriction that a borrower may only have one loan. It would also reduce the interest rate that may be charged.

To date there is $4,137,900 outstanding with $1,411,400 available to lend in the RDIF. There will be no change in operating budget expenditures to facilitate the proposed changes.

The adoption of regulations will not require additonal operating funds.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-REV-CO-1-6-10
Dept. Affected: Revenue
Title: AIDEA Loan Participation and Finance Projects
RDU: Admin and Support
Component: Commissioner's Office
Sponsor: Rules
Requester: Request of Governor
Component Number: 123

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

The Department of Revenue anticipates no additional expenses or revenues associated with this legislation.

Prepared by: Ginger Blaisdell, Director — Phone 465-2312
Division: Administrative Services Division — Date/Time 12/18/09; 1:40pm
Approved by: Ginger Blaisdell, Director — Date 1/6/10; 11:13am
Administrative Services Division

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-DOT-CO-11-18-09
Title: Loan participation &development of finannce project AIDEA
Sponsor
Requester

Dept. Affected: DOT&P
RDU: DOT&PF
Component: Admin Support
Commissioner's Office
Component Number: 530

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

This bill has no fiscal impact to the Deaprtment of Transportation and Public Facilities

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: DOT&PF, Commissioner's Office — Date/Time 11/18/09 2:00pm
Approved by: Frank Richards — Date 11/18/2009
Deputy Commissioner, DOT&PF

(Revised 11/5/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-REV-CO-1-6-10
Dept. Affected: Revenue
Title: AIDEA Loan Participation and Finance Projects
RDU: Admin and Support
Component: Commissioner's Office
Sponsor: Rules
Requester: Request of Governor
Component Number: 123

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

The Department of Revenue anticipates no additional expenses or revenues associated with this legislation.

Prepared by: Ginger Blaisdell, Director
Phone 465-2312
Division: Administrative Services Division
Date/Time 12/18/09; 1:40pm
Approved by: Ginger Blaisdell, Director
Date 1/6/10; 11:13am
Administrative Services Division

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-DOT-CO-11-18-09
Title: Loan participation &development of finannce project AIDEA
Sponsor
Requester

Dept. Affected: DOT&P
RDU: DOT&PF
Component: Admin Support
Commissioner's Office
Component Number: 530

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

This bill has no fiscal impact to the Deaprtment of Transportation and Public Facilities

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: DOT&PF, Commissioner's Office — Date/Time 11/18/09 2:00pm
Approved by: Frank Richards, Deputy Commissioner, DOT&PF — Date 11/18/2009

(Revised 11/6/2009 OMB)

Senate Bill 300

An Act relating to loan participations and development finance projects of the Alaska Industrial Development and Export Authority; and relating to loans from the rural development initiative fund.

Sectional Analysis

Section	Analysis
1	AS 44.88.159(e) is amended to change the method by which AIDEA determines the minimum interest rate to be charged on loan participations that AIDEA finances with AIDEA assets rather than bond proceeds. Current method requires AIDEA to establish a minimum by estimating the true interest cost if AIDEA were to use bond proceeds. The proposed method would allow the minimum to be based on the greater of either the rates achieved by a type or category of financial security in a published nationally recognized market index or the 5-year rate of return on AIDEA's investments.
2	AS 44.88.159 is amended by adding a new subsection that allows AIDEA to establish in regulation a new program to provide incentive rate rebates to certain loan participations that create jobs, promote rural development or foster other economic development criteria. • Rate rebates are limited to no more than 1% of the interest rate charged to AIDEA's portion of the loan participation. • The balance of loans subject to rebates would be limited to no more than 5% of the outstanding balance of all loan participations. • The authority may not commit to pay an incentive rebate for more than 5 years. • Allows AIDEA to establish a separate account for this program.
3	AS 44.88.172(a) is amended to clarify that AIDEA can own or operate a percentage of a project – not the entire project
4	AS 44.88.610(a) is amended to allow borrowers to have multiple Rural Development Revolving Loan Fund loans and increases the cumulative amount a person may borrow from $100,000 to $150,000 and increases the cumulative amount two or more persons may borrow from $200,000 to $300,000.
5	AS 44.88.610(b) is amended by reducing the RDIF minimum interest rate from 6% to 4%.

Prepared by AIDEA 3/2/10

STATE CAPITOL
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Governor Sean Parnell
STATE OF ALASKA

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Governor@alaska.gov

February 25, 2010

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

Dear President Stevens,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the power project fund; authorizing the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund; authorizing AEA to sell and authorizing the Alaska Industrial Development and Export Authority (AIDEA) to purchase loans of the power project fund; and providing legislative approval for the sale and purchase of loans of the power project fund under the memorandum of understanding dated February 17, 2010.

This bill deals with the power project fund (AS 42.45.010) and would accomplish two things. First, the bill would authorize the sale of power project fund loans from AEA to AIDEA as an investment of AIDEA's revolving fund. The sale of loans will recapitalize the power project fund and be accomplished under a memorandum of understanding. Second, the bill would authorize AEA to charge fees related to administration of the power project fund.

AEA can make loans out of the power project fund to help finance energy generation and transmission projects, or to fund the bulk fuel revolving loan fund under AS 42.45.250(*l*). Borrowers currently use loans from the power project fund as a financing tool to help finance match requirements of renewable energy projects funded by the renewable energy grant fund (AS 42.45.045). The power project fund currently holds less than $4.2 million, an amount inadequate to fund all reasonable loan needs arising out of the renewable energy grant fund and recommendation program and other purposes of the power project fund. The proposed sale of existing loans in the power project fund will recapitalize the fund with an additional sum, estimated to be approximately $21 million.

To maximize the price paid to AEA for the sale of loans of the power project fund, the bill and memorandum of understanding include provisions for AEA to repurchase from AIDEA loans which later default. This repurchase provision substantially reduces financial risk to AIDEA from default, and enables AIDEA to purchase the loans without significant discount for such risk. The result is that AEA will obtain more from the sale to capitalize the power project fund.

Several sections of the bill authorize the sale of power project fund loans from AEA to AIDEA. Section 1 of the bill would amend AS 42.45.010(a) and allow proceeds from the sale of power project loans to be deposited into the power project fund. Section 3 of the bill would add a new subsection (*l*) to AS 42.45.010, and authorize AEA to sell power project fund loans with legislative approval, allow AEA to repurchase defaulted loans, and direct that sale proceeds be deposited into the power project fund. Section 4 of the bill would add a new paragraph (30) to AS 44.88.080 and authorize AIDEA to purchase loans of the power project fund with legislative approval. And, sec. 5 of the bill would provide necessary legislative approval for AEA to sell and AIDEA to purchase the loans under the memorandum of understanding dated February 17, 2010. A copy of this memorandum of understanding is available on both AEA and AIDEA internet websites.

The bill would also authorize AEA to charge and collect fees in administering the power project fund, similar to authority that AEA has under AS 42.45.250(j) and (k) for the bulk fuel revolving loan fund. Section 2 of the bill would amend AS 42.45.010(d) which currently provides statutory authority for AEA to adopt regulations regarding the power project fund, and specifically authorize AEA to establish reasonable fees for applications and loan origination, and charges for reimbursement of the costs of analyzing the feasibility of a project. Section 3 of the bill would add subsection (k) to AS 42.45.010, and authorize AEA to collect the power project fund fees and charges established in the regulations, and direct deposit of those fees and charges into the general fund. Currently, AEA only requires an applicant to pay the costs of analyzing the feasibility of a project.

Finally, Sec. 6 of the bill would make the bill immediately effective, if it is enacted into law.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

Alaska Bankers Association
P.O. Box 100720 • Anchorage, Alaska 99510-0720 • 907-777-3011 • Fax 907-777-3029

RECEIVED
MAR 10 2010
AIDEA
AEA

March 8, 2010

Senator Joe Paskvan, Chairman
Senate Labor & Commerce Committee
State Capitol, Room 7
Juneau, Alaska 99801—1182

Re: Senate Bill 300

Representative Olson:

On behalf of the Alaska Bankers Association, I wish to express our support for enactment of Senate Bill 300.

Enactment of Senate Bill 300 will facilitate AIDEA lending transactions and thereby work to the benefit of all of our members who participate in loan transactions with AIDEA.

Sincerely yours,

David A. Lawer
President

Cc: Chris Anderson

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 300
(S) Publish Date: 2/26/10

Identifier (file name): 0811-CED-AIDEA-1-6-10
Title: AIDEA programs
Sponsor
Requester

Dept. Affected: DCCED
RDU: AIDEA (125)
Component: AIDEA operations
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Rcpt	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill proposes to 1) amend the method by which AIDEA determines minimum interest rates for certain loan participations; 2) provide AIDEA the ability to provide incentive rate rebates for loan participations that meet certain economic development criteria; 3) clarify AIDEA to ability finance, own and operate a percentage of a development finance project. The amount of potential AIDEA payments for the proposed incentive rate rebates is indeterminate until the program criteria are established and demand for the program is evaluated.

(continued on Page 2)

Prepared by: Sara Fisher-Goad, Deputy Director — Phone 771-3012
Division: AIDEA — Date/Time 1/6/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 1/6/2010
Department of Commerce, Community and Economic Development

The bill limits the total amount of loans subject to incentive rate rebates to 5% of the total of the amount of the proposed loan participation which would be subject to rebate plus the combined outstanding balance of all loan participations of the Authority. As of 6/30/09, AIDEA's outstanding balance of loan participations was $340,346,000; 5% = $17,017,300.

The bill also makes changes to the Rural Development Initiative Fund (RDIF). The RDIF provides long term financing to small businesses located in communities of 5,000 population or less if not connected by road or rail to Anchorage or Fairbanks or communities of 2,000 population or less if connected by road or rail to Anchorage or Fairbanks. This legislation would increase the amount that could be borrowed from the fund and it would remove the restriction that a borrower may only have one loan. It would also reduce the interest rate that may be charged.

To date there is $4,137,900 outstanding with $1,411,400 available to lend in the RDIF. There will be no change in operating budget expenditures to facilitate the proposed changes.

The adoption of regulations will not require additonal operating funds.

Adopted

AMENDMENT 1

OFFERED IN SENATE FINANCE BY SENATOR Olson

TO: SB 300

Page 1, line 2 following "**Authority**"

Delete " **; and relating**"

Insert "**, to the powers of the authority, and**"

Page 1, following line 4:

Insert new bill section to read:

"**Section 1.** AS 44.88.080 is amended by adding a new paragraph to read:

(30) to consider, when exercising the powers listed in this section, the interests of local governments impacted by the authority's activities to share in the benefits of these activities, with appropriate consideration of the authority's ability to meet debt obligations, issue new debt, and fulfill the authority's purposes."

Page 1, line 5:

Delete "**Section 1**"

Insert "**Sec. 2**"

Renumber the following bill sections accordingly.

SB 301

<target><bill>SB 301</bill><subject>SB 301</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/22/10

FURTHER:

DATE TURNED IN TO OFFICE: 4-7-10

Finance Committee considered SENATE BILL NO. 301

SB 301 POWER PROJECT FUND

"An Act relating to the power project fund; authorizing the Alaska Energy Authority to charge and collect fees relating to the power project fund; authorizing the Alaska Energy Authority to sell and authorizing the Alaska Industrial Development and Export Authority to purchase loans of the power project fund; providing legislative approval for the sale and purchase of loans of the power project fund under the memorandum of understanding dated February 17, 2010; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
DOT	1/4			✓	1
REV	1/6			✓	2
CED	3/2			✓	3
CED	3/2		✓		4

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Olson			X	
	Ellis			X	
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4 **CORRECTED**
Bill Version: SB 301
(S) Publish Date: 3/8/10

Identifier (file name): SB301-CED-AEA-3-2-10
Dept. Affected: DCCED
Title: Power Project Fund Loan Portfolio Sale
RDU: 453
Component: Statewide Project Development
Sponsor: Rules by Request of the Governor
Requester: Senate Resources Committee
Component Number: 2888

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill authorizes the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund (PPF.) Currently, AEA only collects funds from applicants relating to the direct cost of analyzing the feasibility of a project. All fees would be deposited into the general fund; however, AEA will request an annual appropriation to have collected fees be deposited into the PPF. A similar annual appropriation is requested for fees collected from bulk fuel loans. ** Estimated fees are indeterminate until regulations are adopted; however, as a reference, AEA charges a $25 application fee and a .5% origination fee for loans from the Bulk Fuel Revolving Loan Fund.

In addition to authorizing the collection of fees, this bill allows AEA to sell and the Alaska Industrial Development
(continued on page 2)

Prepared by: Sara Fisher-Goad, Deputy Director-Operations
Phone 907-771-3012
Division: Alaska Energy Authority
Date/Time 2/17/10 12:00 AM
Approved by: Emil Notti, Commissioner
Date 3/2/2010
Department of Commerce, Community and Economic Development

ANALYSIS CONTINUATION

and Export Authority to make a one-time purchase of substantially all loans from the PPF loan portfolio. AEA and AIDEA have developed a memorandum of understanding outlining the terms of the sale. AIDEA will purchase outstanding loans at a discount rate equivalent to 6.02%, its return on investments for the 3-year period ended September 30, 2009. To maximize the price paid, AEA agrees to repurchase from AIDEA loans which later default. Estimated sale proceeds are approximately $20.6 million. The closing date of the sale is anticipated to be in July 2010.

No additional operating costs are anticipated with this legislation.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3 **CORRECTED**
Bill Version: SB 301
(S) Publish Date: 3/8/10

Identifier (file name): SB301-CED-AIDEA-3-2-10
Title: Power Project Fund Loan Portfolio Sale
Sponsor: Rules by Request of the Governor
Requester: Senate Resources Committee

Dept. Affected: DCCED
RDU: 125
Component: AIDEA Operations
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill authorizes the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund (PPF.) See AEA's fiscal note for details.

In addition to authorizing the collection of fees, this bill allows AEA to sell and the Alaska Industrial Development and Export Authority to make a one-time purchase of substantially all loans from the PPF loan portfolio.

Prepared by: Sara Fisher-Goad, Deputy Director-Operations — Phone 907-771-3012
Division: Alaska Industrial Development and Export Authority — Date/Time 2/17/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 3/2/2010
Department of Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

FISCAL NOTE 3 **CORRECTED**

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 301

ANALYSIS CONTINUATION

AEA and AIDEA have developed a memorandum of understanding outlining the terms of the sale. AIDEA will purchase outstanding loans at a discount rate equivalent to 6.02%, its return on investments for the 3-year period ended September 30, 2009. To maximize the price paid, AEA agrees to repurchase from AIDEA loans which later default. Estimated sale proceeds are approximately $20.6 million. The closing date of the sale is anticipated to be in July 2010.

No additional operating costs are anticipated with this legislation.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 301
(S) Publish Date: 2/26/10

Identifier (file name): 0974-REV-TRS-1-6-10
Dept. Affected: Revenue
Title: AIDEA Power Project Fund
RDU: Taxation and Treasury
Component: Treasury
Sponsor: Rules
Requester: Request of Governor
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The Department of Revenue anticipates no fiscal impact as a result of this legislation.

Prepared by: Ginger Blaisdell for Jerry Burnett, Deputy Commissioner
Phone 465-3669
Division: Treasury Division
Date/Time 1/5/10; 9:48am
Approved by: Ginger Blaisdell, Director
Date 1/6/10; 1:49pm
Administrative Services Division

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 301
(S) Publish Date: 2/26/10

Identifier (file name): 0974-DOT-CO-01-04-10
Dept. Affected: DOT&P
Title: Power Project Fund
RDU: Adminstration and Support Services
Component: Commissioner's Office
Sponsor
Requester
Component Number: 530

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill has no fiscal impact on the Department of Transportation and Public Facilities

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: DOT&PF, Commissioner's Office — Date/Time 1/4/10 5:25 PM
Approved by: Frank Richards — Date 1/4/2010
Deputy Commissioner, DOT&PF

(Revised 11/6/2009 OMB)

1480

HB 411 and SB 301

An Act relating to the power project fund

Sectional Analysis

Section	Analysis
1	AS 42.45.010(a) is amended to allow proceeds from the sale of power project loans to be deposited into the power project fund (PPF).
2	AS 42.45.010(d) repeals and reenacts AEA authority to adopt regulations relating to the loan program by specifically allowing AEA to establish fees for applications and loan originations.
3	AS 42.45.010 is amended by adding new subsections – (k) to provide that fees collected will be deposited into the general fund. (l) provides authority to AEA to sell loans of the PPF with legislative approval, allows AEA to repurchase loans sold under this subsection which default, allows proceeds received to be deposited into the fund.
4	AS 44.88.080 is amended by adding new subsection (30) allowing AIDEA to purchase from AEA, as an investment of the revolving fund, PPF loans.
5	Uncodified law is amended by adding a new section providing for legislative approval for AEA to sell and AIDEA to purchase certain power project fund loans. This section references the 2/17/10 MOU between AIDEA and AEA that memorializes the proposed terms of the sale and purchase.
6	Provides for an immediate effective date

Prepared by AEA

AIDEA Alaska Industrial Development and Export Authority

ALASKA ENERGY AUTHORITY

March 18, 2010

The Honorable Lyman Hoffman
The Honorable Bert Stedman
Co-Chairs, Senate Finance Committee
Alaska State Legislature
State Capitol Room 516
Juneau, Alaska 99801-1182

RE: SB 301, "An Act relating to the Power Project Fund"

Dear Senators Hoffman and Stedman:

On March 17, 2010, SB 301 (Companion Bill HB 411) passed the Senate Resources Committee and was referred to Senate Finance. This legislation is intended to allow the Alaska Energy Authority (AEA) to charge and collect fees relating to the Power Project Fund (PPF) and authorize AEA to sell and authorize the Alaska Industrial Development and Export Authority (AIDEA) to purchase loans of the PPF.

SB 301 allows AEA to charge and collect fees in administering the PPF, similar to the authority AEA has to charge and collect fees in administering the Bulk Fuel Revolving Loan Fund (BFRLF.) AEA charges an application fee and an origination fee for a loan of the BFRLF; AEA proposes to charge similar fees for a PPF loan application and loan.

SB 301 also authorizes AEA to sell and AIDEA to purchase certain loans from the PPF. The proposed sale of existing loans will recapitalize the PPF with approximately $20.6 million. To maximize the price paid to AEA for the sale of the loans, the bill includes provisions for AEA to repurchase from AIDEA loans which later default. This repurchase provision substantially reduces financial risk to AIDEA and allows AIDEA to purchase the loans without significant discount.

We respectfully request you to schedule SB 301 for hearing in Senate Finance, and we urge favorable action on this bill. A copy of the Memorandum of Understanding between AIDEA and AEA, fiscal notes and sectional analysis are attached. We will be happy to meet with you and other members of the committee to provide any other information you may require. Thank you for considering our request.

Sincerely,

ALASKA ENERGY AUTHORITY

Steve Haagenson
Executive Director

Attachments (4)

cc: Ted Leonard, AIDEA Executive Director

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Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

February 25, 2010

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

Dear President Stevens,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to the power project fund; authorizing the Alaska Energy Authority (AEA) to charge and collect fees relating to the power project fund; authorizing AEA to sell and authorizing the Alaska Industrial Development and Export Authority (AIDEA) to purchase loans of the power project fund; and providing legislative approval for the sale and purchase of loans of the power project fund under the memorandum of understanding dated February 17, 2010.

This bill deals with the power project fund (AS 42.45.010) and would accomplish two things. First, the bill would authorize the sale of power project fund loans from AEA to AIDEA as an investment of AIDEA's revolving fund. The sale of loans will recapitalize the power project fund and be accomplished under a memorandum of understanding. Second, the bill would authorize AEA to charge fees related to administration of the power project fund.

AEA can make loans out of the power project fund to help finance energy generation and transmission projects, or to fund the bulk fuel revolving loan fund under AS 42.45.250(*l*). Borrowers currently use loans from the power project fund as a financing tool to help finance match requirements of renewable energy projects funded by the renewable energy grant fund (AS 42.45.045). The power project fund currently holds less than $4.2 million, an amount inadequate to fund all reasonable loan needs arising out of the renewable energy grant fund and recommendation program and other purposes of the power project fund. The proposed sale of existing loans in the power project fund will recapitalize the fund with an additional sum, estimated to be approximately $21 million.

To maximize the price paid to AEA for the sale of loans of the power project fund, the bill and memorandum of understanding include provisions for AEA to repurchase from AIDEA loans which later default. This repurchase provision substantially reduces financial risk to AIDEA from default, and enables AIDEA to purchase the loans without significant discount for such risk. The result is that AEA will obtain more from the sale to capitalize the power project fund.

Several sections of the bill authorize the sale of power project fund loans from AEA to AIDEA. Section 1 of the bill would amend AS 42.45.010(a) and allow proceeds from the sale of power project loans to be deposited into the power project fund. Section 3 of the bill would add a new subsection (*l*) to AS 42.45.010, and authorize AEA to sell power project fund loans with legislative approval, allow AEA to repurchase defaulted loans, and direct that sale proceeds be deposited into the power project fund. Section 4 of the bill would add a new paragraph (30) to AS 44.88.080 and authorize AIDEA to purchase loans of the power project fund with legislative approval. And, sec. 5 of the bill would provide necessary legislative approval for AEA to sell and AIDEA to purchase the loans under the memorandum of understanding dated February 17, 2010. A copy of this memorandum of understanding is available on both AEA and AIDEA internet websites.

The bill would also authorize AEA to charge and collect fees in administering the power project fund, similar to authority that AEA has under AS 42.45.250(j) and (k) for the bulk fuel revolving loan fund. Section 2 of the bill would amend AS 42.45.010(d) which currently provides statutory authority for AEA to adopt regulations regarding the power project fund, and specifically authorize AEA to establish reasonable fees for applications and loan origination, and charges for reimbursement of the costs of analyzing the feasibility of a project. Section 3 of the bill would add subsection (k) to AS 42.45.010, and authorize AEA to collect the power project fund fees and charges established in the regulations, and direct deposit of those fees and charges into the general fund. Currently, AEA only requires an applicant to pay the costs of analyzing the feasibility of a project.

Finally, Sec. 6 of the bill would make the bill immediately effective, if it is enacted into law.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

Memorandum of Understanding

This Memorandum of Understanding ("MOU") is entered into this 17th day of February, 2010, between the Alaska Energy Authority ("AEA") and the Alaska Industrial Development and Export Authority ("AIDEA").

Recitals

A. The power project fund ("PPF") is established as a separate fund of AEA under AS 42.45.010(a).

B. AEA may make PPF loans for financing various activities related to the development of energy generation and transmission projects, bulk fuel storage facilities, waste energy, energy conservation, or alternative energy facilities, or may make loans to the bulk fuel revolving loan fund for the purposes described in AS 42.45.250(l).

C. The Renewable Energy Grant Fund was established under AS 42.45.045 to finance certain energy projects in Alaska, with an emphasis on feasible energy projects that provide a cost benefit to Alaska ratepayers, and projects that will serve areas in which the average cost of energy exceeds the average cost of energy in other areas of the state.

D. AEA makes PPF loans available to assist project developers meet their matching fund obligations under the Renewable Energy Fund Grant Recommendation Program. By doing so, AEA is able to leverage the funding available from each program to better promote the development of cost efficient, renewable energy projects for the benefit of Alaska ratepayers.

E. The PPF currently has less than $5,000,000 available for serving the purposes of the fund.

F. AEA desires to sell, and AIDEA desires to purchase, the outstanding PPF loans identified in the attached Exhibit A.

G. In this MOU, in order to maximize the amount AIDEA would be willing to pay for the PPF loans identified in Exhibit A and minimize financial risk to AIDEA from purchasing the PPF loans, AEA agrees to repurchase from AIDEA any outstanding loan if the borrower has a payment default after the sale.

H. The outstanding PPF loans identified in Exhibit A have a combined current balance as of February 9, 2010, of $24,700,452.23, and earn interest at annual rates that range from 0% to 6.16%.

I. AEA and AIDEA agree that the outstanding loans identified in Exhibit A have a projected present value as of the closing date (expected to be in July 2010) of approximately $20.6 million. This present value is the value of projected loan payments over the life of the outstanding loans, discounted at 6.02%, which was AIDEA's return on investments for the three year period ended September 30, 2009.

J. AEA and AIDEA agree that the sale and purchase of the outstanding PPF loans identified in Exhibit A at the present value of the loans will both adequately capitalize the Power Project Fund and provide a reasonable investment for the revolving fund of AIDEA.

K. The sale and purchase of the outstanding PPF loans identified in Exhibit A will require, among other things, the enactment of legislation approving the sale and purchase.

L. This MOU is intended to set forth the principal terms and conditions under which AEA would sell, and AIDEA would purchase, the outstanding PPF loans identified in Exhibit A. The parties intend that this MOU be incorporated into legislation to be submitted to the Alaska State Legislature authorizing the sale and purchase of the loans.

NOW, THEREFORE, in exchange for the mutual promises contained herein and for other consideration the receipt and adequacy of which is hereby acknowledged, the parties agree as follows:

1. AEA agrees to sell, and AIDEA agrees to purchase, the outstanding PPF loans identified in Exhibit A on the closing date, expected to be in July 2010, for a purchase price equal to the present value as of the closing date of all PPF loans identified in Exhibit A.

2. In this MOU, the "present value" of a PPF loan means the present value of all scheduled loan payments on the PPF loan over the entire remaining life of the PPF loan, using a discount rate of 6.02%.

3. Based upon the definition of "present value," AIDEA and AEA estimate that the purchase price of all PPF loans identified in Exhibit A on the closing date will be approximately $20.6 million.

4. AEA shall repurchase from AIDEA any outstanding PPF loan if the borrower defaults on payment after the sale. The repurchase price shall equal the present value of the loan determined on the date of the payment default by the borrower, less any payments received by AIDEA after the payment default date. AIDEA may exercise the right to have AEA repurchase a PPF loan by sending notice to AEA of the payment default.

AEA shall pay AIDEA within 30 days of the notice of payment default from unencumbered and uncommitted funds in the Power Project Fund. If the PPF has an inadequate amount of unencumbered and uncommitted funds to repurchase the PPF loan from AIDEA within 30 days of the notice of default, AEA shall make payments to AIDEA with unencumbered and uncommitted funds as they become available in the Power Project Fund (through repayments from other PPF loans or otherwise), with interest on the unpaid balance at the annual rate of four percent (4%) from the date 30 days after the notice of default. Nothing in this paragraph precludes AIDEA from rescinding a notice of default.

WHEREFORE the parties have executed this Agreement as of the date first written above.

Alaska Energy Authority

by: Steve Haagenson
Executive Director

Alaska Industrial Development and Export Authority

by: Ted Leonard
Executive Director

Exhibit A

Alaska Energy Authority
Power Project Loans
as of 2/9/10

Payment Period	Loan #	Loan Name	Outstanding Commitment	Current Balance	Next Due Date	Interest Rate	Payment Amount	Maturity Date
Annually								
	40901044	QINARMIUT CORP	$0.00	$84,841.03	10/1/10	0.00	$12,266.17	10/1/16
	40901045	CORDOVA ELEC CO OP	$0.00	$742,857.13	6/11/10	0.00	$28,571.43	6/11/35
	40901047	ST PAUL, CITY OF	$0.00	$97,306.42	10/1/10	3.00	$8,614.18	10/1/23
	40901048	WRANGELL, CITY OF	$0.00	$78,553.50	7/1/10	2.00	$27,238.92	7/1/12
	40901050	PELICAN UTILITY DISTRICT	$0.00	$15,161.70	7/1/10	5.61	$2,191.43	7/1/19
	40901057	ST PAUL, CITY OF	$0.00	$1,260,000.00	10/1/10	0.00	$90,000.00	10/1/23
Total for Annually				**$2,278,719.78**			**$168,882.13**	
SemiAnnually								
	40901009	SITKA, CITY OF	$0.00	$9,178,074.93	7/1/10	4.00	$307,037.96	1/1/33
	40901049	GWITCHYAA ZHEE UTILITY	$0.00	$145,384.29	7/1/10	6.16	$9,844.52	1/1/20
	40901051	AP&T TOK DOT LAKE	$0.00	$232,837.77	7/1/10	0.00	$12,254.63	7/1/19
	40901052	AP&T (TETLIN)	$0.00	$172,614.56	7/1/10	4.20	$11,121.71	7/1/19
	40901059	AP&T (PRINCE OF WALES PROJECT)	$0.00	$893,333.30	7/1/10	0.00	$20,000.00	1/1/37
	40901060	ELFIN COVE, COMMUNITY OF	$0.00	$550,325.15	7/1/10	0.00	$13,102.98	1/1/31
	40901061	SOUTHERN ENERGY	$0.00	$517,673.38	7/1/10	5.60	$21,480.18	7/1/30
	40901062	YAKUTAT, CITY & BOROUGH OF	$0.00	$125,792.95	7/1/10	3.00	$7,325.59	1/1/20
	40901065	AVEC NIGHTMUTE	$0.00	$205,283.22	7/1/10	0.00	$10,804.38	7/1/19
	40901068	AP&T (SKAGWAY)DYEA LINE EXTENSION	$0.00	$114,153.48	7/1/10	2.00	$6,052.95	7/1/20
	40901071	TUNTUTULIAK COMMUNITY SERVICES A	$0.00	$129,509.64	7/1/10	0.00	$5,396.23	1/1/22
	40901072	GUSTAVUS ELECTRIC COMPANY	$0.00	$118,626.84	7/1/10	5.40	$10,288.01	1/1/17
	40901076	NAPASKIAK ELEC UTILITY	$0.00	$6,304.97	7/1/10	5.80	$1,669.45	1/1/12
	40901079	TDX SAND POINT GENERATING INC	$0.00	$203,984.12	7/1/10	4.00	$10,109.49	1/1/23
	40901080	AK POWER CO-POW SWITHGEAR PROJ.	$0.00	$167,889.70	7/1/10	5.45	$7,639.46	1/1/27
	40901081	AK POWER CO-SKAGWAY LINE EXT	$0.00	$187,093.47	7/1/10	5.45	$6,660.67	1/1/37
	40901084	AK POWER CO-SOUTH FORK HYDRO	$0.00	$1,576,590.23	7/1/10	5.45	$57,000.66	1/1/36
	40901085	ADAK, CITY OF (DOWNSIZE GEN)	$0.00	$85,577.88	7/1/10	5.39	$6,648.22	1/1/18
	40901086	TDX NORTH SLOPE GENERATING INC	$0.00	$796,539.85	7/1/10	3.00	$34,972.27	1/1/24
	40901090	TDX NORTH SLOPE GENERATING INC	$0.00	$746,334.45	7/1/10	5.15	$35,901.66	1/1/25
	40901091	TDX SAND POINT GENERATING INC	$0.00	$120,251.45	7/1/10	5.11	$5,454.25	7/1/26
	40901092	AK POWER CO	$0.00	$63,010.57	7/1/10	5.11	$2,912.94	1/1/26
	40901093	PORT HEIDEN, CITY OF	$0.00	$38,730.34	7/1/10	5.09	$2,403.24	7/1/20
	40901094	YAKUTAT, CITY & BOROUGH OF	$0.00	$224,977.15	7/1/10	4.92	$17,225.39	1/1/18
	40901095	TDX NORTH SLOPEGENERATING, INC	$0.00	$1,193,582.30	7/1/10	4.92	$53,356.61	7/1/26
	40901096	CHENA POWER LLC	$0.00	$530,138.84	7/1/10	5.02	$23,729.86	7/1/26
	40901097	CRAIG, CITY OF	$0.00	$482,653.23	7/1/10	5.05	$19,908.31	1/1/29
	40901100	GUSTAVUS ELECTRIC, INC	$0.00	$928,029.76	7/1/10	4.69	$29,659.32	7/1/38
	40901102	CHIGNIK LAGOON POWER UTILITY	$0.00	$30,920.85	7/1/10	4.62	$5,599.19	1/1/13
	40901104	ALASKA WIND POWER, LLC	$0.00	$143,502.81	7/1/10	4.88	$7,176.84	1/1/14
	40901106	NUSHAGAK ELECTRIC & TELEPHONE CO(	$0.00	$12,010.97	7/1/10	4.99	$4,820.30	1/1/15
	40901107	TDX NORTH SLOPE GENERATING, INC.	$0.00	$2,500,000.00	7/1/10	5.46	$104,892.75	1/1/30
Total for SemiAnnually				**$22,421,732.45**			**$872,450.02**	
Grand Total				**$24,700,452.23**				

Prepared by AEA

SB 305

<target><bill>SB 305</bill><subject>SB 305</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 3/8/10

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 305

SB 305 SEPARATE OIL & GAS PRODUCTION TAX

"An Act relating to the tax on oil and gas production; and providing for an effective date."

and recommends:

[✓] be **replaced** with [ ] **SCS** or [✓] **CS** SB305 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[✓] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
SFIN Rev for	3/31/10			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins				X
	Thomas	✓			
	EGAN	✓			
	Olson	✓			
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:	STEDMAN	✓			

FISCAL NOTE

Adopted 3/31/10

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB305(FIN)**
(S) Publish Date: 3/31/2010

Identifier (file name): 2010 03 31 FN CSSB305 SFIN
Title
Sponsor Senate Finance Committee
Requester Senate Finance Committee

Dept. Affected: Revenue
RDU Taxation and Treasury
Component Tax Division
Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

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

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

This bill separates oil and natural gas for purposes of calculating the progressivity portion of the production tax under AS 43.55. Under this bill the progressivity surcharges for oil and Cook Inlet and in-state gas would be calculated together, but distinctly from export gas, instead of the current practice on all oil and gas combined. The progressivity structure itself would be unchanged, based on 0.4% of the production that value that exceeds $30 per barrel for oil, and $30 per BTU barrel of oil equivalent for gas. The base tax rate is unchanged at 25% of production tax value.

Prepared by: Miles Baker, Finance Aide — Phone (907) 465-3873
Division Senate Finance Committee — Date/Time 3/30/2010 7:00pm
Approved by: Senator Stedman, Co-Chair — Date 3/31/2010 8:00am
Senate Finance Committee

(Revised 11/6/2009 OMB)

ANALYSIS CONTINUATION

Under current law the tax rate is based on the combined BTU value of oil and gas. However, oil and gas can have vastly different values on a BTU basis. Currently a BTU of oil is worth much more than a BTU of gas. Accordingly, once a major gas sale would start up, overlaying the existing oil production, the BTU value of the combined oil and gas would be much lower than it was for oil alone. This could cause a significant reduction in oil taxes as a result of a major gas sale.

This structure, in conjunction with the inherent uncertainty of future oil and gas prices, exposes the state to significant financial risk were a major gas sale to occur. The structure also creates economic instability for entities looking to participate in the development and financing of a natural gas pipeline project in Alaska.

Under the tax inducement provisions of the Alaska Gasline Inducement Act (AGIA), the tax structure in place at the time of the first binding open season (May 1, 2010), may be locked in for the first ten years of gas commercialization. Consequently, to the extent there is interest in decoupling our tax structure, it needs to be done before April 30, 2010.

The bill removes the dilution effect by having progressivity calculated distinctly for oil and gas. This will result in no reduction in oil taxes from a major gas sale.

As in current law, the bill gives the Department of Revenue the authority to adopt regulations to allocate costs between oil and gas, with the added instruction that a method based on relative BTU barrel of oil equivalents should be considered. That method was the one adopted by the department under the same authority for implementation of the current law, for the same purposes as would be for the proposed law.

Some producers currently produce Cook Inlet gas or other in-state gas along with North Slope oil. If all gas were separated from oil these producers would see an immediate tax increase. The bill is not intended to increase taxes on current activity. Having the progressivity for Cook Inlet gas and other in-state gas calculated together replicates the current situation, so these producers will see no tax increases. Only progressivity on export gas, like the gas from a major gas sale, would be calculated distinctly. This will prevent a major gas sale from diluting progressivity on oil.

Expenditures

The Tax Division is in the process of developing a new, single, comprehensive, integrated tax management system for all tax types. The new system will incorporate tax programs and recent tax changes as necessary to improve the efficiency and accuracy of the Division's revenue collection efforts. There is a $300,000 request in the Governor's FY2011 Capital Budget to complete the agency's IT plan for submission and review by the Enterprise Investment Board. It is assumed that the tax structure changes contained in this bill will be addressed by this systemwide review and eventual restructuring project.

1493

3/18/10

SB 305: CS Version S & Amendments

Senate Finance Committee

March 18, 2010

Roger Marks, LBA Consultant

Logsdon & Associates

Version S Committee Substitute

- Title has tightened scope further
- Technical change in Section 5
  - Some of the proposed changes to AS 43.55.020(a)(1) did not need to be there – CS reverses those changes
- Technical change – new Section 8
  - Gives authority to department to adopt regulations to allocate AS 43.55.170 adjustments to lease expenditures between oil and gas

1495

Amendment 1:
Tax Neutrality on Current Activity

- Currently some producers produce both oil and gas
- If you separate oil & gas for calculating progressivity, progressivity on oil will be undiluted by gas and taxes will increase
- Is it not intent of this bill to raise taxes on current oil & gas activity
- Amendment # 1
  - Credit equal to difference between tax determined under bill and tax determined now
  - Credit expires in 2015

Amendment 2:
Cost Allocation

- Retain current agency authority, and
- Consider BOE approach

1497

Amendment 2:
Cost Allocation

- Costs to produce oil and gas are truly joint costs: the same process that produces one produces the other
- Benefit of current approach (AS 43.55.165(h)) that gives department authority to adopt regulations for allocating costs between oil and gas:
  - As recipients of confidential cost data they are in the best position to evaluate costs
  - A regulatory process allows more time
  - The regulatory process is public

Amendment #2

BTU Equivalent Barrel (BOE) Approach

- Same approach that is currently embraced in departmental regulations (15 AAC 55.215)

- Mechanics (AS 43.55.900(3))
  - 1 barrel of oil = 1 BOE
  - 6 mmbtu's to the barrel
  - Gas mmbtu's / 6 = gas BOE's

- Rationale for BOE approach
  - The same costs that **produce** oil **produce** gas
  - Since **produced** together, costs are allocated based on amounts **produced**
  - BOE method: putting oil & gas on apples/apples basis in terms of relative **produced** volumes

1499

Amendment #2

Problems with Other Methods

- Item by item attribute
  - Inappropriate where costs are truly joint
- Dominant use (either all oil or all gas)
  - Inappropriate when large volumes of both produced
- Deemed approach (deemed one unless item is 100% the other)
  - Inappropriate when large volumes of both produced
- Reserves
  - Uncertain numbers / subject to taxpayer control
- Gross value
  - Upstream costs should not change with downstream prices

A Note on 15 AAC 55.220

- DOR's proposed regulation on AGIA uses the Gross value approach to allocate the total tax between oil and gas
- Allocating tax is different than allocating costs
- Gross value is a very material determinant of the differences in tax value between oil and gas
- Allocating tax by gross value for this purpose is reasonable

A Note on Allocation of Capital Costs Associated with Developing Pt. Thomson

- High development costs will be incurred prior to gas sales: these costs will be allocated against oil
- Pt. Thomson is also an oil (condensate) field (est. 300 million barrels)
- Could be developed such that it produces condensate years before it produces gas
- PPT/ACES were deliberately designed so that cost deductions and credits would be utilized immediately

adopted 3/12/10 Replaced 3/18/10

26-LS1577\E
Bullock
3/10/10

CS FOR SENATE BILL NO. 305(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to that part of the tax on oil and gas production that increases the rate of tax as the production tax value increases above $30 and limiting the effect of that rate increase to the production of oil; and providing for an effective date."

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

*** Section 1.** AS 43.55.011(e) is amended to read:

(e) There is levied on the producer of oil or gas a tax for all oil and gas produced each calendar year from each lease or property in the state, less any oil and gas the ownership or right to which is exempt from taxation or constitutes a landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of this section, the tax is equal to the sum of

(1) the annual production tax value of the taxable oil and gas as calculated under AS 43.55.160(a)(1) multiplied by 25 percent; and

(2) the sum, over all months of the calendar year, of the tax amounts determined under (g) of this section **on the production of oil**.

*** Sec. 2.** AS 43.55.011(g) is amended to read:

(g) For each month of the calendar year for which the producer's average monthly production tax value under AS 43.55.160(a)(2) **of a** [PER BTU EQUIVALENT] barrel of [THE] taxable oil [AND GAS] is more than $30, the amount of tax for purposes of (e)(2) of this section is determined by multiplying the monthly production tax value of the taxable oil [AND GAS] produced during the month by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value **of a** [PER BTU EQUIVALENT] barrel of [THE] taxable oil [AND GAS] for the month is not more than $92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between **the producer's** [THAT] average monthly production tax value **of a** [PER BTU EQUIVALENT] barrel **of oil** and $30; or

(2) if the producer's average monthly production tax value **of a** [PER BTU EQUIVALENT] barrel of [THE] taxable oil [AND GAS] for the month is more than $92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the **producer's** average monthly production tax value **of a** [PER BTU EQUIVALENT] barrel **of oil** and $92.50, except that the sum determined under this paragraph may not exceed 50 percent.

*** Sec. 3.** AS 43.55.011(j) is amended to read:

(j) For a calendar year before 2022, the tax levied by **(e)(1)** [(e)] of this section for gas produced from a lease or property in the Cook Inlet sedimentary basin may not exceed

(1) for a lease or property that first commenced commercial production of gas before April 1, 2006, the product obtained by multiplying (A) the amount of taxable gas produced during the calendar year from the lease or property, times (B) the average rate of tax that was imposed under this chapter for taxable gas produced from the lease or property for the 12-month period ending on March 31, 2006, times (C) the quotient obtained by dividing the total gross value at the point of production of the taxable gas produced from the lease or property during the 12-month period ending on March 31, 2006, by the total amount of that gas;

(2) for a lease or property that first commences commercial production of gas after March 31, 2006, the product obtained by multiplying (A) the amount of taxable gas produced during the calendar year from the lease or property, times (B) the average rate of tax that was imposed under this chapter for taxable gas produced from all leases or properties in the Cook Inlet sedimentary basin for the 12-month period ending on March 31, 2006, times (C) the average prevailing value for gas delivered in the Cook Inlet area for the 12-month period ending March 31, 2006, as determined by the department under AS 43.55.020(f).

*** Sec. 4.** AS 43.55.011(o) is amended to read:

(o) Notwithstanding other provisions of this section, for a calendar year before 2022, the tax levied under **(e)(1)** [(e)] of this section for each 1,000 cubic feet of gas for gas produced from a lease or property outside the Cook Inlet sedimentary basin and used in the state may not exceed the amount of tax for each 1,000 cubic feet of gas that is determined under (j)(2) of this section.

*** Sec. 5.** AS 43.55.020(a) is amended to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011(e) - (i) shall pay the tax as follows:

(1) an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the following month; except as otherwise provided under (2) of this subsection, the amount of the installment payment is the sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment payment may not be less than zero:

(A) for oil and gas produced from leases or properties in the state outside the Cook Inlet sedimentary basin but not subject to AS 43.55.011(o), other than leases or properties subject to AS 43.55.011(f), [THE GREATER OF]

(i) [ZERO; OR

(ii)] the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder

obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible for the leases or properties under AS 43.55.160 from the gross value at the point of production of the oil [AND GAS] produced from the leases or properties during the month for which the installment payment is calculated; **and**

(ii) 25 percent of the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from those leases and properties under AS 43.55.165 and 43.55.170 that are deductible for the leases or properties under AS 43.55.160 from the gross value at the point of production of the gas produced from the leases or properties during the month for which the installment payment is calculated;

(B) for oil and gas produced from leases or properties subject to AS 43.55.011(f), the **greater** [GREATEST] of

(i) [ZERO;

(ii)] zero percent, one percent, two percent, three percent, or four percent, as applicable, of the gross value at the point of production of the oil and gas produced from all leases or properties during the month for which the installment payment is calculated; or

(ii) 25 percent of the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from those leases and properties under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160 from the gross value at the point of production of the gas produced from those leases or properties during the month for which the installment payment is calculated and

[(iii)] the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160 from the gross value at the point of production of the oil [AND GAS] produced from those leases or properties during the month for which the installment payment is calculated;

(C) for oil and gas produced from each lease or property subject to AS 43.55.011(j), (k), or (o), **25 percent of the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from those leases and properties under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160 from the gross value at the point of production of the gas produced from those leases or properties during the month for which the installment payment is calculated and** [THE GREATER OF

(i) ZERO; OR

(ii)] the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible under AS 43.55.160 for oil [OR GAS, RESPECTIVELY,] produced from the lease or property from the gross value at the point of production of the oil [OR GAS, RESPECTIVELY,] produced from the lease or property during the month for which the installment payment is calculated;

(2) an amount calculated under (1)(C) of this subsection for oil or gas

produced from a lease or property subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the amount of taxable gas produced during the month for the amount of taxable gas produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount of taxable oil produced during the month for the amount of taxable oil produced during the calendar year;

(3) an installment payment of the estimated tax levied by AS 43.55.011(i) for each lease or property is due for each month of the calendar year on the last day of the following month; the amount of the installment payment is the sum of

(A) the applicable tax rate for oil provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the oil taxable under AS 43.55.011(i) and produced from the lease or property during the month; and

(B) the applicable tax rate for gas provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the gas taxable under AS 43.55.011(i) and produced from the lease or property during the month;

(4) any amount of tax levied by AS 43.55.011(e) or (i), net of any credits applied as allowed by law, that exceeds the total of the amounts due as installment payments of estimated tax is due on March 31 of the year following the calendar year of production.

*** Sec. 6.** AS 43.55.160(a) is amended to read:

(a) Except as provided in (b) of this section, for the purposes of

(1) AS 43.55.011(e), the annual production tax value of the taxable

(A) oil and gas produced during a calendar year from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the oil and gas taxable under

AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil and gas produced by the producer from those leases or properties, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(B) oil and gas produced during a calendar year from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil and gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil and gas produced by the producer from those leases or properties, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(C) oil produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(D) gas produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(E) gas produced during a calendar year from a lease or property outside the Cook Inlet sedimentary basin and used in the state is the gross value at the point of production of that gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year

applicable to that gas produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(2) AS 43.55.011(g), the monthly production tax value of the taxable

(A) oil [AND GAS] produced during a month from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(B) oil [AND GAS] produced during a month from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(C) oil produced during a month from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, as adjusted under AS 43.55.170 [;

(D) GAS PRODUCED DURING A MONTH FROM A LEASE OR PROPERTY IN THE COOK INLET SEDIMENTARY BASIN IS THE GROSS VALUE AT THE POINT OF PRODUCTION OF THE GAS TAXABLE UNDER AS 43.55.011(e) AND PRODUCED BY THE

PRODUCER FROM THAT LEASE OR PROPERTY, LESS 1/12 OF THE PRODUCER'S LEASE EXPENDITURES UNDER AS 43.55.165 FOR THE CALENDAR YEAR APPLICABLE TO THE GAS PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, AS ADJUSTED UNDER AS 43.55.170;

(E) GAS PRODUCED DURING A MONTH FROM A LEASE OR PROPERTY OUTSIDE THE COOK INLET SEDIMENTARY BASIN AND USED IN THE STATE IS THE GROSS VALUE AT THE POINT OF PRODUCTION OF THAT GAS TAXABLE UNDER AS 43.55.011(e) AND PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, LESS 1/12 OF THE PRODUCER'S LEASE EXPENDITURES UNDER AS 43.55.165 FOR THE CALENDAR YEAR APPLICABLE TO THAT GAS PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, AS ADJUSTED UNDER AS 43.55.170].

*** Sec. 7.** AS 43.55.160(c) is amended to read:

(c) Notwithstanding any contrary provision of AS 43.55.150, for purposes of calculating a monthly production tax value under (a)(2) of this section, the gross value at the point of production of the oil [AND GAS] is calculated under regulations adopted by the department that provide for using an appropriate monthly share of the producer's costs of transportation for the calendar year.

*** Sec. 8.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Sections 1 - 7 of this Act are applicable on and after the first day of the calendar month immediately following the effective date of this Act.

*** Sec. 9.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

Adopted 3/31/10

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSSB305(FIN)
(S) Publish Date: 3/31/2010

Identifier (file name): 2010 03 31 FN CSSB305 SFIN
Title
Sponsor Senate Finance Committee
Requester Senate Finance Committee

Dept. Affected: Revenue
RDU Taxation and Treasury
Component Tax Division
Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

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

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

This bill separates oil and natural gas for purposes of calculating the progressivity portion of the production tax under AS 43.55. Under this bill the progressivity surcharges for oil and Cook Inlet and in-state gas would be calculated together, but distinctly from export gas, instead of the current practice on all oil and gas combined. The progressivity structure itself would be unchanged, based on 0.4% of the production that value that exceeds $30 per barrel for oil, and $30 per BTU barrel of oil equivalent for gas. The base tax rate is unchanged at 25% of production tax value.

Prepared by: Miles Baker, Finance Aide — Phone (907) 465-3873
Division Senate Finance Committee — Date/Time 3/30/2010 7:00pm
Approved by: Senator Stedman, Co-Chair — Date 3/31/2010 8:00am
Senate Finance Committee

(Revised 11/6/2009 OMB)

ANALYSIS CONTINUATION

Under current law the tax rate is based on the combined BTU value of oil and gas. However, oil and gas can have vastly different values on a BTU basis. Currently a BTU of oil is worth much more than a BTU of gas. Accordingly, once a major gas sale would start up, overlaying the existing oil production, the BTU value of the combined oil and gas would be much lower than it was for oil alone. This could cause a significant reduction in oil taxes as a result of a major gas sale.

This structure, in conjunction with the inherent uncertainty of future oil and gas prices, exposes the state to significant financial risk were a major gas sale to occur. The structure also creates economic instability for entities looking to participate in the development and financing of a natural gas pipeline project in Alaska.

Under the tax inducement provisions of the Alaska Gasline Inducement Act (AGIA), the tax structure in place at the time of the first binding open season (May 1, 2010), may be locked in for the first ten years of gas commercialization. Consequently, to the extent there is interest in decoupling our tax structure, it needs to be done before April 30, 2010.

The bill removes the dilution effect by having progressivity calculated distinctly for oil and gas. This will result in no reduction in oil taxes from a major gas sale.

As in current law, the bill gives the Department of Revenue the authority to adopt regulations to allocate costs between oil and gas, with the added instruction that a method based on relative BTU barrel of oil equivalents should be considered. That method was the one adopted by the department under the same authority for implementation of the current law, for the same purposes as would be for the proposed law.

Some producers currently produce Cook Inlet gas or other in-state gas along with North Slope oil. If all gas were separated from oil these producers would see an immediate tax increase. The bill is not intended to increase taxes on current activity. Having the progressivity for Cook Inlet gas and other in-state gas calculated together replicates the current situation, so these producers will see no tax increases. Only progressivity on export gas, like the gas from a major gas sale, would be calculated distinctly. This will prevent a major gas sale from diluting progressivity on oil.

Expenditures

The Tax Division is in the process of developing a new, single, comprehensive, integrated tax management system for all tax types. The new system will incorporate tax programs and recent tax changes as necessary to improve the efficiency and accuracy of the Division's revenue collection efforts. There is a $300,000 request in the Governor's FY2011 Capital Budget to complete the agency's IT plan for submission and review by the Enterprise Investment Board. It is assumed that the tax structure changes contained in this bill will be addressed by this systemwide review and eventual restructuring project.

adopted 3/31/10 n/o

26-LS1577\T
Bullock
3/30/10

CS FOR SENATE BILL NO. 305(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to that part of the tax on oil and gas production that increases the rate of tax as the production tax value of oil or the BTU equivalent barrel of gas increases above $30, separating the determination of that rate between oil and gas, and making that rate distinct between oil and gas; relating to availability of a portion of the money received from the tax on oil and gas production for appropriation to the community revenue sharing fund; relating to the allocation of lease expenditures and adjustments to lease expenditures; and providing for an effective date."

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

*** Section 1.** AS 29.60.850(b) is amended to read:

(b) Each fiscal year, the legislature may appropriate to the community revenue sharing fund an amount equal to 20 percent of the money received by the state during the previous calendar year under AS 43.55.011(g) **and (p)**. The amount may not exceed

(1) $60,000,000; or

(2) the amount that, when added to the fund balance on June 30 of the previous fiscal year, equals $180,000,000.

*** Sec. 2.** AS 43.55.011(e) is amended to read:

(e) There is levied on the producer of oil or gas a tax for all oil and gas produced each calendar year from each lease or property in the state, less any oil and gas the ownership or right to which is exempt from taxation or constitutes a landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of this section, the tax is equal to the sum of

(1) the annual production tax value of the taxable oil and gas as calculated under AS 43.55.160(a)(1) multiplied by 25 percent; and

(2) the sum, over all months of the calendar year, of the tax amounts determined under

(A) subsection (g) of this section**; and**

(B) subsection (p) of this section.

*** Sec. 3.** AS 43.55.011(g) is amended to read:

(g) For each month of the calendar year for which the producer's average monthly production tax value under **AS 43.55.160(a)(2)(A) - (E) of a** [AS 43.55.160(a)(2) PER] BTU equivalent barrel of [THE] taxable oil and gas is more than $30, the amount of tax for purposes of **(e)(2)(A)** [(e)(2)] of this section is determined by multiplying the monthly production tax value of the taxable oil [AND GAS] produced during the month**, gas produced during the month from a lease or property in the Cook Inlet sedimentary basin, and gas produced during the month from a lease or property outside the Cook Inlet sedimentary basin and used in the state** by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel of [THE] taxable oil and gas for the month is not more than $92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between **the producer's** [THAT] average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel **of taxable oil and gas** and $30; or

(2) if the producer's average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel of [THE] taxable oil and gas for the month is more than $92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the **producer's** average monthly production tax value **under AS 43.55.160(a)(2)(A) - (E) of a** [PER] BTU equivalent barrel **of taxable oil and gas** and $92.50, except that the sum determined under this paragraph may not exceed 50 percent.

*** Sec. 4.** AS 43.55.011 is amended by adding a new subsection to read:

(p) For each month of the calendar year for which the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas is more than $30, the amount of tax on the production of gas for purposes of (e)(2)(B) of this section is determined by multiplying the monthly production tax value of the taxable gas produced during the month other than gas produced from a lease or property in the Cook Inlet sedimentary basin or gas produced outside the Cook Inlet sedimentary basin and used in the state by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas for the month is not more than $92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of gas and $30; or

(2) if the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of taxable gas for the month is more than $92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the producer's average monthly production tax value under AS 43.55.160(a)(2)(F) and (G) of a BTU equivalent barrel of gas and $92.50, except that the sum determined under this paragraph may not exceed 50 percent.

*** Sec. 5.** AS 43.55.020(a) is amended to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011(e) - (i) **and (p)** shall pay the tax as follows:

(1) an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the following month; except as otherwise provided under (2) of this subsection, the amount of the installment payment is the sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment payment may not be less than zero:

(A) for oil and gas produced from leases or properties in the state outside the Cook Inlet sedimentary basin but not subject to AS 43.55.011(o), other than leases or properties subject to AS 43.55.011(f), the greater of

(i) zero; or

(ii) **an amount equal to** the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible for the leases or properties under AS 43.55.160, from the gross value at the point of production of the oil [AND GAS] produced from the leases or properties during the month for which the installment payment is calculated **added to the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(p) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from those leases and properties under AS 43.55.165 and 43.55.170 that are deductible for the leases or properties under AS 43.55.160 from the gross value at the point of production of the gas produced from the leases**

or properties during the month for which the installment payment is calculated;

(B) for oil and gas produced from leases or properties subject to AS 43.55.011(f), the greatest of

(i) zero;

(ii) zero percent, one percent, two percent, three percent, or four percent, as applicable, of the gross value at the point of production of the oil and gas produced from all leases or properties during the month for which the installment payment is calculated; or

(iii) **an amount equal to** the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160, from the gross value at the point of production of the oil [AND GAS] produced from those leases or properties during the month for which the installment payment is calculated **added to the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(p) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from those leases and properties under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160 from the gross value at the point of production of the gas produced from those leases or properties during the month for which the installment payment is calculated**;

(C) for oil and gas produced from each lease or property subject to AS 43.55.011(j), (k), or (o), the greater of

(i) zero; or

(ii) **an amount equal to** the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible under AS 43.55.160 for oil [OR GAS, RESPECTIVELY,] produced from the lease or property, from the gross value at the point of production of the oil [OR GAS, RESPECTIVELY,] produced from the lease or property during the month for which the installment payment is calculated **added to the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from the lease or property under AS 43.55.165 and 43.55.170 that are deductible under AS 43.55.160 for gas produced from the lease or property, from the gross value at the point of production of the gas produced from the lease or property during the month for which the installment payment is calculated**;

(2) an amount calculated under (1)(C) of this subsection for oil or gas produced **before 2022** from a lease or property subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the amount of taxable gas produced during the month for the amount of taxable gas produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount of taxable oil produced during the month for the amount of taxable oil produced during the calendar year;

(3) an installment payment of the estimated tax levied by AS 43.55.011(i) for each lease or property is due for each month of the calendar year

on the last day of the following month; the amount of the installment payment is the sum of

(A) the applicable tax rate for oil provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the oil taxable under AS 43.55.011(i) and produced from the lease or property during the month; and

(B) the applicable tax rate for gas provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the gas taxable under AS 43.55.011(i) and produced from the lease or property during the month;

(4) any amount of tax levied by AS 43.55.011(e) or (i), net of any credits applied as allowed by law, that exceeds the total of the amounts due as installment payments of estimated tax is due on March 31 of the year following the calendar year of production.

*** Sec. 6.** AS 43.55.020(d) is amended to read:

(d) In making settlement with the royalty owner for oil and gas that is taxable under AS 43.55.011, the producer may deduct the amount of the tax paid on taxable royalty oil and gas, or may deduct taxable royalty oil or gas equivalent in value at the time the tax becomes due to the amount of the tax paid. If the total deductions of installment payments of estimated tax for a calendar year exceed the actual tax for that calendar year, the producer shall, before April 1 of the following year, refund the excess to the royalty owner. Unless otherwise agreed between the producer and the royalty owner, the amount of the tax paid under AS 43.55.011(e) - (g) **and (p)** on taxable royalty oil and gas for a calendar year, other than oil and gas the ownership or right to which constitutes a landowner's royalty interest, is considered to be the gross value at the point of production of the taxable royalty oil and gas produced during the calendar year multiplied by a figure that is a quotient, in which

(1) the numerator is the producer's total tax liability under AS 43.55.011(e) - (g) **and (p)** for the calendar year of production; and

(2) the denominator is the total gross value at the point of production of the oil and gas taxable under AS 43.55.011(e) - (g) **and (p)** produced by the

producer from all leases and properties in the state during the calendar year.

*** Sec. 7.** AS 43.55.160(a) is amended to read:

(a) Except as provided in (b) of this section, for the purposes of

(1) AS 43.55.011(e), the annual production tax value of the taxable

(A) oil [AND GAS] produced during a calendar year from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(B) oil [AND GAS] produced during a calendar year from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(C) oil produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(D) gas produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the

producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(E) gas produced during a calendar year from a lease or property outside the Cook Inlet sedimentary basin and used in the state is the gross value at the point of production of that gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to that gas produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(F) gas produced during a calendar year from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, as adjusted under AS 43.55.170; this subparagraph does not apply to gas used in the state;

(G) gas produced during a calendar year from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, as adjusted under AS 43.55.170; this subparagraph does not apply to gas used in the state;

(2) AS 43.55.011(g) **and (p)**, the monthly production tax value of the taxable **oil produced during a month from**

(A) oil [AND GAS] produced during a month from leases or properties in the state that include land north of 68 degrees North latitude is the

gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(B) oil [AND GAS] produced during a month from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(C) oil produced during a month from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(D) gas produced during a month from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(E) gas produced during a month from a lease or property outside the Cook Inlet sedimentary basin and used in the state is the gross value at the point of production of that gas taxable under AS 43.55.011(e) and

produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to that gas produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(F) gas produced during a month from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, as adjusted under AS 43.55.170; this subparagraph does not apply to gas used in the state;

(G) gas produced during a month from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from those leases or properties, as adjusted under AS 43.55.170; this subparagraph does not apply to gas used in the state.

* **Sec. 8.** AS 43.55.165(h) is amended to read:

(h) The department shall adopt regulations that provide for reasonable methods of allocating costs between oil and gas, between gas subject to AS 43.55.011(o) and other gas, and between leases or properties in those circumstances where an allocation of costs is required to determine lease expenditures that are costs of exploring for, developing, or producing oil deposits or costs of exploring for, developing, or producing gas deposits, or that are costs of exploring for, developing, or producing oil or gas deposits located within different leases or properties. **When determining a reasonable method of allocating lease expenditures between the production of oil and the production of gas, the**

department shall consider allocating lease expenditures in proportion to the BTU equivalent barrels of oil produced and gas produced from each lease or property.

*** Sec. 9.** AS 43.55.170 is amended by adding a new subsection to read:

(d) The department shall adopt regulations that provide for reasonable methods of allocating the adjustments to a producer's lease expenditures in (a) of this section and the payments and credits described in (b) of this section between oil and gas, between gas subject to AS 43.55.011(o) and other gas, and between leases or properties in those circumstances where an allocation of costs is required to determine lease expenditures that are costs of exploring for, developing, or producing oil deposits, or costs of exploring for, developing, or producing gas deposits, or that are costs of exploring for, developing, or producing oil or gas deposits located within different leases or properties. When determining a reasonable method of allocating the adjustments to a producer's lease expenditures between the production of oil and the production of gas, the department shall consider allocating the adjustments in proportion to the lease expenditures allocated to the production of oil and the production of gas under regulations adopted by the department under AS 43.55.165(h).

*** Sec. 10.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: INSTALLMENT PAYMENTS OF TAX. A producer required to make an installment payment of tax under AS 43.55.020(a)(1) after December 31, 2009, and before the effective date of this Act, and that underpaid the amount due for the installment payment because of the retroactive application of secs. 2 - 4 and 7 of this Act, shall submit the amount of any underpayment on the date the first installment payment is due under AS 43.55.020(a)(1) after the effective date of this Act. Interest on the amount of an underpayment due because of the retroactive application of secs. 2 - 4 and 7 of this Act does not accrue until the day after the date the first installment payment is due under AS 43.55.020(a)(1) after the effective date of this Act.

*** Sec. 11.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. Sections 2 - 4 and 7 of this Act are retroactive to January 1, 2010.

* **Sec. 12.** This Act takes effect immediately under AS 01.10.070(c).

3/31/10

LEGAL SERVICES

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

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

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

MEMORANDUM March 30, 2010

SUBJECT: Sectional summary of CSSB 305(RIN), Draft Version "T" with comparison to Draft Version "P" (Work Order No. 26-LS1577\T and 26-LS1577\P)

TO: Senate Finance Committee

FROM: Donald M. Bullock Jr.
Legislative Counsel

Section 1. Amends AS 29.60.850(b) to reference the new separate progressive tax on gas as a source of money that may be appropriated to the community revenue sharing fund. The "community revenue sharing fund" was established in AS 29.60.850(a), "for the purpose of making community revenue sharing payments to municipalities, reserves, and communities for any public purpose." *There is no amendment to AS 29.60.850(b) in CSSB 305(FIN), Draft Version "P" because the progressive tax on oil in AS 43.55.011(g) continued and would continue to be a source for appropriation.*

Section 2. Amends AS 43.55.011(e) to make separate references to the monthly progressive taxes on oil and gas. The progressive tax on oil, gas produced in Cook Inlet, and gas produced elsewhere and used in the state is in AS 43.55.011(g). The progressive tax on other gas is in AS 43.55.011(p). *Section 1 of CSSB 305(FIN), Draft Version "P" amended AS 43.55.011(e)(2) to refer only to the progressive tax on oil.*

Section 3. Amends AS 43.55.011(g) to have the tax rate determined using the production tax values of oil and the production tax values on a BTU equivalent basis of gas produced in Cook Inlet and gas produced elsewhere and used in the state. Applies the tax rate only to that oil and gas production. Makes no change in the tax rates or the range of production tax values within which the two tax rates apply. *Section 2 in CSSB 305(FIN), Draft Version "P" determined the progressive rate only on the production tax value of oil and applied that rate only to oil.*

Section 4. Adds a new subsections, (p), to AS 43.55.011. Provides for a progressive tax applicable to gas production that is not included in AS 43.55.011(g) as amended in sec. 3 of the bill. Provides that the tax rate is applied to the production tax value of a BTU equivalent of gas. Uses the same tax rates and ranges of production tax values as AS 43.55.011(g) under current law. *The progressive tax on gas in new subsection AS 43.55.011(p) has no counterpart in CSSB 305(FIN), Draft Version "P."*

Section 5. Amends AS 43.55.020(a) to describe the determination of the amount of a monthly installment payment for production taxes when the progressive tax on oil, Cook Inlet gas, and other gas used in the state, and the progressive tax applicable to other gas are determined separately. *Section 6 of CSSB 305(FIN), Draft Version "P" amended AS 43.55.020(a)(1) by excluding gas from the determination of that part of the installment payment that was based on the progressive tax applicable only to oil.*

Section 6. Amends AS 43.55.020(d), relating to a settlement with the royalty owner, by adding references to the progressive tax on the gas to which AS 43.55.011(p) is applicable. *There is no similar provision in CSSB 305(FIN), Draft Version "P" because the reference to AS 43.55.011(g) was still applicable.*

Section 7. Amends AS 43.55.160(a), relating to the determination of the production tax value of oil and gas, by providing the means for determining the production tax value of oil and the production tax value of gas separately. Reorders the subparagraphs so that the subparagraphs related to the production tax value of gas produced outside of Cook Inlet and other gas not used in the state are at the end. *Section 7 in CSSB 305(FIN), Draft Version "P" also amended AS 43.55.160(a), but amended the subsection by removing references to gas when determining the production tax value of oil for purposes of the progressive tax on oil.*

Section 8. Amends AS 43.55.165(h), relating to the requirement that the Department of Revenue adopt regulations for allocating lease expenditures, by requiring that the Department of Revenue consider allocating lease expenditures in proportion to the BTU equivalent barrels of oil produced and gas produced from each lease or property. *Section 9 in CSSB 305(FIN), Draft Version "P" also amended AS 43.55.165(h) in the same manner.*

Section 9. Adds a new subsection, AS 43.55.170(d), which is similar to the amendment to AS 43.55.165(h) in sec. 8, but is applicable to allocating adjustments to lease expenditures. Directs the Department of Revenue to consider allocating adjustments based on the proportion of the BTU equivalents of oil and gas produced. *Section 10 in CSSB 305(FIN), Draft Version "P" also amended AS 43.55.170 by adding a new subsection in the same manner.*

Section 10. Requires a producer that underpays an installment payment after December 31, 2009 and before the effective date because of the retroactive application of the new progressive tax section to pay the amount of the underpayment on the date the first installment payment is due after the effective date of the Act. *There is no similar section in CSSB 305(FIN), Draft Version "P" because the changes in that version were applicable after the effective date of the Act.*

Section 11. Makes the progressive tax provisions of the bill - secs. 2 - 4 and 7 - retroactive to January 1, 2010. *There is no similar section in CSSB 305(FIN), Draft Version "P" because the changes in that version were applicable after the effective date of the Act.*

Section 12. Makes the Act take effect immediately. *The immediate effective date is the same as the immediate effective date in sec. 11 of CSSB 305(FIN), Draft Version "P."*

Bill sections in CSSB 305(FIN), Draft Version "P" that have no counterpart in CSSB 305(FIN), Draft Version "T"

Sec. 3 in CSSB 305(FIN), Draft Version "P", that amends AS 43.55.011(j) by adding a reference to AS 43.55.011(e)(1), rather and AS 43.55.011(e) because of the exclusion of the progressive tax on gas in that bill, has no counterpart in CSSB 305(FIN), Draft Version "T", which has a progressive tax on gas.

Sec. 4 in CSSB 305(FIN), Draft Version "P" that amends AS 43.55.011(o) by adding a reference to AS 43.55.011(e)(1), rather and AS 43.55.011(e) because of the exclusion of the progressive tax on gas in that bill, has no counterpart in CSSB 305(FIN), Draft Version "T", which has a progressive tax on gas.

Sec. 8 in CSSB 305(FIN), Draft Version "P" that amends AS 43.55.160(c) by removing a reference to gas for the purpose of determining the progressive tax rate on gas has no counterpart in CSSB 305(FIN), Draft Version "T", which has a progressive tax on gas.

Sec. 11 in CSSB 305(FIN), Draft Version "P" made the Act applicable after the effective date of the Act; CSSB 305(FIN), Draft Version "T" has no similar provision because of the retroactive effect of provisions in the bill.

DMB:med
10-022.lmb

adopted 3/31/10 n/o

26-LS1577\T.1
Bullock
3/31/10

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR STEDMAN

TO: CSSB 305(FIN), Draft Version "T"

Page 9, line 29:

Delete "**oil produced during a month from**"

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 305**
() Publish Date:

Identifier (file name): CSSB305(FIN)-REV-TAX-03-20-10
Dept. Affected: Revenue
Title: Separate Oil & Gas Production Tax
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: (S) Finance Committee
Requester: (S) Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	230.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**230.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**	**

***** Significant Impact Beyond FY 2016 - See Analysis Section for Additional Information *****

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	230.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**230.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	**0.0**	0.00	0	0	0	0	0
Part-time							
Temporary							

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

Bill Language

This bill separates oil and natural gas for purposes of calculating the progressivity portion of the production tax under AS 43.55. Under this bill, the progressivity surcharge is calculated on oil only instead of on oil and gas combined. The progressivity surcharge remains unchanged at 0.4% per $1 of production tax value over $30 per barrel, then 0.1% per $1 of production tax value over $92.50. Under this bill, natural gas is always taxed at 25% of production tax value with no progressivity surcharge.

Currently some companies have both oil sales from the North Slope and gas sales from Cook Inlet and elsewhere, both of which are included in their progressivity calculations that are applied to oil. By removing gas from the progressivity calculation these companies will likely face a higher tax rate and therefore an increase in tax liability. This bill contains a credit, which expires in 2015, that would offset any increase in tax from removing gas from the progressivity calculation. (continued)

Prepared by: Dan Stickel, Petroleum Economist — Phone 907-465-3279
Division: Tax Division — Date/Time 03-20-10; 6:36pm
Approved by: Ginger Blaisdell, Director — Date 03-20-10; 6:40pm
Administrative Services Division

(Revised 11/6/2009 OMB)

1530

ANALYSIS CONTINUATION

Revenues

Removing gas from the progressivity calculation could potentially raise tax rates and increase tax for companies that currently produce both oil and gas (from Cook Inlet or elsewhere). The impact will vary from year to year, driven largely by oil and gas prices. Analysis of data from confidential tax returns yields estimates of what the revenue impact might have been in recent years. For CY 2008, removing gas from the progressivity calculation would have increased production tax revenue by about $140 million. For CY 2009, the production tax increase would have been about $20 million, and for CY 2010 the production tax increase would be about $50 million. At current prices (around $80 per barrel for North Slope oil, $7 per million cubic feet for Cook Inlet gas, $0.942 per million cubic feet for North Slope gas sold for in-state use) and assuming costs and production levels similar to 2009, removing gas from the progressivity calculation would cause an increase in tax liability of about $50-60 million per year. These estimates assume that costs are allocated on a British Thermal Unit (BTU) equivalency basis; other allocation methods would yield different estimates.

For years before 2015 the increase in tax liability would be fully offset by the new tax credit provided by this bill. Therefore, for FY 2011 - FY 2014 the fiscal impact is projected to be zero because any increase in tax will be offset by the new tax credit provided in this bill. For FY 2015, the credit will only apply for the first half of the fiscal year and for FY 2016 and beyond the credit will not apply. The revenue impact is presented as indeterminate for FY 2015 and FY 2016 because of the high degree of uncertainty regarding the impact of removing gas from the progressivity calculation, as well as the material impact of regulations yet to be developed for allocating costs between oil and gas.

Once major gas sales begin, applying progressivity to oil only is generally expected to result in higher state revenues than a combined tax. This effect occurs for two reasons: first, oil has historically commanded a price premium to natural gas on an energy equivalency basis; and second, transportation costs are lower in percentage terms for oil than for natural gas, resulting in a higher wellhead value. The revenue impact will be a function of numerous variables including oil and gas prices and production, lease expenditures, and the method chosen for allocating lease expenditures between oil and natural gas.

There are some scenarios under which the state could see a reduction in revenues from this bill. Without a progressivity surcharge on natural gas, this bill could reduce state revenue if the price relationship between oil and natural gas normalized (on an energy equivalency basis) at a time when natural gas was selling at a relatively high price. Also, since this bill will generally increase taxes on the major producers, it is possible that the tax change could be viewed as a disincentive to oil and gas exploration and development.

Expenditures

With the change in tax structure the Department will need to change its monthly reporting forms, annual tax returns, and databases. The contractual services costs for programming changes to the online tax information system and the monthly reporting system are estimated at $230,000. Aside from one-time costs, the provisions of this bill can be implemented using existing staff and resources.

Other Issues

This bill provides for an immediate effective date and the provisions are effective on the first day of the month following the effective date. Since the production tax is levied on an annual basis (payable in monthly installments), changing the tax calculations for only a portion of the tax year would create an additional burden with additional complexity for both the Department and the taxpayers for the 2010 tax year. Applying the tax change retroactive to January 1, 2010 would be preferred from a tax administration standpoint.

Alaska Oil and Gas Association

AOGA

121 W. Fireweed Lane, Suite 207
Anchorage, Alaska 99503-2035
Phone: (907)272-1481 Fax: (907)279-8114
Email: crockett@aoga.org
Marilyn Crockett, Executive Director

March 28, 2010

TO: Members of the Senate Finance Committee

Re: DRAFT CSSB 305 (Work Draft P)

Dear Chairman Stedman and Members of the Committee:

The Alaska Oil and Gas Association (AOGA) is the private, nonprofit trade association for the oil and gas industry in Alaska, and our 14 members account for the majority of oil and gas activities in the state. We appreciate the opportunity to provide you with AOGA's concerns about the current Committee Substitute to Senate Bill 305.

In reviewing CSSB 305, our members considered whether the proposed legislation would improve the investment climate in Alaska, lead to more investment to help stem the annual oil production decline, simplify and add clarity to Alaska's complicated tax structure and whether it is something that should be enacted now. AOGA's 14 member companies unanimously agree that CSSB 305 fails all of those tests and thus should not be adopted.

I feel it is important that I reiterate AOGA's belief that the overall production tax structure in Alaska needs to be re-examined carefully. As we have stated many times before, our primary concern is that the tax rates under ACES are too high and place Alaska at a competitive disadvantage for oil industry investment. Based on the testimony you have heard this session and the Department of Revenue's own forecasts about expected future continuing decline in oil production and in projected industry investment, it is clear that a comprehensive evaluation and revision of ACES needs to be undertaken if it is to achieve the objective of providing Alaska jobs, increasing Alaska production and maximizing State revenues.

CSSB 305 proposes to alter Alaska's current production tax structure by removing the application of the progressivity tax to gas production, revenues and costs to avoid the potential for state revenue "dilution" when major gas sales are commingled with the oil stream. The impetus to pass this legislation this session appears to be driven by the AGIA provision that purports to provide gas tax fiscal certainty through a lock-in provision on May 1 to any company committing gas during the first open season. And that failure to address the dilution issue prior to that May 1 deadline might prohibit a future correction.

Without getting into the merits of whether such dilution will occur and if so to what extent, or whether any legislation needs to be passed prior to May 1 or not, we are concerned that the apparent rush to address this issue will yield a "fix" that will result in further complexity to Alaska's already complex production tax system and will lead to adverse unintended tax and administrative consequences, further

reducing an already shaky future investment climate—a potential result that neither the State of Alaska nor our industry can afford.

Potential changes to any tax regime need to be carefully considered and designed to ensure the desired objective of resource development is achieved. This is especially true for Alaska. It is our understanding that Attorney General Sullivan has provided counsel to the legislature that there is no need to rush into any legislative amendments prior to May 1 to address the dilution issue. If that is true, AOGA would recommend that advice be followed and sufficient time be allowed to fully examine the potential impacts and costs of CSSB 305.

Under CSSB 305, taxpayers would immediately be required to begin allocating costs between oil and gas long before any major gas development would necessitate that need. Currently the insignificant gas production occurring in the state, especially on the North Slope, does not justify compounding Alaska's already intricate production tax structure with more complexity or increasing tax and administrative costs by requiring lease expenditure allocations prior to major gas development.

Developing a cost allocation methodology is a highly complex issue. Determining the proper allocation methodology and understanding its potential impacts on the administration of and compliance with the underlying tax and on current and future investments is something that should be fully evaluated and studied. It is not something that should be legislatively required yet left to the discretion of the Department of Revenue to design and implement through regulations simply because insufficient time was allowed or spent to fully examine the issue and consider options and their impacts.

Currently, under AS 43.55.165(h), the Department of Revenue is authorized to develop, when needed, cost allocation methods to determine lease expenditures that are costs of exploring for, developing, or producing oil and gas deposits. If cost allocations are required prior to major gas development, how would costs associated for any lease or property (1) which contains both oil and gas, and (2) currently produces only oil (and possibly trace amounts of gas), be handled when the production of the oil provides information about the reservoir and its potential for major gas development? If, for example, current costs are required to be allocated to the gas reservoir prior to its development, would the costs create a current year loss which would then be converted into a tax credit in the next year allowable against current oil revenues? Or would the carry-forward loss tax credit be allowed only against future gas revenues, thereby diminishing the value of the credit and jeopardizing the decision to make the current investment that generated that credit?

How would cost allocations be determined and reported between an operator and non-operator of a lease or property? As you have heard in prior AOGA testimony, all the information a non-operator has about what's being spent for the operation of a lease or property is what it obtains from its billings from the operator, plus whatever it may learn by auditing those invoices. How would the cost allocation be made and who would determine, the operator or non-operator?

These are but a few of the questions and issues that need to be carefully considered before cost allocation is required, especially before major gas development. If, however, this Committee still believes it is necessary to pass CSSB 305 at this time and include cost allocations, AOGA would recommend you adopt BP's proposal, expressed in its letter to this Committee dated March 12 of this year, to defer the effective date of the cost allocations until commencement of major gas sale deliveries from the North Slope into a gas pipeline for shipment.

This Committee adopted two amendments to CSSB 305 on March 18, 2010. The first provides a tax credit for any additional tax incurred before 2015 by a producer due to the decoupling of the oil and gas revenues. The second provides non-binding guidance to the Department of Revenue on a possible cost allocation methodology. Given our concerns on cost allocations as addressed above, we will only comment on the first amendment.

While AOGA opposes CSSB 305, we commend the intent behind amendment one to keep taxpayers whole from any increase in production taxes due to the decoupling. We offer two comments for the Committee to consider. First, why limit the tax credit to years before 2015? At a minimum, the tax credit should be extended to the later of commencement of major gas sales or 2022 to be consistent with the provisions of AS 43.55.011 (j), (k) and (o). Second, it is unclear how the language in the first sentence of the amendment that provides the tax credit to a person that produces oil and gas from a lease or property in the state would operate. Would this require the person to produce oil and gas from a lease or property to qualify for the tax credit or would the person need only produce oil or gas from a lease or property? Guidance from legislative legal could save future disputes.

Thank you again for the opportunity to provide comments CSSB 305.

Sincerely,

Marilyn Crockett

MARILYN CROCKETT
Executive Director

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 305**
() Publish Date:

Identifier (file name): CS SB305-REV-TAX-03-16-10
Dept. Affected: Revenue
Title: Separate Oil & Gas Production Tax
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: (S) Finance
Requester: (S) Finance
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	230.0						
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**230.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES	**	0.0	**	**	**	**	**

***** Significant Impact Beyond FY 2016 - See Analysis Section for Additional Information *****

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	230.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**230.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	**0.0**	0.00	0	0	0	0	0
Part-time							
Temporary							

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

Bill Language

This bill separates oil and natural gas for purposes of calculating the progressivity portion of the production tax under AS 43.55. Under this bill, the progressivity surcharge is calculated on oil only instead of on oil and gas combined. The progressivity surcharge remains unchanged at 0.4% per $1 of production tax value over $30 per barrel, then 0.1% per $1 of production tax value over $92.50. Under this bill, natural gas is always taxed at 25% of production tax value with no progressivity surcharge.

Currently some companies have both oil sales from the North Slope and gas sales from Cook Inlet and elsewhere, both of which are included in their progressivity calculations that are applied to oil. By removing gas from the progressivity calculation these companies will likely face a higher tax rate and therefore an increase in tax liability. This bill contains no provisions that would offset any increase in tax from removing gas from the progressivity calculation. (continued)

Prepared by: Dan Stickel, Petroleum Economist — Phone 907-465-3279
Division: Tax Division — Date/Time 03-15-10; 8:52pm
Approved by: Ginger Blaisdell, Director — Date 03-16-10; 8:05am
Administrative Services Division

(Revised 11/6/2009 OMB)

1535

ANALYSIS CONTINUATION

Revenues

The revenue impact of this bill is indeterminate for the time horizon of this fiscal note. The removal of gas from the progressivity calculation could potentially raise tax rates and increase tax for companies that currently produce both oil and gas (from Cook Inlet or elsewhere). The impact will vary from year to year; based on analysis of recent years the impact could range from tens of millions of dollars to over $100 million. Most likely there will be an increase in tax liability and therefore revenue ranging from $40 million to $100 million per year.

Once major gas sales begin, applying progressivity to oil only is generally expected to result in higher state revenues than a combined tax. This effect occurs for two reasons: first, oil has historically commanded a price premium to natural gas on an energy equivalency basis; and second, transportation costs are lower in percentage terms for oil than for natural gas, resulting in a higher wellhead value. The revenue impact will be a function of numerous variables including oil and gas prices and production, lease expenditures, and the method chosen for allocating lease expenditures between oil and natural gas.

There are some scenarios under which the state could see a reduction in revenues from this bill. Without a progressivity surcharge on natural gas, this bill could reduce state revenue if the price relationship between oil and natural gas normalized at a time when natural gas was selling at a relatively high price. Also, since this bill will generally increase taxes on the major producers, it is possible that the tax change could be viewed as a disincentive to oil and gas exploration and development.

Expenditures

With the change in tax structure the Department will need to change its monthly reporting forms, annual tax returns, and databases. The contractual services costs for programming changes to the online tax information system and the monthly reporting system are estimated at $230,000. Aside from one-time costs, the provisions of this bill can be implemented using existing staff and resources.

Other Issues

This bill provides for an immediate effective date. Since the production tax is levied on an annual basis (payable in monthly installments), the immediate effective date would create an additional burden with additional complexity for both the Department and the taxpayers for the 2010 tax year. An effective date retroactive to January 1, 2010 would be preferred from a tax administration standpoint.

3/18/10 pm adopted without objection

26-LS1577\S.2
Bullock
3/17/10

AMENDMENT 2

OFFERED IN THE SENATE BY SENATOR STEDMAN

TO: CSSB 305(FIN), Draft Version "S"

Page 1, line 4, following "**gas;**":

Insert "**relating to the allocation of lease expenditures and adjustments to lease expenditures;**"

Page 9, following line 21:

Insert a new bill section to read:

"*** Sec. 8.** AS 43.55.165(h) is amended to read:

(h) The department shall adopt regulations that provide for reasonable methods of allocating costs between oil and gas, between gas subject to AS 43.55.011(o) and other gas, and between leases or properties in those circumstances where an allocation of costs is required to determine lease expenditures that are costs of exploring for, developing, or producing oil deposits or costs of exploring for, developing, or producing gas deposits, or that are costs of exploring for, developing, or producing oil or gas deposits located within different leases or properties. **When determining a reasonable method of allocating lease expenditures between the production of oil and the production of gas, the department shall consider allocating lease expenditures in proportion to the BTU equivalent barrels of oil produced and gas produced from each lease or property.**"

Renumber the following bill sections accordingly.

Page 9, line 31, following "properties.":

Insert "When determining a reasonable method of allocating the adjustments to a producer's lease expenditures between the production of oil and the production of gas, the department shall consider allocating the adjustments in proportion to the lease expenditures allocated to the production of oil and the production of gas under regulations adopted by the department under AS 43.55.165(h)."

Page 10, line 3:

Delete "Sections 1 - 8"

Insert "Sections 1 - 9"

3:18:10 pm adopted no objection

26-LS1577\S.1
Bullock
3/13/10

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR STEDMAN

TO: CSSB 305(FIN), Draft Version "S"

Page 3, following line 15:

Insert a new bill section to read:

"* **Sec. 5.** AS 43.55.011 is amended by adding a new subsection to read:

(p) Before January 1, 2015, a person that produces oil and gas from a lease or property in the state may claim an annual credit against the tax determined under (e) - (o) of this section in an amount equal to the difference between the tax amounts determined under (e) - (o) of this section and the tax amounts determined under (e) - (o) of this section as (e) - (o) of this section read before the effective date of this subsection. The amount of the credit may not be less than zero."

Renumber the following bill sections accordingly.

Page 10, line 3:

Delete "Sections 1 - 8"

Insert "Sections 1 - 9"

Adopted 3/18/10 pm

26-LS1577\S
Bullock
3/13/10

CS FOR SENATE BILL NO. 305(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to that part of the tax on oil and gas production that increases the rate of tax as the production tax value increases above $30, eliminating the effect of gas production in the determination of that rate, and making that rate inapplicable to the production of gas; and providing for an effective date."

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

*** Section 1.** AS 43.55.011(e) is amended to read:

(e) There is levied on the producer of oil or gas a tax for all oil and gas produced each calendar year from each lease or property in the state, less any oil and gas the ownership or right to which is exempt from taxation or constitutes a landowner's royalty interest. Except as otherwise provided under (f), (j), (k), and (o) of this section, the tax is equal to the sum of

(1) the annual production tax value of the taxable oil and gas as calculated under AS 43.55.160(a)(1) multiplied by 25 percent; and

(2) the sum, over all months of the calendar year, of the tax amounts

New Text Underlined *[DELETED TEXT BRACKETED]*

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determined under (g) of this section **on the production of oil**.

*** Sec. 2.** AS 43.55.011(g) is amended to read:

(g) For each month of the calendar year for which the producer's average monthly production tax value under AS 43.55.160(a)(2) **of a** [PER BTU EQUIVALENT] barrel of [THE] taxable oil [AND GAS] is more than $30, the amount of tax for purposes of (e)(2) of this section is determined by multiplying the monthly production tax value of the taxable oil [AND GAS] produced during the month by the tax rate calculated as follows:

(1) if the producer's average monthly production tax value **of a** [PER BTU EQUIVALENT] barrel of [THE] taxable oil [AND GAS] for the month is not more than $92.50, the tax rate is 0.4 percent multiplied by the number that represents the difference between **the producer's** [THAT] average monthly production tax value **of a** [PER BTU EQUIVALENT] barrel **of oil** and $30; or

(2) if the producer's average monthly production tax value **of a** [PER BTU EQUIVALENT] barrel of [THE] taxable oil [AND GAS] for the month is more than $92.50, the tax rate is the sum of 25 percent and the product of 0.1 percent multiplied by the number that represents the difference between the **producer's** average monthly production tax value **of a** [PER BTU EQUIVALENT] barrel **of oil** and $92.50, except that the sum determined under this paragraph may not exceed 50 percent.

*** Sec. 3.** AS 43.55.011(j) is amended to read:

(j) For a calendar year before 2022, the tax levied by **(e)(1)** [(e)] of this section for gas produced from a lease or property in the Cook Inlet sedimentary basin may not exceed

(1) for a lease or property that first commenced commercial production of gas before April 1, 2006, the product obtained by multiplying (A) the amount of taxable gas produced during the calendar year from the lease or property, times (B) the average rate of tax that was imposed under this chapter for taxable gas produced from the lease or property for the 12-month period ending on March 31, 2006, times (C) the quotient obtained by dividing the total gross value at the point of production of the taxable gas produced from the lease or property during the 12-month period ending on

March 31, 2006, by the total amount of that gas;

(2) for a lease or property that first commences commercial production of gas after March 31, 2006, the product obtained by multiplying (A) the amount of taxable gas produced during the calendar year from the lease or property, times (B) the average rate of tax that was imposed under this chapter for taxable gas produced from all leases or properties in the Cook Inlet sedimentary basin for the 12-month period ending on March 31, 2006, times (C) the average prevailing value for gas delivered in the Cook Inlet area for the 12-month period ending March 31, 2006, as determined by the department under AS 43.55.020(f).

*** Sec. 4.** AS 43.55.011(o) is amended to read:

(o) Notwithstanding other provisions of this section, for a calendar year before 2022, the tax levied under **(e)(1)** [(e)] of this section for each 1,000 cubic feet of gas for gas produced from a lease or property outside the Cook Inlet sedimentary basin and used in the state may not exceed the amount of tax for each 1,000 cubic feet of gas that is determined under (j)(2) of this section.

*** Sec. 5.** AS 43.55.020(a) is amended to read:

(a) For a calendar year, a producer subject to tax under AS 43.55.011(e) - (i) shall pay the tax as follows:

(1) an installment payment of the estimated tax levied by AS 43.55.011(e), net of any tax credits applied as allowed by law, is due for each month of the calendar year on the last day of the following month; except as otherwise provided under (2) of this subsection, the amount of the installment payment is the sum of the following amounts, less 1/12 of the tax credits that are allowed by law to be applied against the tax levied by AS 43.55.011(e) for the calendar year, but the amount of the installment payment may not be less than zero:

(A) for oil and gas produced from leases or properties in the state outside the Cook Inlet sedimentary basin but not subject to AS 43.55.011(o), other than leases or properties subject to AS 43.55.011(f), the greater of

(i) zero; or

(ii) **an amount equal to** the sum of 25 percent and the

tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible for the leases or properties under AS 43.55.160, from the gross value at the point of production of the oil [AND GAS] produced from the leases or properties during the month for which the installment payment is calculated; **added to 25 percent of the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from those leases and properties under AS 43.55.165 and 43.55.170 that are deductible for the leases or properties under AS 43.55.160, from the gross value at the point of production of the gas produced from the leases or properties during the month for which the installment payment is calculated;**

(B) for oil and gas produced from leases or properties subject to AS 43.55.011(f), the greatest of

(i) zero;

(ii) zero percent, one percent, two percent, three percent, or four percent, as applicable, of the gross value at the point of production of the oil and gas produced from all leases or properties during the month for which the installment payment is calculated; or

(iii) **an amount equal to 25 percent of the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from those leases and properties under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160, from the gross value at the point of production of the gas produced from those leases or properties during the month for which the installment payment is**

calculated; added to the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160, from the gross value at the point of production of the oil [AND GAS] produced from those leases or properties during the month for which the installment payment is calculated;

(C) for oil and gas produced from each lease or property subject to AS 43.55.011(j), (k), or (o), the greater of

(i) zero; or

(ii) **an amount equal to 25 percent of the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production applicable to the gas produced by the producer from those leases and properties under AS 43.55.165 and 43.55.170 that are deductible for those leases or properties under AS 43.55.160, from the gross value at the point of production of the gas produced from those leases or properties during the month for which the installment payment is calculated; added to** the sum of 25 percent and the tax rate calculated for the month under AS 43.55.011(g) multiplied by the remainder obtained by subtracting 1/12 of the producer's adjusted lease expenditures for the calendar year of production **applicable to the oil produced by the producer from those leases and properties** under AS 43.55.165 and 43.55.170 that are deductible under AS 43.55.160 for oil [OR GAS, RESPECTIVELY,] produced from the lease or property, from the gross value at the point of production of the oil [OR GAS, RESPECTIVELY,] produced from the lease or property during the month for which the installment payment is calculated;

(2) an amount calculated under (1)(C) of this subsection for oil or gas produced from a lease or property subject to AS 43.55.011(j), (k), or (o) may not exceed the product obtained by carrying out the calculation set out in AS 43.55.011(j)(1) or (2) or 43.55.011(o), as applicable, for gas or set out in AS 43.55.011(k)(1) or (2), as applicable, for oil, but substituting in AS 43.55.011(j)(1)(A) or (2)(A) or 43.55.011(o), as applicable, the amount of taxable gas produced during the month for the amount of taxable gas produced during the calendar year and substituting in AS 43.55.011(k)(1)(A) or (2)(A), as applicable, the amount of taxable oil produced during the month for the amount of taxable oil produced during the calendar year;

(3) an installment payment of the estimated tax levied by AS 43.55.011(i) for each lease or property is due for each month of the calendar year on the last day of the following month; the amount of the installment payment is the sum of

(A) the applicable tax rate for oil provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the oil taxable under AS 43.55.011(i) and produced from the lease or property during the month; and

(B) the applicable tax rate for gas provided under AS 43.55.011(i), multiplied by the gross value at the point of production of the gas taxable under AS 43.55.011(i) and produced from the lease or property during the month;

(4) any amount of tax levied by AS 43.55.011(e) or (i), net of any credits applied as allowed by law, that exceeds the total of the amounts due as installment payments of estimated tax is due on March 31 of the year following the calendar year of production.

*** Sec. 6.** AS 43.55.160(a) is amended to read:

(a) Except as provided in (b) of this section, for the purposes of

(1) AS 43.55.011(e), the annual production tax value of the taxable

(A) oil and gas produced during a calendar year from leases or properties in the state that include land north of 68 degrees North latitude is the

gross value at the point of production of the oil and gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil and gas produced by the producer from those leases or properties, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(B) oil and gas produced during a calendar year from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil and gas taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil and gas produced by the producer from those leases or properties, as adjusted under AS 43.55.170; this subparagraph does not apply to gas subject to AS 43.55.011(o);

(C) oil produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(D) gas produced during a calendar year from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the gas produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(E) gas produced during a calendar year from a lease or property outside the Cook Inlet sedimentary basin and used in the state is the gross value at the point of production of that gas taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less

the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to that gas produced by the producer from that lease or property, as adjusted under AS 43.55.170;

(2) AS 43.55.011(g), the monthly production tax value of the taxable

(A) oil [AND GAS] produced during a month from leases or properties in the state that include land north of 68 degrees North latitude is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(B) oil [AND GAS] produced during a month from leases or properties in the state outside the Cook Inlet sedimentary basin, no part of which is north of 68 degrees North latitude, is the gross value at the point of production of the oil [AND GAS] taxable under AS 43.55.011(e) and produced by the producer from those leases or properties, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil [AND GAS] produced by the producer from those leases or properties, as adjusted under AS 43.55.170; [THIS SUBPARAGRAPH DOES NOT APPLY TO GAS SUBJECT TO AS 43.55.011(o);]

(C) oil produced during a month from a lease or property in the Cook Inlet sedimentary basin is the gross value at the point of production of the oil taxable under AS 43.55.011(e) and produced by the producer from that lease or property, less 1/12 of the producer's lease expenditures under AS 43.55.165 for the calendar year applicable to the oil produced by the producer from that lease or property, as adjusted under AS 43.55.170 [;

(D) GAS PRODUCED DURING A MONTH FROM A LEASE OR PROPERTY IN THE COOK INLET SEDIMENTARY BASIN IS THE GROSS VALUE AT THE POINT OF PRODUCTION OF THE GAS

TAXABLE UNDER AS 43.55.011(e) AND PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, LESS 1/12 OF THE PRODUCER'S LEASE EXPENDITURES UNDER AS 43.55.165 FOR THE CALENDAR YEAR APPLICABLE TO THE GAS PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, AS ADJUSTED UNDER AS 43.55.170;

(E) GAS PRODUCED DURING A MONTH FROM A LEASE OR PROPERTY OUTSIDE THE COOK INLET SEDIMENTARY BASIN AND USED IN THE STATE IS THE GROSS VALUE AT THE POINT OF PRODUCTION OF THAT GAS TAXABLE UNDER AS 43.55.011(e) AND PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, LESS 1/12 OF THE PRODUCER'S LEASE EXPENDITURES UNDER AS 43.55.165 FOR THE CALENDAR YEAR APPLICABLE TO THAT GAS PRODUCED BY THE PRODUCER FROM THAT LEASE OR PROPERTY, AS ADJUSTED UNDER AS 43.55.170].

*** Sec. 7.** AS 43.55.160(c) is amended to read:

(c) Notwithstanding any contrary provision of AS 43.55.150, for purposes of calculating a monthly production tax value under (a)(2) of this section, the gross value at the point of production of the oil [AND GAS] is calculated under regulations adopted by the department that provide for using an appropriate monthly share of the producer's costs of transportation for the calendar year.

*** Sec. 8.** AS 43.55.170 is amended by adding a new subsection to read:

(d) The department shall adopt regulations that provide for reasonable methods of allocating the adjustments to a producer's lease expenditures in (a) of this section and the payments and credits described in (b) of this section between oil and gas, between gas subject to AS 43.55.011(o) and other gas, and between leases or properties in those circumstances where an allocation of costs is required to determine lease expenditures that are costs of exploring for, developing, or producing oil deposits, or costs of exploring for, developing, or producing gas deposits, or that are costs of exploring for, developing, or producing oil or gas deposits located within different leases or properties.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. Sections 1 - 8 of this Act are applicable on and after the first day of the calendar month immediately following the effective date of this Act.

*** Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).

1550

SB 305:
The Separation of Oil from Gas for the Oil & Gas Production Tax

Logsdon & Associates

March 9, 2010

3/18/10 PM

Premise of the Bill

- Under current law oil and gas are taxed together
- Oil is worth much more than gas
- The combining mechanism materially reduces oil taxes even though oil operations are unaffected

1552

Oil is Different than Gas

- Oil more geographically concentrated (fewer sellers: OPEC)
- Oil supplies more depleted
- Gas is more plentiful
- Oil has fewer substitutes
- Gas has more substitutes

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BTU 10:1

West Coast ANS

- Market Price $80/bbl
- Less:
  - Shipping $2.07
  - TAPS $4.18
- Gross Value $73.75

North Slope Gas

- Market Price $6/mmbtu
- Less:
  - Tariff AK to AB $3.54
  - AB Hub $0.24
  - Tariff AB to L48 $0.85
- Gross Value $1.37/mmbtu
- BOE Basis (X 5.5) = $7.54
- On a straight BTU to BTU basis oil is worth nearly 10 X as much as gas

Some Things that have BTUs

- Oil
- Gas
- Coal
- Wood
- Asphalt
- Shoe Leather
- Rubber
- Coffee grounds
- Citrus rinds
- Corn cobs
- Dung

1555

Mechanics of Current Tax

- 1) Oil gross value (market price less transport cost)
- 2) Gas gross value (market price less transport cost)
- 3) Oil + gas gross value gas = Combined gross value
- 4) Combined gross value – lease capital and operating costs = Combined oil & gas net value
- 5) Combined oil & gas net value / total oil & gas BOEs = p/BOE net value (see Slide #6)
- 6) Progressivity factor (based on per BOE net value) plus 25% base rate = tax rate
- 7) Single tax rate applied to combined oil & gas net value

1556

Barrel of Oil Equivalents (BOEs):
Putting Oil & Gas on an Apples / Apples Basis

- 4.5 billion cubic feet per day (bcf/d) of natural gas
- A cubic foot of North Slope gas will have about 1,100 BTUs
- Natural gas is measured in millions of BTUs (mmbtu)
- 4.5 billion cubic feet per day will have 4.95 million mmbtu's (4.5 X 1,100)
- A barrel of oil has about 5,500 BTUs
- 4.5 billion cubic feet per day will have the BTU equivalence of 900,000 barrels of oil (BOEs) (4,950,000 / 5.5)
- If there are 500,000 barrels of oil, total BOEs will total 500,000 + 900,000 = 1,400,000

Progressivity Mechanics

- "Trigger" = $30 net / BOE value
- "Slope" = 0.4%*
- Progressivity surcharge = (Net per BOE value - $30) X .004
- Example: if net value = $50
  - Base tax rate = 25%
  - Progressivity = ($50 – $30) X .004 = 8%
  - Total tax of 33% on net value

* Slope changes to 0.1% after $92.50 net per BOE value

HOW GAS IMPACTS OIL TAXES

	Oil Alone (p/bbl)	Gas (p/mmbtu)
Market Price	$80.00	$6.00
Transp cost	$5.00	$4.50
Gross Value	$75.00	$1.50
Costs	$20.00	$0.50
Net (p/barrel or p/mmbtu)	$55.00	$1.00
Base rate	25.00%	
Progressivity	10.00%	
Total tax rate	35.00%	
Daily bbls (oil) or mmbtu (gas)	500,000	4,950,000
Daily BOEs	500,000	900,000
Annual BOEs (millions)	183	329

Combined Oil & Gas	
Oil	
p/bbl net value	$55.00
Barrels (millions)	183
Total oil net value ($mm)	$10,038
Gas	
p/mmbtu net value	$1.00
mmbtu's (millions)	1,807
Total gas net value ($mm)	$1,807
Total oil & gas net value	$11,844
Total BOEs	511
Net value / BOE	$23.18
NO PROGRESSIVITY!	

DEPARTMENT OF REVENUE EXAMPLES
FROM FEBRUARY 24, 2010 PRESENTATION
TO SENATE FINANCE
"Progressivity Profitability Parity Gas"

Oil Price	Gas Price	Oil Alone Progressivity Factor	Oil & Gas Combined Progressivity Factor	Reduction in Progressivity Factor	Oil Alone Tax ($billions)	Gas Alone Tax ($billions)	Total Tax if Taxed Separately ($billions)	Combined Tax ($billions)	Annual Tax Reduction from Combining ($billions)
$75	$8.00	5.38%	0.00%	5.38%	$1.7	$1.1	$2.8	$2.5	$0.3
$100	$8.00	15.38%	3.59%	11.79%	$4.0	$1.1	$5.1	$4.0	$1.1
$120	$8.00	23.38%	6.79%	16.59%	$6.4	$1.1	$7.5	$5.5	$2.0

How the Bill Works

- Under the current law there is a base tax rate of 25%
  - Plus progressivity based on the combined oil & gas net value / BOE
- The bill removes progressivity on gas
- Progressivity on oil continues to be calculated just on oil net value / barrel
- Exclusion of gas in the progressivity calculation does not reduce oil taxes

Bill Section	Change	Notes
	"An Act relating to the tax on oil and gas production; and providing for an effective date."	The Bill is intended to separate oil and gas production into two separate substances for purposes of the oil and gas production tax ACES AS 43.55
Sec. 1.	**AS 43.55.011(e)(2)** Adds language that specifically identifies the production of oil for progressivity rate purposes	Section (e) defines a base tax rate of 25% and a progressivity surcharge defined in Section (g). Progressivity only applies to oil.
Sec. 2.	**AS 43.55.011(g)** The language referring to gas and its per BTU equivalent is removed to isolate the progressive rate tax calculation for oil. **AS 43.55.011(g)(1)** The language referring to gas and its per BTU equivalent is removed to apply the progressive rate calculation only to oil with a progressive rate of an additional 0.4% for each $/bbl above $30 up to $92.50 per barrel. **AS 43.55.011(g)(2)** The same changes are made in this subsection as in AS 43.55.011(g) (1) eliminating references to gas and per BTU equivalent to calculate the progressive rate for net production values greater than $92.50 at the rate of an additional 0.1%	This isolates the progressive tax rate calculation to apply to oil not gas. Since gas has been deleted from the calculation of the progressive rate, the rate on gas is set at 25% as set out in AS 43.55.011(e)(1)
Sec. 3.	**AS 43.55.011(j)** In comparing the lower of Sec. (e) tax and ELF tax for Cook Inlet production, progressivity does not apply for gas.	This change serves to make the comparison between the old ELF tax for gas and a tax on the net production value of gas multiplied by 25%

Bill Section	Change	Notes
Sec. 4.	**AS 43.011(o)** Same as Sec.3 for non-Cook Inlet gas used in-state.	This change serves to preserve the ELF limitation of the tax for gas developed outside the Cook Inlet before 2022 and used in State.
Sec. 5.	**AS43.55.020(a)(1)** The monthly installment payments for gas does not include a progressivity component	All other segregated leases or properties defined in statute only have a progressivity rate for oil
Sec. 6.	**AS 43.55.160(a)(2)** Monthly production tax values for deriving progressivity apply only to oil. (A) Applies only to North Slope oil (B) Applies only to Outside Cook inlet not North Slope Oil	
Sec. 7.	**AS 43.55.160(c)** Calculating the monthly share of the producers's costs of transportation for the calendar year for deriving production tax value for progressivity is for only oil.	
Sec. 8	**Takes effect immediately under AS 01.10.070(c)**	The bill takes effect after the governor's signature or the day after the expiration period on gubernatorial action.

bp

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March 12, 2010

Senator Bert Stedman, Co-Chair
Senate Finance Committee
State Capitol, Room 516
Juneau, AK 99501

Re: Senate Bill 305

Dear Senator Stedman:

Please accept my apologies for being out of state and unable to return to Juneau in time for the Senate Finance Committee's hearing today on SB 305. I hope, though, that you and the Committee will receive this letter in time for your consideration of the Bill.

Our understanding of SB 305 is that it would determine the taxable net "production tax value" for oil under AS 43.55.160 of ACES separately from that for gas, so that the respective production-tax values would then be taxed separately as well. We further understand that the stimulus for this decoupling is concern that tax revenues under the present version of ACES could be materially reduced when major gas sales begin from the North Slope into a gas pipeline. Specifically, the concern is that the gross netback value for major North Slope gas sales into a pipeline may initially be significantly less on a BTU-equivalent barrel basis than the gross netback value per barrel for oil.

All other things being equal, such a development could indeed reduce state revenues under ACES. But not all other things will be equal. Major gas sales would also greatly increase the number of BTU-equivalent over which the deductible lease expenditures are spread, thereby significantly reducing the deductible cost per BTU-equivalent barrel. State revenues under ACES would decrease only if the reduction in gross netback value per Btu-equivalent barrel is greater than the offsetting reduction in deductible costs per Btu-equivalent barrel. State revenues could actually increase under the current version of ACES if the reduction in cost per barrel is greater than the reduction in netback per barrel.

Our concern with SB 305 as it now reads is that, in addressing this potential problem that may arise a decade from now, it would come into effect today and require allocation of costs between oil and gas long before the potential risk it addresses could begin to materialize. SB 305 does not change the present rule in AS 43.55.011(o) that North Slope gas sold for in-state consumption is taxed under a tax cap similar to the cap for Cook Inlet production. So the allocation of costs under SB 305 would only be for gas that is already capped under AS 43.55.011(o) or any small sales that don't qualify under section .011(o). Allocation threatens to make a mountain out of a molehill because the change in gas taxes due to cost allocation during the coming decade will be tiny relative to the tax when major gas sales begin, but the Department of Revenue will have to apply the allocation rules with strictest rigor lest it create a bad precedent for the major gas sales.

We understand that the impetus for enacting SB 305 this session is to avoid locking in the risk under the present law that major North Slope gas sales could materially reduce the overall tax under ACES. But we see a straightforward way to achieve that without all the problems and disputes that will arise by allocating costs to gas now. The solution is to add a Bill Section that defers the effective date for Sections 1 – 7 of SB 305 to the start of major gas sale deliveries from the North Slope into a gas pipeline for shipment. The Bill Section making such a deferral would be on the books as of the tax lock-in date and would thus be part of "the gas production tax in effect at the start of the first binding open season held under this chapter " for purposes of AS 43.90.320 — especially if the Committee adopts a letter of intent (or adds a statement of intent as a section of SB 305 itself) that specifically declares the deferred-effective-date provision to be part of the "tax in effect" as of that date for lock-in purposes. In other words, the substance in SB 305 could be locked in as of this year for AGIA purposes without triggering prematurely all the disputes and difficulties over allocating costs to gas before production for major North Slope gas sales begins.

Finally, whether or not you adopt our suggestion of deferring the effective date for decoupling, we would also ask that you not follow the pattern used during the ACES debate, where significant matters were left to the determination of the Department of Revenue. SB 305 currently uses the term "applicable to" to describe the allocation of lease expenditures between oil and gas. Such a broad term does not provide the industry or the Department of Revenue enough guidance of the legislative intent. There are instances already in use and available in the tax arena to model an allocation between oil and gas. For instance, ACES uses "BTU equivalent barrels" as a method to determine gas production in oil-equivalent terms in AS 43.55.024(c), the phase-out of the small-producer tax credit. Or, if you prefer, the allocation could be done on a basis of relative volumes as determined for the "extraction factor" in AS 43.55.072(f) for the oil and gas corporate income tax. The point is, no matter what cost allocation is performed for decoupling, you should make your choice clear in the Bill because that will clarify the obligation that taxpayers are held to, reducing latitude for argument about what compliance requires and making it easier for the Department of Revenue to enforce.

Thank you for your consideration of these comments.

Sincerely,

BP Exploration (Alaska) Inc.

Claire Fitzpatrick
Senior Vice President

cc: Senate Finance Committee
House Resources Committee

SB 309

<target><bill>SB 309</bill><subject>SB 309</subject><comm>SFIN26</comm></target>

4-15-10

ALASKA STATE LEGISLATURE

Session
State Capitol Building, Room 125
Juneau, Alaska 99801-1182
Phone (907) 465-2995
Fax (907) 465-6592

Interim
716 West Fourth Avenue, Suite 430
Anchorage, Alaska 99501
Phone (907) 269-0250
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Chair
Senate Special Committee on Energy
Senate Committee on World Trade, Technology and Innovations

Co-Chair
Senate Resources Committee

Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

SPONSOR STATEMENT FOR SENATE BILL 309

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state; providing for an effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

Senate Bill 309 amends and extends the exploration and development incentive tax credit that was originally enacted in 2003 by the 23rd legislature. This tax credit continues to be applicable, under the Alaska Net Income Tax Act, to operators and working interest owners directly engaged in the exploration for and development of natural gas, primarily in the Cook Inlet area.

To more strongly encourage companies to invest additional capital in exploring for and developing new natural gas reserves, this legislation makes five significant changes to current law:

- Expands the application of the credit to development drilling within an existing field.
- Increases the amount of the credit to 25% (from 10%) of the amount of qualified capital investment and qualified services spending.
- Removes the 50% limitation on the amount of credits that can apply in a single year.
- Removes the "successful efforts" requirement that developers must find and deliver new gas resources to market to qualify for the credit.
- Extends the sunset date of the investment tax credit from January 1, 2013 to January 1, 2020.

Senate Bill 309 also establishes a special production tax credit for the first three wells drilled into the pre-Tertiary strata of Cook Inlet with a jack-up drill rig. This unexplored segment of the Cook Inlet may contain significant oil and gas resources and offer an opportunity to offset the decline of Cook Inlet reserves.

Annual natural gas production and supply in the Cook Inlet area have been declining for a number of years. During the same time, domestic demand has been increasing steadily. Therefore, a sharp increase in drilling to find new reserves is drastically needed. The Department of Natural Resources projects that most of the new gas needed will be found in existing fields. The original Investment Tax Credit enacted in 2003, while modestly successful in stimulating new drilling, did not incentivize development drilling in existing fields. These changes will go a long way toward achieving that goal.

4-15-10

ALASKA STATE LEGISLATURE

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Co-Chair
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Member
Senate Judiciary Committee

SENATOR LESIL MCGUIRE

SECTIONAL ANALYSIS FOR CS SB 309 (RES)

Please note that a sectional analysis is not an authoritative interpretation of the bill. The bill itself is the best representation of its contents.

Section 1 amends AS 43.20.043 (a) by increasing the gas exploration and development tax credit to 25% on qualifies capital expenditures and annual costs from 10% for investments made after December 31, 2009.

Section 2 amends AS 43.20.043 (b) to conform to the changes made in section 1.

Section 3 amends AS 43.20.043 (c) to repeal the 50% cap on the application of the gas exploration and development tax credit against the Alaska Net Income Tax.

Section 4 amends AS 43.20.043 (e) to ensure that the value of a credit under AS 43.20.043 is passed through to consumers in a rate base submitted to a regulatory agency.

Section 5 amends AS 43.20.043 (g) to clarify that if a taxpayer elects to take a credit under AS 43.20.043 the taxpayer may not also claim a tax credit or royalty modification under other identified sections of Alaska law.

Section 6 amends AS 43.20.043 (i)(1) to allow a taxpayer to claim a credit under AS 43.20.043 for development in an existing field and for an expenditure that does not lead to production. Section 6 also clarifies that topping plants, treatment or liquefied natural gas and other manufacturing plants are not qualified expenditures.

Section 7 amends AS 43.20.043 to clarify that a credit under AS 43.20.043 may be taken in the year in which the expenditure is made or cost is accrued, or in the following tax year.

Section 8 amends AS 43.55.023 (a) to allow a tax credit taken against a capital investment under ACES to be realized in the year in which the credit is accrued.

Section 9 amends AS 43.55.023 (d) to conform to the change in section 8.

Section 10 amends AS 43.55.025 (a) to create a special tiered exploration tax credit of 80, 90 or 100 percent of total exploration expenditures.

Section 11 amends AS 43.55.025 by adding a new subsection (m) to clarify that the special credit established in section 10 is for the first three unaffiliated wells drilled into the pre-Teritary strata in Cook Inlet using a jack-up drill rig. Also caps credits; lesser of 100% credit or $25 million, lesser of 90% credit or $22.5 million; lesser of 80% credit or $20.0

ALASKA STATE LEGISLATURE

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Senate Judiciary Committee

SENATOR LESIL MCGUIRE

million. Only one credit per person, may not include cost to construct or manufacture a jack-up rig and must be for work performed after June 30, 2010. If exploration results in sustained production of oil or gas, 50 percent of credit received shall be repaid. Taxpayer obtaining credit in this section may not claim credit uner AS 43.55.023 or another provision in this section for the same exploration expenditure. Provides definitions for "jack-up rig", "reservoir" and "sustained production".

Section 13 amends the uncodified law related to the carry forward of credits accrued under AS 43.20.043 beyond the sunset date of the credit.

Section 14 repeals AS 43.55.028 (e) (2) and (e) (3) which requires a small producer accessing the oil and gas tax credit fund to make additional expenditures within 24 months of claiming the credit.

Section 15 extends the sunset of the tax credit under AS 43.20.043 to 2020 from 2013.

Section 16 adds an immediate effective date.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 309

SB 309 GAS EXPLORATION\DEVELOPMENT TAX CREDIT

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state; providing for an effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SB 309 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[X] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	4/10		✓		

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/10		✓		1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	HUGGINS	X			
					✓
	EGAN	✓			
	ELLIS	✓			
	OLSON			✓	
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 309(RES)**
() Publish Date:

Identifier (file name): SB 309 DNR-O&G-04-10-2010
Title: Tax Credit to Drill Wells in Cook Inlet
Sponsor: SRES
Requester: SRES

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Oil and Gas Development
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

CSSB 309 amends AS 43.20.043 to offer certain corporate income tax credits in the amount of 25 percent of qualified capital costs and annual costs associated with these qualified capital costs for wells drilled in the Cook Inlet after December 31, 2009. These tax credits may reduce the cost of drilling new wells in the state by reducing a taxpayer's potential corporate tax liabilities.

CSSB 309 amends AS 43.55.025(a) adding subsection (S) to include tax credits against the production tax for certain exploration in the Cook Inlet at 100%, 90%, and 80% of total exploration expenditures. CSSB 309 also adds section (m) to AS 43.55.025 so that these tax credits in subsection (S) are provided to three unaffiliated persons that each drill an offshore

Prepared by: Kevin Banks — Phone 269-8781
Division: Division of Oil and Gas, ADNR — Date/Time 04-10-2010; 2:00PM
Approved by: — Date

(Revised 11/6/2009 OMB)

1570

ANALYSIS CONTINUATION

exploration well that penetrates and evaluates a prospect in the pre-Tertiary zone from a single jack-up rig. The first person to drill receives a 100% credit but not more than $25 million; the second person receives a 90% credit but not more than $22.5 million; the third person receives a 80% credit but not more than $20 million. The commissioner will determine which well is first, second, and third based on the date and time the well is spud and is given the discretion to determine whether each well penetrated and evaluated a pre-Tertiary target. Should a exploration well that qualifies for one of these credits discovers a reservoir that results in sustained production, half of the tax credit amount must be repaid to the state by the person who received the tax credit. The person has 10 years to make equal monthly installments after sustained production begins.

Because of the considerable uncertainty of any offshore discovery and the unpredictable affect of the tax credits offered under both provisions of CSSB 309 on any exploration and development activity in the Cook Inlet, there is an indeterminate affect on future royalty revenue.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 309(RES)
(S) Publish Date: 4/10/10

Identifier (file name): CSSB309(RES)-REV-TAX-04-10-10
Title: Gas Exploration / Development Tax Credit
Sponsor: Rules by Request
Requester: Senate Resources Committee

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Tax Division
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

*** Revenue impact is indeterminate. Please see attached for analysis.

Prepared by: Cherie Nienhuis, Petroleum Economist/Johanna Bales, Deputy Director — Phone (907) 269-1019
Division: Tax Division — Date/Time 04-10-10; 12:25am
Approved by: Ginger Blaisdell, Director — Date 04-10-10; 8:39am
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 309(RES)

ANALYSIS CONTINUATION

Bill Language:

This bill makes several changes to credits to both the production tax system and the oil and gas corporate income tax system as follows.

The bill extends the existing Gas Exploration and Development tax credit for investment in qualified capital expenditures and related qualified services, dealing with those capital expenditures. The Gas Exploration and Development tax credit is taken against the Corporate Income Tax (CIT), before any other federal or state credits are taken. One hundred percent of a company's tax liability can be offset by this credit in a given tax year. Additionally, credits from prior years must be used before current year credits can be used. A credit must be used within five years, otherwise it expires.

Currently, 10% of qualifying capital expenditures and operating expenditures can be taken as capital credits, sunsetting in 2013. The bill would increase the credit rate to 25% for qualifying capital and service expenditures incurred after June 30, 2011 for tax years beginning after December 31, 2010. The 25% rate would sunset on January 1, 2020. Under existing law all remaining tax credits under AS 43.20.043 expire December 31, 2017. This bill would change the sunset date to expire the tax year ending December 31, 2024.

In order for an expenditure to qualify for the 10% rate, cash expenditures or binding payment agreements must be made between June 30, 2003 and before July 1, 2011. Expenditures qualify for the 25% rate cash expenditures or binding payment agreements must be made after June 30, 2011.

The credit is limited to activities south of 68 degrees North latitude and exempts delivery of Alaska North Slope natural gas to tidewater.

It is difficult to determine the number of taxpayers who would take advantage of the corporate income tax credit, the degree to which the credit would be utilized, and other exogenous variables impacting the revenues the state would collect. Reduction in CIT are indeterminate at this time.

The bill also expands the production tax credit authorized at AS 43.55.025 to a maximum credit of 100 percent of the total exploration expenditures for drilling in the Cook Inlet basin. The bill proposes to grant the full 100 percent credit of exploration expenditures to the first person to qualify under this credit, 90 percent to the second person, and 80 percent to the third person. Only expenditures occuring after July 1, 2010 and before July 1, 2016 would qualify under the bill. If the exploration well for which credit is received results in paying quantities of production, the person who received the credit will pay back to the state 50 percent of the credit received in monthly installments over 10 years.

The fiscal impact of this provision of the bill is indeterminate. Several companies have sought credits under the .025 exploration incentive credit in the Cook Inlet basin, for which the state has reimbursed up to 40 percent of the companies' capital costs. Our records indicate that total costs for drilling in the Cook Inlet basin could be as high as $5 million or more. A recent study by the Petrotechnical Resources of Alaska (PRA) indicates that the cost of drilling 128 wells in the Cook Inlet basin over the period from 2001 through 2009 cost between $1.0 and $1.2 billion. This figure includes not just exploration wells, but presumably cheaper development wells. At the high end of the range, this amounts to a per-well cost of $9.4 million. PRA further reports that over the next decade 185 new wells will need to be drilled to meet demand, and that capital costs will increase to $1.85 to 2.8 billion, with per-well costs of $10-$15 million. If their report is correct, three persons receiving credit under this provision will cost the state up to $40 million in tax credits. If all three of the persons found paying quantities of oil or gas, the state could be reimbursed about $20 milion of the $40 million in credits.

(continued on next page)

ANALYSIS CONTINUATION

The bill also removes from law two existing requirements relating to production tax credits. First, it removes the limitation that credits received for capital expenditures for oil and gas operations be taken over two years. The calculation of the revenue impact for this provision is difficult for two reasons: (1) the timing of the revenue impact will depend upon when the bill is signed into law; and (2) the amount the state may potentially be expected to pay to purchase credits is conditioned in part on removing the reinvestment requirement discussed in #2 above, and the timing of the payment will depend on whether companies will immediately seek reimbursement for their credits.

We assume for this provision a worse-case scenario where all credits held by companies with production tax liabilities are used in FY 2010 or FY 2011. This would cost the state approximately $225 million in reduced taxes between the two years. For companies that are holding credit certificates and are not expected to incur a tax liability in FY 2010 or FY 2011, we estimate an additional liability of up to $150 million over previous expectations for the two fiscal years. These impacts could spill into FY 2012, should companies delay seeking reimbursement. Beyond FY 2012, revenue impacts are expected to be negligible.

Second, it removes the requirement that companies that seek cash refunds from the state for credits reinvest in capital expenditures an amount equivalent to the cash reimbursement sought. This provision is expected to be revenue neutral, as credits are either taken against tax liabilities or as a refund in full, with no differential impact to the state.

Expenditures: The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 309

SB 309 GAS EXPLORATION\DEVELOPMENT TAX CREDIT

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state; providing for an effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SB 309 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[X] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	4/10		✓		

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/10		+		1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	HUGGINS	X			
					✓
	EGAN	✓			
	ELLIS	✓			
	OLSON			✓	
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CSSB 309(RES)**
() Publish Date:

Identifier (file name): SB 309 DNR-O&G-04-10-2010
Title: Tax Credit to Drill Wells in Cook Inlet
Sponsor: SRES
Requester: SRES

Dept. Affected: Natural Resources
RDU: Resource Development
Component: Oil and Gas Development
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

CSSB 309 amends AS 43.20.043 to offer certain corporate income tax credits in the amount of 25 percent of qualified capital costs and annual costs associated with these qualified capital costs for wells drilled in the Cook Inlet after December 31, 2009. These tax credits may reduce the cost of drilling new wells in the state by reducing a taxpayer's potential corporate tax liabilities.

CSSB 309 amends AS 43.55.025(a) adding subsection (5) to include tax credits against the production tax for certain exploration in the Cook Inlet at 100%, 90%, and 80% of total exploration expenditures. CSSB 309 also adds section (m) to AS 43.55.025 so that these tax credits in subsection (5) are provided to three unaffiliated persons that each drill an offshore

Prepared by: Kevin Banks — Phone 269-8781
Division: Division of Oil and Gas, ADNR — Date/Time 04-10-2010; 2:00PM
Approved by: — Date

(Revised 11/6/2009 OMB)

1576

ANALYSIS CONTINUATION

exploration well that penetrates and evaluates a prospect in the pre-Tertiary zone from a single jack-up rig. The first person to drill receives a 100% credit but not more than $25 million; the second person receives a 90% credit but not more than $22.5 million; the third person receives a 80% credit but not more than $20 million. The commissioner will determine which well is first, second, and third based on the date and time the well is spud and is given the discretion to determine whether each well penetrated and evaluated a pre-Tertiary target. Should a exploration well that qualifies for one of these credits discovers a reservoir that results in sustained production, half of the tax credit amount must be repaid to the state by the person who received the tax credit. The person has 10 years to make equal monthly installments after sustained production begins.

Because of the considerable uncertainty of any offshore discovery and the unpredictable affect of the tax credits offered under both provisions of CSSB 309 on any exploration and development activity in the Cook Inlet, there is an indeterminate affect on future royalty revenue.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 309(RES)
(S) Publish Date: 4/10/10

Identifier (file name): CSSB309(RES)-REV-TAX-04-10-10
Dept. Affected: Revenue
Title: Gas Exploration / Development Tax Credit
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Rules by Request
Requester: Senate Resources Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

*** Revenue impact is indeterminate. Please see attached for analysis.

Prepared by: Cherie Nienhuis, Petroleum Economist/Johanna Bales, Deputy Director
Phone (907) 269-1019
Division: Tax Division
Date/Time 04-10-10; 12:25am
Approved by: Ginger Blaisdell, Director
Date 04-10-10; 8:39am
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

ANALYSIS CONTINUATION

Bill Language:

This bill makes several changes to credits to both the production tax system and the oil and gas corporate income tax system as follows.

The bill extends the existing Gas Exploration and Development tax credit for investment in qualified capital expenditures and related qualified services, dealing with those capital expenditures. The Gas Exploration and Development tax credit is taken against the Corporate Income Tax (CIT), before any other federal or state credits are taken. One hundred percent of a company's tax liability can be offset by this credit in a given tax year. Additionally, credits from prior years must be used before current year credits can be used. A credit must be used within five years, otherwise it expires.

Currently, 10% of qualifying capital expenditures and operating expenditures can be taken as capital credits, sunsetting in 2013. The bill would increase the credit rate to 25% for qualifying capital and service expenditures incurred after June 30, 2011 for tax years beginning after December 31, 2010. The 25% rate would sunset on January 1, 2020. Under existing law all remaining tax credits under AS 43.20.043 expire December 31, 2017. This bill would change the sunset date to expire the tax year ending December 31, 2024.

In order for an expenditure to qualify for the 10% rate, cash expenditures or binding payment agreements must be made between June 30, 2003 and before July 1, 2011. Expenditures qualify for the 25% rate cash expenditures or binding payment agreements must be made after June 30, 2011.

The credit is limited to activities south of 68 degrees North latitude and exempts delivery of Alaska North Slope natural gas to tidewater.

It is difficult to determine the number of taxpayers who would take advantage of the corporate income tax credit, the degree to which the credit would be utilized, and other exogenous variables impacting the revenues the state would collect. Reduction in CIT are indeterminate at this time.

The bill also expands the production tax credit authorized at AS 43.55.025 to a maximum credit of 100 percent of the total exploration expenditures for drilling in the Cook Inlet basin. The bill proposes to grant the full 100 percent credit of exploration expenditures to the first person to qualify under this credit, 90 percent to the second person, and 80 percent to the third person. Only expenditures occuring after July 1, 2010 and before July 1, 2016 would qualify under the bill. If the exploration well for which credit is received results in paying quantities of production, the person who received the credit will pay back to the state 50 percent of the credit received in monthly installments over 10 years.

The fiscal impact of this provision of the bill is indeterminate. Several companies have sought credits under the .025 exploration incentive credit in the Cook Inlet basin, for which the state has reimbursed up to 40 percent of the companies' capital costs. Our records indicate that total costs for drilling in the Cook Inlet basin could be as high as $5 million or more. A recent study by the Petrotechnical Resources of Alaska (PRA) indicates that the cost of drilling 128 wells in the Cook Inlet basin over the period from 2001 through 2009 cost between $1.0 and $1.2 billion. This figure includes not just exploration wells, but presumably cheaper development wells. At the high end of the range, this amounts to a per-well cost of $9.4 million. PRA further reports that over the next decade 185 new wells will need to be drilled to meet demand, and that capital costs will increase to $1.85 to 2.8 billion, with per-well costs of $10-$15 million. If their report is correct, three persons receiving credit under this provision will cost the state up to $40 million in tax credits. If all three of the persons found paying quantities of oil or gas, the state could be reimbursed about $20 milion of the $40 million in credits.

(continued on next page)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 309(RES)

ANALYSIS CONTINUATION

The bill also removes from law two existing requirements relating to production tax credits. First, it removes the limitation that credits received for capital expenditures for oil and gas operations be taken over two years. The calculation of the revenue impact for this provision is difficult for two reasons: (1) the timing of the revenue impact will depend upon when the bill is signed into law; and (2) the amount the state may potentially be expected to pay to purchase credits is conditioned in part on removing the reinvestment requirement discussed in #2 above, and the timing of the payment will depend on whether companies will immediately seek reimbursement for their credits.

We assume for this provision a worse-case scenario where all credits held by companies with production tax liabilities are used in FY 2010 or FY 2011. This would cost the state approximately $225 million in reduced taxes between the two years. For companies that are holding credit certificates and are not expected to incur a tax liability in FY 2010 or FY 2011, we estimate an additional liability of up to $150 million over previous expectations for the two fiscal years. These impacts could spill into FY 2012, should companies delay seeking reimbursement. Beyond FY 2012, revenue impacts are expected to be negligible.

Second, it removes the requirement that companies that seek cash refunds from the state for credits reinvest in capital expenditures an amount equivalent to the cash reimbursement sought. This provision is expected to be revenue neutral, as credits are either taken against tax liabilities or as a refund in full, with no differential impact to the state.

Expenditures: The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.

Adopted 4/15/10

(4/14/2010)
(___ pm)

New 1

AMENDMENT

OFFERED IN THE SENATE FINANCE COMMITTEE

BY SENATOR HUGGINS

TO: CSSB 309

Page 1, line 4, following "**in the state;**":

Insert "**relating to interest on certain underpayments or overpayments for the oil and gas production tax;**"

Page 1, line 7, following "**basin;**":

Insert "**relating to the use of the oil and gas tax credit fund to purchase certain tax credit certificates;**"

Page 5, following line 21, insert a new section that reads:

***Sec. 8.** AS 43.55.020 is amended by adding a new subsection to read:

(i) Notwithstanding any contrary provision of AS 43.05.225 or (g) or (h) of this section, if the amount of a tax payment, including an installment payment, due under (a)(1) – (4) of this section is affected by the retroactive application of a regulation adopted under this chapter, the department shall determine whether the retroactive application of the regulation caused an underpayment or an overpayment of the amount due and adjust the interest due on the affected payment as follows:

(1) if an underpayment of the amount due occurred, the department shall waive interest that would otherwise accrue for the underpayment before the first day of the second month following the month in which the regulation became effective, if

(A) the department determines that the producer's underpayment resulted because the regulation was not in effect when the payment was due; and

(B) the producer demonstrates that it made a good faith estimate of its tax obligation in light of the regulations then in effect when the payment was due and paid the estimate tax;

(2) if an overpayment of the amount due occurred and the department determines that the producer's overpayment resulted because the regulation was not in effect when the payment was due, the obligation for a refund for the overpayment does not begin to accrue interest earlier than the following, as applicable:

(A) except as otherwise provided under (B) of this paragraph, the first day of the second month following the month in which the regulation became effective;

(B) 90 days after an amended statement under AS 43.55.030(a) and an application to request a refund of production tax paid is filed, if the overpayment was for a period for which an amended statement under AS 43.55.030(a) was required to be filed before the regulation became effective.

Renumber accordingly.

Page 9, following line 11, insert new sections that read:

***Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: APPLICABILITY OF SEC. 8 OF THIS ACT. Section 8 of this Act applies to taxes, including installment payments of estimated tax, due on or after January 1, 2006.

***Sec. 16.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF SECS. 8-10 OF THIS ACT. (a) Section 8 of this Act is retroactive to January 1, 2006.

(b) Sections 9 and 10 of this Act are retroactive to January 1, 2010.

*Sec. 17. The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF REGULATIONS. Notwithstanding any contrary provision of AS 44.62.240, if the Department of Revenue expressly designates in the regulation that the regulation applies retroactively to a specific date, a regulation adopted by the Department of Revenue to implement, interpret, make specific, or otherwise carry out secs. 8, 9, or 10 of this Act applies retroactively to that date.

*Sec. 18. Section 13 of this Act takes effect July 1, 2010.

Renumber accordingly.

Page 9, line 12, following "**Sec. 15.**":

Delete "This"

Insert "Except as provided in sec. 18 of this Act, this"

Renumber accordingly

WITHDRAWN

AMENDMENT 2

OFFERED IN THE SENATE FINANCE COMMITTEE

By Senator Thomas

To: CS FOR SENATE BILL NO. 309(RES)

Page 9, following line 11, insert the following new section:

Sec. 15. Section 13 of this act takes effect January 1, 2010.

adopted 4/16/10 called in 9:34 am

26-LS1629\S
Bullock
4/15/10

CS FOR SENATE BILL NO. 309(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST

A BILL

FOR AN ACT ENTITLED

"An Act amending and extending the exploration and development incentive tax credit under the Alaska Net Income Tax Act for operators and working interest owners directly engaged in the exploration for and development of gas from a lease or property in the state; relating to interest on certain underpayments or overpayments of the oil and gas production tax; providing a credit against the tax on the production of oil and gas for drilling certain exploration wells in the Cook Inlet sedimentary basin; relating to the use of the oil and gas tax credit fund to purchase certain tax credit certificates; providing for an effective date by amending the effective date for sec. 2, ch. 61, SLA 2003; and providing for an effective date."

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

*** Section 1.** AS 43.20.043(a) is amended to read:

(a) Subject to the terms and conditions of this section, and in addition to any

other credit authorized to the taxpayer by this chapter, a taxpayer that is an operator or working interest owner directly engaging in the exploration for and development of gas may apply as a credit against the state tax liability that may be imposed on the taxpayer under this chapter,

(1) for a tax year beginning after December 31, 2002, **and before January 1, 2010,**

(A) [(1)] 10 percent of the taxpayer's qualified capital investment; and

(B) [(2)] 10 percent of the annual cost incurred by the taxpayer for qualified services in the state during each tax year for which a credit is allowable for a qualified capital investment **for any gas reserve of the taxpayer or for each year that qualified costs are incurred for a gas reserve for which the taxpayer previously elected to claim a credit(A) of this paragraph; and**

(2) for a tax year beginning after December 31, 2009,

(A) 25 percent of the taxpayer's qualified capital investment; and

(B) 25 percent of the annual cost incurred by the taxpayer for qualified services in the state during each tax year for which a credit is allowable for a qualified capital investment for any gas reserve of the taxpayer or for each year that qualified costs are incurred for a gas reserve for which the taxpayer previously elected to claim a credit under (A) of this paragraph [UNDER (1) OF THIS SUBSECTION].

*** Sec. 2.** AS 43.20.043(b) is amended to read:

(b) Expenditures qualifying for the taxpayer's qualified investment credit under **(a)(1)(A) or (a)(2)(A)** [(a)(1)] of this section must be

(1) cash expenditures or binding payment agreements entered into after

(A) June 30, 2003**, and before January 1, 2010, if the claim of the credit is made under (a)(1)(A) of this section; or**

(B) December 31, 2009, if the claim of the credit is made under (a)(2)(A) of this section; and

(2) made for assets first placed in service in the state in or before the tax year in which the credit is claimed through the date the

(A) wells [RESERVES] produce gas for sale and delivery; for purposes of this **subparagraph** [PARAGRAPH], "placed in service in the state" means that the first use of the qualified investment is in this state; if the property on which the claim of the credit is based has been used elsewhere in the tax year of acquisition and is brought to this state during that year or a subsequent year, the property does not qualify for the investment credit**; or**

(B) a gas well is determined not to be capable of production in commercial quantities.

*** Sec. 3.** AS 43.20.043(c) is amended to read:

(c) The credit **each** [PER] tax year allowed by (a) of this section may not exceed **75** [50] percent of the taxpayer's total tax liability under this chapter, but shall be calculated before the application of any other credits allowed under this chapter. An unused portion of the credit for the tax year

(1) may be carried forward into one or more of the following tax years, except that the unused credit from one tax year may not be carried forward for more than five following tax years;

(2) shall be applied to the taxpayer's tax liability under this chapter during the following tax year before allowance of a credit allowed by (a) of this section for that following tax year.

*** Sec. 4.** AS 43.20.043(e) is amended to read:

(e) A taxpayer entitled to a credit under this section

(1) may not convey, assign, or transfer the credit to another taxpayer or business entity unless the conveyance, assignment, or transfer of the credit is part of the conveyance, assignment, or transfer of the taxpayer's business;

(2) forfeits the credit to which the taxpayer is entitled during the tax year and any carryover of it under (c) of this section, but does not forfeit the portion of the credit that accrued in a previous taxable year that may be carried over under (c) of this section, if the taxpayer

(A) disposes of the qualified capital investment;

(B) takes the qualified investment out of service; or

(C) transfers the qualified investment out of this state;

(3) may not include in any rate base for a regulated facility submitted to a regulatory agency charged with determining an appropriate tariff the cost of any qualified capital investment or qualified service that has been offset by receipt of a credit under this chapter.

*** Sec. 5.** AS 43.20.043(g) is amended to read:

(g) A taxpayer **that** [WHO] obtains a credit **for a qualified capital investment or cost incurred for qualified services** under this section may not **also** claim a tax credit or royalty modification **for the same qualified capital investment or cost incurred for qualified services under AS 38.05.180(i), AS 41.09.010, AS 43.55.023, or 43.55.025** [PROVIDED FOR UNDER ANY OTHER TITLE]. However, a taxpayer may **elect not to obtain** [, AT THE TAXPAYER'S ELECTION, FORGO] a credit under this section in order [TO CONTINUE] to qualify for a credit provided **under AS 38.05.180(i), AS 41.09.010, AS 43.55.023, or 43.55.025** [FOR IN ANOTHER TITLE].

*** Sec. 6.** AS 43.20.043(i)(1) is amended to read:

(1) "qualified capital investment" means a cash expenditure or binding payment agreement, as described in (b)(1) of this section, for real property or tangible personal property used in this state in the exploration and development of **any** gas **reserve regardless of whether there has been commercial production in the area or whether the exploration and development activity results in the production of gas or a well not capable of production in commercial quantities** [RESERVES IN A GAS RESERVOIR FOR WHICH THERE HAS NOT BEEN COMMERCIAL PRODUCTION IF THE RESERVES PRODUCE GAS FOR SALE AND DELIVERY]; in this paragraph, "property" includes

(A) property used in the operation or maintenance of facilities for exploration or development of gas;

(B) property that is placed in use under a capitalized lease or an operating lease; and

(C) the following property used for the exploration and

development of gas:

(i) machinery, appliances, supplies, and equipment;

(ii) drilling rigs, wells, gathering lines and transmission lines, pumping stations, compressor stations, power plants **designed for field operations, gas processing plants, and gas treatment plants, but not including liquefied natural gas or manufacturing plants** [, TOPPING PLANTS, AND PROCESSING UNITS];

(iii) roads, docks and other port facilities, and helicopter pads;

(iv) maintenance equipment and facilities, and maintenance camps and other related facilities; and

(v) communications facilities owned by a person whose principal business in the state is the exploration for or development of gas and whose operation of the communications facilities directly relates to the conduct of that business;

*** Sec. 7.** AS 43.20.043 is amended by adding a new subsection to read:

(j) A taxpayer shall claim the credit authorized in (a) of this section on a timely filed tax return for the year in which the qualified capital investment is made, on a timely filed amended tax return, or on a timely filed tax return for the year immediately following the year in which the qualified capital investment is made. The election to apply the credit authorized in (a) of this section may not be an irrevocable election.

*** Sec. 8.** AS 43.55.020 is amended by adding a new subsection to read:

(i) Notwithstanding any contrary provision of AS 43.05.225 or (g) or (h) of this section, if the amount of a tax payment, including an installment payment, due under (a)(1) - (4) of this section is affected by the retroactive application of a regulation adopted under this chapter, the department shall determine whether the retroactive application of the regulation caused an underpayment or an overpayment of the amount due and adjust the interest due on the affected payment as follows:

(1) if an underpayment of the amount due occurred, the department shall waive interest that would otherwise accrue for the underpayment before the first

day of the second month following the month in which the regulation became effective, if

(A) the department determines that the producer's underpayment resulted because the regulation was not in effect when the payment was due; and

(B) the producer demonstrates that it made a good faith estimate of its tax obligation in light of the regulations then in effect when the payment was due and paid the estimated tax;

(2) if an overpayment of the amount due occurred and the department determines that the producer's overpayment resulted because the regulation was not in effect when the payment was due, the obligation for a refund for the overpayment does not begin to accrue interest earlier than the following, as applicable:

(A) except as otherwise provided under (B) of this paragraph, the first day of the second month following the month in which the regulation became effective;

(B) 90 days after an amended statement under AS 43.55.030(a) and an application to request a refund of production tax paid is filed, if the overpayment was for a period for which an amended statement under AS 43.55.030(a) was required to be filed before the regulation became effective.

*** Sec. 9.** AS 43.55.025(a) is amended to read:

(a) Subject to the terms and conditions of this section, a credit against the production tax levied by AS 43.55.011(e) is allowed for exploration expenditures that qualify under (b) of this section in an amount equal to one of the following:

(1) 30 percent of the total exploration expenditures that qualify only under (b) and (c) of this section;

(2) 30 percent of the total exploration expenditures that qualify only under (b) and (d) of this section;

(3) 40 percent of the total exploration expenditures that qualify under (b), (c), and (d) of this section; [OR]

(4) 40 percent of the total exploration expenditures that qualify only

under (b) and (e) of this section; **or**

(5) 80, 90, or 100 percent, or a lesser amount described in (m) of this section, of the total exploration expenditures described in (b)(1) and (2) of this section and not excluded by (b)(3) and (4) of this section that qualify only under (m) of this section.

*** Sec. 10.** AS 43.55.025 is amended by adding a new subsection to read:

(m) The first three unaffiliated persons that drill an offshore exploration well for the purpose of discovering oil or gas in Cook Inlet that penetrates at least 3,000 feet below the base of the tertiary-aged strata and evaluates a prospect in the pre-Tertiary zone using a jack-up drill rig are eligible for the credit under this subsection. The person that drills the first exploration well is entitled to a credit in the amount of 100 percent of its exploration expenditures or $25,000,000, whichever is less; the person that drills the second exploration well using the same jack-up drill rig is entitled to a credit in the amount of 90 percent of its exploration expenditures or $22,500,000, whichever is less; and the person that drills the third exploration well using the same jack-up drill rig is entitled to a credit in the amount of 80 percent of its exploration expenditures or $20,000,000, whichever is less. A person or an affiliate of a person drilling an exploration well is not entitled to a credit for more than one exploration well under this subsection. The department shall make a determination of the order in which the wells are drilled based on the date and time that the drill bit first turns to the right against the seafloor for the purpose of drilling the well. Exploration expenditures eligible for the credit in this subsection may include the necessary and reasonable costs to modify an existing jack-up rig for use in Cook Inlet, may not include the cost to construct or manufacture a jack-up rig, and, notwithstanding (b) of this section, must be incurred for work performed after March 31, 2010. If the exploration well for which a credit is received under this subsection results in sustained production of oil or gas from a reservoir discovered by the exploration well, and notwithstanding that the credit may have been transferred under (g) of this section, 50 percent of the amount of the credit received shall be repaid to the department by the person that received the credit in equal monthly installments over a 10-year period commencing 60 days after the start of sustained production of oil or gas. Whether the

exploration well for which a credit is requested under this subsection penetrated and evaluated a prospect in the pre-Tertiary zone and the exploration well resulted in sustained production of oil or gas from a reservoir discovered by the exploration well shall be determined by the commissioner of natural resources and reported to the commissioner. A taxpayer that obtains a credit under this subsection may not claim a tax credit under AS 43.55.023 or another provision in this section for the same exploration expenditure. In this subsection,

(1) "jack-up rig" means a mobile drilling platform with extendible legs for support on the ocean floor;

(2) "reservoir" means an oil and gas accumulation, discovered and evaluated by testing, that is separate from any other accumulation of oil and gas;

(3) "sustained production" means production of oil or gas from a reservoir into a pipeline or other means of transportation to market, but does not include testing, evaluation, or pilot production.

*** Sec. 11.** The uncodified law of the State of Alaska enacted by sec. 3, ch. 61, SLA 2003, is amended to read:

Sec. 3. CLAIM OF GAS EXPLORATION AND DEVELOPMENT TAX CREDIT CONTINUED. A taxpayer who, on the effective date of repeal of AS 43.20.043 by **secs. 2 and 5, ch. 61, SLA 2003, as amended by sec. 16** [SEC. 2] of this **2010** Act, claims the balance of any unused portion of the gas exploration and development tax credit as a carry-forward under AS 43.20.043(c), may, notwithstanding the repeal of that subsection, continue to claim the balance of the credit until the claim of the credit is exhausted or until the tax year ending December 31, **2024** [2017], whichever occurs earlier. The provisions of AS 43.20.043 as they read on the day immediately preceding the effective date of the repeal of that section apply to the claim of the credit if carried forward under this section.

*** Sec. 12.** AS 43.55.028(e)(2) and 43.55.028(e)(3) are repealed.

*** Sec. 13.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: APPLICABILITY OF SEC. 8 OF THIS ACT. Section 8 of this Act applies to taxes, including installment payments of estimated tax, due after December 31,

2005.

*** Sec. 14.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF SEC. 8 OF THIS ACT. Section 8 of this Act is retroactive to January 1, 2006.

*** Sec. 15.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY OF REGULATIONS. Notwithstanding any contrary provision of AS 44.62.240, if the Department of Revenue expressly designates in the regulation that the regulation applies retroactively to a specific date, a regulation adopted by the Department of Revenue to implement, interpret, make specific, or otherwise carry out sec. 8 of this Act applies retroactively to that date.

*** Sec. 16.** Section 5, ch. 61, SLA 2003, is amended to read:

Sec. 5. Section 2**, ch. 61, SLA 2003,** [OF THIS ACT] takes effect January 1, **2016** [2013].

*** Sec. 17.** Section 12 of this Act takes effect July 1, 2010.

*** Sec. 18.** Except as provided in sec. 17 of this Act, this Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSB 309(RES)
(S) Publish Date: 4/10/10

Identifier (file name): CSSB309(RES)-REV-TAX-04-10-10
Dept. Affected: Revenue
Title: Gas Exploration / Development Tax Credit
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Rules by Request
Requester: Senate Resources Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

*** Revenue impact is indeterminate. Please see attached for analysis.

Prepared by: Cherie Nienhuis, Petroleum Economist/Johanna Bales, Deputy Director — Phone (907) 269-1019
Division: Tax Division — Date/Time 04-10-10; 12:25am
Approved by: Ginger Blaisdell, Director — Date 04-10-10; 8:39am
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 309(RES)

ANALYSIS CONTINUATION

Bill Language:

This bill makes several changes to credits to both the production tax system and the oil and gas corporate income tax system as follows.

The bill extends the existing Gas Exploration and Development tax credit for investment in qualified capital expenditures and related qualified services, dealing with those capital expenditures. The Gas Exploration and Development tax credit is taken against the Corporate Income Tax (CIT), before any other federal or state credits are taken. One hundred percent of a company's tax liability can be offset by this credit in a given tax year. Additionally, credits from prior years must be used before current year credits can be used. A credit must be used within five years, otherwise it expires.

Currently, 10% of qualifying capital expenditures and operating expenditures can be taken as capital credits, sunsetting in 2013. The bill would increase the credit rate to 25% for qualifying capital and service expenditures incurred after June 30, 2011 for tax years beginning after December 31, 2010. The 25% rate would sunset on January 1, 2020. Under existing law all remaining tax credits under AS 43.20.043 expire December 31, 2017. This bill would change the sunset date to expire the tax year ending December 31, 2024.

In order for an expenditure to qualify for the 10% rate, cash expenditures or binding payment agreements must be made between June 30, 2003 and before July 1, 2011. Expenditures qualify for the 25% rate cash expenditures or binding payment agreements must be made after June 30, 2011.

The credit is limited to activities south of 68 degrees North latitude and exempts delivery of Alaska North Slope natural gas to tidewater.

It is difficult to determine the number of taxpayers who would take advantage of the corporate income tax credit, the degree to which the credit would be utilized, and other exogenous variables impacting the revenues the state would collect. Reduction in CIT are indeterminate at this time.

The bill also expands the production tax credit authorized at AS 43.55.025 to a maximum credit of 100 percent of the total exploration expenditures for drilling in the Cook Inlet basin. The bill proposes to grant the full 100 percent credit of exploration expenditures to the first person to qualify under this credit, 90 percent to the second person, and 80 percent to the third person. Only expenditures occuring after July 1, 2010 and before July 1, 2016 would qualify under the bill. If the exploration well for which credit is received results in paying quantities of production, the person who received the credit will pay back to the state 50 percent of the credit received in monthly installments over 10 years.

The fiscal impact of this provision of the bill is indeterminate. Several companies have sought credits under the .025 exploration incentive credit in the Cook Inlet basin, for which the state has reimbursed up to 40 percent of the companies' capital costs. Our records indicate that total costs for drilling in the Cook Inlet basin could be as high as $5 million or more. A recent study by the Petrotechnical Resources of Alaska (PRA) indicates that the cost of drilling 128 wells in the Cook Inlet basin over the period from 2001 through 2009 cost between $1.0 and $1.2 billion. This figure includes not just exploration wells, but presumably cheaper development wells. At the high end of the range, this amounts to a per-well cost of $9.4 million. PRA further reports that over the next decade 185 new wells will need to be drilled to meet demand, and that capital costs will increase to $1.85 to 2.8 billion, with per-well costs of $10-$15 million. If their report is correct, three persons receiving credit under this provision will cost the state up to $40 million in tax credits. If all three of the persons found paying quantities of oil or gas, the state could be reimbursed about $20 milion of the $40 million in credits.

(continued on next page)

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSSB 309(RES)

ANALYSIS CONTINUATION

The bill also removes from law two existing requirements relating to production tax credits. First, it removes the limitation that credits received for capital expenditures for oil and gas operations be taken over two years. The calculation of the revenue impact for this provision is difficult for two reasons: (1) the timing of the revenue impact will depend upon when the bill is signed into law; and (2) the amount the state may potentially be expected to pay to purchase credits is conditioned in part on removing the reinvestment requirement discussed in #2 above, and the timing of the payment will depend on whether companies will immediately seek reimbursement for their credits.

We assume for this provision a worse-case scenario where all credits held by companies with production tax liabilities are used in FY 2010 or FY 2011. This would cost the state approximately $225 million in reduced taxes between the two years. For companies that are holding credit certificates and are not expected to incur a tax liability in FY 2010 or FY 2011, we estimate an additional liability of up to $150 million over previous expectations for the two fiscal years. These impacts could spill into FY 2012, should companies delay seeking reimbursement. Beyond FY 2012, revenue impacts are expected to be negligible.

Second, it removes the requirement that companies that seek cash refunds from the state for credits reinvest in capital expenditures an amount equivalent to the cash reimbursement sought. This provision is expected to be revenue neutral, as credits are either taken against tax liabilities or as a refund in full, with no differential impact to the state.

Expenditures: The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.

replaced by new amend 1 4-15-10

(4/14/2010)
(____ pm)

AMENDMENT #1

OFFERED IN THE SENATE FINANCE COMMITTEE

BY SENATOR HUGGINS

TO: CSSB 309

Page 5, following line 21, insert the following new section:

Sec. 8. AS 43.55.020 is amended by adding a new subsection to read::

(i) Notwithstanding any contrary provision of AS 43.05.225 or (g) or (h) of this section, if the amount of a tax payment, including an installment payment, due under (a)(1) – (4) of this section is affected by the retroactive application of a regulation adopted under this chapter, the department shall determine whether the retroactive application of the regulation caused an underpayment or an overpayment of the amount due and adjust the interest due on the affected payment as follows:

(1) if an underpayment of the amount due occurred, the department shall waive interest that would otherwise accrue for the underpayment before the first day of the second month following the month in which the regulation became effective, if

(A) the department determines that the producer's underpayment resulted because the regulation was not in effect when the payment was due; and

(B) the producer demonstrates that it made a good faith estimate of its tax obligation in light of the regulations then in effect when the payment was dues and paid the estimate tax;

(2) if an overpayment of the amount due occurred and the department determines that the producer's overpayment resulted because the regulation was not in effect when the payment was due, the obligation for a refund for the overpayment does not begin to accrue interest earlier than the following, as applicable:

(A) except as otherwise provided under (B) of this paragraph, the first day of the second month following the month in which the regulation became effective;

(B) 90 days after an amended statement under AS 43.55.030(a) and an application to request a refund of production tax paid is filed, if the overpayment was for a period for which an amended statement under AS 43.55.030(a) was required to be filed before the regulation became effective.

Example of Cook Inlet exploration well costs vs. state tax credits under current law and proposed legislation

	Current - law no EIC	Current law - with 40% EIC	SB 309 - #1 Jack up	SB 309 - #2 Jack-up	SB 309 - #3 Jack up	SB 309 /CIT Credit	HB 280-CI Well credit	SB 271 / HB 337	Notes
Exploration Well Capital Cost	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	$20,000,000	Capital cost assumed for example purposes only
.025 Exploration Credit or .023 Capital Expenditure Credit									
.025 Exploration Tax Credit									***Assumes well qualifies for exploration tax credit.*** Current law allows for a 30% or 40% credit when certain parameters are met. SB 309 would increase this rate for qualifying wells.
Rate	NA	40%	100%	90%	80%	40%	40%	40%	
Amount	NA	$8,000,000	$20,000,000	$18,000,000	$16,000,000	$8,000,000	$8,000,000	$8,000,000	
.023 (a) Cap Ex Credit									*Current law allows for a 20% production tax credit for qualifying capital costs. SB 271 / HB 337 would increase this amount to 30% for well-related expenditures. HB 280 would allow a .023(m) credit of 40% for Cook Inlet.*
Rate	20%	20%	20%	20%	20%	20%	40%	30%	
Amount	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$4,000,000	$8,000,000	$6,000,000	
Higher of ETC or CapEx Credit	$4,000,000	$8,000,000	$20,000,000	$18,000,000	$16,000,000	$8,000,000	$8,000,000	$8,000,000	***Company can take the exploration tax credit OR the capital credit but not both.***
Lease Expense deduction or .023 (b) NOL credit	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	$5,000,000	Assumes 25% tax rate (or NOL credit) No NOL allowed for Jack up drill rig credit (SB 309)
Exploration Incentive Credit - against Corporate Income Tax									A company claiming the EIC may not "claim a tax credit or royalty modification provided for under any other title" -AS 43.20.043 (g). We assume another tax credit under title 43 would also be disallowed. In most cases the exploration incentive credit will NOT be claimed because production tax credits provide greater benefit.
Rate	10%	10%	10%	10%	10%	25%	10%	10%	
Amount	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$2,000,000	$5,000,000	$2,000,000	$2,000,000	
.024 Small Producer Credit	Can provide up to a $12 million / year benefit against production tax; cannot be used to reduce liability below zero. Applied on a company - wide basis.								
Other	Capital, exploration and NOL credits for production tax may be eligible for state purchase under AS 43.55.028						CIT credit for gas storage facilities		
Total State Tax Credits	**$9,000,000**	**$13,000,000**	**$20,000,000**	**$18,000,000**	**$16,000,000**	**$13,000,000**	**$13,000,000**	**$13,000,000**	State contribution is Exploration tax credit for Jack up drill rigs, and for all others, Capital or exploration credit + Lease expenditure or NOL credit
State tax credits % of cost	**45%**	**65%**	**100%**	**90%**	**80%**	**65%**	**65%**	**65%**	
Credits Taken by Company	CapEx credit, NOL credit	ETC, NOL credit	ETC only	ETC only	ETC only	EIC, NOL credit	ETC / CapEx, NOL credit	ETC, NOL credit	

Note: Existing producers also receive some offset to their progressivity rate as a result of additional spending.

Prepared by Dan Stickel, Petroleum Economist, Department of Revenue
Based on information available as of 4-11-10

Alaska Oil Gas Tax Legislation

Bill	SB305 / HB414 (Stedman / Johnson)	HB280 (Hawker / Chenault)	HB337 (GOV)	SB271 (GOV)	HB229/ SB309 (Chenault / Olson)	HB217 / SB192 (Newam / McGuire)	SB228 (French / Wielechowski)	OTHER Single Provis. / Less Actn.
Status	Passed (S): HRES	Passed (H): SFIN	HFIN	SRES	SRES	HFIN	SFIN	
Waiver of interest on retroactive regulations			X	X				
Eliminate 2 Yr. Credit Split		C.I. gas only	X	X	X			
Eliminate Reinvestment Requirement		C.I. gas only	X	X	X			
Interest Rate on Over/Underpayments			Fed+5%					
Production Tax credits		40% .023 credit on "C.I. Well Lease Expenditures" for oil or gas; data provided to DNR;	30% .023 Credit for "Well-Related Exenditures" and seismic within unit; Data provided to DNR.	30% .025 Credit for "Development Well Exenditures" and seismic within unit; Data provided to DNR.	.025 credit of 80%, 90% and 100% of total exploration expenditures (capped at $20, $22.5, and $25 million respectively) for first three new exploration wells into Pre-Tertiary in C.I. drilled with a jack up drill rig. Reimbursement of 1/2 of credit back to state if well discovers productive reservoir.	Allows election of C.I. tax treatment for gas used in-state; "Used in State" is changed to include feedstock used for manufacturing	Extends current tax treatment for gas which is used in state to include gas used as feedstock for manufacturing, excluding Gas processing, gas treatment, dehydration, fractionation, compression and liquefaction	HB351 (Kelly) (NEW) .011 'tax holiday' credit for first 10 years of production
CIT credits		Storage Facility must be regulated under AS42.05; $1.50 credit for each 1000 cubic ft. of working gas storage capacity in 42.05 regulated storage facility; May not exceed $15 million or 25% costs incurred to establish gas storage facility; storage any where in state; credit is refundable under .028.			Increases credit from 10% to 25% for gas, "Qualified Capital Investments" and "Qualified Services"; covers unsuccessful gas wells; excludes LNG facilities; Credit no longer capped at 50% of CIT liability; No data to DNR		Credit for facility producing liquids from gas, coal or biomass; Credit is for teired amounts ranging from 40% to 100% for investments up to $1 billion	SB203 (Fr. / Wiel) 20% credit for qualified capital investment in C.I. 42.05 regulated storage facility for gas
Tax Rate / Production Tax De-coupling	Progressivity applies separately to both oil and gas; DOR directed to pass regulations to allocate lease expenditures between oil and gas, and to consider BOE basis.							HB321 (Millet) Reduces base rate from 25% to 20%
Sunset dates			Well Related Credit 7/1/2016	Well related credit 7/1/2016	CIT credit expires 2020, with credits usable 5 yrs until 2024		For costs incurred by December 31, 2020	
Other	Allows progressivity to be made available to for community revenue sharing; excludes C.I. production and instate gas from new gas progressivity; Progressivity sections retroactive to Jan 1, 2010	Removes C.I Ringfence for production tax; exempts storage facility from DNR fees; clarifies AS43.55.020(f) on date of valuation of stored gas.	Cleans up other DOR interest rate references		CIT Credit to be reflected in RCA rates			

Department of Revenue, Based on Bill Status as of April 11, 2010

Alaska Oil and Gas Tax and Royalty Incentives

DESCRIPTIVE NAME	STATUTE	NORTH SLOPE	COOK INLET	NOTES AND EXCEPTIONS	BILL ID
Exploration Incentive Credits (EICs)					
AS38.05.180(i)	AS38.05.180(i)	up to 50% of drilling based on depth & location up to 50% of geophys. costs if within 2 yrs. of lease sale	up to 50% of drilling based on depth & location up to 50% of geophys. costs if within 2 yrs. of lease sale	N/A for unleased, Federal-, or private-owned lands	
AS41.09.010 – expired Jul. 1, 2007	AS41.09.010	N/A	N/A	up to 50% of drilling & seismic costs on unleased state land, 25% on non-state land, expired 7/1/2007	
Exploration Tax Credit					
AS43.55.025	AS 43.55.025	Up to 40% of seismic costs	Up to 40% of seismic costs	[same as column 1]	03.185
Expires 7/1/2016		1) 30% of drill costs if > 25 miles from existing unit & <3mi from a well	1) 30% of drill costs if > 25 miles from existing unit & <3mi from a well	applies to all lands onshore or in state waters	05.288
		2) 30% if pre-approved new target and >3 mi. & < 25 mi. from a unit 3) Up to 40% of drilling costs if both 1) & 2)	2) 30% if pre-approved new target and >3 mi. & < 25 mi. from a unit 3) Up to 40% of drilling costs if both 1) & 2)	outside of Cook Inlet	07.2001
Gas Exploration and Development Income Tax Credits					
AS43.20.043 – expires 1-1-2013	AS43.20.043	N/A if north of 68° latitude	10% of qualified capital investment and qualified services	[if below 68° latitude, same as column 2] applies to all lands onshore or in state waters	03.61
for below 68° latitude***(see note at bottom)					
Royalty Modifications					
AS38.05.180(j)	AS38.05.180(j)	Down to 5%, if new production Down to 3%, if producing or shut-in	Down to 5%, if new production Down to 3%, if producing or shut-in	N/A for unleased, Federal-, or private-owned lands	03.28
AS38.05.180(f)(6)	AS38.05.180(f)(6)	N/A	As low as 5% for oil production from CI platforms If production falls below specified levels	N/A for unleased, Federal-, or private-owned lands	03.185
Discovery Royalty					
Discov. Roy. South of T18N, Cook In.	AS38.05.180(f)(4)	N/A	5% royalty for 10 yrs.	N/A for unleased, Federal-, or private-owned lands	
Discov. Roy. For Pre-1969 leases	[DL-1 Lease Form]	5% royalty for 10 yrs.	5% royalty for 10 yrs.	N/A for unleased, Federal-, or private-owned lands	
Field specific, for the following fields only: Falls Creek, Nicolai Cr., Redoubt Shoals, & West Foreland. North Fork & Starichkof not in prod. Before 1/1/2004.	AS38.05.180(f)(5)	N/A	5% on 1st 25 MM bbls for 10 yrs 5% on 1st 35 BCF for 10 yrs field must be in prod. by 1/1/2004	N/A for unleased, Federal-, or private-owned lands	
Production Tax Credits					06.3001
Qualified CapEx Credits	AS43.55.023(a)	up to 20% of capital expenditures,	[same as column 1]		07.2001
transferable credit		max 50% of credit in any one calendar year			
paid out over 2 years					
Loss Carry-Forward Credits	AS43.55.023(b)	up to 25% of capital expenditures; usable the following year	[same as column 1]		07.2001
transferable credit					
Frontier Basin Production Credit	AS43.55.024(a)	N/A	N/A	Available only on non-CI and non-NS lands up to $6MM	07.2001
non-transferrable credit, for production south of 68 lat. & outside CI basin, expires at the end of 2013					
Small Producer Credit	AS43.55.024(c)	$12 MM for production <50,000 BOE/day,	[same as column 1]		07.2001
non-transferrable credit, eligibility ends 9 years after 1st tax prmt.		declining on a sliding scale to $0 for production >100,000 BOE/day			
Economic Limit Factor based Ceiling	AS43.55.011(j)&(k)	No	Approximately $0.17/Mcf for gas and $0/Bbl for oil		07.2001

INCENTIVES AS PART OF A PROGRAM		NORTH SLOPE	COOK INLET	NOTES AND EXCEPTIONS	
Exploration Licensing	AS38.05.132	N/A	N/A	Available only on state-owned lands not in sale areas Up to 500,000 acres per license One-time $1/acre license fee No bonus bid or annual rental Sole right to covert to O & G leases	
Nonconventional Gas Incentive	AS38.02.180(n)(2)	Reduced rental, 6.25% royalty if no competition with 12.5% lease	[same as column 1]	Can apply to license areas after conversion to lease, then same as column 1	04.531

*** If requesting this credit, not eligible for any other tax credits or royalty modifications

State of Alaska
Department of Natural Resources
Division of Oil and Gas
and
Division of Geological & Geophysical Surveys

Preliminary Engineering and Geological Evaluation of Remaining Cook Inlet Gas Reserves

by

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Julie A. Houle[1], Paul C. Anderson[1], and David L. LePain[2]

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December, 2009

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State of Alaska
Department of Natural Resources
Division of Oil and Gas
and
Division of Geological & Geophysical Surveys

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EXECUTIVE SUMMARY

Over the past year, there has been widespread concern over whether the existing system of natural gas production and delivery in the Cook Inlet basin can continue to meet the energy demands of south-central Alaska. Of most immediate concern is whether there may soon be shortfalls during brief spikes in peak gas demand brought about by severe winter weather. A thorough understanding of the problem requires consideration of at least two major sets of issues. The first set includes geologic and engineering details regarding how much gas remains to be recovered from Cook Inlet fields, and what steps are required to access it. The other is a complex set of commercial and infrastructure factors that determine the ability to provide gas to the end user. This report addresses geologic and engineering issues regarding gas reserves and resources. Issues regarding the economics of drilling additional wells, recompleting existing wells, optimizing infrastructure, and the ability to sell the gas into the Cook Inlet market are beyond the scope of this paper. Nevertheless, as is the case with most maturing gas provinces, the costs and financial risk associated with accessing and producing the additional reserves and potential reserves identified by this study will increase with time, likely contributing to increases in the price of gas.

Reservoir engineering and geological analyses were undertaken independently of one another to evaluate the volumes of gas remaining in existing fields. These analyses are preliminary, based on data currently available to the Division of Oil and Gas. All 28 of the currently producing Cook Inlet gas fields were evaluated by applying decline curve analysis and material balance engineering methods to publicly available production data obtained from the Alaska Oil and Gas Conservation Commission (AOGCC). Based on extrapolations of production trends, these engineering techniques were used to derive estimates of remaining proved and probable reserves.

Four of the gas fields judged from engineering analyses to have the greatest remaining potential were selected for further study via detailed geologic analyses: Beluga River, North Cook Inlet, Ninilchik, and the McArthur River Grayling gas sands. Development geology techniques yielded volumetric estimates of original gas-in-place and initial recoverable gas (estimated ultimate recovery) for these four large fields, drawing and preserving important distinctions between gas volumes in known pay intervals versus gas in potential pay intervals. Comparison of geologically based recoverable gas with cumulative production yielded estimates of the remaining recoverable gas in the four fields.

The independent engineering and geologic approaches pursued in this study allow the reporting of remaining gas volumes at varying levels of production certainty and readiness. The total proved, developed, producing (PDP) reserves remaining to be produced from all existing fields in the Cook Inlet is estimated at 863 BCF. This volume was identified by decline curve analyses and assumes sufficient investment to maintain existing wells. Additional probable reserves that would be recoverable by increasing investment in existing fields are estimated at 279 BCF. This volume is identified as the basin-wide difference in the results of material balance methods and decline curve analyses. Geologic evaluations of the Beluga River, North Cook Inlet, Ninilchik, and the McArthur River Grayling gas sands reservoirs indicate the potential for an additional increment of 353 BCF in high-confidence pay intervals, and another

possible increment of 643 BCF (in the 50 percent-risked case) from lower-confidence pay intervals, both of which are arguably not in communication with existing wellbores, and thus cannot be estimated from the engineering methods. These incremental volumes are the difference, for these four gas fields, between the remaining recoverable gas estimated in geologically identified high-confidence pay and potential pay minus that estimated by material balance analyses.

These geologically identified volumes of known and potential nonproducing gas represent a significant energy resource, which if developed, have the potential to supply local demand well into the next decade. This forecast assumes that exports of gas from the basin will be curtailed during demand shortfalls, and cease altogether at the closure date of the current export license (March 31, 2011). It also assumes that no new significant demand will be developed until additional resources are discovered in new fields.

We also discuss higher-risk contingent resources that await confirmation and delineation in exploration prospects outside of producing areas where previous well penetrations suggest follow-up drilling may be warranted. Finally, we recognize, but have not attempted to quantify, potential undiscovered gas resources in unexplored areas or underexplored plays within the Cook Inlet basin. Significant work is underway by government and industry stakeholders to analyze this exploration potential, which could be an integral part of the region's energy portfolio well into the future. The findings of this study suggest there are a variety of short-, medium-, and long-term opportunities that have the potential to meet the energy demands of south-central Alaska over the next decade or more.

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INTRODUCTION

Purpose of This Study

South-central Alaska has relied on production from Cook Inlet gas fields to meet demand for electrical power generation, heating, and industrial use since commercial production began in the 1950s. Exports of liquefied natural gas (LNG) have been another significant sector of the region's gas market since 1969. A salient characteristic of south-central Alaska's natural gas demand profile is the pronounced seasonal fluctuation in fuel consumption for heating and power generation. In addition to the highly predictable difference between average summer usage and average winter usage, there are large, less predictable demand spikes during winter cold spells. Up to this point, producers have been able to meet spikes in consumer demand by incrementally adjusting production at the field and wellhead level. Curtailing industrial consumption, for example, closure of the Agrium US, Inc. fertilizer plant in Nikiski, has also played an important role in utility load management. More recently however, as an increasing number of Cook Inlet's fields show significant decline, concern has arisen over the producers' ability to provide sufficient gas to consumers during winter demand spikes, with some predicting shortfalls beginning in 2011-2013 (Petroleum News, 2009). This report summarizes the results of engineering and geologic analyses conducted within the Alaska Division of Oil and Gas (DOG) to better quantify remaining accessible reserves in the Cook Inlet's major gas fields, and to categorize these volumes relative to readiness and certainty of production. Many closely related economic and infrastructure considerations are outside the scope of these analyses.

As Cook Inlet gas (and oil) fields mature, it is prudent to re-evaluate the original gas-in-place (OGIP) and compare that against cumulative production in order to assess remaining reserves. Most oil and gas fields in Alaska have outperformed their initial estimates for original in-place hydrocarbons (for example, Blasko, 1974), so it is critical for resource managers to continually re-evaluate the reserves picture as new data and new technology is acquired. The purpose of this study is to examine and analyze the currently available engineering and geologic data to determine if enough gas is available to meet the anticipated demand for south-central Alaska for the next decade. The analysis assumes sufficient market opportunities will exist to drive appropriate investment in more complete field development operations, infrastructure debottle-necking and upgrades, and commercial alignment between unit partners. Both engineering and geologic methods were employed in the analysis of existing fields, and a complete description of the methodologies can be found in the body of this report. The results of this work will help determine how much gas remains in the Cook Inlet fields so that realistic development scenarios can be formulated. The economics of drilling additional wells, recompleting existing wells and the ability to economically transport and sell the gas into the Cook Inlet market are important commercial issues that were not addressed by this work.

Although new gas found through exploration activity outside of existing field areas will be an important part of the long term reserves outlook for the Cook Inlet, those resources can take years to identify and bring on line, so they may not affect the short-term development issues addressed in this study. Nevertheless, a brief discussion on exploration potential in the basin is included in this report, and the reader is encouraged to keep up-to-date on subsequent state and federal publications that will further address exploration potential.

Regional Geology

The Cook Inlet basin is part of a northeast-trending collisional forearc setting that extends approximately from Shelikof Straight in the southwest to the Wrangell Mountains in the northeast. The basin is bounded on the west and north by granitic batholiths and volcanoes of the Aleutian volcanic arc and Alaska Range, respectively, and on the east and south by the Chugach and Kenai Mountains, which represent the emergent portion of an enormous accretionary prism (Haeussler and others, 2000; Nokleberg and others, 1994). High-angle faults, including the Bruin Bay, Castle Mountain, and Capps Glacier faults, modified the west and north sides of the forearc basin (for example, Barnes and Cobb, 1966; Magoon and others, 1976). The Border Ranges fault lies near the eastern edge of the forearc basin (fig. 1; for example, Magoon and others, 1976; Bradley and others, 1999), but is locally overlapped by Cenozoic basin-filling strata.

Mesozoic strata, having a regional composite thickness of nearly 40,000 feet, represent the foundation upon which the Cenozoic forearc basin developed (Kirschner and Lyon, 1973; fig. 2). Mesozoic strata extend continuously at depth under Tertiary nonmarine deposits and are exposed along the up-turned western and eastern margins of the forearc basin (Fisher and Magoon, 1978; Magoon and Egbert, 1986). Tertiary nonmarine strata, which are up to 25,000 feet thick in the axial region of the basin (Boss and others, 1976), consist of a complex assemblage of alluvial fan, axial fluvial, and alluvial floodbasin depositional systems (Swenson, 2002). These Tertiary nonmarine strata are the primary oil and gas reservoirs in the basin.

The Tertiary stratigraphy of the basin is complex (fig. 2) and includes a basal unnamed unit of Paleocene to early Eocene age that is correlative to parts of the Wishbone, Chickaloon, and Arkose Ridge Formations in the Matanuska Valley segment of the basin (an older uplifted segment of the forearc basin according to Trop and Ridgway, 2007). The overlying stratigraphic units were assigned to the Kenai Group by Calderwood and Fackler (1972) and originally included, in ascending order, the West Foreland Formation, the Hemlock Conglomerate, the Tyonek Formation, the Beluga Formation, and the Sterling Formation. Boss and others (1976) subsequently restricted the Kenai Group to the Tyonek, Beluga, and Sterling Formations on the basis of interpreted unconformities between the West Foreland and Tyonek. They considered the Hemlock Conglomerate a member of the Tyonek Formation. The overlapping ages of these formations shown in figure 2 demonstrates the time-transgressive nature of the Tertiary stratigraphy (McGowen and others from Swenson, 2002). Limited outcrops around the perimeter of the basin demonstrate dramatic facies changes from basin axis to basin margin locations.

Large hydrocarbon traps were formed in the Tertiary nonmarine strata of the upper Cook Inlet when the thick succession of reservoir facies were deformed into a series of north-northeast-trending, discontinuous folds arranged in an en echelon pattern. Most fold structures formed by right lateral transpressional deformation on oblique-slip faults (Haeussler and others, 2000). Many of these faults extend into underlying Mesozoic age marine rocks. These structures are attributed to the ongoing collision between the Yakutat block in southeastern Alaska and inboard terranes across much of southern and central Alaska (Trop and Ridgway, 2007). This collision is resulting in the progressive collapse of the forearc basin from the northeast toward the southwest (analogous to a closing zipper; Trop and Ridgway, 2007). All producing oil and gas fields in upper Cook Inlet are asso-

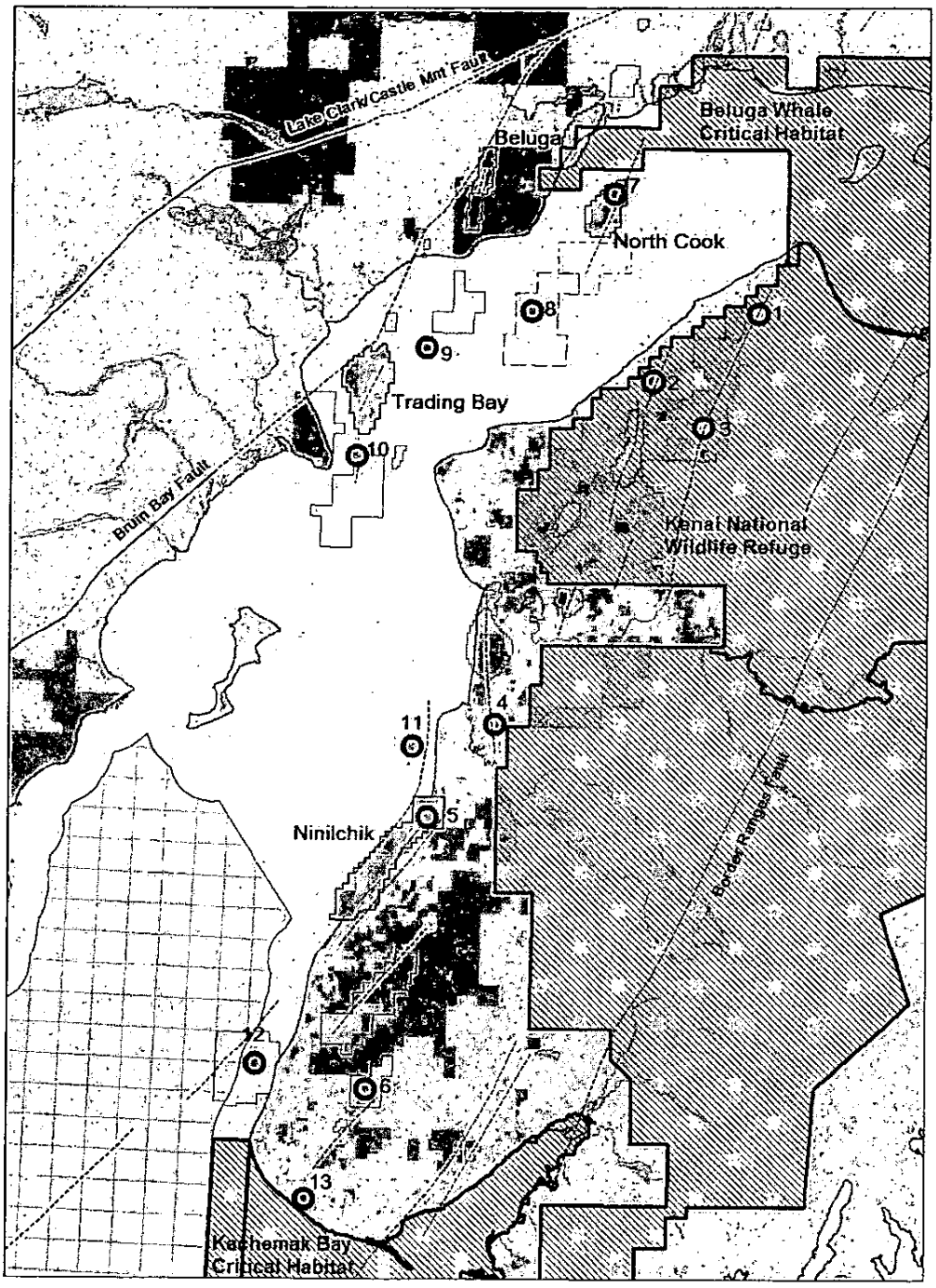


Figure 1. Location map of the central part of the Cook Inlet basin showing oil and gas producing units (the four major gas fields with geologic reserve estimates are highlighted with pink fill); major faults and fold axes; undeveloped exploration leads (numbered green dots); and areas with exploration access restrictions (green hachure).

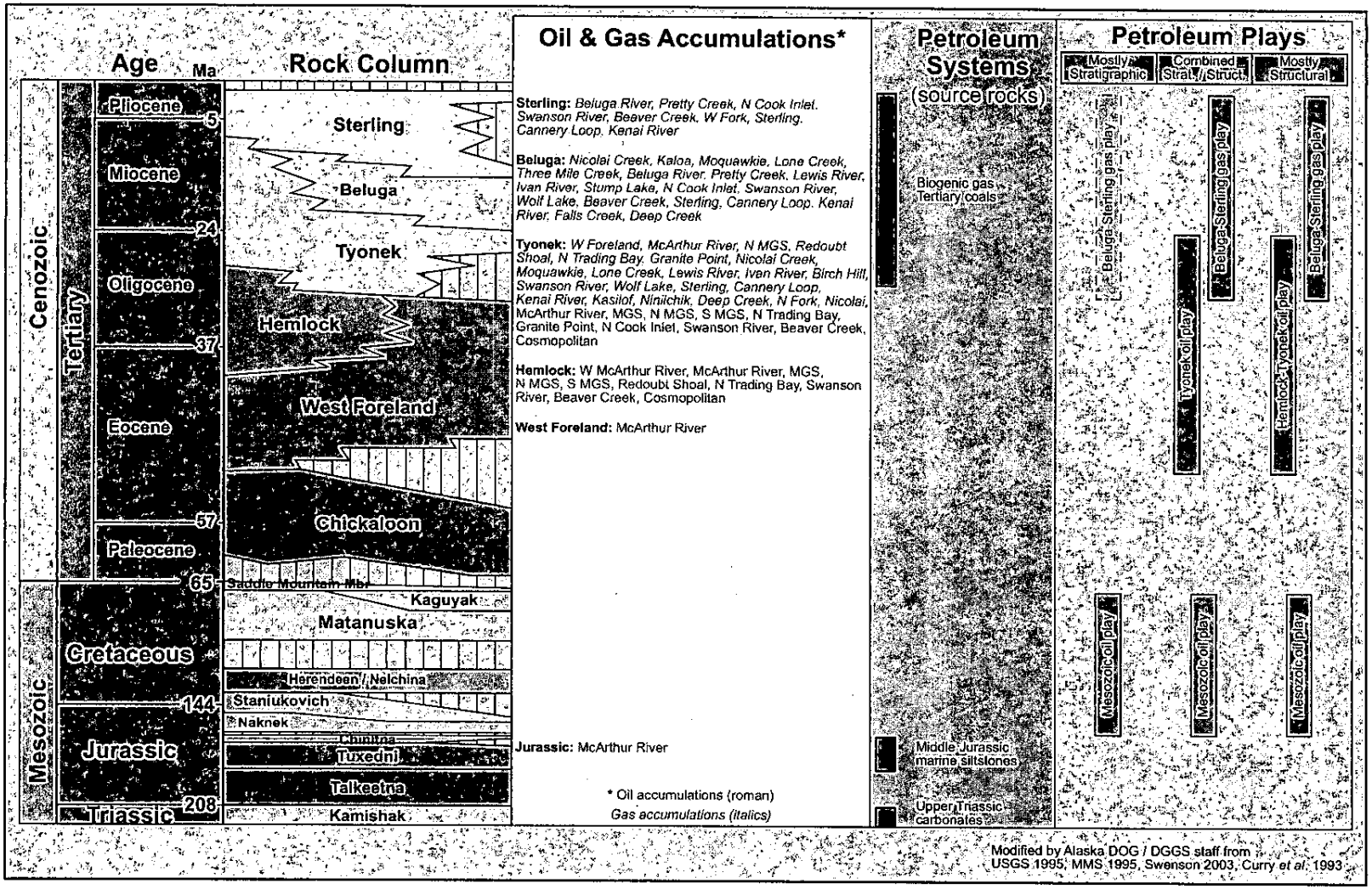


Figure 2. Chronostratigraphic and petroleum systems summary chart for the Cook Inlet basin

ciated with structural closures. Gas in most fields resulted from release of biogenic methane as thick coal-bearing successions were uplifted along fold structures.

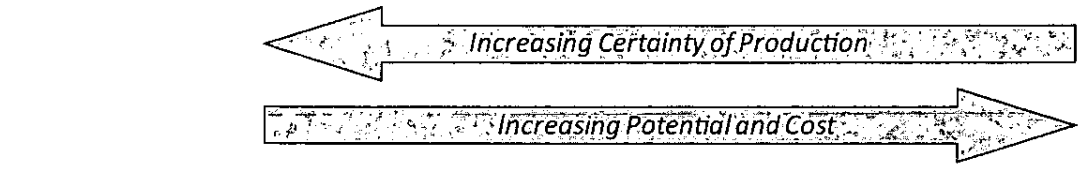
Cook Inlet Petroleum Systems

In order to understand how a natural resource can be optimally developed, it is important to understand its origin and history. The oil and gas produced from the Cook Inlet fields (fig. 1) come from two separate and distinct hydrocarbon systems. The oil, along with minor amounts of associated gas, was generated in deeply buried Mesozoic source rocks by thermogenic (temperature-driven) processes. Expelled from the source rock under high pressure, these buoyant hydrocarbons migrated upward along faults and permeable strata into trapping geometries in Hemlock and lower Tyonek sandstones of Tertiary age (fig. 2). More than 1.3 billion barrels of oil have been discovered and produced from these reservoirs since 1958.

The petroleum system that is the focus of this paper, and has become the recent focus of many south-central Alaskans, is a biogenic system that produced dry natural gas (methane). The generation, migration, and trapping of this resource are significantly different than that of the oil. The biogenic methane, which accounts for more than 90 percent (Claypool and others, 1980) of the nearly 7.75 trillion cubic feet (TCF) of historic gas production in Cook Inlet, was sourced from the widespread coals in the shallower part of the Tertiary section. Unlike thermogenic hydrocarbon generation, biogenic gas generation relies on bacteria that thrive only at relatively shallow burial depths where temperatures are less than about 80°C. Biogenic methane begins to form by decay of organic matter in the near surface environment. As deposition proceeds and bacterial methane continues to form, large quantities dissolve in the surrounding pore waters and remain adsorbed in coal beds. In the Cook Inlet basin, late-stage uplift lowered the pore fluid pressure and liberated the gas from solution in the coals, allowing it to migrate relatively short distances into fluvial sandstone reservoirs in the Tyonek, Beluga, and Sterling Formations. The complex geometries of these Tertiary reservoir sandstones, as well as the coal-to-sand migration pathways, provide both challenge and opportunity for field development. The same geologic complexity that makes it difficult to identify all potential reserves in a field also provides ubiquitous isolated reservoirs containing a significant amount of untapped gas potential.

PROCESS, DATA, AND COMPARISON OF ANALYTICAL TECHNIQUES

This report presents preliminary findings regarding forecast production, original gas-in-place, and estimated remaining reserves for Cook Inlet natural gas fields. We estimate remaining reserves at varying levels of production certainty using reservoir engineering and development geology methods (Table 1). The two approaches are very different, both conceptually and in analytical scope, and are discussed separately. It is important that multiple analytical methods are employed in analyzing complex fluvial systems like the Cook Inlet gas reservoirs because each method evaluates a slightly different portion of the reserves picture. Because they are based on extrapolations of historical production data, the engineering approaches are limited by the extent of field development that has occurred to date, and yield the more conservative estimates. The geologic analyses calculate larger reserve estimates because they assess the entire field, including upside potential from nonproducing intervals that may be capable of produc-



	Engineering Analyses		Geologic Analyses	
	Decline Curve Analysis	Material Balance	Geologic, PAY category only	Geologic, PAY + 50%-risked Potential_Pay
Sum 4 Fields	697	860	1,213	1,856
Sum Other Fields	166	282	not analyzed	not analyzed
Total	863	1,142	--	--

Notes: All values in BCF. Other fields are 24 remaining Cook Inlet producing gas fields (see Table 2).

Table 1. Comparison showing a range of estimated remaining gas reserves based on separate engineering and geologic analyses of four fields: Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands). These results suggest that geologic analyses identify gas reserves in pay and potential pay intervals that have not been fully developed, and therefore, cannot be represented in the engineering-based estimates.

ing. Throughout this report, we consistently present estimated gas volumes rounded to the single BCF to facilitate comparisons with values in the tables and appendices that represent calculated results. In reality, most of these estimates carry considerable uncertainty, and many could be rounded at lower levels of apparent precision for purposes of discussion outside of this text.

The engineering approaches are introduced first, followed by a discussion of the deterministic geologic approach. Two primary reservoir engineering methods, decline curve analysis and material balance analysis, were applied to 28 producing gas reservoirs to determine proved developed producing (PDP or 1P) reserves and probable (2P) reserves (Society of Petroleum Engineers and others, 2007).

Decline curve analysis (DCA) reflects only that gas that has been in communication with producing wellbores and has been produced relatively continuously over the life of the field. It cannot account for gas shut in early in field life, gas behind pipe and never perforated, nor gas between wells with large spacing. Additionally, estimates of original gas in place (OGIP) derived from material balance techniques (MB) represent only gas that has produced into a wellbore at some point during field life. The geological analysis calculates an OGIP for the entire structure and attempts to include potential untapped gas sands that were logged in the wellbore but never produced, marginal quality reservoirs that were not perforated at initial field development, or isolated reservoirs that lie between existing wellbores because well spacing is not sufficient to encounter them.

The engineering analyses relied on pub-

lic domain production and pressure data that producers report to the Alaska Oil and Gas Conservation Commission (AOGCC) on a monthly basis. Thus, in order to estimate deliverability, a daily rate must be calculated from the reported monthly values in order to predict short term demands. Decline curve analysis (DCA) was primarily used to forecast production and estimate remaining recoverable gas (RRG). Material balance methods were used to validate DCA estimates and determine OGIP and RRG. The future production rates and volumes have been compared to anticipated demand to predict gas availability in the Cook Inlet basin over the next decade.

The geologic analysis was limited to four of the five largest existing fields that are still being actively developed and that the engineering analyses indicate have the greatest share of future gas production potential. A deterministic geologic approach was used to identify pay and potential pay in the North Cook Inlet, Beluga River, Ninilchik, and the McArthur River (Grayling gas sands) fields. The geologic analysis utilized well log curves, drilling and completion history, pressure history, and production data to identify and map pay at the field scale as a basis for new calculations of original gas-in-place, initial recoverable reserves, and remaining reserves.

The Kenai gas field was not included in the geologic analyses because it is a federal unit and the State has limited well data and no seismic data over the field. We did conduct engineering analyses of the Kenai field because the production data are publicly available from the AOGCC. Of all the fields in the basin, the Kenai gas field has been subjected to the most aggressive second- and third-cycle development efforts to maximize recovery and access gas in tight reservoirs. As discussed later, the Kenai field is an excellent example of the late-life reserves growth that can be achieved with continuing development investment.

Table 1 organizes the gas reserve estimates of this study relative to readiness and certainty of production. In standardized reserves and resources nomenclature (for example, Society of Petroleum Engineers and others, 2007), our estimates derived from decline curve analysis can be considered proved reserves, whereas estimates identified from material balance represent probable reserves. The geologically derived estimates represent a mix of proved, probable, and possible reserves as well as some contingent resources. These analyses do not include economic filters, so it is not possible to draw a line between commercial reserves and subcommercial resources. Prospective resources, those remaining to be discovered, are discussed in less specific terms in the exploration potential section of this report. Estimates of exploration resources reflect a combination of in-house exploration experience, interpretation of publicly available geological and geophysical data, and resource assessments and other reports published by the U.S. Geological Survey and the U.S. Department of Energy.

RESERVOIR ENGINEERING ESTIMATES

Decline Curve Analysis

Decline curve analysis (DCA) is a standard petroleum engineering technique whereby current production trends are extrapolated into the future to estimate rates, and by integration, the remaining recoverable gas (RRG). As outlined above, DCA is based only on historically and currently producing gas that is in communication with the producing wellbores. By definition, DCA cannot measure gas reserves that exist in hydraulically isolated reservoir volumes (zones, sandbodies, or structural compartments) until that part of the reservoir is perforated for production

into the well. RRG in this context is only the developed gas left in the container. A reservoir DCA will change significantly during the period it is being developed. Early estimates will under-predict RRG if the reservoir is not fully developed (fig. 3).

The decline curve analysis is a relatively conservative look at future gas production because it represents a snapshot influenced by past events, and does not fully account for future events. Therefore, the forecast is a prediction of future performance assuming past trends will remain the same and all investment to support it will remain constant. Decline curves were based on monthly AOGCC production volumes or rates plotted on a logarithmic scale versus a linear time scale in months. The semi-log plot dampens minor data fluctuation and lends itself to a linear extrapolation referred to as exponential decline. The DCA portion of this work is based on the assumption that the reservoirs exhibit volumetric (tank-like) behavior. The linear decline extrapolation yields RRG by integration of the area under the line (fig. 3).

DCA recoveries were calculated on a well basis for the larger units where wells produce nearly continuously and on a pool, reservoir, or unit basis for every field that is active. There were several cases where decline appeared hyperbolic, which, on semi-log charts, plots as a curve in early to mid-life and becomes linear in late field life. Hyperbolic decline is often characteristic of low permeability reservoir rock, but it may be masked by water production, production at rates below capacity, and other well events. Another factor affecting decline is water influx from an underlying aquifer. If the aquifer is large compared to the gas reservoir, water influx will act to partially replace the gas produced from the pore space and sustain the reservoir pressure in the early to mid-life of the reservoir. A derivative effect is that as water influx into the wellbore increases, the pressure gradient increases, resulting in a steepening of the decline rate. Water influx in the Cook Inlet basin reservoirs is complicated by fluvial depositional systems that contain stratigraphically discontinuous layers of separate productive sands. Individual layers may not be in pressure communication and most likely have different gas-water contacts, especially in the Beluga and Tyonek sands. Production performance changes as water invades some intervals, effectively shutting off production and trapping gas, resulting in decreased overall recovery.

The DCA forecast of remaining proved, developed, producing gas in the 28 Cook Inlet fields amounted to a total of 863 BCF, with 697 BCF in just four fields (Beluga River, North Cook Inlet, Ninilchik, and the McArthur River Grayling gas sands). The DCA forecast rate represents an "annual average rate forecast" as depicted in figure 4. This estimate should be viewed as fairly conservative because of certain assumptions inherent in the technique. The forecast rate is usually conservative where wells and reservoirs do not produce at maximum capacity on an annual basis. This limitation applies to the Cook Inlet gas market, which is notable for its large demand swings between summer and winter. Thus, the daily or monthly production from the reservoir or individual well does not always represent its productive capacity. Daily production rates for gas wells are dictated by daily or monthly demand, volumes specified in production contracts, and LNG export volumes. In addition, the reservoir and wells often produce at surface pressure considerably higher than pipeline conditions (choked back). Under those conditions, DCA cannot accurately predict future production capability. Another difficulty is accurate representation of future investments and projects to sustain rates such as drilling wells, remedial activity, new perforations, well workovers, and

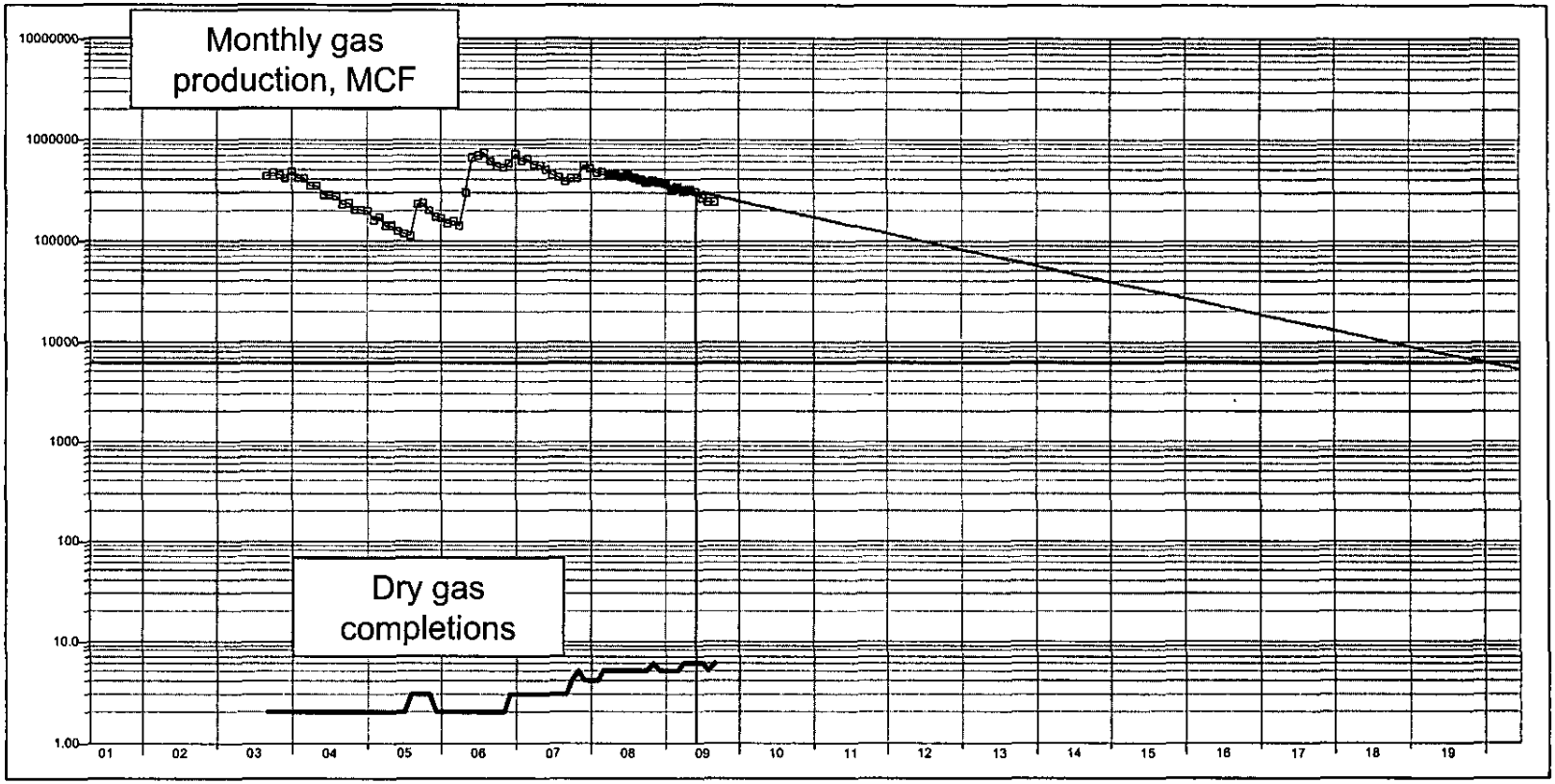


Figure 3. Typical decline plot; the Ninilchik GO Tyonek reservoir decline plot is illustrated. Horizontal axis is time (2001-2019); vertical axis is monthly production volume in thousands of cubic feet (MCF/month). Note the steep decrease from 2002 until mid 2004. As new wells are added (the lower red line on the chart) between 2004 and 2006, the production rate increased in a step fashion, then begins to decline again in 2007 to present. Some of the rate increase may be a result of perforation of new sands or stimulation of perforated sands. This chart is a good example of impacts of development activity early in the reservoir's life. When the reservoir is fully developed, it will follow the trend until depleted. Decline curve analyses are used to estimate remaining proved, developed, producing gas reserves.

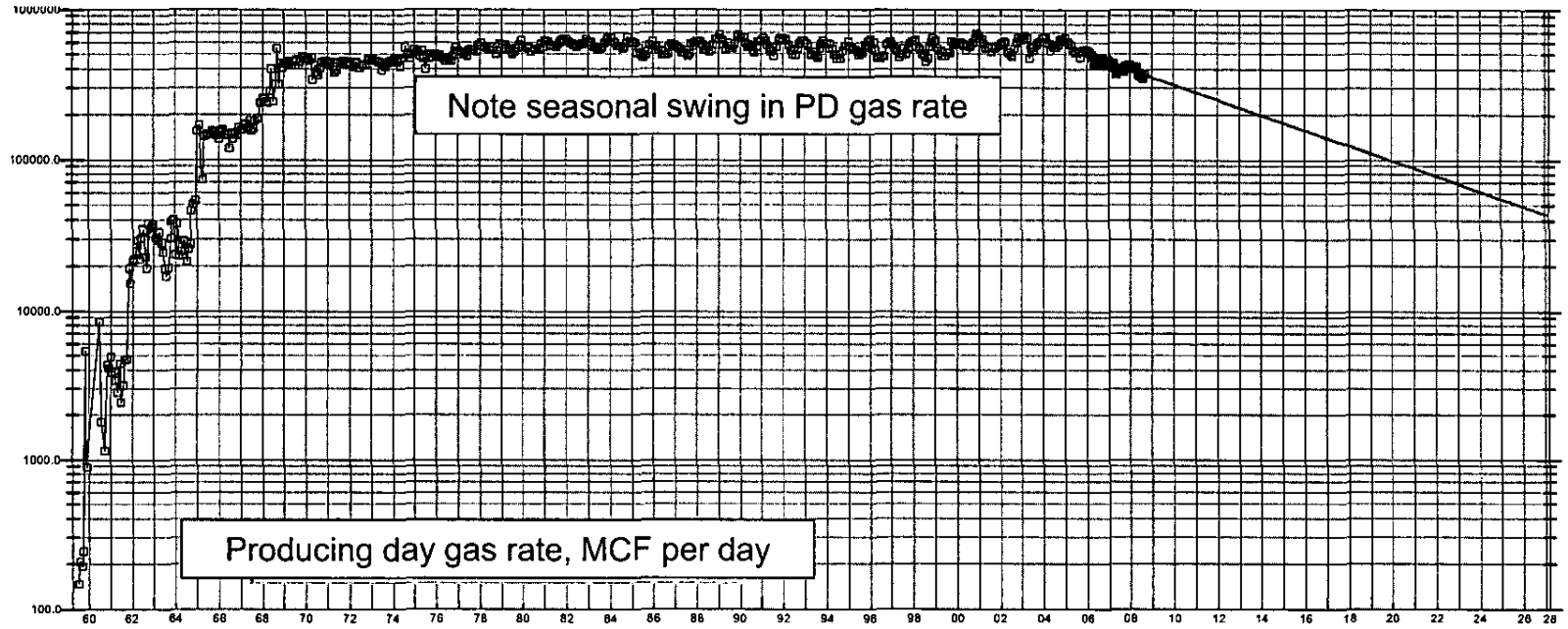


Figure 4. Decline curve projection based on data trend for production from all 28 Cook Inlet gas fields. Horizontal axis is time (1960-2028); vertical axis is producing day gas rate (MCF/day). Extrapolation line represents an annual average rate forecast, and does not illustrate seasonal fluctuation in demand.

additional compression. Figure 5 illustrates how DCA reserve estimates change after new wells are put on production. The initial rate forecast is considerably lower because it does not account for incremental production from the new completions.

If development investment does not continue in later field life, the decline trend will steepen because gas rate is dependent on regular maintenance or remediation. Changes in future economic conditions will influence gas availability affected by contract obligations, cost of maintenance, investment capital availability, and return on investment. Previous Cook Inlet rate forecasts have been subject to the same limitations.

Material Balance Analysis

Material Balance (MB) is a technique that uses the volumetric relationship between pressure, gas properties, and production to define OGIP and project remaining recoverable gas (RRG). A plot of reservoir pressure, P, divided by Z, the gas compressibility factor, yields a straight line that defines the volume of gas in the reservoir. Our MB analysis relies on reservoir pressure, reservoir characteristics, and gas production data from AOGCC databases. In most cases the linear trend can be extrapolated to zero pressure to determine the initial amount of gas in pressure communication throughout the reservoir, or OGIP. Note that material balance estimates account only for gas in pressure communication with producing wells, and cannot predict gas in isolated parts of the reservoir.

P/Z extrapolated to abandonment pressure will yield RRG for the reservoir sands that are in hydraulic (pressure) communication. A public domain spreadsheet program from Ryder Scott Company, L.P. was used to account for reservoir properties such as temperature, gas gravity, water saturation, gas composition, rock compressibility, and the Z factor for calculating P/Z based on periodic pressure measurements.

Figure 6 is an example of a typical P/Z MB plot. In this example, extrapolation to P/Z = 0 psia yields OGIP of 4.5 BCF and RRG, assuming abandonment P/Z=194 (~200 psia), is 4.2 BCF. The RRG is dependent on accurate knowledge of the abandonment pressure. Although we assumed an abandonment pressure of ~200 psia, the ultimate pressure for a given reservoir will be a function of operation costs, price of gas, and cost of compression. The surface production pressure is a function of reservoir pressure depletion and pipeline conditions. Wells in the Kenai gas field produce at surfaces pressure between 20 and 200 + psia, depending on pad location and the compressor configuration. Therefore, assuming a 200 psia abandonment pressure can underestimate RRG. In other fields in the basin the current surface producing pressure exceeds 800 to 1000 psia.

North Cook Inlet Unit (NCIU) and Beluga River Unit (BRU), had pressure data for each well going back 20-30 years. Most other pools had average pool pressures provided to AOGCC on a periodic basis. Even though the Sterling and Beluga Formations in the BRU are metered separately, the gas production is reported to AOGCC as a single commingled volume. Because gas production data for each formation are not available for the Beluga River Unit, the MB calculation is less reliable due to the uncertainty introduced by arbitrarily dividing the reported combined Beluga and Sterling Formations gas production back into two separate formations.

None of the reservoir P/Z plots showed evidence of active pressure support or water drive; however there is distinct evidence of water influx (fig. 7). Water influx steepens the

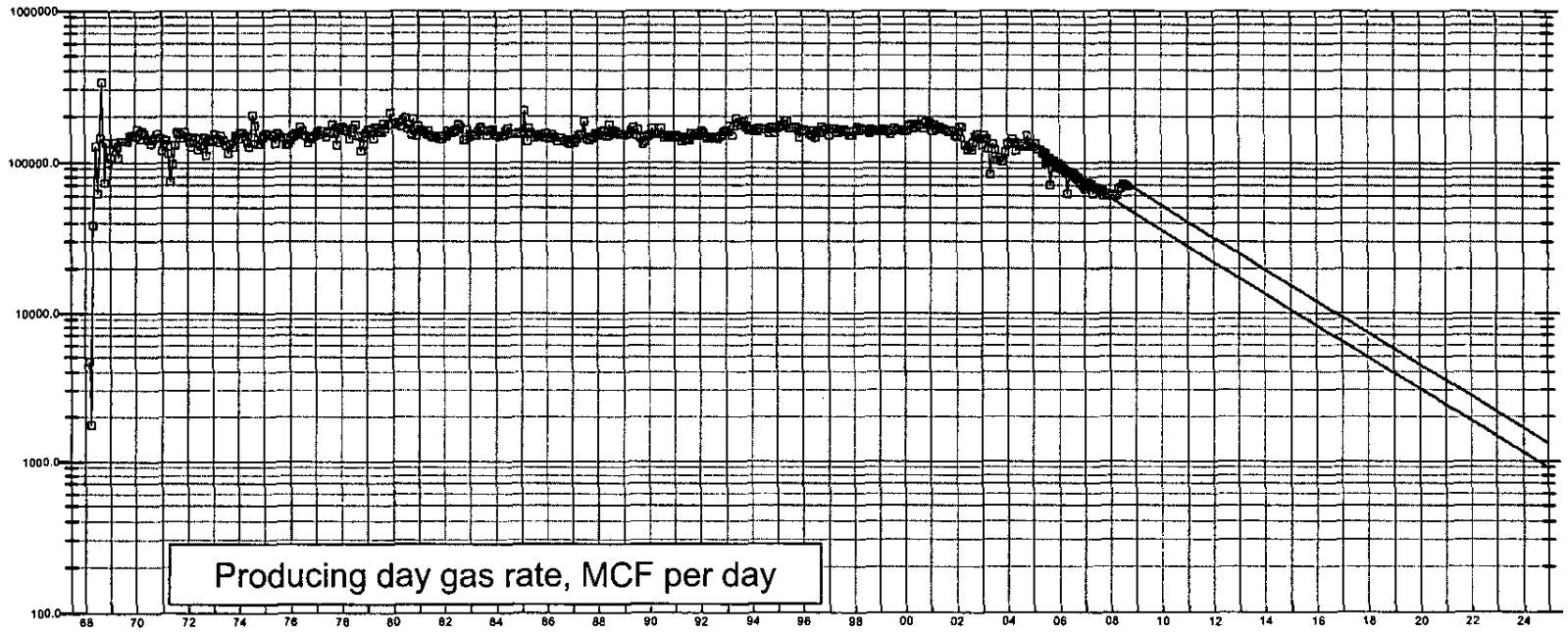


Figure 5. Example of decline curve analysis before and after new wells, North Cook Inlet Unit. Horizontal axis is time (1968-2025), vertical axis is monthly production volume in thousands of cubic feet (MCF). The well-established decline trend from 2004 to 2008 changes as new wells are added (green line versus red line trends). The remaining recoverable gas estimated from each trend will differ.

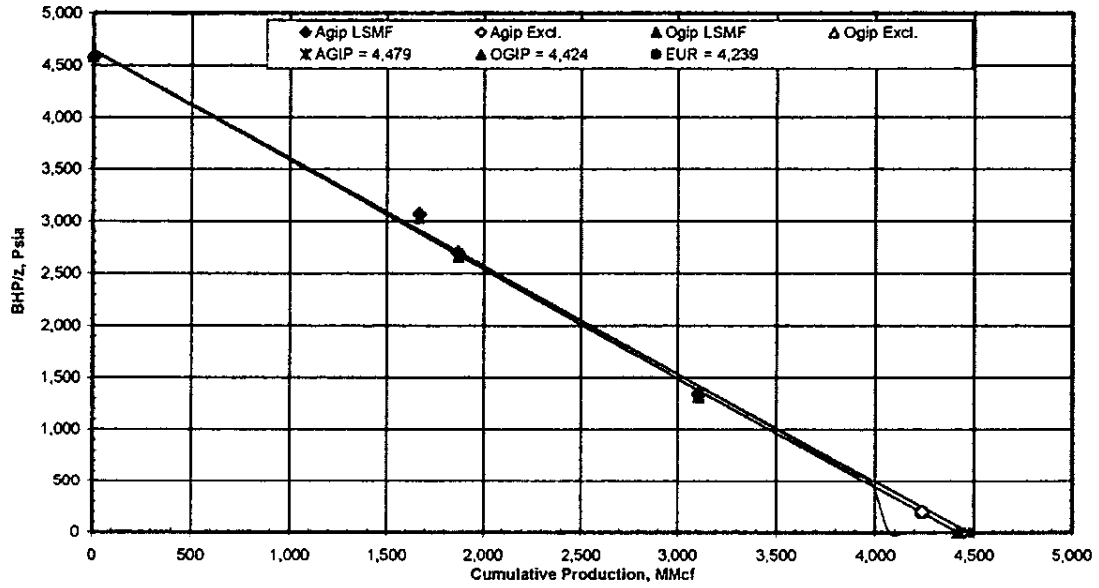


Figure 6. Typical P/Z plot. Vertical axis represents bottom hole pressure divided by Z, a dimensionless factor related to gas density, pressure, and temperature. The horizontal axis is cumulative gas volume produced at the time pressure is measured. Extrapolation of the trend will determine remaining recoverable gas and original gas in place at abandonment and 0 pressure respectively.

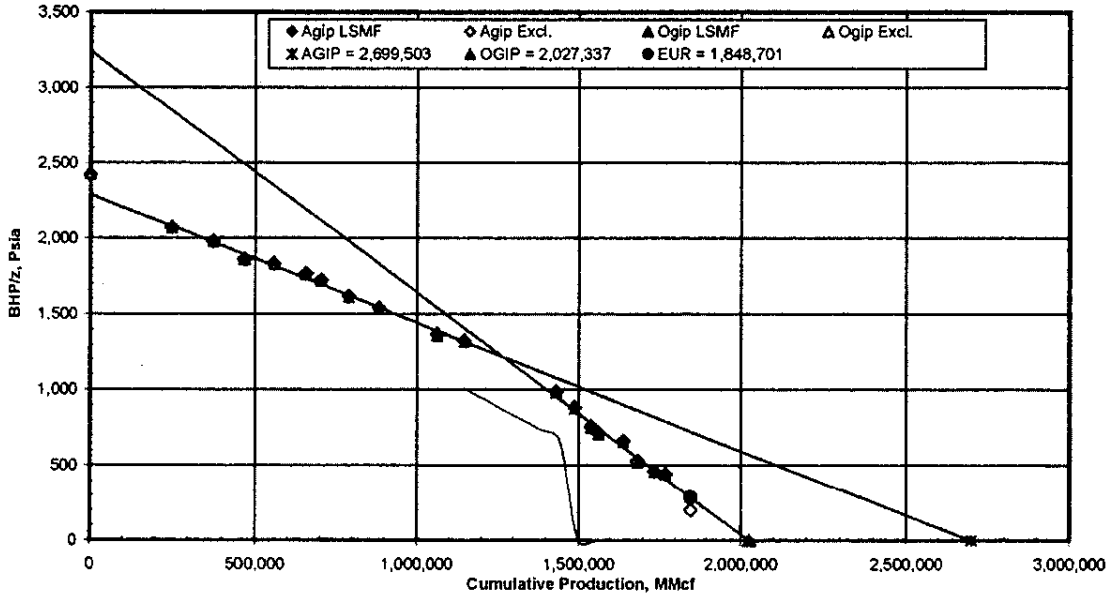


Figure 7. P/Z plot showing water influx and reservoir shrinkage. The initial trend (red line) shows a much higher in-place volume through production to about 1,300 BCF cumulative production. The later trend (green line) shows how water production has caused reservoir hydrocarbon volume to shrink by isolation of water dominated sand intervals or displacement of gas by water. Either way, the effect is reduction of hydrocarbon volume in communication within the reservoir.

slope of the linear P/Z trend. Water influx may trap gas or invade the reservoir space and replace gas, and in many cases, requires the invaded interval to be cemented off, isolating a portion of the reservoir and effectively shrinking the productive pore volume if not accessed by another well up-dip. In the example shown in figure 7, water influx has reduced the volume of gas producible at an assumed abandonment P/Z value of 200 psia by more than 600 BCF. Cases of this type were reviewed to ensure data accuracy and account for water impacts. Generally, the MB trend was either very clear, or it was unusable.

Another issue affecting the MB calculations is the validity and quality of the pressure data reported to AOGCC. The quality of pressure data depends on the type of reservoir and the method used to estimate or measure reservoir pressure. A good understanding of the common geological and engineering attributes of Cook Inlet fields, such as multi-formation pools, complex layering, discontinuous stratigraphic layers, and communication throughout the reservoirs is necessary to properly interpret the pressure data.

Some reservoirs had few points for P/Z analysis or the data were scattered, inconsistent, and subject to unstable measurement caused by insufficient shut-in time. In several cases, the P/Z results had to be disregarded because there was insufficient pressure data, no reasonable trend or the resulting RRG differed significantly from the decline analysis. There are several pools where P/Z showed less original gas-in-place than what had already been produced. Such discrepencies highlight the need for rigorous review and reiteration of MB calculations and further investigation of possible causes for questionable results. Comparison with other methods and inclusion of periphery data is also critical in order to come up with reasonable estimations.

The material balance and decline curve results were compared to look for significant inconsistencies. Analyses were reviewed and material balances or decline analyses for a given unit were repeated to account for obvious discrepancies. In some cases, the process of turning wells on and off over time creates the illusion that a pool's production is declining much slower (that is, the pool has more gas remaining) than shown by analyses of the individual wells in the pool. Although the seasonal swing is evident in a field-level production chart, it is often obscure when looking at charts for individual wells. This can be problematic for wells that do not have a long history trend and the winter to summer swing has a large influence on the decline in relation to the MB. In those cases, all available data were reviewed in order to determine which result should be used. In most instances it was possible to find trends that better suited the data or it was possible to see what caused the problem and come to a reasonable conclusion.

In many cases MB calculated significantly more gas than the DCA; we view this excess as potentially recoverable gas. Judgment and reservoir performance were required in reconciling differences between MB- and DCA-based estimates. In general, where production behavior is predictable and water influx is not an issue, the trends made sense and were used to estimate both remaining recoverable gas and additional potential.

Table 2 provides the results of the DCA forecast and the results of the MB calculations for 28 Cook Inlet gas fields. The difference between MB and DCA remaining recoverable reserves totals 279 BCF at 200 psia abandonment pressure. The difference increases by 120 BCF if estimated at 50 psia abandonment. Although abandonment pressure of 50 psia may be attainable in general, each reservoir must be evaluated for its cost-benefit at abandonment.

Field	Decline Forecast Production, BCF	Material Balance RRG - Decline, BCF	Material Balance or Decline EUR, BCF
Kenai	90	24	2,484
North Cook Inlet	145	47	2,011
Beluga River	377	96	1,622
McArthur River (Grayling gas sands)	113	20	1,509
Ninilchik	62	-	165
Beaver Creek	23	51	279
Kenai (Cannery Loop Unit)	27	18	218
Granite Point	7	2	141
Middle Ground Shoal	2	1	113
Ivan River	4	8	93
Trading Bay	1	-	89
Swanson River	1	-	61
Lewis River	1	9	23
Deep Creek	5	-	19
Stump lake	-	-	16
West Foreland	1	3	15
Sterling	1	-	14
Lone Creek	-	-	7
West Fork	-	-	6
Nicolai Creek	1	-	6
Moquawkie	0	-	4
Kasilof	-	1	4
West McArthur River	0	-	3
Albert Kaloa	-	-	3
Three Mile Creek	0	-	2
Redoubt Shoal	0	-	1
Wolf Lake	-	-	1
Kustatan	0	0	1
Total	863	279	8,910

Table 2. Decline forecast, additional potential remaining recoverable gas identified from material balance analysis, and estimated ultimate recovery for 28 Cook Inlet gas fields. Geologic volumetric analyses were prepared for the four large fields (shaded) at top of list.

The MB-DCA difference represents gas that is in communication with the current completions in a reservoir. Conceptually, MB estimates greater than DCA estimates suggest that the reservoir is not producing at its maximum capacity. Investment may be required to access the potential gas reserve additions in the form of well stimulations, installation of compression, re-drills, or other activities to improve reservoir performance.

Large Field Reserves Growth

We calculated a time series of estimated ultimate recovery (EUR) for the 28 gas fields by adding cumulative production to RRG at each interval. Tracking EUR over time is useful for observing the effect of development as a reservoir matures. Early EUR estimates are typically conservative and often increase as development progresses and more of the in-place gas resource moves to the producible reserves category. Progressive reservoir development is the rule in markets such as the Cook Inlet that can only absorb a fixed amount of gas per year. The four largest reservoirs (Kenai, Beluga River, North Cook Inlet, and the McArthur River Grayling gas sands) demonstrate this reserves growth in the EUR progression.

A review of past DCA forecasts and MB estimates (sources: DOG Annual Reports–1994, 1999, 2003, 2007, and 2009 internal estimates) showed significant growth in the last 10 years. Figure 8 is a chart showing the EUR at various stages of development since 1993. Comparison of EUR at various dates indicated reserves in three of the largest fields (Kenai, Beluga River and McArthur River Grayling gas sands reservoir) grew by more than 770 BCF; however the North Cook Inlet field appeared to decrease by about 360 BCF. It will be critical to further assess the reason for this decline. The reserves growth in all the other fields can be attributed to 42 new and redrilled wells during the period, and additional perforation and stimulation activity. The apparent decrease at North Cook Inlet may be caused by water influx and cementing off a number of intervals, effectively reducing the reservoir volume, but it is unclear with the currently available data. The EUR calculations demonstrate that even in mature fields such as Kenai, significant reserve growth is still possible after 30-40 years of production with diligent and systematic well work.

Deliverability at the Well and Reservoir Scale

In the following discussion, "deliverability" is used in the strict engineering sense of the term, which refers to the gas production capabilities of a well, or in some cases, production capabilities at the reservoir scale (for example, Lee, 2007, p. 840). This discussion does not address the much broader set of commercial and infrastructure factors that determine the ability of the entire Cook Inlet gas production and distribution network to provide gas to the end user. Determining deliverability at the well and reservoir scale is, nonetheless, a key part of predicting the overall system's ability to satisfy peak demand.

Past and present well or reservoir deliverability. One analysis method used to mitigate decline forecast shortcomings is accurate measurement and forecasting of daily well rates on a periodic basis. This can be done with real time data, or by converting monthly data to daily figures in order to calculate producing day (PD) well rate. The most accurate PD data are production rate measurements taken on a daily basis along with producing pressure and temperature. Unfortunately, the Division of Oil and Gas does not have daily data and can

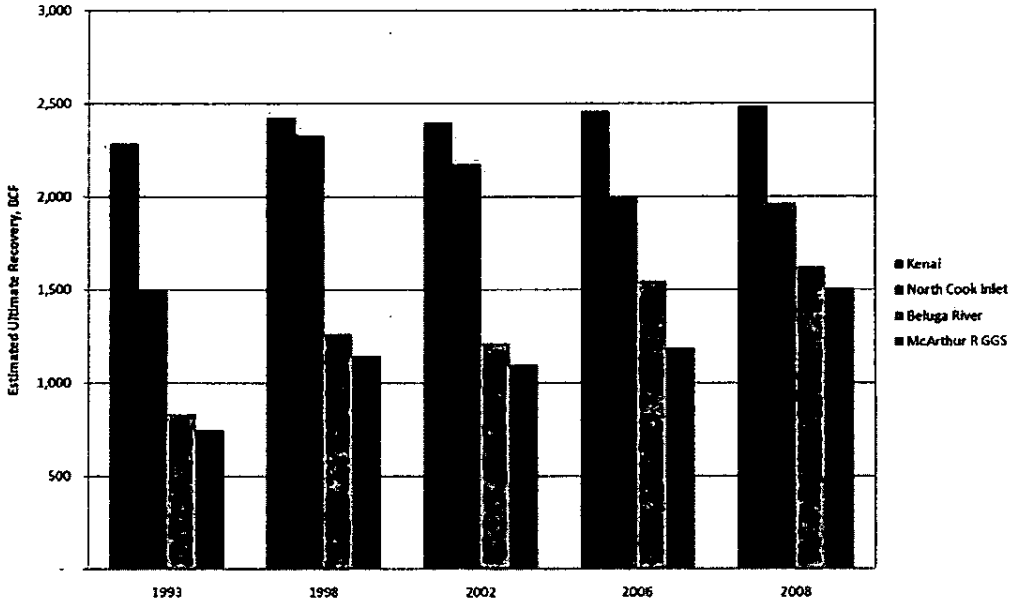


Figure 8. Reserves growth in Cook Inlet's largest gas fields, 1993-2008.

only estimate an average maximum daily rate on a monthly basis. The result is a smoothed rate profile that does not reflect the daily to weekly peaks and lows corresponding to short term demand swings.

Evaluating past well or reservoir deliverability estimates gives a hint of the relationship between average annual gas rate from DCA and peak PD gas rate from monthly volumes and producing day data. Calculations were based on a summation of producing day rates for each gas well by month (initially excluding storage production rate). A producing day rate derived from monthly data is still useful in estimating deliverability, but it smoothes through the extremes that would be evident in real time data. As an example, a well that produced 20, 10, and 5 MMCF/day for three days would average 11.7 MMCF/day over that period, which is some 40 percent below the actual peak. Given that limitation, there is still a significant swing between winter and summer PD rates when compared to annual average production rate. The peak PD rate has two components, the normal gas PD rate and the storage PD rate. Figure 9 compares the average annual rate to PD rates with and without storage from 1995 to present.

The ability to meet peak demand with real-time production has significantly diminished in the last decade because reservoir pressure has declined, water influx has increased, and not enough wells were drilled to replace reserves and maintain redundancy for peak rate capacity. Nevertheless, well workovers, additional wells, and compression have been slowly added in an attempt to meet the high-swing local demand. However, drilling high-cost wells and installing expensive new equipment to meet momentary demand spikes is economically challenging. As a result, gas storage in depleted reservoirs will become an important part of the deliverability portfolio that provides for peak capacity. In the past,

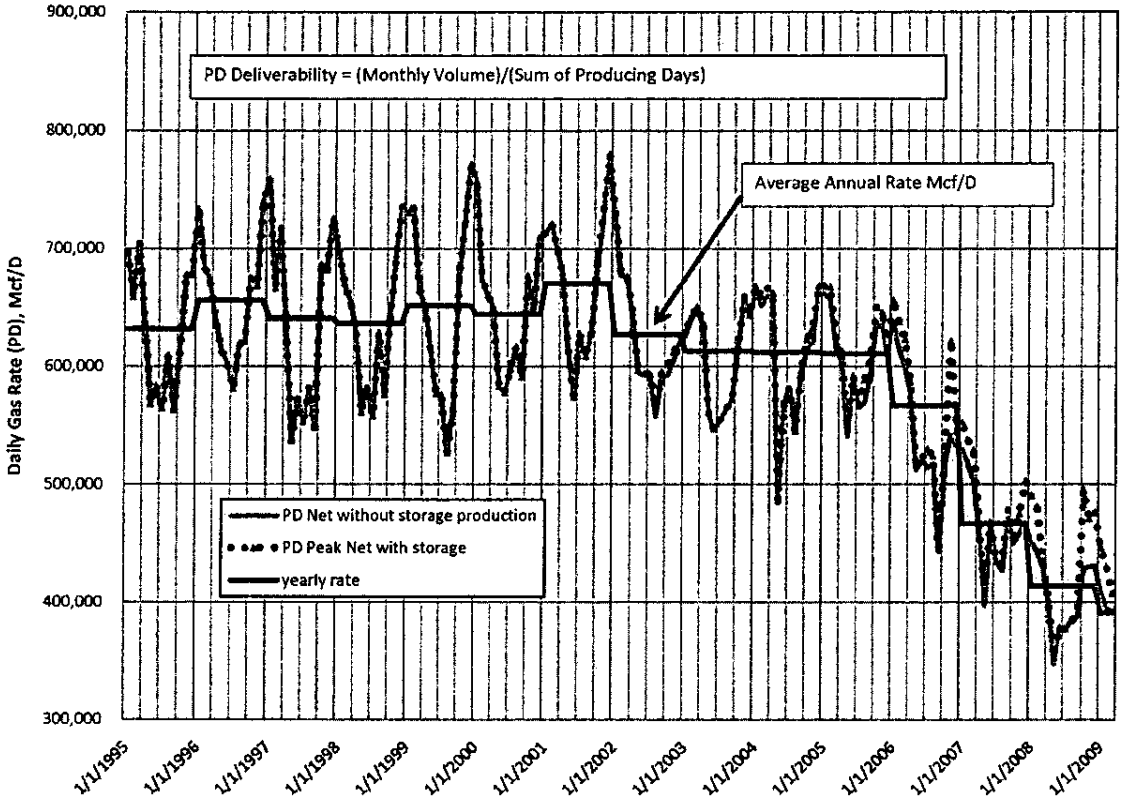


Figure 9. Producing day (PD) deliverability with and without storage, based on monthly volumes.

there was significant production capacity that lay idle during the summer months even with the fertilizer and LNG plants online. A strong seasonal swing is evident in the production histories of major fields such as BRU and NCIU, but it has diminished noticeably in recent years even though the fertilizer plant has been shut down and the LNG plant is not operating at maximum capacity. Field operators are now much closer to producing at or near apparent capacity year round. Like many other gas distribution systems, storage will emerge as a key feature necessary to meet peak demands during extreme weather periods.

As the annual production rate decreases, and producers store more gas during low demand periods, the ability to forecast excess capacity will become more complicated because storage rates are highly dependent on instantaneous demand and on the amount of gas in storage. Steps that could be taken toward meeting peak demand include adding new wells, investing in rate-sustaining work, stimulating productivity, adding compression to maintain production at lower reservoir pressures, and developing more storage capacity. All these options increase production costs and ultimately, the price needed for the commodity.

Predicting future well or reservoir deliverability. Extrapolation of maximum PD (producing day) rate data assumes that a well or reservoir can meet that maximum, at least on a periodic basis. The importance of a maximum

deliverability forecast is to estimate the ability to meet peak demand on those days when temperatures are very low and gas demand is very high. Figure 10 shows the method of estimating maximum PD rate for a pool by selecting peaks and forecasting into the future. This was done for each pool in the Cook Inlet basin then summed to provide a forecast.

Figure 11 shows the PD deliverability forecast results compared to average annual rate from DCA. The forecast peak PD deliverability is higher than average annual rate; however, peak deliverability can only be sustained for a relatively short period. The PD deliverability analysis can be done well-by-well or collectively on a reservoir basis. Regardless of method, the maximum PD rate forecast is only an estimate and may be influenced by the same events that affect decline curve analysis. This method yields a more representative estimate of future peak production rate (PD deliverability) than an annual average rate derived from decline curve analysis.

An additional challenge to predicting future deliverability is the complex geology. Cook Inlet's reservoirs are challenging to evaluate because of the discontinuous fluvial sand bodies, especially in the Beluga and Tyonek Formations. The Sterling Formation contains thicker sand packages that tend to be in pressure communication. In the Beluga and Tyonek reservoir section, new drilling has added deliverability and captured previously stranded gas reserves by a combination of in-fill drilling and adding perforations in existing wells. Clearly, more drilling and well work will be required to develop enough deliverability to meet peak demand swings in the coming years.

As a rule, the Cook Inlet reserves and annual production forecast have not really changed much from forecast to forecast. The major uncertainty lies within deliverability to meet daily and peak demand. To fully understand maiximum PD rate to meet daily and peak demand, more detailed and up-to-date production data is critical. The ability to analyze daily production numbers from all producing zones would indicate which wells and reservoirs are able to respond during demand spikes caused by extreme low temperatures.

GEOLOGICAL ESTIMATES

The geologic portion of this reserves study focused on four producing gas fields in Cook Inlet: Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands). A deterministic log- and grid-based approach was used to analyze and map pay and potential pay thickness for numerous producing horizons and to calculate original gas-in-place (OGIP) volumes within these fields. Publicly available production data from the AOGCC were used to determine recovery factors for these four fields. The recovery factor fraction was then multiplied by the mapped OGIP to calculate the geologic estimates of original reserves for each of the four fields. Subtracting the cumulative production from each field yielded our geologic estimates of remaining reserves. The following discussion details the process used in the geologic analyses conducted for this project.

Data Sources

Much of the data used in this evaluation is publicly available from the AOGCC. Confidential data the Division of Oil and Gas receives for Unit Plans of Development were also used to augment the AOGCC data set. Information from the geological literature regarding fluvial depositional systems in Cook Inlet and elsewhere helped inform sound well log correlations and was useful in petrophysi-

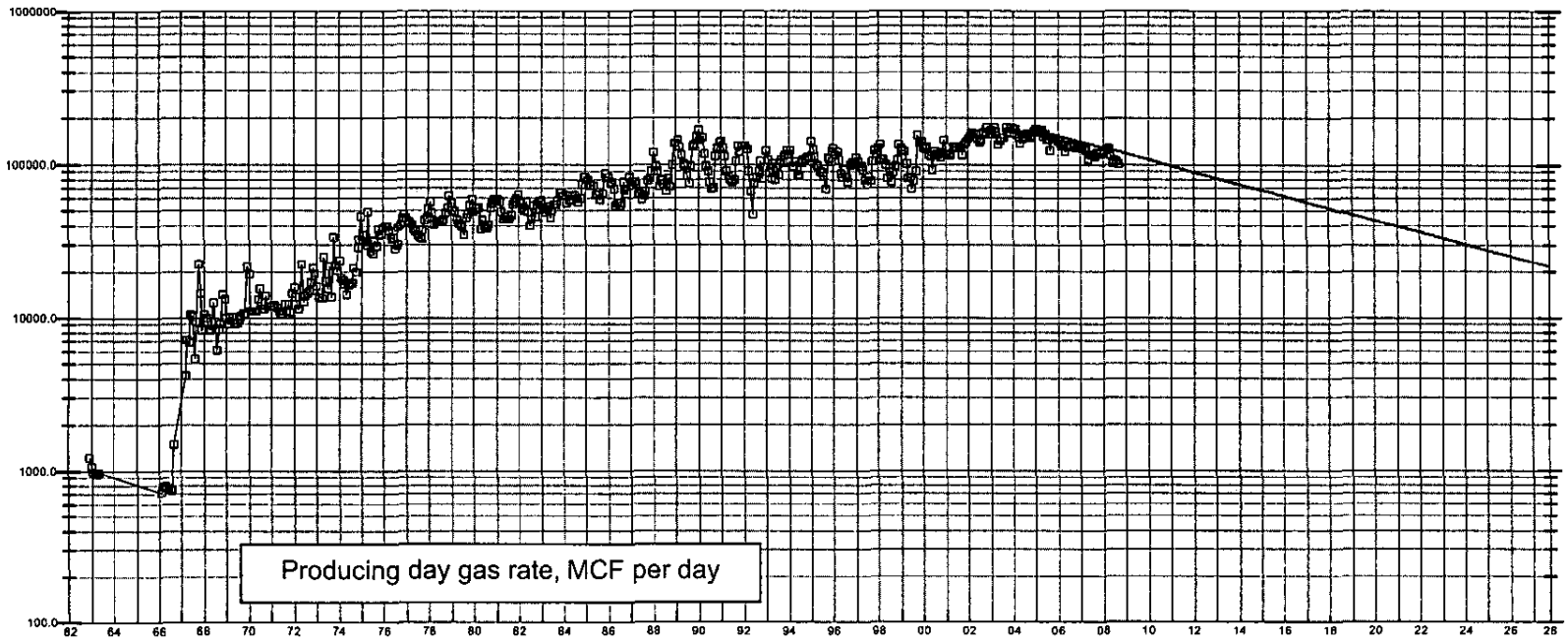


Figure 10. Example of peak deliverability forecast for a pool. Horizontal axis is time (1962-2028); vertical axis is producing day gas rate (MCF/day). Extrapolation is based on maximum PD rate only.

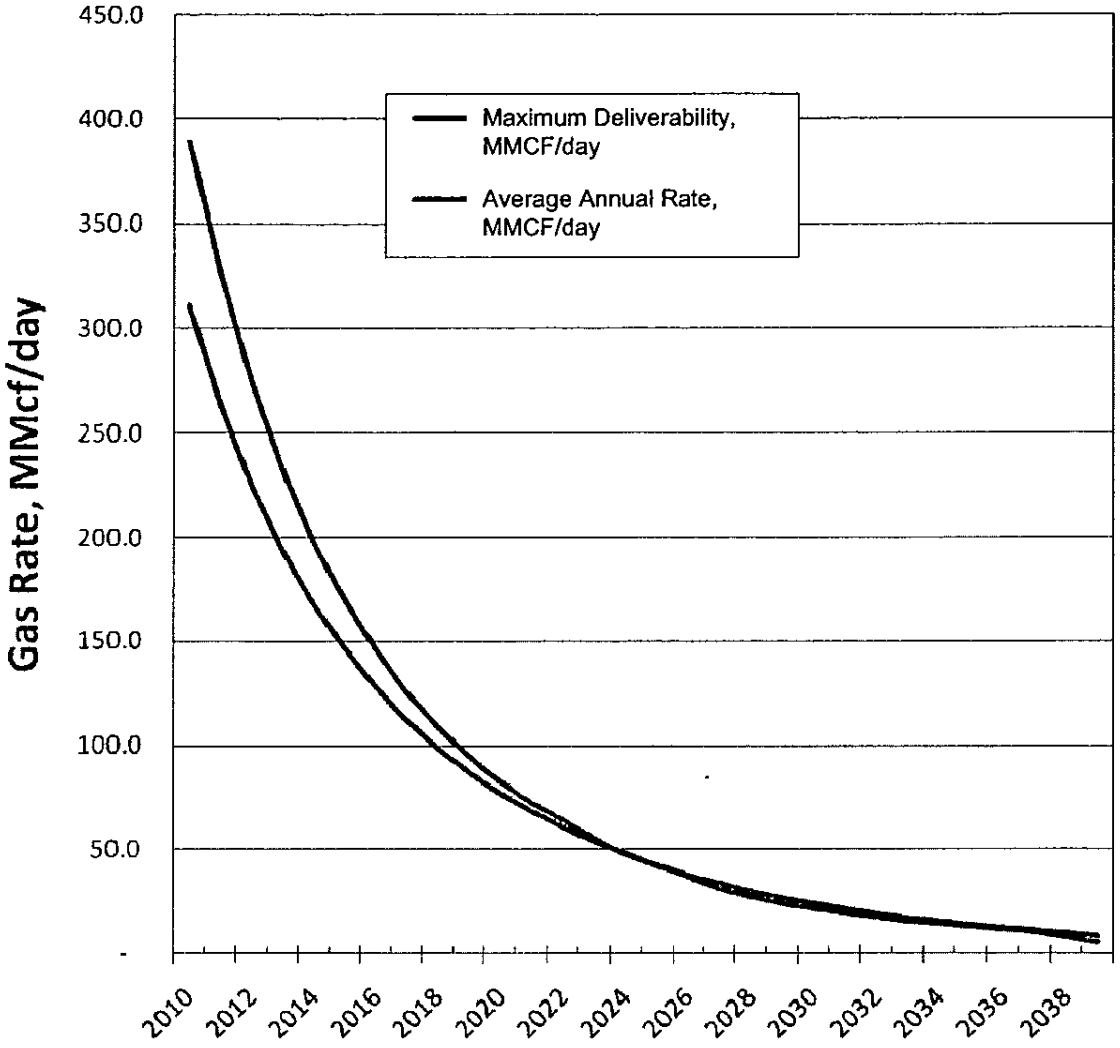


Figure 11. Peak maximum producing day deliverability compared to average annual rate from decline curve analysis.

cal interpretation (e.g., Bridge and Tye, 2000; Flores and Stricker, 1991; LePain and others, 2008).

The dataset collected and analyzed for this geologic evaluation consists of digital petrophysical well logs and directional well surveys; geologic formation tops; confidential and non-confidential structural surfaces (grids) and faults; details of well drill stem tests, perforations, reservoir and flowing pressures; gas compositional analyses; fluid contact depths; and core-based porosity, permeability, grain density, and saturation data.

Data Rendering

The data rendering process began with loading all the above data into databases used with our interpretation and mapping software

(Landmark GeoGraphix). Digital petrophysical well log data, directional well surveys, perforations, completion intervals, and drill stem test data were critical data sets that were interpreted together from the beginning stages. Most petrophysical well log suites in Cook Inlet wells contain data for spontaneous potential (SP), gamma ray, deep-, medium-, and shallow-measurement resistivity, and some combination of porosity logs such as density, neutron, and/or sonic transit time data.

After loading and interpreting the data mentioned above, criteria were established for identifying and flagging basic lithofacies (rock types). We flagged non-pay lithofacies (coal and shale) and focused attention on lithofacies that contain pay and potential pay (sandstone, argillaceous sandstone, and sandy siltstones). Coals were flagged as having a bulk density log response less than or equal to 1.9 g/cm^3 and a neutron porosity log response greater than 45 percent. Rare, very pure claystone intervals were selected to define a shale baseline on the SP log.

Pay Evaluation and Identification

We based our pay criteria on log character, mud log data, drill stem test data, and/or completion reports that identify sandstone intervals as having flowed gas with a rate that resulted in the sandstone being completed as a gas-producing interval. Two different categories were created in GeoGraphix using interval picks: PAY and Potential_Pay. These two interval picks were interpreted for each production zone (major subdivision of the reservoir formation, for example Sterling A) in all wells with a petrophysical well log suite (Figure 12). The breakout of zones varies from field to field, based on the variable characteristics of the Tyonek, Beluga, and Sterling reservoirs in different parts of the basin.

Intervals identified as PAY have the following characteristics:

a) Sandstone intervals that were completed after drilling and logging that either produced or are currently producing gas. These sandstones exhibit elevated deep resistivity relative to down-dip wet sandstones of the same producing horizon, as well as an SP shift off the shale baseline, plus sonic-neutron or neutron-density cross-over, or a decrease in sonic travel time (slower than the travel time in shales or wet sandstones).

b) Some unperforated sandstone intervals were identified as PAY if they could be reasonably correlated to sandstones perforated and producing in recent wells, or perforated as 'by-passed pay' in older wells that have been worked over.

c) Some unperforated sandstone intervals were identified as PAY if the log response was very similar to a perforated gas interval in the same well.

Potential_Pay was picked in intervals that have the following characteristics:

a) Sandstones that were perforated and flowed only minor gas; flowed minor gas with water during testing; thin sandstones comingled during a drill-stem-test; or stacked perforated intervals where gas was present and produced, but it was unclear which sandstones were productive. In most of these cases, gas production was accompanied by water that may have been coming from one or more of the producing horizons.

b) Sandstones in which indications of free gas (shows) on well logs are not as robust as in the PAY sandstones, but generally have elevated resistivity along with a lesser degree of gas response (cross-

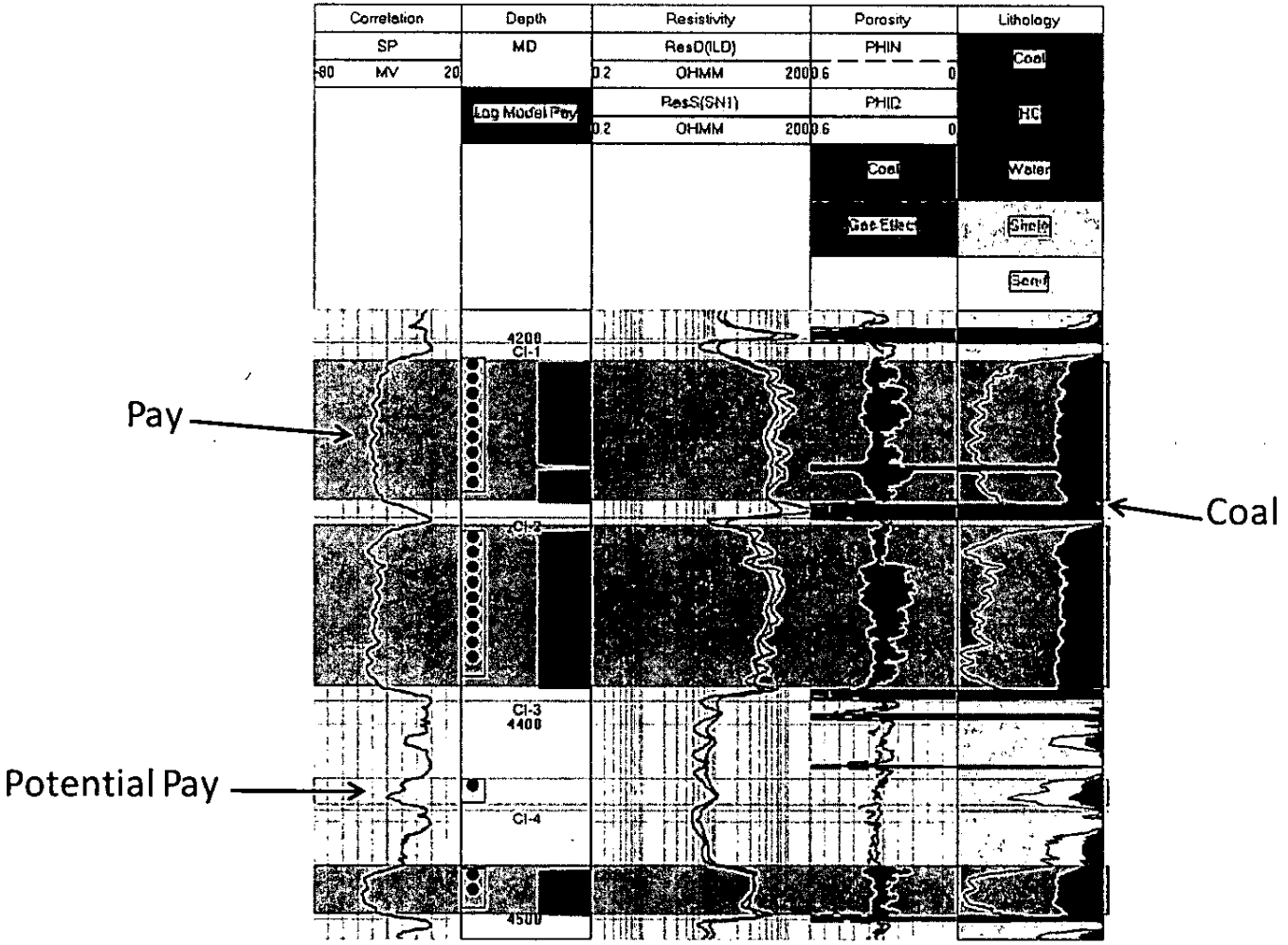


Figure 12. Well log example illustrating PAY (green) and Potential_Pay (yellow). Coal (black) is flagged as non-pay at right. Perforated intervals are shown in the depth track as black vertical dots. CI-1, CI-2, CI-3 and CI-4 are examples of zone picks in which Pay and Potential Pay were summed for each well. Petrophysical logs are noted in the log header. Depth is measured depth feet.

over or convergence) on sonic-neutron or neutron-density porosity log suites.

In addition to the PAY and Potential_Pay criteria described above, we gained information through preliminary petrophysical analysis of well log suites to calculate shale volume (Vsh), porosity, water and hydrocarbon saturations in the Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands) fields. Saturation analysis is highly dependent on the resistivity of the connate water (Rw) found in a sandstone interval. Given that Rw varies significantly across short distances in Cook Inlet sandstones, we did not rely on petrophysical analysis for this study. Rather, the log-based analyses helped to validate our PAY and Potential_Pay intervals identified using the criteria described above.

PAY category sandstones were color-coded green and Potential_Pay intervals were color-coded yellow on all log displays and well cross-sections. Figure 12 illustrates a typical example of the difference between the pay categories (compare the log responses in the thin, Potential_Pay sandstone at 4,430 feet measured depth relative to that in the PAY sandstone at 4,250 feet measured depth). Interbedded coals are flagged and colored black. All sandstones were evaluated and categorized as PAY, Potential_Pay, or non-pay (ignored). PAY in each well was summed in true vertical depth feet (TVD) for each zone. This cumulative sum, gross TVD feet of PAY, was stored by zone for each well as an attribute labeled PAY using the Zone Manager application in GeoGraphix. The same process was followed for summing gross TVD feet of Potential _Pay for each zone in each well.

Mapping Procedure

The digital mapping process was executed in GeoGraphix using gridding, contouring, and database tools of the GeoAtlas and Zone Manager applications. Thickness (isopach) grids of reservoir zones were made from well control by subtracting the depth of the tops of successive zones from each other and contouring them using a standard gridding algorithm (minimum curvature) to obtain gross zone thickness.

Subsea depth structure grids were prepared next, representing the top surface of each zone. This was accomplished by starting at the top of the reservoir interval and progressively subtracting the underlying isopach grid to generate the next deeper structure map. This process was continued downward throughout the zones of interest in each field. Each structure map generated this way was checked for accuracy by plotting it with zonal tops to assess surface accuracy.

Isopach grids of PAY and Potential_Pay were generated for each zone from the gross values stored in the system as described above, taking steps to limit these grids to the productive area of each zone. An example of the zonal data is shown in Table 3, representing the Beluga D zone at the Beluga River Unit. In order to limit the aerial distribution of PAY and Potential_Pay thickness grids, well logs and well history files were examined for evidence of gas-water contacts. Because numerous producing horizons do not have known gas-water contacts, the completion reports, drill stem test reports and gas mudlog readings were consulted to pick the lowest known gas (LKG) and highest known water (HKW) depths in TVD subsea for each zone. The differences between HKW and LKG depths are highly variable, sometimes differing by hundreds of feet. In most cases, we assumed an approximate gas-water contact at the midpoint depth between HKW and LKG, and clipped the Gross Pay and Gross Potential_Pay mapping grids for each zone at the intersection of the midpoint depth with the zone's top struc-

WELL NAME	OPERATOR	X	Y	MD	Isopach	Pay-TVD	PHID_PAY	Poten. PAY	PHID_Poten.PAY
BELUGA RIV UNIT - 232-04	CON-PHIL	1453670.71	2617713.76	3668.23	267	42.45		0.00	
BELUGA RIV UNIT - 14-19	SOCAL	1469252.37	2630676.94	4072.31	238	0.00		0.00	
BELUGA RIV UNIT - 212-25	CON-PHIL	1463881.80	2628088.88	3792.97	240	22.13		32.19	
BELUGA RIV UNIT - 233-27	CON-PHIL	1455964.58	2626745.47	3600.97	253	54.03		12.09	
BELUGA RIV UNIT - 212-35	CON-PHIL	1458547.40	2623360.19	3608.01	262	78.57		0.00	
BELUGA RIV UNIT - 244-04	CON-PHIL	1454192.95	2615830.39	3841.41	271	35.13	0.340	26.39	0.277
BELUGA RIV UNIT - 244-04A	SOCAL	1453475.72	2616177.84						
BELUGA RIV UNIT - 244-04PB1	PHILLIPS								
BELUGA RIV UNIT - 212-24	CON-PHIL	1463415.18	2633391.25	3762.68	258	45.53	0.299	31.87	0.342
BELUGA RIV UNIT - 241-34	CON-PHIL	1456544.42	2624038.94	3504.45	248	74.18	0.278	0.00	
BELUGA RIV UNIT - 224-13	CON-PHIL	1465607.22	2636369.71	3862.50	260	14.29	0.243	24.18	0.244
BELUGA RIV UNIT - 212-18	CON-PHIL	1468825.92	2638790.93	4009.47	256	21.98	0.254	19.78	0.281
BELUGA RIV UNIT - 221-23	CON-PHIL	1459932.22	2635193.02	3968.75	250	10.44	0.289	34.92	0.261
PRETTY CK UNIT - 1	UNOCAL	1476389.50	2640608.61	6146.56	238				
BELUGA RIV UNIT - 214-35	CON-PHIL	1458875.02	2619748.65	4608.98	277		0.285	37.26	
BELUGA RIV UNIT - 232-09	CON-PHIL	1453474.27	2612394.57	4724.05	263		0.371	25.87	
BELUGA RIV UNIT - 224-23	CON-PHIL	1460281.13	2631381.66	3713.11	254	46.14	0.371	32.41	0.248
BELUGA RIV UNIT - 232-26	CON-PHIL	1461058.61	2628988.30	4241.75	263	88.30	0.311	0.00	
BELUGA RIV UNIT - BRWD-1	CON-PHIL	1468564.59	2638657.81						
BELUGA RIV UNIT - 211-03	CON-PHIL	1455836.02	2619446.55	3637.35	272	18.97	0.284	38.44	0.331
BELUGA RIV UNIT - 224-34	CON-PHIL	1454658.34	2620478.62	3856.08	258	34.53	0.354	12.97	0.406
BELUGA RIV UNIT - 214-26	CON-PHIL	1459015.00	2626123.13	3685.74	258	50.81	0.350	0.00	
BELUGA RIV UNIT - 214-26PB1	CON-PHIL	1458268.00	2625840.43						
BELUGA RIV UNIT - 212-35T	CON-PHIL	1458158.88	2622934.28	3714.46	257	41.01	0.329	12.41	0.347
N BELUGA - 1	PELICAN HILL	1466801.82	2642345.87	4246.66	269	0.00		0.00	
SUM <None>	<None>	<None>	<None>	<None>	<None>	<None>	<None>	<None>	<None>
MAX		1476389.50	2642345.87	6146.56	277	88.30	0.371	38.44	0.406
MIN Null	Null	1453474.27	2612394.57	3504.45	238	0.00	0.243	0.00	0.244
Stnd Dev		6055.81	8840.30	573.68	11	26.35	0.042	14.95	0.055

BLUGD

Table 3. An example of zonal data for the Beluga D zone at Beluga River Unit. Zone picks were made by DNR staff. PAY and Potential_Pay were picked for each zone in each well according to criteria discussed in the text. If the well had a density porosity curve, the average density porosity was calculated within PAY and Potential_Pay intervals for that zone. Blanks appear in the table where necessary well logs were not available over the Beluga D zone.

ture surface. In reality, PAY and Potential_Pay are distributed throughout each zone, whereas in our model, they are assumed to be stacked at the top of the zone, just below the structural surface that was clipped with the approximate fluid contact. Figure 13 is an example of one zonal gross PAY map. Because there are hundreds of individual Sterling, Beluga and Tyonek Formation sandstones, it was not possible to structurally clip each individual pay interval with a LKG or HKW contact in the time frame allotted for this project.

Original Gas-in-Place and Initial Reserves

We used the following equations to calculate original gas-in-place in standard cubic feet:

$$OGIP = 43{,}560\ (\text{gross pay volume})\ (N{:}G)\ (1\text{-}Sw)\ (\emptyset)\ /\ Bgi,$$

and

$$Bgi = 0.02829\ (Z)\ (T)\ /\ (P)$$

where gross pay volume refers to the volume of gross Pay or Potential_Pay sandstone in acre-feet, N:G is the net-to-gross ratio within the gross Pay or Potential_Pay intervals, Sw is fractional water saturation, Ø is decimal porosity, Bgi is initial gas formation volume factor, Z is a gas compressibility factor, T is temperature in degrees Rankine, and P is pressure in psia. The density log was used to determine porosity. Porosity was averaged for the pay intervals by using the PAY interval as a discriminator curve and calculating the average density porosity in PAY for each zone. This value was then gridded using the same minimum curvature algorithm and grid increment as the PAY isopach. The average porosity and

Figure 13. Example of zonal gross pay isopach map, McArthur River field Grayling gas sands.

pay isopach grids were multiplied together to create a grid of bulk pore volume contained in intervals considered as PAY. Further multiplication times the net-to-gross ratio yielded net pore volume. The same process was used to determine net pore volume in intervals counted as Potential_Pay.

Because of the inherent problems with determining water saturation in the Cook Inlet basin discussed above, we used water saturation values provided in the AOGCC annual pool reports. Reservoir pressure and the gas compressibility factor were all calculated on a zonal basis depending on temperature and subsea depth at the midpoint of the zone. There were no AOGCC pool reports for the Ninilchik Unit. For that field, we assumed 40 percent water saturation; this figure is likely pessimistic, which will lead to conservative gas reserve estimates.

Overall recovery factors were calculated for each of the four fields studied, based on production and test data. Because most individual sandstones within the Sterling and Beluga Formations have different recovery factors, a range of recovery factors is presented in Appendices 1-4. Recovery factors were decreased for zones with lower permeability based on downhole permeability measurements or calculated from porosity-permeability transforms. The recovery factors were then applied to the mapped original gas-in-place (OGIP) volumes to calculate initial recoverable gas in place (RGIP).

Table 4 presents one deterministic case of the geologically estimated reserves calculated for the four fields studied: Beluga River, Ninilchik, North Cook Inlet, and McArthur River Grayling gas sands. Values are reported in billions of cubic feet (BCF) of gas. Calculations are presented for the PAY, Potential_Pay (risked at 50 percent), and the sum of PAY + 50 percent-risked Potential_Pay in the first three columns. The next three columns present initial recoverable gas-in-place (RGIP) for those three categories. The next column lists the projected cumulative production through 12/31/2009 for each field, based on AOGCC data. The last two columns represent the calculated remaining reserves for the PAY and PAY + 50 percent-risked Potential_Pay categories, calculated by subtracting the cumulative production from the RGIP. Each column contains a total for the sum of the four fields. The sum of the reserves in the PAY category for the four fields is 1,213 BCF of gas. The sum of the reserves in the PAY + 50 percent-risked Potential_Pay is 1,856 BCF of gas. The chart demonstrates that a high percentage of remaining reserves calculated from geologicall techniques reside in the more certain PAY category and less in the Potential_Pay category. However, risking the Potential_Pay resources at 50 percent yields additional upside potential of 643 BCF.

Multiple deterministic cases could be considered. Appendices 1 through 4 present Potential_Pay calculations risked at 10 and 90 percent confidence levels.

EXPLORATION POTENTIAL OF COOK INLET BASIN

Leads – Discovered Undeveloped and Undiscovered Resources

Within the Cook Inlet region, there are several areas where publicly available geologic data, geophysical data, or reports indicate potential for discovered but undeveloped gas accumulations. A number of other areas are identified to have elevated prospectivity for undiscovered accumulations. This discussion briefly describes a list of exploration candidates or leads that have been actively pursued by industry in the past. The list discussed below is by no means comprehensive, nor all en-

Field	OGIP (BCF)			** RGIP = OGIP x RF (BCF)			Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)	
	PAY only	50%-risked Potential_Pay only	Total, PAY + 50%-risked Potential_PAY	PAY only	50%-risked Potential_Pay only	Total, PAY + 50%-risked Potential_PAY		PAY only	Total, PAY + 50%-risked Potential_Pay
Beluga River	2,137	592	2,729	1,856	342	2,198	1,150	706	1,049
Ninilchik	182	167	349	164	117	280	104	60	177
North Cook Inlet	2,300	211	2,511	2,060	151	2,211	1,818	242	393
McArthur River	1,757	41	1,798	1,581	33	1,614	1,376	205	237
Totals	6,376	1,011	7,386	5,661	643	6,304	4,448	1,213	1,856

*** RGIP = initial recoverable gas-in-place = OGIP x Recovery Factor. Production and test data suggest a range in recovery factor within the Sterling and Beluga Formations*

Table 4. Geologic estimates of original gas-in-place, original recoverable gas, and year-end 2009 reserves remaining in four Cook Inlet gas fields.

compassing for the basin. These opportunities are grouped into onshore and offshore areas. It is important to note that there is a significant amount of ongoing work, in both the industry and government sectors, to identify exploration opportunities for future activity and reserves additions. The Division of Oil and Gas is currently collaborating with the Division of Geological & Geophysical Surveys in this effort in order to facilitate exploration for oil and gas in the next decade.

Onshore areas. It is estimated that identified potential candidates located onshore might yield between 40 and 120 BCF of recoverable gas (in aggregate). They are associated with identified anticlinal trends and most have at least one well that penetrates the lead, is adjacent to it, or can be projected along structural trend. The candidates described below are all located on the east side of Cook Inlet, and are listed from north to south (fig. 1).

1) Point Possession lead – lightly explored anticline trend within the within the Kenai National Wildlife Refuge, roughly along the same general trend as Sunrise lead.

2) Birch Hill structure - faulted anticline closure on-trend with Swanson River field. The reservoir is in the Tyonek Formation. Chevron is currently moving toward development.

3) Sunrise lead - lightly explored anticline trend. Marathon has acquired 2D seismic data, and has plans to drill in the winter of 2009-2010 on CIRI land within the Kenai National Wildlife Refuge.

4) Cohoe Unit – potential faulted trend down plunge from Kenai Field anticline. Potential reservoirs in the Beluga and Tyonek Formations.

5) North Ninilchik structure - faulted anticline closure down plunge from Ninilchik Unit. Potential reservoirs in the Beluga and Tyonek Formations.

6) Nikolaevsk unit - faulted anticline closure on-trend with North Fork field. Potential in the Tyonek Formation.

Offshore areas. The candidates identified below lie in state waters and it is estimated that they might yield between 100 and 400 BCF of gas (in aggregate). The majority of these candidates are associated with identified anticlinal trends and, as with the onshore plays, they have at least one well that penetrates the lead, is adjacent to it, or can be projected along structural trend. They are described generally from north to south (fig. 1).

7) North Cook Inlet Field – faulted struc-

tural nose north of the existing field. Potential reservoirs in the Beluga and Tyonek Formations.

8) Corsair (SRS) structure - faulted anticline closure. Potential reservoirs in the Sterling, Beluga and Tyonek Formations.

9) North of Middle Ground Shoal - faulted anticline trend. Potential reservoirs in the Beluga and Tyonek Formations.

10) North Redoubt - faulted structural nose up-dip from the Redoubt field. Potential reservoirs in the Sterling, Beluga and Tyonek Formations.

11) Kasilof structure – faulted anticline closure north of Ninilchik field. Potential reservoirs in the Beluga and Tyonek Formations.

12) Cosmopolitan structure - faulted anticline closure. Potential in shallow reservoirs in the Tyonek Formation.

13) South Diamond Gulch structure - faulted anticline trend within Kachemak Bay. Potential reservoirs in the Tyonek Formation.

Quantitative Assessments of Undiscovered Technically Recoverable Resources

Federal agencies are tasked with the lead responsibility for publishing estimates of undiscovered technically recoverable resources for all parts of the United States, including the Cook Inlet basin. The U.S. Geological Survey assesses the potential onshore and in state-managed waters, whereas the Minerals Management Service analyzes potential in federally-managed waters of the Outer Continental Shelf (OCS). In all cases, these agencies address the inherent uncertainty of such assessments by creating probability distributions that describe a wide range of possible values. A probabilistic estimate is best described by its mean value (expected case) accompanied by specific fractiles of its distribution, such as the F95 value (lowside case, with a 95% probability that the actual volume is greater) and the F5 value (upside case, with only a 5% chance that the actual volume is greater). The results of the most recent assessment encompassing the upper Cook Inlet producing region are presented in Table 5 (compiled from Gautier and others, 1996). These estimates will be updated in an ongoing USGS resource assessment specific to the Cook Inlet region, prepared in cooperation with the Alaska Division of Geological & Geophysical Surveys

Assessed Play and Undiscovered Resource	**Oil, MMSTB** (million stock tank barrels)			**Gas, BCF** (billion cubic feet)		
	F95	*Mean*	*F5*	*F95*	*Mean*	*F5*
Hemlock-Tyonek play Oil & Associated gas	43	647	1,337	43	647	1,337
Beluga-Sterling play NGL & Non-associated gas	0	0	0	42	738	1,923
Late Mesozoic oil play	Play was assigned a 9% chance of hosting at least one accumulation; resource volumes not quantitatively assessed.					

Table 5. Federal estimates of undiscovered technically recoverable conventional oil and gas resources of the upper Cook Inlet region (after Gautier and others, 1996).

and Alaska Division of Oil and Gas, with expected publication in late 2010.

A more recent study conducted on contract to the U.S. Department of Energy considered potential undiscovered resources using a different statistical approach as part of a larger study of natural gas supply and demand in the Cook Inlet region (Thomas and others, 2004). Noting that the distribution of field sizes within the basin does not conform to the expected lognormal state, this study estimated that there may be 13 to 17 trillion cubic feet of conventionally recoverable gas remaining to be discovered, largely in stratigraphic or combination structural traps.

Impediments to Future Exploration

There are several issues that may hamper future exploration, both in terms of further developing some of the areas with known potential described above, as well as making new discoveries in lightly explored areas. Some of the concerns are of a commercial nature, and others involve restrictions on surface access to prospective areas. Comprehensive exploration efforts in the Cook Inlet, like any area in the US, will require patience and diligence from all stakeholders in order to reduce exploration and operating costs, provide access to critical data, and provide access to surface acreage in areas of high resource potential, but sensitive wildlife habitat. All these issues must be addressed in a collaborative stakeholder effort if the Cook Inlet region is to maintain an economically and environmentally sound industry.

COMBINED ENGINEERING AND GEOLOGIC ANALYSES

The various engineering and geologic analyses of this study yield a wide range of estimated remaining reserves. Table 1 compares four different reserve estimates derived for the four fields emphasized in this study, based on 1) decline curve analysis, 2) material balance analysis, 3) the geologic estimate that includes only reserves in the PAY category, and 4) the geologic estimate that includes reserves of the PAY category plus 50 percent of the volume in the Potential_Pay category. Note that these analyses are not intended to represent any particular fractiles of a statistical distribution; for example, we do not consider them to represent F95-F50-F5 reserve values. The following discussion describes Table 1 in detail.

The most conservative estimate of reserves is based on decline curve analysis alone, which estimates a total of 697 BCF proved, developed, producing reserves remaining in the Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands) fields. Decline curve analysis also identifies 166 BCF of proved, developed, producing reserves remaining in the other 24 fields, for a basin-wide total of 863 BCF. Material balance analysis identifies an additional 163 BCF of probable reserves in just the four large fields, yielding a total of 860 BCF proved and probable reserves remaining there. In the other 24 fields, material balance estimates 116 BCF more than decline curve analysis, yielding 282 BCF of proved and probable reserves in those fields, and a basin-wide total of 1,142 BCF remaining proved and probable reserves.

The geologic volumetric evaluations, completely independent of the engineering techniques, yield larger reserve estimates for the four large fields. This is consistent with the probability that there is considerable gas remaining in these reservoirs that has not contributed to production, and therefore, cannot be captured by the engineering estimates. The geologic evaluation of existing well data in

the four fields indicates 1,213 BCF of gas reserves remaining to be produced from just the high-confidence PAY category. Subtracting the 860 BCF that material balance indicates is already in communication with producing wells yields an estimated 353 BCF of currently non-producing gas—the "redevelopment prize"—in those four reservoirs. When recoverable gas in the Potential_Pay category are risked at 50 percent and added to those in the PAY category, the estimated reserves remaining in the four fields increase to 1,856 BCF, adding an increment of 643 BCF in those fields.

Engineering and Geological Discussion

This study addresses the fundamental question: given the currently available engineering and geologic datasets, how much additional gas resource is available for second and third cycle redevelopment efforts in producing field areas? Combining these results with forecasted demand scenarios provides a timeline that suggests how long known reserves can supply local needs. It is important to note that this study does not address which development activities will be economically feasible in future market scenarios. Nevertheless, if one assumes appropriate market conditions will exist, then investment in more complete field development operations, infrastructure de-bottlenecking and upgrades, and appropriate commercial alignment between unit partners will occur and a significant portion of the remaining reserves identified in this study will be developed to meet local demand for at least the next decade.

Figure 14 presents a schematic production forecast for the basin that includes wedges of incremental reserves identified by the various methods discussed in this report. Construction and interpretation of this diagram is complicated by the fact that the engineering estimates reflect all 28 gas fields, whereas the additional reserves estimated by geologic analyses come only from the Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands) fields. This forecast assumes that production will not exceed demand, which is projected flat at 90 BCF/year. It should be stressed that the point of this schematic diagram is to illustrate the additional gas volumes estimated in various reserve and resource categories identified using multiple analytical methods, and to estimate how long those volumes may be able to meet demand. The actual timing of when gas from any one of those wedges will go on production is unknown, and certain to be more complicated than can be shown here.

The most conservative wedge in red represents future production of proved, developed, producing reserves (863 BCF) identified basin-wide by decline curve analysis alone. The orange wedge represents production of additional probable reserves (279 BCF) identified as the basin-wide difference between material balance and decline curve analyses. The green wedge corresponds to the incremental production that could be achieved in just the four large fields through aggressive development of technically recoverable gas in the PAY category that we argue is not reflected in the engineering analyses because it is not currently in communication with producing wellbores (353 BCF). The yellow wedge represents the additional untapped gas from the Potential_Pay category in those four fields, risked at 50 percent (643 BCF). Finally, the gray wedge illustrates speculative future production from contingent gas resources that await confirmation, delineation, and development (an aggregated volume estimated at 300 BCF from the exploration leads identified in this report). This illustrates the likelihood that investment in more complete development of the producing Cook Inlet gas fields could yield sufficient gas to meet projected demand for years to come.

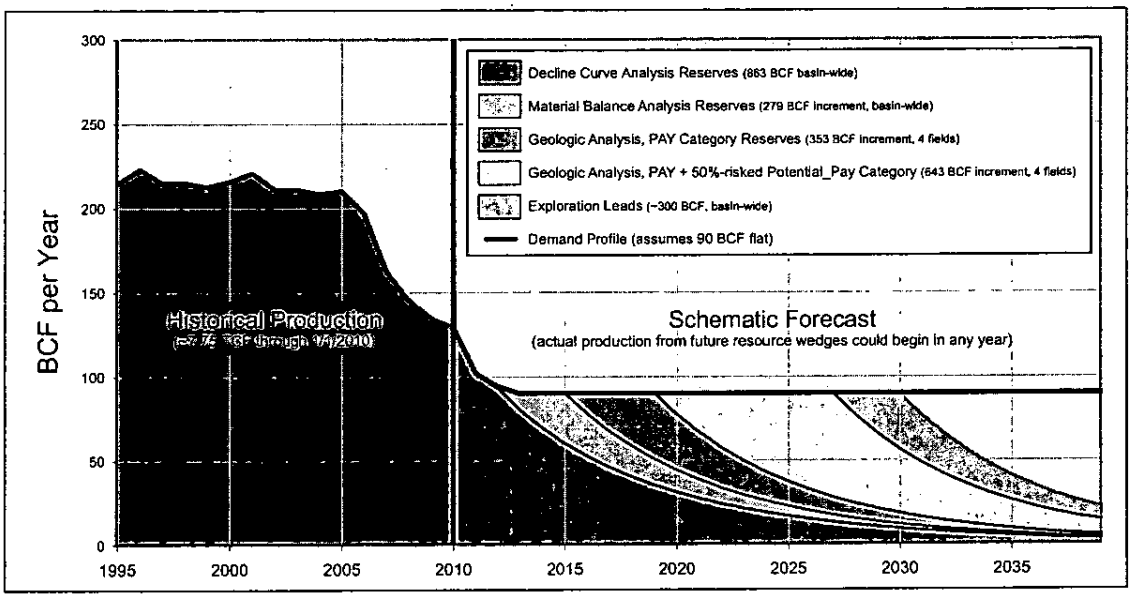


Figure 14. Hypothetical production forecast for the Cook Inlet basin showing increments of reserves and resources identified by engineering and geological analyses discussed in text. This schematic diagram assumes that near-term production will come from gas volumes documented by the most conservative estimation techniques. Successive wedges are introduced with progressively lower certainty regarding commerciality, volume, and timing of first production. Production from future resource wedges could begin in any year, resulting in a more complex forecast, and extending the production lifespan of previous wedges. On the other hand, we are unable to predict the commercial thresholds at which volumes from future wedges become economic to recover. Wedges show gas volume increments from basin-wide decline curve analyses (red), basin-wide material balance analyses (orange), deterministic geologic mapping of PAY (green), and 50 percent-risked Potential_Pay (yellow) in four large gas fields (Beluga River, North Cook Inlet, Ninilchik, and McArthur River Grayling gas sands). The last wedge (gray) is a more speculative estimate of aggregated gas volumes that may be recoverable from the exploration leads discussed in text. See text for additional discussion.

CONCLUSIONS

This report summarizes a multi-disciplinary effort to quantify remaining gas reserves in the Cook Inlet basin. Reserves have been categorized relative to readiness for and certainty of production to predict whether existing reserves are capable of meeting demand over the next decade. The following list describes important points regarding the analytical techniques employed and the findings derived from this effort.

1) Decline curve forecasts in demand-limited production situations do not always predict future rate. The rate derived from decline curve analysis represents an approximation of average annual rate.

2) Decline curve analysis (DCA) is a fair predictor of the remaining recoverable

gas (RRG) of currently producing reserves, but is limited by the underlying assumption that past performance will continue and well-related activity to sustain production will continue. Daily PD (producing day) rate deliverability based on monthly data gives a more accurate picture of peak rates from wells.

3) The best data for determining peak rates are real time data measured at the well level on a daily basis at actual demand conditions. These data are not publicly available for the fields assessed in this study.

4) Material balance (MB) methods are a good tool for predicting RRG and original gas-in-place, but only for pay intervals that are in communication with actively producing wellbores.

5) The quality of MB analyses is directly related to quality of pressure data, frequency of measurement, and accurate knowledge of the reservoirs.

6) Estimating gas maximum PD rates from proved, developed, producing (PDP) reserves is best accomplished using multiple analyses; DCA, MB, analysis of daily pressure, temperature, and production data, and maximum PD rate forecasting each play an important role. These methods could be combined in a systems model which includes pipeline parameters, field infrastructure, reservoir parameters, and economic parameters to help predict ability to meet demand under various conditions.

7) Geologic evaluation of the Beluga River, North Cook Inlet, Ninilchik, and McArthur River (Grayling gas sands) fields using interpretive pay identification and mapping techniques strongly suggests that these reservoirs contain significant additional technically recoverable gas reserves that have yet to be brought into communication with producing wellbores.

8) Geologic reserve estimates for the four fields may be conservative in some zones where, in the absence of other data, we assumed 40 percent water saturation. Reserves calculated in other zones may be either conservative or optimistic where we lacked definitive constraints on gas-water contacts with which to clip the aerial extent of the mapped PAY and Potential_Pay volumes. Improved reserve estimates would be possible by using effective porosity and calculated water saturations obtained through additional log analysis.

9) The highly productive Sterling Formation in the known fields is in decline. The remaining reserves base is primarily in the Beluga and Tyonek Formations, which in general do not have the high productivity rates of the Sterling Formation. The long term performance of wells targeting these gas sands is unknown.

Economic Considerations

The Cook Inlet gas market is isolated and relatively small when compared to other national and global markets. Gas deliverability is challenged during spikes in demand, which implies that it is difficult to make the investment necessary to meet short-duration, high-deliverability requirements. In order to engage in drilling and development projects in the Cook Inlet, local producers must internally justify doing so as an alternative to pursuing other projects worldwide. Therefore, economic viability of investment in reserves development to meet demand spikes must be

evaluated in the context of an isolated market in order to fully appreciate the supply and demand relationships. Development investment is clearly being made, but investment viability in short term deliverability projects may be challenged in some cases.

The results of this study suggest enough proved and probable gas reserves exist in Cook Inlet reservoirs to satisfy local demand well into, and possibly beyond the next decade. This forecast assumes that either a significant amount of gas is found by explorers to meet industrial use, or that the export of gas out of the basin will stop at the end of the current license period. It also assumes that no new significant market demand will arise until reserves can be developed to satisfy the entire market. The higher-risk contingent and prospective resources that await confirmation and delineation in exploration prospects have the potential to play a large role in the supply-demand scenarios of the future, but will require the availability of sufficient risk-capital.

Although infill drilling, perforating undeveloped sands, and targeting marginal reservoirs are effective ways to add reserves to replace production, these activities come at a relatively high price that will need to be absorbed into a small-volume market. These cost increases will likely put upward pressure on ultimate consumer pricing. It will be critical for all stakeholders to recognize the significant impediments that will hinder development of the remaining gas resource in the Cook Inlet basin, and work together to overcome them.

ACKNOWLEDGMENTS

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APPENDICES 1-4

Supporting data and alternate cases of geologically estimated reserves and risked resources for four Cook Inlet gas fields.

Appendix 1. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, McArthur River field, Grayling gas sands (Trading Bay Unit)

McArthur River Field, Grayling gas sands (Trading Bay Unit)	OGIP (BCF)	Recovery Factor (RF)	RGIP = OGIP x RF (BCF)	Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)
PAY (green)	1,757	0.90	1,581	1,376	205
Potential_Pay (yellow) (unrisked)	81	0.80	65		
Potential_Pay (risked at 0.10)	8	0.80	7		
Potential_Pay (risked at 0.50)	41	0.80	33		
Potential_Pay (risked at 0.90)	73	0.80	59		
Total Pay + (0.10 x Potential_Pay)	1,765		1,588	1,376	211
Total Pay + (0.50 x Potential_Pay)	1,798		1,614	1,376	237
Total Pay + (0.90 x Potential_Pay)	1,830		1,640	1,376	264

Appendix 2. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, Ninilchik Unit

Ninilchik Unit	OGIP (BCF)	Recovery Factor (RF)	RGIP = OGIP x RF (BCF)	Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)
PAY (green)	182	0.90	164	104	60
Potential_Pay (yellow) (**unrisked**)	333	0.70	233		
Potential_Pay (**risked at 0.10**)	33	0.70	23		
Potential_Pay (**risked at 0.50**)	167	0.70	117		
Potential_Pay (**risked at 0.90**)	300	0.70	210		
Total Pay + (0.10 x Potential_Pay)	215		187	104	83
Total Pay + (0.50 x Potential_Pay)	349		280	104	177
Total Pay + (0.90 x Potential_Pay)	482		374	104	270

Appendix 3. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, Beluga River Unit

Beluga River Unit	OGIP (BCF)	Recovery Factor (RF)[1]	RGIP = OGIP x RF (BCF)	Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)
PAY (green)	2,137	0.8-0.9	1,856	1,150	706
Potential_Pay (yellow) (**unrisked**)	1,185	0.5-0.7	685		
Potential_Pay (**risked at 0.10**)	118	0.5-0.7	68		
Potential_Pay (**risked at 0.50**)	592	0.5-0.7	342		
Potential_Pay (**risked at 0.90**)	1,068	0.5-0.7	616		
Total Pay + (0.10 x Potential_Pay)	2,255		1,924	1,150	775
Total Pay + (0.50 x Potential_Pay)	2,729		2,198	1,150	1,049
Total Pay + (0.90 x Potential_Pay)	3,203		2,472	1,150	1,323

[1] *Production and test data suggest a range in recovery factor within the Sterling and Beluga Formations*

Appendix 4. Original gas-in-place, recovery factors, initial recoverable gas, and remaining reserves, North Cook Inlet Unit

North Cook Inlet Unit	OGIP (BCF)	Recovery Factor (RF)[1]	RGIP = OGIP x RF (BCF)	Cumulative Production (BCF, projected through 12-31-09)	Remaining Reserves (BCF)
PAY (green)	2,300	0.85-0.9	2,060	1,818	242
Potential_Pay (yellow) (**unrisked**)	422	0.65-0.8	302		
Potential_Pay (**risked at 0.10**)	42	0.65-0.8	30		
Potential_Pay (**risked at 0.50**)	211	0.65-0.8	151		
Potential_Pay (**risked at 0.90**)	380	0.65-0.8	272		
Total Pay + (0.10 x Potential_Pay)	2,342		2,090	1,818	272
Total Pay + (0.50 x Potential_Pay)	2,511		2,211	1,818	393
Total Pay + (0.90 x Potential_Pay)	2,679		2,332	1,818	514

[1] *Production and test data suggest a range in recovery factor within the Sterling and Beluga Formations*

HOUSE BILL NO. 354

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY REPRESENTATIVES KELLER, Johansen

SENATORS McGuire, Dyson, Huggins

Introduced: 2/19/10
Referred: Labor and Commerce

A BILL

FOR AN ACT ENTITLED

"An Act relating to eligibility for loans from the Alaska capstone avionics revolving loan fund."

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

*** Section 1.** AS 44.33.665(a) is amended to read:

(a) For an applicant to be eligible for a loan under AS 44.33.650 - 44.33.690, the applicant must be the owner **or lessee** of an aircraft that logs a substantial percentage of flight hours in the state as determined by the department. For purposes of this subsection, an applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or nonfederal governmental entity.

Cook Inlet Gas Study - An Analysis for Meeting the Natural Gas Needs of Cook Inlet Utility Customers

prepared for

ENSTAR Natural Gas Company

CHUGACH POWERING ALASKA'S FUTURE

MLP SEVENTY-FIVE YEARS ANCHORAGE, AK

March 2010

Peter J. Stokes, PE
William Grether & Thomas P. Walsh

Petrotechnical Resources of Alaska
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Anchorage, AK 99503
(907) 272-1232

PRA Petrotechnical Resources Alaska

Due to the uncertainties of drilling and producing activities of operating and exploration companies and what Alaska state agencies do and do not do in influencing those activities, this study should be considered a best estimate based on current data. It was prepared using generally accepted engineering and geological predictive methods. As such, Petrotechnical Resources of Alaska can make no warranty as to actual future Cook Inlet gas drilling and production.

Executive Summary prepared by Cook Inlet Utilities

ENSTAR Natural Gas Company, Chugach Electric Association, and Anchorage Municipal Light and Power (Cook Inlet Utilities) commissioned Petrotechnical Resources of Alaska (PRA) to study Cook Inlet natural gas reserves and forecast annual natural gas production. We asked PRA to estimate the cost of the development necessary to meet the immediate needs of Cook Inlet utility customers from 2010 to 2020. The PRA study includes a review of estimated reserves and deliverability of Cook Inlet gas wells drilled between 2001 and 2009, scenarios for potential development activity, a review of a December 2009 Alaska Department of Natural Resources (DNR) reserves analysis, and an analysis of when it might be necessary to rely on non-Cook Inlet natural gas sources, such as liquefied natural gas (LNG) imports or other in-state resources.

In the future, Cook Inlet utility customers should expect to pay more for the gas used by Cook Inlet Utilities to generate heat and electricity. PRA examined results from all of the gas wells drilled in Cook Inlet between 2001 and 2009 and determined that producers spent approximately $1.0 to $1.2 billion in development costs to add reserves of approximately 519 billion cubic feet (Bcf) of natural gas. If the current trends for well success rates and costs continue, producers will need to spend two to three times that amount, an estimated $1.9 to $2.8 billion, to meet projected Cook Inlet utility demand from 2010 to 2020. Producers will invest the necessary capital in future drilling activity only if they have a reasonable expectation of a return that is competitive with other investment opportunities. In order to assure continued drilling activities, increased development costs must be reflected in the market price utilities pay for the gas and ultimately pass onto their customers. Cook Inlet Utilities will also require storage services to deliver gas to their customers on the coldest days and enable producers to optimize gas production rates. The estimated cost of a storage facility is $150 to $200 million[1]. These storage costs will also be borne by utility customers.

[1] Storage cost estimates based on ENSTAR's development assessment.

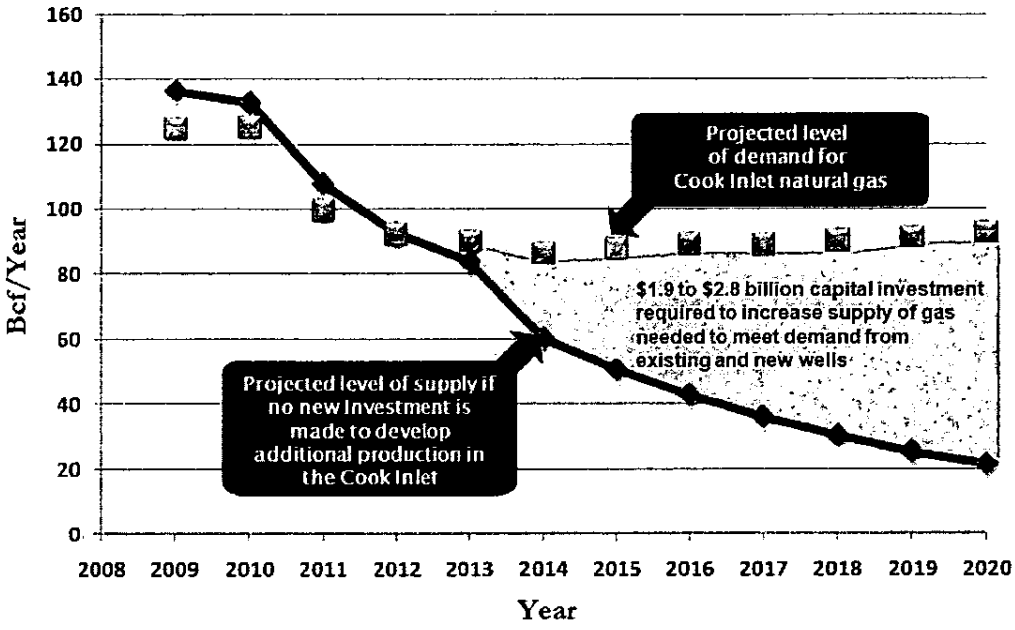

Figure 1 – Cook Inlet Supply & Demand

PRA used a decline curve analysis to review the same underlying data analyzed in the 2009 DNR reserves study and reached a similar conclusion regarding when the supply of gas from existing wells will not meet demand[2]. The PRA study took the next step, estimating the cost of bringing the undeveloped gas resources to market[3]. PRA determined that if significant efforts are undertaken to develop gas from the resources identified by DNR and if the current trends in drilling success rates continue, gas might be available through 2020. However, even if an aggressive development effort were undertaken immediately, that effort may fail to bring new gas to market quickly enough to provide needed gas when demand is projected to exceed supply as soon as 2013. Utilities need to plan for an alternative supply to meet their customers' needs. Having undeveloped gas resources in the ground will not enable Cook Inlet Utilities to provide heat and power to their customers. The gas resources will only be developed and brought to market at prices that incentivize the producers to justify their investment. Contracts with these higher prices will require RCA approval.

Cook Inlet Utilities need a viable option if additional Cook Inlet development does not materialize. To provide a stable gas supply, non-Cook Inlet sources such as gas delivered from the North Slope or LNG imports, are alternatives that must be pursued. The "easy" gas has been found in the challenging geology of Cook Inlet. The future costs of developing additional reserves will be substantial. As the cost of continued Cook Inlet gas production increases, alternative gas supply sources may become more economically attractive. Regulatory uncertainty has also discouraged Cook Inlet producers from exploring for and developing Cook

[2] PRA's study estimates remaining reserves of 729 Bcf from existing wells, compared with DNR's forecast of 863 Bcf of Proven Developed Producing reserves.

[3] The DNR study did not address the cost of bringing undeveloped resources to the market. (see DNR Study Figure 14 Description)

Inlet reserves[4]. In the current regulatory environment, two of the three major Cook Inlet producers have publicly stated that they intend to drill only to meet current contract obligations. Future development depends on a change in the regulatory climate to one where consistent standards are applied to approve negotiated utility gas supply agreements, even if those agreements reflect the increased costs of resource development.

The Cook Inlet market is in transition. Current gas fields are in decline and the loss of industrial customers has reduced the producers' incentives to do anything but meet existing contractual obligations. In order for utilities to be able to continue to supply current customers and to accommodate future growth, Cook Inlet Utilities and others must take action.

Immediate Actions Needed:

- New gas supply agreements between Cook Inlet Utilities and Producers must be signed to ensure continued development of Cook Inlet reserves.
- There must be predictable timelines and standards for regulatory approval of gas supply agreements. The Regulatory Commission of Alaska must be willing to approve gas supply contracts negotiated at arm's length, even if prices under those contracts increase.
- Cook Inlet Utilities must develop gas storage to assure deliverability on the coldest days and optimize gas production throughout the year.
- Cook Inlet Utilities should continue raising customer awareness, conservation efforts, and curtailment plans, to prepare for potential shortfalls.
- Additional well-capitalized exploration and development companies must commit to develop Cook Inlet and other Alaska gas reserves.
- To assure certainty of supply, Cook Inlet Utilities must determine how they will bring gas into Cook Inlet within the next five years to ensure the needs of their customers are met. Alternative gas supply sources include LNG imports and North Slope gas delivered by pipeline to south central Alaska.
- Additional regional industrial gas demand must be found to encourage the development of Cook Inlet reserves and spread the increased costs of production.
- Land management processes must be streamlined to encourage and accelerate reserve and infrastructure development.

[4] Recent favorable regulatory decisions on utility gas supply agreements may be a positive sign.

Technical Summary

ENSTAR Natural Gas Company, Chugach Electric Association, and Anchorage Municipal Light and Power (Cook Inlet Utilities) hired Petrotechnical Resources of Alaska (PRA) to perform a study of Cook Inlet reserves and deliverability. The components of the study included:

- Review the deliverability of Cook Inlet gas wells drilled between 2001 and 2009
- Forecast potential deliverability of future drilled gas wells
- Review Alaska Department of Natural Resources (DNR) reserves analysis
- Analyze timing of demand for a delivery of potential non-Cook Inlet gas sources, such as liquefied natural gas (LNG) imports or other in-state resources

High level findings of the study are:

Cook Inlet Well Drilling Results – 2001 to 2009

- Drivers for Cook Inlet well drilling between 2001 and 2009 included:
  - Newly executed gas contracts
  - Reserves development associated with negotiated gas contracts rejected by the RCA
  - LNG Exports and License Extensions
  - Increasing Regional Natural Gas Prices
  - Industrial Fertilizer Operations
- Results for Cook Inlet well drilling between 2001 and 2009:
  - 128 gas wells were drilled between 2001 and 2009, of which, 105 were completed with an average rate of 3.6 MMSCF/D for the first 12 months of production
    - 97 wells were permitted and drilled as Gas Development wells; 88 of these were completed as gas wells, for a 90.7% success rate
    - 31 wells were permitted and drilled as Gas Exploration wells; 18 were completed as gas wells, for a 58.1% success rate
    - An estimated 519 BCF of gas was developed by these wells
    - Ninilchik, Kenai and Deep Creek Units had the most drilling activity during this period; Ninilchik was very successful; Kenai wells were average and Deep Creek wells were marginal
    - The estimated costs for drilling and facilities of these 128 gas wells are between $1.0 and $1.2 billion

Review of DNR Analysis of Available Reserves

- The DNR completed a Cook Inlet Gas Reserves Study in December 2009
- In the DNR study, reserves and resources are systematically estimated, but as stated in the report, the timing of the development of undeveloped reserves is only an estimate as shown in DNR's Figure 14, a "Hypothetical production forecast for Cook Inlet basin showing increments of reserves and resources identified by engineering and geological analysis discussed in text."
- In the DNR study, the only firm deliverabilities are for reserves estimated by decline curve analysis and material balance. The material balance resources would be realized

through the spending of additional capital for development (Beaver Creek) or for compression (Ninilchik). Timing is determined by economic drivers.

- The DNR study forecasted 863 BCF of Proven Developed Producing reserves compared to the decline curve analysis performed by PRA forecasting 729 BCF[5] of reserves.
    - A major difference in decline curve analysis performed by PRA was apparent at Beluga River Field where the DNR study estimated 377 BCF remaining reserves and PRA estimated 207 BCF.
    - The predicted production from decline curve analysis was similar in both studies; both DNR and PRA showed decline curve analysis predictions from existing wells falling below projected demand in the 2012-2013 timeframe.
- The DNR study forecasted Additional Probable Reserves of 279 BCF based on material balance calculations, while PRA did not perform material balance calculations.
- In both studies, the four (4) Fields identified as having greatest remaining potential and selected for detailed geological analysis were: Beluga River, North Cook Inlet, Ninilchik, and McArthur River Grayling gas sands.
  Reported were:
    - Potential gas resources (from geologic analysis of 4 fields above) estimated to be 353 BCF
    - Possible gas resources of 643 BCF (50% Risked case) estimated from lower confidence pay intervals

Potential of Future Gas Wells in Cook Inlet:

- Drivers required for future Cook Inlet reserve development include:
    - Execution and RCA approval of gas contracts
    - Predictable timeline and standard for regulatory approval of negotiated gas pricing structures
    - Additional regional industrial gas demand, including LNG exports.
    - Additional well-capitalized exploration and development companies committed to develop Alaskan resources
    - Government action to facilitate and accelerate development of necessary infrastructure and permitting
- Challenges facing future Cook Inlet development include:
    - Possible discontinuation of LNG exports from the region
    - Reduced industrial demand (e.g., regional fertilizer manufacturing)
    - Success rates in exploration and development
    - Higher relative regional costs for exploration, development, and production
    - High level of activity in reserve development needed to meet demand
    - Probable decline in production rates from future wells in existing fields
- Minimum requirements to meet demand in Cook Inlet gas market until 2020:
    - A new source of gas, such as imported LNG or other in-state reserves, could be required as early as 2013, if ongoing drilling or drilling success does not continue at the 2007-2009 pace.

[5] 762 BCF in Report included 33.7 BCF estimated for 4 remaining 2009 Wells

- Gas storage will maximize Cook Inlet gas deliverability potential and more closely match local demand curves and production rates.
- To meet projected demand for the next decade, 185 new wells will be needed, which is a 45% increase over the number of wells drilled in the 2001-2009 period
- Development costs for this time period are estimated at $1.85 to $2.8 billion, an increase in total capital investment of 54-180%
- To incent this substantive increase in investment levels, or to bring a new source of gas to Cook Inlet, utility customers should expect to pay significantly higher gas prices

Figure 2 shows recent history and future wells estimated to meet CI gas demands through 2020. The well count assumes average well performance of 2007-2009 wells, with initial rates and developed reserves degraded by 4.3% per year.

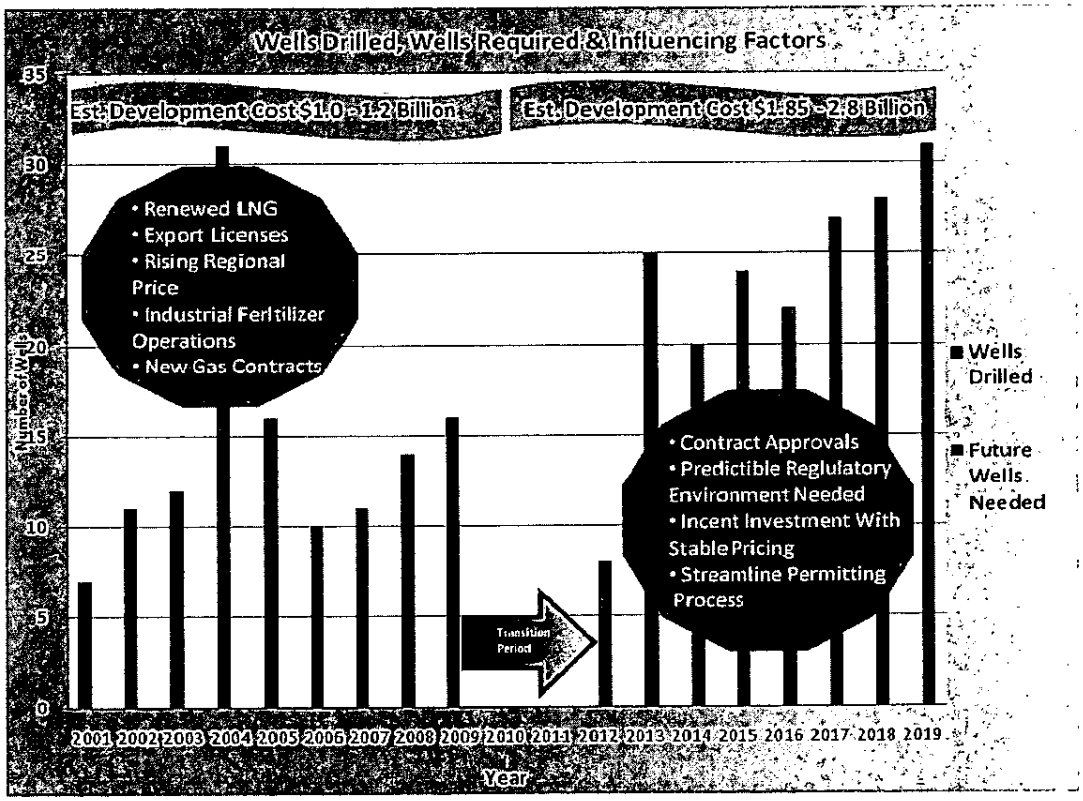

Figure 2:Wells Drilled, Future Wells Required & Influencing Factors

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Anchorage Daily News

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Deep-water rig needed in Inlet

TIM BRADNER
ECONOMY
(04/10/10 17:51:19)

State and community leaders have finally focused on the serious threat we face with pending natural gas shortages in Southcentral Alaska, and it's about time.

For years Tony Izzo, Joe Griffith and Jim Posey, all seasoned local utility managers, have warned about this, taking their message to innumerable Chamber of Commerce meetings and legislative hearings. Few took it seriously. Until now.

Here's some background for those who have been gone for a decade or who believe the tooth fairy heats our homes:

For years we had big surpluses of natural gas in Southcentral and some of the cheapest natural gas prices in the nation. Times have changed. The gas fields are being depleted, and prices are rising. There's still not enough new exploration.

The latest assessment is that by 2014 we could run short of gas on an annual supply basis. This means we won't produce enough gas annually to meet our annual requirements. It means we either bring in gas from somewhere else or curtail consumption. Not a pretty picture.

State legislators are addressing this, and they have some good ideas. House Speaker Mike Chenault of Nikiski has a bill that would expand incentives for new gas exploration. Sen. Tom Wagoner of Kenai proposes a grant of incentives for explorers drilling for deep gas that many geologists suspect lies under Cook Inlet. Rep. Mike Hawker of Anchorage has a bill that would assist development of natural gas storage facilities, which are badly needed.

State Sens. Lesil McGuire and Bill Wielechowski, both of Anchorage, would supercharge the planning for a stand-alone "bullet line" to pipe North Slope gas and provide incentives for new industrial plants, like gas-to-liquids, to share the pipeline cost with the utilities. We need that as a backup in case the big pipeline stumbles.

Chenault has another bill to clarify authority for the Alaska Natural Gas Development Authority, a state agency, to work with local utilities in securing gas supplies, and to give ANGDA preapproval on financing to help utilities do a group

purchase of gas either from Cook Inlet or the North Slope.

All are good ideas. I hope they are all approved. There is one idea, however, I haven't heard talked about, at least in recent years. I believe the state could expedite exploration of some very promising prospects in Cook Inlet by contributing to the cost of bringing in a special rig capable of deep-water drilling.

All geologists agree there is more gas to be discovered in Cook Inlet, and everyone agrees we should encourage more exploration here before building multibillion-dollar bullet lines from the Slope.

One of the most promising and unexplored parts is an area in the middle of Cook Inlet where the water is deep. A mobile drilling structure, like a jack-up rig, is needed. A jack-up rig is floated into place, then steel legs are lowered to the sea floor and it mechanically jacks itself above the water to create a stable drilling platform. We've had jack-up rigs in the Inlet before, but it was more than 20 years ago.

If we could get one here now a lot of prospects could be drilled for both oil and gas, some in areas where there are confirmed shows.

A small independent company, Escopeta Oil and Gas, is working to bring a jack-up rig to Cook Inlet to explore. The company has lined up a drill unit, but given the recession and our peculiar local issues that concern investors, like the Inlet's endangered beluga whales, Escopeta is having its troubles.

A few years ago then-Gov. Frank Murkowski suggested that the state chip in to help bring a jack-up rig north. The idea didn't sell with the Legislature, however, and Murkowski dropped it to work on bigger issues like the gas pipeline.

This idea makes sense. It's a discrete, one-shot contribution that involves less than we're now spending on bullet line studies. The payback could be pretty quick.

There's a long tradition of the state helping facilitate infrastructure (in this case, a drill rig that can drill in deeper parts of the Inlet), and this deal could be structured in a way similar to the assistance we provided Agrium Corp. a few years ago. We gave Agrium a $5 million grant to investigate a coal-to-liquids project at the company's plant near Kenai, with the understanding that it would be repaid if the project went ahead. Unfortunately it did not, but it was a good effort.

This is similar. We're spending a lot of money now on assuring energy for Cook Inlet. Why not take this extra step?

Tim Bradner writes for an Alaska economic reporting service. He also consults for private clients and writes for business publications. His opinion column appears

every month in the Anchorage Daily News.

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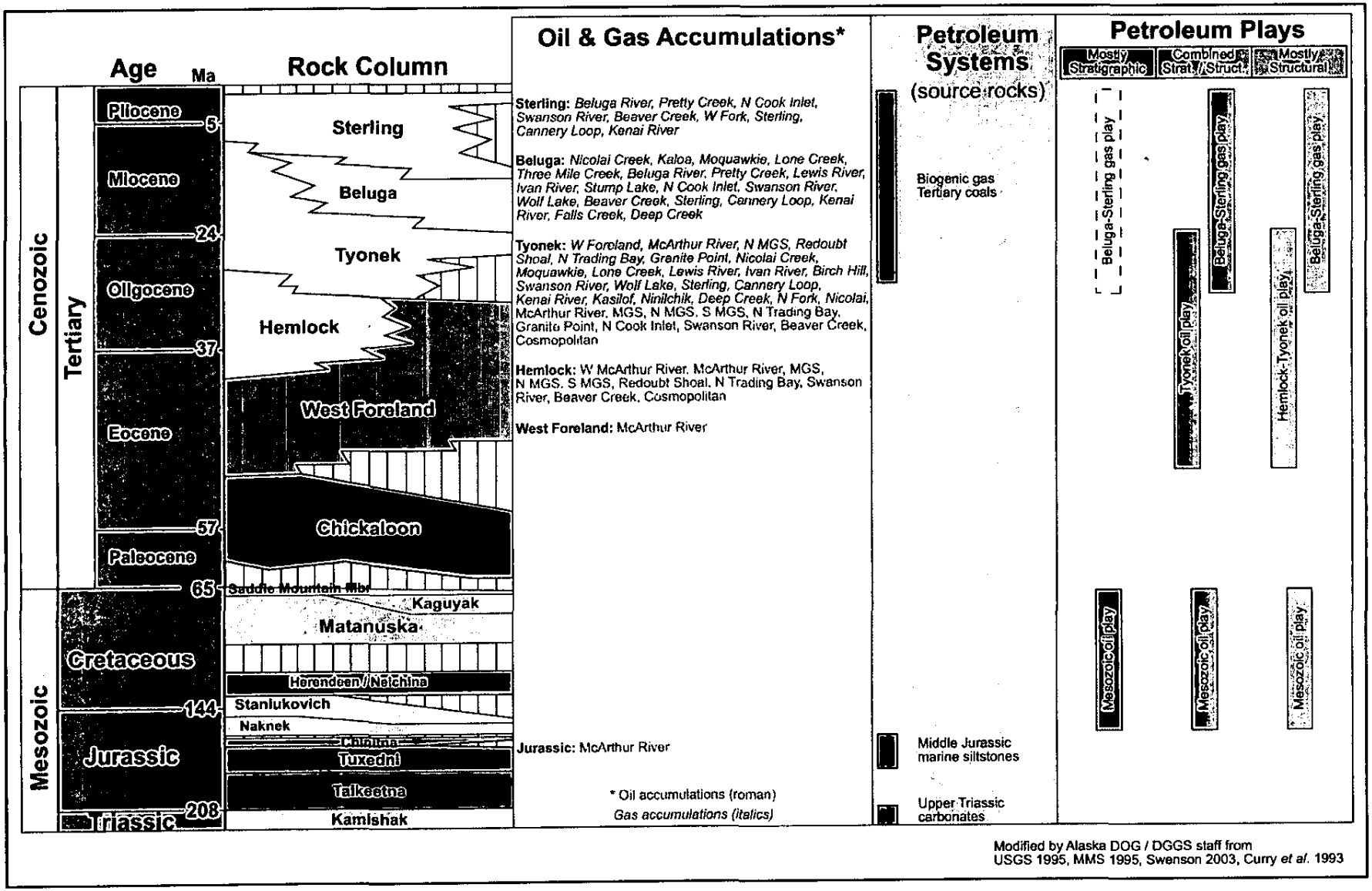
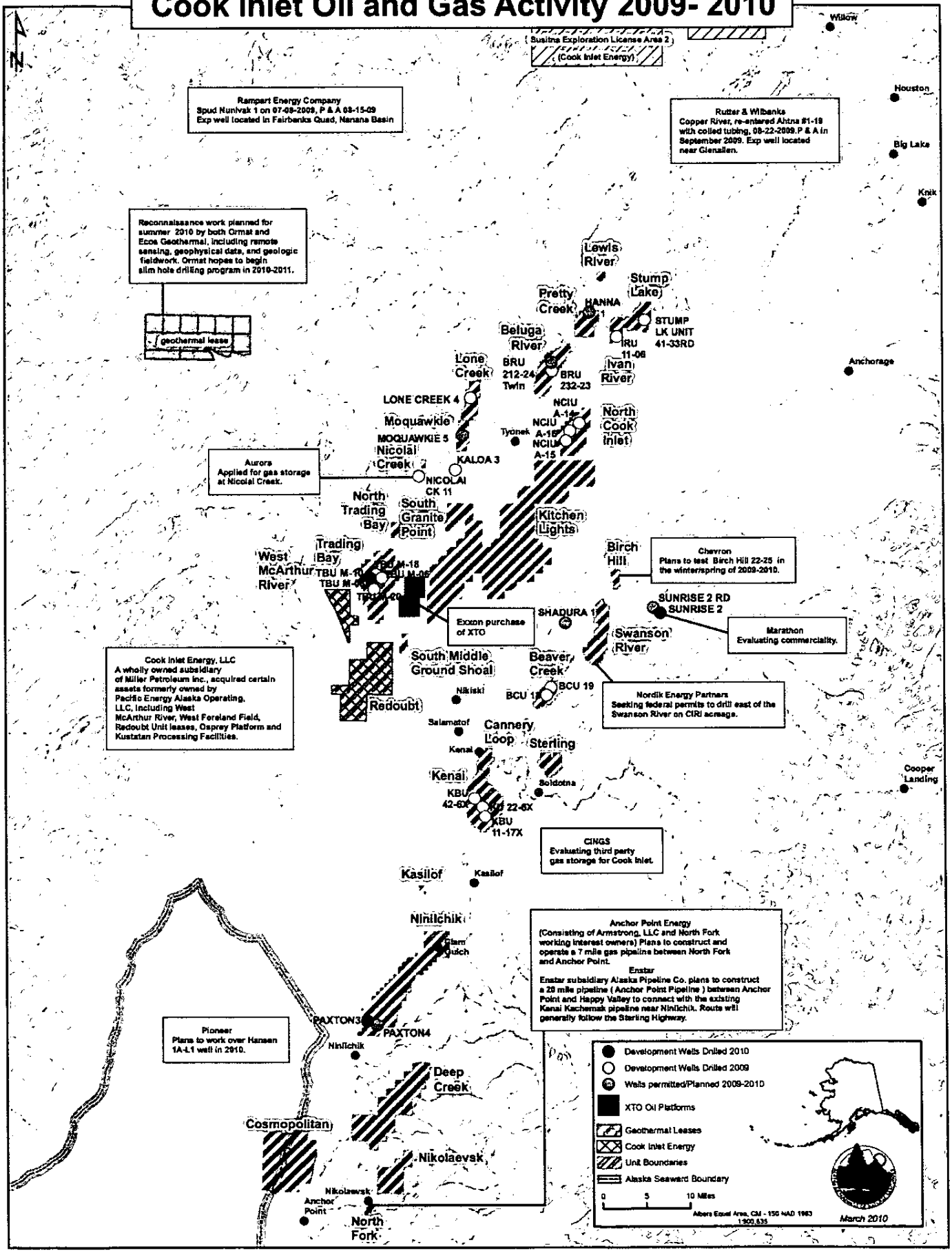


Modified by Alaska DOG / DGGS staff from
USGS 1995, MMS 1995, Swenson 2003, Curry *et al.* 1993

Cook Inlet Oil and Gas Activity 2009- 2010



SB 312

<target><bill>SB 312</bill><subject>SB 312</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
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SPONSOR STATEMENT
SB 312 – Vessel Passenger Tax

SB 312 proposes to reduce the commercial passenger vessel (CPV) excise tax from $46 per passenger to $34.50 per passenger traveling on a commercial passenger vessel in state marine waters. The bill will also allow a reduction in the amount of the tax for taxes paid to a municipality that levies its own passenger fee. The reduction could not exceed 50% of $34.50 regardless of the amount of passenger fees charged by other communities.

In addition, SB 312 repeals the regional cruise ship impact fund. As a result, all revenues collected from the CPV tax would be deposited in the CPV tax account in the general fund. SB 312 will not affect community revenue sharing.

Finally, SB 312 will require the Department of Commerce, Community and Economic Development to create a report every three years that addresses the projected needs of the communities that host cruise ship passengers and the extent to which the tax proceeds have been utilized for projects in areas that are directly impacted by cruise passengers.

ALASKA STATE LEGISLATURE

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SECTIONAL ANALYSIS
SB 312 – Vessel Passenger Tax

Section 1 amends AS 43.52.200 to codify a regulation and clarify that the commercial passenger vessel excise tax is imposed upon passengers traveling on a vessel that hosts them overnight in Alaska and stops in port(s) in Alaska where they are allowed to embark or disembark. In other words, this tax does not apply to passengers on vessels merely transiting the state's marine waters.

Section 2 amends AS 43.52.210 to reduce the tax rate from $46 a passenger per voyage to $34.50 a passenger per voyage.

Section 3 amends AS 43.52.230(a) to clarify the guidelines on how commercial passenger vessel excise tax proceeds should be appropriated to comply with federal law.

Section 4 amends AS 43.52.230(b) to clarify the guidelines on how commercial passenger vessel excise tax proceeds should be spent by municipalities to comply with federal law.

Section 5 amends AS 43.52.250 to reduce the commercial passenger vessel excise tax by the total amount of municipally-imposed passenger taxes a passenger pays when purchasing a voyage that includes a stop in municipalities imposing such taxes. This reduction, however, is limited to municipally imposed taxes that were in effect on December 17, 2007 and such municipality did not elect to receive revenue sharing of $5 per passenger under AS 43.52.230(b).

Section 6 of the bill provides for a report to the Legislature, the Governor, and the public every three years by the Department of Commerce, Community, and Economic Development that addresses the projected needs of the communities that host passengers and the extent to which, during the preceding three years, commercial vessel passenger excise tax proceeds have been utilized to defray the cost of hosting passengers in Alaska. This report may be used by the Legislature to determine if the tax rate remains commensurate with the cost of safely and efficiently hosting passengers in Alaska.

Section 7 amends AS 43.52.200 to clarify that "voyage" means spending 72 hours in the state's marine waters.

Section 8 repeals the regional cruise ship impact sub-account in the general fund. Thus, all proceeds from the commercial passenger excise tax will go into the commercial vessel passenger tax account subject to appropriation by the Legislature.

Section 9 provides an immediate effective date for the bill.

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 3/30/10

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 312

SB 312 VESSEL PASSENGER TAX

"An Act providing for a reduction in the excise tax to $34.50 for a passenger for each voyage on a commercial passenger vessel; providing for a reduction in the state excise tax imposed on a passenger on a commercial passenger vessel by the amount of tax on a passenger traveling on a commercial passenger vessel imposed by a municipality that does not elect to receive an appropriation of a portion of the proceeds from the state tax; authorizing an appropriation from the proceeds from the excise tax imposed on a passenger on a commercial passenger vessel for state-owned infrastructure to properly provide for commercial vessel or passenger visits; requiring a municipality receiving funds appropriated from the excise tax imposed on a passenger on a commercial passenger vessel to use the funds to improve port and harbor facilities and other services and infrastructure to properly provide for commercial passenger vessel or passenger visits; limiting the reduction for the excise tax imposed by a municipality on a passenger on a commercial passenger vessel to $17.25 a passenger for each voyage; requiring the Department of Commerce, Community, and Economic Development to prepare and submit a report on the needs of communities to safely and efficiently host passengers subject to the state tax imposed on a passenger on a commercial passenger vessel, and to summarize the extent to which appropriations from the state tax have been used to defray the costs of meeting those needs; eliminating the authority to appropriate funds received from the excise tax imposed on a passenger on a commercial passenger vessel to an area of the state that is not one of the first five ports of call in the state for a commercial passenger vessel carrying a passenger subject to the state excise tax imposed on a passenger of that vessel; and providing for an effective date."

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SB 312 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Rev	4/2/10	✓			
CCED	4/1/10	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas			✓	
	Elton			X	
	Ellis			X	
	Olson			✓	
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SB 312
() Publish Date:

Identifier (file name):SB312-CED-OED-4-1-10
Dept. Affected: DCCED
Title: CPV Excise Tax Review and Report
RDU: Comm Assist and Ec Dev
Component: Office of Economic Development
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee
Component Number: 2743

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	10.0				10.0		
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**10.0**		**0.0**	**0.0**	**10.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	10.0				10.0		
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**10.0**		**0.0**	**0.0**	**10.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill lowers the commercial passenger vessel excise tax on passengers, and requires the Department of Commerce, Community and Economic Development to conduct a periodic review of projected community needs and usage of past appropriations.

The travel component of this fiscal note represents staff outreach to communities and industry to better understand existing conditions and anticipated needs in port communities as a component of periodic review requirement in section 6 of this legislation.

The report and recommendation will be completed with existing staff resources.

Prepared by: Tyson Fick, Legislative Liaison — Phone 465-2503
Division: Commissioner's Office — Date/Time 4/1/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 4/1/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

1664

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB312**
() Publish Date:

Identifier (file name): SB312-REV-TAX-04-02-10
Dept. Affected: Revenue
Title: Reduce CPV Tax
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**(22,000.0)**	**(22,000.0)**	**(22,000.0)**	**(22,000.0)**	**(22,000.0)**	**(22,000.0)**

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

See Attached

Prepared by: Johanna Bales, Deputy Director — Phone (907) 269-6628
Division: Tax Division — Date/Time 4-2-2010; 11:20 am
Approved by: Ginger Blaisdell, Director — Date 04-02-10; 3:07pm
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB 312

ANALYSIS CONTINUATION

Bill Language:

This bill will reduce the commercial passenger vessel (CPV) excise tax from $46 per passenger to $34.50 per passenger traveling on a commercial passenger vessel in state marine waters. The bill would allow a reduction in the amount of the tax for taxes paid to a municipality that levies its own passenger fee. The reduction could not exceed 50% of $34.50 regardless of the amount of passenger fees charged by other communities. All revenues collected from the CPV tax would be deposited in the commercial vessel passenger tax account in the general fund. No revenues would be deposited in the current regional cruise ship impact fund to which 25% of the current CPV tax is deposited. The language which created the regional cruise ship impact fund would be repealed. Department of Revenue would continue to share $5 with the first five ports of call. This bill would not affect community revenue sharing.

Revenues:

Commercial passenger vessel tax revenues would decline by approximately $22 million in fiscal years 2011 and forward due to the reduction in the CPV tax from $46 to $34.50 per passenger and the further reduction allowed for passenger fees paid to municipalities. Again, this bill does not change the rate at which the state shares CPV tax with communities that do not levy a passenger fee. We expect passenger fee sharing to remain at approximately $10 million each year. Since the bill has an immediate effective date, we expect a reduction in fiscal year 2010 CPV tax revenues of approximately $3.2 million.

Expenditures:

The provisions of this bill can be implemented using existing resources.

SB 312 Ver A

	Excise Tax		Per Port	
	$ 46.00		$ 5.00	
RCIF	~~$ 11.50~~	~~25%~~	$ 1.25	
CPV	$ 34.50	75%	$ 3.75	
Jun	$ (8.00)			
Ket	$ (7.00)			
	$ 19.50	or	$ 17.25	with 50% Local Tax Cap

DOR 2010 Passenger Projections

Passengers	850,000
Revised State Excise Tax	$ 34.50

$ 5.00 Per Port of Call Payment

	Itinerary #1		Itinerary #2		Itinerary #3		Itinerary #4		Year End CPV
	3 Ports incl KTN & JNU		4 Ports including JNU		3 Ports incl JNU		7 Ports incl JNU & KTN in first 5		
	63.6% Occurrence		32.0% Occurrence		2.8% Occurrence		1.6% Occurrence		100.0%
Passengers	540,600		272,000		23,800		13,600		850,000
Excise Tax	$ 19.50		$ 26.50		$ 26.50		$ 19.50		
CPV Revenue	$ 10,541,700		$ 7,208,000		$ 630,700		$ 265,200		$ 18,645,600
Port of Call Payments	3 $ (8,109,000)		4 $ (5,440,000)		4 $ (476,000)		5 $ (340,000)		$ (14,365,000)
Balance to Treasury	$ 2,432,700		$ 1,768,000		$ 154,700		$ (74,800)		$ 4,280,600

CS SB312(FIN) - Port of Call Payment Scenarios

Cruise Ship Passenger and Revenue Sharing by Port of Call

Dept of Revenue Forecasting 2010

Passenger levels to be 85% **of 2009 Levels**

# of Passengers by Port of Call

City/Borough	3 Yr Total	Cruise Season 2007	2008	2009	2010	Yr to Yr
1 Juneau	2,970,952	991,218	995,502	984,232	836,597	(147,635)
2 Ketchikan, City of	2,753,810	897,834	930,459	925,517	786,689	(138,828)
3 Ketchikan Gateway Borough	2,753,810	897,834	930,459	925,517	786,689	(138,828)
4 Skagway	2,365,012	811,453	772,594	780,965	663,820	(117,145)
5 Sitka, City & Borough	713,301	225,799	271,806	215,696	183,342	(32,354)
6 Whittier	630,469	220,962	200,397	209,110	177,744	(31,367)
7 Kenai Peninsula Borough	449,374	153,461	139,458	156,455	132,987	(23,468)
8 Seward	446,725	153,461	138,299	154,965	131,720	(23,245)
9 Hoonah	309,839	110,005	71,831	128,003	108,803	(19,200)
10 Haines Borough	106,853	22,844	43,082	40,927	34,788	(6,139)
11 Kodiak Island Borough	22,147	2,041	9,911	10,195	8,666	(1,529)
12 Kodiak, City of	22,147	2,041	9,911	10,195	8,666	(1,529)
13 Valdez	12,017	0	5,671	6,346	5,394	(952)
14 Wrangell, City & Borough	7,231	0	1,995	5,236	4,451	(785)
15 Homer	2,649	0	1,159	1,490	1,267	(224)
16 Unalaska	1,524	0	0	1,524	1,295	(229)
17 Anchorage, Municipality of	173	0	0	173	147	(26)

Port of Call Amounts

	Status Quo	SB312 @	SB312 @
City	$ 5.00	$ 4.00	$ 5.00
Borough	$ 2.50	$ 2.00	$ 2.50

Revenue Share - Historical

2010 Revenue Projections - Status Quo vs. CSSB 312(FIN)

2010 Traffic = 85% 2009

City/Borough	3 Yr Total	Cruise Season 2007	2008	2009	Status Quo	$ 4.00	Diff	$ 5.00	Diff
1 Juneau	$0	$0	$0	$0	$0	$3,346,389	$3,346,389	$4,182,986	$4,182,986
0.5 Ketchikan, City of	$0	$0	$0	$0	$0	$1,573,379	$1,573,379	$1,966,724	$1,966,724
0.5 Ketchikan Gateway Borough	$6,884,525	$2,244,585	$2,326,148	$2,313,793	$1,966,724	$1,573,379	($393,345)	$1,966,724	$0
1 Skagway	$11,825,060	$4,057,265	$3,862,970	$3,904,825	$3,319,101	$2,655,281	($663,820)	$3,319,101	$0
1 Sitka, City & Borough	$3,566,505	$1,128,995	$1,359,030	$1,078,480	$916,708	$733,366	($183,342)	$916,708	$0
1 Whittier	$3,152,345	$1,104,810	$1,001,985	$1,045,550	$888,718	$710,974	($177,744)	$888,718	$0
0.5 Kenai Peninsula Borough	$1,123,435	$383,653	$348,645	$391,138	$332,467	$265,974	($66,493)	$332,467	$0
0.5 Seward	$1,116,813	$383,653	$345,748	$387,413	$329,301	$263,441	($65,860)	$329,301	$0
1 Hoonah	$1,549,195	$550,025	$359,155	$640,015	$544,013	$435,210	($108,803)	$544,013	$0
1 Haines Borough	$534,265	$114,220	$215,410	$204,635	$173,940	$139,152	($34,788)	$173,940	$0
0.5 Kodiak Island Borough	$55,368	$5,103	$24,778	$25,488	$21,664	$17,332	($4,333)	$21,664	$0
0.5 Kodiak, City of	$55,368	$5,103	$24,778	$25,488	$21,664	$17,332	($4,333)	$21,664	$0
1 Valdez	$60,085	$0	$28,355	$31,730	$26,971	$21,576	($5,394)	$26,971	$0
1 Wrangell, City & Borough	$36,155	$0	$9,975	$26,180	$22,253	$17,802	($4,451)	$22,253	$0
0.5 Homer	$6,623	$0	$2,898	$3,725	$3,166	$2,533	($633)	$3,166	$0
1 Unalaska	$7,620	$0	$0	$7,620	$6,477	$5,182	($1,295)	$6,477	$0
1 Anchorage, Municipality of	$865	$0		$865	$735	$588	($147)	$735	$0
	$29,974,225	$9,977,410	$9,909,873	$10,086,943	$8,573,901	$11,778,889	$3,204,987	$14,723,611	$6,149,710

SB 312 Ver A

	Excise Tax		Per Port	
	$ 46.00		$ 5.00	
RCIF	~~$ 11.50~~	~~25%~~	$ 1.25	
CPV	$ 34.50	75%	$ 3.75	
Jun	$ (8.00)			
Ket	$ (7.00)			
	$ 19.50	or	$ 17.25	with 50% Local Tax Cap

DOR 2010 Passenger Projections

Passengers	850,000
Revised State Excise Tax	$ 34.50

$ 5.00 Per Port of Call Payment

	Itinerary #1		Itinerary #2		Itinerary #3		Itinerary #4		Year End CPV
	3 Ports incl KTN & JNU		4 Ports including JNU		3 Ports incl JNU		7 Ports incl JNU & KTN in first 5		
	63.6% Occurrence		32.0% Occurrence		2.8% Occurrence		1.6% Occurrence		100.0%
Passengers	540,600		272,000		23,800		13,600		850,000
Excise Tax	$ 19.50		$ 26.50		$ 26.50		$ 19.50		
CPV Revenue	$ 10,541,700		$ 7,208,000		$ 630,700		$ 265,200		$ 18,645,600
Port of Call Payments	3 $ (8,109,000)		4 $ (5,440,000)		4 $ (476,000)		5 $ (340,000)		$ (14,365,000)
Balance to Treasury	$ 2,432,700		$ 1,768,000		$ 154,700		$ (74,800)		$ 4,280,600

CS SB312(FIN) - Port of Call Payment Scenarios

Cruise Ship Passenger and Revenue Sharing by Port of Call

Dept of Revenue Forecasting 2010

Passenger levels to be 85% **of 2009 Levels**

# of Passengers by Port of Call

		Cruise Season					
	City/Borough	3 Yr Total	2007	2008	2009	2010	Yr to Yr
1	Juneau	2,970,952	991,218	995,502	984,232	836,597	(147,635)
2	Ketchikan, City of	2,753,810	897,834	930,459	925,517	786,689	(138,828)
3	Ketchikan Gateway Borough	2,753,810	897,834	930,459	925,517	786,689	(138,828)
4	Skagway	2,365,012	811,453	772,594	780,965	663,820	(117,145)
5	Sitka, City & Borough	713,301	225,799	271,806	215,696	183,342	(32,354)
6	Whittier	630,469	220,962	200,397	209,110	177,744	(31,367)
7	Kenai Peninsula Borough	449,374	153,461	139,458	156,455	132,987	(23,468)
8	Seward	446,725	153,461	138,299	154,965	131,720	(23,245)
9	Hoonah	309,839	110,005	71,831	128,003	108,803	(19,200)
10	Haines Borough	106,853	22,844	43,082	40,927	34,788	(6,139)
11	Kodiak Island Borough	22,147	2,041	9,911	10,195	8,666	(1,529)
12	Kodiak, City of	22,147	2,041	9,911	10,195	8,666	(1,529)
13	Valdez	12,017	0	5,671	6,346	5,394	(952)
14	Wrangell, City & Borough	7,231	0	1,995	5,236	4,451	(785)
15	Homer	2,649	0	1,159	1,490	1,267	(224)
16	Unalaska	1,524	0	0	1,524	1,295	(229)
17	Anchorage, Municipality of	173	0	0	173	147	(26)

Port of Call Amounts

	Status Quo	SB312 @	SB312 @
City	$ 5.00	$ 4.00	$ 5.00
Borough	$ 2.50	$ 2.00	$ 2.50

Revenue Share - Historical

2010 Revenue Projections - Status Quo vs. CSSB 312(FIN)

2010 Traffic = 85% 2009

		Cruise Season								
	City/Borough	3 Yr Total	2007	2008	2009	Status Quo	$ 4.00	Diff	$ 5.00	Diff
1	Juneau	$0	$0	$0	$0	$0	$3,346,389	$3,346,389	$4,182,986	$4,182,986
0.5	Ketchikan, City of	$0	$0	$0	$0	$0	$1,573,379	$1,573,379	$1,966,724	$1,966,724
0.5	Ketchikan Gateway Borough	$6,884,525	$2,244,585	$2,326,148	$2,313,793	$1,966,724	$1,573,379	($393,345)	$1,966,724	$0
1	Skagway	$11,825,060	$4,057,265	$3,862,970	$3,904,825	$3,319,101	$2,655,281	($663,820)	$3,319,101	$0
1	Sitka, City & Borough	$3,566,505	$1,128,995	$1,359,030	$1,078,480	$916,708	$733,366	($183,342)	$916,708	$0
1	Whittier	$3,152,345	$1,104,810	$1,001,985	$1,045,550	$888,718	$710,974	($177,744)	$888,718	$0
0.5	Kenai Peninsula Borough	$1,123,435	$383,653	$348,645	$391,138	$332,467	$265,974	($66,493)	$332,467	$0
0.5	Seward	$1,116,813	$383,653	$345,748	$387,413	$329,301	$263,441	($65,860)	$329,301	$0
1	Hoonah	$1,549,195	$550,025	$359,155	$640,015	$544,013	$435,210	($108,803)	$544,013	$0
1	Haines Borough	$534,265	$114,220	$215,410	$204,635	$173,940	$139,152	($34,788)	$173,940	$0
0.5	Kodiak Island Borough	$55,368	$5,103	$24,778	$25,488	$21,664	$17,332	($4,333)	$21,664	$0
0.5	Kodiak, City of	$55,368	$5,103	$24,778	$25,488	$21,664	$17,332	($4,333)	$21,664	$0
1	Valdez	$60,085	$0	$28,355	$31,730	$26,971	$21,576	($5,394)	$26,971	$0
1	Wrangell, City & Borough	$36,155	$0	$9,975	$26,180	$22,253	$17,802	($4,451)	$22,253	$0
0.5	Homer	$6,623	$0	$2,898	$3,725	$3,166	$2,533	($633)	$3,166	$0
1	Unalaska	$7,620	$0	$0	$7,620	$6,477	$5,182	($1,295)	$6,477	$0
1	Anchorage, Municipality of	$865	$0		$865	$735	$588	($147)	$735	$0
		$29,974,225	$9,977,410	$9,909,873	$10,086,943	$8,573,901	$11,778,889	$3,204,987	$14,723,611	$6,149,710

GOOD MORNING AND THANK YOU FOR THE OPPORTUNITY TO ADDRESS CRUISE TAXATION.

IN 2006 THE CITIZENS OF ALASKA PASSED A COMPREHENSIVE LEGISLATION THAT ADDRESSED CRUISE SHIP POLLUTION AND TAXATION TOPICS. THE MEASURE WAS AND IS STILL CHARACTERIZED BY CRUISE INDUSTRY ADVOCATES AS PUNITIVE, VINDICTIVE AND DESIGNED TO DRIVE CRUISE TOURISM FROM ALASKA. THESE CHARGES ARE WITHOUT MERIT.

THE LAWS THAT PASSED IN 2006 WERE DESIGNED TO PROVIDE THE ALASKA LEGISLATURE WITH THE FINANCIAL RESOURCES TO MAKE ALASKA A SUPERIOR CRUISE DESTINATION. INCREASED CRUISE TOURISM AND THE STEADY GROWTH OF PASSENGERS TROUGH THE 1980's AND BYOND REQUIRED MORE AND LARGER INFRASTRUCTURE FOR THE VESSELS AND PASSENGERS INCREASINGLY COMING TO ALASKA.

THE 2006 INITATIVE LEVYED A VARIETY OF TAXES:

- ✓ IT BROUGHT BACK THE APPORTIONED CORPORATE INCOME TAX PASSED BY THE LEGISLATURE AND APPROVED BY THE ALASKA SUPREME COURT.

- ✓ IT LEVYED A TAX ON GAMBLING ABOARD CRUISE VESSELS.

- ✓ IT LEVYED AN EXCISE TAX ON PASSENGERS IN THE AMOUNT OF $46.

ALL OF THESE TAXES WERE SUPPORTED BY ALASKA RESIDENTS. AT THIS POINT, ONLY THE PASSENGER EXCISE TAX IS AN ISSUE.

THE USE OF THE PASSENGER EXCISE TAX IS RESTRICTED BY FEDERAL LAW. ACCORDING TO FEDERAL LAW, THE EXCISE

TAX MUST BE USED TO FACILITATE THE SAFE AND EFFICIENT TRANSPORT OF CRUISE PASSENGERS. FOR THE MOST PART, THE ALAKSA LEGISLATURE HAS DONE A GOOD JOB AT PUTTING ALASKANS TO WORK IN ALASKAN PORTS TO MAKE SURE THAT OUR WHARFS AND OTHER PRIMARY INFRASTRUCTURE USED BY THE CRUISE VESSELS AND CURISE PASSENGERS ARE ADEQUATE. THE GOAL OF MAKING ALASKA A FIRST-RATE TOURISM DESTINATION IS BEING ACHIEVED.

THE ISSUE NOW IS WHETHER SOME SORT OF TAX ROLLBACK IS JUSTIFIED. AT THIS TIME, IT IS NOT.

ALASKA NEEDS TO COMPLETE THE CAPITALIZATION OF NECESSSARY PRIMARY INFRASTRUCTURE TO SERVE THE CRUISE INDUSTRY. WHARFS AND OTHER INFRASTRUCTURE TO HANDLE LARGE PANAMAX DOCKS ARE EXPENSIVE. THE BUS TURN AROUNDS AND OTHER PRIMARY INFRASTRUCTURE REQUIRED TO DEAL WITH HUNDREDS OF THOUSANDS OF PASSANGERS IN A COMRESSED TOURISM SEASON CANNOT BE PAID FOR USING LOCAL PROPERTY TAXES AND SALES TAXES.

THERE WILL BE A TIME WHEN THE EXCISE TAX ON PASSENGERS CAN BE REDUCED. NOW IS NOT THAT TIME.

THERE WILL BE A TIME WHEN ALL OF OUR PORTS, INCLUDING ANCHORAGE, KODIAK, HOMER, THE *PWS* PORTS AND PORTS THROUGHOUT SOUTHEAST ALASKA HAVE ADEQUATE WHARFS AND PRIMARY INFRASTRUCTURE TO MAKE SURE OUR STATE IS THE BEST TOURIST DESTINATION FOR CRUISE PASSENGERS ON THE PLANET. WE ARE NOT AT THAT POINT YET.

IT IS CLEAR TO ALL OBJECTIVE OBSERVORS THAT THE GLOBAL RECESSION, CHANGING DEMOGRAPHICS AND SHIFTS IN TOURISM HAVE CAUSED REDEPLOYMENT OF VESSELS FOR THE 2010 SEASON. CRUISE TOURISM IS A DYNMIC INDUSTRY. SOME PORTS WILL SEE REDUCED TOURISM, INCLUDING VANCOUVER. OTHER PORTS INCLUDING BALTIMORE,

BOSTON, AND SAVANNAH HAVE WITNESSED GROWTH IN RECENT YEARS. PLACES LIKE AUSTRALIA ARE EXPERIENCING RAPID GROWTH. LOCATIONS LIKE ALASKA ARE MORE MATURE MARKETS AS WELL AS BEING EXPENSIVE.

ALASKA IS STILL A VERY DESIREABLE DESTINATION. THE SUB-CONTINENT WE CALL HOME IS ONE OF THE MOST BEAUTIFUL PLACES TO VISIT IN THE WORLD AND WILL CONTINUE TO ATTRACT VISITORS. WE NEED TO BUILD THE WHARFS AND INFRASTRUCTURE TO MAKE ALASKA A GREAT PLACE TO VISIT.

CONSISTENT WITH VOTER SENTIMENT, I URGE YOU TO KEEP ALASKA'S EXISTING PASSENGER VESSEL TAX REGIME IN PLACE UNTIL OUR STATE COMPLETES WORK ON THE CAPITAL PROJECTS NECESSARY TO SERVICE THIS VITAL INDUSTRY. AT SOME POINT IN THE NOT TO DISTANT FUTURE, A PARTIAL REDUCTION IN THE PASSENGER EXCISE TAX WILL BE APPROPRIATE, BUT NOT THIS YEAR.

LET ME CONCLUDE WITH ONE FINAL THOUGHT THAT UNDERSCORES THE HOLLOW ARGUMENT MADE BY THE LOBBYISTS AND ADVOCATES FOR MIAMI REGARDING THE EXCISE TAX. ASK YOURSELF WHETHER A TAX REDUCTION OF 15% OR 25% -- BASICALLY $7 OR $11.50 -- FROM THE $46 IS REALLY GOING TO CHANGE BEHAVIOR? WE LIVE IN A WORLD WHERE AIRLINE PASSENGERS ARE NOW CHARGED $50 FOR EACH EXCESS BAG THEY DESIRE TO CARRY ON PLANES. IS IT REALISTIC TO THINK THAT DROPPING THE PRICE OF A CHEAP LUNCH FROM THE TOTAL COST OF A TRIP TO ALASKA IS GOING TO YIELD A BURST OF NEW VISITORS?

IN THE END, THIS DUSTUP ABOUT THE EXCISE TAX IS REALLY ABOUT POLITICS. ARE WE GOING TO STAND UP AS A STATE FOR OUR STATE OR WILL WE BOW TO THE PRESSURE OF THE MIAMI BASED INDUSTRY. SENATOR STEDMAN WAS EXACTLY RIGHT WHEN HE TALKED ABOUT THIS BEING AN ISSUE OF SOVERIGN POWER.

YOU NEED NOT ACT LIKE SUPPLICANTS TO MIAMI HERE. YOU SHOULD KEEP THE TAX STRUCTURE IN PLACE WITH AN EYE TO AN APPROPRIATE REDUCTION EXACTLY AT THE POINT WHERE ALL THE LEGITIMATE PORT INFRASTRUCTURE IS IN PLACE TO MAKE ALASKA A GREAT CRUISE DESTINATION.

THANK YOU.

KETCHIKAN GATEWAY BOROUGH

RESOLUTION NUMBER 2228

A RESOLUTION OF THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH ENCOURAGING GREATER TOURISM MARKETING FOR ALASKA AND SUPPORTING PROVISIONS OF SENATE BILL NO. 311, SENATE BILL NO. 312, AND HOUSE BILL NO. 422 REDUCING THE STATE EXCISE TAX LEVIED ON CRUISE SHIP PASSENGERS

WHEREAS, tourism, particularly cruise ship tourism, has long been a significant segment of the economy of the Ketchikan Gateway Borough; and

WHEREAS, on February 7, 2005, the Ketchikan Gateway Borough Assembly adopted Resolution No. 1864 opposing House Bill No. 2 and House Bill No. 24 before the Twenty-Fourth Alaska State Legislature, which proposed to levy State excise taxes, respectively, of $50 and $75 per passenger on certain commercial passenger vessels operating in Alaska; and

WHEREAS, on August 22, 2006, voters in the Ketchikan Gateway Borough voted 2,073 (58.1%) to 1,494 (41.9%) against a State initiative to levy a State excise tax of $46 per passenger on certain commercial passenger vessels operating in Alaska, although voters statewide approved the initiative by a vote of 81,963 (52.1%) to 75,432 (47.9%); and

WHEREAS, the City of Ketchikan and the City and Borough of Juneau levy local taxes or fees amounting to, respectively, $7 and $8 per passenger on certain commercial passenger vessels, which raises the overall taxes or fees to $61 per passenger visiting Ketchikan and Juneau; and

WHEREAS, on June 1, 2009, the Ketchikan Gateway Borough Assembly adopted Resolution No. 2161 urging the Alaska State Legislature to reduce the State excise tax on certain commercial passenger vessels operating in Alaska; and

WHEREAS, the State of Alaska shares a portion of its excise tax on cruise ship passengers with local governments in the first five ports of call that do not levy their own tax on cruise ship passengers which, in the case of the Ketchikan Gateway Borough, amounts to $2.50 per passenger in shared excise taxes; and

WHEREAS, after decades of steady growth in cruise ship passenger visits, Alaska is

facing an estimated loss of 140,000 passengers during the 2010 cruise season, resulting in a projected $165 million reduction in spending by tourists, $72 million in lost payroll, and significant fiscal impacts on local governments (including as much as $350,000 in lost excise taxes shared with the Ketchikan Gateway Borough and $556,500 in lost Borough sales tax revenues); and

WHEREAS, on March 25, 2010, Alaska Governor Sean Parnell stated that "Alaska's tourism head tax structure must be modified to grow our Alaska businesses," and that efforts are required "to make Alaska a more affordable destination for travelers and create jobs for Alaskans;" and

WHEREAS, on March 25, 2010, Governor Parnell submitted legislation (Senate Bill No. 311 and House Bill No. 422), in part, reducing the cruise ship passenger excise tax to $34.50 per passenger, with credits up to 50% of that amount for cruise ship passenger head taxes levied by municipalities that imposed such taxes as of December 17, 2007 (thus reducing the effective State tax to $19.50 per passenger visiting Ketchikan and Juneau); and

WHEREAS, Senate Bill No. 311 and House Bill No. 422 maintain existing provisions in law for sharing the excise tax proceeds with local governments (thus, the Ketchikan Gateway Borough would not suffer a reduction in funding even though State revenues would decline by an estimated $22 million annually); and

WHEREAS, in September 2009, the Alaska Cruise Association filed a complaint with the United States District Court in Alaska seeking relief from the $46 State excise tax imposed on the passengers of its member cruise lines; and

WHEREAS, Governor Parnell has been quoted as expressing the hope that enactment of Senate Bill No. 311 or House Bill No. 422 will help settle a lawsuit with the Alaska Cruise Association, and John Binkley, Cruise Association President, was quoted as saying that discussions are under way with State Attorney General Dan Sullivan on a possible "stipulation" to end the pending federal lawsuit; and

WHEREAS, Senate Bill No. 311 and House Bill No. 422 also include a measure intended to stimulate the economy in Alaska by establishing corporate income tax credits to boost tourism marketing (provisions that are somewhat similar to legislation introduced last year as House Bill No. 167 and Senate Bill No. 138 [now Committee Substitute for Senate Bill No. 138]); and

WHEREAS, House Bill No. 167 before the Twenty-Sixth Alaska State Legislature,

which was sponsored by sixteen members of the House of Representatives to provide corporate income tax credits for contributions by a person owning or operating a commercial passenger vessel to a qualified trade association, is languishing in that it has not moved from the House Finance Committee since it was referred to that committee on April 8, 2009; and

WHEREAS, Committee Substitute for Senate Bill No. 138 before the Twenty-Sixth Alaska State Legislature, which is similar to House Bill No. 167 and was sponsored by seventeen members of the Senate, is also languishing in that it has not moved from the Senate Finance Committee since it was referred to that committee on March 20, 2009; and

WHEREAS, a number of legislators have expressed concerns regarding the corporate income tax credits for tourism in Senate Bill No. 311 and House Bill No. 422 (the bills submitted by the Governor on March 25, 2010); and

WHEREAS, on March 30, 2010, the Senate Finance Committee introduced legislation (Senate Bill No. 312), substantially similar to those provisions in Senate Bill No. 311 that reduce the cruise ship passenger excise tax to $34.50 per passenger, with credits up to 50% of that amount for cruise ship passenger head taxes levied by municipalities that imposed such taxes as of December 17, 2007, (thus reducing the effective State tax to $19.50 per passenger visiting Ketchikan and Juneau); and

WHEREAS, time is of the essence in that the Second Regular Session of the Twenty-Sixth Alaska State Legislature is scheduled to adjourn on April 18, 2010,

NOW, THEREFORE, IN CONSIDERATION OF THE ABOVE FACTS, BE IT RESOLVED BY THE ASSEMBLY OF THE KETCHIKAN GATEWAY BOROUGH as follows:

Section 1. The Ketchikan Gateway Borough Assembly hereby expresses its strong support for the provisions of Senate Bill No. 311, Senate Bill No. 312, and House Bill No. 422 that reduce the cruise ship passenger tax to $34.50 with credits up to 50% of that amount for cruise ship passenger head taxes levied by municipalities that imposed such taxes as of December 17, 2007 (thus, in effect, reducing the State tax to $19.50 per passenger visiting Ketchikan and Juneau), with no adverse fiscal impact on the Borough.

Section 2. The Ketchikan Gateway Borough Assembly hereby expresses it strong support for tourism marketing, but recognizes that there appears to be substantial opposition on the part of legislators to the provisions in Senate Bill No. 311 and House Bill No. 422 that would accomplish that end through corporate income tax credits. Thus, the

Assembly urges the Governor and Legislature to resolve any differences so that the reduction in the cruise ship passenger tax may be implemented in 2010 and, if possible, funding is provided for tourism marketing.

Section 3. A copy of this resolution shall be provided to:

- The Honorable Sean Parnell, Governor;
- The Honorable Bert Stedman, Co-Chair of the Senate Finance Committee and State Senator for Senate District A;
- The Honorable Kyle Johansen, House Majority Leader and State Representative for House District 1;
- The Honorable Mike Hawker, Co-Chair, Alaska State House Finance Committee; and
- The Honorable Bill Stoltze, Co-Chair, Alaska State House Finance Committee.

Section 4. Given pending scheduled adjournment of the Second Regular Session of the Twenty-Sixth Alaska State Legislature on April 18, 2010, the Governor and Legislature are urged to deal with this matter in a timely manner.

Section 5. This resolution is effective upon adoption.

ADOPTED this 5th day of April, 2010.

Dave Kiffer, Borough Mayor

Kacie Paxton, Borough Clerk

APPROVED AS TO FORM:

Scott A. Brandt-Erichsen, Borough Attorney

EFFECTIVE DATE:	APRIL 5, 2010		
ROLL CALL	YES	NO	ABSENT
Harrington	✓		
Moran	✓		
Painter	✓		
Phillips	✓		
Salazar	✓		
Shoemaker	✓		
Thompson	✓		
Mayor (tie votes only)			
4 AFFIRMATIVE VOTES REQUIRED FOR PASSAGE			

Responsible Cruising in Alaska

Senate Finance Committee
Juneau, Alaska

April 5, 2010

Dear Senators,

RE: SB 312

Thank you for the opportunity to comment on SB 312. This Governor-submitted bill would severely degrade the Commercial Vessel Passenger Fund. The following bullet points regarding SB 312 are meant to critique this Governor's bill, to improve it, and make it less punitive to Alaska port communities that host cruise ships in Alaska each summer. I trust these points are considered and viewed favorably by the Finance Committee.

- SB 312 was industry-written as a punitive reaction to the voter-passed cruise initiative of 2006; it punishes cruise port towns.
- The bill is designed to lower the state fund by 59%, from $46 million per year to less than $19 million in cruise capital funding;
- The major result of passing this bill would be short-changing smaller cruise ports in Alaska; Sitka, Hoonah, and especially the westward ports of Seward, Whittier and Kodiak.
- 312 limits state ability to capitalize large cruise projects like Panamax docks which cost $20 million to build.
- As a direct critique, SB 312 is a "**Cap and Skim"** math trick that has no justification except to decimate the tax revenue fund.
- Funding will be limited and municipalities will return on bended knee to Vancouver and Miami for partial dock funding.
- SB 312 takes Alaska 'back in time,' restoring bickering and competition between ports for industry visits & dock funding.

Box 21884 Juneau, Alaska 99802 (907) 586-2117 chipt@alaska.net

ON A POSITIVE NOTE:

- All Alaska cruise ports have received some funding from the state head-tax fund. These primary port projects are good investments for both industry and local communities;
- Cruise tax funding has **not** been hoarded as many wrongly claim, but is appropriated each year for new capital projects and paying down bonded debt for cruise docks;
- FY 11 proposals for cruise funding thus far are exactly what Alaska voters intended – thanks to AG and OMB leadership.
- In years ahead, as the economy keeps improving, more ships will cruise to Alaska and require new and improved port projects; the sole purpose of the passenger head-tax.

SUGGESTIONS FOR CRUISE TAX REFORM:

- ✓ A modest cut in the $46 state tax equal to the decline of 2010 passengers: 15%. A $39 tax is a positive message to industry and preserves state ability to appropriate funds.
- ✓ 2010 Alaska taxes have already been collected by industry in the cruise ticket price. An effective date of 2012 on SB 312 gives industry time to re-deploy more ships to Alaska and achieve the 1 million passenger high-mark of 2009;
- ✓ Eliminate the words Regional Fund in state cruise law, but not the funding. The Legislature has always appropriated tax revenue as a whole, not by the words "Regional Fund."

Alaska voters want reform of cruise ship practices in our state; **Protection of Clean Water** and **Fair Taxation** of this multi-billion dollar industry. While modest changes in state cruise law will be tolerated, wholesale changes that cripple funding for cruise capital projects should be addressed by Alaska voters, not Miami-based threats. Please conduct an objective, state review of this important issue, which may lead to modest reforms in SB 312. Thank You,

Theodore Thoma, President
Responsible Cruising in Alaska

Attachment: 3/12/10 letter to Governor Parnell

Responsible Cruising in Alaska

Governor Sean Parnell
Juneau, Alaska

March 12, 2010

Dear Governor Parnell:

RE: Cruise Ship Tourism

Responsible Cruising in Alaska supports both your travel to the Seatrade Conference in Miami and sustainable tourism, including large cruise ships, when these activities provide positive economic and revenue benefits to the state. Also, the large-ship cruise industry must meet Alaska's existing water quality standards at the point of discharge, as set out in Alaska law, in order to protect marine waters used for sport, commercial and subsistence fisheries.

Regarding pollution, the Alaska cruise industry has made enormous strides in preventing pollution since a decade ago when the industry was routinely being charged and convicted for felony dumping offenses. Installing working Advanced Wastewater Treatment systems on these vessels has put the industry on the cusp of meeting all Alaska's water quality standards (WQS's) at the point of discharge. The January issue of ***The Maritime Executive*** magazine supports this view that compliance with Alaska WQS's is now attainable. Remaining concerns are removing harmful discharge amounts of ammonia and copper, which directly affect marine growth and returning salmon. In fact, it is evident from DEC review and industry comments that the high levels of copper on some ships stem from water softeners interacting with the ship's copper plumbing; a problem easy to solve. The copper problem is the ships themselves, not local water sources.

Because tourism is a vital part of Alaska's economy, the great news is that recent financial upheavals and world-wide recession are ending. According to recent travel publications and journals like ***The Economist***, advance cruise bookings including trips to Alaska are robust. In fact, one good measure of cruise booking strength is the rising cost of Alaska tickets. The average cost of berths for the state Ocean Ranger program is up 21% in 2010 compared to last year. That is a clear and positive sign of industry rebound and recovery.

When you meet with cruise executives in Miami to encourage increased cruise tourism to Alaska, please stress the following points:

- ✓ Industry is very close to achieving Alaska WQS's for pollutants, especially heavy metals and ammonia. Keep working to reach these goals, using the rapidly improving removal technologies.

Box 21884 Juneau, Alaska 99802 (907) 586-2117 chipt@alaska.net

- ✓ The cruise lines spend $70 M a year to market cruises here. Alaska can either add to that figure or market primarily to independent air travelers.
- ✓ When cruise ticket prices are up in 2010 by hundreds of dollars, a $46 tax that pays solely for primary cruise infrastructure in Alaska is stable.
- ✓ Alaska is not 'hoarding' tax revenues collected from the passengers. Every available dollar has been appropriated for docks, sidewalks, restrooms and road projects, all used by the passengers on their visits.
- ✓ Capital projects proposed for FY 2011 from the passenger tax are for primary cruise infrastructure in many Alaska ports. These projects also mitigate the economic impact on local and state residents.
- ✓ As one of the most beautiful and desirable travel destinations, the industry and state should work together to expand other opportunities for cruise passengers when traveling in Alaska, e.g., development of a world-class lodge on the south side of Denali.

Alaska is a great place for cruising. Passengers come to Alaska from around the world to experience the vast beauty of Glacier Bay and the scenic splendor of Prince William Sound. Passengers love the sights and sounds in historic communities like Ketchikan, Skagway, Sitka and Talkeetna.

RCA urges you to continue working with the cruise industry so that Alaska remains a premier visitor destination. But Alaska cannot afford to alter the water quality standards that protect the marine waters and resources directly related to those experiences that cruise visitors seek. And at least for the next decade, the current, stable tax structure is needed to build primary infrastructure for the safe and efficient movement of passengers. These capital improvements are critical to the long-term viability of the industry.

Cruise tourism in Alaska will continue to grow in the coming decades, as it has each year for the past 25 years. Working together with port communities, the industry, and with fair and stable passenger taxes, Alaska can be the best cruise destination on Earth, sustaining a vital economic sector for many years to come. Thank you for your continuing interest and assistance,

Theodore Thoma, President
Responsible Cruising in Alaska

Copy: Mike Nizich, Chief of Staff
Larry Hartig, Commissioner, DEC
Pat Galvin, Commissioner, Revenue
Emil Notti, Commissioner, Commerce, C & ED

Southeast Conference

March 29, 2010

Dear Legislator;

On behalf of the Board of Directors of Southeast Conference we strongly support Governor Parnell's efforts to reduce the amount of the Alaska cruise ship head tax from $46 to $34.50 and encourage tourism marketing tax credit legislation. We have to compete in a global market that is steadily taking away the state's cruise travel market. Bermuda just lowered its cruise ship taxes and fees, which now makes Juneau the most expensive port in North America. These efforts by the Governor will bring our taxes more in line with our competitors.

Southeast Conference is a regional, nonprofit corporation that advances the collective interest of the people, communities and businesses in Southeast Alaska. Members include municipalities, native corporations and village councils, regional and local businesses, civic organizations and individuals throughout the region. Our mission is to undertake and support activities that promote strong economies, healthy communities, and a quality environment for Southeast Alaska. We are the State-designated Alaska Regional Development Organization (ARDOR), the federally-designated Economic Development District (EDD), and the federally designated Resource Conservation and Development Council for Southeast Alaska. Each of these designations requires Southeast Conference to take an active role in regional resource management and economic development planning.

After decades of steady growth in the tourism sector, Alaska is facing a 17 percent decline in cruise visitation this summer. That will translate to 140,000 fewer passengers coming here during the four-month cruise season. Alaska businesses have come to rely on the tourism business for the stability they need to run a year round business. These projected reductions will be devastating to our small businesses in Southeast Alaska. This tax reduction is good faith toward the value we put on our most renewable economy, tourism. Support for this legislation will let the cruise companies know that we value their business.

Southeast Conference urges the legislature to support the head tax reduction.

On behalf of the Board of Directors,

Shelly Wright

Shelly Wright
Executive Director

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Economic Impact of

Alaska's Visitor Industry

March 2010

Prepared by

McDowell GROUP

Prepared for

State of Alaska
Department of Commerce, Community, & Economic Development
Office of Economic Development

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Executive Summary

Introduction

The purpose of this study is to measure the economic impacts of Alaska's out-of-state visitors. The visitor industry is a challenging one to measure, reaching into a wide variety of economic sectors, including transportation, lodging, and retail, among others. The nationwide economic crisis of 2008-09 and accompanying drop in visitor traffic and spending added urgency to the need for up-to-date information on this critical component of Alaska's economy. The Alaska Department of Commerce, Community, and Economic Development contracted with McDowell Group to gauge the impacts of Alaska's visitor industry, including direct, indirect, and induced effects.

Visitor Volume and Spending

- An estimated 1.58 million out-of-state visitors traveled to Alaska between May and September 2009. Two-thirds of this total (1,026,600, or 65 percent) were cruise passengers. An additional 242,500 out-of-state visitors traveled to Alaska between October 2008 and April 2009.

- Visitor traffic to Alaska dropped an estimated 7.3 percent between summer 2008 and summer 2009, the largest decline since McDowell Group started tracking visitor traffic in 1985. The decrease occurred primarily in air passenger exits, which dropped an estimated 15 percent. Ferry exits fell 16 percent, and highway exits were down 8 percent.

- Declines in the air, ferry, and highway markets were moderated by flat cruise passenger volume between 2008 and 2009. However, cruise passengers traveled less within the state, more often choosing cruise-only packages (rather than cruise-plus-land tour packages).

Visitor Volume, by Exit Mode, Summers 2008 and 2009

Exit Mode	2008	2009	% change
Air	800,600	684,400	-14.5%
Cruise ship[1]	836,500	835,000	-0.2%
Highway	59,900	55,200	-7.8%
Ferry	10,400	8,700	-16.3%
Total	**1,707,400**	**1,583,300**	**-7.3%**

[1] The total number of cruise ship visitors to Alaska in summer 2009 was 1,026,600, including passengers exiting Alaska by air after completing their cruise.

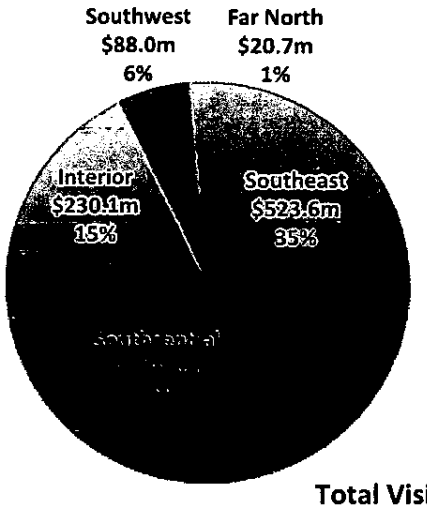
- Another impact felt by businesses throughout the state was lower spending levels. Many businesses were forced to lower their prices to compete for fewer visitors, and visitors themselves tended to spend less on everything from lodging to gifts and tours. A survey of 172 visitor industry businesses found that two-thirds of businesses experienced a decrease in gross sales to out-of-state visitors (11 percent reported an increase, 7 percent reported no change, and 14 percent didn't know). The average estimated change in gross sales among all surveyed businesses was a decline of 16 percent.

- A number of additional indicators reinforce the lower volume and spending estimates in summer 2009:
  - 13 percent decline in cruise passenger land tour volume
  - 16 percent decline in out-of-state visitors on the Alaska Marine Highway
  - Bed tax revenue declines (second and third quarter only) ranging from 10 percent in the Mat-Su, to 22 percent in Anchorage, to 30 percent in Sitka
  - 23 percent decline in Anchorage car rental tax revenues (second and third quarter only)
  - 16 percent decline in non-resident sportfishing license sales (calendar year 2008 to 2009).

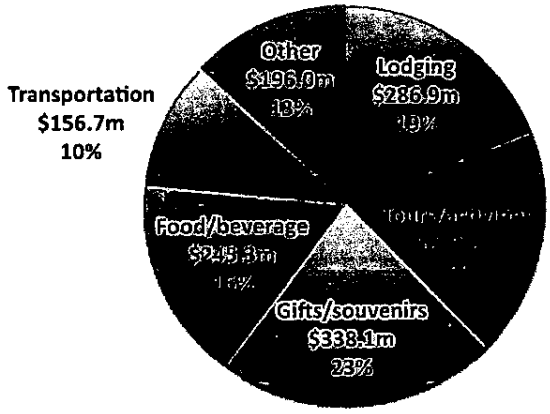
- In contrast, fall/winter visitor volume was down only 2 percent from the previous fall/winter period (2007-08). However, surveyed businesses reported slightly larger declines in gross sales, an average of 8 percent. Some decreases were reported in bed tax revenues over this period, including a 6 percent decrease in Anchorage (first and fourth quarter only).

- Out-of-state visitors spent an estimated $1.5 billion in Alaska during the study period of October 2008 through September 2009. This figure does not include spending on travel to enter and exit Alaska (such as cruise packages, ferry passage, or air tickets). Spending figures are based on visitor survey data from the 2006-07 *Alaska Visitor Statistics Program*, conducted by McDowell Group, adjusted to account for changes in overall visitor volume, volume by region, spending behavior, and inflationary factors. Spending was further adjusted to extract commissions that do not affect the Alaska economy.

Visitor Spending, Oct. 2008-Sept. 2009
By Region



Visitor Spending, Oct. 2008-Sept. 2009
By Sector



Total Visitor Spending: $1.5 Billion

- Additional visitor industry spending that must be taken into account for the purposes of economic impact analysis includes spending by cruise lines, estimated at over $300 million during the 2008-09 study period. The largest components of cruise line spending include employee payroll, payments to local and state government on taxes and fees, payments for transportation services, and payments to accommodations (on behalf of cruise/tour passengers traveling before or after their cruise, whose package price includes lodging).

- Crew members sailing on board cruise ships spent an estimated $16 million while visiting Alaska ports.
- Further, the visitor spending above excludes spending to enter and exit the state. An estimated $282 million in visitor spending on air and ferry tickets to enter and exit the state affects the Alaska economy.
- This additional $610 million in spending by cruise lines, crew members, and visitors purchasing air and ferry tickets brings total *visitor industry* spending in 2008-09 to $2.1 billion.

Visitor Industry Spending, October 2008-September 2009

	Expenditures
Visitor spending	$1,502.2 million
Cruise line spending, cruise line labor income, and crew spending	$328.4 million
Air and ferry tickets	$282.2 million
Total spending	**$2.1 billion**

Economic Impacts

- Direct visitor industry spending in Alaska of approximately $2.1 billion in the 2008-09 study period directly generated 27,100 jobs in Alaska, and $800 million in labor income.
- Indirect or secondary visitor-related spending totaled approximately $1.3 billion. The statewide employment and income effects of $1.3 billion in secondary spending are estimated at 9,100 jobs and $346 million in labor income.
- In summary, Alaska's visitor industry accounted for a total of 36,200 full and part-time jobs in 2008-09, over $1.1 billion in labor income, and $3.4 billion in total spending, including all direct, indirect and induced effects.
- The visitor industry is strongly seasonal, with the vast majority of visitation occurring between May and September. Therefore, peak employment directly or indirectly connected to the industry is estimated at over 40,000 in 2009.
- Approximately half (49 percent) of visitor industry employment occurred in the Southcentral region, and slightly less than one-third (29 percent) in Southeast. About one in six (17 percent) visitor industry-related jobs were in the Interior region.

Total Visitor Industry Employment, Labor Income and Spending in Alaska, October 2008-September 2009 (including direct, indirect and induced effects)

	Employment	Labor Income	Spending
Southcentral	17,600	$514 million	$1,751 million
Interior	6,200	205 million	519 million
Southeast	10,600	373 million	1,004 million
Southwest	1,500	41 million	115 million
Far North	300	10 million	25 million
Total	**36,200**	**$1.1 billion**	**$3.4 billion**

- Compared to other Alaska regions, visitor industry employment is most important in the Southeast economy. The region's 10,600 visitor-related jobs represented 21 percent of the total 50,000 full and part-time jobs in Southeast. Total visitor industry-related labor income of $373 million was 17 percent of total regional labor income of approximately $2.2 billion.

- In Alaska's Interior region, 6,200 visitor industry-related jobs accounted for about 9 percent of employment (regional total of 65,500 jobs) and 6 percent of all labor income (regional total of $3.4 billion).

- Visitor industry-related employment of 17,600 in Southcentral Alaska represented approximately 7 percent of total employment in the region (263,000 full and part-time jobs) and 4 percent of total labor income (approximately $13.7 billion).

- Statewide visitor industry-related employment of 36,200 accounted for 8 percent of all employment in Alaska. Total statewide visitor industry-related labor income of $1.1 billion represented 5 percent of all labor income in Alaska.

Impacts of Visitor Volume Changes

- The decline in visitor traffic between 2007-08 and 2008-09 was accompanied by an estimated $270 million decline in visitor spending, a 15 percent drop.

- As a result of the decline in visitor spending in 2009, summer season visitor industry-related employment in Alaska was about 2,000 to 2,500 jobs below the 2008 level. Businesses likely addressed the decline in visitor sales with a combination of reductions in personnel and non-personnel costs. As such, the decline in employment in 2009 was less than proportional to the decline in sales.

- Alaska is facing a loss of more than 140,000 passengers in the 2010 cruise season, accompanied by a potential loss of up to $150 million in direct and indirect spending in Alaska.

Revenues to Municipal and State Governments

- Visitor-related tax revenues to municipalities in 2008-09 totaled nearly $70 million in sales and bed tax revenues and cruise line payments. Sales tax revenues are estimated at $28.9 million, and bed tax revenues are estimated at $23.5 million. In addition, cruise lines paid over $17 million in dockage, moorage, and municipal passenger fees in 2009. Property taxes provide an additional revenue stream to municipalities.

- Visitor-related revenues to state government during the 2008-09 study period included $139 million in cruise line fees, fishing/hunting licenses, vehicle rental taxes, revenues to Alaska Marine Highway and Alaska Railroad, and corporate income taxes. Cruise lines alone paid $58 million in commercial passenger vessel fees, gambling taxes, Ocean Ranger Program fees, and Environmental Compliance Program fees.

Selected Revenues to Municipal and State Governments
October 2008-September 2009

	Revenues
Municipal Revenues	**$69.8 million**
Sales tax revenues	$28.9 million
Bed tax revenues	$23.5 million
Dockage/moorage revenues	$17.4 million
State of Alaska Revenues	**$138.8 million**
Commercial Passenger Vessel Tax	$46.4 million
Passenger Gambling Tax	$6.3 million
Ocean Ranger Program	$4.0 million
Commercial Passenger Vessel Environmental Compliance Program	$1.0 million
Non-resident fishing/hunting/trapping licenses and tags	$17.1 million
Alaska Marine Highway revenues	$17.6 million
Alaska Railroad revenues	$19.4 million
Vehicle rental tax	$5.6 million
Corporate income tax	$21.4 million
Total Selected Revenues	**$208.6 million**

Introduction and Methodology

Introduction

The most recent comprehensive assessment of the economic impact of Alaska's non-resident visitor industry was conducted in 1999 (by McDowell Group).[1] Since then, visitor volume has increased substantially, as has visitor spending and the number of visitor industry businesses, warranting re-assessment of the economic impact of one of Alaska's most important basic industries. Recent changes in Alaska's visitor industry added urgency to the need for an up-to-date economic impact measurement. The global economic recession in late 2008 and 2009 fundamentally affected Alaska visitor traffic and spending.

The Alaska Department of Commerce, Community, and Economic Development contracted with McDowell Group to measure the regional and statewide economic impact of Alaska's visitor industry in fall 2008 through summer 2009, including direct, indirect and induced effects. In addition to measuring visitor-related spending, employment, payroll and tax payments over a one-year period, the study provides objective, quantitative information on how recent events have affected Alaska's visitor industry.

Methodology

Visitor Volume

The last primary data collection on visitor volume was conducted (by McDowell Group) in 2006-07 as part of the *Alaska Visitor Statistics Program V* (AVSP). Visitor/resident ratios were collected at airports, onboard ferries, and at border stations as visitors exited Alaska. Since 2006-07, McDowell Group has estimated visitor volume by applying 2006-07 visitor/resident ratios, by month and location, to traffic statistics (ferry embarkations, highway exits, and airplane enplanements). Prior to this study being undertaken, this exercise was completed for the study periods (fall/winter 2008-09 and summer 2009). Sources for traffic data included: Cruise Line Agencies of Alaska, Alaska Marine Highway System, Yukon Department of Tourism and Culture, Alaska Airlines, and the Anchorage and Fairbanks airports.

Since the 2009 season was so different from previous years in terms of visitor volume, and because it has been three years since the original ratios were determined, the original summer 2009 visitor volume estimates were adjusted to more accurately reflect the latest visitor season.

In order to gather information on the 2009 season, and how it differed in terms of visitor volume and spending from previous seasons, a survey of visitor industry businesses was conducted in early 2010. A total of 172 businesses were interviewed by the study team. Specific businesses were targeted in order to obtain a representative cross-section of visitor businesses across business type and location, as well as businesses representing the largest amount of visitors (cruise lines, Alaska Railroad, Alaska Airlines, etc.). Most businesses

[1] The Office of Economic Development commissioned a Tourism Satellite Account in 2004 that measured the economic impact of all travel and tourism activity in the state; however, the data from that study is not comparable with this study or previous studies.

were selected from the mailing list of the Alaska Travel Industry Association. Other sources included the websites of Convention and Visitors Bureaus and *The Milepost* guidebook.

Businesses were asked about their visitor markets (cruise, air, highway/ferry), seasonality, and percentage increase or decrease from 2008 to 2009 in both visitor volume and gross sales, among other questions. Nearly all businesses contacted were willing to participate, and often offered additional perspectives on the 2009 season, and/or described factors affecting their particular business.

Additional sources considered in the volume adjustments included:

- Information provided by Alaska Airlines and Alaska Marine Highway on resident travel.
- Land tour passenger volume data provided by cruise lines.
- Bed tax revenues collected from the following municipalities and boroughs: Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, and Valdez. (Other communities either did not have a bed tax or were unable to provide 2009 data.)
- Vehicle rental tax revenues collected from the Municipality of Anchorage.
- Fishing and hunting license sales data from the Alaska Department of Fish and Game.
- Previous studies conducted by McDowell Group, including economic impact studies for the Juneau Convention and Visitors Bureau, Ketchikan Visitors Bureau, and the Alaska Cruise Association.
- Employment data from the Alaska Department of Labor and Workforce Development.

Fall/winter visitor volume was not adjusted, reflecting the flat traffic trends and little change reported in the business survey.

Visitor Spending

As with visitor volume, the last primary data collection on visitor spending was conducted for AVSP V in 2006-07. The survey of visitor businesses conducted for this study provided valuable data on how visitor spending changed in 2009 compared to previous seasons. Another important source of information was shore excursion sales data provided by cruise lines, showing changes in cruise passenger spending patterns over the last several years.

All of the sources cited above (bed tax revenues, vehicle rental tax revenues, and previous economic impact studies) were taken into consideration in determining the spending adjustments. Inflation was also accounted for, by economic sector, based on the Anchorage Consumer Price Index.

Additional Visitor Industry Spending

Additional visitor industry spending includes cruise line spending, crew member spending, and spending on air and ferry tickets to enter and exit Alaska.

- Cruise line spending was derived from expenditure and payroll data provided by cruise lines for a study of the 2007 season, prepared for Alaska Cruise Association (ACA granted permission to use this data for the current study). Spending was adjusted to account for inflation as well as the drop in land tour volume between 2007 and 2009. (Overall passenger volume was flat between the two years.)

- Crew member spending was based on previous surveys of crew members conducted by McDowell Group, modified to account for changes in crew member volume by port.

- Spending on air tickets was based on average Seattle-Alaska airfares, estimated volume by location, and an assumption that roughly half of spending on air tickets to enter and exit Alaska actually stays in Alaska.

- Spending on ferry tickets was based on reported spending in AVSP V, adjusted for inflation, and estimated visitor volume entering and exiting Alaska via ferry. All spending on ferry tickets was assumed to stay in Alaska.

Economic Impact Analysis

McDowell Group maintains an Excel-based visitor industry economic impact model for assessing the effects of visitor industry-related spending in Alaska. Estimates of direct visitor industry employment and payroll are derived from visitor industry spending estimates, and verified using employment and payroll data from the Alaska Department of Labor and Workforce Development and U.S. Bureau of Economic Analysis. The model incorporates IMPLAN multipliers to estimate indirect and induced impacts. IMPLAN is a predictive input-output model of local and state economies, and is widely used to measure the economic impact of industries and industrial/commercial development. Indirect effects include those jobs and income created as a result of visitor industry businesses purchasing goods and services in support of their business operations. Induced effects include jobs and income created as a result of employees of the visitor industry spending their payroll dollars in support of their households. Together, indirect and induced impacts are often termed "multiplier effects."

Visitor Industry Tax Revenues

The report includes estimates of tax revenues to municipalities and state government from out-of-state visitors, to the extent possible.

Regional sales tax revenue estimates were calculated based on visitor industry spending and visitor volume at the community and regional level. Bed tax revenues were based on data from the business survey (where accommodations reported the percentage of their business from out-of-state visitors) as well as previous visitor volume and survey research. For both bed and sales tax estimates, tax rates and total taxes collected by community (from the *Alaska Taxable* report, 2009) were taken into account in the analysis. Total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009. Cruise ship dockage/moorage revenues were collected from municipalities.

Cruise line payments to the State of Alaska were reported by the Departments of Revenue and Environmental Conservation. Fishing and hunting licenses and tag revenues were reported by the Department of Fish and

Game. Vehicle rental taxes were reported by the Department of Revenue, adjusted to account for out-of-state visitors (using business survey results). The Department of Revenue also reported corporate income taxes associated with the visitor industry. An Alaska Railroad official reported passenger-related revenues and the percentage attributable to out-of-state visitors.

Visitor Volume, Summer 2009

An estimated 1.58 million out-of-state visitors came to Alaska between May and September, 2009. Over half of these visitors (53 percent) exited the state via cruise ship; 43 percent exited via air; 3 percent exited via highway; and 1 percent exited via ferry.

Because some cruise ship visitors exit the state by air after completing their cruise, it is also useful to consider volume in terms of cruise and non-cruise visitors. As the chart below shows, 65 percent of all summer visitors spent at least one night on a cruise ship while in Alaska.

Chart 1
Alaska Visitor Volume, Summer 2009
By Exit Mode

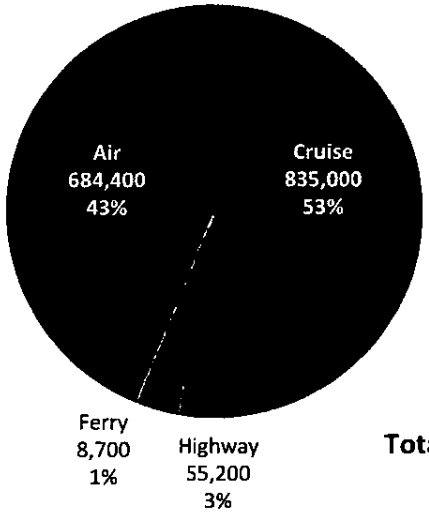
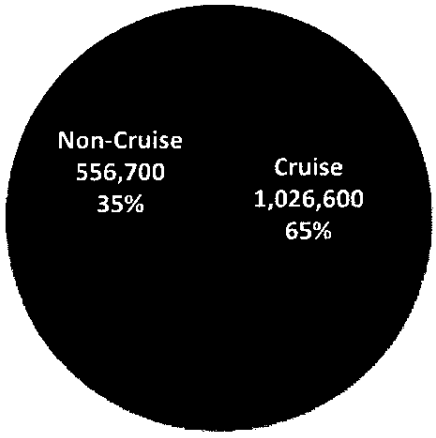


Chart 2
Cruise Market Share, Summer 2009



Total Visitors: 1.58 million

Visitor Volume Decline, 2008 to 2009

Visitation to Alaska dropped an estimated 7.3 percent between summer 2008 and 2009. While cruise passenger volume remained essentially the same, air visitor traffic decreased by 15 percent (from 800,600 to 684,400). Highway exits were down by 8 percent, while ferry exits decreased by 16 percent. (See table, next page.)

The visitor volume figures for air, ferry, and highway are based on visitor/resident ratios collected in summer 2006.[2] Additional information was taken into account to adjust the 2006 ratios, including: a survey of 172 visitor businesses on their 2009 season; reports from air carriers and the Alaska Marine Highway on resident travel; reports from cruise lines on in-state travel; and changes in bed tax revenues reported by municipalities.

[2] Because cruise passengers are assumed to be 100 percent visitors, and cruise passenger data is more measurable, there is less uncertainty in the cruise volume figures.

The overall decline of 7.3 percent may appear low in light of the larger decreases felt by many businesses in the state. It is important to keep several factors in mind when considering the overall decrease:

- Total cruise passenger traffic was flat; because cruise visitors represent two-thirds of overall visitation, this moderated the significant declines in the other modes.
- While total cruise passenger volume to Alaska did not change, there was a significant decrease in the number of passengers who purchased land tours, translating to less in-state travel, particularly to Fairbanks and Denali. These decreases are not reflected in total traffic volume.
- Because visitors were reportedly spending less money while in Alaska, their impact in terms of dollars spent was more dramatic than their decrease in volume.

Please see the chapter in this report on "Recent Changes" for a more detailed discussion on the summer 2009 visitor season, along with survey data and other indicators.

Table 1
Visitor Volume, by Exit Mode, Summers 2008 and 2009

Exit Mode	2008	2009	% change
Air	800,600	684,400	-14.5%
Cruise ship[1]	836,500	835,000	-0.2%
Highway	59,900	55,200	-7.8%
Ferry	10,400	8,700	-16.3%
Total	**1,707,400**	**1,583,300**	**-7.3%**

[1] The total number of cruise ship visitors to Alaska in Summer 2009 was 1,026,600, including passengers exiting Alaska by air after completing their cruise.

Visitor Volume, Fall/Winter 2008-09

An estimated 242,500 out-of-state visitors came to Alaska between October 2008 and April 2009. Nearly all of these visitors (95 percent) exited the state via airplane, while 5 percent exited via highway or ferry. Fall/winter 2008-09 saw a slight (2.0 percent) decrease in visitor volume from fall/winter 2007-08. Air visitor exits were down by 1.9 percent, and highway visitor exits were down by 4.0 percent. While ferry volume increased, it had little impact on overall volume, as ferry exits represent less than 1 percent of all fall/winter visitors.

(These estimates are unchanged from the previously published report on fall/winter visitor volume 2008-09. The survey of visitor businesses revealed no significant changes in visitation between 2007-08 and 2008-09. Please see the chapter on "Recent Changes" for more detailed survey results.)

Table 2
Visitor Volume, by Exit Mode, Fall/Winter 2008-09

Exit Mode	Number of Visitors
Air	231,300
Highway	9,700
Ferry	1,500
Total	**242,500**

Visitor Industry Spending

The spending figures presented below are based on survey data from the 2006-07 *Alaska Visitor Statistics Program V*, conducted by McDowell Group for the Alaska Department of Commerce, Community, and Economic Development. To update these spending figures to 2008-09, the study team took into account changes in the visitor market since 2006-07 in terms of visitor volume, visitor type, and spending behavior. Information sources for estimating the effects of these changes included:

- Survey of 172 visitor businesses on changes in their business in terms of both volume and sales from previous seasons. (For detailed survey results, please see the chapter on "Recent Changes.")
- Traffic data including air passenger data from airports and Alaska Airlines; ferry passenger data from the Alaska Marine Highway; cruise passenger data from Cruise Line Agencies of Alaska; and highway border traffic from the Yukon Department of Tourism and Culture and U.S. Customs.
- Data on cruise passenger spending on shore excursions provided by cruise lines.
- Land tour passenger volume data provided by cruise lines.
- Bed tax revenues collected from the following municipalities and boroughs: Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, and Valdez. (Other communities either did not have a bed tax or were unable to provide 2009 data.)
- Vehicle rental tax revenues collected from the Municipality of Anchorage.
- Inflation factors, by economic sector, based on the Anchorage Consumer Price Index.
- Employment data from the Alaska Department of Labor and Workforce Development.

Visitor Spending, Summer 2009

Out-of-state visitors to Alaska spent an estimated $1.31 billion in Alaska between May and September 2009. This figure includes instate spending only, excluding the cost of transportation to and from the state, such as air tickets, cruise or cruise/tour packages, and ferry tickets.

While cruise visitor spending on cruises and cruise/tour packages is excluded in this figure, cruise line spending in Alaska is accounted for in the economic impact analysis, and is addressed further, below. This spending includes payments to hotels, motorcoach companies, the Alaska Railroad, and other components of land tours that are included in the cruise package price.

For the purposes of this study, tour commissions were extracted from passenger spending data because they accrue directly to travel agents, tour operators, and cruise lines at the time of the sale.

Spending by Region

In the 2006 AVSP survey, respondents were asked to estimate how much they spent in each community they visited. This spending was updated to reflect 2009 visitation by region and changes in spending behavior, among other factors. The chart below shows how summer visitor spending is distributed throughout the state. Southeast and Southcentral account for the bulk of visitor spending at 39 percent each, followed by the Interior at 15 percent, Southwest at 6 percent, and Far North at 1 percent.

Spending by Sector

In the 2006 AVSP survey, respondents were asked to estimate how much they spent by spending category (lodging, tours/activities/entertainment, gifts/souvenirs/clothing, food/beverage, cars/fuel/ transportation, and other). Spending estimates were updated to reflect changes in visitor volume and spending behavior in 2009. Total spending by sector is presented in the chart below.

Visitor spending is widely distributed, with no one category accounting for more than one-quarter of spending. The largest sectors were gifts/souvenirs/clothing at 23 percent, tours/activities/entertainment at 21 percent, and lodging at 17 percent. Readers are reminded that all tour commissions have been excluded from the tours/activities category. The "other" category is primarily spending on lodge packages within one community.

Chart 3
Visitor Spending, Summer 2009, by Region

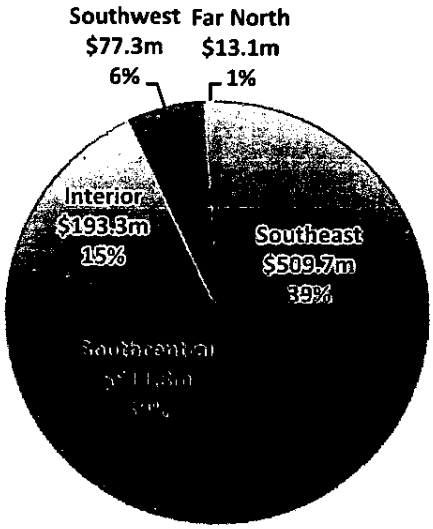
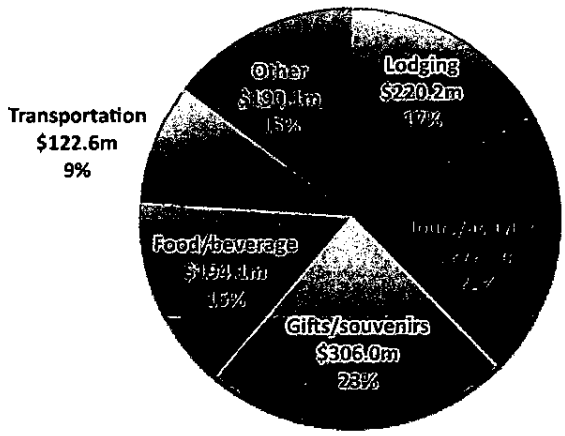


Chart 4
Visitor Spending, Summer 2009, by Sector



Total Summer Visitor Spending: $1.3 Billion

Visitor Spending, Fall/Winter 2008-09

Out-of-state visitors spent an estimated $197 million in Alaska between October 2008 and April 2009. This figure excludes spending on air and ferry travel to enter and exit the state. Like the summer spending figures, the basis for the fall/winter spending estimates is survey results from 2006-07. However, fewer adjustments were necessary to update these figures: volume only dropped by 2 percent between 2007-08 and 2008-09 (3 percent since 2006-07), in contrast to summer traffic. The data was updated to reflect a small decrease reported in the business survey and corroborated in other data such as bed and vehicle tax revenues. It was also adjusted to reflect the effects of inflation, by sector.

Spending by Region

In contrast to summer season spending, fall/winter visitor spending is much more focused in the Southcentral region, which accounts for two-thirds of all fall/winter spending. This reflects the much higher visitor traffic to the Southcentral region, nearly all of it to Anchorage. One-fifth of spending occurs in the Interior region, while Southeast, Southwest, and Far North each account for less than 10 percent of fall/winter spending.

Spending by Sector

Fall/winter visitor spending is more focused in the lodging and food/beverage categories when compared to the summer season, when gifts/souvenirs and tours/activities are the top two spending categories. This different spending pattern reflects the very different make-up of the fall/winter market: few visitors are shopping for vacation/pleasure purposes, and instead are much more likely to be traveling for business or to visit friends or relatives. They are therefore much less likely to participate in tours or purchase souvenirs.

Chart 5
Visitor Spending, Fall/Winter 2008-09
By Region

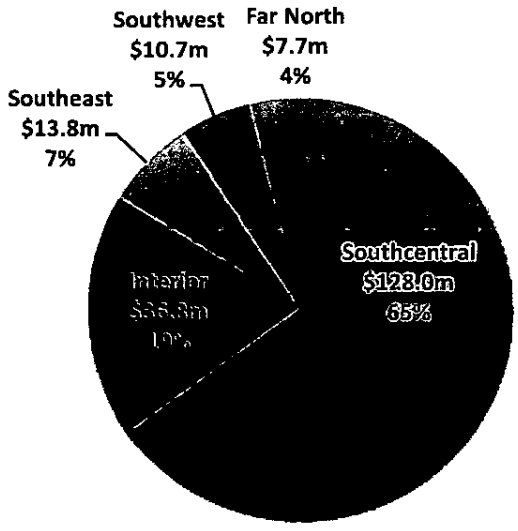
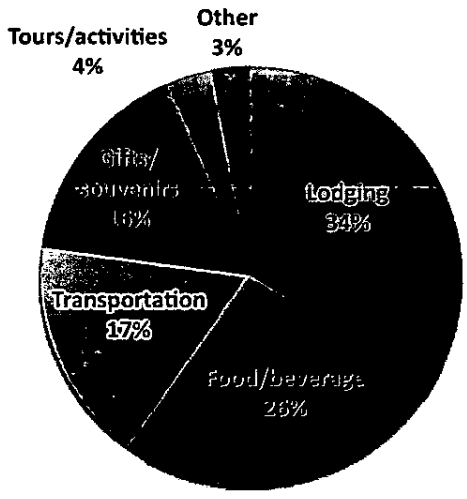


Chart 6
Visitor Spending, Fall/Winter 2008-09
By Sector



Total Fall/Winter Visitor Spending: $197 Million

Additional Visitor Industry Spending

Cruise Line Spending and Payroll

Cruise lines and their subsidiaries spent approximately $250 million on goods and services from Alaska businesses during the 2008-09 study period. This estimate is derived from detailed 2007 purchasing information provided by six major cruise lines for a report conducted by McDowell Group on cruise industry impacts for the Alaska Cruise Association. (Permission was granted by ACA to use the cruise line data for the purposes of this study.) The data was sorted to eliminate spending outside of Alaska, as well as payments to tour vendors accounted for under passenger spending.

To develop an estimate of 2009 cruise line spending, the 2007 spending data was adjusted to account for differences in the cruise market between 2007 and 2009, including a drop in land tour participation. (Total passenger volume was essentially the same between the two years.) The 2007 data was also adjusted to account for the effects of inflation.

One-third of all cruise line spending accrues to government in the form of taxes and fees. Transportation spending accounts for over one-fifth of all cruise line spending, while the accommodations sector receives 17 percent of all spending.

In addition to spending in Alaska on goods and services, cruise lines also paid their Alaska employees a total of approximately $62 million in payroll and benefits. Cruise lines directly employed approximately 1,800 workers in Alaska in 2009, including motorcoach drivers, hotel employees, and other shoreside personnel. This does not include any shipboard personnel.

Crew Spending

Approximately 25,000 crew members visited Alaska in 2009, each crew member generally sailing on 10 to 20 individual voyages, visiting multiple communities on each voyage. Crew members make a wide variety of purchases while in port: they visit restaurants and bars; they purchase communication-related items such as phone cards, Internet, and postage; and they visit retail outlets such as Fred Meyers, Costco, and Wal-Mart. Spending data for crew is primarily based on surveys of crew members previously conducted by McDowell Group, updated to reflect 2009 crew member visitation.

Table 3
Crew Member Spending, By Region, Summer 2009

	Total Spending
Southeast	$16.1 million
Southcentral	$0.3 million
Total	**$16.4 million**

Visitor Spending on Air and Ferry Travel

Air Travel

Although visitors did not report their spending on airplane tickets to enter and exit the state in the 2006-07 AVSP, a rough estimate is necessary to complete the picture of visitor spending in 2008-09. Visitor spending

on air travel impacts the state's economy in the form of landing fees, fuel purchases, airline employee wages, and other purchases in support of airline operations.

To estimate visitor spending on air travel, the estimated number of air visitors was multiplied by average Seattle-Alaska round-trip fares, for both summer ($600) and fall/winter ($500). One-half of the total ticket spending was assumed to stay in-state. Spending was distributed by region based on exiting air traffic. This methodology is inexact: passengers fly to and from various destinations with various pricing, and many passengers fly to or from points other than Seattle. In the absence of more specific data, this provides a reasonable and conservative estimate of impacts from visitor spending on airfare in and out of the state. (See table, below.)

Ferry Travel

Similar to airplane tickets, spending on ferry tickets to enter and exit Alaska are not included in the initial visitor spending estimates because the expenditures are not "out-of-pocket." To estimate this spending, the total number of visitors estimated to have entered or entered Alaska by ferry from fall 2008 through summer 2009 was multiplied by the average spending on ferry tickets reported in AVSP, with adjustments for inflation. This results in a total spending estimate of $11.4 million. This does not include spending on in-state ferry travel by visitors, which is captured elsewhere in the expenditure data. For the purposes of economic impact analysis, all ferry spending is attributed to Southeast because all ferries entering and exiting Alaska sail between Southeast ports and Bellingham or Prince Rupert (though visitors sailing to Southcentral and Southwest ports clearly have economic benefit to those regions).

Table 4
Visitor Spending on Air and Ferry Travel to Enter/Exit Alaska
October 2008-September 2009

	Air Travel	Ferry Travel
Southcentral	$209.0 million	n/a
Southeast	$25.5 million	$11.4 million
Interior	$36.3 million	n/a
Total	**$270.8 million**	**$11.4 million**

Full Year Visitor Industry Spending

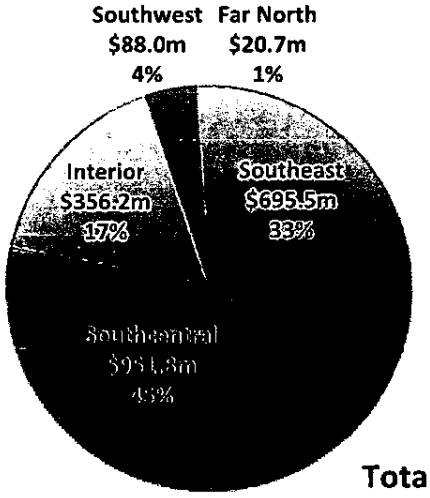
The table below shows full year (October 2008 through September 2009) visitor industry spending, combining the spending by visitors, cruise lines, and crew members, along with spending on air and ferry tickets to enter/exit Alaska. The total figure of $2.1 billion is primarily focused on visitor spending, which accounts for 71 percent of total spending.

Table 5
Visitor Industry Spending, October 2008-September 2009

	Expenditures
Visitor spending	$1,502.2 million
Cruise line spending	$250.0 million
Cruise line payroll spending	$62.0 million
Crew member spending	$16.4 million
Air tickets	$270.8 million
Ferry tickets	$11.4 million
Total spending	**$2.1 billion**

The chart below shows how visitor industry spending is distributed by region. Regionally, Southcentral captures the largest share at 45 percent, followed by Southeast at 33 percent, Interior at 17 percent, Southwest at 4 percent, and Far North at 1 percent.

Chart 7
Visitor Industry Spending, October 2008-September 2009, By Region



Total Spending: $2.1 Billion

Economic Impact Analysis

Spending in Alaska by visitors and visitor industry businesses creates jobs, income, and business activity throughout the Alaska economy. Visitor spending creates jobs and payroll with tour companies, hotels and lodges, retail establishments, transportation providers, and a range of other business. Visitor industry businesses and their employees in turn re-spend a portion of that money with other Alaska businesses (some is spent outside Alaska).

For most industries in Alaska, it is possible to rely on government agencies to routinely report employment and payroll. However, because visitor activity directly affects a blend of numerous other industries (retail, transportation, services, and others) there are no regularly published data on visitor industry employment and payroll, either in Alaska or elsewhere in the U.S. Tourism "satellite accounts" have been developed for the purpose of isolating and measuring tourism economic activity; however, these efforts still fail to provide a true measure on tourism activity in Alaska because resident travel is included in the analysis. Therefore, for a pure analysis of the economic impact of non-resident visitor travel to Alaska, custom research and modeling is required. McDowell Group maintains an Excel-based visitor industry economic impact model for assessing the effects of visitor industry-related spending in Alaska.

All impact analysis refers to the October 2008 through September 2009 study period, abbreviated to "2009."

Direct Employment and Labor Income Effects

The visitor industry's direct economic impacts include the jobs and income created by:

- Non-resident visitor spending on all goods and services purchased while in Alaska.
- Half of visitor spending on air travel to Alaska (based on fares for travel from Seattle to Alaska destinations) and all visitor spending on Alaska Marine Highway tickets. None of the expenditures made by cruise passengers on their cruise package is included, though some of that money flows through the state in the form of cruise line purchases of goods and services.
- Spending in Alaska by cruise lines in support of their operations, including payroll for their shoreside employees in Alaska and all taxes and fees paid to state and local governments.
- Spending by cruise ship crew while in Alaska.

As described in the previous chapter, all these components of direct visitor industry spending totaled approximately $2.1 billion in the 12-month study period. This spending directly generated 27,100 full- and part-time jobs in Alaska, and $800 million in labor income, based on McDowell Group's economic impact modeling. Approximately half (46 percent) of direct visitor industry employment is in the Southcentral region, and approximately one-third (31 percent) is in Southeast.

Table 6
Visitor Industry Employment and Labor Income in Alaska, 2009
(direct effects only)

	Employment	Labor Income
Southcentral	12,600	$349 million
Interior	4,900	154 million
Southeast	8,300	256 million
Southwest	1,100	30 million
Far North	200	8 million
Total	**27,100**	**$797 million**

These employment and labor income estimates do not include multiplier effects, i.e., those jobs and income created in Alaska as the visitor dollar is re-spent by visitor industry businesses and their employees. In fact, modeling indicates that this secondary spending totaled approximately $1.3 billion. That amount, added to the initial direct spending of $2.1 billion, indicates total direct, indirect and induced spending of approximately $3.4 billion in 2009. The statewide employment and income effects of $1.3 billion in secondary spending are estimated at 9,100 jobs and $346 million in labor income. Regional direct and indirect employment and labor income totals are presented in the following tables.

Table 7
Direct, Indirect, and Total Visitor Industry Employment in Alaska, 2009

	Direct	Indirect	Total
Southcentral	12,600	5,000	17,600
Interior	4,900	1,300	6,200
Southeast	8,300	2,300	10,600
Southwest	1,100	400	1,500
Far North	200	100	300
Total	**27,100**	**9,100**	**36,200**

Table 8
Direct, Indirect, and Total Visitor Industry Labor Income in Alaska, 2009

	Direct	Indirect	Total
Southcentral	$349 million	$165 million	$514 million
Interior	154 million	51 million	205 million
Southeast	256 million	117 million	373 million
Southwest	30 million	11 million	41 million
Far North	8 million	2 million	10 million
Total	**$797 million**	**$346 million**	**$1,143 million**

In summary, Alaska's visitor industry accounted for a total of 36,200 jobs in 2009, and over $1.1 billion in labor income, including all direct, indirect and induced effects. It should be noted that this estimate of visitor industry-related employment is a tally of the total number of full and part-time jobs linked to non-resident visitor travel to Alaska in 2009. This tally includes annual average wage and salary employment, and total proprietors' employment (the total number of sole proprietorships or partnerships active at any time during the year). Though non-resident travel to Alaska occurs year-round, the visitor industry is strongly seasonal, with the vast majority of visitation occurring between May and September. Because of the seasonal nature of

the industry, estimates of annual average employment understate the total number of people directly employed in the industry during the peak of the travel season. In the accommodations sector, for example, wage and salary employment averaged about 7,700 jobs in 2009. Peak employment that year, in July, totaled 11,000 jobs. Alaska's "scenic & sightseeing transportation" sector is even more seasonal, with annual average employment of about 1,800 and peak employment of about 3,800, according to Alaska Department of Labor and Workforce Development data. Therefore, while this study measured 36,200 full and part-time jobs related to Alaska's visitor industry, the total number of workers whose jobs are directly or indirectly connected to the industry was over 40,000 in 2009.

Table 9
Total Visitor Industry Employment, Labor Income, and Spending in Alaska, 2009
(including direct, indirect, and induced effects)

	Employment	Labor Income	Spending
Southcentral	17,600	$514 million	$1,751 million
Interior	6,200	205 million	519 million
Southeast	10,600	373 million	1,004 million
Southwest	1,500	41 million	115 million
Far North	300	10 million	25 million
Total	**36,200**	**$1.1 billion**	**$3.4 billion**

Importance in Regional and Statewide Economies

Proportionately, visitor industry employment is most important in Southeast Alaska. Visitor industry-related employment of approximately 10,600 represented 21 percent of the region's 50,000 full and part-time jobs. Total visitor industry-related labor income of $373 million was 17 percent of total Southeast region labor income of approximately $2.2 billion.[3] In the Interior region the visitor industry accounted for about 9 percent of employment (out of a regional total of 65,500 jobs) and 6 percent of labor income (out of a regional total of $3.4 billion).

Total Southcentral employment of 17,600, represented approximately 7 percent of total employment in the region (about 263,000 full and part-time jobs) and 4 percent of total labor income (approximately $13.7 billion).

Statewide, visitor industry-related employment of 36,200 accounted for 8 percent of all employment. Total statewide visitor industry-related labor income of $1.1 billion represented 5 percent of all labor income in Alaska.[4]

Employment and Labor Income by Sector

Jobs created as a direct result of visitor spending are concentrated in five sectors of Alaska's economy. Visitor spending directly accounted for 4,200 accommodations jobs in 2009, 3,500 jobs with firms providing tours and other visitor activities, and 4,500 retail jobs. Visitor spending also directly generated 4,400 jobs with

[3] Based on Bureau of Economic Analysis employment and labor income data for the Southeast region in 2007.
[4] Based on BEA employment and labor income data for the Alaska in 2008.

restaurants/bars and 2,700 jobs with transportation providers. Another 2,600 jobs were scattered among a number of other sectors of the Alaska economy, as a direct result of visitor spending.

Spending by cruise lines was also broadly distributed throughout the Alaska economy, creating jobs in the same sectors as those affected by visitor spending, plus jobs in professional and business services, wholesale businesses, and construction, among others, and in the government sector as a result of tax payments to state and local governments.

Indirect and induced jobs linked with the visitor industry are the most broadly distributed throughout the Alaska economy and includes all of the sectors that provide goods and services to Alaska businesses and households – virtually the entire service and support sector.

Table 10
Visitor Industry Employment and Labor Income, with Sector Detail, 2009

	Employment	Labor Income
Direct jobs from visitor spending		
Accommodations	4,200	$101 million
Tours & Activities	3,500	140 million
Retail	4,500	102 million
Food/Drink Services	4,400	91 million
Transportation	2,700	116 million
Other	2,600	70 million
Total	**21,900**	**$620 million**
All other direct jobs	**5,200**	**$177 million**
All indirect and induced jobs	**9,100**	**$346 million**
Total visitor industry-related employment and labor income	**36,200**	**$1.1 billion**

Alaska's Visitor Industry: Recent Changes and Future Outlook

Decline in Visitor Industry, 2008 to 2009

As described in the Visitor Volume chapter of this report, Alaska's out-of-state visitor market declined considerably (by an estimated 7 percent) in summer 2009 when compared to summer 2008. In fact, the visitor market has not seen this significant a decline since McDowell Group began tracking visitor volume in 1985. While the cruise market was basically flat, the air market dropped an estimated 15 percent; the ferry market 16 percent; and the highway market 8 percent. In addition, the cruise passengers that did visit Alaska were less likely to travel within the state, making the declines in the Southcentral and Interior regions more dramatic. Following is a more detailed description of the 2008-09 visitor season, and how it differed from previous years.

Business Survey Results

A major source for this study was a survey of 172 visitor industry businesses, specifically targeted in order to obtain a representative cross-section of visitor businesses across business type and location, as well as businesses representing the largest amount of visitors (cruise lines, Alaska Railroad, Alaska Airlines, etc.). Businesses were asked about their visitor markets (cruise, air, highway/ferry), seasonality, and percentage increase or decrease in 2008-09 in both visitor volume and gross sales, among other questions.

Results from the survey should be viewed in light of the fact that responses are not weighted by size or type of business. It should also be noted that the survey sample included only a few Southeast tour operators catering exclusively to cruise ship passengers, because the study team had access to shore excursion sales data provided by cruise lines. This data was taken into consideration along with survey data when making adjustments to passenger spending data.

Table 11
Visitor Business Survey Sample Definition

	% of Total
Location	
Southcentral	39%
Southeast	24
Interior	18
Statewide	8
Southwest	6
Far North	5
Business Type	
Accommodations	32%
Activities and attractions	25
Retail	20
Transportation	10
Dining	6
Package tours	6
Average # of years in business	25 years
Average # of employees	35 employees

Change in Gross Sales and Visitor Volume, Summer 2008 to Summer 2009

Two-thirds of businesses surveyed said their volume and their sales decreased in summer 2009 compared to 2008. One in ten saw an increase, and about the same said there was no change year-to-year.

Businesses that saw an increase, as well as those that saw a less-than-average decrease, often explained their results. They were a growing business, for example, or they anticipated the decline by offering lower rates or special promotions. Respondents also commented that visitors were buying lower-priced tours and lodging – if a business was in the right price range, they may have had a better year than those in the higher price range.

Retail businesses were asked a follow-up question: whether per-visitor spending changed (as opposed to overall gross sales). In response, 6 percent said that per-visitor spending increased, 58 percent said decreased, 26 percent said it stayed the same, and 10 percent didn't know. These results correspond with comments that visitors were buying lower-price retail items (as well as lower-price tours and lodging).

Table 12
Changes in Sales and Visitor Volume, Summer 2008 to Summer 2009

	% of Total
Change in number of visitors served	
Increase	11%
Decrease	67
No change	7
Don't know	14
Average % change	**14% decrease**
Change in gross sales	
Increase	9%
Decrease	65
No change	10
Don't know	16
Average % change	**16% decrease**

Change in Gross Sales and Visitor Volume, Fall/Winter 2007-08 to Fall/Winter 2008-09

Businesses who reported operating in the fall/winter were asked about their last fall/winter season (October 2008-April 2009) compared to the previous season (October 2007-April 2008).

There was much less change reported in the fall/winter season compared to the summer season – not surprising, considering that fall/winter visitors tend to be traveling to visit friends and relatives or for business, and these markets were not as affected by the economic crisis. In addition, traffic data reflected only a 2 percent decrease in visitation between the two periods.

A little less than one-quarter reported an increase in visitors, a little more than one-quarter reported a decrease, but the most popular answer was "no change." There were a few more reports of decreases in terms of sales, probably reflecting lower prices. The reports of lower sales were reinforced by bed tax and vehicle rental tax declines.

Table 13
Changes in Sales and Visitor Volume, Fall/Winter 2007-08 to Fall/Winter 2008-09

	% of Total
Change in number of visitors served	
Increase	23%
Decrease	28
No change	41
Don't know	8
Average % change	**1% decrease**
Change in gross sales	
Increase	20%
Decrease	31
No change	42
Don't know	7
Average % change	**8% decrease**

Summary of Business Survey Comments

Additional comments were offered by respondents on their 2009 season, summarized below.

- Although cruise lines filled their ships, it required heavily discounting prices. According to some contacts, this led to passengers with lower incomes and higher price sensitivity.
- Although a couple of contacts reported a decrease in international visitors, most of those who commented on this market said they held steady or increased. Several noted increases in the European and Japanese markets.
- The group tour and incentive markets were reported to be down.
- The excellent weather experienced statewide in 2009 not only tempted more visitors to purchase outdoor tours, it allowed for fewer flightseeing cancellations.
- Businesses selling all-inclusive package tours that included a cruise component were especially hard hit because they were competing heavily with cruise lines, which were offering unprecedented prices.
- Businesses selling add-on packages to cruise passengers (such as two-day tours to Nome) were also affected. One contact pointed out that with cruise packages priced so low, it became hard for visitors to justify paying as much or more for add-on packages as they had paid for their cruise.
- The sportfishing market reported heavy losses in both the charter and lodge sectors. Owners cited new sportfishing regulations as a factor in the downturn, in addition to the economic recession.
- A few contacts reported more travel by Canadians.
- There were several comments on the in-state market, that Alaskans were traveling in-state as much or more than before. (This report measures impacts from out-of-state visitors only.)

- Retail vendors commented on how sales have fluctuated over the last several years. For many, the trend towards lower-priced items began in 2008 and continued in 2009.

Additional Visitor Industry Indicators

The table below presents additional indicators that help describe the 2009 season. They tend to reinforce what was reported in the survey, and were taken into account in the adjustments made to spending and volume for the 2009 season.

- Domestic air passenger traffic exiting Alaska was down in every market, ranging from 7 percent in Fairbanks to 20 percent in Sitka, for a total decline of 10 percent. While resident travel is included in these figures, resident air travel was reported to have held fairly steady in summer 2009. International air traffic was likewise down, by 8 percent.

- Cruise passenger traffic was down only 1 percent between 2008 and 2009; however, as reported previously, cruise passengers were traveling less within the state. Based on information provided by cruise lines on 2008-to-2009 shifts in the land tour market (passengers that purchase overnight tours, generally to Denali and Fairbanks, in addition to their cruise), it is estimated that land tour volume dropped 13 percent between 2008 and 2009.

- Some of the more striking declines can be seen in bed tax revenues, with declines ranging from 14 percent in Denali to 30 percent in Sitka. The increase in Valdez' bed tax revenues likely reflects their relative dependence on the in-state market. (In viewing these figures, it is important to keep in mind that these declines reflect decreases in prices as well as room nights.)

- Anchorage showed a 23 percent decrease in vehicle rental tax revenues, and a 26 percent in RV rental tax revenues. As with bed tax revenues, these figures likely reflect decreases in prices as well as rentals.

- Department of Fish and Game license sales show a 16 percent decline in non-resident fishing license sales between 2008 and 2009, reinforcing reports from lodge and charter operators. While hunting licenses were down only 2 percent, big game tags were down 18 percent.

- While sales tax revenues are not direct indicators of visitor spending as they reflect both resident and non-resident spending, it is interesting to note that sales tax revenues were down 16 percent in Sitka, 12 percent in Juneau, and 9 percent in Skagway. The Skagway figure is particularly indicative of the visitor market, as visitor spending represents the vast majority of spending on goods and services in Skagway during the 2nd and 3rd quarters.

Table 14
Summer 2009 Visitor Industry Indicators

	Change 2008 to 2009
Domestic airplane passengers exiting Alaska, May-September	
Anchorage	-10%
Fairbanks	-7%
Juneau	-15%
Ketchikan	-12%
Sitka	-20%
Other	-6%
Total	**-10%**
International airplane passengers exiting Alaska, May-September	
Anchorage	-9%
Fairbanks	-8%
Total	**-8%**
Cruise passenger traffic	
Total passenger volume	-1%
Land tour volume	-13%
Out-of-state ferry passenger volume	
Total	-16%
Bed Tax Revenues, April-September	
Anchorage	-22%
Fairbanks	-18%
Denali	-14%
Juneau	-28%
Mat-Su	-10%
Sitka	-30%
Valdez	+7%
Vehicle Rental Tax Revenues, April-September	
Anchorage car rental	-23%
Anchorage RV rental	-26%
Department of Fish and Game License Sales (calendar years 2008 and 2009)	
Nonresident sport fishing licenses	-16%
Nonresident King Salmon tags	-18%
Nonresident hunting licenses	-2%
Nonresident big game tags	-18%
Sales Tax Revenues, April-September	
Juneau	-12%
Skagway	-9%
Sitka	-16%

Sources: Alaska Airlines, Ted Stevens Anchorage International Airport, Fairbanks International Airport, Cruise Line Agencies of Alaska, cruise lines, Alaska Marine Highway, Alaska Department of Fish and Game, and the municipalities/boroughs of Anchorage, Fairbanks, Denali, Juneau, Mat-Su, Sitka, Valdez, Skagway, and Sitka.

Economic Impact of 2009 Decline

While within the scope of this project it is not possible to measure precisely the economic impact of the decline in visitor spending in 2009, available data provides an indication of the significance of the decline. Alaska Department of Labor and Workforce Development employment data indicates that statewide annual average employment in the accommodations sector (hotels, lodges and B&Bs) was down by 600 jobs in 2009. Accommodations employment in July 2009, at the peak of the visitor season, was 1,100 jobs below the July 2008 level. Other visitor-affected sectors of the Alaska economy also experienced employment declines in 2009, as illustrated in the following table. Not all of the job loss in these sectors can be attributed to a decline in visitor spending; Alaska residents account for a significant portion of spending in these sectors. Nevertheless, it is clear from the long list of declining visitor industry indicators (reported above) that lower visitor spending was a key contributing factor.

Table 15
Annual Average and Peak Month Employment Declines in Visitor-Affected Sectors, 2009 versus 2008

	Annual Average Change, 2008 to 2009	Change, July 2008 to July 2009
Retail	-600	-500
Air transportation	-300	-500
Accommodations	-600	-1,100
Food and drink	-400	-1,200

Source: Alaska Department of Labor and Workforce Development.

Detailed sector employment data for the third quarter of 2009 further illustrates job losses during the peak of the visitor season. In these selected visitor-affected categories, statewide employment during the third quarter of 2009 was about 2,300 jobs below the third quarter of 2008, a decline of about 7 percent. Payroll was down $14 million for the quarter, a decline of 6 percent. Two sectors that are most heavily affected by non-resident visitor travel, scenic/sightseeing transportation and tour companies, saw employment declines of 9 percent and 25 percent, respectively.

Table 16
Changes in 3rd Quarter Employment in Selected Visitor-Affected Sectors, 2008 to 2009

	3rd Qtr 09 Employment	Change from 3rd Qtr 08	Percent Change	Total Change in Payroll	Percent Change
Jewelry stores	598	-17	-3%	-$507,708	-10%
Gift, novelty, and souvenir stores	1,276	-65	-5%	-566,046	-9%
Nonscheduled air transportation	1,718	-140	-8%	-224,008	-1%
Scenic and sightseeing transportation	3,106	-310	-9%	-3,161,303	-11%
Support activities for transportation	2,848	-243	-8%	-1,386,541	-4%
Passenger car rental	425	-27	-6%	-84,549	-3%
Tour operators	674	-224	-25%	-974,955	-15%
Amusements and recreation	4,333	-112	-3%	-1,084,540	-6%
Traveler accommodation	8,885	-665	-7%	-4,672,572	-8%
Full-service restaurants	8,455	-465	-5%	-1,541,174	-4%
Total All Categories	**32,318**	**-2,268**	**-7%**	**-$14,203,396**	**-6%**

Source: Alaska Department of Labor and Workforce Development.

Based on the modeling conducted for this study, total visitor spending in Alaska declined by approximately $270 million between 2007-08 and 2008-09, a 15 percent drop. A 15 percent drop in visitor spending could translate in to loss of 5,000 direct and indirect jobs if it were to persist for several years. In the near term, however, the direct employment loss during the summer of 2009 was significantly less than that amount.

In 2009, on average, $82,000 in visitor spending created one direct job. At that rate, a spending decline of $270 million would suggest a loss of approximately 3,300 jobs. However, employers are often more inclined (at least initially) to reduce non-personnel costs and/or earn reduced profits before resorting to job cuts. As such it is likely that statewide the decline in visitor spending resulted in the loss of perhaps 2,000 to 2,500 mostly seasonal jobs.

Industry Outlook

One aspect of the 2010 visitor market that is currently measurable is a forecasted decline in cruise passenger capacity. Overall, capacity is expected to be down 14 percent from 2009, based on several changes. The following ships will be re-deployed to other markets: 1,270-passenger Ryndam (Holland America Line), 2,600-passenger Star Princess (Princess Cruises), 2,002-passenger Norwegian Sun (Norwegian Cruise Line), 2,100-passenger Serenade of the Seas (Royal Caribbean International), and 114-passenger Spirit of Oceanus (Cruise West). Holland America's Amsterdam will make 11 Alaska voyages (of 14 nights each) instead of 20 seven-night voyages. There have also been changes from cross-gulf to round trip itineraries for two ships (the 1,950-passenger Coral Princess and the 2,124-passenger Carnival Spirit), which eliminates the option for passengers to travel additionally in-state (either independently or on land tour packages).

Different ports will feel the drop to different degrees, as seen in the following table.

Table 17
Anticipated Changes in Cruise Passenger Volume, 2009 to 2010

	% Change
Juneau	-14%
Ketchikan	-12
Skagway	-12
Sitka	-36
Whittier	-40
Seward	-16
Icy Strait Point	-11
Haines	-26
Statewide	**-14%**

Source: Cruise Line Agencies of Alaska.

A decline in cruise passenger travel to Alaska of approximately 14 percent (140,000 passengers overall) in 2010 could reasonably be expected to result in a 14 percent decline in cruise passenger spending, compared to 2009. If a decline of 140,000 passengers is accompanied by a proportional decline in spending, $90 million in direct spending would be lost, and as much as $150 million in total direct and indirect spending. This spending decline, plus the decline experienced in 2009, could bring the total employment loss from the 2008 peak to near 5,000 jobs, including all the direct and indirect effects.

However, 2009 was an unusual year in the Alaska cruise market. The result of a severe national recession, deep discounting was required to fill berths on cruise ships. The discounting fulfilled its objective; cruise traffic was down only about 1 percent. However, cruise passengers that did travel to Alaska in 2009 proved to be reluctant spenders, purchasing fewer excursions and spending less on gifts and souvenirs. Early indications for the 2010 season suggest that Alaska can expect a return of the more traditional (less frugal) cruise passenger. Anecdotal information indicates discounting is not being required to fill berths, meaning the typical cruiser in 2010 will spend at a higher rate than the typical 2009 cruiser. To the extent that 2010 cruisers do spend more, the spending and employment losses potentially stemming from the decline in cruise traffic will be mitigated.

Looking ahead to 2011, Cruise Line Agencies of Alaska predicts that overall passenger volume will be about the same as in 2010, with additional losses being balanced out by new arrivals.

Further decline in the independent (non-cruise) travel market is not expected in 2010, and the outlook is for a modest rebound from 2009. Several factors point to this outcome.

- The reduction in cruise capacity – and stronger early cruise bookings despite lack of significant discounting – indicate better overall demand for Alaska and increased consumer economic capability. Cruise capacity limitations likely mean some visitors will choose a non-cruise Alaska trip.
- National retail spending and consumer confidence show some modest promise in early 2010. Since Alaska visitors tend to be well above average in income and education, they are less affected by an economic downturn.
- Past research in the Alaska market indicates that potential visitors may postpone their Alaska trip during uncertain times but not cancel their Alaska ambitions altogether. Some pent-up demand from the recent independent visitor downturn is expected.
- Most independent visitors enter and exit by air, and Alaska's dominant carrier – Alaska Airlines – is doing much better financially in 2010 than the aviation industry overall, so is likely to maintain sufficient summer frequency to service independent Alaska demand.
- Independents will be looking for value, as opposed to low price, and travel offerings throughout the state are more modestly priced as a result of the recession. The perceived (and true) value of an independent Alaska experience has improved since 2008.
- While the U.S. dollar may be strengthening somewhat in 2010, Alaska travel is still a good value for overseas visitors, and some additional independent traffic might be expected.

While all of these factors point to modest improvement in Alaska independent visitor volume and spending for 2010, the nation's recent economic troubles are indicators of much more comprehensive and long-term systemic issues with the U.S. economy that will continue to be of concern for all travel markets.

Revenues to Municipal and State Governments

The visitor industry generates significant revenues for state and local governments in Alaska. User fees, sales taxes, bed taxes, property taxes, income taxes and other payments all flow to state and local governments in Alaska directly or indirectly from the visitor industry. This chapter details, to the extent possible, state and local government revenues that can be attributed to out-of-state visitors.

Summary

Visitor-related tax revenues to municipalities in 2008-09 totaled nearly $70 million in sales and bed tax revenues and cruise line payments. Sales tax revenues are estimated at $28.9 million, and bed tax revenues are estimated at $23.5 million. In addition, cruise lines paid over $17 million in dockage, moorage, and municipal passenger fees in 2009. Property taxes provide an additional revenue stream to municipalities.

Visitor-related revenues to state government during the 2008-09 study period included $139 million in cruise line fees, fishing/hunting licenses, vehicle rental taxes, corporate income taxes, and revenues to the Alaska Marine Highway System and the Alaska Railroad. Cruise lines alone paid $58 million in commercial passenger vessel fees, gambling taxes, Ocean Ranger Program fees, and Environmental Compliance Program fees. Additional revenues to the State of Alaska from the visitor industry not included in this total are airport fees, State Parks user fees, and State Museum revenues, among others.

Please see the following pages for more details on these revenues.

Table 18
Selected Revenues to Municipal and State Governments
October 2008-September 2009

	Revenues
Municipal Revenues	**$69.8 million**
Sales tax revenues	$28.9 million
Bed tax revenues	$23.5 million
Dockage/moorage revenues	$17.4 million
State of Alaska Revenues	**$138.8 million**
Commercial Passenger Vessel Tax	$46.4 million
Passenger Gambling Tax	$6.3 million
Ocean Ranger Program	$4.0 million
Commercial Passenger Vessel Environmental Compliance Program	$1.0 million
Non-resident fishing/hunting/trapping licenses and tags	$17.1 million
Alaska Marine Highway revenues	$17.6 million
Alaska Railroad revenues	$19.4 million
Vehicle rental tax	$5.6 million
Corporate income tax	$21.4 million
Total Selected Revenues	**$208.6 million**

Municipal Tax Revenues

Sales Tax Revenues

Total sales tax revenues associated with visitor industry spending are estimated at $28.9 million for the October 2008 to September 2009 study period. Visitor-related sales tax revenues are particularly important in communities such as Juneau, Ketchikan, and Skagway, where spending by visitors provides a significant portion of total spending in each community.

Regional sales tax totals were calculated based on visitor industry spending and visitor volume at the community and regional level. Tax rates and total taxes collected by community were taken into account in the analysis (total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009). Taxable spending rates were also considered in the analysis. Not all visitor-related spending is taxable; for example, spending on flights is exempt, and some communities have sales tax caps.

Table 19
Sales Tax Revenues from Out-of-State Visitors
By Region, October 2008-September 2009

Region	Sales Tax Revenues
Southeast	$18.3 million
Southcentral	$9.8 million
Other regions combined	$0.8 million
Total	**$28.9 million**

Sources: McDowell Group estimates based on sales tax rates and revenues from Alaska Taxable 2009 (Alaska Department of Commerce, Community and Economic Development); and AVSP visitor survey and volume data.

Bed Tax Revenues

Out-of-state visitors paid an estimated $23.5 million in bed tax revenues in the one-year study period. The bulk of the revenues accrue to Southcentral, where Anchorage has the highest bed tax rate in the state (12 percent) *and* attracts the highest number of overnight visitors. The Interior, with Fairbanks at 8 percent and Denali at 7 percent, accounted for about one-fifth of all bed tax revenues. While most Southeast communities charge bed taxes, revenues are not as high as in other regions because they have fewer overnight visitors (cruise ship visitors rarely overnight in Southeast). Both Southwest and Far North regions are estimated to receive less than $1 million each in bed tax revenues from out-of-state visitors.

Over 30 different communities with bed taxes were considered in this analysis. Total calendar year 2009 taxes were assumed as a proxy for the study period of October 2008 through September 2009. Each community's tax revenues were assigned a different "percentage out-of-state visitors" rate, based on data from the business survey (where accommodations reported the percentage of their business from out-of-state visitors) as well as previous visitor volume and survey research.

Table 20
Bed Tax Revenues from Out-of-State Visitors
By Region, October 2008-September 2009

Region	Bed Tax Revenues
Southcentral	$15.6 million
Interior	$5.6 million
Southeast	$1.7 million
Southwest	$0.5 million
Far North	$0.1 million
Total	**$23.5 million**

Sources: McDowell Group estimates based on bed tax rates and revenues from Alaska Taxable 2009 (Alaska Department of Commerce, Community and Economic Development); AVSP visitor survey and volume data; and business survey data.

Property Tax Revenues

It is beyond the scope of this study to measure property tax revenues in each Alaska community affected by visitor traffic. The analysis would be very complex; most property tax revenues are indirect, that is, paid by businesses that provide goods and services to visitors. Many visitor-affected businesses also provide goods and services to Alaska residents. Therefore, not all of the property taxes paid by these businesses could be attributed to the visitor industry.

A previous study estimated property tax revenues associated with the cruise industry at $3.5 million for 2007. This figure was based on data provided by cruise lines on property tax payments, a review of property tax payments on cruise industry-related businesses in Ketchikan and Juneau, and previous estimates. This is only a relatively small portion of property tax revenues accruing to local governments from visitor industry-related sources. It does not include the lodging, tour operators, and other businesses serving the non-cruise market; nor does it include property taxes paid by businesses less dependent on visitor activity (but still deriving income from visitors) or taxes paid by households of employees of visitor-related businesses.

Cruise Ship Revenues

Some municipal governments in Alaska's cruise port communities receive revenues from cruise lines in the form of moorage and docking fees, primarily Juneau, Ketchikan, Sitka, and Haines. (The docks in Skagway, Whittier, and Icy Strait Point are privately owned. Seward's dock is owned by the Alaska Railroad.) Juneau has both private and public docks. Sitka does not have a deep-water dock, but charges lightering fees.

Each community has its own system of charging cruise lines for using port facilities. Dock charges are generally assessed on a per foot/per day basis. Additional charges may include tonnage fees, passenger fees, lightering fees, and water fees, depending on the community.

Total revenues for 2009 were $17.4 million, most of it collected in Southeast. Juneau and Ketchikan account for the vast majority of this figure, with $8.6 million and $8.5 million, respectively.

Table 21
Cruise Ship Dockage/Moorage Revenues to Municipalities, Summer 2009

Port	Revenues
Juneau	$8,587,000
Ketchikan	$8,478,000
Sitka	$115,000
Haines	$99,000
All other ports	$75,000
Total	**$17,354,000**

Sources: City and Borough of Juneau; City of Ketchikan; City and Borough of Sitka; City and Borough of Haines.
Note: Docks in Skagway, Whittier, and Icy Strait Point are privately owned. Seward's dock is owned by Alaska Railroad.

State of Alaska Revenues

Direct Payments from Cruise Lines

The State of Alaska receives several forms of direct payments from cruise lines: the head tax (Departments of Revenue and Environmental Conservation), the gambling tax (Department of Revenue), the Commercial Passenger Vessel Environmental Compliance Program (Department of Environmental Conservation) and state corporate income tax (Department of Revenue).

Head Tax

At the end of December 2006, a new head tax was established for passengers on large vessels. The tax is $50 per passenger, with $46 dedicated to the Department of Revenue for redistribution, and $4 dedicated to the Alaska Department of Environmental Conservation to operate the Ocean Ranger Program.

According to the Alaska Department of Revenue, the State received $46.4 million for the $46 portion of the tax in 2007. These revenues are deposited in a special "commercial vessel passenger tax account" in the General Fund. For each voyage of a commercial passenger vessel providing overnight accommodations, the Commissioner of the Department of Revenue must identify the first five ports of call and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner distributes $5 per passenger of the tax revenue to each port of call. Each port of call must use the funds to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to improve the safety and efficiency of interstate and foreign commerce.

Head tax revenue for Department of Environmental Conservation amounted to $4.0 million in 2009. This revenue is used to operate the Ocean Ranger program, which requires U.S. Coast Guard licensed marine engineers on board vessels to act as independent observers monitoring State environmental and marine discharge requirements, and to ensure that passengers and crew are protected from improper sanitation, health, and safety practices.

The large passenger vessel gambling tax was also introduced in December 2006. This tax applies to the use of playing cards, dice, roulette wheels, and coin-operated instruments or machines designed for gaming or gambling activities aboard cruise ships operating in Alaska waters. The tax is 33 percent of the adjusted gross income from these gambling activities.[5] Gambling taxes are payable to the Department of Revenue and deposited in a special "commercial vessel passenger tax account" in the General Fund. The Department of Revenue reports gambling tax revenues of $6.3 million in 2009.

Commercial Passenger Vessel Environmental Compliance Program

The Commercial Passenger Vessel Environmental Compliance (CPVEC) Program was established in July of 2001. This program requires all large passenger vessels to register and comply with quality control regulations. The program is operated with fees collected from large and small passenger vessels ($1 per berth). In 2009, $1.0 million was collected for the Commercial Passenger Vessel Environmental Compliance Program.

Corporate Income Tax

Alaska's corporate income tax rates are graduated from 1 percent to 9.4 percent in increments of $10,000 of taxable income. The 9.4 percent maximum rate applies to taxable income of $90,000 and over. Multistate corporations apportion income on a water's edge basis using the standard apportionment formula of property, payroll, and sales.

Tax payments by individual corporations are confidential; however, the Department of Revenue reports total corporate income taxes in the "tourism" category, including payments by cruise lines and other visitor industry businesses, of $21.4 million in Fiscal Year 2009.

Vehicle Rental Tax

Alaska levies a 10 percent passenger vehicle tax as well as a 3 percent recreational vehicle tax. In Fiscal Year 2009, the Department of Revenue collected a total of $8.0 million in vehicle tax revenues. Survey results indicate that approximately 70 percent of rental vehicle revenues are attributable to out-of-state visitors. Visitor-related tax revenues from vehicle rental are therefore estimated at $5.6 million.

Revenues to Alaska Marine Highway and Alaska Railroad Corporation

While not in the category of fees or taxes, out-of-state visitors account for significant revenues to two transportation providers operated by the State of Alaska: the Alaska Marine Highway and the Alaska Railroad.

The Alaska Marine Highway reports that in calendar year 2009, out-of-state residents accounted for $17.6 million in revenues to AMHS. For purposes of this report, this figure is assumed to represent the study period of October 2008 through September 2009. (This figure does not resemble the $11.4 million reported in the Visitor Spending section because it is *total* spending, rather than spending only on passage to and from Alaska.)

The Alaska Railroad Corporation reports total passenger-related revenues of $21.5 million in 2009, $19.4 million of which is attributable to out-of-state visitors.

[5] "Adjusted gross income" refers to gross income, minus prizes awarded and federal and municipal taxes paid or owed on the income.

SCR 19

<target><bill>SCR 19</bill><subject>SCR 19</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

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Senator Gary Stevens
President of the Senate

SPONSOR STATEMENT
Senate Concurrent Resolution 19

The issue of incentivizing our high school students to do better in school, to prepare for and complete college, is more complex than simply providing a tuition scholarship upon graduation.

However, that by itself is an issue requiring more focused thought and discussion as the legislature prepares to reform the K-12 educational system, with particular emphasis on the transition to and preparedness for postsecondary study.

We must first put into context the idea of there being a new and/or expanded form of postsecondary financial aid provided to our graduating high school seniors. SCR 19 complements existing legislation that would create a basic scholarship program structure, but would need further review before codifying a specific award level, or tiered award levels.

We are on the cusp of establishing a comprehensive reform of Alaska's educational system. As the Legislature decides this session on what type of reform measures to take, including a scholarship program structure for our graduating seniors, it's this task force's imperative to define the best means of applying awards in the program(s). In the event of no such legislation passing the legislature, then this task force would also carry the mantle of recommending which scholarship program structure to establish, in addition to the best way of applying scholarship awards.

As the task force begins work, besides defining an award structure, the goals of a scholarship program should ultimately include efforts to: improve preparedness of Alaska students for postsecondary education; improve postsecondary graduation rates; increase high school graduation rates; improve scores on college entrance examinations; increase participation of Alaska high school students in Alaska postsecondary institutions; and increase job training opportunities.

Thank you for your consideration of this worthwhile endeavor.

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 4/6/10

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: _____

Finance Committee considered SENATE CONCURRENT RESOLUTION NO. 19

SCR 19 LEGIS. TASK FORCE: HIGHER ED SCHOLARSHIPS

Relating to a Joint Legislative Higher Education Scholarship Funding Task Force.

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title
_____
HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LAA	4/14	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Eltgroth	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SCR19
() Publish Date:

Identifier (file name): SCR19-LEG-COU-4-14-10
Dept. Affected: Legislature
Title: Relating to a Joint Legislative Higher Education Scholarship Funding Task Force
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: Senate Rules Committee by Request
Requester: Senate Finance Committee
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	70.0						
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**70.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF	70.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**70.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

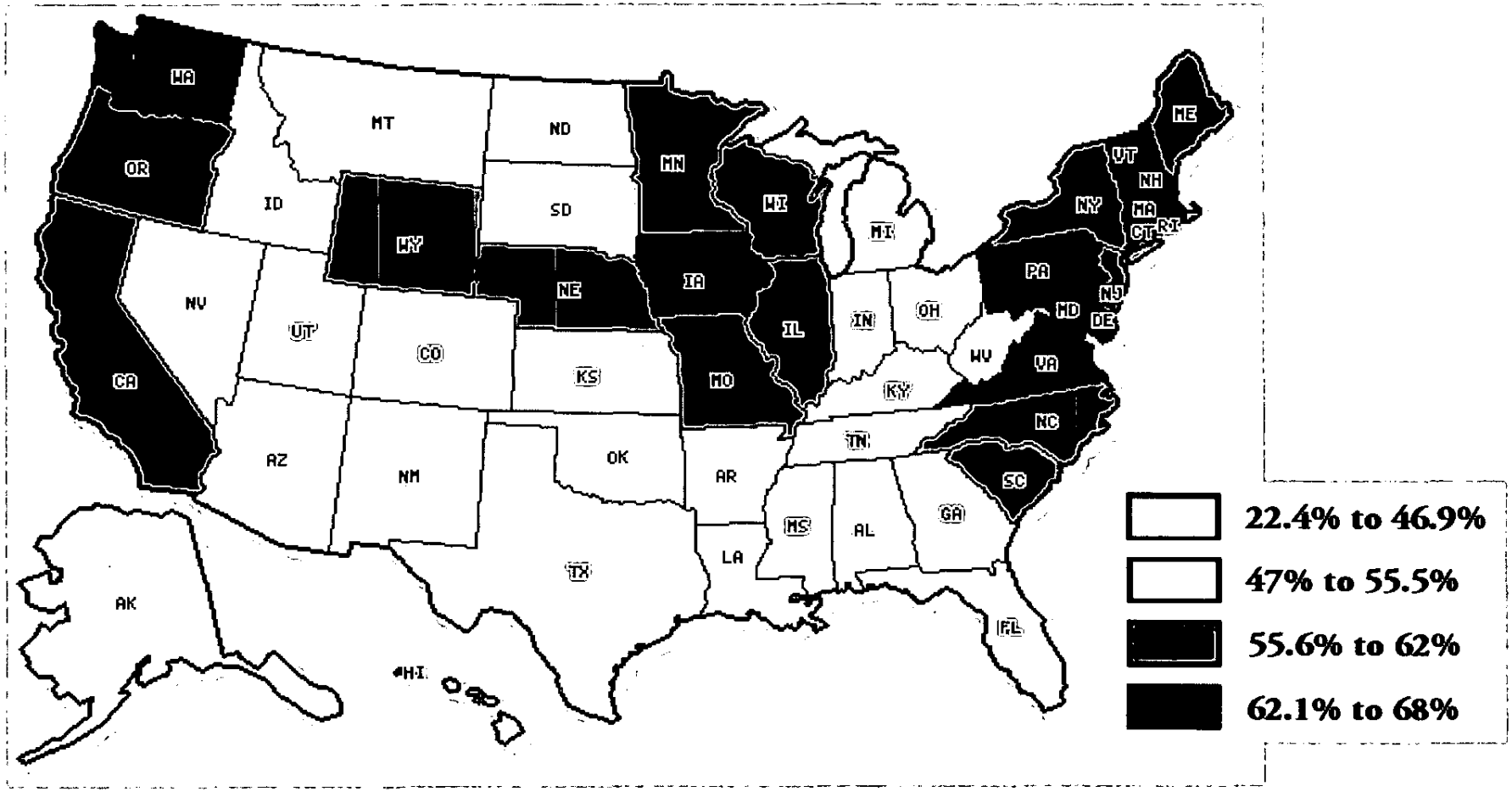
SCR19 establishes an eleven member Joint Legislative Higher Education Scholarship Funding Task Force for the purpose of examining higher education costs and identifying the best approach in providing financial aid to assist students in the state. The Task Force is composed of five Senators and five Representatives and a member appointed by the Governor. The President of the Senate and the Speaker of the House will appoint a Chair and Vice-Chair. Staff members of the Legislators appointed to the Task Force will staff the Task Force. It is anticipated the Task Force will meet six times with all meetings requiring travel. Costs to teleconference the meetings and to print the final report due December 1, 2010 will be absorbed within existing agency budgets. The Joint Legislative Higher Education Scholarship Task Force is terminated January 1, 2011.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division: Legislative Affairs Agency
Date/Time 4/14/10 8:27 AM
Approved by: Pamela Varni, Executive Director
Date 4/14/2010
Legislative Affairs Agency

Revised 11/8/2006 OMB

Graduation Rates: Six-Year Graduation Rates for Bachelor's Students, 2007

Rates for first-time, full-time bachelor's degree-seeking students, 2007
US Average = 56.1% Alaska Average = 22.4% (The bottom)



Source: The National Center for Higher Education Management Systems; National Center for Education Statistics, IPEDS Enrollment Survey

SJR

5

<target><bill>SJR 5</bill><subject>SJR 5</subject><comm>SFIN26</comm></target>

2/3/09

ALASKA STATE LEGISLATURE

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Wasilla AK 99654
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Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
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Senate Rules Committee

SPONSOR STATEMENT

CS for SJR 5

A RESOLUTION

Urging the United States Department of Defense to continue to provide retirement benefits for members of the Alaska Territorial Guard who served during World War II.

In the middle of January 2009, the U.S. Army Human Resources Command mailed letters to approximately 25 elderly Alaskans, telling them that the Army has changed its mind, based on a legal interpretation, about whether their service in the Alaska Territorial Guard (ATG) during World War II -- defending the United States from Japanese invasion -- counts toward military retirement. The effect of this abrupt reversal in position is to reduce the monthly retirement payments to each of these elderly Alaskans by an average of $386 per month. Six will lose more than $500 a month in retirement pay. These reductions were to take effect on February 1, 2009, during the middle of a very cold winter in communities where resources are scarce and the cost of fuel has risen to levels that most people simply cannot afford.

Since the news broke of the Army's decision, there has been significant critical response from Alaskans and citizens across the country directed towards the Army and Congress. Our Alaska delegation in Washington immediately fought to bring this tragic decision to the attention of the President and the rest of Congress.

Since this resolution was first introduced, at the urging of Alaska's Congressional delegation, the U.S. Army has agreed to provide immediate temporary 60-day financial assistance to these elderly ATG members out of the "emergency and extraordinary expense fund".

We thank the Alaska delegation for introducing legislation on January 28, 2009 that would permanently clarify that service in the ATG is credible toward military retirement. We support S. 342 and H.R. 744, and it is our hope that this legislation will move swiftly through Congress and pass within the 60-day reprieve by the Army.

In an effort to further encourage immediate action, SJR 5 urges the Department of the Defense to continue to use their "emergency and extraordinary expense funds" to provide retirement benefits for these ATG members until either Congress passes S.342 or H.R. 744; or the Department of the Defense reverses their decision made in January.

Contact: Karen Sawyer
465-3878
26-LS0468\A
2/2/09

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 1/28/09

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: _____

Finance Committee considered SENATE JOINT RESOLUTION NO. 5

SJR 5 AK TERRITORIAL GUARD RETIREMENT BENEFITS

Urging the United States Department of Defense to pay veterans benefits retroactively and to continue to provide retirement benefits for members of the Alaska Territorial Guard who served during World War II.

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SJR 5 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[X] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
SFIN - ALL	2/2/09			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Huggins	✓			
	Thomas	✓			
	Olson	✓			
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SJR 5**
() Publish Date:

Dept. Affected: All Departments
Title: SJR 5-AK TERRITORIAL GUARD RETIREMENT BENEFITS
RDU
Component
Sponsor: Senate Rules Committee
Requester: Senate Finance Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Senate Finance Committee — Date/Time 2/2/2009

Approved by: Senator Bert Stedman, Co-Chair — Phone 465-3873
Senator Lyman Hoffman, Co-Chair — Phone 465-4453

1729

Amendment page 2

adopted 2/3/09

26-LS0468\R
Bailey
2/2/09

CS FOR SENATE JOINT RESOLUTION NO. 5( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE

A RESOLUTION

Urging the United States Department of Defense to continue to provide retirement benefits for members of the Alaska Territorial Guard who served during World War II.

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

WHEREAS, in 1942, the Alaska Territorial Guard was formed by Territorial Governor Ernest Gruening in response to Japanese activity around Alaska; and

WHEREAS, during World War II, approximately 6,389 members of the Alaska Territorial Guard served without compensation in the state while the Alaska National Guard was deployed; and

WHEREAS the Alaska Territorial Guard engaged in combat with the enemy, protected the lend-lease route that stretched from North America to the Soviet Union, and rescued downed airmen; and

WHEREAS sec. 8147 of the Department of Defense Appropriations Act, 2001 (P.L. 106-259, 38 U.S.C. 106) requires the United States Secretary of Defense to issue certificates of honorable discharge to members of the Alaska Territorial Guard based on the nature and duration of each individual's World War II service; and

WHEREAS Alaska Territorial Guard members who have been honorably discharged

are considered to be on active duty for the purposes of all laws administered by the United States Secretary of Veterans Affairs, including laws relating to veterans' benefits; and

WHEREAS approximately 25 Alaska Native elders who served in the Alaska Territorial Guard are still receiving benefits; and

WHEREAS the recent decision of the United States Department of Defense to reverse the determination that service in the Alaska Territorial Guard during World War II be regarded as active duty for military retirement purposes is of grave concern because it will leave approximately 25 Alaska Native elders who live in the most remote parts of Alaska without critical funds to pay the costs, among the highest in the nation, of heating fuel and food during an already tough Alaska winter;

BE IT RESOLVED that the Alaska State Legislature respectfully requests the United States Department of Defense to honor the service provided by the Alaska Territorial Guard by continuing retirement benefits for members of the Alaska Territorial Guard; and be it

FURTHER RESOLVED that the Alaska State Legislature thanks the Alaska Congressional delegation for ~~their~~ its swift action on behalf of the remaining elderly members of the Alaska Territorial Guard by their introduction of S. 342, which provides for the treatment of service as a member of the Alaska Territorial Guard during World War II as active service for purposes of retired pay for members of the United States armed forces; and be it

FURTHER RESOLVED that the Alaska State Legislature respectfully requests that the United States Department of Defense continue to use its emergency and extraordinary expense funds to provide retirement benefits for the Alaska Territorial Guard members until the United States Congress passes S. 342 or H.R. 744, or the United States Department of Defense reverses its January 2009 decision.

COPIES of this resolution shall be sent to the Honorable Barack Obama, President of the United States; the Honorable Eric K. Shinseki, United States Secretary of Veterans Affairs; the Honorable Pete Geren, United States Secretary of the Army; and the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

AMENDMENT #2 Adopted 4/3/09

OFFERED IN THE SENATE FINANCE COMMITTEE
BY SENATOR HUGGINS

TO: SJR 5 (Version A\)

Page 1, Line 12, Insert:

WHEREAS, in 2000, because of the efforts of Alaska's U.S. Senator, Ted Stevens, the United States Congress passed legislation that required that service as a member of the Alaska Territorial Guard during World War II of an individual who was honorably discharged be considered active duty for purposes of all laws administered by the United States Secretary of Defense; and

Amendment 1

OFFERED IN THE SENATE FINANCE COMMITTEE
BY SENATOR HUGGINS

Adopted
2/3/05

TO: CS SJR 5 (version "R")

Page 2, line 16, following "S. 342"
Insert: "H.R. 744"
^ and

1733

2/3/09

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

P.O. BOX 110001
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

January 27, 2009

President Barack H. Obama
The White House
Washington, DC 20500

Dear Mr. President:

It was with great concern that I learned of the recent decision by the Department of Defense to rescind the program that currently provides retirement payments to veterans of Alaska's Territorial Guard (ATG). This unfortunate decision was made without any notice to those affected and will cost a group of elderly Alaska veterans a significant portion of their retirement income at a time when the cost of living, particularly in rural Alaska, is substantially higher than in the rest of the United States.

In 2004, Congress fully vetted this issue and decided that service in the ATG was the same as military service. This is the right and proper way to honor these brave individuals who answered the call of duty during times of great national peril.

Prior to World War II, Alaska's territorial Governor was authorized by Congress to organize a two-branch military response organization – the organized National Guard, and the ATG, which would mobilize to help defend Alaskans in the event of an invasion. An estimated 6,600 men and women, mostly Alaska Indians, Eskimos, and Aleuts, responded to that call. Instead of hunting, trapping and fishing, they patrolled rural Alaska and served as the eyes and ears of the Army for more than five years without pay and benefits.

It took our nation almost 60 years to have these defenders of our territory honored for their time in the ATG, and for their service to be counted the same as federal military service. While most died waiting for their recognition, some have survived to receive their honorable discharge from the United States Army.

Now they are being told, again, that their ATG service is not worthy of federal recognition, and that is not right.

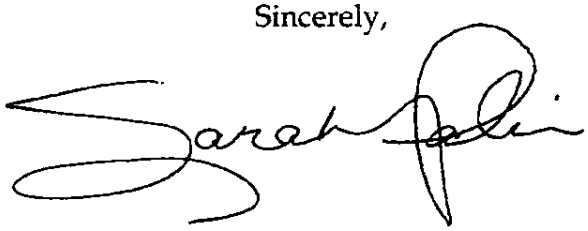
These people are our heroes.

The stellar service of these mostly rural, mostly Native, soldiers is to Alaska today what the service of the militia at Lexington and Concord was to New England.

I urge you to remember all that these valiant members of the ATG sacrificed while defending this country and ask that you reconsider this decision and immediately reinstate the retirement benefits that Congress already recognized in 2004 and that these heroes have certainly earned.

Thank you for considering my views.

Sincerely,



Sarah Palin
Governor

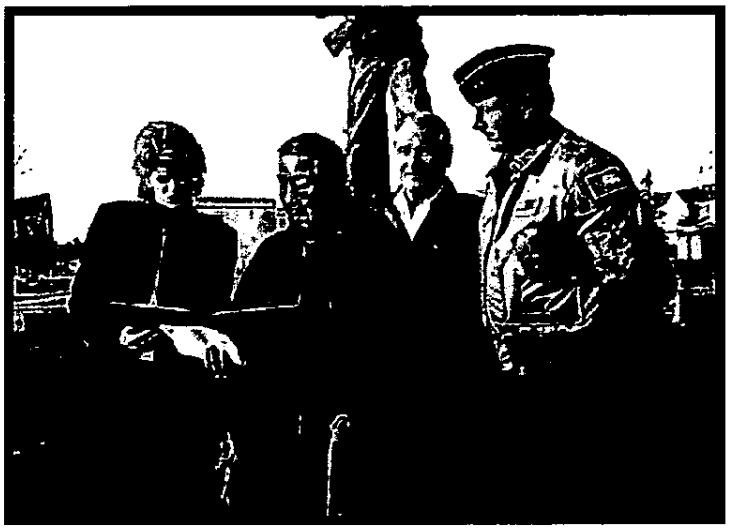
cc: The Honorable Robert Gates, Secretary, Department of Defense
The Honorable Eric Shinseki, Secretary, Department of Veteran's Affairs
The Honorable Pete Geren, Secretary of the Army
The Honorable Lisa Murkowski, United States Senate
The Honorable Mark Begich, United States Senate
The Honorable Don Young, United States Congressman
Major General Craig Campbell, Adjutant General/Commissioner
Alaska Department of Military and Veterans Affairs
Jerry Beale, State Veterans Administrator, Office of Veteran Affairs,
Alaska Department of Military and Veterans Affairs
Talis Colberg, Attorney General, Alaska Department of Law
Michael Nizich, Chief of Staff, Office of the Governor

bcc John W. Katz, Special Council to the Governor
Mark Kelsey, Special Assistant, Office of the Governor
Craig Tillery, Deputy Attorney General, Alaska Department of Law

SP/SC/MK/RR/JK/sf Pres Obama ATG 109
0101.01 comments thoughts concerns

RECOGNIZED ATG MEMBERS

2/3/09



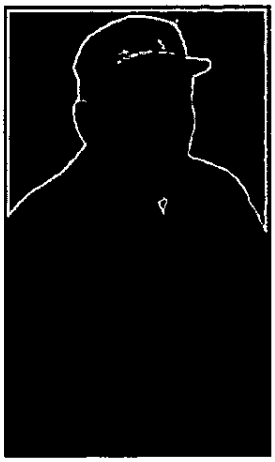
Sam Herman, Sr., age 74, was the first ATG member to receive his federal discharge certificate, six decades after serving in World War II. Sam enlisted February 12th, 1942. He is from Nunivak Island but currently resides in Anchorage, Alaska. Presenting Sam's certificate is U.S. Senator Lisa Murkowski, Bob Goodman, and Major General Craig Campbell.

Roger Silook, Sr.

Teddy Koweluk
Wales, AK

Vincent Tocktoo
Shishmaref, AK

Henry J. Shaving



Fritz Beebe
Eek, AK

John A. Paulsteiner
Seward, AK

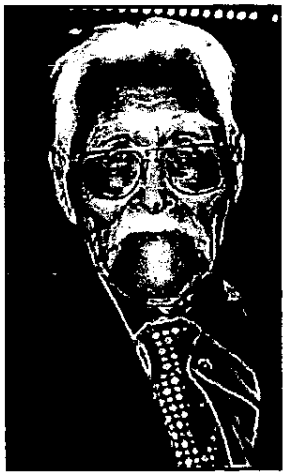
Walter T. Amos

Samuel C. Henley
Anchorage, AK

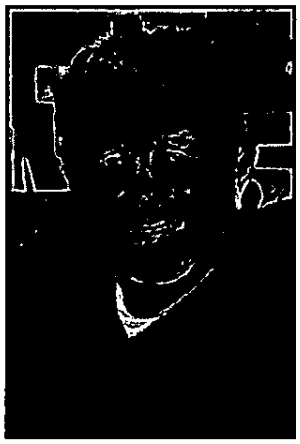
Thomas A. Pushruk
King Island, AK

Truman T. Cleveland

Chester A. Topkok



Stanton O. Katchatag
Unalakleet, AK



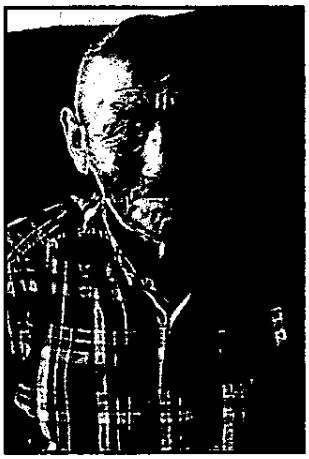
Chrisian Gundersen Jr.
Sanak Island, AK

Kenneth A. Linn
Palmer, AK

Oscar Watsjold
Seward, AK

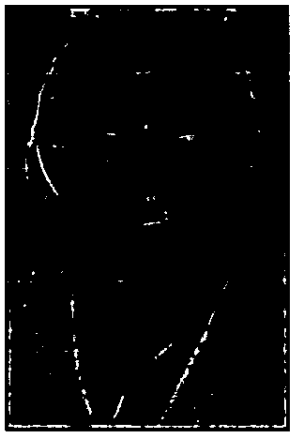
Eugene Blatchford
Teller-Nome, AK

Jerry Protzman
Seward, AK



Calvin Black
Kwigillingak, AK

Emil Gundersen
Sanak Island, AK



Edwin Roehl
Dillingham, AK

Percy H. Blatchford
Teller-Nome, AK

Jacob J. Hendricks
Glacier Hwy, AK

Joel W. Johnson
Juneau, AK

Ralph L. Kirby
Douglas, AK

Gordon J. Zerbets
Ketchikan, AK

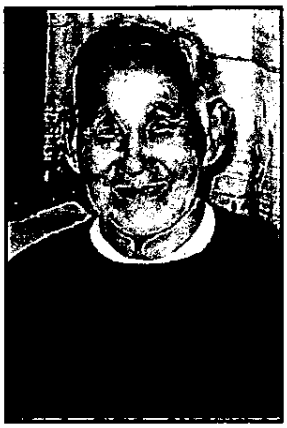
James S. Osborne
Hoonah, AK

Sigurd L. Olsen
Juneau, AK

Howard C. Hayes
Glacier Hwy, AK

William R. Osborne
Hoonah, AK

Roy K. Sereadlook
Wales, AK



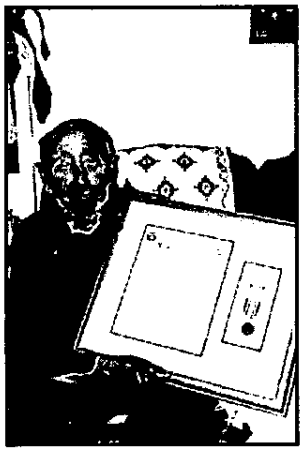
Paul P. Soolook
Diomede Island, AK

Julian B. Towsihea
Point Hope, AK

George F. Shaw
Juneau, AK

Buell R. Smith
Anchorage, AK

Chris Lauridsen
Kwiguk, AK



John R. Samuelson
Nunapitchuck, AK

PHOTOS UNAVAILABLE:

William S. Andrews - Dillingham, AK
Clarence M. Irrigdo - Gamble, AK
Francis John - Pitkas Point, AK
Arthur H. Kassner - Juneau, AK
John R. Samuelson - Nunapitchuck, AK
Roger Silook, Sr. - Gamble, AK
Jonathan Weyiouanna - Shishmaref, AK

2/3/09

Alaska Congressional Delegation

Senator Lisa Murkowski
Senator Mark Begich
Congressman Don Young

Michael Brumas
Senator Murkowski
(202) 224-9301

Julie Hasquet
Senator Begich
(907) 271-5915

Meredith M. Kenny
Congressman Young
(202) 225-5765

FOR IMMEDIATE RELEASE
January 28, 2009

Sec. of Army Authorizes Emergency Payments to Alaska's ATG

Delegation continues to work on legislative long-term solution

At the urging of Alaska's Congressional delegation, the U.S. Army has agreed to provide temporary financial assistance to 26 members of Alaska's Territorial Guard (ATG) whose retirement checks will be reduced on February 1 following a legal interpretation that ATG service does not count toward military retirement.

Secretary of the Army Pete Geren has authorized a two-month payment for each member, giving the delegation time to ask Congress to revisit the issue. Sec. Geren told delegation members early today the Army will use the "emergency and extraordinary expense fund" to bridge the shortfall through the end of March.

The move comes after the Army announced that it misinterpreted a section of federal law when it allowed service in the ATG to be counted toward military retirement.

"This is great news for these Alaska Territorial Guardsmen who fought bravely to defend our country during World War II," Sen. Begich said. "I appreciate Secretary Geren's intervention on this issue and giving it the priority attention it deserves. These emergency payments will give us some time to get the problem resolved while making sure these brave Alaskans get the retirement pay they so deserve."

"I am grateful that the Secretary of the Army has agreed to use emergency funds under his control to provide a temporary safety net for these 26 Native Elders who served Alaska and our Nation with distinction during World War II. In this era of high fuel and food costs, it would be tragic to reduce the retirement checks of these Elders who have done so much for our nation," Sen. Murkowski said. "This decision in no way lessens my resolve to ensure that their service in

the Alaska Territorial Guard is respected as active duty service and fully credited toward military retirement. This is an earned benefit and it must be restored."

"I truly appreciate the assistance of my former colleague, Secretary Geren," Rep. Young said. "The loss of retirement benefits for the brave Alaskans who served in the Alaska Territorial Guard is disgraceful and a huge misstep by the Department of Defense. I understand budgetary concerns, but cutting the retirement benefits of 26 Alaskans who fought for their country is not near the answer. Back in 2001, when we worked in getting recognition and benefits for members of the Territorial Guard, the intention was that it would be for life, not until the DOD reinterpreted legislative language to suit their needs. I spoke with Secretary Geren and am grateful that he was able to recognize this as a problem and is granting us the two-month extension while we work out a solution."

When Alaska's delegation members received word last week that the ATG retirement payments had been suspended, Sens. Begich and Murkowski and Congressman Don Young immediately sent a letter to President Barack Obama asking the administration to intervene on the matter.

The delegation today introduced legislation that would permanently clarify that service in the ATG is credible toward military retirement.

With Sen. Begich presiding over the Senate, Sen. Murkowski last Thursday evening spoke about the issue on the Senate floor criticizing the Defense Department for reducing the retirement pay of the former Territorial Guardsmen, most of whom are in their 80s, during the harsh Alaska winter. Sen. Begich brought the issue up Tuesday at the Armed Services Committee meeting with Sec. of Defense Robert Gates.

Sec. Geren has told the delegation the checks could be sent as soon as today.

###

1744

2/3/09

ALASKA TERRITORIAL GUARD

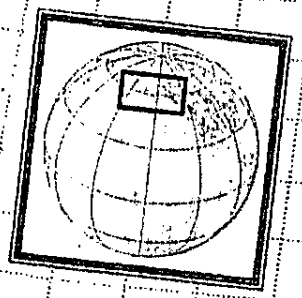
ATGO,Inc. 200 W.34th Ave. Suite 333
Anchorage, AK 99503 (907) 279-0270
ragent@gci.net Prepared by Jay Griffin

MAP

Total Members by Unit Location

1942-1947

Grand Total: 6,122



ENEMY OCCUPIED ZONE

Barrow-104
Wainwright-68
Point Lay-16
Point Hope-62
Kivalina-40
Noatak-85
Noorvik-48
Kiana-39
Shungnak-33
Kotzebue-108
Selawik-99
Shishmaref-65
Deering-49
Candle-56
Wales-33
Diomede-39
Teller-27
White Mtn-84
HC-19
Koyuk-29
King Island-49
Igloo-52
Elim-19
Ruby-40
Sinuk-7
Golovin-33
Galena-12
Nulato-63
Solomon
Shaktoolik-37
Savoonga-59
Gambell-99
Nome-287
25
Stebbins-33
St. Michael-44
Unalakleet-104
Hamilton-17
Kwiguk-49
Pastolik-18
McGrath-24
Alakanuk-32
Pitkas Point-35
Flat-59
Mountain Village-45
Pilot Station-40
Marshall-16
Paimiut-30
Tuck-chuck-41
Russian Msn-24
Wasilla-36
Palmer-117
Hooper Bay-128
Nunapit-chuk-47
Ohogamute-23
Akiachak-44
Valdez-33
Tununak Nelson Island-45
Napak-iak-46
Akiak-17
Anchorage-324
Cordova-72
Nunivak Island-58
Kwethluk-23
Akulurak-22
Bethel-165
Kipnuk-24
Eek-42
Homer-90
Seward-71
Yakutat-74
Skagway-86
Kwigillingok-59
Goodnews Bay-57
Haines-1
Quinhagak-67
Platinum-2
Dillingham-114
Seldovia-44
Glacier Hwy-54
Juneau-207
Naknek-77
Hoonah-77
Douglas-65
Egegik-30
Pelican City-34
Kodiak-25
Petersburg-85
Saint Paul Island-78
Saint George Island-46
Sitka-207
Wrangell-9
Klawock-34
Ketchikan
Craig-31
-188
Hydaburg-44
Metlakatla
-82
Belkofski 32
Fort Randall (Cold Bay) U.S. Army
Ikatan-False Pass-25
King Cove-28
Unga-39
Sanak Island-29
Dutch Harbor U.S. Navy U.S Army
Attu
Kiska
Amchitka Island
Adak

ALASKA TERRITORY (USA)

Fairbanks-106

Population (1940):
○ 2,000 - 5,000
○ 1,000 - 2,000
○ 500 - 1,000
○ 200 – 500
• 100 – 200
• Under 100

(Source: Alaska Dep't of CCED)

JAY GRIFFIN 907-248-2022

2/3/09

NEWS FROM THE OFFICE OF

SENATOR LISA MURKOWSKI

United States Senate

MURKOWSKI FIGHTS FOR ALASKA TERRITORIAL GUARD RETIREMENT PAY

Friday, January 23, 2009

Mr. President, sometime this week letters will be mailed from the U.S. Army Human Resources Command in St. Louis, MO, to 25 elderly Alaskans. Those letters will tell these 25 elderly Alaskans that the Army has changed its mind--it has changed its mind--about whether their service in the Alaska Territorial Guard during World War II counts toward military retirement. The effect of this abrupt reversal in position is to reduce the monthly retirement payments to each of these 25 elderly Alaskans. These retirement payments will be reduced by an average of $386 a month. Six will lose more than $500 a month in retirement pay. These reductions will take effect on February 1.

So in less than 10 days, these individuals who have been receiving these payments--these elderly Alaskans who served us during World War II--will be receiving a letter, maybe before their benefits are cut off, but they will be receiving a letter saying: Sorry, your service doesn't count toward military retirement.

Mr. President, I state again: None of these 25 elderly Alaskans knows this is coming. It will come as a complete surprise to them, possibly, when they receive that letter. Whether they are tuning in to C-SPAN and hear my comments tonight, we don't know.

It is going to take a while for these letters coming out of St. Louis, MO, to reach their destinations because these letters are being sent to some of the remotest parts of our State, of rural Alaska. Four of these letters are destined for the village of Noatak. This is an Inupiat Eskimo village of 489 people in northwest Alaska. I would suggest, Mr. President, that outside of you and I, there is probably nobody in Washington, DC, who could identify Noatak on a map. Four of these letters are destined for the village of Kwigillingok. We call it Kwig because it is so difficult to pronounce. This is a Yupik Eskimo community of 361 people.

All told, these letters are being sent to elders in 15 Alaska Native communities in interior and western Alaska. The poster board that I have behind me indicates some of the elderly gentlemen who may be receiving these letters in the next several weeks.

This decision is tragic. It is tragic because it affects veterans who defended Alaska and who defended the United States from the Japanese during World War II. It is a tragedy because these people were led to believe they would be compensated for their service to our Nation. It is a tragedy because most of the people I am talking about, most of these gentlemen, are Eskimos--among the first people of the United States, members of a class of people to whom the United States Government has broken its promises time and time again. It is a tragedy because they were misled into believing their retirement pay was increasing. It is a further tragedy because this bad news is going to be communicated in a letter signed by a b ranch chief in the Army Human Resources Command. These people deserve an apology from the Secretary of Defense. They do not need to be receiving this news about this error from a branch chief in the Army Human Resources Command.

It is also a tragedy because some of these people in the Department of Defense chose to implement this decision in the dead of an Alaska winter, when we know that our Native elders in rural Alaska are most vulnerable. Right now, in the village of Kwig and in Noatak and in the ot her communities, it is dark, it is cold, and resources are scarce. The increase in retirement pay, which was implemented just this last June, was very welcome news to those who were receiving it. It came at a time when the cost of fuel was rising to levels in our rural communities that people simply could not pay.

If you will recall, back home in June and July, in the cities, we were paying $4.50, $5 a gallon for our fuel. But out in the villages they were paying $7, $8 a gallon, and in some areas even higher than that. Throughout the State, but particularly in rural Alaska last summer, folks were anxious about whether they were going to be able to afford to heat their homes this winter.

Last week, in the Indian Affairs Committee, the Presiding Officer had an opportunity to join us, and I was able to put on the record the plight of some of the Native people in the community of Emmonak who have literally had to choose between buying stove oil to heat their homes or whether they should buy food for their families.

I guess some of the good news we have learned is that none of these letters informing these elders that they will see a reduction in benefits is going to the village of Emmonak, but I would suspect many of the villages to which these letters are going are no better off. You just have to ask the question: How can our government be so insensitive--taking money, taking retirement benefits out of the pockets of our elders, of our seniors, at a time of the year when they are absolutely the most vulnerable?

I hope I have gained the attention of some, and with the indulgence of my colleagues, I would like to fill in a little bit of the background. I will not be talking too long--I know one of our Senators is waiting--but it is an interesting story, and I think he will appreciate it.

The Alaska Territorial Guard was created in June of 1942 in response to increasing Japanese activity and attacks on and around Alaska. At

the time, the U.S. Army was reassigning our Alaska National Guard soldie rs away from the State, and so there were no ground troops left to protect Alaska. So Earnest Gruening, who was the territorial governor at the time, called for volunteers to defend our great land up there in the north. Some 6,389 Alaskans answered the call. These volunteers came to be known as the Eskimo Scouts, but they were representative of all of Alaska. They were Inupiat Eskimos, Yupik Eskimos, Aleut people, Athabascan and Tlingit Indians, and there were Caucasians.

With no pay and very little equipment, these volunteers--these Eskimo Scouts--patrolled 5,400 miles of coastline to fend off a possible Japanese invasion. They shot down Japanese air balloons carrying bombs and eavesdropping radios. They rescued downed airmen, they transported equipment and supplies, they constructed airstrips and support facilities, they manned the field hospital outpost, and they engaged the enemy in combat.

You see the picture behind me of the Eskimo Scout in his snowshoes standing guard, standing ready. These men answered the call of our country and they defended our homeland. The Territorial Guard stood as the first line of defense for the terrain around the Lend-Lease area, the route from America to Russia, and it was this vital lifeline that allowed the United States to supply our Russian ally with essential military aircraft and proved essentially crucial to Russia's defense against Hitler's Germany.
In March of 1947, the Eskimo Scouts were disbanded, but many of them went on to continue to serve our Nation in the Army and the Alaska National Guard. For more than half a century after the Territorial Guard was disbanded, these brave and truly dedicated volunteers received not one ounce of recognition from our Federal Government for the service they had performed. It wasn't until the year 2000 that Senator Stevens succeeded in adding language to the Defense appropriations bill to recognize the Territorial Guard, and that legislation required the Secretary of Defense to treat the Alaska Territorial Guard just like any other soldiers and to require them to issue discharge certificates to those who remain alive.

I was privileged to be at a couple of ceremonies where some of these elders received their official discharge certificates, and it was incredibly moving to be with them when, after decades, their Government finally recognized their service. The Secretary o f Veterans Affairs was also directed to treat these people as any other veteran of the Armed Forces of the United States.

I do understand and we are told that the Department of Defense was slow to implement the mandate of this legislation. I can tell you from my own experience in dealing with many of the veterans and their families, the efforts to get these discharge certificates in a timely fashion has been very frustrating--frustrating for the families, frustrating for those who have served, most certa inly, and frustrating for those of us who have been trying to make it happen. Some former members of the Territorial Guard are still waiting to get their discharge certificates. We have been assisted by a wonderful volunteer, Bob Goodman, who lives in Anchorage. He helps the former members of the Territorial Guard document their service, and he tells me that unless we can get this turned around, unless we can kind of move through this roadblock, we are going to see more of these fine Americans who will pass on before they get their long-awaited recognition.

I just don't understand. I can't understand why it took nearly 8 years--8 years--for the Defense Department to recognize the Alaska Territorial Guard's service for military retirement benefits. But, as I mentioned, back in June of 2008, they did it. Apparently, that decision did not please some at the Defense Department. Between Thanksgiving and Christmas, we learned they made a case that the members of the Territorial Guard are not eligible for retirement benefits. This was all happening over there at the Department under the radar of Secretary Geren here in Washington. The Secretary says there is nothing we can do at this point in time; the retirement benefits have been reduced on the computers of the Defense Finance and Accounting Service and the payments are going to go down effective February 1.

I am not going to stand here and blame the lawyers for telling their clients that the policy of crediting Alaska Territorial Guard service toward retirement pay doesn't comport with the law. But at the same time, the Defense Department hasn't released that legal opinion, so I can't judge--the presiding officer can't judge--whether this conclusion is really compelled by the law. If the conclusion was compelled by the law, I suppose we can't call out the lawyers for saying so. But I do fault their clients, the leaders who knew this was coming. They knew it was coming, but they didn't bother to tell any of the members of the Alaska Congressional Delegation.

I was not notified; you were not notified, Mr. President; our Member in the House of Representatives--nobody came to us late last year and said: Hey, we have a problem. We have a problem, and it requires a legislative fix. Can we work together, can we do something either at the end of the 110th Congress or immediately at the outset of this new Congress?

The senior leaders in the Army and DOD didn't even acknowledge that there was a problem until you and I contacted the Secretary of the Army and asked: Is there a problem? We hear there is stuff floating around. What is going on?

As far as I was concerned, the reason we suspected there was a problem was because the adjutant general of Alaska, after trying to work through this problem at his level and through the chain of command, told us something was coming and it was going to be coming imminently.

Then just last week, Army Secretary Geren confirmed those fears, the fear that it will be real, that the retirement pay will be cut effective February 1. He says there is nothing he can do about it.

This afternoon, the members of the Alaska Congressional Delegation are writing to the administration, asking that he intervene to ensure that those Native elders who are affected by this tragic series of events do not lose this safety net.

Senator Begich and I are also preparing legislation that clarifies that service in the Alaska Territorial Guard is to be regarded as Active-Duty service for purposes of calculating retirement pay. We need to clear up that vagueness in the statutes.

I would just say, as I am able to speak here on the floor of the Senate, to Secretary Gates, if you are within the sound of my voice, I believe you owe an apology to these people. It was just a month ago that the Army Chief of Staff sent a letter of apology to 7,000 surviving families of the global war on terror who received letters addressed to John Doe. The blunder I speak of today affects far fewer people, but it is

certainly no less of a blunder. I think we recognize we have just gone through a transition, moving from one administration to the other. Things happen during a transition period--things just happen. Sometimes policy blunders can occur. These things do happen, and then it falls upon Congress and the administration to come back and fix things.

I pledge to the Alaskans, and I know the Presiding Officer and our colleague in the House, Representative Young--I think we all make the commitment to do everything we can to clean up what we are dealing with here. But I am left to wonder, what kind of a government, what kind of a Cruella, could cut retirement benefits to a group of Eskimos in their eighties, in the dead of an Alaskan winter, and say: Sorry, there is nothing we can do.

It is time for some soul searching at the Pentagon. I am looking for answers. I know you are looking for answers. We are looking for solutions, and there is really very little time left.

I thank the Presiding Officer. Know that we will find positive solutions for those who have served us honorably.

From: Esther Brown
Sent: Tuesday, January 27, 2009 4:52 PM
To: Sen. Charlie Huggins
Subject: AK Territorial Guard Ltr 1-27-09

2/3/09

Importance: High

My name is Mr. Andrew Brown Sr. of Mountain Village, Alaska. I am a 79 year Alaska Territorial Guard Veteran and proudly served our country in a time of great crisis when our nation faced two world wars against Japan and Germany from 1941 to 1947. I and my native comrades were recruited with no pay by Muktuk Marston. With no hesitation we knew it was critical as Mr. Marston made every effort to recruit every capable man state-wide at a time when we were most needed. I even had to forego my high school education to defend our country which I did not mind. The only benefits we received at that time were rifles, steel head ammunition, and uniforms. What we were most grateful of was the armed forces aggressively protecting our nation and allies in an extremely difficult position. We were assigned to patrol the coast line to look out for enemy aircrafts, ships, or unusual activities at sea.

Our service to our country cannot and should not be ignored at that time or any other time. We were willing to sacrifice our lives for the freedom that is always our nation's privilege. As you may be aware we were finally recognized for our service just last spring 2008 at Hooper Bay, AK; we had finally received our discharge papers and were told we can apply for veteran's benefits. And then just recently we discovered our pensions were impermissible which brings forth my purpose in writing this letter asking you to kindly please recognize us territorial guards with fairness and honor and to develop new legislation that allows our right to receive benefits that are well deserved.

It is known other veteran soldiers receive veteran's benefits with no restrictions. The territorial guards were predominately native and we live in a country where discrimination is not allowed. To brush us aside is neither proper nor patriotic. Please find it in your heart to bring honor to us territorial guards that are still surviving and to those that passed away and give us the benefits we surely deserve. Your time and efforts would be very much appreciated. Thank you again.

Sincerely,
Andrew Brown Sr.
P.O. Box 32187
Mtn. Village, Alaska 99632
907-591-2735

From: Esther Brown
Sent: Wednesday, January 28, 2009 10:04 AM
To: Sen. Charlie Huggins
Subject: Re: AK Territorial Guard Ltr 1-27-09

Honorable Charlie Huggins:
It was a great pleasure meeting you over the phone, Senator Huggins. I highly appreciate your quick and courteous response by phone and email, it means a lot to me.

I will gladly testify by phone to a Committee. My home phone # is 907-591-2735, cell phone # 907-591-6029.

I have a friend named Paul Kiuyna Sr. from Kipnuk, a retired ATG. He has been keeping in close touch with me lately. He was recently interviewed by the Washington Post and Anchorage Daily News. If you're interested in speaking to him his home phone # is 907-896-5315.

We shall keep in close touch. Thanks again.

Andrew Brown Sr.
home phone: 907-591-2735
cell phone: 907-591-6029

From: Beale, Jerry L (MVA) [jerry.beale@alaska.gov]
Sent: Thursday, January 22, 2009 4:50 PM
Subject: Another Day at the Office

Army cuts off pay for World War II Alaska Guard veterans

Rachel D'Oro/The Associated Press

Originally published Thursday, January 22, 2009 at 1:12 p.m.
Updated Thursday, January 22, 2009 at 3:44 p.m.

ANCHORAGE, Alaska -- The Army is terminating retirement credit for time served in a largely Native militia formed to guard the territory of Alaska from the threat of Japanese attack during World War II.

The change means 26 surviving members of the Alaska Territorial Guard - most in their 80s and long retired - will lose as much as $557 in monthly retirement pay, a state veterans officer said Thursday. The pay claims of 37 others have been suspended.

"This is earned income and it's not being paid," said Jerry Beale of the state Department of Military and Veterans Affairs.

Gov. Sarah Palin said the state is pursuing a remedy for "these brave Alaskans, who did so much for the cause of freedom during a time of great national peril."

The action comes almost a decade after Congress passed a law qualifying time served in the unpaid guard as active federal service. The Army agreed in 2004 to grant official military discharge certificates to members or their survivors.

"It took nearly 60 years before the federal government honored these defenders of our territory for their service," Palin said in a statement. "While most died waiting for this recognition, the few who survive are now being told their Territorial Guard service is not worthy of federal recognition. This is unacceptable. These people are no less heroic than the militias at Lexington and Concord, or the defenders of the Alamo."

An Army official said the law was initially misinterpreted.

The reversal follows an analysis by the Department of Defense that determined that the Army is not authorized in the law to count territorial guard service for the purpose of calculating retirement pay, said Lt. Col. Richard McNorton, the Army's human resources command in Alexandria, Va.

"The focus is to follow the law," he said. "We can't chose whether to follow the law. We have to follow the law."

The Army doesn't intend to seek to recoup past pay, he said.

An estimated 300 members are still living from the original 6,600-member unit called up from 1942 to 1947 to conduct various functions including scouting patrols and construction of military airstrips. But only a fraction had enough other military service to reach the 20-year requirement for retirement pay.

Among those who did is 88-year-old Paul Kiunya in the western Alaska village of Kipnuk. Kiunya was 16 years old when he joined the Territorial Guard. His worked in communications, reporting by radio any unusual noises or the direction of aircraft including some Japanese planes he spotted.

"We did not get one cent being in the Territorial Guard," he said. "And we worked hard."

Kiunya - who later put in 22 years in the National Guard and another decade in the Guard reserves - will lose more than $358 in his retirement package because of the Army's decision. With gasoline in his village at almost $10 a gallon, that's a huge amount to lose.

"I don't know why they trying to cut the pay. It's not good for us right now," he said in a phone interview. "It's not right."

From: Ron and Judy Hills
Sent: Tuesday, January 27, 2009 6:57 PM
To: Sen. Charlie Huggins
Subject: Alaska Territorial Guard

Hi there-I saw you on t.v. tonight speaking about the Territorial Guard. Thanks for standing up for them. Everyone I know is furious about the decision to stop their benefits. Is there anything that anyone of us can do to to help with this?

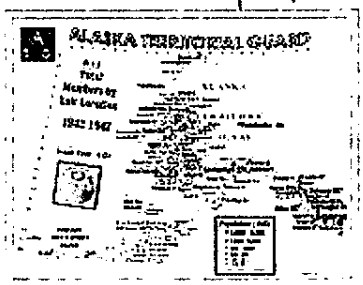
As Mr. Nugen from Nugens Ranch said several years ago about the longevity bonus------we are dying as fast as we can!!! I am ashamed of our government for this decision. Thanks again. Judy Hills

Alaska Territorial Guard

2/3/09

From Wikipedia, the free encyclopedia

The **Alaska Territorial Guard (ATG)** or **Eskimo Scouts** was a military reserve force component of the US Army, organized in 1942 in response to attacks on American soil in Hawaii and Alaska by Japan during World War II. The ATG operated until 1947. 6,368 volunteers who served without pay were enrolled from 107 communities throughout Alaska in addition to a paid staff of 21, according to an official roster[1]. The ATG brought together for the first time into a joint effort members of these ethnic groups: Aleut, Athabaskan, European American, Inupiaq, Haida, Tlingit, Tsimshian, Yupik, and most likely others. In later years, all members of some native units scored expert sharpshooter rankings[2]. Among the 27 or more women members were at least one whose riflery skills exceeded the men[3]. The ages of members at enrollment ranged from 80 years old[4] to as young as twelve[5] (both extremes occurring mostly in sparsely populated areas).



Map showing the locations of Alaska Territorial Guard units (with membership counts), major military bases, and evacuated Aleutian villages

One first-hand estimate states that around 20,000 Alaskans participated, officially or otherwise, in ATG reconnaissance or support activities[6].

The ATG served at least two vital strategic purposes to the entire Allied effort during World War II:

- They safeguarded the only source of the strategic metal platinum in the Western Hemisphere against Japanese attack[7].
- They secured the terrain around the vital Lend-Lease air route between the United States and Russia.

In addition to official duties, ATG members are noted for actively and successfully promoting racial integration within US military forces[8][9], and racial equality within the communities they protected[10].

Several former members of the ATG were instrumental in achieving Alaska Statehood in 1959, as members of the Alaska Statehood Committee and/or delegates to the Alaska Constitutional Convention.

In 2000 all ATG members were granted US veteran status by law, finally acknowledging the contribution of these American heroes, a surprising number of whom are still living[11]. But efforts to find the surviving ATG members and assist them through the application process have been stymied by years of bureaucratic evasiveness and a generally neglectful attitude among those that have benefited most from their sacrifice[11].

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Conditions leading up to the ATG

Before World War II, Alaska was regarded by US military decision makers as too distant from the contiguous United States to effectively protect, and of little strategic importance[12].

> "...the mainland of Alaska is so remote from the strategic areas of the Pacific that it is difficult to conceive of circumstances in which air operations therefrom would contribute materially to the national defense." - General Malin Craig, US Army Chief of Staff, November 1937[13]

This stands in marked contrast to the attitudes of US military leaders during the Cold War immediately after World War II:

> "...as I continue to correspond and to talk with people throughout the United States and the Department of Defense, they too can see clearly the importance of these two battalions which you make up. The real honest-to-God and real-world first line of defense in Alaska ... nearer our opponent, Communist Russia, than any other armed troops in the United States." - General James F Hollingsworth, Commanding General, US Army Alaska (USARAL), February 1971 [14]

True to the earlier viewpoint, the US Army reassigned all Alaska National Guard units out of Alaska to Washington State in August 1941[15]. Alaska was now without military reserves or any form of Home Guard. In the face of an encroaching enemy, the defense of nearly 34,000 miles (55,000 km) of US coastline was left to the best efforts of unorganized local citizens and already overworked seasonal laborers.

That enemy was demonstrating a definite interest in taking Alaska. In the early months of 1942, a Japanese Navy reconnaissance unit was caught on film making detailed surveys of Alaska coastline.

Enemy combatants strode unopposed onto American soil and made inquiries among the populace about the local economy. [16] Enemy aircraft and submarine sightings were common, inspiring great fear among the locals[17], and culminating in the raid on Dutch Harbor and the occupation of the Aleutian Islands of Attu, Kiska and Adak that June.

Creation of the ATG

By the time of the Dutch Harbor bombing, a Major Marvin R Marston had submitted a new plan to defend the entire Alaska coast by enlisting the local citizens[18]. He had conceived this plan while visiting Saint Lawrence Island and contemplating the fate of the locals he'd met[19]. Marston's proposal finally met with favor when word of it got to Alaska territorial governor Ernest Gruening[20]. Gruening had sought to organize a new guard for Alaska, including every able man and boy, since he got word that the US Army would reassign the Alaska National Guard[15].

Motivated by the recent Dutch Harbor attack, the Alaska Command assigned Major Marston and Captain Carl Schreibner within days to serve as military aides to Governor Gruening. Shortly after, Gruening and Marston flew a

chartered plane to begin setting up units of the new **Alaska Territorial Guard (ATG)**. This included one of the most strategically important sites in all Alaska, a tiny mining town called Platinum -- the only source of that strategic metal in all the Western Hemisphere. [21]

The enrollment drive continued into early 1943, the organizers travelling in all kinds of weather and by every available mode of transport, including plane, boat, snowmobile, foot, and the most reliable means in the region, dogsled. When a promised plane failed to arrive after a week, Major Marston set out by dogsled on an epic 680-mile (1,090 km) trip around the Seward Peninsula, during the coldest winter in 25 years[22]. He survived by foregoing standard military survival training in favor of the native methods of his Eskimo guide, Sammy Mogg[23].

Thanks to Marston and Mogg's heroic effort, the **ATG** stood as a first line of defense for the terrain around the Lend-Lease route from America to Russia, against attack by Japan and the Axis Powers. This vital lifeline allowed the US to supply its Russian ally with essential military aircraft[24]. This lifeline had proven to be crucial to Russia's survival during Hitler's Operation Barbarossa[].

Organization of the ATG

Authority

The **Alaska Territorial Guard (ATG)** was organized in June 1942 under the authority of the office of the territorial governor, Ernest Gruening, who served as Commander-In-Chief. All members took an oath to obey the Governor's orders. The governor was directly supported by the **ATG** Adjutant General, J P Williams. Headquarters was in the territorial capital, Juneau.

Mission

The mission of the **ATG** was to play a defensive role for the entire coast of Alaska[25]. Offensive action was the responsibility of the Pacific Theatre commanders, operating from large bases at Dutch Harbor, Cold Bay and Anchorage.

Explicit within the **ATG** mission was that of protecting the terrain around the American terminus of the Lend-Lease air route to Russia on which warplanes were flown from Great Falls, Montana to Whitehorse, Yukon Territory, Canada, then to Ladd Field, Alaska (now Eielson AFB) and on to Nome. Here, Russian pilots flew the planes on to their intended use, combat against Hitler's Third Reich. [24]

By Date

The Alaska Territorial Guard operated from its inception in June 1942[26] until it was officially disbanded on 31 March 1947[27].

By Geographic Area

The Territory of Alaska was divided vertically by the 156th Parallel[28] into Eastern and Western Areas. To the Eastern Area was added Southwest Alaska, including the Aleutian Islands, which had been evacuated of non-combatants[29].

The Western Area had a Field Headquarters in Nome, with the offices of the Commander, Quartermaster, Instructors, Public Relations Officer and Chaplains. Other field staff were located in Anchorage, Koyuk, Selawik and Gambell (on Saint Lawrence Island, where Major Marston first conceived his plan).

The Eastern Area was headquartered in Juneau and held the offices of Property Officer (a role filled by the Adjutant

General) and Instructors. Field staff were assigned to Glacier Highway, |, |, Palmer, | and Sitka.

By Ethnic Group

The **Alaska Territorial Guard** was drawn from 107 communities and from these ethnic groups: Aleut, Athabaskan, European American, Inupiaq, Haida, Tlingit, Tsimshian, Yupik, and probably more.

By Rank

The **ATG**, being organized by US Army officers[30], made use of the same US Army rank structure, with these exceptions:

- Throughout the duration of the **ATG**, no member rose above the rank of Lieutenant Colonel, including the Adjutant *General.*
- The designation "Private" appears to have been little used, though most members were in fact of Private rank.[1]

By Workload and Pay

The 21 staff officers were all full-time, paid positions (except for the governor, whose **ATG** duties were in addition to his regular office and without added salary). All other positions were strictly part-time volunteer, without pay.

By Sex

That total includes at least 27 **ATG** members who were women. Most women served as nurses at the field hospital in Kotzebue, although at least one woman served the **ATG**'s primary mission alongside the men. Laura Beltz Wright of Haycock is also noted for being the best sharpshooter in her company, scoring 98% bulls-eyes. She was chosen Queen of Fairbanks in a beauty contest, an honor her daughter later shared. One of her sons rose to become an airline vice president. [3]

By Age

The age of **ATG** members at enrollment ranged from 80 years old[31] to as young as twelve[20][5], even though official regulations put the minimum age at sixteen.

By Number

All told, there were 6,389 members of the **Alaska Territorial Guard (ATG)**, according to an official roster[1].

Unofficial tally

Alongside those who served in the **ATG**, many others worked to support them, including food service, providing equipment and supplies to the Quartermaster, repair work, etc. Major Marston put the estimate at 20,000 Alaskans who materially participated in **ATG** activities, in his Western Area alone[6].

ATG Activities

All **ATG** members except the 21 staff officers served without pay, and had to perform their new ATG duties in addition to the often difficult challenges of subsisting in Arctic and extreme marine environments.

The **ATG** trained for and/or actively carried out the following:

elsewhere during World War II.

ATG members were also active in promoting racial equality in their communities, insisting on equal treatment for natives and whites alike at movie theaters, restaurants and other public facilities[10].

Recent developments

In 2000 Alaska's senior US Senator, Ted Stevens, sponsored a bill ordering the Secretary of Defense to issue Honorable Discharges to all Americans who served in the Alaska Territorial Guard (ATG)[11]. Stevens is himself a World War II veteran, flying with the Army Air Corps in China.

This bill, meant to repay a debt of honor long outstanding, was signed into law by President Bush that August. This recognition of the ATG's wartime military service includes retirement and/or survivors' pay and other benefits for many former ATG members, a very timely income boost for many seniors living well below the poverty line.

Unfortunately, no effort was made to find and inform these American heroes of their newly granted rights. Initially there was much disagreement as to whose responsibility it was to seek them out. [11]

Compounding the task, many people from this generation grew up without, and still do not own, a telephone. Their primary sources of news have been by radio broadcasts and word-of-mouth, yet not even these methods have been employed to any degree. The advanced age of former members creates an obvious urgency. Add to this the difficulty many will have finding old documents and filling out forms to bureaucratic standards, and the immediate need for a task force of personal assistants is clear. [11]

In 2003 Robert A "Bob" Goodman, a retired colonel, took a temporary position with the Alaska Department of Military & Veterans' Affairs (DMVA) to find and assist as many former ATG members as possible. After the position ended that October, Bob continued the work, on his own and funded out of his own pocket. In support of this effort, he founded the Alaska Territorial Guard Organization (ATGO), a 501(c)(3) non-profit, in April 2006. He continues the work with the help of the small, dedicated underpaid and volunteer ATGO staff. To date, they have found and helped obtain an honorable discharge for about 150 ATG members. They estimate there are several hundred of these hardy souls yet to be found. [11]

Bob and the ATGO have tirelessly pled the case of the ATG members and spouses with US senators two Alaskan governors, most of the state legislature, the Anchorage Assembly, as well as numerous Alaska Native Regional Corporations and other corporations and foundations.

The response is nearly uniform: "Yes, these people need and deserve help right away, and we'll gladly give you a letter of support, but that's not the kind of need we fund here." [11]

Timeline of ATG-related events

- 1931 - The Imperial Japanese Army invades Manzhou (Manchuria), confirming its intent to dominate East Asia and the Pacific.
- 1935 - Billy Mitchell declares Alaska's strategicically important, goes unheeded by US military leadership[52]. Earlier, Billy Mitchell was court-martialled for advocating the value of military air power.
- 1937 - The US Army officially declines a request for an air base in Alaska[53].
- 1939 - Ernest Gruening is appointed Alaska territorial governor by his friend, US President Franklin D Roosevelt (FDR). Gruening gets four National Guard units organized in the Alaska Territory.
- 1940, Mar - A bill for an air base in Alaska failes to pass in the US House[13].
- 1940, April - Hitler invades Norway and Denmark (whose territory includes Greenland).
- 1940, May - US Congress approves an air base in Alaska[13]. Air raids from northern Alaska would help counter any Nazi bases built in Greenland, as a polar projection map will attest).

U.S government poster from WWII

- 1941, Mar - Marvin Marston is commissioned at the Pentagon as a major with orders to Alaska[54].
- Mid-1941 - Ernest Gruening seeks a new guard organization for Alaska, anticipating the reassignment of the Alaska National Guard[15].
- 1941, August - The US Army reassigns Alaska National Guard soldiers away from Alaska, leaving the state with no military reserves or Home Guard[15].
- 1941, December 7 - The Imperial Japanese Navy bombs the USA at Pearl Harbor, Hawaii, sinking most of the US Pacific Fleet. Soldiers' families are ordered evacuated from Alaska[55].
- 1942, Feb-Mar - A Japanese Navy reconnaissance unit is filmed making detailed surveys of the Alaska coastline. Japanese crewmen (enemy combatants) came ashore and questioned the locals about the area. [16]
- 1942, Mar - Major Marston realizes the practicality of a 'tundra army' to defend the entire Alaskan coast.
- 1942, Mar - Japanese aircraft are sighted over Saint Lawrence Island[56].
- 1942, Mar/April - Major Marston presents a formal plan for the defense of Alaska shoreline[57].
- 1942, Jun - Japanese forces raid Dutch Harbor and take control of Attu, Kiska and Adak.
- 1942, Jun - The Alaska Command assigns Major Marvin Marston and Captain Carl Schreibner as military aides to Governor Gruening. Gruening and Marston soon embark on a trip to form the first units of the new **Alaska Territorial Guard**[58].
- 1942 - Major Marston (by now known as "Muktuk" after an eating contest with a village headman) opts to make an **ATG** recruiting run by dogsled when a promised plane fails to show up[59].
- 1943, Jan - Major Marston completes his circuit around the Seward Peninsula by dogsled during the coldest winter in 25 years[22]. Living by native methods, he continues to travel the Arctic through 1945.
- 1945, August - VJ Day, The Empire of Japan surrenders.
- 1947 - The **Alaska Territorial Guard** is disbanded[27].
- 1966 - The State of Alaska awards a medal to all **ATG** members[27].
- 2000 - US Senator Ted Stevens' (R-AK) bill granting **ATG** members full veteran status is passed into law. Little is done to find and inform surviving **ATG** members and spouses, many of whom relocated numerous times in the intervening 53 years. [11]
- 2003 - Robert A "Bob" Goodman, Colonel (Retired), Alaska Air National Guard, takes up the task of finding as many former **ATG** members as possible, to help them apply for recognition as US veterans[11].
- 2006 - Bob Goodman founds the Alaska Territorial Guard Organization, a 501(c)(3) non-profit, to support his efforts on behalf of all former **ATG** members. To date, they have found and helped gain approval for about 150 **ATG** veterans[11].

Noted ATG members

- Atwood, Robert - Editor and publisher of the Anchorage Times, **ATG** lieutenant, Statehood Committee chair
- Egan, William A - territorial & state representative, **ATG** corporal, Constitutional Convention president, state governor
- Geist, Otto William - Pioneer Alaskan archaeologist, promoter of Alaskan artist Florence Nupok Malewoktuk, **ATG** major and quartermaster[60]. The University of Alaska Museum's main building is named for him.
- Gruening, Ernest - Friend of FDR, territorial governor, **ATG** founder[61], Statehood Committee member, US Senator
- Heurlin, Magnus Colcord "Rusty" - WPA artist, **ATG** lieutenant, famed Alaskan artist, first art teacher at the University of Alaska Fairbanks, influenced fellow artist Fred Machetanz
- Ipalook, Fred - Inupiaq native, **ATG** lieutenant, teacher for 39 years[62].
- Ipalook, Percy - Inupiaq native, **ATG** chaplain, territorial & state legislator[63], Stathehood Committee member
- Johnson, Maurice Theodore - **ATG** member, Constitutional Convention delegate
- Jorgensen, Holger - **ATG** sergeant, commercial airline pilot[64]
- Knight, William Wellington - **ATG** member, Constitutional Convention delegate

- Lisbourne, Daniel - **ATG** member, mayor
- Marston, Marvin R "Muktuk", Major, US Army - **ATG** organizer of Western Alaska, Constitutional Convention delegate, author of the book **Men of the Tundra: Alaska Eskimos at War**
- McNealy, Robert J - **ATG corporal**, Constitutional Convention delegate
- Mogg, Samuel Snell "Sammy" - **ATG** lieutenant, guide who led Major Marston by dogsled on an epic 680-mile (1,090 km) mid-winter organizing circuit around the Seward Peninsula.
- Nolan, James - **ATG** member, Constitutional Convention delegate
- Peratrovich, Frank J - Tlingit native; **ATG** captain; mayor; territorial & state representative; senator & senate president; Statehood Committee member; Constitutional Convention first vice president
- Reader, Peter L - **ATG** member, Constitutional Convention delegate
- Schreibner, Carl, Captain, US Army - **ATG** organizer of Eastern Alaska
- Wright, Laura Beltz - **ATG** member, best sharpshooter in her company, shooting 98% bulls-eyes, former Queen of Fairbanks

See also

Former United States special operations units Gutierrez, Fermin "Rocky"

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9. ^ Necrason, C F (1969), *Epilogue - Men of the Tundra: Alaska Eskimos at War*, October House, pp. 210-212,215-217
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2/3/09

NEWS FROM THE OFFICE OF

SENATOR LISA MURKOWSKI

United States Senate

SEC. OF ARMY AUTHORIZES EMERGENCY PAYMENTS TO ALASKA'S ATG

Delegation continues to work on legislative long-term solution

Thursday, January 29, 2009

WASHINGTON, DC -- At the urging of Alaska's Congressional delegation, the U.S. Army has agreed to provide temporary financial assistance to 26 members of Alaska's Territorial Guard (ATG) whose retirement checks will be reduced on February 1 following a legal interpretation that ATG service does not count toward military retirement.

Secretary of the Army Pete Geren has authorized a two-month payment for each member, giving the delegation time to ask Congress to revisit the issue. Sec. Geren told delegation members early today the Army will use the "emergency and extraordinary expense fund" to bridge the shortfall through the end of March.

The move comes after the Army announced that it misinterpreted a section of federal law when it allowed service in the ATG to be counted toward military retirement.

"This is great news for these Alaska Territorial Guardsmen who fought bravely to defend our country during World War II," Sen. Begich said. "I appreciate Secretary Geren's intervention on this issue and giving it the priority attention it deserves. These emergency payments will give us some time to get the problem resolved while making sure these brave Alaskans get the retirement pay they so deserve."

"I am grateful that the Secretary of the Army has agreed to use emergency funds under his control to provide a temporary safety net for these 26 Native Elders who served Alaska and our Nation with distinction during World War II. In this era of high fuel and food costs, it would be tragic to reduce the retirement checks of these Elders who have done so much for our nation," Sen. Murkowski said. "This decision in no way lessens my resolve to ensure that their service in the Alaska Territorial Guard is respected as active duty service and fully credited toward military retirement. This is an earned benefit and it must be restored."

"I truly appreciate the assistance of my former colleague, Secretary Geren," Rep. Young said. "The loss of retirement benefits for the brave Alaskans who served in the Alaska Territorial Guard is disgraceful and a huge misstep by the Department of Defense. I understand budgetary concerns, but cutting the retirement benefits of 26 Alaskans who fought for their country is not near the answer. Back in 2001, when we worked in getting recognition and benefits for members of the Territorial Guard, the intention was that it would be for life, not until the DOD reinterpreted legislative language to suit their needs. I spoke with Secretary Geren and am grateful that he was able to recognize this as a problem and is granting us the two-month extension while we work out a solution."

When Alaska's delegation members received word last week that the ATG retirement payments had been suspended, Sens. Begich and Murkowski and Congressman Don Young immediately sent a letter to President Barack Obama asking the administration to intervene on the matter.

The delegation today introduced legislation that would permanently clarify that service in the ATG is credible toward military retirement.

With Sen. Begich presiding over the Senate, Sen. Murkowski last Thursday evening spoke about the issue on the Senate floor criticizing the Defense Department for reducing the retirement pay of the former Territorial Guardsmen, most of whom are in their 80s, during the harsh Alaska winter. Sen. Begich brought the issue up Tuesday at the Armed Services Committee meeting with Sec. of Defense Robert Gates.

Sec. Geren has told the delegation the checks could be sent as soon as today.

SJR

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Alaska Permanent Fund Corporation

Financial projections FY 2009 - FY 2018

All amounts in millions, except per person dividend

Status Quo - Current Statutes	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY09-FY18 Totals
Contributions & appropriations (principal)	30,865	31,979	32,774	34,006	35,622	37,296	39,021	40,817	42,667	44,572	$ 44,572
Unrealized appreciation/depreciation on assets balance	(5,766)	(3,573)	(1,737)	(166)	1,202	2,421	3,520	4,523	5,451	6,323	$ 6,323
Realized earnings account (after payouts)	1,261	0	0	0	237	486	831	1,263	1,779	2,377	$ 2,377
Total market value end of year (after payouts)	26,361	28,406	31,036	33,840	37,060	40,203	43,372	46,603	49,898	53,272	$ 53,272
Total lump sum dividend appropriation	967	561	188	254	79	422	651	862	1,059	1,244	$ 6,289
Per person dividend under current statutes	$ 1,512	$ 845	$ 244	$ 345	$ 68	$ 593	$ 933	$ 1,238	$ 1,516	$ 1,771	$ 9,066
Inflation proofing transfer to principal	1,141	561	188	591	953	998	1,044	1,092	1,142	1,193	$ 8,905

POMV - 5% (beginning FY2010)	FY2009	FY2010	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	FY2018	FY09-FY18 Totals
Total market value end of year (after payouts)	26,361	28,130	30,097	32,264	34,649	37,242	39,991	42,920	46,022	49,303	$ 49,303
5 year average market value lagged one year	N/A	33,488	33,183	32,649	31,495	31,148	33,286	35,657	38,234	41,014	
POMV 5% spending limit	N/A	1,674	1,659	1,632	1,575	1,557	1,664	1,783	1,912	2,051	
Total lump sum dividend appropriation (50% of POMV)	967	837	830	816	787	779	832	891	956	1,025	$ 8,721
Per person dividend under POMV	$ 1,512	$ 1,287	$ 1,260	$ 1,225	$ 1,166	$ 1,139	$ 1,207	$ 1,282	$ 1,363	$ 1,449	$ 12,893

Percent of Market Value

Assumptions:

1. FY 2009 includes actual results through January 2009, and effective 0% returns for the remainder of the fiscal year.
2. FY 2010-2018 based on 2008 Callan Capital Market Assumptions with total returns of 8.05% per year, and 20% asset turnover.
3. POMV calculation based on 5% of the average of the market values of the Fund on June 30 (pre-payout) for the frist five of the six fiscal years immediately preceeding that fiscal year.
4. POMV assumes a payout of one-half of POMV spending limit of 5% for Permanent Fund Dividends only.
5. POMV assumes that the remaining funds available for spending which are not used for dividends, stay within the Fund and are not appropriated for other purposes.
6. Contributions to principal are based on Department of Revenue's Spring 2009 Revenue Forecast.
7. Status quo does not allocate unrealized gains/losses to the realized earnings account, which could further limit the dividend payout.

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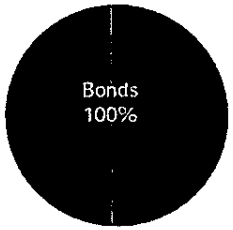
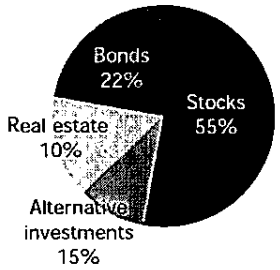
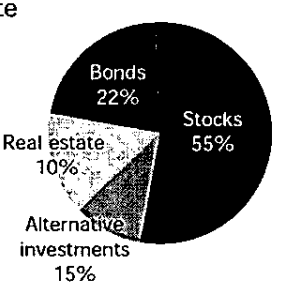
	Permanent Fund yesterday	Permanent Fund today	Permanent Fund under 5% limit
The Law	• 25% of mineral revenues go in the Permanent Fund • Fund principal is invested and may not be spent • Fund income goes to the General Fund	• At least 25% of mineral revenues go in the Permanent Fund • Fund principal is invested and may not be spent • Fund income is retained in the earnings reserve and is available for spending by the Legislature	• At least 25% of mineral revenues go in the Permanent Fund • Constitution is amended create a single Fund, without a distinction between principal and earnings • Spending is limited to no more than 5% of the Fund's value
Investments	• All of the Fund's income is from bond interest • All income is in the form of realized income 	• Bonds and real estate produce realized income • Stocks, real estate and alternative investments produce unrealized gains in value 	• Bonds and real estate produce realized income • Stocks, real estate and alternative investments produce unrealized gains in value 
Payout	• Payout is based on realized income • Payout is compatible with the income produced by Fund investments • All income goes to the General Fund	• Payout is based on realized income • Payout is incompatible with some of the income produced by Fund investments • Income goes to the Earnings Reserve and is available for spending by the Legislature	• Payout is based on total Fund value • Payout is compatible with all of the income, both realized and unrealized, produced by Fund investments • Spending is limited to no more than 5% of the Fund's value
Inflation protection	• Constitution and statues do not include inflation proofing	• Statutes direct that the principal of the Fund be protected from inflation	• Constitution provides for automatic inflation proofing over time through the 5% spending limit

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Senate Finance Committee

March 12, 2009

Dividend Stabilization Plan

COPY ON FILE

"To benefit all generations..."

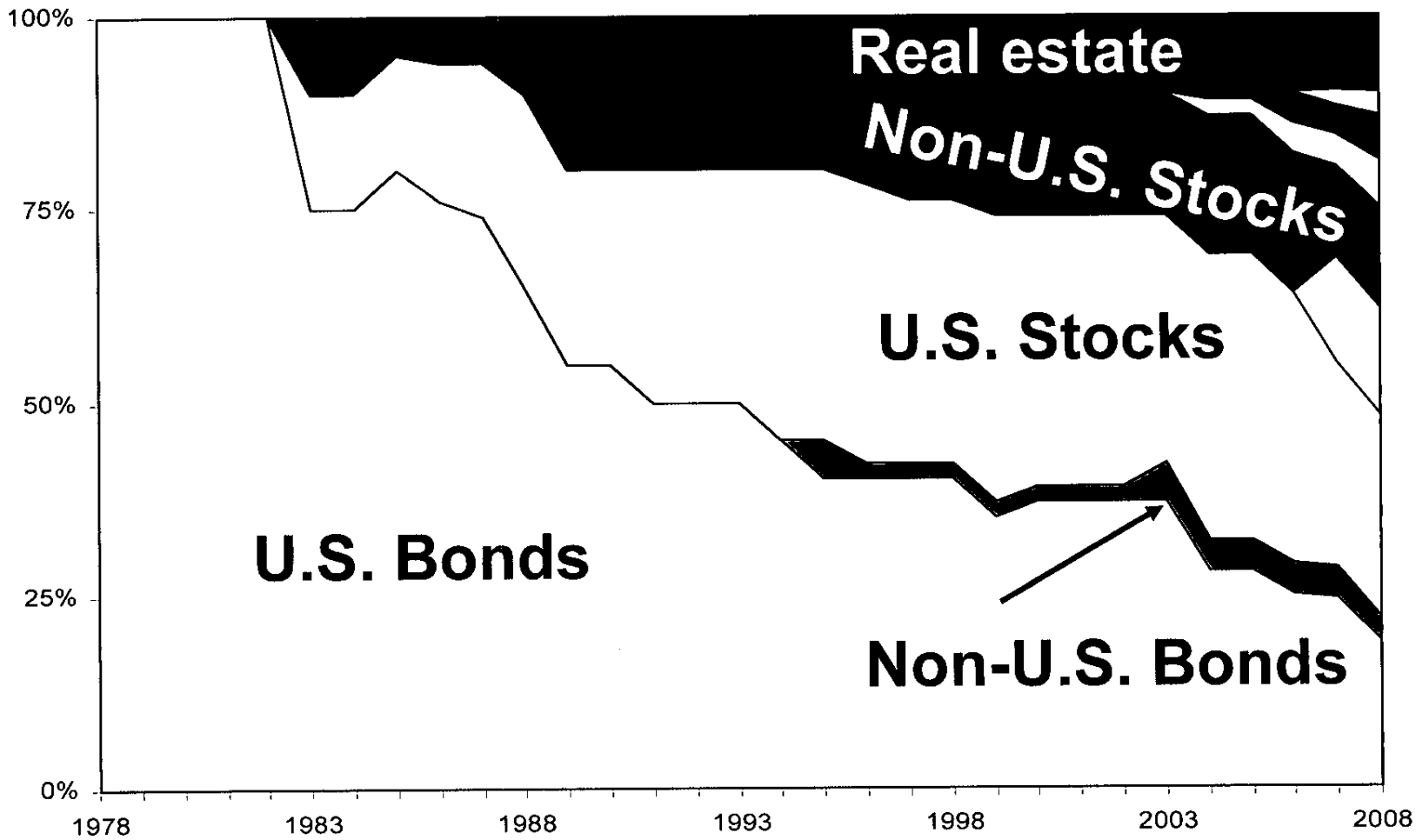
AS 37.13.020 (1)

...the Fund should provide
a means of conserving a portion
of the state's revenue from mineral resources
to benefit all generations of Alaskans.

Is the Fund broken?

- Only part of the Fund is protected from inflation.
- The Fund's long-term investment strategy conflicts with its realized earnings-based payout policy.
- The Fund can't assure payouts in bad years.
- The Fund can be overspent in good years.
- The size of payouts is unpredictable and unstable from year to year.

Asset allocation over time



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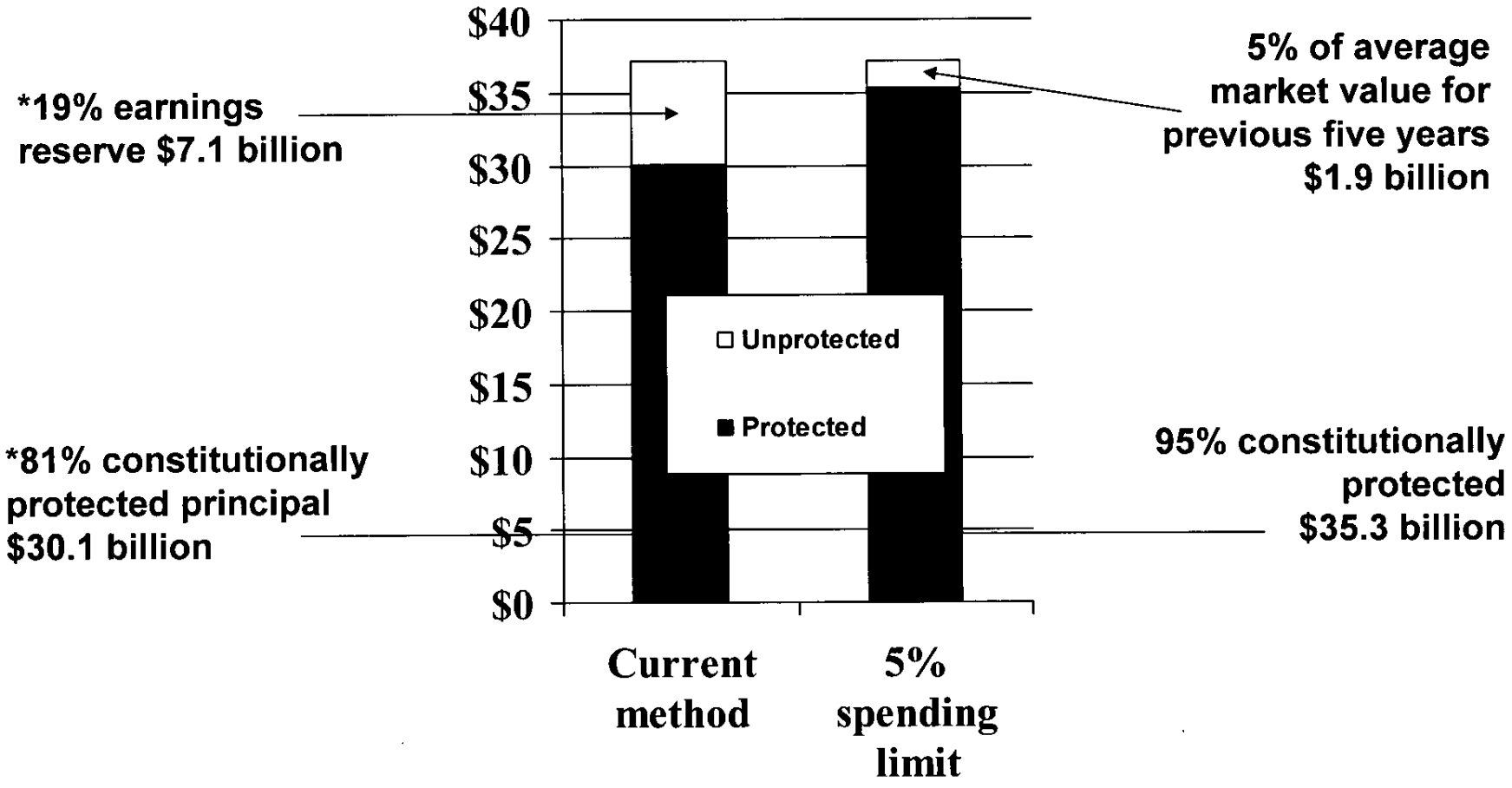
The dangers of overspending

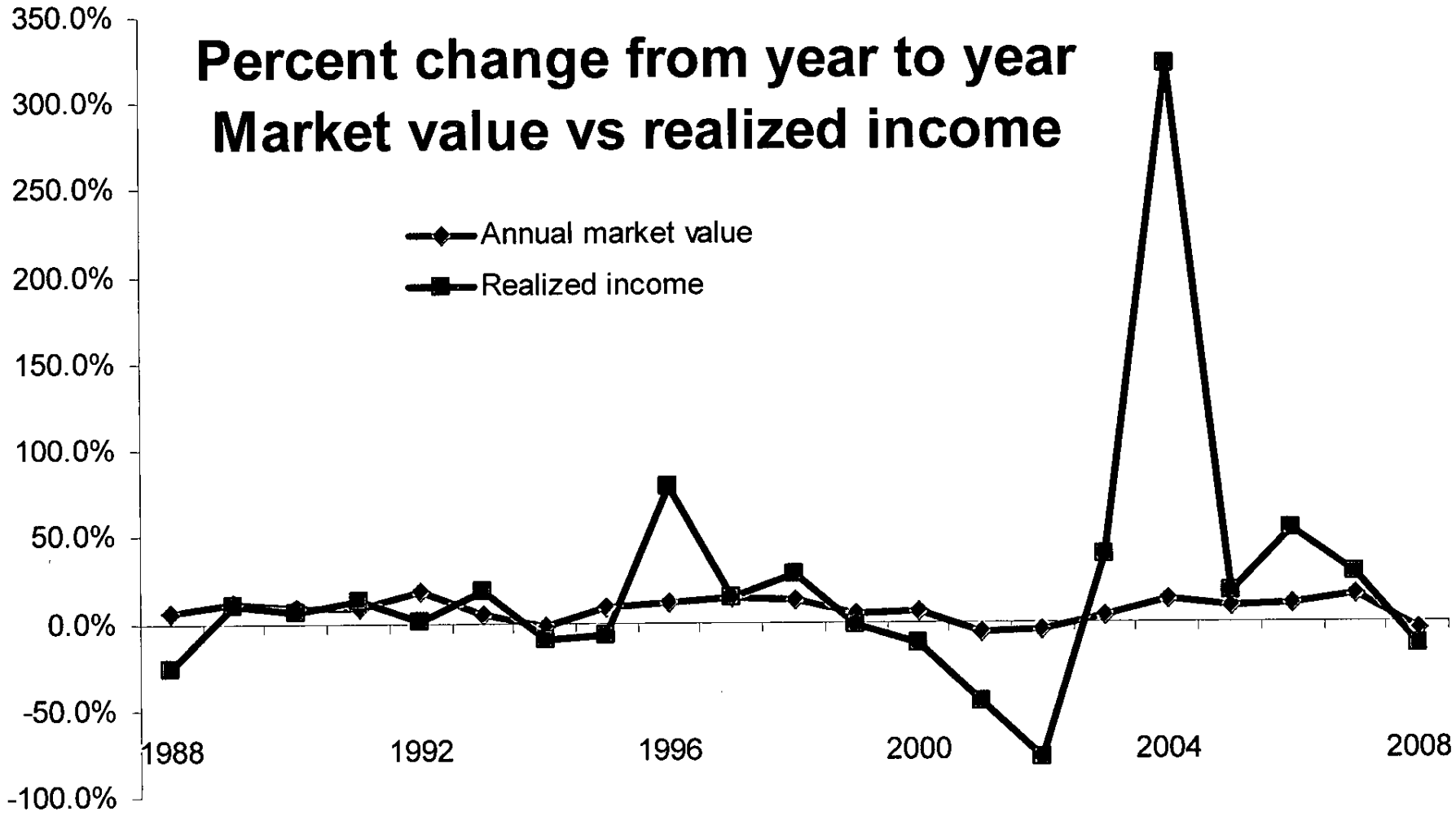
- Overspending in good years means there will be no cushion for down years.
- Overspending can decrease a fund's benefit to future generations.

FY 2008 comparison



* Values as of June 29, 2008 and do not reflect $1.3 billion PFD payment or $808 million inflation proofing transfer from earnings reserve to principal.

Payout source volatility



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What is the answer?

Changing the spending limit for the Permanent Fund to an endowment-like payout method based on market value.

Under the dividend stabilization plan, no more than five percent of the Fund's market value may be withdrawn each year.

Under the current system, all realized earnings are available for spending from the Fund.

How it works

8% **Projected average annual return**

- 3% **Projected average annual inflation**

5% **Maximum annual payout**

Retained in Fund for **inflation-proofing**

Is it really 5%?

Year	Value
1	$30 billion
2	$31 billion
3	$32 billion
4	$33 billion
5	$34 billion
Current Year	$36 billion

$1.6 billion = 5% of five year average ($32 billion)

$1.6 billion = 4.4% of current fiscal year ($36 billion)

Who uses this payout method?

- Anchorage, Fairbanks, North Slope Borough and Sitka residents voted to limit spending based on a percent of the market value of municipal trust accounts.

- Private foundations are required by the IRS to pay out at least 5% of their market value.

- 83% of college and university endowments use a payout method based on a percent of their market value.

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Senator Bert Stedman, Co-Chair
State Capitol, Room 516
Juneau, AK 99801-1182
(907) 465- 3873 - Phone
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Senator_Bert_Stedman@legis.state.ak.us

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Senator Lyman Hoffman, Co-Chair
State Capitol, Room 518
Juneau, AK 99801-1182
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SPONSOR STATEMENT

SJR 9 – PERMANENT FUND DIVIDEND STABILIZATION

When the Permanent Fund was created, its investment authority was restricted to one asset class, a bond only strategy. Income was generated by dividends received and by capital gains from bonds sold at appreciated prices. Since that time, the Fund's asset allocation now incorporates a broader mix of asset classes which seeks to maximize return while minimizing risks. This strategy, while offering higher returns, also increases the volatility of the Fund. Furthermore, it exposes the Fund, during times of financial distress, to valuation swings that are detrimental to the dividend payout.

Most trustees and managers of private and public funds see it as their fiduciary duty to use the real return formula which is simply the total return minus inflation; paying particular attention to maintaining their purchasing power over time. As opposed to the real return concept, the Permanent Fund uses its own archaic method of calculating its distribution formula.

- First, the accounting net income is calculated by subtracting operating expenses and any legislative appropriations from the total return of the Fund.
- From the accounting net income, unrealized gains or losses are subtracted or added which results in the realized net income.
- From the realized net income, the Amerada Hess realized income is subtracted, thus arriving at the statutory net income.
- The statutory net income is the amount used in the distribution formula.

This method of calculating the distribution of dividends leads to increased volatility and risk to the dividend during times of economic stress.

SJR 9 poses the question to legislators whether to allow Alaskans to decide if management of the Alaska Permanent Fund should be modernized to incorporate a more simplified approach. If adopted by the voters in the 2010 general election, the constitutional amendments in this joint resolution would change the way in which amounts available for appropriation from the Permanent Fund are determined. The Legislature could appropriate an amount that would not exceed five percent of the average market value of the Permanent Fund over the first five fiscal years of the six years immediately preceding the fiscal year in which the money is appropriated.

This approach stabilizes the dividend payout and would still allow a distribution to the Legislature as the current method does. Also it would protect the fund from inflation and allow the fund to grow. SJR 9 does not allocate the amount available for appropriation for a specific purpose.

SJR 21

<target><bill>SJR 21</bill><subject>SJR 21</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON, CHAIR

SENATOR ALBERT KOOKESH
SENATOR JOE THOMAS
SENATOR HOLLIS FRENCH
SENATOR LINDA MENARD

ALASKA STATE CAPITOL
ROOM 514
JUNEAU, ALASKA 99801-1182
907) 465-3877
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SENATE COMMUNITY AND REGIONAL AFFAIRS COMMITTEE

SPONSOR STATEMENT
SJR 21 Const. Am: increase Number of Legislators

> " ....Each house district shall be formed of contiguous and compact territory containing as nearly as practicable a relatively integrated socio-economic area...." Alaska Constitution Article VI, Section 6, titled Legislative Apportionment.

SJR 21 will put a constitutional amendment before the voters in the 2010 general election that would increase the size of the legislature to 48 representatives and 24 senators. Upon voter approval, the measure would apply to the 2012 determination of election district boundaries.

In 1913, Congress established the first territorial legislature with 8 senators and 16 representatives. The size of the legislature was increased to 12 senators and 24 representative in 1942. 17 years later a constitution for the state of Alaska was ratified further increasing the size of the legislature to the current 20 senator and 40 representative membership. A feature of that apportionment was that most of the senate membership was equally distributed among the 4 judicial districts in order that one region may not dominate the others. The U.S. Supreme Court decision requiring "one man, one vote" eliminated redistricting by this method.

In the first 50 years of statehood, Alaska has not changed the size of its legislative body, the smallest bicameral legislature in the nation. In this time span, the population of the state has more than tripled. Most significantly, the population increase is disproportionate, strongly favoring large urban areas over rural and small community areas. The task then of applying the Article VI, section 6 requirements for contiguous, compact areas with integrated socio-economic features has correspondingly become more difficult and contentious. Except for the 1960 reapportionment right after statehood, all subsequent reapportionments have faced successful legal challenges, requiring boundary adjustments and on several occasions, a court constructed reapportionment plan.

Federal protections in the U.S. Voter Rights Act of 1965 for large minority concentrations further complicate Alaska's reapportionment process. Indeed, they can act to counter the Section 6 requirements. Rural district distortions are evidence this conflict in the current plan. There is a probability that the new population distribution of the 2010 census cannot reconcile Section 6 and the Voter Rights Act without increasing the size of the legislature. Indeed, the Alaska Supreme Court has established redistricting priorities that place voter rights considerations before the compact, contiguous language of section 6.

Between 1960 and 2006, twenty nine states have changed the size of their legislative body. For the nine states with small populations similar to Alaska (509,000 to 1,429,000), the average size of their legislative bodies is 134 members.

Another measure of the effect of the state's growth and complexity on the work of the legislature is its budget responsibilities. Legislative expenditures for government programs and projects has risen from a figure of $104 million in FY 61 to somewhere in the neighborhood of $7 billion currently. This is an increase from $2700 per capita in 1961 nominal dollars to $10,000 per capita today.

For these reasons, I believe putting a proposal to increase the size of the legislature before the voters has merit and is timely.

ALASKA STATE LEGISLATURE

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SENATE FINANCE COMMITTEE REPORT

DATE: 2/26/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE JOINT RESOLUTION NO. 21

SJR 21 CONST. AM: INCREASE NUMBER OF LEGISLATORS

Proposing amendments to the Constitution of the State of Alaska relating to and increasing the number of members of the house of representatives to forty-eight and the number of members of the senate to twenty-four.

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Leg	2/3/10	✓			1
GOV	2/3/10	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			✓	
	Thomas	✓			
	Ecan	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stevens	✓			

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FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SJR 21
(S) Publish Date: 2/3/10

Identifier (file name): SJR021-OOG-DOE-1-29-10
Dept. Affected: OOG
Title: Constitutional amendment relating to and increasing the number of members of the house of representatives to....
RDU: Elections
Component: Elections
Sponsor: Senate Community and Regional Affairs Committee
Requester: Senate State Affairs
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The passage of this resolution would require the constitutional amendment to appear on the 2010 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 1/29/10, 3:49pm
Approved by: Linda Perez, Director — Date
Division of Administrative Services

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SJR 21
(S) Publish Date: 2/3/10

Identifier (file name): SJR21-LEG-COU-1-29-10
Dept. Affected: Legislature
Title "Proposing amendments to the Constitution of the State of Alaska relating to and increasing the number of members..."
RDU All
Component Various
Sponsor Senate Community and Regional Affairs
Requester Senate State Affairs
Component Number Various

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services				3,600.0	3,600.0	3,600.0	3,600.0
Travel				350.0	350.0	350.0	350.0
Contractual				520.0	520.0	520.0	520.0
Supplies				170.0	0.0	0.0	0.0
Equipment				1,500.0			
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**6,140.0**	**4,470.0**	**4,470.0**	**4,470.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF				6,140.0	4,470.0	4,470.0	4,470.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**6,140.0**	**4,470.0**	**4,470.0**	**4,470.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time				35	35	35	35
Part-time				16	16	16	16
Temporary							

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

SJR 21 proposes amending the Constitution of the State of Alaska by ballot proposition in the next general election which would increase the membership of the Alaska Senate by four Senators and the Alaska House of Representatives by eight Representatives. If this resolution passes, the ballot proposition would be voted on in the November 2010 general election. If the ballot proposition passes, the Redistricting Board would create their redistricting plan using the new number of districts. For purposes of this fiscal note, it is assumed that the number of Legislators elected to office for the 28th Legislature would total 72. Please note the figure included for capital outlay is for the remodeling cost to accommodate the increased number of Legislators in the Capitol. If a decision were made to create an addition to the Capitol or to construct a new building the figure would be much higher and would likely be included in a capital appropriation.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division Legislative Affairs Agency
Date/Time 1/29/10 12:43 PM
Approved by: Pamela Varni, Executive Director
Date 1/29/2010
Legislative Affairs Agency

FISCAL NOTE # 1

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SJR 21

ANALYSIS CONTINUATION

Personal Services - 12 Additional Legislators - 963.0
Assume for staff allocation 1/2 Legislators are in the majority and 1/2 are in minority
34 staff to Legislators - $2,637.0 Support staff include full time - 1 attorney; session only - 2 LIO Officers,
1 Enroller or Help Desk Technician, 1 custodian. Total increase in Personal Service - 3,600.00.

Travel - Assume 1 Legislator from Juneau - Cost to move 11 Legislators and families - 60.0
Cost to relocate an additional 34 staff - 30.0; Cost of increased session per diem - 200.0;
Increase in Legislature's travel budget related to 12 new Legislators - 60.0; Total increase in Travel - 350.0.

Contractual - Allowance Accounts for 4 Senators at 10.0 and 8 Representatives at 8.0 = $104.0;
Connectivity for computers, phones, faxes, and printers - 66.0. Increase in office space for either expanding existing Legislative Information Offices or establishing new offices - 350.0. Total increase in contractual - 520.0.

Supplies - Cost to equip two offices per Legislator and their staff, one office in the district and one office in the Capitol. Items include desktop computers, one laptop per office, printers , hardware, software, which will be shipped to and from the Capital City each year, and one set of furniture for a district office and one set for the Capitol. Furniture items include desks, chairs, phones, file cabinets, fax machines - Total cost to equip offices - 170.0.

Capital Outlay - Cost to remodel the existing chambers in the Capitol and reconfigure space in the Capitol Complex to accommodate 12 new offices would likely, at a minimum, be at least 1,500.0. The cost could be much higher if the Legislature decided to build an addition to the Capitol or construct a new building.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SJR 21
(S) Publish Date: 2/3/10

Identifier (file name): SJR21-LEG-COU-1-29-10
Dept. Affected: Legislature
Title "Proposing amendments to the Constitution of the State of Alaska relating to and increasing the number of members..."
RDU All
Component Various
Sponsor Senate Community and Regional Affairs
Requester Senate State Affairs
Component Number Various

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services				3,600.0	3,600.0	3,600.0	3,600.0
Travel				350.0	350.0	350.0	350.0
Contractual				520.0	520.0	520.0	520.0
Supplies				170.0	0.0	0.0	0.0
Equipment				1,500.0			
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**6,140.0**	**4,470.0**	**4,470.0**	**4,470.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

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1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**6,140.0**	**4,470.0**	**4,470.0**	**4,470.0**

Estimate of any current year (FY2010) cost:

POSITIONS

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Part-time				16	16	16	16
Temporary							

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

SJR 21 proposes amending the Constitution of the State of Alaska by ballot proposition in the next general election which would increase the membership of the Alaska Senate by four Senators and the Alaska House of Representatives by eight Representatives. If this resolution passes, the ballot proposition would be voted on in the November 2010 general election. If the ballot proposition passes, the Redistricting Board would create their redistricting plan using the new number of districts. For purposes of this fiscal note, it is assumed that the number of Legislators elected to office for the 28th Legislature would total 72. Please note the figure included for capital outlay is for the remodeling cost to accommodate the increased number of Legislators in the Capitol. If a decision were made to create an addition to the Capitol or to construct a new building the figure would be much higher and would likely be included in a capital appropriation.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division Legislative Affairs Agency
Date/Time 1/29/10 12:43 PM
Approved by: Pamela Varni, Executive Director
Date 1/29/2010
Legislative Affairs Agency

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SJR 21

ANALYSIS CONTINUATION

Personal Services - 12 Additional Legislators - 963.0
Assume for staff allocation 1/2 Legislators are in the majority and 1/2 are in minority
34 staff to Legislators - $2,637.0 Support staff include full time - 1 attorney; session only - 2 LIO Officers,
1 Enroller or Help Desk Technician, 1 custodian. Total increase in Personal Service - 3,600.00.

Travel - Assume 1 Legislator from Juneau - Cost to move 11 Legislators and families - 60.0
Cost to relocate an additional 34 staff - 30.0; Cost of increased session per diem - 200.0;
Increase in Legislature's travel budget related to 12 new Legislators - 60.0; Total increase in Travel - 350.0.

Contractual - Allowance Accounts for 4 Senators at 10.0 and 8 Representatives at 8.0 = $104.0;
Connectivity for computers, phones, faxes, and printers - 66.0. Increase in office space for either expanding existing Legislative Information Offices or establishing new offices - 350.0. Total increase in contractual - 520.0.

Supplies - Cost to equip two offices per Legislator and their staff, one office in the district and one office in the Capitol. Items include desktop computers, one laptop per office, printers , hardware, software, which will be shipped to and from the Capital City each year, and one set of furniture for a district office and one set for the Capitol. Furniture items include desks, chairs, phones, file cabinets, fax machines - Total cost to equip offices - 170.0.

Capital Outlay - Cost to remodel the existing chambers in the Capitol and reconfigure space in the Capitol Complex to accommodate 12 new offices would likely, at a minimum, be at least 1,500.0. The cost could be much higher if the Legislature decided to build an addition to the Capitol or construct a new building.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SJR 21
(S) Publish Date: 2/3/10

Identifier (file name): SJR021-OOG-DOE-1-29-10
Dept. Affected: OOG
Title: Constitutional amendment relating to and increasing the number of members of the house of representatives to....
RDU: Elections
Component: Elections
Sponsor: Senate Community and Regional Affairs Committee
Requester: Senate State Affairs
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual		1.5					
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF		1.5					
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The passage of this resolution would require the constitutional amendment to appear on the 2010 general election ballot. The cost of providing information about the constitutional amendment in the Official Election Pamphlet, as required by AS 15.58 is $1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to $22.0.

Prepared by: Gail Fenumiai, Director
Phone 465-4611
Division: Division of Elections
Date/Time 1/29/10, 3:49pm
Approved by: Linda Perez, Director
Date
Division of Administrative Services

(Revised 10/13/2009 OMB)

1789

Population trend for Election Districts in 2010

Election District	Pop. 2000	2010 Extrapolation	Diff. From Average	SJR 21 w/ 48 Eds Diff. From Average
1 Ket.	15,031	13,532	-3,777	-892
2 Sit-Wran-Pet	14,991	13,882	-3,427	-542
3-Jun	15,203	15,208	-2,101	784
4-Jun	15,508	15,148	-2,161	724
5 SE islands	15,048	12,948	-4,361	-1,476
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8 Fbks	15,552	16,858	-451	2,434
9 Fbks	15,723	17,723	414	3,299
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17 Anch	15,819	17,509	200	3,085
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40 Kotz-Barrow	15,155	14,578	-2,731	154
TOTAL	627,413	692,351		
Average Population	15,673	17,309		14,424

By Sen. Olson Office

NCSL **Changes in the Sizes of Legislatures 1960-2006**

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Colorado	100	100	No change
Connecticut	330	187	1966, 1972
Delaware	52	62	1964, 1968, 1972
Florida	133	160	1962, 1964, 1966, 1972
Georgia	259	236	1968, 1972
Hawaii	76	76	No change
Idaho	103	105	1962, 1964, 1966, 1984, 1992
Illinois	235	177	1972, 1982
Indiana	150	150	No change
Iowa	158	150	1964, 1966, 1970
Kansas	165	165	No change
Kentucky	138	138	No change
Louisiana	144	144	No change
Maine	184	186	1962, 1968, 1972, 1984
Maryland	152	188	1962, 1966, 1974
Massachusetts	280	200	1978
Michigan	144	148	1964
Minnesota	202	201	1972
Mississippi	189	174	1962
Missouri	191	197	1962
Montana	150	150	1966, 1972
Nebraska	43	49	1964
Nevada	64	63	1962, 1966, 1982
New Hampshire	424	424	No change
New Jersey	81	120	1966, 1968
New Mexico	98	112	1964, 1966
New York	208	212	1964, 1966, 1972, 1982, 2004
North Carolina	170	170	No change
North Dakota	164	141	1962, 1964, 1966, 1972, 1976, 1982, 1992, 2004
Ohio	177	132	1962, 1964, 1966
Oklahoma	165	149	1964, 1972
Oregon	90	90	No change
Pennsylvania	260	253	1964, 1966
Rhode Island	144	113	1962, 1966, 2004
South Carolina	170	170	No change
South Dakota	110	105	1972
Tennessee	132	132	No change
Texas	181	181	No change
Utah	89	104	1964, 1966, 1972
Vermont	276	180	1966
Virginia	140	140	No change
Washington	148	147	1972
West Virginia	132	134	1964
Wisconsin	133	132	1972
Wyoming	83	90	1964, 1966, 1972, 1982, 1992

* The year is the election year in which a change took effect, not necessarily the year that the change was adopted.

1792

State	2005 Population	Rank	Total Legislators	State Rank	Senate Size	State Rank	Approximate Senate District Size	Rank	House Size	State Rank	Approximate House District Size	State Rank
Alabama	4,557,808	23	140	24	35	16	130,223	19	105	16	43,408	21
Alaska	663,661	47	60	39	20	25	33,183	44	40	30	16,592	41
Arizona	5,939,292	17	90	35	30	20	197,976	10	60	26	98,988	8
Arkansas	2,779,154	32	135	26	35	16	79,404	30	100	18	27,792	32
California	36,132,147	1	120	29	40	12	903,304	1	80	22	451,652	1
Colorado	4,665,177	22	100	34	35	16	133,291	18	65	25	71,772	12
Connecticut	3,510,297	29	187	9	36	15	97,508	27	151	6	23,247	36
Delaware	843,524	45	62	38	21	24	40,168	41	41	29	20,574	38
Florida	17,789,864	4	160	17	40	12	444,747	3	120	13	148,249	3
Georgia	9,072,576	9	236	3	56	4	162,010	16	180	3	50,403	20
Hawaii	1,275,194	42	76	36	25	22	51,008	38	51	27	25,004	34
Idaho	1,429,096	39	105	32	35	16	40,831	40	70	24	20,416	39
Illinois	12,763,371	5	177	13	59	3	216,328	9	118	14	108,164	7
Indiana	6,271,973	15	150	18	50	6	125,439	21	100	18	62,720	14
Iowa	2,966,334	30	150	18	50	6	59,327	34	100	18	29,663	31
Kansas	2,744,687	33	165	16	40	12	68,617	33	125	10	21,957	37
Kentucky	4,173,405	26	138	25	38	14	109,826	26	100	18	41,734	23
Louisiana	4,523,628	24	144	22	39	13	115,990	24	105	16	43,082	22
Maine	1,321,505	40	186	10	35	16	37,757	42	151	6	8,752	45
Maryland	5,600,388	19	188	8	47	9	119,157	23	141	8	39,719	25
Massachusetts	6,398,743	13	200	6	40	12	159,969	17	160	5	39,992	24
Michigan	10,120,860	8	148	20	38	14	266,338	6	110	15	92,008	9
Minnesota	5,132,799	21	201	5	67	1	76,609	31	134	9	38,304	26
Mississippi	2,921,088	31	174	14	52	5	56,175	35	122	12	23,943	35
Missouri	5,800,310	18	197	7	34	17	170,597	14	163	4	35,585	27
Montana	935,670	44	150	18	50	6	18,713	48	100	18	9,357	44
Nebraska	1,758,787	38	49	40	49	7	35,894	43	Unicameral		NA	NA
Nevada	2,414,807	35	63	37	21	24	114,991	25	42	28	57,495	18
New Hampshire	1,309,940	41	424	1	24	23	54,581	36	400	1	3,275	49
New Jersey	8,717,925	10	120	29	40	12	217,948	8	80	22	108,974	6
New Mexico	1,928,384	36	112	31	42	11	45,914	39	70	24	27,548	33
New York	19,254,630	3	212	4	62	2	310,559	5	150	7	128,364	4
North Carolina	8,683,242	11	170	15	50	6	173,665	13	120	13	72,360	11
North Dakota	636,677	48	141	23	47	9	13,546	50	94	21	6,773	47
Ohio	11,464,042	7	132	28	33	18	347,395	4	99	19	115,798	5
Oklahoma	3,547,884	28	149	19	48	8	73,914	32	101	17	35,128	28

State	2005 Population	Rank	Total Legislators	State Rank	Senate Size	State Rank	Approximate Senate District Size	Rank	House Size	State Rank	Approximate House District Size	State Rank
Oregon	3,641,056	27	90	35	30	20	121,369	22	60	26	60,684	16
Pennsylvania	12,429,616	6	253	2	50	6	248,592	7	203	2	61,230	15
Rhode Island	1,076,189	43	113	30	38	14	28,321	45	75	23	14,349	42
South Carolina	4,255,083	25	170	15	46	10	92,502	28	124	11	34,315	29
South Dakota	775,933	46	105	32	35	16	22,170	46	70	24	11,085	43
Tennessee	5,962,959	16	132	28	33	18	180,696	12	99	19	60,232	17
Texas	22,859,968	2	181	11	31	19	737,418	2	150	7	152,400	2
Utah	2,469,585	34	104	33	29	21	85,158	29	75	23	32,928	30
Vermont	623,050	49	180	12	30	20	20,768	47	150	7	4,154	48
Virginia	7,567,465	12	140	24	40	12	189,187	11	100	18	75,675	10
Washington	6,287,759	14	147	21	49	7	128,322	20	98	20	64,161	13
West Virginia	1,816,856	37	134	27	34	17	53,437	37	100	18	18,169	40
Wisconsin	5,536,201	20	132	28	33	18	167,764	15	99	19	55,921	19
Wyoming	509,294	50	90	35	30	20	16,976	49	60	26	8,488	46
TOTAL	296,410,404		7,382		1,971				5,411			

Source: National Conference of State Legislatures, population figures based on the U.S. Bureau of the Census state and county quick facts for FY 2005. Compiled April 2007.

* Due to equal sizes, rankings may not range from 1 to 50.

We started with an enlarged hour of 40 districts that fit the Alaska socio-economic map perfectly

- *Continued from previous page*

At statehood our first district plan for the House fit the "constitutional socio-economics criteria" almost perfectly. We wonder whether constitutional crafters of this first plan (*done at the 1955 Constitutional Convention*) knew that an increase in the House from 24 members to 40 members would fit the existing socio-political map so well, making most happy. Nevertheless, it did just that "political job. It kept everyone happy, and that may have been especially important during the time of Congressional review and creation of the Statehood Act (*as well as our own Alaska local vote on statehood*).

> **Note:** *The constitutional committee charged with drafting the scheme was not without its bit of controversy and regional politics, i.e. Anchorage against everyone else, the latter reportedly wanting a plan, at least partially, radiating out from turban centers.*
>
> *So, to avoid the "others," meaning Anchorage delegates, reportedly Fairbanks Delegate George Cooper and Nenana/Yukon Delegate Jack Coghill, put together a little mid-night caucus in Delegate George Cooper's basement. Meanwhile, one of their faith kept the Anchorage delegation busy at the Fairbanks Second Avenue Mecca Bar.*
>
> **Note: As most states did at this time Alaska had a Senate based on regional geography.**

This 1955 plan by "population count' was out-of-date by statehood, but another census was just around the corner. Further, everyone probably understood this, because the 1960 reapportionment plan had to do some serious revising, and yet produced little acrimony. *It was the only plan that has escaped court review and litigation.*

The point is that the first statehood districts fit the socio-economic map perfectly. However, from that day on every decennial redistricting forced the outlying and coastal districts into contortions, struggling to fit constitutional criteria and then the mandates of the ethnic criteria imposed by the 1965 U.S. Voters Right Act and subsequent revisions. Further, almost simultaneously the U.S. Supreme Court Tennessee case brought down the traditional regional Senates across the country. This was a political shock in itself

With a 20 member Senate and 40-member House, and a landmass that imposes huge barriers, we are now about out-of-gas in being able to meet the mandates of the U.S. Voters Rights Act. The issue is! Might the U.S. Justice Department question the size of our legislative bodies, and due to their small fixed size, our ability to provide ethnic representation required under the U.S. Voters Rights Act.

- Ongoing series of back grounders

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- *Continued from previous page*

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SOUTHEAST ALASKA CONFERENCE OF MAYORS

RESOLUTION NO. 2010-02

A RESOLUTION OF THE SOUTHEAST ALASKA CONFERENCE OF MAYORS SUPPORTING THE EXPANSION OF THE ALASKA STATE LEGISLATURE PRIOR TO REAPPORIONMENT

WHEREAS, Southeast Alaska has enjoyed a long and proud tradition in helping shape Alaska's future; and

WHEREAS, Alaska's rural and coastal communities deserve a voice in the legislative process; and

WHEREAS, Alaska's unique cultural, geographic and demographic characteristics require representation that is understanding of and closely connected to our communities ; and

WHEREAS, population trends in our state will surely render a reapportionment process that vests greater legislative power in communities not well positioned to understand the unique characteristics of our region

NOW, THEREFORE, BE IT RESOLVED BY THE SOUTHEAST ALASKA CONFERENCE OF MAYORS supports legislation that increases the size of the Alaskan Legislature prior to the 2012 election.

ADOPTED Feb. 2, 2010

Scott McAdams, Chair

SJR 21

Southeast Conference

March 8, 2010

Dear Alaska Legislator;

As our state continues to grow and the population increasingly concentrates itself into relatively few urban areas, reapportionment will lead to even larger legislative majorities who call the Anchorage basin their home. Conversely, corresponding legislative districts will cover wider and wider swaths of sparsely populated areas having relatively little in common. Already senate districts C, S and T are each larger that most states in the Union. In order to assure that we continue to hear the voices from every corner of the state, not just the urban centers, we believe it is time to increase the size of the Alaska legislature.

Southeast Conference is a private membership organization that works to advance the collective interests of the people, communities, and businesses of Southeast Alaska. It is the Alaska Regional Development Organization (ARDOR), Federal Economic Development District (EDD), and USDA Resource Conservation and Development (RC&D) Council for the region. The Conference's Mission is to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska. In keeping with that mission we feel it is of upmost importance we are all heard with an equal voice.

Southeast Conference respectfully asks for your support for HJR38 and SJR21.

Sincerely,

Shelly Wright

Shelly Wright
Executive Director

P.O. Box 21989 612 W. Willoughby Avenue, Suite B, Juneau Alaska 99802

(907) 523-4350 (907) 463-5670 Fax info@seconference.org

www.seconference.org

POPULATION TREND FOR ELECTION DISTRICTS IN 2010

Election District (ED)	Pop. 2000	2010 Extrapolation	Diff. From Average	SJR 21 w/ 48 EDs Diff. From Average	8 new ED ?
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Nebraska	43	49	1964
Nevada	64	63	1962, 1966, 1982
New Hampshire	424	424	No change
New Jersey	81	120	1966, 1968
New Mexico	98	112	1964, 1966
New York	208	212	1964, 1966, 1972, 1982, 2004
North Carolina	170	170	No change
North Dakota	164	141	1962, 1964, 1966, 1972, 1976, 1982, 1992, 2004
Ohio	177	132	1962, 1964, 1966
Oklahoma	165	149	1964, 1972
Oregon	90	90	No change
Pennsylvania	260	253	1964, 1966
Rhode Island	144	113	1962, 1966, 2004
South Carolina	170	170	No change
South Dakota	110	105	1972
Tennessee	132	132	No change
Texas	181	181	No change
Utah	89	104	1964, 1966, 1972
Vermont	276	180	1966
Virginia	140	140	No change
Washington	148	147	1972
West Virginia	132	134	1964
Wisconsin	133	132	1972
Wyoming	83	90	1964, 1966, 1972, 1982, 1992

* The year is the election year in which a change took effect, not necessarily the year that the change was adopted.

State	2005 Population	Rank	Total Legislators	State Rank	Senate Size	State Rank	Approximate Senate District Size	Rank	House Size	State Rank	Approximate House District Size	State Rank
Alabama	4,557,808	23	140	24	35	16	130,223	19	105	16	43,408	21
Alaska	663,661	47	60	39	20	25	33,183	44	40	30	16,592	41
Arizona	5,939,292	17	90	35	30	20	197,976	10	60	26	98,988	8
Arkansas	2,779,154	32	135	26	35	16	79,404	30	100	18	27,792	32
California	36,132,147	1	120	29	40	12	903,304	1	80	22	451,652	1
Colorado	4,665,177	22	100	34	35	16	133,291	18	65	25	71,772	12
Connecticut	3,510,297	29	187	9	36	15	97,508	27	151	6	23,247	36
Delaware	843,524	45	62	38	21	24	40,168	41	41	29	20,574	38
Florida	17,789,864	4	160	17	40	12	444,747	3	120	13	148,249	3
Georgia	9,072,576	9	236	3	56	4	162,010	16	180	3	50,403	20
Hawaii	1,275,194	42	76	36	25	22	51,008	38	51	27	25,004	34
Idaho	1,429,096	39	105	32	35	16	40,831	40	70	24	20,416	39
Illinois	12,763,371	5	177	13	59	3	216,328	9	118	14	108,164	7
Indiana	6,271,973	15	150	18	50	6	125,439	21	100	18	62,720	14
Iowa	2,966,334	30	150	18	50	6	59,327	34	100	18	29,663	31
Kansas	2,744,687	33	165	16	40	12	68,617	33	125	10	21,957	37
Kentucky	4,173,405	26	138	25	38	14	109,826	26	100	18	41,734	23
Louisiana	4,523,628	24	144	22	39	13	115,990	24	105	16	43,082	22
Maine	1,321,505	40	186	10	35	16	37,757	42	151	6	8,752	45
Maryland	5,600,388	19	188	8	47	9	119,157	23	141	8	39,719	25
Massachusetts	6,398,743	13	200	6	40	12	159,969	17	160	5	39,992	24
Michigan	10,120,860	8	148	20	38	14	266,338	6	110	15	92,008	9
Minnesota	5,132,799	21	201	5	67	1	76,609	31	134	9	38,304	26
Mississippi	2,921,088	31	174	14	52	5	56,175	35	122	12	23,943	35
Missouri	5,800,310	18	197	7	34	17	170,597	14	163	4	35,585	27
Montana	935,670	44	150	18	50	6	18,713	48	100	18	9,357	44
Nebraska	1,758,787	38	49	40	49	7	35,894	43	Unicameral		NA	NA
Nevada	2,414,807	35	63	37	21	24	114,991	25	42	28	57,495	18
New Hampshire	1,309,940	41	424	1	24	23	54,581	36	400	1	3,275	49
New Jersey	8,717,925	10	120	29	40	12	217,948	8	80	22	108,974	6
New Mexico	1,928,384	36	112	31	42	11	45,914	39	70	24	27,548	33
New York	19,254,630	3	212	4	62	2	310,559	5	150	7	128,364	4
North Carolina	8,683,242	11	170	15	50	6	173,665	13	120	13	72,360	11
North Dakota	636,677	48	141	23	47	9	13,546	50	94	21	6,773	47
Ohio	11,464,042	7	132	28	33	18	347,395	4	99	19	115,798	5
Oklahoma	3,547,884	28	149	19	48	8	73,914	32	101	17	35,128	28

State	2005 Population	Rank	Total Legislators	State Rank	Senate Size	State Rank	Approximate Senate District Size	Rank	House Size	State Rank	Approximate House District Size	State Rank
Oregon	3,641,056	27	90	35	30	20	121,369	22	60	26	60,684	16
Pennsylvania	12,429,616	6	253	2	50	6	248,592	7	203	2	61,230	15
Rhode Island	1,076,189	43	113	30	38	14	28,321	45	75	23	14,349	42
South Carolina	4,255,083	25	170	15	46	10	92,502	28	124	11	34,315	29
South Dakota	775,933	46	105	32	35	16	22,170	46	70	24	11,085	43
Tennessee	5,962,959	16	132	28	33	18	180,696	12	99	19	60,232	17
Texas	22,859,968	2	181	11	31	19	737,418	2	150	7	152,400	2
Utah	2,469,585	34	104	33	29	21	85,158	29	75	23	32,928	30
Vermont	623,050	49	180	12	30	20	20,768	47	150	7	4,154	48
Virginia	7,567,465	12	140	24	40	12	189,187	11	100	18	75,675	10
Washington	6,287,759	14	147	21	49	7	128,322	20	98	20	64,161	13
West Virginia	1,816,856	37	134	27	34	17	53,437	37	100	18	18,169	40
Wisconsin	5,536,201	20	132	28	33	18	167,764	15	99	19	55,921	19
Wyoming	509,294	50	90	35	30	20	16,976	49	60	26	8,488	46
TOTAL	296,410,404		7,382		1,971				5,411			

Source: National Conference of State Legislatures, population figures based on the U.S. Bureau of the Census state and county quick facts for FY 2005. Compiled April 2007.

* Due to equal sizes, rankings may not range from 1 to 50.

Two legislative redistrictings - one in 2012 and perhaps another in 2014

Alaska could go through two legislative reapportionments after the 2010 census. The first would be the result of our own state districting process. Inclusive within this process will be contentious litigation that always results. And in Alaska, it has not been infrequent that the Court has taken control and redrawn the plan by appointed court masters.

Now comes the test! Any Alaska plan, or even election laws must be pre-cleared by the U.S. Justice Department civil rights division to ensure it complies with the requirements of the federal U.S. Voters Rights Act of 1965, and subsequent revisions. Alaska is in a special category with nine others states (*all in the Old South*). There were a number of reasons why we earned inclusion, but one was an "English language" test for voting in our state constitution. This was never implemented, and subsequently repealed. **Note:** In fact, Alaska did not even implement voter registration until the election of 1968.

Nevertheless, getting tangled up with U.S. Justice preclearance on the state 2012 plan could cause delay preventing resolution and implementation prior to the 2012 elections. The result of delay would be some kind of interim plan for 2012, i.e. use of the existing plan, the state proposed plan, or temporary court imposed plan.

The problem been with us since before statehood, and is built into the small size of our House and Senate

Alaska's increasingly skewered districting map is a natural result of a very small but fixed number of our 20 member Senate and 40 member House (*smallest in the nation*). The size of the House and Senate is fixed. However, the state's population has grown much faster in the urban areas, along the railbelt, and in coastal cities like Juneau, than in the smaller communities scattered along the extensive Alaska coastline and in the vast rural Interior of the state. This means districts in urban centers become more numerous and compact, but rural districts become fewer and must become huge and ungainly to gather sufficient population for a district, taking in regions completely unrelated and separated from each other.

For example, Sen. Johnny Ellis, D-Anchorage, can walk his downtown Anchorage district North and South, East and West, in just a few hours. Sen. Al Kookesh, D-Angoon, must catch a plane to Juneau (or ferry), catch Alaska Airlines to Anchorage, and then fly to Aniak of the Lower Kuskokwim or Holy Cross on the Lower Yukon. This district is half the size of Alaska.

- *Continued on next page*

We started with an enlarged hour of 40 districts that fit the Alaska socio-economic map perfectly

- *Continued from previous page*

At statehood our first district plan for the House fit the "constitutional socio-economics criteria" almost perfectly. We wonder whether constitutional crafters of this first plan (*done at the 1955 Constitutional Convention*) knew that an increase in the House from 24 members to 40 members would fit the existing socio-political map so well, making most happy. Nevertheless, it did just that "political job. It kept everyone happy, and that may have been especially important during the time of Congressional review and creation of the Statehood Act (*as well as our own Alaska local vote on statehood*).

> **Note:** *The constitutional committee charged with drafting the scheme was not without its bit of controversy and regional politics, i.e. Anchorage against everyone else, the latter reportedly wanting a plan, at least partially, radiating out from turban centers.*
>
> *So, to avoid the "others," meaning Anchorage delegates, reportedly Fairbanks Delegate George Cooper and Nenana/Yukon Delegate Jack Coghill, put together a little mid-night caucus in Delegate George Cooper's basement. Meanwhile, one of their faith kept the Anchorage delegation busy at the Fairbanks Second Avenue Mecca Bar.*
>
> **Note: As most states did at this time Alaska had a Senate based on regional geography.**

This 1955 plan by "population count' was out-of-date by statehood, but another census was just around the corner. Further, everyone probably understood this, because the 1960 reapportionment plan had to do some serious revising, and yet produced little acrimony. *It was the only plan that has escaped court review and litigation.*

The point is that the first statehood districts fit the socio-economic map perfectly. However, from that day on every decennial redistricting forced the outlying and coastal districts into contortions, struggling to fit constitutional criteria and then the mandates of the ethnic criteria imposed by the 1965 U.S. Voters Right Act and subsequent revisions. Further, almost simultaneously the U.S. Supreme Court Tennessee case brought down the traditional regional Senates across the country. This was a political shock in itself

With a 20 member Senate and 40-member House, and a landmass that imposes huge barriers, we are now about out-of-gas in being able to meet the mandates of the U.S. Voters Rights Act. The issue is! Might the U.S. Justice Department question the size of our legislative bodies, and due to their small fixed size, our ability to provide ethnic representation required under the U.S. Voters Rights Act.

- Ongoing series of back grounders

In re 2001 REDISTRICTING CASES.

No. S–10504.

Supreme Court of Alaska.

March 21, 2002.

Petitions for review were filed as to superior court's orders regarding the Redistricting Board's proclamation plan. On consolidated petitions, the Supreme Court held that: (1) proposed House District 16 violated compactness requirement; (2) House District 5 was not constitutionally compact; (3) remand was required to permit Board to reconsider proposed House Districts 12 and 32; (4) unorganized geographic area had no constitutional right to be placed in a single house district; (5) dividing borough among two proposed house districts did not deny borough residents equal protection; (6) proposed Senate District S did not violate any group's equal protection rights; (7) provision of plan, under which the maximum population deviation in city was 9.5%, was unconstitutional; (8) Board failed to justify negative 6.9% deviation in House District 40; (9) Board did not violate the equal protection rights of military personnel by creating House District 18; and (10) assuming e-mail exchanges between some members of Redistricting Board violated Open Meetings Act, no remedy was appropriate.

Petitions for review granted; remanded with instructions.

Bryner, J., filed an opinion dissenting in part.

Carpeneti, J., filed a dissenting opinion.

1. States ⇐27(3)

Proposed House District 16, which contained a bizarrely-shaped appendage in the southwestern portion of the District, violated state constitution's compactness requirement; inclusion of appendage was unnecessary to further any other constitutional requirement and alternative plans considered by Redistricting Board contained more compact and otherwise constitutional versions of district. Const. Art. 6, § 6.

2. States ⇐27(3)

Absent finding that its current configuration was required by the Voting Rights Act, House District 5, which was substantially less compact than required by considerations of population equality and geography, would not be constitutionally compact. Voting Rights Act of 1965, § 2 et seq., 42 U.S.C.A. § 1973 et seq.; Const. Art. 6, § 6.

3. States ⇐27(10)

Redistricting Board was mistaken in its interpretation of doctrine of proportionality, such that Board's range of choices was unduly limited and remand was required to permit Board to reconsider proposed House Districts 12 and 32.

4. States ⇐27(4.1)

An inference of discriminatory intent may be negated by a demonstration that the challenged aspects of a redistricting plan resulted from legitimate nondiscriminatory policies, such as constitutional requirements of compactness, contiguity, and socio-economic integration. Const. Art. 6, § 6.

5. States ⇐27(4.1)

Doctrine of proportionality did not bar joinder of parts of municipality and borough in a single congressional district, but Redistricting Board had to take a hard look at options that it may have ignored based on its misinterpretation of the doctrine of proportionality.

6. Constitutional Law ⇐225.3(3)

States ⇐27(7)

Unorganized geographic area had no constitutional right to be placed in a single house district, as dividing area did not violate the constitutional requirement that districts be socio-economically integrated so long as each portion is integrated, as nearly as practicable, with the district in which it is placed, and dividing area did not, without more, constitute sufficient evidence of an equal protection violation such that Board was required to justify its action. Const. Art. 1, § 1; Art. 6, § 6.

7. Constitutional Law ⇨225.3(8)
States ⇨27(7)

Dividing borough among two proposed house districts did not deny borough residents equal protection or result in one house district not being socio-economically integrated; board offered an uncontroverted, non-discriminatory motivation for its action, given need for population to complete a district, and made a reasonable decision to favor dividing borough over further fragmenting another borough. Const. Art. 1, § 1; Art. 6, § 6.

8. Constitutional Law ⇨225.3(3)
States ⇨27(4.1)

Proposed Senate District S did not violate any group's equal protection rights; Redistricting Board combined two house districts to form Senate District S, in part, as a consequence of its decision to join two other house districts in another senate district to preserve an effective Native senate district to comply with the Voting Rights Act. Voting Rights Act of 1965, § 2 et seq., 42 U.S.C.A. § 1973 et seq.; Const. Art. 1, § 1.

9. Constitutional Law ⇨225.3(6)
States ⇨27(5)

Provision of Redistricting Board's plan, under which the maximum population deviation in city was 9.5%, violated constitutional standard of equality of population "as near as practicable;" although city was by definition socio-economically integrated, and its population was sufficiently dense and evenly spread to allow multiple combinations of compact, contiguous districts with minimal population deviations, Board failed to make any attempt to further minimize deviations. Const. Art. 6, § 6.

10. States ⇨27(5)

Redistricting Board failed to justify negative 6.9% deviation in House District 40 that resulted in a 12% statewide maximum population deviation in house districts; although House District 40 deviation was indirectly caused by Board's attempt to facilitate favorable review of its plan by the United States Department of Justice under the Voting Rights Act, Act did not require state to avoid retrogression of minority voting strength if doing so would create a maximum population deviation exceeding 10%. Voting Rights Act of 1965, § 2 et seq., 42 U.S.C.A. § 1973 et seq.

11. Constitutional Law ⇨225.3(8)
States ⇨27(7)

Redistricting Board did not violate the borough's geographic equal protection rights by failing to award it strictly proportional representation in the legislature; although failure to keep borough's house districts together when forming senate districts provided some evidence of discriminatory intent, Board had a valid non-discriminatory justification based on its forming an effective Native senate district to avoid retrogression under the Voting Rights Act. Voting Rights Act of 1965, § 2 et seq., 42 U.S.C.A. § 1973 et seq.; Const. Art. 1, § 1.

12. Constitutional Law ⇨225.3(3)
States ⇨27(6)

Redistricting Board did not violate the equal protection rights of military personnel by creating House District 18; neither military personnel nor members of any other group had any constitutional right to be divided among two or more districts to maximize their opportunity to influence multiple districts rather than control one. Const. Art. 1, § 1.

13. States ⇨67

Assuming e-mail exchanges between some members of Redistricting Board violated Open Meetings Act, public interest in requiring compliance with the Open Meetings Act did not outweigh the harm that would be caused to the public interest by voiding the entire Redistricting Plan on this basis and, thus, no remedy was appropriate. AS 44.62.310(f).

Before FABE, Chief Justice, MATTHEWS, EASTAUGH, BRYNER, and CARPENETI, Justices.

Order

In consideration of the consolidated petitions for review of the orders of the superior court, including its Memorandum and Order of February 1, 2002, and after hearing oral

argument on these petitions on March 15, 2002,

IT IS ORDERED:

1. All petitions for review of the superior court's orders regarding the Redistricting Board's Proclamation Plan of June 18, 2001, are GRANTED.

2. This case is REMANDED to the superior court with instructions to further remand it to the board for formulation of a final plan which complies with this order. Article VI, section 11 of the Alaska Constitution directs that this court expedite its redistricting decisions, "affording them priority over all other matters...." This order is made in compliance with this directive in lieu of this court's traditional but more lengthy and time-consuming opinion format.

3. Except insofar as they are inconsistent with this order, the orders of the superior court challenged by the petitioners are AFFIRMED.[1]

4. The stay entered by the superior court February 1, 2002 is VACATED.

[1] 5. House District 16 violates the compactness requirement of article VI, section 6 of the Alaska Constitution. House District 16 contains a bizarrely-shaped appendage in the southwestern portion of the district. The inclusion of this appendage is unnecessary to further any other requirement of article VI, section 6, and alternative plans considered by the board contained more compact and otherwise constitutional versions of House District 16.[2]

[2] 6. House District 5 is non-compact. The Craig plaintiffs acknowledge that a district including Cordova and extending as far south as Baranof Island would be compact.[3] But they argue that extending the district beyond Baranof Island to the southern boundary of the state violates the compactness requirement. Although we have in the past invalidated Southeast Alaska districts that included Cordova,[4] current population figures justify Cordova's inclusion in House District 5 to prevent substantial deviations in Southeast Alaska. But we agree with the Craig plaintiffs that House District 5 is substantially less compact than required by considerations of population equality and geography. In argument before this court, counsel for the board suggested that House District 5 must remain unchanged to comply with the federal Voting Rights Act. But the board did not make findings justifying the district on this basis. On remand, the board should either correct House District 5 or expressly find that the district's current configuration is required by the Voting Rights Act. Absent such a finding on remand, House District 5 will not be constitutionally compact.

[3, 4] 7. House Districts 12 and 32 must be reconsidered on remand because they are based on a mistaken legal premise that constrained the board's view of the permissible range of constitutional options for these ar-

1. We commend the superior court for giving prompt and thorough attention to the many issues raised below. Under extreme time pressures, the superior court ably dealt with pretrial and discovery issues, conducted a three-week trial, and issued a thoughtful and well-reasoned opinion of 121 pages.

We also thank all parties and amici and their attorneys for their helpful briefs, provided under an accelerated briefing schedule, and their flexibility in satisfying procedural requirements for submitting these cases to this court on an expedited basis.

2. In *Hickel v. Southeast Conference*, 846 P.2d 38 (Alaska 1992), we adopted and observed the following priorities relating to redistricting:

> Priority must be given first to the Federal Constitution, second to the federal voting rights act, and third to the requirements of article VI, section 6 of the Alaska Constitution. The requirements of article VI, section 6 shall receive priority *inter se* in the following order: (1) contiguousness and compactness, (2) relative socioeconomic integration, (3) consideration of local government boundaries, (4) use of drainage and other geographic features in describing boundaries.

Id. at 62. We adhere to these priorities in this order.

3. Board Plans 1 and 2 proposed such a district.

4. *Carpenter v. Hammond*, 667 P.2d 1204, 1215 (Alaska 1983) (holding that "inclusion of Cordova in House Election District 2" violated socioeconomic integration requirement, "[a]lthough the question [was] an extremely close one").

eas.[5] The board interpreted this court's decision in *Kenai Peninsula Borough v. State*[6] to preclude the board from pairing population from the Matanuska-Susitna Borough with the Municipality of Anchorage because both Anchorage and the borough had sufficient excess population to "control" an additional seat.[7] But *Kenai Peninsula Borough* does not entitle political subdivisions to control a particular number of seats based upon their populations. *Kenai Peninsula Borough* simply held that the board cannot intentionally discriminate against a borough or any other "politically salient class" of voters by invidiously minimizing that class's right to an equally effective vote.[8] *Kenai Peninsula Borough* recognizes that when a reapportionment plan unnecessarily divides a municipality in a way that dilutes the effective strength of municipal voters, the plan's provisions will raise an inference of intentional discrimination. But an inference of discriminatory intent may be negated by a demonstration that the challenged aspects of a plan resulted from legitimate nondiscriminatory policies such as the article VI, section 6 requirements of compactness, contiguity, and socio-economic integration.

Because the board was mistaken in its interpretation of the doctrine of proportionality, the board's range of choices was unduly limited. We therefore remand so the board can revisit the question of redistricting Southcentral Alaska unencumbered by this mistaken assumption.

[5] We do not direct the board to join parts of the Municipality of Anchorage and the Matanuska-Susitna Borough in a single district. We merely hold on the record before us that the doctrine of proportionality does not bar joinder. The board must take a hard look at options that it may have ignored based on its misinterpretation of the law.

[6] 8. The trial court correctly concluded that the Delta Junction area has no con-

5. *Cf. Interior Alaska Airboat Ass'n v. State, Bd. of Game*, 18 P.3d 686, 690 (Alaska 2001) ("[R]eview [of the reasonableness of a regulation] consists primarily of ensuring that the agency has taken a hard look at the salient problems and has genuinely engaged in reasoned decision making.").

6. 743 P.2d 1352 (Alaska 1987).

7. The Municipality of Anchorage has a population that would support 16.6 house seats. The Matanuska Susitna Borough's population would support 3.8 seats. Taken collectively, these municipalities—which by any measure meet article VI, section 6's relative socio-economic integration requirement—would support 20.4 seats. But under the board's interpretation of the doctrine of proportionality, the Municipality of Anchorage is entitled to control seventeen seats and the Matanuska-Susitna Borough is entitled to control four seats, for a collective total of twenty-one seats.

On remand it is likely that the board will consider whether to combine a portion of the excess population of these two municipalities to create a twentieth district. Doing so would leave a population excess of .4, and would raise the question what to do with that excess. One answer might be to overpopulate slightly each of the twenty districts, adding about 300 people to each district, a positive deviation from the ideal of about two percent. But this choice might be seen as undesirable, especially given the relatively high growth rate of the area, and if this choice is not taken, the question will be whether the .4 excess population can be combined with a neighboring area.

This would raise two issues. The first issue is whether this court's antidilution rule expressed in *Hickel*, 846 P.2d at 52, would permit such a combination. This rule holds that where possible the excess population of a municipality can only go to one other district. For example, in the scenario under discussion here (a joint Anchorage/Matanuska-Susitna district), the excess .4 populations of both municipalities would not fit into a single joint district, thus making it impossible to achieve literal compliance with the anti-dilution rule. We conclude, however, that this need to accommodate excess population would be sufficient justification to depart from the antidilution rule.

The second issue is whether any neighboring area that might be joined with the .4 excess population would be sufficiently integrated. Based on the briefs and oral arguments, it appears to us, under these circumstances, that any neighboring areas north, east, or south of the combined municipalities would meet the constitutional requirement of relative socio-economic integration.

8. *See Kenai Peninsula Borough*, 743 P.2d at 1370-73; *see also Karcher v. Daggett*, 462 U.S. 725, 754, 103 S.Ct. 2653, 77 L.Ed.2d 133 (1983) (Stevens, J., concurring) (explaining that group of voters must establish that it belongs to "politically salient class" as first element of claim of invidious discrimination); *Gaffney v. Cummings*, 412 U.S. 735, 754, 93 S.Ct. 2321, 37 L.Ed.2d 298 (1973) (recognizing potentially viable equal protection challenges "if racial or political groups have been fenced out of the political process and their voting strength invidiously minimized").

stitutional right to be placed in a single house district. Dividing the area does not violate the constitutional requirement that districts be socio-economically integrated so long as each portion is integrated, as nearly as practicable, with the district in which it is placed. Further, dividing an unorganized area such as the Delta Junction area does not, without more, constitute sufficient evidence of an equal protection violation such that the board must justify its action. Nevertheless, because this order requires reconsideration of the districts encompassing this area, on remand the board should take a hard look at alternatives, including constitutional alternatives that preserve socio-economically integrated areas.

[7] 9. Plaintiffs argue that dividing the Lake and Peninsula Borough among House Districts 36 and 37 denies the borough residents equal protection and results in House District 36 not being socio-economically integrated. Because the Kodiak Island Borough does not have enough population to support a house district, the board found it necessary to draw population from either the Lake and Peninsula Borough or the Kenai Peninsula Borough to form House District 36. The board's choice was permissible. The Upper Lakes region is as nearly as practicable socio-economically integrated with the Kodiak Island Borough through such links as their mutual membership in the Southwest Alaska Municipal Conference and their involvement in the commercial fishing industry. These areas have traditionally shared a senate district, and plaintiffs in this case requested that they continue to share a senate district due to the "close interaction and strong integration among all of the communities in Southwest Alaska."

Further, there is no equal protection violation. In *Hickel v. Southeast Conference*, we stated: "The division of a borough which otherwise has enough population to support an election district will be an indication of gerrymandering." [9] But this statement does not apply to this case because the Lake and Peninsula Borough falls far short of having enough population to support an election district. Moreover, the board offered an uncontroverted, non-discriminatory motivation for its action—it needed the population to complete District 36—and made a reasonable decision to favor dividing the Lake and Peninsula Borough over further fragmenting the Kenai Peninsula Borough.

[8] 10. Senate District S does not violate any group's equal protection rights. The board combined House Districts 37 and 38 to form Senate District S, and combined House Districts 35 and 36 to form Senate District R. This configuration split the historic Aleut/Alutiiq senate pairing and divided the Lake and Peninsula Borough into two senate districts. The board did this, in part, as a consequence of the board's decision to join House Districts 5 and 6 in Senate District C. This was necessary to preserve an effective Native senate district to comply with the Voting Rights Act. Although the board should not unnecessarily divide a borough between two senate districts, we conclude that the board offered acceptable reasons for doing so in this case.

[9] 11. The board failed to define Anchorage house districts that "contain a population as near as practicable to the quotient obtained by dividing the population of the state by forty." [10] Under the board's plan, the maximum population deviation in Anchorage—i.e., the sum of the absolute values of the two Anchorage districts with the greatest positive and negative deviations—is 9.5%.[11] Before article VI, section 6, was amended in 1998, maximum deviations below ten percent were insufficient, without more, to make out a prima facie case that a plan or part thereof was unconstitutional. Section 6 was amended in 1998 and the present constitutional

9. 846 P.2d 38, 51 n. 20 (Alaska 1992).

10. Alaska Const. art. VI, § 6. Under the federal equal protection clause, a state must make an "honest and good faith effort to construct districts, in both houses of its legislature, as nearly of equal population as is practicable." *Reynolds v. Sims*, 377 U.S. 533, 577, 84 S.Ct. 1362, 12 L.Ed.2d 506 (1964).

11. We further note that multiple combinations of Anchorage districts in the board's Proclamation Plan produce deviations ranging from 5.5% to 9.5%.

standard is equality of population "as near as practicable." Newly available technological advances will often make it practicable to achieve deviations substantially below the ten percent federal threshold, particularly in urban areas. Accordingly, article VI, section 6 will in many cases be stricter than the federal threshold. Here the board believed that deviations within ten percent in Anchorage automatically satisfied constitutional requirements; plaintiffs established that the board failed to make any attempt to further minimize the Anchorage deviations.

Because, as the board's counsel conceded at oral argument, the board made no effort to reduce deviations in Anchorage below ten percent, the burden shifted to the board to demonstrate that further minimizing the deviations would have been impracticable in light of competing requirements imposed under either federal or state law. We conclude that the board failed to offer an acceptable justification for the Anchorage deviations.

The board considered and rejected Anchorage plans with significantly lower maximum deviations, apparently because these plans did not respect the board's conception of neighborhood boundaries. But as we held in *Groh v. Egan*,[12] Anchorage neighborhood patterns cannot justify "substantial disparities" in population equality across Anchorage districts.[13] Anchorage is by definition socio-economically integrated, and its population is sufficiently dense and evenly spread to allow multiple combinations of compact, contiguous districts with minimal population deviations.[14] Accordingly, the Anchorage deviations are unconstitutional, and require the board on remand to make a good faith effort to further reduce the deviations.

[10] 12. The negative 6.9% deviation in House District 40 results in a 12% statewide maximum population deviation in house districts. The board has failed to justify this deviation. The board moved Pilot Station into House District 6 based upon the board's impression that House District 6 potentially needed a greater Native population to remain an effective Native district under the Voting Rights Act. The board then moved Shishmaref from House District 40 to House District 39 to make up the population shortfall resulting from the Pilot Station transfer. Thus, the House District 40 deviation was indirectly caused by the board's attempt to facilitate favorable review of its plan by the United States Department of Justice under section five of the Voting Rights Act.

But the Voting Rights Act does not require a state to avoid retrogression of minority voting strength if doing so would create a maximum population deviation exceeding ten percent.[15] The negative 6.9% deviation in House District 40 is therefore invalid and must be corrected.

[11] 13. The board did not violate the Matanuska Susitna Borough's geographic equal protection rights by failing to award it strictly proportional representation in the legislature. As explained above in paragraph seven, groups of voters are not constitutionally entitled to proportional representation absent invidious discrimination. Failure to keep a borough's house districts together when forming senate districts provides some evidence of discriminatory intent, just as failure to keep all of a borough's excess population in the same house district does.[16] But the board had a valid non-discriminatory jus-

12. 526 P.2d 863, 878–79 (Alaska 1974).

13. In *Groh*, we considered testimony concerning patterns of housing, income levels, and minority residency. We observed:

> While such patterns may form a basis for districting, they lack the necessary significance to justify the substantial disparities of 5.9, 6.5 and 8.6 percent. In an urban area such as Anchorage, more mathematical exactness can be achieved than in the sparsely settled portions of the state where pockets of culturally and economically divergent populations may be separated by geographic barriers.

526 P.2d at 879.

14. *See id.* at 878–79.

15. *See* Guidance Concerning Redistricting and Retrogression Under Section 5 of the Voting Rights Act, 66 Fed. Reg. 5412, 5413 (Jan. 18, 2001). Counsel for the board conceded this at oral argument.

16. *See Hickel*, 846 P.2d at 52 ("[W]here possible, all of a municipality's excess population should go to one other district in order to maximize effective representation of the excess group.").

tification in this case for pairing one of the borough's house districts north with a Fairbanks district: the "fifth" Fairbanks district had to be paired south so that House District 5 could be paired with House District 6 to form an effective Native senate district to avoid retrogression under section five of the Voting Rights Act.

[12] 14. The board did not violate the equal protection rights of military personnel by creating House District 18. Neither military personnel nor members of any other group have any constitutional right to be divided among two or more districts to maximize their opportunity to influence multiple districts rather than control one.

[13] 15. Assuming that the trial court was correct in finding that some of the board members' e-mail exchanges violated the Open Meetings Act,[17] we agree with the trial court that no remedy is appropriate. We hold that the superior court properly concluded that, based on the factors set out in AS 44.62.310(f), "the public interest[ ] in requiring compliance with the Open Meetings Act does not outweigh the harm that would be caused to the public interest by voiding the entire Redistricting Plan on this basis." Because we hold that the superior court permissibly refused to grant any remedy for the particular e-mail exchanges it found to violate the Open Meetings Act, we need not address whether these e-mail exchanges actually violated the Act. We further conclude that the superior court did not err by failing to find additional violations of the Act.

16. We hold that plaintiffs' due process challenges to the board's development of the Proclamation Plan have no merit.

17. Redistricting in Alaska is a task of "Herculean proportions."[18] The challenge of creating a statewide plan that balances multiple and conflicting constitutional requirements is made even more difficult by the very short time-frame mandated by article VI, section 10 of the Alaska Constitution. But these great difficulties do not absolve this court of its duty to independently measure each district against constitutional standards.[19]

The board, at great personal and professional sacrifice to individual members and staff, made extraordinary efforts in discharging its duties. This court's invalidation of some aspects of the board's plan should not be read as a general criticism of the board's work. On the contrary, the board is to be commended for its diligent, conscientious efforts to achieve the basic goal of redistricting—"adequate and true representation by the people in their elected legislature; true, just, and fair representation."[20]

Entered at the direction of the court.

BRYNER, Justice, dissenting in part.

I dissent from one aspect of the court's order: its conclusion that House District 5 cannot pass constitutional muster without further justification.

Although the issue is admittedly close, I believe that the proclaimed version of House District 5 and the earlier version proposed in Board Plans 1 and 2 are both constitutionally permissible alternatives. On the one hand, as today's order correctly observes, the version proposed in Board Plans 1 and 2 is undeniably more compact than the Proclamation Plan's version; but on the other hand, the Proclamation Plan's version could reasonably be seen as offering relatively superior socio-economic integration throughout Southeast Alaska. In my view, article VI, section 6, of the Alaska Constitution gives compactness and socio-economic integration equiva-

17. The Open Meetings Act is set out in AS 44.62.310 and AS 44.62.312.

18. *Egan v. Hammond*, 502 P.2d 856, 865–66 (Alaska 1972), *quoted in Hickel*, 846 P.2d at 50; *Kenai Peninsula Borough*, 743 P.2d at 1359; *Groh*, 526 P.2d at 875 (recognizing difficulty of creating equipopulous districts which conform to all article VI, section 6 requirements).

19. Alaska Const. art. VI, § 11 (conferring appellate jurisdiction on supreme court to review redistricting challenges "on the law and the facts"); *Groh*, 526 P.2d at 867 (holding that this court reviews redistricting plans de novo upon record developed in superior court), *cited in Kenai Peninsula Borough*, 743 P.2d at 1358.

20. 3 Proceedings of the Alaska Constitutional Convention (PACC) 1835 (Jan. 11, 1956), *quoted in Hickel*, 846 P.2d at 44.

lent stature as redistricting criteria; it thus seems to me that neither version of House District 5 can claim *constitutional* superiority. Because the board has broad discretion to select the most desirable among constitutionally permissible alternatives, I would uphold House District 5 as proclaimed.

In all other respects, I join in the court's order.

CARPENETI, Justice, dissenting.

The court today strikes down—directly or indirectly—over two-thirds of the election districts fashioned by the board.[1] I disagree with several individual aspects of today's Order, and discuss those points in this dissent. Fundamentally, though, I disagree with the Order because it fails to truly consider the statewide responsibilities of the board and the need for the board, at the end of the day, to prepare a plan that works across the entire state.

Proclamation House District 5

The Order invalidates Proclamation[2] House District 5 on the ground that it is non-compact. But Alaska's constitution "calls only for relative compactness;"[3] this is because the state's geography and population distribution make it impossible to draw conventionally compact districts that neatly approximate regular shapes like squares and circles. We have frequently allowed some departure from strict compactness in a given district in order to accommodate all of the constitutional criteria for all of the districts in the state.[4] We have previously noted the difficulty of drawing districts in Alaska and emphasized the need for flexibility so that all constitutional requirements may be satisfied as nearly as practicable: "'When Alaska's geographical, climatical, ethnic, cultural, and socio-economic differences are contemplated the task assumes Herculean proportions commensurate with Alaska's enormous land area. The problems are multiplied by Alaska's sparse and widely scattered population and the relative inaccessibility of portions of the state.'"[5]

In the "Board Plans"[6] advocated by the Craig plaintiffs and impliedly accepted as "compact" by today's Order, the proposed "Islands District" encompassing Prince of Wales Island begins at the Canadian border on the south, includes a 300-mile section of the mainland, almost all of Prince of Wales Island, all of Kupreanof and Kuiu Islands, almost all of Admiralty Island, about half of Chichagof Island, and then returns to the mainland to include a long, thin section of the mainland which ends in a long, thin appendage slicing the Haines Borough in two and incorporating Klukwan but bypassing Haines

1. The Order explicitly strikes down House Districts 5, 12, 16, 32, and the Anchorage Districts 17–31. Furthermore, the Order instructs the board to make changes to House Districts 6, 39, and 40, thereby directly striking down a total of twenty-two of forty House districts. These districts necessarily implicate twelve of twenty Senate Districts: District C (House Districts 5 and 6), District F (House District 12), District H (House District 16), District T (House Districts 39 and 40), and the Anchorage Districts I–P (House Districts 17–32).

This Order will indirectly necessitate changes to other districts, as well. With a conservative estimate of at least one other contiguous district being affected for each district explicitly struck down (not including the Anchorage districts, with the exception of District 32), four additional House districts are affected (District 1, District 35, District 36, and District 38). These four additional House districts affect another three Senate districts (District A, District R, and District S). In total, today's Order directly or indirectly affects forty-one of sixty districts. If the Order necessitates changes in all of the districts contiguous with those explicitly struck down, forty-seven of sixty districts are directly or indirectly affected.

2. Districts finally adopted by the Redistricting Board are called "Proclamation" districts.

3. *Carpenter v. Hammond*, 667 P.2d 1204, 1218 (Alaska 1983) (Matthews, J., concurring) (adopted by the full court in *Kenai Peninsula Borough v. State*, 743 P.2d 1352, 1361 & n. 13 (Alaska 1987)).

4. *See, e.g., Hickel v. Southeast Conference*, 846 P.2d 38, 52 & n. 23 (Alaska 1993).

5. *Id.* at 50 (quoting *Egan v. Hammond*, 502 P.2d 856, 865–66 (Alaska 1972)), *quoted in Groh v. Egan*, 526 P.2d 863, 875 (Alaska 1974) and *Kenai Peninsula Borough*, 743 P.2d at 1359.

6. "Board Plans" 1 and 2, which were among the four plans originally promulgated by the board, were not ultimately adopted by the board. As noted above in note 2, districts finally adopted by the board are known as "Proclamation" districts.

on its way to Klukwan. Proclamation House District 5, extending west to include Cordova, is not "substantially less compact" than the "Islands District" in the plan advocated by the Craig plaintiffs. As the options before the board were all relatively compact, the board had the discretion to choose among the differing plans. As Judge Rindner found, the board's decision to keep smaller, rural communities together was a reasonable choice: Proclamation District 5 did not have the appendage problem of Board Plans 1 and 2 and public testimony from small communities urged the board to create a district that did not include them with larger, urban communities. Indeed, the board's plan enjoyed the distinction of being endorsed by every legislator—Republican and Democrat, urban and rural, Native and Caucasian—in all of Southeast Alaska.

Correctly viewing redistricting as a process that requires the board to constantly look beyond the borders of the district being fashioned, the board made a reasonable choice in drawing Proclamation House District 5. The district is substantially more compact than a number of districts in the state,[7] is easily as compact as Board Plans 1 and 2 because it avoids the Klukwan appendage problem that infects those alternative plans,[8] and is sufficiently socio-economically integrated. The superior court's affirmance of the board's action in creating Proclamation District 5 should be upheld.

Proclamation House Districts 12 and 32

Judge Rindner carefully analyzed the problems presented by the formation of Proclamation House Districts 12 and 32. He found that Proclamation District 12 could not survive close scrutiny because of insufficient socio-economic integration between the northern and southern halves of the district, separated as they were by the Alaska Range and long-established habits of economic and social activity. The evidence showed that the northern communities interacted with each other and the southern communities interacted with each other, with almost no interaction between the northern and southern halves of the district. Judge Rindner's similarly careful consideration of the evidence concerning Proclamation House District 32 led him to the opposite conclusion with regard to that district. He found that "[b]ased on all of the evidence, ... District 32 contains as nearly as practicable a relatively integrated socio-economic area." Applying the correct legal standard on review, he said, "It is clear that the Board gave careful consideration and extensive deliberation to this district and took a hard look at the factors both in favor and against such a pairing." He therefore struck down Proclamation District 12 and upheld Proclamation District 32. Because Judge Rindner correctly understood and applied the relevant law, I dissent from this court's holding that Proclamation House District 32 must be remanded for further consideration.

Under *Kenai Peninsula Borough v. State*,[9] strict proportionality is not a constitutional requirement.[10] However, "the interest of individual members of a geographic group or

7. For example, Proclamation House District 40 covers the entire North Slope of the state; Proclamation House District 37 comprises the entire Aleutian Chain as well as part of the mainland; and Proclamation House District 6, the largest single district, extends from the Canadian border just north of Yakutat (a point about 350 miles east of Anchorage), reaches as far north as the Brooks Range and Arctic Village, encompasses almost all of the Yukon River drainage and most of the Kuskokwim River drainage, and extends as far west as Marshall and Russian Mission (to a point about 400 miles west of Anchorage). This district appears to be slightly larger than the State of Texas, which may be fitting given its horseshoe shape.

8. Indeed, a comparison of Proclamation House District 16—which the Order properly strikes because of an appendage that rendered it non-compact—and the "Islands District" in Board Plans 1 and 2—which the Order finds to be compact despite a substantially more prominent appendage—illustrates the correctness of the board's rejection of Board Plans 1 and 2 as an alternative to Proclamation District 5.

9. 743 P.2d 1352 (Alaska 1987).

10. *Id.* at 1370 n. 33 (stating that "We note that article VI, section 6 alone identifies the criteria governing reapportionment; if the framers had intended to make proportionality a criterion for the establishment of new districts, they presumably would have included it in this section or written a sister provision.").

community in having their votes protected from disproportionate dilution by the votes of another geographic group or community" is a significant constitutional interest.[11] By definition, a borough is socio-economically integrated.[12] That integration, the contiguous, and often compact, nature of boroughs, and the significant constitutional interest in protecting the equally effective votes of residents of an organized geographic area requires the board to attempt to draw districts that allow communities to control the whole number of seats to which they are entitled. We have previously stated that "where possible, all of a municipality's excess population should go to one other district in order to maximize effective representation of the excess group."[13] This principle is even more compelling when the "excess" population could constitute the majority of a new district.

The board, therefore, was properly concerned about placing excess populations from Anchorage and the Mat–Su Borough—each of which was sufficient to constitute the majority of a district—into a single district. This legitimate concern resulted in the board's ultimate decision to create a plan that allowed Anchorage, with a population supporting 16.6 House seats, to have the excess population placed in a seventeenth district, and Mat–Su, with a population supporting 3.8 House seats, to have its excess population placed in a different district. Splitting either of these boroughs' excess population, members of a "politically salient class," would clearly have resulted in diluting the voting power of the "excess" voters of each borough. Such dilution would have constituted evidence that the individual voters' rights to geographic equal protection had been violated by the board, and predictably would have led to litigation.[14]

While the board's decision to attempt to draw districts that gave boroughs control over the whole number of seats to which they were entitled was reasonable, this consideration cannot be elevated over the constitutional mandates of one-person, one-vote, contiguity, compactness, and socio-economic integration. As Judge Rindner found, Proclamation House District 12 is not sufficiently socio-economically integrated. The board's decision to value proportionality does not justify the creation of a district that is not socio-economically integrated. Accordingly, I agree that this district is unconstitutional.

Proclamation House District 32, on the other hand, is sufficiently socioeconomically integrated. Judge Rindner found, and I agree, that "District 32 contains as nearly as practicable a relatively integrated socio-economic area. This integration is not minimal but significant." As Proclamation House District 32 is sufficiently socioeconomically integrated, the board's decision to create this district and thereby protect the effectiveness of the vote of the "excess population" involved, was rational. The board should not be required to reconsider Proclamation House District 32.

Anchorage House Districts

We have long held that population deviations under 10% are "minor deviations" that do not require further justification; they are presumptively constitutional.[15] The superior court found that the board's attempt to preserve neighborhood boundaries in Anchorage was not improperly motivated, a conclusion that this court accepts. Yet today's Order

11. *Id.* at 1371.

12. *Hickel v. Southeast Conference*, 846 P.2d 38, 52 (Alaska 1993).

13. *Id.*

14. *Id.* at 52 n. 26 ("Dividing the municipality's excess population among a number of districts would tend to dilute the effectiveness of the votes of those in the excess population group. Their collective votes in a single district would speak with a stronger voice than if distributed among several districts.").

15. *Id.* at 48; *see also Groh v. Egan*, 526 P.2d 863, 877 (Alaska 1974) ("[I]n the absence of a showing that the manner of reapportioning a state was improperly motivated or had an impermissible effect, deviations of up to ten percent require no showing of justification."). Indeed, the United States Supreme Court has upheld deviations over 16%, where such deviations were justified by legitimate considerations. *Mahan v. Howell*, 410 U.S. 315, 328–30, 93 S.Ct. 979, 35 L.Ed.2d 320 (1973).

invalidates sixteen house districts in Anchorage on the ground that the board did not make a sufficient effort to further reduce deviations that we have consistently said are minor and need no further justification.[16] The order attempts to justify this surprising result on two grounds. Neither survives scrutiny.

First, the Order suggests that the constitutional change adopted by the voters in 1999 justifies dramatically stricter standards in redistricting. But a simple comparison of the language of the former provision and the current provision shows that the change made the standard more *flexible*, not more strict. Article VI, section 6 previously provided: "Each area shall contain a population at least equal to the quotient obtained by dividing the total civilian population by forty." That provision literally required that each district contain the same number of civilians as every other district: Each had to be "at least equal" to every other; once any district contained an excess of population, another district would fail to have "at least" that many persons. Whatever might be said about the feasibility of meeting this standard, it is clear that the standard was very high. In 1998[17] the citizens of Alaska voted to adopt new language for article VI, section 6. The new language provides, "Each [house district] shall contain a population as near as practicable to the quotient obtained by dividing the population of the state by forty." Clearly, the new language—"as near as practicable"—created a more flexible standard than the language it replaced—"equal".[18]

Second, today's Order relies on *Groh v. Egan*[19] for the proposition that "Anchorage neighborhood patterns cannot justify deviations so close to the ten percent threshold." But in *Groh v. Egan* we were faced with a plan with a total deviation of *29%*.[20] We addressed three Anchorage districts, which respectively were underrepresented by 5.9%, 6.5%, and 8.6%,[21] in the context of a total deviation of 29%. In holding that neighborhood patterns cannot justify "substantial disparities," we were unmistakably referring to total deviations over 10%. By comparison,

16. The Order is particularly puzzling in that it squarely places the burden on the board to justify *de minimis* deviations. Order at 9, effectively but silently reversing longstanding precedent from this court. *Groh*, 526 P.2d at 877 (stating that in the absence of a showing of improper motive or impermissible effect, "deviations of up to ten percent require *no showing of justification*") (emphasis added). We relied on federal law in announcing this rule, citing both the Court's opinion in *White v. Regester*, 412 U.S. 755, 93 S.Ct. 2332, 37 L.Ed.2d 314 (1973), and Justice Brennan's dissent in that case to the effect that "a line has been drawn at 10%—deviations in excess of that amount are apparently acceptable only on a showing of justification by the State; deviations less than that amount require *no justification whatsoever*." *Id.* at 776, 93 S.Ct. 2332 (Brennan, J., dissenting) (emphasis added).

17. The new constitutional provision took effect January 3, 1999. Committee Substitute for Senate Bill (C.S.S.B.) 44, 20th Leg. 1st Sess. (1999).

18. The legislative history of the provision tends to confirm this view. A section-by-section analysis of the proposed constitutional amendment, prepared for the House Judiciary Committee, commenting on section 4 (which was to become article VI, section 6) stated, with regard to the "as nearly as practicable" language, "Since Alaska Supreme Court and U.S. Supreme Court decisions make clear that minor deviations from an ideal one-fortieth reapportionment per district are permissible, the 'as nearly as practicable' language is added." Sectional Analysis for HJR 44 0-LS0528/C, Original Bill File, House Judiciary Comm. (Feb. 4, 1998).

Virtually identical language is found in the Sectional Analysis prepared for the Senate Judiciary Committee on the same provision. With regard to the "as nearly as practicable" language, the analysis reads: "Since U.S. Supreme Court and Alaska Supreme Court cases make clear that minor deviations from an ideal one-fortieth of the state's population are permissible for house and senate districts, the 'as nearly as practicable' language is added." Sectional Analysis for CS FOR HJR 44(RLS), Original Bill File, Senate Judiciary Comm. (April 6, 1978).

19. 526 P.2d 863 (Alaska 1974).

20. *Id.* at 874, 878–79.

21. The *Groh* opinion does not divulge the Anchorage district with the greatest *over*representation. Accordingly, we do not know the "maximum population deviation in Anchorage" in the redistricting plan that *Groh* addressed. It is therefore not possible to construct the figure that would be comparable to the 9.5% "maximum population deviation in Anchorage" that today's Order describes. But it is likely that the comparable figure would have been substantially higher in the *Groh* case, for no Anchorage district in the present plan exceeds 4.8% deviation.

the greatest Anchorage deviation struck down today is 4.8%, and the maximum statewide deviation—a deviation figure that Anchorage has nothing to do with[22]—is 12%. *Groh v. Egan* simply does not support the court's invalidation of sixteen Anchorage house districts.

Here, the board's stated purpose of trying to maintain neighborhood boundaries within Anchorage, once it had fully complied with the one person, one vote requirement, resulted in the board's decision not to attempt to further minimize deviations within Anchorage below what we have previously determined to be *de minimis*.[23] It did so in order to preserve neighborhoods,[24] a proper motive.[25] It had no impermissible effect. In sum, I believe that the board's approach was entirely proper and conformed to all constitutional requirements. This court should uphold Judge Rindner's affirmance of the board.

Proclamation House District 40

Today's Order invalidates Proclamation House District 40 on the ground that the board incorrectly believed that the 6.9% population deviation in that district was required by the Voting Rights Act. Because I do not believe that is an accurate description of the reason that the board fashioned District 40 as it did, I dissent.

To understand what occurred in regard to District 40, some background information is necessary. Proclamation House District 40 encompasses a very large area—approximately 133,000 square miles—that is sparsely inhabited. The board had only two options to obtain sufficient population: adjoining District 6 or adjoining District 39.

The board considered but rejected the option of taking population from District 6, because District 6 is a majority Athabaskan district, whereas District 40 is a majority Inupiaq district. In *Hickel v. Southeast Conference*,[26] we recognized that combining these disparate populations may be "the single worst combination that could be selected if a board were trying to maximize socio-economic integration in Alaska."[27] Clearly, the board's decision not to take population from District 6 was reasonable and fully justifiable.

The board's other option was to take population from District 39. The closest community in that district is Shishmaref. But if the board were to have done that, the deviation in District 39 would have been −7.8%, greater than District 40's −6.9%.

The board could have lowered the 7.8% deviation by moving Pilot Station from District 6 to District 39 (its former district), but such a move would have increased the deviation in District 6 to −8.2%, again, a greater deviation.[28] Accordingly, the board conclud-

22. In this redistricting plan, the most overrepresented district is House District 40 (the North Slope) with a −6.89% deviation. The most underrepresented district is House District 33 (Kenai Peninsula), with a +5.06% deviation. Accordingly, the plan's statewide "total deviation" is 11.95%, rounded to 12%.

23. *Groh*, 526 P.2d at 877 ("We conclude that in the absence of a showing that the manner of reapportioning a state was improperly motivated or had an impermissible effect, deviations of up to ten percent require no showing of justification.").

24. The Order does not appear to challenge the conclusion that the board's purpose was to preserve neighborhoods, a conclusion that was supported by the evidence. For example, the board heard substantial expert testimony about the socio-economic characteristics of Anchorage neighborhoods, and a majority of the Anchorage Assembly endorsed, as the plan that best kept neighborhoods intact, a package of districts that became most of the final Proclamation districts.

25. *Groh*, 526 P.2d at 879 ("[Patterns of housing, income levels, and minority residency] may form a basis for districting.").

26. 846 P.2d 38 (Alaska 1993).

27. *Id.* at 53 (internal quotation marks omitted).

28. Attempts to lower the deviation in District 6 to acceptable levels were not feasible. District 6 is contiguous with the other effective Native districts, Districts 5 and 37 40. However, these districts are already underpopulated. While District 6 is also contiguous with the districts that include the urban areas of Kenai, Anchorage, Mat Su, and Fairbanks, these areas have minimal, if any, socio-economic integration with the Interior Rivers area, District 6. Given the higher population deviations that would have resulted from trying to reduce District 40's underpopu-

ed that District 40's population shortfall was justified by the difficulty of obtaining offsetting population blocks without violating the board's policies of achieving socio-economic integration and preserving political and Native corporation boundaries. Thus, while the board's initial concerns involved the Voting Rights Act, Judge Rindner found that "[a]ll Board members joined in the decision to approve the boundaries of House District 40, *believing that this choice would result in the lowest population deviation.*" (Emphasis added.)

Judge Rindner found that the board's −6.9% deviation in Proclamation House District 40 was justified. As he concluded, "[b]oth the size and the unavailability of easily moved population blocks make this deviation acceptable [and] justified." Judge Rindner noted that the board moved Pilot Station out of District 39 into District 6 to increase the Native population in District 6. As a consequence, the resulting deviation of Proclamation House District 40 was the lowest possible deviation. Although Judge Rindner found that moving Pilot Station from District 6 to District 39 would have had Voting Rights Act implications—which in themselves would not have been enough to justify a total deviation in excess of 10%[29]—the reason for the move was *not* to satisfy the Voting Rights Act but to achieve the lowest population deviation consistent with other constitutional requirements, including socio-economic integration.

For these reasons, I believe today's Order misapprehends the impact of the Voting Rights Act on the board's actions. Even ignoring the federal act entirely, the board had few options and exercised one that is fully consistent with constitutional requirements. Finally, as a point of reference, the 12% total statewide deviation that the board's plan contained is the *lowest* deviation in any redistricting plan in Alaska's history. I would uphold Judge Rindner's affirmance of the board's Proclamation House District 40.

Conclusion

I fully agree with the Order's observations that redistricting presents formidable challenges to a citizen board that operates under extraordinary time pressures, and that this board should be "commended for its diligent, conscientious efforts to achieve the basic goal of redistricting." It is because the task is so difficult, the time so short, and the job on remand so remarkably heavy that this court should not strike down or otherwise throw into question two-thirds of the districts unless they are truly unconstitutional. Because I believe that only Proclamation Districts 12 and 16 fail to meet constitutional requirements, I dissent from those parts of today's Order that do not affirm the trial court. I would affirm the decision of Judge Rindner in all respects.

lation, the board's decision to keep Pilot Station in District 6, though originally for Voting Rights Act reasons that do not justify a deviation in excess of 10%, was reasonable. Additionally, it had the benefit of maintaining District 6, the only district in Alaska shown to have racially polarized bloc voting, as an effective Native district.

29. Guidance Concerning Redistricting and Retrogression Under Section 5 of the Voting Rights Act, 42 U.S.C.1973c; Notice, 66 Fed.Reg. 5412, 5413 (Jan. 18, 2001) ("For state legislative and local redistricting, a plan that would require overall deviations greater than 10 percent is not considered a reasonable alternative.")

Timothy W. HUBBARD, Appellant,

v.

Amy L. HUBBARD, Appellee.

No. S–9562.

Supreme Court of Alaska.

March 29, 2002.

In divorce proceedings, husband sought to have his paternity of minor child disestablished. The Superior Court, Third Judicial District, Anchorage, John Reese, J., found husband was equitably estopped from dises-

SR

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3</subject><comm>SFIN26</comm></target>

STATE OF ALASKA

Federal Economic Stimulus Package - Questions & Answers

1. What has Alaska requested in the federal economic stimulus package?
Alaska requested that the federal economic stimulus package use existing formula programs to allocate funding fairly to states. The attached letter dated January 7, 2009, from Governor Palin to Alaska's Congressional Delegation further describes Alaska's request.

Initially, four projects were submitted informally to staff in the Alaska congressional delegation offices in November 2008. The initial submission was made very early in the process when it was unclear what would be included in the legislation. The projects submitted were based on preliminary criteria that projects needed to be "bid-ready" and focused on projects with national significance, including development of the gas line and national security.

The specific projects submitted total $139.3 million as follows:

Dalton Highway Improvements	$75.0 million
Parks Highway Improvements	$34.0 million
Alaska Highway MP 1412-1422	$ 5.3 million
Central Regional Surface Repairs	$25.0 million

In her January 7, 2009, letter to the Congressional Delegation, the Governor also suggested consideration of infrastructure improvements to the Kodiak Launch Facility based on national security interests. A brief description of the projects is included at the end of this document.

2. What guidelines has Alaska received and from whom?
Alaska had not received any guidelines other than the statements by President-elect Obama and leadership in Congress from both Houses that there would not be any earmarks in the stimulus bill and that formulas would be used instead. Federal legislation was introduced on January 15, 2009. The administration is reviewing the legislation, will monitor developments and respond accordingly.

3. When is action on the federal economic stimulus package expected?
The latest news reports indicate that leadership in Congress would like to have the economic stimulus bill passed by mid-February, 2009.

4. What process did Alaska use, and who was involved, in determining the requests?
The process Alaska has used and will continue to use is to monitor developments as they occur and provide information accordingly. The Governor, her staff, and agency personnel are involved in reviewing the package and preparing additional comments or requests to the delegation as the federal legislation progresses and what is signed into law by the President.

5. What can communities do to submit projects for the economic stimulus package?
Development of the economic stimulus package continues to evolve at the federal level. Communities and organizations seeking funding for projects should submit their requests directly to Alaska's Congressional Delegation for consideration in the federal appropriation process. However, all indications from the President elect and Congressional leaders suggest there will not be any earmarks in the stimulus legislation.

Attachments
January 7, 2009 Letter to the Alaska Congressional Delegation
January 12, 2009 Press Release

Prepared by: Alaska Office of Management & Budget
Date: January 15, 2009

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Brief Project Descriptions

Dalton Highway Improvements - $75.0 million
Improvements to the Dalton Highway are critical to construction of the natural gas pipeline and resource development on Alaska's North Slope. This project consists of rehabilitation, including widening, resurfacing, culvert replacement and other road enhancements. Grade raises, delineator installation, brush cutting, drainage repairs, repair of damaged bridges, and additional surfacing are also planned. These improvements will better accommodate oversize and overweight loads associated with gas line construction.

Parks Highway Improvements $34.0 Million
The existing roadway is two lanes with 4-foot shoulders, deteriorated pavement, has no passing lanes, and has underlying structural embankment deficiencies that require seasonal weight restrictions. This project will rehabilitate pavement, widen the shoulders to 8 feet (consistent with Alaska's standard for the National Highway System), reconstruct the problematic structural sections, and construct 7 miles of passing lanes. These improvements will better accommodate oversize, overweight loads and slow moving traffic associated with gas line construction.

Alaska Highway Milepost 1412 to 1422 - $5.3 million
This project will rehabilitate, improve drainage, re-level and resurface the Alaska Highway between MP 1412 and 1422 (Delta South). Substandard embankment conditions have been identified in this area causing significant pavement failures. This project will improve the Alaska Highway to accommodate increased truck traffic associated with gas line construction.

Central Region Surface Repairs - $25.0 Million
This project will provide funding for rut and pavement repairs on National Highway System (NHS) routes in Central Region. 67.25% of all the State's vehicle travel occurs in Central Region. Central Region has over 700 lane miles of badly rutted roads that would cost $350 million in today's dollars to repair. Repairs to these routes will facilitate the movement of people, goods and services associated with gas line construction.

Kodiak Launch Facility - $35.0 Million
Launch Pad 3 and Rocket Motor Storage Facility Construction
The Alaska Aerospace Development Corporation (AADC) Kodiak Launch Complex (KLC) is ideally situated to support rapid response launch programs that address increasing demands on the use of space-based capabilities to achieve national objectives. AADC was recently awarded two U.S. Air Force contracts for satellite launches that are demonstrators of the rapid response concept. To gain a sustained rapid response launch capability KLC requires an additional launch pad and rocket motor storage facility. With receipt of funding, construction will begin in the spring of 2009 and be completed and fully operational within 18-24 months.

Prepared by: Alaska Office of Management & Budget
Date: January 15, 2009

1/27/09

COMMITTEE ON APPROPRIATIONS

DAVE OBEY (D-WI), CHAIRMAN

For Immediate Release
Thursday, January 21, 2009
Contact: Kirstin Brost, 202-225-2771

SUMMARY: AMERICAN RECOVERY AND REINVESTMENT
AS PASSED BY THE FULL COMMITTEE

The economy is in a crisis not seen since the Great Depression.

Credit is frozen, consumer purchasing power is in decline, in the last four months the country has lost 2 million jobs and we are expected to lose another 3 to 5 million in the next year.

Conservative economist Mark Zandi was blunt: "the economy is shutting down."

In the next two weeks, the Congress will be considering the American Recovery and Reinvestment Bill of 2009. This package is the first crucial step in a concerted effort to create and save 3 to 4 million jobs, jumpstart our economy, and begin the process of transforming it for the 21st century with $275 billion in economic recovery tax cuts and $550 billion in thoughtful and carefully targeted priority investments with unprecedented accountability measures built in.

The package contains targeted efforts in:

- Clean, Efficient, American Energy
- Transforming our Economy with Science and Technology
- Modernizing Roads, Bridges, Transit and Waterways
- Education for the 21st Century
- Tax Cuts to Make Work Pay and Create Jobs
- Lowering Healthcare Costs
- Helping Workers Hurt by the Economy
- Saving Public Sector Jobs and Protect Vital Services

The economy is in such trouble that, even with passage of this package, unemployment rates are expected to rise to between eight and nine percent this year. Without this package, we are warned that unemployment could explode to near twelve percent. With passage of this package, we will face a large deficit for years to come. Without it, those deficits will be devastating and we face the risk of economic chaos. Tough choices have been made in this legislation and fiscal discipline will demand more tough choices in years to come.

Since 2001, as worker productivity went up, 96% of the income growth in this country went to the wealthiest 10% of society. While they were benefitting from record high worker productivity, the remaining 90% of Americans were struggling to sustain their standard of living. They sustained it by borrowing... and borrowing... and borrowing, and when they couldn't borrow anymore, the bottom fell out. This plan will strengthen the middle class, not just Wall Street CEOs and special interests in Washington.

Our short term task is to try to prevent the loss of millions of jobs and get our economy moving. The long term task is to make the needed investments that restore the ability of average middle income families to increase their income and build a decent future for their children.

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EXECUTIVE SUMMARY

Unprecedented Accountability: A historic level of transparency, oversight and accountability will help guarantee taxpayer dollars are spent wisely and Americans can see results for their investment.

- In many instances funds are distributed through existing formulas to programs with proven track records and accountability measures already in place.
- How funds are spent, all announcements of contract and grant competitions and awards, and formula grant allocations must be posted on a special website created by the President. Program managers will also be listed so the public knows who to hold accountable.
- Public notification of funding must include a description of the investment funded, the purpose, the total cost and why the activity should be funded with recovery dollars. Governors, mayors or others making funding decisions must personally certify that the investment has been fully vetted and is an appropriate use of taxpayer dollars. This will also be placed on the recovery website.
- A Recovery Act Accountability and Transparency Board will be created to review management of recovery dollars and provide early warning of problems. The seven member board includes Inspectors General and Deputy Cabinet secretaries.
- The Government Accountability Office and the Inspectors General are provided additional funding and access for special review of recovery funding.
- State and local whistleblowers who report fraud and abuse are protected.
- There are no earmarks in this package.

This plan targets investments to key areas that will create and preserve good jobs at the same time as it is strengthening the ability of this economy to become more efficient and produce more opportunities for employment.

Clean, Efficient, American Energy: To put people back to work today and reduce our dependence on foreign oil tomorrow, we will strengthen efforts directed at doubling renewable energy production and renovate public buildings to make them more energy efficient.

- $32 billion to transform the nation's energy transmission, distribution, and production systems by allowing for a smarter and better grid and focusing investment in renewable technology.
- $16 billion to repair public housing and make key energy efficiency retrofits.
- $6 billion to weatherize modest-income homes.

Transform our Economy with Science and Technology: We need to put scientists to work looking for the next great discovery, creating jobs in cutting-edge-technologies, and making smart investments that will help businesses in every community succeed in a global economy. For every dollar invested in broadband the economy sees a ten-fold return on that investment.

- $10 billion for science facilities, research, and instrumentation.
- $6 billion to expand broadband internet access so businesses in rural and other underserved areas can link up to the global economy.

Modernize Roads, Bridges, Transit and Waterways: To build a 21st century economy, we must engage contractors across the nation to create jobs rebuilding our crumbling roads, and bridges, modernize public buildings, and put people to work cleaning our air, water and land.

- $30 billion for highway construction;
- $31 billion to modernize federal and other public infrastructure with investments that lead to long term energy cost savings;
- $19 billion for clean water, flood control, and environmental restoration investments;
- $10 billion for transit and rail to reduce traffic congestion and gas consumption.

Education for the 21st Century: To enable more children to learn in 21st century classrooms, labs, and libraries to help our kids compete with any worker in the world, this package provides:

- $41 billion to local school districts through Title I ($13 billion), IDEA ($13 billion), a new School Modernization and Repair Program ($14 billion), and the Education Technology program ($1 billion).
- $79 billion in state fiscal relief to prevent cutbacks to key services, including $39 billion to local school districts and public colleges and universities distributed through existing state and federal formulas, $15 billion to states as bonus grants as a reward for meeting key performance measures, and $25 billion to states for other high priority needs such as public safety and other critical services, which may include education.
- $15.6 billion to increase the Pell grant by $500.
- $6 billion for higher education modernization.

Tax Cuts to Make Work Pay and Create Jobs: We will provide direct tax relief to 95 percent of American workers, and spur investment and job growth for American Businesses. [marked up by the Ways and Means Committee]

Lower Healthcare Costs: To save not only jobs, but money and lives, we will update and computerize our healthcare system to cut red tape, prevent medical mistakes, and help reduce healthcare costs by billions of dollars each year.

- $20 billion for health information technology to prevent medical mistakes, provide better care to patients and introduce cost-saving efficiencies.
- $4.1 billion to provide for preventative care and to evaluate the most effective healthcare treatments.

Help Workers Hurt by the Economy: High unemployment and rising costs have outpaced Americans' paychecks. We will help workers train and find jobs, and help struggling families make ends meet.

- $43 billion for increased unemployment benefits and job training.
- $39 billion to support those who lose their jobs by helping them to pay the cost of keeping their employer provided healthcare under COBRA and providing short-term options to be covered by Medicaid.
- $20 billion to increase the food stamp benefit by over 13% in order to help defray rising food costs.

Save Public Sector Jobs and Protect Vital Services: We will provide relief to states, so they can continue to employ teachers, firefighters and police officers and provide vital services without having to unnecessarily raise middle class taxes.

- $87 billion for a temporary increase in the Medicaid matching rate.
- $4 billion for state and local law enforcement funding.

CREATE JOBS WITH CLEAN, EFFICIENT, AMERICAN ENERGY

To put people back to work today and reduce our dependence on foreign oil tomorrow, we will make investments aimed at doubling renewable energy production and renovate public buildings to make them more energy efficient.

- **Reliable, Efficient Electricity Grid:** $11 billion for research and development, pilot projects, and federal matching funds for the Smart Grid Investment Program to modernize the electricity grid making it more efficient, secure, and reliable and build new power lines to transmit clean, renewable energy from sources throughout the nation.
- **Renewable Energy Loan Guarantees:** $8 billion for loans for renewable energy power generation and transmission projects.
- **GSA Federal Buildings:** $6.7 billion for renovations and repairs to federal buildings including at least $6 billion focused on increasing energy efficiency and conservation. Projects are selected based on GSA's ready-to-go priority list.
- **Local Government Energy Efficiency Block Grants:** $6.9 billion to help state and local governments make investments that make them more energy efficient and reduce carbon emissions.
- **Energy Efficiency Housing Retrofits:** $2.5 billion for a new program to upgrade HUD sponsored low-income housing to increase energy efficiency, including new insulation, windows, and furnaces. Funds will be competitively awarded.
- **Energy Efficiency and Renewable Energy Research:** $2 billion for energy efficiency and renewable energy research, development, demonstration, and deployment activities to foster energy independence, reduce carbon emissions, and cut utility bills. Funds are awarded on a competitive basis to universities, companies, and national laboratories.
- **Advanced Battery Loans and Grants:** $2 billion for the Advanced Battery Loan Guarantee and Grants Program, to support U.S. manufacturers of advanced vehicle batteries and battery systems. America should lead the world in transforming the way automobiles are powered.
- **Department of Defense Efficiency:** $1.8 billion for efforts to make our military bases more energy efficient, beyond benefits that will come from replacing and repairing facilities.
- **Energy Efficiency Grants and Loans for Institutions:** $1.5 billion for energy sustainability and efficiency grants and loans to help school districts, institutes of higher education, local governments, and municipal utilities implement projects that will make them more energy efficient.
- **Home Weatherization:** $6.2 billion to help low-income families reduce their energy costs by weatherizing their homes and make our country more energy efficient.
- **Smart Appliances:** $300 million to provide consumers with rebates for buying energy efficient Energy Star products to replace old appliances, which will lower energy bills.
- **GSA Federal Fleet:** $600 million to replace older vehicles owned by the federal government with alternative fuel automobiles that will save on fuel costs and reduce carbon emissions.
- **Electric Transportation:** $200 million for a new grant program to encourage electric vehicle technologies.
- **Cleaning Fossil Energy:** $2.4 billion for carbon capture and sequestration technology demonstration projects. This funding will provide valuable information necessary to reduce the amount of carbon dioxide emitted into the atmosphere from industrial facilities and fossil fuel power plants.
- **Department of Defense Research:** $350 million for research into using renewable energy to power weapons systems and military bases.
- **Alternative Buses and Trucks:** $400 million to help state and local governments purchase efficient alternative fuel vehicles to reduce fuel costs and carbon emissions.
- **Industrial Energy Efficiency:** $500 million for energy efficient manufacturing demonstration projects.
- **Diesel Emissions Reduction:** $300 million for grants and loans to state and local governments for projects that reduce diesel emissions, benefiting public health and reducing global warming. This includes technologies to retrofit emission exhaust systems on school buses, replace engines and vehicles, and establish anti-idling programs. 70% of the funds go to competitive grants and 30% funds grants to states with approved programs. Last year EPA was able to fund only 27% of the applications received.

TRANSFORMING OUR ECONOMY WITH SCIENCE AND TECHNOLOGY

We need to put scientists to work looking for the next great discovery, create jobs in cutting-edge technologies and making smart investments that will help businesses in every community succeed in a global economy.

Broadband to Give Every Community Access to the Global Economy

- **Wireless and Broadband Grants:** $6 billion for broadband and wireless services in underserved areas to strengthen the economy and provide business and job opportunities in every section of America with benefits to e-commerce, education, and healthcare. For every dollar invested in broadband the economy sees a ten-fold return on that investment.

Scientific Research

- **National Science Foundation:** $3 billion, including $2 billion for expanding employment opportunities in fundamental science and engineering to meet environmental challenges and to improve global economic competitiveness, $400 million to build major research facilities that perform cutting edge science, $300 million for major research equipment shared by institutions of higher education and other scientists, $200 million to repair and modernize science and engineering research facilities at the nation's institutions of higher education and other science labs, and $100 million is also included to improve instruction in science, math and engineering.
- **National Institutes of Health Biomedical Research:** $2 billion, including $1.5 billion for expanding good jobs in biomedical research to study diseases such as Alzheimer's, Parkinson's, cancer, and heart disease - NIH is currently able to fund less than 20% of approved applications – and $500 million to implement the repair and improvement strategic plan developed by the NIH for its campuses.
- **University Research Facilities:** $1.5 billion for NIH to renovate university research facilities and help them compete for biomedical research grants. The National Science Foundation estimates a maintenance backlog of $3.9 billion in biological science research space. Funds are awarded competitively.
- **Centers for Disease Control and Prevention**: $462 million to enable CDC to complete its Buildings and Facilities Master Plan, as well as renovations and construction needs of the National Institute for Occupational Safety and Health.
- **Department of Energy:** $2 billion for basic research into the physical sciences including high-energy physics, nuclear physics, and fusion energy sciences and improvements to DOE laboratories and scientific facilities. $400 million is for the Advanced Research Project Agency – Energy to support high-risk, high-payoff research into energy sources and energy efficiency.
- **NASA:** $600 million, including $400 million to put more scientists to work doing climate change research, including Earth science research recommended by the National Academies, satellite sensors that measure solar radiation critical to understanding climate change, and a thermal infrared sensor to the Landsat Continuing Mapper necessary for water management, particularly in the western states; $150 million for research, development, and demonstration to improve aviation safety and Next Generation air traffic control (NextGen); and $50 million to repair NASA centers damaged by hurricanes and floods last year.
- **Biomedical Advanced Research and Development, Pandemic Flu, and Cyber Security:** $900 million to prepare for a pandemic influenza, support advanced development of medical countermeasures for chemical, biological, radiological, and nuclear threats, and for cyber security protections at HHS.
- **National Oceanic and Atmospheric Administration Satellites and Sensors:** $600 million for satellite development and acquisitions, including climate sensors and climate modeling.
- **National Institute of Standards and Technology:** $300 million for competitive construction grants for research science buildings at colleges, universities, and other research organizations and $100 million to coordinate research efforts of laboratories and national research facilities by setting interoperability standards for manufacturing.
- **Agricultural Research Service:** $209 million for agricultural research facilities across the country. ARS has a list of deferred maintenance work at facilities of roughly $315 million.

- **U.S. Geological Survey:** $200 million to repair and modernize U.S.G.S. science facilities and equipment, including improvements to laboratories, earthquake monitoring systems, and computing capacity.

Creating Small Business Opportunity

- **Small Business Credit:** $430 million for new lending assistance and loan guarantee authorities to make loans more attractive to lenders and free up capital. The number of loans guaranteed under the SBA's 7(a) business loan program was down 57% in the first quarter of this year compared to last.
- **Rural Business-Cooperative Service:** $100 million for rural business grants and loans to guarantee $2 billion in loans for rural businesses at a time of unprecedented demand due to the credit crunch. Private sector lenders are increasingly turning to this program to help businesses get access to capital.
- **Industrial Technology Services:** $100 million, including $70 million for the Technology Innovation Program to accelerate research in potentially revolutionary technologies with high job growth potential, and $30 million for the Manufacturing Extension Partnerships to help small and mid-size manufacturers compete globally by providing them with access to technology.
- **Economic Development Assistance**: $250 million to address long-term economic distress in urban industrial cores and rural areas distributed based on need and ability to create jobs and attract private investment. EDA leverages $10 in private investments for $1 in federal funds.

DTV Conversion Coupons: $650 million to continue the coupon program to enable American households to convert from analog television transmission to digital transmission.

MODERNIZE ROADS, BRIDGES, TRANSIT AND WATERWAYS

To build a 21st century economy, we must engage contractors across the nation to create jobs - rebuilding our crumbling roads and bridges, modernizing public buildings, and putting people to work cleaning our air, water, and land.

Highway Infrastructure: $30 billion for highway and bridge construction projects. It is estimated that states have over 5,100 projects totaling over $64 billion that could be awarded within 180 days. These projects create jobs in the short term while saving commuters time and money in the long term. In 2006, the Department of Transportation estimated $8.5 billion was needed to maintain current systems and $61.4 billion was needed to improve highways and bridges.

Transit: Public transportation saves Americans time and money, saving as much as 4.2 billion gallons of gasoline and reducing carbon emissions by 37 million metric tons each year.

- **New Construction:** $1 billion for Capital Investment Grants for new commuter rail or other light rail systems to increase public use of mass transit and to speed projects already in construction. The Federal Transit Administration has $2.4 billion in pre-approved projects.
- **Upgrades and Repair:** $2 billion to modernize existing transit systems, including renovations to stations, security systems, computers, equipment, structures, signals, and communications. Funds will be distributed through the existing formula. The repair backlog is nearly $50 billion.
- **Transit Capital Assistance:** $6 billion to purchase buses and equipment needed to increase public transportation and improve intermodal and transit facilities. The Department of Transportation estimates a $3.2 billion maintenance backlog and $9.2 billion in needed improvements. The American Public Transportation Association identified 787 ready-to-go transit projects totaling $15.5 billion. Funds will be distributed through the existing formulas.

Amtrak and Intercity Passenger Rail Construction Grants: $1.1 billion to improve the speed and capacity of intercity passenger rail service. The Department of Transportation's Inspector General estimates the North East Corridor alone has a backlog of over $10 billion.

Airport Improvement Grants: $3 billion for airport improvement projects that will improve safety and reduce congestion. An estimated $41 billion in eligible airport infrastructure projects are needed between 2007-2011.

Transportation Security Administration Explosive Detection Systems: $500 million to install Aviation Explosive Detection Systems in the nation's airports, improving security, and making life easier on travelers by speeding security lines. Funds are competitively awarded based on security risk.

Coast Guard Bridges: $150 million for ready-to-go investments to repair or remove bridges deemed hazardous to marine navigation, thereby removing obstructions and improving the safety of marine navigation.

Technology Improvements for a More Efficient and Secure Government

- **Social Security Administration Modernization:** $400 million to replace the 30 year old Social Security Administration's National Computer Center to meet growing needs for processing retirement and disability claims and records storage.
- **Farm Service Agency:** $245 million for critical IT improvements to systems that have been unable to handle workload increases.
- **State Department Technology:** $276 million to upgrade and modernize information technology platforms for the Department to meet security requirements post-9/11.
- **Department of Agriculture:** $44 million for repairs and security improvements at USDA's headquarters.

Department of Defense Facilities

- **Medical Facilities:** $3.75 billion for new construction of hospitals and ambulatory surgical centers, and $455 million in renovations to provide state-of-the-art medical care to service members and their families.
- **Facilities Renovations:** $2.1 billion to address needed repairs to military facilities.
- **Troop Housing:** $1.2 billion for new construction and $154 million for renovations to improve housing for our troops.
- **Child Development Center:** $360 million for new child development centers.
- **Guard and Reserve:** $400 million for new construction to support Guard and Reserve units across the country with operations and training facilities and utilities infrastructure.

Veterans Administration Facilities

- **Veterans Medical Facilities:** $950 million for veterans' medical facilities. The Department has identified a $5 billion backlog in needed repairs, including energy efficiency projects, at its 153 medical facilities.
- **Veterans Cemeteries:** $50 million to put people to work making monument and memorial repairs at cemeteries for American heroes.

Border Ports of Entry: $1.15 billion to construct GSA and Customs and Border Protection land ports of entry to improve border security, make trade and travel easier and reduce wait times, and to procure non-intrusive inspection technology at sea ports of entry, which is used to scan cargo containers to reduce the risk that containers can be used to smuggle weapons of mass destruction.

Job Corps Facilities: $300 million to upgrade job training facilities serving at-risk youth while improving energy efficiency.

Construction on Public Lands and Parks: $3.1 billion for infrastructure projects on federal lands including improvements to visitor facilities, road and trail restoration, preservation of buildings of cultural and historic importance, rehabilitation of abandoned mines and oil fields, and environmental cleanup projects. This includes $1.8 billion for the National Park Service, $325 million for the Bureau of Land Management, $300 million for the National Wildlife Refuges and National Fish Hatcheries, and $650 million for the Forest Service.

National Treasures: $400 million, including $200 million to address the deterioration of the National Mall, such as repair of the Jefferson Memorial's collapsing Tidal Basin walls; $150 million to address the repair backlog at the Smithsonian; and $50 million for the National Endowment for the Arts.

Clean Water

- **Clean Water State Revolving Fund:** $6 billion for loans to help communities upgrade wastewater treatment systems. EPA estimates a $388 billion funding gap. The Association of State and Interstate Water Pollution Control Administrators found that 26 states have $10 billion in approved water projects.
- **Drinking Water State Revolving Fund:** $2 billion for loans for drinking water infrastructure. EPA estimates there is a $274 billion funding gap. The National Governors Association reported that there are $6 billion in ready-to-go projects, which could quickly be obligated.
- **Rural Water and Waste Disposal:** $1.5 billion to support $3.8 billion in grants and loans to help communities fund drinking water and wastewater treatment systems. In 2008, there were $2.4 billion in requests for water and waste loans and $990 million for water and waste grants went unfunded.

Water Resources

- **Corps of Engineers:** $4.5 billion for environmental restoration, flood protection, hydropower, and navigation infrastructure critical to the economy. The Corps has a construction backlog of $61 billion.
- **Bureau of Reclamation:** $500 million to provide clean, reliable drinking water to rural areas and to ensure adequate water supply to western localities impacted by drought. The Bureau has backlogs of more than $1 billion in rural water projects and water reuse and recycling projects.
- **Watershed Infrastructure:** $400 million for the Natural Resources Conservation Service watershed improvement programs to design and build flood protection and water quality projects, repair aging dams, and purchase and restore conservation easements in river flood zones.
- **International Boundary and Water Commission:** $224 million to repair flood control systems along the international segment of the Rio Grande damaged by hurricane Katrina and other serious storms.

Environmental Cleanup

- **Superfund Hazardous Waste Cleanup:** $800 million to clean up hazardous and toxic waste sites that threaten health and the environment. EPA has 1,255 sites on its National Priority List, selected based on a hazard ranking system. There are many Superfund sites ready for construction, but not funded due to budget shortfalls and over 600 sites with ongoing construction that could be accelerated.
- **Leaking Underground Storage Tanks:** $200 million for enforcement and cleanup of petroleum leaks from underground storage tanks at approximately 1,600 additional sites. There are an estimated 116,000 sites with the potential to contaminate important water supplies.
- **Nuclear Waste Cleanup:** $500 million for nuclear waste cleanup at sites contaminated as a result of the nation's past nuclear activities. Accelerating the completion of projects will reduce long-term costs.
- **Closed Military Bases:** $300 million for cleanup activities at closed military installations allowing local communities to redevelop these properties for productive use. The Department estimates that there is a $3.5 billion environmental cleanup backlog at bases closed during previous BRAC rounds.
- **NOAA Habitat Restoration:** $400 million for ready-to-go habitat restoration projects.
- **Brownfields:** $100 million for competitive grants for evaluation and cleanup of former industrial and commercial sites - turning them from problem properties to productive community use. Last year EPA was only able to fund 37% of Brownfields applications.

Reducing Wildfires Threats: $850 million for hazardous fuels removal and other efforts to prevent wildfires on public lands. Making these investments today will create jobs in the short run, but also save long term costs of fighting fires in the future.

- **State and Private Forest Service Wildfire:** $550 million for state and local volunteer programs and hazardous fuels reduction efforts which states and communities have determined are of the highest priority.
- **Federal Forest Service Wildfire:** $300 million for urgently needed hazard reduction on federal lands.

Bureau of Indian Affairs: $500 million to address maintenance backlogs at schools, dams, detention and law enforcement facilities, and over 24,000 miles of roads. BIA schools alone have an over $1 billion construction and maintenance backlog including shamefully unsafe conditions.

EDUCATION FOR THE 21st CENTURY

We will put people to work building 21st century classrooms, labs, and libraries to help our kids compete with any worker in the world.

21st Century Classrooms

- **School Construction:** $20 billion, including $14 billion for K-12 and $6 billion for higher education, for renovation and modernization, including technology upgrades and energy efficiency improvements. Also includes $100 million for school construction in communities that lack a local property tax base because they contain non-taxable federal lands such as military bases or Indian reservations, and $25 million to help charter schools build, obtain, and repair schools.
- **Education Technology:** $1 billion for 21st century classrooms, including computer and science labs and teacher technology training.

Higher Education: Tuition is up, unemployment is up, and as a result more people are choosing to go to school to upgrade their skills and more of these students need student aid. This investment addresses those short term needs while investing in our nation's future economic strength.

- **Pell Grants:** $15.6 billion to increase the maximum Pell Grant by $500, from $4,850 to $5,350.
- **College Work-Study:** $490 million to support undergraduate and graduate students who work.
- **Student Loan Limit Increase:** Increases limits on unsubsidized Stafford loans by $2,000.
- **Student Aid Administration:** $50 million to help the Department of Education administer surging student aid programs while navigating the changing student loan environment.

K-12 Education: As states begin tackling a projected $350 billion in budget shortfalls these investments will prevent cuts to critical education programs and services.

- **IDEA Special Education:** $13 billion for formula grants to increase the federal share of special education costs and prevent these mandatory costs from forcing states to cut other areas of education.
- **Title I Help for Disadvantaged Kids:** $13 billion for grants to help disadvantaged kids in nearly every school district and more than half of all public schools reach high academic standards.
- **Statewide Data Systems:** $250 million for competitive grants to states to design and develop data systems that analyze individual student data to find ways to improve student achievement, providing teachers and administrators with effective tools.
- **Education for Homeless Children and Youth:** $66 million for formula grants to states to provide services to homeless children including meals and transportation when high unemployment and home foreclosures have created an influx of homeless kids.
- **Improving Teacher Quality:** $300 million, including $200 million for competitive grants to school districts and states to provide financial incentives for teachers and principals who raise student achievement and close the achievement gaps in high-need schools and $100 million for competitive grants to states to address teacher shortages and modernize the teaching workforce.

Early Childhood Development

- **Child Care Development Block Grant:** $2 billion to provide child care services for an additional 300,000 children in low-income families while their parents go to work. Today only one out of seven eligible children receives care.

- **Head Start:** $2.1 billion to provide comprehensive development services to help 110,000 additional children succeed in school. Funds are distributed based on need. Only about half of all eligible preschoolers and less than 3 percent of eligible infants and toddlers participate in Head Start.
- **IDEA Infants and Families:** $600 million for formula grants to help states serve children with disabilities age 2 and younger.

LOWER HEALTHCARE COSTS

To save not only jobs, but money and lives, we will update and computerize our healthcare system to cut red tape, prevent medical mistakes, and help reduce healthcare costs by billions of dollars each year.

- **Health Information Technology:** $20 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.
- **Prevention and Wellness Fund:** $3 billion to fight preventable chronic diseases, the leading cause of deaths in the U.S., and infectious diseases. Preventing disease rather than treating illnesses is the most effective way to reduce healthcare costs. This includes hospital infection prevention, Preventive Health and Health Services Block Grants for state and local public health departments, immunization programs, and evidence-based disease prevention.
- **Healthcare Effectiveness Research:** $1.1 billion for Healthcare Research and Quality programs to compare the effectiveness of different medical treatments funded by Medicare, Medicaid, and SCHIP. Finding out what works best and educating patients and doctors will improve treatment.
- **Community Health Centers:** $1.5 billion, including $500 million to increase the number of uninsured Americans who receive quality healthcare and $1 billion to renovate clinics and make health information technology improvements. More than 400 applications submitted earlier this year for new or expanded CHC sites remain unfunded.
- **Training Primary Care Providers:** $600 million to address shortages and prepare our country for universal healthcare by training primary healthcare providers including doctors, dentists, and nurses as well as helping pay medical school expenses for students who agree to practice in underserved communities through the National Health Service Corps.
- **Indian Health Service Facilities:** $550 million to modernize aging hospitals and health clinics and make healthcare technology upgrades to improve healthcare for underserved rural populations.

HELP WORKERS HURT BY THE ECONOMY

High unemployment and rising costs have outpaced Americans' paychecks. We will help workers train and find jobs, and help struggling families make ends meet.

Helping Workers Find Jobs

- **Training and Employment Services:** $4 billion for job training including formula grants for adult, dislocated worker, and youth services (including $1.2 billion to create up to one million summer jobs for youth). The needs of workers also will be met through dislocated worker national emergency grants, new competitive grants for worker training in high growth and emerging industry sectors (with priority consideration to "green" jobs and healthcare), and increased funds for the YouthBuild program. Green jobs training will include preparing workers for activities supported by other economic recovery funds, such as retrofitting of buildings, green construction, and the production of renewable electric power.
- **Vocational Rehabilitation State Grants:** $500 million for state formula grants to help persons with disabilities prepare for gainful employment.
- **Employment Services Grants:** $500 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized services. Funds are targeted to states with the greatest need based on labor force, unemployment, and long-term unemployed rates.
- **Community Service Employment for Older Americans:** $120 million to provide subsidized community service jobs to an additional 24,000 low-income older Americans.

Unemployment Insurance Benefits

- **Benefits Extension:** $27 billion to continue the current extended unemployment benefits program – which provides up to 33 weeks of extended benefits - through December 31, 2009 given rising unemployment.
- **Increased Benefits:** $9 billion to increase the current average unemployment insurance benefit from roughly $300 per week, paid out of State trust funds, by $25 per week using Federal funds, through December 2009. There are currently 5.3 million workers receiving regular UI and an additional 1.9 million receiving extended benefits.
- **Unemployment Insurance Modernization:** Provides funds to states though a "Reed Act" distribution, tied to states' meeting specific reforms to increase unemployment insurance coverage for low-wage, part-time, and other jobless workers.

COBRA Healthcare for the Unemployed: $30.3 billion to extend health insurance coverage to the unemployed, extending the period of COBRA coverage for older and tenured workers beyond the 18 months provided under current law. Specifically, workers 55 and older, and workers who have worked for an employer for 10 or more years will be able to retain their COBRA coverage until they become Medicare eligible or secure coverage through a subsequent employer. In addition, subsidizing the first 12 months of COBRA coverage for eligible persons who have lost their jobs on or after September 1, 2008 at a 65 percent subsidy rate, the same rate provided under the Health Care Tax Credit for unemployed workers under the Trade Adjustment Assistance program. [Ways and Means]

Medicaid Coverage for the Unemployed: Provides 100 percent federal funding through 2010 for optional State Medicaid coverage of individuals (and their dependents) who are receiving unemployment benefits or have exhausted those benefits and have no health insurance coverage. Other optional coverage groups are individuals (and their dependents) who are involuntarily unemployed and uninsured and whose family income does not exceed 200 percent of poverty, and unemployed uninsured individuals who are receiving food stamps.

Attacking the Housing Crisis

- **Public Housing Capital Fund:** $5 billion for building repair and modernization, including critical safety repairs. Every dollar of Capital Fund expenditures produces $2.12 in economic return. $4 billion of the funds will be distributed to public housing authorities through the existing formula and $1 billion will be awarded through a competitive process for projects that improve energy efficiency.
- **HOME Investment Partnerships:** $1.5 billion to help local communities build and rehabilitate low-income housing using green technologies. Thousands of ready-to-go housing projects have been stalled by the credit crunch. Funds are distributed by formula.
- **Native American Housing Block Grants:** $500 million to rehabilitate and improve energy efficiency at some of the over 42,000 housing units maintained by Native American housing programs. Half of the funding will be distributed by formula and half will be competitively awarded to projects that can be started quickly.
- **Neighborhood Stabilization:** $4.2 billion to help communities purchase and rehabilitate foreclosed, vacant properties in order to create more affordable housing and reduce neighborhood blight.
- **Homeless Assistance Grants:** $1.5 billion for the Emergency Shelter Grant program to provide short term rental assistance, housing relocation, and stabilization services for families during the economic crisis. Funds are distributed by formula.
- **Rural Housing Insurance Fund:** $500 million to support $22 billion in direct loans and loan guarantees to help rural families and individuals buy homes during the credit crunch. Last year these programs received a record number of applications.
- **Self-Help and Assisted Homeownership Program:** $10 million for rural, high-need areas to undertake projects using sustainable and energy-efficient building and rehabilitation practices. Funds will be awarded by competition to projects that can begin quickly.

- **Lead Paint:** $100 million for competitive grants to local governments and nonprofit organizations to remove lead-based paint hazards in low-income housing.
- **Rural Community Facilities:** $200 million to support $1.2 billion in grants and loans to rural areas for critical community facilities, such as for healthcare, education, fire and rescue, day care, community centers, and libraries. There are over $1.2 billion in applications pending.

Alleviating Hunger

- **Supplemental Nutrition Assistance:** $20 billion to provide nutrition assistance to modest-income families and to lift restrictions that limit the amount of time individuals can receive food stamps.
- **Senior Nutrition Programs:** $200 million for formula grants to states for elderly nutrition services including Meals on Wheels and Congregate Meals.
- **Afterschool Meals:** $726 million to increase the number of states that provide free healthy dinners to children in need.
- ***Emergency Food Assistance Program**: $150 million to purchase commodities for food banks to refill emptying shelves.
- **Supplemental Nutrition Program Information Systems:** $100 million to improve state management information systems for the WIC program.

Payments to Disabled and Elderly: $4.2 billion to help 7.5 million low-income disabled and elderly individuals with rising costs by providing an additional SSI payment in 2009 equal to the average monthly federal payment under the program (approximately $450 for an individual and $630 for a couple). This one-time payment will serve as an immediate economic stimulus as half of SSI recipients have no other form of income and the other half average outside income of less than $450 per month.

Community Services Block Grant: $1 billion for grants to local communities to support employment, food, housing, and healthcare efforts serving those hardest hit by the recession. Community action agencies have seen dramatic increases in requests for their assistance due to rising unemployment, housing foreclosures, and high food and fuel prices.

Community Development Block Grants: $1 billion for community and economic development projects including housing and services for those hit hard by tough economic times.

Emergency Food and Shelter: $200 million to help local community organizations provide food, shelter, and support services to the nation's hungry, homeless, and people in economic crisis including one-month utility payments to prevent service cut-off and one-month rent or mortgage assistance to prevent evictions or help people leave shelters. Funds are distributed by formula based on unemployment and poverty rates.

Low-Income Home Energy Assistance: $1 billion to help low-income families pay for home heating and cooling at a time of rising energy costs.

Child Support Enforcement: $1 billion to provide federal incentive funds for states to collect support owed to families.

Social Security Administration Disability Backlog and Claims Processing: $500 million to help the Social Security Administration process a steep rise in disability and retirement claims, getting people their benefits faster, and preventing existing backlogs from getting worse. Within this total, $40 million will help SSI upgrade health information technology.

Centers for Independent Living: $200 million for state formula grants to help individuals with disabilities continue to live in their communities.

AmeriCorps Programs: $200 million to put approximately 16,000 additional AmeriCorps members to work doing national service, meeting needs of vulnerable populations and communities during the recession.

Compassion Capital Fund: $100 million for grants to faith- and community-based organizations to provide critical safety net services to needy individuals and families.

Department of Labor Worker Protection and Oversight: $80 million to ensure that worker protection laws are enforced as recovery infrastructure investments are carried out.

SAVE PUBLIC SECTOR JOBS AND PROTECT VITAL SERVICES

We will provide relief to states, so they can continue to employ teachers, firefighters, and police officers and provide vital services without having to unnecessarily raise middle class taxes.

Medicaid Aid to States (FMAP): Approximately $87 billion to states, increasing through the end of FY 2010 the share of Medicaid costs the federal government reimburses states, with additional relief tied to rates of unemployment. In the previous recession the federal government increased its contribution to Medicaid to help states avoid cuts in health benefits at a time when low-income patient loads are increasing and State revenues are declining.

State Education and Other Budget Priorities: $120 billion to states and school districts to stabilize budgets and prevent tax increases and deep cuts to critical education programs, including:

- $41 billion to local school districts through Title I ($13 billion), IDEA ($13 billion), a new School Modernization and Repair Program ($14 billion), and the Education Technology program ($1 billion).
- $79 billion in state fiscal relief, including: $39 billion to local school districts and public colleges and universities distributed through existing state and federal formulas; $15 billion to states as bonus grants as a reward for meeting key performance measures; and $25 billion to states for other high priority needs such as public safety and other critical services, which may include education.

Temporary Assistance for Needy Families: $2.5 billion for block grants to help States deal with the surge in families needing help during the recession and to prevent them from cutting work programs and services for abused and neglected children.

State and Local Law Enforcement: $4 billion to support state and local law enforcement including $3 billion for the Byrne Justice Assistance formula grants to support local law enforcement efforts with equipment and operating costs, and $1 billion for the COPS hiring grant program, to hire about 13,000 new police officers for three years. The grantee is responsible for at least 25% in matching funds and must commit to use their own funds to keep the officer on board in the fourth year.

Periodic Census and Programs, Communications: $1 billion for work necessary to ensure a successful 2010 census, including $150 million for expanded communications and outreach programs to minimize undercounting of minority groups.

OTHER IMPORTANT POLICY PROVISION

Medicare and Medicaid Regulations: The bill extends the moratorium on Medicaid and Medicare regulations.

***E-Verify:** Extends the E-Verify authorization for 5 years as passed by the House in July 2008 (H.R. 6633) on a vote of 407-2.

***Buy America:** Mandates that iron and steel used in construction and repair projects funded under the bill be produced in the United States unless found to be prohibitively expensive.

***Davis Bacon:** Requires that federal contractors and subcontractors pay workers no less than the local prevailing wage.

***Illinois:** Prevents Governor Blagojevich from directing the use of funds provided in the package.

U.S. Senate Committee on Appropriations

PRESS RELEASE

For Immediate Release: January 23, 2009
Contact: Rob Blumenthal w/Inouye 202-224-1010
John Bray w/Inouye 202-224-3751

Senate Appropriations Committee Releases Highlights of American Recovery and Reinvestment Plan

Committee Announces $365 Billion Investment Package

Washington, DC – As Americans contend with the painful effects of the most serious economic crisis since the Great Depression, the U.S. Congress is responding with a bold plan to revive our struggling economy, put millions of people to work, and lay the foundation for America's economic competitiveness in the 21st century. Combined with the economic recovery tax cuts and mandatory programs announced by the Senate Finance Committee, the Senate legislation totals $825 billion. It is estimated that this legislation will create or sustain over 4 million jobs.

In the coming weeks, the Senate will work closely with the House of Representatives and the Obama Administration in a bi-partisan effort to enact strong and responsible legislation that will put our nation back on the road to economic recovery.

"We must respond to this crisis with all weapons at our disposal," said Senator Daniel K. Inouye (D-Hawaii), Chairman of the Senate Appropriations Committee. "If we fail to act, the situation will almost certainly worsen, and the American people will continue to pay a heavy price. These investments will not only create jobs now, but will also address neglected priorities here at home and lay the foundation for economic growth in the long-term. The road to recovery will not be quick or easy, but I am confident that working together, our nation will meet this historic challenge."

The Economy in Crisis

Unemployment: In December, the number of unemployed persons increased by 632,000 to 11.1 million and the unemployment rate rose to 7.2 percent. Job losses were large and widespread across most major industry sectors. Leading economists have predicted that in the absence of dramatic government action, the unemployment rate could reach 10 percent by 2010.

Housing: U.S. foreclosures increased by more than 81 percent last year, a record, with over 2.3 million foreclosures total.

State Budgets: 44 States are facing budget shortfalls totaling $90 billion for Fiscal Year 2009 and $145 billion for Fiscal Year 2010, and are faced with the prospect of dramatic cuts in basic services or painful tax increases.

Stock Market: In 2008, U.S. stocks lost roughly $7 trillion in value.

Bank Failures: During 2008, 25 banks with $373.6 billion in total assets failed in the U.S.
Gross Domestic Product: The U.S. has officially been in a recession since December of 2007. Real gross domestic product -- the output of goods and services produced by labor and property located in the United States -- decreased at an annual rate of 0.5 percent in the third quarter of 2008.

Cost of Living and Poverty: Overall participation in the Food Stamps program increased by 3.9 million people, or 14 percent, between October 2007 and October 2008, the latest month for which data is available. Food costs have increased 7.0 percent since November 2007, and are forecast to increase an additional 4.5 percent in 2009, according to the United States Department of Agriculture's (USDA) latest estimates.

Urgent Infrastructure Needs

- The American Society of Civil Engineers (ASCE) estimates that $1.6 trillion is needed over a five-year period to bring the nation's infrastructure to a good condition.
- 27.1 percent of our nation's bridges are structurally deficient, or functionally obsolete.
- 34 percent of America's major roads are in poor or mediocre condition, and 36 percent of America's major urban roads are congested. Americans spend 4.2 billion hours a year stuck in traffic, at a cost of $78.2 billion a year to the economy. Poor road conditions cost U.S. motorists $67 billion a year in repairs and operating costs.

The American Recovery and Reinvestment Plan

To meet these enormous challenges, the American Recovery and Reinvestment Plan focuses on five areas critical to rebuilding our economy and creating the conditions for economic growth in the long-term: Infrastructure and Science; Education and Training; Energy; Protecting the Vulnerable; and Health. It is estimated that this legislation will create or sustain over 4 million jobs.

The American Recovery and Reinvestment Plan provides unprecedented oversight, accountability, and transparency to ensure that taxpayer dollars are invested effectively, efficiently, and as quickly as possible.

- Funds are distributed whenever possible through existing formulas and programs that have proven track records and accountability measures already in place.
- Numerous provisions in the bill provide for expedited but effective obligation of funds so that dollars are invested in the economy as quickly as possible.
- The Government Accountability Office and the Inspectors General are provided additional funding for auditing and investigating recovery spending.
- A new Recovery Act Accountability and Transparency Board will coordinate and conduct oversight of recovery spending and provide early warning of problems.
- A special website will provide transparency by posting information about recovery spending, including grants, contracts, and all oversight activities.

- State and local whistleblowers who report fraud and abuse are protected.
- There are no earmarks in this bill.

Please note: The following is a summary of the highlights of the proposed legislation only - not a complete listing of all the programs or spending included in the legislation.

Infrastructure and Science

In order to rebuild our weakening economy, these investments in our physical and cyber infrastructure will put Americans immediately to work rebuilding our crumbling roads and bridges, and will also enable the creation of a stronger and more efficient infrastructure for the 21st century economy. Highlights include:

Top line spending of approximately $140 Billion

Infrastructure Improvements:

- School Modernization: $16 billion to repair, renovate and construct public schools in ways that will raise energy efficiency and provide greater access to information technology, and $3.5 billion to improve higher education facilities.
- Broadband: A total of $9 billion for the National Telecommunications and Information Administration's (NTIA) Broadband Technology Opportunities Program to improve access to broadband.
- Public Parks: $3.4 billion for repair, restoration and improvement of public facilities at parks, forests, refuges and on other public and tribal lands.
- Department of Defense Facilities: The stimulus includes $2.4 billion for quality of life and family-friendly military construction projects such as family housing and child care centers.
- $3.2 billion for Facilities Sustainment, Restoration and Modernization to be used to invest in energy efficiency projects and to improve the repair and modernization of Department of Defense facilities to include Defense Health facilities.
- $3.4 billion for VA hospital and medical facility construction and improvements, long-term care facilities for veterans, and improvements at VA national cemeteries.
- $1.2 billion to accelerate procurement and installation of baggage screening and checkpoint security equipment at airports across the country.
- $500 million to secure high risk critical infrastructure such as dams, tunnels, and bridges.
- $4.6 billion to construct, repair or rehabilitate water resource infrastructure nationwide to benefit navigation, hydropower, flood control, environmental restoration, shore protection and other purposes.
- $1.4 billion to construct, repair, or rehabilitate water delivery infrastructure in the Western U.S. to benefit irrigation, municipal and industrial water supplies, power production, and environmental and other purposes.
- $2.25 billion for the HOME Investment Partnerships Program block grant to enable state and local governments, in partnership with community-based organizations, to acquire, construct, and rehabilitate affordable housing and provide rental assistance to poor families.

Transportation:

- $27 billion for formula highway investments.
- $8.4 billion for formula investments in public transportation.
- $5.5 billion for competitive grants to state and local governments for surface transportation investments.
- $1.3 billion for investments in our air transportation system.
- $1.1 billion for investments in rail transportation.
- $160 million for investments in maritime transportation.
- Public Lands Roads: $830 million for repair and restoration of road on park, forest, tribal, and other public lands.

Public Housing:

- $5 billion to the public housing capital fund to enable local public housing agencies to address a $32 billion backlog in capital needs - especially those improving energy efficiency in aging developments.
- $2.1 billion for full-year payments to owners receiving Section 8 project-based rental assistance.
- Neighborhood Stabilization Program - The bill includes $2.25 billion for the redevelopment of abandoned and foreclosed homes.
- Homeless Prevention Fund - The bill includes $1.5 billion for homeless prevention activities, which will be sent out to states, cities and local governments through the emergency shelter grant formula.

Environmental Clean-Up/Clean Water:

- A total of $6.4 billion is directed towards environmental cleanup of former weapon production and energy research sites.
- $6 billion for sewer, wastewater, and drinking water systems nationwide through EPA's Clean Water and Drinking Water State Revolving Funds.
- $1.4 billion to support $3.8 billion in loans and grants for needed water and waste disposal facilities in rural areas.
- $1.4 billion for EPA's nationwide environmental cleanup programs, including Superfund.

Science:

- National Science Foundation (NSF) Research: $1.4 billion in funding for scientific research, infrastructure and competitive grants.
- National Aeronautics and Space Administration (NASA): $1.5 Billion for NASA, including $500 million for Earth science missions to provide critical data about the Earth's resources and climate.

Education and Training

In order to compete in the 21st century, Americans must have a well-educated workforce, capable of adapting to an ever-changing economic environment. Investing in education now will ensure that the next generation of American workers is ready and able to meet the challenge of global competition. In the near-term, millions of workers have seen their jobs disappear, and find themselves unable to match their skill sets with existing opportunities. Providing job training in new and expanding fields will help to lower the unemployment rate and help today's workers better compete against foreign competition. Highlights include:

Top line spending of approximately $125 Billion

Education:

- $39 billion to local school districts and public colleges and universities distributed through existing State and federal formulas.
- $15 billion to states as incentive grants as a reward for meeting key performance measures.
- $25 billion to states for other high-priority needs such as public safety and other critical services, which may include education.
- Title I: $13 billion to help close the achievement gap and enable disadvantaged students to reach their potential.
- Special Education/IDEA: $13 billion to increase the Federal share of special education services to its highest level ever.
- Pell Grants: $13.9 billion to increase the Pell Grant maximum award and pay for increases in program costs resulting from increased eligibility and higher Pell Grant awards.

Training:

- Training and Employment Services: $3.4 billion for job training including formula grants for adult, dislocated worker, and youth programs.
- Vocational Rehabilitation State Grants: $500 million for state formula grants to help individuals with disabilities prepare for and sustain gainful employment.
- Employment Services Grants: $400 million to match unemployed individuals to job openings through state employment service agencies and allow states to provide customized reemployment services.

Energy

The bill provides investments in areas critical to the development of clean, efficient, American energy, including modernizing energy transmission, research and development of renewable energy technologies, and modernizing and upgrading government buildings and vehicles. Highlights include:

Top line spending of approximately $51 Billion

- $40 billion to the Department of Energy for development of clean, efficient, American energy.
- GSA Federal Fleet: $2.6 billion to replace older motor fleet vehicles owned by the Federal Government with alternative fuel automobiles that will save on fuel costs and reduce carbon emissions.
- Green Buildings: $6 billion for repair of federal buildings to increase energy efficiency using green technology. This funding will help eliminate the backlog of $8.4 billion in building repair projects.
- $1.3 billion for grants or loans to owners for energy and green retrofit investments.
- $613 million for Department of Defense energy efficiency upgrades and construction of alternative energy projects, including wind and solar power and photovoltaic system installation.
- $400 million for rural businesses initiatives including development of renewable energy.

Protecting the Vulnerable:

The current economic crisis has affected all Americans, but none more so than the most vulnerable among us. The spending proposed here will serve to lessen the blow of the current recession, providing immediate relief for children, the poor, and others who may find themselves struggling to put food on the table or a roof over their head. It will also address the urgent need to provide safe and secure places to live, even in neighborhoods that are struggling with high unemployment and surging foreclosure rates.

Top line spending of approximately $25 Billion

Nutrition:

- $16.5 billion for additional Supplemental Nutrition Assistance Program (SNAP) benefits (formerly the Food Stamp program).
- Special Supplemental Program for Women, Infants, and Children (WIC). The Committee recommends a total of $500 million for WIC. In addition, the bill provides $150 million for Food Banks.

Helping Children:

- $4.6 billion to increase investments in early childhood programs.

Other Programs:

- Community Development Financial Institutions: $250 million to immediately provide capital to qualified community development financial institutions (CDFIs) to invest in the development of underserved communities.
- Social Services Block Grant: $400 million for States and local non-profits to deliver critical services to unemployed and low-income individuals struggling with the effects of the recession.
- Homeowners Assistance Program: $410 million to expand the Department of Defense Homeowners Assistance Program (HAP) during the national mortgage crisis.

Health

The bill provides investments in areas critical to immediate and long-term healthcare for millions of Americans. Improved information technology, research facilities, and health and wellness programs, will all provide a better foundation for providing quality healthcare to consumers. Highlights include:

Top Line spending of approximately $16 Billion

Health Information Technology:

- Health Information Technology: $5 billion to jumpstart efforts to computerize health records to cut costs and reduce medical errors.

Research:

- $3.5 billion to conduct biomedical research in areas such as cancer, Alzheimer's, heart disease and stem cells, and to improve NIH facilities.
- $1.1 billion to the Agency for Healthcare Research and Quality, NIH and the HHS Office of the Secretary to evaluate the relative effectiveness of different health care services and treatment options.

Treatment and Prevention:

- Prevention and Wellness: $5.8 billion to fight preventable diseases and conditions.
- Pandemic Flu Preparedness: $870 million to complete funding for the President's initiative on pandemic flu preparedness.

Small Business, Law Enforcement, Other

Top Line spending of approximately $8 Billion

- $110 Million for GAO and Agency Inspectors General in order to provide appropriate oversight of spending contained in this bill.
- Loans for Small Businesses: $730 million to stimulate lending to small businesses.
- State and Local Law Enforcement: $3.95 billion total to support law enforcement efforts.

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STATE OF ALASKA
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JUNEAU

January 7, 2009

The Honorable Lisa Murkowski
United States Senate
709 Hart Senate Office Building
Washington, DC 20510

The Honorable Mark Begich
United States Senate
825 Hart Senate Office Building
Washington, DC 20510

The Honorable Don Young
United States Congressman
2111 Rayburn Office Building
Washington, DC 20515

Re: Economic Stimulus Legislation

Dear Members of the Alaska Congressional Delegation:

I am writing to communicate some additional thoughts concerning the economic stimulus package now under discussion in Congress.

This letter compliments our previous list of four infrastructure projects that would support construction of the Alaska natural gas pipeline. These bid-ready projects strongly reflect the goal of creating new jobs, both in construction and the operation of the pipeline, while also promoting sound national energy policy.

I strongly recommend that federal funds to states be allocated pursuant to formulas that are fair and equitable. As you know, formulas already exist in federal law for such programs as highways and bridges, aviation, and Medicaid. In those instances where there are no formulas–for example in the case of renewable energy projects and ports and harbors–formulas and grant programs could be devised and included in the economic stimulus package.

The use of formulas would help ensure fairness among the states and would avoid the unhealthy practices and results that often occur in the Congressional earmarking process. In this regard, it is my understanding that President-elect Obama and much of the Congressional Leadership, both Republicans and Democrats, support a formula approach.

For transportation projects, federal funds should be allocated to the Federal Highway Administration's Surface Transportation and National Highway System programs. Likewise, funding for aviation should be put into the discretionary category of the Federal Aviation Administration's Airport Improvement Program. In our opinion, the minimum guarantee provisions that protect rural and less populous states like Alaska should continue to be used in these formulas.

We also believe that there are timing and other considerations that should be addressed through these formula programs. For instance, new transportation projects may require an amendment of each state's statewide transportation improvement program (STIP). STIP amendments can take as long as 90 days under current requirements. In addition, the stimulus package should recognize that, in the case of Alaska and the northern tier states, transportation construction does not start until well into the spring.

We further recommend that any increase in Medicaid-related programs should, at a minimum, be equitable to all states, meaning each state's benefit under a formula should be proportionately the same as to other states.

In addition to the four gas pipeline-related projects described earlier, I want to mention one other project of national significance for your consideration. The Kodiak Launch Facility conducts activities that contribute greatly to our national defense and knowledge of missile ballistics.

It is my understanding that you have received funding requests from local governments, non-profits, and other entities throughout Alaska. In large part, these requests reflect local concerns. It is not appropriate for the state to comment on each project that has come to our attention. Instead, we would prefer to focus on the rationale for our own recommendations to you.

Although it is beyond my purview as Governor, I also urge you to consider how the economic stimulus package will affect the national debt and the future economic health of the country. The need for economic stimulus should not become an excuse for the continuation of the unsound policies of the past. The nation's economy will never achieve long-term stability if we continue borrowing hundreds of billions of dollars from foreign countries, all the while simultaneously sending huge amounts of money

overseas to OPEC countries for oil that could be produced domestically. In this regard, I am astounded by amounts of a trillion dollars and more that are currently being discussed in some quarters.

I believe our nation is truly at an economic crossroads. Properly constructed, the economic stimulus package will greatly assist in sending our country down the right road. Without question, you will be called upon to make very difficult decisions on behalf of Alaska and the nation, and I want to assure you of the cooperation of my administration in achieving the best possible result. Toward this end, I have asked my Washington, D.C. office to follow up with your respective staffs on our recommendations.

Thank you for considering my views.

Sincerely,

Sarah Palin
Governor

cc: John W. Katz, Special Counsel to the Governor

Sarah Palin
Governor
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Juneau, AK 99811-0001
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FOR IMMEDIATE RELEASE **No. 09-05**

Governor Palin Notes Limits on Stimulus Package

January 12, 2009, Anchorage, Alaska – Governor Sarah Palin today emphasized that the stimulus package pending in Congress likely will be based largely on existing federal formulas for appropriations and will not be the vehicle for earmarked spending on specific projects for states.

"As I wrote to our congressional delegation on January 7, our administration recognizes that President-elect Obama and the congressional leadership of both parties favor the use of formulas to ensure fairness among the states and to avoid the earmark abuses of the past," Gov. Palin said. "We also have to be mindful about the effect of the stimulus package on the national debt and the future economic health of the country. We won't achieve long-term stability if we continue borrowing massive sums from foreign countries and remain dependent on foreign sources of oil and gas."

The governor has recommended five specific projects for the stimulus package, all of them in accordance with previous guidelines requiring that any individual spending requests must be in the national interest. Those projects are infrastructure upgrades to accommodate the natural gas pipeline, which will bring clean fuel to Lower 48 markets, and the Kodiak Launch Facility, which is important for the nation's defense. While the latest comments in D.C. suggest that no earmarks will be accepted, the governor is hopeful that the extraordinary nature of these national-interest projects will allow their inclusion.

While others have compiled wish-lists of Alaska-specific projects, many of them meritorious, the governor says the administration will not be commenting on or ranking them, given that they might not be considered for the stimulus package. "We don't want to get hopes up among community leaders that their local projects are likely to be included, when that probably won't be the case," she said.

Meanwhile, formula funds for transportation, health care and other areas, when received by the state through the stimulus package, will be subject to appropriations by the Legislature through its budget process.

President-elect Obama said last week: "We are going to ban all earmarks, the process by which individual members insert pet projects without review. ... We are going to bring a long-overdue sense of responsibility and accountability to Washington."

A spokesman for Senate Majority Harry Reid was even more blunt: "There will be no earmarks in the stimulus. Nada. Zero. Zilch." House Speaker Nancy Pelosi has expressed agreement.

"It's understandable that many Alaskans want to see some local projects advanced," Gov. Palin said. "But it's pretty clear that it won't happen in this stimulus package, and we need to be realistic about that."

Recent quotes on the stimulus package:

"[O]ur goal is not to create a slew of new government programs, but a foundation for long-term economic growth. That also means an economic recovery plan that is free from earmarks and pet projects. I understand that every member of Congress has ideas about how to spend money. Many of these projects are worthy; they benefit local communities. But this emergency legislation must not be the vehicle for those aspirations. This must be a time when leaders in both parties put the urgent needs of our nation above our own narrow interests."

- *President-Elect Obama, 1/8/09; Speech on economic recovery*

"There will be no earmarks in this economic recovery plan…I know it's the Christmas season, but President-elect Obama and I are absolutely determined that this economic recovery package will not become a Christmas tree."

- *Vice President-Elect Biden; 12/24/08*

"I can pledge to you that no earmark or any of that, any description you want to make of it will be in the bill that passes the House."

- *Speaker Pelosi, 1/11/09; CNN's "Late Edition"*

"Congress should have public hearings in the appropriate committees, the text of the measure should be made available online for the American people to review for at least one week, and it should be free from special-interest earmarks. This is the taxpayers' money, and they deserve to know their hard-earned tax dollars aren't being wasted."

- *House Minority Leader Boehner; 1/5/09*

"We must also make distinctions between what is 'stimulus'—defined by Speaker Pelosi earlier this year as 'timely, targeted and temporary'—and what is merely more government spending on favored projects we don't need with money we don't have."

- *Senate Minority Leader McConnell; Press Release 12/29/08*

A copy of the governor's Jan. 7 letter is posted at the following link:
http://www.gov.state.ak.us/pdf/ESLletter_Jan12-2009.pdf

###

Darwin Peterson

From: Weston Eiler
Sent: Monday, January 26, 2009 5:45 PM
To: Darwin Peterson
Cc: Miles Baker
Subject: FW: Federal Stimulus Bill

Finance.

From: Carey, Dave [mailto:dcarey@borough.kenai.ak.us]
Sent: Monday, January 26, 2009 5:15 PM
To: Sen. Bert Stedman
Cc: Wilcox, Susan; Chumley, Hugh; Carey, Dave
Subject: Federal Stimulus Bill

Monday, January 26, 2009 4:54 Pm

Dear Senator Stedman:

I will be on a plane to Juneau when your Committee meets tomorrow morning.

As the Mayor of the Kenai Peninsula Borough and at the direction of the Kenai Peninsula Borough Assembly, I most strongly support the efforts to have Alaska share in the Federal Economic Stimulus Plan. The Projects for the Kenai Peninsula Borough are for Fire Stations, Schools, Energy Conservation, Health & Safety and General Infrastructure. Alaska does not have the infrastructure in place that other, older states have. Also, we are at a significant disadvantage because of the size of our state with widely dispersed population. The Kenai Peninsula Borough is the size of the entire State of West Virginia and our population is spread out throughout. We do not even have roads to many of our communities.

Unemployment on the Kenai Peninsula Borough is quite high. In truth, it is even higher than the statistics from the State Department of Labor because many residents have stopped looking for employment during the winter months. Today, we are on a Volcanic Event Warning Status because of the seismic reading around Mt. Redoubt and the earthquakes that we have been having over the last few days.

Harbors, especially in Homer and Kachemak Bay, bridges to Seward,

bank erosion in Kenai; all are in need of assistance. Many of our residents have served in the military over the years. Per capita, the Kenai Peninsula Borough has one of the highest rates of veterans in the country. Additionally, we have had many serve in the recent Gulf Wars. David Douthit of Soldotna, the only Alaskan killed in the first Gulf War, and Mike Lasky of the Central Kenai Peninsula, killed in the latest Gulf War, both lost their lives fighting for this country and our values. Any and all efforts, to establish veteran's care and medical facilities need to be located on the Kenai Peninsula.

Thank-you for your time.

Dave Carey, Mayor
Kenai Peninsula borough

SR

4

<target><bill>SR 4</bill><subject>SR
4</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/24/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered SENATE BILL NO. 4

SB 4 COASTAL MANAGEMENT PROGRAM

"An Act relating to the Alaska coastal management program; and establishing the Alaska Coastal Policy Board."

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SB 4 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
DNR	3/30	✓			
DEC	3/29	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins		X		
	Thomas		✓		
	Coghill		✓		
	Olson	X			
	Ellis	X			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman			✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SB004**
() Publish Date:

Identifier (file name): **SB004-DNR-DCOM-03-30-10**
Dept. Affected: Natural Resources
Title: An Act relating to the Alaska Coastal Management Program.
RDU: Resource Development
Component: Coastal and Ocean Management
Sponsor: Sen. Olson
Requester: Senate Finance Committee
Component Number: 2680

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	82.0	0.0	82.0	82.0	82.0	82.0	82.0
Contractual	80.0	0.0	30.0	30.0	30.0	30.0	30.0
Supplies	3.0	0.0	3.0	3.0	3.0	3.0	3.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	**165.0**	**0.0**	**115.0**	**115.0**	**115.0**	**115.0**	**115.0**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	165.0	0.0	115.0	115.0	115.0	115.0	115.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Other Interagency Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	**165.0**	**0.0**	**115.0**	**115.0**	**115.0**	**115.0**	**115.0**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

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

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

SB 4 will have the following fiscal impact:

1. Travel - It is expected that the Coastal Policy Board (CPB) will need to meet at least four times annually to fulfill the obligations and provide the services outlined in SB 4. Travel (including air, hotel, and per diem) for appointed members, designated members, and state agency staff is included.
2. Contractual - In order to re-write the guiding regulations, DNR must secure contractual services for the promulgation and final Department of Law review of the regulations (FY 2011 only). In addition, contractual services for the CPB meetings must be procured, and will be an annual expense.
3. Supplies - The CPB meetings will require some level of supplies for ensuring the members have proper materials.

Prepared by: Randy Bates, Director — Phone 465-8797
Division: Coastal and Ocean Management — Date/Time March 30, 2010
Approved by: Tom Irwin, Commissioner — Date March 30, 2010
Natural Resources

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SB004

ANALYSIS CONTINUATION

4. Although not contemplated above as an additional expense, it is expected that coastal districts will choose to revise, amend, and seek approval for their coastal district plans. No funding is included in this fiscal note for Coastal District Plan revisions. DNR does not typically set aside any funding for plan revisions. With passage of HB 191 DNR distributed one-time federal grant award s to districts ($1,166,600) for coastal community improvements, and funds to support the efforts of Alaska Coastal Management Program (ACMP) ($909,700) and state agencies ($833,700) in the management and development of Alaska's coastal resources.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **CS SB 4 (CRA)**
() Publish Date:

Identifier (file name): SB004CS(CRA)-DEC-CO-3-26-10
Title: Coastal management Program
Sponsor: Senator Olson
Requester: Senate Finance Committee

Dept. Affected: Environmental Conservati
RDU: Administration
Component: Office of the Commissioner
Component Number: 633

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	93.1		93.1	93.1	93.1	93.1	93.1
Travel	7.5		7.5	7.5	7.5	7.5	7.5
Contractual	11.2		11.2	11.2	11.2	11.2	11.2
Supplies	0.5		0.5	0.5	0.5	0.5	0.5
Equipment	6.4						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**118.7**	**0.0**	**112.3**	**112.3**	**112.3**	**112.3**	**112.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts	118.7	0.0	112.3	112.3	112.3	112.3	112.3
TOTAL	**118.7**	**0.0**	**112.3**	**112.3**	**112.3**	**112.3**	**112.3**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**	**1.0**
Part-time							
Temporary							

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

This legislation amends Alaska statutes related to the Alaska Coastal Management Program (ACMP). The bill requires that the Department of Environmental Conservation process its permits in accordance with the ACMP coastal consistency review procedures where permits are currently processed independent from those procedures. The fiscal note reflects the personnel and support costs of a new (Range 20) position to serve as DEC's ACMP Program Coordinator First-year costs include one-time equipment costs that are not reflected in subsequent years.

Prepared by: Marit Carlson-Van Dort — Phone 465-5871
Division: Office of the Commissioner — Date/Time 3/29/10, 9:45 AM
Approved by: Dan Easton — Date 3/29/2010
Deputy Commissioner

(Revised 11/6/2009 OMB)

26-LS0019\S
Cook
4/10/10

CS FOR SENATE BILL NO. 4( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): SENATOR OLSON

A BILL

FOR AN ACT ENTITLED

"An Act relating to the Alaska coastal management program; establishing the Alaska Coastal Policy Board; and providing for an effective date by repealing the effective date for the repeal of certain provisions relating to the Alaska coastal management program."

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

*** Section 1.** AS 46.39 is amended by adding a new section to article 1 to read:

Sec. 46.39.005. Alaska Coastal Policy Board. (a) The Alaska Coastal Policy Board is created in the Department of Natural Resources. The board consists of

(1) five public members appointed by the governor, including one at-large member from any coastal district; one public member shall be appointed from each of the following regions:

(A) northwest Alaska, including, generally, the area of the North Slope Borough and the Northwest Arctic Borough; and the Bering Strait area, including, generally, the area of the Bering Strait regional educational

attendance area;

(B) southwest Alaska, including, generally, the area within the Lower Yukon, Lower Kuskokwim, and Southwest regional educational attendance areas and the Lake and Peninsula and Bristol Bay Boroughs; and the Kodiak-Aleutians area, including the Kodiak Island and area of the Aleutians East Boroughs and the area of the Aleutian, Adak, and Pribilof regional educational attendance areas;

(C) Upper Cook Inlet area, including the Municipality of Anchorage and the Matanuska-Susitna Borough; the Lower Cook Inlet area, including, generally, the Kenai Peninsula Borough; and the Prince William Sound area, including, generally, the area east of the Kenai Peninsula Borough to 141 West longitude; and

(D) Southeast Alaska, generally the area east of 141 West longitude;

(2) each of the following:

(A) the commissioner of environmental conservation;

(B) the commissioner of fish and game;

(C) the commissioner of natural resources; and

(D) the commissioner of commerce, community, and economic development.

(b) Each public member appointed by the governor under (a)(1) of this section serves a term of two years and until a successor is appointed and qualified. A public member may be reappointed.

(c) The board shall designate co-chairs, one of whom shall be selected from among the public members appointed under (a)(1) of this section and one from among the members designated in (a)(2) of this section.

(d) The governor shall appoint a permanent alternate for each member of the board. If a member of the board is unable to attend, the member shall advise the alternate, who may attend and act in the place of the member. The alternate for a commissioner serving under (a)(2) of this section shall be a deputy commissioner or the director of a division in the commissioner's department. The names of alternates

shall be filed with the board.

(e) Three public members and two designated members of the board constitute a quorum, but the board may delegate to one or more of its members the power to hold hearings. All decisions of the board shall be by a majority vote of the members present and voting.

(f) Members of the board or their alternates are entitled to per diem and travel expenses authorized by law for members of boards and commissions.

(g) Administrative support for the board shall be provided by the division in the department responsible for coastal and ocean management. The director of the division in the department responsible for coastal and ocean management, under direction of the co-chair designated by the board from the individuals listed in (a)(2) of this section, may contract with or employ persons as necessary to assist the board in carrying out the board's duties and responsibilities.

*** Sec. 2.** AS 46.39.010(a) is amended to read:

(a) The Department of Natural Resources shall render, on behalf of the state, all federal consistency determinations and certifications authorized by 16 U.S.C. 1456 (Sec. 307, Coastal Zone Management Act of 1972), and each conclusive state consistency determination when a project requires a permit, lease, or authorization **from the department or** from two or more state resource agencies.

*** Sec. 3.** AS 46.39.010(b) is amended to read:

(b) The department may adopt regulations **approved by the board** necessary to implement this chapter.

*** Sec. 4.** AS 46.39.030 is amended to read:

Sec. 46.39.030. Powers of the department and board. (a) The department may

(1) **with the approval of the board,** apply for and accept grants, contributions, and appropriations, including application for and acceptance of federal funds that may become available for coastal planning and management;

(2) contract for necessary services. [;]

(b) The board may

(1) [(3)] consult and cooperate with

(A) persons, organizations, and groups, public or private, interested in, affected by, or concerned with coastal area planning and management;

(B) agents and officials of the coastal resource districts of the state, and **with** [FEDERAL AND] state agencies concerned with or having jurisdiction over coastal planning and management;

(2) [(4)] take any reasonable action necessary to carry out the provisions of this chapter or AS 46.40.

*** Sec. 5.** AS 46.39.040 is amended to read:

Sec. 46.39.040. Duties of the board [DEPARTMENT]. In conformity with 16 U.S.C. 1451 - 1464 (Coastal Zone Management Act of 1972), as amended, the **board** [DEPARTMENT] shall

(1) **approve** [DEVELOP] statewide standards for the Alaska coastal management program [,] and criteria for the preparation and approval of district coastal management plans **developed by the department** in accordance with AS 46.40;

(2) establish continuing coordination among state agencies to facilitate the development and implementation of the Alaska coastal management program; in carrying out its duties under this paragraph, the department shall initiate an interagency program of comprehensive coastal resource planning for each geographic region of the state;

(3) **ensure** [ASSURE] continued provision of data and information to coastal resource districts to carry out their planning and management functions under the program.

*** Sec. 6.** AS 46.39.900 is amended to read:

Sec. 46.39.900. Definitions [DEFINITION]. In this chapter, unless the context requires otherwise,

(1) "board" means the Alaska Coastal Policy Board established in AS 46.39.005;

(2) "department" means the Department of Natural Resources.

*** Sec. 7.** AS 46.40.010 is amended to read:

Sec. 46.40.010. Development of Alaska coastal management program. (a) The **Alaska Coastal Policy Board** [DEPARTMENT] shall approve, in accordance with this chapter, **program changes to** the Alaska coastal management program.

(b) The **board** [DEPARTMENT] may approve the Alaska coastal management program for a portion or portions of the coastal area before approving the [COMPLETE] program **changes** under (a) of this section. Portions of the program approved under this subsection shall be incorporated into the Alaska coastal management program.

(c) The Alaska coastal management program shall be reviewed by the **board** [DEPARTMENT] and, when appropriate, revised to

(1) add newly approved district coastal management plans [,] or revisions and amendments to the Alaska coastal management program;

(2) integrate newly approved district coastal management plans [,] or revisions and amendments of district coastal management plans [,] with existing approved plans and with plans developed by state agencies;

(3) add new or revised state statutes, policies, regulations, or other appropriate material;

(4) **evaluate** [REVIEW] the effectiveness [OF IMPLEMENTATION] of district coastal management plans; and

(5) consider new information acquired by the state and coastal resource districts.

(d) All reviews and revisions shall be in accordance with the statewide standards and district plan criteria adopted under AS 46.40.040.

*** Sec. 8.** AS 46.40.020 is amended to read:

Sec. 46.40.020. Objectives. The Alaska coastal management program shall be consistent with the following objectives:

(1) the use, management, restoration, and enhancement of the overall quality of the coastal environment;

(2) the development of industrial or commercial enterprises that are consistent with the social, cultural, historic, economic, and environmental interests of the people of the state;

(3) the orderly, balanced utilization and protection of the resources of the coastal area consistent with sound conservation and sustained yield principles;

(4) the management of coastal land and water uses in such a manner that, generally, those uses **that** [WHICH] are economically or physically dependent on a coastal location are given higher priority when compared to uses **that** [WHICH] do not economically or physically require a coastal location;

(5) the protection and management of significant historic, cultural, natural, **subsistence,** and aesthetic values and natural systems or processes within the coastal area;

(6) the prevention of damage to or degradation of land and water reserved for their natural **and subsistence** values as a result of inconsistent land or water usages adjacent to that land;

(7) the recognition of the need for a continuing supply of energy to meet the requirements of the state and the contribution of a share of the state's resources to meet national energy needs; and

(8) the full and fair evaluation of all demands on the land and water in the coastal area.

*** Sec. 9.** AS 46.40.030 is amended to read:

Sec. 46.40.030. Development of district coastal management plans. (a) Coastal resource districts shall develop and adopt district coastal management plans in accordance with the provisions of this chapter. The plan adopted by a coastal resource district shall be based **on** [UPON] a municipality's existing comprehensive plan or a new comprehensive resource use plan or comprehensive statement of needs, policies, objectives, and standards governing the use of resources within the coastal area of the district. The plan must meet the [STATEWIDE STANDARDS AND] district plan criteria adopted under AS 46.40.040 and must include

(1) a delineation within the district of the boundaries of the coastal area subject to the district coastal management plan;

(2) a statement, list, or definition of the land and water uses and activities subject to the district coastal management plan;

(3) a statement of policies to be applied to **all** [THE] land and water

uses subject to the district coastal management plan **as well as policies that apply only to an area that merits special attention; and**

(4) [A DESCRIPTION OF THE USES AND ACTIVITIES THAT WILL BE CONSIDERED PROPER AND THE USES AND ACTIVITIES THAT WILL BE CONSIDERED IMPROPER WITH RESPECT TO THE LAND AND WATER WITHIN THE COASTAL AREA; AND

(5)] a designation of **an area that merits special attention under** [, AND THE POLICIES THAT WILL BE APPLIED TO THE USE OF AREAS WITHIN] the **district** coastal **management plan and enforceable policies that must be applicable within an area that merits special attention** [RESOURCE DISTRICT THAT MERIT SPECIAL ATTENTION].

(b) In developing enforceable policies in its coastal management plan under (a) of this section, a coastal resource district shall **ensure that the enforceable policies are**

(1) clear and concise as to the activities and persons affected by the policies and the requirements of the policies

(2) necessary given local conditions; and

(3) supported by evidence, including scientific or local knowledge, if the policies are more specific than state or federal statutes or regulations [MEET THE REQUIREMENTS OF AS 46.40.070 AND MAY NOT DUPLICATE, RESTATE, OR INCORPORATE BY REFERENCE STATUTES AND ADMINISTRATIVE REGULATIONS ADOPTED BY STATE OR FEDERAL AGENCIES].

*** Sec. 10.** AS 46.40.040(a) is amended to read:

(a) Except as provided in [(b) OF THIS SECTION AND] AS 41.17, the department shall**, by regulations approved by the board,**

(1) [BY REGULATION,] adopt under the provisions of AS 44.62 (Administrative Procedure Act) for the use of and application by coastal resource districts and state agencies for carrying out their responsibilities under this chapter, statewide standards and district coastal management plan criteria for

(A) identifying the boundaries of the coastal area subject to the

Alaska coastal management program;

(B) determining the land and water uses and activities subject to the Alaska coastal management program;

(C) developing policies applicable to the land and water uses subject to the Alaska coastal management program;

(D) developing regulations applicable to the land and water uses subject to the Alaska coastal management program;

(E) developing policies and procedures to determine whether specific proposals for the land and water uses or activities subject to the Alaska coastal management program shall be allowed;

(F) designating and developing policies for **areas that merit special attention** [THE USE OF AREAS OF THE COAST THAT MERIT SPECIAL ATTENTION]; and

(G) measuring the progress of a coastal resource district in meeting its responsibilities under this chapter;

[(2) DEVELOP AND MAINTAIN A PROGRAM OF TECHNICAL AND FINANCIAL ASSISTANCE TO AID COASTAL RESOURCE DISTRICTS IN THE DEVELOPMENT AND IMPLEMENTATION OF DISTRICT COASTAL MANAGEMENT PLANS;

(3) UNDERTAKE REVIEW AND APPROVAL OF DISTRICT COASTAL MANAGEMENT PLANS IN ACCORDANCE WITH THIS CHAPTER;

(4) INITIATE A PROCESS FOR IDENTIFYING AND MANAGING USES OF STATE CONCERN WITHIN SPECIFIC AREAS OF THE COAST;

(5) DEVELOP PROCEDURES OR GUIDELINES FOR CONSULTATION AND COORDINATION WITH FEDERAL AGENCIES MANAGING LAND OR CONDUCTING ACTIVITIES POTENTIALLY AFFECTING THE COASTAL AREA OF THE STATE;

(6) BY REGULATION,] establish a consistency review and determination or certification process that conforms to the requirements of AS 46.40.096.

*** Sec. 11.** AS 46.40.040 is amended by adding new subsections to read:

(d) Except as provided in AS 41.17, the board shall

(1) develop and maintain a program of technical and financial assistance to aid coastal resource districts in the development and implementation of district coastal management plans;

(2) undertake review of and, after public hearing, approve district coastal management plans in accordance with this chapter;

(3) initiate a process for identifying and managing uses of state concern within specific areas of the coast;

(4) develop procedures or guidelines for consultation and coordination with federal agencies managing land or conducting activities potentially affecting the coastal area of the state;

(e) Regulations adopted by the department under this section for district plan criteria may not require designation of areas as a precondition for the establishment of a coastal resource district enforceable policy.

*** Sec. 12.** AS 46.40.050(b) is amended to read:

(b) Within 30 months after certification of the organization of a new coastal resource district, the coastal resource district shall complete and submit to the **board** [DEPARTMENT] a proposed district coastal management plan. If, after receipt of a written request for extension from the coastal resource district, the **board** [DEPARTMENT] considers an extension proper, the **board** [DEPARTMENT] may grant an extension to a date that is within 54 months after certification of the results of the coastal resource district's organization. A request under this subsection must include the reasons for the extension.

*** Sec. 13.** AS 46.40.060 is repealed and reenacted to read:

Sec. 46.40.060. Review and approval. (a) A coastal resource district shall submit its district coastal management plan for review by the department. The division in the department responsible for coastal and ocean management shall attempt to reach a consensus with a coastal resource district concerning any changes required to comply with the district plan criteria approved by the department and the board.

(b) If a consensus between the division and the coastal resource district is reached, the division shall forward a recommendation to the commissioner, and the

commissioner shall submit the recommendation to the board.

(c) If a consensus between the division and the coastal resource district is not reached, the division shall forward a recommendation to the commissioner with an explanation of the reasons for its recommendation and, if applicable, offer recommended changes to the district coastal management plan that would meet the district plan criteria. The coastal resource district may request that the commissioner reconsider the division's recommendation before the commissioner submits the recommendation to the board.

(d) If, after receiving the commissioner's recommendation, the board finds that the district coastal management plan meets the provisions of this chapter and the district plan criteria adopted by the department, the board may approve the district coastal management plan or may approve portions of the district coastal management plan that meet those requirements.

(e) If the board finds that a district coastal management plan is not approvable or is approvable only in part under (d) of this section, the board shall direct the department to meet with officials of the coastal resource district to resolve differences. If requested by a coastal resource district, the board shall direct that deficiencies in the district coastal management plan submitted by the coastal resource district be resolved through mediation conducted by a neutral third party. During mediation, the board may call for one or more public hearings in the district.

(f) If, after mediation, the differences have not been resolved and mutually agreed to by the coastal resource district and the board, the board shall enter findings and, by order, may require

(1) that the district coastal management plan be amended to satisfy the provisions of this chapter or meet the statewide standards and district plan criteria approved by the board;

(2) that the district coastal management plan be revised to accommodate a use of state concern; or

(3) any other action be taken by the coastal resource district, as appropriate.

(g) An order of the board entered under (f) of this section is a final

administrative order that the coastal resource district may appeal to the superior court under AS 44.62 (Administrative Procedure Act). The attorney general, at the request of the board, may file an action in superior court to enforce an order issued under (f) of this section.

* **Sec. 14.** AS 46.40.070 is repealed and reenacted to read:

Sec. 46.40.070. Requirements for board review and approval. (a) The board shall approve a district coastal management plan submitted for review and approval if the

(1) district coastal management plan meets the requirements of this chapter and the district plan criteria adopted by the department; and

(2) enforceable policies of the district coastal management plan

(A) do not duplicate, restate, or incorporate by reference state or federal statutes or regulations;

(B) are not preempted by federal or state law; and

(C) do not arbitrarily or unreasonably restrict a use of state concern.

(b) In (a)(2)(B) of this section, an enforceable policy of the district coastal management plan is preempted by

(1) federal statutes or regulations when the United States Congress expressly declares that local law or regulation is preempted if the United States Congress demonstrates the intent to occupy the field exclusively or if there is an actual conflict between federal and local law or regulation;

(2) state law if it is prohibited by express legislative direction or direct conflict with a state statute or regulation, or where a local law or regulation substantially interferes with the effective functioning of a state statute or regulation or the underlying purposes of a state statute or regulation.

* **Sec. 15.** AS 46.40.096(a) is amended to read:

(a) The department shall, by regulation **approved by the board**, establish a consistency review and determination process that conforms to the requirements of this section.

* **Sec. 16.** AS 46.40.096(d) is amended to read:

(d) In preparing a consistency review and determination for a proposed project, the reviewing entity shall

(1) request consistency review comments for the proposed project from state resource agencies, affected coastal resource districts, and other interested parties as determined by regulation adopted by the department;

(2) prepare proposed consistency determinations;

(3) coordinate **elevations** [SUBSEQUENT REVIEWS] of proposed consistency determinations prepared under (2) of this subsection; **an elevation** [A SUBSEQUENT REVIEW] of a proposed consistency determination under this paragraph

(A) is limited to a review by **state resource agencies** [THE DEPARTMENT];

(B) may occur only if requested by

(i) the project applicant;

(ii) a state resource agency; or

(iii) an affected coastal resource district; and

(C) shall be completed by the **resource agencies** [DEPARTMENT] within 45 days after the initial request for subsequent review under this paragraph;

(4) render the final consistency determination and certification.

*** Sec. 17.** AS 46.40.096(g) is amended to read:

(g) The reviewing entity shall exclude from the consistency review and determination process for a project

(1) **an aspect of** an activity that

[(A)] is **specifically** authorized under a general or nationwide permit that has previously been determined to be consistent with the Alaska coastal management program; [OR

(B) IS SUBJECT TO AUTHORIZATION BY THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION UNDER THE REQUIREMENTS DESCRIBED IN AS 46.40.040(b);]

(2) activities excluded from a consistency review under AS 41.17; and

(3) the issuance of an authorization or permit issued by the Alaska Oil and Gas Conservation Commission.

*** Sec. 18.** AS 46.40.096(k) is amended to read:

(k) Except as provided in (g) of this section, AS 41.17, [AS 46.40.040(b),] and AS 46.40.094, the scope of a consistency review of a project, once triggered under (j) of this section, is limited to activities that are located within the areas described in (*l*) of this section and that either are subject to a state resource agency permit, lease, authorization, approval, or certification or are the subject of a coastal resource district enforceable policy approved by the **board** [DEPARTMENT] under this chapter. The scope of a consistency review subject to 16 U.S.C. 1456 is determined under 16 U.S.C. 1456 and 15 C.F.R. Part 930.

*** Sec. 19.** AS 46.40.096(*l*) is amended to read:

(*l*) The regulations adopted under (a) of this section apply, as authorized by 16 U.S.C. 1456(c), to

(1) activities within the coastal zone; and

(2) activities on federal land, including the federal outer continental shelf, that would affect any land or water use or natural resource of the state's coastal zone; for purposes of this paragraph, those activities consist of any activity on the federal outer continental shelf**, including seismic survey activity,** and any activity on federal land that are within the geographic boundaries of the state's coastal zone notwithstanding the exclusion of federal land in 16 U.S.C. 1453(1).

*** Sec. 20.** AS 46.40.096(m) is amended to read:

(m) As part of the regulations adopted under (a) of this section, the department shall establish a list of permits, certifications, leases, approvals, and authorizations issued by a state resource or federal agency that will trigger a consistency review under (j) of this section. In addition, the department shall establish in regulation categories and descriptions of uses and activities that, for purposes of evaluating consistency with the Alaska coastal management program, are determined to be categorically consistent or generally consistent after the inclusion of standard alternative measures. These categories of uses and activities must be as broad as possible so as to minimize the number of **routine** projects that must undergo an

individualized consistency review under this section.

*** Sec. 21.** AS 46.40.096(o) is amended to read:

(o) The time limitations in (n) of this section

(1) do not apply to a consistency review involving

(A) the disposal of an interest in state land or resources**;**

(B) an activity proposed by a federal agency; or

(C) an activity permitted by a federal agency;

(2) are suspended

(A) from the time **a review schedule is modified in response to** [THE REVIEWING ENTITY DETERMINES THAT THE APPLICANT HAS NOT ADEQUATELY RESPONDED IN WRITING WITHIN 14 DAYS AFTER THE RECEIPT OF] a written request from the reviewing entity for additional information, until the time the reviewing entity determines that the applicant has provided an adequate written response;

(B) during a period of time requested by the applicant;

(C) during the period of time a consistency review is undergoing a subsequent review under (d)(3) of this section**;**

(D) for 30 days if requested by an affected coastal resource district exercising authority under AS 29 to accommodate the adjudication process of an authorization issued by a coastal resource district pending the results of the adjudication.

*** Sec. 22.** AS 46.40.096(q)(1) is amended to read:

(1) "affected coastal resource district" means a coastal resource district **with a publicly reviewed draft or approved plan** in which a project is proposed to be located or **that** [WHICH] may experience a direct and significant impact from a proposed project;

*** Sec. 23.** AS 46.40.096 is amended by adding new subsections to read:

(r) Notwithstanding any provision of this section, for federal agency activities defined in 15 C.F.R. 930.31, including Outer Continental Shelf lease sales and development projects, the department shall conduct a full consistency review and provide its consistency response with respect to proposed uses or activities involved in

the project regardless of whether an earlier consistency review for a similar project has been completed.

(s) Regulations adopted by the department under this section may not require that a draft permit be prepared before the initiation of the consistency review.

* **Sec. 24.** AS 46.40.100(b) is amended to read:

(b) A party that is authorized under (g) of this section may file a petition showing that a district coastal management plan is not being implemented. A petition filed under this subsection may not seek review of a proposed or final consistency determination regarding a specific project. On receipt of a petition, the **board** [DEPARTMENT], after giving public notice in the manner required by (f) of this section, shall convene a hearing to consider the matter. A hearing called under this subsection shall be held in accordance with regulations adopted under this chapter. After **the** hearing, the **board** [DEPARTMENT] may order that the coastal resource district or a state resource agency take any action with respect to future implementation of the district coastal management plan that the **board** [DEPARTMENT] considers necessary, except that the **board** [DEPARTMENT] may not order that the coastal resource district or a state agency take any action with respect to a proposed or final consistency determination that has been issued.

* **Sec. 25.** AS 46.40.100(c) is amended to read:

(c) In determining whether an approved district coastal management plan is being implemented by a coastal resource district that exercises zoning authority or controls on the use of resources within the coastal area or by a state resource agency, the **board** [DEPARTMENT] shall find in favor of the district or the state resource agency, unless the **board** [DEPARTMENT] finds a pattern of nonimplementation.

* **Sec. 26.** AS 46.40.100(e) is amended to read:

(e) The superior courts of the state have jurisdiction to enforce lawful orders of the **board and the** department under this chapter.

* **Sec. 27.** AS 46.40.100(f) is amended to read:

(f) Upon receipt of a petition under (b) of this section, the **board** [DEPARTMENT] shall give notice of the hearing at least 10 days before the scheduled date of the hearing. The notice must

(1) contain sufficient information in commonly understood terms to inform the public of the nature of the petition; and

(2) indicate the manner in which the public may comment on the petition.

*** Sec. 28.** AS 46.40.100(h) is amended to read:

(h) If the **board** [DEPARTMENT] finds a pattern of nonimplementation under (c) of this section, the **board** [DEPARTMENT] may order a coastal resource district or a state resource agency to take action with respect to future implementation of the district coastal management plan that the **board** [DEPARTMENT] considers necessary to implement the district coastal management plan. The **board's** [DEPARTMENT'S] determination under (c) of this section and any order issued under this subsection shall be considered a final administrative order for purposes of judicial review under AS 44.62.560.

*** Sec. 29.** AS 46.40.180(b) is amended to read:

(b) If a city or village within a coastal resource service area fails to approve a portion of the district coastal management plan prepared and submitted for approval under (a) of this section, the governing body shall advise the coastal resource service area board of its objections to the proposed plan and suggest alternative elements or components for inclusion in the district coastal management plan. New matter submitted by a city or village that meets the [STATEWIDE STANDARDS AND] district plan criteria adopted under this chapter **may** [SHALL] be accepted **by the district** and the district coastal management plan modified accordingly. If a city or village fails to provide objections and suggested alternatives within the time limits established in this section, the coastal resource service area board may adopt the district coastal management plan as initially offered.

*** Sec. 30.** AS 46.40.190(b) is amended to read:

(b) This chapter does not restrict or prohibit cooperative or joint administration of functions between a municipality and a coastal resource service area organized under the provisions of this chapter upon initiation of a mutual agreement for the purpose. [A CITY THAT ELECTS TO BE EXCLUDED FROM AN ADJACENT COASTAL RESOURCE SERVICE AREA UNDER (a) OF THIS

SECTION SHALL ENTER INTO A MUTUAL AGREEMENT FOR COOPERATIVE OR JOINT ADMINISTRATION OF FUNCTIONS WITH THE COASTAL RESOURCE SERVICE AREA BOARD FROM THE ADJACENT COASTAL RESOURCE SERVICE AREA.]

* **Sec. 31.** AS 46.40.210(2) is amended to read:

(2) "coastal resource district" means each of the following that contains a portion of the coastal area of the state:

(A) unified municipalities;

(B) organized boroughs of any class that exercise planning and zoning authority;

(C) home rule and first class cities of the unorganized borough [OR WITHIN BOROUGHS THAT DO NOT EXERCISE PLANNING AND ZONING AUTHORITY];

(D) second class cities of the unorganized borough [, OR WITHIN BOROUGHS THAT DO NOT EXERCISE PLANNING AND ZONING AUTHORITY,] that have established a planning commission, and that, in the opinion of the commissioner of commerce, community, and economic development, have the capability of preparing and implementing a comprehensive district coastal management plan under AS 46.40.030;

(E) coastal resource service areas established and organized under AS 29.03.020 and AS 46.40.110 - 46.40.180;

* **Sec. 32.** AS 46.40.210(4) is amended to read:

(4) "coastal zone" means the coastal water including land within and under that water, and adjacent shoreland, including the water within and under that shoreland, within the boundaries approved by the former Alaska Coastal Policy Council and by the United States Secretary of Commerce under 16 U.S.C. 1451 - 1465 (Coastal Zone Management Act of 1972, as amended); "coastal zone" includes areas added as a result of any boundary changes approved by the **board** [DEPARTMENT] and by the United States Secretary of Commerce under 16 U.S.C. 1451 - 1465; "coastal zone" does not include

(A) those lands excluded under 16 U.S.C. 1453(1); or

(B) areas deleted as a result of any boundary changes by the **board** [DEPARTMENT] in conformance with 16 U.S.C. 1451 - 1465;

* **Sec. 33.** AS 46.40.210(7) is amended to read:

(7) "district coastal management plan" means a plan developed by a coastal resource district, including enforceable policies of that plan, setting out policies and standards to guide public and private uses of land and water within that district and approved by the **board** [DEPARTMENT] as meeting the requirements of this chapter and the regulations adopted under this chapter;

* **Sec. 34.** AS 46.40.210(8) is amended to read:

(8) "enforceable policy" means a policy established by this chapter or approved by the **board** [DEPARTMENT] as a legally binding policy of the Alaska coastal management program applicable to public and private activities;

* **Sec. 35.** AS 46.40.210(9) is amended to read:

(9) "project" means all activities that will be part of a proposed development **and includes all federal agency activities as defined in 15 C.F.R. 930.31, including lease sales and development projects affecting a coastal use or resource, and proposed rules that alter uses of the coastal zone**;

* **Sec. 36.** AS 46.40.210 is amended by adding a new paragraph to read:

(13) "board" has the meaning given in AS 46.39.900;

* **Sec. 37.** AS 46.40.040(b), 46.40.040(c), 46.40.050(a), 46.40.096(i), and 46.40.205 are repealed.

* **Sec. 38.** Sections 1 - 13 and 18, ch. 31, SLA 2005, are repealed.

* **Sec. 39.** Section 22, ch. 31, SLA 2005, is repealed.

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 2/2/09

FURTHER:

Date of 5-Day Notice: _____
(in accordance with Uniform Rule 23)

DATE TURNED IN TO OFFICE: 2/3/09

Finance Committee considered SENATE RESOLUTION NO. 4

SR 4 FEDERAL ECONOMIC STIMULUS PACKAGE

Relating to the federal stimulus package.

and recommends:

[X] be **replaced** with [ ] **SCS** or [X] **CS** SR4 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
SFIN-all	2/2/09			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Duggins	X			
	Thomas	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:	Stapman	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SR4
() Publish Date:

Dept. Affected: All Departments
RDU
Component
Component Number

Title: SR 4-FEDERAL ECONOMIC STIMULUS PACKAGE
Sponsor: Senate Finance Committee
Requester: Senate Finance Committee

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Senate Finance Committee Date/Time 2/2/2009

Approved by: Senator Bert Stedman, Co-Chair Phone 465-3873
Senator Lyman Hoffman, Co-Chair Phone 465-4453

1872

Adopted

2/3/09

26-LS0480\E
Bannister
2/2/09

CS FOR SENATE RESOLUTION NO. 4(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE FINANCE COMMITTEE

A RESOLUTION

Relating to the federal stimulus package.

BE IT RESOLVED BY THE SENATE:

WHEREAS the economy of the United States is experiencing a recession that is causing significant loss of employment and income for many American families; and

WHEREAS significant financial hardship is also occurring in Alaska and is exacerbated by the current price of oil and the continuing high cost of other types of energy; and

WHEREAS the loss of income in the state has made it difficult for many families in the state to afford the necessities of life, including fuel, food, and health care; and

WHEREAS the federal government is considering a stimulus package to alleviate the dire consequences of the nation's economic downturn; and

WHEREAS the proposed federal stimulus package emphasizes the need for each state to boost its local economies through the initiation of a wide range of projects, including projects involving transportation facilities, school construction, health care services, and energy resources, and these projects will temporarily provide employment to workers to help them and their families weather the current economic hardships; and

WHEREAS to accomplish that purpose, the United States Congress is relying on existing formulas and grant programs to allocate funds to the states, and President Obama and the leadership of both parties in the United States Congress have indicated that specific projects will not be included in the economic stimulus package;

BE IT RESOLVED that the Senate desires a comprehensive federal stimulus package that allocates to Alaska the state's fair share of funding so that the citizens of all regions of the state will benefit and that includes a provision entitling Alaska to receive an outer continental shelf revenue share that is commensurate with the share provided for the gulf-producing states; and be it

FURTHER RESOLVED by the Senate that Alaska's participation in the federal stimulus package should recognize the breadth of the state's economy by stimulating a variety of the segments of the state's economy, including transportation, energy, education, health care, nutrition, the environment, information technology, and other areas.

COPIES of this resolution shall be sent to the Honorable Barack Obama, President of the United States; and the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

2/3/09

Sharing capitol ideas.

The Council of State Governments

President Governor Joe Manchin III, W.Va.
Chairman Senator Bart Davis, Idaho
Executive Director CEO David Adkins

January 26, 2009

The Honorable Harry M. Reid
Majority Leader
United States Senate
Washington, D.C. 20510

The Honorable Mitch McConnell
Minority Leader
United States Senate
Washington, D.C. 20510

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, D.C. 20515

The Honorable John Boehner
Minority Leader
U.S. House of Representatives
Washington, D.C. 20515

Dear Senator Reid, Senator McConnell, Speaker Pelosi and Representative Boehner:

The Council of State Governments (CSG), the only national association representing all three branches of state government, urges Congress and the Administration to engage state leaders in the development and implementation of a national economic recovery plan. CSG believes that any recovery package should include investments in programs critical to state economies, including infrastructure, education, and a temporary increase in the federal matching rate for Medicaid, while promoting state flexibility in program implementation.

While there remain differences of opinion among state leaders over the ideal scale and scope of an economic recovery package, CSG believes these investments are essential for meeting immediate economic needs while also addressing a mounting crisis in state finances that, if left unchecked, could lead to substantial reductions in critical state services. CSG also urges Congress and the Administration to avoid including restrictive provisions, such as strict maintenance of effort requirements, which limit the ability of state leaders to act quickly to meet individual states' economic conditions and to meet each state's unique needs.

In addition, CSG encourages Congress and the Administration to quickly reauthorize the State Children's Health Insurance Program (SCHIP). Improving health care access for our neediest citizens is a vital complement to any bipartisan recovery package. State flexibility has always been a hallmark of SCHIP and has contributed to its broad support. Flexibility to meet individual state circumstances should be maintained.

The Council of State Governments
2760 Research Park Drive • P.O. Box 11910 • Lexington, KY 40578-1910 • (859) 244-8000 • Fax (859) 244-8001 • www.csg.org

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We look forward to working with you to address these critical policy priorities.

Sincerely,

Governor Joe Manchin III
CSG President

Senator Bart Davis
CSG Chair

Governor M. Michael Rounds
CSG President-Elect

Senate President David Williams
CSG Chair-Elect

2/3/09

Estimated Federal Fiscal Assistance Provided to States Through a Temporary Increase in the Federal Medicaid Matching Rate under House and Senate Proposals (In $ Thousands)

State	House Plan	Senate Plan
NATION	$82,517,022	$79,446,742
Alabama	$783,265	$759,277
Alaska	$246,321	$242,129
Arizona	$1,879,792	$1,795,617
Arkansas	$614,862	$618,604
California	$11,069,212	$10,578,074
Colorado	$855,635	$819,076
Connecticut	$1,207,187	$1,146,290
Delaware	$314,145	$298,299
Dist. Of Col.	$288,235	$278,817
Florida	$4,255,079	$4,099,915
Georgia	$1,637,428	$1,562,483
Hawaii	$340,182	$328,089
Idaho	$276,859	$265,741
Illinois	$2,879,048	$2,732,969
Indiana	$1,201,609	$1,161,650
Iowa	$441,529	$472,221
Kansas	$388,522	$385,726
Kentucky	$922,150	$898,938
Louisiana	$1,552,118	$1,522,311
Maine	$434,414	$421,977
Maryland	$1,406,488	$1,329,554
Massachusetts	$2,636,552	$2,562,712
Michigan	$2,229,262	$2,127,367
Minnesota	$1,892,174	$1,811,245
Mississippi	$697,470	$695,609
Missouri	$1,494,639	$1,439,714
Montana	$174,078	$170,084
Nebraska	$243,783	$252,804
Nevada	$440,910	$425,201
New Hampshire	$231,664	$224,197
New Jersey	$2,135,147	$2,036,014
New Mexico	$528,486	$539,927
New York	$12,451,995	$11,919,728
North Carolina	$2,267,040	$2,168,788
North Dakota	$90,469	$94,809
Ohio	$2,826,874	$2,720,651
Oklahoma	$860,029	$849,012
Oregon	$802,571	$764,437
Pennsylvania	$3,974,892	$3,801,981
Rhode Island	$454,129	$434,368
South Carolina	$732,477	$710,197
South Dakota	$96,661	$100,628
Tennessee	$1,480,539	$1,431,390
Texas	$5,115,199	$5,009,514
Utah	$293,457	$292,389
Vermont	$254,147	$245,275
Virginia	$1,423,220	$1,366,312
Washington	$1,985,585	$1,903,365
West Virginia	$382,299	$394,903
Wisconsin	$1,093,433	$1,059,561
Wyoming	$102,277	$99,758
American Samoa	$2,648	$2,269
Guam	$4,574	$3,336
N. Mariana Islands	$1,622	$1,244
Puerto Rico	$120,035	$67,220
Virgin Islands	$2,603	$2,975

Estimates by the Center on Budget and Policy Priorities, based on Medicaid spending estimates for FY 2009 and FY 2010 as reported by states in November 2008; Bureau of Labor Statistics Local Area Unemployment Statistics; and state unemployment rate forecasts by Moody's Economy.com assuming enactment of economic recovery package. Estimates differ from the CBO estimate of aggregate spending because they do not include the effects of applying the FMAP increase to IV-E payments and may use differing projections of state unemployment. The amount of federal Medicaid funding increases provided to states may differ based on actual unemployment rate increases in individual states over time.

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<R.4 : Distributed by Senator Stedman's office

Estimated State Allocations of Selected Proposed House Stimulus Funds

($ in thousands)
1/23/2009

State	Fiscal Stabilization*	Title I	Special Education	Education Technology	K-12 Construction*	Child Care	CSBG	Byrne JAG	WIA-Adult	WIA-Youth	Dislocated Workers	Highways	Clean Water	Drinking Water	Weather-ization	State Energy Program	Medicaid FMAP Hold Harmless ** 2009	Medicaid FMAP Hold Harmless ** 2010	Medicaid +4.9% FMAP ** 2009	Medicaid +4.9% FMAP ** 2010	Total
Alabama	959,567	$202,625	$207,319	$15,587	$218,119	$39,837	$18,745	$47,927	$5,728	$13,272	$7,719	$559,746	$67,943	$20,000	$83,683	$53,297	$0	$0	$186,819	$200,831	$2,908,763
Alaska	149,887	36,551	41,229	2,812	39,346	4,054	3,890	15,177	1,885	4,485	5,274	238,357	36,365	20,000	34,517	23,912	13,831	12,574	54,586	58,680	799,415
Arizona	1,329,273	257,215	207,417	19,786	276,882	51,500	8,360	57,339	8,549	20,318	9,637	586,639	41,039	56,760	57,755	49,076	23,075	39,516	400,262	430,282	3,930,680
Arkansas	584,193	135,304	127,879	10,408	145,649	25,486	13,900	35,228	5,694	13,749	11,385	370,356	39,747	25,114	60,894	41,617	3,232	6,165	175,630	188,802	2,020,433
California	7,850,129	1,598,790	1,398,673	123,984	1,721,036	228,758	91,163	321,257	73,681	173,352	141,703	2,797,375	434,559	163,085	225,380	223,708	0	0	1,907,028	2,050,055	21,521,714
Colorado																					
Connecticut	715,378	109,828	151,583	8,448	118,225	13,707	12,331	31,190	3,804	9,786	7,564	391,410	74,436	20,000	78,765	50,450	0	0	228,626	245,773	2,271,306
Delaware	177,353	36,160	38,003	2,782	38,924	4,542	5,030	18,213	1,247	2,993	1,564	120,871	29,829	20,000	16,031	23,164	0	0	62,227	66,895	665,827
DC																					
Florida	3,558,798	610,849	717,871	46,988	657,555	112,029	29,713	186,332	15,112	33,823	26,437	1,461,994	205,100	90,332	138,144	117,096	151,922	282,114	695,090	747,222	9,884,520
Georgia	2,022,980	420,653	364,636	32,358	452,817	80,067	27,499	89,588	11,004	26,664	20,192	1,046,053	102,733	56,180	121,327	75,479	0	0	357,509	384,322	5,692,061
Hawaii																					
Idaho	323,464	44,079	61,882	3,391	47,449	11,996	4,976	18,185	1,247	3,020	1,698	216,605	29,829	20,000	43,788	26,894	887	6,425	62,312	66,985	995,109
Illinois	2,708,681	558,906	577,369	42,993	601,641	74,998	48,291	119,719	22,212	54,382	39,417	1,001,820	274,801	81,577	342,276	142,910	0	17,286	525,274	564,670	7,799,222
Indiana	1,326,533	231,425	291,548	17,802	249,120	41,941	14,885	53,134	10,544	26,981	19,806	746,447	146,433	27,908	163,409	82,154	0	0	298,168	320,530	4,068,766
Iowa	622,296	68,968	139,184	5,305	74,242	18,229	11,065	29,296	1,745	5,395	4,967	353,096	82,235	24,915	116,180	48,487	0	0	144,942	155,813	1,906,362
Kansas	590,738	89,936	121,830	6,918	96,813	18,786	8,344	30,939	3,033	8,115	5,663	317,278	54,845	20,000	69,425	43,383	0	0	112,040	120,443	1,718,531
Kentucky	857,581	198,310	179,951	15,255	213,473	35,624	17,234	38,653	8,740	19,207	22,904	457,375	77,332	20,975	114,905	55,652	0	0	236,481	254,217	2,823,871
Louisiana	925,659	290,994	215,818	22,384	313,244	42,541	23,999	52,633	9,769	22,804	8,182	470,717	66,794	28,333	69,459	64,486	48,703	298,303	279,775	300,758	3,555,355
Maine	255,478	48,922	62,384	3,763	52,662	6,817	5,360	17,906	1,799	4,326	3,046	138,685	47,035	20,000	76,131	30,820	0	0	107,889	115,981	999,025
Maryland	1,160,099	177,485	228,269	13,653	191,056	25,049	14,027	62,129	5,511	13,202	10,588	478,724	146,956	27,520	81,324	63,014	0	0	313,545	337,061	3,349,212
Massachusetts																					
Michigan	2,107,048	493,036	456,679	37,926	530,734	57,817	37,765	102,398	31,485	76,383	110,169	875,293	261,260	69,183	347,032	120,629	0	0	465,175	500,063	6,679,273
Minnesota	1,075,912	117,613	216,410	9,047	126,606	25,965	12,302	45,504	5,462	14,483	10,922	477,702	111,678	36,011	210,819	73,124	0	0	355,386	382,040	3,306,986
Mississippi																					
Missouri	1,212,704	211,239	258,972	16,249	227,391	38,863	28,289	62,686	10,561	25,914	21,395	688,419	168,452	38,832	162,507	67,529	0	0	345,330	371,230	3,956,563
Montana																					
Nebraska	376,783	56,904	85,129	4,377	61,255	11,703	7,126	19,132	1,247	3,355	2,683	230,294	31,078	20,000	58,095	33,176	0	0	81,129	87,214	1,170,679
Nevada	520,705	75,166	78,003	5,782	80,914	14,752	5,012	28,739	2,636	5,972	4,902	217,767	29,829	20,000	32,536	28,857	23,886	34,847	64,048	68,851	1,343,205
New Hampshire																					
New Jersey	1,756,607	273,152	412,088	21,012	294,038	55,154	27,971	77,307	9,539	21,424	20,107	777,921	248,295	44,260	140,169	98,643	0	0	442,835	476,048	5,176,571
New Mexico	419,057	106,717	103,905	8,209	114,876	18,409	5,823	28,238	2,985	7,106	3,074	281,199	29,829	20,000	48,380	30,820	3,621	0	157,047	168,825	1,558,121
New York	3,967,970	1,154,499	865,453	88,808	1,242,774	103,728	88,706	154,390	31,214	72,062	42,775	1,355,082	670,653	89,038	593,310	197,679	0	0	2,401,775	2,581,908	15,701,824
North Carolina	1,861,984	338,032	365,333	26,002	363,879	67,323	26,831	86,831	10,340	25,133	28,490	802,374	109,660	67,307	140,013	77,246	0	0	508,607	546,752	5,452,139
North Dakota	138,042	31,891	30,858	2,453	34,330	3,774	4,710	8,076	1,247	2,993	987	194,526	29,828	20,000	52,243	24,145	2,459	4,733	29,156	31,343	647,796
Ohio	2,360,452	484,078	499,004	37,237	521,091	67,483	39,850	92,567	26,250	63,994	67,351	1,036,236	342,658	59,959	342,926	134,469	0	0	654,645	703,743	7,533,392
Oklahoma	760,916	139,836	168,629	10,757	150,528	31,603	12,110	41,549	4,097	9,923	6,170	464,295	49,089	32,288	79,378	48,193	31,710	108,213	184,738	198,593	2,532,616
Oregon	749,357	132,247	147,032	10,173	142,358	22,525	8,170	33,390	7,102	17,170	17,265	349,402	68,639	29,246	62,419	44,169	0	0	172,382	185,311	2,198,357
Pennsylvania	2,514,320	535,094	486,968	41,161	576,008	61,865	43,281	114,094	17,376	43,176	27,758	1,254,447	240,674	67,364	361,945	136,824	0	0	805,562	865,980	8,193,898
Rhode Island	218,275	49,906	49,855	3,839	53,722	5,369	5,651	14,035	1,637	4,427	3,874	154,315	40,799	20,000	31,980	26,697	0	0	90,194	96,959	871,535
South Carolina																					
South Dakota	167,641	39,174	36,760	3,013	42,169	5,500	4,136	7,825	1,247	2,993	1,229	198,718	29,828	20,000	41,565	23,360	0	0	32,696	35,148	693,004
Tennessee	1,246,203	226,910	265,876	17,455	244,260	45,576	20,140	74,382	11,052	25,913	15,822	613,202	88,267	20,756	120,859	64,781	0	0	338,134	363,494	3,803,082
Texas	5,209,921	1,226,950	1,098,978	94,381	1,320,765	221,311	49,228	210,783	38,550	93,441	48,536	2,421,052	277,714	164,774	292,896	194,734	167,714	436,606	1,087,492	1,169,053	15,824,878
Utah	625,896	56,114	121,954	4,316	60,404	22,840	4,916	23,560	2,018	5,774	2,617	221,357	32,015	20,000	47,388	33,764	10,567	0	80,060	86,064	1,461,625
Vermont	124,506	30,763	29,753	2,366	33,115	2,929	5,030	9,691	1,247	2,993	1,238	129,552	29,829	20,000	29,506	23,360	0	8,768	55,507	59,670	599,821
Virginia	1,583,074	213,595	321,107	16,430	229,926	38,715	16,367	58,453	4,945	12,476	10,719	745,644	124,349	21,294	124,042	75,970	0	0	268,324	288,448	4,153,878
Washington	1,316,668	177,930	252,340	13,687	191,534	33,572	12,183	55,028	10,881	26,717	18,669	529,624	105,665	42,878	99,421	60,855	28,373	101,264	329,595	354,423	3,761,405
West Virginia	351,610	94,199	86,583	7,246	101,401	13,528	11,444	25,808	2,658	6,089	4,392	243,509	94,719	20,000	70,400	37,592	8,563	5,316	115,377	124,030	1,423,662
Wisconsin	1,155,432	187,391	237,341	14,415	201,730	29,948	12,438	44,975	5,819	15,735	21,685	563,861	164,265	38,719	194,351	75,872	0	0	271,901	292,294	3,528,160
Wyoming																					
Puerto Rico	853,769	482,003	126,790	37,077	518,858	33,227	43,067	46,005	22,264	48,381	58,295	107,787	79,248	20,000	52,074	42,500	0	0	61,883	66,525	2,699,753
American Samoa																					
Guam																					
Mariana Islands																					
Virgin Islands																					
TOTAL	63,975,000	$13,000,000	$13,000,000	$1,000,000	$13,994,000	$2,000,000	$1,000,000	$3,000,000	$500,000	$1,200,000	$1,000,000	$29,354,200	$6,000,000	$2,000,000	$6,200,000	$3,400,000	$546,156	$1,427,626	$16,955,889	$18,227,588	$197,780,451

States for which no allocations are listed do not subscribe to FFIS. Their allocations are reflected in program totals.

* Allocations for fiscal stabilization, school construction and highways do not add to total appropriation due to provisions for reserves, training or federal costs.

** This constitutes a partial evaluation of the impacts of the federal medical assistance percentage (FMAP) Medicaid provisions. Additional allocations would flow from the funding based on increased state unemployment rates, as shown in Issue Brief 09-02.

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SR 4: Distributed by Senators Stedman and Hoffman

2/3/09

HB

10

<target><bill>HB 10</bill><subject>HB
10</subject><comm>SFIN26</comm></target>

Member

Standing Committees:
Judiciary
State Affairs
Transportation

Finance Subcommittees:
Administration
Courts

Alaska State Legislature
House of Representatives

Representative Max F. Gruenberg, Jr.
House District 20
Anchorage (Mountain View, Russian Jack, East Anchorage)
House Minority Assistant Floor Leader

Interim:
716 W 4th Avenue, Rm 350
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Session:
Alaska State Capitol, Rm 110
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Phone: (907) 465-4940
Toll Free: (866) 465-4940
Fax: (907) 465-3766

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Rep.Max.Gruenberg@legis.state.ak.us

SECTIONAL ANALYSIS
SCS CSHB10(CRA) – MUNICIPAL TAXES: COSTS/EXEMPTIONS

"An Act authorizing a borough to charge a city for costs of collecting certain taxes; relating to a mandatory exemption from municipal property taxes for residences of certain widows or widowers, and to optional exemptions from municipal property taxes for property of certain fraternal organizations, for certain college property, and for certain residential property; and providing for an effective date."

Sec. 1. Will be removed in its entirety in a blank CS offered before the Senate Finance Committee.

Sec. 2. Eliminates the requirement that a widow or widower of a disabled veteran who had qualified for an exemption for taxes on the residence be at least 60 years old in order to also qualify for the exemption. Under **Sec. 7**, this bill section, but not the rest of the bill, takes effect January 1, 2010.

Sec. 3. Permits a municipality to classify and exempt from taxation property of certain nonprofit four-year colleges or universities. A private leasehold, contract or other interest in the property remains taxable to the extent of the interest. The Senate Community and Regional Affairs Committee amended CSHB 67 (FIN)am in the 25th Legislature by changing the exemption from mandatory to optional.

Sec. 4. Permits a municipality by ordinance ratified by the voters to exclude or exempt from taxation property of certain fraternal societies if the property is used for a listed purpose.

Sec. 5. Allows a municipality to provide for a tax exemption not to exceed $150,000 of the assessed value of a residence of a law enforcement officer that is within an eligible area designated by the municipality. A municipality that provides the exemption may not request state funds to cover any loss of revenue caused by the exemption. Requirements for an eligible area are listed in the bill section.

Sec. 6. Added in Senate Community and Regional Affairs, this section continues to provide an exemption of the Delong Mountain Transportation System from assessment in the full value determination for the Northwest Arctic Borough. The exemption now ends on November 30, 2012.

Member

Standing Committees:
Judiciary
State Affairs
Transportation

Finance Subcommittees:
Administration
Courts
Law

Alaska State Legislature

House of Representatives

Representative Max F. Gruenberg, Jr.
House District 20
Anchorage (Mountain View, Russian Jack, East Anchorage)
House Minority Assistant Floor Leader

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Rep.Max.Gruenberg@legis.state.ak.us

EXPLANATION OF CHANGES

Changes between HB10 and SCS CSHB10(CRA):

- Section 3 of HB 10 was removed in (H)CRA; Section 3 had increased the optional municipal property tax exemption for residential property for residential property from $20,000 to $40,000.
- Section 3 of CSHB(CRA) was amended in (H)FIN for technical clarification at the request of the State Assessor, Steve Van Sant (please see attached Van Sant testimony). This is the section that provides for an optional exemption for property owned by a private college or university.
- Section 6 of SCS CSHB(CRA) was added in (S)CRA; this section continues to provide an exemption of the Delong Mountain Transportation System from assessment in the full value determination for the Northwest Arctic Borough. The exemption now ends on November 30, 2012.
- Section 1 of SCS CSHB(CRA) will be removed in its entirety in a blank CS offered before the Senate Finance Committee.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/8/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 10(FIN)

HB 10 MUNICIPAL TAXES: COSTS/EXEMPTIONS

"An Act authorizing a borough to charge a city for costs of collecting certain taxes; relating to a mandatory exemption from municipal property taxes for residences of certain widows or widowers, and to optional exemptions from municipal property taxes for property of certain fraternal organizations, for certain college property, and for certain residential property; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CSHB 10 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	4/9/10			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Egan	✓			
	Olson			X	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:				✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SCS CSHB10 (FIN)**
() Publish Date:

Identifier (file name): HB10SCSCS(FIN)-CED-CRA-4-9-10
Dept. Affected: DCCED
Title: Municipal Taxes Costs/Exemptions
RDU: Community Assist and Ec. Dev.
Component: Community & Regional Affairs
Sponsor: Representative Gruenberg and Represenative Chenault
Requester: Senate Finance Committee
Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)							
1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

This bill would make changes to exisiting statues dealing with property tax exemptions for law enforcement officers living in high crime areas, widow or widowers of disabled veterans, certain non-profit colleges and universities and a raise in the property tax exemption amount. Sections 1 and 2 of bill will extend a property tax exemption for the Delong Mountain Transportation System at the Red Dog mine in Northwest Arctic Borough. The Department of Commerce, Community and Economic Development does not anticipate a fiscal impact to the department due to passage of this legislation. However, potential fiscal impact to municipalitites will vary and are not reflected in this fiscal note.

Prepared by: Tyson Fick, Legislative Liaison — Phone 907-465-2503
Division: Commissioner's Office — Date/Time 04/9/10 9:00am
Approved by: Emil R. Notti, Commissioner — Date 4/9/2010
Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

adopted 4/10/10

26-LS0063\Z.2
Cook
4/9/10

AMENDMENT #7

OFFERED IN THE SENATE BY SENATOR EGAN

TO: SCS CSHB 10(FIN), Draft Version "Z"

Page 3, lines 10 - 13:

Delete all material and insert:

"**(10) property not exempt under (3) of this subsection that**

(A) is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both; and

(B) was subject to a private leasehold, contract, or other private interest on January 1, 2010."

Page 5, lines 2 - 5:

Delete all material and insert:

"(10) property not exempt under (3) of this subsection that

(A) is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both; and

(B) was subject to a private leasehold, contract, or other private interest on January 1, 2010."

Page 6, lines 18 - 23:

Delete all material and insert:

"(10) property not exempt under (3) of this subsection that

[(A)] is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both**, except that a private leasehold, contract, or other interest in the property is taxable to the extent of the private interest** [; AND

(B) WAS SUBJECT TO A PRIVATE LEASEHOLD, CONTRACT, OR OTHER PRIVATE INTEREST ON JANUARY 1, 2010]."

Adopted
4/9/10

26-LS0063\Z
Cook
4/8/10

SENATE CS FOR CS FOR HOUSE BILL NO. 10(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES GRUENBERG, CHENAULT, THOMAS, GARA, HARRIS, AND KAWASAKI, Richard Foster, Dahlstrom, Lynn, Olson, Gatto, Petersen

SENATOR Meyer

A BILL

FOR AN ACT ENTITLED

"An Act relating to mandatory exemptions from municipal property taxes for certain assets of the Alaska Industrial Development and Export Authority and for property owned by certain private colleges or universities; relating to optional exemptions from municipal property taxes for certain residential property; and providing for an effective date."

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

*** Section 1.** AS 29.45.030(a) is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska, or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest; **however, an interest created by a nonexclusive use agreement between the Alaska Industrial**

Development and Export Authority and a user of an integrated transportation and port facility owned by the authority and initially placed in service before January 1, 1999, is taxable only to the extent of, and for the value associated with, those specific improvements used for lodging purposes;

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the university under AS 14.40.365;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other

entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber;

(10) property not exempt under (3) of this subsection that is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both.

*** Sec. 2.** AS 29.45.030(a), as amended by sec. 1 of this Act, is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska, or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest; [HOWEVER, AN INTEREST CREATED BY A NONEXCLUSIVE USE AGREEMENT BETWEEN THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AND A USER OF AN INTEGRATED TRANSPORTATION AND PORT FACILITY OWNED BY THE AUTHORITY AND INITIALLY PLACED IN SERVICE BEFORE JANUARY 1, 1999, IS TAXABLE ONLY TO THE EXTENT OF, AND FOR THE VALUE ASSOCIATED WITH, THOSE SPECIFIC IMPROVEMENTS USED FOR LODGING PURPOSES;]

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a

state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the university under AS 14.40.365;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by

natural processes, unharvested aquatic plants and animals, and timber;

(10) property not exempt under (3) of this subsection that is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both.

*** Sec. 3.** AS 29.45.030(a), as amended by secs. 1 and 2 of this Act, is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska, or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest;

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the university under AS 14.40.365;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States

whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber;

(10) property not exempt under (3) of this subsection that is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both**, except that a private leasehold, contract, or other interest in the property is taxable to the extent of the private interest**.

*** Sec. 4.** AS 29.45.030(e) is amended to read:

(e) The real property owned and occupied as the primary residence and permanent place of abode by a [(1)] resident **who is (1)** 65 years of age or older; (2) **a** disabled veteran; or (3) [RESIDENT] at least 60 years **of age and** [OLD WHO IS] the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection [,] is exempt from taxation on the first $150,000 of the assessed value of the real property. **A municipality may by ordinance approved by the voters grant the exemption under this subsection to the widow or widower under 60 years of**

age of a person who qualified for an exemption under (2) of this subsection. A municipality may, in case of hardship, provide for exemption beyond the first $150,000 of assessed value in accordance with regulations of the department. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

*** Sec. 5.** AS 29.45 is amended by adding a new section to read:

Sec. 29.45.053. Exemption for certain residences of law enforcement officers. (a) A municipality may, by ordinance, provide for the designation of areas within its boundaries that are eligible for tax exemptions on parcels of residential property. The amount of the tax exemption provided in the ordinance may not exceed $150,000 of the assessed value of a parcel. The exemption may be granted for a parcel only if it is

(1) entirely within an eligible area;

(2) primarily used for residential purposes; and

(3) owned and occupied as the primary place of abode by a law enforcement officer.

(b) Only one exemption may be granted for the same parcel under an ordinance adopted under (a) of this section, and, if two or more individuals are eligible for an exemption for the same parcel, the individuals shall decide between or among themselves who is to receive the benefit of the exemption.

(c) The municipality that adopts the ordinance under (a) of this section may not request state funds to cover any loss of revenue to the municipality caused by the ordinance.

(d) The ordinance adopted under (a) of this section must define "law enforcement officer" to include only some or all positions listed in the definition of "peace officer" in AS 01.10.060 or in the definition of "police officer" in

AS 18.65.290. The ordinance may include other eligibility requirements for an area; however, an eligible area must

(1) meet the eligibility requirements under a federal program of special assistance for urban development, neighborhood revitalization, or law enforcement, without regard to whether an application for the federal assistance on behalf of the area has been made or whether the area has received or is receiving the federal assistance;

(2) have a statistically higher occurrence of crime than the municipality as a whole; the crime rate for an eligible area must be established in the ordinance; or

(3) meet the requirements of (1) and (2) of this subsection.

(e) The municipality may establish a specific area as an eligible area for purposes of this section only in the ordinance adopted under (a) of this section or by adopting a separate ordinance. The municipality is not required to establish as an eligible area for purposes of this section every area that meets the requirements of the ordinance that is adopted under (a) of this section.

*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. AS 29.45.030(a)(1)(A), as amended by sec. 1 of this Act, is retroactive to November 30, 2009.

*** Sec. 7.** Sections 1 and 6 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 8.** Section 2 of this Act takes effect November 30, 2012.

*** Sec. 9.** Section 3 of this Act takes effect December 31, 2035.

FISCAL NOTE

replaced

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 10(CRA)
(H) Publish Date: 2/27/09

Identifier (file name): HB10-CED-CRA-2-20-09
Dept. Affected: DCCED
Title: Municipal Taxes Costs/Exemptions
RDU: Commissioners Office
Component: Community & Regional Affairs
Sponsor: Representative Gruenberg and Represenative Chenault
Requester: House Community and Regional Affairs Committee
Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill would make primary changes to exisiting statues dealing with property tax exemptions for law enforcement officers living in high crime area, widow or widowers of disabled veterans, certain non-profit colleges and universities and a raise in the property tax exemption amount. The Department of Commerce, Community and Economic Development does not anticipate a fiscal impact due to passage of this legislation.

Prepared by: Tyson Fick — Phone 907-465-2503
Division: Commerce, Community, and Economic Development — Date/Time 02/20/09 10:00am
Approved by: Emil R. Notti, Commissioner — Date 2/23/2009
Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

1894

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Division of Community and Regional Affairs

Sean Parnell, Governor
Emil Notti, Commissioner
Tara Jollie, Director

MEMORANDUM

DATE: April 9, 2010

TO: Ted Madsen, Legislative Aide

FROM: Ronald Brown, Asst. State Assessor RBB

RE: HB 10 Fiscal Impact Estimates (Amended 4/9/2010)

Per your request, here is a short synopsis of the estimated fiscal impacts, by section, for HB 10.

Sections 1 & 2: The immediate impact of section one would be zero, since it extends an exemption that is already in place. However, the estimated value of the assets currently exempted is estimated at $200,000,000. The four mill equivalency on the possessory interest of these assets is estimated at $400,000 per year in state education funds. The extension of the exemption to November 30, 2012 would mean that these assets would not appear on the full value determination until the year 2013. Thus the four mill equivalency payments would not commence until the 2015 cycle.

Section 3: The impact of this section should be limited primarily to Fairbanks and Anchorage due to the military emphasis, however there may be some limited impact in other communities. Estimated costs to Fairbanks and Anchorage should be less than $50,000 each, per year. The fiscal impact to other municipalities would be far less if any at all.

Sections 4 & 5: The current 2010 valuation of the APU/ASI property is $14,704,200 for land and building. Using last year's millage rate of 15.5, this equates to approximately $227,915 in taxes for the year.

The version of the bill introduced today (26-LS0063\Z) provides for a total, mandatory exemption of APU property at Section 1, page 3, lines 10 thru 13. At Section 3, page 6, lines 18 to 23 it provides for the taxability of any private leasehold on the property. However, Section 9 on page 8 states that the taxability of that leasehold does not take effect until December 31, 2035.

550 W. 7th Avenue, Suite 1770, Anchorage, Alaska 99501-3510
Telephone: (907) 269-4501 Fax: (907) 269-4539 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/dca/

Consequently, under the latest version of HB 10, both the APU and ASI interests would be exempted and the fiscal impact to the Municipality of Anchorage would be the entire $227,915 for 2010. Of course, the revenue loss would be incurred annually thru the year 2035. Also note that these numbers concern only the APU/ASI parcel and do not include any potential impacts from other parcels that may qualify under this exemption now, or in the future. For example, another parcel owned by APU is presently developed with a Marriott hotel that is valued at $5,413,500 for 2010. At the same rate of 15.5 mills, the taxes on this parcel would be $83,909.

Section 6: If adopted by a municipality, the estimated impact should be less than $30,000 in the Anchorage area and it is estimated it would be less than $100,000 statewide.

Please let me know if there is any other information you require.

HB10
Senate Finance Committee Hearing
April 9, 2010

Testimony of:

Rick Eckert
President Elect
Alaska State Elks Association
PO Box 1249
Homer, AK 99603

eckert@xyz.net
907-235-2576 home/office
907-399-5909 cell

Chairmen Stedman and Hoffman, I really appreciate the opportunity to speak about HB10 today. I am Rick Eckert, President Elect of the Alaska State Elks Association. I live in Homer.

There are only 17 Elks Lodges in Alaska but they have contributed $2.2 million per year in time, travel and direct money contributions to our communities, on average, over the last five years. These contributions are made to families in distress, students, youth programs and veterans. The ASEA contributes additionally significant money and support to youth camping and wounded veterans, the funds for which come from the hard work of our individual Lodges.

Our community programs are jeopardized by the rising cost of energy and a lagging economy. Property tax is a significant additional cost for which volunteers must raise money to pay. That money would be put back into our communities if approved by the municipalities.

HB10, if made into law will allow our communities to make an informed decision on the value provided by fraternal organizations. Value in great part created through volunteerism, value that will disappear when a Lodge fails to exist due to financial burden. In a time when so much is asked and expected of government, I firmly believe the opportunity to provide stimulation for volunteerism is worthy of your consideration.

Thank you Senators for your consideration of HB10.

HB10
Senate Finance Committee Hearing
April 9, 2010
Testimony of:
Michael Luhr
President, Alaska State Elks Association
PO Box 857
Petersburg, AK 999883
mluhr@gci.net
907-772-4691 Home
907-772-4240 Office
907-518-0753 Cell

Senate Finance Committee Members, thank you for the opportunity to speak today. My name is Michael Luhr and I have been a resident of Petersburg for 53 years. I am speaking today as the President of the Alaska State Elks Association and we are in support of HB10.

The goals of the Elks are to provide community service every way we can, to help those less fortunate than we are, support the youth of our nation with programs designed to increase their values, to forever Remember our Veterans and Military for their service to our country and to promote the spirit of Patriotism.

There is an Elks Lodge in 17 communities in Alaska with 11 of them having an auxiliary organization known as the Emblem Club. Both of these organizations are structured with national, state and local officers and both have structured community service programs. Combined, these two organizations represent some 7400 residents of our state.

Last year, the 6474 Elks contributed $3,861,419 dollars into the communities of our state through programs like Scholarships, Drug Awareness, Hoop Shoot, Soccer Shoot, Flag Day presentations, Americanism Essay contests, Scouting and support of our VA clinics as well as support of our active Military with programs like Army of Hope and our Alaska Wounded Veterans Project. We also support other local programs by others like Op-Grad, Close-Up, Health Fairs, Chamber Events, the Salvation Army and many others.

It is our belief that fraternal organizations are a part of small town America and if their efforts cease to exist, these small towns will suffer greatly through the loss of their support. If HB10 is passed into law, it will allow communities to decide for themselves if the support of these organizations is worthy of a property tax exemption status.

Thank you for the opportunity to express our beliefs and we ask for your support on this bill.

Michael T. Luhr

Alaska State Association of Emblem Clubs
Charitable Report Summary 2005-2009
ASAEC Eleven Clubs

		3/31/2005	3/31/2006	3/31/2007	3/31/2008	3/31/2009	TOTAL	5 Year Average
Americanism Program								
	Miles	19,011	18,338	16,137	12,560	22,593	88,639	17,728
	Hours	4,264	5,026	14,788	17,266	36,436	77,780	15,556
	Monies	$25,178	$36,877	$34,906	$43,211	$41,042	$181,214	$36,243
Community Service Programs								
	Miles	104,867	158,879	107,031	219,221	103,809	693,807	138,761
	Hours	81,765	72,063	57,000	57,300	65,582	333,710	66,742
	Monies	$214,980	$230,298	$247,923	$288,376	$302,903	$1,284,480	$256,896
Total Contributions								
	Miles	123,878	267,175	282,829	331,587	343,945	1,349,414	269,883
	Hours	86,029	77,089	71,788	74,566	102,018	411,490	82,298
	Monies	$240,158.00	$267,175.00	$282,829.00	$331,587.00	$343,945.00	$1,465,694.00	$293,138.80

	2005	2006	2007	2008	2009	2010
ASAEC Membership	1,097	1,095	1,025	998	974	929

The membership for 2010 is 929 - the miles, hours and monies will be announced at the 2010 ASAEC Convention in Petersburg, April 15th through the 17th, 2010.

FYI: The Supreme Emblem Club of the United States of America allows Americanism, Charitable and Community Service Programs to be determined by actual miles driven, actual hours worked and actual monies donated.

Elks National Foundation

Find out how you can help **Donate Today!**

Sign up for Pulse | Contact Us

- Home
- Who We Are
- Foundation News
- ENF Programs
  - Community Investments
  - State Grants
  - Scholarships
  - Elks Scholars
  - Youth Programs
  - Veteran Services
  - Contact Us
- Ways to Give
- Recognition
- Reports & Standings
- ENF Volunteers
- Media / Brochures
- Find a Lodge
- Personal Giving History
- Return to Elks.org
- Logout

Follow us on Twitter

Be a fan on Facebook

How is the ENF helping YOUR State?
Click here to find out.

"Thank you so much for choosing me as a recipient of the Most Valuable Student Scholarship! I can assure you that I will put your money to good use."

Megan Buckingham,
2009 Most Valuable Student
Sponsored by Lodge 285

How is the Elks National Foundation Helping Alaska?

When you give to the Elks National Foundation, you're doing more than funding the Elks National Drug Awareness and "Hoop Shoot" programs. You're doing more than supporting the Community Investments Program and providing Emergency Educational Grants to the children of deceased or totally disabled Elks. You're doing more than maintaining the Elks Veterans Memorial.

You're doing all that, *and* you're supporting Elkdom in your state.

During the 2008-09 Lodge year, the Elks of Alaska donated $59,838.19 to the Elks National Foundation. This year, the Foundation will give back the following:

State Charities Grant:	$36,200.00
Special Projects Grant:	$21,280.00
Bonus Grant:	$9,720.00

your state's major charitable project, as well as other philanthropic projects. Portions of these grants will also support your state's Drug Awareness Program, Hoop Shoot, Soccer Shoot and educational programs.

Most Valuable Student:	$20,000.00
Legacy Award:	$12,000.00

We will award a total of 5 "Most Valuable Student" scholarships to high school seniors from your state. (Click here to check out your recipients.) In addition, we will award up to 3 Legacy scholarships to children, grandchildren and stepchildren of Elks. (Click here to check out your recipients.)

National Veterans Service Commission:	$2,880.00

These funds will help them provide aid and comfort to hospitalized veterans.

Grand Total: $102,080.00

That's a ratio of 1.706 for every dollar the Foundation received from your state last year.

Since inception in 1928 through March 31, 2009, the Foundation has granted a total of $1,940,814.30 to your state, compared with your state's total donations of $1,068,072.75. That's a ratio of 1.850 for every dollar the Foundation has received from your state.

The Foundation's past support includes:

- $1,040,363.00 in State Charities Grants
- $258,035.00 in Special Projects Grants
- $379,549.30 in "Most Valuable Student" Scholarships
- $26,475.00 in Emergency Educational Grants to the children of

adopted 4/10/10

26-LS0063\Z.2
Cook
4/9/10

AMENDMENT #7

OFFERED IN THE SENATE BY SENATOR EGAN

TO: SCS CSHB 10(FIN), Draft Version "Z"

Page 3, lines 10 - 13:

Delete all material and insert:

"**(10) property not exempt under (3) of this subsection that**

(A) is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both; and

(B) was subject to a private leasehold, contract, or other private interest on January 1, 2010."

Page 5, lines 2 - 5:

Delete all material and insert:

"(10) property not exempt under (3) of this subsection that

(A) is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both; and

(B) was subject to a private leasehold, contract, or other private interest on January 1, 2010."

Page 6, lines 18 - 23:

Delete all material and insert:

"(10) property not exempt under (3) of this subsection that

1901

[(A)] is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both**, except that a private leasehold, contract, or other interest in the property is taxable to the extent of the private interest** [; AND

(B) WAS SUBJECT TO A PRIVATE LEASEHOLD, CONTRACT, OR OTHER PRIVATE INTEREST ON JANUARY 1, 2010]."

Adopted
4/9/10

26-LS0063\Z
Cook
4/8/10

SENATE CS FOR CS FOR HOUSE BILL NO. 10(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES GRUENBERG, CHENAULT, THOMAS, GARA, HARRIS, AND KAWASAKI, Richard Foster, Dahlstrom, Lynn, Olson, Gatto, Petersen

SENATOR Meyer

A BILL

FOR AN ACT ENTITLED

"An Act relating to mandatory exemptions from municipal property taxes for certain assets of the Alaska Industrial Development and Export Authority and for property owned by certain private colleges or universities; relating to optional exemptions from municipal property taxes for certain residential property; and providing for an effective date."

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

*** Section 1.** AS 29.45.030(a) is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska, or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest; **however, an interest created by a nonexclusive use agreement between the Alaska Industrial**

Development and Export Authority and a user of an integrated transportation and port facility owned by the authority and initially placed in service before January 1, 1999, is taxable only to the extent of, and for the value associated with, those specific improvements used for lodging purposes;

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the university under AS 14.40.365;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other

entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber;

(10) property not exempt under (3) of this subsection that is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both.

*** Sec. 2.** AS 29.45.030(a), as amended by sec. 1 of this Act, is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska, or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest; [HOWEVER, AN INTEREST CREATED BY A NONEXCLUSIVE USE AGREEMENT BETWEEN THE ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY AND A USER OF AN INTEGRATED TRANSPORTATION AND PORT FACILITY OWNED BY THE AUTHORITY AND INITIALLY PLACED IN SERVICE BEFORE JANUARY 1, 1999, IS TAXABLE ONLY TO THE EXTENT OF, AND FOR THE VALUE ASSOCIATED WITH, THOSE SPECIFIC IMPROVEMENTS USED FOR LODGING PURPOSES;]

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a

state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the university under AS 14.40.365;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by

natural processes, unharvested aquatic plants and animals, and timber;

(10) property not exempt under (3) of this subsection that is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both.

*** Sec. 3.** AS 29.45.030(a), as amended by secs. 1 and 2 of this Act, is amended to read:

(a) The following property is exempt from general taxation:

(1) municipal property, including property held by a public corporation of a municipality, state property, property of the University of Alaska, or land that is in the trust established by the Alaska Mental Health Enabling Act of 1956, P.L. 84-830, 70 Stat. 709, except that

(A) a private leasehold, contract, or other interest in the property is taxable to the extent of the interest;

(B) notwithstanding any other provision of law, property acquired by an agency, corporation, or other entity of the state through foreclosure or deed in lieu of foreclosure and retained as an investment of a state entity is taxable; this subparagraph does not apply to federal land granted to the University of Alaska under AS 14.40.380 or 14.40.390, or to other land granted to the university by the state to replace land that had been granted under AS 14.40.380 or 14.40.390, or to land conveyed by the state to the university under AS 14.40.365;

(C) an ownership interest of a municipality in real property located outside the municipality acquired after December 31, 1990, is taxable by another municipality; however, a borough may not tax an interest in real property located in the borough and owned by a city in that borough;

(2) household furniture and personal effects of members of a household;

(3) property used exclusively for nonprofit religious, charitable, cemetery, hospital, or educational purposes;

(4) property of a nonbusiness organization composed entirely of persons with 90 days or more of active service in the armed forces of the United States

whose conditions of service and separation were other than dishonorable, or the property of an auxiliary of that organization;

(5) money on deposit;

(6) the real property of certain residents of the state to the extent and subject to the conditions provided in (e) of this section;

(7) real property or an interest in real property that is exempt from taxation under 43 U.S.C. 1620(d), as amended;

(8) property of a political subdivision, agency, corporation, or other entity of the United States to the extent required by federal law; except that a private leasehold, contract, or other interest in the property is taxable to the extent of that interest unless the property is located on a military base or installation and the property interest is created under 10 U.S.C. 2871 - 2885 (Military Housing Privatization Initiative), provided that the leaseholder enters into an agreement to make a payment in lieu of taxes to the political subdivision that has taxing authority;

(9) natural resources in place including coal, ore bodies, mineral deposits, and other proven and unproven deposits of valuable materials laid down by natural processes, unharvested aquatic plants and animals, and timber;

(10) property not exempt under (3) of this subsection that is owned by a private or nonprofit college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both**, except that a private leasehold, contract, or other interest in the property is taxable to the extent of the private interest**.

*** Sec. 4.** AS 29.45.030(e) is amended to read:

(e) The real property owned and occupied as the primary residence and permanent place of abode by a [(1)] resident **who is (1)** 65 years of age or older; (2) **a** disabled veteran; or (3) [RESIDENT] at least 60 years **of age and** [OLD WHO IS] the widow or widower of a person who qualified for an exemption under (1) or (2) of this subsection [,] is exempt from taxation on the first $150,000 of the assessed value of the real property. **A municipality may by ordinance approved by the voters grant the exemption under this subsection to the widow or widower under 60 years of**

age of a person who qualified for an exemption under (2) of this subsection. A municipality may, in case of hardship, provide for exemption beyond the first $150,000 of assessed value in accordance with regulations of the department. Only one exemption may be granted for the same property and, if two or more persons are eligible for an exemption for the same property, the parties shall decide between or among themselves who is to receive the benefit of the exemption. Real property may not be exempted under this subsection if the assessor determines, after notice and hearing to the parties, that the property was conveyed to the applicant primarily for the purpose of obtaining the exemption. The determination of the assessor may be appealed under AS 44.62.560 - 44.62.570.

* **Sec. 5.** AS 29.45 is amended by adding a new section to read:

Sec. 29.45.053. Exemption for certain residences of law enforcement officers. (a) A municipality may, by ordinance, provide for the designation of areas within its boundaries that are eligible for tax exemptions on parcels of residential property. The amount of the tax exemption provided in the ordinance may not exceed $150,000 of the assessed value of a parcel. The exemption may be granted for a parcel only if it is

(1) entirely within an eligible area;

(2) primarily used for residential purposes; and

(3) owned and occupied as the primary place of abode by a law enforcement officer.

(b) Only one exemption may be granted for the same parcel under an ordinance adopted under (a) of this section, and, if two or more individuals are eligible for an exemption for the same parcel, the individuals shall decide between or among themselves who is to receive the benefit of the exemption.

(c) The municipality that adopts the ordinance under (a) of this section may not request state funds to cover any loss of revenue to the municipality caused by the ordinance.

(d) The ordinance adopted under (a) of this section must define "law enforcement officer" to include only some or all positions listed in the definition of "peace officer" in AS 01.10.060 or in the definition of "police officer" in

AS 18.65.290. The ordinance may include other eligibility requirements for an area; however, an eligible area must

(1) meet the eligibility requirements under a federal program of special assistance for urban development, neighborhood revitalization, or law enforcement, without regard to whether an application for the federal assistance on behalf of the area has been made or whether the area has received or is receiving the federal assistance;

(2) have a statistically higher occurrence of crime than the municipality as a whole; the crime rate for an eligible area must be established in the ordinance; or

(3) meet the requirements of (1) and (2) of this subsection.

(e) The municipality may establish a specific area as an eligible area for purposes of this section only in the ordinance adopted under (a) of this section or by adopting a separate ordinance. The municipality is not required to establish as an eligible area for purposes of this section every area that meets the requirements of the ordinance that is adopted under (a) of this section.

*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

RETROACTIVITY. AS 29.45.030(a)(1)(A), as amended by sec. 1 of this Act, is retroactive to November 30, 2009.

*** Sec. 7.** Sections 1 and 6 of this Act take effect immediately under AS 01.10.070(c).

*** Sec. 8.** Section 2 of this Act takes effect November 30, 2012.

*** Sec. 9.** Section 3 of this Act takes effect December 31, 2035.

Testimony for CS HB 10

My name is Steve Van Sant and I am the State Assessor for the State of Alaska, located at 550 W. 7th St., Suite 1770, Anchorage, AK. As State Assessor, part of my responsibilities are to assist municipalities which includes helping to interpret federal property tax laws, primarily ANCSA, and Alaska property tax statutes. Being involved in the committee hearings of these bills as they are discussed and working with the sponsors of the legislation certainly helps me in assisting assessors around the state in interpreting these laws.

CSHB 10 contains several sections dealing with various property tax exemptions. Sections 1, 2, 4 and 5 are fairly straight forward and I will not address those sections, however, I feel that Section 3 may need some technical clarification for those who will administer the property tax laws of this state, the assessors.

This section amends AS 29.45.050(b)(1) by adding a new subsection (E). This subsection is intended to allow a municipality to exempt any private, nonprofit, four year college that is accredited. This part of the amendment is straightforward and easily understood. The amendment goes on to state that even though it is not a mandated exemption, any private interest should be subject to AS 29.45.030(a)(1)(A). This refers to any leasehold interest of other private parties that may exist. For example, currently the Alaska Pacific University (APU) is a four year, nonprofit, accredited university that would qualify for an exemption under this legislation should it be passed by the legislature and enacted by the Anchorage assembly. At the current time, the Alaska Spine Institute (ASI) leases property from APU and the Anchorage Assessor has determined that the property used by the A.S.I. is taxable and has sent APU, the property owner, a bill for the taxes.

Under CSHB 10, APU, or any four year private, nonprofit, university, would no longer be held liable for taxes of property it might lease out for non-educational purposes. The assessor would be required to assess each lessee for its leasehold interests, and tax bills would be sent to the lessees, not the university. If the lessee failed to pay the property tax due, a municipality could not foreclose on the property, but would be required to take personal action against the lessee as described under AS 29.45.320.

Typically, assessors do not assess a separate leasehold interest on private property. The entire property is assessed to the property owner, so this legislation is a change from the current assessment of this type of arrangement. This legislation puts all nonprofit university property, state and privately owned, on the same level of taxation in regards to any private, non-educational use of property by other taxable entities, by assessing and taxing the lessee, not the property owner for the non-exempt use.

Steve Van Sant
State Assessor

Testimony for CS HB 10 - House Finance Committee Hearing March 16, 2008

My name is Steve Van Sant and I am the State Assessor for the State of Alaska, located at 550 W. 7th St., Suite 1770, Anchorage, AK. As State Assessor, part of my responsibilities are to assist municipalities which includes helping to interpret federal property tax laws, primarily ANCSA, and Alaska property tax statutes. Being involved in the committee hearings of these bills as they are discussed and working with the sponsors of the legislation certainly helps me in assisting assessors around the state in interpreting these laws.

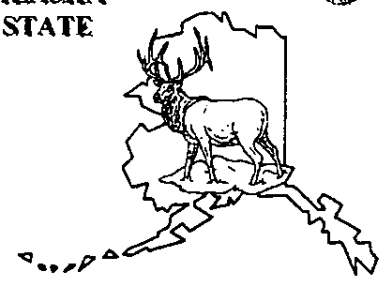
I have previously supplied comments regarding Section 3 of CSHB 10. I understand there will be an amendment offered that will clear up confusion that was raised in regards to any private, third party interest (leasehold interest) that may be present on property owned by a private nonprofit university.

I have reviewed the proposed amendment and believe that it will clear up the confusion of how to treat those third party interests. It now reads very similar to the exemption in AS 29.45.030 that attaches to the University of Alaska property where there may be third party interest.

I would support the adoption of this amendment.

Steve Van Sant
State Assessor

ALASKA STATE



ELKS ASSOCIATION

2008 ~ 2009 ALASKA STATE ASSOCIATION OFFICERS

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P.O. Box 771653
Eagle River, AK 99577
(907) 688-TINY (8469)

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859 Panamaroff Dr.
Kodiak, AK 99615

To: Alaska House of Representatives, Community and Regional Affairs Committee 2/25/09
Co-Chairs Rep. Bob Herron and Rep. Cathy Munoz

From: Richard "Tiny" Fagg, President
Alaska State Elks Association

Re: Alaska House of Representatives House Bill 10

Hons. Herron and Munoz,

I am writing to you on behalf of the seventeen Lodges of the Benevolent and Protective Order of Elks in Alaska and the over 7000 members of those Lodges to ask for your support of and to speak on behalf of Alaska House of Representatives House Bill 10. The seventeen Elks Lodges in Alaska serve a vital role in their communities as do many of the other non-profit fraternal organizations. There is only one entity that awards more scholarships for the youth of our country and that is the Federal Government. We hold athletic contests and provide camping experiences as well as essay contests and coloring contests for the younger children all aimed at serving the youth and families of our communities. The Elks provide programs for the children of our town and cities that are all designed to help them to grow into valuable American Citizens. The Elks other main focus is our brave veterans and the distinguished men and women currently serving in our Armed Forces. Between the thousands of man hours given by the volunteers who work at the many Veterans Centers across Alaska each year and the social events we hold at the Lodges specifically for these wonderful men and women the total amount of time and funds contributed is remarkable. Our State Association and the Lodges of Alaska have just this last year launched the Alaska Wounded Veterans Project which is intended to help the soldiers returning from our current conflicts experience a small amount of normalcy by offering them different outdoor recreational activities that only Lodges in Alaska can offer.

All of these activities take place because of our Lodges but in today's economic climate it has become harder and harder to support all of these activities as well as raise the funds for the operating expenses of their facilities. With the passage of House Bill 10 the towns, cities and boroughs that are the homes to Elks Lodges and other fraternal organizations would be given the ability to make these fraternal organizations exempt from the paying of property taxes, which in some areas can be a substantial savings. I hope that you can see the benefit you will be affording our communities by supporting this bill and I thank you for your help with this worthy endeavor. If you have any questions or if I can be of any assistance please feel free to contact me at any time.

Sincerely,

Richard "Tiny" Fagg

Alaska State Elks Association President

Mark R. Hamilton, President
Phone: (907) 450-8000
Fax: (907) 450-8012
EMAIL: sypres@alaska.edu

UNIVERSITY of ALASKA
Many Traditions One Alaska

202 Butrovich Building
910 Yukon Drive
P.O. Box 755000
Fairbanks, AK 99775-5000

January 12, 2009

Dear Legislators:

I join the Anchorage Assembly and the leadership of Alaska Pacific University in urging that APU enjoy tax exemption on the use of its historic, contiguous acreage in Anchorage. It is in the best interests of the State of Alaska that we maintain the viability of a private University in our state. APU is complimentary to the State University system; and we work together well in providing non-duplicative programs. The "endowment properties" are sufficient to maintain APU in its current and envisioned size and role if they can be assured that those properties will not suffer from property tax.

With the loss of Sheldon Jackson, the importance of APU is magnified. I believe this small consideration will return to the State of Alaska many times over in the careers and contributions of APU's graduates.

Respectfully,

Mark R. Hamilton
President

cc: President Douglas M. North, APU

Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4431 • Fax: (907) 343-4499 http://www.muni.org

Mayor Mark Begich

Office of the Mayor

December 31, 2008

To the Members of the Alaska State Legislature:

On December 16, 2008 the Anchorage Assembly passed a Resolution that urges the State Legislature to enact legislation that would level the playing field between the University of Alaska Anchorage and Alaska Pacific University's contiguous campus when it comes to property taxation. The phrase "contiguous campus" is an important limitation upon APU's equalization, and one that APU agrees with. It precludes APU from buying additional property and then competing with the private sector for development dollars.

The Anchorage Assembly was impressed by the contribution at APU has made and continues to make to Anchorage—as an economic engine ($200,000,000 spent locally since 1995), as an important part of the city's educational landscape, and as an institution offering manifold public services at little or no cost to the people of Anchorage.

Alaska Pacific University was not assessed any property taxes for its first 47 years until a new ruling by the Municipal Assessor in 2005. APU has contested this ruling for the past three years. In the past, I have not opposed this equalization of property taxation between our two Alaska universities, but the Municipal Attorney has clearly shown me that only the State Legislature, not the Mayor's Office nor the Anchorage Assembly, can effect this change.

As APU enters its 50th year of life—it was founded in 1959, the year of statehood, I too urge you to pass this legislation. As Mark Hamilton, President of the University of Alaska, himself said, "It is simply the right thing to do."

Alaska Pacific University has served Anchorage and its public for decades without Alaska taxpayer support. I urge you also to do the right thing and equalize the property taxation between Alaska Pacific University's contiguous campus here in Anchorage, and the University of Alaska.

Sincerely,

Mark Begich
Mayor

Community, Security, Prosperity

1915

Public Safety Employees Association, Inc.
"Representing Alaska's Finest"

Public Safety Employees Association – Position Paper in Support
HB 10 – Optional Exemption from Municipal Property Taxes

PSEA supports Section 6 of HB 10 that gives municipalities by ordinance an option to offer a property tax exemption as one means to attract law enforcement officers to reside in areas of a community where there is a higher occurrence of crime than is found in the municipality as a whole.

The municipality must by ordinance adopt the tax exemption and define law enforcement officer. If the municipality adopts an ordinance, it exempts from taxation an amount not to exceed $150,000 of assessed value of real property for an officer who owns and occupies a primary permanent residence in a designated area.

HB 10 gives communities a tool for use in attracting law enforcement officers to bring their families to live in areas of a community where crime is more prevalent.

The bill offers a property tax incentive for an officer and his or her family to consider living in a designated area where there is a higher incident of crime. Providing an incentive in the form of tax relief may help attract families of peace officers to neighborhoods where crime is an issue. If the quid pro quo is a neighborhood that is safer, the incentive will have been worth the investment.

2/26/09

4300 Boniface Parkway, Suite 116, Anchorage, Alaska 99504
Phone (907) 337-1979 FAX (907) 337-1753 E-Mail psea@psea.net

Submitted by: ASSEMBLY MEMBER COFFEY
Prepared by: Assembly Counsel
For reading: December 16, 2008

ANCHORAGE, ALASKA
AR NO. 2008-329

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY RELATING TO THE PROPERTY TAX STATUS OF ALASKA PACIFIC UNIVERSITY CAMPUS PROPERTY USED TO GENERATE INCOME TO SUPPORT ALASKA PACIFIC UNIVERSITY'S EDUCATIONAL PROGRAMS.

WHEREAS, Alaska Pacific University, a private education institution serving an important public purpose, is a non-profit corporation which exists to encourage, promote, and extend instruction, research and education; and

WHEREAS, Alaska Pacific University and the United States Department of the Interior agreed that use of the Alaska Pacific University campus property for "educational and public purposes" allows development of revenue producing facilities on the campus; and

WHEREAS, Alaska Pacific University reports that none of its educational programs are profitable, revenue from tuition and fees covers only a portion of the cost of operating the University, and funds generated by income producing campus property is an essential component of the university's budget; and

WHEREAS, beginning with tax year 2006, the Municipality of Anchorage has assessed property tax on that portion of Alaska Pacific University campus property under lease to for-profit enterprise; and

WHEREAS, Alaska Pacific University provides an early honors program in cooperation with the Anchorage School District allowing Anchorage students to finish their high school education and obtain college level instruction and credit, which program lessens the burden on the government of providing public education for students enrolled in the program; and

WHEREAS, use of campus property (whether for classrooms, research facilities, administrative offices, recreation facilities, faculty, student and administrative housing, public broadcasting or leases to other parties which facilitate creation of educational opportunities or programs or which have a significant relation to an existing education program offered by Alaska Pacific University) provides a significant public benefit, improves public welfare and lessens the burden on the government of providing public education; and

WHEREAS, Alaska Pacific University is a tax-exempt educational institution under the Internal Revenue Code; and

WHEREAS, both Alaska Pacific University and the University of Alaska Anchorage are significant institutions in the Municipality that enhance the educational and cultural fabric of this community; and

WHEREAS, the real property owned by the University of Alaska Anchorage and leased to for-profit entities to generate income for the University of Alaska, is not subject to municipal property tax under state law; and

WHEREAS, Alaska Pacific University, as a private accredited post secondary institution, seeks an exemption in state law from municipal taxation on parity with the University of Alaska Anchorage, for all campus property, including all income-producing property under lease to for-profit enterprise;

NOW, THEREFORE, the Anchorage Assembly recognizes and resolves:

1. Private accredited post secondary institutions make important social and economic contributions to the community.

2. Alaska Pacific University receives no direct funding from the Municipality of Anchorage.

3. Absent a change in state law, certain income-producing property of Alaska Pacific University under lease to for-profit enterprise is not exempt from municipal property tax.

4. The Alaska Legislature is encouraged to enact legislation authorizing a municipal property tax exemption to Alaska Pacific University for all of its contiguous Anchorage Campus, so that Alaska Pacific University campus property would be taxed no more than University of Alaska Anchorage property.

PASSED AND APPROVED by the Anchorage Assembly this _____day of _____, 2008.

_____
Chair

ATTEST:

_____
Municipal Clerk

HB

20

<target><bill>HB 20</bill><subject>HB
20</subject><comm>SFIN26</comm></target>

Sponsor Statement

CSHB20 (FIN): Fisheries Loans for Energy Efficiency

SPONSOR'S INTENT
CSHB20 (FIN)

CSHB20 (FIN) provides technical fixes to the Commercial Fishing Loan Act in order to make low-interest loans for energy efficiency upgrades available to a larger number of Alaska's commercial fishers.

Volatility in fuel costs continues to have a worrisome impact on our commercial fishing fleets, cutting into profits and threatening productivity.

In recent years, great advances have been made in diesel and outboard engine technologies. Fuel efficiency and performance have vastly improved.

There have also been substantial developments in alternatives to traditional diesel and gasoline generator sets, and modifications to vessel hulls—such as bulbous noses and fin stabilizers—can also significantly boost energy efficiency.

Commercial fishers across the state are eager to take advantage of these and other new technologies that significantly lower operating costs.

Passage of CSHB20 (FIN) will provide many Alaskan fishers the opportunity to make these improvements sooner. At the same time, it will foster innovation and stimulate the entrepreneurial spirit in one of Alaska's most important industries.

Prepared by the office of Rep. Edgmon

Alaska State Legislature
REPRESENTATIVE BRYCE EDGMON
House District 37

Adak
Akutan
Aleknagik
Atka
Chignik
Chignik Lagoon
Chignik Lake
Clark's Point
Cold Bay
Dillingham
Egegik
Ekwok
False Pass
Ivanof Bay
King Cove
King Salmon
Koliganek
Manokotak
Naknek
Nelson Lagoon
New Stuyahok
Nikolski
Perryville
Pilot Point
Portage Creek
Port Heiden
St. George
St. Paul
Sand Point
South Naknek
Togiak
Twin Hills
Ugashik
Unalaska

Commercial Fishing Loan Fund Summary

Loan Program Goal and Objectives

To provide long-term, low interest loans to promote the development of predominantly resident fisheries, and continued maintenance of commercial fishing vessels and gear for the purpose of improving the quality of Alaska seafood products.

Provides Loans For:

- Section A—up to $300,000 for the purchase of Entry Permits or for existing Vessel or Gear upgrades for improving seafood quality.
- Section B—up to $100,000 for the purchase of Entry Permits, Vessel and Gear Upgrades, Vessel and Gear purchases, and Vessel Construction—with differing eligibility criteria, the most significant being that the applicant must not be able to obtain financing from a bank.
- Section C—the purchase of Quota Shares—with eligibility requirements similar to Section B applicants.
- Section D—to satisfy past due federal Tax Obligations.
- Section E—for the purchase of Quota Shares by a Community Quota Entity (CQE).
- Section F—for existing Tender Vessel and Gear upgrades

General Requirements

- Alaska resident for the past 2 years.
- Child support payments must not be past due.

Definition of Resident

- Living in Alaska with the intent to remain indefinitely
- Primary and permanent home in Alaska
- Present in Alaska except for brief intervals (generally less than 90 days) except for military service, education or good cause.

State Capitol Building
Room 424, Juneau, AK 99801 · Phone: (907) 465-4451 · Toll Free: 1-800-898-4451 · FAX: (907) 465-3445
Email: Rep_Bryce_Edgmon@legis.state.ak.us

Program Requirements

- Purchases - Loans are available for limited entry permits, quota shares, vessels, or gear purchased less than 12 months prior to the date your application is received.
- Refinancing - Vessels or gear loans made by other lenders more than one year prior to receipt of your application are eligible for financing.
- Collateral - The item being financed (limited entry permit, vessel, etc.) will be the collateral for the loan and, and generally, a priority lien must be obtained.

Terms and Conditions

- Interest rate is 2% above the prime rate, not to exceed 10.5%.
- Interest rate for Product Quality Improvement loans is 2% **below** the prime rate, not to exceed 10.5%
- Interest rate will be fixed at the time of loan approval.
- Maximum loan term is 15 years.
- Borrower is responsible to pay all direct costs incurred in processing an application including surveys, inspections, appraisals, title insurance, etc.

Prepared by the Office of Representative Edgmon with excerpts from the Division of Investments.

SENATE FINANCE COMMITTEE REPORT

DATE: 2/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 20(FIN)

HB 20 FISHERIES LOANS:ENERGY EFFICIENCY/AMOUNT

"An Act relating to commercial fishing loans for energy efficiency upgrades and increasing the maximum amount for certain loans under the Commercial Fishing Loan Act; and providing for an effective date."

and recommends:

[ ] be **replaced** with [✓] **SCS** or [ ] **CS** CSHB 20 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[✓] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
CED	2/4/10	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins				
	Thomas	✓			
	Egan	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 20(FIN)
(S) Publish Date: 2/12/10

Identifier (file name):HBCS20(FIN)-CED-INV-2-4-10
Title: FISHERIES LOANS:ENERGY EFFICIENCY/AMOUNT
Sponsor: Rep.Edgmon
Requester: Senate Resources Committee

Dept. Affected: DCCED
RDU: 122
Component: Investments
Component Number: 383

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	72.3		72.3	74.6	76.7	79.2	84.2
Travel	2.5		2.5	2.5	2.5	2.5	2.5
Contractual	3.8		3.8	3.8	3.8	3.8	3.8
Supplies	1.0		0.5	0.5	0.5	0.5	0.5
Equipment	9.0		0.1	0.1	0.1	0.1	0.1
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**88.6**	**0.0**	**79.2**	**81.5**	**83.6**	**86.1**	**91.1**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1036 Commercial Fisheries RLF	88.6	0.0	79.2	81.5	83.6	86.1	91.1
TOTAL	**88.6**	**0.0**	**79.2**	**81.5**	**83.6**	**86.1**	**91.1**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

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

This legislation amends Section A (AS 16.10.310(a)(1)(A)) of the Commercial Fishing Revolving Loan Fund (CFRLF) program to provide low interest loans to qualified Alaskan harvesters who wish to upgrade their existing vessels and gear to improve energy efficiency.

The bill also amends AS 16.10.320(i) to allow Section A borrowers to apply for energy efficiency upgrade loans under Section B (AS 16.10.310(a)(1)(B)) and increases the outstanding balance loan limits to $400,000.

The Department of Commerce, Community, & Economic Development (DCCED) anticipates that this will increase loan demand by approximately $4.2 million in FY10, $2.1 million in FY11 and $1.6 million in years FY12 through FY15.
(Continued on page two.)

Prepared by: Greg Winegar, Director — Phone 465-2510
Division: Division of Investments, Dept of Commerce, Community, & Econ. Dev. — Date/Time 2/4/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 2/4/2010
Department of Commerce, Community and Economic Development

FISCAL NOTE # 2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 20(FIN)

ANALYSIS CONTINUATION

The CFRLF has sufficient cash reserves to handle the increased loan demand. DCCED is requesting one additional Loan Officer position to process loan requests generated as a result of this legislation. This position will be funded out of the CFRLF.

There may be a very small but indeterminate change in revenues as a result of this legislation. Currently, cash in the CFRLF is managed by the Department of Revenue and is invested in short term instruments that are yielding minimal returns in this interest rate environment. These earnings are retained by the General Fund. Interest earnings generated by loans made as a result of this legislation would be retained by the CFRLF.

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 20, relating to commercial fishing loans for energy efficiency upgrades and increasing the maximum amount for certain loans under the Commercial Fishing Loan Act.

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

That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding changes to the title of a bill, are suspended in consideration of House Bill No. 20, relating to commercial fishing loans for energy efficiency upgrades and increasing the maximum amount for certain loans under the Commercial Fishing Loan Act.

Adopted 4/12/10

26-LS0124\T
Kane
4/8/10

SENATE CS FOR CS FOR HOUSE BILL NO. 20( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES EDGMON AND BUCH, Austerman, Thomas, Peggy Wilson, Muñoz, Johansen, Kerttula, Seaton, Gara, Tuck, Lynn

A BILL

FOR AN ACT ENTITLED

"An Act relating to commercial fishing loans for improving fuel efficiency and increasing the maximum amount for certain loans under the Commercial Fishing Loan Act; and providing for an effective date."

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

*** Section 1.** AS 16.10.310(a) is amended to read:

(a) The department may

(1) make loans

(A) to individual commercial fishermen who have been state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370, who have had an annual crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 for the year immediately preceding the date of application and any other two of the past five years, and who actively participated in the fishery during those periods

(i) for the purchase of entry permits; [OR]

(ii) to upgrade existing vessels and gear for the purpose of improving the quality of Alaska seafood products; **or**

(iii) for propulsion engine or generator engine replacements on existing vessels for the purpose of improving fuel efficiency;

(B) to an individual for the repair, restoration, or upgrading of existing vessels and gear, for the purchase of entry permits and gear, and for the construction and purchase of vessels, if the individual has been a state resident for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370, is not eligible for financing from a state financial institution as defined in AS 06.01.050, a federally chartered financial institution, or the Commercial Fishing and Agricultural Bank, and

(i) because of lack of training or lack of employment opportunities in the area of residence, does not have occupational opportunities available other than commercial fishing; or

(ii) is economically dependent on commercial fishing for a livelihood and for whom commercial fishing has been a traditional way of life in Alaska;

(C) for the purchase of quota shares for fisheries in or off the state by individual commercial fishermen who

(i) have been state residents for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370;

(ii) for any two of the past five years, possessed an annual crewmember or commercial fishing license under AS 16.05.480 or a permit under AS 16.43 and actively participated in a fishery for which the license or permit was issued;

(iii) qualify as transferees for quota shares under applicable law; and

(iv) are not eligible for financing from other recognized commercial lending institutions to purchase quota shares;

(D) to an individual commercial fisherman to satisfy past due federal tax obligations, if the fisherman has been a state resident for a continuous period of two years immediately preceding the date of application for the loan, has filed past and current federal tax returns with the federal government, has executed an agreement with the federal government for repayment of past due federal tax obligations, and either

(i) because of lack of training or lack of employment opportunities in the area of residence, does not have occupational opportunities available other than commercial fishing; or

(ii) is economically dependent on commercial fishing for a livelihood and for whom commercial fishing has been a traditional way of life in Alaska;

(E) for the purchase of fishing quota shares by a community quota entity eligible under federal statute or regulation to purchase the fishing quota shares if the community quota entity is not eligible or qualified for financing from other recognized commercial lending institutions to purchase the fishing quota shares;

(F) to an individual for the upgrade of existing tender vessels and gear to improve the quality of Alaska seafood products, if the individual has been a state resident for a continuous period of two years immediately preceding the date of application for a loan under AS 16.10.300 - 16.10.370;

(2) designate agents and delegate its powers to them as necessary;

(3) adopt regulations necessary to carry out the provisions of AS 16.10.300 - 16.10.370, including regulations to establish reasonable fees for services provided;

(4) establish amortization plans for repayment of loans, which may include extensions for poor fishing seasons or for adverse market conditions for Alaska products;

(5) enter into agreements with private lending institutions, other state

agencies, or agencies of the federal government to carry out the purposes of AS 16.10.300 - 16.10.370;

(6) enter into agreements with other agencies or organizations to create an outreach program to make loans under AS 16.10.300 - 16.10.370 in rural areas of the state;

(7) allow an assumption of a loan if

(A) the applicant has been a state resident for a continuous period of two years immediately preceding the date of the request for an assumption; and

(B) approval of the assumption would be consistent with the purposes of AS 16.10.300; an applicant for a loan assumption may not be disqualified because the applicant does not meet the loan eligibility requirements of (1) of this subsection;

(8) prequalify loan applicants for a limited entry permit loan or a quota shares loan and charge a fee not to exceed $200 for prequalification;

(9) charge and collect the fees established under this subsection;

(10) refinance a debt obligation incurred by a borrower or borrowers under this section if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370;

(11) refinance debt obligations, not to exceed $200,000, incurred by a borrower or borrowers for the purchase of a commercial fishing vessel or gear if the borrower or borrowers otherwise qualify for a loan under AS 16.10.300 - 16.10.370; the department may collect a refinancing loan origination charge as provided by regulation.

*** Sec. 2.** AS 16.10.320(i) is amended to read:

(i) If a loan is made to a borrower under AS 16.10.310(a)(1)(A), a subsequent loan may not be made to the borrower under AS 16.10.310(a)(1)(B)**, unless the loan requested under AS 16.10.310(a)(1) is for propulsion engine or generator engine replacement on an existing vessel for the purpose of improving fuel efficiency**. If a loan is made to a borrower under AS 16.10.310(a)(1)(B), a subsequent loan may be made to the borrower under AS 16.10.310(a)(1)(A) if the total of the balance

outstanding on loans received by the borrower under AS 16.10.310(a)(1)(A) and (B) does not exceed **$400,000** [$300,000].

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

Sectional Analysis

CSHB20 (FIN): Fisheries Loans for Energy Efficiency

Section 1 amends subsection A, paragraph (ii) of the Commercial Fishing Loan Act to allow loans to upgrade existing vessels and gear for the purpose of improving energy efficiency. Under current statute, subsection A loans are only available for improving the quality of Alaska seafood products.

Section 2 of the bill amends paragraph (i) of subsection B of the Act in two ways:

First, it eliminates the current prohibition for a borrower who has ever had a loan out under subsection A from also becoming a borrower under subsection B, but only if the purpose of the additional subsection B loan is for an energy efficiency upgrade.

Second, it raises the total allowable balance outstanding on loans to an individual from both subsection A and subsection B from $300,000 to $400,000.

Section 3 sets an immediate effective date for the bill.

Prepared by the office of Rep. Edgmon.

Summary of Changes in CSHB20(FIN) From Original to Current Version

The original version of CSHB20(FIN) amended only subsection A in the Commercial Fisheries Loan Act, in order to allow borrowers who meet the existing eligibility criteria under subsection A to take out loans for energy efficiency upgrades.

In the House Fisheries Committee, a CS was adopted that further increases the level of loan coverage and eligibility. CSHB20(FSH) maintains the amendment to subsection A, and also amends subsection B, paragraph (i), to eliminate language prohibiting borrowers who have received loans under subsection A from receiving for loans under subsection B.

However, this prohibition is eliminated only if the purpose of the additional loan under subsection B is for energy efficiency improvements.

Taking into account the increasing prices for engines and other equipment, CSHB20(FSH) also raises the total allowable outstanding balance on loans to an individual fisher under both subsections A and B from $300,000 to $400,000.

Also, CSHB20(FSH) adds an immediate effective date.

Another change in CSHB20(FSH) made the legislation retroactive to September 1, 2008. This was because of concern over whether existing retroactivity regulations under the Loan Act would apply to energy upgrades made by applicants before the language was in statute.

The Division of Investments has since been assured by legal counsel that the retroactivity in regulation will apply. Therefore, an amendment to the bill was adopted in the House Finance Committee that deleted the retroactivity clause in CSHB20(FSH).

Prepared by the Office of Rep. Edgmon

Sea Grant
Alaska
Marine Advisory Program

Preliminary Report

Fall 2008 Alaska Commercial Fishermen and Tender Fuel Survey

By –
The Marine Advisory Program's
Allison "Sunny" Rice, Agent, Petersburg
Torie Baker, Agent, Cordova
Glenn Haight, Fisheries Business Specialist, Juneau

November 2008

Fishbiz
ALASKA FISHERIES BUSINESS ASSISTANCE

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The fuel survey and subsequent reports was led by Sunny Rice with contributions by Paula Cullenberg, Torie Baker, and Glenn Haight of the Alaska Sea Grant Marine Advisory Program; Carol Kaynor, Doug Schneider and Dave Partee of the Alaska Sea Grant Program; Greg Fisk with SeaFisk Consulting; and Mark Vinsel of United Fishermen of Alaska. The survey was a product of the Alaska Sea Grant Marine Advisory Program's fuel and energy committee, under the Alaska Fisheries Business Assistance Program (FishBiz).

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Introduction

In fall 2008, the Alaska Sea Grant Marine Advisory Program (MAP), in partnership with the United Fishermen of Alaska, conducted a web-based survey of Alaska's commercial fishermen and tender operators. The survey asked respondents how increased fuel prices impacted their fishing businesses, what steps they took in response, and what further technical assistance would help them adapt to increasing costs. Following a strong response of 126 completed surveys, representing a broad cross-section of gear types and fishing locations in the state, MAP identified several technical issues that require further research and support.

Background

The Alaska seafood industry is the state's largest private sector employer and its main economic engine along Alaska's vast coastline. In the spring of 2008, the Alaska seafood industry braced for the highest fuel prices ever. Diesel-dependent seafood processors and commercial fishermen, sometimes operating in highly remote areas of the state, faced per gallon prices in excess of $5 to $6. Some areas reported prices in excess of $7 per /gallon. In some cases, this increase represented a doubling of fuel costs.

The resulting huge production costs likely offset many of the gains the sector had made on improved seafood prices, and any future increases in fuel costs will continue to cast a pall over the fishing sector. This prospect, combined with growing consumer trends favoring food sources that use less fossil fuel to produce, serve as compelling reasons to reduce and/or eliminate fossil fuel use.

As first responders to the Alaska commercial fishing industry, MAP developed a detailed survey for the fleet to gather baseline information and determine initial impacts. This information serves to identify areas for further research, outline long-term alternative energy needs and prompt policy makers to address this crucial issue for coastal Alaska's main economic engine.

Summary Findings

This section summarizes significant survey findings listed throughout the report.

Changing Behaviors

- On average, fishermen attempted to lower their fuel costs through several changes in their fishing practices.
- The most common method of reducing fuel usage was less prospecting for fish.
- Other common methods include staying closer to home or staying out on the grounds longer.
- These top techniques for reducing fuel during fishing appear to indicate less overall effort.
- The most common fuel saving techniques in the fishing operations were throttling back and maintaining engine and fuel systems.
- The next most common fuel saving techniques were more careful planning of routes and timing, keeping the vessel bottom clean and propeller tuned, and monitoring vessel trim.
- Respondents indicating they owned a Bristol Bay gillnet permit were the least likely to change their operation to reduce fuel consumption.

Impact on Income

- Forty-three percent of the survey respondents projected fuel expenses between 10-20% of their total gross income. Expanding that range to 10 - 30% of total gross income expands the percentage of respondents to 70%.
- Almost 90% of the survey respondents indicated their fuel cost as a percentage of income increased "somewhat more" or "more than doubled" over the past five years.
- Eighty percent of the respondents with crew reported higher fuel costs negatively impacted income to crew members.
- Twenty-four percent of survey respondents received some form of fuel assistance from their processor.

Fisheries Management Impacts

- A majority of the respondents (64%) believe fisheries management decisions may affect their fuel costs. Conversely, only 40% believe fisheries managers should consider the impacts on fuel usage when managing fisheries.

Survey Limitations

- Underreporting of conditions for fishermen in the AYK region requires additional review. These regions sustain high fuel costs, and with gas powered engines, employ some of the more inefficient engines in the fishery.

Survey Parameters

The fuel survey ran on Survey Monkey©, an online survey tool, from late September until mid October.

Results of this survey are unscientific. Respondents were self-selected members of the Alaska commercial fishing industry, referred to the survey website by radio or newspaper stories, fishing-related listserves, or by direct referral from MAP faculty or others. As the survey was conducted using a web-based survey-hosting site, respondents were limited to those with internet access. Neither names nor computer IP addresses were collected with responses and no attempt was made to verify that respondents had identified themselves accurately.

Respondents were asked 17 questions on topics ranging from energy saving techniques to fisheries management impacts and possible research areas. Appendix I provides the survey tool.

While we were pleased with the response rate (126 total responses) and the information provided, there are over 10,000 permit holders in the Alaska state fisheries alone. Furthermore, the number of respondents per gear type in some cases was very small.

Despite these limitations, we feel these results provide a relevant snapshot of the impacts of, and fishermen's responses to, increased fuel prices.

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Survey Respondent Information

Make up of Survey Responders

126 Alaska commercial seafood harvesters and tender operators responded to the survey. Table 1 provides the gear type and, in some cases, the region of each responder.

124 survey respondents indicated participating in 199 separate fisheries. This indicates several fished in more than one fishery. Two skipped the question. Almost 50% of the responders were gillnetters.

Several areas in this report provide gear- specific results where notable differences occurred between gear types.

Table 1

Answer Options	Response Count	Response %
Gillnetting - Bristol Bay	12	9.7%
Gillnetting – Arctic, Yukon, Kuskokwim (AYK)	2	1.6%
Gillnetting – other locations	46	37.1%
Setnetting	9	7.3%
Trolling	15	12.1%
Seining	24	19.4%
Longlining	37	29.8%
Trawling	14	11.3%
Diving	3	2.4%
Jigging	7	5.6%
Pot fishing	19	15.3%
Tendering	7	5.6%
Other	4	3.2%
Comments	11	
Total Responses	199	
Total Respondents	124	
Skipped questions	2	

Current fuel usage

A large majority, 78%, of the respondents had diesel engines. This result may overestimate the percentage of diesel vessels in the fleet because of the low number of AYK responses (only 2 out of 126). Small boat fishermen in the Arctic, Yukon, Kuskokwim (AYK) region tend to employ gas powered engines.

Changing Behaviors

Fishing Practices

The high cost of fuel dramatically changed the fishing activity of the survey responders. While survey results revealed 15 individuals (12% of total respondents) that did not change the way they fished because of the increasing cost of fuel, the vast majority of the respondents did change the way they fished.

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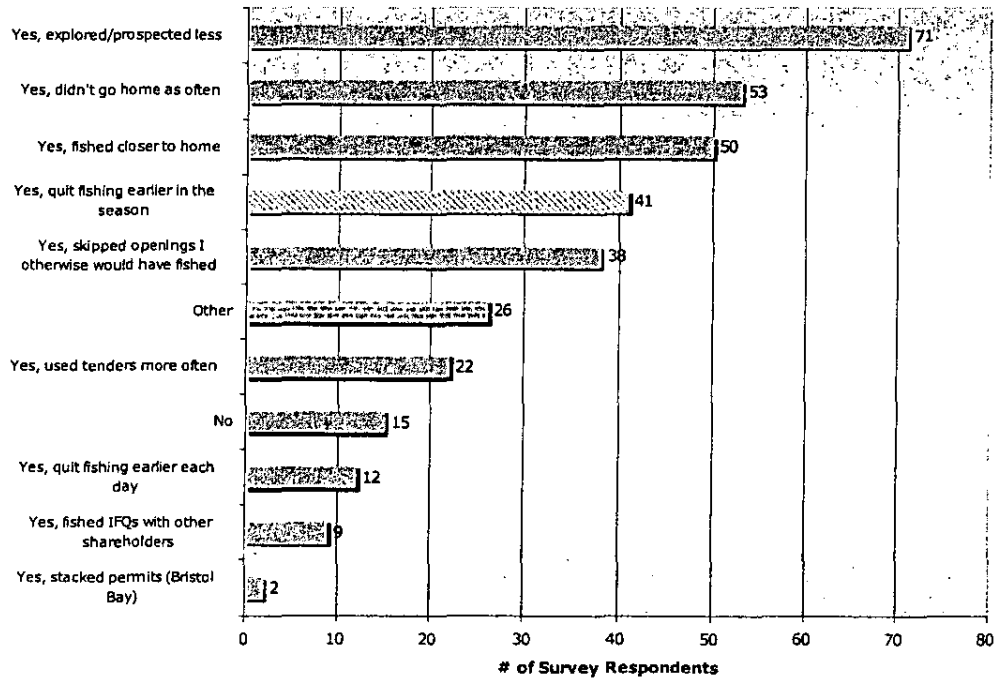
An examination of respondents indicating no change in fishing activity by gear type reveals over half were Bristol Bay gillnetters.

After removing these respondents, there were a total of 324 responses on types of changes made. This equates to an average of three changes per respondent. This indicates fishermen changed fishing practices in several ways to mitigate the high cost of fuel.

The most common response was that fishermen prospected less. This may have caused lower harvests as fishermen targeted areas known for large harvests, missing altogether areas that produced less fish historically.

Other top answers included, not going home as often and, conversely, fishing closer to home. The other top answer was fishermen quit earlier in the season.

Chart 1 - Changes in fishing behavior due to fuel prices



Most responses would seem to indicate less total harvesting activity. Chart 1 provides a summary of changes in fishing practices.

Fuel Saving Techniques

The survey sought information on what fuel saving techniques fishermen employed in the operation and maintenance of their vessels. Over 70% of

respondents indicated that they "paid lots of attention" to maintaining their engine and fuel systems, and throttling back. Over 60% paid attention to planning their routes and timing.

General maintenance of the vessel proved very important with fishermen. This included carefully cleaning their boat, maintaining the propeller, and monitoring vessel trim.

Table 2 summarizes all responses to Question 9, *"How much attention do you pay to the following techniques for decreasing fuel consumption?"*

Table 2

Answer Options	Lots of attention	Some attention	Very little attention	Response Count
Throttling back	90	23	5	118
Maintaining engine and fuel systems	89	23	4	116
Planning your route and timing	78	25	11	114
Keeping bottom clean	61	39	10	110
Keeping propeller tuned	58	36	15	109
Monitoring vessel trim	54	31	25	110
Maintaining fuel consumption records	46	33	27	106
Adjusting autopilot to improve tracking	43	23	26	92
Reducing vessel weight	33	44	37	114
Cutting back on diesel genset use	28	20	29	77
Other	14	2	6	22
Comments				19
			Total answered	119
			Total skipped	7

Investment Into Fuel Saving Devices

The survey attempted to learn what kinds of investments fishermen were considering making into fuel saving equipment. Adding a new engine drew the most positive response, while adding a flow meter was a close second. Items like bulbous bows, aerofoil-shaped rudders and kort nozzles were not as highly considered.

Table 3 summarizes all responses to Question 10, *"What new DEVICES have you used or considered using to decrease your fuel consumption?"* Not counting the "Other" category, the answers are sorted by those that drew the most favorable responses (measured as the "Added this year", "Added prior year", or "Considering adding").

Table 3

Answer Options	Added this year	Added prior to this year	Considering adding	Not interested	Response Count	Positive Response Count
New engine	12	21	42	19	94	75
Flow meter	3	17	44	22	86	64
Bulbous bow	2	5	22	44	73	29
Aerofoil-shaped rudder	0	8	17	44	69	25
Kort nozzle	0	5	15	48	68	20
Other	9	1	6	8	24	16
Comments					25	
				Total answered	109	
				Total skipped	17	

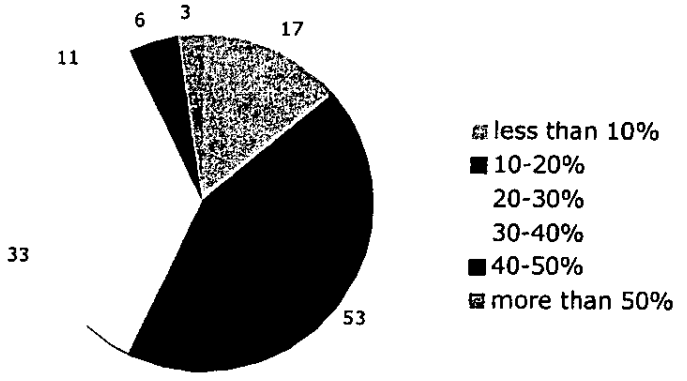
Income Impacts

Current Cost of Fuel

Survey respondents were asked what percentage of their income was spent on fuel. Forty-three percent of fishermen surveyed said they spent between 10 to 20% of their gross fishing income on fuel. Seventy percent (n=86) fell in the 10 to 30% range.

Chart 2 highlights the survey results for Question 4, *"Over the past year, what percentage of your gross fishing income has been spent on fuel?"*

Chart 2. Percent Gross Fishing Income Spent on Fuel

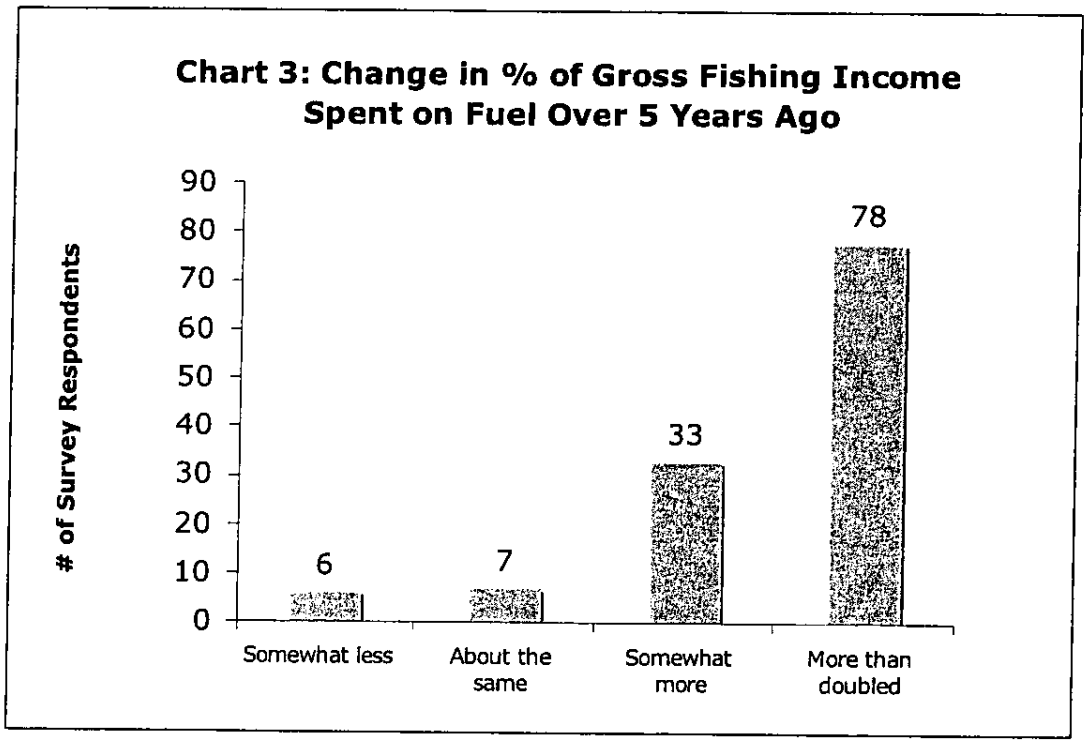


Increase in Fuel as a Production Cost

Respondents were then asked how much the cost of fuel increased as a percentage of income over the last five years. Sixty-three percent offered it more

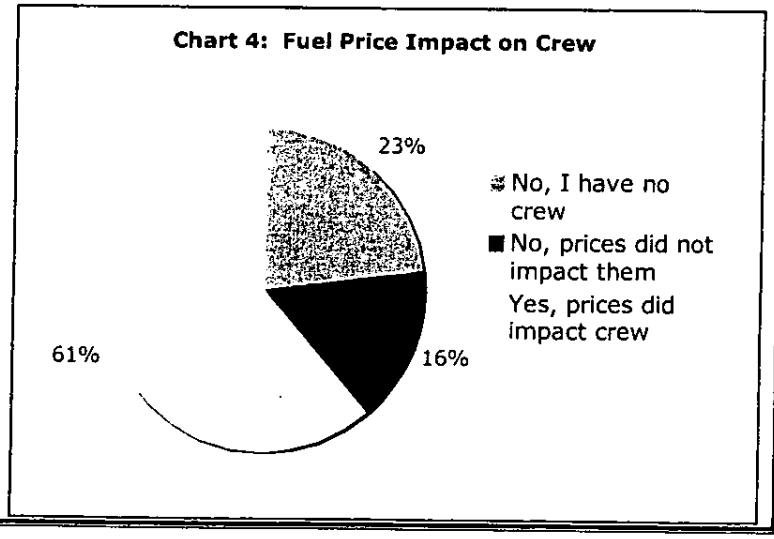
than doubled over that time. Very few indicated no real change at all. In total, 89.5% of the survey respondents indicated their fuel cost as a percentage of income increased at least "somewhat more". This is a disturbing trend considering that increased market prices in most salmon fisheries should have increased their income over that period of time.

In reviewing gear specific responses to this question, it appears this doubling of fuel costs occurred consistently across all fisheries. Chart 3.



Impacts to Crew Income

Permit holders were not the only ones impacted. A majority (61%) of respondents



said their crew also felt the pinch of high fuel prices. A large portion, 23%, offered they had no crew. Of the remaining respondents, 80% indicated the price of fuel impacted how much income the crew made.

When asked how crew were impacted, most said that crew shares were reduced because the cost of fuel was taken off the top before shares were calculated. In many cases, this was the first year permit holders considered fuel costs in the crew share calculation. Others indicated that they fished short-handed or didn't hire crew at all. Others said they quit fishing or laid crew off sooner.

Help from Processors

Finally, survey respondents were asked to detail whether they received fuel cost assistance from their processor. Comments provided under this question indicate that processors assisted primarily through selling fuel to them at a bulk fuel price or providing fuel bonuses. Twenty eight percent of fishermen said that their processors provided assistance with their fuel costs. Table 4 summarizes the answers.

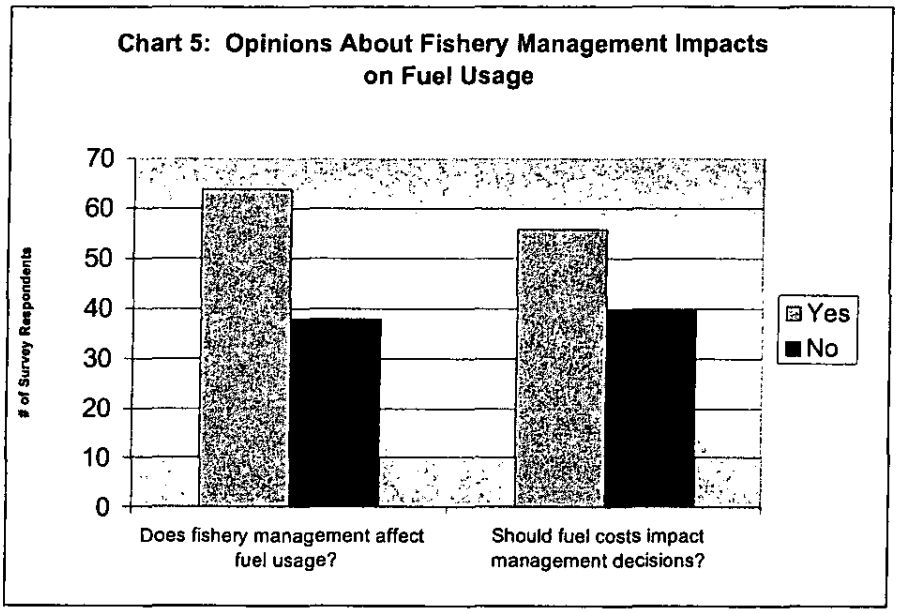
Table 4

Answer Options	Response Count	Response Percent
Yes	34	27.6%
No	89	72.4%
Comments	29	
Total answered	123	
Total skipped	3	

Fisheries Management Impacts

Finally, respondents were asked about fisheries management's impact on fuel consumption. While 64 respondents said that management did affect fuel consumption rates in their fisheries, only 40 felt that "fuel costs are a valid concern and should be integrated into the fishery management process," with 56 indicating that "management should be strictly biological."

When these responses are examined by gear group, however, only one gear group indicated a contrary opinion. 53% of trollers responding felt that fuel costs should be integrated into fishery management decisions, while 33% felt that management should be strictly biological.



Further Technical Assistance

As a final question, the survey asked respondents to identify how else the Marine Advisory Program could help adapt to rising fuel prices and if they had any particular questions or comments. The survey received a number of responses which may or may not fall within the purview of the Marine Advisory Program. In any event, they are informative for the general discussion.

Selected comments, including those of great frequency, are provided here.

- Clear technical advice from engine and fuel industry.
- Funding options for new engine or engine rebuilds.
- Promote energy independence for country and Alaska.
- Alternative assistance from processors.
- Develop harvesting privileges for dive fishery.
- Subsidies for food suppliers.
- Improved technology for alternative fuels and energy.
- Pre-season lectures/workshops on energy use.
- More coordination with the Alaska Department of Fish & Game.
- Research into green technologies adapted for the fishing industry.
- Fuel consumption comparisons between engines.
- Investment cost recoupment calculator for engine overhauls.

- Low interest loan/tax relief for engine upgrades. *(Author's Note: Please check with the Alaska Division of Investments for their new program for energy efficiency improvements.)*
- Constant and current information for industry.
- Literature/project review to determine successful programs in other areas of the world.
- Lower other government costs like taxes and permit fees.
- Seek cooperation from Alaska fuel refineries to sell to Alaska producers, like truckers, farmers, fishermen, at a point a slight profit margin.
- Continue focus on other profit points like improving ex-vessel value of fish.
- Seek removal of fuel tax on fishing boats during the season. *(Author's Note: commercial fishing activity is exempt from paying federal fuel excise tax. Most fuel suppliers have fishermen fill out appropriate paperwork and handle the exemption. If you fuel at the regular gas station or aren't getting the exemption, keep track of your fuel costs and write it off on your income tax.)*
- More information on pyrometers - specs, efficiencies, etc.
- Workshops for outboard and boat engine maintenance.
- Weekly price reports on different port fuel charges.

And finally....

- "Give me the winning Power Ball #'s so I can keep fishing until the money is gone." *(Author's Note: It is good to see a sense of humor even as we deal with our most trying issues. Thanks to all who assisted with the survey. It does make a difference.)*

Appendix I – Survey Tool

The following is the survey tool used to develop the information for this report.

Q1. Did the price of fuel cause you to change how you fished this year (check all that apply)?

Answer Options
_____ Yes, stacked permits (Bristol Bay)
_____ Yes, fished IFQs with other shareholders
_____ Yes, quit fishing earlier each day
_____ No
_____ Yes, used tenders more often
_____ Other
_____ Yes, skipped openings I otherwise would have fished
_____ Yes, quit fishing earlier in the season
_____ Yes, fished closer to home
_____ Yes, didn't go home as often
_____ Yes, explored/prospected less
Comments

Q2. Which types of commercial fishing operations do you run (check all that apply)?

Answer Options
_____ Gillnetting - Bristol Bay
_____ Gillnetting - AYK
_____ Gillnetting - other locations
_____ Setnetting
_____ Trolling
_____ Seining
_____ Longlining
_____ Trawling
_____ Diving
_____ Jigging
_____ Pot fishing
_____ Tendering
_____ Other
Comments

Q3. Which type of engine do you run on your primary fishing vessel?

Answer Options
_____ Gas
_____ Diesel

Q4. Over the past year, what percentage of your gross fishing income has been spent on fuel?

Answer Options
____ less than 10%
____ 10-20%
____ 20-30%
____ 30-40%
____ 40-50%
____ more than 50%

Q5. How does this percentage compare to 5 years ago?

Answer Options
____ Somewhat less
____ About the same
____ Somewhat more
____ More than doubled
____ Comments

Q6. Did your buyer or processor assist you with your fuel costs?

Answer Options
____ Yes
____ No
____ Comments

Q7. Did increased fuel prices impact your crew?

Answer Options
____ No, I have no crew
____ No, prices did not impact them
____ Yes, prices did impact crew
____ Comments

Q8. How else have fuel prices impacted your fishing business this year?

Q9. How much attention do you pay to the following techniques for decreasing fuel consumption?

Answer Options
____ Throttling back
____ Reducing vessel weight
____ Cutting back on diesel genset use
____ Keeping bottom clean
____ Keeping propeller tuned
____ Maintaining engine and fuel systems
____ Adjusting autopilot to improve tracking
____ Monitoring vessel trim
____ Planning your route and timing
____ Maintaining fuel consumption records
____ Other
____ Comments

Q10. What new DEVICES have you used or considered using to decrease your fuel consumption?

Answer Options
____ New engine
____ Flow meter
____ Bulbous bow
____ Aerofoil-shaped rudder
____ Kort nozzle
____ Other
____ Comments

Q11. If you have repowered or are planning to repower your vessel for greater fuel efficiency, what are your estimated costs?

Q12. Can you share any specific websites, periodicals or other sources that you use for information on fuel efficiency?

Q13. Do you feel that management decisions affect fuel consumption rates in your fishery (fisheries)?

Answer Options
____ Yes
____ No
____ Comments

Q14. Should managers (Board of Fish, ADF&G, NPFMC, IPHC) take fuel cost issues into account when making management decisions?

Answer Options

____ Yes, fuel costs are a valid concern and should be integrated into the fishery management process
____ No, management should be strictly biological
____ Don't know
____ Other
____ Comments

Q15. What kinds of management changes do you think could be made in your fisheries to reduce fuel consumption?

Q16. In addition to our fuel efficiency webpage, which you will be redirected to when you finish this survey, how else can the Marine Advisory Program help you adapt to rising fuel prices?

Q17. Comments or questions for the Alaska Sea Grant Marine Advisory Program or United Fishermen of Alaska?

Alaska Conservation Alliance

Uniting for Alaska's Future

February 2, 2009

House Special Committee on Fisheries, Finance
State House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Representatives Edgmon, Buch and Austerman,

On behalf of the 40 conservation groups and the 38,000 Alaskans that are represented by the Alaska Conservation Alliance, I am pleased to acknowledge our strong support for HB20 to establish Energy Efficiency loans for commercial fishermen. Alaska's fisheries and fishermen play a vital role in the state's long-term sustainable economy. Alaska's main, non-hydrocarbon export is its seafood. Three billion pounds of fish are harvested from Bristol Bay waters each year and Alaska's Salmon fishery alone added nearly a half billion dollars to the state's economy last year.

With the volatility of fuel prices and with industry predictions of a return to $110 barrel of oil in the near future, Alaska's fishermen need to find ways to conserve, recycle and limit the energy used in their operations. Recently Japan dedicated $700 million to improve the efficiency of their fishing fleet. To compete, both in seafood price and in technological innovation, Alaska needs the kind of dedication and funding provided by this bill. Loans to maximize engine and hull efficiencies reduce the amount of high-priced diesel used during the season and result in a higher standard of living for our fishermen, less expensive and more competitive seafood products and less climate-damaging emissions. By giving the loans fishermen need to increase the efficiency of their operation this bill is decreasing the use of unpredictably priced foreign fuel, reducing toxic and greenhouse gas emissions, assuring the competitiveness of Alaska's fishing industry and improving the lives of Alaska's fishermen.

Energy efficiency in all its forms is a high priority for Alaska's conservation community. I strongly encourage the Alaska Legislature to pass HB 20. Thank you for your time and consideration.

Sincerely,

Kate Troll

Kate Troll
Executive Director

CC: House Special Committee on Fisheries and House Finance Committee Members

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Bruce Botelho
Frank M. Brown
Al Burch
Patrick Carter
James L. Cloud
Stephen M. Connelly
Bob Cox
Paula P. Easley
Ella Ede
Mark Eliason
Joe Everhart
Carol Fraser
Becky Gay
Charles J. Greene
Scott Habberstad
Mark Hanley
Karl Hanneman
Rick P. Harris
Tom Henderson
Becky Hultberg
Bill Jeffress
Mike Jungreis
Diane Keller
Frank V. Kelty
Kip Knudson
Thomas G. Krzewinski
John MacKinnon
David L. Matthews
Karen Matthias
Mary McDowell
Ron McPheters
James Mery
Denise Michels
Lance Miller
Jim Palmer
Tom Panamaroff
Lisa Parker
Judy Patrick
Debbie Reinwand
Elizabeth Rensch
Ralph Samuels
Keith Sanders
Lorna Shaw
Kenneth Sheffield
Keith N. Silver
Tiel Smith
Robert Stiles
Jeanine St. John
John L. Sturgeon
Jim Taro
John Williams
John Zager

Ex-Officio Members
Senator Mark Begich
Senator Lisa Murkowski
Congressman Don Young
Governor Sarah Palin

February 3, 2009

Representative Bryce Edgmon, Chairman
House Fisheries Committee
Alaska State Legislature
State Capitol, Room 416
Juneau, AK 99801

RE: HB20-Fisheries Loans for Energy Efficiency

Dear Representative Edgmon:

On behalf of the Resource Development Council for Alaska, Inc., (RDC), I am writing in support of HB20-Fisheries Loans for Energy Efficiency.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

Throughout the last several years, Alaskans have been struggling with high energy costs. Fuel costs and usage have escalated as fisherman are required to go further out for catch due to impacts from endangered species listings, critical habitat designations, marine protected areas, and fish movement. Opportunities to improve energy efficiency through state loans are important not only for the pocket books of the fisherman who harvest over half of this nation's total catch, but also for the environment—increased efficiency will likely lead to lower costs and ultimately decreased carbon emissions.

We encourage the committee to vote in favor of this bill. Thank you for your consideration.

Sincerely,

Jason W. Brune
Executive Director

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503-2035
Phone: 907/276-0700 Fax: 907/276-3887 Email: Resources@akrdc.org Website: www.akrdc.org

PSPA

PACIFIC SEAFOOD PROCESSORS ASSOCIATION
Est. 1914

February 1, 2009

Rep. Bryce Edgmon, Chairman
House Fisheries Committee
Alaska Legislature
State Capitol
Juneau, AK 99801

RE: Support for HB 20 – Commercial Fishing Loans for Energy Efficiency Upgrades

Dear Chairman Edgmon:

Pacific Seafood Processors Association (PSPA) is a trade association of seafood processing companies with operations in many locations throughout coastal Alaska, including Ketchikan, Sitka, Kodiak, Unalaska/Dutch Harbor, Valdez, Dillingham, Naknek, Pederson Point, Togiak, Port Moller, and King Cove.

PSPA's member companies themselves, the communities in which they operate, and the fishermen to whom our member companies provide markets, are all struggling with high energy costs. The profitability and economic viability of Alaska's processors and harvesters alike, depend on the ability to increase energy efficiency and contain energy costs.

In expanding the provisions of the state's commercial fishing loan program to allow fishermen to obtain loans to increase the energy efficiency of their vessels, HB 20 does not *directly* affect or benefit seafood processors. However, a healthy, viable, energy efficient harvesting sector is important to the overall success of the entire industry. Thus, HB 20, in helping Alaska's fishing fleet move toward energy efficiency, will benefit fishermen, seafood processors and other fisheries-dependent businesses, Alaska communities, and the overall economy and revenues of the state.

PSPA appreciates your sponsorship of HB20 and your prompt scheduling of the bill for a hearing in the House Fisheries Committee.

We encourage legislators to support the bill and move it quickly through the legislative process.

Sincerely,

Mary McDowell

Mary McDowell,
Vice President

222 Seward Street, Suite 200
Juneau, AK 99801
Phone (907) 586-6366
Fax (907) 586-4618
www.pspafish.net

Southeast Alaska Fishermen's Alliance
9369 North Douglas Highway
Juneau, AK 99801
Phone 907-586-6652
Fax 907-523-1168 Website: http://www.seafa.org E-mail: seafa@gci.net

February 2, 2009

Representative Bryce Edgmon, Chairman
House Special Committee on Fisheries
State Capitol, Mail Stop 3100
Juneau AK 99801
Fax 907-465-3445

RE: Support for HB 20 for Energy Improvement Loans

Southeast Alaska Fishermen's Alliance (SEAFA) is a multi-gear group representing our members involved in the salmon, crab, shrimp and longline fisheries of Southeast Alaska. We support HB 20 which would allow borrowers under the A program access to the engine retrofit loans as was accomplished by regulation for the B program.

Converting the Alaskan commercial fishing industry to more efficient fuel engines will reduce the carbon footprint, reduce costs and be better for the environment overall. Access to low cost loans will help the fleet convert to these more efficient engines.

We appreciate the Division of Investments making the B loans available last summer since it only took regulation changes and support the legislature making the necessary statute changes to allow borrowers under the A program the same consideration to access low cost loans for engine retrofits.

We would like the fisheries committee to consider amending this legislation to also allow quota shares to be refinanced. With the cuts in quota catch limits some fishermen are now facing incredibly difficult times making their payments and with the current economic crisis are having some difficulties being able to refinance their current loans that are attached to their homes and vessels. We would be willing to discuss this issue with you if you are interested in the problem.

Sincerely,

Kathy Hansen
Executive Director.

UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

February 2, 2009

Representative Bryce Edgmon, Chairman
House Special Committee on Fisheries
State Capitol, Mail Stop 3100
Juneau AK 99801
Fax 907-465-3445

RE: Support for HB 20 for Energy Improvement Loans

UFA appreciates the Division of Investments prompt initiation of a program for commercial fishing vessel engine retrofit loans in Fall of 2008 to address the impact of high fuel prices on Alaska's fishing communities. We recognize that establishing these loans in the Section B program was the way to get this done as soon as possible. However, Alaska statutes prohibit any current borrowers under Section A programs access to these loans. UFA supports statutory changes to allow fishermen who currently have Section A loans to obtain loans to improve their energy efficiency. UFA also supports broadening the program to include financing for other energy improvements.

HB 20 accomplishes both of these objectives. We ask you and committee members for your support to provide long term financing for improvements to reduce the energy usage in commercial fishing.

United Fishermen of Alaska is the largest statewide commercial fishing trade association, representing 37 commercial fishing organizations participating in fisheries throughout the state and its offshore waters.

Sincerely,

Mark Vinsel
Executive Director

MEMBER ORGANIZATIONS

Alaska Crab Coalition • Alaska Independent Tendermen's Association • Alaska Longline Fishermen's Association
Alaska Scallop Association • Alaska Trollers Association • Alaska Whitefish Trawlers Association • Armstrong Keta • At-sea Processors Association
Bristol Bay Reserve • Bristol Bay Regional Seafood Development Association • Cape Barnabas Inc. • Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association • Cordova District Fishermen United • Crab Group of Independent Harvesters • Douglas Island Pink and Chum
Fishing Vessel Owners Association • Groundfish Forum • Kenai Peninsula Fishermen's Association • Kodiak Regional Aquaculture Association
North Pacific Fisheries Association • Northern Southeast Regional Aquaculture Association • Petersburg Vessel Owners Association
Prince William Sound Aquaculture Corporation • Purse Seine Vessel Owner Association • Seafood Producers Cooperative • Sitka Herring Association
Southeast Alaska Fisherman's Alliance • Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association
Southern Southeast Regional Aquaculture Association • United Catcher Boats • United Cook Inlet Drift Association • United Salmon Association
United Southeast Alaska Gillnetters • Valdez Fisheries Development Association • Western Gulf of Alaska Fishermen

Fritz Johnson
P.O. Box Box 1129
Dillingham, AK 99576
842-2674
osprey@nushtel.net

Representative Bryce Edgmon
State Capitol, Room 424
Juneau, AK 99801-1182

2 February 2009

RE: HB 20

Dear Rep. Edgmon,

I'd like to thank you and the other sponsors of HB 20 for this important legislation. This bill couldn't be more timely to assist Alaska's fishermen and fishing communities. Broadening the eligibility for low interest state loans for fishermen and women to repower their vessels with more efficient engines is the right thing to do for the environment and the right thing to do for Alaska's fishermen. Many have deferred the maintenance and improvements needed to remain competitive precisely because fish prices have been low and fuel prices high. While HB 20 effects a modest change in the Division of Investments requirements, it can make a big difference to Alaska harvesters working hard to keep their operations in the black.

I appreciate your work on this bill and urge adoption of this legislation.

Thank you, sincerely,

Fritz Johnson
F/V Jazz
Dilllingham

Timothy Clark

From: Rep. Bryce Edgmon
Sent: Friday, January 30, 2009 6:04 PM
To: Timothy Clark
Subject: FW: HB 20 Modification

-----Original Message-----
From: misslori@alaska.com [mailto:misslori@alaska.com]
Sent: Friday, January 30, 2009 6:03 PM
To: Rep. Bryce Edgmon
Subject: HB 20 Modification

Dear Mr. Edgmon. I would like to thank you for sponsoring HB 20. I would also like you to back the provision that it be available under section A so that not only those who are denied a commercial loan will have access to this program. If a fisherman is eligible for a commercial loan I don't think that should preclude his access to this funding. Thank you.
Bill Harrington
F/V Miss Lori
Kodiak, AK

From: Rick Tennyson [mailto:rick@choggiung.com]
Sent: Monday, February 02, 2009 11:53 AM
To: Timothy Clark
Subject:

Dear Mr. Clark:
I would like to encourage you to support HB 20, improving fish quality and marine engine efficiency improvement loan program. I currently fish in Bristol Bay for a company, Leader Creek Fisheries, which only accepts chilled fish. As a Leader Creek fisher, I not only chill my fish, but I utilizes good handling practices such as floating, bleeding, flush deck boat to reduce handling so that we can maintain quality. LC fishers are paid a base price after the season and a profit share after the product has been sold. This profit share the past few years has resulted in the fishers with about 20-35 percent more per pound then fishers that do not try to maintain the pristine quality of the fish. I support the engine efficiency component to the program. Fishing the shoulder seasons has become unprofitable due to high fuel costs, and these shoulders season can make the difference between a profitable and non-profitable season. I would appreciate your support for HB 20. Rick Tennyson

City of Sand Point

February 11, 2009

Glen Gardner Jr.
Mayor, City of Sand Point
P.O Box 249
Sand Point, Alaska 99661
907-383-2696
sptcity@arctic.net

Representative Bryce Edgmon
Alaska State Legislature
120 4th Street, State Capitol, Room 3
Juneau, Alaska 99801-1182

Representative Bryce Edgmon:

I'm writing this letter in support of HB20. It was exciting to hear that the legislature is going to take up a bill that would provide technical fixes to the Commercial Fishing Loan Act (AS 16.10.310-370) making loans for engine energy efficiency upgrades available to many other potential applicants.

As a life –long fisherman, I've been dealing with all the changing facets of the fishing industry. One of the biggest factors affecting the Alaskan fisherman is the ever changing fuel prices. This greatly impacts the bottom line of everyone involved.

With the recent technological advances in the diesel engine industry, it is possible for the Alaskan Fisherman to reduce their carbon footprint on the environment. Fuel efficiency has been improved, and emissions levels have been greatly reduced.

I'm presently going through the process of getting one of these loans, and I can't tell you how difficult the process is! If it was possible to apply for this loan under subsection A of the statutes it would make the process so much easier. I think passing this bill would open this program up for many other Alaskan Fishermen. Let's help Alaska's largest employer!

Sincerely,

Glen Gardner Jr.

Glen Gardner Jr.
Mayor, City of Sand Point

City Office:
P O. Box 249
Sand Point, Alaska 99661
(907) 383-2696
(907) 383-2698 FAX

Administrator:
3380 C Street, Suite 205
Anchorage, Alaska 99503
(907) 274-7561
(907) 274-3540 FAX
daypar72@gci.net

SWAMC
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org
Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

February 13, 2009

Representative Bryce Edgmon, Chairman
House Special Committee on Fisheries
State Capitol, Room 416
Juneau, AK 99801-1182

Re: House Bill 20

Dear Representative Edgmon,

The Southwest Alaska Municipal Conference (SWAMC) lends its support to House Bill 20. This bill comes at an opportune time to address the energy cost concerns of the state's commercial fisheries. Last year saw many boats opt to stay in port because the cost of fuel was so high it made it unprofitable to leave port and fish.

SWAMC supports efforts by the Special House Committee on Fisheries to increase the opportunity for fishermen to access loans for vessel upgrades. HB 20 allows fishermen who currently hold Section A loans to be eligible for Section B loans to improve their vessel's energy efficiency and increases the amount of loans they are eligible to borrow. This bill will help upgrade the state's fishing fleet with 21st Century technology and equipment and set it on a solid foundation for the future.

SWAMC is the regional economic development organization (ARDOR) for Southwest Alaska and serves the Aleutian/Pribilofs, Bristol Bay, and Kodiak. SWAMC's regional membership advances the collective interests of Southwest Alaska people, businesses, and communities. SWAMC promotes economic opportunities to improve quality of life and pursues long-term responsible development.

Sincerely,

Michael Catsi
Executive Director

Switgard Duesterloh, Ph. D.
POB 4373
Kodiak, AK 99615

To House Finance Committee Representative
Alan Austerman

Dear Mr. Austerman,

I would respectfully ask you to support House Bill 20, which provides low interest loans for technical improvements on boat engines.

I am not a fisherman myself, but have lived and worked in Alaska for 12 years. I am a marine scientist and have spent part of my professional life studying the effects of dissolved oil on marine organisms. Lately, I spend most of my time educating others and myself about global climate change and ocean acidification. These topics are related in that both, oil pollution and air pollution pose great stress on marine organisms and their populations. Improved technology in boat engines is an easy to reach step to mitigate pollution and reduce adverse impacts on Alaska's marine ecosystems. HB 20 is a "low hanging fruit", an easy step into the right direction. Please support HB 20 for the future of our State's fishing industry and the health of the environment.

Respectfully,

Switgard Duesterloh

From: Timothy Clark
Sent: Friday, March 06, 2009 2:51 PM
To: Timothy Clark
Subject: HB20 Support

-----Original Message-----
From: Greg Streveler [mailto:grigori@gustavus.ak.us]
Sent: Friday, March 06, 2009 12:23 PM
To: Rep. Alan Austerman
Subject: HB 20

Dear Representative Austerman:

I support HB 20, which would amend the Commercial Fishing Loan Act to allow loans for energy efficiency upgrades to commercial fishing operations. Fuel costs have become a huge consideration in commercial fishing. At the same time we are trying to reduce greenhouse gas emissions from using fossil fuels. Fuel efficience is probably the best single investment for the state to support through its loan fund. I know you have long been a supporter of the fishing industry. I hope you support scheduling HB 20 for a hearing soon.

Thank you,
Judy Brakel
Box 94
Gustavus, AK 99826

PSPA

PACIFIC SEAFOOD PROCESSORS ASSOCIATION
Est. 1914

February 1, 2009

Rep. Bryce Edgmon, Chairman
House Fisheries Committee
Alaska Legislature
State Capitol
Juneau, AK 99801

RE: Support for HB 20 – Commercial Fishing Loans for Energy Efficiency Upgrades

Dear Chairman Edgmon:

Pacific Seafood Processors Association (PSPA) is a trade association of seafood processing companies with operations in many locations throughout coastal Alaska, including Ketchikan, Sitka, Kodiak, Unalaska/Dutch Harbor, Valdez, Dillingham, Naknek, Pederson Point, Togiak, Port Moller, and King Cove.

PSPA's member companies themselves, the communities in which they operate, and the fishermen to whom our member companies provide markets, are all struggling with high energy costs. The profitability and economic viability of Alaska's processors and harvesters alike, depend on the ability to increase energy efficiency and contain energy costs.

In expanding the provisions of the state's commercial fishing loan program to allow fishermen to obtain loans to increase the energy efficiency of their vessels, HB 20 does not *directly* affect or benefit seafood processors. However, a healthy, viable, energy efficient harvesting sector is important to the overall success of the entire industry. Thus, HB 20, in helping Alaska's fishing fleet move toward energy efficiency, will benefit fishermen, seafood processors and other fisheries-dependent businesses, Alaska communities, and the overall economy and revenues of the state.

PSPA appreciates your sponsorship of HB20 and your prompt scheduling of the bill for a hearing in the House Fisheries Committee.

We encourage legislators to support the bill and move it quickly through the legislative process.

Sincerely,

Mary McDowell

Mary McDowell,
Vice President

222 Seward Street, Suite 200
Juneau, AK 99801
Phone (907) 586-6366
Fax (907) 586-4618
www.pspafish.net

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Alaska Division of Investments

Sarah Palin, Governor
Emil Notti, Commissioner
Greg Winegar, Director

February 24, 2009

The Honorable Anna Fairclough
State Capitol, Room 421
Juneau, AK 99801

Dear Representative Fairclough:

Re: House Bill 20

As you requested in the House Finance Committee hearing last week, there are three tables listed below containing financial and statistical information relating to the Commercial Fishing Revolving Loan Fund (CFRLF):

Table One:	
Monies transferred from the CFRLF to the General Fund to fund other government operations:	
FY07 Department of Fish & Game to fund Operating Budget	$1,326,300.00
FY08 Department of Fish & Game to fund Operating Budget	$1,326,300.00
FY09 Department of Fish & Game to fund Operating Budget (authorized)	$1,326,300.00

Table Two:			
FY07 CFRLF GeFONSI earnings	$2,054,419.72	FY07 Interest Rate:	5.51%
FY08 CFRLF GeFONSI earnings	$2,348,491.02	FY08 Interest Rate:	5.85%
FY09 CFRLF GeFONSI earnings (as of 12/31/08)	$1,331,665.63	FY09 Interest Rate:	2.68%

Table Three:	
FY09 Division of Investments staff positions dedicated to CFRLF funding:	38

Enacted in 1972, the CFRLF is a revolving loan fund. As a result, all interest earned on loans made from the fund revolve back into the fund for future loans and all administrative costs are paid out of the fund. In addition, a substantial amount of money has been appropriated out of the fund over the years to help pay for other government operations. In the last several years those funds have been used to off set General Fund expenditures for the Department of Fish and Game. Table One lists the transfers that took place during the last three fiscal years. Over the life of the program, over $53 million was transferred out

P.O. Box 34159, Juneau, Alaska 99803-4159
Telephone: (907) 465-2521 · Fax: (907) 465-2563 · Text Telephone: (907) 465-5437
Toll Free Within Alaska: 1-800-478-1033 X 6526
Email: investments@commerce.state.ak.us · Website: http://www.commerce.state.ak.us/investments

of the CFRLF for similar purposes.

CFRLF cash is managed by the Department of Revenue and is typically invested in a pool of funds referred to as the GeFONSI (General Fund and Other Non-segregated Investments). These earnings are retained by the General Fund. Table Two lists the CFRLF GeFONSI earnings and the rate of return for the last three fiscal years.

Table Three lists the number of Alaska Division of Investment's positions that are paid out of the CFRLF.

Please let me know if you have any questions or need additional information.

Cordially,

Greg Winegar

Greg Winegar, Director
Alaska Division of Investments

cc: Representative Bill Stoltze, Finance Committee Co-Chair
Representative Mike Hawker, Finance Committee Co-Chair
Representative Bryce Edgmon
Amanda Ryder, Director - DCCED
Tyson Fick, Legislative Liaison - DCCED

P.O. Box 34953, Juneau, Alaska 99803-4953
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Toll Free within Alaska: (800) 478-4030 TDD 5626
Email: investments@commerce.state.ak.us Website: http://www.commerce.state.ak.us/investments

UNITED FISHERMEN OF ALASKA

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Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

February 2, 2009

Representative Bryce Edgmon, Chairman
House Special Committee on Fisheries
State Capitol, Mail Stop 3100
Juneau AK 99801
Fax 907-465-3445

RE: Support for HB 20 for Energy Improvement Loans

UFA appreciates the Division of Investments prompt initiation of a program for commercial fishing vessel engine retrofit loans in Fall of 2008 to address the impact of high fuel prices on Alaska's fishing communities. We recognize that establishing these loans in the Section B program was the way to get this done as soon as possible. However, Alaska statutes prohibit any current borrowers under Section A programs access to these loans. UFA supports statutory changes to allow fishermen who currently have Section A loans to obtain loans to improve their energy efficiency. UFA also supports broadening the program to include financing for other energy improvements.

HB 20 accomplishes both of these objectives. We ask you and committee members for your support to provide long term financing for improvements to reduce the energy usage in commercial fishing.

United Fishermen of Alaska is the largest statewide commercial fishing trade association, representing 37 commercial fishing organizations participating in fisheries throughout the state and its offshore waters.

Sincerely,

Mark Vinsel
Executive Director

MEMBER ORGANIZATIONS
Alaska Crab Coalition • Alaska Independent Tendermen's Association • Alaska Longline Fishermen's Association
Alaska Scallop Association • Alaska Trollers Association • Alaska Whitefish Trawlers Association • Armstrong Keta • At-sea Processors Association
Bristol Bay Reserve • Bristol Bay Regional Seafood Development Association • Cape Barnabas Inc. • Concerned Area "M" Fishermen
Cook Inlet Aquaculture Association • Cordova District Fishermen United • Crab Group of Independent Harvesters • Douglas Island Pink and Chum
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Southeast Alaska Fisherman's Alliance • Southeast Alaska Regional Dive Fisheries Association • Southeast Alaska Seiners Association
Southern Southeast Regional Aquaculture Association • United Catcher Boats • United Cook Inlet Drift Association • United Salmon Association
United Southeast Alaska Gillnetters • Valdez Fisheries Development Association • Western Gulf of Alaska Fishermen

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Founded 1975
Executive Director
Jason W. Brune
2008-2009 Executive Committee
Rick Rogers, President
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Ethan Schutt
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Ron McPheters
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Denise Michels
Lance Miller
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Lorna Shaw
Kenneth Sheffield
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Robert Stiles
Jeanine St. John
John L. Sturgeon
Jim Taro
John Williams
John Zager

Ex-Officio Members
Senator Mark Begich
Senator Lisa Murkowski
Congressman Don Young
Governor Sarah Palin

February 3, 2009

Representative Bryce Edgmon, Chairman
House Fisheries Committee
Alaska State Legislature
State Capitol, Room 416
Juneau, AK 99801

RE: HB20-Fisheries Loans for Energy Efficiency

Dear Representative Edgmon:

On behalf of the Resource Development Council for Alaska, Inc., (RDC), I am writing in support of HB20-Fisheries Loans for Energy Efficiency.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

Throughout the last several years, Alaskans have been struggling with high energy costs. Fuel costs and usage have escalated as fisherman are required to go further out for catch due to impacts from endangered species listings, critical habitat designations, marine protected areas, and fish movement. Opportunities to improve energy efficiency through state loans are important not only for the pocket books of the fisherman who harvest over half of this nation's total catch, but also for the environment—increased efficiency will likely lead to lower costs and ultimately decreased carbon emissions.

We encourage the committee to vote in favor of this bill. Thank you for your consideration.

Sincerely,

Jason W. Brune
Executive Director

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503-2035
Phone: 907/276-0700 Fax: 907/276-3887 Email: Resources@akrdc.org Website: www.akrdc.org

Fritz Johnson
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Dillingham, AK 99576
842-2674
osprey@nushtel.net

Representative Bryce Edgmon
State Capitol, Room 424
Juneau, AK 99801-1182

2 February 2009

RE: HB 20

Dear Rep. Edgmon,

I'd like to thank you and the other sponsors of HB 20 for this important legislation. This bill couldn't be more timely to assist Alaska's fishermen and fishing communities. Broadening the eligibility for low interest state loans for fishermen and women to repower their vessels with more efficient engines is the right thing to do for the environment and the right thing to do for Alaska's fishermen. Many have deferred the maintenance and improvements needed to remain competitive precisely because fish prices have been low and fuel prices high. While HB 20 effects a modest change in the Division of Investments requirements, it can make a big difference to Alaska harvesters working hard to keep their operations in the black.

I appreciate your work on this bill and urge adoption of this legislation.

Thank you, sincerely,

Fritz Johnson
F/V Jazz
Dilllingham

HB

26

<target><bill>HB 26</bill><subject>HB
26</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/30/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 26

HB 26 MEDICAID FOR ADULT DENTAL SERVICES

"An Act repealing the repeal of preventative and restorative adult dental services reimbursement under Medicaid; providing for an effective date by repealing the effective date of sec. 3, ch. 52, SLA 2006; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
DHS	2/20	✓			1

[ ] **APPROPRIATION** - **no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stevens	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 26
(H) Publish Date: 3/5/09

Identifier (file name): HB026-DHSS-APDMS-02-23-09
Dept. Affected: Health & Social Services
Title: Medicaid for Adult Dental Services
RDU: Health Care Services
Component: Adult Preventative Dental Medicaid
Sponsor: Hawker
Requester: House HSS
Component Number: 2839

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	0.0	7,288.4	7,535.9	7,783.6	8,031.1	8,278.6	8,526.1
Miscellaneous							
TOTAL OPERATING	**0.0**	**7,288.4**	**7,535.9**	**7,783.6**	**8,031.1**	**8,278.6**	**8,526.1**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	0.0	4,758.7	4,714.4	4,592.3	4,738.3	4,884.4	5,030.4
1003 GF Match	0.0	2,529.7	2,821.5	3,191.3	3,292.8	3,394.2	3,495.7
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**7,288.4**	**7,535.9**	**7,783.6**	**8,031.1**	**8,278.6**	**8,526.1**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill eliminates the sunset date of June 30, 2009 on enhanced dental services for adult Medicaid recipients. Services for adult Medicaid recipients would otherwise revert to emergent dental services (treatment for immediate relief of pain and acute infection), only. During FY2008 about 7,600 adults received treatment under this program. Forecasted expenditures are based on an analysis of paid claims reflecting the most recent trends. The estimated federal portion is based on projected federal financial participation rates for 2010 through 2015 using federal reimbursement rates from the American Recovery and Reinvestment Act 2009 economic stimulus bill. The amount for FY2010 is included in the Governor's amended budget request.
(continued on page 2)

Prepared by: William J. Streur, Deputy Commissioner
Phone 279-7827
Division: Health Care Services
Date/Time 2/20/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 2/23/2009
DHSS Finance & Management Services

FISCAL NOTE #1

STATE OF ALASKA

2009 LEGISLATIVE SESSION

BILL NO. HB 26

ANALYSIS CONTINUATION

In April 2007, Alaska began providing preventive and restorative dental care for adults age 21 and older enrolled in Medicaid. The Legislature established a three year trial period to evaluate the new program, which will end June 30, 2009, if not reauthorized. Services provided under the Adult Preventative Dental Medicaid program must be preauthorized and are subject to a $1,150 annual cap per individual. Services include exams, cleanings, fillings, root canals and dentures. Total program costs are controlled by spending limits set by the legislature, ensuring that total program spending remains within the budgeted amount.

The Adult Preventative Dental Medicaid program helps protect and promote the health of Alaskans by improving affordable access to dental care services to the nearly 40,000 eligible adult Alaskans enrolled in Medicaid annually. During fiscal year 2008 about 7,600 adults received treatment under this program. In the past, Medicaid only treated emergency pain relief and acute infection for adult dental needs. This coverage expansion was added because infections in the mouth are no different than infections in other parts of the body. Dental infections cause pain and lost time at work, and affect overall health. Waiting until a dental emergency occurs can result in more expensive dental care. Missing teeth can affect employability.

The Alaska Mental Health Trust Authority contributed to state matching funds during the first three years of the program but will not do so after June 30, 2009. Fund source calculations for this fiscal note assume only GF match for the state portion. The federal portion is estimated for 2010 through 2015 based on the proportion of tribal and Title XIX reimbursable costs as forecast for 2010, and the estimates of federal matching percentages for 2010 through 2015. Approximately 18% of the claims are eligible for Indian Health Services which receives 100% federal reimbursement. The remaining 82% of claims are eligible for regular title XIX FMAP, which is projected to average 58.68% for state FY2010, 54.34% for FY2011 and 50% for FY2012 to FY2015.

HOUSE BILL NO. 26

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY REPRESENTATIVES HAWKER, Muñoz, Gara, Kerttula

Introduced: 1/20/09
Referred: Health and Social Services, Finance

A BILL

FOR AN ACT ENTITLED

"An Act repealing the repeal of preventative and restorative adult dental services reimbursement under Medicaid; providing for an effective date by repealing the effective date of sec. 3, ch. 52, SLA 2006; and providing for an effective date."

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

* **Section 1.** Sections 3 and 5, ch. 52, SLA 2006, are repealed.

* **Sec. 2.** Section 7, ch. 52, SLA 2006, is repealed.

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

Representative Mike Hawker
Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
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800 478-4950 toll free
907 465-4979 fax

Interim:
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907 269-0244 office
907 269-0248 fax

House District 32:
Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 26
Sponsor Statement

"An Act repealing the repeal of preventative and restorative adult dental services reimbursement under Medicaid; providing for an effective date by repealing the effective date of sec. 3, ch. 52, SLA 2006; and providing for an effective date."

House Bill 26 would extend the current Medicaid Adult Dental program, which is scheduled to sunset this year. In 2006, the legislature passed House Bill 105, which restructured our approach to adult dental services allowed under Medicaid to provide a more complete level of services.

Prior to 2006, adults on Medicaid could only receive emergency care to relieve pain and fight infection. The passage of HB 105 authorized exams, cleaning, tooth restoration or extraction and dentures. In short, Alaska moved from a "Deferred Maintenance" to a "Preventative Maintenance" approach for adult dental care.

In order to have a chance to assess the viability of the program, the legislature added a sunset to the program of June 30, 2009. House Bill 26 would remove the sunset, allowing the program to become permanent.

Staff Contact: Juli Lucky 465-4949

1/26/2009

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

HB 26
Sectional Analysis
Prepared by Representative Mike Hawker's Office

Section 1: Repeals Section 3 and 5 of ch. 52, SLA 2006 (HB 105). Section 3 reinserted the statute as it existed before passage of HB 105; Section 5 repealed the new section added by HB 105.

Section 2: Repeals Section 7 of ch. 52, SLA 2006 (HB 105), which provided an effective date for Section 3.

Section 3: Immediate effective date.

HB 26
Adult Dental Program Facts

Prepared by Representative Mike Hawker's Office
Information Provided by DH&SS

1. How many recipients have taken advantage of the program?

   The unduplicated count of adult Medicaid recipients receiving these services since implementation of the services on April 1, 2007 – September 30, 2008 is approximately 9,300 adults. 283 dental providers participated in the program during this time period.

2. How much has been expended so far?

   The expenditure information on preventative and restorative dental services for adult Medicaid recipients (in thousands of dollars) is:
   Fiscal Year 2007 (4th Quarter): $418.5
   Fiscal Year 2008: $4,640.5

   Providers have up to 12 months to submit Medicaid claims and the listed expenditures are based on the date the claims are paid.

3. What services were the funds spent on?

   The expenditures for categories of dental services for the period of April 1, 2007 – September 30, 2008 are:

   - Fillings (1 and 2 surface amalgam and resin restorations): 9,313 procedures - $1,015.196

   - Root canal therapy on permanent teeth: 1,027 procedures (including 289 on front teeth) - $435,412. *These are situations that would have often resulted in extracting teeth under the previous Medicaid Adult Dental program, which was limited to emergent care.*

   - Dentures (includes full & partial dentures): 2,343 procedures - $2,227,288. *Please note that the Medicaid program restricts denture coverage to every five years for adults, however procedures to adjust the fit of the dentures would be covered. The denture procedures and expenditures listed do not include repairs and/or adjustments to dentures.*

     Since providers have up to 12 months to submit Medicaid claims, these figures are based on claims that were processed by the 2nd week of November 2008 and could change based on future claims.

Adult Dental

New Adult Dental Services

On March 29, 2007, Alaska's Medicaid for adults began covering $1,150 worth of preventive dental care, such as exams and cleanings, each year for Alaskans 21 and older who receive Medicaid services.

New services also include fillings, root canals and dentures.

In the past, adult dental Medicaid only treated emergency pain relief and acute infection.

For a full list of new services in the state regulations passed last year authorizing the changes, click here.

The limited amount of preventive and restorative coverage, as well as limited access to dentists who accept Medicaid patients, means patients will need to

- plan carefully with their dentists what to do first, and when it can be scheduled;
- keep their appointments.

Missed appointments are a primary complaint among dentists. The state recently clarified that when dentists charge patients for missed appointments, that policy includes Medicaid patients. Medicaid will not cover the cost of missed appointments.

For help finding a dentist who takes new Medicaid patients, call the recipient helpline: 1-800-780-9972.

Funding

The state investment of $1.3 million in general funds is being matched with federal funds and $1.425 million a year from the Mental Health Trust Authority, for a total annual cost of $10.2 million, an eight-fold return on state general fund dollars.

The coverage expansion was added because infections in the mouth are no different than infections in other parts of the body. Dental infections cause pain, lost time at work and missing teeth can affect employability. Waiting for dental emergencies often results in more expensive dental care and limits the dentist's ability to address dental problems that will result in future dental emergencies.

Recommended Reading:

- press release
- fact sheet (PDF)
- letter to dentists explaining new regulations (PDF)
- state regulations authorizing the new services (PDF)

Questions:

- Recipient helpline: 1 (800) 780-9972

STATE OF ALASKA
DEPT. OF HEALTH & SOCIAL SERVICES

Alaska Commission on Aging

SARAH PALIN, GOVERNOR

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

February 2, 2009

The Honorable Representative Mike Hawker, Co-Chair
House Finance Committee
Alaska State Capitol, Room 505
Juneau, AK 99801-1182

Subject: Support for Reauthorization of the Medicaid Adult Dental Program

Dear Co-Chair Hawker:

The Alaska Commission on Aging (ACoA) encourages support of HB 26, a bill to reauthorize preventive and restorative dental services for adult Medicaid recipients, sponsored by you and co-sponsored by Representative Muñoz. Medicaid coverage for these services will sunset June 30, 2009 without legislative reauthorization.

Good nutrition is vital for health and wellness across the life span and depends on oral health. Dental pain and missing or decayed teeth can affect dietary choices for seniors that may impact overall health and wellness. Without preventive and restorative dental services, which include exams, fillings, extractions, and dentures, vulnerable older Alaskans are at risk of developing dental infections that have been associated with periodontal disease, diabetes, pneumonia, and other chronic diseases including cardiovascular disease. Currently, Medicaid dental services are limited to expensive emergency care for immediate relief of pain and acute infection, with no coverage for preventative and restorative dental care. These limited services often lead to extraction of permanent teeth.

In addition to the health issues involved, decayed or missing teeth can be a significant factor in employability or job advancement, which is of concern to all persons seeking employment, regardless of age. Preventive and restorative dental services result in fewer tooth extractions for Medicaid clients and offer increased chance of employment, according to research findings (University of California, San Francisco School of Dentistry 2004).

Preventive and restorative dental services can help prevent the progression of serious dental disease and discomfort which can result in more costly emergency care. These services promote healthy lifestyles, assist in chronic disease prevention, and help to contain future Medicaid costs for emergency dental work and other related health care problems.

Since inception on April 1, 2007 through September 30, 2008, this program has served 9,267 unduplicated persons, which includes approximately 1,800 persons aged 60 years and older, of whom 900 received dentures.

Currently, the limit for services is $1,150 per year per Medicaid beneficiary. This amount was originally used because it would pay for an exam and either an upper or lower set of dentures. We understand that the average cost for dentures has increased to $1,700 or $1,800 per set. The Commission suggests that the cap for services be reconsidered in light of the current costs for providing dental care.

ACoA supports HB 26 and believes this program to be a wise public investment that will help reduce expensive emergency dental needs and associated health care costs, and enhance health and wellness for elderly Alaskans. Please feel free to contact Denise Daniello, ACoA's executive director (465-4879), should you have any questions regarding our position. Thank you for your support of this important legislation.

Sincerely,

Sharon Howerton-Clark
Chair Alaska Commission on Aging

Sincerely,

Denise Daniello
ACoA Executive Director

CC: House HSS Committee Members
Honorable Representative Herron, Co-Chair
Representative Cissna
Representative Lynn
Representative Coghill
Honorable Representative Keller, Co-Chair
Representative Holmes
Representative Seaton

AARP Alaska
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February 25, 2009

The Honorable Wes Keller, Co-Chair
House Health and Social Services Committee
Alaska Capitol, Room 13
Juneau, AK 99801-1182

The Honorable Bob Herron, Co-Chair
House Health and Social Services Committee
Alaska Capitol, Room 415
Juneau, AK 99801-1182

RE: HB 26 (Hawker)—Support

Dear Co-Chairs Keller and Herron:

On behalf of the members of AARP in Alaska, we encourage you and your colleagues on the House Health and Social Services Committee to support HB 26, authored by Representative Mike Hawker and co-sponsored by Representatives Munoz, Gara and Kerttula.

Previously, under Alaska's Medicaid program, the only dental coverage offered adult beneficiaries was for emergency care. HB 105 offered funding, albeit annually capped at $1,150, which began to address preventive and restorative care. Now, for example, an older Alaskan on Medicaid who resides in a long term care facility and needs dentures can secure them under the program. Older persons who have dental problems, missing teeth, or are in need of dentures often have accompanying nutrition problems. These nutrition problems can exacerbate other health issues and create an overall deterioration in health status. We believe dental care is essential to quality health care. Funding for dental care should be considered sensible prevention with the long term possibility of saving Medicaid funds that would not be need to be spent on more serious health care problems resulting from poor oral health status.

Understandably, the Legislature wanted to evaluate the initial results of the program and scheduled it to sunset in June, 2009. As Representative Hawker indicates in his sponsor's statement, the program has moved adult Alaska Medicaid beneficiaries from "deferred maintenance" to "preventive maintenance." Representative Hawker's HB 26 would eliminate the sunset provision.

Of the 7,600 adults who have benefited, about 1,800 are older Alaskans, including 900 who received dentures. The average cost for care provided to a senior Alaskan in the program was $855.

The only concern we have about the program is the annual cap of $1,150. Although the average cost of a senior Alaskan was $855, we understand that the fee for an upper or lower set of dentures is now between $1,700 and $1,800. We also understand that some adult Medicaid beneficiaries have more significant oral health problems that may go considerably beyond the cap.

One of the goals of the program was to provide care that might take a Medicaid beneficiary from being among the unemployed because of missing teeth (and unable to pass an employment interview) to enabling them to secure employment and eventually getting off the Medicaid program. Some of these adults will need more oral care than can be provided under the cap.

We suggest exploring the possibility of raising the cap to enable more beneficiaries to get the total dental care they need.

AARP urges an "AYE" vote on HB 26.

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

Thank you for your consideration.

Sincerely,

Marie Darlin

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

CC: Representative John Coghill
Representative Bob Lynn
Representative Paul Seaton
Representative Sharon Cissna
Representative Lindsey Holmes
Representative Mike Hawker

Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • 825 "L" Street • http://www.muni.org

Matt Claman,
Acting Mayor

Senior Citizens Advisory Commission

February 25, 2009

The Honorable Wes Keller, Co-Chair
House Health and Social Services Committee
Alaska Capitol, Room 13
Juneau, AK 99801-1182

The Honorable Bob Herron, Co-Chair
House Health and Social Services Committee
Alaska Capitol, Room 415
Juneau, AK 99801-1182

Dear Co-Chairs Keller and Herron:

RE: HB 26 (Hawker)—Support

The Anchorage Municipal Senior Citizens Advisory Commission seeks the support of you and your colleagues on the House Health and Social Services Committee in regard to HB26 authored by Representative Mike Hawker and co-sponsored by Representatives Munoz, Gara and Kerttula. We are asking that this vital dental program be extended through FY 2010 and beyond, and that the existing cap of $1,150 be removed. This will allow the Department of Health and Social Services the flexibility to adjust the cap based on program costs and the Medicaid budget.

We know that many older persons who have dental problems, missing teeth, or are in need of dentures often have nutrition problems. This can exacerbate other health issues and create an overall deterioration in health status. We believe dental care is essential to quality health care. Funding for dental care should be considered sensible prevention with the long term possibility of saving Medicaid funds that might be used on more serious health care problems resulting from poor oral health.

Another aspect to consider is the very personal effect teeth have on a persons ability to be a part of society. Missing teeth or other obvious oral health problems tend to keep seniors isolated which can lead to depression and other health issues.

As with most medical procedures, the cost of dental care has risen since the original legislation was enacted. The cap of $1,150 no longer covers the cost of an upper or lower set of dentures. Many seniors have more significant oral health problems that might go beyond the cap.

Community, Security, Prosperity

We ask that you vote to continue this vital program and explore the possibility of raising the cap, allowing more beneficiaries to get the dental care they need.

The Commission very much appreciates your consideration of this matter

Sincerely,

Dawnia Clements, Chair
Senior Citizens Advisory Commission
6800 Louise Court
Anchorage, AK 99507
(907) 346-2064
(907) 346-4602 FAX
Ray@ak.net

CC: Representative John Coghill
Representative Bob Lynn
Representative Paul Seaton
Representative Sharon Cissna
Representative Lindsey Holmes
Representative Mike Hawker

Community, Security, Prosperity

Advisory Board on Alcoholism and Drug Abuse

abada amhb

Alaska Mental Health Board

Governor's Council on Disabilities and Special Education

Alaskan Seniors Living Longer Growing Stronger

from the Alaska Commission on Aging

The TRUST

The Alaska Mental Health Trust Authority

Reauthorize preventative and restorative dental services for adult Medicaid recipients

The Governor's Council on Disabilities and Special Education, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, and Alaska Commission on Aging, in collaboration with the Alaska Mental Health Trust Authority, jointly support the reauthorization of preventive and restorative dental services for adult Medicaid recipients. Medicaid coverage for these services will sunset June 30, 2009 without legislative reauthorization. The provisions for this reauthorization are in HB 26.

- The Department of Health and Social Services reports that approximately 7,600 adult Medicaid recipients received these dental services in FY08 with 252 participating dental providers.
- The American Dental Association recommends adult preventive and restorative dental services be included in all state Medicaid programs, and as former U.S. Surgeon General C. Everett Koop stated, "You're not healthy without good oral health."[i]
- Trust beneficiaries continue to list dental services as a priority unmet health needs.
- Dental pain, missing and decayed teeth and infection can affect employment and job advancement, contribute to missed work, dietary choices for seniors, and complicate management of other chronic diseases.[ii]
- Individuals on public assistance who receive rehabilitative dental treatment (including fillings, extractions, and dentures) were ". . . twice as likely to receive favorable or neutral employment outcomes as they were to receive unfavorable outcomes."[iii]
- Dental infections due to periodontal disease have been associated with adverse pregnancy outcomes (e.g., pre-term births)[iv], management problems for individuals with diabetes, risks for pneumonia in nursing homes, and other chronic diseases including cardiovascular disease.[v]
- The bacteria involved with the dental decay process are typically passed parent to child. Part of the efforts to reduce dental decay in young children relates to reducing the level of dental infection in the caregiver.[vi] Additionally, parents with dental coverage are more likely to access dental services for their children.
- The coverage of preventive and restorative dental care for adult Medicaid recipients along with necessary behavioral changes, over the long term, offer the potential for

reduced utilization of emergent dental services (e.g., accessing the hospital emergency room for management of a dental infection).

Supporters: AARP-Alaska, Alaska Public Health Association, Alaska Dental Society All-Alaska Pediatric Partnership, ANTHC and Alaska Primary Care Association.

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[i] Oral Health America, http://www.oralhealthamerica.org/whoweare.html, noting quote from C. Everett Koop, former U.S. Surgeon General.

[ii] Association of State and Territorial Health Officials (ASTHO), "The oral health and chronic disease connection", available at: http://www.astho.org/templates/display_pub.php?pub_id=327, May 2002.

[iii] "Dental Treatment Highly Effective in Helping Welfare Recipients Gain Employment", University of California – San Francisco School of Dentistry", press release, March 10, 2004.

[iv] Lieff S, Hared H, McKaig R, et al., "Periodontitis and Preterm Low Birth Weight in Pregnant Women", *Journal of Dental Research*, 2000; 79(supplemental):608.

[v] U.S. Department of Health and Human Services (USDHHS), *Oral Health in America: A Report of the U.S. Surgeon General*, USDHSS, National Institute of Dental and Craniofacial Research, National Institutes of Medicine, 2000.

[vi] Berkowitz, RJ, "Causes, treatment and prevention of early childhood caries: a microbiologic perspective", *Journal of the Canadian Dental Association*, 69(5):304-307b, 2003.

Alaska Commission on Aging
KEY POINTS TO KNOW ABOUT:

Continuation of the Medicaid Adult Dental Program

February 2009

Issue:

The Alaska Commission on Aging was a strong proponent of the original 2006 legislation which added preventive and restorative dental care to the palette of services available to adult Medicaid recipients. At the time, we realized that many low-income seniors were living with a variety of painful, destructive dental problems because they could not afford to pay for routine dental exams or dentures.

Prior to implementation of this program in 2006, dental services for Medicaid recipients were limited to expensive emergency care for relief of pain and acute infection only – often leading to extraction of permanent teeth. Waiting for dental emergencies resulted in more expensive dental care and limited the dentist's ability to address problems that would result in future dental emergencies.

While much of the focus on tooth decay concentrates on children, adults remain at high risk for dental decay, especially elderly and other adults on certain medications or undergoing cancer treatments that decrease saliva output. Studies have also shown the link between oral health and chronic diseases such as diabetes and cardiovascular disease. For seniors, the inability to properly chew food due to poor dentition leads to chronic malnutrition and its many consequences for health. Furthermore, those with ill-fitting dentures, missing teeth, no dentures, and other disfiguring dental problems may avoid the social engagement that is so essential to maintaining mental and physical health for seniors.

Program statistics for the period April 1, 2007 through September 30, 2008 indicate the following:

- Approximately 1,800 seniors were served by this program, comprising 19.4 percent of all those served.
- Approximately 900 seniors received dentures under the program, 38.6 percent of the total persons who received dentures.
- Expenses for seniors totaled 24.6 percent of program expenses.
- The average cost for care provided to a senior on the program was $855.

Recommendation:

Re-authorize the Medicaid Adult Dental Program. Continue this beneficial program, which supports the health of low-income seniors and others.

Alaska Primary Care Association

"...uncompromising in the pursuit of access to primary care for all Alaskans."

The Honorable Representative Hawker
Alaska State House of Representative
State Capitol, Room 505
Juneau, Alaska 99801-1182

Re: Support for Medicaid for Adult Dental Services – HB 26

February 25, 2008

Dear Representative Hawker,

The Alaska Primary Care Association (APCA) represents 26 health care organizations and 141 non-profit Community Health Centers (CHCs), as well as other safety net providers throughout Alaska. In 2008, our sites provided primary healthcare to over 80,000 Alaskans from across the state.

The APCA supports repealing the repeal of preventative and restorative adult dental services reimbursement under Medicaid. The APCA knows that access to preventative dental services improve health outcomes and reduce overall health care costs. Oral health is critical for overall health and adults in the Medicaid program receiving access to dental services reduces the likeliness that they will develop more expensive and acute dental problems.

We appreciate your hard work and service to Alaskans and support your efforts to expand access to health care for all Alaskans.

Respectfully,

Regan Mattingly
State Affairs Coordinator

Shelley S. Hughes
Government Affairs Director

Alaska Primary Care Association
903 W Northern Lights Blvd, Suite 200
Anchorage, AK 99503

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LAWS OF ALASKA

2006

Source
SCS CSHB 105(FIN)

Chapter No.
_____

AN ACT

Relating to coverage for adult dental services under Medicaid; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1

AN ACT

Relating to coverage for adult dental services under Medicaid; and providing for an effective date.

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

PURPOSE; INTENT. (a) The purpose of this Act is to increase adult dental care services for an eligible recipient of Medicaid under AS 47.07 to ensure that services critical to a recipient are implemented first, while controlling the overall growth of the costs of the increase in services.

(b) It is the intent of the legislature that the Department of Health and Social Services implement the increase in adult dental care services authorized by this Act through the adoption of regulations consistent with the department's obligation to contain the costs of the increased services in order to provide the services within appropriation limits. It is further the intent of the legislature that the Department of Health and Social Services implement

mechanisms to contain costs, which may include establishing a maximum amount of benefits for each eligible recipient in a fiscal year for the services and specifying the scope of the services.

*** Sec. 2.** AS 47.07 is amended by adding a new section to read:

Sec. 47.07.067. Payment for adult dental services. (a) Subject to appropriation, the department shall pay for minimum treatment and for preventative and restorative adult dental services provided under AS 47.07.030(b) and under regulations adopted by the commissioner in conformity with applicable federal requirements and this chapter. Regulations adopted under this section must include the following:

(1) a maximum amount of benefits for preventative and restorative adult dental services of $1,150 for each eligible recipient in a fiscal year; and

(2) specification of the scope of coverage for preventative and restorative adult dental services.

(b) On or before June 30 of each year, the department shall review appropriations available for the purposes of this section for the following fiscal year, and estimate the scope of services to be used and the number of eligible recipients anticipated to be served during the following fiscal year. Notwithstanding the maximum amount of benefits specified in (a)(1) of this section, the department shall reduce, by regulation, the specified maximum amount of benefits for the following fiscal year if the department's estimates under this subsection would exceed appropriations available for that fiscal year.

(c) Notwithstanding any contrary provision of AS 44.62, the department may adopt emergency regulations to implement (b) of this section.

(d) As used in this section, "minimum treatment" means the application or prescription of a medication or material deemed necessary by a licensed dentist for the immediate relief of pain or to reduce the spread of infection.

*** Sec. 3.** AS 47.07.900 is amended by adding a new paragraph to read:

(20) "adult dental services" means minimum treatment for the immediate relief of pain and acute infection provided by a licensed dentist.

*** Sec. 4.** AS 47.07.900(1) is repealed.

* **Sec. 5.** AS 47.07.067, as added in sec. 2 of this Act, is repealed June 30, 2009.

* **Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: REGULATIONS. The Department of Health and Social Services may proceed to adopt regulations necessary to implement the changes made by this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of the statutory changes.

* **Sec. 7.** Section 3 of this Act takes effect July 1, 2009.

* **Sec. 8.** Section 6 of this Act takes effect immediately under AS 01.10.070(c).

* **Sec. 9.** Except as provided in secs. 7 and 8 of this Act, this Act takes effect July 1, 2006.

HB

36

<target><bill>HB 36</bill><subject>HB
36</subject><comm>SFIN26</comm></target>

1993

ALASKA STATE LEGISLATURE

REPRESENTATIVE KYLE JOHANSEN
MAJORITY LEADER

SPONSOR STATEMENT – HOUSE BILL 36

Alaska's lawmaking process is highly public and strives to be transparent. Shown by the passage of an omnibus ethics bill in 2006, Alaskan voters want to know who is contributing to candidate campaigns. Initiative-created law has the same authority and effect as law created by elected officials; therefore voters should be allowed to know who is making law through the initiative process. House Bill 36, also known as the Open and Transparent Initiative Act (OTIA), seeks to identify people and/or groups who financially contribute to initiative campaigns by requiring disclosure earlier in the process than is currently required. These guidelines are similar to those imposed upon elected officials. In addition, OTIA mandates that the Lieutenant Governor hold at least 2 public hearings in each judicial district, restricts the use of per-signature commission, and requires all of the language of a proposed ballot measure be published in the petition booklets so potential signers have the opportunity to read all of the language rather than a short summary.

Initiative committees in Alaska are not held to a high enough disclosure standard. There are loopholes in the current disclosure process that allow groups to hide contributors. There are signature-gathers without accountability. There is a lack of public hearings and input. There is financial information that is not disclosed until after the election. These shortcomings are not acceptable, and the Open and Transparent Initiative Act seeks to close these loopholes, repair the initiative process, and restore the faith of Alaskans in our election process.

Session: State Capitol, Juneau, AK 99801-1182 • (907) 465-3424 • Fax (907) 465-3793
Interim: 50 Front Street, Suite 203, Ketchikan, AK 99901 • (907) 247-4672 • Fax (907) 225-8546
Coffman Cove • Hollis • Ketchikan • Meyers Chuck • Saxman • Thorne Bay

ALASKA STATE LEGISLATURE

REPRESENTATIVE KYLE JOHANSEN
MAJORITY LEADER

SECTIONAL ANALYSIS – HOUSE BILL 36
Version C.A

Section 1. Requires an individual, person, non-group entity, or group that contributes a total of $500 or more to a group organized for the principal purpose of influencing a bill proposed for inclusion on the ballot as an initiative under AS.15.45.020, to report the individual's, person's, non-group entity's, or group's contribution or contributions on a for prescribed by the Alaska Public Offices Commission (APOC) not later than 30 days after the contribution is made.

Section 2. Provides that each person other than an individual shall register with APOC before making an expenditure in support or opposition to a proposed initiatives bill filed with the lieutenant governor under AS 15.45.020.

Section 3. Requires a group to include the name of an initiative in the name of their group if they intend to spend more than 50 percent of their funds towards a single initiative on the ballot.

Section 4. Expands the meaning of "proposition" under AS 15.13.065(c) to include an initiative proposal application filed with the lieutenant governor under AS 15.45.020.

Section 5. Conforms subsection AS 15.13.110 (e) to the enhanced initiative reporting requirements found in the bill's section 6.

Section 6. Establishes new reporting requirements for initiative committees, persons, groups, or non-group entities making certain contributions or expenditures in support or opposition to an initiative proposal application filed with the lieutenant governor under AS 15.45.020 or an initiative that has been approved for placement on the ballot.

Section 7. Expands the definition of "contribution" applicable to state election campaigns to include certain purchases, payments, promises, or obligations to pay, loans or loan guarantees, deposits or gifts of money, goods, or services for which a charge is ordinarily made that is made for the purpose of supporting or opposing an initiatives proposal application filed with the lieutenant governor under AS 15.45.020.

Session: State Capitol, Juneau, AK 99801-1182 • (907) 465-3424 • Fax (907) 465-3793
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Section 8. Expands the definition of "expenditure" applicable to state election campaigns to include certain purchases or transfers of money or anything of value, or promises or agreements to purchase or transfer money or anything of value, incurred or made for the purpose of supporting or opposing an initiative proposal application filed with the lieutenant governor under AS 15.45.020.

Section 9. Changes the definition of group to include those organized to file an initiative proposal application under AS 15.45.020.

Section 10. Echoes 15.45.040 in saying that if an initiative is not confined to a single subject, it will not be certified for the ballot.

Section 11. Requires that each initiative petition contains a copy of the proposed initiative bill.

Section 12. Requires that the Lieutenant Governor (1) hold hearings in each judicial district of the State and (2) provide reasonable notice of each public hearing. Provides a time frame for the Lieutenant Governor to hold public hearings, which is after the measure is to appear on the ballot and at least 30 days prior to the election.

Section 13. Requires an election pamphlet to be prepared and mailed to each household for any special election at which a ballot proposition is scheduled to appear on the ballot.

Section 14. Provides that an election pamphlet for a special election at which a ballot measure is scheduled to appear on the ballot shall contain (1) the full text of the measure, (2) the ballot title and summary of the proposition, (3) a statement of the costs to the state of implementing the law proposed in the initiative, (4) a neutral summary of the proposition, (5) statements submitted that advocate voter approval or rejections of the proposition not to exceed 500 words, and (6) any additional information on voting procedures that the lieutenant governor considers necessary.

Section 15. Requires a standing committee of the legislature review initiatives that the lieutenant governor has approved for placement on the ballot.

Section 16. Provides that the provisions of the Act apply to an initiative proposed by filing an application with the lieutenant governor under AS 15.45.020 on or after the effective date of the Act.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/18/10

Finance Committee considered CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 36(FIN) am

HB 36 INITIATIVES: CONTRIBUTIONS/ PROCEDURES

"An Act relating to ballot initiative proposal applications, to ballot initiatives and to those who file or organize for the purpose of filing a ballot initiative proposal, and to election pamphlet information relating to certain propositions."

and recommends:

[ ] be **replaced** with [X] **SCS** or [ ] **CS** CS SS HB 36 (JUD)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
GOV	2/8			✓	2
GOV	3/12			✓	3
ADM	2/9	✓			5

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	HUGGINS	X			
	THOMAS			✓	
	EGAN	X			
	OLSON			✓	
	ELLIS		X		
CO-CHAIR:		✓			
CO-CHAIR:				✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: SCS CSSSHB 36(JUD)
(S) Publish Date: 4/18/10

Identifier (file name): SSHB036-DOA-APOC-02-09-10
Dept. Affected: Administration
Title "An Act relating to ballot initiative applications and to ballot initiatives..."
RDU AK Public Offices Commission
Component AK Public Offices Commission
Sponsor Reps. JOHANSEN, MILLETT, WILSON, Johnson
Requester (H) JUD
Component Number 70

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	32.7		32.7	32.7	32.7	32.7	32.7
Travel							
Contractual	25.0						
Supplies							
Equipment	2.5						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**60.2**	**0.0**	**32.7**	**32.7**	**32.7**	**32.7**	**32.7**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	60.2		57.7	57.7	57.7	57.7	57.7
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**60.2**	**0.0**	**57.7**	**57.7**	**57.7**	**57.7**	**57.7**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time	1		1	1	1	1	1
Temporary							

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

This bill would impact the Alaska Public Offices Commission (APOC) through changes to regulations, changes to the electronic filing program and increased workload for staff. Changes to regulations could be incorporated into a proposed contract to draft regulations at little or no increased cost. To the extent that the regulations expand reporting of contributions to groups supporting ballot initiative proposal applications, this would require changes to the existing reporting forms and to the proposed format of the electronic filing system (Insight). Contractual funds are included to analyze programming changes to the Insight program that would be included in the FY12 Capital budget. Requiring that groups sponsoring ballot initiative proposal applications file earlier than currently required would generate increased filings and customer assistance, increasing staff workload. This increment includes 1 PPT (range 13, Law Office Assistant II) with computer and furniture.

Prepared by: Holly Hill, Director
Phone (907) 334-1726
Division Alaska Public Office Commission
Date/Time 2/9/10 12:00 PM
Approved by: Rachael Petro, Deputy Commissioner
Date 2/9/2010
Department of Administration

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSSSHB 36(FIN)
(H) Publish Date: 3/19/10

Identifier (file name): SSHB036-OOG-LtGOV-3-12-10
Dept. Affected: OOG
Title "An Act relating to ballot initiative proposal applications and to ballot initiatives."
RDU Executive Operations
Component Lt. Governor's Office
Sponsor Representatives Johansen, Millet, Wilson and Johnson
Requester House Finance
Component Number 11

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

The bill requires the lieutenant governor or designee to convene two or more public hearings in each judicial district and to provide consistent and reasonable notice of the hearings. The Office of the Lieutenant Governor can perform these duties within existing budget levels.

Prepared by: Linda Perez, Director
Phone 465-3876
Division Administrative Services
Date/Time 3/12/2010 5:00:00PM
Approved by: John Cramer, Chief of Staff
Date 3/12/2010
Lt. Governor's Office

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSSHB 36(FIN)
(H) Publish Date: 3/19/10

Identifier (file name): HB036CSSS(JUD)-OOG-DOE-2-8-10
Dept. Affected: OOG
Title: An Act relating to ballot initiative proposal applications and to ballot initiatives
RDU: Elections
Component: Elections
Sponsor: Representatives Johansen, Millett, Wilson and Johnson
Requester: House Finance Committee
Component Number: 21

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This legislation will have no fiscal impact on the division of elections.

Prepared by: Gail Fenumiai, Director — Phone 465-4611
Division: Division of Elections — Date/Time 2/8/10, 9:07am
Approved by: Linda Perez, Director — Date 2/8/2010
Division of Administrative Services

(Revised 10/13/2009 OMB)

LEGAL SERVICES

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

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FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM February 25, 2010

SUBJECT: Questions relating to CSSSHB 36(JUD)
(Work Order 26-LS0197\S)

TO: Representative Bill Stoltze
Co-Chair of the House Finance Committee
Attn: Ben Mulligan

FROM: Alpheus Bullard
Legislative Counsel

You have asked three questions relating to the above-described bill.

1. Would a ban on paying ballot initiative circulators per signature be upheld by an Alaska Court?

The pay-per-signature prohibition contained in CSSSHB 36(JUD)[1] would, as drafted, likely be upheld by a state court against a challenge under the First Amendment.

---

[1] Section 10 of CSSSHB 36(JUD) amends AS 15.45.110(c) to read:

> (c) A circulator may not receive payment or agree to receive payment [THAT IS GREATER THAN $1 A SIGNATURE], and a person or an organization may not pay or agree to pay an amount**, based on the number of registered voters who sign a petition. This subsection does not prohibit a person or an organization from employing a circulator and**
>
> **(1) paying an hourly wage or salary;**
>
> **(2) establishing express or implied minimum signature requirements for the circulator;**
>
> **(3) terminating the petition circulator's employment if the circulator fails to meet certain productivity requirements; or**
>
> **(4) paying discretionary bonuses based on the circulator's reliability, longevity, and productivity** [THAT IS GREATER THAN $1 A SIGNATURE, FOR THE COLLECTION OF SIGNATURES ON A PETITION].

The circulation of initiative petitions involves core political speech, and is, therefore, protected by the First Amendment. The United States Supreme Court held in Meyer v. Grant, 486 U.S. 414 (1988), that a complete prohibition against paying petition circulators limited core political speech and severely burdened sponsors' First Amendment rights by (1) limiting the number of voices who could convey the petition sponsors' message, (limiting the size of the audience the sponsors would reach), and (2) making it less likely that the initiative petition's sponsors would garner the number of signatures necessary to place the matter on the ballot (limiting the sponsors' ability to make the matter the focus of statewide discussion). Id. at 423 - 424. Similarly, a prohibition against paying election-related petition circulators on any other basis than time worked was also found to create a severe burden on political speech in Citizens for Tax Reform v. Deters, 518 F.3d 378 (U. S. App. 6th Cir. 2008).

If the pay-per-signature prohibition in this bill is challenged, an Alaska court will review the evidence presented to determine the weight of the burden placed on initiative sponsors by the prohibition, and whether the state's interests justify the prohibition.[2] The bill's proposed prohibition prohibits only the "per-signature" method of paying petition circulators. It does not prevent initiative sponsors from establishing express or implied minimum signature requirements for the circulator, terminating the petition circulator's employment if the circulator fails to meet certain productivity requirements, or paying discretionary bonuses based on the circulator's reliability, longevity, and productivity. Because the prohibition is narrowly drafted to prohibit only a specific form of payment, it is likely to be interpreted by a court as imposing a lesser burden on the political speech of petition sponsors than the prohibitions at issue in Meyer or Citizens for Tax Reform. Like an Oregon prohibition against paying initiative circulators by the signature upheld in

---

[2] In Timmons v. Twin Cities Area New Party, 520 U.S. 351 (1997), the Supreme Court established the relevant framework for a court to employ in resolving these competing interests:

> When deciding whether a state election law violates First and Fourteenth Amendment associational rights, we weigh the character and magnitude of the burden the State's rule imposes on those rights against the interests the State contends justify that burden, and consider the extent to which the State's concerns make the burden necessary. Regulations imposing severe burdens on plaintiffs' rights must be narrowly tailored and advance a compelling state interest. Lesser burdens, however, trigger less exacting review, and a State's important regulatory interests will usually be enough to justify reasonable, nondiscriminatory restrictions. No bright line separates permissible election-related regulation from unconstitutional infringements on First Amendment freedoms.

Id. at 358 - 359 (internal quotation marks and citations omitted).

Prete v. Bradbury, 438 F.3d 949 (9th Cir. 2006),[3] it simply "prohibits one method of payment." Id. at 962.

2. Can the legislature limit out-of-state contributions and expenditures for initiatives in the same manner as for candidates?

No. Imposing contribution limits for ballot initiatives, or prohibiting or limiting out-of-state contributions or expenditures made in support of or in opposition to ballot initiatives, would likely be interpreted by a court as an unconstitutional burden on the freedom of speech under the First Amendment to the Constitution of the United States, and article I, section 5 of the Constitution of the State of Alaska.

Campaign finance laws have been found permissible under the First Amendment because they address the problems of political corruption, and the United States Supreme Court has deemed this a sufficient reason to restrict speech. See Buckley v. Valeo, 424 U.S. 1 (1976) (upholding, in large part, the constitutionality of the Federal Election Campaign Act of 1971). However, campaign finance statutes that apply to initiatives and referenda in the same manner as candidate campaigns have been overturned, since an expenditure or a contribution made on behalf of an initiative campaign is not believed to pose the same potential for corruption as does a contribution to a candidate. "Speech relating to ballot initiatives (where quid pro quo corruption is not a significant danger) is entirely protected." State v. Alaska Civil Liberties Union, 478 P.2d 597, 606 - 607 (Alaska 1999). "[B]allot initiatives do not involve the risk of '*quid pro quo*' corruption present when money is paid to, or for, candidates." Buckley v. American Constitutional Law Foundation, 525 U.S. 182 (1999), citing Meyer v. Grant, 486 U.S. 414 (1988), citing First National Bank of Boston v. Bellotti, 435 U.S. 765, 786 (1978). Absent the threat of quid pro quo corruption, a court is unlikely to support any limitation on contributions and expenditures relating to an initiative no matter which state the contribution or expenditure is made from.[4]

---

[3] In this case, an Oregon court upheld an initiative pay-per-signature prohibition using the Timmons framework. The court examined the effect of the prohibition on (1) the pool of petition circulators, (2) the cost of gathering signatures, and (3) the invalidity rate of the signatures gathered. The court found that the prohibition did not severely burden initiative sponsors' speech because it (1) did not limit the pool of circulators, (2) restrict the size of the sponsors' potential audience, or (3) make it any less likely that the sponsors would be able to gather the necessary number of signatures to place their initiative on the ballot, and that this lesser burden was justified by the state's important regulatory interest in preventing fraud and its appearances in its electoral processes.

[4] A federal law, 2 U.S.C. 441(e), already prohibits a foreign national, directly or indirectly, from making a contribution or donation of money or other thing of value in connection with a federal, state, or local election.

3. Does CSSSHB 36(JUD)'s public hearing requirement create a constitutional issue?

The bill's public hearings requirement would present a constitutional problem if it burdened the First Amendment rights of an initiative proponent or an initiative opponent. However, nothing in the provision appears to either burden the speech of an initiative supporter or opponent.

The bill requires the lieutenant governor, or a designee of the lieutenant governor, to hold two or more public hearings concerning the initiative in each judicial district of the state.[5] Each hearing must include the written or oral testimony of one supporter of the initiative and one opponent of the initiative. No initiative proponent or opponent is required to appear. The hearings provide an opportunity for the public to hear testimony from a person supporting the initiative and a person opposing the initiative. Neither an initiative proponent nor opponent is required to participate. If an initiative proponent or opponent does desire to participate in a hearing held under the provision, the individual need not bear the costs and difficulties of attending the hearings, because the provision allows for testimony to be presented telephonically or in writing. No person's First Amendment right to speak on an initiative is burdened by the provision's hearing requirement.

If you have further questions, please do not hesitate to contact me.

TLAB:plm:ljw
10-073.plm

[5] There are four judicial districts in the state.

Initiative and Referendum in the 21st Century

Final Report and Recommendations of the NCSL I&R Task Force

NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

William T. Pound, Executive Director

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Denver, Colorado 80202
(303) 830-2200

444 North Capitol Street, N.W., Suite 515
Washington, D.C. 20001
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July 2002

2005

EXECUTIVE SUMMARY

On December 7, 2001, the National Conference of State Legislatures assembled a task force to review the growing use of initiatives and referendums around the country and to examine their effect on representative democracy at the state level.

The Initiative and Referendum Task Force found that opportunities for abuse of the process outweigh its advantages and does not recommend that states adopt the initiative process if they currently do not have one.

The task force also developed recommendations that would enable initiative states to make their processes more representative. For states that are intent upon adopting an initiative process, the task force offers a set of guidelines to enhance the process and to avoid many of the pitfalls currently experienced by the initiative states. The task force urges such states to consider giving preference to a process that encourages citizen participation without enacting specific constitutional or statutory language—specifically, the advisory initiative or the general policy initiative.

The 34 recommendations contained in this report acknowledge that the initiative process has outgrown the existing laws that govern it. After listening to expert testimony from a wide variety of witnesses and compiling data from all 50 states, the task force concluded that the initiative has evolved from its early days as a grassroots tool to enhance representative democracy into a tool that too often is exploited by special interests. The initiative lacks critical elements of the legislative process and can have both intended and unintended effects on the ability of the representative democratic process to comprehensively develop policies and priorities.

As a result, the task force suggests that initiative states reform drafting, certification, signature-gathering and financial disclosure statutes; adhere to single subject rules; and improve practices regarding voter education. It also recommends that initiatives be allowed only on general election ballots.

It is the task force's intent that the discussion and adoption of the reforms in this report lead to a more thoughtful lawmaking process, improve interaction between initiative proponents and legislatures, and ultimately produce better public policy and reinforce representative democracy.

2006

TASK FORCE RECOMMENDATIONS

The following 34 recommendations were adopted unanimously at the final meeting of the NCSL Initiative and Referendum Task Force in Denver, Colorado, on April 26-27, 2002.

The task force does not recommend that states that currently do not have an initiative process adopt one. The task force believes that representative democracy is more desirable than the initiative. The disadvantages of the initiative as a tool for policymaking are many, and the opportunities for abuse of the process outweigh its advantages. However, if a state is intent upon adopting an initiative process, the first four recommendations lay out the task force's view of an effectively structured process.

The remaining recommendations deal with specific elements of the initiative process and are intended as guidelines to improve existing procedures. The task force believes that the adoption of these recommendations will improve the initiative process to the benefit of both state government and voters and will result in improved public policy making via the initiative.

General Recommendations Regarding the Initiative Process

Recommendation 1.1: States that are considering adopting an initiative process should give preference to one that encourages citizen participation without enacting specific constitutional or statutory language. Specifically, states should consider:

A. First, adopting the advisory initiative; or
B. In the alternative, adopting the general policy initiative.

Recommendation 1.2: If states wish to adopt an initiative process and neither the advisory initiative nor the general policy initiative are adopted, they should adopt an indirect initiative process.

Recommendation 1.3: If states adopt a direct initiative process, they should adopt only a statutory initiative process, not a constitutional amendment initiative process.

Recommendation 1.4: If states adopt a constitutional amendment initiative process, they also should adopt a statutory initiative process.

Involving the Legislature in the Initiative Process

Recommendation 2.1: States that currently have a direct initiative process should consider adopting an indirect process as well, and provide incentives to encourage its use.

2007

Recommendation 2.2: After a specified percentage of signatures has been gathered for an initiative petition, the legislature should provide for public hearings on the initiative proposal.

Recommendation 2.3: When appropriate, the legislature should place an alternative legislative referral on the ballot with an initiative that appears on the ballot.

The Subject Matter of Initiatives

Recommendation 3.1: States should encourage the sponsors of initiatives to propose them as statutory initiatives when possible, rather than as constitutional amendments.

Recommendation 3.2: States should adopt the single subject rule to enhance clarity and transparency in the initiative process.

Recommendation 3.3: If an initiative measure is rejected by voters, states should prohibit an identical or substantially similar initiative measure from appearing on the ballot for a specified period of time.

The Drafting and Certification Phase

Recommendation 4.1: States should require a review of proposed initiative language by either the legislature or a state agency. The review should include non-binding suggestions for improving the initiative's technical format and content, and should be considered public information.

Recommendation 4.2: States should require the drafting and certification of a ballot title and summary for each initiative proposal. Ballot titles must identify the principal effect of the proposed initiative and must be unbiased, clear, accurate, and written so that a "yes" vote changes current law.

Recommendation 4.3: States should require the drafting of a fiscal impact statement for each initiative proposal. The statement should appear on the petition, in the voter information pamphlet, and on the ballot.

Recommendation 4.4: States should establish a review process and an opportunity for public challenge of technical matters, including adherence to single subject rules, and ballot title, summary and fiscal note sufficiency, to be made prior to the signature-gathering phase.

The Signature Gathering Phase

Recommendation 5.1: States should require that initiative proponents file a statement of organization as a ballot measure committee prior to collecting signatures. States should void any signature that is gathered before a statement of organization is filed.

Recommendation 5.2: States should provide for safeguards against fraud during the signature gathering process. Safeguards should include:

A. Prohibiting the giving or accepting of money or anything else of value to sign or not sign a petition.
B. Requiring a signed oath by circulators, stating that the circulator witnessed each signature on the petition and that to the best of the circulator's knowledge, the signatures are valid.
C. Requiring circulators to disclose whether they are paid or volunteer.

Recommendation 5.3: States should provide for an adequate but limited time period for gathering signatures. The deadline for submission should allow a reasonable time for verification of signatures before the ballot must be certified.

Recommendation 5.4: States should establish a limit on the length of time that verified signatures are valid.

Recommendation 5.5: States should require a higher number of signatures for constitutional amendments than is required for statutory initiatives.

Recommendation 5.6: To achieve geographical representation, states should require that signatures be gathered from more than one area of the state.

Recommendation 5.7: Each state should establish a uniform process for verifying that the required number of valid signatures has been gathered.

Voter Education

Recommendation 6.1: States should provide to the public a manual describing the initiative and referendum process.

Recommendation 6.2: States should encourage public education and discussion about measures on the ballot.

Recommendation 6.3: States should produce and distribute a voter information pamphlet containing information about each measure certified for the ballot.

Recommendation 6.4: In addition to a printed voter information pamphlet, states should consider alternative methods of providing information on ballot measures, such as the Internet, video and audio tapes, toll-free phone numbers, and publication in newspapers.

Financial Disclosure

Recommendation 7.1: States should require financial disclosure by any individual or organization that spends or collects money over a threshold amount for or against a ballot measure.

Recommendation 7.2: After a title has been certified for an initiative measure, states should require that proponents and opponents of the initiative measure file a statement of organization as a ballot measure committee prior to accepting contributions or making expenditures.

2009

Recommendation 7.3: States should make the disclosure requirements for initiative campaigns consistent with the disclosure requirements for candidate campaigns.

Recommendation 7.4: States should prohibit the use of public funds or resources to support or oppose an initiative measure. This should not preclude elected public officials from making statements advocating their position on an initiative measure.

Voting on Initiatives

Recommendation 8.1: States should allow initiatives only on general election ballots.

Recommendation 8.2: States should adopt a requirement that creates a higher vote threshold for passage of a constitutional amendment initiative than for passage of a statutory initiative.

Recommendation 8.3: States should require that any initiative measure that imposes a special vote requirement for the passage of future measures must itself be adopted by the same special vote requirement.

Recommendation 8.4: States should ensure that statutory initiative measures require the same vote threshold for passage that is required of the legislature to enact the same type of statute.

Recommendation 8.5: States should adopt a procedure for determining which initiative measure prevails when two or more initiative measures approved by voters are in conflict.

2010

INTRODUCTION

Initiative and referendum operated quietly in the background of state politics for much of the 20th century, but during the last decade, it has come back into vogue. More initiatives are circulated, more make it to the ballot, and more money is spent in the process than ever before. Consider the numbers: 183 statewide votes on initiatives in the 1970s, 253 in the 1980s, and 383 in the 1990s, more than double the total from the 1970s. California alone accounts for 130 of the total 819 measures during that 30-year period; Oregon can claim 107. Between them, these two states account for nearly 30 percent of all initiatives from 1970 to 1999. It is no wonder that people in California and Oregon are beginning to voice concerns about the initiative process.

Initiative advocates say the resurgence of the initiative is good for states—it means citizens are using it as a tool to implement new laws and reforms that the legislature is unable or unwilling to enact. Besides accomplishing policy change, supporters also say that initiatives increase citizen involvement with government—people are not only more aware of state policy issues, but they are also more likely to vote. For these reasons, movements have begun to establish an initiative process in some of the states that currently do not have such a process.

However, in some states where the initiative is heavily used, there is growing public frustration with initiatives, and some people are beginning to speak out against the process. Legislatures are struggling to find ways to prevent fraud in the signature-gathering process; disclose information about who pays for initiative campaigns; and add flexibility to the process to accommodate more debate, deliberation and compromise than presently exists. Equally concerning to many is the disadvantage that, unlike our legislatures' process of representative government, decisions made through the initiative process do not provide an opportunity to accommodate minority interests. Most importantly, initiatives ask voters to make simple yes-no decisions about complex issues without subjecting the issue to detailed expert analysis and without asking voters to balance competing needs with limited resources. In short, the initiative affects the ability of representative democracy to develop policies and priorities in a comprehensive and balanced manner.

The problems with the initiative process are not easy to solve for a number of reasons. The courts have made it difficult to regulate both petition circulators and initiative campaign finance, and almost any reform can be a difficult political issue because proponents of the initiative generally are hostile to legislative attempts to change the process.

2011

The initiative is a vital and popular part of democracy in half the states (refer to appendix A for a list of initiative states), but it is clear that the initiative has outgrown the existing state laws governing it. NCSL's Initiative and Referendum Task Force set out to first gather the facts and data necessary to paint an accurate picture of how the initiative process works in each state. It identified and focused on problems in the process, then considered ways that the process might be made more open and flexible. The task force feels strongly that the changes it recommends in the initiative process would equally benefit both voters and the legislative process, and that, in the end, a reformed initiative process might produce better public policy.

The task force met three times during a five-month period. Meetings were held on:

- December 7-8, 2001, in Washington, D.C.;
- February 8-9, 2002, in Washington, D.C.; and
- April 26-27, 2002, in Denver, Colorado.

The task force took great care to ensure that it heard testimony from experts and activists on a wide array of issues and from as many points of view as possible. Presenters included both supporters and critics of the initiative process, citizens who use the initiative process, and election administrators. The experts who testified before the task force were:

David Broder, *Washington Post*, Washington, D.C.;
Lois Court, Save our Constitution, Colorado;
Neal Erickson, Office of the Secretary of State, Nebraska;
Wayne Pacelle, Humane Society of the United States, Washington, D.C.;
John Perez, Speaker's Commission on the California Initiative Process, California;
Honorable Joe Pickens, State Representative, Florida;
Larry Sokol, Speaker's Commission on the California Initiative Process, California;
M. Dane Waters, Initiative and Referendum Institute, Washington, D.C.; and
Joseph F. Zimmerman, State University of New York-Albany, New York.

In addition to the experts who testified before the task force, the task force members themselves are experts on the initiative process. The perspectives and suggestions that each member brought to the table contributed to the extensive body of knowledge the task force developed about how the initiative works around the country. Finally, the task force also relied on a wide array of written materials on the initiative process. These include reports from earlier initiative reform commissions and task forces, and the many books and academic papers that are listed in appendix B and in the reference section of this report.

The task force adopted 30 recommendations for legislatures in the initiative states that are seeking guidance on how their initiative process might be improved. Four additional recommendations are meant for states that may be thinking about adopting an initiative process. Although the task force does not recommend that non-initiative states adopt such a procedure, these four recommendations are offered for those states that have, nonetheless, made the decision to go forward.

All the recommendations were based on a set of observations and conclusions about representative and direct democracy that were adopted by the task force at its first meeting. These principles reflect the task force members' belief that it is important to carefully balance the pure democratic impulse of the initiative with the deliberative, consensus-

building practices of representative democracy. It also is the belief of task force members that the adoption of this set of recommended reforms by initiative states will lead to a more thoughtful lawmaking process, improved interaction between initiative proponents and legislatures, and ultimately, better public policy.

2013

Observations and Conclusions About Representative and Direct Democracy

Adopted by the NCSL I&R Task Force on April 27, 2002

We offer in the following observations regarding representative and direct democracy.

1. Representative democracy is the foundation of America's system of government.
2. Representative democracy has provided a stable and flexible system of government that has served America well for more than 200 years.
3. Direct democracy, as envisioned in the initiative and referendum system, was first instituted as a check on representative democracy. It was meant to enhance representative government, not to supercede or abolish it.
4. As intended by its founders, the initiative and referendum process was meant to give citizens a tool to break what they perceived as the hold of special interests over some state legislatures.
5. In most of the 24 states where it exists, the initiative is a popular part of the lawmaking process.
6. The initiative brings to the fore issues that may not receive legislative attention or final action and engages citizens in a debate of important public policy issues.

Based on these observations, we draw the following conclusions about direct democracy.

1. The initiative has evolved from its early days as a grassroots tool to enhance representative government. Today, it is often a tool of special interests.
2. The initiative process, as it exists today, lacks some of the critical elements of the representative system of government, including debate, deliberation, flexibility, compromise and transparency.

3. The initiative process does not involve all the checks and balances that representative government does.

4. The initiative can affect the ability of representative democracy to develop policies and priorities in a comprehensive and balanced manner.

5. As the initiative process and the way it is used have evolved over time, a review of the laws governing it is merited.

2015

NATIONAL CONFERENCE of STATE LEGISLATURES

The Forum for America's Ideas

Banning Payment-per-Signature for Initiative Petition Circulators

Updated May 28, 2008

It is common for initiative sponsors to pay circulators on a per-signature basis to gather petition signatures. Payments typically range from $1 to $3 per signature, and occasionally are as high as $10 per signature. Critics argue that this encourages fraud—since a circulator who collects more signatures will earn more money, circulators who are paid per signature are more likely to commit acts of fraud such as forging signatures or misrepresenting the content of the petition in order to encourage people to sign.

Presently, six states (Montana, Nebraska, North Dakota, Oregon, South Dakota and Wyoming), have laws which ban initiative sponsors from paying petition circulators per signature. Instead, they may pay a flat fee or an hourly salary. These laws have been challenged in the courts with mixed results. North Dakota and Oregon's provisions have been upheld by the U.S. 9th and 8th Circuit Courts, respectively. However, similar provisions in Idaho, Maine, Mississippi, Ohio and Washington were held unconstitutional by federal district courts. The Ohio case was upheld by the U.S. 6th Circuit Court of Appeals in March 2008.

Montana (MCA §13-27-102(2)(b))
"A person gathering signatures for the initiative, the referendum, or to call a constitutional convention...may not be paid anything of value based upon the number of signatures gathered" (2007 Mont. Laws, Chap. 481)

Nebraska (NRS §32-630(3)(g))
No person shall pay a circulator based on the number of signatures collected.
(2008 Neb. Laws, L.B. 39)

North Dakota (N.D. Cent. Code §16.1-01-12(11))
"It is unlawful for a person to...[p]ay or offer to pay any person, or receive payment or agree to receive payment, on a basis related to the number of signatures obtained for circulating an initiative, referendum, or recall petition. This subsection does not prohibit the payment of salary and expenses for circulation of the petition on a basis not related to the number of signatures obtained, as long as the circulators file their intent to remunerate prior to submitting the petitions..."
Upheld in 2001 by the U.S. 8th Circuit Court of Appeals, Initiative & Referendum Institute v. Jaeger.

Oregon (Or. Const. Art. IV §1b)
"It shall be unlawful to pay or receive money or other thing of value based on the number of signatures obtained on an initiative or referendum petition. Nothing herein prohibits payment for signature gathering which is not based, either directly or indirectly, on the number of signatures

obtained. [Created through initiative petition filed Nov. 7, 2001, and adopted by the people Nov. 5, 2002]"
Upheld in February 2006 by the U.S. 9th Circuit Court of Appeaks, Prete v. Bradbury.

South Dakota (new section added to §12-13 during the 2007 legislative session, HB 1156)
No person may employ, reward, or compensate any person to circulate a petition for an initiated measure, referred law, or proposed amendment to the South Dakota Constitution based on the number of registered voters who signed the petition. Nothing in this section prohibits any person from employing a petition circulator based on one of the following practices:
(1) Paying an hourly wage or salary;
(2) Establishing either express or implied minimum signature requirements for the petition circulator;
(3) Terminating the petition circulator's employment, if the petition circulator fails to meet certain productivity requirements; and
(4) Paying discretionary bonuses based on reliability, longevity, and productivity.
Any violation of this section is a Class 2 misdemeanor.

Wyoming (Wyo. Stat. §22-24-125)
"A circulator of an initiative or a referendum petition or a person who causes the circulation of an initiative or a referendum petition may not receive payment for the collection of signatures if that payment is based upon the number of signatures collected. Nothing in this section prohibits a circulator of an initiative or a referendum petition or a person who causes the circulation of an initiative or a referendum petition from being paid a salary that is not based upon the number of signatures collected."

Dollar-Amount Limitations on Payment per Signature

In Alaska, circulators may not be paid more than $1 per signature (AS §15.45.110(c)).

Source: National Conference of State Legislatures
May 2008
For more information, contact Jennie Drage Bowser at 303-856-1356.

Held Unconstitutional:

Idaho
Held unconstitutional in 2001 by a U.S. District Court. Idaho Coalition United for Bears v. Cenarrusa.

Maine (Me. Rev. Stat. tit. 21-A §904-A (REPEALED))
Held unconstitutional in 1999 by the U.S. District Court of Maine. On Our Terms '97 PAC v. Secretary of State of State of Maine.

Mississippi (Miss. Code Ann. §23-17-57(3))
Held unconstitutional in 1997. Term Limits Leadership Council v. Clark, 984 F.Supp. 470 (S.D. Miss. 1997)

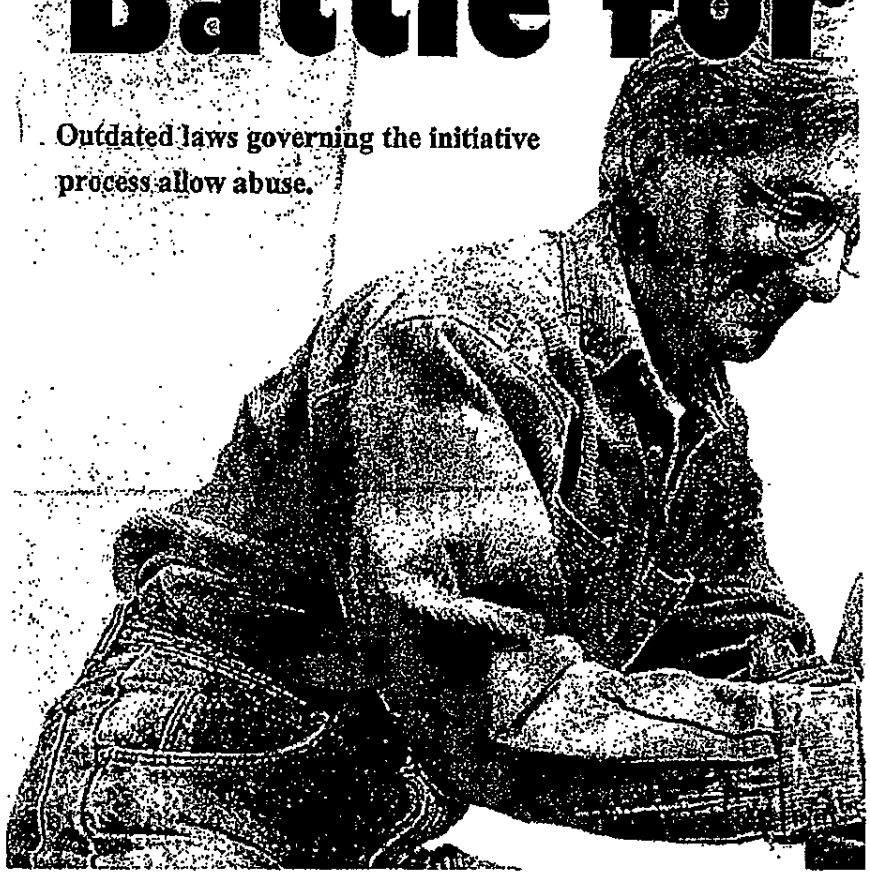
Ohio (Ohio Code §3599.111)
Made it a felony to pay petitioners in any manner except upon their time worked.
Declared unconstitutional on December 1, 2006 by a U.S. District Court Judge. Citizens for Tax Reform v. Deters, 1:05-cv-212 (Cincinnati). Upheld by the 6th Circuit Court of Appeals in March 2008.

Washington (REPEALED)
Held unconstitutional in 1994 by a federal district court, LIMIT v. Maleng.

Source: National Conference of State Legislatures
May 2008
For more information, contact Jennie Drage Bowser at 303-856-1356.

Battle for

Outdated laws governing the initiative process allow abuse.



BY JENNIE DRAGE BOWSER

One of the little-noticed stories of the 2008 election was the escalating tug-of-war between legislatures and activists over the rules governing the citizen initiative process.

The struggle has ramped up dramatically since the 2006 election. Legislatures in the 24 states that allow initiatives have shown a keen interest in improving the process ever since the use of the citizen petition to place issues on the ballot skyrocketed in the 1990s. And recent legislative activity has been higher than ever before.

States have passed about double the number of bills addressing the initiative process in the 2007-2008 biennium (a total of 47 so far, with legislatures still in session in a handful of states) compared to the previous two bienniа (22 in 2005-2006 and 32 in 2003-2004).

Why the heightened interest?

The process has changed tremendously in the past two decades. The initiative "industry"—individuals and firms that make a living from the initiative process by researching and drafting proposals, gathering signatures or campaigning for or against initiatives—has exploded. The average number of initiatives on ballots nationwide has doubled from 31 a year in the 1970s to 62 a year in the 2000s. And laws governing the process haven't kept pace.

Some state laws, for example, do not specify which official has the authority to investigate and prosecute abuses, while others lack the capacity to verify that circulators meet the legal qualifications.

Colorado Representative Andy Kerr was one of the co-sponsors of an unsuccessful referendum on the 2008 ballot that would have made qualifying constitutional initiatives harder, but statutory initiatives easier.

REPRESENTATIVE ANDY KERR COLORADO

Jennie Drage Bowser is NCSL's expert on ballot measures.

He sees flaws in the initiative process, particularly in a state that had more measures on the ballot in 2008 than any other state.

"Citizens have a lot of power to change and propose laws and constitutional amendments," he says. "But the way the process is set up in Colorado, our constitution can be changed frequently without these amendments being fully vetted first."

HARD SELL

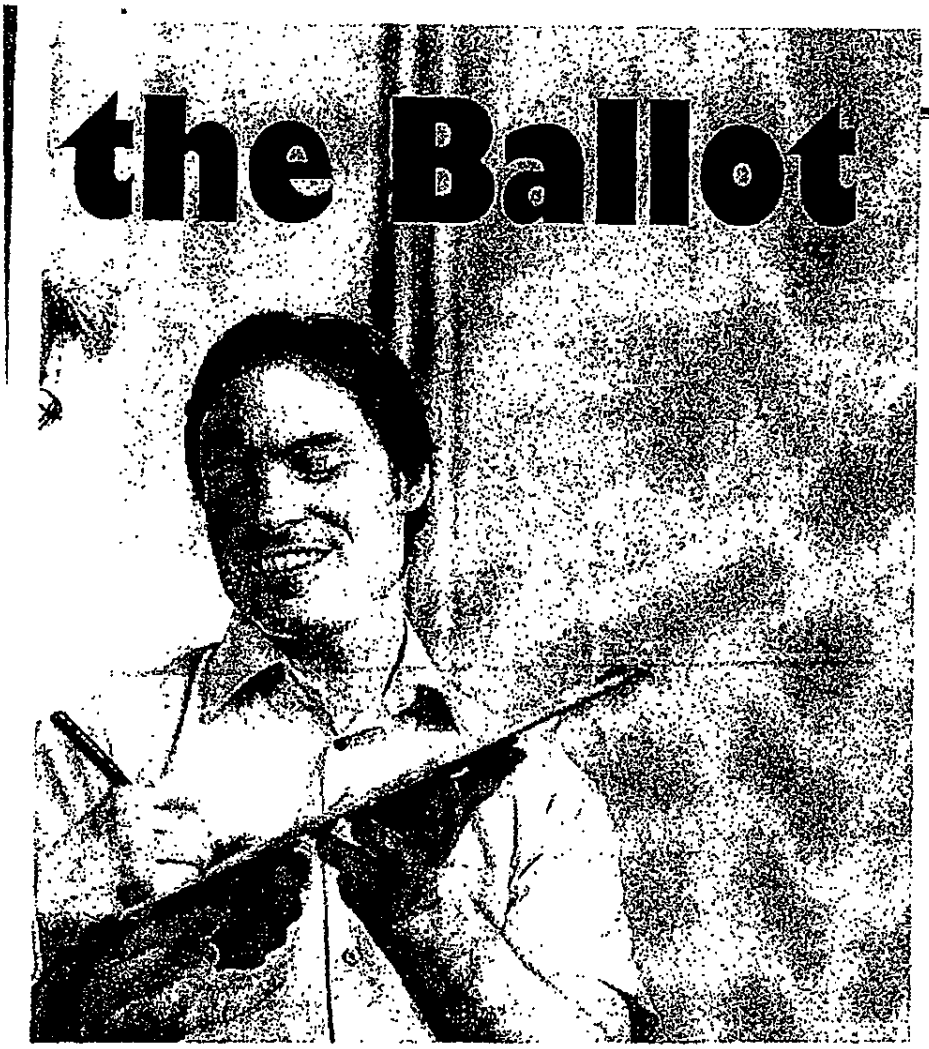
It is difficult, however, for legislatures to limit the number of initiatives qualifying for ballots, and whether or not they should is a controversial question. Increasing the number of signatures required, tinkering with time limits and restricting the subject matter involves amending state constitutions. And that requires voter approval.

It isn't always easy to convince voters that changing the process is a good idea, as Kerr learned in November.

Making the process more difficult rarely slows down well-funded petition efforts that can afford to hire and pay an army of circulators. It's the grassroots efforts, which depend on volunteers, that suffer from higher signature thresholds and shorter petition timeframes.

Details of the process in state law are what legislatures can, and with increasing frequency do, change without voter approval. States have clarified rules for petition formats, restructured timelines to allow for the added administrative burdens of processing a high volume of petitions, and spelled out more clearly the procedures for evaluating and counting signatures. Voter education is an area ripe for reform, too, particularly as technological advances make it easier to use multimedia and multi-lingual approaches to explain measures on the ballot.

2019



SIGNATURE-GATHERING FRAUD

Along with the explosion in the number of initiatives is the issue of fraud. The courts removed at least half a dozen measures from the ballot in 2006 for deceit in gathering signatures. In a Montana case, a court wrote that the "signature-gathering process was permeated ... by a pattern of deceit, fraud and procedural noncompliance."

Specific instances of fraud in Montana, Nevada and Oklahoma included circulators who opened the phone book and forged the signatures of listings onto their petitions. Others inserted carbon paper and a second petition beneath the one they asked voters to sign, thus obtaining a signature on another petition without the signer's knowledge. One circulator told voters they needed to sign in three different places if they supported the issue. In reality, they were unwittingly signing three separate petitions. And accusations of circulators who misrepresent or conceal the content of their petition are common.

Kristina Wilfore is executive director of the Ballot Initiative Strategy Center, which serves as a clearinghouse for progressive ballot measures. She says policing the process is tough.

"Part of the problem is that the state officials in charge of watching over the process aren't equipped, funded or modernized enough to catch the few bad apples that are responsible for the vast majority of what eventually gets on the ballot," she says.

Wilfore says that it was only a few years ago that she began to hear about extreme abuses in the process by a handful of signature-gathering companies.

Signature-gathering is now dominated by a few professional firms that hire people who make a living moving from state to state. In more than one initiative state, they are not required to register. That means they cannot be identified or prosecuted for fraud because signatures can't be traced to particular circulator. Wilfore calls the signature-gathering process "one of the most neglected areas" of the initiative process when it comes to state laws and regulations.

Efforts to curb abuse include new laws to ban paying signature gatherers on a per-signature basis, and instead require an hourly wage. Six states now prohibit payment-per-signature, with three of those laws adopted in the 2007-2008 legislative session. Other new laws require circulators to offer people a chance to read the proposal in full before signing, set age and residency requirements for circulators, and apply criminal penalties for forgeries and fraud in knowingly submitting a petition with invalid signatures.

ACTIVISTS STRIKE BACK

Initiative supporters are rarely happy when the legislature enacts changes that add to the cost or complexity of the initiative process. In some states, they have fought back by trying to get measures on the ballot that would make the initiative process easier.

But voters don't necessarily support them. In 2006, Colorado voters rejected Amendment 38, an initiative that would have significantly reduced regulation of the initiative process. And petitions easing regulation of the initiative process were circulated but failed to qualify this year in Arizona, Massachusetts, Oregon and Washington.

Legislatures started calling for reform of the initiative process in the early 2000s. It's not just state legislatures that are calling for reform these days, however. Cities and academic groups and even pro-initiative groups have joined the call for change.

Given the number of initiatives on statewide ballots over the past two decades, it's clear the initiative is not going away. It will continue to be a vibrant process in most of the states that allow it. But it's up to legislatures to ensure the process promotes ethical behavior among those involved, and that the rules surrounding it allow for as much transparency and deliberation as possible without restraining a process whose popularity is not likely to decline. It's not an easy task, and is certain to be one that legislatures grapple with well into the next decade.

2020

2021

From Ketchikan Daily News; Sat/Sun March 14-15 2009.

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Initiatives deserve same vetting as bills

By KYLE JOHANSEN

POINT OF VIEW

House Bill 36, also known as the Open and Transparent Initiative Act, is an attempt to tackle an enormous problem we have here in Alaska: Our initiative process is used as a way for special interests to maneuver around the lawmaking body to enact laws without regard for the public as a whole. The right to petition government belongs to the citizens of Alaska. It is imperative that the process be protected from abuse. HB36 offers those safeguards. I am taking this opportunity to review the changes I believe need to happen to protect our initiative process.

Currently, initiative sponsors are not required to hold public hearings. However, the Legislature is required to hold public hearings on all bills that are voted on as a body. Most bills receive multiple committee referrals and spend hours being publically vetted. Though bills passed by the Legislature and initiatives passed by the people have the same effect, they are not held to the same public-hearing requirements. Mandating a proposed initiative go through a public hearing process is an essential element for developing sound public policy. HB36 requires that a standing committee review the proposed initiative. This allows the affected state agencies to come forward and express how the initiative will affect their operations. When a bill is in front of the Legislature, the affected state agencies come before the appropriate committee and explain the implementation of the policy. Initiatives that are passed by the people are law, and the agencies that have to administer those laws should be afforded the same ability.

Prohibiting initiatives that are substantially similar to a failed initiative says that the people have spoken. We have seen the same initiatives proposed year after year, with a lack of regard for the public's will. If an initiative fails, the public has spoken. However, people's attitudes, beliefs, and perceptions can change. That is why I think it is appropriate that failed initiatives be restricted from the ballot for one election cycle to save the state money, time, and resources.

Signature-gatherers are commonly paid on a per-signature basis. In Alaska, they are not supposed to receive more than $1 per signature. Twenty-four states have an initiative process, and many have banned the practice of paying per signature because of fraud. Petition circulators in other states have been caught using disingenuous practices to gather more signatures to receive a bigger paycheck. If petition circulators did not collect payment based on the number of signatures, they would be less inclined to commit fraud.

Petition circulators are allowed to solicit signatures for more than one initiative at a time. This means that someone can have multiple clipboards outside the grocery store, shuffling them around while trying to convince you to sign their petitions. It is easy to confuse which petition was explained to you and which petition you have agreed to sign. Petition circulators should be allowed to collect signatures for only one initiative at a time to reduce confusion, deceptive practices, and misleading information.

Unlike the current initiative process, HB36 will go through many public committee hearings where it will be vetted, debated and amended. This is a chance for the public to weigh in on the bill, for lawmakers to ask questions and clarify issues of concern, for changes to be proposed, and many other aspects to be publicly debated so the best public policy is put forward. As a reminder, this is not required of initiative legislation. What you see is what you get, and unfortunately, what you don't see is what you get as well.

I encourage you to read the legislation yourself. Please form your own opinion based on the facts of the bill itself, rather than regurgitate information given to you by parties with their own agenda. HB36 can be found at www.legis.state.ak.us/basis.

[Republican Kyle Johansen represents Ketchikan in the Alaska House.]

Fighting for Second Amendment rights

Guest Opinion - Representative Kyle Johansen

Let's fix Alaska's ballot initiative process

A citizen's right to petition their government is a right reserved to the people of Alaska granted by Article 11 of the Alaska State Constitution. The concept of the initiative is based on the principle of direct democracy – the people's ability to change law and policy themselves rather than having to do so through their elected representative. This right is held so close to Alaskans, and it is important to guard this process from abuse.

In the past few election cycles, it has become wildly apparent to Alaskans that their initiative process does not serve the best interests of the people. Special interests have hijacked the citizen's initiative. Sources of funds are hidden. Contributor's identities are veiled. Alaskans deserve better. Alaskans deserve an open and transparent process.

I have introduced legislation that does just that. House Bill 36 will make the initiative process more open to the public, including public hearings and more financial disclosures. The current laws governing the initiative process are easy to skirt, and special interests have used the system to their advantage. The initiative process is a tool that belongs to the people of Alaska, and as such, it should be safeguarded from special interests with self-serving goals.

The financial disclosure process for initiatives is flawed. It is easy for groups to hide sources of money, and to the extent that the voters don't even know about the main funders behind an initiative until the election has come and gone.

This is completely unacceptable, and Alaskans should be outraged that this has been allowed to occur. Allowing financial disclosure loopholes of this magnitude undercut the integrity of our initiative process. House Bill 36 proposes changes to fix these flaws and repair the loopholes. House Bill 36 changes the date of when financial disclosures must begin. Rather than being able to collect money for months and months before having to disclose the source of funds, groups would have to begin financial disclosures as soon as they file their initial paperwork with the Lieutenant Governor's office. Although initiative groups have to collect a number of signatures in different regions before officially being declared a measure on the ballot, the groups are still influencing public policy. Initiative groups should be filing financial disclosures as soon as they receive their first red cent.

Signature gatherers are an instrumental part of the initiative process. They collect the constitutionally-required signatures necessary to qualify initiatives for the ballot. We often see them outside of the grocery store or any high-traffic zone. Their goal is to gather signatures. Period. They are often paid on a commission basis, so they are motivated to gather as many signatures as possible. They are not paid to answer questions or explain issues. If signature gatherers were paid on an hourly wage basis, they would be more open to take the time to explain the issue or answer questions posed by voters. House Bill 36 proposes that signature gatherers be paid on an hourly or salary basis so that they wouldn't be shuffling people as fast as they can to make their dollar. Restricting the use of per-signature commission is yet another attempt to promote the sharing of information so that voters can make the most informed decision at the ballot box.

Public hearings are a necessary and essential part of the political process. Public hearings are the venue where questions are posed, ideas are vetted, and information is freely shared. Public hearings are the foundation of the lawmaking process. All potential laws that govern our behavior, our property, and our interests are all vetted in a public forum, right? Wrong. There are no public hearing requirements for ballot measures. Laws created via the Legislature and laws created via initiative are equal – they are the laws we are required to live by. However, initiative-created law does not go through a public process that enables citizens to ask questions, criticize, give suggestions, or clarify issues.

Holding public hearings would greatly strengthen the initiative process because they would provide more information to the public. The public deserves to know the ins and outs of initiatives, just as the ins and outs of legislation are hashed out in committee meetings. House Bill 36 solves this problem by requiring public hearings throughout Alaska. Because of the geographical challenges and dispersed population of our state, a total of ten public hearings are required, two hearings per judicial district. These hearings provide a public forum so voters can ask questions, analyze the issues, and voice their support or opposition. These public hearings won't cost the initiative sponsors a dime; the venue can be provided by the state, and if initiative sponsors cannot afford to travel to the different districts to participate in the hearing personally, they can teleconference. House Bill 36 provides a win-win situation: more information provided to the public, while not costing the ballot measure groups anything but their time.

In addition to the public hearing requirement, House Bill 36 also requires a standing committee of the legislature to review ballot measures. This does not allow the legislature to change the ballot measure because that would be encroaching on a citizen's right to petition their government. Instead, the legislative review allows another public venue for questions to be asked and concepts to be discussed. Also, the legislative review provides a forum for the affected agencies to discuss how the proposed initiative would be administered.

The loopholes with the initiative process have become apparent all over the country, not just in Alaska. About half of the states in the Union have the initiative process, and many of those states are modifying their initiative process with tighter financial disclosures, public hearing requirements, and restructuring signature-gathering methods. These modifications are seen as ways to reinforce the citizen initiative process – to protect it – not to impose onerous and meaningless requirements.

Providing more information to the public is the purpose of House Bill 36. There is no fine print. There is no catch. House Bill 36 returns the power of the initiative back to the rightful owners: Alaskans.

2022

HB

50

<target><bill>HB 50</bill><subject>HB
50</subject><comm>SFIN26</comm></target>

2023

SENATE FINANCE COMMITTEE REPORT

DATE: 3/26/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/18/10

Finance Committee considered CS FOR HOUSE BILL NO. 50(FIN)

HB 50 LIMIT OVERTIME FOR REGISTERED NURSES

"An Act relating to limitations on mandatory overtime for registered nurses and licensed practical nurses in health care facilities; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DHS	3/19			✓	4
DHS	3/19			✓	5
DHS	3/19			✓	6
LWF	3/23		✓		7

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓		✓	
	Thomas	✓			
	EGAN	✓			
	OLSON	✓			
	ELLIS	✓			
CO-CHAIR:	Hoffman				
CO-CHAIR:	Stedman			✓	

2024

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB 50(FIN)
(H) Publish Date: 3/24/10

Identifier (file name): HB050CS(HSS)-DHSS-N-03-19-10
Dept. Affected: Health & Social Services

Title: Limit Overtime for Registered Nurses
RDU: Public Health
Component: Nursing

Sponsor: Wilson

Requester: House Finance
Component Number: 288

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill sets limitations for nurses working overtime hours beyond the scope of their regular duties. While the language in the bill makes it applicable to public health nurses, it would have a very limited effect on the Division of Public Health Section of Public Health Nursing. Most Public Health Nurses, as salaried employees, are not overtime eligible.

The mandated semi-annual report to the Department of Labor and Workforce Development would typically require no effort because public health nurses rarely work "in excess of a predetermined and regularly scheduled shift that is agreed upon by the nurse and a health care facility." Normal itinerant schedules, even though they often involve more than a 7.5-hour day, are always predetermined and agreed upon. In addition, the bill exempts reporting requirements for unforeseen emergencies requiring extra work. There is no projected fiscal impact on the Section of Public Health Nursing.

Prepared by: Ward B. Hurlburt, MD, MPH, Chief Medical Officer/Director
Phone 269-8126
Division: Public Health
Date/Time 12/28/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 3/19/2010
DHSS Finance & Management Services

(Revised 11/6/2009 OMB)

2025

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 50(FIN)
(H) Publish Date: 3/24/10

Identifier (file name): HB050CS(HSS)-DHSS-API-03-19-10
Dept. Affected: Health & Social Services

Title: Limit Overtime for Registered Nurses
RDU: Behavioral Health
Component: Alaska Psychiatric Institute

Sponsor: Wilson

Requester: House Finance
Component Number: 311

Expenditures/Revenue (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cc

POSITIONS

Full-time	**2.0**		2	2	2	2	2
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if neces*

HB050 establishes limitations on overtime for Registered Nurses (RNs) in health care facilities, provides penalties for violations, and requires reporting of any overtime, with the overtime designated as voluntary or mandatory by the RN. The intent of HB050 is to eliminate mandatory overtime for RNs unless the overtime is due to a grave and unforeseen event. Under the bill, use of mandatory overtime in excess of the bill's limitations will result in a report to the Department of Labor.

The division has determined that passage of this bill will have a zero fiscal impact. The option that API will pursue to replace its current policy requiring mandatory overtime is to add two registered psych nurses and develop, in

Prepared by: Melissa W Stone
Phone 269-3410
Division: Behavioral Health
Date/Time 12/28/09 5:00 PM

Approved by: Alison Elgee, Assistant Commissioner
Date 3/19/2010
DHSS Finance & Management Services

(Revised 11/6/2009 OMB)

STATE OF ALASKA

2010 LEGISLATIVE SESSION

BILL NO. CSHB 50(FIN)

ANALYSIS CONTINUATION

conjunction with the Department of Administration, Division of Personnel and Labor Relations, a voluntary standby system of employment that would replicate a private sector "on call" system. Any additional costs associated with the positions and "on-call" system will be offset by the cost savings from reduced overtime payment.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: CSHB 50(FIN)
(H) Publish Date: 3/24/10

Identifier (file name): HB050CS(HSS)-DHSS-PH-03-19-10
Dept. Affected: Health & Social Services

Title: Limit Overtime for Registered Nurses
RDU: Alaska Pioneer Homes
Component: Pioneer Homes

Sponsor: Wilson

Requester: House Finance
Component Number: 2671

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

HB 50 establishes limitations on overtime for Registered Nurses (RNs) in health care facilities, provides penalties for violations, and requires reporting of any overtime, with the overtime designated as voluntary or mandatory by the RN. The intent of HB 50 is to eliminate mandatory overtime for RNs unless the overtime is due to a grave and unforeseen event. Under the bill, use of mandatory overtime in excess of the bill's limitations will result in a report to the Department of Labor.

The division has determined that passage of this bill will have a zero fiscal impact. Situations requiring overtime are adequately addressed by utilizing on-call RNs and requesting voluntary overtime.

Prepared by: Dave Cote, Director
Phone 465-5737
Division: Alaska Pioneer Homes
Date/Time 12/31/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 3/19/2010
DHSS Finance & Management Services

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 7
Bill Version: CSHB 50(FIN)
(H) Publish Date: 3/24/10

Identifier (file name): HB050CS(FIN)-DOLWD-WH-03-23-10
Title: Limit Overtime for Registered Nurses
Sponsor: Representatives P. Wilson, Gara, Tuck, Petersen, Lynn, et. Al
Requester: House Finance Committee

Dept. Affected: Labor and Workforce Development
RDU: Labor Standards and Safety
Component: Wage and Hour
Component Number: 345

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 3/23/2010 3:39PM

Co-Chair Rep. Hawker
House Finance Committee
Date 3/23/2010

(Revised 9/19/2008 OMB)

Alaska State Legislature

Representative Peggy Wilson
House District 2

SPONSOR STATEMENT
HB 50

"An Act relating to limitations on overtime for registered nurses and licensed practical nurses in health care facilities and providing for an effective date."

Nurses are working excessive amounts of hours without adequate rest. This creates an unsafe work environment for patients and nurses. Mandatory overtime is one of the main reasons nurses leave nursing. Recent studies indicate that one in five nurses is considering leaving the profession. When polled on their reasons for leaving, mandatory overtime is always listed in the top ten. The purpose of HB 50 is to promote better patient and nurse safety and to create an environment that will keep nurses at the bedside.

HB 50 would prohibit mandatory overtime. Mandatory overtime hours are those hours above an agreed upon, predetermined, regularly scheduled shift, which the employer makes compulsory (as opposed to voluntary). The threat of reprisals includes but is not limited to discharge, discipline, demotion or assignment to unattractive tasks or work shifts or in some cases licensure removal, retaliatory reporting, and charges of "patient abandonment".

The bill does not ban overtime. The bill allows nurses to work up to 14 consecutive hours, but then requires a rest period of at least 10 hours.

HB 50 allows for a number of exceptions to these requirements, including school nurses on field trips, nurses working on medivac flights, and if needed, for an unforeseen emergency that could jeopardize patient safety such as natural disasters or disease outbreaks. Facilities may declare a "temporary nurse staffing emergency" of up to 30 days. A report shall be filed by the facility Administrator with the Department of Labor and Workforce Development that describes the efforts used to avoid the staffing emergency. Additionally all federal and native facilities have been exempted.

There are 15 other states that have adopted similar requirements, including Washington, Oregon and California. Most of these versions restrict nurses to only 12 consecutive hours, with a mandated rest period of 12 hours.

HB 50 addresses these problems in a reasonable and balanced manner, while making the work environment safer. It will also help to retain nurses instead of giving them reason to leave the state or retire early.

26-LS0274\U

ALASKA STATE LEGISLATURE

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Session:
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REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

Sectional Analysis

House Bill 50

"An act relating to limitations on mandatory overtime for registered nurses and licensed practical nurses in health care facilities; and providing for an effective date."

Section 1. Describes legislative findings and intent for the Act. The purpose of this Act is to ensure public safety and assist with the retention of nurses at health care facilities by minimizing long working hours for nurses without adequate rest.

Section 2. This section addresses the major elements of the proposed legislation.

- Sec. 18.20.400(a) prohibits a health care facility from forcing a nurse to work beyond certain prescribed periods of time, or to accept an assignment of overtime if, in the judgment of the nurse, the overtime would jeopardize patient safety or employee safety.

- Sec. 18.20.400(b) requires nurses to receive not less than 10 consecutive hours of rest after working a predetermined and regularly scheduled shift.

- Sec. 18.20.400(c) lists 8 exceptions to the requirements of (a) & (b), including for school nurses, medivac flights, unforeseen emergencies that could jeopardize patient safety, a nurse involved in an ongoing procedure or surgery, a staffing shortage due to weather, and certain on-call situations. This section also exempts certain weekend work hours. Voluntary overtime is permitted so long as it does not exceed more than 14 consecutive hours.

- Sec. 18.20.420 requires a health care facility to provide an anonymous process for complaints by a patient or a nurse about staffing levels or patient safety related to overtime work by nurses.

- Sec. 18.20.430 lays out a process for formal complaints by individuals against a health care facility that violates the provision of this Act, a mechanism to adjudicate these complaints involving the Department of

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REPRESENTATIVE PEGGY WILSON
HOUSE DISTRICT 2

Labor and Workforce Development, and a graduated schedule of penalties if it is determined that a violation has occurred.

- Sec. 18.20.440 provides an explicit prohibition against retaliation by a health care facility against a nurse who attempts to exercise their rights under the Act, or for the good faith reporting of an alleged violation.

- Sec. 18.20.450 provides for the Department of Law to investigate the retaliation and report to the commissioner the results. The commissioner shall ensure the facility provides all the appropriate relief for the complainant.

- Sec. 18.20.450 establishes a semiannual reporting requirement for a health care facility to provide certain data relating to overtime and on-call activity for nurses.

- Sec. 18.20.460 exempts nurses who are employed in a healthcare facility operated by the federal government or a tribal organization.

- Sec. 18.20.470 provides the requirement for a facility to post a notice of the employee rights and employer obligations.

- Sec. 18.20.499 provides a number of definitions related to the Act.

Section 3. Sets the reporting period for this first report required under sec. 2 of this Act. The report for the last six months of 2009 will be due on February 1, 2010.

Section 4. Sets July 1, 2010 as the effective date for the provisions dealing with the reporting requirements under AS 18.20.445.

Section 5. Sets an effective date of January 1, 2011 for all other provisions of the Act.

Alaska State Legislature

Representative Peggy Wilson
House District 2

MEMORANDUM

HB 50 Version N Changes:

1. **Concern:** Rural hospitals may face more difficulty than urban facilities in complying with the HB 50 requirement

   Mitigation 1: Added new exemption, "Temporary nurse staffing emergency"
   - 30 day duration.
   - Report describing efforts to staff the facility required.
   - Report must be filed with DOL
     i. Limit to 2 reports in 6 months or 3 in 1 year or the reports must be sent to the Legislature as well. (pg 4, line 19-31, pg 5, line1-3)

   Mitigation 2: Unforeseen weather condition added. (pg 3, line 11-18)

   Mitigation 3: Rural community is defined. (pg 8 line15-21)

2. **Concern:** Nurses would leave surgical units or other units while procedures or surgeries are ongoing.

   Mitigation 1: An exemption for a nurse who is participating in an on-going surgery or medical procedure has been added. (pg 3, line 2-3)

3. **Concern**: Specialized work schedules for weekends used at North Star Behavioral Health would be a problem

   Mitigation: This specific practice has been exempted. (pg 4, line 1-15)

4. **Concern:** On call hours could require a nurse to work beyond the maximum 14 consecutive hour limit.

   Mitigation: An exemption allowing nurses the ability to refuse mandatory on-call if they believe they are too tired to perform their duties safely. (pg 3, line 21-24)

Alaska State Legislature

Representative Peggy Wilson
House District 2

5. **Concern:** The 80 limitation for 14 days was not flexible.

   Mitigation: that limitation has been deleted

6. **Concern:** There are potential legal problems with jurisdiction.

   Mitigation: The federal and Native facilities have been exempted. (pg. 7, line 13-17)

7. **Concern:** Reporting Requirements for facilities that do not use mandatory overtime are too arduous.

   Mitigation: Allow a facility to submit a statement that there are no hours to report. (pg 7, line 9-10)

Two other changes were made to the bill: Facilities will be required to post a sign describing these statutes. (pg 7, line18-23) The one hour exemption to find a replacement nurse has been extended to be more flexible (pg 4, line 16-18)

HB 50 Version U changes:

Page 4 line 1-8, language was added to clarify the "modified Baylor Plan" exemption. Two of the statute references had been reversed and a definition of children was added.

Page 6 line 20-29. Language was deleted that would have required the Department of Law to investigate retaliation complaints. The Department of labor and Workforce development will now do that investigation.

Page 8 line 21 and 24, dates were changed to reflect the bill being passed this session.

Alaska Native Health Board

1840 Bragaw Street, Suite 220
Anchorage, Alaska 99508

Phone: (907) 562-6006
Fax: (907) 563-2001

March 6, 2009

Representative Peggy Wilson
State Capital Building, Room 406
Juneau, Alaska 99801-1182

Dear Representative Wilson,

We write to express our deep reservations over HB 50, limiting mandatory nurse overtime.

The Alaska Native Health Board appreciates and values the services nurses provide to patients in Alaska, especially our Alaska Native patients, whom we consider to be our customer-owners.

It is the experience of Tribal health providers that nurses are highly dedicated, caring providers who will give their last ounce of skill to care for their patients. Tribal health providers expend a great deal of effort and expense to recruit and retain good nurses to provide care and cover all necessary shifts. Providing adequate and safe nurse staffing is an important part of Tribal health providers' overall responsibility to provide high-quality care to our patients. It is out of this responsibility to care for our patients that we express our concerns over HB 50, as follows:

HB 50 will hurt patient care, especially in rural Alaska

In healthcare, the guiding principle is "do no harm." However, with HB 50, in many remote Tribal health locations, all it would take to leave a shift uncovered would be for one or two nurses to decide, for any reason or no reason at all, that they don't want to work overtime.

The rural Tribal health provider would in many cases have no choice but to simply not cover the shift and put patients at risk, because rural Tribal health providers do not have the urban luxuries of (1) calling in other off-duty nurses, (2) getting temporary "agency" nurses to cover shifts on short notice or (3) re-directing patients to other nearby facilities.

In practice, HB 50 would make it impossible for Tribal health providers to make sure all shifts were covered, particularly in the remote rural parts of the State. Perhaps this is why almost no rural States have adopted legislation similar to HB 50.

HB 50 is an unfunded mandate that will unnecessarily drive up costs

Many Alaska Tribal health providers are having a tough time financially due to sky-high fuel and other costs commonly associated with running a facility in rural Alaska. They have had no choice in some cases but to lay off healthcare workers and reduce services.

Under HB 50, even in a situation where a Tribal health provider might be able to cover a shift when one or more nurses were to choose not to work overtime, the Tribal health provider would likely only be able to do so at GREAT COST, e.g., (1) over-hiring extra regular-shift nurses ahead of time (assuming a sufficient labor pool) and hoping one of the new hires is willing to pull non-scheduled shifts; (2) flying in temporary "agency" nurses from an urban area at the last minute (expensive), or (3) transferring / referring patients to an urban provider (adding an additional expensive travel cost to providers and to the Medicaid program).

Laws such as HB 50 are intended to solve urban problems not applicable in Alaska

Legislation such as HB 50 has been adopted in only 15 States, nearly all urban, out of concern that hospitals might be (1) under-hiring and then abusing mandatory overtime in order to control payroll/benefits costs, or (2) abusing mandatory overtime rules as a collective bargaining tactic.

There is no evidence that these conditions exist in Alaska. While there are well-documented chronic challenges in nurse staffing, particularly among Tribal health providers, these staffing challenges are no different than the staffing challenges we experience with all the healthcare professional categories. And while we cannot speak for others, we can say unequivocally that Alaska Tribal health providers are not purposely understaffing as an abusive labor practice. The reality is that to the degree we have nurse staffing challenges, it is because of the tight national nurse labor market, compounded by the never-ending challenge of figuring out how to get good nurses, doctors, technicians, administrators, etc. to live and work in remote locations in Alaska.

HB 50's proponents agree *that "there are few official overtime complaints by nurses..."*, and that there are *"low numbers of complaints and benign exit interviews...."*

We acknowledge that nursing is a tough profession. The work itself is challenging enough, in addition to the difficult shift scheduling that of necessity must put patients' needs first. But those challenges come with the territory in healthcare: Physicians, administrators, technicians, clerks, etc. also must adjust the scheduling of their work to meet the needs of the patients.

HB 50 is unnecessary: mandatory nurse overtime issues can be addressed by other means

Because of the well-documented nurse shortage in Alaska, there is a very tight labor market for nurses. Nurses have significant leverage in negotiating the terms and conditions of their employment. Hours and shifts to be worked, shift-swapping flexibility, on-call requirements and how to handle anticipated overtime are all commonly agreed to in employment agreements.

In reality, the tight labor market for nurses in Alaska, combined with well-established avenues and procedures for nurses to negotiate the terms and conditions of employment, give nurses more than sufficient leverage to address any concerns they might have with regard to mandatory overtime, or for that matter, any other terms or conditions of employment.

The result, acknowledged by HB 50's proponents, is that *"there are few official overtime complaints by nurses..."*, and *"low numbers of complaints and benign exit interviews...."*

Representative Wilson, we thank you for efforts on behalf of Alaska Tribal health providers. We appreciate this opportunity to express our concerns with HB 50, and we look forward to working with you in a cooperative manner on the many important healthcare issues pending this session.

Respectfully,

Evangelyn Dotomain
President/CEO

Hours of Service Limitations on Other Professions

This information is based on a review of available Internet resources. In most cases, source statutes have been researched. In some cases (e.g., truckers), litigation is pending and may result in a different hours structure.

Railroad Operations Personnel (Locomotive Engineers; Carmen; etc.)

- Federal law limits the Hours-of-Service operating trains to a maximum of 12 hours, with a requirement in most cases of 10 hours of off-duty time to follow.

U.S. Commercial Maritime Operations

- Federal law requires a minimum of 10 hours of rest in any 24-hour period.

International Seafarers' Hours of Work Convention, 1996

- 14 hours in any 24-hours period, with a minimum rest of not less than 10 hours of rest within any 24-period.

- 72 hours in any seven-day period, with minimum rest of not less than 77 hours in any seven-day period.

U.S. Commercial Pilots

- A maximum of 8 hours of flight duty time on domestic flights. It can be exceed up to an absolute maximum of 16 hours only for events beyond a carrier's control.

- A minimum of 8 hours of uninterrupted rest in the 24-hour period before finishing their flight duty.

U.S. Commercial Truckers

- Not more than 11 hours of driving during a 14-hour duty period, to be followed by a minimum of 10 hours of off-duty time.

- Other rules in flux on total allowable driving time and required amount of rest for a seven-day period.

Underground Miners in Alaska

- AS 23.10.410 establishes a limit of not more than 10 hours in a 24-hour period.

- Limited exceptions are allowed for emergencies. The commissioner of labor and workforce development may grant a variance of more than 10 hours, but not more than 12 hours if permitted under a collective bargaining agreement and it is determined to be in the best interest of resident workers.

Alaska Nurses Association

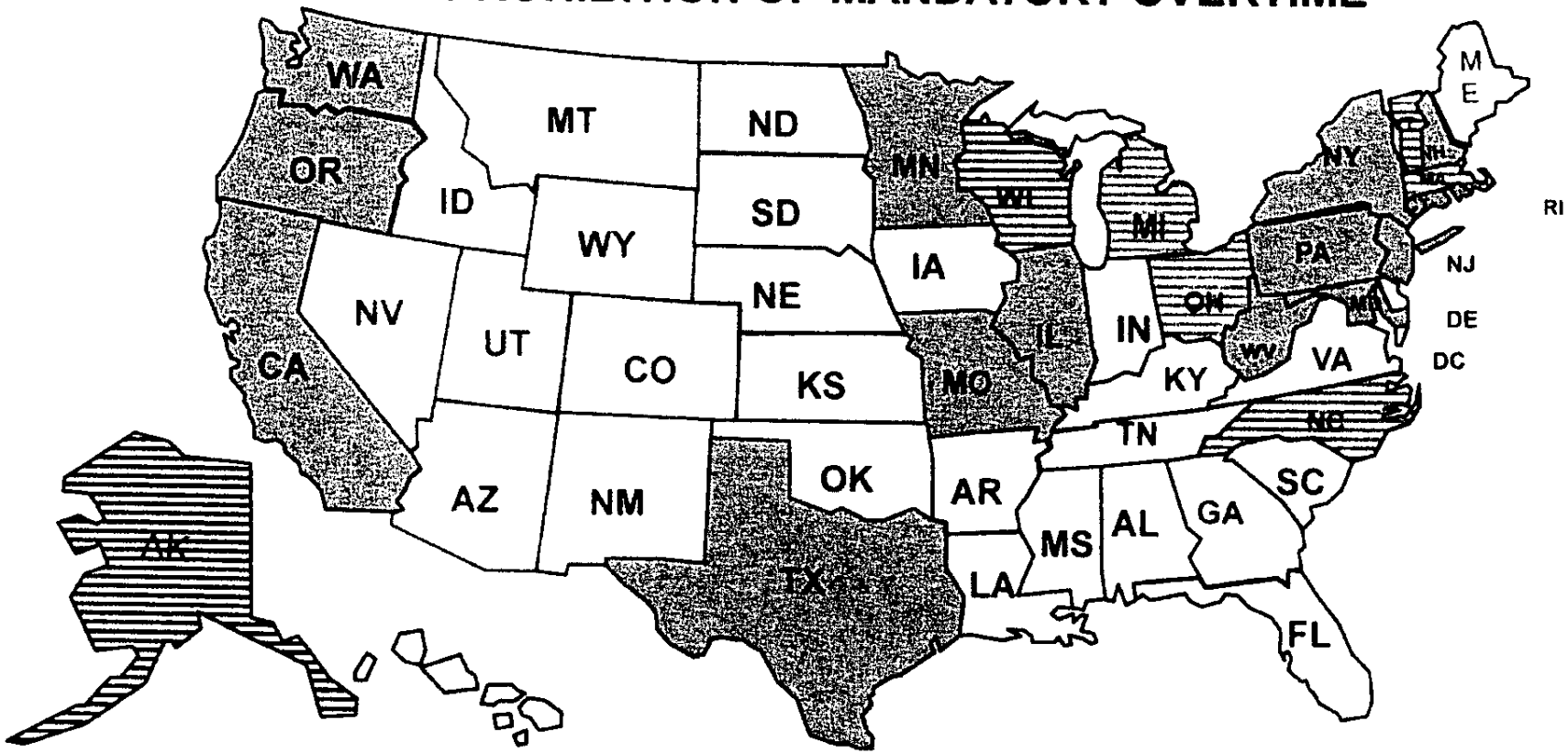
CS for House Bill No. 50 (HSS): "Safe Nursing & Patient Care Act"

Facility October 1st - March 31, 2008	Facility Visited	Nurses Interviewed	Staff Nurses Reporting mandatory Overtime	Mandatory On-Call Required	Number of Nurses Interviewed	Practice Issues if Abandoning Patients
Alaska Regional Hospital	Yes	Yes	100%	Yes	25	Yes
Alaska Psychiatric Institute	No	Yes	50%	Yes	10	Yes
Bartlett Regional Hospital	Yes	Yes	100%	Yes	30	Yes
Central Peninsula Hospital	Yes	Yes	75%	Yes	60	Yes
Fairbanks Memorial Hospital	Yes	Yes	100%	Yes	10	Yes
Heritage Place Nursing Home	Yes	Yes	100%	Yes	14	Yes
Providence Alaska Medical Center	Yes	Yes	100%	Yes	150	Yes
Providence Kodiak Island Medical Center						
Providence Seward Medical Center	Yes	Yes	100%	Yes	2	Yes
Providence Valdez Medical Center	Yes	Yes	100%	Yes	5	Yes
Sitka Community Hospital						
South Peninsula Hospital	Yes	Yes	50%	Yes	30	Yes
Wrangell Medical Center	No	Yes	100%	Yes	2	Yes

This data is based on face to face meetings conducted by Tom Renkes, prior Executive Director of AaNA, and confirmed over the past months by current Executive Director Debbie Thompson.

The American Nurses Association's Nationwide State Legislative Agenda

PROHIBITION OF MANDATORY OVERTIME



Enacted legislation/adopted regulation to date 15 states; (12 states): CT, IL, MD, MN, NH, NJ, NY, OR, PA, RI, WA, and WV. (3 states) have provisions in regulations: CA, MO and TX

Introduced legislation in 2008-9; (11 states): AK, IL, MA, NC, OH, VT, WA, & WI; MI, NY, TX included in staffing bills.

March 2009

Studies Relating to Effects of Excessive Overtime by Nurses

1. **Institute of Medicine (IOM) Report (2004), *Keeping Patients Safe: Transforming the Work Environment of Nurses*. Editor: Page.**

Strong evidence links prolonged work hours (more than 12 hours in a 24-hour span, or more than 60 hours in 70 days), rotating shifts and insufficient breaks to: slowed reaction time, lapses of attention to detail, errors of omission, compromised problem solving, reduced motivation, and decreased energy for successful completion of required tasks (p. 12). Prolonged periods of wakefulness can produce effects that are similar to the effects produced by alcohol intoxication – working in excess of 16 hours can produce performance decrements equivalent to a blood alcohol concentration of .05 percent (pg. 6).

A separate survey by IOM in 2003 found that 27% of full-time hospital and nursing home nurses reported working more than 13 consecutive hours one or more time per week. The IOM recommends that states prohibit nurses from working more than 12 hours in a 24 hour period or more than 60 hours per week.

2. **Health Affairs: The Policy Journal of the Health Sphere, Vol. 23, No. 4, *The Working Hours of Hospital Staff Nurses and Patient Safety*, (2004). Authors: Rogers, Hwang, Scott, Aikens & Dinges.**

Found the likelihood of making an error was three times higher when nurses worked shifts lasting 12.5 hours or more, and that nurses, indeed, worked longer than scheduled on a daily basis, and generally worked more than 40 hours a week (pgs. 202-212).

3. **Michigan Nurses Association, *The Costs of Mandatory Overtime for Nurses*, (2004). Author: Public Policy Associates, Incorporated.**

It is widely recognized that overtime work among nurses and patient safety are related, and this association is routinely described as one in which increased overtime (voluntary or mandatory) is associated with reduced patient safety (pg. 2). Determined that a ban on mandatory overtime could save 351 lives annually and $29 million in annual health care organization liability within Michigan (pgs 6-11).

4. **New England Journal of Medicine, Vol. 346, No. 22, *Nursing in the Crossfire*, (2002). Author: Steinbrook.**

Determined that nursing is a very stressful job with a very flat career path. Found RN's are discontented for many reasons including inadequate levels of staffing for both nurses and support staff and excessive workloads. Quotes a recent national survey of working nurses that 61% of

respondents said they had observed increases in overtime or double shifts during the past year, and 48% said the amount of overtime required had increased and more than 52% said it was either mandatory or "voluntary but feels like it is required" (pgs. 1757-1766).

5. **New England Journal of Medicine, Vol. 352, No. 2, (2005), *Extended Work Shifts and the Risk of Motor Vehicle Crashes Among Interns*. Authors: Barger, Cade, Ayas, Cronin, Rosner & Speizer.**

Research examining consecutive hours worked by medical interns and residents also found that after extended work shifts there was an increased risk for both patient errors while at work and motor vehicle crashes leaving work. Found that long, unpredictable hours suggest a link between poor working conditions and threats to patient safety (pgs. 125-134).

6. **American Journal of Nursing, Vol. 106, No. 4, (2006), *How Long and How Much Are Nurses Working?* Authors: Trinkoff, Geiger-Brown, Brady, Lipscomb & Muntaner.**

Recent research with 2,273 RNs documented that more than half of the hospital nurses in their study typically worked 12 hours or more per day and more than 50 hours per week. Further, nurses were likely to work many days consecutively, without sufficient rest between shifts and during scheduled time off (pgs. 60-71).

7. ***Wall of Silence – The Untold Story of the Medical Mistakes That Kill and Injure Millions of Americans*, LifeLine Press, (2003). Authors: Gibson and Singh.**

Notes October 2002 study by the Journal of the American Medical Association shows that the number of patients who die in the hospital increases when nurses are assigned to care for too many patients (pg. 100). Describes the growing trend of hospitals using forced overtime, noting that hospitals now "typically maintain enough nursing staff only to cover core functions, if even that much. When patient admissions spike, the core staff have to cope. Mandatory overtime has become a way of solving a much bigger problem than it was intended to solve, and it is driving away the very nurses that are needed" (pg. 107).

Alaska Native
Tribal Health Consortium

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POSITION PAPER

SB 12/HB 50 – "An Act relating to limitations on mandatory overtime for registered nurses and licensed practical nurses in health care facilities; and providing for an effective date."

CONTACT: Valerie Davidson, Senior Director
Legal and Intergovernmental Affairs
through Pat Jackson, State Liaison for Alaska Native Health
523-0363 – pajackson@anthc.org

DATE: March 9, 2009

POSITION: Oppose

The Alaska Native Tribal Health Consortium (ANTHC) is a tribally controlled, non-profit, statewide tribal health organization formed pursuant to federal law to provide a range of medical and community health services for more than 130,000 Alaska Natives. It is part of the Alaska Tribal Health System (ATHS), which is owned and managed by the 231 federally recognized tribes in Alaska and by their respective regional health organizations.

ANTHC and Southcentral Foundation jointly manage the Alaska Native Medical Center (ANMC), the tertiary hospital of the ATHS located in Anchorage. We employ 500 nurses. In January of this year ANMC was recognized for a second time as a Magnet Hospital, a highly prized award given by the American Nursing Association. Only five percent of all U.S. hospitals achieve Magnet Status, and even fewer are designated a second time. ANMC is the first and only Alaska hospital to receive Magnet Status. Magnet hospitals have demonstrated that they meet a set of criteria designed to measure the strength and quality of their nursing, including the ability of its nurses to contribute to patient outcomes, and where nurse job satisfaction, low turnover rates and appropriate grievance resolution are part of the standard.

We value our nurses, but we do not support SB 12 or HB 50, bills that seek to legislate work schedules and tie the hands of managers who are constantly juggling the demands of patient care against workforce availability and rising costs/chronic underfunding in the tribal health care system. We have three primary concerns about the bill as currently written:

1) *It would have a disproportionate and detrimental impact on patients in rural Alaska*
2) *It conflicts with Alaska's longstanding policy of supporting access to health care through allowing health care facilities an appropriate degree of flexibility in scheduling direct health care providers.*
3) *It creates the inaccurate impression that it applies to federal and tribal facilities and programs that comprise the Alaska Tribal Health System*

1) Disproportionate and Detrimental Impact on Patients in Rural Alaska

The bill provides no new resources and no new options. In rural Alaska recruiting and retaining qualified nurses is not merely a challenge, as it is for all of Alaska and much of the United States; it is a constant struggle. Vacancy rates, recruitment costs and staff turn-over continually plague these providers, especially tribal health providers.

This bill restricts the ability of hospital managers to work with their nursing staff to craft options in a health system that is already stretched to its limits in both staffing and financial resources. There is a real risk that the bill would lower nurse/patient ratios and decrease the quality of care patients receive by tying the hands of providers to balance patient needs with available workforce, including nurses. In rural Alaska, when nurses are not available, then patients must be diverted to another facility. Since there are no other options in rural Alaska, patients typically get diverted to the Alaska Native Medical Center. Because ANMC, as a statewide facility, serves all regions, then we experience a compounding effect at ANMC, a facility that is already too small to meet patient care needs. When ANMC is at capacity, we too are forced to divert patients to other facilities in Anchorage. This is an every day challenge, but is especially problematic during public health outbreaks. Diverting patients disrupts the continuity of care for our patients and imposes an additional financial burden on our already under-funded health system.

The bill also sets forth a reporting requirement to the State Department of Labor. Because tribal health facilities are not licensed by the state, as explained below, we believe we would not be subject to the reporting requirements. To the extent a tribal provider did comply, it would create a new, costly system of collecting data and preparing reports. ANMC employs nurses who are licensed by the state and nurses who are part of the Commissioned Corp under the federal Public Health Service, further complicating any perception of what would be required under a state law.

2) Conflict with Longstanding State Policy of Supporting Access to Health Care

The Alaska Legislature has recognized the necessity of promoting access to health care through appropriate limitations to wage and hour requirements since at least 1962 when it enacted the "hospital employee" exemption.[1] From 1962 to 1983, all employees of *non-profit hospitals* were exempt from that law. While the exemption was narrowed slightly in 1983 to cover only those employees who provide "medical services," the Legislature also expanded the exemption to the employees of *all hospitals*, not just those employed by non-profits.[2] This change addresses the "interest in keeping medical facilities open and providing more flexible schedules for employees whose extended hours of labor were needed to maintain the hospital in operation at all time" and more generally the need to "enhanc[e] access to health care" in Alaska.[3]

[1] AS 12.10.060 (1962); *Hutka v. Sisters of Providence*, 102 P.3d 947, 952 (Alaska 2004).
[2] *Hutka*, 102 P.3d at 952-53.
[3] *Hutka*, 102 P.3d at 953.

3) Applicability to Federal and Tribal Health Providers

Providing health care services to Alaska Natives and American Indians is a federal function that contributes to the fulfillment of the federal government's trust responsibility to Alaska Natives and their Tribes.[4] A federal facility performing a federal function is not subject to state regulation, even if the function is carried out by another entity, unless Congress clearly authorizes such regulation.[5] Congress has not authorized state regulation of federal health facilities serving Indian tribes and their members or of tribal facilities that fulfill this federal function pursuant to the Indian Self-Determination and Education Assistance Act.

Rather, Congress has taken pains to promote self-determination and self-governance by ensuring that Tribes and tribal organizations have sufficient flexibility to address the unique needs of Native Americans and the extraordinary challenges of providing quality, culturally appropriate health care with very limited resources, often in extremely remote locations. This is because one of the purposes of the ISDEAA is to provide

> a meaningful Indian self-determination policy which will permit the orderly transition from the Federal domination of programs for, and services to, Indians to effective and meaningful participation by the Indian people in the planning, conduct, and administration of those programs and services.[6]

For similar reasons, Congress has provided an explicit exemption for Tribes and tribal organizations from the operation of most federal employment law, including Title VII of the Civil Rights Act of 1964, the American with Disabilities Act, and the Davis-Bacon prevailing wage rate requirements.[7] Courts have also recognized tribal exemptions with respect to other federal laws, like the Age Discrimination in Employment Act (ADEA), that do not specifically address their applicability to Tribes and tribal organizations.[8] One federal appellate court ruled that other federal laws and interests must give way to ISDEAA's overriding objectives when it

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[4] *See, e.g.*, 25 USC § 1616*l*; S. Rep. No. 102-392 at 2 (1992), *as reprinted in* 1992 USCCAN 3943, 3944. *See, also,* note 2, *supra.*

[5] *Goodyear Atomic Corporation v. Miller*, 486 U.S. 174, 181 (1988).

[6] 25 USC § 450a(b).

[7] 42 USC § 2000e(b)(1); 42 USC § 12111(5)(B)(i); 25 USC § 450e(a). *See also, Pink v. Modoc Indian Health Project*, 157 F.3d 1185, 1188-89 (9th Cir. 1998) (non-profit corporation created by two tribes qualified as an "Indian tribe" under Title VII where corporation was formed to deliver health care services under an ISDEAA agreement, even though services were provided outside the boundaries of a reservation), *Setchell v. Little Six, Inc.*, No. C4-95-2208, 1996 WL 162560, at *2 (Minn.App. April 9, 1996), *cert. den.* 521 U.S. 1124 (1997).

[8] 29 USC§ 626(d). *E.g.*, *EEOC v. Karuk Tribe Housing Authority*, 260 F.3d 1071, 1081 (9th Cir. 2001) (ADEA inapplicable to tribal housing authority that "occupies a role quintessentially related to self-governance"); *Taylor v. Alabama Intertribal Council*, 261 F.3d 1032 (11th Cir. 2001) (employee's race discrimination claim concerned tribal self-governance and intramural Indian matters). *See also Penobscot Nation v. Fellencer*, 164 F.3d 706 (1st Cir. 1999) (employment of a non-Native in federally funded public health nurse position is an "internal tribal matter" and not subject to state regulation).

addressed the potential applicability of the National Labor Relations Act to the Yukon-Kuskokwim Health Corporation.[9]

Congress and the federal courts have thus essentially deemed the Fair Labor Standards Act (FLSA) to be sufficient protection for tribal employees.[10] Because of the unique nature of nursing care, however, some nurses are exempt from FLSA's wage and hour requirements while others are protected through special provisions that specifically accommodate the need for scheduling flexibility. The Act's implementing regulations were recently revised with the benefit of comprehensive comments from nursing associations, patient advocacy groups, and health care facilities and they continue to recognize the need and appropriateness of allowing for this degree of flexibility. Alaska's own wage and hour laws and regulations are quite similar to the federal scheme in this respect.

At the same time, the Indian Health Care Improvement Act (IHCIA) and the Indian Self-Determination and Education Assistance Act (ISDEAA) provide a comprehensive framework for regulating tribal health care. Their broad language, together with the exemption from most federal employment law, provide a clear indication that Congress did not intend to allow federal agencies to impose their own rules on Tribes and tribal organizations, much less subject them to potentially overlapping and less flexible requirements enacted by individual states. Otherwise state law would "obstruct[] the execution of the purpose of the federal [law]."[11] The Supremacy Clause and the federal preemption doctrine prohibit this, especially in areas like Indian health care that has been a federal responsibility for centuries.[12]

"The Alaska courts have noted that the provision of Indian health care services is an area that is "comprehensively and pervasively regulated by the federal government which is manifested in both the ISDEAA and the IHCIA."[13] Once the federal government has thus occupied the field, there is no allowance for state regulations, even if it is consistent with statutory purposes.[14]

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[9] *YKHC v. NLRB*, 234 F.3d 714, 718 (D.C. Cir. 2000) ("NLRA must make in order to accommodate federal Indian law, as reflected in [ISDEAA]").. The Board concluded that it was inappropriate to exercise jurisdiction over YKHC in light of its role in fulfilling federal government's trust responsibility to provide free health care to Alaska Natives. *See also* 29 USC § 151, *et seq.; YKHC and International Brotherhood of Teamsters, Local 959, AFL-CIO, CLC*, 341 NLRB No. 139, May 28, 2004 (declining to exert jurisdiction over off-reservation tribal health organization fulfilling federal trust responsibility to provide free health care to Alaska Natives, even though organization employs many non-Natives and provides health care services to a small number of non-Natives).

[10] 29 USC § 201, *et seq.*

[11] *The Alaska Dental Society, et. al. v. State of Alaska, et. al*, 3AN-0604797 CI, 12 (June 27, 2006), *quoting Catalina Yachts v. Pierce*, 105 P.3d 125, 128 (Alaska 2005).

[12] *Alaska Dental Society* at 15, *citing Wachovia Bank, N.A. v. Burke*, 414 F.3d 305, 313 (2d Cir. 2005) (no presumption against federal preemption in fields substantially occupied by federal authority for extended time); *United States v. Locke*, 529 US 89, 108 (2000) (no presumption against preemption is triggered when significant history of a federal presence,).

[13] *Alaska Dental Society* at 15, *citing Ketchikan Gateway Borough v. Ketchikan Indian Corporation*, 75 P.3d 1043, 1049 (Alaska 2003). *See also, id.* at 1048 (majority setting aside issues of whether tribal health clinic is "subject to comprehensive and pervasive federal oversight.")

[14] *E.g., National Audubon Society v. Davis*, 307 F.2d 835, 851 (9th Cir. 2002).

In addition to this existing federal law, CMS quality standards and Joint Commission standards impose high quality standards on federal and tribal facilities that participate in the Medicare and Medicaid programs. In Alaska, this includes all of the major IHS and tribal health facilities.

Together, these federal laws address the same concerns intended to be addressed by SB12/HB50. However, they do so in a way that allows facilities more flexibility. While they impose certain performance and quality standards, they do not dictate the means for accomplishing them by imposing rigid requirements that may or may not lead to the same level of performance or quality (or, in the case of rural Alaska, undermine the very goals that the bill sponsor is trying to promote).

Conclusion

We understand that the bill sponsors and supporters are trying to protect nurses from being overworked and patients from accidental errors that may occur as a result. However, we don't believe legislating hours is the right solution. ANTHC and our partner tribal health facilities work very hard to recruit and retain quality nurses. We place high value on the nurses who work for us, and are actively involved in programs like the University of Alaska's Rural Nursing Program. We have been innovative in crafting solutions where physician and nursing services have been non-existent—principal among them, the Community Health Aide Program.

We also value the partnerships we have with many of our non-tribal hospitals/health system partners. We understand the value of flexibility in workforce negotiations. Legislation, of course, takes discussion regarding choices off the table. We in the tribal health system have our own history of suffering unintended consequences from legislation that started with the best of intentions. Today, through our compact with the Indian Health Service, we engage each year in a very formal negotiation, where challenges for everyone involved are brought to the table and worked through to the point of consensus. We support the request of our partners that this legislation be held and to let the process of labor negotiations to proceed.

Thank you for your careful consideration of these issues. We would be happy to provide any further information upon request.

Patrick M. Nolan, D.O., F.A.C.E.

ENDOCRINOLOGY/ INTERNAL MEDICINE

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Comments on SB 12 & HB 50: "An act relating to limitations on mandatory overtime for registered nurses and licensed practical nurses in health care facilities." Patient Safety Act

To Whom It May Concern:

Thank you for listening to my comments. As a physician, specializing in endocrinology, I am distressed at the physical alterations that can occur in an aging nursing workforce while their hours and demands steadily rise. It is no secret that the population of America is aging. In Alaska the average age of a professional registered nurse is close to 49 years old.

According to John Howard, MD, former director of the National Institute for Occupational Safety and Health, "the average number of hours worked annually by workers in the United States has increased steadily over the past several decades and currently surpasses that of Japan and most of Western Europe." (2004) Dr. Howard continues noting, "the influence of overtime and extended work shifts on worker health and safety, as well as on worker errors, is gaining increased attention from the scientific community, labor representatives, and industry...the volume of legislative activity seen nationwide indicates a heightened level of societal concern and timeliness of the issue." Many states have passed safe patient legislation with its foundation based on research correlating much higher error rates with overtime. The Institute of Medicine identifies long hours for nurses as one of the critical problems in safety studies, and has been advocating for safeguards.

Nurses are critical thinking professionals employed to assess, treat, and evaluate patients, and need a non-mandated work environment to function well. Patients should not be subjected to those who are fatigued, stressed, and forced to work overtime. We all depend on the nurse to be alert and aware.

I encourage the Alaska Legislature to be judicious and rational in its thinking. Regardless of the workforce challenges for institutions, we have no alternative but to follow a strategy of safety for patients and communities. Please limit the overtime and extended hours worked by nurses in the State of Alaska.

I thank you for this opportunity,

Patrick M. Nolan, DO, FACE
3300 Providence Drive, Suite 206
Anchorage, AK 99508

February 12, 2009

Re: HB50/SB12

Dear Honorable Legislators

I would like to see mandatory overtime/on call addressed. I was in the hospital from 0645 till 0045 last night then had to return at o645 today. I am on call again this pm 1900 to 0700 tomorrow.

I still have to come to work tomorrow and if I get called in tonight how mentally alert will I be?

Thanks,

JoAnne Zemlicka

To my Legislature regarding patient safety:

February 10, 2009

Ladies and Gentleman,

As a current Registered Nurse in Alaska of 31 years, I must say that patient safety is very important to me as a professional. I would not ever practice as a Nurse if patient safety was an issue for me. Making a Nurse work mandatory overtime puts not only the Nurse at risk of injury, it also puts her patients at risk as well. For 29 years I worked in an Intensive Care Unit full time 12 hour shifts leaving home at 6pm and getting home most mornings at 8:30am if my patients did not go bad on me in the last hour of work, otherwise it might be more like 10am.

Nurses work extremely hard with life and death situations and would not hesitate to help when needed. To make it mandatory for a Nurse to work overtime is not only wrong, it is dangerous.

I feel that Nursing is such a hard job, that it is truly a calling from God himself to accomplish this professional practice every single day.

Sincerely,

Helen Christine Wood, RN, B.S.N.
17535 Santa Maria Drive
Eagle River, Alaska 99577
907 301-2238

Senners * Po Box 102264, Anchorage, AK 99510
907-243-8044 * senfam@acsalaska.net

February 11, 2009

RE: HB 50/SB12

Dear Legislators:

I am writing this letter is support of HB 50/SB 12, acts relating to limitations on mandatory overtime for RNs and LPNs. Having been a nurse for over 25 years I can attest to how physically and mentally draining it is to work a shift as a nurse. A nurse caring for adults lifts over 1.2 tons in an 8 hour shift. The patients are feeling poorly and can become critically ill at any point, medications must be given in correct amounts to avoid toxic effects, families are anxious and often a little short, and there are many other healthcare providers with whom care must be coordinated. Because the consequences of errors can be so serious, this is not the type of work environment where nurse fatigue should be allowed to happen.

Over 30% of the nursing workforce is over the age of 50 years, and many of these nurses plan to retire in the next five years. In Alaska we have worked hard to train new nurses. We do not want to drive these nurses out of the Alaskan workforce because they are being forced to work excessive hours. Remember, Oregon , Washington and California have banned mandatory overtime for nurses making them a very attractive destination for Alaska nurses. Everyone I have talked to has been amazed that there would be any opposition to limiting the hours a nurse can work to 14.

Thank you for considering my views. Hopefully this will be the year that we work to create a work environment in which RNs and LPNs can provide quality patient care without concern of being worked to exhaustion.

Sincerely,

Patricia Senner MS, RN, ANP

February 16, 2009

Re: SB12/HB50

Dear Legislators,

I am currently a nurse educator, but have 25+ years of clinical nursing experience, as well as having recently been a consumer of health care for close family members. I am also a Certified Professional in Healthcare Quality (CPHQ), and in that role in a hospital reviewed medical records and worked to drill down adverse patient outcomes. It has been my personal experience as a bedside nurse in hospital and long term care positions that mandated overtime to cover staffing shortfalls, that the quality of care delivered was adversely impacted.

Exhausted people make poor drug calculations, poor assessments, and are less apt to walk around and check in on their patients frequently. It puts patient care in jeopardy and it also puts nurses at risk for bad practice and subsequent litigation. It is also a major reason why some nurses quit practicing in direct care positions -- and we need those nurses with high standards and clear boundaries taking care of us and our families through critical illnesses.

I ask you to support legislation that would ban mandatory overtime for nurses. Instead, support nursing education opportunities and we will continue to bring bright and motivated caregivers into the healthcare field.

Thank you for your consideration.

Anne Doerpinghaus, MS, RN, CPHQ
Assistant Professor, Allied Health
TVC, University of Alaska
ffaxd@uaf.edu

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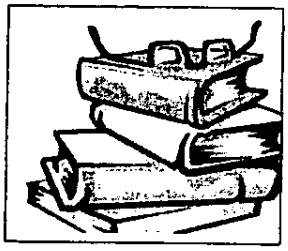

February 16, 2009

Dear Representative Wilson:

Thank you for introducing HB 50, Limit Overtime for Nurses. Nurses perform tasks that require accuracy, quick thinking and sound judgment; each of which is diminished after long consecutive hours of work in stressful environments. Both as a patient myself and as a caretaker for my father and then my mother as they had extended stays in hospital settings, I have seen overworked nurses make mistakes. Fortunately, for us, they were not life-threatening, but it is easy to imagine how they might have been.

Although some nurses may want to work overtime in these tough economic times and hospitals may believe the practice saves money, neither reason should take precedence over patient safety. Nurses need to be alert and ready to handle emergency situations as they arise. We should do everything we can to help ensure the dedicated people who choose to work in the nursing profession can do their jobs safely and well. HB 50 is a good first step.

Sincerely,

Lauree Morton

ALASKA WOMEN'S LOBBY

AWL Mission: To defend and advance the rights and needs of Women, Children and Families in Alaska

P.O. Box 20891
Juneau, Alaska 99802-0891
www.akwomenslobby.org

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Jorden Nigro

Taber Rehbaum

Nancy Scheetz-
Freymiller

Libby Silberling

Rose Wysocki

Letter of Support
HB 50, Limit Overtime for Nurses

The Alaska Women's Lobby, a statewide group working to defend and advance the rights and needs of women, children and families, supports HB 50. Limiting overtime for nurses is a patient safety issue. When you are in their care you want someone available to you that is well rested and nourished, can think quickly on their feet, and can interact with patients in a friendly professional manner. You do not want someone responsible for your care that has been working for ten or twelve or more hours straight without a break to be the one in charge of the decisions that can mean the difference between your living or dying. Regardless of how hospitals or nurses posit this bill, patient safety should be paramount to any other concern.

Several studies have found patient safety is at risk when nurses work more than 12 hours in a 24 hour period. The 2004 study, Working Hours of Hospital Staff Nurses and Patient Safety, found that nurses working more than 12.5 consecutive hours were three times more likely to make an error than nurses working shorter hours. Working overtime at the end of a shift also increased the risk of making an error. Possible errors, which also applied to nurses who worked unplanned overtime at the end of a scheduled shift, included giving patients incorrect medications or dosages, according to the study.

According to a 2007 study sponsored by the US Agency for Healthcare Research and Quality (AHRQ), components of working conditions, including a hospital's organizational climate, staffing, and overtime, were found to influence outcomes in the elderly patients in hospital intensive care units (ICUs). Other recent AHRQ-funded studies on nurses' working conditions and patient outcomes have found a significantly greater risk to patient safety when nurses worked beyond their regularly scheduled number of hours.

The Institute of Medicine in its 2003 report, Keeping Patients Safe: Transforming the Work Environment of Nurses recommended that nurses provide direct patient care for no more than 12 hours in any given 24-hour period and less than 60 hours in a 7-day period. AHRQ called for the report in recognition of the key role of nurses in patient safety.

Alaska should do everything possible to ensure patient safety. Limiting overtime for nurses is a solid first step. Support passage of HB 50 this session. Take seriously the charge to keep Alaskans safe as they try and get their health care needs met.

2/11/09

Re: HB50/SB12

To the Honorable Senators and Representatives of the Alaska Legislature,

Please join with your counterparts in 12 other states that have passed legislation to prohibit mandatory overtime for nurses. Join our congressional delegation of Senator Murkowski and Congressman Young who co-sponsored the Safe Nursing and Patient Care Act of 2007 which prohibits mandatory overtime except in cases of states of emergency.

Most people would not choose to fly in a plane with a pilot forced to work beyond what they felt was their safety limit in competence for work hours. In fact, it is illegal. How then has it taken so long to pass this legislation that will contribute to patient safety? This is not a matter of employer rights in staffing. If a nurse tells the employer she or he has worked too many hours and is not safe to practice; why on earth would you not believe him/her? Would you risk your life or a loved one's on the nurse's word or their employers?

The rules for pilots solved this long ago. Similar restrictions in on-call and work hours are even now being addressed for medical residents due to safety reasons in an attempt to reduce medical errors. Alaska will not be the first state to address this problem with legislation but I certainly hope it will not be the last.

Although I no longer work in a hospital myself, I have been a patient in one and may be again. Speaking both as a nurse and a consumer, I urge you to support passage of HB 50 and SB 12.
Sincerely,

Lynn Hartz MSN, FNP-BC
3104 Brookside Drive
Anchorage, AK 99517
ph 907-248-4877
fax 907-222-1498

Re: HB50/SB12

2/11/09

Dear Legislators,

As a registered nurse (RN), I heartily support these two pieces of legislation. Patient safety will be jeopardized if health care facilities are given free reign to impose mandatory overtime.

Patient safety is Job 1 for nurses, to borrow a phrase from different industry. An RN who is required to work overtime beyond a twelve-hour day or even an eight-hour day is physically, mentally, and emotionally fatigued. Thus, her judgment is potentially compromised, her physical strength weakened, and her emotional capacity diminished.

In my institution, on my unit, I care for extremely sick individuals, with co-morbidities that include dementia, confusion, obesity (majority of patients), and often lower extremity amputation.

My unit is already suffering from budget issues that have resulted in less nurse's aide assistance. Hence I am responsible for safely assisting any combination of obese patients with altered mental status who are missing at least one leg to the toilet, with little or no staff assistance. At the end of a twelve-hour day, I am ready to go home. I have reached my daily limit of sharp, focused thought for decision-making, and accurate charting.

I may or may not have had a chance to take a quick break for a snack. Sometimes I am so busy caring for patients I forget to use the ladies room. Our institution's break and meal policy is catch as catch can. So, if mandatory overtime was added, I am not sure I would even get to eat dinner before my next "shift" started.

Mandatory overtime? That's too much to ask. It is not humane, IT IS NOT SAFE FOR THE PATIENT OR THE NURSE. An increase in back injuries in nurses, medication errors, and patient falls are examples of the consequences of mandatory overtime.

I care for renal patients who often have a minimum of a dozen or more scheduled medications in addition to "PRN" or as needed medications. These medications usually include insulin, blood pressure medications, and heparin or coumadin---all high risk medications. At the end of a twelve hour day, I can tell you that I become fatigued, and would be prone to making mistakes.

The health care industry is seriously compromising the public trust with mandatory overtime. The health care industry is exchanging the health and safety of their patients/clients for monetary gain.

Mandatory overtime results in nurses who themselves become patients due to fatigue, stress, and physical deterioration of their feet and legs.

The health care industry, in requiring mandatory overtime, falls in with a crowd that practices human exploitation.

Sincerely, Theresa E. Philbrick, RN

Gary C. Goins, MS,BSN, RN
3301 Eureka Street
Anchorage, AK 99503

February 10, 2009

To The Legislative Committee:

It is easy to see that the sacrifices a nurse makes to help the individuals in our communities is a significant one.

We do not take our responsibility lightly nor should we. Privileged to care for the injured and ill, for our neighbors and friends, sharing their moments of triumph and helping them cope with devastating losses.

I want to tell you that a nursing practice ratio makes a patient safer. In that bed that will be you, me, our child or our loved one. By focusing on each person we care for, we are able to see signs of problems early, catch them, alert the doctors and fix them. If we are exhausted from no breaks or seeing to many patients we can, like all good people, fail.

In practice for 20 years I have seen hundreds of these cases. I can tell you that patients in California are safer due to support to nurses for adequate breaks and established rules.

These laws most likely cost more but please believe me, if that was your child or your mom, you would sacrifice your life savings and more to secure their well being. I would too. No amount of tears can solve an error caused by lack of adequate and safe staffing. I have sat with people as those tears flow like mountain streams with family and clinicians devastated by the simple lack of prudence in health care planning.

I urge you, the noble men and women to adequately consider what effects are created by adequate staffing or the lack thereof.

Very truly yours:

Gary C. Goins MS, BSN, RN.

Staff Nurse
Adult Critical Care Unit Providence Alaska Medical Center
Emergency Department Alaska Regional Hospital
Recipient Congressional Certificate of Appreciation. United States Congress. 1987

February 11, 2009

RE: House Bill 50 Senate Bill 12

Dear Legislator,

My name is Debbie Thompson, I am a Registered Nurse certified in the Operating Room and Peri-Operative nursing and I am the Executive Director of the Alaska Nurses Association. In this role I act as a spokesperson for not only the public safety at large but just as importantly for the nurses of Alaska.

I would like to express my support in both House Bill 50 and Senate Bill 12. As a long time operating room nurse I can tell you that these bills address a serious public safety issue within the health care industry. Each citizen in the state of Alaska deserves to have a well rested nurse taking care of them. The government has stepped in made requirements for the airplane pilots, truck drivers and train conductors and engineers. Why would anyone put the lives of their loved ones or themselves at risk for potentially fatal medical errors.

Thank you for consideration to this matter.

Debbie Thompson, BSN, RN, CNOR

February 13, 2009

Re: Support for HB50/SB12

Dear State Legislators,

I am a registered nurse of over 14years now. I am in total favor of supporting HB50 and SB12. It is absolutely imperative that registered nurses and licensed practical nurses be able to provide safe patient care, this is why we became nurses, to care for patients. Patient care will without a doubt, be in jeopardy when nurses are forced against their better judgment to work excessive hours in health care facilities. Any overtime should be done out of personal choice and professional judgment. With mandatory overtime, we are placing the patients, whom have entrusted us to take care of them at one of the most vulnerable times in their life in danger.

Nurses are compassionate, caring individuals. It takes a special person to become a nurse, and then stay one for any length of time. Many nurses do not make it through the first year. That is not due to the fact that they suddenly do not care anymore. It is due to increased workload demands, workplace stresses, long working hours, and a complete lack of respect in general by administrative personnel who run hospitals.

Can you imagine what it is like to have to walk out of one patients room who is dying of cancer and may be at the end of their life and then be able to go on to the next patient with a smile on our face and deal with a whole new set of circumstances. We are not only caring for that patient we are caring for their family members as well. This routine gets played out several times just in one shift.

Nurses are burning out at a high rate and there is not going to be another nurse just around the corner to replace them. By the year 2020 there will be a nursing shortage of estimated 500,000 nurses. We cannot continue to look the other way. We must make a positive step, not only to make nursing a honored profession to the newcomer, but also retain the experienced knowledgeable nurses we have.

A nurse's bottom line is patient care and safety. Please help support HB50 & SB12, the very life it may save may be your own.

Thank you,

Janet Hilleary RN

February 21, 2009

Re: Support for HB 50 & SB 12

Dear Legislators,

I know how important this bill is for the future of nursing experience. I do 12 hour nights and I know there's no way in the world I'd want to be responsible for patients beyond my shift time. I'm sure our malpractice insurance won't cover that kind of stupidity!

Thanks.

Ginny Weisman
242-9254

Feb. 22, 2009

Re: HB50/SB12

Dear Honorable Legislators,

My name is Barbara Quaid and I have been a registered nurse since 1970. Currently I am employed as a recovery room nurse at a local Anchorage hospital. Because I work in an O.R. setting we must take call. Recently I worked for 21 hrs, and that wasn't the first time. If it is your call night and things run late, or emergency cases are added, we must stay.

It is definitely a safety issue. A nurse at hour 3 of her shift is not the same nurse at hour 16, etc. With hospitals running at full capacity, be it due to a shortage of floor RNs or available beds, we must at times manage patients all night and all day in the recovery room. More times than not these are ICU/CCU patients.

We definitely need legislature governing the amount of hours a nurse is allowed to work, because it is not being safely managed the way it runs now. I testified via teleconference this past summer regarding this issue, and would be most willing to testify again. I hope this will be of assistance in your endeavor to keep nursing at a safe level.

Sincerely,

Barbara M. Quaid, R.N. CPAN.

February 13, 2009

Re: HB50/SB12

Dear Honorable Legislators,

My name is Ginger Spohr and I am an Emergency Room nurse. This is my first time getting involved in the legislative process and I am doing so because HB 50 and SB 12 are important bills for both myself and my co-workers. I strongly want to encourage support for both of these bills.

Right now there is a great opportunity for those in the House and Senate to help us continue the hard work that we do every day and help insure that we do so in a safe way.

My husband recently retired after working 20 years on the slope. He went back to school and earned a degree in nursing. After his first week of work, he told me, "I've never worked so hard in my entire life." Nursing is hard work at any age but with more and more people retiring and entering the field as a "second" profession, we must insure a safe and welcoming environment for them.

In closing, I would also like to ask anyone considering blocking these bills to imagine being a patient of a nurse who has just been told he/she must stay and work late. Imagine your boss telling you that you had to miss a birthday party of child or friend and that it would cost you your job if you didn't stay and work.

Please help keep nursing a respected profession. Most of the nurses I know are proud of what they do, please help us continue take pride in the work we do and help to ensure we are rested and willing to work.

Please support HB 50 and SB 12.

Sincerely,

Ginger Spohr, RN.

February 19, 2009

Re: SB12/HB50

I am a registered nurse at providence hospital. I want to tell you how important it is for nurses to be well rested & alert when caring for sick people. We make critical decisions, often at a moment's notice, that affect the lives of our patients. The giving of medications also is a critical event, considering the risk of making a mistake. Patients depend on us to make the right decisions for them. They have to trust us to do the job safely. That is dangerously hard to do when you are over tired & needing sleep.

Most of us work twelve hour shifts. The thought that employers can insist that we continue to work beyond that is scary. Likewise, working more than 3 days in a row, I feel, puts us at risk to make mistakes. When human lives are at stake, this could be a critical mistake. Only the individual knows how they feel, how tired, how sleepy, etc. nurses need to have the option to say no to mandatory overtime, to agree to that only if they feel fresh enough.

I'm hoping that we can get HB50SB12 passed this session.

Thank you for your help.

Sincerely,

Connie Lynch RN

2/19/09

Re: HB50/SB12

Dear Legislators,

Please support HB50 and SB 12. I believe RN's will provide overtime when we can. For our 36 week, we do what we can, as the population gets sicker. Management is getting more illogical.

Scott Young, RN

258-1861

2/14/09

Re: HB50/SB12

Dear State Legislator,

I am against mandatory overtime in any form. When we are subjected to mandatory overtime it leads too more mistakes in medication administration because we are tired. At one of my jobs; I work a 12 hour shift at a local hospital and find that the longer I am required to stay to finish required paperwork or patient care the more I have problems focusing on the task at hand and thus the more potential for a mistake. At another job that I work 8 hours; if I am mandated to work an extra shift The more I feel unsafe as I work in a psychaitric facility where patient safety and staff safety are imperative. Being tired I have problems with determining when patient's are feeling unsafe or threatened and thus there is more potential for violent and threatening outcomes.

Again I am very against manditory overtime. I just hope with the nursing shortage coming it is not made worse by mandating overtime in unsafe jobs as it will lead to more nurses rethinking this line of career choice thus increasing the nursing shortage.

Thank you for allowing me to air my opinions,

Barbara Popken RN

February 14, 2009

Re: HB50/SB12

Dear Legislatures,

I am an active member of the AaNA organization. I send this message in support of HB 50 and SB 12. Upon review of the last years (2008) activity around these two Bills, I stand behind all of the nurses in support of the passing of these two Bills.

As a nurse, I am in support of protecting the nursing professional at the bedside (and elsewhere as it applies) in being able to conduct a full day's work without the intimidation of mandatory overtime on their shoulders.

Thank you for all the work you do.

Sincerely,

Shirley LaForge, RN, MSN

2/11/09

Re: HB50 and SB12

Dear Honorable Senators and Representatives,

I am not in favor of mandatory overtime for nurses. Any overtime should be the nurse's choice. In addition I am not in favor of a nurse working more than 14 hours in a row. That allows for a 12 hour shift and any follow-up charting, etc. I know too many nurses who cannot recall how they even got home after working too long. Also, though 15 minute breaks are great, what concerns me is someone who doesn't even have time for lunch.

Thank you,

Mary Ann Wilson, RNC

2/12/09

Re: HB50/SB12

Dear Honorable Senators and Representatives,

I support the passage of HB 50 and SB 12. Please work on my behalf as well as my colleagues and patients to see that these bills are passed. Mandatory overtime for nurses has the potential for creating a more severe shortage of nurses in areas already in desperate need of licensed staff. Mandatory overtime and inflexible scheduling has the potential for deterring students from selecting nursing as a career option.

Please seek options that enhance the appeal of nursing as a career option, increase the nurse's ability to provide safe and effective care at the bedside, and decrease the attrition of nursing staff related to excessive work hours and work load. Please vote yes on HB50/SB12.

Thank you,

Janice McGraw, MS, RN, CNRN

February 10, 2009

Re: HB50/SB12

Dear Legislators,

As a Registered Nurse in the State of Alaska, I find it critically important that we have a say in our work scheduling and who dictates our professional practice. As a Registered Nurse, I make it my prime responsibility to be the advocate of patients. Because of this and the importance of our profession, I am supportive of House Bill 50 and Senate Bill 12.

Sincerely,

Joshua Meals, RN, BSN.

2/11/09

Re: HB5/SB 12

To the Honorable Senators and Representatives:

This is a letter of support for HB 50 and SB 12. As a working nurse in the Operating Room at Providence Hospital, I feel it is important for me to share my support for legislation that ends the practice of mandatory overtime for nurses in Alaska. Such practices are unfair to nurses, and unfair to the patients who deserve top-notch care from nurses who are properly rested and satisfied in their work environment. Currently, I am obligated to be available for over 24 hours of mandatory overtime each month.

Sincerely,

Paul Bryner

2/11/09

Re: HB50/SB12

Dear Honorable Legislators,

I am asking for your support on House Bill 50 & Senate Bill 12. I have been a registered nurse for 16 years and have been personally affected by both mandatory overtime and insufficient rest between shifts. We have tried to address these safety concerns with our employer; however, there is no incentive for hospital administrations to change current practice. It becomes financial, and the bottom line is it is cheaper to work a nurse extended hours than it is to provide safe working conditions. I have worked in other states with this type of legislature and it does have a positive impact. Therefore, I ask for your support from a state level. If the employer won't self regulate, then someone needs to for the sake of quality patient care and safe working conditions for the nurses. .

Thanks you for your time.

Wendy Conradi, RN, CNOR

2/11/09

Subject: Support for HB 50 and SB12

I urge house and senate members to support HB 50 and SB 12 to protect the rights of our patients and the welfare of our nurses.

Patricia Peacock, RN, BSN, CURN, CHPN.

RE: HB50/SB12

2/11/09

Dear Legislator,

As an RN of 30+ years, I am writing to support HB 50 and SB 12. I recently returned to bedside nursing after working outside of the hospital for the past 14 years. I find it astounding that the legislature wants to continue to require mandatory overtime for nurses.

After working 3, 12 hr. shifts in one week, I find I need a day to recovery and then have 3 days "off" to enjoy things other than my job, which allow me to have the energy to return to the bedside for 3 more days the next week. While I have worked overtime in the past year, it was done by choice. If overtime is to be required, it will decrease morale in nursing staff, thereby compromising patient care. Perhaps a meat packing plant or other assembly line type job sees the benefits of mandatory overtime. When one is caring for the human spirit and body, it is definitely not in the best interests of the patient to be cared for by a nurse who is working mandatory overtime.

Thank you for your work on our behalf.

Sincerely Yours,
Jeanne Kemp RN, BSN

February 10, 2009

Dear Honorable Senators and Representatives:

I have been a Registered Nurse for the past 30 years. Twenty-nine of those have been spent in the Intensive Care Unit in various hospitals across the US. I have been contributing to the care of Alaskans for the past 15 years. I have shared in some very intense and uncertain times for many families. I know that nurses do not let patients or their families know when staffing is short, or when we are exhausted or hungry. We really try to make people feel secure when they are in our care.

The Institute of Medicine (IOM) report has identified how long hours and fatigue contributes to errors in healthcare. These errors can cost lives, or increase length of stay in the hospital which in turn adds to the already ballooning cost of healthcare.

I urge you to support HB 50 & SB 12. When patient are at their most vulnerable, is not the time they or their families should be concerned at the number of hours the nurse caring for them has worked. Long hours, fewer resources and higher patient acuity drive nurses from staying at the bedside in today's hospitals. Nurses will only last so long, when they go home after 12.5 hours concerned about what they might have missed because they are so exhausted and hungry. The University of Alaska is doing a great job educating tomorrow's nurses. I encourage you to do what you can by passing this legislation that will help to keep the nurses of the future working in hospitals.

Thank you,
Donna Phillips, RN
Girdwood, AK

Date: 2/11/09

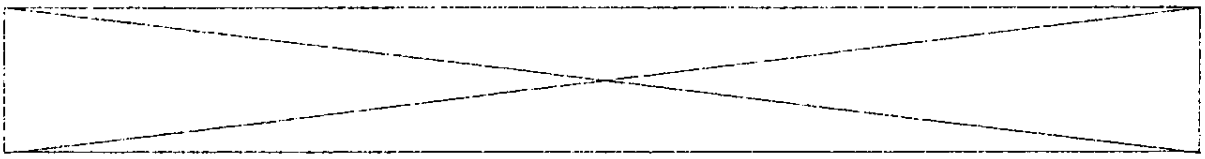
Re: HB50/SB12

Dear Legislators,

I have just been informed of the ASHNA's position regarding legislation to block any regulations regarding employer rights to address such issues as nurse and patient safety. It seems to me that this is not in the best interest of any of the parties that participate in direct patient care, much less the person who is being cared for. I seriously doubt that the public knows anything regarding this and would that be known, there would be an abundance of objections from both parties. The only persons who this would benefit would be the people managing the books of these employers and their board of directors. That is, unless it was their family or themselves who was receiving this care. This issue has been going on for too long and as one of those people who work long shifts for the sickest of these patients, it would be akin to whipping a horse who has plowed the fields too long in the day. It just can't be done without consequences. These consequences would have implications for public health and in the long run risk increasing hospital days for the patients who got marginal care from the employees forced to do this work. It is also comparable to asking for volunteers, then picking them anyway, should no one raise their hand. It is one thing for someone to use their judgement in working overtime, but another to cut costs and recruiting people to do this extra work, such as travelors who have no intention to stay in this area. The answer to the higher paid travelers would be make the lower paid employees do this work. It is also like bringing in employees from out of the country, give them lower wages, and make them do a job, whatever that job is. Thankfully, we have the union here to prevent such nonsence, but then the ASHNA position is just as ridiculous. The term "Magnet Hospital" has been tossed around as a buzz word for quite some time now, and it is laughable that forcing employees to do something that not only would affect their life outside of work, but to risk their license as well, would somehow make a difference in obtaining that status. It is words on paper and a status that looks good but really means nothing if employees are not happy. Please know that even though you may not have hundreds of comments regarding this, that it is due to not many people knowing the position of this board. I have been in critical care for close to 30 years and have seen my job get harder, despite the experience I have. This risks everything that health care has to offer, despite breakthroughs in disease prevention and treatment.

Sincerely Yours,

Debbie O'Brien, RN, CCRN
Anchorage, Alaska



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THE WALL STREET JOURNAL.
WSJ.com

THE INFORMED PATIENT : MARCH 16, 2010

New Focus on Averting Errors: Hospital Culture

By LAURA LANDRO

Errors made by doctors, nurses and other medical caregivers cause 44,000 to 98,000 deaths a year. Hospital infections, many considered preventable, take another 100,000 lives. And mistakes involving medications injure 1.3 million patients annually in the U.S., according to the Food and Drug Administration.

Hospitals are taking what might seem like a surprising approach to confronting the problem: Not only are they trying to improve safety and reduce malpractice claims, they're also coming up with procedures for handling—and even consoling—staffers who make inadvertent mistakes.

The National Quality Forum, a government-advisory body that sets voluntary safety standards for hospitals, has developed a Care of the Caregiver standard, calling on hospitals to treat traumatized staffers involved in errors as patients requiring care, then involving them in the investigation of what went wrong if their behavior was not found to be reckless or intentional. Just Culture, a model developed by engineer David Marx, stresses finding a middle ground between a blame-free culture, which attributes all errors to system failure and says no individual is held accountable, and overly punitive culture, where individuals are blamed for all mistakes.

A new study published in the April edition of the Joint Commission Journal on Quality and Patient Safety, which examines one fatal medical mistake to analyze what went wrong, shows how assigning blame for errors can be a murky exercise.

Four years ago, nurse Julie Thao mistook a bag of epidural painkiller for penicillin and hooked it up to an IV line that pumped the painkiller—meant to be injected into the spine later—into the bloodstream of Jasmine Gant, a 16-year-old who was about to deliver a baby at St. Mary's Hospital in Madison, Wis. The teen's heart collapsed. Her baby was delivered successfully by emergency Caesarean section, but Ms. Gant didn't survive. Ms. Thao says she was fired from the hospital after the death, and she was later prosecuted by the state for criminal negligence. Ms. Thao's case has helped galvanize efforts to ensure that caregivers are treated fairly—without absolving them of responsibility for risky behavior.

The study, led by researchers at the non-profit Institute for Safe Medication Practices, concludes that while Ms. Thao consciously bypassed multiple safety procedures, there were also a host of system flaws that allowed and even encouraged her to do so, contributing to the fatal error.

Researchers found that Ms. Thao failed to put an identification bracelet on her patient or use the hospital's bar-coding system, designed to match the right medication to the right patient. But the bar-coding system had glitches, and nurses hadn't been adequately trained on it, so they often bypassed it.

Both medications—which looked alike—were brought into the patient's room before orders were given, a violation of policy. Fatigue increased Ms. Thao's likelihood of making a mistake, the study found. Ms Thao had worked two

consecutive eight-hour shifts the day before and then slept in the hospital before coming on duty again the next morning, but there were no rules at the hospital to prevent her from being overworked.

In editorials accompanying the study, patient-safety experts, including Charles Denham, co-chairman of a National Quality Forum safe-practices committee, and Harvard University health-policy professor Lucian Leape are harshly critical of the way Ms. Thao was fired by the hospital and then left to fend for herself with no income and no financial resources to defend herself in charges later brought by the state. "We all believe that Julie should be held accountable for her behavior, but she didn't receive support from her organization or treatment that was just," says Dr. Denham. "It is clear that other nurses might have made the same error due to the social conditions and technical systems in the hospital.

Officials at St. Mary's, which paid $1.9 million to settle a malpractice suit brought by Ms. Gant's family, say they treated Ms. Thao properly. The hospital's president, Frank Byrne declines to discuss the specifics of Ms. Thao's dismissal, but says the hospital was supportive; when it learned the state planned to bring criminal charges, Dr. Byrne says he did everything he could to stop it and appeared at court proceedings to lend moral support. He included his own commentary in the patient-safety journal, describing safety steps taken after Ms. Gant's death, including limiting work hours for nurses. "We never attempted to shirk acknowledgment of our system issues," he says.

In Ms. Thao's case, under a plea agreement, felony charges were amended to two misdemeanor counts. Afterward, her nursing license was suspended and she was barred for several years from working for any hospital that accepts federal funding from Medicare.

Safety advocates and nursing groups also question the use of criminal charges brought against nurses and doctors who make unintentional mistakes, saying they set a chilling precedent. "Criminal accusations against health care providers who work in a system set up to fail are extreme," says Sue Sheridan, co-founder of Consumers Advancing Patient Safety. "By the same token, there has to be some accountability when families have suffered a tragic loss."

Dr. Denham took Ms. Thao on as a patient-safety fellow in his own medical-research concern, TMIT, for two years. He now retains her to do contract patient-safety research. Ms. Thao, who was briefly hospitalized for depression after the event, says she considered taking her own life. She says her patient-safety work has helped her to cope with her despair over her errors.

"Every hospital in America is wrestling with how to hold practitioners accountable for key safety behaviors," says Mr. Marx, whose company, Outcome Engineering, consults with hospitals, states and nursing boards on the Just Culture Model and helped train 20,000 employees at St. Mary's after the Thao case. It's designed to "address risky behaviors before they lead to the death of a patient," he says, coaching those who make risky decisions, such as failing to wash hands before touching patients or skipping important checks in administering medications.

"We know just punishing human error does not improve safety," says St. Mary's Dr. Byrne. "But we have to separate unavoidable error from reckless behavior and unjustifiable risk."

Write to Laura Landro at laura.landro@wsj.com

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HB

52

<target><bill>HB 52</bill><subject>HB
52</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/9/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 52

HB 52 POST-TRIAL JUROR COUNSELING

"An Act authorizing psychological counseling for jurors serving in criminal trials who are traumatized by graphic evidence or testimony."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #:_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
CRT	2/22	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas	✓			
	ECR	✓			
	OCSON			✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:				✓	

2079

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 52
(H) Publish Date: 3/1/10

Identifier (file name):
Title: Post-Trial Juror Counseling
Sponsor: Representative Kurttula
Requester:

Dept. Affected:
RDU: Alaska Court System
Component: Trial Courts
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	15.0	15.0	15.0	15.0	15.0	15.0	15.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	15.0	15.0	15.0	15.0	15.0	15.0	15.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**	**15.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

House Bill 52 would allow a trial judge to offer a juror up to 10 hours of counseling services following a trial that involved extraordinarily gruesome or emotional testimony or evidence. This option would be available in homicide, felony assault and sex offense cases. The court system would contract with local counselors or psychologists for the counseling services. Although difficult to estimate, this note assumes that approximately 10 jurors a year would take advantage of the 10 hours of counseling and that the court system will be able to procure that counseling at an average rate of $150 and hour.

Prepared by: Doug Wooliver, Administrative Attorney — Phone 907-453-4750
Division: Alaska Court System — Date/Time 2/22/10 @ 8:45 am
Approved by: Doug Wooliver for Christine Johnson, Administrative Director — Date 2/22/2010
Alaska Court System

(Revised 10/13/2009 OMB)

2080

Representative Beth Kerttula

House Minority Leader

Sponsor Statement

House Bill 52

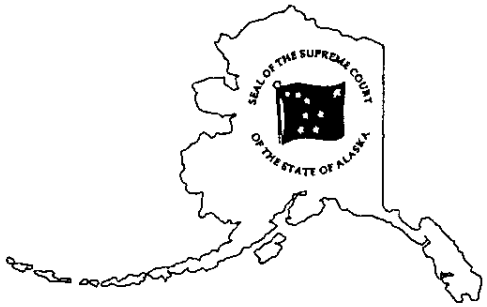
"An Act authorizing psychological counseling for jurors serving in criminal trials who are traumatized by graphic evidence or testimony."

The jury system is a fundamental component of the American legal system. Jurors are asked to carry out a civic duty, yet there is the possibility of experiencing excessive levels of stress and no support is offered to help jurors cope with normal reactions to abnormal events, at its worse resembling a milder version of Post Traumatic Stress Disorder. Categorized as secondary trauma, jurors become traumatized through the traumatic experience of victims.

House Bill 52 would allow judges to offer 10 hours of post-trial group counseling to a juror who serves in a criminal trial involving extraordinarily graphic, gruesome, or emotional evidence or testimony. This bill would not apply to every juror in every case. Counseling sessions are necessary in only a small percentage of trials but are nonetheless highly valuable when needed.

The public's impression of the administration of justice is largely based on jury service. Offering counseling to jurors will ensure that care it taken of citizens' welfare, while also enhancing positive public attitudes toward jury service. As the government compels citizens to report for jury duty, it should minimize the burden it places on jurors. With public trust and confidence as a fundamental goal of courts nationwide, judges, court administrators and court staff must be concerned with the juror experience and the effect of the experience upon those called to serve. Jurors are unprepared for some consequences and courts do not currently provide any assistance in finding help from mental health professionals. In order to protect the integrity of the legal system I think courts are obligated to help improve the jury experience, including addressing juror stress. Proper counseling helps people cope with their normal reactions to abnormal events and provides tools to adapt to those reactions. I greatly appreciate your support of House Bill 52.

Alaska State Legislature ✧ District 3 ✧ Juneau
State Capitol ✧ Juneau, Alaska 99801-1182 ✧ (907) 465-4766 ✧ Fax (907) 465-4748
Rep.Beth.Kerttula@legis.state.ak.us ✧ www.kerttula.net



ALASKA COURT SYSTEM
State of Alaska
Office of the Administrative Director

820 West 4th Avenue
Anchorage, Alaska 99501-2005
(907) 264-8265
FAX (907) 264-8291

Doug Wooliver
Administrative Attorney

March 25, 2010

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Stoltze:

I spoke with Ben this morning about a scheduling conflict that I have this Friday. I need to be in the House Finance Committee in case there are questions about the court system's fiscal note on HB 52, which is Representative Kurttula's bill on post-trial juror counseling. At the same time, I need to be in the House Judiciary Committee for testimony about and amendments to HB 324, which is the governor's rewrite of the bail statutes. (Chris Christensen, who might otherwise be able to fill in for me, also has a conflict as he must be in the Senate Finance Committee during the time you will be hearing HB 52.)

Although I plan to be available to come to the House Finance Committee should there be questions on the court's fiscal note, I thought there might be fewer questions if I better explained the analysis behind the note.

As you probably know, HB 52 allows a judge to offer a juror up to 10 hours of psychological counseling, without charge, in certain specified cases following "extraordinarily graphic, gruesome, or emotional evidence or testimony." In order to assess the fiscal impact of this bill, I needed to estimate how often judges would be likely to offer counseling and what kind of counseling they would be likely to offer.

As I do with almost all legislation that may impact the court system, I circulated HB 52 among our trial court judges for their estimates of impact. For this bill, I asked them how often they see cases that meet the criteria set out in the bill. All of those who responded said that they did not see them very often. None thought they saw as many as one a year. Also, most noted that in those cases where the trial was particularly difficult, there tended to be only one or two jurors who were really impacted.

Representative Stoltze
HB 52 Fiscal Note
March 25, 2010

However, almost all judges remembered a few trials where some of the jurors were very distraught and for whom the judges would have offered counseling had it been available.

Based on that information, and for purposes of this note, I estimated that 10 jurors a year would receive 10 hours of individual counseling at an average cost of $150 an hour. But individual counseling is not the only type of counseling available, and, in some cases, may not be the most appropriate. Another option is group counseling.

A common type of counseling for groups who share a traumatic experience is called Critical Incident Stress Debriefing. This is much cheaper than individual counseling and involves a relatively brief session with the entire group that occurs immediately following the traumatic event, in this case at the conclusion of deliberations. These sessions last an hour or two and cost between $300 and $500 an hour. This group counseling might or might not be followed up with individual counseling for those who need further support.

But whichever counseling option courts select for particular cases, our estimate is that we will spend roughly $15,000 a year on juror counseling. And although this is necessarily an estimate, I believe that it is a reasonable one based on judicial comments and the counseling options available.

I hope that this is helpful. Please let me know if you have any questions.

Sincerely,

Doug Wooliver
Administrative Attorney
Alaska Court System

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

VIOLENT CRIMES COMPENSATION BOARD

SEAN PARNELL, GOVERNOR

P.O. BOX 110230
JUNEAU, ALASKA 99811-0230
PHONE: (907) 465-3040
TOLL FREE: 1-800-764-3040
FAX: (907) 465-2379

February 22, 2010

Representative Beth Kerttula
State Capitol
Juneau, AK 99801

Dear Representative Beth Kerttula:

Thank you for considering HB 52, "An Act authorizing psychological counseling for jurors serving in criminal trials who are traumatized by graphic evidence or testimony." We understand that certain criminal trials can generate serious levels of stress among jurors that can last weeks or months after the trial is over. Traditionally, jurors in a critical trial end their service without ascertaining whether or not the events of that trial have had any psychological impact. For years, there have been cases of post-trial jurors experiencing their own mental pain and difficulty focusing back on their daily lives. Symptoms of juror stress manifest themselves as a number of physical and psychological reactions, including increased anxiety and frustration, disrupted eating and sleeping routines, nausea, depression, and anger and hostility. In many instances, talking to jurors about their symptoms validates their feelings and helps them understand that what they are experiencing is normal and can in itself bring considerable stress relief.

After exposure to a highly graphic criminal case jurors can develop stress by having to relive the traumatic experiences of the victim. For some, it is difficult to suddenly step back into their own world without some form of closure. We believe this is a unique opportunity for courts to have a positive interaction with individuals from the communities they serve. A juror who is asked to fulfill their civic duty should be protected from the potentially negative health effects of the trial process.

In general, post-trial group counseling could reduce stress and offer information on mental health services for those who might need it, provide closure, promote confidence in the judicial system, and enhance satisfaction. We support HB 52 because it would offer traumatized jurors access to group counseling services to help counteract the negative effects which may result from jury service.

Sincerely,

Gerad Godfrey
Chairman

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March 24, 2010

Senate Finance Committee
Honorable Co-Chair Senator Burt Stedman
Honorable Co-Chair Senator Lyman Hoffman
Alaska State Capitol
Juneau AK, 99801-1182

RE: - CSSB220(RES) Sec 15(d)(1) Pg 12, Ln 21 - Renewable Energy project preference

Honorable Senate Finance Committee:

Kawerak, Inc. is a regional Native non-profit organization providing services to 15 Native Villages in the Bering Strait Region. Energy consumes from 40-60% of per-capita income in these small remote communities. The Renewable Energy Grant Fund offers hope for some long term relief. Please think carefully about proposed changes in the project ranking method.

We oppose the proposed amendment to AS 42.45.045(d) found in Section 15 of CSSB220(RES) that would give Renewable Energy Grant preference to "*projects that are likely to have financial benefit that exceeds the amount of grant funds received*" because it would divert renewable energy grant funding away from small isolated rural communities, where it is needed most, and into regional hubs and big cities. Financial analysis is bound to favor places where construction costs are low and projects can capture economies of scale.

We recommend the Renewable Energy Grant Fund AS 42.45.045(d) continue to give preference "*to projects that serve any area in which the average cost of energy to each resident of the area exceeds the average cost to each resident of other areas of the state.*"

Respectfully,

Loretta Bullard, President, Kawerak Inc

CC: Honorable Co-Chair Senator Bert Stedman, Room 516
CC: Honorable Co-Chair Senator Lyman Hoffman, Room 518
CC: Honorable Senator Donald Olson, Room 508

March 8, 2009

Alaska State Legislature
State Capitol
Juneau, AK 99801

RE: Support for House Bill 52

Members of the Legislature,

First, I would like to thank the legislature for considering House Bill 52, which will grant some form of counseling for Jurors in a criminal trial. My reason for requesting and supporting this legislation is because of my experiences as a juror on a murder trial. I know I am not the only one who feels this way. Details of the trial are still painful to recall, but if my remembering can help even one future juror begin healing far earlier than I did through this early counseling/intervention, then that may bring me another measure of peace; to know something good can come from something so completely gruesome.

I have lived in Alaska for over 15 years. It is a place of peace and great beauty. However three years ago I answered a jury summons and, suddenly, for two weeks, my mind was saturated with facts no person should have to carry around. It was like watching a horror movie for seven hours (or so) a day and not being allowed out of the theatre except to sleep and get ready for the next day's movie.

I learned in great detail how two men plotted to torture an innocent woman to death. A woman, who served her community, loved her family and had no idea what awaited her. I sat in the same room with the murderers and experienced and watched a level of emotion in that court room that was intense and overwhelming. It was slow torture for me. Every night I cried at home and felt so alone because I had taken an oath as a juror and could not share any details of the horrors I was hearing even with my closest friend and confidant, my husband. For two weeks I took it in. Each night was a challenge to sleep and each morning a test in determination to stay strong and walk into the court room.

What did I learn from my court experience? That there are many ways to break into a house; that breaking a person's neck is not as simple as they make it on television; that you can never be sure what another person's distorted view of you could be; that someone could be lying in wait for you to come home alone so as to abduct you and burn you alive.

I also learned you cannot imagine the challenges you will face as a juror on a criminal trial. That even though what you hear in court did not happen to you, knowing that it did happen to someone, seeing the parties involved and having them see you are more intense than you can expect. That getting over it and moving on is not as simple in practice as it is in theory for a juror.

When the trial was over I approached our Judge, for whom I have great respect as she was the only saving grace of this awful experience. I asked if there was any form of counseling or other resources available to help in transitioning out of this trial. She stated the court system does not provide for counseling or any other kind of support following a criminal trial.

I asked her with tears in my eyes, how am I supposed to get all this out of my head? I feel like I have lived this event and I don't know what to do with it. I wanted my peaceful life back; I want to be able to feel the peace I had before the trial. She apologized and said there was nothing she can offer.

I believe if there had been some form of counseling available to provide jurors tools for processing and releasing the intense and graphic details of a criminal trial, then healing could have started a lot earlier for me and the people I served with. I tried to repress the experience. It wasn't until over a year later when the anxiety and stress became too overwhelming that I finally turned to counseling and was diagnosed with post traumatic stress disorder. Today, I am pleased to report, I have found better tools to help me move on and the beauty of Alaska has returned to my life.

As jurors we live through the details of these violent and disturbing trials essentially in silence. Trying very hard to rationalize and process what we're seeing and hearing. This has an impact... an impact on people such as what I am still dealing with today. I believe passing this bill is a very important step in supporting the jurors of violent trials and helping them find a path back to peace. I urge you to support House Bill 52 and the constituents who have or will serve on jury duty.

Again, thank you for your time and consideration.
Very Sincerely,

Mindy Lobaugh
1013 Bonnie Doon Dr.
Juneau, Alaska 99801

February 19, 2010

Representative Beth Kerttula
State Capital
Juneau, AK 99801

Dear Representative Kerttula:

I'm writing to extend my utmost support for your legislation – HB 52 - "An Act authorizing psychological counseling for jurors serving in criminal trials who are traumatized by graphic evidence or testimony."

As a juror on the 2003 Joshua Wade trial in Anchorage, I can attest to the need for counseling after a trial involving a heinous crime against an individual. Unlike prime time TV where crimes are committed, investigated and solved in 60 minutes, real life murder trials are gruesome, disturbing and in our case, debated in a court room over the course of nearly four months. Blood spatter patterns, rape, death by repeated blows to the head with a rock, torture, dehumanization – I would argue that these may be things judges, prosecutors, police officers, forensic specialists are trained and equipped to psychologically handle, but the average citizen called to jury duty is not.

At the conclusion of our trial, we were given specific instruction on how to process the evidence, on how to deliberate, on how to come to deliver a verdict according to the instruction presented by the court. We were not however, given any instruction on how we might move past the sound of the victim's mother wailing in the courtroom; of the pictures that we were shown day after day of a woman's raped and beaten body; of the testimony from expert witnesses stating that for blood to have traveled "x" feet from a body, it would have had to have been beaten with "y" severity.

Fortunately, I have a friend and colleague who does trauma counseling. At the conclusion of the Wade trial, this individual did one group counseling session (gratis) for all of us; she then saw me (again, gratis) for several other sessions so that I could further process, and move beyond the prior 4 months. Not all jurors will be as fortunate to have access to free services.

Thank you for your leadership in recognizing and addressing the needs of ordinary citizens who find themselves on an extraordinary jury. While it is our duty to serve, I believe that it is also the duty of the court to provide a means of support at the conclusion of a particularly heinous trial.

With thanks,

Anne M. Gore

Anne M. Gore * 9400 Main Tree Drive * Anchorage AK 99507

Robert H. Edwardson
3842 Killewich Drive
Juneau, AK 99801
March 1, 2009

The Honorable Beth Kerttula
House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Representative Kerttula:

Thank you for sponsoring *HB 52, "An Act authorizing psychological counseling for jurors serving in criminal trials who are traumatized by graphic evidence or testimony."* Throughout my years of as an emergency responder and law enforcement professional, I have witnessed responder trauma caused by reactions to critical incidents. It is appropriate that jurors, as an important component of the law enforcement and judicial systems, become entitled to the same assistance enjoyed by other members of our law enforcement team.

Proper counseling prepares people for their normal reactions to abnormal events. It also provides tools to adapt to those reactions. Loss of sleep, reliving events and disruption of normal routines are just some of the examples of normal reactions to critical incidents that people may not intuitively understand. They may attribute their seemingly abnormal reactions weakness in their own character, or by misattributing their changed behavior to concurrent, yet unrelated events in their lives. Their normal coping skills may be ill prepared to help them, and may actually cause them to turn use mal-adaptive coping mechanisms such as self-medication, or withdrawal from their emotional support networks when they most need them. I can attest that some responders suffer negative life-altering changes by ignoring proper counseling.

Ultimately, the public benefit of providing counseling is the facilitation of jurors' orderly return to daily life, prepared to appropriately respond to their experience. And although they may remain forever changed by vicarious trauma, they will have the skill to properly deal with their reactions. Thank you for your efforts, you have my support.

Sincerely,

Robert (Rob) Edwardson,
CWO2, USCG (Ret)
CISM Basic, Peer and Advanced
Lifelong Alaska Resident

February 24, 2010

Representative Beth Kerttula
State Capitol
Juneau, AK 99801

Dear Representative Kerttula:

I believe this is an important bill. As a social worker, I often work through very emotionally difficult situations and problems with clients. This can lead to professional grief, a topic social workers are familiar with and so often form support networks to help them process the challenges of the profession. There are times when I have been very shaken and traumatized by the work I do and I lean on the supports I have developed. However, jurors might not even be aware of the concept of professional grief and likely won't have the networks they need to process what they have been through. I think professional grief can be due to cumulative stress or one particularly stressful event. I think that not only should the counseling be offered, but that jurors participating in traumatic cases should also be advised that counseling should be considered, even if they don't think they will need it.

Professional grief can bring about responses that might not seem to be associated with the cause of the grief. In addition, professional grief often takes the form of hidden grief and is internalized and unexpressed. Individuals experiencing it might feel irritable, angry, anxious, helpless, or guilty without relating it to the experience. Jurors should be made aware of the possibility of professional grief and the importance of working through it.

Please let me know if you have any other questions. Thank you and good luck!

Jeannette Lacey Dunn, MSW

Hannah McCarty

From: Lina LePage [mishi@alaska.net]
Sent: Thursday, February 25, 2010 7:33 PM
To: Hannah McCarty
Subject: [Fwd: Fw: HB 52]
Attachments: untitled-[1.2]; HB 52 Juror Counseling Bill.pdf; 10-02-04 Sponsor Statement HB 52.docx

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Hi Hannah,
I just now read this message from my friend Jeanette as I was out of town.
Hopefully it is not too late for input/feedback. I am a mental health clinician (MSW), and I also once participated in a murder trial as a juror three years ago.
I thought at the time that post-trial psychological counseling for jurors was a necessity, and I am very pleased to find out that Rep. Kerttula has introduced a bill to that effect.
I witnessed and experienced great distress from vicarious traumatization as a result of being exposed to graphic images and verbal renditions of the gruesome details involved in a very violent death. In addition, all of us jurors experienced a lot of pressure and stress from the many days of deliberation and from the civil responsibility of deciding of a man's fate. Many jurors were shaken and in tears when all of this was over, and I remember the strong feeling of disconnection I experienced when we were released from our duty after 3 weeks of intense involvement. I thought to myself, "we didn't sign up for this", and this was true, we were "chosen" participants. We were in some sort a "captive audience" trying to fulfill our civic responsibility, which involved being exposed to some disturbing evidences.
Vicarious traumatization can lead to Post Traumatic Stress Disorder,and as a result jurors can experience flashbacks,loss of sleep, nightmares or night terrors, and a heightened level of anxiety. Post-trial counseling would be a valuable means to preventing and reducing the trauma jurors of violent acts are subjected to, and it would only make sense for the Court system to prevent harm to citizens who are voluntarily exposing themselves to traumatic evidences out of civic duty.
I hope this bill passes,

Thanks,
Lina LePage

---------- Original Message ----------
Subject: Fw: HB 52
From: "Jeannette Lacey" <j.laceydunn@yahoo.com>
Date: Mon, February 22, 2010 9:40 pm

Hello Everyone,
Please see the attachments regarding a bill introduced by Rep. Kerttula related to providing counseling for jurors who participate in traumatic hearings. She is looking for input and feedback. There is a hearing this Friday. I know she would appreciate your thoughts. You can email Hannah, her aide, at Hannah McCarty@legis.state.ak.us or you can call the office at 907-465-4767. Please forward on to others who might be able to give feedback. Thank you very much for your time!

Jeannette

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Juror Stress: Symptoms, Syndromes, and Solutions

Laurence Miller
Independent Practice, Boca Raton, Florida

Abstract: *As civic duties go, jury service can be among the most stressful experiences that a citizen can undergo. This article describes the common sources of juror stress, including jury summons, jury selection, understanding and coping with complex or disturbing evidence and testimony, jury deliberation, and the pressure to arrive at a just verdict. The article then goes on to delineate a number of intervention models for helping jurors manage stress reactions and prevent the development of more serious traumatic stress syndromes. Finally, some recommendations are offered for professionalizing jury service that would act in the interests of civil and criminal justice. [International Journal of Emergency Mental Health, 2008, 10(3), pp.203-218].*

Key words: *forensic psychology, criminal justice, juror stress, jury system, legal stress, stress management*

Imagine you awaken one night with a mysterious pain. You make your way to the nearest emergency room and ask to see a doctor. You're told that, instead, you will be examined by 12 citizens who have been pulled off their jobs and ordered to the emergency room to decide your case. When you begin explaining your symptoms and medical history, someone in the back of the room stands up and objects that your past illnesses and treatments are irrelevant and that this medical decision panel must make their treatment decision based solely on their current examination findings. You're asked a series of yes-no questions and when you try to explain further, are told to only answer the question as it's been asked. After they've finished with you, the 12 citizens retire to a separate room to deliberate your case. When you try to protest that this is no way to practice medicine, they tell you to feel lucky to live in a country where you can receive a "fair" examination and have your diagnosis and treatment decided by 12 of your peers.

Sound ridiculous? Yet, these kinds of complex life-altering decisions are made every day in courts throughout the United States and many other countries by juries with no more knowledge of the law than the above hypothetical panel has of medicine. While the merit of this kind of justice system is a topic for another venue, this article will focus on what those 12 souls may go though in trying to do the best they can in negotiating the justice system. This article will delineate some of the major stresses and stress syndromes associated with jury service and offer some recommendations for helping jurors cope with the ordeals of their service and the pressures associated with certain kinds of trials.

Correspondence concerning this article to: Laurence Miller, PhD, Plaza Four, Suite 101, 399 W. Camino Gardens Blvd., Boca Raton, Florida 33432, 561-392-8881. docmilphd@aol.com

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Juror Stress: Scope of the Problem

A core feature of the American civil and criminal justice systems is the right of a defendant to a trial by jury. Serving as a juror is considered a civic duty and a citizen's failure to respond to this call may result in judicial sanctions and penalties. Other than the occasional traffic citation, jury service is one of the primary means by which the average, law-abiding citizen comes into contact with the American judicial system. Most jurors take their responsibilities seriously and carry out their jury service to the best of their abilities. But until recently, little consideration has been given to the psychological impact of jury service on the jurors themselves (Butler, 2007; Hafemeister, 1993).

Ironically, much of this attention has come from the observations of judges who have to deal with stressed-out juries on a regular basis and who are subject to their own judicial stresses and challenges (Miller et al., 2007; Zimmerman, 2006), which will be the subject of a future article in this series. On a practical level, heightened awareness of juror stress may result in a shrinking pool of citizens who are willing to report for jury service. As greater numbers of citizens manage to avoid jury service, juries become less and less representative of their communities, leading to a deterioration of public trust and confidence in jury verdicts, making still more people reluctant to serve, and so on, in a vicious cycle. In addition, extreme juror stress levels may compromise their ability to render a fair judgment or impel jurors to make premature decisions, resulting in the appeals of many more verdicts than necessary and, in some cases, the corruption of justice (Butler, 2007; Curridan, 1995; Hafemeister, 1993; Hafemeister & Ventis, 1992; Sturgess, 1990).

The Jury Process

The odyssey of jury service typically begins when a citizen receives a *jury summons*. The very term, "summons" can make the citizen feel like he or she is already guilty of something and conveys to the recipient that this service is not optional; indeed, failing to report for jury duty can result in the citizen being held in contempt of court, possibly fined and jailed, and ultimately being forced to appear. The summons either orders the citizen to report to the courthouse on a specific date or instructs them to call the courthouse over several days to see when their service is required. Some jurisdictions give citizens the option of postponing jury service for a limited period of time.

When arriving at the courthouse, prospective jurors are typically herded into a large auditorium where they are given a brief orientation, by video or live speaker, to the civil and criminal justice systems. They wait to be called for empanelment, which may be almost immediately or at any time throughout the day. In some jurisdictions, if a juror is not empaneled on that day, his or her service is done; in other jurisdictions, they must return day after day until selected for a jury or rejected during jury selection.

Jury selection involves the careful examination, or *voir dire*, of each prospective juror by the opposing attorneys in the case. Ostensibly, the goal is to select jurors who can make an impartial decision, free of personal biases that might taint their careful, objective weighing of the issues. In reality, voir dire often represents a way for attorneys from either side to "stack" the jury with individuals who most likely will be favorable to their case (Kressel & Kressel, 2002). Since a wide range of jury characteristics may affect their thinking about a given case, voir dire questions may range from opinions about points of law ("Do you believe the death penalty is ever an appropriate punishment?") to personal habits or preferences ("How many hours a week do you think is normal for someone to be looking at internet pornography?"). Typically, the initial weeding-out is accomplished by means of a written interrogatory, or questionnaire, and those prospective jurors who pass this first hurdle are then interviewed in vior dire. The law also allows a limited number of jurors to be rejected on a "peremptory" basis, which means the attorney doesn't have to give a reason, and which usually occurs to exclude a juror because of some personal feature such as ethnicity or social background. The acceptance/rejection ratio of jury selection explains the "cattle-call" nature of summoning vast numbers of potential jurors to the courthouse on any given day.

After a jury is empaneled, the case generally begins. Depending on the nature of the case, jurors spend anywhere from a few days to many weeks hearing complex and conflicting testimony from plaintiff and defendant (in a civil case), prosecutor and defendant (in a criminal case), fact witnesses (who have observed or have personal knowledge about something pertinent to the case), and expert witnesses (professionals with specialized training who can render opinions about technical issues of the case). Attorneys naturally try to present evidence that will be most favorable to their side of the case to "sway" the jury (Kressel & Kressel, 2002).

Traditionally, jurors are not allowed to take notes or ask questions and are supposed to process all this material in their heads to prepare for deliberation. Perhaps responding to the realities of human cognition, some jurisdictions now permit limited questions by jurors during the trial in order to help clarify crucial points that they will deliberate on. In most trials, jurors get to go home at the end of each day but are not allowed to discuss the case with anyone. In some high-profile cases, juries may be *sequestered* – literally isolated in a hotel room between court appearances, and deprived of newspapers, TV, or any contact with the outside world that might taint their view of the case.

After testimony and each attorney's closing statements are completed, the jury retires to a separate room for their deliberation, which may take a couple of hours or many days. Since, in most cases, verdicts must be unanimous, this can be an extremely grueling process, as jurors may change their minds several times throughout the deliberations and their decision-making processes may be influenced by anything from new insights on the case to what will get them out of there the quickest. Prior to deliberation, the judge usually provides a set of jury instructions as to which aspects of the case they just heard can be considered and which parts they should disregard; admittedly this kind of cognitive compartmentalization can be extremely difficult to accomplish ("Do not assign any weight to the bereaved mother's spontaneous crying and unsolicited comment about how she misses her murdered daughter.")

At any point in the trial prior to the actual reading of the verdict, the two sides of the case can arrive at an agreement that obviates the need for a jury. A number of juries have been in the position of sweating over a weeks-long trial, spending several more hectic days in heated deliberations, only to be told at the last moment that the case has been settled and "thank you for your service." It is hard to imagine a more frustrating set of circumstances than to have placed one's whole life on hold, to have had one's thoughts and emotions wrenched by days of testimony that ranged from the soporific to the horrific, to have deliberated earnestly and hard, only to be told, often at the brink of a unanimous decision, the judicial version of "never mind." Perhaps the only thing worse are cases where the judge "sets aside" the jury's verdict after it has been read because he or she decides that these 12 citizens could not possibly have reached this conclusion if they had properly considered all the pertinent facts and points of law in the case. In these circumstances, juries understandably feel like bad little schoolchildren who failed their class assignment. Even where the court accepts the jury's verdict, they know it's not over yet, because most serious verdicts are appealed.

Positive Aspects of Jury Service

Although this article will focus on the negative psychological effects of jury service, to be fair, a number of surveys and studies have found that most American and Canadian jurors view their service positively (Butler, 2007; Casey, 1998; Diamond, 1993). For many citizens, this is the most important thing they have done in terms of having a real impact on their communities. Individuals who may feel that they plod meaninglessly through life and receive scant acknowledgement for their efforts at their jobs or at home are suddenly thrust into a position of trust, treated like adults, and accorded great respect, with the weight of another human being's fate placed in their collective hands. Jurors often emerge with much enhanced respect for the legal system after seeing how seriously and carefully most cases are tried, with learned attorneys in expensive suits vying for their decision through meticulously researched and cogently presented arguments, all parties forced to follow strict rules of evidence under the watchful gaze of an enrobed judge sitting on high. This experience often inculcates in jurors a sense of empowerment and engagement with civic life; in fact, serving on a jury makes people more likely to vote. Many jurors surveyed say they would like to serve again (Butler, 2007; Casey, 1998).

However, some of the positive feelings reported on juror surveys may be the result of rationalization and cognitive dissonance: having been conscripted to legal servitude for days or weeks at a time, suffered loss of income and restrictions in their family time, many jurors may feel compelled to justify to themselves that this all must have been for some greater good in order not to feel like chumps (Butler, 2007). And, as will be discussed below, this positive perception of jury service is far from universal; indeed, from the results of other surveys and studies, one can only conclude that, for many jurors, their service amounts to a descent into hell.

Stresses of Jury Service

Even short of hell, many jurors experience stresses that range from mild to severe. While trials containing complex and/or grisly evidence may be understood to be inherently stressful, even more mundane cases can take a grueling toll.

For all the lip service about their noble mission, courts can be surprisingly unaccommodating to jurors who are often relegated to the bottom of the courtroom pecking order. This may be due to a strong social identification factor: Judges and lawyers share a common level of education, training, and experience; indeed, many judges were once practicing lawyers and career shifts in the other direction are not uncommon either. Thus, they understand that they are in a different social and demographic league than most jurors who tend to come from a more working-class and nonprofessional population – i.e. the type of people who cannot easily get out of jury duty. In addition, the same judges and lawyers tend to interact with one another repeatedly in the same kinds of cases, whereas jurors are here for one case, and then gone. Thus, it is easy for the courtroom "regulars" to unconsciously treat the newcomers as transients who are there to do their jobs and then scram (Butler, 2007; Curridan, 1995).

A survey by the National Center for State Courts (Casey, 1998) asked a large sample of jurors or alternate jurors from a wide range of civil and criminal cases (e.g. robbery, drunk driving, malpractice, and personal injury) to rate the level of perceived stress they experienced from a list of stressors. The top ten sources of stress for jurors serving on non-death-penalty cases were: deciding on a verdict; jury deliberations and discussions; disruptions to daily routines; fear of making a mistake; violent crimes; the jury selection process; crimes against children; answering questions in front of other people; sentencing a criminal defendant; and dissension/differences among jurors. Looking at the top items on the list should remind us that, even in relatively routine cases, most jurors take their responsibilities very seriously and are acutely aware that they are making decisions that will greatly affect people's lives, what Bornstein and colleagues (2005) refer to as the "burden of justice." It is this very sense of responsibility that often makes their jobs so stressful (Hafemeister, 1993).

But how stressful? Most surveys have found that about 40% of jurors report stress levels hovering around the mild to moderate range, but that clinically significant anxiety or depressive disorders are rare (Antonio, 2006; Bornstein, Miller, Nemeth, Page, & Musil, 2005; Casey, 1998; Kaplan & Winget, 1992; Kelly, 1994; Casey, 1998; Shuman, Hamilton, & Daley, 1994). So, even though most jurors aren't actually being "driven crazy" by their ordeal, the stresses of jury service can have a sufficient effect on their daily lives to demand serious attention.

Sources of Juror Stress

Jurors experience stressors from a variety of sources associated with their service. A review of the relevant literature (Antonio, 2006; Bell & Feldman, 1992; Bishop, 1992; Bornstein & Nemeth, 1999; Bornstein et al., 2005; Butler, 2007; Casey, 1998; Diamond, 1993; Fishfader, Howells, Katz, & Terese, 1996; Goleman, 1991; Greene & Bornstein, 2000; Hafemeister, 1993; Haney, Sontag, & Costanzo, 1994; Kelley, 1994; McAree, 2004; Miller, Flores, & Dolezilek, 2007; Mott, Hans, & Simpson, 2000; Rauch, 1992) suggests that these can be divided into two main categories, those associated with the judicial process of jury selection and empanelment, and those associated with the content and conduct of the trial itself.

Court Procedures

Physical setting. The physical environment in various courthouses throughout the country ranges from reasonably comfortable to atrocious. Stress factors cited by jurors include poor temperature controls, limited access to food and bathroom facilities, cramped and overcrowded waiting areas ("cattle pens"), and the inconvenience of getting to and from the courthouse (lack of public transportation, poor parking, courthouse in bad neighborhood).

Payment. For all the high-minded talk of how jurors are a vital component in our system of justice, the daily compensation rate for jurors – typically far below minimum wage – can only be seen as diluting the supposed high regard that the court has for them. "I couldn't get someone to clean my toilets for this kind of money," is a typical complaint. A few jurors have commented that they tore up the check when it came or sent it back with a nasty note.

Life disruption. A near-universal complaint of jurors and prospective jurors is the disruption of work and family schedules necessitated by their service. Under the mantle of civic responsibility, jurors may lose days or weeks from work and have to delegate childcare and other household responsibilities. Although employers, as an expression of good citizenship, are supposed to give their employees days off with compensation to attend jury duty, in most cases the worker absorbs a pay loss. Adding insult to injury, when the term of jury service extends more than a few days, the worker may return to find that his or her job has been filled by someone else.

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For the self-employed, the situation can be even worse. Salespeople live by their commissions and most small businesses can't afford to close down for even a few days. Even in medium-sized companies, the worker may not have anybody to take his or her place if he or she is in court; clients and customers may quickly go elsewhere. Some jurors report that they have had their businesses ruined by a lengthy term of service.

And it's not just work. Time away from spouses and children strains family relationships; women jurors especially appear to feel the strain of isolation very acutely. Not being allowed to discuss the case when he or she comes home from court deprives the juror of a main source of tension reduction that most people have for unloading their daily stress, and further marginalizes the rest of the family who see their loved one in distress but are unable to do anything to help them (Feldman & Bell, 1991; Hafemeister, 1993; Slind-Flor, 1992).

As previously noted, in some high-profile cases, to avoid "contamination" of the jury by media, casual conversation, etc., jurors may be sequestered, which essentially amounts to enforced isolation during the trial. Because of state and local budgets, accommodations are rarely first-class. This heightened isolation from work, family, and friends may cause many jurors to feel that they are being treated like "criminals," "POW's," or "terrorists at Guantanomo Bay," as some jurors have put it. It is these conditions that most often lead some jurors to fear they are losing their minds (Antonio, 2006).

But, at least for American jurors, the ordeal is over when the trial ends, at which time they are free to talk, write books, or expound on TV about their role in a famous trial (although most jurors just want to go home and forget it). No such consideration is afforded their northern brethren, as the Canadian Criminal Code makes it an offense for their jurors to ever disclose information regarding jury proceedings. Canadian jurors cite this ban as one of the most difficult things to deal with (Butler, 2007; Hafemeister, 1993). On the other hand, this permanent gag order may free these jurors from the relentless media intrusion that often dogs American jurors in high-profile cases and which often seems designed to provoke a media-worthy lurid reaction from jurors.

For example, after the high-profile Rodney King beating trial, jurors were assailed by the press to the point that local police warned them not to remain in their homes because of all the publicity they were garnering. These jurors felt compelled to defend their decision to friends and family and felt that they were being condemned in the press for the rioting that took place after the verdict. One juror received a bomb threat at her workplace. Another juror bought a gun for protection, while still another slept with an axe. Many jurors compared their experience to having been raped; they suffered anxiety, hypervigilance, tearfulness, exhaustion, sleep and weight loss, and disruption of family relationships. A few of the jurors sought professional counseling, but most suffered in silence (Davis, 1993).

Jury selection process. For many jurors, especially those that value their privacy, filling out detailed questionnaires and answering sometimes very personal questions in front of a group of strangers can be extremely uncomfortable. Many jurors have reported feeling as if they were the ones on trial. For example, in financial fraud cases, lawyers may want to know what the juror's salary is or whether he or she has ever "thought about" cheating on their taxes. In sex-related cases, jurors may be queried about their sexual preferences or whether they have ever "thought about" cheating on their spouse. Simply refusing to answer could technically result in the juror being cited for contempt of court, but few judges would be willing to subject the juror to further duress. More commonly, embarrassed jurors will simply lie and tell the questioning attorney whatever they believe will make the lawyer move on. The result may be the empanelment of a jury containing several members who have been seated under false pretenses, thereby compromising the whole rationale of jury selection.

Perhaps for these kinds of reasons, while American lawyers can question potential jurors to screen out those they don't like during the voir dire process, in Canada this kind of jury selection process is considered prejudicial and all eligible jurors are assigned on a first-come-first-serve basis. The absence of a rigorous juror screening process has been found in surveys to increase stress on those Canadian jurors who are seated (Butler, 2007). It would be an interesting empirical question to see which system is associated with the greatest psychological morbidity and satisfaction with jury service.

Trial Factors

Death penalty cases. Understandably, the decision to find a defendant guilty of a crime warranting the death penalty is one that most American jurors take very seriously,

reflecting the "burden of justice" (Bornstein et al., 2005) that jurors feel more intensely, the more serious the trial (e.g., capital murder vs. grand larceny). In some jurisdictions, the jury determines guilt or innocence in a capital crime and the judge imposes a sentence. In other courts, the jury may first decide on guilt and then deliberate a second time to determine the sentence, usually either death or life imprisonment. Findings from the Capital Jury Project (Antonio, 2006) and other studies have shown jurors who render a death penalty verdict to suffer from a variety of stress reactions, including *posttraumatic stress disorder* (PTSD) at higher rates than those who render a life sentence.

Some jurors describe nightmares that replicate how the victim was killed or that relate to details of the crime scene, many of the images coming from photographs viewed at trial. Some jurors report feeling physically sick during and after the trial. Jurors may express regret at their final punishment decision, often feeling that the wrong decision was reached. In some cases, jurors regret the death sentence; but in a few others they wish death had been meted out instead of life imprisonment. Many jurors who harbor second thoughts post-trial feel they were pressured or "brainwashed" by other jurors to go along with the majority decision: "I should have stuck to my guns, but everybody else was so sure of their side and we all just wanted to get out of there."

Fear of reprisal by the defendant or his cohorts is a common theme reported among jurors serving on capital trials. Many report that the defendant would sit in court and stare intimidatingly at individual jurors during the trial. Nightmares of such possible reprisals by the defendant are commonly reported, more frequently by women. Other jurors are simply afraid of running into either the victim's or defendant's family in or around the courthouse. Some fear wider censure by their own families, friends, and communities for making the "wrong" decision in socially sensitive cases. Most jurors who have served on capital cases are determined not to repeat the experience.

Interestingly, in the Capital Jury Project study (Antonio, 2006), a number of jurors specifically expressed the need for some kind of post-trial counseling and half thought it should be made available by courts themselves. Others took the initiative and sought counseling on their own after the trial had ended, either from a family member, clergyman, or mental health clinician (Antonio, 2006).

Grisly evidence. One of the distressing aspects of murder trials or those where there has been significant bodily injury is the frequent necessity for juries to view gruesome hospital or crime scene photos depicting death and or mutilation, as well as to hear sometimes horrifying testimony of how victims were assaulted, tortured, raped, and/or killed (Bishop, 1992, Boone, 2008). Remember that police officers, criminal attorneys, judges, and specially trained mental health counselors who work with the court system all have years of experience dealing with disturbing evidence, yet, even in these hard-boiled veterans, particularly heinous crimes (often those involving child victims) may evoke destabilizing emotional reactions that require intervention in the form of critical incident debriefing or other mental health contact (Miller, 1998c, 1999, 2006a, 2006b, 2007a, 2007b, 2008a, 2008b, 2008c).

How much greater must the reaction be to this kind of evidence by untrained, inexperienced jurors who are being assailed by grisly evidence throughout the trial. This is frequently compounded by the fact that prosecution and defense counsel each have their own agendas that they may play off the jury. For example, the prosecution may specifically try to shock the jury by literally throwing the exhibit (crime scene photo, bloody clothing, murder weapon) in front of the jury precisely to spur an emotional reaction that will hopefully lead to a conviction (another variation of this is to abruptly display an image of the disturbing exhibit on a huge projection screen in the ominously darkened courtroom). For its part, the defense team will initially try to exclude evidence they consider "inflammatory" or, alternatively, if it is presented, may try keep it exposed as long as possible or present it repeatedly in order to try to desensitize the jury to its presence. Sometimes this works and jurors get used to seeing the bloody knife and the photographic stab wounds lying on the evidence table day after day. But sometimes the tactic backfires and the jurors grow increasingly sensitized, rather than immunized, with each exposure.

Studies are near-unanimous in reporting high rates of anxiety, depression, and PTSD symptoms in jurors sitting on capital murder, aggravated kidnapping, aggravated sexual assault, aggravated assault, and child abuse cases (Antonio, 2006; Feldman & Bell, 1993; Hafemeister, 1993). Some of this may relate to the concept of *vicarious trauma*, in which those who work frequently and closely with victims of violence come to empathically absorb and internalize some of the psychic pain and begin to show PTSD symptoms themselves (Davis & Friedman, 1985; Figley, 1983; Fullerton, Carroll, Ursano, & Wright, 1992; Miller, 1998a, 1998b, 2008c; Moon,

1999; Talbot, Dalton, & Dunn, 1995; White, Lawrence, Biggerstaff, & Grubb, 1985; Yassen, 1995). These kinds of reactions may have implications for adjudication of the case if jurors make extreme decisions based primarily on their emotions rather than on a rational analysis of the evidence, or if they become so numbed to the savagery of the crime through repetitive testimony or evidence presentation that they come to diminish the seriousness of the criminal act in their deliberations (Miller et al., 2007).

Complex Evidence. Another feature of murder trials or other violent felony trials is that they tend to be long and contain vast amounts of complex and ambiguous evidence. In most courts, jurors are forbidden to take notes or ask questions, although some jurisdictions are very recently beginning to allow limited forms of these activities. Thus, the juror is placed in the position of having to process complex technical information and conflicting eyewitness narratives presented by two different sides who are each trying to spin the evidence to the fullest extent that the court will allow, with the juror permitted to take no (or limited) notes and ask no (or limited) questions. Add to this the fact that much testimony is just plain boring or literally incomprehensible and there is evidence that jurors forget a great deal of what they hear in court (Rosehan, 1994). If this were a college course, what grade do you think the jurors would get? Yet, they are charged with the task of taking this information and using it to render what, in some cases, is literally a life or death decision about someone's fate.

Complicating the process is the fact that, in the case of a college course, the students are all more or less equivalent in background in terms of education, training, and native intelligence, and have probably all completed at least some prerequisite coursework for the present class. But jury members come from all walks of life and will have vastly differing levels of sophistication in handling complex testimony and in understanding the legal instructions they're given (Antonio, 2006; Bornstein et al., 2005; Butler, 2007; Miller et al., 2007; Steele & Thornburg, 1991). Because most professional people in their 30s to 50s, as well as most mothers with childcare responsibilities, can probably find some reason to get out of jury duty, most juries will contain a disproportionate number of very young, very old, less educated, and less family-grounded individuals. In deliberations, less comprehending jurors may feel intimidated by seemingly more savvy members who, for their part, may be frustrated with their slower compatriots' failure to grasp their arguments or see things their way.

Indeed, an entire industry of *jury persuasion*, often trafficking under the euphemism of *trial consulting*, has sprung up precisely to capitalize on juries' frequent cluelessness and to help attorneys use this to their own advantage (Kressel & Kressel, 2002; Posey & Wrightsman, 2005; Vinson & Davis, 1996). For example, we know from cognitive psychology and everyday experience that most people make decisions not by carefully weighing evidence and using inductive reasoning to arrive at a conclusion. Rather, they make an immediate judgment which is typically based on emotion and first impressions and lies within their pre-existing frame of reference and comfortable world-view. Then, they selectively scan the available data to cherry-pick information that will self-justifyingly support their original position. Hence, most jurors strive to reach verdicts which do not conflict strongly with the views they've held at the beginning of the trial; that is, they strive to reduce cognitive dissonance (Feigenson, 2000; Nisbett & Ross, 1980; Petty & Ciacioppo, 1986; Singer, 1998; Sunby, 1997).

Thus, lawyers know that it is good trial strategy to build your case around a small number of fundamental principles about which most jurors are surmised to feel strongly and that consequently act as screens or filters to interpret, distort, or reinforce information presented during the trial. Tactically, the more an attorney can frame his or her case in terms of the jurors' own personal experience, the greater the likelihood of winning the case (Kressel & Kressel, 2002; Murphy, Loveland, & Munsterman, 1992; Vinson & Davis, 1996). Finally, human beings form impressions about other human beings more strongly than they do about abstract data. When jurors can understand the content of the testimony, they usually factor this into their decisions. But when the complexity of the subject matter exceeds their comprehension, they rely on the perceived sincerity and persuasiveness of the witness (Cooper, Bennett, & Sukel, 1996).

Today's poor, benighted jurors may be forgiven their blunders if only because the complexity of the world as a whole has changed much in just a few centuries, while the human brain and human nature have not. No less an authority than retired Supreme Court justice Sandra Day O'Connor (2003) has lamented this modern state of affairs:

> The world is a very different place now than it was in 1220 or in 1789 or fifty years ago. We therefore

should not be surprised to learn that aspects of the jury system that worked well in those times work less well today and need some repairs. What should surprise us is that so little of the necessary repair work has been done.

There are three aspects of the jury system that need particular attention. First, *the conditions of jury service.* When citizens are called for jury service, they often view it as a burden rather than a privilege. And for good reason: when they arrive at the courthouse they frequently are treated more like sheep than people, and the system can seem designed to disrupt their lives to a maximum degree. Second, *jury selection.* The process of selecting a jury out of the citizens called for jury service on a particular day has changed from a necessary safeguard against potentially biased jurors to a way for highly paid jury consultants to attempt to ensure a jury favorable to the side paying their fees. And third, *the conduct of the trial itself.* Too often, jurors are allowed to do nothing but to listen passively to the testimony without any idea what the legal issues are in the case, and without being permitted to take notes or participate in any way, finally to be read a virtually incomprehensible set of instructions and sent to the jury room to reach a verdict in a case they may not understand much better than they did before the trial began (O'Connor, 2003, pp. 217-218; cited in Posey & Wrightsman, 2005, pp. 218).

Jury deliberation. This is where it all comes together, where the jurors are supposed to put their heads together and come up with a decision that follows the law and respects the evidence in the case. They have already been instructed that there are specific things they are and are not allowed to include in their thinking about the case; they may or may not understand these rules. A number of surveys have shown that the interactions and dynamics of these 12 strangers, thrown together from diverse cultures and walks of life, with widely varying cognitive skills and personalities, can often be the biggest source of stress for jurors during the trial. While many jury deliberations proceed tolerably, and in some instances may even be enjoyably challenging, others are described by jurors as the worst experience they've ever had (Antonio, 2006; Butler, 2007).

The types of stresses during jury deliberation can be multiple and can range from little personal irritations from another juror's mannerisms or tone of voice, to a particularly obnoxious, ignorant, or intimidating juror who just ticks everybody else off and makes the process so much more unpleasant. Not to be overlooked is the physical setting, with poorly ventilated jury chambers resembling sweaty locker rooms after a few hours. The deliberation process itself can be contentious and the juror who evinces a minority opinion may find him- or herself reviled and alienated for "not letting us get on with this." Some jury deliberations have reportedly almost broken into fistfights, and breakdowns in decorum with inadvertent or intentional spewing of stereotypes and prejudices are not uncommon, as the mounting stress brings out the ugly side of the deliberators (Bornstein et al., 2005; Butler, 2007; Casey, 1998).

Juror Stress: Symptoms and Syndromes

Butler (2007) points out that if a research committee were to propose a study on the human stress response that incorporated the factors reviewed above, they would no doubt be fired from their university and banned from research for the rest of their lives. Another, perhaps more germane, way to look at it is that the kind of working environment that many jurors are subjected to during their service would be strictly illegal in all regulated American public and private organizations, and discovery of such conditions would subject the organization to civil penalties and criminal prosecution.

Juror stress symptoms can be conceptualized along three dimensions: (1) symptom type; (2) symptom severity; and (3) symptom time course.

Symptom Type

Juror stress symptoms tend to replicate those reported more generally in the stress and trauma literature (Antonio, 2006; Bell & Feldman, 1992; Bornstein et al., 2004; Butler, 2007; Casey, 1998; Costanzo & Costanzo, 1994; Davis, 1993; Feldman & Bell, 1993; Kaplan & Winget, 1992; Kelley, 1994; Shuman et al., 1994) and include the following:

Physical symptoms. Impaired sleep, headaches, heart palpitation, high blood pressure, cutaneous reactions (hives and rashes), ulcers, impaired sexual functioning, muscle tension, tremors, chest pain, faintness.

Psychological symptoms. Intrusive recollections, nightmares, emotional numbing and detachment, anxiety, depression, increased alcohol consumption.

Symptom Severity

Juror stress appears to show the standard *dose-response ratio* seen with other stressors, that is, the greater the level of stress, the more severe the symptoms (Butler, 2007). For example, jurors serving on "traumatic" trials, including rape, murder, and aggravated kidnapping, were found to experience more severe symptoms than jurors on "non-traumatic" trials such as burglary or drug possession (Shuman et al., 1994). In particular, the jurors on traumatic trials were many times more likely to experience depression (Miller et al., 2007).

Symptom Time Course

In the Capital Jury Project (Antonio, 2006), jurors' stress reactions were found to occur in three main stages: during the trial; immediately after the sentence was announced; and in the days, weeks, or months after the trial ended.

During the trial. Interestingly, only a few of the jurors reported that the full impact of their jury experience was felt while the trial was occurring; most jurors seemed to go "on automatic" to function while the trial was in progress. The major source of stress at this time was determining the actual punishment decision. Other stressors included having to view disturbing crime scene evidence and the isolation of not being able to speak to their families about the case.

Immediately after the trial. In many cases, the stress response came as a "delayed reaction" right after the trial was over. Most of the jurors in this category reported crying at some point, either from the strain of their recent ordeal or out of sheer relief that it was over. Two female jurors in this sample were concerned about the effect the verdict would have on the victim's family.

Days, weeks, or months after the trial. Most of the jurors reported that serving in a capital murder trial affected them long after the trial ended. Some jurors experienced changes in their relationships and lifestyles. Many reported difficulty forgetting what they heard or saw during the trial, and a few reported classic symptoms of PTSD, including nightmares, intrusive recollection, and emotional numbing (Antonio, 2006).

Alleviating Juror Stress

Several authorities have proposed recommendations for making the juror system less stressful and more humane, based on their analyses of juror responses to surveys and general experience (Antonio, 2006; Bornstein et al., 2005; Casey, 1998; McAree, 2004; Miller et al., 2007; Nordgren & Thelen, 1999). I have divided these recommendations into procedural measures and clinical approaches.

Court Procedural Measures

These issues relate to changing the courtroom setting and the conditions of jury service (Antonio, 2006; Bornstein et al., 2005; Casey, 1998; McAree, 2004; Miller et al., 2007; Nordgren & Thelen, 1999) and include the following:

Improve jury notification and reporting for service. Provide sufficient time for prospective jurors to respond to jury summons. Many courts now provide the option of deferring jury service one or more times, as long as the summonee reports within a specified period of time (usually about 6 months). Giving jurors time to arrange their affairs provides a sense of control that may increase juror cooperation and motivation to participate. Provide basic information with regard to how to respond to the summons, where to report, directions, relevant phone numbers, etc. Provide safe transportation and security escort between the courthouse and transportation (parking lot, bus stop). Remember, anything the court can do that makes it easier, not harder, for jurors to report for jury duty will increase compliance rates. Consider adjusted compensation rates for self-employed jurors or jurors whose employers will not compensate the worker for his or her service time.

Explain the trial process. All too often, the initial orientation to the legal system consists of a short, prepackaged video played on a screen in a busy auditorium that may be all but incomprehensible to most of the stressed and harried audience in the pre-panel "cattle call" room. Felons' confessions may be thrown out if police cannot affirmatively demonstrate that the suspect made a knowing and informed waiver of his or her Miranda rights at the time of arrest. Similarly, considering that people's legal fates are at stake, shouldn't prospective jurors be required to demonstrate that they understand the relevant law and legal procedures? Judges should take the initiative to explain things to the jurors in a clear, understandable fashion and solicit their feedback with regard to their understanding.

Also, give jurors a head's-up as to what to expect in general from the trial on which they are being selected to serve. Obviously, the nature of the trial, whether criminal (murder, robbery, rape, drug possession) or civil (personal injury lawsuit, contract dispute, family law case), should be explained. Many jurors state that they would have liked to have been forewarned that the trial could include gruesome photographs, foul language, pornographic material, and/or graphic descriptions of criminal acts. This may be contested by some judges and attorneys who are leery of discussing any type of evidence that has not yet been determined admissible. Additionally, many attorneys may actually be counting on the emotional shock value of certain evidence to sway jurors' opinions and don't want them desensitized by previous discussion; other attorneys may not want to "tip their hand" about sensitive forthcoming evidence. Courts should strive to work out some compromise solution that preserves the rules of evidence while assuring that jurors will be in a proper mental state to hear the case.

Facilitate the jury selection process. One aspect of the trial system that should be clearly explained is the necessity for attorneys to ask jurors probing questions during voir dire. This should include an explanation of the purpose of the voir dire examination, an explanation of the difference between peremptory challenges and challenges for cause, introductory information on the particular case, an estimate of how long the trial may last, and an indication of whether the jury will be sequestered and, if so, for how long and why.

Be sensitive to jurors' privacy concerns. Responses from jurors indicate that some judges and attorneys may view voir dire as a fishing expedition to gain as much information as possible about each juror rather than just enough information to determine if a juror can be fair and impartial. Questions about mental illness, substance abuse, extramarital affairs, job and salary history, or past run-ins with the law may be shrugged off by some potential jurors but shocking to others. Many jurors may be understandably concerned about who will get their personal information or will have access to court records. Any juror questionnaires should be collected at the end of the selection process and the procedures for assuring juror privacy should be explained.

Basic, commonsense recommendations include reducing waiting time, providing comfortable accommodations, and endeavoring to treat prospective jurors with the kind of respect the court pays lip service to when intoning the sacred civic duty to uphold our system of justice.

Maintain control of the courtroom and trial process. When people are under pressure in an unfamiliar environment, they want the grownups to be in charge. Jurors report that much of their stress occurs when they perceive the judge as losing control of the courtroom. Intimidating, bickering, or grandstanding attorneys should be reined in, and TV cameras should be removed if they interfere with the trial process. Loud or obtrusive witnesses or courtroom audience members should be quieted or ejected. Taking control doesn't mean being a tyrant; judges should always be civil with attorneys, jurors, and witnesses, but they should make it clear that they will tolerate no breaches of procedure or decorum in their courtroom. Control also means keeping the trial process humming along so things don't bog down; ironically, boredom is often as much a threat to juror concentration as overstimulation. Finally, in high-profile cases, jurors should be given some guidance on how to deal with the media.

Modulate the presentation of disturbing evidence and testimony. As noted above, viewing grisly evidence or listening to emotionally disturbing testimony is reported by many jurors as being among the most stressful aspects of their service. Although gruesome evidence is typically associated with criminal trials, civil trials involving claims of negligent injury or medical malpractice often contain their share of hideous material. I recall testifying in one civil case where the plaintiff's claim of developing PTSD after seeing a loved one killed in a traffic accident was bolstered by full-color accident scene photos detailing what the speeding vehicle had done to the victim's head and body. Again, the purpose of preparing juries for disturbing testimony is not necessarily to lessen the import of the criminal or civilly negligent act, or to bias their view of the evidence in any way, but simply to alert them that such potentially disturbing material is coming. Indeed, juries who are shocked and overwhelmed by blatantly violent or pornographic material may be less capable of rendering a fair decision.

Allow greater juror participation in the trial process. Under traditional trial procedures, jurors are expected to play a passive role, quietly listening and absorbing the presented evidence and testimony in preparation for their deliberations. Recalling the point made at the beginning of this article, in no other field – medicine, law enforcement, emergency services, business and industry, government, the military – are critical decisions made in the context of deliberate restriction of relevant information. While certain aspects of a legal trial are

unique, such as the importance of controlling bias, research on juror decision making increasingly shows that this passive role – no note-taking allowed, no questions asked by the jury – is unnatural and uncomfortable for most jurors, hindering their ability to remain objective, to concentrate on evidence and testimony, and to integrate new, unfamiliar material; just imagine trying to pass a high school or college course under these conditions. Conversely, studies show that juror comprehension and satisfaction are increased if jurors are allowed a more active role in trials (Cooper et al., 1996; Dann, 1993; Heuer & Penrod, 1994; Rosehan, 1994).

Accordingly, many courts are now permitting limited note-taking by jurors and the asking of limited questions. The latter usually takes the form of having the juror write the query on a piece of paper which is then passed to the judge for review. If he or she determines that it is an appropriate question, the judge will then read it to the witness (or sometimes have the bailiff or court reporter read it). In my experience, this has almost always occurred in the context of expert witness testimony, where the jury has a legitimate question concerning some technical matter that the expert has just expounded upon. Given that jury verdicts may well be determined by their understanding of such complex material, anything that will increase their understanding should well serve the purposes of a fair and just verdict.

Facilitate jury deliberations. Arguably, the jury deliberation process is the most critical aspect of juror activity in the trial because it is here that the fate of the stakeholders is decided. Most jurors rank the process of deciding on a verdict and the fear of making a mistake among the top sources of stress in their trials. One problem often cited is their lack of a clear understanding of the judge's jury instructions, and research has demonstrated generally low comprehension of juror instructions in general (Greene & Bornstein, 2000; Steele & Thornburg, 1991). Accordingly, it is crucial for judges to ascertain that their juries understand the relevant instructions.

After days of listening to complex, confusing, disturbing, and/or boring testimony, just throwing a group of strangers into a room and expecting them to arrive at a just decision may be more a reflection of naive optimism than reality. The conduct of jury deliberations can range from polite and civil to something resembling a dog fight. Most jurors report that they would have liked some guidelines for their deliberations. Especially in tense criminal trials or where jurors are having difficulty getting along, judges should be prepared to provide some guidelines for cooperative and collaborative deliberation, such as listening to one another's points without interruption, disagreeing respectfully, and not taking arguments about the case personally. Business people take hours of courses and training seminars on decision-making processes, conflict resolution strategies, and how to conduct productive meetings (Miller, 2008d) – shouldn't juries be given some guidance on this as well? If jury sequestration is a possibility in this trial, prepare jurors for this in advance, from the outset of jury selection.

Clinical Measures

The following recommendations entail more of an interface between judicial and mental health professionals in terms of providing specific interventions to help jurors cope with stress. There are some things that judges and court personnel can do; other approaches require the direct or consultative role of a qualified mental health professional (Antonio, 2006; Bienen, 1993; Bornstein et al., 2005; Casey, 1998; Dabs, 1992; McAree, 2004; Miller et al., 2007).

Pre-trial interventions. This is the proactive aspect of juror stress management. The purpose of pre-trial interventions is to prepare jurors ahead of time for the stress they may experience during the course of a trial. These measures include informal discussions or prepared educational modules about the potential effects of stress, how to recognize symptoms, and how to utilize a range of coping techniques. The techniques themselves are familiar from stress management applications in other fields, such as law enforcement and emergency services (Miller, 2008a, 2008b).

Juror stress debriefing. Sometimes it may not be clear how stressful a trial has been until it has ended, at which time appropriate follow-up mental health services may be required (Goleman, 1991). Although court-sponsored services for crime victims exist in all 50 states (Miller, 2008c) and psychological services for law enforcement have existed in most jurisdictions for decades (Miller, 2006b), prior to 1990 there were few institutionalized programs through the courts for providing any kind of mental health services for jurors (McAree, 2004). Following several highly-publicized trials containing horrific evidence, including the Jeffrey Dahmer serial cannibalism trial, the trial of the Oklahoma City bombers, and the Pam Basu trial, in which a mother was dragged and mutilated during a carjacking, courts have begun offering psychological services to jurors (Bell & Feldman, 1992;

Feldman & Bell, 1991, 1993; Hafemeister, 1993; Hafemeister & Ventis, 1992), largely in the form of one or more clinical varieties of *critical incident stress debriefing* (CISD) approaches, part of the larger domain of *critical incident stress management* (CISM), familiar to most readers of this journal (Everly & Mitchell, 1997; Miller, 1998c, 1999; Mitchell & Everly, 2003).

Developed in the field of public safety and emergency services, the debriefing model has now been applied to a wide range of crises, including crime victimization, natural disasters, and victims of terrorism (Miller, 1998c, 2008c). As developed in the emergency services field, CISD debriefing is a peer-led, clinician-guided process, usually consisting of one or more mental health professionals and one or more peer debriefers, i.e. fellow police officers, firefighters, paramedics, or crisis clinicians who have been trained in the CISD process and who may have been through critical incidents and debriefings in their own careers. The purpose of the debriefing is to normalize and detoxify the immediate traumatic stress reactions being experienced by the subjects and to strengthen resistance to further psychological disability. This is done through a semiformal seven-stage process, including the introduction, fact, thought, reaction, symptom, education, and reaction phases, designed to ease the process of ventilating distress, but then reseal psychological stability and encourage natural healing, aided, if necessary, by follow-up referral to additional mental health services.

Recent applications have expanded the use of CISD techniques with civilian groups. Bell & Feldman (1992) and Feldman & Bell (1991, 1993) developed a post-trial debriefing model specifically for jurors and other court personnel that is essentially similar to the crisis debriefings utilized for victims of crimes, natural disasters, or similar traumas. In general, effective debriefing sessions reduce stress, offer information on mental health services for those who might need it, provide closure, promote confidence in the judicial system, and enhance satisfaction.

As with most interventions, controversy exists. Bornstein and colleagues (2005) conducted a study that measured jurors' stress before and after a post-trial debriefing and found that, while jurors overwhelmingly said that they found the debriefing intervention helpful, their measured stress levels and symptom indices were similar at pre- and post-debriefing. Juror stress levels were lower at one month post-trial regardless of whether they had received the debriefing service or not. This, in fact, is an intriguing finding that runs through the stress debriefing efficacy literature: participants frequently say it helps, but formal measurements of distress or symptoms remain unchanged (Arendt & Elklit, 2001).

As with stress debriefing in other contexts, a major part of the problem with using this intervention with jurors probably relates to the appropriateness of its application; mental health clinicians who advise the courts should guide court officials to use this technique only where it is legitimately needed (Casey, 1998). For example, for trials that involve relatively low levels of stress, jurors may need only general discharge instructions from the trial judge prior to being dismissed. In general, informal meetings with the trial judge can provide a sense of closure for the jurors. In more stressful trials, the judge may choose to hold a more lengthy discussion with the jurors or bring in a mental health professional to conduct a formal debriefing. This may be the case in particularly gruesome trials or those which attract a great deal of media attention. However, surveys indicate that some judges like to handle these sessions on their own, only rarely calling in a mental health professional (Bornstein et al., 2005; Casey, 1998; McAree, 2004). Other judges seem to recognize that this is out of their league and are only too happy to find a mental health professional who will take over – if there are any available who do this kind of work (Miller et al., 2007).

Some recommendations for optimizing the juror debriefing session (Bornstein et al., 2005; Miller et al., 2007) include:

- Consider the best time of day for the debriefing. The afternoon the trial ends may leave jurors feeling drained; all they want to do is go home. Set up a separate day for the session, perhaps giving jurors a few days to recoup.
- Make the jurors feel comfortable. Debriefing should be voluntary and there should be no stigma attached. Nothing that goes on in the session should be on the record – the trial is over; this is solely for the jurors' well-being.
- Unlike public safety professionals, jurors may not quite know how to proceed, so prime the conversational pump to get people talking, but maintain control over the discussion, so that it helps, not hurts. Encourage productive venting, not unhealthy spewing or accusing. Keep the focus on the positive.
- Positive focus includes normalizing juror stress. This should be conceptualized as a normal reaction by

normal people to an abnormally challenging situation. Reassure the jurors that they did their best at a difficult job in making a crucial decision.

- Cover any lingering questions jurors may have. Address concerns about safety and fears of retribution. Help jurors deal with the media. Seek juror feedback as to how things could be improved in the future so that they feel part of the solution.

In cases where the judge suspects that jurors are experiencing significant stress or showing symptoms of a serious mental disorder, they can refer the juror to a qualified mental health professional for more individualized counseling – again, courts should be proactive in identifying clinicians in the community who can serve as resources for these services.

Combined interventions. One criticism that has been leveled against debriefing-type interventions is that their standard, one-size-fits-all format lacks the flexibility to deal with diverse types of people and problems. While the CISM model continues to expand and adapt to new challenges, Nordgren & Thelen (1999) have developed a multifaceted intervention program they call *Graduated Jury Stress Management* (GJSM) which contains five intervention levels that are administered according to the stress level of the individual juror. Although GJSM is designed to be a post-trial intervention, some aspects of it (i.e. written instructions) could also be adapted as a pre-trial intervention:

- *Level 1: Basic Information.* Jurors who have not yet evinced any problems simply receive written educational materials about stress reactions and potential coping strategies.
- *Level 2: Stress Management Instruction.* This applies to jurors with mild stress levels. The judge individually gives these jurors basic stress management information along with the standard post-trial discharge instructions.
- *Level 3: "Flexible Defusing."* Jurors with moderate stress receive a 15-20 minute debriefing during which a mental health professional explains normal stress reactions, offers coping strategies, and assesses individual jurors to determine if further clinical services are necessary.
- *Level 4: "Jury Stress Debriefing."* This intervention is adapted from the CISD model commonly utilized with emergency workers and is applied to jurors who are showing significant levels of stress.
- *Level 5: Individual Psychotherapy.* This may range from a few sessions to ongoing treatment and is intended for jurors who are showing extreme stress reactions and/or clinical symptoms of a mental disorder. Not uncommonly, these may have been jurors who had difficulties in functioning prior to the trial and the trial stresses have exacerbated their preexisting or dormant psychopathology.

Clearly, Nordgren & Thelen's GJSM (1999) appears to formalize the stages of intervention that most clinicians would apply to the treatment of traumatic stress cases. But, as effective as these proactive and responsive clinical measures might be, and as best we may try to make procedural changes within the existing American jury system, perhaps real efforts to increase accuracy and efficiency and reduce stress within the jury system can only come when more fundamental changes are considered.

Conclusions and Recommendations

Based on a review of the literature and my own clinical and forensic experience, the following recommendations for improving the civil and criminal justice systems in the United States are offered.

Let judges judge. Just as we maintain strict training and credentialing criteria for authorizing people to call themselves doctors and attorneys and to practice medicine and law, we should do the same for those who practice jurisprudence; we should let the judges judge. Many countries already do this. In some court divisions, such as family court, judges, not juries, often decide cases. In many other cases, defendants have the option of waiving a jury trial and opting for a *bench trial*, which is having the judge hear the case and render a verdict.

Utilize professional jurors. Okay, even doctors have assistants to perform routine clinical tasks and lawyers use paralegals for similar purposes because there just aren't enough physicians and attorneys to go around. But these paraprofessional staff still receive some degree of training and certification to do what they do. So why not recruit reasonably intelligent and educated citizens on a voluntary basis, provide them with specialized training in the law, decision-making, and interpersonal skills, and credential them as *Certified Jurors* or some such appellation.

There could even be board-certified subspecialties within the Certified Juror field, such as "certified medical juror," "certified mental health juror," "certified business-economics juror," "certified industrial-mechanics juror," and so on. The next step would be to compensate them for their service (just as medical assistants and paralegals get paid a fair wage) and utilize them as part of a rotating pool of professional jurors who can objectively decide cases with a basic prerequisite of knowledge and training both in the law and in the subject matter of the case.

Meanwhile, professionals within the legal system, and the mental health clinicians who advise them, must strive to make jury service as efficient, accurate, and comfortable as possible. Whether in the emergency room or the courtroom, people's lives are at stake, in one way or another. We must assure that those who are called to make the crucial decisions are afforded the proper conditions to do so in a manner that serves justice.

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2106

HB

63

<target><bill>HB 63</bill><subject>HB
63</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/20/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/09

Finance Committee considered CS FOR HOUSE BILL NO. 63(FIN)

HB 63 COUNCIL DOMESTIC VIOLENCE: MEMBERS, STAFF

"An Act relating to the Council on Domestic Violence and Sexual Assault."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CS HB 63 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[X] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
COR	2/9			✓	1
DPS	2/10	✓			2
DHS	2/23			✓	3

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:					

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 63(STA)
(H) Publish Date: 2/13/09

Identifier (file name): HB63-DOC-OC-02-09-09
Dept. Affected: DOC
Title: An Act relating to the Council on Domestic Violence and Sexual
RDU: Administration & Support
Component: Office of the Commissioner
Sponsor: Fairclough, Holmes, Coghill, Wilson, Herron
Requester: Governor
Component Number: 694

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2009) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

Passage of this legislation should not have a fiscal impact on the Department of Corrections.

Prepared by: Leslie Houston, Director — Phone 465-3339
Division: Administrative Services Division — Date/Time 02/09/2009 1630
Approved by: Dwayne Peeples, Deputy Commissioner — Date 2/9/2009
Office of the Commissioner

2109

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 63(STA)
(H) Publish Date: 2/13/09

HB063-DPS-CDVSA-02-10-09
Dept. Affected: Public Safety

Title: "An Act relating to the Council on Domestic Violence and Sexual Assault."
RDU: CDVSA
Component: CDVSA

Sponsor: Representative Fairclough
Requester: House State Affairs Committee
Component Number: 521

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel	7.9		7.9	7.9	7.9	7.9	7.9
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	7.9	0.0	7.9	7.9	7.9	7.9	7.9
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	7.9		7.9	7.9	7.9	7.9	7.9
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	7.9	0.0	7.9	7.9	7.9	7.9	7.9

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill adds two members to the Council on Domestic Violence and Sexual Assault: a public member from rural Alaska and the commissioner of the Department of Corrections or his or her designee. The increased travel costs for the new members to attend four meetings per year is estimated at $7.9.

Prepared by: Chris Ashenbrenner, Executive Director
Phone (907) 465-5504
Division: Council on Domestic Violence and Sexual Assault
Date/Time 2/10/09 9:01 AM
Approved by: Commissioner Joseph Masters
Date
Department of Public Safety

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 63(FIN)
(H) Publish Date: 2/27/09

Identifier (file name): HB063-DHSS-BHA-02-23-09
Dept. Affected: Health & Social Services
Title: Council Domestic Violence Members, Staff
RDU: Behavioral Health
Component: Behavioral Health Administration
Sponsor: Fairclough, Holmes, Coghill, Wilson
Requester: House FIN
Component Number: 2665

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The proposed changes to the Council on Domestic Violence and Sexual Assault will not have a fiscal impact on DHSS.

Prepared by: Melissa Stone
Phone: 269-3410
Division: Behavioral Health
Date/Time: 2/20/09 5:12PM

Approved by: Alison Elgee, Assistant Commissioner
Date: 2/23/2009
DHSS Finance & Management Services

Adopted 4/17/09

26-LS0138\M
Bullard
3/23/09

SENATE CS FOR CS FOR HOUSE BILL NO. 63( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES FAIRCLOUGH, HOLMES, COGHILL, AND WILSON, Herron, Lynn, Gara, Kerttula, Johnson, Neuman, Millett, Buch, Tuck

A BILL

FOR AN ACT ENTITLED

"An Act relating to the Council on Domestic Violence and Sexual Assault; and providing for an effective date."

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

*** Section 1.** AS 18.66.020 is amended to read:

Sec. 18.66.020. Membership, terms, vacancies, and disqualification. (a) The council consists of

(1) **four public members** [THREE PERSONS] appointed by the governor**, one of whom shall be from a rural area; the governor may consult** [AFTER CONSULTATION] with the **Alaska** Network on Domestic Violence and Sexual Assault, a nonprofit corporation**, in appointing the public members under this paragraph**; the **Alaska** Network on Domestic Violence and Sexual Assault shall submit a list to the governor of persons recommended for appointment;

(2) the commissioner of public safety or the designee of the commissioner of public safety;

(3) the commissioner of health and social services or the designee of the commissioner of health and social services;

(4) the commissioner of education and early development or the designee of the commissioner of education and early development; [AND]

(5) the attorney general or the designee of the attorney general**; and**

(6) the commissioner of corrections or the designee of the commissioner of corrections.

(b) The term of office of a **public** member appointed under (a)(1) of this section is **three** [TWO] years. A **public** member appointed under (a)(1) of this section serves at the pleasure of the governor and may not serve more than two consecutive terms. A vacancy on the council shall be filled for the unexpired term by appointment by the governor**. The governor may consult** [AFTER CONSULTATION] with the **Alaska** Network on Domestic Violence and Sexual Assault **on an appointment of a public member made under this subsection**.

(c) A person who receives compensation from or is an employee of **the State of Alaska or** a domestic violence, sexual assault, or crisis intervention or prevention program may not be appointed **as a public member of** [TO] the council.

*** Sec. 2.** AS 18.66.020 is amended by adding a new subsection to read:

(d) In this section, "rural area" means a community with a population of 7,500 or less that is not connected by road or rail to Anchorage or Fairbanks or with a population of 3,500 or less that is connected by road or rail to Anchorage or Fairbanks.

*** Sec. 3.** AS 18.66.040 is amended to read:

Sec. 18.66.040. Meetings and quorum. The council shall meet at least four times a year. At least one meeting each year shall include a statewide public teleconference hearing. The time and place of a meeting shall be set by the presiding officer or by three members who submit a written request for a meeting to the presiding officer. **Five** [FOUR] members of the council constitute a quorum.

*** Sec. 4.** AS 18.66.050 is amended to read:

Sec. 18.66.050. Duties of the council. The council shall

(1) hire an executive director, and the executive director may hire staff; the executive director **is** [AND STAFF ARE] in the exempt service under

AS 39.25.110 **and staff members are in the classified service under AS 39.25.100**;

(2) elect one of its members as presiding officer;

(3) in consultation with authorities in the field, develop, implement, maintain, and monitor domestic violence, sexual assault, and crisis intervention and prevention programs, including educational programs, films, and school curricula on the cause, prevention, and treatment of domestic violence and sexual assault;

(4) coordinate services provided by the Department of Law, the Department of Education and Early Development, the Department of Public Safety, the Department of Health and Social Services, **the Department of Corrections,** and other state agencies and community groups dealing with domestic violence, sexual assault, and crisis intervention and prevention, and provide technical assistance as requested by those state agencies and community groups;

(5) develop and implement a standardized data collection system on domestic violence, sexual assault, and crisis intervention and prevention;

(6) conduct public hearings and studies on issues relating to violence, including domestic violence and sexual assault, and on issues relating to the role of crisis intervention and prevention;

(7) receive and dispense state and federal money and award grants and contracts from appropriations for the purpose to qualified local community entities for domestic violence, sexual assault, and crisis intervention and prevention programs;

(8) oversee and audit domestic violence, sexual assault, and crisis intervention and prevention programs that receive money under this chapter;

(9) provide fiscal and technical assistance to plan, organize, implement and administer domestic violence, sexual assault, and crisis intervention and prevention programs;

(10) make an annual report to the governor on the activities of the council, plans of the council for new services and programs, and concerns of the council, including recommendations for legislation necessary to carry out the purposes of this chapter; the council shall notify the legislature that the report is available;

(11) adopt regulations in accordance with AS 44.62 (Administrative Procedure Act) to carry out the purposes of this chapter and to protect the health,

safety, well-being, and privacy of persons receiving services financed with grants or contracts under this chapter;

(12) consult with the Department of Health and Social Services in the formulation of standards and procedures for the delivery of services to victims of domestic violence by health care facilities and practitioners of healing arts and personnel in those facilities as required in AS 18.66.300;

(13) consult with the Alaska Police Standards Council and other police training programs in the state to develop training programs regarding domestic violence for police officers and for correction, probation, and parole officers;

(14) consult with public employers, the Alaska Supreme Court, school districts, and prosecuting authorities who are required by AS 18.66.300 - 18.66.310 to provide continuing education courses in domestic violence to employees.

*** Sec. 5.** AS 39.25.110(38) is amended to read:

(38) the executive director [AND STAFF] of the Council on Domestic Violence and Sexual Assault established under AS 18.66.010;

*** Sec. 6.** The uncodified law of the State of Alaska is amended by adding a new section to read:

ADDITION OF MEMBER TO THE COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT AND EXTENSION OF CERTAIN MEMBERS' TERMS. (a) The governor shall appoint a new member to the Council on Domestic Violence and Sexual Assault under AS 18.66.020(a)(1), as amended by sec. 1 of this Act, within 30 days after this Act takes effect.

(b) Notwithstanding any other provision of law, the term of office of each public member of the Council on Domestic Violence and Sexual Assault serving under AS 18.66.020(a)(1) on the effective date of this section shall be extended one year.

*** Sec. 7.** The uncodified law of the State of Alaska is amended by adding a new section to read:

TRANSITION: ASSIGNMENT OF EXISTING STAFF MEMBERS OF THE COUNCIL ON DOMESTIC VIOLENCE AND SEXUAL ASSAULT. Employees employed as staff members of the Council on Domestic Violence and Sexual Assault as of the effective date of this Act are assigned to the classified service in accordance with AS 18.66.050, as

amended by sec. 4 of this Act. Notwithstanding any other provision of law, staff members of the Council on Domestic Violence and Sexual Assault employed as of the effective date of this Act

(1) shall immediately be appointed to the classified service;

(2) may not have a reduction in pay

(A) solely because of the assignment described in this section; or

(B) if the employee is assigned to a position in the classified service that is classified at a lower rate of pay than that received when the position was assigned to the exempt service.

* **Sec. 8.** This Act takes effect July 1, 2009.

CDVSA LEGISLATIVE TASK FORCE

March 1, 2008

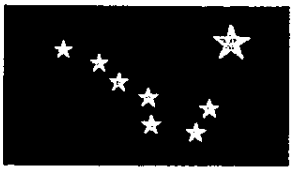
Council on Domestic Violence & Sexual Assault
Legislative Task Force

Report to the Legislature

"That which we allow, we encourage."

Bethel Peace Walk
Bethel, AK
October 5, 2007

CDVSA LEGISLATIVE TASK FORCE



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CDVSA LEGISLATIVE TASK FORCE

CDVSA Legislative Task Force Members

Representative Anna Fairclough, Chair

Senator Con Bunde

Senator Kim Elton

Senator Donald Olson

Representative John Coghill

Representative Lindsey Holmes

Todd Brocious, Department of Education

Terri Campbell, Department of Education

John Glass, Department of Public Safety

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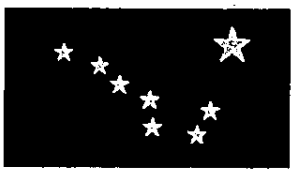
CDVSA LEGISLATIVE TASK FORCE



March 1, 2008

Dear Members of the Legislature:

House Bill 215 established The Council on Domestic Violence & Sexual Assault (CDVSA) Legislative Task Force to examine recurring issues and questions that continue to arise during reauthorization of the CDVSA.

The recommendations contained in this report to the Legislature follow hours of public testimony in Bethel, Fairbanks, Anchorage and Juneau, site visits to victim service providers in these cities, and hours of discussion among Task Force members.

The CDVSA Legislative Task Force recommendations summarized in the attached report directly address the six issues the legislature tasked our body to address. In addition, our travels throughout Alaska made evident a number of recurring themes and issues related to the associated problems of domestic violence and sexual assault which cannot be effectively addressed within the confines of the six legislatively enumerated areas of inquiry. Because we conclude that these other issues merit mention in this report, we have included an additional section for your review.

First, throughout all the public hearings and comment we have revealed a very significant truth: ***that which we allow, we encourage.***

Second, domestic violence and sexual assault within Alaska occur with alarming frequency. The collateral costs to our State of this continuing problem are significant and quantifiable. Moreover, this epidemic presents a very real threat to the safety of Alaskans. Unfortunately, the problem does not readily lend itself to any single or easy solution. The causes are complex and flow from a myriad of factors including at a very foundational level how Alaskans view, tolerate, and permit interpersonal violence. One challenge exists in the diverse cultural make up of Alaskan society. Another challenge is presented by rural and urban populations and the difficulties presented in finding solutions that will work throughout the State. What may work in one area may not be a solution in another. Thus, it is apparent that a one-size fits all approach to the problem of domestic violence and sexual assault will not address the issue. Traditionally applied criminal justice solutions will not solve the problem. However, we conclude that raising individual public awareness and creating an environment of outspoken intolerance for acts of domestic violence and sexual assault is a necessary first step toward addressing

and ending this plague upon Alaska. For example, Alaskans need to recognize that shelter and victim service organizations are not anti-family or anti-man.

Instead, Alaskans need to recognize that shelters exist to deal with a very real problem by providing women, children, and men a safe place to escape violence. The societal shift, in and of itself, would represent a meaningful step toward a solution.

Third, although the Task Force was specifically formed to look at CDVSA, it is obvious that the number of State agencies tasked with addressing domestic violence and sexual assault far exceed the reach and responsibility of CDVSA. At present, CDVSA has an ambitious number of legislatively stated goals, generally designed to address four areas: prevention, intervention, crisis management, and accountability. CDVSA's current budget may not be enough to address each of these areas. Consequently, interests such as prevention and accountability of offenders go underfunded. Until prevention is brought to the forefront and adequate funding is made available, our State's response to domestic violence and sexual assault will remain reactive. Our report therefore includes recommendations designed to address solutions that may exist outside the purview of the CDVSA.

The Task Force agreed on one overarching recommendation from the outset: the Council needs to develop and implement a strategic plan. It is our hope that many of the recommendations found within this report will be considered when the Council embarks on that task. The Chair has sponsored legislation to extend the Council's sunset date in an effort to give CDVSA an opportunity to develop and implement a plan and have concrete results when they come before the Legislature for reauthorization in the future.

Other than HB 334 which is currently moving through the Legislature to extend the Council to 2014, our Task Force does not recommend bringing forth a legislative package in the current legislative session. However, we do believe that the recommendations contained in this report will result in changes to statute in future years.

The problems presented by domestic violence and sexual assault are complex. Solutions require change that must come from Alaska as a society. Individuals, families, and communities must all become involved until everyone is clear that domestic violence and sexual assault will not be tolerated. Our collective experience tells us that until such change is achieved, Alaska will have the shameful distinction of leading the nation in incidence of domestic violence and sexual assault.

Respectfully submitted,

Members of the CDVSA Legislative Task Force

CDVSA LEGISLATIVE TASK FORCE

Task Force Authority and Direction

The CDVSA Legislative Task Force was created by House Bill 215 to consider the following issues:

- the Council's relationship and consultation with other state agencies;
- the statutory responsibilities and priorities of the Council;
- the appointment process for members of the Council;
- the location of the Council within the state administrative structure;
- the Council's compliance with grant management requirements; and
- the Council's mission, and the focus of the Council's mission on prevention, intervention, crisis response, and perpetrator accountability.

These issues were identified based on findings in the 2001 and 2005 Legislative Audits of the Council, as well as anecdotal conversations in the Capitol in 2007 regarding challenges to the reauthorization of CDVSA.

Findings and recommendations on the above issues were to be submitted in a Report to the Legislature by March 1, 2008.

House Bill 215 is shown as Appendix 1.

The statutes governing CDVSA, AS 18.66.010, are shown as Appendix 2.

Acronyms

AS – Alaska State Statutes
ANDVSA – Alaska Network on DV/SA
AWARE - Aiding Women in Abuse & Rape Emergencies
AWAIC – Abused Women's Aid In Crisis
BIP – Batterer's Intervention Programs
CDC – Center for Disease Control
CDVSA – Council for DV/SA
DOC – Department of Corrections
DPS – Department of Public Safety
DV – Domestic Violence
DV/SA – Domestic Violence/Sexual Assault
DHSS – Department of Health & Social Services
LIO – Legislative Information Office
MOU – Memorandum of Understanding
Network - ANDVSA
OCS – Office of Children's Services
SA – Sexual Assault
SART – Sexual Assault Response Team
VAWA – Violence Against Women Act
VPSO – Village Public Safety Officer

CDVSA LEGISLATIVE TASK FORCE

Methodology

House Bill 215, creating the CDVSA Legislative Task Force was signed into law by Governor Palin on September 28, 2007. Shortly following, the Task Force met via teleconference to select a chair, determine the rural community that would be visited and set a timeline to accomplish our goals. Representative Anna Fairclough was selected by her colleagues to chair the Task Force and it was decided that Bethel would be our rural location. Fairbanks, Anchorage and Juneau were designated meeting locations per HB 215. The Task Force determined they would hold public hearings and conduct site visits in each of these communities.

Following her selection as chair, Representative Fairclough generated a letter requesting input from current Council members and attended the Council's September 4, 2007 meeting in order to discuss with the board the Task Force's formation, purpose and plans for meetings throughout the state, culminating in a Report to the Legislature. Representative Fairclough personally requested their input at the meeting.

Meeting minutes are shown as Appendix 3.

In Bethel, Fairbanks, Anchorage and Juneau, the Task Force made site visits to the local victim's service providers and others, scheduled public hearings and listened to several hours of public testimony.

Prior to our arrival in each community, we invited law enforcement, the court system, medical providers, native organizations, school districts, community leaders and other service providers to participate in the public hearing process or provide written comments.

In each community the Task Force visited local shelters. Site visits were also made to visit Anchorage's Sexual Assault Response Team (SART) Center, and also the Child Advocacy Center, Stevie's Place in Fairbanks.

At each public hearing we presented who we were, who the Council was and what issues we were seeking answers to. Additionally, in each community, a series of questions were placed before the public to consider in their comments:

1. What would your community like this Task Force to know about DV/SA within your community?

2. What community resources do you have? Who do you work with in your community?

3. What will it take to prevent DV/SA in your community? What is the responsibility of the community? Responsibility of the state?

4. What can the legislature do? New laws, enforce existing laws?

5. What didn't we ask that you want to tell us about?

In addition to articulating our mandate with regard to the Council the Task Force encouraged testimony about possible solutions to Alaska's domestic violence and sexual assault problems.

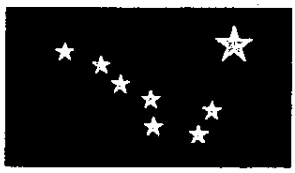
Additionally, the Task Force felt that it was important to have an opportunity to speak with the Legislative Auditor, Pat Davidson. A number of findings in Legislative Audits from 2001 and 2005 were recurring questions for members of the Legislature when reauthorization for CDVSA came before the body.

Finally, the Task Force had the opportunity to hear from Jayne Andreen, one of the longest serving Executive Directors of CDVSA. She engaged in useful dialog with the members, providing insight into some of the methodologies used by the Council, as well as answering questions about the Council's history. Ms. Andreen also reconfirmed item by item the recommendations that the Task Force has heard throughout Alaska.

As a group, the Task Force expressed their willingness to come back together to review any proposed strategic plan that the Council develops.

Through public testimony and lengthy internal discussions, the Task Force was able to develop findings and recommendations on each of the six points we were charged with addressing. Those findings and recommendations are contained in this report.

CDVSA LEGISLATIVE TASK FORCE



The Council on Domestic Violence & Sexual Assault

Mission: The mission of the Council on Domestic Violence and Sexual Assault is to reduce the causes and incidence and to alleviate the effects of domestic violence and sexual assault.

Purpose: The Council, which is an administrative, policy-making body, is composed of three public members appointed by the Governor after consultation with the [Alaska Network on Domestic Violence & Sexual Assault], and representatives from the Departments of Public Safety, Law, Education, and Health and Social Services. The purpose of the Council is to "provide for planning and coordination of services to victims of domestic violence and sexual assault and to perpetrators of domestic violence and sexual assault and to provide for crisis intervention and prevention programs" (AS 18.66.010).[1]

The Council's purpose, as defined in statute, reads: "There is established in the Department of Public Safety the Council on Domestic Violence and Sexual Assault. The purpose of the Council is to provide for planning and coordination of services to victims of domestic violence or sexual assault or to their families and to perpetrators of domestic violence and sexual assault and to provide for crisis intervention and prevention programs."[2]

The Council and the Network – What's the Difference?

The *Alaska Network on Domestic Violence and Sexual Assault* (Network) is a statewide nonprofit organization that is a coalition to end violence against women. Created in 1978 by concerned women to address domestic violence in Alaska, it is now comprised of 19 domestic violence/sexual assault programs from across Alaska.

The Network worked closely with the Alaska Legislature in 1981 to establish the *Council on Domestic Violence and Sexual Assault* (Council) in the Alaska Department of Public Safety. The Network provides technical assistance, legal advocacy support, connections to pro-bono attorneys, training and resource materials to member programs, attorneys, community organizations and other stakeholders. The Network also works with state and federal policy makers on legislative and other policy issues affecting victims of violence.

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[1] Council on Domestic Violence & Sexual Assault website. http://www.dps.state.ak.us/Cdvsa/, February 5, 2008.
[2] AK 2007 Statutes, 18.66.010. February 7, 2008.

CDVSA LEGISLATIVE TASK FORCE

The Council is a State agency that coordinates the Alaska government response to domestic violence and sexual assault by coordinating services, gathering and disseminating data, and securing funding for services through federal and state sources. The Council provides funding and oversees funds to 21 victim service programs, funds 8 batterer intervention programs and certifies all 15 batterer intervention programs in Alaska.

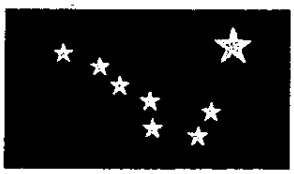
The seven-member Council includes representatives from the Departments of Law, Public Safety, Education & Early Development, and Health & Social Services. Additionally, three public members are appointed by the Governor to two-year terms who oversee activities of the Council. The Network is authorized by Alaska statute to recommend to the Governor applicants for the Council's public seats.

The Network and the Council have worked cooperatively together since 1981 to ensure a comprehensive response to the crimes of domestic violence and sexual assault.

Coordinated activities include:

- Co-sponsoring statewide training, conferences and media campaigns
- Providing resource materials
- Advancing legislation to promote victim safety and hold offenders of domestic violence and sexual assault accountable for their actions

CDVSA LEGISLATIVE TASK FORCE



The Council's relationship and consultation with other state agencies.

Findings:

- AS 18.66.050 (4) states that the Council shall "coordinate services provided by the Department of Law, the Department of Education and Early Development, the Department of Public Safety, the Department of Health and Social Services, and other state agencies and community groups dealing with domestic violence, sexual assault, and crisis intervention and prevention, and provide technical assistance as requested by those state agencies and community groups."

- Despite AS 18.66.050 the Council has no authority to mandate the actions of other departments.

- There is interaction and coordination of key state departments at the Council's quarterly meetings and through cooperative projects.

- The 2005 Legislative Audit found that the Council was not living up to its statutory responsibility to work with the Department of Education and Early Development to develop curricula on domestic violence and sexual assault for use in schools. Further, it was not consulting with Health and Social Services to develop standards and procedures for delivery of services in health care facilities.[3]

- AS 14.30.360(b) states that "The state board shall establish guidelines for a health and personal safety education program. Personal safety guidelines shall be developed in consultation with the Council on Domestic Violence and Sexual Assault. Upon request, the Department of Education and Early Development, the Department of Health and Social Services, and the Council on Domestic Violence and Sexual Assault shall provide technical assistance to school districts in the development of personal safety curricula. A school health education specialist position shall be established and funded in the department to coordinate the program statewide. Adequate funds to enable curriculum and resource development, adequate consultation to school districts, and a program of teacher training in health and personal safety education shall be provided."

[3] 2005 Legislative Audit, Legislative Budget & Audit Committee. http://www.legaudit.state.ak.us/pages/audits/2006/pdf/20039rpt.pdf, February 7, 2008.

- Currently there is not a health education specialist position in the Department of Education & Early Development, or program funding to support consultation to districts or teacher training in health and personal safety education.

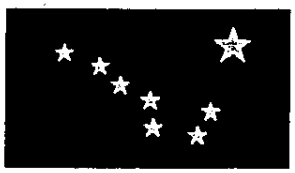
Recommendations:

- Memoranda of Understanding (MOU's) would better equip the Council to work with various state agencies.

- The Legislature should provide additional funds to support the school health education specialist position as required by AS 14.30.360 to assist districts in the coordination and development of curriculum to address domestic violence, sexual assault, and interpersonal violence.

- The Council and State agencies need to demonstrate greater coordination of services at the department and division level in order to strengthen service provision at the local level. We recommend this be discussed during the strategic planning process.

CDVSA LEGISLATIVE TASK FORCE



The statutory responsibilities and priorities of the Council.
– Structural issues within the Council.

Findings:

- When the Council was formed, the Department of Corrections (DOC) was housed in the Department of Health and Social Services (DHSS). Therefore a DHSS employee would have also represented the interests of DOC.
- Since that time, DOC has moved from DHSS into its own Department.
- The Department of Corrections plays a large role in dealing with the perpetrators of domestic violence and sexual assault, yet no corrections representative is currently present on the Council. Other major state departments, such as the Department of Law and the Department of Health and Social Services are represented.
- A disproportionate number of domestic and sexual assault victims are of Alaska Native descent.
- The rural community is not adequately represented on the Council.
- In the past, public seats on the Council have been held by employees of state departments. This gives the perception that the Council member could be beholden to the department rather than the best interests of the public and Council. It also skews the membership too heavily toward government employees.
- Currently the Council has 14 statutory mandates. The Task Force believes this is overly ambitious and very demanding. The Task Force is not making a recommendation to change the 14 mandates, but want to acknowledge the huge challenge that this presents to the Council.
- All Council staff are currently exempt positions. There is a perception that this causes challenges in the recruitment and retention of quality employees.

CDVSA LEGISLATIVE TASK FORCE

Recommendations:

- The Council should be expanded to include seats for the Department of Corrections and an additional public seat to be filled by a representative from Alaska's rural communities.
- Public seats on the Council should be representative of our Alaskan communities and not filled by employees of departments within the State of Alaska. This will ensure that the Council not appear to represent the state department interests only with few or no true public members.
- Staff of the Council should have non-exempt status to increase staff retention.
- The only member of the Council's staff that should be either exempt or partially exempt is the Executive Director.

CDVSA LEGISLATIVE TASK FORCE

The appointment process for members of the Council.

Findings:

- In 2001, the auditor reported that the Council allowed changes in reporting requirements for the grantees of the Network in violation of federal grant guidelines.
- The auditor concluded that the changes to the reporting requirements were allowed because of undue influence by the Network due to statutory language requiring the Governor to review recommendations for public members from the Alaska Network on Domestic Violence & Sexual Assault (ANDVSA).
- The Task Force recognizes and appreciates the diligence of the auditors, but found no basis for concluding the existence of a causal relationship between changes in reporting requirements identified by the auditor and any resulting changes in grant management practices.
- Moreover, the identified perceived problem has not recurred even though the Network has continued to submit names to the Governor for consideration.
- There is confusion about who the Council is, their role and how they are different from the Network.
- Currently, Council members serve two-year terms, only allowing them to serve through one grant cycle. This limits their ability to understand the issues and process that the Council goes through in its grant cycle.

Recommendations:

- Mandatory ethics training for all Council members to make clear their role on the Council.
- Change language in statute from "shall" to "may" in regards to the Governor consulting ANDVSA regarding the appointment of public members to the Council.
- Extend terms from two to three years.

CDVSA LEGISLATIVE TASK FORCE

The location of the Council within the state administrative structure.

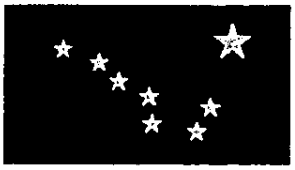
Findings:

- CDVSA is currently housed within the Department of Public Safety (DPS).
- Domestic violence and sexual assault are crimes.
- Crimes require evidence collection, interviews and investigations; investigations require interaction with the medical community, law enforcement and the court system in regard to domestic violence and sexual assault.
- Victims need to be acknowledged, validated and recognized as having experienced a criminal act and perpetrators need to know that they will be held accountable as criminals.
- It is appropriate for the Council staff to be in an agency that has the culture of law enforcement with the resources necessary to eradicating these offenses and hold criminals accountable for their actions.
- The relevant agencies, through their representatives on the Task Force, agree that the Council is appropriately housed in the Department of Public Safety.
- In extensive public hearings in four communities across the state it was never suggested that the Council be housed anywhere other than Public Safety.

Recommendations:

- The Council on Domestic Violence and Sexual Assault should remain in the Alaska Department of Public Safety.

CDVSA LEGISLATIVE TASK FORCE



The Council's compliance with grant management requirements.

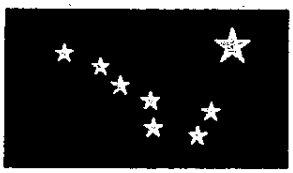
Findings:

- The grant application and management process is excessively time consuming, complex, outdated and onerous, especially for victim service providers.
- The current grant application and management process requires a duplication of effort for already overburdened staff among the state's victim service providers.
- Frequent staff turnover at CDVSA has created inconsistency in understanding and applying grant oversight.
- The Council has stewardship to ensure state monies are appropriately allocated through a fair and thoughtful grant process, that victims are served appropriately and that grantees are in compliance with state and federal grant conditions.
- Everyone could benefit from a more streamlined grant process with a view towards measurable outcomes.

Recommendations:

- The Council should consult with the State Department of Health and Social Services regarding their work with the Rasmuson Foundation in an effort to streamline the grant process and reduce the administrative burden for grantees and the state.
- Grant terms should allow a renewal period extension for an additional period if grant compliance is maintained and grant conditions have not changed.
- The Council should continue to work to establish clear guidelines, standards and parameters for grant applicants.

CDVSA LEGISLATIVE TASK FORCE



The Council's mission, and the focus of the Council's mission on prevention.

The Statutory mission of the Council is:

The purpose of the council is to provide for planning and coordination of services to victims of domestic violence or sexual assault or to their families and to perpetrators of domestic violence and sexual assault and to provide for crisis intervention and prevention programs. (AS 18.66.010)

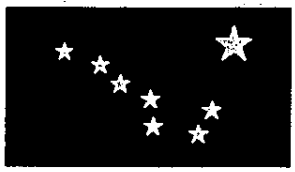
The mission of the Council is:

The mission of the Council on Domestic Violence and Sexual Assault is to reduce the causes and incidence and to alleviate the effects of domestic violence and sexual assault.

Findings:

- The mission statement does not reflect the Council's statutory mission.
- The council continues to be reactive; responding to victims with immediate needs versus the overarching issues of ending violence through prevention and intervention.
- There are four key areas the Council should be addressing: prevention, intervention, crisis response and perpetrator accountability. The Council should address investment in each of these areas weighted on results-based data.
- The funds currently allocated to the Council focus primarily on providing statewide victim services with relatively small amounts available for accountability (batterers programs) and prevention.
- The state does not have adequate data collection systems and ongoing research on the prevalence of domestic violence and sexual assault upon which to make policy decisions and measure program outcomes.

CDVSA LEGISLATIVE TASK FORCE



Findings Continued...

- Batterer's Intervention Programs (BIP) around the state have low referral and high dropout rates. In some cases, the perpetrators start the program in prison, and are released before finishing the program or their probation expires before program completion. Due to cost, distance from a program or lack of consequences for not following up, many perpetrators stop attending and fail to complete the BIP.

- Anger management is different from batterer's intervention.

- Insufficient information is currently being gathered to determine the effectiveness of batterer intervention programs which applies both to funded and unfunded (but certified) programs. Measurable outcomes are needed, especially in the areas of batterer's intervention programs. With Alaska facing a deficit in coming years, future funding should be tied to evidence based outcomes.

Recommendations:

- The Council needs to develop a strategic plan. The strategic plan needs to simplify the Council's mission and focus on the four key areas.

- The Legislature and the Governor should extend the Council until 2014 to allow the Council time to develop and implement their strategic plan. (HB 334 is already moving through the Legislature to accomplish this.)

- The Council's mission statement should be rewritten to create a more proactive approach to the issues of domestic violence and sexual assault. The purpose of the Council should be to reduce domestic violence and sexual assault, not just respond to it.

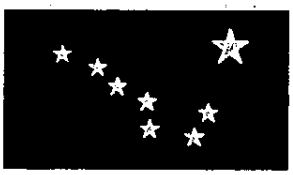
- The Task Force suggests peer training for members of the Court system to ensure that victims receive a fair hearing when child custody is at stake.

- The Council should re-examine their 14 mandates to determine if any should be rewritten in statute.

CDVSA LEGISLATIVE TASK FORCE

- The Council should collaborate with the national programs and organizations such as the Centers for Disease Control and Office of Violence Against Women, to solicit grants specifically geared toward prevention in an effort to focus some funding on preventing domestic violence and sexual assault.

CDVSA LEGISLATIVE TASK FORCE



Other issues of interest to the Task Force.
– Factors Outside the Purview of the Council

State Crime Lab

- Alaska is currently experiencing massive delays in analyzing evidence of crimes. This includes a significant backlog of DNA in sexual assault cases due to a high volume of reported incidents around the state.

- Sexual Assault Response Team (SART) forensic nurses around the state collect samples from victims that report an assault, and beginning in 2009, collection will be made available, even if those victims who choose not to press charges. Those samples will need to be stored in a safe and secure environment.

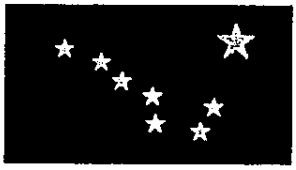
- State legislation requiring all convicted felons to submit DNA samples will increase the demand for storage. However, having that information stored will aid in future convictions if the felon reoffends.

- Collection and processing of DNA for entry into a national database can detect serial offenders.

Statewide Media Campaign

- Alaska has seen a number of public service campaigns, such as "Click it or Ticket" and "Drink. Drive. Go to jail," that have raised awareness statewide on specific issues.

- The Council should consider developing a statewide media campaign that targets Alaska's various demographic groups and addresses the issues of domestic violence and sexual assault. Using models developed nationally, the messages should target specific groups by using spokespeople they can relate to.

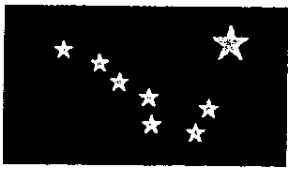


Apparent Low Incidence of Law Enforcement Referral of Reports for Prosecution

- Anecdotally, in a number of public comments, we heard mention of the low incidents of referral of cases for prosecution statewide. While we have not collected statistical data to back this up, the public perception seems to be that there may exist a significant difference in the number of individuals that report being victims and the number of cases prosecuted. We recognize that there are a number of reasons why this might occur, but felt it should be mentioned in the report.

- Another aspect of this is the number of batterer's who fail to complete the Batterer's Intervention Program as a condition of their parole and have a warrant issued for them. While those warrants exist, law enforcement and prosecution don't have the resources to enforce them.

CDVSA LEGISLATIVE TASK FORCE



Batterer's Intervention Program

The Task Force received a letter dated July 18, 2007, from the Chair of the Legislative Budget and Audit Committee, Representative Ralph Samuels. The letter references the Batterer's Intervention Programs and reads, in part, "significant changes are needed for the organization and administration of the Batterer's Intervention Program (BIP) to allow for collection and analysis of program data."

July 18, 2007 letter from Representative Ralph Samuels is Appendix 4.

In response to this letter, and to the issue of BIP's in Alaska, the Task Force made the following recommendations.

Recommendations:

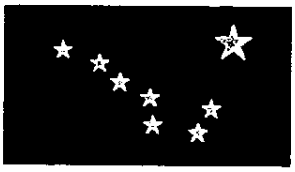
- Program funding should be contingent on the provider demonstrating the effectiveness of the program in preventing or reducing recidivism. If they cannot provide the documented effectiveness of the program, CDVSA should not provide funding nor should they certify these programs. Performance measures must be instituted and DOC's regulations will need to be changed to impose new reporting requirements. Defunding programs is not the only answer.

- State departments should establish a Memorandum of Understanding to develop an initiative to collect data. The goal would be to collect data regarding:

  - those ordered by the courts to participate in BIP;
  - those who attended and completed the BIP;
  - those who started but failed to complete the BIP;
  - and those who never participated

  A comparison should be done as to which groups have the greatest rate of recidivism and a clear definition of what constitutes recidivism (arrest for DV related incident, violation of an existing restraining order, or the filing of a new restraining order could serve as easy reference points).

CDVSA LEGISLATIVE TASK FORCE



Recommendations continued…

- CDVSA should also look at the sharp decline in the numbers of second and third offences when compared to the number who commit the first domestic violence offense. This would give greater insight into designing programs which have the greatest chance of making a positive impact. There is likely much benefit to implementing an assessment process to determine the need for a person to participate in a BIP and at what level. This assessment would function much like the one individuals are required to obtain regarding substance abuse.

- If we put into place a method of determining the level of need, we can likely come closer to identifying that core group of hardcore offenders and focus the limited resources on them rather than diluting the resources on the larger group.

CDVSA LEGISLATIVE TASK FORCE

Bethel, Alaska
October 4th & 5th, 2007

Task Force members met at the Long House Hotel in Bethel on October 4th and convened the first official meeting.

Members shared their knowledge and experience on the subjects of domestic violence and sexual assault, with many having spent time working in the field of victim services, law enforcement or court system.

Members discussed their feelings and opinions on the issue of domestic violence and sexual assault and determined what they hoped to get from each public hearing. In doing so, a list of community questions were developed to be asked at each public hearing.

Members then had an opportunity to tour the Tundra Women's Coalition, a shelter and center designed to deal with domestic violence and sexual assault in Bethel and resources for numerous villages along the Kuskokwim. Shelter Director Michelle DeWitt showed members the facility and discussed the challenges of running a rural shelter with 4000-6000 visits annually and astronomical heating costs. Currently, their building is undergoing renovations, including window replacement and winterization upgrades.

That evening, the Task Force held its first public hearing. There was a great turnout with citizens from all areas of the community from the Mayor, to a SART nurse, teachers, victims, law enforcement, tribal leaders, victim's service providers and community activists.

The issues raised at the Bethel meeting include:

- The need for educational outreach funding.
- DV/SA are learned behaviors that can be changed with outreach to youth.
- Importance of keeping families together – either in the home or with other family members.
- Importance of educating a community and helping the community move out of poverty.
- Importance of regulation and control of BIPs.
- The lack of BIPs in many rural areas.
- Overworked law enforcement in the region make tackling the problem more difficult.
- Game violations appear to be a higher priority to the troopers than domestic violence and sexual assault. (public comment)

- School systems misinterpret the signs of domestic abuse – viewing the child as lazy or disinterested rather than scared and hungry.
- The need for enhancement of the VPSO program.
- High levels of poverty translate to high rates of DV/SA and alcohol abuse.
- Language barriers and cultural differences have a huge impact.
- In smaller villages, victims may have to deal with seeing their perpetrator walking around free.
- Shelter is almost always full.
- There is no Yupik word for justice.
- Yupik culture teaches you to work together and live together.
- A successful program in rural Alaska will have to be developed in rural Alaska by rural Alaskans.
- Programs work on alcohol abuse, but then the individuals are sent back to an environment where drinking is still taking place.
- The license requirements for substance abuse treatment providers are difficult to meet in the bush.
- 50% of all cases reported to OCS involve violence. (public comment)
- There is a lack of hope in some communities.

The following day the Task Force came back together to debrief from the previous evening's public hearing. Members also had presentations from both Peggy Brown of the Network and Chris Ashenbrenner of the Council.

When the meeting concluded, many members participated in the Bethel Peace Walk, joining community members in a march to end violence.

CDVSA LEGISLATIVE TASK FORCE

Fairbanks, Alaska
December 13th & 14th, 2007

The Task Force met at the Fairbanks Legislative Information Office on December 13th and discussed what they wanted to accomplish in Fairbanks, and what had been accomplished in Bethel. There was a sense that nothing is changing in regards to violence in Alaska; we've been facing the same problems for last 25 years.

It was clear from the Bethel meeting that answers to the instances of domestic violence and sexual assault need to come from inside the community, they can't be eradicated by CDVSA alone. There needs to be an increased focus on education, which is considered prevention. There seemed to be consensus that the rural community had to react and treat domestic violence and sexual assault differently because of the interdependent cultural dynamics of rural Alaska, and the language and cultural barriers.

The Task Force received a tour of the Interior Alaska Center for Nonviolent Living from Brenda Stanfield, Executive Director. It is a modern facility with a huge institutional kitchen that is being used to help teach job skills for people that come to the shelter so they can gain economic independence. Stevie's Place, designed to address the needs of children who are victims of domestic violence and sexual assault is at the far end of the same building housed in the Resource Center for Parents and Children side of the building. These two agencies work very closely together.

Below is a brief recap of the public hearing testimony we heard in Fairbanks.

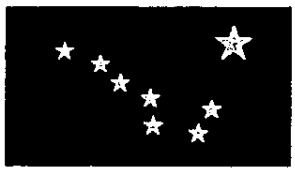
The public hearing heard an in-depth discussion regarding SART providers and the coming mandate for exams for every patient whether or not a police report is filed. This change will require more money for additional DNA processing and an increase of storage space for evidence collection.

The current system of dealing with perpetrators of violence is inadequate. There is no follow-up and no accountability for those who don't complete the program.

There was discussion about the need for data regarding domestic violence and sexual assault sentencing and the need to educate judges. In addition, cross-cultural training for law enforcement and judges to better equip them to work with victims.

Engaging and educating the public on the benefits of reducing violence in our state will be necessary to promote society's passive acceptance of violence.

CDVSA LEGISLATIVE TASK FORCE



This is the first community where we heard testimony about the challenges with the military and dealing with perpetrators who are members of the armed services.

It was suggested that the Council review other states strategic plans during the development of Alaska's. In addition the Council should include strategies for education and prevention.

Tribal entities expressed concern at the lack of communication with their organizations when Alaska native women are disproportionately represented in DV and SA statistics. They told the Task Force we needed to find alternatives for women being removed for safety reasons, from rural communities to communicate and navigate city life. In addition, they advocated for alternative BIP noting that rural communities do not have access to the same programs as urban areas and questioned the possibility of video teleconferencing or other ideas to keep families intact. (this concludes public hearing comments)

Friday, December 14th during our working lunch, the major topics of discussion were accountability of perpetrators, education and rural challenges. Different programs were discussed as well as possible rural solutions, such as a tribal court system or talking circles.

There is a limited amount of money to address the issue of DV and SA in Alaska. It was agreed by all that the Fairbanks shelter was a model organization for the coordination of services to victims of DV/SA. Data is lacking to know which programs are working and which are not. The need for the development of a strategic plan by CDVSA was emphasized. Also, the need for more education in the classroom continues to be an area of opportunity to prevent and intervene before violent behavior is passed from one generation to the next.

The topic of the location of CDVSA came up and through this discussion, the Task Force came to the conclusion that CDVSA should remain in DPS. The group discussed the audit findings and addressed the need for better coordination and education. Through this came a discussion of state mandated curriculum.

We looked at the makeup of the members as it relates to a cross-section of the state. It was confirmed that DOC should have a seat at the CDVSA table. There was also conversation about adding rural representation to the board.

The working lunch concluded with a discussion whether or not the Network should be able to submit names to the Governor for consideration when vacancies occur on the Council's Board of Directors. It was decided to table this issue until we met in Juneau and we spoke directly with the auditor about her findings and recommendations.

CDVSA LEGISLATIVE TASK FORCE

Anchorage, Alaska
January 8th & 9th, 2008

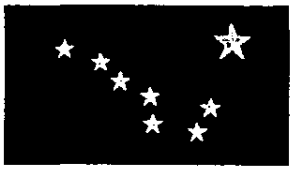
The Task Force met at the Legislative Information Office (LIO) in downtown Anchorage on January 8th and reviewed the proposed agenda for the two-day meeting.

The committee then drove to the Anchorage Domestic Violence Shelter- Abused Women's Aid in Crisis (AWAIC) and toured their facility. AWAIC provided lunch for the Task Force during which time they gave a presentation on the issues surrounding domestic violence, CDVSA's funding of AWAIC, and statistics for their shelter program. Following this meeting the committee proceeded to the SART (Sexual Assault Response Team) site for a tour and discussion with the Municipality of Anchorages SART Manager.

The committee reconvened at the Anchorage LIO for a community public hearing and finished the day with a brief wrap-up.

Below is a brief recap of Anchorage's public hearing comments.

- Keep CDVSA in Public Safety.
- Develop a strategic plan and long and short term goals.
- Provide focus on outcome measures.
- When developing a strategic plan consider including: education and prevention, council membership, other state departments, military court system and rural Alaska.
- Recognize Child Abuse as part of CDVSA's mission.
- Streamline the grant writing/reporting process for CDVSA.
- Fund someone to collect data/ Alaska based research is important.
- There is value in education/provide additional funding for DV/SA education.
- Better accountability after sentencing and arrests.
- Increase rural representation on the board.
- Clear scoring and priorities for grant awards.
- Increase access to legal services to hold perpetrators accountable.
- DV being used in custody battles "parental alienation."
- Expert witnesses key components in prosecution.
- New Violence Against Women Act (VAWA) recommendations as of 2009; may report SA without law enforcement-SART exams cost $1,000 and up depending on location.
- Increased need for storage of DNA with new VAWA requirement.
- Consider forensic representation on CDVSA.



- Facility audits are necessary for repair, renovation and equipment assessment.
- Rural sites have less availability to raise funds.
- Superior/Supreme Court Judges/Prosecutor training.
- Provide training to OCS and CASA's for DV & SA.

The Task Force met again on January 9th at the Anchorage LIO and proposed meeting times and dates for the final Task Force meeting in Juneau. The committee agreed that the public hearing should be on the first day of our meeting, wanted a tour of Juneau's domestic violence shelter – Aiding Women in Abuse and Rape Emergencies (AWARE), and approved meeting with the state auditor who prepared the 2001 and 2005 CDVSA audits to discuss her findings and recommendations.

The committee recapped the public hearing from the night before and reconfirmed our intent to recommend a strategic planning process for the Council.

The second major theme was educating the court system on the issues surrounding DV/SA. A suggestion was made that a peer-to-peer group may work better at providing training inside the legal environment versus educators from individual DV/SA programs. It was pointed out that judges typically do not have a background in DV, SA and Child Abuse. There is a problem when Family Law in civil proceedings intersects with DV, SA and Child Abuse which is in Criminal Law.

Pay scales for those that work in shelters were discussed; it is believed that turnover is high because of low wages and marginal benefit packages. CDVSA turnover was discussed and it was suggested that their turnover may have to do with their status as exempt employees.

The discussion included the grant application and award process in CDVSA. It was stated that changes are currently underway at the Council, but it was clear from testimony at on site visits and during public hearings that the process was cumbersome, confusing and had unclear criteria when prioritizing the distribution of grant moneys. The Task Force discussed that this challenge should be part of the Council's strategic planning process. It was decided that the Task Force would recommend to the Legislature a time frame in which to have the strategic plan completed (no later than the end of 2008) but would not specifically dictate what the Council should address in the strategic plan (it is hoped they will review this document). To allow time to complete a strategic plan it was agreed that Rep. Fairclough and Sen. Elton would sponsor legislation to extend the reauthorization of CDVSA to 2014.

CDVSA LEGISLATIVE TASK FORCE

Juneau, Alaska
January 31st – February 2nd, 2008

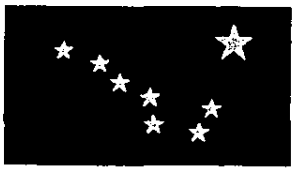
The Task Force met at the State Capitol on January 31st and held our Juneau public hearing in the State Affairs room, reviewed our meeting agenda and coordinated a start time to tour AWARE, Juneau's DV shelter and meeting with Pat Davidson, Auditor and Director of Legislative Budget and Audit.

Following the public hearing portion committee invited the Executive Director of AWARE, a current Council board member and a former Executive Director of the Council to a roundtable discussion about the past and current challenges of the Council.

A brief recap of the public hearing and roundtable discussion follows.

- The state needs to provide additional dollars for prevention either though grant solicitation or other sources.
- It is challenging to retain employees in exempt positions at CDVSA.
- It was suggested a media campaign like "Click it or Ticket" should be implemented.
- Develop rational criteria to award grantees funding.
- Develop contract standards for operation of shelters.
- Support education to promote "healthy communities."
- Replicate the Council at community levels to develop solutions; true community plans.
- Standardize Batterer's programs; we heard people may not be able to afford or access programs.
- Research and compare that we are investing in programs which have a measureable benefit to our state.
- Alcohol is a big issue.
- Churches should be accessed to provide support in local communities.
- There needs to be training for the court system on understanding DV & SA.
- Consider using the Youth Risk Behavior Survey as a measurement tool.

On February 1st the Task Force met with Pat Davidson, Director and Auditor for Legislative Budget and Audit who made findings and recommendations on CDVSA's reauthorization both in 2001 and 2005. The auditor concluded that the changes to the reporting requirements were allowed because of undue influence by the Network due to the statutory language requiring the Governor to review recommendations for public



members from the Alaska Network on Domestic Violence & Sexual Assault (ANDVSA). She noted that two of the members serving on the Council at that time were names submitted to the Governor by the Network.

The Task Force recognizes and appreciates the diligence of the auditors, but the Task Force found no basis for concluding the existence of a causal relationship between changes in reporting requirements identified by the auditor and any resulting changes in grant management practices. Moreover, the identified perceived problem has not recurred even though the Network has continued to submit names to the Governor for consideration.

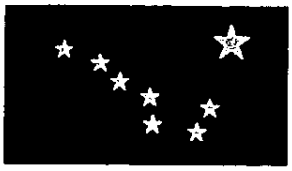
There is confusion about who the Council is, their role and how they are different from the Network. Currently, Council members serve two-year terms, only allowing them to serve through one grant cycle. This limits their ability to understand the issues and process that the Council goes through in its grant cycle.

On Saturday, February 2nd the Task Force met with AWARE's Executive Director and participated in a presentation about the challenges and innovative ideas needed to address DV & SA in Juneau. We toured the shelter and then returned to the capitol to finalize our recommendations for our report to the Legislature on March 1st. In addition, we met with the longest serving Executive Director of the Council who currently works for the State in another department. She articulated and confirmed what the Task Force had heard across the state and agreed with many of the recommendations we had already discussed.

A brief recap of those topics:

- Science based assessments; outcome based programs.
- A representative of the Department of Corrections should be added to the Council; to remain balanced she recommended another public member seat.
- Orientation training for Council members.
- The Council should develop a strategic plan.
- Extend the term of members serving on the Council.
- Use a Public Health Model in addressing violence.
- Remove CDVSA staff from their exempt personnel status.

Chris Ashenbrenner, Executive Director of the Council presented an overview of CDVSA's statutory responsibilities. This had been done at our first meeting in Bethel but we thought it wise to refresh committee members prior to discussing this Task Force mandate of reviewing statutory responsibilities of the Council.



Closing Remarks

The members of the CDVSA Legislative Task Force would like to thank everyone who assisted in the production of this report through participation in public hearings and arranging tours of victim service providers throughout the state.

This report can be found on the Task Force's webpage at:

http://housemajority.org/coms/index.php?c=79

The recommendations found in this report will not only require changes in statute, but also a great deal of effort on the part of the CDVSA Executive Director and Council, various State Departments and the Legislature itself.

The goal of this Task Force was not to simply find areas that the state should spend more money on to combat the problems of domestic violence and sexual assault. Any number of programs could benefit from increased funding. However, at the same time, the reality of these recommendations is that they will require investment on a state level to change behaviors.

The CDVSA Legislative Task Force respectfully requests that the Legislature consider the findings and recommendations contained within this report and make every effort to assist the Council in implementing the changes contained therein.

Alaska State Legislature

Representative Anna Fairclough – House District 17

House Bill 63

"An Act relating to the Council on Domestic Violence and Sexual Assault."

The Legislative Task Force, created by House Bill 215 in 2007, was directed to consider the Council's relationship and consultation with other state agencies; the statutory responsibilities and priorities of the Council; the appointment process for members of the Council; the location of the Council within the state administrative structure; the Council's compliance with grant management requirements; and the Council's mission and the focus of the Council's mission on prevention, intervention, crisis response, and perpetrator accountability.

House Bill 63 provides corrections in law in direct response to the work assigned the Task Force by the Legislature. It is one of a number of actions that are now underway in response to the findings and recommendations of the Legislative Task Force.

It also expands the Council to include representation from the Department of Corrections and Alaska's rural communities. The Department of Corrections plays a large role in dealing with the perpetrators of domestic violence and sexual assault, but they currently are not a member of the Council.

House Bill 63 also makes staff positions in the Council non-exempt, other than the Executive Director. The Executive Director remains exempt or partially exempt. This change is being recommended by the Task Force because we concur with the Executive Director that the current exempt status creates challenges in the recruitment and retention of quality employees.

The Task Force agreed that it is critical that "public" members not be state employees to ensure that there remain voices on the Council who are independent of state agencies and their influences. HB 63 ensures that "public" positions on the council are not employees of the state.

House Bill 63 changes language in the statute from "shall" to "may" in regards to the Governor consulting the Alaska Network on Domestic Violence and Sexual Assault (ANDVSA) regarding the appointment of public members to the Council. In 2001, the auditor reported that the Council allowed changes in reporting requirements for the grantees of the Network in violation of federal grant guidelines.

Currently, Council members serve two-year terms, only allowing them to serve through one grant cycle. This limits their ability to understand the issues and process that the council goes through in its grant cycle. By extending the term to three years this allows members of the Council to be far more effective.

Implementation of these legislative changes, along with the Council's new Strategic Plan and other reforms will significantly improve the Council as it attempts to wrestle with the ongoing issues of domestic violence and sexual assault across Alaska.

I urge your support on this important piece of legislation.

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Alaska State Legislature

Representative Anna Fairclough – House District 17

CS for House Bill 63

"An Act relating to the Council on Domestic Violence and Sexual Assault."

Sectional Analysis

Section 1. Amends AS 18.66.020(1)

Changes the number of members on the council from three public members to four public members

Adds language that states that one of the public members must be from a rural area

Adds a new subsection adding in the commissioner of corrections or a designee of the commissioner of corrections as a member of the council

Amends AS 18.66.020(b)

Changes the term of office of a public member from two years to three years

Changes language from "shall" to "may" in regards to the Governor consulting the Alaska Network on Domestic Violence and Sexual Assault (ANDVSA) regarding the appointment of public members to the Council.

Section 1. Amends AS 18.66.020(c)

Adds language that deals with members appointed to the council that states they may not be an employee of the State of Alaska

Section 2. Amends AS 18.66.020(d)

Adds new subsection that defines the term "rural area"

Section 3. Amends AS 18.66.040

Changes the quorum requirement from four members to five members

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Section 4. Amends AS 18.66.050

Changes language making staff positions in the Council non-exempt, other than the Executive Director

Adds language for the Department of Corrections in regards to coordinating services

Section 5. Amends AS 39.25.110(38)

Changes the staff of the executive director from the exempt service to the classified service

Section 6. Amends Uncodified law of the State of Alaska

Adds new subsection that deals with the appointing of a new member to the council within 30 days after this Act takes effect

Extends the term of the public members from two years to three years

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ANDVSA
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January 19, 2009

Representative Anna Fairclough
State Capitol, Room 421
Juneau, AK 99801-1182

Dear Representative Fairclough:

On behalf of the nineteen member domestic violence and sexual assault programs throughout the state that comprise the Alaska Network on Domestic Violence and Sexual Assault (the Network), thank you for introducing HB 63. ANDVSA works closely with the Council on Domestic Violence and Sexual Assault (the Council) on numerous issues.

I had the honor of serving on the CDVSA Task Force that you helped create with HB 215 in 2007. The CDVSA Task Force reviewed the Council's relationship to other state agencies; their statutory responsibilities and priorities; the appointment process for public members; the location of the Council within the administrative structure; compliance with grant management requirements; and their mission and focus.

We fully support the recommended changes in HB 63. Expanding the Council to include representation from the Department of Corrections (DOC) ensures that DOC has a much needed seat at the table for domestic and sexual violence issues, particularly as they relate to batterer and perpetrator programs. The bill also ensures that public members are indeed public and not governed by any state influences. We also wish to extend our service to the Governor whenever she/he would like our consultation and recommendation for public members. We have consistently put forth qualified individuals who do not have a history of perpetration of domestic or sexual violence; qualified individuals regardless of political party affiliation that balance both Alaska's geography and its urban and rural counterparts. Our services remain there for the asking as the experts in the domestic and sexual violence field for over 30 years.

Thank you for your time and commitment to improving the Council and sponsoring this progressive bill.

Regards,

Peggy Brown
Executive Director

cc: Lisa Mariotti, Policy Research Associate

State of Alaska
Department of Public Safety
Council on Domestic Violence & Sexual Assault

Sarah Palin, Governor
Joseph A. Masters, Commissioner

February 8, 2009

Representative Anna Fairclough
Alaska State Capitol
Juneau, Alaska 99801

Subject: HB63 "An Act relating to the Council on Domestic Violence and Sexual Assault"

Dear Representative Fairclough:

The Council on Domestic Violence and Sexual Assault supports HB63, which proposes statutory changes based on the 2008 CDVSA Legislative Task Force recommendations. We have thoroughly reviewed these recommendations and agree that the proposed changes will strengthen the Council's ability to meet its statutory purpose: "to provide for planning and coordination of services to victims..." (AS16.66.101)

Adding the Commissioner of Corrections or his/her designee and including an additional seat for a rural designated public member will give the Council broader insights into policy decisions and funding recommendations. It will also further strengthen our board for public members to have three year terms. Many members have pointed out the limitations of two-year terms, saying they are leaving their service just as they have learned the work. Longer terms will allow members time to apply what they have learned in making decisions and setting direction. We also agree, in the interests of keeping balance, that public members should not be state employees.

Council members are supportive of the change making it optional for the Governor to consult the Alaska Network on Domestic Violence and Sexual Assault about public member appointments. However, in our discussions, we agreed that it is a good idea for the governor's office to ask for such recommendations, and we encourage making that connection in order to secure a pool of well qualified applicants.

The Council also agrees with the CDVSA Task Force that classifying the staff positions (other than the Executive Director) is an important tool for recruiting and retaining staff. It will also help to ensure continuity in the agency during periods of administration changes.

We appreciate the work you are doing to strengthen the state's response to the crimes of domestic violence, sexual assault, stalking and dating violence. Thank you.

Sincerely,

Ann House
Chair

Council on Domestic Violence & Sexual Assault
P.O. Box 111200 - Juneau, AK 99811 - Voice (907) 465-4356 - Fax (907) 465-3627

HB

70

<target><bill>HB 70</bill><subject>HB
70</subject><comm>SFIN26</comm></target>

Alaska State Legislature

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Representative Carl Gatto

Sponsor Statement
HB 70
Alaska Grown Agricultural Products

The Farm-to-School Act is similar to programs proposed in several other states. Its intent is to strengthen links between state agriculture and state food procurement in schools, expand local markets, improve nutrition, and even benefit the environment. It improves upon current law that requires schools receiving state moneys to purchase agricultural products harvested if the state if, and only if, they are priced no more than seven percent higher than similar products imported to Alaska.

A Farm-to-School Program is created to facilitate increased procurement of Alaska grown foods by schools. The program will, in order of priority:

- Identify and develop policies and procedure, including proposed uniform procurement procedures, to implement and evaluate the program;
- Assist food producers, distributors, and brokers to market Alaska grown food to schools by informing them of opportunities and requirements;
- Assist schools in connecting with local producers by informing them of sources, availability and benefits of Alaska grown foods;
- Identify and recommend ways to increase predictability of sales and adequacy of supply;
- Make available publications allowing students to see benefits of preparing and consuming locally-grown food;
- Support efforts to advance other farm-to-school extensions such as school gardens or farms, and farm visits; and
- Seek additional funds to leverage state expenditures;

The Division of Agriculture must, cooperating with the Department of Education & Early Development, collect data on program activities and report biennially to the Legislature their progress beginning January 2011.

HB 70 also gives schools the authorization to create a school garden or even a farm. In doing so they must also allow students representing student organizations the opportunity to be involved in the garden or farm operation. Schools may teach both organic and traditional farming methods.

This bill sunsets on July 1, 2014.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/10

Finance Committee considered CS FOR HOUSE BILL NO. 70(FIN)

HB 70 ALASKA GROWN AGRICULTURAL PRODUCTS

"An Act establishing the farm-to-school program in the Department of Natural Resources, and relating to school gardens, greenhouses, and farms."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	4/9	✓			4
EED	4/8			✓	3

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Hoggins	X			
	Thomas	✓			
	Egan	✓			
	Olson			✓	
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB 70(FIN)
(H) Publish Date: 4/9/2010

Identifier (file name): HB70CS(RES)-DNR-AG-04-09-10
Dept. Affected: Natural Resources
Title: Alaska Grown Agricultural Products
RDU: Resource Development
Component: Agriculture Development
Sponsor: Representative(s) Gatto, Ramras, Guttenberg, Gruenberg
Requester: House Resources
Component Number: 455

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	126.1		126.1	126.1			
Travel	30.0		30.0	30.0			
Contractual	25.0		25.0	25.0			
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**181.1**	**0.0**	**181.1**	**181.1**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	181.1		181.1	181.1			
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**181.1**	**0.0**	**181.1**	**181.1**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time	1		1	1			
Part-time	1		1	1			
Temporary							

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

A Farm-to School program – as outlined in Sec. 2 of HB 70 – would be created in the Division of Agriculture to increase procurement and use of Alaska grown foods in the public schools and make available existing curricula, programs and publications that educate students on the benefits of preparing and consuming foods grown locally. A Development Specialist, Range 18, $81.9, would implement Section 2, in conjunction with a seasonal Agriculture Inspector, Range 16, $44.2 to implement section 4. Travel expenses will be used to cover travel to ***selected*** districts to educate students on the benefit of growing and consuming healthy local produce. Contractual will cover the cost of curriculum coordinated with the Department of Education to educate youth on the benefit of growing and consuming healthy local produce. Section 5 of the bill repeals the Farm to School Program July 1, 2013.
*Alaska has 55 school districts with approximately 500 public schools.

Prepared by: Franci Havemeister
Phone 907-761-3867
Division: Division of Agriculture
Date/Time: April 9, 2010
Approved by: Tom Irwin, Commissioner
Natural Resources
Date: April 9, 2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 70(FIN)
(H) Publish Date: 4/9/10

Identifier (file name): CSHB070-EED-TLS-3-24-09
Dept. Affected: Education & Early Develo
Title "An Act establishing the farm-to-school program in the Department of Natural Resources..."
RDU Teaching & Learning Support
Component Child Nutrition Services
Sponsor Rep. Gatto
Requester House Finance
Component Number 1955

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This CS of HB070 has no fiscal impact on DEED.

Prepared by: Eddy Jeans, Director — Phone 465-8679
Division School Finance — Date/Time 4/8/10 12:00 AM
Approved by: Larry LeDoux — Date 4/8/2010
Commissioner

(Revised 10/13/2009 OMB)

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 70(FIN)

HB 70 ALASKA GROWN AGRICULTURAL PRODUCTS

"An Act establishing the farm-to-school program in the Department of Natural Resources, and relating to school gardens, greenhouses, and farms."

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SENATE BILL:
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HOUSE BILL:
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[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson			✓	
CO-CHAIR:		✓			
CO-CHAIR:		✓			

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Representative Carl Gatto

Memorandum

Date: April 14, 2010

To: Senator Bert Stedman, Co-Chairman
Senator Lyman Hoffman, Co-Chairman
Senate Finance Committee

From: Representative Carl Gatto

Re: Explanation of Changes between HB 70 Original and CS HB 70(FIN), 26-LS0284\P

Section 4 of the original bill created an Alaskan Grown Fresh Fruit and Vegetable Program to provide students with free locally grown produce as snacks throughout the school day. Snacks would have been accompanied by education on nutrition, agricultural stewardship, and environmental issues. It was removed from the Committee Substitute due to fiscal concerns.

Section 7 of the original bill was also removed due to fiscal concerns. This section would have created a pilot program in small and rural communities through which the state facilitated the use of locally grown products in area food banks.

Section 6 of the original bill was designed to increase the use of food stamps and WIC cards at local farmers' markets. The section was removed at the request of the Department of Health and Social Services since the department was already developing a similar program.

The House Resources Committee passed Conceptual Amendment 1 stating:
Page 6, line 10, following "gardens":
Insert ", greenhouses"

Page 6, line 11, following "school garden":
Insert ", greenhouse"

Page 6, line 11, following "The garden":

Insert ", greenhouse"

Page 6, line 14, following "garden":
Insert ", greenhouse"

Page 6, line 17, following "garden":
Insert ", greenhouse"

Page 6, line 20":
Insert a new subsection to read:
"(d) When a school garden, greenhouse, or farm is used the excess fruits or vegetables may be sold, if the revenues are used to support the program."

Conceptual Amendment 1 inserted an explicit mention of greenhouses into several portions of the bill to guard against any confusion as to their eligibility for the program. Subsection (d) helps ease any financial strain on other school organizations by allowing school gardens to sell excess products to help fund the program.

Version S of CS HB 70 deleted page 6, lines 23-24, to avoid constitutional problems concerning dedicated funds. The new language allows for excess produce to be sold without specifying the use of the funds.

Version P of CS HB 70 was offered by the House Finance Committee to update the dates in the bill. Farm-to-School is designed to sunset after four years, but reflected a three-year program life because the bill was originally introduced last year.

LEGAL SERVICES

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

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

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

MEMORANDUM March 6, 2009

SUBJECT: Sectional summary of CSHB 70( ) establishing the farm-to-school program in the Department of Natural Resources, and relating to school gardens and farms
(Work Order No. 26-LS0284\R)

TO: Representative Carl Gatto
Attn: Sandra Wilson

FROM: Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Directs the commissioner of natural resources to implement the farm-to-school program established by AS 03.20.100.

Section 2. Sec. 03.20.100. Establishes the farm-to-school program.

Sec. 03.20.100(a). Establishes the farm-to-school program in the Department of Natural Resources to increase public school use of state-grown food.

Sec. 03.20.100(b). Directs the department to perform certain tasks, as prioritized in the subsection, in consultation with other listed state agencies. The tasks relate to uniform procurement policies and procedures, assisting the food industry to market food to public schools, assisting public schools to connect with local producers, mechanisms for increasing sales and supply predictability, educating students, advancing other farm-to-school activities, and program funding.

Sec. 03.20.100(c). Directs the department, in cooperation with the Department of Education and Early Development, to collect data on the activities under this section and to report biennially to the legislature.

Sec. 03.20.100(d). States that this section does not affect two statutes related to state agricultural and fisheries product preferences.

Sec. 03.20.100(e). Defines terms for the section.

Section 3. Directs the Department of Education and Early Development to assist the Department of Natural Resources to develop and implement the farm-to-school program under AS 03.20.100.

Section 4. Sec. 14.30.375. Adds a new section relating to school gardens and farms.

Sec. 14.30.375(a). Allows a school district to authorize or operate a school garden or farm for educational purposes and for growing fruits and vegetables for the students.

Sec. 14.30.375(b). Requires a district to give students representing student organizations the opportunity to be involved in the operation of the garden or farm.

Sec. 14.30.375(c). Requires that, when the garden is used for education about agricultural practices, students be given the opportunity to learn about both organic and conventional growng methods.

Section 5. Repeals the provisions in this bill on July 1, 2013.

If I may be of further assistance, please advise.

TLB:ljw
09-141.ljw

CASE STUDY

Healdsburg, CA

Movers and Shakers
Nancy May, the School Food Service Supervisor, is the main organizer behind this Farm to School project. She came to Healdsburg Junior High School at a time when the cafeteria was being renovated, and decided to change the emphasis from ordering a la carte items from windows to eating a healthy, appealing meal using a cafeteria line.

Project Description
Ms. May has instituted an eye-catching salad bar, using farm products wherever possible. This salad bar operates two days a week at one middle school and the high school. She has opened three old school kitchens – including one at an elementary school and is serving up virtually home-cooked lunches every day. The a la carte items such as burritos and tamales, are nutritious and freshly made, and have helped boost a la carte sales.

Other Components
School gardens have been organized at each school with the help of community donations. One garden fence, including the labor, was donated by a local gardening group. Materials for raised beds were donated by a local home and garden business. Ms. May aggressively markets the farm to school project, by actions such as serving school lunches at school board meetings. She has also hosted the state Superintendent of Schools to visit the school garden.

Students and parents also help with the menu planning and Ms. May holds occasional product tastings to help determine students' preferences.

Funding
Ms. May has received $30,000 from a Shaping Health as Partners in Education (SHAPE) grant that has been used to help develop nutrition education, teacher training, and to purchase equipment such as the salad bars and a portable cooking cart for classrooms. She received a second SHAPE grant for $50,000 that was used for developing the school garden, establishing links between the garden and farm to school project, and for supporting an agriculture curricula.

Labor
The bulk of the organizing work has been done by Ms. May. She has incorporated student workers in the cafeteria to help with food preparation and food serving. Students over 13 years old can work up to 6 hours per week.

Farmers/Crops
The district buys from three local farmers who were located by Nancy May at the local farmers' market and through word-of-mouth. The crops they provided on a seasonal

basis include: tomatoes, cucumbers, apples, pears, herbs, peppers, onions, and lettuces. Ms. May buys organic produce whenever possible.

Product Delivery
The farmers deliver directly to the district on Monday mornings for the salad bar that operates twice a week at both the junior high and high school.

Price
The farmers charge a fair price that is generally comparable to the wholesale price.

School Food Service Support
This program was organized by the school food service staff. However, staff is working to garner further administrative support to expand the existing program.

Kitchen Facilities
When Ms. May came to the district three years ago, she began reopening three old kitchens so that meals could be freshly prepared instead of reheating prepackaged frozen meals. Both the kitchens at the elementary schools have been renovated within the last three years. The high school kitchen is also being renovated. Despite these improvements, more space is needed for food preparation and storage.

Sustainability
While this program is sustainable, additional funding would help to expand and improve what currently exists. Funding would be used for storage and refrigeration facilities, additional serving tables and utensils, to pay for more labor-intensive meal preparation, and for hiring a garden/farm to school coordinator.

Contact: Nancy May
School Food Service Supervisor
Healdsburg School District
Phone: 707-431-3434
Fax: 707-431-3402
Email: nmay@husd.org

CASE STUDY

Santa Monica-Malibu

Movers and Shakers

The initial impetus for this project came from Bob Gottlieb, a parent at one of the schools in the Santa Monica-Malibu Unified School District (SMMUSD). He approached Rodney Taylor, the School Food Service Director, about implementing a salad bar, and initially received a lukewarm reception. However, Mr. Taylor was open to trying a pilot project as long as Mr. Gottlieb was willing to do most of the organizational work. As a university professor, Mr. Gottlieb was able to incorporate students into the project, as well as write grant proposals to hire full-time staff.

Project Description

The Farm to School Project encompasses all of the 15 schools in the SMMUSD district, including elementary, junior high and high schools. Each school has a Farmers' Market Salad Bar which features produce that consists entirely of farm products that are purchased at local farmers' markets. The salad bar also contains protein, grain, and dairy products. Because of the year-round growing season, and year-round farmers' markets, the project is able to always include regionally grown produce. While the project began in one school, within a four year period the Farmers' Market Salad Bar was instituted on a district wide basis. The children have the daily choice of the salad bar or the hot meal.

Other Components

Each of the schools in the district also has a school garden that is maintained by teachers or parent volunteers. A child nutritionist was hired on a temporary basis to teach nutrition education, including a class on salad bar etiquette and an introduction of the items found at the salad bar. A cooking cart is also used for classroom demonstrations.

Another component of the project is field trips to both farms and the farmers' markets. Teachers sign up their classes for farm field trips and the Salad Bar Coordinator arranges tours of the farmers' markets. The latter includes a talk by the Market Manager about the different products at the market accompanied by hands-on experience with the products, and of course, an opportunity to sample them.

Funding

During the first year, funding was provided by the California Endowment to UCLA/Occidental College through a grant directed by Mr. Gottlieb. In the next year, the district took on the staffing of the project and obtained funding from a Department of Health Services Nutrition Network grant. However, only six schools in the district qualified for this grant, due to the requirement that a specific number of children be eligible for free or reduced meal pricing. At the other schools, the PTA donated $5,000 - for each school - to get the program up and going. The Santa Monica Farmers' Market also donates $10,000 per year to the Farm to School project. Funds from ala carte sales also help to support the Farmers' Market Salad Bar.

Labor
In the first year, labor was provided primarily by UCLA/Occidental College staff and parent volunteers. However, the school labor unions do not allow parent volunteer labor, and eventually, a part-time person was hired at each school to help with the salad bar preparation, serving and clean-up. There is also a Salad Bar Coordinator who oversees the entire program.

Farmers/Crops
There are two tremendously successful year-round farmers' markets within a mile of the SMMUSD central office. Twice a week, on Wednesdays and Saturdays, the Salad Bar Coordinator visits the markets to purchase the produce. Some of the products purchased seasonally include: strawberries, apples, melons, cherries, lettuce, carrots, celery, tomatoes, citrus, raisins, peppers, broccoli, cauliflower, potatoes, and peaches. Over the school year, about 20 farmers will provide crops for the salad bar, and the district will spend a total of approximately $100,000 on produce from the farmers' market.

Product Delivery
The SMMUSD has its own truck to transport the produce. The district purchased the truck prior to the implementation of the Farmers' Market Salad Bar. The produce is brought directly from the farmers' market to the central kitchen where one driver delivers produce to the Santa Monica schools and another driver transports the produce to the schools in Malibu. This is done twice weekly.

Price
As the farmers are already making the trip to the farmers' market, and do not have additional delivery costs to the schools, they are able to sell at wholesale instead of retail prices. In the beginning of the project, some farmers sold below wholesale because they believed in the idea of kids eating great produce. With the Farmers' Market Salad Bar now in all 15 schools, the prices are generally comparable to wholesale.

School Food Service Support
Initially, support from school food service folks was slow in coming. The real change occurred when the staff saw children choosing the salad bar for lunch, and eating what was on their plate! There is now overwhelming support for the project, and Rodney Taylor has on his business card, "Home of the Farmers' Market Salad Bar".

Kitchen Facilities
Each of the schools has their own facilities for food preparation. The actual salad bars were purchased before the farmers' market component was added.

Sustainability
After four years in operation, the Farmers' Market Salad Bar is able to operate without grant funding. However, some of the other project components, such as the nutrition education, can only be done if additional funding is obtained. The SMMUSD has found that costs spread out over 15 schools make it a much more viable program than when it operated in only 2 or 3 locations.

Contact
Tracie Thomas
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Santa Monica, CA 90404
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CASE STUDY

Kentucky

How it Started

Official introduction occurred in May 2000 through cooperative efforts of the USDA, the Kentucky Department of Ag., University of Kentucky Extension and the Kentucky Department of Education. Some school districts in Kentucky had noted the North Carolina model and had been purchasing produce through the DOD fresh program and from local cooperatives. In the first year the program was piloted in regions 4 and 8. Schools were encouraged to request product grown in Kentucky, if prices were comparable. The program went statewide this year. Farm-to-School in Kentucky now has a full time coordinator who handles communications with farmers and schools funded by the State Department of Agriculture.

Farm to School Project and Components

Clark County is Kentucky's model program for integrating Farm to School with nutrition and health education. There they are developing and piloting the Clover CAT (Cooking, Activity, and Time to be well) curriculum. This curriculum includes nutrition, time management, exercise and self-esteem. The curriculum is being piloted in the 5th, 7th, and 9th grades with introductory, intermediate and advanced levels. In some areas the YMCA offers a three-month scholarship to obese children who attend these classes. If the children work out at the YMCA 30 times in three months they are offered another three-month free membership. Intergenerational gardens are being piloted but not always in conjunction with the farm to school program.

Farm-to-school coordinator plans to develop additional components (ag education, nutrition education) in the future.

Funding

The farm to school program is incorporated into the jobs of nearly all those involved. The program is broadly supported by the State of Kentucky. No additional funding has been required.

Farmers/Crops

The Kentucky Department of Agriculture facilitates communication between farmers and schools. They promote products grown in Kentucky such as seedless watermelons, sweet potatoes, broccoli and seasonal decorative products. Local and Kentucky grown cannot always provide quantities needed by school districts. In these cases commodities and out-of-state foods are used. Farm cooperatives comprise the majority of farms involved in the program. Few independent farms participate. There is some question as to how beneficial this program is to new, small-scale, or non-traditional farms.

School food service commented that farmers have not approached schools independently. If they did, they might be well received. Additional product is needed for summer feeding program and school food service might be willing to purchase direct if farmers made the effort.

DOD provides purchasing expertise some contact with growers. DOD helps set prices, work with growers and seek out small-scale growers

Delivery
School Districts place their orders in May each year. Contracted produce distributors ship their produce to larger distribution sites 5 located in Kentucky, one in Ohio and one in Tennessee. Product is shipped from these sites to schools. Department of Ag. inspects and approves distributors prior to their involvement with farm-to-school

In districts served by a central kitchen food service directors at individual schools can order from their local distributor to supplement what is provided by the central kitchen. The central kitchen places a request once a month for bid. Bids are published and individual schools may order from that list. Schools are encouraged to choose lowest bid first, Kentucky grown second. Produce is delivered once a week.

Price
Farm-gate price is negotiated by Kentucky Dept. of Ag and DOD. A 5.6% surcharge is added to farm gate price and this price is offered to schools. Price for Kentucky grown has not been an issue with product purchased through State farm-to-school program but price for locally grown can be an issue when purchasing from local distributors. Commodities and low prices take precedence over locally grown.

School Food Service Support
School food service was supportive from the beginning. At the May 2000 conference they shared the barriers they had confronted and overcome as well as barriers that persist. For the last year and a half Jefferson County has prepared food in the central kitchen and delivered to schools in refrigerated trucks owned and operated by Food Service. Menus are developed for periods of 6-months. Seasonality impacts price but is not necessarily a consideration in menu development.

USDA rep provides regular training to food service in handling fresh product and some nutrition education.

Kitchen Facilities
Jefferson County has a model central kitchen which can process huge quantities of food with little additional staffing. Food for school lunches is prepared at this site and shipped to individual schools. Other schools have some processing capability but prefer pre-cut, prepackaged product. No additional labor has been necessary.

Sustainability
This project has a great deal of State support. Nearly all aspects of the program are incorporated into the jobs of those involved. Elementary and middle schools do not allow students to leave campus during school hours. Ala carte items, which are part of school menu, are sold during lunch but no competitive foods are sold on campus. Although high schools have soft drink contracts, the machines cannot be turned on until ½ hour after last lunch period. Under these conditions the program is sustainable.

Contact Person:
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CASE STUDY

Florida

Movers and Shakers

In 1995, a group of farmers formed the New North Florida Marketing Cooperative. The goal of the cooperative was to provide marketing services to the participating farmers, and provide training and education in marketing options such as farmers' markets, roadside stands, and selling to local school districts. The goal is to increase the amount of product being sold, thereby increasing the farmers' incomes.

Description

The New North Florida Cooperative began by selling farm fresh produce to 13 schools in Gadsden County, Florida. In six years, the marketing efforts have increased so that the Cooperative now sells to 15 school districts in Florida, Georgia and Alabama. Through these districts, they are serving 300,000 students!

The farmers focus on producing three to four main items, on a seasonal basis, and sell to schools year-round. The items are incorporated into menu planning, generally as a side dish or as a fresh fruit dessert. The Cooperative has developed a good reputation by providing high-quality produce, prompt deliveries, fair prices and for their courteous professionalism. They refer to this as "relationship marketing". The positive word-of-mouth has been very effective in opening the door to the program in other school districts.

Other Project Components

As part of its marketing and promotion, the Cooperative has developed posters showing the life cycle of a crop – from planting to harvesting. These posters are displayed in school cafeterias.

Funding

Approximately 90% of the funding for the Cooperative's marketing efforts come from the sales of their members and participants. These sales come from a variety of direct marketing alternatives, including farmers' markets, roadside stands, and through their sales to schools. When the initial farm to school program was ready to launch, the Cooperative did receive a $4,000 grant from the USDA Agriculture Marketing Service. They also received a $3,000 loan from the West Florida Resource Conservation and Development Council (WFRCDC). Most of the grant money received by the Cooperative has been used for infrastructure and equipment purchase, such as refrigerated trucks and cool and cold storage facilities.

Labor

Most of the labor for preparing the products, as well as growing, them comes from the Cooperative members and participants. During particularly busy times, day labor is also utilized. Since the farmers have the ability to wash, chop and bag the produce, there is no additional labor on the part of the school food service.

Farmers and Crops
The Cooperative provides marketing services and opportunities for over 100 members and participants in Florida, Georgia and Alabama. Their primary crops are collards, field peas, muscadine grapes and a few turnip greens.

Product Delivery
Deliveries are made 2 ½ to 3 days per week depending on school menus. While much of the produce is delivered by the Cooperative, they do work with other produce vendors as well. The produce that is delivered is packaged and has a label with a logo and a nutritional analysis. The Florida A & M University provided some technical assistance to develop the label.

A delivery trailer was purchased by the Cooperative, and a cooling system from a recreational camper was installed to keep the produce at a relatively low temperature while in transit. Styrofoam insulation was also installed to protect the produce from the outside heat. The logo is printed on the side of the trailer along with the name of the Cooperative and the phrase, "The Pinnacle of Quality".

Price
The Cooperative has developed a niche market as there is little competition in providing fresh, washed, chopped, bagged, and delivered greens. Consequently, the Cooperative is able to negotiate a price that is both fair to the school district and profitable for the growers.

School Food Service
The Cooperative members gained the respect of the school food purchasers by initially *donating a sample of their product – 3,000 pounds of greens.* The greens and fruits have been met with an enthusiastic reaction from children, which has been a big factor in administrative acceptance of the product. All members of the Cooperative go out of their way to be helpful and courteous when delivering the product, and they unload the boxes and stack them neatly in cold storage facilities. After each delivery, the cafeteria manager is notified that the order was delivered. The Cooperative demonstrates courtesy, provides convenience, and protects the high quality of its products by taking this extra step.

Kitchen Facilities
Since schools are not processing the product, facilities become more of an issue for the Cooperative members, who must have storage, refrigeration, and a covered area for washing, cutting, and bagging equipment. Originally, all of the washing was done in large steel tubs, and chopping was done by hand. There was no refrigeration system and therefore no storage capacity. As a result, harvesting and processing had to be done in one day – one very long day. To continue in business, the Cooperative purchased a packing/processing shed, a cutting/chopping machine, wash sinks, and a refrigeration and storage system. Funds for purchasing equipment came from grant funding and bank loans.

Sustainability
The New North Florida Cooperative has been sustainable since it began, as 90% of its funding comes from direct marketing sales. The few loans and grants they have received have helped it to build infrastructure with equipment purchases.

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CASE STUDY

Iowa

Movers and Shakers

The three major organizers of the Iowa Farm to School project are Merl Steines, Michael Nash, and Joan Lubke. Mr. Steines and Mr. Nash are farmers with the GROWN Locally cooperative. Ms. Lubke, is a Dietary Manager, Food Service Director at the Decorah Community School District in Northeast Iowa, and she and her husband are farmers who produce organic soybeans, corn, oats, and raise organic cattle.

Ms. Lubke, Mr. Steines and Mr. Nash have known each other for several years, but became better acquainted at a Farm to School forum in Ames, sponsored by the USDA and organized by the Practical Farmers of Iowa.

Project Description

Through the Iowa Farm to School Project, Ms. Lubke uses locally grown products for a salad bar and as a la carte items. She works with four schools, two elementary, one middle school and one high school, and the farm-fresh items are particularly popular with students in the middle school and high school.

Other Components

Horticulture classes are offered through the local Future Farmers of America (FFA), and information about agriculture, farming and nutrition are provided as well in classes focusing on the environment and culinary arts. GROWN Locally is also preparing printed materials and will organize farm tours in the spring.

Funding

The program has not received special funding to buy directly from the GROWN Locally cooperative. With additional funding, we would able to purchase a greater amount of local products.

Labor

The GROWN Locally cooperative provides much of the produce already washed to help reduce labor costs. However, some food preparation is needed to cut and chop the produce. The price of labor is the prohibiting factor in expanding this program. GROWN Locally is planning to purchase processing equipment to help reduce these costs for the school district.

Farmers/Crops

There are 11 members in the GROWN Locally cooperative, and they coordinate both the production of the crops as well as the distribution to schools and other institutions. One invoice is presented from the cooperative to the school, so that there is no need for the school to pay each individual farmer Individual farm payments are then distributed by GROWN Locally. The crops that have been the most popular with the students are apples, cucumbers, lettuces, carrots, broccoli and cauliflower.

Product Delivery
Deliveries are made to the school by the cooperative once per week. With the exception of the apples, this is the first year that GROWN Locally has sold to the school district. It is expected that the program will expand with additional products in the coming year.

Price
The members of the cooperative check wholesale prices for their products, and set their prices competitively with these standards. At this time, 20% of the money received from the sales goes back into running the cooperative.

Even with prices set to be competitive with major distributors, the cost is still somewhat high for the school district. These prices are to a degree offset by the use of commodity items. School food services acknowledges that price is an issue, but is willing to pay for a quality product in order to provide great tasting meals for the children.

School Food Service Support
As the school food service staff was instrumental in organizing farm sales to schools, they are very supportive of the project. The farmers in GROWN Locally have done some marketing around their direct sales, and it has generated good public relations for the school. There is also good support from school board members.

Kitchen Facilities
The kitchen facilities are up-to-date with an adequate amount of space for food preparation and storage. GROWN locally is planning to build a small processing center to provide their products in forms that are more accessible to school food service personnel and to extend the times when products are available.

Sustainability
Since this project has not require additional funding, it is sustainable. However, it is also limited in any possible expansion by labor costs. With additional funding for the labor required for food preparation, the farm to school project would be able to grow beyond its present operation.

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CASE STUDY

New Mexico

Movers and Shakers

The primary organizer behind the Farm to School project in Santa Fe is Lynn Walters. Lynn is a chef and previous restaurant owner as well as a concerned mother of two school-aged children. She is Program Coordinator of Cooking with Kids, a multicultural food education program. Lynn arranged a visit to the Santa Monica Farmers' Market Salad Bar for several school food service staff members and New Mexico Department of Agriculture Marketing Specialist Craig Mapel. The Director of Student Nutrition Services, Judi Jaquez, fondly calls Lynn "the thorn in her side" that moved her to support and develop a farm to school program in Santa Fe, New Mexico. Judi is a self-described "convert" who touts the flavor and quality of locally grown fresh fruits and vegetables.

Farm to School Project and Components

Three Santa Fe public schools are participating in this project, two elementary and one high school. One of the elementary schools has a salad bar every day. The meal at this site includes a meat entree three times a week and a vegetarian item twice a week. The other elementary school offers a side salad of mixed greens, sunflower sprouts, and other seasonal items with lunch. The high school has a separate salad bar; students have the choice of the salad bar or a hot lunch.

Nutrition education in the classroom has had a big impact on the salad bar line. The first session conducted by Farms to Schools Coordinator Betsy Cull discussed proper salad bar etiquette as well as what is required for a reimbursable meal. Betsy followed the hands-on model of the Santa Monica Farmers' Market Salad Bar Program and brought the salad bar into the classroom for a lesson about food groups and portion sizes. The students were then able to prepare a tray to eat, practicing what they just learned.

Student Comments

"I've never tasted this stuff before; it's good"
"I love fruits and vegetables."
"I didn't use to like this kind of lettuce much, but I'm starting to like it more now that I've tasted it"

Funding

Three grants have provided start-up funds for this project: a USDA Community Food Projects grant will be providing $30,750 over three years and the New Mexico Department of Agriculture (NMDA) is contributing $30,000 to this project this year. In addition, USDA's Federal State Marketing and Improvement Program awarded NMDA $27,000 to further develop the program into next year.

Labor

Collaboration got this program going. A group of folks, including Lynn Walters, Craig Mapel, and Judi Jaquez, worked with the support of members of the Student Nutrition Advisory Council, including Registered Dietician and former NET Coordinator Blanche Harrison, to organize this project. Betsy Cull was hired as the Farms to Schools Coordinator, a newly created school district position. School food service staff prepare the fruits and vegetables for the salad bars.

Farmers/Crops
Organizers worked with the NM Department of Agriculture and the state Farmers' Marketing Association to locate farmers. Approximately forty farmers sell to the school district, primarily through a farmers' coop, during the fall and spring months. Farmers see a tremendous potential to sell more crops if they can extend their season, and they are working to develop hothouse techniques to do just that. The crops that the children see seasonally include salad greens, sunflower sprouts, apples, pears, watermelons, tomatoes, corn, cucumbers, peppers, squash, potatoes, onions, carrots, broccoli, and radishes.

Product Delivery
The school district is working with the New Mexico Farmers' Market Association to coordinate deliveries through a cooperative distribution system. Deliveries are made either directly to the school sites or to the central warehouse.

Price
There are price barriers that are not easily overcome in New Mexico and are quite likely the greatest hurdle facing the pilot project. New Mexico procurement law requires most state agencies (including school districts) to go out to bid on virtually any item, including produce, that will be over $10,000. In addition, to insure that the public dollar is being wisely spent, the agency requesting the bid must accept the lowest bid submitted. No real weight is assigned to what in reality is a higher quality, fresher, locally grown product.

This problem is further complicated by the size of the average farm (particularly those in north central New Mexico), which tends to be around 10 to 15 acres. It is difficult to compete with larger, out of state producers, submitting bids on the same type of produce.

The pilot program with the three Santa Fe schools selected by the coordinators has been able to circumvent these problems to a great extent. The coordinators designed bid requests to specify the freshness of the product, i.e. picked and delivered within 2 days, and by using monies from grants to ensure that no state monies were involved in the project to purchase food.

School Food Service Support
School food service personnel have been overwhelmingly supportive, as has been the District Administration. They were brought into this program fairly early in its conception, and were active in helping to design the program.

Kitchen Facilities
The three schools participating in the program had the equipment and facilities necessary to prepare and store the product. The high school kitchen had just gone through a renovation and was well-equipped for a salad bar.

Sustainability
When this program started, all of the collaborators knew it would be difficult to sustain in its present form. The organizers have been working at a state and national level to pass legislation that would allow schools to give preference to local growers and to make it easier for area farmers to participate in the program. There is consensus among the collaborators that by working closely with District purchasing personnel to create very specific purchasing requests, that local farmers will have a greater opportunity to participate in the program.

LEOPOLD CENTER

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NEWS RELEASE

3-30-10

LEOPOLD CENTER STUDIES POTENTIAL FOR INCREASED FRUIT/VEGETABLE PRODUCTION IN THE MIDWEST

AMES, Iowa -- Expanding the fruit and vegetable industry in the upper Midwest could have a huge economic impact in the region.

A new analysis from the Leopold Center for Sustainable Agriculture at Iowa State University in collaboration with regional partners estimated potential state and regional economic values associated with increased production of fresh fruit and vegetables in a six-state area. The study included two scenarios and was conducted by Iowa State economics researcher David Swenson and included data from Iowa, Illinois, Indiana, Michigan, Minnesota and Wisconsin.

One of the key assumptions in the study was that farmers in the region grow enough of 28 kinds of fruit and vegetables to meet demand, based on population, during a typical growing season (about four months of the year) and longer for crops that could be stored, such as onions or garlic. The study did not include potatoes, sweet corn, pumpkins, apples, grapes, cranberries and cherries because ample supplies of those crops already are being grown in the region.

Scenario 1
In the first scenario, increased production of 28 fruits and vegetable crops in those six states could mean about $882 million in sales at the farm level, more than 9,300 jobs and about $395 million in labor income. An estimated 270,025 acres would be needed to produce those crops, roughly equivalent to the average amount of cropland in one of Iowa's 99 counties.

Although relatively few acres would be required to significantly increase fruit and vegetable production in the region, the study found that the job also gains could be significant, compared to the number of jobs currently generated by the same amount of land under conventional agricultural production.

Another key assumption was that half of the increased production would be sold in producer-owned stores, resulting in additional impacts on regional economies. The six-state region would need about 1,405 establishments staffed by 9,652 people earning $287.64 million in labor incomes.

In Iowa, increased fruit and vegetable production could mean farm-level sales of about $61.4 million, with a potential retail value of $230.1 million and a total of 657 farm-level jobs, compared to the 131 jobs currently generated from this acreage under corn and soybean production. If 50 percent of this production were directly marketed in-state, it would require 98 fruit and vegetable establishments that would require 672 jobs.

"This the first multi-state study in the Midwest to examine potential economic benefits from increased regional fruit and vegetable production and marketing," said Leopold Center Associate Director Rich Pirog, who has worked with Swenson on a number of related projects in Iowa and coordinated the regional partners for this study. "Since the same assumptions were made across

all of the states in the study, we can examine both state-level and regional potential impacts."

Scenario 2
A second scenario in the study looked at 28 metropolitan areas with populations that exceed 250,000 in and near the six-state region. Swenson's previous modeling work has shown that potential demand from metro areas for locally grown food could nearly triple fruit and vegetable production in surrounding rural communities, and those regions often cross state lines. Cities such as Omaha, St. Louis and Cincinnati were included in this scenario because a portion of their markets was within 150 miles of the six-state region, the distance that farmers could travel to sell their crops and remain competitive.

Swenson estimates that increased fruit and vegetable production for the 28 metro markets would result in $637.44 million in farm-level sales and 6,694 farm-level jobs, compared to 1,892 jobs under corn and soybean production. The farmer-retail direct economic impact portion of this activity would generate 6,021 jobs.

Increased fruit and vegetable production in Iowa to meet demand for regional metro areas would mean $34 million in Iowa farm sales and 364 jobs, compared to the 72 jobs currently generated from this acreage under corn and soybean production. The farmer-retail direct economic impact portion of this activity would generate an additional 263 jobs.

Swenson warned that economic values from the two scenarios should not be added together. He explained, "The first scenario provided state-only estimates with economic values compiled from each state's farmers and each state's consumption. The second analysis evaluated individual counties within the six-state region and their capacity and potential to produce fresh fruits or vegetables, and was indifferent to state boundaries."

This analysis estimates the total value of fruit and vegetable production in each scenario, and does not account for existing production. To determine a net increase in jobs or labor incomes, additional research would be needed. Swenson noted that the region has the capacity to grow enough fruits and vegetables to reach targets outlined in the study.

The research was funded primarily by a grant from the Leopold Center for Sustainable Agriculture at Iowa State University. Other organizations provided funds to purchase state-level data sets used in the analysis. Among them were the Fresh Taste Initiative in Illinois, the Institute for Agriculture and Trade Policy, the Minnesota Institute for Sustainable Agriculture at the University of Minnesota, Land Stewardship Project, Center for Integrated Agricultural Systems – University of Wisconsin, the Michael Fields Agricultural Institute, Indiana Cooperative Development Services, Michigan Food and Farming Systems and the C.S. Mott Group for Sustainable Food Systems at Michigan State University.

The full report, "Selected Measures of the Economic Values of Increased Fruit and Vegetable Production and Consumption in the Upper Midwest," is on the Leopold Center web site at: www.leopold.iastate.edu/research/marketing_files/midwest.html

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- Read the report

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NEWS RELEASE

12-14-09

LEOPOLD CENTER STUDY COMPARES LOCAL, NON-LOCAL FOOD PRICES

AMES, Iowa -- If you think local foods are more expensive than their conventional counterparts, think again. Research conducted last summer by the Leopold Center for Sustainable Agriculture shows few differences in price for Iowa-grown vegetables, eggs and meat when compared to similar non-local products.

"We wanted to look at prices for some of the fresh foods that might be found in a typical Iowan's shopping cart," said Rich Pirog, Leopold Center associate director who collaborated on the study with Iowa State University graduate student Nick McCann. "We found that during peak season, produce items at farmers' markets were very competitive and in several cases lower than prices for the same non-local items found at supermarkets."

The study surveyed prices for eight different vegetables sold at Iowa farmers' markets in Des Moines, Cedar Rapids, Ames and Iowa City. On the same day, prices were documented for similar produce from national or international sources being sold at supermarket chains in those cities. Prices were checked on five days during July and August.

The results showed no statistical differences for local and non-local vegetables during Iowa's peak growing season: an average price of $1.25 per pound for locally grown zucchini, summer squash, cucumbers, string beans, cabbage, onions, tomatoes and sweet corn from a farmers' market, compared to $1.39 per pound for non-local items from a supermarket.

The lower prices for the local items can be attributed in part to competitive pricing of zucchini and summer squash at farmers' markets. A two-week supply of those eight vegetables for a family of four, based on per capita consumption, would cost $15.03 at a farmers market, compared to $16.91 at a supermarket.

A second part of the study looked at prices for lean ground beef, pork chops and brown eggs sold at supermarkets, natural food stores and butcher shops in those four Iowa cities in June, July and August. Pirog said it was difficult to find products with similar attributes available at all venues to make meaningful comparisons. However, they did find that locally raised lean ground beef and bone-in pork chops from butcher shops are similar in price to their non-local counterparts from supermarkets.

Pirog said the study did not look at relative freshness, taste or overall quality of local and non-local products. The study also did not examine produce or food items sold under organic certification.

"Keep in mind that this study was conducted during the height of the Iowa growing season when produce was in plentiful supply from multiple vendors at farmers' markets, and their prices were lower than at other times during the farmers' market season," Pirog said.

He added that the study also points to an obvious opportunity for growers who extend their production season by using greenhouses or high tunnels and market their harvest at competitive prices. "Given the increase in construction of high tunnels in the past two or three years, Iowa growers may be able to increase the supply of locally grown vegetables and sell to a wider array of market venues," he said.

For more details, including comparative charts and tables, see the new report, "Is Local Food More Expensive? A Consumer Price Perspective on Local and Non-Local Foods Purchased in Iowa," on the Leopold Center Web site at: www.leopold.iastate.edu/pubs/staff/prices.html

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- Read the paper
- **NOTE:** A print-ready illustration is available to use with this story.

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Farm to School Legislation: A State by State Listing

Eighteen states have passed legislation regarding farm to school programs. Below are summaries and links to the text of this legislation. This information should reflect legislation that has passed as of June 10, 2008.

California

To search for California state legislation text: http://www.assembly.ca.gov/acs/acsframeset2text.htm

SB 281 (2005 California Statute, Chapter #236)
Introduced in 2005, SB 281 established the California Fresh Start Program that provides an additional 10 cents per a meal for fruits and vegetables. SB 281 also encourages schools to buy California products when commercially available. As a part of nutrition education, sampling of produce is required, and may include purchase of local products for this purpose.

According to SB 281 the State Department of Education will have $400,000 to provide grants, on a competitive basis, to a county office of education or community college. Of this $400,000, no more than $100,000 can be used to cultivate an online professional development seminar for school-site staff on serving, safe-handling guidelines, marketing, and promoting nutritious fruits and vegetables. Also no more than $300,000 is to be used to conduct a comprehensive evaluation of educational materials and marketing of California Fresh Start Pilot Program.

Colorado

To search for Colorado state legislation text:
http://www.state.co.us/gov_dir/leg_dir/olls/session_laws_of_colorado.htm

SB 127 (2006 Colorado Session Laws, Chapter #242)
http://www.state.co.us/gov_dir/leg_dir/olls/sl2006a/sl_242.htm

SB 127 established the Fresh Fruits and Vegetables pilot program for the 2006-2007 and 2007-2008 school years, to provide students in participating public schools with free fruits and vegetables. Interested school districts must apply for the program through the Department of Education. Eligible schools are selected based on a variety of criteria, one of which is to ensure that a certain percentage of students enrolled in a particular school district are eligible for reduced or free lunch under the federal "National School Lunch Act." This bill also requires that participating schools use Colorado fruits and vegetables to the maximum extent possible.

$500,000 was appropriated. $350,000 was used to convert reduced price meals to free meals. $150,000 went to the Fresh Fruits and Vegetables Pilot Program.

HB 1307 (2005 Colorado Session Laws, Chapter #317)
http://www.leg.state.co.us/CLICS2005A/csl.nsf/fsbillcont3/7D29AAABBE3A21EA87256FA3007CC90B?Open&file=1307_enr.pdf

Under HB 1307 governmental bodies purchasing agricultural products are allowed to preference Colorado products over out of state products as long as the quality is equal, the Colorado producer is able to meet requested quantity, and price is either lower than the lowest out of state bid, or "reasonably exceeds" the lowest bid. "Reasonably exceeds" is defined as a bid that may exceed the lowest bid and can be paid for by the existing fiscal budget.

Connecticut

To search for Connecticut state legislation text: http://www.cga.ct.gov/

HB 5847 (2006 Connecticut Acts, P.A. 06-135)

http://www.cga.ct.gov/2006/ACT/PA/2006PA-00135-R00HB-05847-PA.htm
HB 5847 is "an act implementing the provisions of the budget concerning education" and therefore pertains to a variety education related programs including farm to school. The farm to school program is established within the Department of Agriculture, which will collaborate with the Department of Education to promote the sale of Connecticut-grown farm products to school districts, individual schools and educational institutions that are under the jurisdiction of the Department of Education.

The Department of Agriculture's (DOA) role is to encourage, solicit, and guide Connecticut farmers through the process to sell their products to school districts, individual schools and educational institutions, while also working with the Department of Education to support schools through the local procurement process. The DOA is also required to develop and maintain a database of farmers interested in farm to school, and to outreach to these farmers.

According to this bill the Department of Education (DOE) will promote events such as Connecticut Grown for Connecticut Kids week to bring school kids together with Connecticut agriculture inside and outside of the classroom. The DOE should "encourage and solicit school districts, individual schools and other educational institutions under its jurisdiction to purchase Connecticut-grown farm products, and provide outreach, guidance and training to districts, parent and teacher organizations, schools and school food service directors concerning the value of and procedure for purchasing and incorporating into their regular menus Connecticut-grown farm products."

PA 05-228 (2005 Substitute Senate Bill #410)
http://www.cga.ct.gov/asp/cgabillstatus/cgabillstatus.asp?selBillType=Public+Act&bill_num=228&which_year=2005&SUBMIT1.x=7&SUBMIT1.y=12&SUBMIT1=Normal
Allocates $100,000 annually to encourage the sale of Connecticut-grown food to schools, restaurants, retailers, and other institutions and businesses in the state.

SB 589 (2004 Connecticut Acts, P.A. 04-222)
http://www.cga.ct.gov/2004/act/Pa/2004PA-00222-R00SB-00589-PA.htm
SB 589 is "an act concerning the preservation of the family farm and Long Island Sound" and therefore pertains to various agriculture-related programs including the Connecticut Farm Fresh Schools program. Administered by the Commissioner of Agriculture, Connecticut Farm Fresh Schools is to promote Connecticut schools that are serving Connecticut farm products. Schools, including public, non-public, and higher education institutions, in which 20% or more of the food served by the school consists of Connecticut grown/produced foods are eligible to be certified as a "Connecticut Farm Fresh School" and are able to use "Connecticut Farm Fresh School" in promotional materials and activities.

Delaware

To search for Delaware state legislation: http://legis.delaware.gov/

HR 74 (2004)
http://legis.delaware.gov/LIS/LIS142.NSF/vwLegislation/HR+74?Opendocument

House Resolution 74 urges Congress to pass the Farm to Cafeteria Projects Act (Child Nutrition Reauthorization), and any other legislation promoting farm to school partnerships. The goals of this bill are to assist schools in purchasing locally grown food, provide more healthy fresh food for school children, educate children and their families about foods grown in their communities, and to expand market opportunities for local farms.

Iowa

To search for Iowa state legislation: http://www.legis.state.ia.us/

SF 601 (2007)
http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&menu=false&ga=82&hbill=SF601

Iowa's farm to school program was originally part of SF 209 and SF 452, and is currently written into SF 601. This bill establishes a statewide Iowa farm to school program that is administered by the Department of Agriculture and Land Stewardship and a Farm to School Council. The purpose of this program is to improve child nutrition in schools and strengthen local and regional farm economies. This program encourages the relationships between Iowa farms and Iowa schools (elementary and secondary) to purchase locally and regionally produced or processed foods to provide Iowa's children with fresh minimally processed food for inclusion in school lunches.

SF 551 (2007)
http://coolice.legis.state.ia.us/Cool-ICE/default.asp?Category=billinfo&Service=Billbook&menu=false&hbill=SF551
$80,000 was appropriated for farm to school in FY08 and another $80,000 was appropriated for FY09. Money will go toward salaries, support, maintenance, and other miscellaneous needs.

Kentucky

To search for Kentucky state legislation: http://www.lrc.ky.gov/record_search.htm

HB 484 (2008 Kentucky Acts, Chap. # 37)
http://www.ncsl.org/programs/environ/healthyCommunity/healthyCommunity_search.cfm
This bill would extend the provisions of KRS 45A.645 to encourage governing boards of public post secondary institutions to purchase Kentucky-grown agricultural products if the vendor can meet quality and pricing requirements; and if the institutions purchase agricultural products. See HB 669 from 2006 for further details. (Last Update: 6/3/2008)

HB 626 (2008 Kentucky Laws, Chap. #154)
http://www.ncsl.org/programs/environ/healthyCommunity/healthyCommunity_search.cfm
This bill amends current law concerning the Kentucky Proud program. It creates a Kentucky Proud Advisory Council and creates a Kentucky Proud promotion fund, with a grant program using available funds. Before a state agency may purchase Kentucky-grown agricultural products, the vendor shall be required to participate in the Kentucky Proud program, if the vendor can meet quality and pricing requirements. See HB 669 from 2006 for further details.

KRS 45A.645 (2006)
http://www.lrc.ky.gov/KRS/045A00/645.PDF
This bill addresses the direct marketing of Kentucky-grown products to state agencies. Under KRS 45A.645 State agencies shall purchase Kentucky-grown agricultural products if quality and pricing requirements can be met. All vendors selling to state agencies must participate in the Kentucky-Grown Labeling Program. All Kentucky-grown products that are purchased by state agencies must also be reported to the legislature. Also non-U.S. grown agricultural products must be labeled with a country of origin label if they are purchased by a state agency.

HB 669 (2006 Kentucky Acts, Chapter 244)
http://www.lrc.ky.gov/record/06RS/HB669/bill.doc
This bill amends KRS 45A.645, requiring state agencies to purchase Kentucky-grown agriculture products if vendors can meet quality and pricing requirements. Also, prospective vendors may also apply for marketing assistance from the state, as long as the vendor is participating in the Kentucky grown labeling and logo program.

Maryland

To search Maryland state legislation text: http://mlis.state.md.us/#pryr

HB 883 (2006 Maryland Laws, Chapter 360)
http://mlis.state.md.us/2006rs/bills/hb/hb0883t.pdf
HB 883 requires the Board of Works to adopt regulations allowing a 5% price preference above the lowest bid for MD grown products. Schools and state facilities are to review procurement regulations and

use the 5% price preference for purchasing local products. This section does not apply if it is inconsistent with federal law.

SB 158 (2008 Maryland Laws, Chapter #371)
http://www.ncsl.org/programs/environ/healthyCommunity/healthyCommunity_search.cfm
This bill establishes the "Jane Lawton Farm to School Program" in the Department of Agriculture to promote the sale of farm products grown in the state to schools. This includes developing a database of farmers interested in selling their farm products to schools, creating a promotional event entitled "Maryland Homegrown School Lunch Week," and providing experiential learning for students, such as trips to local farms. The companion to this bill is HB 696.

Massachusetts

To search for Massachusetts state legislation text: http://www.mass.gov/legis/laws/seslaws.htm

HB 4429 (Chapter 123 of Acts of 2006)
http://www.mass.gov/legis/laws/seslaw06/sl060123.htm
Earlier versions of this bill include HB 4324, HB 4381, HB 4404. Language was originally made part of the Economic Stimulus Package 2006, and is now a law as Section 4 of Chapter 123 of Acts 2006. HB 4429 allows state agencies to pay up to 10% above the lowest bid to purchase in-state agriculture products as long as there is no conflict with other state or federal laws. State procurement officers may award contracts up to $25,000 without seeking other bids, as required by standard procurement procedures. A governmental body may establish a preference for purchasing local products by majority vote.

Montana

To search for original text o Montana state legislation text: http://leg.mt.gov/css/bills/default.asp

SB 328 (2007 Montana Laws, Chapter #146)
http://data.opi.mt.gov/bills/2007/billpdf/SB0328.pdf
SB 328 allows public agencies to preference Montana agricultural products when price "reasonably" exceeds the lowest price quoted for a similar out of state product. "Reasonably" exceeding the lowest price quoted means that the public agency can remain within its budget without supplemental or additional appropriation to pay for the potentially higher cost of local procurement. This provides an optional exemption from the Montana Procurement Act for public institutions.

New Mexico

To search for New Mexico state legislation text: http://legis.state.nm.us/lcs/BillFinder.asp

SM 54 (2008)
This resolution commits the Senate to having additional fresh fruits and vegetables served in school meals to every New Mexico student and to strengthening New Mexico's farming communities and increasing farmers' incomes by purchasing fruits and vegetables, when available, from New Mexico farmers.

The Senate requests that the school districts and their respective boards of education and superintendents place great emphasis on, and make a high priority as a matter of educational policy for, the purchase of locally grown foods in their school food programs for the benefit of their students.

The Senate should encourage the food service directors of New Mexico school districts to search out in their various locales, with the assistance of the New Mexico department of agriculture and farm to table, local farmers who want to supply locally grown foods for school food programs.

SB 90 and HB 264 (2007)
http://www.ncsl.org/programs/environ/healthyCommunity/healthyCommunity_search.cfm
This bill appropriates $85,000 from the general fund to provide New Mexico grown fresh fruits and vegetables when available to the Valley High School cluster in the Albuquerque public school district.

HJM 34 (2001)
http://legis.state.nm.us/lcs/_session.asp?chamber=H&type=JM&number=34&Submit=Search&year=01
This bill encourages the Department of Agriculture and the Department of Education to collaborate on increasing the use of New Mexico agricultural products in public school meals. One of the goals in New Mexico is to expand marketing and selling opportunities for the state's farmers and ranchers.

New York

To search for New York state legislation text:
http://public.leginfo.state.ny.us/frmload.cgi?MENU-09735958
Also available, National Conference of State Legislatures' report on the history of F2S in NY:
http://www.ncsl.org/programs/health/publichealth/foodaccess/f2sny.htm

2002 New York Laws, Article 2, Section 16, subdivision 5-b under Agriculture and Markets
http://public.leginfo.state.ny.us/menugetf.cgi?COMMONQUERY=LAWS (Click "AGM Agriculture and Markets", "Article 2", "16")
AND
2002 New York Laws Article 7, Section 305, subdivision 31 under Education
http://public.leginfo.state.ny.us/menugetf.cgi?COMMONQUERY=LAWS (Click "EDN Education", "Article 7", "305")

Under the jurisdiction of the Education Department with cooperation from the Commissioner of Education and Commissioner of Agriculture and Markets this law establishes a farm to school program to facilitate and promote the purchase of New York farm products by educational institutions in New York. The department will also work on making relevant information available to farmers, farm organizations, and institutions interested in establishing farm to school programs. The department shall also coordinate promotional events such as New York Harvest for New York Kids Week in early October each year.

S 6024 (2004 New York Laws, Chapter #269)
http://public.leginfo.state.ny.us/menugetf.cgi?COMMONQUERY=LAWS (Click "GMU General Municipal", "Article 5-A", "103")

Allows school districts to apply for permission to purchase directly from associations of more than 10 farmers when no other farmers or smaller associations are available. Raises the dollar cap on direct purchases $0.15 to $0.20 per meal per student.

Requires the NYS Education Department to develop regulations with input from the Department of Agriculture and Markets that should:
1. accommodate the provisions of the State Farm-to-School Law;
2. allow schools to pay farmers prices comparable to what they would otherwise pay for locally grown foods through their conventional channels as opposed to comparing to national wholesale prices;
3. allow school districts interested in purchasing local farm products to notify interested farmers statewide in accordance with provisions of the Farm-to-School Law by using publications, websites and other mechanisms;
4. ensure that schools provide a fair opportunity to all farmers interested in selling to them and that schools select the seller or sellers based on the usual traditional purchasing criteria (i.e. low price, quality, reliability, delivery, etc.) without having to divide up purchases proportionally among competing bidders;
5. provide guidelines for dept of education approval of purchases by schools from associations of 10 or more farmers;

Oklahoma

To search for Oklahoma state legislation text: http://www.lsb.state.ok.us/

HB 2655 (2006 Oklahoma Session Laws, Chapter #257)

http://webserver1.lsb.state.ok.us/2005-06bills/HB/HB2655_ENR.RTF
In HB 2655, the director of the Oklahoma Farm to School Program is established under the Department of Agriculture, Food and Forestry. The Director will establish public and non-profit partnerships to develop farm to school programs; provide state leadership to encourage school districts to buy from local farmers; and provide workshops and training for food service, farmers, processors, and others involved in farm to school work. Staff shall be made available from the departments of Health, Education and Human Services to assist in implementation of the program, seek grant funding and private donations for the program, and develop a web site to assist farmers in coordinating fresh food procurement.

$100,000 was permanently allocated to the Department of Agriculture for the program but not written in the specific language of the bill. The money has been appropriated in total for the past two years

HB 2833 (56 O.S. Supplemental 2007, Section 245)
This bill continues the "Oklahoma Food Security Act" until December of 2012. The Food Security Committee will continue to meet and work on issues such as supporting community food security initiatives and encouraging food production on the local level, supporting efforts to provide farmers' markets with the technology for accepting food stamps, encouraging the use of home and community gardens for food production, and supporting creative transportation methods for connecting at-risk populations with nutritious foods.

This year, HB 2833 included the schools as part of the overall goals of the Oklahoma Food Security Task Force: "Involve schools in identifying and improving students' access to sufficient and nutritious foods." The Governor signed HB 2833 on Friday, June 6th, 2008.

Oregon

HB 3601 (2008 Oregon Laws, Chapter #21)
http://www.ncsl.org/programs/environ/healthyCommunity/healthyCommunity_search.cfm
This bill requires the Department of Education to establish the Oregon Farm to School and School Garden Program. These programs help schools utilize Oregon food products and produce from school gardens, promote food and garden-based educational activities, and work with the state Department of Agriculture to develop farm to school related programs. For the purpose of paying the costs of the Department of Education of administering the Oregon Farm to School and School Garden Program, the department may accept contributions of moneys and assistance from any source, public or private.

On or before February 1, 2009, the Department of Education shall report, in the manner provided in ORS 192.245, to the Seventy-fifth Legislative Assembly on the activities related to the Oregon Farm to School and School Garden Program established under section 1 of this 2008 Act.

Pennsylvania

To search for Pennsylvania state legislation text: http://www.legis.state.pa.us/

SB 1209 (2006 Pennsylvania Laws, Act #184)
http://www.legis.state.pa.us/CFDOCS/Legis/PN/Public/btCheck.cfm?txtType=HTM&sessYr=2005&sessInd=0&billBody=S&billTyp=B&billNbr=1209&pn=2047
SB 1209 is known as the Healthy Farms and Healthy Schools bill. This law creates a statewide program modeled after the Kindergarten Initiative. Recognizing the benefits of integrated programs that combine nutrition education, parent involvement, and a connection to local agriculture for students and farmers in Pennsylvania, this program trains teachers and other educational staff on nutrition and agriculture education. Also, a list of Pennsylvania farmers who have agreed to supply foods to Pennsylvania schools was established, and grants have been awarded to schools for procurement of local produce and implementation of educational programs. Grant amounts are limited to 75% of the amount necessary to develop the program and are not to exceed $15,000 annually, per school. Applicants may use in-kind support to match the amount granted.

Money for the Healthy Farms and Healthy Schools is provided by the Governor's budget (http://www.state.pa.us/papower/cwp/view.asp?A=11&Q=471208). $500,000 has been appropriated for 2007 and 2008 with a similar budget for the same amount through 2012.

HR 821 (2004)
http://www.legis.state.pa.us/cfdocs/billinfo/billinfo.cfm?syear=2003&sind=0&body=H&type=R&BN=0821
Almost word for word the same as Delaware resolution [HR74], urging Congress to support the Farm to School Projects Act of 2003 and any other legislation that assists schools in purchasing local foods, provides more healthy and fresh food for school children, educates children and their families about foods grown in their communities, and expands market opportunities for local farms.

Tennessee

SB 3341 (2008 Tenn. Public Acts, Chapter # 963)
http://www.ncsl.org/programs/environ/healthyCommunity/healthyCommunity_search.cfm
This bill specifies that each local school board's plan for compliance with nutritional breakfast and lunch programs include specific provisions to encourage purchasing local agricultural products. This would include setting preferences for the use of agriculture products from each local school board's county or geographical region, as well as allowing flexible bidding processes to assist farmers to bid competitively on portions of a given nutrition plan, rather than an entire nutrition plan. The legislation requires each local school board to submit to the commissioner a plan for compliance with this part sixty (60) days prior to the beginning of the school year. For each subsequent school year, it requires each local school board to submit modifications to the plan sixty (60) days prior to the beginning of the school year.

Vermont

To search for Vermont state legislation text: http://www.leg.state.vt.us/docs/docs2.cfm

SJR 59 (2004)
http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2004/acts/ACTR386.HTM
This resolution urges Congress to enact the proposed "Farm to Cafeteria Projects Act."

HB 456 (Act 145 of 2006)
http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2006/acts/ACT145.HTM
HB 456 encourages farm to school initiatives through improvements to local infrastructure and education. The Commissioner of Education is to award small grants from the education fund to schools that use Vermont products in their school meals and provide nutrition education for students. It also establishes a mini-grant program, with maximum awards being $15,000, to assist with purchasing equipment, resources and materials that increase local purchasing and education regarding nutrition and agriculture. Grants may also be used for professional development for teachers to learn more about farm to school connections. The Department of Agriculture is to make one-time awards to local processors who are processing local produce for Vermont schools or institutions, while the food service personnel and Commissioner of Education are to provide training in local purchasing and processing for food service providers. This bill also requires that a report be submitted to appropriate legislative committees on how to increase local purchasing by state entities.

HB 522 (Act # 38 of 2007)
http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2008/acts/ACT038SUM.HTM
HB 522 sets goals for Vermont to support in-state agriculture. This includes Vermont's own "buy local" campaign that promotes the purchasing of locally produced foods and dairy products. This bill also establishes systems to connect local producers and processors with state purchasing entities to facilitate marketing local foods. Strategic and technical assistance will also be made available to local producers and processors to create or enlarge facilities necessary to expand sales to the state and other markets. [Although this is a broad direct marketing bill, it does encourage farm to school initiatives, as schools are considered "other markets."]

HB 91 (Act # 24 of 2007)

http://www.leg.state.vt.us/docs/legdoc.cfm?URL=/docs/2008/bills/passed/H-091.HTM
HB 91 makes the mini-grant farm to school program created by Act #145 of 2006, also referred to as HB 456, permanent. Each grant awarded is not to exceed $15,000.

$110,000 was designated for this Act in the 2008 session. $85,000 will go to farm to school mini grants, and another $25,000 will go to training and technical assistance for schools to develop their farm to school programs.

Virginia

To search for Virginia state legislation text: http://leg1.state.va.us/

SB 797 (Chapter #352 of 2007 Virginia Laws)
http://leg1.state.va.us/cgi-bin/legp504.exe?071+ful+SB797ER
SB 797 authorizes the Commissioner of Agriculture and Consumer Services to create a website that promotes Virginia agricultural products to educational institutions. The website should include information such as farmers' contact information, amount and types of produce available.

The website is available at: http://www.vdacs.virginia.gov/vagrown-july/index.shtml.

SJ 347 (2007)
http://leg1.state.va.us/cgi-bin/legp504.exe?071+ful+SJ347ER
SJ 347 authorizes the Secretary of Agriculture and Forestry and the Secretary of Education to establish a Farm to School Task Force that will develop a plan for implementing a farm to school program in Virginia. The task force will study methods for providing information to the Virginia Department of Education, interested schools divisions and institutions of higher education regarding the availability of Virginia products. The task force has been formed.

Washington

To search for Washington state legislation text:
http://apps.leg.wa.gov/billinfo/search.aspx?term=farm%20to%20school

HB 2657 (2002 Washington Laws, Chapter #166)
According to HB 2657, the Department of General Administration, through the state purchasing director, shall encourage state agencies and local agencies doing business with the state to purchase Washington agricultural products when available. The Department of General Administration shall work with the Department of Agriculture to identify strategies to increase the purchase of Washington products. This was declared emergency legislation to improve the health of rural economies and the agricultural economy.
HB 2657 is still on the books; however, SB 6483 goes far beyond 2657.

SB 6483 (2008)
This is a comprehensive piece of legislation, requiring the following:
1. The State Department of Agriculture will facilitate the purchase of Washington grown food by schools, by linking school districts and local producers, as well as integrating curricula and programs that demonstrate the benefits of local food.
2. The creation of the Washington Grown Fresh Fruit and Vegetable Grant Program in the Office of the Superintendent of Public Instruction, to facilitate consumption of Washington grown-nutritious snacks to improve student health and expand the market for locally grown fresh produce.
3. Revision of food procurement and food contract procedures to facilitate the purchase of Washington grown food by state agencies and institutions to the maximum extent practicable. A school district may develop and implement policies and procedures to facilitate and maximize purchases of Washington grown food.
4. School districts may operate school gardens or farms as appropriate for the purpose of growing fruits and vegetables to be used for educational purposes.

5. The creation of the Washington State Farmers Market Technology Improvement Pilot Program to lend technological hardware to farmers markets to assist farmers markets and Washington farmers develop the capability to accept electronic payment cards, including electronic benefits transfers.
6. The creation of the Farmers to Food Banks Pilot Program. The Office of Financial Management shall work to develop measures for reporting on changes and trends in the purchasing of Washington-grown food by state agencies, institutions of higher education, and schools. The companion to this bill is HB 2798.

If specific funding for the purposes of this act, referencing this act by bill or chapter number, is not provided by June 30, 2008, in the omnibus appropriations act, this act is null and void.

$1.49 million in funding was appropriated to implement 6483. $600,000 will be used to provide grant funds to elementary schools with high numbers of low-income students to make available a locally-grown fruit and vegetable snack program.

Many thanks to Doug Shinkle who has actively updated state farm to school legislation for the National Conference of State Legislators
http://www.ncsl.org/programs/environ/healthyCommunity/healthycommunity_bills.cfm

The Community Food Security Coalition extends grateful thanks to Kim Szeto and Greg Fogel, CFSC interns, for their tenacity in researching this information, and Ilana Blankman, for her editing expertise.

For more information, correction or additions, please contact:

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www.farmtoschool.org

Last updated: 7/2/08
Greg Fogel, CFSC

Farm to School program changes kids' views on food

By LISA RATHKE
Associated Press Writer

SHARON, Vt. (AP) – The third and fourth graders at Sharon Elementary know where the veggies in their soup come from because they've visited the farms.

They know the nutritional value of the carrots, onions, and cabbage because they've studied them in class, and they know how they're grown because they've nurtured them in raised beds out back.

The 105-student school is part of the National Farm to School Network, aimed at getting healthier meals into school cafeterias, teaching kids about agriculture and nutrition, and supporting local farmers.

About 40 states have farm-to-school programs, but Vermont is a leader in incorporating all three missions into its programs.

"Vermont has really taken it on in quite the most holistic way and not just in a couple of school districts but statewide," said Anupama Joshi, director of the Farm to School program, based at the Center for Food and Justice at Occidental College in Los Angeles.

Vermont may be a step ahead of other states because a nonprofit partnership called Vermont FEED had already been working to get local foods into schools.

The state also has backed the farm-to-school effort with funding to help schools buy equipment to chop or process the local food and buy meat from a local farmer.

What started as a handful of pilot programs has grown into 45 Vermont schools getting grants and about 60 with farm-to-school activities.

The funding is expected to dry up next year with budget cuts.

Sharon used its $13,500 grant to buy a potato chopper and a food processor. Food service director Lin-Ann Perry now uses the food processor machine to slice squash and tomatoes picked from the school's gardens and area farms in the summer and fall, later to be frozen. The school also bought a salad bar, which has been a huge hit.

When Perry used to prepare salads for the kids, there was a lot of waste. But when kids could choose what they wanted in their bowls or on their plates, more were eating fruits and vegetables, she said.

The number of students buying hot lunch has jumped by 50 percent since the school added the salad bar, Perry said. The salad bar is also used for tacos and stir-fries.

The students take part in lunch room taste tests to see what they like. Harvest soup, also known as cabbage soup, with and without beef, got rave reviews.

"This is great, guys," said sixth grader Daniel Lazar.

The third and fourth graders who chopped up vegetables for the soup also tried to sell other kids on the meal. They hung up posters in the cafeteria that advertised the nutritional value and cancer-fighting properties of the ingredients, which they learned about that morning.

"Super onions say no to cancer," one read.

See FARM/SCHOOL, page 11

REBATE, from page 8

at least 30 days prior to purchase in order to be eligible for the $500 rebate. The participating dealer will apply the discount towards the vehicle purchase price. The cash allowance will then be paid to the selling dealer by Dodge.

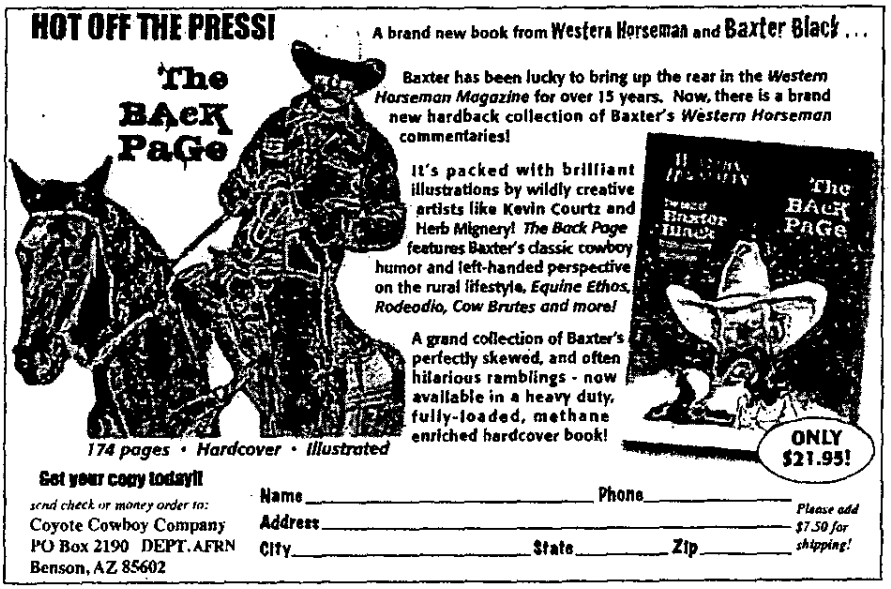
The 2010 models eligible for this membership benefit are: Journey, Grand Caravan, Ram Pickup 1500/2500/3500, Ram 3500/4500/5500 Chassis Cab, Dakota, Durango, Nitro, Charger, Avenger, and Caliber.

Please call the Alaska Farm Bureau Office if you have questions about the Dodge rebate, this change, or if your dealer has questions. The telephone number is (907) 895-4752. The discount applies to purchases made at participating dealers in Alaska as well as those in other states.

QUOTA, from page 8

cent of its 135-member quota; the Copper River Valley Chapter is at 60 percent of its quota of 10 members, and the Kenai Peninsula Chapter has met 50 percent of its 48-member quota.

The membership year ends on October 31 of each year. Chapters that have met quota will be recognized, and the president of that chapter will receive a Farm Bureau memento at the annual meeting each year. The next annual meeting will be held at the Alpine Lodge in Fairbanks on November 13, 2010.



FARM/SCHOOL, from page 9

The students are learning to eat healthier, and the focus on agriculture, local food, and nutrition is paying off in the classroom, said principal Barrett Williams.

Kids are interested, and teachers are given more diversity in the curriculum – they can work the food angle in science, reading, and health classes, he said.

But activities like the farm field trips are what Williams really likes.

Working with local farmers helps build community, he said, although that food may be more expensive than the commodity food that some schools use.

The grant helped to buy at least 200 pounds of ground beef from Back Beyond Farm in Chelsea, which cost about a dollar more per pound than hamburger from an area distributor, Perry said. But Vermont apples are cheaper than apples from other states, she said.

The school has raised money for the program by hosting a winter farmers market.

HB

73

<target><bill>HB 73</bill><subject>HB
73</subject><comm>SFIN26</comm></target>

Alaska State Legislature

Chairman
State Affairs Committee

Member
Judiciary Committee
Labor & Commerce Committee
Health & Social Services Committee
Military & Veterans Affairs Committee

Finance Subcommittees
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety

A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us
"Bob Lynn's Alaska Blog" www.RepLynnBlog.com

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Phone: (907) 269-0205
Fax: (907) 269-0207

CS for HB 73 (26-LS0303\S)
Sponsor Statement

Special license plates for firefighters and emergency service providers are a way to say "thank you" to those who give of their time and risk their lives, to serve the people and communities of Alaska.

The purpose of these plates is two-fold. One is to recognize and thank firefighters and emergency service providers (EMS, Rescue), both volunteer and paid, active and former, who we know give much and ask so little.

The second is to encourage volunteerism.

By providing these license plates the hope is that residents of Alaska will recognize and acknowledge the importance of volunteerism, and possibly plant a seed in the hearts of some that will grow into action, resulting in more individuals volunteering not only in fire departments, but in their communities.

Contact: Nancy Manly 465-2794
Last revised 1/11/10

SENATE FINANCE COMMITTEE REPORT

DATE: 4/6/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/10

Finance Committee considered CS FOR HOUSE BILL NO. 73(FIN)

HB 73 FIREFIGHTER/EMT LICENSE PLATES

"An Act relating to special fire fighter and emergency medical service provider license plates; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CSHB 73 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[X] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
ADM	2/1			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Egan	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

2196

26-LS1693\A
Luckhaupt
4/14/10

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 73, relating to special fire fighter and emergency medical service provider license plates.

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

That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding changes to the title of a bill, are suspended in consideration of House Bill No. 73, relating to special fire fighter and emergency medical service provider license plates.

New Text Underlined [DELETED TEXT BRACKETED]

26-LS0303\W
Luckhaupt
4/16/10

SENATE CS FOR CS FOR HOUSE BILL NO. 73(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES LYNN, Harris, Peggy Wilson, Neal Foster, Neuman, Stoltze, Fairclough, Gara, Doogan, Joule, Hawker, Thomas, Austerman, Herron, Tuck, Olson, Dahlstrom, Millett, Ramras

A BILL

FOR AN ACT ENTITLED

"An Act relating to special fire fighter and emergency medical service provider license plates; relating to special request fraternal organization license plates; and providing for an effective date."

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

*** Section 1.** AS 28.10.181 is amended by adding new subsections to read:

(z) Special request active fire fighter and emergency medical service provider plates and former fire fighter and emergency medical service provider plates. On application by the owner of a motor vehicle, the department may issue registration plates for active fire fighters and emergency medical service providers and registration plates for former fire fighters and emergency medical service providers. The commissioner shall determine the design and color of the plates. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration. To be eligible for

(1) an active fire fighter and emergency medical service provider plate,

a person must present satisfactory proof that the person is an active member of

(A) a fire department in this state and the fire department is recognized as a fire department by the state fire marshal; or

(B) an out-of-hospital emergency medical service certified by the Department of Health and Social Services;

(2) a former fire fighter and emergency medical service provider plate a person must present satisfactory proof that the person was an active member of

(A) a fire department in this state for a minimum of 10 years; or

(B) an out-of-hospital emergency medical service certified by the Department of Health and Social Services for a minimum of 10 years.

(aa) Special request fraternal organization member plates. On the request of a fraternal organization, the department may design a registration plate for the members of that fraternal organization. On application by the owner of a motor vehicle who is a member of that fraternal organization, the department may issue the fraternal organization registration plates to the person. The commissioner shall determine the design and color of the fraternal plates in consultation with the fraternal organization. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration. To be eligible for a fraternal organization member registration plate, a person must present evidence satisfactory to the department of the person's membership in the fraternal organization. In this subsection, "fraternal organization" means a civic, service, or charitable organization in the state, except a college and high school fraternity, not for pecuniary profit, that is a branch, lodge, or chapter of a national organization and exists for the common business, brotherhood, or other interest of its members.

*** Sec. 2.** AS 28.10.421(d) is amended by adding new paragraphs to read:

(18) special request plates

(A) for active fire fighter and emergency medical service provider $30;

(B) for former fire fighter and emergency medical service

provider $50

plus the fee required for that vehicle under (b), (c), (h), or (i) of this section; the fee required by (A) and (B) of this paragraph shall be collected only on the first issuance of and the replacement of the plates;

(19) special request fraternal organization member plates $50

plus the fee required for that vehicle under (b), (c), (h), or (i) of this section; the $50 fee required by this paragraph shall be collected only on the first issuance of and the replacement of the plates.

*** Sec. 3.** This Act takes effect July 1, 2010.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 73(FIN)
(H) Publish Date: 3/15/10

Identifier (file name): HB073CS-DOA-DMV-02-01-10
Title "An Act relating to firefighter and emergency medical service license plates..."
Sponsor Rep. LYNN, Harris, Wilson
Requester H (FIN)

Dept. Affected: Administration
RDU Division of Motor Vehicles
Component Motor Vehicles
Component Number 2348

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1156 Receipt Supported Services							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill does not fiscally impact the Division of Motor Vehicles. Revenue derived from the sale of the fire fighter and emergency medical service provider plates is expected to be minimal. The agency therefore, submits a zero fiscal note.

Prepared by: Whitney H. Brewster, Director
Division Motor Vehicles
Phone 907-269-5574
Date/Time 02/01/2010 10:00AM

Approved by: Kevin Brooks, Deputy Commissioner
Department of Administration
Date 2/1/2010

(Revised 11/6/2009 OMB)

Called in 11:57

Adopted

26-LS1693\A
Luckhaupt
4/14/10

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:
Referred:

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Called in 11:57

Adopted

26-LS0303\W
Luckhaupt
4/16/10

SENATE CS FOR CS FOR HOUSE BILL NO. 73(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES LYNN, Harris, Peggy Wilson, Neal Foster, Neuman, Stoltze, Fairclough, Gara, Doogan, Joule, Hawker, Thomas, Austerman, Herron, Tuck, Olson, Dahlstrom, Millett, Ramras

A BILL

FOR AN ACT ENTITLED

"An Act relating to special fire fighter and emergency medical service provider license plates; relating to special request fraternal organization license plates; and providing for an effective date."

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

*** Section 1.** AS 28.10.181 is amended by adding new subsections to read:

(z) Special request active fire fighter and emergency medical service provider plates and former fire fighter and emergency medical service provider plates. On application by the owner of a motor vehicle, the department may issue registration plates for active fire fighters and emergency medical service providers and registration plates for former fire fighters and emergency medical service providers. The commissioner shall determine the design and color of the plates. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration. To be eligible for

(1) an active fire fighter and emergency medical service provider plate,

a person must present satisfactory proof that the person is an active member of

(A) a fire department in this state and the fire department is recognized as a fire department by the state fire marshal; or

(B) an out-of-hospital emergency medical service certified by the Department of Health and Social Services;

(2) a former fire fighter and emergency medical service provider plate a person must present satisfactory proof that the person was an active member of

(A) a fire department in this state for a minimum of 10 years; or

(B) an out-of-hospital emergency medical service certified by the Department of Health and Social Services for a minimum of 10 years.

(aa) Special request fraternal organization member plates. On the request of a fraternal organization, the department may design a registration plate for the members of that fraternal organization. On application by the owner of a motor vehicle who is a member of that fraternal organization, the department may issue the fraternal organization registration plates to the person. The commissioner shall determine the design and color of the fraternal plates in consultation with the fraternal organization. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration. To be eligible for a fraternal organization member registration plate, a person must present evidence satisfactory to the department of the person's membership in the fraternal organization. In this subsection, "fraternal organization" means a civic, service, or charitable organization in the state, except a college and high school fraternity, not for pecuniary profit, that is a branch, lodge, or chapter of a national organization and exists for the common business, brotherhood, or other interest of its members.

*** Sec. 2.** AS 28.10.421(d) is amended by adding new paragraphs to read:

(18) special request plates

(A) for active fire fighter and emergency medical service provider $30;

(B) for former fire fighter and emergency medical service

provider $50

plus the fee required for that vehicle under (b), (c), (h), or (i) of this section; the fee required by (A) and (B) of this paragraph shall be collected only on the first issuance of and the replacement of the plates;

(19) special request fraternal organization member plates $50

plus the fee required for that vehicle under (b), (c), (h), or (i) of this section; the $50 fee required by this paragraph shall be collected only on the first issuance of and the replacement of the plates.

*** Sec. 3.** This Act takes effect July 1, 2010.

replaced by W

26-LS0303\T
Luckhaupt
4/14/10

SENATE CS FOR CS FOR HOUSE BILL NO. 73(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES LYNN, Harris, Peggy Wilson, Neal Foster, Neuman, Stoltze, Fairclough, Gara, Doogan, Joule, Hawker, Thomas, Austerman, Herron, Tuck, Olson, Dahlstrom, Millett, Ramras

A BILL

FOR AN ACT ENTITLED

"An Act relating to special fire fighter and emergency medical service provider license plates; relating to special request fraternal organization license plates; and providing for an effective date."

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

*** Section 1.** AS 28.10.181 is amended by adding new subsections to read:

(z) Special request active fire fighter and emergency medical service provider plates, former fire fighter and emergency medical service provider plates, and plates commemorating fire fighters and emergency medical service providers. On application by the owner of a motor vehicle, the department may issue registration plates for active fire fighters and emergency medical service providers and registration plates for former fire fighters and emergency medical service providers. The commissioner shall determine the design and color of the plates. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration. To be eligible for

(1) an active fire fighter and emergency medical service provider plate, a person must present satisfactory proof that the person is an active member of

(A) a fire department in this state and the fire department is recognized as a fire department by the state fire marshal; or

(B) an out-of-hospital emergency medical service certified by the Department of Health and Social Services;

(2) a former fire fighter and emergency medical service provider plate a person must present satisfactory proof that the person was an active member of

(A) a fire department in this state for a minimum of 10 years; or

(B) an out-of-hospital emergency medical service certified by the Department of Health and Social Services for a minimum of 10 years.

(aa) Special request fraternal organization member plates. On the request of a fraternal organization, the department may design a registration plate for the members of that fraternal organization. On application by the owner of a motor vehicle who is a member of that fraternal organization, the department may issue the fraternal organization registration plates to the person. The commissioner shall determine the design and color of the fraternal plates in consultation with the fraternal organization. The department may disapprove the issuance of registration plates under this subsection when the requested plates are a duplication of an existing registration. To be eligible for a fraternal organization member registration plate, a person must present evidence satisfactory to the department of the person's membership in the fraternal organization. In this subsection, "fraternal organization" means a civic, service, or charitable organization in the state, except a college and high school fraternity, not for pecuniary profit, that is a branch, lodge, or chapter of a national organization and exists for the common business, brotherhood, or other interest of its members.

*** Sec. 2.** AS 28.10.421(d) is amended by adding new paragraphs to read:

(18) special request plates

(A) for active fire fighter and emergency medical service provider $30;

(B) for former fire fighter and emergency medical service provider $50

plus a fee of $35 and the fee required for that vehicle under (b), (c), (h), or (i) of this section; the fee required by (A) and (B) of this paragraph shall be collected only on the first issuance of and the replacement of the plates; the $35 fee required by this paragraph shall be collected biennially in the same manner as the fee required under (b), (c), (h), or (i) of this section; the commissioner of administration shall separately account for the fees received under this paragraph that the department deposits in the general fund; notwithstanding (g) of this section, the annual estimated balance in the account that is in excess of the cost of issuing special request plates may be appropriated by the legislature for the purposes provided in AS 14.43.085;

(19) special request fraternal organization member plates $50

plus a fee of $35 and the fee required for that vehicle under (b), (c), (h), or (i) of this section; the $50 fee required by this paragraph shall be collected only on the first issuance of and the replacement of the plates; the $35 fee required by this paragraph shall be collected biennially in the same manner as the fee required under (b), (c), (h), or (i) of this section; the commissioner of administration shall separately account for the fees received under this paragraph that the department deposits in the general fund.

*** Sec. 3.** This Act takes effect July 1, 2010.

Alaska State Legislature

Chairman
State Affairs Committee

Member
Judiciary Committee
Labor & Commerce Committee
Health & Social Services Committee
Military & Veterans Affairs Committee

Finance Subcommittees
Labor and Workforce Development
Military and Veterans' Affairs
Public Safety

A Communication From
REPRESENTATIVE BOB LYNN
District 31 Anchorage

E-Mail: Representative_Bob_Lynn@legis.state.ak.us
"Bob Lynn's Alaska Blog" www.RepLynnBlog.com

Session:
Alaska State Capitol, #104
Juneau, AK 99801-1182

Phone: (907) 465-4931
Fax: (907) 465-4316
Toll Free: (800) 870-4391

Interim:
716 W. 4th Ave., #650
Anchorage, AK 99501-2133

Phone: (907) 269-0205
Fax: (907) 269-0207

How HB 73 Changed from Version A to Version S

In the House State Affairs Committee:

Firefighter and Emergency Service Providers License Plates were added to the bill at the request of Representative Harris. Later, all references to Honorary Consul License Plates were removed retaining just the Firefighter and Emergency Service Providers License Plates.

Blank CS Version P

Page 1 line 5 - per Legal Services: there was another subsection added last year to statute so the subsection number changes from "(y)" to "(z)".

Page 2 Line 30 changes the effective date from 2009 to 2010.

Bogard Road/Seldon Road: 49th State Street to Church Road
Proposed "VETERANS WAY" Signing

Sign Entering Veterans Memorial Highway at Each End
(Church Road and 49th State Street)
D7 Special (66" X 42")
6" Series C Letters
QUANTITY: 2
(Design similar to that used for Eagle River Loop Road in 2001)

Sign Entering Veterans Memorial Highway at Intermediate Locations
(Lucille Street, Wasilla/Fishhook Road, Bogard Road, Trunk Road)
D7 Special (36" X 36")
4" Series C Letters
QUANTITY: 8
(Design similar to that used for Eagle River Loop Road in 2001)

2210

State of Alaska
Department of Public Safety
Division of
Fire and Life Safety

Sarah Palin, Governor
Joseph A. Masters, Commissioner

March 23, 2009

Representative Bob Lynn
Alaska State Capital, Room 104
Juneau, Alaska 99801-1182

Honorable, Representative Lynn,

The Alaska Division of Fire and Life Safety is pleased to support House Bill 73, "An Act relating to special fire fighter and emergency medical service provider license plates; and providing for an effective date".

The establishment of special license plates is an excellent way to recognize firefighters and EMT's for their efforts and sacrifices as they work to improve the safety of their communities. These emergency responders are a proud dedicated group of professionals who spend hundreds of hours training and preparing to respond to those in need. The majority of emergency responders in Alaska work for little or no pay and spend a large amount of time away from their families to provide this service. These commendable efforts are rarely recognized. HB 73 will provide a method for that daily recognition and also allow the firefighters and EMT's an opportunity to show their pride in belonging to the emergency services family.

My office whole heartedly supports this bill as an effective incentive to recognize the emergency responders within the community and encourage others to get involved.

Respectfully,

David L. Tyler
State Fire Marshal

Office of the State Fire Marshal
5700 E. Tudor Road – Anchorage, AK 99507 – Voice (907) 269-5491– Fax (907) 338-4375

ALASKA FIRE CHIEF'S ASSOCIATION
2358 Bradway Road, North Pole, Alaska 99705
Phone: (907) 488-3400 FAX: (907) 488-6118 EIN #92-0098649

March 23, 2009

Dear Alaska House Representatives:

The Alaska Fire Chief's Association fully endorses and supports the addition of Firefighter and Emergency Service Provider License Plates to House Bill 73.

The majority of Alaskan communities are served by volunteer firefighters and emergency medical technicians that routinely leave their family and jobs day and night to provide service to their local communities. These volunteers need recognition for the work they do and the service they provide in their neighbors times of need.

Establishing firefighter and emergency medical service provider license plates will give statewide recognition of the service and sacrifice these men and women make to their community and hopefully foster a spirit of volunteerism in Alaska.

Thank you for considering this addition to HB 73.

Cordially,

Michelle Weston
Government Relations
Alaska Fire Chief's Association

Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • http://www.muni.org
100 East Fourth Ave. • Anchorage, Alaska 99501 • Telephone: (907) 267-4936 • Fax: (907) 267-4977

Matt Claman,
Acting Mayor

Fire Department

March 23, 2009

Dear Alaska House Representatives:

On behalf myself and the Anchorage Fire Department, I would like to offer my support of House Bill 73 which provides for Firefighter and Emergency Service Provider License Plates.

Having such a license plate would allow for immediate recognition on the scene of an accident or any other emergency situation which would ultimately save valuable time getting through to the site.

Also, a large portion of Alaskan communities are served by volunteer firefighters and emergency medical technicians that routinely leave their family and jobs day or night to provide service to their local communities and assist their neighbors in their time of need. Having a specialized license plate would provide them recognition for the sacrifice they make – much like those recognizing our Veterans.

This is an excellent idea and I would like to thank you for considering this addition to House Bill 73.

Sincerely,

Michelle Weston, Acting for

Craig P. Goodrich
Fire Chief

Community, Security, Prosperity

PO Box 22092, Juneau, Alaska 99802

March 20, 2009

Representative Bob Lynn
Representative John Harris

On behalf of the Alaska State Firefighters Association, I would like to voice our unified support via this letter to HB 73, "An Act relating to special firefighter and emergency medical service provider license plates; and providing for an effective date."

As we have stated before, not only is this bill to recognize and thank both volunteer and paid personnel statewide, we feel it would be an effective tool in the recruitment and retention of volunteers.

Nationwide, as in Alaska, departments struggle with the recruitment of volunteers. Firefighters and emergency medical responders are called upon to do more than "show up" at an event. For volunteers their jobs require extensive training, taking valuable time from their families and home life. This is time given freely, without compensation and many times, without thanks from those they serve. People have just come to expect them to "show up" – paid or volunteer when there is an incident – and they do.

Our Mission:

To serve our members through professionalism and leadership there by

enhancing the Fire/Rescue services of Alaska.

PO Box 22092, Juneau, Alaska 99802

Both paid and volunteer personnel in the fire service, give more than is required by their jobs, they more times than naught volunteer in their off time within their communities to support various causes – helping their communities raise monies and put on programs that improve and add to the quality of life in communities all across the state.

The Alaska State Firefighters Association has applied for and been awarded more than $600,000 dollars in SAFER (Staffing for Adequate Fire and Emergency Response) Grants through FEMA. With these monies our organization is working with departments statewide to promote volunteerism and fund training for personnel. The Alaska State Firefighters Association is made up of both paid and volunteer firefighters and emergency service personnel – striving to enhance the fire and rescue service of the State of Alaska.

This bill would be a small token of appreciation and hopefully a "seed" of encouragement towards volunteerism.

Sincerely,

Dave Miller
President

Our Mission:

To serve our members through professionalism and leadership there by

enhancing the Fire/Rescue services of Alaska.

Nancy Manly

From: Scott Johnson [scott.a.johnson@gmail.com]
Sent: Friday, March 20, 2009 2:44 PM
To: Nancy Manly
Cc: Sen. Donny Olson; Rep. Richard Foster
Subject: HB 73
Attachments: HB 73 copy FF Plates.pdf

Dear Ms. Manly,

I live in Nome and volunteer with the Nome Ambulance Department as an EMT. I have also served as an EMT with Copper River EMS out of Glennallen. I understand Representative Lynn has sponsored legislation in conjunction with Speaker Harris known as House Bill 73, an act providing for special license plates for firefighter and EMS personnel. I support this bill/amendment that I understand will be read into consideration some time next week. I have attached a copy of this bill which I have reviewed.

As I'm sure you are aware, in many areas of our state firefighting and EMS service is done by skilled volunteers, not paid professionals. These volunteers typically volunteer many long hours not only in the performance of their duties, but also in training time. This is a huge commitment of the individuals as well as their families. This is of course in addition to the many paid professionals who dedicate their careers to serving the residents of our great and wonderful state.

I believe these special commemorative license plates are a simple yet significant and appropriate way to recognize these individuals and their contribution to our communities and society in general.

Your assistance in passage of this legislation to the Senate would be very much appreciated.

Respectfully,

Scott A. Johnson

--
Scott Johnson
scott.a.johnson@gmail.com
mobile: +1.907.240.2483

Nancy Manly

From: Jose Diorec [jkdiorec@yahoo.com]
Sent: Monday, March 23, 2009 7:24 PM
To: Nancy Manly
Subject: HB 73

From 2005 to 2007 I lived in Washington State where I saw numerous vehicles with the Maltese Cross firefighter emblem on their license plates. I worked for a private ambulance service which works directly with the surrounding fire departments. After talking with these firefighters I discovered these vehicles with the "fire department" license plates were all members of the IAFF(International Association of Fire Fighters) union.
As we all know, emergency apparatus have warning lights to identify themselves and to alert the public. There are many different stores where anyone is able to purchase these warning lights and to use them for unlawful purposes. A second identifier, such as a license plate, would help to eliminate this type of misuse.
I began my fire service career as a volunteer firefighter/EMT in 1994 here in Alaska. As stated above, I worked for two years in Washington State as an EMT. I now work as a full-time firefighter/EMT here in southeast Alaska and intend to complete my years of service here in the state.
Whether you are a career firefighter or a volunteer firefighter we all have a duty and the commitment to represent and serve our communities.
I would be proud to display my commitment and service!
I support HB 73 that would provide special license plates for firefighters and ems providers.

Jose Diorec
Firefighter/EMT
Ketchikan Fire Department
Ketchikan, Alaska

Nancy Manly

From: Dan Tucker [tucker@mtaonline.net]
Sent: Friday, March 20, 2009 2:35 PM
To: Nancy Manly
Subject: Support for HB 73

Rep. Manly,

Please hear this plea in support of HB 73 – Special License Plates for firefighters and emergency service providers. I strongly support this measure.

As a 35+ year veteran of the fire service, including a 29 year career with the Anchorage Fire Department and some Volunteer service, I recognize that we are the unheralded heroes of a safe everyday life. We are usually proclaimed heroes just after a major event but most often simply overlooked most of the rest of the time.

We recognize Armed Service Veterans, appropriately, with vanity plates acknowledging their contribution to world and national security and peace. It is not inappropriate to recognize firefighters and other emergency responders for their contribution toward the common man's tranquility knowing that they can dial 911 and be taken care of.

It is said that "Only two defining forces have ever offered to die for you, Jesus Christ and the American G.I. One died for your soul, the other for your freedom. Thank them both today." (quote variously attributed) I often add the following when using this quote: "Firefighters and Police are the present-day, local representatives of this ethic. They willingly stand between you and your greatest fears."

Thank you for your effort on this bill.

Sincerely,
Dan
--
Daniel J. Tucker
Battalion Chief (Retired) Battalion One 'C'
Anchorage, Alaska, Fire Department 1973-2002
c/o 4330 Wickersham Way
Wasilla, AK 99654-7638
907/863-1313 cell
907/376-2630

Nancy Manly

From: akvoyager@att.net
Sent: Friday, March 20, 2009 3:19 PM
To: Nancy Manly
Subject: Firefighter/EMS provider license plates

Ms. Manly,

I am wrtting you in support of HB 73 which provides for special license plate for firefighters and emergency services providers. I support this legislation for two basic reasons. First, I am a volunteer firefighter in my local community as well as an EMS responder. Secondly, and most importantly, if it were not for the acts of a group of EMS providers that came to my aid a year and a half ago I would not be here to send this email. I would have died of a major MI but with their assistance was able to pull through.

I have been to many incidents where similar fire/EMS has given their all and then some to protect property, save lives and provide a safe environment for us all to live in. They do this with very little, if any, recognition. I feel that a license plate would be a fitting was to recognize these dedicated individuals.

One last thing, in those communities utilizing volunteer fire/EMS personnel to protect their communities, having a special license plate would be a way for non-responders to recognize responding individuals when there was an emergency response in progress.

Thanks you for your time and I hope your support in recognizing these very important and dedicated individuals.

Richard Abbott
Juneau, Alaska

Nancy Manly

From: Suzie Hill Koklich [arkalaska@yahoo.com]
Sent: Friday, March 20, 2009 5:35 PM
To: Nancy Manly
Subject: Re: FW: Firefighter/EMS provider license plates

Sorry I was out for a couple hours - what he is saying is not everyone responding has a blue light - no one in my community does any more - but if someone driving by sees a group of vanity plates w/firefighter or ems designation they will know there must be something going on - but these plates are NOT intended to give special privileges.

thanks - me

Suzie Hill Koklich
Alaska Director
National Volunteer Fire Council
P.O. Box 876
Valdez, Alaska 99686
(907) 835-4246 Email: arkalaska@yahoo.com

--- On **Fri, 3/20/09, Nancy Manly** *<Nancy_Manly@legis.state.ak.us>* wrote:

> From: Nancy Manly <Nancy_Manly@legis.state.ak.us>
> Subject: FW: Firefighter/EMS provider license plates
> To: "arkalaska@yahoo.com" <arkalaska@yahoo.com>
> Date: Friday, March 20, 2009, 3:27 PM
>
> Suzie: I was just reading Richard Abbot's letter. He mentions that having a special license plate would be a way for non-responders to recognize individuals when there is an emergency in progress. I hope that isn't the intent of getting these plates. These plates are vanity plates only. There will be no special privileges that will go with these plates. The way to recognize individuals when there is an emergency in progress will be the blue light on their car blinking to get out of the way. Am I misunderstanding? Please advise.
>
> Nancy Manly, Chief of Staff and
> House State Affairs Committee Aide *for*
> **Representative Bob Lynn**
> **House District 31**
> 907-465-2794 Fax: 907-465-4316
>
> **From:** akvoyager@att.net [mailto:akvoyager@att.net]

Nancy Manly

From: Kathleen Miller [kmillerrn.juneau@gmail.com]
Sent: Saturday, March 21, 2009 1:56 PM
To: Nancy Manly
Subject: HB 73

Greetings from Skagway where I am stranded (weather) in the middle of an EMT 2 class. I had hoped to get back to Juneau for the Firefighter 1 class Saturday but we had to turn back due to snow squalls. I think that this email may be late but I do so heartily support HB 73 providing special license plates for fire fighting and EMS providers. I am currently a Public Health Nurse, in training to be an effective fire/EMS volunteer. I do know that when the 'all call' sounds for a fire or motor vehicle accident that we need to have a consistent, efficient way for law enforcement or other providers to recognize our vehicles for effective scene access. Not everyone will have a 'blue light' in their vehicle...in addition to which I suspect that lights can be purchased by 'anyone'. A special plate would be more official as well as a recognized identifier.

Thank you for working on HB 73, Kathy Miller RN, MPH, EMT 1 and Lynn Canal Station volunteer for CCF/R-Juneau

Sent: Friday, March 20, 2009 3:19 PM
To: Nancy Manly
Subject: Firefighter/EMS provider license plates

Ms. Manly,

I am wrtting you in support of HB 73 which provides for special license plate for firefighters and emergency services providers. I support this legislation for two basic reasons. First, I am a volunteer firefighter in my local community as well as an EMS responder. Secondly, and most importantly, if it were not for the acts of a group of EMS providers that came to my aid a year and a half ago I would not be here to send this email. I would have died of a major MI but with their assistance was able to pull through.

I have been to many incidents where similar fire/EMS has given their all and then some to protect property, save lives and provide a safe environment for us all to live in. They do this with very little, if any, recognition. I feel that a license plate would be a fitting was to recognize these dedicated individuals.

One last thing, in those communities utilizing volunteer fire/EMS personnel to protect their communities, having a special license plate would be a way for non-responders to recognize responding individuals when there was an emergency response in progress.

Thanks you for your time and I hope your support in recognizing these very important and dedicated individuals.

Richard Abbott
Juneau , Alaska

Nancy Manly

From: Clime, Richard D (DOC) [richard.clime@alaska.gov]
Sent: Monday, March 23, 2009 8:34 AM
To: Nancy Manly
Subject: FW: Firefighter Support

From: reifen@gci.net [mailto:reifen@gci.net]
Sent: Saturday, March 21, 2009 10:36 PM
To: Clime, Richard D (DOC)
Subject: Firefighter Support

Rych, can you send this along? I can't seem to get the email address for Ms. Manly to work. Thanks. - G

This note is written in support of HB 73. I have been a firefighter/EMS provider in Juneau since 1974, am the retired District Chief for the Lynn Canal/Auke Bay District and currently serve in the capacity of Captain, Special Rescue Teams for Capitol City Fire/Rescue. In the 35 years that I have been a volunteer in the fire service I have been blessed to serve with numerous dedicated individuals, received great training opportunities and to had the satisfaction of serving my community. The rewards of saving property, protecting the environment and in several instances actually saving lives has enriched my life in ways that words can scarcely describe. As I near the end of this important and defining part of my life I realize that HB 73 makes the transition a little easier; we don't retire our pagers and helmets without profound regret or an acceptance that we'll not miss the calls and opportunity to serve.

Thanks,

George Reifenstein Jr., Captain, Special Teams, CCF/R
4202 Auke Lane,
Juneau, AK 99801

Nancy Manly

From: Hoff, Bradley S MIL USA USARPAC [bradley.s.hoff@us.army.mil]
Sent: Monday, March 23, 2009 7:20 AM
To: Nancy Manly
Subject: Public Safety license plates (UNCLASSIFIED)
Signed By: There are problems with the signature. Click the signature button for details.

Classification: UNCLASSIFIED

Caveats: NONE

I support HB 73 that would provide special license plates for firefighters and EMS providers. This is a potential recruiting tool to get more people involved into the drastically under manned public services with much needed staffing.

I am honored to be a veteran as well to know that our state has special license plates to honor them but our public also needs to be aware of then thousands of men and women who devote their lives to public safety.

V/R

Bradley Hoff
Fire Inspector & Public Education Coordinator
Fire & Emergency Services
FT. Wainwright, Alaska 99703
(907) 353- 9141/Desk; 353-9166/office; Fax: (907) 353-9100 FWA Fire Prevention

SMOKE ALARMS...DON'T STAY HOME WITHOUT ONE!

"Everyone Goes Home"

Firefighter Life Safety Initiatives

Leiutenant, North Star VFD, North Pole Alaska

Classification: UNCLASSIFIED

Caveats: NONE

TO THE LEGISLATURE OF THE STATE OF ALASKA:

We, the undersigned electors of the State of Alaska, request that special license plates for firefighters and emergency medical service providers (HB 73) be issued by the Division of Motor Vehicles in the State of Alaska. And further, by our signatures below, indicate intent to purchase same when they are made available.

SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	Shaun Oliveira	1801 Cottonwood Creek Dr Wasilla, Ak 99654	~~Same~~	~~Yes~~
	JEFFREY PRITCHETT	3541 E. Tambert Dr. Wasilla, AK 99654	Same	yes
	MATT FRICKS	6350 N. Talgach View Dr Wasilla AK 99654	SAME	yes
	Jaime Rodriguez	2220 Palomino Ln Palmer, AK 99645	P.O. Box 4335 Palmer AK 99645	Yes
	Timothy J. Gompea	401 S. Wasilla St #28 Wasilla, AK 99654	1830 E. Parks Hwy Ste #113 PMB 670 Wasilla, AK 99654	YES
	Mark A. Easter	6255 N. Newton way Palmer, Ak. 99645	P.O. box 4618 Palmer, Ak. 99645	Yes
	Michael Warzewicz	7320 E Shorewood Wasilla AK. 99654	SAME	YES
	Ashley Woolley	189 E. NELSON #190 WASILLA, AK. 99654	SAME	Yes
	CASEY COOK	5235 E. IROQUOIS CT WASILLA AK 99654	SAME	Yes
	Danny Clemens	619 W Nelson Ave Wasilla AK. 99654	Same	Yes
	KENNETH HUTCHINGS	401 E. SNOHOMISH WASILLA AK 99654	SAME	YES
	H JOSEPH SYLVIA	5831 wolverine Ave wasilla AK 99654	POB 876751 wasilla AK 99687	yes
	Heatherfrench	189 E. Nelson Ave #190 Wasilla, AK 99654	Same	yes
	Jennifer Luce	2961 Jasper Drive Wasilla, AK 99654	P.O. Box 873298 Wasilla, AK 99687	Yes
	CHAD STAATS	2750 W Mesquite Wasilla AK 99654	" "	no
	NATHAN DURBIN	6310 N. Talgach View Bog Lake AK 99652	Same	Yes
	Laurel Keel	2092 S. Birch Lk Dr	P.O. Box 521911 Bog Lake AK 99652	YES
	SHANNON REYNOLDS	1595 W SHIRLEY RD WASILLA AK 99654	SAME	YES
	Cassandra Connelly	8430 W Parks Hwy Wasilla AK 99654	P.O. Box 298473 Wasilla AK. 99629	Yes

TO THE LEGISLATURE OF THE STATE OF ALASKA:

We, the undersigned electors of the State of Alaska, request that special license plates for firefighters and emergency medical service providers (HB 73) be issued by the Division of Motor Vehicles in the State of Alaska. And further, by our signatures below, indicate intent to purchase same when they are made available.

SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	Larry Hammons	7121 W Island Lake Dr	Wasilla, AK 99654	YES
	Nick Brocheit	5837 Saqunek St Big Lake	PO Box 520521 Big Lake, AK 996	YES
	Jacob Tenny	740 North Wilhelm	Po Box 298717 Wasilla AK 99629	Yes
	James Rogers	11048 S. Pittman Ln	P.O. box 520477 Big Lake AK 99652	Yes
	Jeremiah Moore	HC 38 Box	HC 38 Box 2379-B Wasilla AK 99654	yes
	Ryan Benedict	3230 Lakeview Dr.	PO Box 298656 Wasilla AK 99629	Yes
	Darren M. Stewart	9624 W. Hollywood Rd.	Same	yes
Jeanne Jones	Jeanne Jones	3231 Meadow Lakes Dr.	P.O. Box 298734 Wasilla AK 99629	Yes
	Donald Cuthbert	25642 Bonnyhill Rd.	Eagle River, AK 995??	Yes
	Steve Katkus	1681 N. Ashford Blvd, Unit A	Wasilla, AK 99654	yes
	Suzanne Gaines		PO Box 876342 Wasilla AK 99687	yes
	Douglas D. Frey	765 McAdoo Way	Wasilla, AK 99654	Yes
	Dorte Mobley	575 Jerome St Wasilla AK 99654	Same	No
	Kirk Gibbs	1250 W Glenn Kenny #4	Same	Yes
	Benny Gottlo	3401-B Gottlo Loop	Same	yes
	John Beebe	253 Tiffany Dr	P.O. box 525700 Wasilla 99654	yes
	Richard Boothby	790 N. Hickory	Palmer, AK 99654	yes
	Richard Harrop	395 N Robin Cr	Box 876256 Wasilla AK 99687	yes
	Chris Oliver	801 Cottonwood Creek Dr	Same	yes

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	DATE 11/05/09
Loretta D. Roll	Loretta D. Roll	P.O. Box 143 Unalaska 510 Dutton Rd.	P.O. Box 143 Unalaska	yes
Steve Tompkins	Steve Tompkins	PO Box 530 Unalaska, AK ↔	53 Hawley LN Unalaska, AK	11-12-09

TO THE LEGISLATURE OF THE STATE OF ALASKA:

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
Robert L O'Mara	ROBERT L. O'MARA	6297 W FULL CURL AK	WASILLA AK 99654	yes
Larry Fetchenhier	Larry Fetchenhier	29825 Wasilla	AK 99655	Yes
Kurtis Carnahan	Kurtis Carnahan	690 Day Rd.	Wasilla AK 99687	yes
Riley Breyer	Riley Breyer	701 N. Logill St #C	701 N. Logill St #C	yes
David Kelly	David Kelly	9751 W. Parks Hwy	Box 298218 Wasilla, 99687	Yes
Thomas P. Murray	Thomas P. Murray	571 S. Colony Cir. Wasilla	AK 99654	Yes
Scott Marx	Scott Marx	3513 N. Fortune Cir.	Wasilla AK 99654	Yes
Philip Cook	Philip Cook	2151 N. Merina CT	1830 E Parks Hwy Suite 115 PMB 660 Wasilla AK 99654	yes
Pete Pevan	Pete Pevan	PO 4304 Wasilla	PO Box 871256 Wasilla AK	Yes
Josh Standifird	JOSH STANDIFIRD	825 Arnold Palmer	PO Box 871475 Wasilla AK	yes
Jodie M Hettrick	Jodie M Hettrick	860 Lanark Wasilla	AK 99654 - Same	Yes
Tara Mellon	Tara Mellon	601 N. Anjanette Palmer OR Box #2	AK 99645	yes
Shawn Bailey	Shawn Bailey	1428 N. Willamar Loop	Wasilla AK 99654	yes
Lisa Jaeger	LISA JAEGER	6171 W. Zocksley	PO BOX 870311 WASILLA AK 99687	Yes
Scott Karnes	Scott Karnes	7955 South Settlers Bay Drive	po Box 877888 Wasilla, AK 99687	yes
Jeff Shaffer	JEFF SHAFFER		P.O. Box 879461 WASILLA, AK. 99687	Yes
Robin C Ace	Robin C. Ace	6349 Aurorast	3000 N. 1024 8 Ct. Ste #2 PMB 229 Wasilla AK 99654	Yes!
Norman R Wagner	Norman R Wagner	2850 S. Saindon St.	SAME Wasilla AK 99654	Y
craig T Nohr-wisner	craig T Nohr-wisner	4801 W Clarion Ave.	Same Wasilla AK 99654	yes

ALASKA STATE FIREFIGHTERS ASSOCIATION

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

TO THE LEGISLATURE OF THE STATE OF ALASKA

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
	Jeremy DeTemple	4764 HPR.	Sitka, AK, 99835	Yes	12/16/09
	DAVID SUMRALL	1104 HPR	Box 1666 Sitka	YES	12-16-09
	David E. Miller	809 Lincoln St.	Sitka AK 99835	Yes	12.16.09
	Steve McCann	3313 Falcon Ct	VDZ. AK 99686 Box 2769	YES	12.29.09
	Jennifer Stubblefield	PO Box 826 Cottonwood	VALDEZ AK 99686	Yes	12-29-09

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ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
[signature]	Lola L. Foss	8849 Gail Ave Juneau, AK 99801	same	Yes

ALASKA STATE FIREFIGHTERS ASSOCIATION

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
Aubrey M. Raby	Aubrey M. Raby	6611 E. 11th Ave, ANC	Same	✓	9-26-09
Alecia Wood	Alecia Wood	4740 Denali Anch	—	✓	9/26/09
David S. Kelly	David S. Kelly	Po Box 298218 Wasilla, 99629	same	✓	9/26/09
Amber Foth	Amber Foth	3320 Vilas Cr	Anch. AK 99508	✓	9/26/09
Matthew Hunter	Matthew Hunter	102 Remington Way	— same —	Yes	12/16/2009

ALASKA STATE FIREFIGHTERS ASSOCIATION

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
	Travis Miller	839 Lincoln St	Box 6551	✓	12-16-09
	Sara Hackney	309 Wachusett St	Same	✓	12/16/09
	Greg Raschick	204 Peterson Ave Sitka, AK 99835	P.O. Box 2893	yes	12/16/2009
	ELIZABETH DAHL	104 Jamicia #11	P.O. Box 96	yes ✓	12/16/09
	BRADY FINK	330 Cascade St.	SAME	yes	12-16-09
	Troy Tydingco	219 Lance Drive	Same	yes	12/16/09
	M. Odessa Tydingco	219 Lance Dr	"	yes	12/16/09
	Danielle Snyder	304 Nicole Dr Sitka	"	✓	12/16/09
	Kathryn Jones	709 Sawmill Creek	same	yes	12/16/09
	CHRISTI WERKER	709 SAWMILL CREEK	SAME	YES	12.16.09
	GALE KEHRES	103 VIKING WAY	SITKA	✓	12/16/09

ALASKA STATE FIREFIGHTERS ASSOCIATION

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
	Ryan McCormick	12200 W. Skyline Dr	Eagle River AK	Yes	9-26-09
	Dan Stevens	18927 Second St	Eagle River	Yes	9/24/09
		749W 75th Ave Apt	Anchorage, AK	YES	9/26/09
	Jeremy Mawley	P.O 521735 Big Lake	Big Lake 99652	Yes	9/26/09
	Amber Wright	3667 Mink Rd	Big Lake 99652	Yes	9/26/09
	David Raby	651 E 11th Ave	Anch, AK 99501	Yes	9/26/09
	Christopher Mackrack	42721 Donna Circle	PO Box 1004 99669	YES	9/26/09
	Landon Ford	3320 Wells ct	Anch, AK 99508	Yes	9/26/09
	Adam Eley	7041 E 10th Ave #J	Anch, AK Same	Yes	9/26/09
	Kellan Ford	2211 Bantar Y drive	Anchorage AK 99504	Yes	9/26/09
	Susan Darnell	7345 E Riley Alexander Cir	Palmer AK 99645	NO	9/26/09

ALASKA STATE FIREFIGHTERS ASSOCIATION

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
	David A. Lawson	3414 Eagle Dr Valdez	PO Box 1763 Valdez	Yes	9-19-09
	Suzanne Kicklich	10 Cottonwood St Valdez	BOX 573 Valdez	Yes	9-19-09
	Ronda Robison	Box 222655 Anch 99522	same	yes	9-23-09
	Tamara Holman	3382 Kendall Cr Anch AK 99507	same	Yes	9-23-09
	Warren Turner	8140 Seaview St. Anch, AK 99502	same	Yes	9-26-09
	Greg [illegible]	11720 Juniper Blvd 1020 Eagle River AK 99577	same	yes	9/26/09
	Flor Luna	[redacted]	POB 1064 Unalaska	YES	9/26/09
	Gary Gray	18 Pamiagsen #6 Unalaska AK 99685	PO Box 920712 N. D.H. AK 99692	Yes	9/26/09
	Brian D Rankin	113 Eagle Dr Unalaska AK 99685	POB 401 Unalaska 99685	YES	26SEP09
	Sarah Rankin	113 Eagle Dr Unalaska AK 99685	P.O. Box 401 Unalaska AK 99685	yes	Sept. 26-09
	Salvador Alvarado	[illegible] Dutch Harbor AK 99692	PO Box 920608 Dutch Harbor AK 99692	Yes	Sept 26-09

ALASKA STATE FIREFIGHTERS ASSOCIATION

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
	Stephen Robertson	2120 Don Barn Anch AK 99504	GAME	Yes	9-26-09
	Jack D. Anderson	41585 Soldotna AK Grove Ave 99669	Box 4115 Soldotna, AK 99669	yes	9-26-09
	Gary R. Stoop	P.O. Box 1955 720 Pacific Ave	PO Box 1955 Valdez, AK 99686	Yes	9-26-09
	Mike Wade	~~PO Box 581~~ 411 E Pioneer #101	PO Box 581 Valdez, AK 99686	Yes	9-26-09
	Young Suenram	3510 Hooper Way Anch AK 99515	same	Yes	9/26/09
	Anna Suenram	3510 Hooper Way Anch AK 99515	Same	Yes	9/26/09
	Brian Long	PO 921372 Girdwood 99692	Same	Yes	9/26/09
	Robyn Wheatley	4509 Rosedale St Juneau 99801		Yes	9/26/09
	Mark S. Hall	2407 Raven Anch AK 95	Same	Yes	9/26/09
	Gale K Hall	2407 Merriam Dr Anch AK 995	Same	Yes	9/26/09
	Matthew Johnson	Nome, AK. 301 Front and Alt Drive	Same	Yes	9-26-09

ALASKA STATE FIREFIGHTERS ASSOCIATION

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
	Daniel Carter	9943 Herkimer Dr	PO Box 298653 Wasilla AK 99629	yes	9/26/09
	Billie Jo Gathing	PO Box 2226 16662 2nd ST	Unalaska/Douglas AK 99824	yes	9/26/09
	Loren C. Rotroff	PO Box 56763	North Pole AK 99705	YES	9/26/09
	Warren S Cummings	Fbks AK 99709 5726 3292 Jefferson Dr	same	yes	9/25/09
	Ben Simonds	3292 Banner Lane Soldotna AK	same	yes	9/26/09
	Robert Perkins	8724 Alta Dr	" "	Yes	9/26/09
	Chris Grooms	4924 E 43rd Ave	PO Box 212463 Anchorage AK	AK-yes	9/26/09
	Dorothy Grooms	4924 E 43rd Ave	Box 212463 Anchorage	AK yes	9/26/09
	Jimmie F. Hart	PO Box [illegible]	PO Box [illegible] Wainwright	AK Yes	9/27/09
	Oscar Del Pino	PO Box 1604	Cordova AK 99574	AK Yes	9/27/09
	Craig Rivers	4361 E. Greenwood Cir	Wasilla, AK 99654 same	Yes	9/27/09

ALASKA STATE FIREFIGHTERS ASSOCIATION

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
Bridget Burbank	Bridget Burbank	4401 Northwood	Same	✓	9-26-09
	Jen Collins	244 E 23rd	same	✓	9/26/09
	Wade Collins	244 E 23rd	"	✓	9/26/09
Wade Strahan	WADE STRAHAN	4206 Channing Cove	"	✓	9/26/09
Jodie Hettrick	Jodie Hettrick	860 Lanark drive	4	✓	9/26/09
Robert Dennard	Robert Dennard	209 Pack St s.Hbr AK	Same	✓	9-26-09
Nick Carroll	Nick Carroll	201 Hanson St	Same	✓	9 26 09
Stephanie Villarreal	Stephanie Villarreal	370 W Pioneer Pkwy	Palmer 99645	✓	9-26-09
William Villarreal	William Villarreal	370 W Pioneer Pkwy	Palmer 99645	✓	9-26-09
Brandon Stanberg	Brandon Stanberg	PO Box 76	Kenai AK	✓	9-26-09
Nate Nelson	Nate Nelson	54545 Miller LP	Kenai, AK 99611	✓	9-26-09

ALASKA STATE FIREFIGHTERS ASSOCIATION

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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Signature	Printed Name	Street Address	Mailing Address	Reg. AK Voter	Date
	John DARNELL	734 S E Ricky Haven Dr. Cir	Palmer AK.	Yes	9 26 09
	Jake Crockett	6533 West Dimond Blvd	Same	NO	9/26/09
	Tim Gara	1943 N Lawn Lee E.R.	Same	Yes	9/26/09
	RICHARD HARKNESS	PO BOX 231	SAME	YES	09/26/09
	SUSAN Royce	1919 CASCADE CIR Sitka, AK 99835	Same	yes	12/16/09
	Catherine Watson	106 Ross	PO Box 1703		12/16/09
	Louise Olmstead Louise Olmstead	211 PARK STREET	211 PARK STREET SITKA. AK 99835	yes	12/16/09
	CALVIN CRAWS	610 AIRPORT RD RM #3 SITKA 99835	SAME	NO	12/16/09
	BUZZ BROWN	2501 S.M.C. Rd	Same	yes	12-16-09
	PENELOPE MEAD	.5 mi. Glen's Ditch Rd	PO Box 34 Gustavus, AK 99826	YES	12/16/09
	SCOTT Seaton	111 Cedar Bend	Sitka Box 6225	YES	12/16/09

ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	Tia J. Horton	Anchorage AK 11930 #A Birch Trl Cir	same	Yes
	Robert Miller	8731 E Kiva Way Palmer Ak	Same	yes
	Kirstin Boyd	3211 Amber Bank Anch 99515	same	yes
	Gina Treesh-McClain	21516 Rock Plantation St, Chugiak AK 99567	PO Box 671795 Chugiak, AK 99567	YES
	Cynthia J. Hill	8630 E 17th Ave	same	NO
	Andrew Goos	14667 E Doc McKinley	Palmer, AK 99645	yes
	AL Tamagni	6940 Burlwood	Anchorage, AK 99507	yes
	Jeremy Jones	10601 Washington Cir Anchorage, AK 99515		yes
	LORI ZAUMSEIL	9015 DEWBERRY ST ANCHORAGE, AK 99502	SAME	YES

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ALASKA STATE FIREFIGHTERS ASSOCIATION

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS Valdez	REGISTERED ALASKA VOTER
Brandy Smelcer	Brandy Smelcer	1216 Mineral	Creek Box 3207	yes
Rhonda R Williams	RHONDA WILLIAMS	3218 FALCON	Box 3024 VALDEZ, AK 99686	yes
George R Keeney	George R Keeney	145 Chena St.	Po Box 3708 Valdez AK 99686	yes
Michael Weber	Michael Weber	5145 Wilderness Cir.	P.O. Box 2536 Valdez, AK 99686	Yes
K White	Ken White	404 W. Mendeltna	Po Box 3551 Valdez, AK 99686	Yes
Deborah J White	Deborah J White	404 W Mendeltna	POB 3551 Valdez AK 99686	Yes
	STEVEN J BROCKWAY	118 DAGINA ST	P.O. BOX 3040 VALDEZ, AK 99686	YES
	SAM SANDERS	862 Cottonwood Dr.	PO BOX 1962 Valdez AK 99686	Yes
	KYLE KIRKENDALL	862 Cottonwood Dr.	PO BOX 1202 Valdez AK, 99686	Yes

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ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	GARY A GRAY	~~PO BOX~~ 18 Ptarmigan #6	PO Box 920712 Dutch Harbor 99692	YES
	Brian A. Ling	144 Aerie Dr.	PO Box 921372 Dutch Harbor, AK 99692	Yes
	BRIAN D RANKIN	118 EAGLE DR.	PO BOX 401 UNALASKA, AK 99685	YES
	N.S. CEKANOFF	68 ALEUTIAN AVE	BOX 54 UNALASKA, AK.	YES
	Carol Bunes	72 Loop Rd	P.O.Box 920887 Dutch Harbor Alaska	yes
	Trudie Rose	137 Loop Rd.	P.O. Box 1332 Unalaska AK	Yes
	Kevin Anderson	79 Choate Ln	PO Box 1040 Unalaska, AK 99685	Yes
	Erin Enlow	85 Captains Lane	Box 920541; Dutch Harbor AK 99692	Yes
	Manuel Paredes	Bering #6	PO Box 75	Yes

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ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
Marcia Steihart	Marcia Steihart	233 Steward Rd	PO Box 920333	Yes
Helen Hammond	HELEN HAMMOND	405 " "	" " Of	"
Dan Winters	Dan Winters	572 Steward Rd	P.O. Box 921583	yes
Clinton Huling	Clinton Huling	122 Steward Rd	PO Box 920403	yes
Nancy Peterson	Nancy Peterson	107 Loop Rd	box 392, 99685	yes
Lori Gregory	LORI GREGORY	350 Bayview #1	BOX 177 99685	yes
Jim Shaishnikoff	Jim Shaishnikoff	Po box 313	Unalaska, AK	yes
Steve Engman	Steve Engman	45 Makushin Dr. box 921474	box 921474 99692	Yes
Matthew Lightner	Matthew Lightner	38 Choat Lane	P.O. Box 626 Unak 99685	yes

ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	Zachery Schasteen	186 Delta Way. Unalaska, AK	PO 921072 Dutch Harbor, AK	Yes
	GARY W SANDNESS	31 SOUTH 4TH UNALASKA AK	PO BOX 331 UNALASKA AK 99685	YES
	Maribeth Buechel	PO Box 933 Unalaska 99685	142 Overlook Unalaska	Yes
	et Maria Bautiz	88 Salmon Way	Po Box 921089 Dutch Harbor, AK 99692	Yes
	Todd A. Soosse	P.O. Box 226 / 184 Steward Rd. Unalaska 99685	Dutch Harbor, AK 99692	Yes
	Rosalyn Glorso	PO Box 921242 Dutch Harbor AK 99692-1242	149 Eagle Drive same	yes
	Martin Diaz	PO. Box 920551 Dutch Harbor AK 99692	452 Bioerka Dr. Dutch Harbor AK 99692	Yes
	Kris-Ann O. Wilcox	84 Bayview Unalaska, AK 99685	PO Box 121 Unalaska, AK 99685	YES
	Flor Luna	AC # 8 Dutton Rd, Unalaska 99685	PO Box 1064 Unalaska, AK 99685	YES

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ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
a Barbara Rankin	A BARBARA RANKIN	UNALASKA AK 99685 845 W. BROADWAY	PO BOX 148 UNALASKA AK 99685	YES since 1975
Randy White	RANDY White	Unalaska AK 99685 426 Bayview	PO Box 136 Unalaska AK 99685	yes
Denise Rankin	Denise Rankin	426 Bayview Ave Unalaska AK 99685	Box 135 Unalaska AK 99685	yes
[signature]	BRINA FRASER	64 Loop Rd #4 Unalaska. AK 99692	Box 920192 Dutch Harbor AK 99692	Yes
[signature]	Heather Venard	257 Steward Unalaska. AK 99685	PO Box 920173 Dutch Harbor, AK 99692	yes
[signature]	Rowena Gulanes	PO Box 920222 Dutch Harbor, AK 99692	PO Box 920222 Dutch Harbor, AK 99692	Yes
[signature]	Lyndsee Wilson	PO. Box 921484 Dutch Harbor AK	116 Dutton RD. Unalaska, AK	yes
[signature]	Jaian Riffle	[illegible]	PO Box 921997 Dutch Harbor, AK 99692	yes
[signature]	Jeff P Hanley	107 Loop Rd Box 392 Unalaska 99685	← SAME	yes

ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

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SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	Pipa Escalante	159 Chernofski Dr	PO Box 921249 Dutch Harbor AK 99692	yes
	Susan D-Honan	90 East Broadway	PO Box 29 Unalaska AK	yes
	John P. Conwell	129 Eagle Drive	P.O. Box 283 Unalaska, AK	yes
	Holly Holman	176 Lear Rd	PO Box 920945 Dutch Harbor AK	yes
	Sonia Streitmatter	1084 E. Broadway	POB 1052, Unalaska	yes
	Jessica Earnshaw	12 Eagle Drive	P.O Box 106 Unalaska	yes
	Kathryn Whitman	19 Dutch Harbor B2	PO Box 920112 Dutch	yes
	Lia A. Sanford	Mile 2 Captains Bay Rd	P.O. Box 920341 Dutch Harbor, AK 99692	yes
	Catherine Hazen	660 Steward Rd	Unalaska, AK 99685	yes

ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

TO THE LEGISLATURE OF THE STATE OF ALASKA:

We, the undersigned electors of the State of Alaska, request that special license plates for firefighters and emergency medical service providers (HB 73) be issued by the Division of Motor Vehicles in the State of Alaska. And further, by our signatures below, indicate intent to purchase same when they are made available.

SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	CHRISTY BERIKOFF	180 BIHON ROAD	PO BOX 87 UNALASKA 99685 AK	YES
	MARY ALSEGINER	173 LOOP RD.	921533, 99692	YES
Amber Guitard	Amber Guitard	Delta Way 186 #84	POB 920101	Yes
Lorna Days	Lorna Days	86 Trapper Dr.	POB 920111	Yes
Grace Magpantay	GRACE MAGPANTAY	114 LEAR RD.	PO BOX 572, UNALASKA	YES
	Jacob Whitaker	18 Ptarmigan Rd	Dutch Harbor PO Box 921584	yes
Elizabeth Masoni	ELIZABETH MASONI	12 Eagle Crest Court	PO BOX 665 Unalaska, AK 99685	YES
Kelly Stiles	Kelly Stiles	17 Driftwood Way A-3	PO Box 921597 Dutch Harbor, AK 99692	Yes
Frnk Kelly	Frnk Kelly	~~Box~~ 40 S 4th St	Box 162 Unalaska AK 99685	Yes

2247

ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

TO THE LEGISLATURE OF THE STATE OF ALASKA:

We, the undersigned electors of the State of Alaska, request that special license plates for firefighters and emergency medical service providers (HB 73) be issued by the Division of Motor Vehicles in the State of Alaska. And further, by our signatures below, indicate intent to purchase same when they are made available.

SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	Jessalyn Oropeza	P.O. Box [illegible], Unalaska	99685	Yes
	John Fulton	Box 920941	Dutch Harbor AK	YES
	Michael D. Whitwood	19 Driftwood B2	PO Box 920112 Dutch Harbor	Yes
	Steve Reid	211 Tanger	PO Box 902243 Dutch	Yes
	Mark Chisum	East Point LP.	P.O.B 920232 Dutch	Yes
	Emil W BERIKOFF	486 BROADWAY	P.O. Box 1302 UNALASKA 99685	YES
	Tomiwang Pasha	175 Chernofski RD	Box 921596 Dutch	Yes
	Thomas Webb	123 Stewart Rd	Box 381 Unalaska Ak.	Yes
	NOLIE MAGPANTAY	114 COAR 121	BOX 872 UNALASKA	YES

2248

ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

TO THE LEGISLATURE OF THE STATE OF ALASKA:

We, the undersigned electors of the State of Alaska, request that special license plates for firefighters and emergency medical service providers (HB 73) be issued by the Division of Motor Vehicles in the State of Alaska. And further, by our signatures below, indicate intent to purchase same when they are made available.

SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
	Gerald Swihart	233 Steward RD	PO Box 920353 Dutch Harbor	Yes
	Mark Turnaloff		PO Box 51	Yes
	Mike Daniels	169 Steward	PO BOX 467 Unalaska	yes
	Jennifer Sheberski	23 Dora Circle	P.O. Box 282 - Unalaska	NO

2249

ALASKA STATE FIREFIGHTERS ASSOCIATION

SEPTEMBER 2009

PETITION FOR FIREFIGHTER AND EMERGENCY MEDICAL SERVICE PROVIDERS LICENSE PLATES

TO THE LEGISLATURE OF THE STATE OF ALASKA:

We, the undersigned electors of the State of Alaska, request that special license plates for firefighters and emergency medical service providers (HB 73) be issued by the Division of Motor Vehicles in the State of Alaska. And further, by our signatures below, indicate intent to purchase same when they are made available.

SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
Andrea Clark	ANDREA CLARK	13651 Veen Dr. Anch	AK 99516 (Same)	YES
[signature]	DONALD E. TALLMAN	12305 Crystal Bluff Ct	Eagle River, AK.	YES
Doug Schrage	Doug Schrage	3101 Rosalind Lp.	Anch 99507	yes

TO THE LEGISLATURE OF THE STATE OF ALASKA:

We, the undersigned electors of the State of Alaska, request that special license plates for firefighters and emergency medical service providers (HB 73) be issued by the Division of Motor Vehicles in the State of Alaska. And further, by our signatures below, indicate intent to purchase same when they are made available.

SIGNATURE	PRINTED NAME	STREET ADDRESS	MAILING ADDRESS	REGISTERED ALASKA VOTER
David J Angaiak	DAVID J. ANGAIAK	6561 W. COMMADORE LANE	WASILLA, ALASKA 99654	YES
James J Carnahan	JAMES J. CARNAHAN	690 Day Road	Wasilla Alaska 99687	YES
Jesse A Young	Jess Young	3105 N Talbot Cir	Wasilla, AK 9965	Yes

HB

78

<target><bill>HB 78</bill><subject>HB
78</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/3/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/09

Finance Committee considered HOUSE BILL NO. 78

HB 78 EXTEND BOARD OF PUBLIC ACCOUNTANCY

"An Act extending the termination date of the Board of Public Accountancy; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/6	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
Thomas	THOMAS	✓			
	OLSON			✓	
Ellis	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 78
(H) Publish Date: 3/12/09

Identifier (file name): HB78-CED-CBPL-03-06-09
Dept. Affected: DCCED
Title: Extend Board of Public Accountancy
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp., Bus., & Prof. Licensing
Sponsor: Representative Olson
Requester: House Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services		63.1	63.1	63.1	63.1	63.1	
Travel		16.1	16.1	16.1	16.1	16.1	
Contractual		19.6	19.6	19.6	19.6	19.6	
Supplies		0.6	0.6	0.6	0.6	0.6	
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**99.4**	**99.4**	**99.4**	**99.4**	**99.4**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)		99.4	99.4	99.4	99.4	99.4	
TOTAL	**0.0**	**99.4**	**99.4**	**99.4**	**99.4**	**99.4**	**0.0**

Estimate of any current year (FY2009) cost: 99.4

POSITIONS

Full-time							
Part-time							
Temporary							

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

HB 78 extends the Board of Public Accountancy to June 30, 2013. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2010 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 7 member board and 2 staff to meet at least 4 times each year in accordance with AS 08.04.025.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Chief — Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing — Date/Time 3/6/09 11:40 AM
Approved by: Emil Notti, Commissioner — Date 3/6/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

2253

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

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

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

Sponsor Statement
House Bill 78

An act extending the termination date of the Board of Public Accountancy; and providing for an effective date.

HB 78 extends the termination date of the Board of Public Accountancy. Currently the board will sunset on June 30, 2009. HB 78 extends this date by four years, to June 30, 2013.

To quote the audit summary, "In our opinion, the termination date for the board should be extended. The board is serving the public interest by effectively licensing and regulating certified public accounts. Moreover, the board is serving the public interest by policing the profession and ensuring that only properly qualified individuals practice in Alaska as certified public accountants."

I encourage all the members to review the Legislative Audit report.

Although the Legislature could extend this board up to eight years, it is the recommendation of the auditor to extend four years. This decision was reached after board discussions concerning future services that may be out-sourced, possible changes in the board structure and new statutes and regulations that may be pursued in the near future.

I urge your support of this bill.

Division of Legislative Audit

Report Digest #08-20056-09

SUMMARY OF: A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Public Accountancy.

PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statues, we have reviewed the activities of the Board of Public Accountancy (board). As required by AS 44.66.050(a), the legislative committees of reference are to consider this report during the legislative oversight process involved in determining if the board should be reestablished. Currently, AS 08.03.010(c)(1) states that the board will terminate on June 30, 2009. If the legislature does not extend the termination date before then, the board will have one year to conclude its administrative operations.

REPORT CONCLUSIONS

In our opinion, the termination date for the board should be extended. The board is serving the public interest by effectively licensing and regulating certified public accountants. Moreover, the board is serving the public interest by policing the profession and ensuring that only properly qualified individuals practice in Alaska as certified public accountants.

The board has promoted and effectively assisted in updating the statutes governing the practice of public accounting. As statutes were updated, the board produced regulations to further define the new requirements affecting each professional under its purview. When the board discovered omissions in statute that acted to block an avenue to licensure that should have been grandfathered into the new rules, the board immediately requested a legislative "fix" and assisted with testimony during the legislative session in order to mitigate this omission. As a result, fifteen candidates who had been pursuing licensure under the old statute gained a legitimate avenue to become licensed.

The board was able to re-establish a Fairbanks site for the certified public accountant exam. However, a site in Southeast Alaska is still out of reach due to cost.

The board has also improved the application process to take the Certified Public Accountants exam by contracting for on-line services from the National Association of State Boards of Accountancy. The decision to contract these services has had the added benefit of redirecting staff time to important problem-solving and licensure activities.

The board has been proactive in shaping the future of the accounting profession by working with committees of national professional societies that set professional standards.

Alaska Statute 08.03.010(c)(1) requires the Board of Public Accountancy be terminated on June 30, 2009. Under AS 08.03.020, if the termination date is not extended by the legislature, the board will have a one-year period to administratively conclude its affairs.

Although AS 08.03.020(c) allows the legislature to extend the termination date of the board for up to eight years, we recommend the legislature extend the board's termination date for four years, to June 30, 2013. This recommendation is offered based on the board's discussions concerning future services that may be out-sourced, possible changes in board structure and new statutes and regulations that may be pursued in the near future.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

Vacant board positions should be filled in accordance with AS 08.04.040.

Recommendation No. 2

The board, in concert with the Professional Licensing section, should review current and projected funding needs with the intent of reducing fees.

Recommendation No. 3

The Investigation Section should implement an effective case tracking system.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

December 3, 2008

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BOARD OF PUBLIC ACCOUNTANCY

December 1, 2008

Control Number
08-20056-09

Article IX, Section 14 of the Alaska Constitution, requires that the position of Legislative Auditor be filled by a certified public accountant (CPA). Likewise, the professional staff at the Division of Legislative Audit are either licensed or are pursuing licensure as CPAs. Since the board is responsible for licensing and regulating CPAs, our agency does not meet the independence standard required by generally accepted government auditing standards.

Therefore, to provide the legislature with an independent evaluation of the Board of Public Accountancy we contracted the services of LeResche & Co. a consulting firm to perform a management review. The management review is not an audit, but does use the criteria in AS 44.66.050(c), to assess whether there is a public need to continue the Board of Public Accountancy. Currently under AS 08.03.010(c)(1), the Board of Public Accountancy is scheduled to terminate on June 30, 2009 and has one year in which to conclude its administrative operations.

This report recommends the legislature extend the board's termination date to June 30, 2013.

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

The management review of the Board of Public Accountancy (board) was conducted in accordance with Title 44 of the Alaska Statutes. As required by AS 44.66.050(a), the legislative committees of reference are to consider this report during the legislative oversight process involved in determining if the board should be reestablished. Currently, AS 08.03.010(c)(1) states that the board will terminate on June 30, 2009. If the legislature does not extend the termination date, the board will have one year to conclude its administrative operations.

Objectives:

1. To determine if the board should be extended and for how long.
2. To determine if the board is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of certified public accountants.

The assessment of the operations and performance of the board was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

Scope and Methodology

During the course of our examination, the following was reviewed and evaluated:

1. Compliance with statutes and regulations related to the certification of public accountants. The evaluation addressed considerations of applications, testing of candidates, and continuing education necessary for certified public accountants to maintain their licenses in good standing.

2. Minutes of the meetings of the board.

3. Annual reports issued by the board.

4. Complaints filed with the Division of Corporations, Business, and Professional Licensing.

5. The contract with the National Association of State Boards of Accounting to manage the application process for all candidates who wish to take the exam under the Alaska jurisdiction.

6. Information concerning other states for comparison of pertinent statistics.

Additionally, the following staff were interviewed: staff of the Professional Licensing, Financial and Investigative Sections of the Department of Commerce, Community, and Economic Development, the Chair of the Board of Public Accountancy, and a board member.

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ORGANIZATION AND FUNCTION

The Board of Public Accountancy (board) is established under the authority of AS 08.04.010. The seven-member board is appointed by the governor to staggered four-year terms.

Board Membership

The board consists of five professional members, who must be certified public accountants currently licensed in the State of Alaska. Additionally, there are two public members who must be independent from the influence of a certified public accountant. Current members of the board are listed to the right.

Board of Public Accountancy

(As of June 30, 2008)

Professional Members

Max Mertz, CPA Chair

Carla Bassler, CPA

Bruce Gabrys, CPA

Elaine Williamson, CPA

Vacant, CPA[1]

Public Member

Rebecca Jensen

Vacant

Board Duties

The board designs under statues, the regulatory regime under which individuals are allowed to take the uniform certified public accounting exam, are deemed qualified to obtain a license to practice public accounting in the State and are qualified to continue the practice of public accounting by completing appropriate continuing education. Moreover, the board is responsible for policing the profession to ensure that only qualified individuals hold themselves out as certified public accountants.

The Department of Commerce, Community, and Economic Development, Division of Corporations, Business, and Professional Licensing

The Department of Commerce, Community, and Economic Development (DCCED), Division of Corporations, Business, and Professional Licensing provides administrative and investigative assistance to the board. Administrative services include budgeting, revenue collection, expenditure reporting and control; regulation support; public notices; and various form and file maintenance.

Alaska Statute 08.01.065, mandates that DCCED, with the concurrence of the board, adopt regulations to establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by the statute.

Alaska Statue 08.01.087 grants the Division of Corporations, Business, and Professional Licensing the authority to act on its own initiative or in response to a complaint. Professional Licensing may:

---

[1] On October 16, 2008, the Governor appointed Kathleen Reid, CPA to the vacant professional position.

- Conduct an investigation if it appears a person is engaged or is about to engage in a prohibited professional practice;
- Issue Cease and Desist Orders;
- Bring an action in Superior Court to enjoin the act;
- Issue subpoenas for the attendance of witnesses and records; and,
- Examine the books and records of an individual licensed by the division.

REPORT CONCLUSIONS

In our opinion, the termination date for the Board of Public Accountancy (board) should be extended. The board is serving the public interest by effectively licensing and regulating certified public accountants. Moreover, the board is serving the public interest by policing the profession and ensuring that only properly qualified individuals practice in Alaska as certified public accountants.

The board has promoted and effectively assisted in updating the statutes governing the practice of public accounting. As statutes were updated the board produced regulations to further define the new requirements affecting each professional under its purview. When the board discovered omissions in statute that acted to block an avenue to licensure that should have been grandfathered into the new rules, the board immediately requested a legislative "fix" and assisted with testimony during the legislative session in order to mitigate this omission. As a result, fifteen candidates who had been pursuing licensure under the old statute gained a legitimate avenue to become licensed.

The board was able to re-establish a Fairbanks site for the certified public accountant exam. However, a site in Southeast Alaska is still out of reach due to cost.

The board has also improved the application process to take the Certified Public Accountants (CPA) exam by contracting for on-line services from the National Association of State Boards of Accountancy. The decision to contract these services has had the added benefit of redirecting staff time to important problem-solving and licensure activities.

The board has been proactive in shaping the future of the accounting profession by working with committees of national professional societies that set professional standards.

Alaska Statute 08.03.010(c)(1) requires the Board of Public Accountancy be terminated on June 30, 2009. Under AS 08.03.020, if the termination date is not extended by the legislature, the board will have a one-year period to administratively conclude its affairs.

Although AS 08.03.020(c) allows the legislature to extend the termination date of the board for up to eight years, we recommend the legislature extend the board's termination date for four years, to June 30, 2013. This recommendation is offered based on the board's discussions concerning future services that may be out-sourced, possible changes in board structure and new statutes and regulations that may be pursued in the near future.

(Intentionally left blank)

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

Vacant Board of Public Accountancy (board) positions should be filled in accordance with AS 08.04.040.

Alaska Statute 08.04.040 requires that vacant board positions be filled within 60 days of becoming vacant. Two positions, one professional and one public, have been vacant for seven months and eight months, respectively. (On October 16, 2008, the Governor's Office filled the professional position but the public position remains vacant).

The board is striving to be proactive in shaping the professional standards required of each individual applying to practice public accounting in Alaska. Changes in business practices challenge the board to periodically update education and experience requirements and regulations. Additionally, barriers between states and countries are disappearing as the profession devises methods to ease practice across borders while still protecting the public. This board is properly reluctant to sit back and let others write the rules for Alaska.

In order to succeed in this effort, the board requires depth and consistency. The Governor's Office should make every effort to appoint members in a timely manner so the board can be most efficient in reaching its goals.

Recommendation No. 2

The board, in concert with the Professional Licensing section, should review current and projected funding needs with the intent of reducing fees.

Alaska Statute 08.01.65(c) established fees based on the principal that total fees collected would approximately equal actual regulatory costs for the occupation.

In FY 08 the fee surplus accruing to the Board of Public Accountancy was 192% more than the fee surplus in FY 05. During this same time expenditures increased 25% from $142,700 to $178,800. Currently, the board is carrying a $271,000 cumulative balance that represents approximately 150% of annual expenditures.

The Licensing Section reviews fees every two years. During the last review, they noticed the accumulation of funds, as did the board. However, the board needed to complete a large, complex regulation project that would draw down on the existing surplus. It was the opinion of staff that fees should be held steady until the project was complete. Since the regulation project is now complete, there now should be room to reduce fees on the profession.

The recommended fee review should incorporate estimates of the cost of achieving changes the board may wish to make to its structure. In addition, it should incorporate estimates of costs that might accrue from a further agreement with National Association of State Boards of Accountancy to provide services now provided by the board.

Recommendation No. 3

The Investigation Section should implement an effective case tracking system.

Since the last management review of the investigative effort, a procedural change in the complaint process has successfully reduced the number of investigation cases and has allowed investigative staff to focus on valid cases. Consequently, average duration of cases of unlicensed activity has dropped from 15.7 months to 5.1 months. The investigation section should be complimented on this effort.

Further, of the forty-seven cases closed during the review period, nine cases (19 %) had time gaps of 6 to 27 months during which no notations to the file abstract were made. Five of these cases involved determinations of no violation and are examples of cases that would be resolved prior to a case file being opened under the new system. This new procedure has increased the efficiency and effectiveness of the investigation section.

However, the investigation section has been hampered in efficiently pursuing some cases because of staff turnover that led to serious inattention to cases. One complex case reviewed in the last sunset review is still open and shows long periods where no progress was made. This case was opened in 2002 and is in litigation with the Department of Law pursuing the case. (This case is the combination of 4 complaints against the same person.) Additionally, of the nine closed cases mentioned above, four had serious periods of inattention.

Under these circumstances, the section would benefit from a priority tracking system that reports to investigators and supervisors when a case has been dormant for a certain time period. This would provide supervisors with a timely tool to ensure high priority cases are pursued in a timely manner.

Prior Finding and Recommendation

The board should continue to be proactive in providing better access to its primary licensing examination – the Uniform Certified Public Accountant Examination (CPA exam).

In 2004, the manner in which the CPA exam is administered in Alaska was changed. Previously, the examination was administered twice a year at a minimum of three testing sites typically located in Anchorage, Fairbanks, and Juneau.

In 2004, in conjunction with changes of format and structure that were made nationally by the American Institute of Certified Public Accountants (AICPA), the examination was changed to an all-computerized format that could be taken in whole or in parts up to three, and eventually four, times a year. By increasing the availability of the examination across the full year, access for applicants was improved. However, as the new testing regimen was implemented in Alaska, this improved access was offset to a large degree by the restriction in the number of available testing sites. Under the new testing regimen, applicants can take the examination at only one test site, located in Anchorage.

Such circumstances make taking the examination much more expensive for applicants in the Interior and Southeast Alaska. Applicants from these regions must now travel to Anchorage

and arrange for transportation and accommodations, in addition to paying a higher examination fee.

Current Status

During 2005, the board was successful in adding Fairbanks as a test site for the CPA exam. This was possible because Prometric (the service that administers the CPA exam) was providing testing services to an existing program at the University of Alaska Fairbanks. This allowed the board to take advantage of existing facilities in which to offer the CPA exam.

The board pursued the possibility of the same type of arrangement with the University of Alaska Southeast. However, no existing infrastructure was available and after analyzing the capital and operating costs, the board determined that the number of applicants from Southeast would be insufficient to cover the continuing costs of the facility.

Other professions that require a national exam and are administered by the Professional Licensing Section also have limited statewide sites for their tests. Five professions have no exam site in Alaska (for example: geologist and naturopaths); and eleven have an exam site only in Anchorage (for example: physicians and physician assistants). Three professions have test sites both in Anchorage and Fairbanks: CPAs, professional counselors, and social workers. Twelve professions have more than two sites. In comparison to other licensed professionals who are required to take a national exam, the CPA candidates have comparable opportunities to take the exam.

In conclusion, while a third site for the CPA exam in Southeast Alaska is preferable and the effort to establish it should not be abandoned, the board has succeeded in increasing the number of sites available to take the CPA exam in order to reduce the cost to applicants.

(Intentionally left blank)

ANALYSIS OF PUBLIC NEED

The following analysis of board activities relates to the public need factors defined in AS 44.66.050. The analysis is not intended to be comprehensive, but only to address those areas I became aware of during my review.

Determine the extent to which the board, commission, or program has operated in the public interest.

In 2004, when the Board of Public Accountancy (board) adopted the computerized National Certified Public Accountant (CPA) exam provided by the American Institute of Certified Public Accountants (AICPA), the service provider, Prometric, provided only one Alaska site to take the exam. During 2005, the board was successful in adding Fairbanks as a test site for the CPA exam. This was possible because Prometric was providing testing services to an existing program at the University of Alaska Fairbanks. This allowed the board to take advantage of existing facilities at which to offer the CPA exam.

The board pursued the possibility of the same type of arrangement with the University of Alaska Southeast. However, no existing infrastructure was available and after analyzing the capital and operating costs the board determined that the number of applicants from Southeast would be insufficient to cover the continuing costs of the facility.

Because applicants have the option to take the National computerized CPA exam under the auspices of any state or country jurisdiction, many people who had no intention of practicing in Alaska were applying with the Alaska licensing section. To reduce the impact on the licensing section, the board contracted with National Association of State Boards of Accountancy (NASBA) to process applications for the CPA exam. In FY 08, approximately 1150 people applied to take the CPA exam under Alaska rules while only 185 of those actually took the test in Alaska. Contracting with NASBA to manage applications substantially reduced the workload of the licensing examiner in Alaska and allowed more focus on efficient problem resolution and licensure of accountants. In addition, the on-line application process is faster and easier for those applying to take the exam, than was the previous process.

The board increased educational requirements for persons wishing to become CPAs in Alaska in order to ensure a more informed and educated profession serving the Alaska public.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource and personnel matters.

As discussed above, the board has contracted out the application process for the CPA exam. This has reduced the workload on the board and the licensing examiner and freed up time to focus on other tasks.

The board is actively engaging in shaping the rules in the accounting profession by its membership in national professional organizations. The board needs a full contingent of members if it is to perform most effectively. As described in Recommendation No. 1, the board has been pursuing its goals while lacking two members.

License fees remained at $220 from FY 05 through FY 08. A schedule of license revenues and board expenditure is presented below. (See Recommendation No. 2 for a discussion of the ending cumulative surplus).

State of Alaska
Board of Public Accountancy
FY 05-FY 08
Schedule of License Revenues and Board Expenditures
(unaudited)

	FY 05	FY 06	FY 07	FY 08
Revenues	$44,000	$278,500	$128,100	$290,600
Direct Expenditures				
Personal Services	56,300	64,400	61,700	61,800
Travel	15,300	13,600	18,600	26,300
Contractual	18,600	15,800	23,400	29,300
Supplies	100	100	1,000	200
Total Direct Expenditures	90,300	93,900	104,700	117,600
Indirect Expenditures	52,400	47,600	93,900	61,200
Total Expenditures	142,700	141,500	198,600	178,800
Net Income (Loss)	(98,700)	137,000	(70,500)	111,800
Beginning Cumulative Surplus (Deficit)	191,400	92,700	229,700	159,200
Ending Cumulative Surplus (Deficit)	$92,700	$229,700	$159,200	$271,000

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board, in concert with the Alaska Society of CPAs and other professional organizations, assisted in passing a major update of the governing statutes of public accounting. This rewrite increased the education required to obtain a CPA license in Alaska. The rewrite included sections covering substantial equivalency, interstate reciprocity (which eased the ability of qualified persons to obtain Alaska certification) and "attest" experience requirements that ensure individuals are qualified to audit financial statements.

After discovering that the new statute unfairly impacted a class of accountants that had been pursuing licensure under the old law, the board immediately acted to obtain a legislative "fix". The board action provided a path to licensure for this small group of candidates.

The board worked diligently to provide a package of regulations to complement the new laws. The regulations were adopted and in effect concurrent with the effective date of the new legislation.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

When the board adopted the AICPA National computerized CPA exam, it was concerned about the impact on the applicants taking the exam. The board created a survey and provided it to each applicant. The survey asked about various aspects of the test environment. As a result of this survey, the board was instrumental in getting new equipment for the Anchorage test site.

Each meeting of the board is noticed in the Anchorage Daily News and in an email from the Licensing Examiner to interested parties. Each meeting agenda has a public comment section and minutes confirm that public comments are welcome at these meetings. Representatives from Alaska professional organizations frequently attend and are provided the opportunity to comment.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Draft regulations are developed in a coordinated manner with Alaska professional accounting organizations. Usually a committee of professionals prepares a draft, sends it out to members for comment, and may incorporate those comments into the draft. The draft is provided to the board for review and discussion. Thus, the board attempts to thoroughly vet the proposed regulations before offering them for public review. Then public notice is published and directly provided to groups that have an interest in the regulations.

During the last regulation update, each regulated professional was provided a copy of the draft regulations and notified of the time for comment. Those professionals who are not CPAs but had an interest in understanding the ramifications of the new rules were also provided notice of the meetings and were welcome to provide comments. Board minutes confirm that interested parties commented on the draft regulations.

Determine the efficiency with which public inquires or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

Overall, the investigation section has reduced the average time taken to resolve a case by implementation of a new complaint policy that confirms the complaint is valid before

opening a case. This policy was instituted in 2006 and has substantially increased efficiency of the section. The section still needs to address lapses due to staff turnover and absence of an effective tracking system that would periodically provide reports of activity to supervisors in order to identify "dormant" cases.

For example, four investigative cases (all involving the same person) have been open for more than six years. These cases are an example of the problems in staff turnover/reassignment and lack of an effective system to notify supervisors or investigators that a case has been dormant for an extended period of time. The cases are complex and are in litigation. Recommendation No. 3 is offered to help reduce the amount of time some cases are left unattended.

Since the implementation of the new complaint procedure in FY 2006, twenty complaints have been received. Twelve resulted in case files and eight were determined to be invalid. Of the twelve cases only two are still open. One involves a CPA licensed in Colorado who performed an audit in Alaska without getting a practice privilege, and the other involves an accountant who was denied licensure based on lack of experience and has requested an Administrative Hearing. Of these twenty complaints, seven were received from the licensing section, six from members of the public, one from a board member, and four from a state or federal agency.

Unlicensed activity cases opened under this new policy have an average duration of 5.1 months, in contrast to 15.7 months for the same type of cases opened prior to implementation of the new policy. This is a significant increase in efficiency.

Of the forty-seven investigative cases closed since the last review, thirty-two (68%) were determined to be unfounded. Most of the cases alleged unlicensed activity.

Of eighteen cases of unlicensed activity, eight resulted in a license action and ten were based on unfounded complaints. There were six cases alleging fraud or misrepresentation. Four of these were resolved with no violation and two ended in license action. Three cases were brought for negligence of which two were determined unfounded and one licensee complied with board directions.

Eight cases alleging incompetence resulted in determinations that no violation had occurred. Two cases were opened because an applicant had checked the box that he/she had a criminal conviction. Each of these cases was resolved with no violation. Three cases were for violation of professional ethics, and no license action was taken against any license.

Three cases concerning license application problems were investigated. One was determined to involve no violation, one resulted in license action and one respondent complied without license action. One case concerned a licensee who violated a Memorandum of Agreement and resulted in further license action. The final two cases involved falsified applications for licenses. The applicant withdrew one case, and the other received an Advisement Letter.

The board received no complaints against its activities.

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that the board, by any of its actions, acted contrary to any state personnel practices or affirmative action requirements.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

The board has increased the amount of accounting education required to qualify for licensure to practice in Alaska. The board continues to require appropriate continuing education in order for a CPA license to be renewed. Each applicant for licensure is required to pass a national competency exam and to have appropriate experience prior to licensure.

Below is a summary of new licenses and permits issued by the board. The information was obtained from Annual Reports published by the board and verified with the licensing examiner.

New Permits Issued	FY 05	FY 06	FY 07	FY 08	Current Licenses
Certified Public Accountants	47	52	45	97	929
Resident Partnerships Corporations and Limited Liability Co.	2	5	2	8	84
Nonresident General Permits	9	18	16	21	57

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

The board is reviewing the concept of "mobility." Mobility would improve an accountant's ability to practice in many states and be subject to the laws of each state. Presently, if a problem arises with a CPA who is not licensed in Alaska, the board must work through the board of the state where that individual is licensed. If mobility were implemented as contemplated in Alaska, the Alaska board could directly enforce Alaska statutes and regulations on the CPA doing business in Alaska to ensure the public is protected. Increased mobility has the added advantage of making it easier for Alaskans to remain with chosen CPAs and still be assured they are regulated under Alaska rules.

The profession the board regulates changes in response to economic changes. The profession is complex and problems that arise can affect the economic well being of members of the public. In order to respond to this environment, the board is considering some structural

changes to insure that emerging issues in the accounting field will be properly researched and will improve the board's ability to be proactive in shaping the profession.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission or agency has operated.

The board has been very effective in attaining its objectives. Statutory changes were instituted and regulations were adopted to coincide with the effective date of the legislation. The board identifies practical, achievable, objectives and proceeds efficiently to attain those objectives.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

The board does not duplicate the activities of the private sector or another governmental agency. In fact, the board has endeavored to reduce workload by contracting the CPA exam applications process to a national, professional entity, NASBA. Currently, the board is reviewing the credentialing services offered by NASBA to see if contracting would 1) comply with Alaska law and, 2) provide a consistently more efficient method of licensure. The board would retain the authority to grant final approval of a license.

SARAH PALIN
GOVERNOR
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

December 29, 2008

RECEIVED
DEC 29 2008
LEGISLATIVE AUDIT

Ms. Pat Davidson
Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

This letter is in response to your December 1, 2008 confidential preliminary audit report on the Board of Public Accountancy.

Recommendation No. 1

Vacant Board of Public Accountancy (board) positions should be filled in accordance with AS 08.04.040.

The Office of the Governor concurs with this recommendation. I am pleased to report that the Governor recently selected the CPA/PA member for the board, however, and we are close to filling the remaining vacant public member. We find it challenging to find volunteers from the public who have an interest in specific licensing boards and the willingness to serve, but do not have inherent conflicts that would prevent them from serving. We will continue to make every effort to fill vacant positions in a timely manner.

If you need additional information, please contact me at 907-269-7450.

Sincerely,

Frank Bailey
Director
Boards and Commissions

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STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sarah Palin, Governor
Emil Notti, Commissioner

December 15, 2008

Ms. Pat Davidson, Legislative Auditor
Legislative Budget and Audit Committee
Division of Legislative Audit
PO Box 113300
Juneau, Alaska 99811-3300

Dear Ms. Davidson:

Thank you for the opportunity to comment on the Preliminary audit report on the Alaska Board of Public Accountancy.

Recommendation No. 1: Vacant Board of Public Accountancy (board) positions should be filled in accordance with AS 08.04.040.

The department agrees with this recommendation.

Recommendation No. 2: The board, in concert with the Professional Licensing section, should review current and projected funding needs with the intent of reducing fees.

The department agrees with this recommendation and will be adjusting fees at the next licensing renewal period.

Recommendation No. 3: The Investigation Section should implement an effective case tracking system.

The department strongly supports this recommendation and has already taken steps to request funding through the State's Budget process to procure an effective Investigative case management tracking system. This tool will benefit all regulatory programs within the division.

In summary, we fully support your findings and recommendations; and that the Legislature extend the Board to June 30, 2013. Your audit report supports our belief that the Board is operating in the best interest of the public and in accordance with its statutory mandates.

P.O. Box 110800, Juneau, Alaska 99811-0800
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There is only one correction I would like to direct to your attention, that is, the oversight division of the Alaska Board of Public Accountancy is the Division of Corporations, Business and Professional Licensing, *not* the Division of Banking, Securities, and Professional Licensing as mentioned on pages 1 and 3 of the preliminary report.

Thank you again for the opportunity to comment on the preliminary audit report.

Sincerely,

Emil Notti

Emil Notti
Commissioner

ELGEE REHFELD MERTZ, LLC

CERTIFIED PUBLIC ACCOUNTANTS

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December 19, 2008

RECEIVED
DEC 19 2008
LEGISLATIVE AUDIT

Ms. Pat Davidson
Legislative Auditor
Alaska Legislature
P.O. Box 113300
Juneau, Alaska 99811

RE: Board of Public Accountancy Response to 2008 Management Review

Dear Ms. Davidson:

Thank you for the opportunity to respond to the findings resulting from your review. The Board concurs with your recommendations with the following comments.

Recommendation No. 1

The landscape for the regulation of accountants has changed dramatically over the past seven to ten years. Some of the change has been driven by Congress, but much has been led by the National Association of State Boards of Accountancy, NASBA, which is an association of the fifty-five jurisdictions that make up the regulatory framework of accountants in the United States. The Alaska Board of Public Accountancy is one of those jurisdictions and a member of NASBA.

During this time, NASBA, working through its structure of over 30 standing committees, has made many significant and positive changes including substantial revision to the Uniform Accountancy Act, changes to the educational requirements for CPA candidates, changes to initial licensing experience requirements, computerization of the national CPA exam, and working to increase the mobility of CPA's across State lines, among others. Not all of these changes, however, necessarily make sense for Alaska. It is important for the Alaska Board of Accountancy to stay abreast of the changes so that those implemented here are appropriate. It is also important that we effectively participate in NASBA in order to have a voice in changes that affect the public in Alaska.

The Alaska Board has worked diligently over recent years to increase its presence at NASBA. Board vacancies that go unfilled for many months greatly hamper these efforts since there are fewer board members to carry on the work of the board. Alaska is also only one of about seven jurisdictions that do not have a full-time Executive Director to manage the affairs of the Board. Much of the ongoing dialogue between NASBA and the States occurs between Executive Directors. As such, it is even more important that the Alaska Board work to participate in NASBA through participation on committees and attendance at various NASBA meetings. Vacant board positions make this more difficult.

AN INDEPENDENT MEMBER OF BDO SEIDMAN ALLIANCE

Recommendation No. 2
The Board is very supportive of minimizing fees. Over the last two or three years has encouraged the Professional Licensing section to evaluate our fees in light of the Board's cumulative balance.

As alluded in your letter, the Alaska Board is working to determine whether a change to the Board's operating structure is needed in light of the changes in the regulatory environment for CPA's. The work includes evaluating how other boards in Alaska and other State's Accountancy Boards operate around the country. Any adjustment of licensing fees should consider the costs of potential changes to the Board's operating structure as those potential changes are identified.

NASBA and other countries are moving to international standards for both financial reporting and regulation of accountants. Proximity to Canada, Russia and Asia frequently impact the exam application and licensing of CPA's in Alaska. As internationalization continues to take shape over the next few years, it will be important for the Alaska Board to stay abreast of these changes. As such, it will be necessary for the Alaska Board to involve itself, through NASBA committees, travel to meetings on the topic or potentially engaging Department of Law or other experts to evaluate these changes to Alaska. Changes to fees should be made in this light as well.

Recommendation No. 3
The Board believes that turnover in the investigator assigned to the Board has reduced timeliness and effectiveness of investigations. Also, the investigators recently assigned to the Board appear to not have a background in accounting regulatory matters.

Recently, NASBA created a new Enforcement Practices Committee. This committee, to which Carla Bassler of the Alaska Board has been appointed, has a mission to evaluate and examine enforcement practices in the various boards and develop best practices relating to evaluation of the effectiveness of state boards' enforcement efforts. The Committee will also develop resource materials including expert witnesses for special areas and provide resources for advice and enforcement issues to state boards.

This committee is also evaluating the creation of a "Certified Regulatory Investigator" which will offer uniform training and continuing competency material for State accountancy investigators. I encourage the investigative section to familiarize itself with NASBA's efforts to determine whether this can benefit investigations in Alaska.

Thank you for your work on the review of the Board of Accountancy. Please let me know if there is anything further I can assist you with.

Sincerely,

Max E. Mertz, CPA
Chair, Alaska Board of Accountancy

HB

81

<target><bill>HB 81</bill><subject>HB
81</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/16/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 81(FIN) am(brf sup maj fld)

HB 81 APPROP: OPERATING BUDGET/LOANS/FUNDS

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; making reappropriations; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** HB 81 (F,W)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title
_____

HOUSE BILL:
[ ] Same Title
[X] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[✓] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Ellis	✓			
CO-CHAIR:	Stedman	✓			
CO-CHAIR:	Hoffman	✓			

ADOPTED
NO/OBJ

#1

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 81(FIN)

OFFERED BY: Senator Hoffman

Part A – Fund Source Change

DEPARTMENT: Commerce, Community and Economic Development
APPROPRIATION: Qualified Trade Association Contracts
ALLOCATION: Qualified Trade Association Contracts

FUND CHANGE: $381.2 Vehicle Rental Tax (1200)
($381.2) General Fund (1004)

EXPLANATION: Traditionally, appropriation of vehicle rental tax receipts equals the amount of receipts collected in the prior closed fiscal year. This amendment has no impact on funding level or category (tax receipts are classified as GF); its purpose is simply to ensure that all tax receipts are accounted for. This allocation was selected because it contains the largest share of tax receipts.

Part B – Fund Source Change

DEPARTMENT: Corrections
APPROPRIATION: Inmate Health Care

PART 1
ALLOCATION: Behavioral Health Care

FUND CHANGE: $1,130.1 General Fund (1004)
($1,130.1) PFD Criminal Fund (1171)

EXPLANATION: Part 1 of this amendment replaces $1,130.1 of PFD Criminal Funds with general funds in order to eliminate PFD Criminal funds from the Behavioral Health Care allocation and concentrate the PFD Criminal fund source in the Physical Health Care allocation.

PART 2
ALLOCATION: Physical Health Care

FUNDING CHANGE: ($1,388.6) General Fund (1004)
$1,388.6 PFD Criminal Fund (1171)

EXPLANATION: Part 2 of this amendment replaces $1,388.6 of general funds with $1,388.6 PFD Criminal Funds. Of this amount, $258.5 is PFD Criminal Funds made available by removing the fund source from the capital budget. The remaining $1,130.1 reflects a fund change in the Behavioral Health Care Allocation (Part 1) in order to concentrate the fund source in the Physical Health Care allocation.

Part C – Fund Source Change

DEPARTMENT: Fish and Game
APPROPRIATION: Commercial Fisheries
ALLOCATION: Westward Region Fisheries Management

FUND CHANGE: $793.7 Federal Receipts (1002)
($793.7) Capital Improvement Project Receipts (1061)

EXPLANATION: Utilize federal receipts to support the Bering Sea crab research program.

Part D – Fund Source Change

DEPARTMENT: Fish and Game
APPROPRIATION: Wildlife Conservation
ALLOCATION: Wildlife Conservation Special Projects

FUND CHANGE: $930.0 Federal Receipts (1002)
($930.0) Capital Improvement Project Receipts (1061)

EXPLANATION: Utilize federal receipts to support Pinniped Research (steller sea lions, harbor seals, ice seals) program.

Part E – Technical Correction (subcommittee intent)

DEPARTMENT: Health and Social Services
APPROPRIATION: Behavioral Health
ALLOCATION: Behavioral Health Grants

Convert an Increment to a One-time Increment

EXPLANATION: $210,000 of general fund/mental health funding was added by the Senate Finance Subcommittee to combat Alaska's statewide heroin epidemic. When the transaction was adopted by the Subcommittee, it was intended to be a one time increment, however, it was inadvertently adopted as an increment in the Subcommittee close out. This amendment will not change the amount, funding, or purpose, but will simply add $210,000 as a one-time increment to remove the waitlist for these services.

Part F – Technical Correction (subcommittee intent)

DEPARTMENT: Natural Resources

Part 1

APPROPRIATION: Resource Development
ALLOCATION: Oil and Gas Development

ADD: $566,700

FUNDING SOURCE: General Fund (1004)

EXPLANATION: The Governor's Office transferred $391.7 to DNR during FY09, as a one-time item in the FY09 budget. The money was properly removed from the FY2010 budget request. DNR then requested an FY2010 transfer of the deleted funding, and that transaction (erroneously) appears in the bill. This amendment negates the transfer of the funds to the new Gas Pipeline Implementation component.

In addition, the subcommittee considered reducing the Governor's $1,318.1 "workload increase" request by $175.0. Although the subcommittee did not intend to implement the reduction, it appeared in the subcommittee report. Part 1 of this amendment restores funding and position count to the levels requested by the Governor.

Part 2

APPROPRIATION: Resource Development
ALLOCATION: Gas Pipeline Implementation

ADD: $100,000 General Fund (1004)
ADD: Four Permanent Full-Time Positions (PFT)

EXPLANATION: The Governor requested a transfer of $390.0 from the Governor's Office. The subcommittee considered reducing the Governor's request by $100.0. Although the subcommittee did not intend to implement the reduction, it appeared in the subcommittee report. Part 2 of this amendment restores funding to the level intended by the subcommittee. The additional positions are associated with the transfer described in Part 1 of this amendment.

Part 3

APPROPRIATION: Parks and Recreation Management
ALLOCATION: Parks Management

ADD: $55,600 CIP Receipts (1061)
DELETE: $55,600 General Fund (1004)

EXPLANATION: The subcommittee denied the Governor's request for a position associated with the Chilkoot bear viewing area, but did not deny an associated fund source change. Part 3 corrects the funding source for the position; it reduces GF instead of CIP receipts.

Part G – Technical Correction (subcommittee intent)

DEPARTMENT: Transportation and Public Facilities
APPROPRIATION: Marine Highway System
ALLOCATION: Marine Vessel Operations

DELETE: Intent Wordage sec.1, page 41, line 24

It is the intent of the legislature that money allocated for the Marine Transportation Advisory Board not be spent for any other purpose.

EXPLANATION: Intent wordage was adopted in the House but not in the Senate Finance Sub Committee. However, the intent wordage was inadvertently included when preparing the close-out for the Senate Finance Sub Committee.

Part H – Statewide

DEPARTMENT: Statewide

ADD: $2,713,700
FUNDING SOURCE: Multiple fund sources per change records submitted electronically to the Legislative Finance Division

ADD: **to sec. 24(a) in SCS CSHB81(FIN) and sec. 10(a) in SCS CSHB83(FIN), Salary and Benefit Adjustments:**

(--) Public Employees Local 71, for the Labor, Trades, and Crafts Unit
(--) Marine Engineers Beneficial Association

EXPLANATION: The Labor, Trades, and Crafts bargaining unit has reached a tentative agreement with the state for fiscal years FY2010 – FY2012. In FY2010 wages will increase 1.5% and the state's contribution for health insurance will increase from $870.00 to $913 per employee per month.

The Marine Engineers Beneficial Association reached agreement earlier; funding appears in the CS, but the association was omitted from sec 24.

ADOPTED
NO/OBJ

#2

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 81(FIN)

OFFERED BY: Senator Hoffman

ADD: New subsections to section 21 (Fund Transfers) to read:

"(v) If the balance of the oil and gas tax credit fund (AS 43.55.028) is insufficient to purchase transferable tax credit certificates issued under AS 43.55.023 and production tax credit certificates issued under AS 43.55.025 that are presented for purchase, the amount by which the tax credit certificates presented for purchase exceeds the balance of the fund is appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028)."

EXPLANATION: The amount required to purchase tax credit certificates is difficult to predict. This amendment will ensure that the fund has a balance sufficient to purchase all certificates presented, while reducing the build-up of reserves.

"(w) The sum of $450,000,000 is appropriated from the oil and gas tax credit fund (AS 43.55.028) to the general fund." *(Effective date June 30, 2009)*

EXPLANATION: The oil and gas tax credit fund has a balance of more than $550 million. The value of certificates presented for purchase has averaged about $50 million annually. This amendment reduces the balance of the fund to about $100 million, which is expected to be sufficient to purchase all certificates presented during FY09 and FY2010. If the value of certificates presented in FY2010 exceeds expectations, the addition of subsection v ensures that all certificates can be purchased.

ADOPTED
NO/OBJ

#3

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 81(FIN)

OFFERED BY: Senator Stedman

DELETE: Subsection 21(t) (Fund Transfers), which appropriates $5 million to the Alaska Marine Highway System Fund

EXPLANATION: The Senate CS appropriates about $11 million more GF to the Alaska Marine Highway System (AMHS) than was appropriated in the House version of the bill. The Senate CS also appropriates about $10 million less from the AMHS fund, allowing the $5 million capitalization of the fund to be eliminated.

Department: Transportation & Public Facilities
Appropriation: Marine Highway System

ADD: Legislative intent reading:

It is the intent of the legislature that the Alaska Marine Highway System fund be segregated into two accounts: the first holding system revenue as described in AS 19.65.060(a)(1) and the second holding capitalization of the fund as described in AS 19.65.060(a)(2) and (3). It is the intent of the legislature that the amount appropriated from the fund in this section applies first to revenue generated by the system and secondarily to the capital portion of the fund. It is the intent of the legislature that the Department of Transportation & Public Facilities make expenditures from the capital portion of the fund (AS 19.65.060(a)(2) and (3)) only after a request to do so has been reviewed by the Legislative Budget and Audit Committee.

ADOPTED
NO/OBJ

#4

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: Senate CS for CSHB 81(FIN)

OFFERED BY: Senator Ellis

DEPARTMENT:	University of Alaska
APPROPRIATION:	University of Alaska Anchorage
ALLOCATION:	Anchorage Campus

ADD:

$1,025,000 General Funds 1004
($1,025,000) University Receipts 1048

EXPLANATION: This budget already includes $500,000 in General Funds, as does the version passed by the House of Representatives for maintenance and operation. Without the addition of general funds, the Anchorage campus will be forced to cannibalize existing programs to keep from mothballing this significant facility, which would double the available lab space for priority health and science workforce development programs.

ADOPTED
NO/OBJ

#5

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 81(FIN)

OFFERED BY: Senator Thomas

DEPARTMENT: University of Alaska

APPROPRIATION: Budget Reductions/Additions
ALLOCATION: System Reductions/Additions

FUND CHANGE: $1,193,800 General Funds (1004)
($1,193,800) University Receipts (1048)

ADOPTED
NO/OBJ

#6

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 81(FIN)

OFFERED BY: Thomas

DEPARTMENT: Fish and Game
APPROPRIATION: Wildlife Conservation
ALLOCATION: Hunter Education Public Shooting Ranges

ADD: $114.1 Fish/Game Fund (code 1024)

EXPLANATION: This amendment restores funding for the department's public shooting ranges to the level in the adjusted base and the Governor's request, $614.1. The shooting ranges receive no General Funds, and operate with money in the Fish and Game Fund from user fees and sale of hunting licenses and tags. The Fish and Game Fund is a dedicated fund, and cannot be used for general government activities.

State law (AS 16.55.010) requires the department to establish a program to assist in the planning, construction, and operation of public shooting ranges. The department ranges are important to hunter education and firearm safety. Federal funds were used to construct them, and the federal government would have to be compensated if the ranges were transferred or closed.

The public shooting ranges charge user fees, and have reduced hours and seasonal closures. Hunting and firearms are a basic part of many Alaskans' lives. $614.1 is the reasonable and necessary amount of funding for these facilities.

ADOPTED
NO/OBJ

#7

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: Senate CS for CSHB 81(FIN)

OFFERED BY: Senator Hoffman

DEPARTMENT:	Department of Education and Early Development
APPROPRIATION:	Teaching and Learning Support
ALLOCATION:	Early Learning Coordination

ADD: $200,000 General Fund (1004)

EXPLANATION: This increment funds Best Beginnings early childhood education efforts by adding $200,000 to support early literacy and the Imagination Library in providing matching grants to local communities to purchase children's books.

ADOPTED
NO/OBJ

#9

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: Senate CS for CSHB 81(FIN)

OFFERED BY: Senator Hoffman

DEPARTMENT:	Health and Social Services
APPROPRIATION:	Office of Children's Services
ALLOCATION:	Office of Children's Management

ADD: $30,000 General Fund (1004)

EXPLANATION: Produce a television and radio Public Service Announcement (PSA), highlighting the need for Alaska foster homes in the state, and urging Alaskans to learn more about becoming a foster parent. The PSAs would air on television and radio via the Alaska Broadcaster's Association's Non-commercial Sustaining Announcement Program (NCSA). Through this "Community Voice" program the PSAs would be placed on 21 television stations and 60 radio stations across the state for approximately a month and a half at two different times during the year. The PSA would also be placed on APRN for four weeks (two weeks at two times during the year) because of its reach into rural Alaska. The $30,000 includes visual scripting, direction, talent coordination, on-location shoot, pre/post production work and dub to stations. The ads would reach approximately 80,000 Alaskans, and the response rate is expected to be about 3%--that's 2,400 people who will seek out more information about becoming foster parents. The Department shall in its discretion, utilize these funds at radio and television outlets that produce the most effective outreach.

Held #9

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 81 (FIN)

OFFERED BY: Senator Donald Olson

DEPARTMENT:	University of Alaska
APPROPRIATION:	UA Community Campuses
ALLOCATION:	College of Rural & Community Development
ADD:	$330,000
FUNDING SOURCE:	General Funds
EXPLANATION:	Funds will be used for scholarship awards and training grants for Ilisagvik College students in Barrow, and to provide adjunct professor costs for on-site training in other villages.

Adopted 3/24/09

26-GH1002\W
Bailey
3/24/09

SENATE CS FOR CS FOR HOUSE BILL NO. 81(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; making supplemental appropriations; making reappropriations; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska; and providing for an effective date."

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

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2009 and ending June 30, 2010, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * **Department of Administration** * * * * *			
	* * * * *	* * * * *		
Centralized Administrative Services		**73,962,300**	**13,392,800**	**60,569,500**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of inter-agency receipts appropriated in sec. 1, ch. 27, SLA 2008, page 2, line 12, and collected in the Department of Administration's federally approved cost allocation plans.				
Office of Administrative Hearings	1,547,400			
DOA Leases	1,814,900			
Office of the Commissioner	935,900			
Administrative Services	2,331,800			
DOA Information Technology Support	1,248,200			
Finance	8,587,900			
State Travel Office	2,340,700			
Personnel	15,568,200			
The money appropriated by this appropriation may be distributed to state departments and agencies in order to pay service costs charged by the Department of Administration for centralized personnel services.				
Labor Relations	1,286,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Purchasing	1,239,900			
Property Management	958,000			
Central Mail	3,127,700			
Centralized Human Resources	281,700			
Retirement and Benefits	14,205,000			
Group Health Insurance	18,100,400			
Labor Agreements Miscellaneous Items	50,000			
Centralized ETS Services	338,200			
Leases		**45,271,700**	**58,100**	**45,213,600**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of inter-agency receipts appropriated in sec. 1, ch. 27, SLA 2008, page 3, line 10, and collected in the Department of Administration's federally approved cost allocation plans.				
Leases	44,064,800			
Lease Administration	1,206,900			
State Owned Facilities		**15,402,000**	**1,394,100**	**14,007,900**
Facilities	13,258,700			
Facilities Administration	1,388,500			
Non-Public Building Fund Facilities	754,800			
Administration State Facilities Rent		**1,538,800**	**1,468,600**	**70,200**
Administration State Facilities Rent	1,538,800			
Special Systems		**1,948,100**	**1,948,100**	
Unlicensed Vessel Participant Annuity Retirement Plan	50,000			
Elected Public Officers	1,898,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Retirement System Benefits				
Enterprise Technology Services		**46,058,200**	**8,006,100**	**38,052,100**
Enterprise Technology Services	46,058,200			
The money appropriated by this appropriation may be distributed to state departments and agencies in order to pay service costs charged by the Department of Administration for enterprise technology services.				
Information Services Fund		**55,000**		**55,000**
Information Services Fund	55,000			
This appropriation to the Information Services Fund capitalizes a fund and does not lapse.				
Public Communications Services		**4,872,200**	**4,548,500**	**323,700**
Public Broadcasting Commission	54,200			
Public Broadcasting - Radio	3,119,900			
Public Broadcasting - T.V.	527,100			
Satellite Infrastructure	1,171,000			
AIRRES Grant		**100,000**	**100,000**	
AIRRES Grant	100,000			
Risk Management		**36,924,800**		**36,924,800**
Risk Management	36,924,800			
Alaska Oil and Gas Conservation Commission		**5,641,500**		**5,641,500**
Alaska Oil and Gas Conservation Commission	5,641,500			
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of the receipts of the Department of Administration, Alaska Oil and Gas Conservation Commission receipts account for regulatory cost charges under AS 31.05.093 and permit fees under AS 31.05.090.				
Legal and Advocacy Services		**40,733,100**	**39,523,500**	**1,209,600**

	Allocations	Appropriation Items	General Funds	Other Funds
Therapeutic Courts Support Services	130,000			
Office of Public Advocacy	19,551,300			
Public Defender Agency	21,051,800			
Violent Crimes Compensation Board		**2,095,600**		**2,095,600**
Violent Crimes Compensation Board	2,095,600			
Alaska Public Offices Commission		**1,276,400**	**1,276,400**	
Alaska Public Offices Commission	1,276,400			
Motor Vehicles		**15,290,500**		**15,290,500**
Motor Vehicles	15,290,500			
General Services Facilities Maintenance		**39,700**		**39,700**
General Services Facilities Maintenance	39,700			
ITG Facilities Maintenance		**23,000**		**23,000**
ETS Facilities Maintenance	23,000			
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Executive Administration		**5,354,700**	**1,358,600**	**3,996,100**
Commissioner's Office	920,800			
Administrative Services	4,433,900			
Community Assistance & Economic Development		**12,891,300**	**4,638,800**	**8,252,500**
Community and Regional Affairs	9,758,900			
Office of Economic	3,132,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Development				
Revenue Sharing		**29,573,400**		**29,573,400**
Payment in Lieu of Taxes (PILT)	10,100,000			
National Forest Receipts	15,873,400			
Fisheries Taxes	3,600,000			
Qualified Trade Association Contract		**9,000,000**	**9,000,000**	
Qualified Trade Association Contract	9,000,000			
Investments		**4,578,300**		**4,578,300**
Investments	4,578,300			
Alaska Aerospace Development Corporation		**28,611,700**		**28,611,700**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of the federal and corporate receipts of the Department of Commerce, Community, and Economic Development, Alaska Aerospace Development Corporation.				
Alaska Aerospace Development Corporation	4,438,000			
Alaska Aerospace Development Corporation Facilities Maintenance	24,173,700			
Alaska Industrial Development and Export Authority		**8,866,400**		**8,866,400**
Alaska Industrial Development and Export Authority	8,604,400			
Alaska Industrial Development Corporation	262,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Facilities Maintenance				
Alaska Energy Authority		**5,561,300**	**988,700**	**4,572,600**
Alaska Energy Authority Owned Facilities	1,067,100			
Alaska Energy Authority Rural Energy Operations	3,184,100			
Alaska Energy Authority Technical Assistance	100,700			
Statewide Project Development, Alternative Energy and Efficiency	1,209,400			
Alaska Seafood Marketing Institute		**17,672,500**	**2,669,800**	**15,002,700**
Alaska Seafood Marketing Institute	17,672,500			

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of the receipts from the salmon marketing tax (AS 43.76.110), from the seafood marketing assessment (AS 16.51.120), and from program receipts of the Alaska Seafood Marketing Institute.

Banking and Securities		**3,287,400**		**3,287,400**
Banking and Securities	3,287,400			
Community Development Quota Program		**57,600**		**57,600**
Community Development Quota Program	57,600			
Insurance Operations		**6,606,200**		**6,606,200**
Insurance Operations	6,606,200			

The amount appropriated by this appropriation includes up to $1,000,000 of the unexpended and unobligated balance on June 30, 2009, of the Department of Commerce, Community, and Economic Development, Division of Insurance, program receipts from license fees and service fees.

	Allocations	Appropriation Items	General Funds	Other Funds
Corporations, Business and Professional Licensing		**10,954,800**		**10,954,800**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of business license receipts under AS 43.70.030; receipts from the fees under AS 08.01.065(a), (c), and (f) - (i); and corporations receipts collected under AS 10.06, AS 10.15, AS 10.20, AS 10.25, AS 10.35, AS 10.40, AS 10.45, AS 10.50, AS 32.06, AS 32.11, and AS 45.50.				
Corporations, Business and Professional Licensing	10,954,800			
Regulatory Commission of Alaska		**8,179,600**		**8,179,600**
Regulatory Commission of Alaska	8,179,600			
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of the Department of Commerce, Community, and Economic Development, Regulatory Commission of Alaska receipts account for regulatory cost charges under AS 42.05.254 and AS 42.06.286.				
DCED State Facilities Rent		**1,345,200**	**585,000**	**760,200**
DCED State Facilities Rent	1,345,200			
Serve Alaska		**3,307,600**	**121,000**	**3,186,600**
Serve Alaska	3,307,600			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Administration and Support		**6,926,700**	**6,631,400**	**295,300**
Office of the Commissioner	1,271,500			
It is the intent of the legislature that the Department of Corrections define its future facility needs, including alternatives to prison space, with specific attention to the communities of Bethel, Seward and Fairbanks, and report their findings to the legislature before February 1, 2010.				

	Allocations	Appropriation Items	General Funds	Other Funds
Administrative Services	2,701,600			
Information Technology MIS	2,184,900			
Research and Records	478,800			
DOC State Facilities Rent	289,900			
Population Management		**203,919,500**	**179,977,400**	**23,942,100**
Correctional Academy	981,600			
Facility-Capital Improvement Unit	548,500			
Prison System Expansion	498,900			
Facility Maintenance	12,280,500			
Classification and Furlough	1,161,600			
Out-of-State Contractual	21,866,100			
Offender Habilitation Programs	1,397,400			
Institution Director's Office	820,700			
Prison Employment Program	2,385,600			

The amount allocated for Prison Employment Program includes the unexpended and unobligated balance on June 30, 2009, of the Department of Corrections receipts collected under AS 37.05.146(c)(80).

Inmate Transportation	2,044,200			
Point of Arrest	628,700			
Anchorage Correctional Complex	24,190,700			
Anvil Mountain Correctional Center	5,173,700			
Combined Hiland Mountain Correctional Center	10,331,400			
Fairbanks Correctional Center	9,612,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Goose Creek Correctional Center	468,600			

It is the intent of the legislature that no state funds, other than the amount required to reimburse the Matanuska-Susitna Borough for debt service costs, be used for capital costs associated with the Goose Creek Correctional Center.

Ketchikan Correctional Center	3,814,100			
Lemon Creek Correctional Center	8,019,200			
Matanuska-Susitna Correctional Center	4,070,500			
Palmer Correctional Center	11,907,300			
Spring Creek Correctional Center	18,633,200			
Wildwood Correctional Center	11,605,300			

It is the intent of the legislature that the Department of Corrections submit an FY2010 supplemental request for the operating costs associated with the completion of the Wildwood Correctional Center Work Release/Community Residential Center housing project.

Yukon-Kuskokwim Correctional Center	5,471,300			
Point MacKenzie Correctional Farm	3,657,900			
Probation and Parole Director's Office	738,900			
Statewide Probation and Parole	13,409,100			
Electronic Monitoring	1,919,100			
Community Jails	6,115,400			
Community Residential Centers	19,377,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Parole Board	789,800			
Inmate Health Care		**29,742,400**	**19,189,500**	**10,552,900**
Behavioral Health Care	5,213,500			
Physical Health Care	24,528,900			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
K-12 Support		**46,075,400**	**12,347,400**	**33,728,000**
Foundation Program	33,728,000			
Boarding Home Grants	1,690,800			
Youth in Detention	1,100,000			
Special Schools	3,127,500			
Alaska Challenge Youth Academy	6,429,100			
Education Support Services		**6,405,700**	**4,559,400**	**1,846,300**
Executive Administration	2,154,300			
Administrative Services	1,291,000			
Information Services	658,900			
School Finance & Facilities	2,301,500			
Teaching and Learning Support		**213,617,000**	**19,838,400**	**193,778,600**
Student and School Achievement	164,978,000			
Statewide Mentoring Program	4,500,000			
Teacher Certification	701,900			
The amount allocated for Teacher Certification includes the unexpended and unobligated balance on June 30, 2009, of the Department of Education and Early Development receipts from teacher certification fees under AS 14.20.020(c).				
Child Nutrition	35,580,700			
Early Learning Coordination	7,856,400			
Commissions and Boards		**1,880,300**	**970,300**	**910,000**

	Allocations	Appropriation Items	General Funds	Other Funds
Professional Teaching Practices Commission	275,000			
Alaska State Council on the Arts	1,605,300			
Mt. Edgecumbe Boarding School		**7,363,500**	**3,846,000**	**3,517,500**
Mt. Edgecumbe Boarding School	7,363,500			
State Facilities Maintenance		**3,156,600**	**2,045,800**	**1,110,800**
State Facilities Maintenance	1,084,800			
EED State Facilities Rent	2,071,800			
Alaska Library and Museums		**8,842,700**	**6,890,300**	**1,952,400**
Library Operations	5,844,000			
Archives	1,117,000			
Museum Operations	1,881,700			
Alaska Postsecondary Education Commission		**15,759,900**	**2,654,800**	**13,105,100**
Program Administration & Operations	13,105,100			
WWAMI Medical Education	2,654,800			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Administration		**7,715,300**	**2,766,800**	**4,948,500**
Office of the Commissioner	1,002,300			
Information and Administrative Services	4,742,900			

The amount allocated for Information and Administrative Services includes the unexpended and unobligated balance on June 30, 2009, of receipts from all prior fiscal years collected under the Department of Environmental Conservation's federal approved indirect cost

	Allocations	Appropriation Items	General Funds	Other Funds
allocation plan for expenditures incurred by the Department of Environmental Conservation.				
State Support Services	1,970,100			
DEC Buildings Maintenance and Operations		**508,500**	**507,800**	**700**
DEC Buildings Maintenance and Operations	508,500			
Environmental Health		**25,267,600**	**8,401,100**	**16,866,500**
Environmental Health Director	335,500			
Food Safety & Sanitation	4,155,600			
Laboratory Services	3,068,300			
Drinking Water	6,113,200			
Solid Waste Management	2,073,300			
Air Quality Director	257,300			
Air Quality	9,264,400			
Spill Prevention and Response		**17,523,700**	**638,900**	**16,884,800**
Spill Prevention and Response Director	267,700			
Contaminated Sites Program	7,274,300			
Industry Preparedness and Pipeline Operations	4,471,000			
Prevention and Emergency Response	4,040,200			
Response Fund Administration	1,470,500			
Water		**23,143,600**	**6,829,600**	**16,314,000**
Water Quality	15,925,800			
Facility Construction	7,217,800			
* * * * *		* * * * *		
* * * * * **Department of Fish and Game** * * * * *				
* * * * *		* * * * *		

	Allocations	Appropriation Items	General Funds	Other Funds
The amount appropriated for the Department of Fish and Game includes the unexpended and unobligated balance on June 30, 2009, of receipts collected under the Department of Fish and Game's federal indirect cost plan for expenditures incurred by the Department of Fish and Game.				
Commercial Fisheries		**61,223,800**	**35,481,900**	**25,741,900**
The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balance on June 30, 2009, of the Department of Fish and Game receipts from commercial fisheries test fishing operations receipts under AS 16.05.050(a)(15).				
Southeast Region Fisheries Management	7,609,800			
Central Region Fisheries Management	8,414,400			
AYK Region Fisheries Management	6,092,900			
Westward Region Fisheries Management	9,337,300			
Headquarters Fisheries Management	9,443,400			
Commercial Fisheries Special Projects	20,326,000			
The amount appropriated to the Commercial Fisheries Special Projects allocation includes the unexpended and unobligated balances on June 30, 2009, of the Department of Fish and Game, Commercial Fisheries Special Projects, receipt supported services from taxes on dive fishery products.				
Sport Fisheries		**47,652,000**	**3,742,400**	**43,909,600**
Sport Fisheries	47,652,000			
Wildlife Conservation		**36,620,100**	**5,725,500**	**30,894,600**
Wildlife Conservation	24,810,800			
Wildlife Conservation Special Projects	11,309,300			
Hunter Education Public	500,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Shooting Ranges				
Administration and Support		**26,424,500**	**8,840,600**	**17,583,900**
Commissioner's Office	1,590,500			
Administrative Services	10,518,900			
Fish and Game Boards and Advisory Committees	1,649,600			

It is the intent of the Legislature that when the Board of Fisheries holds a meeting, for which the primary topic or proposal concerns one of the following regional areas, that the meeting be held in that regional area.

Alaska Peninsula and Aleutian Islands area;
Arctic-Yukon-Kuskokwim area;
Bristol Bay area;
Cook Inlet area;
Kodiak area;
Prince William Sound area;
Southeast Alaska area.

State Subsistence	5,218,200			
EVOS Trustee Council	3,608,500			
State Facilities Maintenance	1,308,800			
Fish and Game State Facilities Rent	2,530,000			
Habitat		**5,124,800**	**3,447,300**	**1,677,500**
Habitat	5,124,800			
Commercial Fisheries Entry Commission		**3,954,700**		**3,954,700**
Commercial Fisheries Entry Commission	3,954,700			

The amount appropriated for Commercial Fisheries Entry Commission includes the unexpended and unobligated balance on June 30, 2009, of the Department of Fish and Game,

	Allocations	Appropriation Items	General Funds	Other Funds
Commercial Fisheries Entry Commission program receipts from licenses, permits and other fees.				
* * * * *		* * * * *		
* * * * * **Office of the Governor** * * * * *				
* * * * *		* * * * *		
Commissions/Special Offices		**3,106,100**	**2,918,500**	**187,600**
Human Rights Commission	2,106,100			
Redistricting Planning Committee	1,000,000			
Executive Operations		**12,876,500**	**12,781,500**	**95,000**
Executive Office	10,446,600			
Governor's House	478,900			
Contingency Fund	800,000			
Lieutenant Governor	1,151,000			
Office of the Governor State Facilities Rent		**998,300**	**998,300**	
Governor's Office State Facilities Rent	526,200			
Governor's Office Leasing	472,100			
Office of Management and Budget		**2,560,000**	**2,560,000**	
Office of Management and Budget	2,560,000			
Elections		**3,966,200**	**3,226,700**	**739,500**
Elections	3,966,200			
* * * * *		* * * * *		
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *		* * * * *		
No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the				

Social Security Act and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services.

It is the intent of the legislature that the Department continues to aggressively pursue Medicaid cost containment initiatives. Efforts should continue where the Department believes additional cost containment is possible including further efforts to contain travel expenses. The Department must continue efforts imposing regulations controlling and materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be continued utilizing existing resources to impose regulations screening applicants for Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state services. The department must address the entire matrix of optional Medicaid services, reimbursement rates and eligibility requirements that are the basis of the Medicaid growth algorithm. This work is to utilize the results of the Medicaid Assessment and Planning analysis. The legislature requests that by January 2010 the Department be prepared to present projections of future Medicaid funding requirements under our existing statute and regulations and be prepared to present and evaluate the consequences of viable policy alternatives that could be implemented to lower growth rates and reducing projections of future costs.

It is the intent of the legislature that the Department of Health and Social Services eliminate the requirement for narrative and financial quarterly reports for all grant recipients whose grants are $50,000 or less. This is an unnecessary burden and is not a requirement of the federal grants.

It is the intent of the legislature that the Department of Health and Social Services make a single 'upfront' payment for any grant award that is $50,000 or less and includes a signature of the grantee certifying compliance with the terms of the grant with their approved application. Signature of the grantee would also certify that if a final report certifying completion of the grant requirements is not filed, future grants will not be considered for that grantee until all requirements of prior grants are completed satisfactorily. In the event a grantee is deemed ineligible for a future grant consideration due to improper filing of final reports, the grantee will be informed about the department's procedures for future consideration of grant eligibility. The department will establish procedures to consider retroactivity for specific grant consideration or express that the retroactivity cannot be considered for certain grants during

	Allocations	Appropriation Items	General Funds	Other Funds

the selection process.

It is the intent of the legislature that the Department of Health and Social Services continue the Medicaid Reform work to improve efficiency and slow the need for General Funds in the Medicaid program. Specifically, but not exclusively, the Department is to:

1) Complete the evaluation of possible changes to program design, determine waiver changes necessary to secure federal funding and report back to the Second Session of the 26th Alaska Legislature on suggested changes, expected outcomes related to Medicaid sustainability, and resources needed to accomplish the work.

2) Develop and implement public provider reimbursement methodologies and payment rates that will further the goals of Medicaid Reform.

3) Continue and enhance the State and Tribal Medicaid work and partnership to enhance our ability to provide Medicaid services through Tribal Health Organizations.

Alaska Pioneer Homes		**43,309,900**	**19,080,300**	**24,229,600**

It is the intent of the legislature that the Department maintain regulations requiring all residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state subsidy being provided for their care from the State Payment Assistance program.

It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall complete any forms to determine eligibility for supplemental program funding, such as Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant is not able to complete the forms him/herself, or if relatives or guardians of the applicant are not able to complete the forms, Department of Health and Social Services staff may complete the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility per AS 47.25.120.

Alaska Pioneer Homes Management	1,433,300			
Pioneer Homes	41,862,900			
Pioneers Homes Advisory Board	13,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Behavioral Health		**145,020,300**	**21,017,700**	**124,002,600**
AK Fetal Alcohol Syndrome Program	1,292,800			
Alcohol Safety Action Program (ASAP)	2,938,300			
Behavioral Health Medicaid Services	98,849,900			
Behavioral Health Grants	5,651,900			

It is the intent of the legislature that the department continue developing policies and procedures surrounding the awarding of recurring grants to assure that applicants are regularly evaluated on their performance in achieving outcomes consistent with the expectations and missions of the Department related to their specific grant. The recipient's specific performance should be measured and incorporated into the decision whether to continue awarding grants. Performance measurement should be standardized, accurate, objective and fair, recognizing and compensating for differences among grant recipients including acuity of services provided, client base, geographic location and other factors necessary and appropriate to reconcile and compare grant recipient performances across the array of providers and services involved.

It is the intent of the legislature that the $181.0 increment in the FY10 budget for Behavioral Health Grants be used for the Volunteers of America ARCH residential treatment center for adolescents with substance abuse/dependency and co-occurring disorders.

It is the intent of the legislature that $210,000 of this appropriation be used to Combat Alaska's Statewide Heroin Epidemic.

Behavioral Health Administration	7,949,500			
Community Action Prevention & Intervention Grants	1,915,200			
Rural Services and Suicide Prevention	785,900			
Psychiatric Emergency	1,714,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Services				
Services to the Seriously Mentally Ill	2,184,000			
Services for Severely Emotionally Disturbed Youth	1,415,700			
Alaska Psychiatric Institute	20,173,500			
Alaska Psychiatric Institute Advisory Board	10,000			
AK Mental Health & Alcohol & Drug Abuse Boards	139,200			
Children's Services		**131,448,300**	**67,197,000**	**64,251,300**
Children's Medicaid Services	11,960,100			
Children's Services Management	7,242,300			
Children's Services Training	1,824,800			
Front Line Social Workers	41,961,200			
Family Preservation	12,628,800			
Foster Care Base Rate	17,246,000			
Foster Care Augmented Rate	1,776,100			
Foster Care Special Need	5,515,800			

It is the intent of the legislature that $100,400 of this appropriation be used to provide funding for start-up and operational expenses to the Dillingham Therapeutic Foster Home.

Subsidized Adoptions & Guardianship	23,401,600			
Residential Child Care	3,101,200			
Infant Learning Program Grants	4,200,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Children's Trust Programs	589,700			
Health Care Services		**708,124,000**	**208,143,900**	**499,980,100**
Adult Preventative Dental Medicaid Services	7,288,400			

It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over spend authority granted by authorizing statute and adjust benefits available to individual participants as necessary to maintain and conduct the program throughout the entire fiscal year.

Medicaid Services	656,918,100			
Catastrophic and Chronic Illness Assistance (AS 47.08)	1,471,000			
Health Facilities Survey	1,546,800			
Medical Assistance Administration	33,576,200			

It is the intent of the legislature that the Department conduct a complete reenrollment (estimated to cost $1.6 million) of providers in the current Medicaid system to ensure the new MMIS system is certified.

Rate Review	1,739,100			
Health Planning and Infrastructure	3,680,500			
Community Health Grants	1,903,900			
Juvenile Justice		**51,114,300**	**47,201,700**	**3,912,600**
McLaughlin Youth Center	16,470,300			
Mat-Su Youth Facility	2,010,100			
Kenai Peninsula Youth Facility	1,671,700			
Fairbanks Youth Facility	4,334,900			
Bethel Youth Facility	3,502,500			
Nome Youth Facility	2,383,700			
Johnson Youth Center	3,471,100			

		Appropriation	General	Other
	Allocations	**Items**	**Funds**	**Funds**
Ketchikan Regional Youth Facility	1,610,500			
Probation Services	13,046,700			
Delinquency Prevention	1,764,800			
Youth Courts	848,000			
Public Assistance		**286,170,700**	**138,896,700**	**147,274,000**
Alaska Temporary Assistance Program	26,631,800			
Adult Public Assistance	56,370,000			

It is the intent of the legislature that the Interim Assistance cash payments be restricted to those individuals who agree to repay the State of Alaska in the event Supplementary Security Income (SSI) does not determine the individual eligible for cash assistance. It is the intent of the Legislature that the Department of Health and Social Services make all attempts possible to recover the Interim Assistance cash payments in the event an individual is not SSI eligible after receiving Interim Assistance.

Child Care Benefits	48,729,100			
General Relief Assistance	1,555,400			
Tribal Assistance Programs	13,372,700			
Senior Benefits Payment Program	19,623,500			
Permanent Fund Dividend Hold Harmless	13,584,700			
Energy Assistance Program	17,346,200			
Public Assistance Administration	4,291,600			
Public Assistance Field Services	36,309,400			

It is the intent of the legislature that there shall be no fee agents engaged in activities within 50 road miles of any public assistance office.

Fraud Investigation	1,838,900			
Quality Control	1,878,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Work Services	16,040,800			
Women, Infants and Children	28,598,500			
Public Health		**93,880,900**	**34,661,500**	**59,219,400**
Injury Prevention/Emergency Medical Services	4,096,500			
Nursing	26,803,300			
Women, Children and Family Health	9,301,600			
Public Health Administrative Services	3,287,900			
Preparedness Program	4,500,800			
Certification and Licensing	5,283,900			
Chronic Disease Prevention and Health Promotion	8,139,800			
Epidemiology	10,799,000			
Bureau of Vital Statistics	2,679,200			
Emergency Medical Services Grants	2,820,600			
State Medical Examiner	2,244,400			
Public Health Laboratories	6,510,600			
Tobacco Prevention and Control	7,413,300			
Senior and Disabilities Services		**389,665,300**	**152,418,700**	**237,246,600**

It is the intent of the legislature that regulations related to the General Relief / Temporary Assisted Living program be reviewed and revised as needed to minimize the length of time that the state provides housing alternatives and assure the services are provided only to intended beneficiaries who are actually experiencing harm, abuse or neglect. The department should educate care coordinators and direct service providers about who should be referred

	Allocations	Appropriation Items	General Funds	Other Funds
and when they are correctly referred to the program in order that referring agents correctly match consumer needs with the program services intended by the department.				
General Relief/Temporary Assisted Living	2,748,400			
Senior and Disabilities Medicaid Services	356,450,000			
Senior and Disabilities Services Administration	10,735,900			
Senior Community Based Grants	9,876,100			
It is the intent of the legislature that funding in the FY 2010 budget for Senior Community Based Grants be used to invest in successful home and community based supports provided by grantees who have demonstrated successful outcomes documented in accordance with the department's performance based evaluation procedures.				
It is the intent of the legislature that $609,900 of this appropriation be used to hold harmless those regions that will see a reduction in available grants for Family Caregiver, Nutrition, Transportation and Support, and In Home Services due to the State's implementation of a new statewide funding formula.				
Senior Residential Services	815,000			
Community Developmental Disabilities Grants	6,727,000			
Commission on Aging	364,500			
Governor's Council on Disabilities and Special Education	1,948,400			
Departmental Support Services		**47,416,500**	**16,632,300**	**30,784,200**
Public Affairs	1,960,100			
Quality Assurance and Audit	1,174,600			
Commissioner's Office	2,095,000			
It is the intent of the legislature that the Department of Health and Social Services complete				

	Allocations	Appropriation Items	General Funds	Other Funds

the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid providers:

1. Develop regulations addressing the use of extrapolation methodology following an audit of Medicaid providers that clearly defines the difference between actual overpayment of funds to a provider and ministerial omission or clerical billing error that does not result in overpayment to the provider. The extrapolation methodology will also define percentage of 'safe harbor' overpayment rates for which extrapolation methodology will be applied.

2. Develop training standards and definitions regarding ministerial and billing errors versus overpayments. Include the use of those standards and definitions in the State's audit contracts.

All audits initiated after the effective date of this intent and resulting in findings of overpayment will be calculated under the Department's new regulations governing overpayment standards and extrapolation methodology.

It is the intent of the legislature that the department develops a ten year funding source and use of funds projection for the entire department.

It is the intent of the legislature that the department continue working on implementing a provider rate rebasing process and specific funding recommendations for both Medicaid and non-Medicaid providers to be completed and available to the legislature no later than December 15, 2009.

Assessment and Planning	250,000
Administrative Support Services	9,916,800
Hearings and Appeals	764,200
Medicaid School Based Administrative Claims	6,243,800
Facilities Management	1,242,800
Information Technology Services	14,719,100
Facilities Maintenance	2,454,900
Pioneers' Homes Facilities Maintenance	2,125,000
HSS State Facilities Rent	4,470,200

	Allocations	Appropriation Items	General Funds	Other Funds
Human Services Community Matching Grant		**1,485,300**	**1,485,300**	
Human Services Community Matching Grant	1,485,300			
Community Initiative Matching Grants (non-statutory grants)		**686,000**	**673,600**	**12,400**
Community Initiative Matching Grants (non-statutory grants)	686,000			
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* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
Commissioner and Administrative Services		**20,057,800**	**6,754,000**	**13,303,800**
Commissioner's Office	1,056,300			
Alaska Labor Relations Agency	501,500			
Management Services	3,257,000			
The amount allocated for Management Services includes the unexpended and unobligated balance on June 30, 2009, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for expenditures incurred by the Department of Labor and Workforce Development.				
Human Resources	846,500			
Leasing	3,335,500			
Data Processing	6,481,400			
Labor Market Information	4,579,600			
Workers' Compensation and Safety		**22,285,500**	**1,800,300**	**20,485,200**
Workers' Compensation	5,162,000			
Workers' Compensation	550,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Appeals Commission				
Workers' Compensation Benefits Guaranty Fund	280,000			
Second Injury Fund	3,978,000			
Fishermens Fund	1,618,500			
Wage and Hour Administration	2,308,400			
Mechanical Inspection	2,669,600			
Occupational Safety and Health	5,592,300			
Alaska Safety Advisory Council	125,800			

The amount allocated for the Alaska Safety Advisory Council includes the unexpended and unobligated balance on June 30, 2009, of the Department of Labor and Workforce Development, Alaska Safety Advisory Council receipts under AS 18.60.840.

Workforce Development		**94,989,700**	**7,584,600**	**87,405,100**
Employment and Training Services	29,246,900			
Unemployment Insurance	20,533,400			
Adult Basic Education	3,265,000			
Workforce Investment Board	599,400			
Business Services	37,410,500			
Kotzebue Technical Center Operations Grant	1,450,200			
Southwest Alaska Vocational and Education Center Operations Grant	478,400			
Yuut Elitnaurviat, Inc. People's Learning Center Operations Grant	850,200			
Northwest Alaska Career and	683,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Technical Center				
Delta Career Advancement Center	283,400			
New Frontier Vocational Technical Center	188,900			
Alaska Construction Academy Training Opportunities		**3,500,000**	**3,500,000**	
Construction Academy Training	3,500,000			
Vocational Rehabilitation		**24,833,200**	**5,300,000**	**19,533,200**
Vocational Rehabilitation Administration	1,565,100			

The amount allocated for Vocational Rehabilitation Administration includes the unexpended and unobligated balance on June 30, 2009, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for expenditures incurred by the Department of Labor and Workforce Development.

Client Services	14,361,200			
Independent Living Rehabilitation	1,689,100			
Disability Determination	5,160,100			
Special Projects	1,196,400			
Assistive Technology	632,900			
Americans With Disabilities Act (ADA)	228,400			

The amount allocated for the Americans with Disabilities Act includes the unexpended and unobligated balance on June 30, 2009, of inter-agency receipts collected by the Department of Labor and Workforce Development for cost allocation of the Americans with Disabilities Act.

Alaska Vocational Technical Center		**12,184,300**	**4,852,900**	**7,331,400**
Alaska Vocational Technical Center	10,626,200			

	Allocations	Appropriation Items	General Funds	Other Funds
AVTEC Facilities Maintenance	1,558,100			
*****	*****			
***** Department of Law *****				
*****	*****			
Criminal Division		**29,514,600**	**23,969,900**	**5,544,700**
First Judicial District	1,887,700			
Second Judicial District	1,718,900			
Third Judicial District: Anchorage	7,223,600			
Third Judicial District: Outside Anchorage	5,006,400			
Fourth Judicial District	5,447,400			
Criminal Justice Litigation	2,318,300			
Criminal Appeals/Special Litigation	5,912,300			
Civil Division		**46,879,100**	**24,576,700**	**22,302,400**
Deputy Attorney General's Office	907,400			
Collections and Support	2,683,700			
Commercial and Fair Business	4,899,400			

The amount allocated for Commercial and Fair Business includes the unexpended and unobligated balance on June 30, 2009, of designated program receipts of the Department of Law, Commercial and Fair Business section, that are required by the terms of a settlement or judgment to be spent by the state for consumer education or consumer protection.

Environmental Law	2,097,900			
Human Services and Child Protection	6,570,700			
Labor and State Affairs	5,811,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Legislation/Regulations	818,600			
Natural Resources	1,300,300			
Oil, Gas and Mining	10,029,400			
Opinions, Appeals and Ethics	1,780,900			
Regulatory Affairs Public Advocacy	1,536,800			
Statehood Defense	1,066,800			
Timekeeping and Litigation Support	1,595,000			
Torts & Workers' Compensation	3,373,000			
Transportation Section	2,407,900			
Administration and Support		**3,391,800**	**2,178,000**	**1,213,800**
Office of the Attorney General	644,700			
Administrative Services	2,260,100			
Dimond Courthouse Public Building Fund	487,000			
BP Corrosion		**3,500,000**	**3,500,000**	
BP Corrosion	3,500,000			
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* * * * * **Department of Military and Veterans Affairs** * * * * *				
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Military and Veteran's Affairs		**45,556,800**	**10,316,100**	**35,240,700**
Office of the Commissioner	4,131,200			
Homeland Security and Emergency Management	6,752,200			
Local Emergency Planning Committee	300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
National Guard Military Headquarters	859,300			
Army Guard Facilities Maintenance	12,207,200			
Air Guard Facilities Maintenance	6,929,700			
Alaska Military Youth Academy	10,797,300			
Veterans' Services	1,025,100			
Alaska Statewide Emergency Communications	2,229,800			
State Active Duty	325,000			
Alaska National Guard		**960,800**	**960,800**	
Benefits				
Educational Benefits	80,000			
Retirement Benefits	880,800			
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* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Resource Development		**94,014,300**	**45,718,600**	**48,295,700**
Commissioner's Office	1,063,400			
Administrative Services	2,541,300			

The amount allocated for Administrative Services includes the unexpended and unobligated balance on June 30, 2009, of receipts from all prior fiscal years collected under the Department of Natural Resource's federal indirect cost plan for expenditures incurred by the Department of Natural Resources.

Information Resource Management	3,412,000			
Oil & Gas Development	13,858,600			
Petroleum Systems Integrity Office	1,118,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Pipeline Coordinator	7,896,300			
Gas Pipeline Implementation	3,881,700			
Alaska Coastal and Ocean Management	4,385,400			
Large Project Permitting	3,031,900			
Claims, Permits & Leases	10,679,600			
Land Sales & Municipal Entitlements	5,012,200			
Title Acquisition & Defense	2,583,300			
Water Development	1,926,000			
Director's Office/Mining, Land, & Water	438,600			
Forest Management and Development	6,112,200			

The amount allocated for Forest Management and Development includes the unexpended and unobligated balance on June 30, 2009, of the timber receipts account (AS 38.05.110).

Non-Emergency Hazard Mitigation Projects	460,500			
Geological Development	7,624,800			
Recorder's Office/Uniform Commercial Code	4,470,400			
Agricultural Development	2,105,900			
North Latitude Plant Material Center	2,095,500			
Agriculture Revolving Loan Program Administration	2,550,000			
Conservation and Development Board	116,000			
Public Services Office	495,800			
Trustee Council Projects	426,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Interdepartmental Information Technology Chargeback	1,706,000			
Human Resources Chargeback	929,500			
DNR Facilities Rent and Chargeback	2,792,500			
Facilities Maintenance	300,000			
State Public Domain & Public Access		**600,800**	**525,100**	**75,700**
Citizen's Advisory Commission on Federal Areas	252,800			
RS 2477/Navigability Assertions and Litigation Support	348,000			
Fire Suppression		**28,360,900**	**21,832,900**	**6,528,000**
Fire Suppression Preparedness	16,688,000			
Fire Suppression Activity	11,672,900			
Parks and Recreation Management		**12,519,800**	**5,874,400**	**6,645,400**
State Historic Preservation Program	1,846,200			
The amount allocated for the State Historic Preservation Program includes up to $15,500 general fund program receipt authorization from the unexpended and unobligated balance on June 30, 2009, of the receipts collected under AS 41.35.380.				
Parks Management	8,451,300			
The amount allocated for Parks Management includes the unexpended and unobligated balance on June 30, 2009, of the receipts collected under AS 41.21.026.				
Parks & Recreation Access	2,222,300			
Commissioner's Office		**-109,100**	**-109,100**	

	Allocations	Appropriation Items	General Funds	Other Funds
Agency-wide Unallocated Reduction	-109,100			
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Fire and Life Safety		**5,807,900**	**2,233,300**	**3,574,600**
Fire and Life Safety Operations	2,849,900			
Training and Education Bureau	2,958,000			
Alaska Fire Standards Council		**486,100**	**232,200**	**253,900**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of the receipts collected under AS 18.70.350(4) and AS 18.70.360.				
Alaska Fire Standards Council	486,100			
Alaska State Troopers		**113,299,700**	**97,381,200**	**15,918,500**
It is the intent of the legislature that the Department of Public Safety provide additional state trooper coverage for international border communities to help meet Federal and Homeland Security requirements.				
Special Projects	8,802,700			
Alaska State Troopers Director's Office	336,700			
Alaska Bureau of Judicial Services	8,736,600			
Prisoner Transportation	2,154,200			
Search and Rescue	387,900			
Rural Trooper Housing	2,680,100			
Narcotics Task Force	3,899,800			
Alaska State Trooper Detachments	50,427,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Bureau of Investigation	5,675,300			
Alaska Bureau of Alcohol and Drug Enforcement	2,737,600			
Alaska Wildlife Troopers	17,678,800			
Alaska Wildlife Troopers Aircraft Section	5,454,500			
Alaska Wildlife Troopers Marine Enforcement	2,930,800			
Alaska Wildlife Troopers Director's Office	358,600			
Alaska Wildlife Troopers Investigations	1,038,200			
Village Public Safety Officer Program		**9,571,000**	**9,405,700**	**165,300**
VPSO Contracts	9,136,600			
Support	434,400			
Alaska Police Standards Council		**1,164,600**		**1,164,600**

The amount appropriated by this appropriation includes up to $125,000 of the unexpended and unobligated balance on June 30, 2009, of the receipts collected under AS 12.25.195(c), AS 12.55.039, AS 28.05.151, and AS 29.25.074 and receipts collected under AS 18.65.220(7).

Alaska Police Standards Council	1,164,600			
Council on Domestic Violence and Sexual Assault		**13,148,100**	**200,000**	**12,948,100**

Notwithstanding AS 43.23.028(b)(2), up to 10% of the amount appropriated by this appropriation under AS 43.23.028(b)(2) to the Council on Domestic Violence and Sexual Assault may be used to fund operations and grant administration.

	Allocations	Appropriation Items	General Funds	Other Funds
It is the intent of the legislature that PFD Appropriations in lieu of Dividends to Criminals funds be used before general funds for CDVSA program funding.				
Council on Domestic Violence and Sexual Assault	12,948,100			
Batterers Intervention Program	200,000			
Statewide Support		**22,977,400**	**15,528,300**	**7,449,100**
Commissioner's Office	1,215,600			
Training Academy	2,430,600			
Administrative Services	3,724,000			
Alaska Wing Civil Air Patrol	553,500			
Alcoholic Beverage Control Board	1,470,000			
Alaska Public Safety Information Network	3,262,700			
Alaska Criminal Records and Identification	5,217,400			
The amount allocated for Alaska Criminal Records and Identification includes up to $125,000 of the unexpended and unobligated balance on June 30, 2009, of the receipts collected by the Department of Public Safety from the Alaska automated fingerprint system under AS 44.41.025(b).				
Laboratory Services	5,103,600			
Statewide Facility Maintenance		**608,800**		**608,800**
Facility Maintenance	608,800			
DPS State Facilities Rent		**114,400**	**114,400**	
DPS State Facilities Rent	114,400			
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* * * * * **Department of Revenue** * * * * *				
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	Allocations	Appropriation Items	General Funds	Other Funds
Taxation and Treasury		**71,092,000**	**16,789,000**	**54,303,000**
Tax Division	14,179,300			
Treasury Division	6,143,900			
Unclaimed Property	355,200			
Alaska Retirement Management Board	7,899,900			
Alaska Retirement Management Board Custody and Management Fees	34,872,900			
Permanent Fund Dividend Division	7,640,800			
Child Support Services		**25,304,800**	**174,700**	**25,130,100**
Child Support Services Division	25,304,800			
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2009, of the receipts collected under the state's share of child support collections for reimbursement of the cost of the Alaska temporary assistance program as provided under AS 25.27.120.				
Administration and Support		**2,824,300**	**778,200**	**2,046,100**
Commissioner's Office	919,700			
Administrative Services	1,562,600			
State Facilities Rent	342,000			
Alaska Natural Gas Development Authority		**312,100**	**312,100**	
Gas Authority Operations	312,100			
Alaska Mental Health Trust Authority		**558,200**	**110,100**	**448,100**
Mental Health Trust Operations	30,000			
Long Term Care Ombudsman Office	528,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Municipal Bond Bank Authority		**828,100**		**828,100**
AMBBA Operations	828,100			
Alaska Housing Finance Corporation		**53,646,200**		**53,646,200**
AHFC Operations	53,246,200			
Anchorage State Office Building	400,000			
Alaska Permanent Fund Corporation		**92,122,100**		**92,122,100**
APFC Operations	9,707,100			
APFC Custody and Management Fees	82,415,000			
* * * * *			* * * * *	
* * * * * **Department of Transportation & Public Facilities** * * * * *				
* * * * *			* * * * *	
Administration and Support		**43,249,700**	**13,905,900**	**29,343,800**
Commissioner's Office	1,763,700			
Contracting and Appeals	307,100			
Equal Employment and Civil Rights	987,700			
Internal Review	1,085,700			
Transportation Management and Security	1,231,900			
Statewide Administrative Services	4,825,700			
Statewide Information Systems	4,131,200			
Leased Facilities	2,281,100			
Human Resources	2,663,900			
Statewide Procurement	1,332,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Central Region Support Services	1,041,200			
Northern Region Support Services	1,377,700			
Southeast Region Support Services	868,200			
Statewide Aviation	2,720,100			
International Airport Systems Office	887,100			
Program Development	4,752,500			

Per AS 19.10.075(b), this allocation includes $75,400 representing an amount equal to 50% of the fines collected under AS 28.90.030 during the fiscal year ending June 30, 2008.

Central Region Planning	1,844,200			
Northern Region Planning	1,847,000			
Southeast Region Planning	608,600			
Measurement Standards & Commercial Vehicle Enforcement	6,692,800			

The amount allocated for Measurement Standards and Commercial Vehicle Enforcement includes the unexpended and unobligated balance on June 30, 2009, of the Unified Carrier Registration Program receipts collected by the Department of Transportation and Public Facilities.

Design, Engineering and Construction		**105,018,700**	**3,979,400**	**101,039,300**
Statewide Public Facilities	3,849,200			
Statewide Design and Engineering Services	10,190,400			
Central Design and Engineering Services	20,412,000			
Northern Design and Engineering Services	16,427,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Southeast Design and Engineering Services	9,825,300			
Central Region Construction and CIP Support	19,129,600			
Northern Region Construction and CIP Support	15,808,000			
Southeast Region Construction	7,817,600			
Knik Arm Bridge/Toll Authority	1,559,600			
State Equipment Fleet		**26,494,200**		**26,494,200**
State Equipment Fleet	26,494,200			
Highways, Aviation and Facilities		**156,548,200**	**133,829,800**	**22,718,400**
Central Region Facilities	7,787,300			
Northern Region Facilities	12,115,600			
Southeast Region Facilities	1,437,100			
Traffic Signal Management	1,633,800			
Central Region Highways and Aviation	47,801,600			
Northern Region Highways and Aviation	65,771,800			
Southeast Region Highways and Aviation	15,630,800			

The amounts allocated for highways and aviation shall lapse into the general fund on August 31, 2010.

Whittier Access and Tunnel	4,370,200

The amount allocated for Whittier Access and Tunnel includes the unexpended and unobligated balance on June 30, 2009, of the Whittier Tunnel toll receipts collected by the Department of Transportation and Public Facilities under AS 19.05.040(11).

	Allocations	Appropriation Items	General Funds	Other Funds
International Airports		**70,053,400**		**70,053,400**
Anchorage Airport Administration	7,811,400			
Anchorage Airport Facilities	19,750,400			
Anchorage Airport Field and Equipment Maintenance	12,071,700			
Anchorage Airport Operations	5,387,900			
Anchorage Airport Safety	11,059,400			
Fairbanks Airport Administration	1,793,700			
Fairbanks Airport Facilities	3,115,200			
Fairbanks Airport Field and Equipment Maintenance	3,542,000			
Fairbanks Airport Operations	1,240,700			
Fairbanks Airport Safety	4,281,000			
Marine Highway System		**129,433,700**	**78,523,400**	**50,910,300**
Marine Vessel Operations	110,853,800			
It is the intent of the legislature that money allocated for the Marine Transportation Advisory Board not be spent for any other purpose.				
Marine Engineering	3,113,000			
Overhaul	1,698,400			
Reservations and Marketing	3,195,500			
Marine Shore Operations	6,779,600			
Vessel Operations Management	3,793,400			

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *	* * * * *		
	* * * * * University of Alaska * * * * *			
	* * * * *	* * * * *		
Budget Reductions/Additions		**-1,750,000**	**-1,593,800**	**-156,200**
Budget Reductions/Additions - Systemwide	-1,750,000			
It is the intent of the legislature that the University consider forgoing Executive position pay raises in light of the current fiscal situation.				
Statewide Programs and Services		**65,393,500**	**26,714,100**	**38,679,400**
Statewide Services	36,866,400			
Office of Information Technology	18,892,500			
Systemwide Education and Outreach	9,634,600			
University of Alaska Anchorage		**273,564,400**	**117,204,600**	**156,359,800**
Anchorage Campus	241,269,800			
Kenai Peninsula College	11,747,400			
Kodiak College	4,309,500			
Matanuska-Susitna College	9,169,600			
Prince William Sound Community College	7,068,100			
Small Business Development Center		**887,200**	**807,200**	**80,000**
Small Business Development Center	887,200			
University of Alaska Fairbanks		**370,318,800**	**126,698,900**	**243,619,900**
Fairbanks Campus	235,028,500			
Fairbanks Organized	135,290,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Research				
University of Alaska		**56,135,200**	**24,192,100**	**31,943,100**
Community Campuses				
Bristol Bay Campus	3,499,400			
Chukchi Campus	2,035,300			
College of Rural and Community Development	13,190,200			
Interior-Aleutians Campus	4,833,200			
Kuskokwim Campus	6,532,200			
Northwest Campus	2,924,200			
Tanana Valley Campus	12,648,000			
Cooperative Extension Service	10,472,700			
University of Alaska		**54,418,300**	**26,538,300**	**27,880,000**
Southeast				
Juneau Campus	41,528,100			
Ketchikan Campus	5,176,000			
Sitka Campus	7,714,200			
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Alaska Court System		**86,455,300**	**84,273,700**	**2,181,600**
Appellate Courts	6,158,400			
Trial Courts	70,338,500			
Administration and Support	9,516,100			
Therapeutic Courts	442,300			

It is the intent of the legislature that, as much as is possible, FY 2011 funding for Therapeutic Courts currently appropriated in other agencies be aggregated in the Therapeutic Courts allocation within the Alaska Court System.

Commission on Judicial Conduct	**362,600**	**362,600**	

	Allocations	Appropriation Items	General Funds	Other Funds
Commission on Judicial Conduct	362,600			
Judicial Council		**1,017,700**	**1,017,700**	
Judicial Council	1,017,700			
* * * * *		* * * * *		
* * * * * **Alaska Legislature** * * * * *				
* * * * *		* * * * *		
Budget and Audit Committee		**19,501,800**	**19,251,800**	**250,000**
Legislative Audit	4,550,600			
Legislative Finance	8,260,700			
Committee Expenses	6,476,400			
Legislature State Facilities Rent	214,100			
Legislative Council		**34,930,800**	**34,073,500**	**857,300**
Salaries and Allowances	6,051,500			
Administrative Services	12,111,900			
Session Expenses	9,440,900			
Council and Subcommittees	1,288,400			
Legal and Research Services	3,877,100			
Select Committee on Ethics	214,800			
Office of Victims Rights	901,200			
Ombudsman	1,045,000			
Legislative Operating Budget		**11,637,400**	**11,637,400**	
Legislative Operating Budget	11,637,400			

(SECTION 2 OF THIS ACT BEGINS ON PAGE 45)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source			Amount
Department of Administration			
	1002	Federal Receipts	2,492,900
	1004	Unrestricted General Fund Receipts	70,315,400
	1005	General Fund/Program Receipts	1,400,800
	1007	Interagency Receipts	110,636,300
	1017	Group Health and Life Benefits Fund	22,147,200
	1023	FICA Administration Fund Account	142,000
	1029	Public Employees Retirement Trust Fund	6,947,200
	1031	Second Injury Fund Reserve Account	100
	1032	Fishermen's Fund	100
	1033	Federal Surplus Property Revolving Fund	385,200
	1034	Teachers Retirement Trust Fund	2,697,400
	1036	Commercial Fishing Loan Fund	1,800
	1040	Real Estate Surety Fund	100
	1042	Judicial Retirement System	118,400
	1045	National Guard Retirement System	208,700
	1050	Permanent Fund Dividend Fund	11,200
	1061	Capital Improvement Project Receipts	1,980,800
	1070	Fisheries Enhancement Revolving Loan Fund	200
	1081	Information Services Fund	35,759,100
	1102	Alaska Industrial Development & Export Authority Receipts	2,000
	1105	Permanent Fund Corporation Receipts	600
	1108	Statutory Designated Program Receipts	795,900
	1141	Regulatory Commission of Alaska Receipts	3,100
	1147	Public Building Fund	12,702,500
	1156	Receipt Supported Services	15,365,300
	1157	Workers Safety and Compensation	4,000

		Administration Account	
	1162	Alaska Oil & Gas Conservation Commission	5,526,800
		Receipts	
	1171	PFD Appropriations in lieu of Dividends to	1,585,500
		Criminals	
	1172	Building Safety Account	1,000
	1175	Business License & Corporation Filing Fees	1,300
		and Taxes	
	*** Total Agency Funding ***		$291,232,900
	Department of Commerce, Community and Economic Development		
	1002	Federal Receipts	64,592,700
	1003	General Fund Match	824,000
	1004	Unrestricted General Fund Receipts	13,987,500
	1005	General Fund/Program Receipts	18,700
	1007	Interagency Receipts	13,404,400
	1036	Commercial Fishing Loan Fund	3,784,500
	1040	Real Estate Surety Fund	280,000
	1061	Capital Improvement Project Receipts	4,480,100
	1062	Power Project Fund	1,056,500
	1070	Fisheries Enhancement Revolving Loan Fund	564,100
	1074	Bulk Fuel Revolving Loan Fund	53,700
	1101	Alaska Aerospace Development Corporation	522,900
		Revolving Fund	
	1102	Alaska Industrial Development & Export	5,443,600
		Authority Receipts	
	1107	Alaska Energy Authority Corporate Receipts	1,067,100
	1108	Statutory Designated Program Receipts	474,800
	1141	Regulatory Commission of Alaska Receipts	8,179,600
	1156	Receipt Supported Services	27,329,300
	1164	Rural Development Initiative Fund	52,500
	1170	Small Business Economic Development	50,700

		Revolving Loan Fund	
	1175	Business License & Corporation Filing Fees and Taxes	4,671,300
	1195	Special Vehicle Registration Receipts	136,900
	1200	Vehicle Rental Tax Receipts	4,531,700
	1208	Bulk Fuel Bridge Loan Fund	219,100
	1209	Alaska Capstone Avionics Revolving Loan Fund	122,300
	*** Total Agency Funding ***		$155,848,000
Department of Corrections			
	1002	Federal Receipts	3,187,300
	1003	General Fund Match	128,400
	1004	Unrestricted General Fund Receipts	205,584,900
	1005	General Fund/Program Receipts	85,000
	1007	Interagency Receipts	12,938,900
	1061	Capital Improvement Project Receipts	519,800
	1108	Statutory Designated Program Receipts	2,715,800
	1156	Receipt Supported Services	5,172,400
	1171	PFD Appropriations in lieu of Dividends to Criminals	10,256,100
	*** Total Agency Funding ***		$240,588,600
Department of Education and Early Development			
	1002	Federal Receipts	193,814,700
	1003	General Fund Match	947,100
	1004	Unrestricted General Fund Receipts	52,131,400
	1005	General Fund/Program Receipts	73,900
	1007	Interagency Receipts	7,447,900
	1014	Donated Commodity/Handling Fee Account	352,800
	1043	Federal Impact Aid for K-12 Schools	20,791,000
	1066	Public School Trust Fund	12,937,000
	1106	Alaska Commission on Postsecondary	12,205,100

		Education Receipts	
	1108	Statutory Designated Program Receipts	902,800
	1145	Art in Public Places Fund	30,000
	1151	Technical Vocational Education Program Receipts	377,900
	1156	Receipt Supported Services	1,089,500
	*** Total Agency Funding ***		$303,101,100
Department of Environmental Conservation			
	1002	Federal Receipts	21,497,600
	1003	General Fund Match	4,014,600
	1004	Unrestricted General Fund Receipts	13,503,500
	1005	General Fund/Program Receipts	1,626,100
	1007	Interagency Receipts	1,567,100
	1018	Exxon Valdez Oil Spill Trust	96,900
	1052	Oil/Hazardous Release Prevention & Response Fund	14,094,900
	1061	Capital Improvement Project Receipts	4,105,700
	1075	Alaska Clean Water Fund	67,300
	1093	Clean Air Protection Fund	4,264,000
	1108	Statutory Designated Program Receipts	225,300
	1156	Receipt Supported Services	3,874,900
	1166	Commercial Passenger Vessel Environmental Compliance Fund	1,179,700
	1205	Berth Fees for the Ocean Ranger Program	4,041,100
	*** Total Agency Funding ***		$74,158,700
Department of Fish and Game			
	1002	Federal Receipts	55,112,500
	1003	General Fund Match	422,600
	1004	Unrestricted General Fund Receipts	56,797,200
	1005	General Fund/Program Receipts	17,900
	1007	Interagency Receipts	12,439,400

1018	Exxon Valdez Oil Spill Trust	4,672,100
1024	Fish and Game Fund	24,279,700
1036	Commercial Fishing Loan Fund	1,326,300
1055	Inter-Agency/Oil & Hazardous Waste	113,500
1061	Capital Improvement Project Receipts	7,503,600
1108	Statutory Designated Program Receipts	7,657,000
1109	Test Fisheries Receipts	2,524,400
1156	Receipt Supported Services	505,700
1194	Fish and Game Nondedicated Receipts	1,682,000
1199	Alaska Sport Fishing Enterprise Account	500,000
1201	Commercial Fisheries Entry Commission Receipts	5,446,000
*** Total Agency Funding ***		$180,999,900
Office of the Governor		
1002	Federal Receipts	187,600
1004	Unrestricted General Fund Receipts	22,480,100
1005	General Fund/Program Receipts	4,900
1061	Capital Improvement Project Receipts	739,500
1108	Statutory Designated Program Receipts	95,000
*** Total Agency Funding ***		$23,507,100
Department of Health and Social Services		
1002	Federal Receipts	982,555,500
1003	General Fund Match	367,897,200
1004	Unrestricted General Fund Receipts	339,511,500
1007	Interagency Receipts	62,902,200
1013	Alcoholism and Drug Abuse Revolving Loan Fund	2,000
1050	Permanent Fund Dividend Fund	13,584,700
1061	Capital Improvement Project Receipts	4,376,500
1098	Children's Trust Earnings	399,700
1099	Children's Trust Principal	150,000

1108	Statutory Designated Program Receipts	18,886,700
1156	Receipt Supported Services	24,317,600
1168	Tobacco Use Education and Cessation Fund	9,214,300
1212	Federal Economic Stimulus FY09	74,523,600
*** Total Agency Funding ***		$1,898,321,500
Department of Labor and Workforce Development		
1002	Federal Receipts	87,638,200
1003	General Fund Match	6,667,100
1004	Unrestricted General Fund Receipts	23,038,200
1005	General Fund/Program Receipts	86,500
1007	Interagency Receipts	25,141,500
1031	Second Injury Fund Reserve Account	3,977,800
1032	Fishermen's Fund	1,618,500
1049	Training and Building Fund	1,048,900
1054	State Training & Employment Program	8,935,900
1061	Capital Improvement Project Receipts	310,900
1108	Statutory Designated Program Receipts	682,800
1117	Vocational Rehabilitation Small Business Enterprise Fund	325,000
1151	Technical Vocational Education Program Receipts	4,841,800
1156	Receipt Supported Services	2,611,900
1157	Workers Safety and Compensation Administration Account	8,712,900
1172	Building Safety Account	1,932,600
1203	Workers Compensation Benefits Guarantee Fund	280,000
*** Total Agency Funding ***		$177,850,500
Department of Law		
1002	Federal Receipts	3,880,300
1003	General Fund Match	177,800

1004	Unrestricted General Fund Receipts	53,408,300
1005	General Fund/Program Receipts	638,500
1007	Interagency Receipts	20,704,400
1055	Inter-Agency/Oil & Hazardous Waste	548,600
1061	Capital Improvement Project Receipts	104,100
1105	Permanent Fund Corporation Receipts	1,477,000
1108	Statutory Designated Program Receipts	644,700
1141	Regulatory Commission of Alaska Receipts	1,536,800
1168	Tobacco Use Education and Cessation Fund	165,000
*** Total Agency Funding ***		$83,285,500
Department of Military and Veterans Affairs		
1002	Federal Receipts	22,235,300
1003	General Fund Match	2,657,300
1004	Unrestricted General Fund Receipts	8,591,200
1005	General Fund/Program Receipts	28,400
1007	Interagency Receipts	11,454,200
1061	Capital Improvement Project Receipts	1,116,200
1108	Statutory Designated Program Receipts	435,000
*** Total Agency Funding ***		$46,517,600
Department of Natural Resources		
1002	Federal Receipts	13,804,300
1003	General Fund Match	2,160,800
1004	Unrestricted General Fund Receipts	65,192,200
1005	General Fund/Program Receipts	3,675,200
1007	Interagency Receipts	6,391,900
1018	Exxon Valdez Oil Spill Trust	416,900
1021	Agricultural Revolving Loan Fund	2,550,000
1055	Inter-Agency/Oil & Hazardous Waste	71,300
1061	Capital Improvement Project Receipts	5,729,400
1105	Permanent Fund Corporation Receipts	5,152,900
1108	Statutory Designated Program Receipts	12,062,700

1153	State Land Disposal Income Fund	7,069,600
1154	Shore Fisheries Development Lease Program	365,800
1155	Timber Sale Receipts	832,200
1156	Receipt Supported Services	7,097,800
1200	Vehicle Rental Tax Receipts	2,813,700
*** Total Agency Funding ***		$135,386,700
Department of Public Safety		
1002	Federal Receipts	11,540,000
1003	General Fund Match	641,000
1004	Unrestricted General Fund Receipts	123,122,300
1005	General Fund/Program Receipts	1,331,800
1007	Interagency Receipts	7,457,200
1055	Inter-Agency/Oil & Hazardous Waste	50,200
1061	Capital Improvement Project Receipts	8,082,600
1108	Statutory Designated Program Receipts	2,090,400
1152	Alaska Fire Standards Council Receipts	253,900
1156	Receipt Supported Services	3,968,600
1171	PFD Appropriations in lieu of Dividends to Criminals	8,640,000
*** Total Agency Funding ***		$167,178,000
Department of Revenue		
1002	Federal Receipts	36,527,700
1004	Unrestricted General Fund Receipts	17,363,800
1005	General Fund/Program Receipts	800,300
1007	Interagency Receipts	5,341,400
1016	CSSD Federal Incentive Payments	1,800,000
1017	Group Health and Life Benefits Fund	1,628,900
1027	International Airports Revenue Fund	31,900
1029	Public Employees Retirement Trust Fund	26,558,500
1034	Teachers Retirement Trust Fund	13,657,700
1042	Judicial Retirement System	381,900

1	1045	National Guard Retirement System	245,000
2	1046	Education Loan Fund	54,900
3	1050	Permanent Fund Dividend Fund	7,404,900
4	1061	Capital Improvement Project Receipts	2,116,500
5	1066	Public School Trust Fund	104,400
6	1098	Children's Trust Earnings	15,200
7	1103	Alaska Housing Finance Corporation Receipts	30,155,600
8	1104	Alaska Municipal Bond Bank Receipts	828,100
9	1105	Permanent Fund Corporation Receipts	92,204,200
10	1108	Statutory Designated Program Receipts	465,900
11	1133	CSSD Administrative Cost Reimbursement	1,283,300
12	1156	Receipt Supported Services	7,533,300
13	1169	Power Cost Equalization Endowment Fund	160,400
14	1192	Mine Reclamation Trust Fund	24,000
15	*** Total Agency Funding ***		$246,687,800
16	**Department of Transportation & Public Facilities**		
17	1002	Federal Receipts	3,988,200
18	1004	Unrestricted General Fund Receipts	229,499,500
19	1005	General Fund/Program Receipts	39,000
20	1007	Interagency Receipts	3,845,700
21	1026	Highways Equipment Working Capital Fund	27,194,700
22	1027	International Airports Revenue Fund	70,599,500
23	1061	Capital Improvement Project Receipts	132,658,600
24	1076	Alaska Marine Highway System Fund	51,468,800
25	1108	Statutory Designated Program Receipts	1,301,900
26	1156	Receipt Supported Services	9,002,000
27	1200	Vehicle Rental Tax Receipts	700,000
28	1207	Regional Cruise Ship Impact Fund	500,000
29	*** Total Agency Funding ***		$530,797,900
30	**University of Alaska**		
31	1002	Federal Receipts	131,558,500

1003	General Fund Match	4,777,300
1004	Unrestricted General Fund Receipts	315,784,100
1007	Interagency Receipts	14,170,000
1048	University of Alaska Restricted Receipts	289,132,900
1061	Capital Improvement Project Receipts	7,300,000
1151	Technical Vocational Education Program Receipts	4,723,600
1174	University of Alaska Intra-Agency Transfers	51,521,000
*** Total Agency Funding ***		$818,967,400
Alaska Court System		
1002	Federal Receipts	1,466,000
1004	Unrestricted General Fund Receipts	85,654,000
1007	Interagency Receipts	421,000
1108	Statutory Designated Program Receipts	85,000
1133	CSSD Administrative Cost Reimbursement	209,600
*** Total Agency Funding ***		$87,835,600
Alaska Legislature		
1004	Unrestricted General Fund Receipts	64,887,700
1005	General Fund/Program Receipts	75,000
1007	Interagency Receipts	340,000
1171	PFD Appropriations in lieu of Dividends to Criminals	767,300
*** Total Agency Funding ***		$66,070,000
* * * * * Total Budget * * * * *		$5,528,334,800

(SECTION 3 OF THIS ACT BEGINS ON PAGE 55)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
General Funds		
1003	General Fund Match	391,315,200
1004	Unrestricted General Fund Receipts	1,760,852,800
1005	General Fund/Program Receipts	9,902,000
1200	Vehicle Rental Tax Receipts	8,045,400
Total General Funds		$2,170,115,400
Federal Funds		
1002	Federal Receipts	1,636,079,300
1013	Alcoholism and Drug Abuse Revolving Loan Fund	2,000
1014	Donated Commodity/Handling Fee Account	352,800
1016	CSSD Federal Incentive Payments	1,800,000
1033	Federal Surplus Property Revolving Fund	385,200
1043	Federal Impact Aid for K-12 Schools	20,791,000
1133	CSSD Administrative Cost Reimbursement	1,492,900
1212	Federal Economic Stimulus FY09	74,523,600
Total Federal Funds		$1,735,426,800
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	23,776,100
1018	Exxon Valdez Oil Spill Trust	5,185,900
1021	Agricultural Revolving Loan Fund	2,550,000
1023	FICA Administration Fund Account	142,000
1024	Fish and Game Fund	24,279,700
1027	International Airports Revenue Fund	70,631,400
1029	Public Employees Retirement Trust Fund	33,505,700
1031	Second Injury Fund Reserve Account	3,977,900
1032	Fishermen's Fund	1,618,600
1034	Teachers Retirement Trust Fund	16,355,100

1036	Commercial Fishing Loan Fund	5,112,600
1040	Real Estate Surety Fund	280,100
1042	Judicial Retirement System	500,300
1045	National Guard Retirement System	453,700
1046	Education Loan Fund	54,900
1048	University of Alaska Restricted Receipts	289,132,900
1049	Training and Building Fund	1,048,900
1054	State Training & Employment Program	8,935,900
1062	Power Project Fund	1,056,500
1066	Public School Trust Fund	13,041,400
1070	Fisheries Enhancement Revolving Loan Fund	564,300
1074	Bulk Fuel Revolving Loan Fund	53,700
1076	Alaska Marine Highway System Fund	51,468,800
1093	Clean Air Protection Fund	4,264,000
1098	Children's Trust Earnings	414,900
1099	Children's Trust Principal	150,000
1101	Alaska Aerospace Development Corporation Revolving Fund	522,900
1102	Alaska Industrial Development & Export Authority Receipts	5,445,600
1103	Alaska Housing Finance Corporation Receipts	30,155,600
1104	Alaska Municipal Bond Bank Receipts	828,100
1105	Permanent Fund Corporation Receipts	98,834,700
1106	Alaska Commission on Postsecondary Education Receipts	12,205,100
1107	Alaska Energy Authority Corporate Receipts	1,067,100
1108	Statutory Designated Program Receipts	49,521,700
1109	Test Fisheries Receipts	2,524,400
1117	Vocational Rehabilitation Small Business Enterprise Fund	325,000
1141	Regulatory Commission of Alaska Receipts	9,719,500

1151	Technical Vocational Education Program Receipts		9,943,300
1152	Alaska Fire Standards Council Receipts		253,900
1153	State Land Disposal Income Fund		7,069,600
1154	Shore Fisheries Development Lease Program		365,800
1155	Timber Sale Receipts		832,200
1156	Receipt Supported Services		107,868,300
1157	Workers Safety and Compensation Administration Account		8,716,900
1162	Alaska Oil & Gas Conservation Commission Receipts		5,526,800
1164	Rural Development Initiative Fund		52,500
1166	Commercial Passenger Vessel Environmental Compliance Fund		1,179,700
1168	Tobacco Use Education and Cessation Fund		9,379,300
1169	Power Cost Equalization Endowment Fund		160,400
1170	Small Business Economic Development Revolving Loan Fund		50,700
1172	Building Safety Account		1,933,600
1175	Business License & Corporation Filing Fees and Taxes		4,672,600
1192	Mine Reclamation Trust Fund		24,000
1195	Special Vehicle Registration Receipts		136,900
1199	Alaska Sport Fishing Enterprise Account		500,000
1201	Commercial Fisheries Entry Commission Receipts		5,446,000
1203	Workers Compensation Benefits Guarantee Fund		280,000
1205	Berth Fees for the Ocean Ranger Program		4,041,100
1207	Regional Cruise Ship Impact Fund		500,000
1209	Alaska Capstone Avionics Revolving Loan		122,300

	Fund	
Total Other Non-Duplicated Funds		$938,760,900
Duplicated Funds		
1007	Interagency Receipts	316,603,500
1026	Highways Equipment Working Capital Fund	27,194,700
1050	Permanent Fund Dividend Fund	21,000,800
1052	Oil/Hazardous Release Prevention & Response Fund	14,094,900
1055	Inter-Agency/Oil & Hazardous Waste	783,600
1061	Capital Improvement Project Receipts	181,124,300
1075	Alaska Clean Water Fund	67,300
1081	Information Services Fund	35,759,100
1145	Art in Public Places Fund	30,000
1147	Public Building Fund	12,702,500
1171	PFD Appropriations in lieu of Dividends to Criminals	21,248,900
1174	University of Alaska Intra-Agency Transfers	51,521,000
1194	Fish and Game Nondedicated Receipts	1,682,000
1208	Bulk Fuel Bridge Loan Fund	219,100
Total Duplicated Funds		$684,031,700

(SECTION 4 OF THIS ACT BEGINS ON PAGE 59)

*** Sec. 4.** LEGISLATIVE INTENT. (a) It is the intent of the legislature that the amounts appropriated by this Act are the full amounts that will be appropriated for those purposes for the fiscal year ending June 30, 2010.

(b) It is the intent of the legislature that money appropriated from the general fund be expended conservatively. If an appropriation includes the unexpended and unobligated balance of program receipts collected in a prior fiscal year, it is the intent of the legislature that the program receipts be expended, as allowed, before the expenditure of other money appropriated from the general fund. It is the intent of the legislature that the office of management and budget and the Department of Administration assist the legislature in carrying out this intent.

*** Sec. 5.** COSTS OF JOB RECLASSIFICATIONS. The money appropriated in this Act includes the amount necessary to pay the costs of personal services due to reclassification of job classes during the fiscal year ending June 30, 2010.

*** Sec. 6.** PERSONAL SERVICES TRANSFERS. It is the intent of the legislature that agencies restrict transfers to and from the personal services line. It is the intent of the legislature that the office of management and budget submit a report to the legislature on January 15, 2010, that describes and justifies all transfers to and from the personal services line by executive branch agencies during the first half of the fiscal year ending June 30, 2010. It is the intent of the legislature that the office of management and budget submit a report to the legislature on August 1, 2010, that describes and justifies all transfers to and from the personal services line by executive branch agencies during the second half of the fiscal year ending June 30, 2010.

*** Sec. 7.** ALASKA AEROSPACE DEVELOPMENT CORPORATION. Federal receipts and other corporate receipts of the Alaska Aerospace Development Corporation received during the fiscal year ending June 30, 2010, that are in excess of the amount appropriated in sec. 1 of this Act are appropriated to the Alaska Aerospace Development Corporation for operations for the fiscal year ending June 30, 2010.

*** Sec. 8.** ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 2010, is appropriated from the earnings reserve account (AS 37.13.145(a)) to the dividend fund (AS 43.23.045(a)) for the payment of permanent fund dividends and administrative and

associated costs for the fiscal year ending June 30, 2010.

(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund during fiscal year 2010 is appropriated from the earnings reserve account (AS 37.13.145(a)) to the principal of the Alaska permanent fund.

(c) The amount required to be deposited under AS 37.13.010(a)(1) and (2) during fiscal year 2010 is appropriated to the principal of the Alaska permanent fund in satisfaction of that requirement.

* **Sec. 9.** DEPARTMENT OF ADMINISTRATION. The amount necessary to fund the uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) is appropriated from that account to the Department of Administration for those uses during the fiscal year ending June 30, 2010.

* **Sec. 10.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The unexpended and unobligated balance of federal money apportioned to the state as national forest income that the Department of Commerce, Community, and Economic Development determines would lapse into the unrestricted portion of the general fund June 30, 2010, under AS 41.15.180(j) is appropriated as follows:

(1) up to $170,000 is appropriated to the Department of Transportation and Public Facilities, commissioner's office, for road maintenance in the unorganized borough, for the fiscal year ending June 30, 2010;

(2) the balance remaining after the appropriation made by (1) of this subsection is appropriated to home rule cities, first class cities, second class cities, a municipality organized under federal law, or regional educational attendance areas entitled to payment from the national forest income for the fiscal year ending June 30, 2010, to be allocated among the recipients of national forest income according to their pro rata share of the total amount distributed under AS 41.15.180(c) and (d) for the fiscal year ending June 30, 2010.

(b) An amount equal to the salmon enhancement tax collected under AS 43.76.001 - 43.76.028 in calendar year 2008 and deposited in the general fund under AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in fiscal year 2010 to qualified regional associations

operating within a region designated under AS 16.10.375.

(c) An amount equal to the seafood development tax collected under AS 43.76.350 - 43.76.399 in calendar year 2008 and deposited in the general fund under AS 43.76.380(d) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in fiscal year 2010 to qualified regional seafood development associations.

(d) The sum of $20,892,700 is appropriated from the power cost equalization endowment fund (AS 42.45.070) to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2010.

(e) If the amount appropriated in (d) of this section is not sufficient to pay power cost equalization program costs without proration, the amount necessary to pay power cost equalization program costs without proration, estimated to be $11,267,300, is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2010.

(f) If the amount necessary to make national forest receipts payments under AS 41.15.180 exceeds the amount appropriated in sec. 1 of this Act, the amount necessary to make national forest receipt payments is appropriated from federal receipts received for that purpose to the Department of Commerce, Community, and Economic Development, revenue sharing, national forest receipts allocation, for the fiscal year ending June 30, 2010.

(g) If the amount necessary to make payment in lieu of taxes payments under 3 AAC 152 exceeds the amount appropriated in sec. 1 of this Act, the amount necessary to make payment in lieu of taxes is appropriated from federal receipts received for that purpose to the Department of Commerce, Community, and Economic Development, revenue sharing, payment in lieu of taxes allocation, for the fiscal year ending June 30, 2010.

* **Sec. 11.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. (a) The sum of $1,000,000 is appropriated from the general fund to the Department of Education and Early Development for a prekindergarten education pilot program for the fiscal year ending June 30, 2010.

(b) The sum of $1,000,000 is appropriated from the general fund to the Department of

Education and Early Development for a prekindergarten education pilot program in communities served by chronically underperforming school districts for the fiscal year ending June 30, 2010.

(c) The sum of $1,000,000 is appropriated from the general fund to the Department of Education and Early Development to provide additional Head Start services (AS 14.38.010) in communities served by chronically underperforming school districts for the fiscal year ending June 30, 2010.

*** Sec. 12.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. (a) If the amount necessary to pay benefit payments from the fishermen's fund (AS 23.35.060) exceeds the amounts appropriated in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated from that fund to the Department of Labor and Workforce Development, fishermen's fund allocation, for the fiscal year ending June 30, 2010.

(b) If the amount necessary to pay benefit payments from the second injury fund (AS 23.30.040(a)) exceeds the amount appropriated in sec. 1 of this Act, the additional amount necessary to make those benefit payments is appropriated from the second injury fund to the Department of Labor and Workforce Development, second injury fund allocation, for the fiscal year ending June 30, 2010.

(c) If the amount necessary to pay benefit payments from the workers' compensation benefits guaranty fund (AS 23.30.082) exceeds the amount appropriated in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated from that fund to the Department of Labor and Workforce Development, workers' compensation benefits guaranty fund allocation, for the fiscal year ending June 30, 2010.

(d) If the amount of designated program receipts received under AS 43.20.014(a)(3) and deposited in the vocational education account (AS 37.10.200) during the fiscal year ending June 30, 2010, exceeds the amount appropriated in sec. 1 of this Act for purposes described in AS 37.10.200, the additional designated program receipts are appropriated to the Department of Labor and Workforce Development, Alaska Vocational Technical Center, Alaska Vocational Technical Center allocation, for the fiscal year ending June 30, 2010.

*** Sec. 13.** DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. Five percent of the market value of the average ending balances in the Alaska veterans' memorial endowment fund (AS 37.14.700) for the fiscal years ending June 30, 2007, June 30, 2008, and June 30,

2009, is appropriated from the Alaska veterans' memorial endowment fund to the Department of Military and Veterans' Affairs for the purposes specified in AS 37.14.730(b) for the fiscal year ending June 30, 2010.

*** Sec. 14.** DEPARTMENT OF NATURAL RESOURCES. (a) Federal receipts received for fire suppression during the fiscal year ending June 30, 2010, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2010.

(b) The amount necessary for the purposes specified in AS 37.14.820 for the fiscal year ending June 30, 2010, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources.

(c) The sum of $250,000 is appropriated from the general fund to the Department of Natural Resources, forest management and development allocation, for a private and public forest assessment for the fiscal years ending June 30, 2010, and June 30, 2011.

*** Sec. 15.** DEPARTMENT OF PUBLIC SAFETY. (a) The sum of $1,393,200 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, narcotics task force, for drug and alcohol enforcement efforts during the fiscal year ending June 30, 2010.

(b) If the amount of federal receipts received by the Department of Public Safety from the justice assistance grant program during the fiscal year ending June 30, 2010, for drug and alcohol enforcement efforts exceeds $1,289,100, the appropriation in (a) of this section is reduced by the amount by which the federal receipts exceed $1,289,100.

(c) The sum of $1,270,000 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, special projects, for rural alcohol interdiction efforts for the fiscal year ending June 30, 2010.

(d) If federal receipts are received by the Department of Public Safety for the rural alcohol interdiction program for the fiscal year ending June 30, 2010, the appropriation in (c) of this section is reduced by the amount of the federal receipts.

*** Sec. 16.** DEPARTMENT OF REVENUE. (a) The minimum amount of program receipts received for the fiscal year ending June 30, 2010, by the child support services agency that is required to secure the federal funding appropriated from those program receipts for the child support enforcement program in sec. 1 of this Act is appropriated to the Department of

Revenue, child support services agency, for the fiscal year ending June 30, 2010.

(b) Program receipts collected as cost recovery for paternity testing administered by the child support services agency, as required under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f), are appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2010.

*** Sec. 17.** OFFICE OF THE GOVERNOR. (a) If the 2010 fiscal year-to-date average price of Alaska North Slope crude oil exceeds $35 a barrel on August 1, 2009, the amount of money corresponding to the 2010 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs.

(b) If the 2010 fiscal year-to-date average price of Alaska North Slope crude oil exceeds $35 a barrel on December 1, 2009, the amount of money corresponding to the 2010 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs.

(c) The following table shall be used in determining the amount of the appropriations in (a) and (b) of this section:

2010 FISCAL YEAR-TO-DATE AVERAGE PRICE OF ALASKA NORTH SLOPE CRUDE OIL	AMOUNT
$90 or more	$27,500,000
89	27,000,000
88	26,500,000
87	26,000,000
86	25,500,000
85	25,000,000
84	24,500,000
83	24,000,000

82		23,500,000
81		23,000,000
80		22,500,000
79		22,000,000
78		21,500,000
77		21,000,000
76		20,500,000
75		20,000,000
74		19,500,000
73		19,000,000
72		18,500,000
71		18,000,000
70		17,500,000
69		17,000,000
68		16,500,000
67		16,000,000
66		15,500,000
65		15,000,000
64		14,500,000
63		14,000,000
62		13,500,000
61		13,000,000
60		12,500,000
59		12,000,000
58		11,500,000
57		11,000,000
56		10,500,000
55		10,000,000
54		9,500,000
53		9,000,000
52		8,500,000

51	8,000,000
50	7,500,000
49	7,000,000
48	6,500,000
47	6,000,000
46	5,500,000
45	5,000,000
44	4,500,000
43	4,000,000
42	3,500,000
41	3,000,000
40	2,500,000
39	2,000,000
38	1,500,000
37	1,000,000
36	500,000
35	0

(d) It is the intent of the legislature that a payment under (a) or (b) of this section be used to offset the effects of higher fuel and utility costs for the fiscal year ending June 30, 2010.

(e) The governor shall allocate amounts appropriated in (a) and (b) of this section as follows:

(1) to the Department of Transportation and Public Facilities, 65 percent of the total plus or minus 10 percent;

(2) to the University of Alaska, eight percent of the total plus or minus three percent;

(3) to the Department of Health and Social Services and the Department of Corrections, not more than five percent each of the total amount appropriated;

(4) to any other state agency, not more than four percent of the total amount appropriated;

(5) the aggregate amount allocated may not exceed 100 percent of the

appropriation.

* **Sec. 18.** UNIVERSITY OF ALASKA. The amount of the fees collected under AS 28.10.421(d) during the fiscal year ending June 30, 2009, for the issuance of special request university plates, less the cost of issuing the license plates, is appropriated from the general fund to the University of Alaska for support of alumni programs at the campuses of the university for the fiscal year ending June 30, 2010.

* **Sec. 19.** BOND CLAIMS. The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, is appropriated to the agency secured by the bond for the fiscal year ending June 30, 2010, for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond.

* **Sec. 20.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as described in AS 44.21.045(b), Exxon Valdez oil spill trust receipts described in AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, receipts of the Alaska marine highway system fund described in AS 19.65.060(a), receipts of the University of Alaska as described in AS 37.05.146(b)(2), and receipts of the Alaska Fire Standards Council described in AS 37.05.146(b)(5) that are received during the fiscal year ending June 30, 2010, and that exceed the amounts appropriated by this Act, are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2010, exceed the amounts appropriated by this Act, the appropriations from state funds for the affected program shall be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2010, fall short of the amounts appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

* **Sec. 21.** FUND TRANSFERS. (a) The following amounts are appropriated to the Alaska debt retirement fund (AS 37.15.011):

(1) the sum of $115,955,200 from the general fund;

(2) the sum of $12,007,700 from federal receipts for state-guaranteed transportation revenue anticipation bonds, series 2003B;

(3) the sum of $2,837,400 from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2003A general obligation bonds;

(4) the sum of $877,400 from the investment earnings on the bond proceeds deposited in the capital project fund for the state guaranteed transportation revenue anticipation bonds, series 2003B;

(5) the sum of $26,000 from the investment loss trust fund (AS 37.14.300);

(6) if the Alaska debt retirement fund balance is insufficient to pay the debt service obligations on the State of Alaska general obligation bonds, series 2003A and 2009A, the amount necessary is appropriated from the general fund.

(b) The federal funds received by the state under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 not appropriated for grants under AS 37.05.530(d) are appropriated as follows:

(1) to the principal of the Alaska permanent fund and the public school trust fund (AS 37.14.110), according to AS 37.05.530(g)(1) and (2); and

(2) to the principal of the Alaska permanent fund, the public school trust fund (AS 37.14.110), and the power cost equalization and rural electric capitalization fund (AS 42.45.100), according to AS 37.05.530(g)(3).

(c) The following amounts of revenue collected during the fiscal year ending June 30, 2010, are appropriated to the fish and game fund (AS 16.05.100):

(1) receipts from the sale of crewmember fishing licenses (AS 16.05.480(a)) that are not deposited into the fishermen's fund under AS 23.35.060;

(2) range fees collected at shooting ranges operated by the Department of Fish and Game (AS 16.05.050(a)(15));

(3) fees collected at boating and angling access sites described in AS 16.05.050(a)(6) and managed by the Department of Natural Resources, division of parks and outdoor recreation, under a cooperative agreement;

(4) receipts from the sale of waterfowl conservation stamp limited edition prints (AS 16.05.826(a));

(5) fees collected for sanctuary access permits (AS 16.05.050(a)(15)).

(d) The following amounts are appropriated to the oil and hazardous substance release prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010) from the sources indicated:

(1) the balance of the oil and hazardous substance release prevention mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2009, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2009, estimated to be $11,100,000, from the surcharge levied under AS 43.55.300.

(e) The following amounts are appropriated to the oil and hazardous substance release response account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010) from the following sources:

(1) the balance of the oil and hazardous substance release response mitigation account (AS 46.08.025(b)) in the general fund on July 1, 2009, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2009, from the surcharge levied under AS 43.55.201;

(f) The portions of the fees listed in this subsection that are collected during the fiscal year ending June 30, 2010, are appropriated to the Alaska children's trust (AS 37.14.200):

(1) fees collected under AS 18.50.225, less the cost of supplies, for the issuance of birth certificates;

(2) fees collected under AS 18.50.272, less the cost of supplies, for the issuance of heirloom marriage certificates;

(3) fees collected under AS 28.10.421(d) for the issuance of special request Alaska children's trust license plates, less the cost of issuing the license plates.

(g) The loan origination fees collected by the Alaska Commission on Postsecondary Education for the fiscal year ending June 30, 2010, are appropriated to the origination fee account (AS 14.43.120(u)) in the education loan fund (AS 14.42.210) of the Alaska Student Loan Corporation for the purposes specified in AS 14.43.120(u).

(h) The amount of federal receipts received for disaster relief during the fiscal year ending June 30, 2010, is appropriated to the disaster relief fund (AS 26.23.300).

(i) The sum of $7,500,000 is appropriated from the general fund to the disaster relief

fund (AS 26.23.300).

(j) The balance of the mine reclamation trust fund income account (AS 37.14.800(a)) on June 30, 2009, and money deposited in that account during the fiscal year ending June 30, 2010, are appropriated to the mine reclamation trust fund operating account (AS 37.14.800(a)) for the fiscal year ending June 30, 2010.

(k) The sum of $6,000,000 is appropriated to the Alaska clean water fund (AS 46.03.032) for the Alaska clean water loan program from the following sources:

Alaska clean water fund revenue bond receipts	$1,000,000
Federal receipts	5,000,000

(*l*) The sum of $7,660,000 is appropriated to the Alaska drinking water fund (AS 46.03.036) for the Alaska drinking water loan program from the following sources:

Alaska drinking water fund revenue bond receipts	$1,660,000
Federal receipts	6,000,000

(m) The amount of municipal bond bank receipts determined under AS 44.85.270(h) to be available for transfer by the Alaska Municipal Bond Bank Authority for the fiscal year ending June 30, 2009, is appropriated to the Alaska municipal bond bank authority reserve fund (AS 44.85.270(a)).

(n) An amount equal to the bulk fuel revolving loan fund fees established under AS 42.45.250(j) and collected under AS 42.45.250(k) from July 1, 2008, through June 30, 2009, estimated to be $45,000, is appropriated from the general fund to the bulk fuel revolving loan fund (AS 42.45.250).

(o) The sum of $8,400,000 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) in the fish and game fund (AS 16.05.100) to the Alaska fish and game revenue bond redemption fund (AS 37.15.770).

(p) An amount equal to the federal receipts deposited in the Alaska sport fishing enterprise account (AS 16.05.130(e)), not to exceed $1,584,200, as reimbursement for the federally allowable portion of the principal balance payment on the sport fishing revenue bonds series 2006 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) to the fish and game fund (AS 16.05.100).

(q) The sum of $459,200 is appropriated from the permanent fund dividend appropriations in lieu of dividends to criminals account in the dividend fund

(AS 43.23.045(a)) to the crime victim compensation fund (AS 18.67.162).

(r) The amount received under AS 18.67.162 as program receipts, including donations and recoveries of or reimbursement for awards made from the fund, during the fiscal year ending June 30, 2010, is appropriated to the crime victim compensation fund (AS 18.67.162).

(s) If the Alaska Municipal Bond Bank Authority must draw on the Alaska municipal bond bank authority reserve fund (AS 44.85.270), 2005 general bond resolution reserve, because of a default by a borrower, an amount equal to the amount drawn from the reserve is appropriated from the general fund to the Alaska municipal bond bank authority reserve fund (AS 44.85.270).

(t) The sum of $5,000,000 is appropriated from the general fund to the Alaska marine highway system fund (AS 19.65.060(a)).

(u) The unexpended and unobligated balance, estimated to be $9,200,000, of the portion of the appropriation made in sec. 19(a), ch. 27, SLA 2008, that was allocated in sec. 19(d)(1), ch. 27, SLA 2008 (Department of Transportation and Public Facilities, offset increased fuel and utility costs) is reappropriated to the Alaska marine highway system fund (AS 19.65.060(a)).

* **Sec. 22.** RETAINED FEES AND BANKCARD SERVICE FEES. (a) The amount retained to compensate the collector or trustee of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending June 30, 2010, is appropriated for that purpose to the agency authorized by law to generate the revenue. In this subsection, "collector or trustee" includes vendors retained by the state on a contingency fee basis.

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2010, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, and to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 by bankcard or credit card, from the funds and accounts in which the payments received by the state are deposited.

* **Sec. 23.** RETIREMENT SYSTEM FUNDING. (a) The sum of $173,462,000 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the teachers' retirement system as an additional state

contribution under AS 14.25.085 for the fiscal year ending June 30, 2010.

(b) The sum of $107,953,000 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the public employees' retirement system as an additional state contribution under AS 39.35.280 for the fiscal year ending June 30, 2010.

(c) The sum of $1,722,500 is appropriated from the general fund to the Department of Military and Veterans' Affairs for deposit in the defined benefit plan account in the Alaska National Guard and Alaska Naval Militia retirement system for the purpose of funding the Alaska National Guard and Alaska Naval Militia retirement system under AS 26.05.226 for the fiscal year ending June 30, 2010.

(d) The sum of $1,550,000 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the judicial retirement system for the purpose of funding the judicial retirement system under AS 22.25.046 for the fiscal year ending June 30, 2010.

* **Sec. 24.** SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2010, of the following ongoing collective bargaining agreements:

(1) Alaska Public Employees Association, for the confidential unit;

(2) Alaska State Employees Association, for the general government unit;

(3) Alaska Public Employees Association, for the supervisory unit;

(4) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing employees of the Alaska Vocational Technical Center;

(5) Public Safety Employees Association, representing regularly commissioned public safety officers;

(6) Inlandboatmen's Union of the Pacific, for the unlicensed marine unit; and

(7) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit.

(b) The operating budget appropriations made to the University of Alaska in this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2010,

for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

(1) Alaska Higher Education Crafts and Trades Employees;

(2) University of Alaska Federation of Teachers;

(3) United Academics;

(4) United Academics-Adjuncts.

(c) If a collective bargaining agreement listed in (b) of this section is not ratified by the membership of the respective collective bargaining unit, the appropriations made by this Act that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

(d) The operating appropriations made in sec. 1 of this Act are intended to fully fund the compensation and benefits of an executive department head under AS 39.23.540(g).

* **Sec. 25.** SHARED TAXES AND FEES. (a) The amount necessary to refund to local governments their share of taxes and fees collected in the listed fiscal years under the following programs is appropriated from the general fund to the Department of Revenue for payment to local governments in the fiscal year ending June 30, 2010:

REVENUE SOURCE	FISCAL YEAR COLLECTED
Fisheries business tax (AS 43.75)	2009
Fishery resource landing tax (AS 43.77)	2009
Aviation fuel tax (AS 43.40.010)	2010
Electric and telephone cooperative tax (AS 10.25.570)	2010
Liquor license fee (AS 04.11)	2010

(b) The amount necessary, estimated to be $55,000, to pay to municipalities that amount of aviation fuel tax proceeds to which the municipalities would have been entitled under AS 43.40.010(e) for aviation fuel taxes that would have been due under AS 43.40.010 during the fiscal year ending June 30, 2010, but were not collected during a suspension from July 1, 2009, through August 31, 2009, of motor fuel taxes imposed under AS 43.40.010 is appropriated from the general fund to the Department of Revenue for the fiscal year ending

June 30, 2010, for payment to municipalities of the amounts to which the municipalities would have been entitled to under AS 43.40.010(e) had the motor fuel tax not been suspended.

(c) The amount necessary to pay the first five ports of call their share of the tax collected under AS 43.52.220 in calendar year 2009 according to AS 43.52.230(b) is appropriated from the commercial vessel passenger tax account (AS 43.52.230(a)) to the Department of Revenue for payment during the fiscal year ending June 30, 2010.

(d) It is the intent of the legislature that the payments to local governments set out in (a) - (c) of this section may be assigned by a local government to another state agency.

*** Sec. 26.** STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay interest on any revenue anticipation notes issued by the commissioner of revenue under AS 43.08 during the fiscal year ending June 30, 2010, is appropriated from the general fund to the Department of Revenue for payment of the interest on those notes.

(b) The amount required to be paid by the state for principal and interest on all issued and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska Housing Finance Corporation for payment of principal and interest on those bonds, for the fiscal year ending June 30, 2010.

(c) The sum of $30,248,000 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2010.

(d) The sum of $221,500 is appropriated to the state bond committee from State of Alaska general obligation bonds, series 2003A bond issue premium, interest earnings, and accrued interest held in the debt service fund of the series 2003A bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2010.

(e) The sum of $10,275,000 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2010.

(f) If the amount necessary to pay the debt service obligations on the outstanding

State of Alaska general obligation bonds, series 2003A and 2009A, exceeds the amounts appropriated in (c), (d), or (e) of this section, the additional amount necessary is appropriated from the Alaska debt retirement fund (AS 37.15.011) for payment of those obligations for the fiscal year ending June 30, 2010.

(g) The sum of $12,885,100 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011) for payment of debt service, accrued interest, and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B, for the fiscal year ending June 30, 2010.

(h) The sum of $1,300 is appropriated to the state bond committee from state-guaranteed transportation revenue anticipation bonds, series 2003B bond issue premium, interest earnings, and accrued interest held in the debt service fund of the series 2003B bonds for payment of debt service and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B, for the fiscal year ending June 30, 2010.

(i) The sum of $50,028,700 is appropriated to the state bond committee for payment of debt service and trustee fees on outstanding international airports revenue bonds for the fiscal year ending June 30, 2010, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund (AS 37.15.430)	$46,828,700
Passenger facility charge	3,200,000

(j) The sum of $1,005,000 is appropriated from interest earnings of the Alaska clean water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 for the fiscal year ending June 30, 2010.

(k) The sum of $1,670,000 is appropriated from interest earnings of the Alaska drinking water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 for the fiscal year ending June 30, 2010.

(*l*) The sum of $8,036,300 is appropriated from the Alaska debt retirement fund (AS 37.15.011) to the state bond committee for trustee fees and lease payments relating to

certificates of participation issued for real property, for the fiscal year ending June 30, 2010.

(m) The sum of $3,467,100 is appropriated from the general fund to the Department of Administration for payment of obligations to the Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage, for the fiscal year ending June 30, 2010.

(n) The sum of $22,917,325 is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2010, for payment of obligations and fees for the following facilities:

FACILITY	ALLOCATION
(1) Anchorage Jail	$ 5,103,900
(2) Goose Creek Correctional Center	17,813,425

(o) The sum of $3,303,500 is appropriated from the general fund to the Department of Administration for payment of obligations to the Alaska Housing Finance Corporation for the Linny Pacillo Parking Garage in Anchorage, for the fiscal year ending June 30, 2010.

(p) The sum of $100,045,300 is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 from the following sources:

Alaska debt retirement fund (AS 37.15.011)	$77,045,300
School fund (AS 43.50.140)	23,000,000

(q) The sum of $5,548,923 is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 2010, for payment of debt service on outstanding debt authorized by AS 14.40.257, AS 29.60.700, and AS 42.45.065, respectively, for the following projects:

AGENCY AND PROJECT	APPROPRIATION AMOUNT
(1) University of Alaska	$1,412,615
Anchorage Community and Technical College Center	
Juneau Readiness Center/UAS Joint Facility	
(2) Department of Transportation and Public Facilities	
(A) Nome (port facility addition and renovation)	127,500
(B) Matanuska-Susitna Borough (deep water port	755,120

	and road upgrade)	
(C) Aleutians East Borough/False Pass (small boat harbor)		101,840
(D) Lake and Peninsula Borough/Chignik (dock project)		117,844
(E) City of Fairbanks (fire headquarters station replacement)		872,115
(F) City of Valdez (harbor renovations)		225,743
(G) Aleutians East Borough/Akutan (small boat harbor)		303,948
(H) Fairbanks North Star Borough (Eielson AFB Schools, major maintenance and upgrades)		337,343
(3) Alaska Energy Authority		
(A) Kodiak Electric Association (Nyman combined cycle cogeneration plant)		943,676
(B) Copper Valley Electric Association (cogeneration projects)		351,179

(r) The sum of $8,900,000 is appropriated from the Alaska fish and game revenue bond redemption fund (AS 37.15.770) to the state bond committee for payment of debt service, accrued interest, and trustee fees on outstanding sport fish hatchery revenue bonds. It is the intent of the legislature that the sum of $3,600,000 of the appropriation made by this subsection be used for early redemption of the bonds.

* **Sec. 27.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) Deposits in the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for fiscal year 2009 that are made from subfunds and accounts other than the operating general fund (state accounting system fund number 11100) by operation of art. IX, sec. 17(d), Constitution of the State of Alaska, to repay appropriations from the budget reserve fund are appropriated from the budget reserve fund to the subfunds and accounts from which those funds were transferred.

(b) Unrestricted interest earned on investment of the general fund balances for the fiscal year ending June 30, 2010, is appropriated to the budget reserve fund (art. IX, sec. 17,

Constitution of the State of Alaska). The appropriation made by this subsection is intended to compensate the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for any lost earnings caused by use of the fund's balance to permit expenditure of operating and capital appropriations in the fiscal year ending June 30, 2010, in anticipation of receiving unrestricted general fund revenue. The amount appropriated by this subsection may not exceed an amount equal to the earnings lost by the budget reserve fund as the result of the use of money from the budget reserve fund to permit expenditure of operating and capital appropriations in the fiscal year ending June 30, 2010, in anticipation of receiving unrestricted general fund revenue.

(c) The sum of $1,673,000 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.

(d) If the unrestricted state revenue available for appropriation in fiscal year 2009 is insufficient to cover the general fund appropriations that take effect in fiscal year 2009, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the general fund.

(e) An amount equal to 20 percent of the revenue collected under AS 43.55.011(g), not to exceed $60,000,000, is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the community revenue sharing fund (AS 29.60.850).

(f) The sum of $1,111,914,700 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public education fund (AS 14.17.300).

(g) If the unrestricted state revenue available for appropriation in fiscal year 2010 is insufficient to cover the general fund appropriations that take effect in fiscal year 2010, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the general fund.

(h) The appropriations made by (a) and (c) - (g) of this section are made under art. IX, sec. 17(c), Constitution of the State of Alaska.

*** Sec. 28.** NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 8, 21, 23, 26(j), 26(k), 27(e), and 27(f) of this Act are for the capitalization of funds and do not lapse.

* **Sec. 29.** RETROACTIVITY. Those portions of the appropriations made in sec. 1 of this Act that appropriate either the unexpended and unobligated balance of specific fiscal year 2009 program receipts or the unexpended and unobligated balance on June 30, 2009, of a specified account are retroactive to June 30, 2009, solely for the purpose of carrying forward a prior fiscal year balance.

* **Sec. 30.** Sections 21(u), 27(d), and 29 of this Act take effect June 30, 2009.

* **Sec. 31.** Except as provided in sec. 30 of this Act, this Act takes effect July 1, 2009.

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON

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FY10 Senate Budget Subcommittee Report

DEPARTMENT of ADMINISTRATION

March 18, 2009

MEMBERS:
Senator Donald Olson, Chair, Senator Joe Paskvan, and Senator Fred Dyson

After four substantive hearings with the Department of Administration, the Senate Administration Subcommittee submits this operating budget to the full Senate Finance Committee:

FUND SOURCE:

	FY09 Mgt Plan Rev	Gov Amd+	Sen Sub	Difference SenSub to GovAm+
GENERAL FUNDS:	73,634.6	74,165.0	73,589.4	(575.6)
FEDERAL FUNDS:	2,776.3	2,782.4	2,878.1	95.7
OTHER FUNDS:	205,890.4	216,295.0	216,789.9	494.9
TOTAL FUNDS:	282,301.3	293,242.4	293,257.4	15.0

PERSONNEL:
We reviewed the authorized position count. The Department has increased 22 PFT positions since FY09CC through position adjustments, reclassifications from PPT to PFT, and the addition of positions due to legislation. The Subcommittee recommends that the department search to eliminate five PFT positions to reduce the overall authorized position count.

	FY09 CC	Gov Amd+	Sen Sub
PFT	1,046	1,068	1,063
PPT	23	20	20
TEMP	32	33	33
TOTAL:	1,101	1,121	1,116

OTHER SUBCOMMITTEE ACTION:

The Subcommittee **approves** an increment of $250.0 GF for the Alaska Public Broadcasting Commission / Radio, for station operating grants.

The Subcommittee **approves** a funding level of $130.0 GF, which includes the addition of $65.0 GF to replace expiring federal funds for Partners For Progress, a non-profit entity which supports Therapeutic Courts.

The Subcommittee **approves** a fund switch in Centralized Administrative Services / Finance to replace $220.0 GF with Capital Improvement Project receipts.

The Subcommittee **approves** a GF increment of $140.0 in Centralized Administrative Services / Finance, to support the Alaska Data Enterprise Reporting (ALDER) data warehouse ($100.0), and for vacancy factor reductions ($40.0).

The Subcommittee **denies** a request for an increment of $300.0 GF to pay operations and maintenance cost increases for the Alaska Telecommunications System (SATS).

Regarding a request for salary and health benefit increases within Centralized Administrative Services / Personnel and within Enterprise Technology Services, the Subcommittee **approved** a request for two fund source changes to GF to avoid an increase in chargeback rates paid by agencies – for $472.2 and $415.9 respectively. Furthermore, in order to provide cost recovery of non-general funds, the Subcommittee **agrees** to authorize replacement of $66.4 GF with a variety of non-general fund sources for Centralized Administrative Services / Personnel, and would replace another $97.2 GF with a variety of non-general fund sources for Enterprise Technology Services. Wordage is also included to allow distribution of these funds to user agencies in order to pay increased service costs.

The Subcommittee reviewed the status of the Alaska Land Mobile Radio system (ALMR), and recognized improved managerial control of the program since the issuance in 2006, of Legislative Audit #09-30021-06. Of significance is the completion of the report entitled, "Total Cost Of Ownership Study." The Subcommittee recommends that the Department take action to ensure that participating municipalities begin to pay their share of operations and maintenance costs.

The Subcommittee reviewed a request for a lapse date extension by the AOGCC for Reservoir Depletion Studies. The carry forward is estimated to be $1,450.6. **No action** was taken by the Subcommittee in anticipation of a policy discussion by the full Senate Finance Committee when it considers supplemental spending legislation.

GOVERNOR'S AMENDMENTS:

The Subcommittee **approves** the governor-proposed decrement of -$7.5 GF in Centralized Administrative Services / Personnel for the State Officers' Compensation Commission.

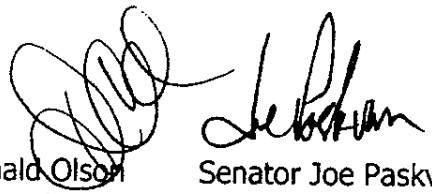
The Subcommittee **approves** the governor-proposed increment of $1,000.0 GF in the Legal and Advocacy Services / Public Defender Agency for projected caseload increases.

ATTACHED REPORTS (Numbers Only):

The Subcommittee adopts the following Legislative Finance Reports:

Appropriation / Allocation Summary (All Funds) – Senate Structure
Appropriation / Allocation Summary (GF only) – Senate Structure
Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Subcommittee)
Transaction Comparison – Senate Structure (Between Gov. Amend.+ and Senate Subcommittee)
Transaction Comparison – Senate Structure (Between House and Senate Subcommittee)
Agency Totals – FY2010 Operating Budget, Senate Structure
Wordage Report – FY2010 Operating Budget, Senate Structure

Respectfully Submitted:



Senator Donald Olson	Senator Joe Paskvan	Senator Fred Dyson
Subcommittee Chair	Majority Member	Minority Member
March 18, 2009		

ALASKA STATE SENATE

SENATOR DONALD C. OLSON
SENATE FINANCE SUB-COMMITTEE CHAIR

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SENATE FINANCE / HEALTH & SOCIAL SERVICES SUB-COMMITTEE
SUB-COMMITTEE MEMBERS: SENATOR DAVIS, SENATOR MCGUIRE, SENATOR MEYER, SENATOR WIELECHOWSKI

FY 10 ~~Budget Close-out Report~~

Date: March 19, 2009

By: Senator Donald C. Olson, Chair

Senator Bettye Davis

Senator Lesil McGuire

Senator Kevin Meyer

Senator Bill Wielechowski

The Sub-Committee for the Department of Health & Social Services submits an operating budget recommendation and report to the Senate Finance Committee for FY10 as follows:

Fund Source

	09 Mgt Plan	Gov Amd	Sen Sub	Difference	
GF	$ 903,587.9	$ 866,345.5	$ 848,593.5	$(17,752.0)	(2.0) %
Federal	1,008,215.0	1,057,652.1	1,057,081.1	(571.0)	(0.1) %
Other	171,864.8	159,584.6	160,784.6	1,200.0	0.8 %
Total	$2,083,667.7	$2,083,582.2	$2,066,459.2		

Position Summary

	09 CC	Gov Amd	Sen Sub
PFT	3,436	3,465	3,455
PPT	98	95	95
Temp	136	111	111
Total	3,670	3,671	3,661

Personnel

The authorized position count for the department was reviewed; the overall number of positions stayed about the same, although we did not approve all of the new PFT positions.

Budget Action

- Held 8 public meetings with the department to discuss and explain the budget;
- Adopted the FY10 Adjusted Base; and
- Reviewed each of the increments and decrements submitted by the Governor, including amendments.

The GF in this budget was reduced from the previous year by $54.8 million, largely due to Federal Medical Assistance Percentage (FMAP) changes which result in the federal share of expenditures increasing, and the State's share decreasing. Although funding increased $13.7 million in total, including the FMAP changes and other adjustments to Medicaid in this budget request, the GF portion went down $82.6 million. In addition to a reduction of GF for Medicaid, the Adult Public Assistance Program and the Senior Benefits Payment Program were each reduced $500 thousand due to a decline in the number of people receiving these services compared to what was previously projected.

This is fortunate since it did allow for some necessary increases in other areas, which we believe to be basic and integral to the services provided by this budget, and consider them to be essential to what government does for its citizens. And so this budget proposal funds basic support needed for children, the frail and other Alaskans who cannot provide for themselves. Notable increases that are approved include:

- Approximately $6.2 million of GF, and nearly $2 million in Mental Health Trust Funds, was added for various services provided to our children, including front line Social Workers, Child Advocacy Centers, autism, early intervention and infant learning, and other services that are part of the Bring the Kids Home efforts.
- $500 ~~million~~ thousand for the Juvenile Justice Facilities, mostly to increase front line staffing but also to add a nurse and maintenance position, and funds for additional operating costs.
- Approximately $5 million in GF, in addition to another $5 million in Mental Health Trust Funds, was added for substance abuse and mental health programs and services.
- $5 million of GF was added to maintain the Alaska Heating Assistance Program, which is important to many Alaskans who need help with their fuel bills.
- Finally, $10.1 million was added for cost increases. $1.3 million is for rate increases for Subsidized Adoptions and for Dental Rates for non-Tribal providers. $4.3 million is for grantee cost increases for many of the department's programs. $1.7 million is for cost increases to various programs in the department such as the Birth Defects registry, the Cancer registry, and Therapeutic Courts. Finally, $2.8 million of this amount is due to correcting a previous error in how the Public Health Nurses were charging to the Medicaid program.

Significant items which were requested, but which are not funded, include:

- The Governor requested $500 thousand and 1 position for the Health Care Commission she created by Administrative Order.

- The Governor requested $498.4 thousand and 2 positions for her health initiative, "Live Well Alaska".

- The Governor requested $3 million in GF to increase the child care rate for working families. However, since the Governor's budget was submitted, funds for Child Care Assistance have been included in the federal economic stimulus budget. The department may request an increase next year if those funds are not sufficient or at such time as the funds are no longer available to them.

Detail on these and other changes are shown in the reports included with this.

It is also our intention to allow Legislative Finance to do technical adjustments if any are needed.

Items of Concern

Clearly, the biggest concern for this budget is the size of the budget itself, and whether it can be sustained. This budget funds some of the most essential services of state government and not only are the costs of all the programs escalating, but in addition, there continues to be growth in the programs as the elderly population increases, poverty levels increase, and substance abuse and other behavioral health problems abound.

Another concern for this budget is the continuing change to the FMAP rate and other federal programs. This year we were fortunate because the FMAP rate increased, but it can just as easily go the other way, especially when the economic stimulus funds are no longer available. Even a small increase in the State's share will cost tens of millions.

Documents attached

Legislative Finance Reports:

- Agency Totals – Senate Structure - FY 10 Operating Budget
- Appropriation/Allocation Summary - Senate Structure
- Appropriation/Allocation Summary – GF only - Senate Structure
- Transaction Comparison – Senate Structure - Between Adjusted Base and Senate Sub
- Transaction Comparison – Senate Structure - Between Gov Amend and Senate Sub
- Transaction Comparison – Senate Structure - Between House and Senate Sub
- Wordage Report – Senate Structure - FY 10 Operating Budget

ALASKA STATE SENATE

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SENATE FINANCE / PUBLIC SAFETY SUB-COMMITTEE
SUB-COMMITTEE MEMBERS: SENATOR FRENCH, SENATOR MCGUIRE, SENATOR WIELECHOWSKI, SENATOR BUNDE

FY 10 Budget Close-out Report - Amended

Date: March 23, 2009

By: Senator Donald C. Olson, Chair

Senator Hollis French

Senator Lesil McGuire

Senator Bill Wielechowski

Senator Con Bunde

The Senate Finance Sub-Committee for the Department of Public Safety submits an operating budget recommendation to the full Senate Finance Committee for FY10 as follows:

Fund Source

	09 Mgt Plan	Gov Amd	Sen Sub	Difference	
GF	$116,401.8	$128,945.0	$125,095.1	$(3,849.9)	(3.0)%
Federal	15,257.6	15,191.2	11,540.0	(3,651.2)	(24.0)%
Other	23,135.9	29,777.2	30,542.9	765.7	2.6 %
Total	$154,795.3	$173,913.4	$167,178.0		

Position Summary

	09 CC	Gov Amd	Sen Sub
PFT	836	857	844
PPT	17	16	16
Temp	12	14	14
Total	865	887	874

2381

Personnel

Reviewed the authorized position count for the department. The Governor requested 20 new positions. The sub-committee authorizes 7 of those.

Budget Action

The sub-committee was reopened to allow for one additional transaction to occur. After the initial close-out, we discovered that additional PFD Criminal Receipts would be available. Thus the sub-committee was reopened and all of the sub-committee members were polled in addition to the department to determine if the budget should be changed; no one objected to taking this action. Thus, there was a fund source adjustment done to remove $881.9 of GF from the Council on Domestic Violence and Sexual Assault (CDVSA) and to replace it with a like amount of PFD Criminal Receipts. Legislative Finance has updated all the reports and, with the exception of this paragraph and the one describing changes to the CDVSA, the remainder of this memo is identical to the one used at close-out.

- Held 4 public meetings with the department to discuss and explain the budget;
- Adopted the FY10 Adjusted Base; and
- Reviewed each of the increments and decrements submitted by the Governor, including amendments.

The Governor made public safety a priority and this budget is one of the few with some significant increases. The Senate Finance Sub-Committee approved most of those increases. Notable increases to GF that are approved:

- $3,343.9 of the Governor's request for $4,165.1 to fully fund commissioned officers is approved. These increases are in multiple components of the department. They are needed due to the success with recruitment and the resulting low vacancy rate that the department has experienced, causing them to be short of personal services.
- $2,470.3 is approved for the VPSO program to annualize the funding for positions authorized last year, to add 15 additional positions this year, and for COLA and merit increases. This follows the recommendations of the Senate VPSO Task Force from 2008. The department is already seeing success with the implementation of the first of those recommendations, in a similar way as with the Troopers, with more applicants for VPSO positions, and less turnover. These increases are necessary if they are to continue and build on this success and ensure public safety for rural Alaskans as well.
- $1,439.5 is approved of the total $1,963.6 requested by the Governor for cost increases in various existing programs of the department. This includes leases, utilities, insurance, medical exams, vehicles, fuel and airline costs, and supplies. Most if not all of these increases are beyond the control of the department and must be funded if services are to continue.

- $287.0 is approved for other items, including Anchorage prisoner transportation, Central Region facilities maintenance, and DNA collection kits. $28.0 is not funded of the total requested for Central Region facilities maintenance.

Non-GF increases were requested and with one exception, all are approved. Included in this group is:

- An increase to the Council on Domestic Violence and Sexual Assault (CDVSA) out of PFD Criminal Receipts for $1,677.9. The Sub-Committee also adds an additional $1,381.9 of PFD Criminal Receipts since additional funds are expected to be available, and offsets that increase with a corresponding decrease to GF.
- Another significant requested increase in non-GF is for 13 positions and $4,800.0 of CIP receipts for the Bureau Highway Patrol. The Sub-Committee approves $4,102.9 for that request, but does not approve an increase to positions; the department should use existing positions.

Items which were requested but which are not funded include:

- Essentially all of the fund source switches requested to replace non-GF with GF due to salary adjustments for Bargaining Unit agreements is denied. These are each relatively small amounts that should be absorbed by the department.
- No funds for additional moves by trooper positions are approved; $800.0 was requested.
- The request for $3,660.2 of federal funds for CDVSA is not approved since those are continuing funds which will not lapse until June 30, 2010.

The Sub-Committee also recommends language and conditional funding to be included in the "language section" of the CS for the Rural Alcohol Interdiction Team for $1,270.0; and for Drug and Alcohol Enforcement for $1,393.2.

Other changes are shown in the reports included with this. It is also our intention to allow Legislative Finance to do technical adjustments if any are needed.

Items of Concern

The Department is to be commended for its efforts in recruiting and retaining trooper positions and bringing the vacancy rate down. Should those efforts continue and result in all positions being filled for the full twelve months, a supplemental request may be needed next year for both Troopers and VPSOs. However, even though the results so far have been remarkable, history tells us that it is highly unlikely that 0% vacancy will ever be achieved. That said, this budget recommendation funds most of the department requests and clearly the majority of those increases relate to that improvement in recruiting and retention, which we wholeheartedly support.

Another concern is that by replacing so much of the GF funding for the CDVSA with PFD Criminal Receipts, it is expected that a large GF increment will be needed in the future to sustain the shelters funded by this budget component. For now, while the receipts are available, it makes good sense to use those receipts in lieu of GF; but as the PFD amounts decrease, so will the available PFD Criminal Receipts and they must inevitably be replaced with GF. The only other alternative is to drastically reduce the services offered throughout the State by the funding in this component, and that is unacceptable.

Documents attached

Legislative Finance Reports:

- Agency Totals – Senate Structure - FY 10 Operating Budget
- Appropriation/Allocation Summary - Senate Structure
- Appropriation/Allocation Summary – GF only - Senate Structure
- Transaction Comparison – Senate Structure - Between Adjusted Base and Senate Sub
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- Wordage Report – Senate Structure - FY 10 Operating Budget

ALASKA STATE LEGISLATURE

Senator Johnny Ellis, Chair
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Senator Bettye Davis
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Senator Hollis French
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Senator Joe Paskvan

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SENATE FINANCE SUBCOMMITTEE ON THE DEPARTMENT OF CORRECTIONS

FISCAL YEAR 2010 SENATE BUDGET SUBCOMMITTEE RECOMMENDATIONS

March 16th, 2009

The Senate Finance Subcommittee on the Department of Corrections submits an operating report to the full Senate Finance Committee for Fiscal Year 2010 as follows:

Fund Source:

	FY09 Management Plan	FY10 Governor's Amended Adjusted Base	FY 10 Senate Subcommittee	Difference (Governor to Senate Sub)
General Funds	210,982.0	214.041.4	213,819.2	-222.2 (-0.1%)
Federal Funds	2,990.5	3,174.4	3,187.3	12.9 (0.4%)
Other Funds	30,560.0	31,985.1	31,977.0	-8.1 (-0.0%)
Total	244,532.5	249,200.9	248,983.5	-217.4 (-0.1%)

Personnel:

The Subcommittee reviewed the authorized position count for the Department. The Governor's amended budget proposal requested three new positions. The Subcommittee is recommending three new positions.

Position Summary	FY09 Authorized	FY10 Governor's Amended Adjusted Base	FY 10 Senate Subcommittee
Permanent Full Time	1512	1513	1513
Permanent Part Time	4	3	3
Temporary	0	0	0
Total	1516	1516	1516

Budget Action:

The Subcommittee held four meetings with the Department and took the following actions:

1. Adopted the Fiscal Year 2009 Adjusted Base.

2. Reviewed each of the increments (9) and decrements (0) submitted by the Governor. Recommends the adoption of the Governor's proposal with the following exceptions:

    a. Deny Inc 302.2 GF "1/4 Year Operating Costs for 80-bed conversion in FY09" to the Wildwood Correctional Center allocation of the Population Management appropriation.
        i. Remove 897.7 GF "Incomplete Wildwood Building Conversion" from base of Wildwood Correctional Center allocation of the Population Management appropriation.

    b. Deny Inc 485.3 PFD Crim "Costs Associated with Sex Offender Treatment and Polygraph Examinations" in the Inmate Health Care allocation of the Inmate Health Care appropriation. The Subcommittee recommends approval of Inc 242.6 PFD Crim for the same purpose.

    c. Deny Inc 500 GF "Expand Institutional Out-Patient Substance Abuse Program" in the Inmate Health Care allocation of the Inmate Health Care appropriation. The Subcommittee recommends approval of Inc 257.3 GF and Inc 242.7 PFD Crim for the same purpose.

    d. Adopt IncOTI 1,225.0 GF "Secured Detoxification and Treatment for Involuntary Substance Abuse Commitment" in the Inmate Health Care allocation of the Inmate Health Care appropriation.

    e. Adopt TrOut -13,608.4 from the Inmate Health Care allocation of the Inmate Health Care appropriation and TrIn 13,608.4 to a new Behavioral Health Care allocation in the Inmate Health Care appropriation.

    f. Adopt TrOut -24.528.9 from the Inmate Health Care allocation of the Inmate Health Care appropriation and TrIn 24,528.9 to a new Physical Health Care allocation in the Inmate Health Care appropriation.

Amendment Action:

1. Reviewed and recommends the adoption of the two operating budget amendments (one increment and one decrement) submitted by the Governor through February 29th, 2009.

Items of Concern:

1. For many years the expansion of the Yukon-Kuskokwim Correctional Center in Bethel has been a high-priority project for the Legislature, leading to its inclusion in 2004's Senate Bill 65, which authorized the state to assist communities in building or expanding correctional facilities. While the construction of the Goose Creek Correctional Center in the Mat-Su Valley is underway, and a number of smaller expansion projects in facilities like Wildwood Correctional Center in Kenai have taken place, YKCC remains incomplete. The Subcommittee

discussed this issue and the lack of progress over the years with the Department, and is committed to continuing this discussion until the community and legislators are satisfied with the Department's progress in Bethel.

2. The Governor's amended budget proposal combines all behavioral health treatment programs under a single heading in the Inmate Health Care appropriation. While the Subcommittee understands and appreciates the need for organizational coherence and efficiency, the lack of clarity on how dollars are spent within this appropriation raises questions. The Inmate Health Care appropriation currently consists of just one allocation with a budget of over $37 million. The Subcommittee is concerned that unexpected major medical events and the increasing cost of providing basic physical health care could be threats to the maintenance of these priority programs without some measure of Legislative control over the movement of funds within the appropriation. The Commissioner and his staff assured the Subcommittee of the Department's commitment to maintaining and expanding substance abuse and sex offender treatment programs, along with their other behavioral health initiatives. By recommending the Inmate Health Care appropriation be split into two separate allocations, the Subcommittee intends to reinforce the importance of these programs to the long-term goals of reducing recidivism and inmate population.

3. The increment for Secure Detoxification and Involuntary Substance Abuse Treatment funds the second year of a three-year pilot program based out of the Salvation Army's Clitheroe Center in Anchorage. Under existing statute, judges have the ability to order public inebriates who are a danger to themselves or their community to take part in secured substance abuse treatment programs. Between state and local police, local sleep-off centers, state and local Health and Social Services programs, and the Department of Corrections, these individuals are responsible for an inordinate proportion of public spending. This pilot program is a coordinated and proactive response to a continuing problem, and could provide a breakthrough in combating the public health and safety risks posed by this population. Alaska's program is based on the successful result of similar programs on the county level in the state of Washington.

4. In the last few years, there have been significant advances in the development of results-based programs that can reduce recidivism and cut costs by diminishing the inmate population. The Institute for Social and Economic Research at UAA and the Pew Foundation for the States have released reports in recent months detailing Alaska's need for increased education, job training, and substance abuse treatment programs, and the potential for significant long-term cost savings as a result. The Subcommittee is committed to working with the Commissioner and the Department to both monitor the success of current programs to ensure that they are providing the necessary results, and investing in additional programs with results supported by statistical evidence.

Documents Attached:

Reports from the Division of Legislative Finance:

1. Appropriation/Allocation Summary – Senate Structure

2. Appropriation/Allocation Summary (GF Only) – Senate Structure

3. Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Subcommittee
4. Transaction Comparison – Senate Structure (Between Governor's Amend Adj. and Sen. Sub.)
5. Transaction Comparison – Senate Structure (Between House and Senate Subcommittees)
6. Wordage Report – FY2010 Operating Budget, Senate Structure
7. Agency Totals – FY2010 Operating Budget, Senate Structure

Respectfully Submitted,

Senator Johnny Ellis, Chair
Senate Finance Subcommittee on the Department of Corrections

ALASKA STATE LEGISLATURE

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Senator Tom Wagoner

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SENATE FINANCE SUBCOMMITTEE ON THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

FISCAL YEAR 2010 SENATE BUDGET SUBCOMMITTEE RECOMMENDATIONS

March 16th, 2009

The Senate Finance Subcommittee on the Department of Environmental Conservation submits an operating report to the full Senate Finance Committee for Fiscal Year 2010 as follows:

Fund Source:

	FY09 Management Plan	FY10 Governor's Amended Adjusted Base	FY 10 Senate Subcommittee	Difference (Governor to Senate Sub)
General Funds	18,891.4	19,140.5	19,144.2	3.7 (0.0%)
Federal Funds	21,396.8	21.497.6	21,497.6	0 (0%)
Other Funds	33,086.8	33,496.9	33,516.9	20.0 (0.0%)
Total	73,375.0	74,135.0	74,158.7	23.7 (0.0%)

Personnel:

The Subcommittee reviewed the authorized position count for the Department. The Governor's amended budget proposal requested one new position. The Subcommittee is recommending three new positions.

Position Summary	FY09 Authorized	FY10 Governor's Amended Adjusted Base	FY 10 Senate Subcommittee
Permanent Full Time	529	532	534
Permanent Part Time	1	1	1
Temporary	4	5	5
Total	534	538	540

Budget Action:

The Subcommittee held three meetings with the Department and took the following actions:

1. Adopted the Fiscal Year 2009 Adjusted Base.

2. Reviewed each of the increments (2) and decrements (2) submitted by the Governor. Recommends the adoption of the Governor's proposal with the following exceptions:

   a. Deny Inc 184.0 GF "Climate Change Sub-Cabinet Activity" to the Air Quality allocation of the Environmental Health Appropriation.

   b. Adopt Inc 187.7 GF "Add Two New Environmental Health Officer Positions and Related Costs for Food Safety Inspections" to the Food Safety and Sanitation allocation of the Environmental Health appropriation.

   c. Adopt Inc 20.0 Cruise Ship "Paralytic Shellfish Poisoning Testing" to the Laboratory Services allocation of the Environmental Health appropriation.

Amendment Action:

1. The Governor did not submit operating budget amendments for DEC.

Items of Concern:

1. The Subcommittee had considerable discussion regarding the deficiency of the food safety inspection program and the disparity between the Department's funding level and the expectations of the public at large. Even with the addition of two food safety inspectors and related costs included in the Subcommittee's recommendation, the Department expects it will be able to inspect just under 40% of permitted food service establishments and processers in FY10, up from 35% in FY09. The federal Food and Drug Administrations Model Food Code recommends a minimum of one to three inspections each year. This serious shortfall threatens the health and safety of people across the state, but is felt strongest in rural areas, where costs drive inspection rates even lower than the statewide average.

2. The growth of the wild and farmed shellfish industry in Southeast and Southcentral Alaska threatens to outstrip the ability of the Department to provide testing, which is necessary to advance the permitting process that is vital to the continued health of this profitable and sustainable fishery. With the recommended increment, the Department will be able to expand testing to support new and expanded harvests.

Documents Attached:

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6. Wordage Report – FY2010 Operating Budget, Senate Structure
7. Agency Totals – FY2010 Operating Budget, Senate Structure

Respectfully Submitted,

Senator Johnny Ellis, Chair | Senator Joe Paskvan | Senator Tom Wagoner

Senate Finance Subcommittee on the Department of Environmental Conservation

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Department of Law
Operating Budget Subcommittee

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Senator Hollis French
Senator Kevin Meyer

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FY10 OPERATING BUDGET RECOMMENDATIONS

March 17th, 2009

The Senate Finance Budget Subcommittee for the Department of Law submits the following FY10 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	09 Adj Base	Gov Amd	Sen Sub	Difference
General Funds	$45,021.1	$56,825.4	$54,309.1	$(2,516.3)
Federal Funds	$ 3,233.7	$ 3,880.3	$ 3,880.3	0
Other Funds	$24,715.0	$25,176.8	$25,193.1	$ 16.3
Total	$72,969.8	$85,235.9	$83,382.5	

Positions	09 Adj Base	Gov Amd	Sen Sub	Difference
PFT	549	549	549	0
PPT	7	7	7	0
Temp	0	0	0	0

The Subcommittee held three meetings with the Department and took the following actions:

Budget Action

CRIMINAL DIVISION

- Approved a one-time increment of $646,000 for U.S. Department of Justice federal grants to continue funding attorneys and paralegals to aid in the prosecution of domestic violence as well as adult and child sexual assault cases. Funding is split as indicated below:
  - Second Judicial District - $90,000
  - Fourth Judicial District - $285,000
  - Criminal Appeals & Special Litigation Section - $271,600

- Approved an increment of $292,400 GF for anticipated lease cost increases for the Third Judicial District office space in the Whale and Brady Buildings in Anchorage.

- Within Criminal Justice Litigation, approved a one-time increment of $12,500 in Mental Health Trust Receipts to provide Disability Justice training for prosecutors to allow them to better understand and more efficiently handle cases involving persons with mental health disorders or cognitive impairments.

CIVIL DIVISION

- Approved an increment of $398,800 (50% GF & 50% Inter-agency Receipts) for anticipated lease cost increases for the Deputy Attorney General's office space in the Whale and Brady Buildings in Anchorage.

- Approved a one-time increment of $165,000 in Tobacco Education & Cessation Funds for the Commercial & Fair Business group to continue work on resolving a Master Settlement dispute between the State of Alaska and the tobacco companies.

- Denied a fund source change from Oil & Hazardous Response Funds to General Funds related to unrealizable salary adjustments in the Environmental Law group.

- Approved a one-time increment of $5.109 million GF within the Oil, Gas & Mining section for legal services related to ongoing Pt. Thomson litigation, FERC proceedings relating to Trans-Alaska Pipeline tariffs and corporate income tax matters.

- Denied a one-time increment of $1.9 million GF within the Oil, Gas & Mining section for legal work related to Trans-Alaska Pipeline strategic reconfiguration

- Approved an $187,000 GF increment within Statehood Defense for legal counsel related to continuing statehood entitlement work.

- Denied a $600,000 one-time GF increment within the Statehood Defense section for work related to federal Endangered Species Act action regarding Polar Bears and Beluga Whales.

- Recommended that the Department's $150,000 FY09 Supplemental request for Endangered Species Act work within the Statehood Defense section be increased to $750,000 and given a FY2010 lapse date. This should provide the section with operating funds through the end of FY2010.

ADMINISTRATION & SUPPORT

- Approved an increment of $101,200 in Capital Improvement Project Receipts for the Administrative Services section to continue funding a network specialist to operate and maintain the Case Management System.

BP CORROSION

- Approved a one-time increment of $3.5 million GF to continue the pursuit of claims against BP for penalties and lost revenues related to the 2006 Prudhoe Bay pipeline corrosion and maintenance problems which resulted in spills and lost oil production.

ATTACHMENTS:

Report 1 – Agency Totals

Report 2 – Allocation Summary – Senate Structure

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Report 4 – Transaction Compare – Gov Amend & Senate Subcommittee

Report 5 – Transaction Compare – House & Senate Subcommittee

Report 6 – Transaction Compare – Adjusted Base & Senate Subcommittee

Report 7 – Wordage

Senator Hollis French

Senator Kevin Meyer

Senator Bert Stedman – Chairman

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Department of Revenue
Operating Budget Sub-Committee

Senator Bert Stedman, Chair
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Senator Lesil McGuire

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FY10 OPERATING BUDGET RECOMMENDATIONS

March 19th, 2009

The Senate Finance Budget Subcommittee for the Department of Revenue submits the following FY10 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	09 Adj Base	Gov Amd	Sen Sub	Difference
General Funds	$ 17,118.5	$ 20,414.8	$ 18,164.1	$(2,250.7)
Federal Funds	$ 37,926.1	$ 39,588.3	$ 39,611.0	$ 22.7
Other Funds	$207,072.3	$189,797.8	$191,562.7	$ 1,764.9
Total	$262,116.9	$249,800.9	$249,337.8	$(463.1)

Positions	09 Adj Base	Gov Amd	Sen Sub	Difference
PFT	867	867	866	-1
PPT	41	41	41	0
Temp	17	17	17	0
Total	925	925	924	-1

The Subcommittee held three meetings with the Department and took the following actions:

Budget Action

TAX DIVISION

- Approved a $50k fund source change from Capital Improvement Project Receipts to GF to prepare the statutorily required annual Alaska Salmon Price Report.

- Approved a one-time increment of $270,000 GF for contract audit assistance. The Governor's request was for $540,000.

- Approved a $200,000 GF increment to fund the fourth master auditor position that was authorized during the 2007 ACES legislation.

TREASURY DIVISION

- Approved $81,700 in fund source changes necessary to comply with changes made by the Alaska Retirement Management Board to the structure of the Retiree Health Care Trust Fund. The old "Retiree Health Care" designation is being replaced with the broader designation of "Benefit System Receipts".

- Approved $420,000 in fund source changes necessary to bring the Treasury Division's cost allocation plan into compliance.

- Approved a $152,000 GF increment to recover Treasury management costs that under the new cost allocation plan, can't be allocated to unbudgeted RSAs in FY2010.

ALASKA RETIREMENT MANAGEMENT BOARD (ARMB)

- Approved $113,000 in fund source changes necessary to comply with changes made by the Alaska Retirement Management Board to the structure of the Retiree Health Care Trust Fund. The old "Retiree Health Care" designation is being replaced with the broader designation of Benefit System Receipts.

- Approved $74,600 in fund source changes necessary to bring the Treasury Division's cost allocation plan into compliance.

- Approved a $249,500 increment of Group Health Life & Benefit Receipts to fund increased measurement and consulting costs associated with the addition of 15 new investment options within the Supplemental Annuity, Deferred Compensation and Defined Contribution plans.

- Approved a $900,000 increment of Group Health Life & Benefit Receipts to cover increased Treasury management costs associated with the Supplemental Annuity and the Deferred Compensation Plan.

- Approved a $150,000 one-time increment of retirement trust funds to engage a contractor to audit the Board's performance consultant, Callan Associates.

ARMB CUSTODY AND MANAGEMENT FEES

- Approved an $8.547 mill decrement of retirement trust funds to reflect lower investment manager fees due to the decline in the retirement portfolio's market value.

PERMANENT FUND DIVIDEND DIVISION

- Approved a $101,000 increment of Permanent Fund Dividend funds to cover cost increases associated with an increased number of applicants and public inquires.

CHILD SUPPORT SERVICES DIVISION

- Denied a $1.9 million fund source change from Receipt Supported Services to GF to increase state matching funds. The Department testified that they wouldn't need this change after all due to relief that was anticipated in the federal stimulus bill – the American Recovery and Reinvestment Act (ARRA).

ADMINISTRATIVE & SUPPORT

- Denied $22,700 in fund source changes from CSSD receipts to General Funds related to unrealizable salary adjustments in the Commissioner's Office and the Administrative Services group.

- Accepted the House recommendation to delete the special assistant to the commissioner position. ($46.4 GF/$72.6 Inter Agency Receipts)

MENTAL HEALTH TRUST OPERATIONS

- Approved $2.65 mill in Mental Health Trust Receipts to fund the Board of Trustees approved FY2010 operating plan. This is a $150,400 increase over the FY09 management plan.

LONG TERM CARE OMBUDSMAN'S OFFICE

- Denied an $11,600 fund source change from Inter-Agency Receipts to GF related to unrealizable salary adjustments.

ALASKA HOUSING FINANCE OPERATIONS

- Approved a $674,300 fund source change from Corporation Receipts to Federal Receipts in order to maximize available federal Dept of Housing & Urban Development funding.

- Approved a $959,700 increment in Fed Receipts to cover increased utility costs from rate increases.

- Approved a $254,400 increment ($50.9 Fed/$80.5 CIP/$123.0 AHFC Receipts) for costs associated with increased business activity.

ALASKA PERMANENT FUND CORP OPERATIONS

- Denied a $74,100 increment in Perm Fund Corp Receipts for increased travel.

APFC CUSTODY AND MANGEMENT FEES

- Approved a $10.0 mill decrement in Perm Fund Corp Receipts to reflect lower investment manager fees due to the decline in the retirement portfolio's market value.

ATTACHMENTS:

Report 1 – Agency Totals – Senate Structure

Report 2 – Allocation Summary – Senate Structure

Report 3 – Allocation Summary – Senate Structure (GF Only)

Report 4 – Transaction Compare – Gov Amend & Senate Subcommittee

Report 5 – Transaction Compare – House & Senate Subcommittee

Report 6 – Transaction Compare – Adjusted Base & Senate Subcommittee

Report 7 – Wordage

Senator Lesil McGuire

Senator Lyman Hoffman

Senator Bert Stedman – Chairman

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE
Department of Transportation
Operating Budget Sub-Committee

Senator Bert Stedman, Chair
Senator Albert Kookesh
Senator Linda Menard
Senator Kevin Meyer
Senator Donny Olson
Senator Gary Stevens

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FY2010 OPERATING BUDGET RECOMMENDATIONS

March 20th, 2009

The Senate Finance Budget Subcommittee for the Department of Transportation & Public Facilities submits the following FY10 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	09 Adj Base	Gov Amd	Sen Sub	Difference
General Funds	$205,345.1	$ 221,616.8	$230,238.5	$ 8,621.7
Federal Funds	$ 3,996.1	$ 3,987.0	$ 3,988.2	$ 1.2
Other Funds	$295,741.6	$ 293,057.2	$296,571.2	$ 3,514.0
Total	$505,083.0	$ 518,661.0	$530,797.9	$ 12,136.9

Positions	09 Adj Base	Gov Amd	Sen Sub	Difference
PFT	3,200	3,202	3,202	0
PPT	438	444	436	-8
Temp	199	199	199	0
Total	3,837	3,845	3,837	-8

Budget Highlights

The subcommittee approved $4.033 million GF for salary and benefit adjustments for the recently concluded Alaska Marine Highway System bargaining agreements:

- $2.320 mill - Inlandboatman's Union of the Pacific (IBU)
- $0.924 mill - Master, Mates & Pilots (MMP)
- $0.789 mill - Marine Engineers Beneficial Association (MEBA)

The subcommittee approved $12.7 mill in additional funding for facilities, highway and aviation maintenance statewide. This will allow the regions to provide a higher level of service in recognition of lost purchasing power over the past several years.

- $6.239 mill - Northern Region
- $4.816 mill - Central Region
- $1.667 mill - Southeast Region

Specific Budget Action

The Subcommittee held four meetings with the Department and accepted the Governor's appended budget transactions with the following exceptions:

AGENCY WIDE

- Denied 29 separate transactions requested agency-wide to charge $1.015 million in unrealizable salary adjustments to the General Fund from other funding sources.

CENTRAL REGION FACILITIES

- Added a $54,800 GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.

- Added a $496,400 GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

NORTHERN REGION FACILITIES

- Denied a $141,200 GF increment for janitorial contract cost increases at various facilities in the Northern Region to include Tok, Delta Junction and Fairbanks.

- Added an $116,700 GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.

- Added a $709,900 GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

SOUTHEAST REGION FACILITIES

- Added a $104,500 GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

CENTRAL REGION HIGHWAYS AND AVIATION

- Approved a $200,000 GF increment for fuel and equipment operational costs related to sidewalk snow removal in Anchorage. The Governor's original request included an additional $300,000 in associated personal services that was denied.

- Denied an $116,300 GF increment for anticipated street sweeping contract cost increases in the region.

- Added a $1.618 mill GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.

- Added a $2.647 mill GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

NORTHERN REGION HIGHWAYS AND AVIATION

- Added a $554,000 GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.

- Added a $4.858 mill GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

SOUTHEAST REGION HIGHWAYS AND AVIATION

- Approved a $20,000 GF increment for fuel and equipment operational costs related to sidewalk snow removal in Juneau. The Governor's original request included an additional $27,100 in associated personal services that was denied.

- Added a $378,500 GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.

- Added a $1.184 mill GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

WHITTER ACCESS & TUNNEL

- Denied a $2.0 mill fund source change from Capital Improvement Project Receipts to Cruiseship Gambling Tax Receipts (GF) for the maintenance and operations of the Whittier Tunnel. CIP Receipts are still an appropriate fund source for this item

- Approved a $500,000 increment of Regional Cruiseship Impact Fund Receipts to extend the operating hours of the Whittier Tunnel during the summer tourism season. The Governor's original request proposed using Cruiseship Gambling Tax Receipts (GF) instead.

ATTACHMENTS:

Report 1 - Agency Totals - Senate Structure

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Report 6 - Transaction Compare - Adjusted Base & Senate Subcommittee

Report 7 - Wordage

Senator Kevin Meyer

Senator Linda Menard

Senator Albert Kooskesh

Senator Donny Olson

Senator Gary Stevens

Senator Bert Stedman
Chair

Senate Finance Subcommittee

Senator Hoffman
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Staff
Tim Grussendorf

Subcommittee Members
Sen. Bert Stedman
Sen. Gary Stevens

Department of Fish & Game Recommendations

The Senate Finance Budget Subcommittee for the Department of Fish and Game submits an Operating Budget to the Senate Finance Committee for FY 10 as follows:

Fund Source	09 mgt. plan	Adj Gov Amd	Sen Sub	Difference (G-S)
General Funds	57,878.0	58,357.7	57,237.7	(1,120.0)
Federal Funds	54,950.3	55,112.5	55,112.5	0
Other Funds	66,988.4	66,860.1	66,649.7	(210.4)

Positions	09 CC	Adj Gov Amd.	Sen. Sub	Difference
PFT	915	910	910	0
PPT	767	767	767	0
Temp	58	62	62	0

The Subcommittee held one meeting with the Department and took the following actions:

Budget Action

- Accepted the Governor's amended proposal with the following adjustments and comments:
- Restored research for Bering Sea crab in Commercial Fisheries Westward Region. $793.7 CIP Receipts
- Removed the Wildlife Pilot Program Urban Response Teams from Wildlife Conservation. -$190.0 GF
- Restored a portion of one-time funding for pinniped research related to the E.S.A. $930.0 CIP Receipts
- Reduced funding to Public Shooting Ranges in the Hunter Education Division. -$114.1 GF (F/G)
- Funded two existing Habitat Biologist positions via RSAs with DNR for Oil & Gas pre-application work. $180.0 I/A Receipts

Attached Reports

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 19th, 2009

Senate Finance Subcommittee

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Staff
Tim Grussendorf

Subcommittee Members
Sen. Albert Kookesh AK
Sen. Gary Stevens

Office of the Governor Recommendations

The Senate Finance Budget Subcommittee for the Office of the Governor submits an Operating Budget to the Senate Finance Committee for FY 10 as Follows:

Fund Source	09 mgt. plan	FY10 Gov Amd	Sen Sub	Gov to Sen
General Funds	$ 25,381.4	$ 22,886.5	$ 22,485.0	$ -(401.5)
Federal Funds	$ 184.9	$ 187.6	$ 187.6	
Other Funds	$ 1,979.7	$ 834.5	$ 834.5	

Positions	09 CC	10 Gov Amd.	Sen. Sub	Gov to Sen
PFT	156	156	155	-1
PPT	0	0	0	0
Temp	46	23	23	0

The Subcommittee held one meeting with the Department and took the following actions:

Budget Action

- Accepted the Governors amended proposal with the following adjustments.
- Reduction of FY 09 carry forward of $350.0 in the Executive Office and $50.0 in the Lt. Gov's Office.
- **Language:**

Fund FY 2010 Branch wide fuel increase of $24,000.0
Branch wide fuel/utility cost reduction of ($1,000.0)

Attached Reports

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6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 20th, 2009

Senate Finance Subcommittee

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Tim Grussendorf

Subcommittee Members
Sen. Bert Stedman
Sen Gary Stevens

Legislatures FY 10 Operating Budget Recommendations

The Senate Finance Budget Subcommittee for the Legislatures Operating Budget submits this recommendation to the Senate Finance Committee for FY 10 as follows:

Fund Source	09 mgt. plan	10 Gov Amd	Sen Sub	Difference
General Funds	$ 64,248.5	$ 65,943.2	$ 64,962.7	$(980.5)
Federal Funds	0	0	0	0
Other Funds	$ 963.6	$1,142.3	$1,107.3	$(35.0)

Positions	09 CC	10 Gov Amd.	Sen. Sub	Sen to Gov
PFT	246	246	246	0
PPT	278	280	280	0
Temp	0	0	0	0

Budget Action

- Accepted the Governors amended proposal with the following adjustments.
- The final budget request for the Legislative Budget and Audit Committee, Legislative Affairs for the Legislative Council were approved as submitted which included non discretionary adjustments for wages and other contractual obligations.
- Approximately $2.3 million in one-time project appropriations that were included in the FY09 budget were removed from the FY10 request.
- The FY10 request was increased by the amount estimated to implement the legislative pay adjustment in January 2010
- Allows a one time only increment to Legislative Council account for casual labor costs.

Attached Reports

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure

4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 20h, 2009

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Sen. Ellis
Sen. Huggins
Sen Olson
Sen Thomas

University of Alaska Recommendations

The Senate Finance Budget Subcommittee for the University submits an Operating Budget to the Senate Finance Committee for FY 10 as Follows:

Fund Source	09 Mgt Plan Rev	FY10 Gov Amd+	Sen Sub	Sen to Gov
General Funds	$307,833.5	$325,674.9	$320,862.2	$ (4,812.7)
Federal Funds	$156,076.9	$131,558.5	$131,558.5	0.0
Other Funds	$374,204.3	$368,699.9	$368,464.5	$(235.4)

Positions	09 CC	FY10 Gov Amd+	Sen. Sub	Sen to Gov
PFT	4,694	4697	4694	-3
PPT	222	222	222	0
Temp	0	0	0	0

The Subcommittee held two meetings with the University and took the following actions:

Budget Action

- Changed structure from one appropriation in Gov Amd and the House to seven appropriations (matching FY09)
- Adopting Adjusted Base
- Accepted the Total Compensation increases of $14.5 million but switched funding to 50% General Fund and 50% non-GF; also added Intent regarding Executive salary pay increases

- Reduced University Receipts by ($1,750.0) for non-Personal Services Fixed Cost Increases (including Athletics Travel, Academic/Research Travel, Facilities Maintenance and Repair, and Other Fixed Cost Increases in contractual services and commodities)

- Added $1,750.0 University Receipts to fund the Integrated Sciences Building (ISB) New Facility Operating and Maintenance Costs on the Anchorage Campus; also allowed $500.0 GF for the ISB, bringing the total funding to $2,250.0 to allow for full opening of the facility for the Fall 2009 semester.

- Accepted increases for New Facility Operating and Maintenance Costs for the Virology Lab in Fairbanks ($150.0 GF) and for the Bragaw Building Lease ($350.0 GF) in Anchorage

- Added $3.6 million total ($950.0 GF and $2,668.4 non-GF) for two Energy and Cooperative Extension Service Programs (One-Time Increments) as follows:

    - (1) UAF Alaska Center for Energy and Power (ACEP) $500.0 GF, $400.0 Federal Receipts, $918.4 University Receipts, totaling $1,818.4;
    - (2) UAF Cooperative Extension Service and Energy Outreach $450.0 GF, $500.0 Federal Receipts, $850.0 University Receipts, totaling $1,800.0

- Funding is not included for expansion of other University programs

- Retained 4,694 permanent full-time position authorization count—the same as FY09 Conference Committee

- Accepted all decrements for excess receipt authority proposed by the University ($48 million total)

- Accepted the Mental Health Trust Authority decrements proposed in the Governor's Amended request ($328.5 MHTAAR)

- Accepted $2.2 million GF (switched from Capital to Operating Request) for Graduate Medical Education/Family Practice Residency Program

- Overall, the Subcommittee has approved a total budget for the University of $820.9 million, which includes an increase of $13 million GF plus an increase of $10 million non-GF over FY09

Attached Reports

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd+ and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 18th, 2009

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Jesse Kiehl

Subcommittee Members
Sen. Joe Paskvan
Sen. Gene Therriault

Alaska Court System
Recommendations

The Senate Finance Budget Subcommittee for the Court System submits an Operating Budget to the Senate Finance Committee for FY 10 as follows:

Fund Source	FY09 mgt. plan	FY10 Gov Amd	Sen Sub	Sen to Gov
General Funds	$ 84,485.8	$ 89,627.1	$ 86,991.0	$ -2,636.1
Federal Funds	$ 1,675.6	$ 1,675.6	$ 1,675.6	-
Other Funds	$ 1,493.8	$ 981.3	$ 981.3	-

Positions	FY09 CC	FY10 Gov Amd.	Sen. Sub	Sen to Gov
PFT	728	754	730	-24
PPT	62	61	62	1
Temp	32	28	28	0

The Subcommittee held three meetings with the Court System and took the following actions:

Budget Action

- Accepted the governor's amended proposal with the following adjustments.
- Reduced a request for workstations, office equipment and replacement furniture from $117.8 to $50.0.
- Reduced a two transaction request to eliminate the vacancy savings requirement for judicial positions from $639.4 system wide to $200.0 in the trial courts.
- Reduced a request for $879.1 and 13 PFT for the No Dark Courtrooms initiative to $250.0 and no new positions. The courts will hire employees into existing vacant positions.

- Reduced a request for $214.0 to add and upgrade positions in the First Judicial District to $155.0 to add a Juneau magistrate and upgrade a position in Haines. The courts will use existing vacant positions.

- Denied $436.5 for new positions in the Third Judicial District.

- Reduced a request for $268.3 for Public Building Fund lease costs and an expanded Nenana facility to $223.3, which pays only the Public Building Fund needs.

- Denied a request for $147.4 to increase the pay of pro tem judges.

- Reduced a $75.0 request for staff development and sustained systems training to $50.0.

- Denied a request for $250.0 for life-cycle replacement of computer systems.

- Denied a request for $125.0 for transcription costs for criminal proceedings.

- Denied a request for $411.9 and five positions in administration.

- Created a new allocation for therapeutic courts and transferred funding to it.

- Adopted intent language directing therapeutic court funding in the FY 11 cycle be transferred from other agencies to the Court System budget.

Attached Reports (numbers only)

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 18th, 2009

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Jesse Kiehl

Subcommittee Members
Sen. Gary Stevens GS
Sen. Bettye Davis BD
Sen. Linda Menard LKM
Sen. Kevin Meyer KM

Department of Education & Early Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Education & Early Development submits an Operating Budget to the Senate Finance Committee for FY 10 as follows:

Fund Source	09 mgt. plan	Fy 10 Gov Amd	Sen Sub	Sen to Gov
General Funds	$ 49,381.8	$ 55,842.2	$ 54,492.2	$ -2350.0
Federal Funds	$ 214,567.9	$ 214,958.5	$ 214,958.5	-
Other Funds	$ 36,744.2	$ 35,190.2	$ 35,190.2	-

Positions	09 CC	10 Gov Amd.	Sen. Sub	Sen to Gov
PFT	329	332	332	-
PPT	14	15	15	-
Temp	0	0	0	-

The Subcommittee held four meetings with the department and took the following actions:

Budget Action

- Accepted the Governors amended proposal with the following adjustments:
- Denied a request for $150.0 to audit intensive need students.
- Reduced the requested increment to Early Learning Coordination to serve additional children in the Head Start program. The subcommittee's increment is $600.0. The subcommittee recommends the Finance committee appropriate an additional $1 million to serve additional Head Start children in communities with chronically underperforming school districts. The Finance committee may wish to use language similar to the following:

The sum of $1,000,000 is appropriated to the Department of Education & Early Development to provide expanded Head Start services in communities served by chronically underperforming school districts.

- Denied a request for $2 million in the formula program for a Pre-Kindergarten education pilot program. The subcommittee recommends the Finance committee appropriate this amount with contingent language ensuring a substantial portion of the funds go to serve children in chronically underperforming school districts. The Finance committee may wish to use language similar to the following:

  1) The sum of $1,000,000 is appropriated to the Department of Education & Early Development for a Pre-Kindergarten education pilot program.
  2) The sum of $1,000,000 is appropriated to the Department of Education & Early Development for a Pre-Kindergarten education pilot program serving children in chronically underperforming school districts.

Attached Reports (numbers only)

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 16th, 2009

Senate Finance Budget Subcommittee
FY10 Department of Military and Veterans Affairs

March 19, 2009

The Senate Finance Budget Subcommittee for the Department of Military and Veterans Affairs submits the following operating budget to the full Senate Finance Committee:

Fund Source	09 Mgt Plan	10 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
General Funds	$11,328,400	$11,276,900	$11,276,900	0.0
Federal Funds	$21,264,600	$22,235,300	$22,235,300	0.0
Other Funds	$12,782,700	$13,005,400	$13,005,400	0.0
TOTAL	**$45,375,700**	**$46,517,600**	**$46,517,600**	**0.0**

Positions	09 Mgt Plan	10 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
PFT	283	283	283	0.0
PPT	2	2	2	0.0
Temp	1	1	1	0.0
TOTAL	**286**	**286**	**286**	**0.0**

The Budget Subcommittee recommends an operating budget that authorizes 0 less general funds and 0 fewer employees than the Governor's FY2010 budget request.

Subcommittee Recommendations

The subcommittee held one joint House/Senate subcommittee meeting with the Department and took the following actions:

1. Reviewed the FY09 Management Plan.
2. Reviewed the FY10 Adjusted Base.
3. Reviewed the increments, decrements, and budget amendments proposed by the Governor.
4. Reviewed a three-year look-back at budget growth from FY07 to the Governor's request.
5. Reviewed the House Subcommittee report, which adopted the Governor's request as amended.
6. Adopted the Governor's request as amended.

The Subcommittee considered the educational benefits section of the budget, which is an area that has been a concern to past subcommittees. The $328.5 reduction is a reduction to the DMVA budget; however, the Guard tuition funding reappears in the Governor's University budget request.

The subcommittee also considered and accepted the Department's rationale for removing the funding request for the Veterans Cemetery in the Fairbanks region at this time.

The committee considered the $50.0 General Fund increment in the Veterans' Services component of the budget for increasing grants for the Veterans' Outreach Program.

Lastly, the subcommittee reviewed the $185.2 increase in the Alaska Youth Military Academy's authority to receive I/A funding from DEED, due to the anticipated $100 increase in the Base Student Allocation.

The Department budget has been relatively flat for the past three years. Changes in mission and organization have, where possible, been absorbed by reorganization and reassignment of personnel where needed.

Documents attached:

Legislative Finance Reports:

1. Agency Totals – FY10 Operating Budget – Senate Structure
2. Allocation Summary All Funds – Senate Structure
3. Transaction Comparison – Senate Structure (between Adj Base and Sen Sub)
4. Transaction Comparison – Senate Structure (between GAmdAdj and Sen Sub)
5. House Close Out Reports
6. Wordage Report – Operating Budget, Senate Structure

Respectfully submitted,

Senator Charlie Huggins, Chair

Senate Finance Budget Subcommittee
FY10 Department of Natural Resources

March 23, 2009

The Senate Finance Budget Subcommittee for the Department of Natural Resources submits the following operating budget to the full Senate Finance Committee:

Senate Subcommittee Budget Comparisons				
Operating Budget	**General Fund**	**Federal**	**Other**	**Total**
FY10 Adjusted Base	$66,436,700	$13,939,900	$44,544,800	$124,921,400
FY10 Gov Amend +	$71,679,200	$13,804,300	$48,144,600	$133,628,100
(HFS) Recommend	$73,969,700	$14,054,300	$50,286,100	$138,310,100
(SFS) Recommend	**$73, 841,900**	**$13,804,300**	**$50,013,900**	**$*137,660,100**

(Table No. 1)

Senate Subcommittee Position Summary			
	Permanent Full Time	Permanent Part Time	Temporary
FY 10 Adj Base	778	245	73
Gov Amend +	779	246	76
(HSF) Recommend	780	246	76
(SFS) Recommend	**764**	**245**	**76**

(Table No. 2)

The Budget Subcommittee recommends an operating budget that authorizes *$137,660,100*. While Table 1 shows a number that is $4,032,000 greater than the Governor's amended request, it includes $3.2 million for gas line implementation, which was a capital item that moved into the operating budget, and $2.5 million for the Petroleum Systems Integrity Office, which was moved from the language section to the numbers section. As such, these two items do not represent an increase to the budget. Therefore, the subcommittee's authorized operating budget reflects an actual reduction of $1,668,000 from the Governor's amended budget request. The subcommittee's recommended budget also includes 15 fewer permanent full time employees than the Governor requested.

Subcommittee Recommendations

The subcommittee held six meetings with the Department and reviewed all aspects of the Department of Natural Resources' budget, including a three-year look back to review the growth in the Department's budget from FY07 to the FY10 Governor's Amended proposal.

The subcommittee took the following actions:

1. Adopted the FY10 Adjusted Base.

2. Reviewed the increments, decrements, and budget amendments proposed by the Governor.

3. Reviewed and discussed the significant issues as outlined in the Legislative Finance Division Fiscal Analyst's Overview of the Governor's request, i.e., oil and gas initiatives; North Latitude

Plant Material Center; Geological Development, Mineral Survey and Volcano Observatory; statehood entitlement transfers; fire suppression preparedness; and the Guide Service Initiative.

4. Reviewed the increments, decrements, and budget amendments recommended by the House Finance Subcommittee and passed by the House.

5. Adopted the Governor's proposed amended budget with the following exceptions:

   - Funded Oil and Gas contract auditors ($200.0) and outside legal ($500.0) positions as one-time items (OTI).

   - Reduced the Petroleum System Integrity Office's (PSIO) budget request by $261,500.

   - Denied the budget request for a Grants Administrator position and reduced $64,000 in CIP funding in the Alaska Coastal and Ocean Management component.

   - Funded the Guide Services Initiative, Phase 1 Continued, as a one-time item (OTI).

   - Denied the budget request for a seasonal position for the Chilkoot River Bear Viewing Area and $55,000 in General Funds in the Parks Management component.

   - Denied the budget request for authorization to utilize $510,000 in CIP funds for positions in the Parks and Recreation Access component.

   - Approved an unallocated reduction of $109,100 in General Funds in the Personal Services line item.

   - Approved an unallocated reduction of 10 positions from the Department.

   - Noted $3.2 million in the Governor's Gas Pipeline Implementation component reflects a capital project that was moved to the operating budget and, as such, does not increase the budget.

   - Noted that the $2.5 million increase in the Pipeline Coordinator was moved from the language section to the numbers section and, as such, does not increase the budget.

   - Recommended that the full Senate review the $2.7 million lapse extension for AGIA implementation when it is included in the FY09 Supplemental Bill.

   - Recommended changing the new component in the budget entitled "State Coordinator – Gas Pipeline" to "Gas Pipeline Implementation" and to replace all references of the former term with the latter.

Documents attached:

Legislative Finance Reports:

1. Transaction Comparison – Senate Structure (between GAmdAdj and Sen Sub)
2. Allocation Summary All Funds – Senate Structure
3. Allocation Summary General Funds – Senate Structure
4. Agency Totals – FY10 Operating Budget – Senate Structure
5. Transaction Comparison – Senate Structure (between Adj Base and Sen Sub)
6. Transaction Comparison – Senate Structure (Between House and Sen Sub)
7. Wordage Report – Operating Budget, Senate Structure
8. House Close Out Report

Respectfully submitted,

Senator Charlie Huggins, Chair

Senator Bill Wielechowski

Senator Lesil McGuire

Senator Linda Menard

Senate Finance Subcommittee

Senator Thomas
Members
Subcommittee Chair
Room 510, Capitol Building
Phone 465-2327

Subcommittee

Sen. Albert Kookesh
Sen. Linda Menard

Department of Commerce, Community and Economic Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Commerce, Community and Economic Development submits an operating budget to the Senate Finance Committee as follows:

Fund Source

	FY09 Mgt Plan Rev	FY10 Gov Amd+	FY10 Senate	Gov to Senate
General Fund	14,997.9	19,495.2	19,361.9	-133.3
Federal	55,091.9	64,592.7	64,592.7	0
Other	102,148.8	103,920.1	71,893.4	-32,026.7

Personnel

PFT	521	525	525	0
PPT	2	2	2	0
Temp	16	12	12	0

Budget Action

The Subcommittee held five meetings and took the actions reflected in the attached Legislative Finance Division reports.

The Subcommittee adopted the FY 10 Adjusted base, and then accepted the increments, decrements, fund source changes and wordage in the Governor's Amended budget, with the adjustments mentioned below.

The most significant items in the Governor's request are:

- Increments to allow agencies to pay for increased core services charges by other departments and for revisions to the department's internal cost allocation plan.

- Continuation of FY09 funding for the Legal Services Corporation and two grant administrators in the Division of Community and Regional Affairs. These were one-time items in FY09 and are included as increments in the FY 10 budget.

- Continuation of funding for the Alaska Energy Authority's executive director and program managers with General Funds. In FY09, these positions were funded from a capital project entitled "Alaska Energy Authority Projects and Development of a Statewide Energy Plan." The Subcommittee believes the AEA executive director and program management are operating budget activities, and that billing them to capital projects creates legal and administrative difficulties.

- A 57.7 increase in AIDEA funding for the Alaska Regional Development Organizations (ARDORS) to provide for a newly created ARDOR.

- A substantial increase in anticipated federal funding for local communities through Payment in Lieu of Taxes and National Forest Receipts. The Payment in Lieu of Taxes increment is 3,673.4 and the National Forest Receipts increment is 6,300.0.

- Replacement of 1,878.0 of the Alaska Seafood Marketing Institute's uncollectable federal funds and program receipts with General Funds.

The Subcommittee did not accept the Governor's request to substitute General Funds for 1,971.3 in Business License Receipts that funded the Division of Community and Regional Affairs. The amount of Business License Receipts collected in FY10 will decline substantially due to the reduction in the license fee. The Subcommittee restored DCRA program funding with 1,838 in General Funds and 133.3 in Business License Receipts. The Subcommittee anticipates that the use of 133.3 in Business License Receipts will leave the department with approximately 400.0 of receipts to cover the budget in case license revenue declines due to the economic downturn. Business License revenue is historically volatile, and the Subcommittee believes it would be unwise to provide a cushion of less than 400.0.

The Subcommittee recommends full funding of Power Cost Equalization, but supports elimination of the PCE Capitalization Fund as an intermediate step in the flow of funds from the PCE Endowment and the General Fund, to the department for distribution to utilities. The Subcommittee concurs with the House recommendation to route PCE funds directly to the department.

Finally, the Subcommittee recommends that the Governor's requested wordage be amended to remove old legislative intent that directed the Alaska Aerospace Development Corporation to fully pay its portion of core services and department cost allocations. This issue has been resolved.

Documents attached:

Legislative Finance Reports

1. Agency Totals - FY10 Operating Budget-Senate Structure
2. Allocation Summary - General Funds – Senate Structure
3. Allocation Summary - All Funds – Senate Structure
4. Transaction Comparison – Senate Structure (Adj Base and Senate Subcom)
5. Transaction Comparison – Senate Structure (Gov. Amd+ and Senate Subcom)
6. Wordage Report – FY10 Operating Budget – Senate Structure
7. Transaction Comparison (House and Senate Subcom)

Respectfully submitted,

Joe Thomas

Senator Joe Thomas
Senate Subcommittee Chair
March 23, 2009

Senate Finance Subcommittee

Senator Thomas
Members
Subcommittee Chair
Room 510, Capitol Building
Phone 465-2327

Subcommittee

Sen. Bettye Davis
Sen. Hollis French

Department of Labor and Workforce Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Labor and Workforce Development submits an operating budget to the Senate Finance Committee as follows:

Fund Source	FY09 Mgt Plan Rev	FY10 Gov Amd+	FY10 Senate	Gov to Senate
General Fund	29,822.8	29,176.8	29,791.8	615.0
Federal	85,866.2	87,638.2	87,638.2	0
Other	56,832.4	60,240.5	60,420.5	180.0
Personnel				
PFT	833	825	827	2
PPT	108	115	115	0
Temp	37	23	23	0

Budget Action

The Subcommittee held three meetings and took the actions reflected in the attached Legislative Finance Division reports.

The Subcommittee adopted the FY 10 Adjusted base, and then accepted the increments, decrements, fund source changes and wordage in the Governor's Amended budget, with the adjustments mentioned below.

The most significant items in the Governor's request are continuations of one-time items from the FY09 budget as increments to the base, including funding for the Alaska Construction Academy Training and SAVEC (Southwest Alaska Vocational and Education Center.)

The Governor requested continuation of funding for three gas line-related, one-time items in the language section (section 16) of her bill. Those items are: Business Services gas line job training oversight and instruction, the Workforce Investment Board education skills coordinator, and the Labor Market Information gas line training program guide and regional workforce data distribution. The Subcommittee moved partial funding for both the Business Services increment and the Workforce Investment Board increment into the numbers section of the department budget, with the recommendation that all three items be removed from the language section, and that the balance of the Governor's request for these items be funded through the reappropriation of unexpended FY09 AGIA funding in the Governor's supplemental request.

This above action deletes $860.0 GF from the bill's language section, while adding $550.0 GF to the numbers section of the department budget, for a total GF reduction to the Governor's budget of $310.0.

The Subcommittee made an additional $25.0 decrement to Data Processing within the Commissioner and Administrative Services appropriation, to remove a one time item from a FY09 fiscal note.

The Subcommittee also added two wage and hour investigators to the Wage and Hour Administration allocation, to be funded with $90.0 from the Worker Safety Fund and $90.0 from the General Fund. This increment will allow the department to significantly increase visits to job sites to enforce minimum wage, child labor and resident hire laws, as well as ensure that employers have the required workers' compensation coverage and that they are correctly categorizing their workers' for workers compensation purposes each year.

Finally, the Subcommittee recommends that the Senate Finance Committee reappropriate or extend the lapse date for the unexpended balance of the FY09 appropriation for Alaska Construction Academy Training made in section 1, chapter 27 of SLA 2008. This roll-forward would provide the necessary funding to expand Construction Academy training in rural Alaska.

Documents attached:

Legislative Finance Reports

1. Agency Totals - FY10 Operating Budget-Senate Structure
2. Allocation Summary - General Funds – Senate Structure
3. Allocation Summary - All Funds – Senate Structure
4. Transaction Comparison – Senate Structure (Adj Base and Senate Subcom)
5. Transaction Comparison – Senate Structure (Gov. Amd+ and Senate Subcom)
6. Wordage Report – FY10 Operating Budget – Senate Structure
7. Transaction Comparison (House and Senate Subcom)

Respectfully submitted,

Joe Thomas

Senator Joe Thomas
Senate Subcommittee Chair
March 19, 2009

My name is Andrea Story. I am a parent of a middle school student. I also am a member of the Juneau School Board where we are focused on improving student learning and high school reform. Juneau saw a significant increase in the district graduation rate for 2008, 73 percent, an improvement of 9 percent from the previous year.

My husband is co-owner of a local engineering firm with 18 employees. He has found that prospective and current employees look at the quality of our schools and realize the importance of the education system to attract and keep employees.

I am here to thank you for your increases to the Foundation Formula done by the fine work of the Joint Legislative Education Funding Task Force last year and adopted by the full Legislature, and to urge you to support those increases in the operating fund for this coming year.

It is important for the Finance Committee to know that even with the increases, most districts, including Juneau, have expenses that exceed revenues, and the Board is faced with making cuts.

Why cuts? Some districts it is lower student enrollment, and fixed costs go up like energy expenses, and insurance. The one time energy funds were a help to all districts last year, thank you, this year they need to be budgeted for, and that results in less revenue for districts.

Another reason costs for education do not keep pace with funding, is that schools need to provide students with tools and skills for job needs in today's work place. Career Tech opportunities, computers, smartboards, and document cameras are expensive and cost more than traditional book learning and pens and papers. Our district does not have adequate technology infrastructure and relies on old systems that are more expensive to operate.

Also having salaries and benefits that keep skilled teachers and keep our newer teachers that we have been mentoring and training, and that help districts recruit the best teachers in the nation can not be underestimated.

As a school board member this is a really difficult situation to be in when faced with cuts. Trade offs must be made between deciding between funding salaries for staff that are competitive in the state, or funding lower pupil teacher ratios, or funding remedial summer school programs for struggling students, or keeping drug and alcohol counselors in our schools.

I am hoping that once this body has heard from your local school boards on what can be done with the federal stimulus funding, that you will embrace those resources for schools. There are clear guidelines of what the funds can be used for that will help student achievement and NOT hit districts with a drastic funding cut in two years. JSD is planning for responsible expenditures.

I urge you to talk with your school boards members about what the current foundation formula level of funding means for your districts and what difficult choices those boards are dealing with. It will be crucial that the legislature continue stable funding in the Foundation Formula for school districts in this year and into the future for responsible planning. Thank you.

HB

83

<target><bill>HB 83</bill><subject>HB
83</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/16/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 83(FIN)

HB 83 APPROP: MENTAL HEALTH BUDGET

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** HB 83 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[✓] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Ellis	✓			
CO-CHAIR:	Stedman	✓			
CO-CHAIR:		✓			

Adopted 3/24/09

26-GH1004\S
Bailey
3/24/09

SENATE CS FOR CS FOR HOUSE BILL NO. 83(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

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

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2009 and ending June 30, 2010, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *		* * * * *		
* * * * * **Department of Administration** * * * * *				
* * * * *		* * * * *		
Legal and Advocacy Services		**2,024,500**	**1,873,200**	**151,300**
Office of Public Advocacy	1,723,100			
Public Defender Agency	301,400			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Inmate Health Care		**8,394,900**	**8,020,900**	**374,000**
Behavioral Health Care	8,394,900			
* * * * *		* * * * *		
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *		* * * * *		
Teaching and Learning Support		**539,800**	**339,800**	**200,000**
Student and School Achievement	539,800			
* * * * *		* * * * *		
* * * * * **Department of Health and Social Services** * * * * *				
* * * * *		* * * * *		

No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the

	Appropriation	General	Other
	Allocations	**Items**	**Funds**	**Funds**

Social Security Act and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services.

It is the intent of the legislature that the Department continues to aggressively pursue Medicaid cost containment initiatives. Efforts should continue where the Department believes additional cost containment is possible including further efforts to contain travel expenses. The Department must continue efforts imposing regulations controlling and materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be continued utilizing existing resources to impose regulations screening applicants for Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state services. The department must address the entire matrix of optional Medicaid services, reimbursement rates and eligibility requirements that are the basis of the Medicaid growth algorithm. This work is to utilize the results of the Medicaid Assessment and Planning analysis. The legislature requests that by January 2010 the Department be prepared to present projections of future Medicaid funding requirements under our existing statute and regulations and be prepared to present and evaluate the consequences of viable policy alternatives that could be implemented to lower growth rates and reducing projections of future costs.

It is the intent of the legislature that the Department of Health and Social Services eliminate the requirement for narrative and financial quarterly reports for all grant recipients whose grants are $50,000 or less. This is an unnecessary burden and is not a requirement of the federal grants.

It is the intent of the legislature that the Department of Health and Social Services make a single 'upfront' payment for any grant award that is $50,000 or less and includes a signature of the grantee certifying compliance with the terms of the grant with their approved application. Signature of the grantee would also certify that if a final report certifying completion of the grant requirements is not filed, future grants will not be considered for that grantee until all requirements of prior grants are completed satisfactorily. In the event a grantee is deemed ineligible for a future grant consideration due to improper filing of final reports, the grantee will be informed about the department's procedures for future consideration of grant eligibility. The department will establish procedures to consider retroactivity for specific grant consideration or express that the retroactivity cannot be considered for certain grants during

	Allocations	Appropriation Items	General Funds	Other Funds
the selection process.				
It is the intent of the legislature that the Department of Health and Social Services continue the Medicaid Reform work to improve efficiency and slow the need for General Funds in the Medicaid program. Specifically, but not exclusively, the Department is to:				
1) Complete the evaluation of possible changes to program design, determine waiver changes necessary to secure federal funding and report back to the Second Session of the 26th Alaska Legislature on suggested changes, expected outcomes related to Medicaid sustainability, and resources needed to accomplish the work.				
2) Develop and implement public provider reimbursement methodologies and payment rates that will further the goals of Medicaid Reform.				
3) Continue and enhance the State and Tribal Medicaid work and partnership to enhance our ability to provide Medicaid services through Tribal Health Organizations.				
Alaska Pioneer Homes		**13,757,100**	**13,757,100**	
It is the intent of the legislature that the Department maintain regulations requiring all residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state subsidy being provided for their care from the State Payment Assistance program.				
It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall complete any forms to determine eligibility for supplemental program funding, such as Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant is not able to complete the forms him/herself, or if relatives or guardians of the applicant are not able to complete the forms, Department of Health and Social Services staff may complete the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility per AS 47.25.120.				
Alaska Pioneer Homes	64,300			
Management				
Pioneer Homes	13,692,800			
Behavioral Health		**121,233,000**	**96,736,100**	**24,496,900**
AK Fetal Alcohol Syndrome	59,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Program				
Alcohol Safety Action Program (ASAP)	1,188,300			
Behavioral Health Medicaid Services	43,862,400			
Behavioral Health Grants	26,867,300			

It is the intent of the legislature that the department continue developing policies and procedures surrounding the awarding of recurring grants to assure that applicants are regularly evaluated on their performance in achieving outcomes consistent with the expectations and missions of the Department related to their specific grant. The recipient's specific performance should be measured and incorporated into the decision whether to continue awarding grants. Performance measurement should be standardized, accurate, objective and fair, recognizing and compensating for differences among grant recipients including acuity of services provided, client base, geographic location and other factors necessary and appropriate to reconcile and compare grant recipient performances across the array of providers and services involved.

It is the intent of the legislature that the $181.0 increment in the FY10 budget for Behavioral Health Grants be used for the Volunteers of America ARCH residential treatment center for adolescents with substance abuse/dependency and co-occurring disorders.

It is the intent of the legislature that $210,000 of this appropriation be used to Combat Alaska's Statewide Heroin Epidemic.

Behavioral Health Administration	3,492,000			
Community Action Prevention & Intervention Grants	1,047,200			
Rural Services and Suicide Prevention	2,135,700			
Psychiatric Emergency Services	7,673,000			
Services to the Seriously	13,099,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Mentally Ill				
Designated Evaluation and Treatment	3,031,900			
Services for Severely Emotionally Disturbed Youth	11,947,200			
Alaska Psychiatric Institute	5,861,900			
AK Mental Health & Alcohol & Drug Abuse Boards	884,600			
Suicide Prevention Council	82,800			
Children's Services		**13,514,700**	**13,184,700**	**330,000**
Children's Medicaid Services	4,185,600			
Children's Services Management	69,600			
Front Line Social Workers	148,600			
Family Preservation	150,000			
Foster Care Augmented Rate	500,000			
Foster Care Special Need	747,900			
It is the intent of the legislature that $100,400 of this appropriation be used to provide funding for start-up and operational expenses to the Dillingham Therapeutic Foster Home.				
Residential Child Care	1,956,300			
Infant Learning Program Grants	5,756,700			
Health Care Services		**656,000**	**350,000**	**306,000**
Health Planning and Infrastructure	656,000			
Juvenile Justice		**1,055,100**	**865,900**	**189,200**
McLaughlin Youth Center	654,700			
Fairbanks Youth Facility	103,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Bethel Youth Facility	57,100			
Probation Services	239,600			
Public Assistance		**13,200**	**13,200**	
Public Assistance Administration	13,200			
Public Health		**1,096,800**	**971,800**	**125,000**
Nursing	98,300			
Women, Children and Family Health	877,700			
Certification and Licensing	120,800			
Senior and Disabilities Services		**15,358,000**	**13,902,200**	**1,455,800**

It is the intent of the legislature that regulations related to the General Relief / Temporary Assisted Living program be reviewed and revised as needed to minimize the length of time that the state provides housing alternatives and assure the services are provided only to intended beneficiaries who are actually experiencing harm, abuse or neglect. The department should educate care coordinators and direct service providers about who should be referred and when they are correctly referred to the program in order that referring agents correctly match consumer needs with the program services intended by the department.

General Relief/Temporary Assisted Living	740,300			
Senior and Disabilities Services Administration	2,737,900			
Senior Community Based Grants	3,069,400			

It is the intent of the legislature that funding in the FY 2010 budget for Senior Community Based Grants be used to invest in successful home and community based supports provided by grantees who have demonstrated successful outcomes documented in accordance with the department's performance based evaluation procedures.

It is the intent of the legislature that $609,900 of this appropriation be used to hold harmless those regions that will see a reduction in available grants for Family Caregiver, Nutrition,

	Allocations	Appropriation Items	General Funds	Other Funds
Transportation and Support, and In Home Services due to the State's implementation of a new statewide funding formula.				
Community Developmental Disabilities Grants	7,924,800			
Commission on Aging	117,000			
Governor's Council on Disabilities and Special Education	768,600			
Departmental Support Services		**1,453,800**	**1,403,800**	**50,000**
Commissioner's Office	157,800			

It is the intent of the legislature that the Department of Health and Social Services complete the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid providers:

1. Develop regulations addressing the use of extrapolation methodology following an audit of Medicaid providers that clearly defines the difference between actual overpayment of funds to a provider and ministerial omission or clerical billing error that does not result in overpayment to the provider. The extrapolation methodology will also define percentage of 'safe harbor' overpayment rates for which extrapolation methodology will be applied.

2. Develop training standards and definitions regarding ministerial and billing errors versus overpayments. Include the use of those standards and definitions in the State's audit contracts.

All audits initiated after the effective date of this intent and resulting in findings of overpayment will be calculated under the Department's new regulations governing overpayment standards and extrapolation methodology.

It is the intent of the legislature that the department develops a ten year funding source and use of funds projection for the entire department.

It is the intent of the legislature that the department continue working on implementing a provider rate rebasing process and specific funding recommendations for both Medicaid and non-Medicaid providers to be completed and available to the legislature no later than December 15, 2009.

Administrative Support	91,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Services				
Information Technology Services	854,600			
HSS State Facilities Rent	350,000			
* * * * *		* * * * *		
* * * * * **Department of Law** * * * * *				
* * * * *		* * * * *		
Criminal Division		**12,500**		**12,500**
Criminal Justice Litigation	12,500			
Civil Division		**84,500**	**84,500**	
Human Services and Child Protection	84,500			
* * * * *		* * * * *		
* * * * * **Department of Natural Resources** * * * * *				
* * * * *		* * * * *		
Resource Development		**2,273,400**		**2,273,400**
Mental Health Trust Lands Administration	2,273,400			
* * * * *		* * * * *		
* * * * * **Department of Revenue** * * * * *				
* * * * *		* * * * *		
Alaska Mental Health Trust Authority		**2,650,000**		**2,650,000**
Mental Health Trust Operations	2,650,000			
* * * * *		* * * * *		
* * * * * **University of Alaska** * * * * *				
* * * * *		* * * * *		
Statewide Programs and Services		**474,000**	**100,000**	**374,000**

	Allocations	Appropriation Items	General Funds	Other Funds
Statewide Services	474,000			
University of Alaska		**1,418,800**	**200,800**	**1,218,000**
Anchorage				
Anchorage Campus	1,418,800			
University of Alaska		**25,000**		**25,000**
Fairbanks				
Fairbanks Campus	25,000			
* * * * *		* * * * *		
* * * * * **Alaska Court System** * * * * *				
* * * * *		* * * * *		
Alaska Court System		**1,812,300**	**1,337,000**	**475,300**
Trial Courts	227,000			
Therapeutic Courts	1,585,300			

It is the intent of the legislature that, as much as is possible, FY 2011 funding for Therapeutic Courts currently appropriated in other agencies be aggregated in the Therapeutic Courts allocation within the Alaska Court System.

(SECTION 2 OF THIS ACT BEGINS ON PAGE 11)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
Department of Administration		
1037	General Fund / Mental Health	1,873,200
1092	Mental Health Trust Authority Authorized Receipts	151,300
*** Total Agency Funding ***		$2,024,500
Department of Corrections		
1037	General Fund / Mental Health	8,020,900
1092	Mental Health Trust Authority Authorized Receipts	374,000
*** Total Agency Funding ***		$8,394,900
Department of Education and Early Development		
1037	General Fund / Mental Health	339,800
1092	Mental Health Trust Authority Authorized Receipts	200,000
*** Total Agency Funding ***		$539,800
Department of Health and Social Services		
1037	General Fund / Mental Health	141,184,800
1092	Mental Health Trust Authority Authorized Receipts	7,033,000
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	19,919,900
*** Total Agency Funding ***		$168,137,700
Department of Law		
1037	General Fund / Mental Health	84,500
1092	Mental Health Trust Authority Authorized Receipts	12,500
*** Total Agency Funding ***		$97,000
Department of Natural Resources		

1092	Mental Health Trust Authority Authorized Receipts	2,273,400
*** Total Agency Funding ***		$2,273,400
Department of Revenue		
1094	Mental Health Trust Administration	2,650,000
*** Total Agency Funding ***		$2,650,000
University of Alaska		
1037	General Fund / Mental Health	300,800
1092	Mental Health Trust Authority Authorized Receipts	1,617,000
*** Total Agency Funding ***		$1,917,800
Alaska Court System		
1037	General Fund / Mental Health	1,337,000
1092	Mental Health Trust Authority Authorized Receipts	475,300
*** Total Agency Funding ***		$1,812,300
* * * * * Total Budget * * * * *		$187,847,400

(SECTION 3 OF THIS ACT BEGINS ON PAGE 13)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
General Funds		
1037	General Fund / Mental Health	153,141,000
Total General Funds		$153,141,000
Federal Funds		
Total Federal Funds		$0
Other Non-Duplicated Funds		
1092	Mental Health Trust Authority Authorized Receipts	12,136,500
1094	Mental Health Trust Administration	2,650,000
1180	Alcohol and Other Drug Abuse Treatment & Prevention Fund	19,919,900
Total Other Non-Duplicated Funds		$34,706,400
Duplicated Funds		
Total Duplicated Funds		$0

(SECTION 4 OF THIS ACT BEGINS ON PAGE 14)

* **Sec. 4.** The following appropriation items are for capital projects and grants from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Appropriation	General	Other
Allocations	Items	Funds	Funds
* * * * *		* * * * *	
* * * * * **Department of Health and Social Services** * * * * *			
* * * * *		* * * * *	
MH Continuing Bring the Kids Home Initiative Denali Match (HD 1-40)	2,200,000		2,200,000
MH Deferred Maintenance and Accessibility Improvements (HD 1-40)	750,000	750,000	
MH Housing - Home Modification and Upgrades to Retain Housing (HD 1-40)	1,050,000	500,000	550,000
* * * * *		* * * * *	
* * * * * **Department of Natural Resources** * * * * *			
* * * * *		* * * * *	
Mental Health Trust Facilities Maintenance (HD 1-40)	350,000		350,000
* * * * *		* * * * *	
* * * * * **Department of Revenue** * * * * *			
* * * * *		* * * * *	
Alaska Housing Finance Corporation			
MH AHFC Beneficiary and	1,750,000		1,750,000

	Allocations	Appropriation Items	General Funds	Other Funds
Special Needs Housing (HD 1-40)				
MH AHFC Emergency Assistance Grants for Mental Health Trust Beneficiaries (HD 1-40)		200,000		200,000
MH AHFC Homeless Assistance Progam (HD 1-40)		10,000,000	500,000	9,500,000

(SECTION 5 OF THIS ACT BEGINS ON PAGE 16)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Health and Social Services	
1037 General Fund / Mental Health	1,250,000
1092 Mental Health Trust Authority Authorized Receipts	300,000
1139 Alaska Housing Finance Corporation Dividend	250,000
1197 Alaska Capital Income Fund	2,200,000
*** Total Agency Funding ***	$4,000,000
Department of Natural Resources	
1092 Mental Health Trust Authority Authorized Receipts	350,000
*** Total Agency Funding ***	$350,000
Department of Revenue	
1002 Federal Receipts	2,000,000
1037 General Fund / Mental Health	500,000
1092 Mental Health Trust Authority Authorized Receipts	700,000
1108 Statutory Designated Program Receipts	1,000,000
1139 Alaska Housing Finance Corporation Dividend	7,750,000
*** Total Agency Funding ***	$11,950,000
* * * * * Total Budget * * * * *	$16,300,000

(SECTION 6 OF THIS ACT BEGINS ON PAGE 17)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
General Funds	
1037 General Fund / Mental Health	1,750,000
Total General Funds	$1,750,000
Federal Funds	
1002 Federal Receipts	2,000,000
Total Federal Funds	$2,000,000
Other Non-Duplicated Funds	
1092 Mental Health Trust Authority Authorized Receipts	1,350,000
1108 Statutory Designated Program Receipts	1,000,000
1139 Alaska Housing Finance Corporation Dividend	8,000,000
Total Other Non-Duplicated Funds	$10,350,000
Duplicated Funds	
1197 Alaska Capital Income Fund	2,200,000
Total Duplicated Funds	$2,200,000

(SECTION 7 OF THIS ACT BEGINS ON PAGE 18)

*** Sec. 7.** PURPOSE. In accordance with AS 37.14.003 and 37.14.005, the appropriations made by this Act are for the state's integrated comprehensive mental health program.

*** Sec. 8.** ENTERPRISE INFORMATION TECHNOLOGY PROJECTS. The sum of $459,724 is appropriated to the Office of the Governor for the Department of Health and Social Services behavioral health data sharing partnership from the following sources in the amounts stated:

SOURCE	AMOUNT
Federal funds	$ 25,540
General fund	434,184

*** Sec. 9.** NONGENERAL FUND RECEIPTS. (a) Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) that exceed the amounts appropriated by this Act are appropriated conditioned upon compliance with the program review provisions of AS 37.07.080(h).

(b) If Alaska Mental Health Trust Authority authorized receipts (AS 37.14.036) or administration receipts (AS 37.14.036) fall short of the estimates appropriated in this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 10.** SALARY AND BENEFIT ADJUSTMENTS. (a) The appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2010, of the following ongoing collective bargaining agreements:

(1) Alaska Public Employees Association, for the confidential unit;

(2) Alaska State Employees Association, for the general government unit;

(3) Alaska Public Employees Association, for the supervisory unit;

(4) Alaska Vocational Technical Center Teachers' Association - National Education Association, for employees of the Alaska Vocational Technical Center;

(5) Public Safety Employees Association, for regularly commissioned public safety officers.

(b) The operating budget appropriations made to the University of Alaska in this Act include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2010, for university employees who are not members of a collective bargaining unit and for

implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

(1) Alaska Higher Education Crafts and Trades Employees;

(2) University of Alaska Federation of Teachers;

(3) United Academics;

(4) United Academics-Adjuncts.

(c) If a collective bargaining agreement listed in (b) of this section is not ratified by the membership of the respective collective bargaining unit, the appropriations made by this Act that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

(d) Appropriations made in sec. 1 of this Act for salary and benefit adjustments as described in (a) and (b) of this section are for the benefit of the state's integrated comprehensive mental health program only and do not necessarily affect every group of noncovered employees or every collective bargaining unit listed in (a) and (b) of this section.

* **Sec. 11.** This Act takes effect July 1, 2009.

HB

86

<target><bill>HB 86</bill><subject>HB
86</subject><comm>SFIN26</comm></target>

4/10/09

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

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

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

Sponsor Statement
House Bill 86

An act extending the termination date of the Board of Veterinary Examiners; and providing for an effective date.

HB 86 extends the termination date of the Board of Veterinary Examiners (BVE). Currently the board will sunset on June 30, 2009. HB 86 extends this date by eight years, to June 30, 2017.

It is the opinion of the auditor that *"BVE has demonstrated an ability to conduct its affairs in an efficient manner. The board continues to propose changes to regulations to improve the effectiveness of the board and ensure that veterinarians and veterinarian technicians licensed in the State of Alaska are competent and capable of maintaining the integrity of the profession."*

I encourage all members to review the Legislative Audit report.

Through the efforts of the BVE our livestock and pets are afforded quality health care by competent and capable veterinarians and veterinarian technicians.

I urge your support of this bill.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/6/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 86

HB 86 EXTENDING VETERINARY BOARD

"An Act extending the termination date of the Board of Veterinary Examiners; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[x] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/6/09	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	OLSON			✓	
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 86
(H) Publish Date: 3/12/09

Identifier (file name): HB86-CED-CBPL-03-06-09
Dept. Affected: DCCED
Title: Extending Veterinary Board
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp., Bus., & Prof. Licensing
Sponsor: House Labor and Commerce
Requester: House Labor and Commerce
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services		34.0	34.0	34.0	34.0	34.0	34.0
Travel		10.8	10.8	10.8	10.8	10.8	10.8
Contractual		20.5	20.5	20.5	20.5	20.5	20.5
Supplies		0.0	0.0	0.0	0.0	0.0	0.0
Equipment		0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**65.3**	**65.3**	**65.3**	**65.3**	**65.3**	**65.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: (1156) RSS		65.3	65.3	65.3	65.3	65.3	65.3
TOTAL	**0.0**	**65.3**	**65.3**	**65.3**	**65.3**	**65.3**	**65.3**

Estimate of any current year (FY2009) cost: 65.3

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill extends the Board of Veterinary Examiners to June 30, 2017. In accordance with AS 08.03.020 funding would extend one year following the termination date allowing the Board to conclude its affairs. The FY 2010 funding is included in the Operating Budget request and the costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 2 staff to meet at least 3 times each year and to administer licensing examinations as required by AS 08.98.040.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Chief
Division: Corporations, Business & Professional Licensing
Phone (907) 465-2144
Date/Time 3/6/09 12:13 PM

Approved by: Emil Notti, Commissioner
Department of Commerce, Community and Economic Development
Date 3/6/2009

(Revised 9/10/2008 OMB)

4/10/09

Division of Legislative Audit

Audit Digest #08-20059-08

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

SUMMARY OF: A Sunset Review of the Department of Commerce, Community, and Economic Development, Board of Veterinary Examiners.

PURPOSE OF THE REPORT

In accordance with Title 24 and Title 44 of the Alaska Statutes, sunset legislation, we have reviewed the activities of the Board of Veterinary Examiners to determine if there is a demonstrated public need for the its continued existence and if it has been operating in an efficient and effective manner. As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether the board should continue to exist.

REPORT CONCLUSIONS

Under AS 08.03.010(c)(21), the Board of Veterinary Examiners (BVE or board) will terminate on June 30, 2009. If the legislature does not take action to extend the board's termination date, AS 08.03.020 provides that the board will have one year in which to conclude its administrative operations.

The regulation and licensing of veterinarians and veterinary technicians benefits the public. BVE has demonstrated an ability to conduct its affairs in an efficient manner. The board continues to propose changes to regulations to improve the effectiveness of the board and ensure that veterinarians and veterinarian technicians licensed in the State of Alaska are competent and capable of maintaining the integrity of the profession.

In our opinion, the termination date of Board of the Veterinary Examiners should be extended to June 30, 2017.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

1. The Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, in conjunction with the Board of Veterinary Examiners, should review licensing fees as provided by statute and consider decreasing fees.

2. The Office of the Governor should fill vacant seats on the Board of Veterinary Examiners in a timely manner.

Audit Report PDF Format *

* Requires Acrobat Reader Get Acrobat Reader

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

4/10/09

P.O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347
legaudit@legis.state.ak.us

September 22, 2008

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Veterinary Examiners. The attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY,
AND ECONOMIC DEVELOPMENT
BOARD OF VETERINARY EXAMINERS

September 22, 2008

Audit Control Number
08-20059-08

This review examines the activities of the Board of Veterinary Examiners to determine if there is a demonstrated public need for its continued existence. Under AS 08.03.010(c)(21), the Board of Veterinary Examiners is currently scheduled to terminate June 30, 2009. We recommend the legislature extended the board's termination date to June 30, 2017.

The audit was conducted in accordance with generally accepted government audit standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Board of Veterinary Examiners (BVE or board) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner.

As required by AS 44.66.050(a), this report shall be considered by the committee of reference during the legislative oversight process in determining whether BVE shall be continued. Currently, AS 08.03.010(c)(21) states that the board will terminate on June 30, 2009. If the legislature does not extend the termination date for the board, BVE will have one year to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of the board should be extended

2. To determine if the board is operating in the public's interest

3. To determine if the board has exercised appropriate regulatory oversight of licensed veterinarians and veterinary technicians.

Scope

The assessment of operations and performance of the board was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relates to the determination of a demonstrated public need for the board. We reviewed the board's activities for FY 05 through FY 08.

Methodology

The major areas of our review were board proceedings, licensing, and complaint investigation. During the course of our audit we:

- Reviewed and evaluated applicable statutes and regulations related to the licensing of veterinarians and veterinarian technicians.
- Reviewed the minutes of BVE meetings.
- Reviewed the annual reports issued by the board.
- Analyzed the complaints filed with the Department of Commerce, Community and Economic Development's Office of Consumer Affairs and Investigations in order to evaluate the investigative support being provided to BVE.

- Requested information regarding any complaints regarding the BVE from the Department of Administration's Division of Personnel, the Equal Employment Opportunity Commission, the Human Rights Commission, The Office of Victim's Rights, and the State Ombudsman.
- Analyzed the financial records related to the revenues generated and the operating costs incurred by BVE to determine if sufficient revenues are being collected to cover the board's costs.
- Tested files related to applicants for, and holders of, licenses issued by BVE.
- Conducted interviews with employees of the Department of Commerce, Community, and Economic Development, Division of Corporations, Business, and Professional Licensing and the BVE chair and its members.
- Attended a BVE board meeting.

ORGANIZATION AND FUNCTION

The Board of Veterinary Examiners (BVE or board) was established for the purpose of controlling and regulating the practice of veterinary medicine in Alaska.

The board regulates the profession of veterinary care in the State by examining applicants and approving the issuance of licenses to qualified applicants, establishing or amending regulations necessary to enforce state statutes, and conducting disciplinary proceedings in accordance with law.

Applicants for a veterinary license are required to pass the North American Veterinary Licensing Examination and a state written exam which covers specific Alaskan issues of veterinary practice.

Exhibit 1

Board of Veterinary Examiners
(As of June 30, 2008)

Professional Members
Steve Torrence, DVM, Chair
Timothy Bowser, DVM
David Hunt, DVM
Vacant

Public Member
Martin Buser

BVE is made up of five members. State law requires four board positions be filled by licensed veterinarians that have been engaged in the practice of veterinary medicine in the State for at least five years prior to appointment. The remaining position is to be filled by an individual from the general public.

The Department of Commerce, Community, and Economic Development, Division of Corporations, Business, and Professional Licensing provides administrative and investigative assistance to the Board of Veterinary Examiners. Administrative assistance includes budgetary services and functions such as collecting fees, maintaining files, receiving and issuing application forms, and publishing notices of examinations and meetings.

Alaska Statute 08.01.065 mandates that the department shall adopt regulations that establish the amount and manner of payment of applications fees, examination fees, registration fees, permit fees, and investigative fees.

(Intentionally left blank)

REPORT CONCLUSIONS

Under AS 08.03.010(c)(21), the Board of Veterinary Examiners (BVE or board) will terminate on June 30, 2009. If the legislature does not take action to extend the board's termination date, AS 08.03.020 provides that the board will have one year in which to conclude its administrative operations.

The regulation and licensing of veterinarians and veterinary technicians benefits the public. BVE has demonstrated an ability to conduct its affairs in an efficient manner. The board continues to propose changes to regulations to improve the effectiveness of the board and ensure that veterinarians and veterinarian technicians licensed in the State of Alaska are competent and capable of maintaining the integrity of the profession.

In our opinion, the termination date of Board of Veterinary Examiners should be extended to June 30, 2017.

(Intentionally left blank)

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, in conjunction with the Board of Veterinary Examiners, should review licensing fees as provided by statute and consider decreasing fees.

The Board of Veterinary Examiners (BVE or board) has had a significant cumulative surplus of revenues at the end of the last four fiscal years. Additionally, the Division of Corporations, Business and Professional Licensing has not reviewed BVE licensing rates since 2004. At the end of FY 08, the board had an estimated operating surplus of $78,000. This surplus exceeds the Board's total operating expenses for each of the prior three years (FY 05 – FY 07).

AS 08.01.065(c) states that:

> *...the department shall establish fee levels under (a) of this section so that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation. The department shall annually review each fee level to determine whether the regulatory costs of each occupation are approximately equal to feel collections related to that occupation.*

The division was unable to provide an explanation of the Board's need for the cumulative surplus of excess revenue from licensing fees. Without the required annual review of licensing fee levels, it is likely that BVE will continue to accumulate revenue in excess of its regulatory costs.

We recommend the division, in conjunction with the Board, review the licensing fees and regulatory expenditures as required by statute and determine whether a fee decrease is necessary to reduce BVE's current surplus.

Recommendation No. 2

The Office of the Governor should fill vacant seats on the Board of Veterinary Examiners in a timely manner.

As of August 31, 2008, one of the veterinarian seats on the board has been vacant since March 2008. A vacancy of even one member on a board of five presents an undue hardship to the remaining board members.

Alaska Statute 08.01.020 states that board members are appointed by the Governor and serve at the pleasure of the Governor. Alaska Statute 08.98.010 states that four members of the board shall be licensed veterinarians who have been in active practice in the state for at least five years preceding appointment and one shall be a public member.

Turnover in the Office of Boards and Commissions has negatively impacted the Governor's ability to make timely appointments to the Board of Veterinary Examiners.

With only four board members[1], the board is continually at risk of not having a quorum and if for any reason, two of the current board members are unable to attend a scheduled meeting or continue as a member, the board will not be able to carry out its responsibilities.

We recommend that the Office of Boards and Commissions, Office of the Governor, fill vacancies on the board in a timelier manner.

[1] Three of the current board members are practicing veterinarians and/or practicing veterinarian/business owners and the public member is a musher/business owner.

ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). This analysis was not intended to be comprehensive, but address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

The Board of Veterinary Examiners (BVE or board) has served the public through its examination and licensing of qualified applicants, by adopting regulations to carry out laws governing veterinary practice, and by making licensing decisions and taking disciplinary actions.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The board receives its primary revenue from licensing and renewal fees. Renewals are conducted on a biennial basis creating a two-year cycle in board revenues. The board has proven to be cognizant of expenditures and works to reduce costs when possible.

The BVE licensing fee level has not been reviewed since 2004. Since then, BVE has had a cumulative surplus at the end of every fiscal year from FY 05 to FY 08, see Exhibit 2 on the next page. We recommend that the division review licensing rates and consider changes to fee levels to reduce this cumulative surplus in licensing income, see Recommendation No. 1.

Exhibit 2

Board of Veterinary Examiners
Schedule of License Revenue and Expenditures
As of June 30, 2008
(Unaudited)

	FY 05	FY 06	FY 07	FY 08
Total Revenues	$153,495	$33,149	$158,806	$34,218
Direct Expenditures				
Personal Services	31,688	26,773	26,550	26,009
Travel	6,153	8,605	10,885	10,582
Services	10,439	10,446	4,832	33,462[2]
Commodities	8	54	8	0
Total Direct Expenditures	48,288	45,878	42,275	70,053
Administrative Indirect Costs	20,498	17,160	25,103	22,413
Total Expenditures	68,786	63,038	67,378	92,466
Annual Revenues over (under) Expenditures	84,709	(29,889)	91,428	(58,248)
Beginning Cumulative Surplus (Deficit)	(10,000)[3]	74,709	44,820	136,248
Ending Cumulative Surplus (Deficit)	$74,709	$44,820	$136,248	$78,000

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

From FY 05 – FY 08 the board developed proposed statutory changes and sought legislative sponsorship to introduce a bill. House Bill 297 was introduced, the board chairman testified in support of it, and the bill was signed into law on June 24, 2008 (Chapter 108 SLA 08). This law amended licensing statutes allowing veterinary students in their final year of graduate studies to return to the State to work under the supervision of an Alaska licensed veterinarian. Additionally, this law clarified statutes related to out of state veterinarians performing wildlife services and the use of out-of-state consulting services.

The board has also worked on improvements to the veterinarian regulations. Regulation changes involved:

[2] The increase in FY 08 Services account was primarily due to the large amount of legal fees incurred for interagency legal services.
[3] The beginning cumulative deficit shown in FY 05 was obtained from Department of Commerce, Community, and Economic Development Board of Veterinary Examiners Sunset Review, Audit Control No. 08-20036-05.

- Reducing the passing score for the State's jurisprudence exam[4].
- Addressing time requirements for the division's receipt of applications for the North American Veterinarian Licensing Examination.
- Assessing and restructuring fees for veterinary technician exams.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

Board meeting dates, times and locations are published both on the State's Online Public Notice system and in the Anchorage Daily News. In addition, the board's licensing examiner notifies all licensees and persons on the interested parties listing she maintains of upcoming board meetings. Board members also encourage their peers to attend. One board member attends the Alaska State Veterinary Medical Association meetings, at his own expense, and gives a BVE report.

Review of the State's Online Public Notice system determined public notice was not given for the board's May 17, 2007, meeting. This omission was caused by staff turnover in the division's publications technician position.

Time was provided at every public meeting for public comment and board meetings are purposely rotated between Fairbanks, Anchorage, and Juneau to give interested parties every opportunity to attend.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Notice of proposed regulation changes are posted on the State's Online Public Notice system and in the Anchorage Daily News. Proposed regulation changes are subjected to the State's public notice practice. From FY 05 to FY 08 all regulation changes were public noticed.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

No complaints have been filed with the State Department of Administration's Division of Personnel, the Equal Employment Opportunity Commission, the Human Rights Commission, the State Ombudsman, or the Office of Victim's Rights.

[4] The passing score was lowered from 95% to 90%. The jurisprudence exam tests a licensees understanding of Alaska statutes and regulations governing veterinary practice in Alaska. The exam is an open book test.

From the period of July 1, 2005 through June 19, 2008, 42 veterinarian/veterinarian technician investigation cases were open or opened with the Division of Corporations, Business and Professional Licensing's Office of Consumer Affairs and Investigations Section (OCAI).[5] Cases involving continuing education enforcement are assigned to the division's Juneau Paralegal section but are also assigned a case number by OCAI.

Types of cases open or opened include:

- Violating Professional Ethics (1)
- Unlicensed Practice (9)
- Standard of Care (6)
- Prescriptive Practice (3)
- Negligence (9)
- Licensing Application Problems (3)
- Incompetence (2)
- Fraud/Misrepresentation (3)
- Drug Diversion (1)
- Continuing Education (5)

Of these 42 cases open or opened, 24 were closed in an average of four months time. The disposition of the 24 closed cases were: 12 cases were closed with no action taken; six cases were closed with some licensing action taken; five cases were closed after the investigator had issued an advisement letter; and the final case was closed when the licensee came into compliance with regulations.

Of the remaining 18 open cases, four were assigned to the Juneau Paralegal and involve continuing education issues and a longer time to close, eight cases involve the same individual and are related in nature[6], and six cases remain open. These six cases have been open an average of seven months and have a priority level of 3 or lower[7].

OCAI is effectively investigating complaints and taking disciplinary action when necessary. Additionally, we conclude that the board is operating efficiently by taking necessary enforcement actions and that these actions are both fair and objective.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

Veterinary licensing requirements involve passing national and state examinations. The national examination is developed and graded nationally. The state examination is developed by the board and includes statutory and regulatory material specific to Alaska. This state exam is reviewed continually by the board for updates. In addition, the board and the

[5] The Investigations Unit within the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing was reorganized effective July 1, 2008 as the Office of Consumer Affairs and Investigations.

[6] The Office of Consumer Affairs and Investigations is working to find this individual who may be currently out of state.

[7] Priority levels are defined as:

Level 1 - Incident represents an immediate danger to public,
Level 2 - Incidents which by the severity of their nature dictate a high priority,
Level 3 - Incidents that are less serious in nature and do not appear to constitute immediate or severe pubic danger or serious damages,
Level 4 - Incidents involving failure to comply with statutes or regulations which are discovered through the course of proactive enforcement on the part of the Investigative Unit, but do not meet the criteria of priority 1 - 3. This type of enforcement can only occur when manpower and caseload allow.

Department of Commerce, Community, and Economic Development, Division of Corporations, Business, and Professional Licensing work together to ensure continuing education requirements are met and license renewals are issued only to qualified licensees.

The exhibit below summarizes new licenses and permits issued by the board from FY 05 to FY 08.

Exhibit 3 **New Licenses or Permits Issued (Exclusive of Renewals)**	**FY 05**	**FY 06**	**FY 07**	**FY 08**	**Current License Holders as of June 30, 2008**
Veterinarians	18	17	13	18	296
Veterinary Technicians	20	12	11	17	130
Temporary Permits	7	4	3	8	-
Temporary Licenses	4	2	1	1	-
Courtesy Licenses	51	49	49	53	-

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We did not find any evidence that the board was not complying with state personnel practices, including affirmative action in qualifying applicants. Each time the board denied an applicant, the reason for this denial was based on requirements set out in licensing regulations. Applicants are informed in writing of the reason for their denial, their rights, and the process to contest or appeal.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

The majority of current board members are in their second term of service. Board member experience and the efficiency of their licensing examiner have allowed the board to consistently meet their goals. We have not identified any statutory changes necessary for the board to better serve the interests of the public.

Regulatory Changes

In 2008 a controversy arose regarding a possible conflict between a statute and regulation. The controversy centered on whether or not the client confidentiality aspects of 12 AAC 68.100 would impede a veterinarian in reporting animal cruelty under AS 03.55.110 to animal control, the department, or a peace officer when the client may be the perpetrator.

Legislative Affair's Division of Legal and Research Services addressed this controversy by opining:

> *...that there is not a recognized veterinarian-client testimonial privilege or other legal barriers in Alaska statute or regulation that currently serves to prevent a veterinarian from voluntarily reporting a suspected instance of animal cruelty.*

To ensure there is no lingering confusion regarding this issue, on June 13, 2008 the board unanimously approved a motion to initiate a regulation project to amend regulation, 12 AAC 68.100, with the following subsection:

> *...(b) Any veterinarian licensed in this state who reports, in good faith and in the normal course of business, a suspected incident of animal cruelty, as described by law, to the proper authorities shall be immune from liability in any civil or criminal action brought against such veterinarian for report of such incident.*

Other

As of August 31, 2008, one of the veterinarian seats on the board has been vacant since March 2008. Because the board is only five members, having a vacant seat on the board poses potential hardship, see Recommendation No. 2.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

The objectives adopted by the board are in line with its missions[8]. Major objectives the board has successfully met from FY 05 to FY 08 include:

- updating and distributing the Alaska Board of Veterinary Examiners Handbook annually;
- reviewing and evaluating current statutes and legislative proposals and developing new proposals as needed;
- continuing to license veterinarians and veterinarian technicians and monitoring continuing educations hours; and
- continuing to review and evaluate current regulations and develop new regulations as needed.

[8] The mission of the board is:

> *To protect the health, safety, and welfare of Alaskans by ensuring that veterinarian practitioners possess and maintain a level of skill and knowledge necessary to provide safe, competent professional veterinary services to consumers and to protect the public from veterinary practitioners who pose a risk to the public's health, safety, and welfare.*

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

BVE does not duplicate the activities of another governmental agency or private sector organizations; however BVE collaborates with various state and local agencies/programs.

Within the Department of Environmental Conservation, Division of Environmental Health there is the State Veterinarian program. The relationship between this program and BVE board is one of collaboration rather than duplication. An example of this collaboration is the State Veterinarian providing the board with information for use in its handbook regarding reportable diseases, import/export and shipping regulations, and health certificate information.

We found that membership in the American Veterinary Medical Association (AVMA) is optional for veterinarians. Although most Alaska veterinarians are members of this association, AVMA does not regulate, investigate, or take disciplinary actions against its members. The State's version of the AVMA is the Alaska Veterinary Medical Association (AKVMA). The AKVMA seeks to promote excellence and professionalism of Alaska veterinarians and advance the health and well being of animals. Membership in AKVMA is voluntary and their efforts do not duplicate those of the board.

BVE is a member of the American Association of Veterinary State Boards (AAVSB). Among other duties, AAVSB is the single entity that reports national licensing examination scores to state boards and maintains a national clearinghouse for the approval of continuing education providers. The association with AAVSB merely is complimenting rather than duplicating BVE's efforts.

Lastly, we explored BVE's affiliation with the National Board of Veterinary Medical Examiners (NBVME). NBVME is organized and operated for the purpose of providing standard examinations that may be used by states as part of their licensure procedures for veterinarians. Again, this affiliation is complimenting rather than duplicating BVE's efforts.

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

October 23, 2008

Ms. Pat Davidson
Legislative Auditor
Legislative Audit Division
P.O. Box 113300
Juneau, AK 99811-3300

RECEIVED
OCT 23 2008
LEGISLATIVE AUDIT

Dear Ms. Davidson:

This letter is in response to your September 22, 2008 confidential preliminary audit report on the Board of Veterinary Examiners.

Recommendation No. 2

The Office of the Governor should fill vacant seats on the Board of Veterinary Examiners in a timely manner.

The Office of the Governor concurs with this recommendation. I appreciate your observation that turnover in the Boards and Commissions office may have played a role in the delay. I am pleased to report that the Governor recently made her selection for the vacant veterinarian seat. We find it challenging to find volunteers from the various professions who are willing and able to devote the time necessary to serve on the licensing boards. We will continue to make every effort to fill vacant board and commission positions in a timely manner.

If you need additional information, please contact me at 269-7450.

Sincerely,

Frank Bailey, Director
Boards and Commissions

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2473

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sarah Palin, Governor
Emil Notti, Commissioner

October 16, 2008

RECEIVED
OCT 20 2008
LEGISLATIVE AUDIT

Ms. Pat Davidson, CPA
Legislative Auditor
Legislative Budget and Audit Committee
Division of Legislative Audit
P.O. Box 113300
Juneau, Alaska 99811-3300

Dear Ms. Davidson,

Re: Audit Report, ACN 08-20059-08
Board of Veterinary Examiners

Thank you for allowing us to comment on the Audit Report of the Board of Veterinary Examiners.

We fully agree that the Board has conducted itself in an efficient manner and that the Board should be extended to June 30, 2017.

We concur with your audit findings and recommendations that –

Recommendation No. 1: The Department of Commerce, Community and Economic Development, Division of Corporations, Business and Professional Licensing, in conjunction with the Board of Veterinary Examiners, should review licensing fees as provided by statute and consider decreasing fees.

Staff turnover in the Division did have a negative impact on assessing fees in a timely manner. Fees for the December 2008 renewals are being reduced to utilize some of the surplus of excess revenue and to bring revenue more in line with program costs.

Recommendation No. 2: The Office of the Governor should fill vacant seats on the Board of Veterinary Examiners in a timely manner.

We concur with this recommendation. As noted, the vacancy of even one position on a five member Board does present an undue hardship to the remaining board members and the Division in coordinating actions with the Board on licensing issues.

Thank you again for the opportunity to comment on your audit findings.

Sincerely,

Emil Notti /by CH

Emil Notti
Commissioner

P.O. Box 110800, - 19 - Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

HB

98

<target><bill>HB 98</bill><subject>HB
98</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/3/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/9/10

Finance Committee considered CS FOR HOUSE BILL NO. 98(FIN) am

HB 98 ALCOHOL: MINOR CONSUMING/LOCAL OPTION

"An Act relating to minor consuming and repeat minor consuming; relating to penalties for violations of limitations on possessing, sending, shipping, transporting, or bringing alcoholic beverages to, soliciting or receiving orders for delivery of alcoholic beverages to, and the manufacture, sale, offer for sale, barter, traffic, or possession of alcoholic beverages in, a local option area; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CS HB 98 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[X] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

	Department	Date	Fiscal	Indet	Zero	FN#
COR	DOC	2/8			✓	
CRT	COR	2/5			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
LAW	1/29			✓	5
DPS	12/27			✓	6

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	HUGGINS	X			
	THOMAS	✓			
	EGAN	✓			
	OLSON			X	
	ELLIS			X	
CO-CHAIR:		✓			
CO-CHAIR:				✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: CSHB 98(FIN) am
(S) Publish Date: 2/3/10

Identifier (file name): HB098CS(FIN)-DPS-DET-01-27-10
Dept. Affected: Public Safety
Title "An act relating to minor consuming, and penalities for violation of certain alcohol laws in a local option community".
RDU Alaska State Troopers
Component AST Detachments
Sponsor Representative Ramras
Requester Senate Finance
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill amends AS 04.16.050(b-d) by clarifying when a person is guilty of repeat or habitual minor consuming or in possession or control. This bill changes AS 04.16.200 by increasing the penalities for violation of AS 04.16.200(b) or (2) or (3), and AS 04.11.499(h).

Passage of this legislation will not increase the number of arrests made or cases referred for prosecution. This bill will have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial
Phone 907-247-4480
Division Alaska State Troopers
Date/Time 12/27/09 10:40 AM
Approved by: Joseph Masters, Commissioner
Department of Public Safety
Date 12/27/2009

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 98(FIN) am
(S) Publish Date: 2/3/10

Identifier (file name): HB098CS(FIN)AM-LAW-CRIM-1-29-10
Dept. Affected: Law
Title: An Act relating to minor consuming and repeat minor consuming
RDU: CRIMINAL
Component: Criminal Justice Litigation
Sponsor: REPRESENTATIVE(s) RAMRAS
Requester: Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The bill would clarify the existing minor consuming statute regarding when a minor would be designated as a habitual offender. The bill also clarifies the intent of the legislature that the penalties for bootlegging be the same as those for drunk driving by making the penalties for bootlegging track those for drunk driving. The Department of Law does not anticipate any fiscal impact from passage of this legislation.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 1/29/10 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Date 1/29/2000
Department of Law

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB 98(FIN) am-ACS-2-5-10
() Publish Date:

Identifier (file name):
Title: Minor Consuming
Sponsor: Representative Ramras
Requester:

Dept. Affected:
RDU: Alaska Court System
Component: Trial Courts
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
The Alaska Court System does not anticipate any fiscal impact from the passage of CSHB 98 (FIN) am.

Prepared by: Doug Wooliver, Administrative Attorney — Phone 907-463-4750
Division: Alaska Court System — Date/Time 2/5/10 @ 8:15 am
Approved by: Doug Wooliver for Christine Johnson, Administrative Director — Date 2/5/2010
Alaska Court System

(Revised 10/13/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: HB98-DOC-OC-02-08-10
Bill Version:
() Publish Date:

Identifier (file name): HB98-DOC-OC-02-08-10
Dept. Affected: DOC
Title "An Act relating to limitations on possessing, sending, shipping transporting, or bringing alcoholic beverages . . "
RDU Administration & Support
Sponsor Representative Ramras
Requester Governor
Component Number 694

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The intent of Section 4 is to reduce the illegal importation of alcohol with a subsequent reduction in other associated crimes, such as assault and domestic violence. Criminal justice professional opinions and anecdotal information link the majority of assault arrests and convictions to alcohol abuse.

This legislation could increase the number of offenders incarcerated for bootlegging, however, locking up repeat bootleggers could also result in a decrease in the incarceration rate for alcohol-related assaults and other crimes. It is anticipated that the overall impact could be a net zero if not a reduction in the total number and cost of incarcerated offenders. Data is not available for the department to calculate the number of offenders that would be sentenced to the department's custody under this legislation.

Prepared by: Leslie Houston, Director
Phone (907) 465-3339
Division Administration and Support
Date/Time 02/08/2010 0900
Approved by: Dwayne Peeples, Deputy Commissioner
Date 2/8/2010
Department of Corrections

(Revised 11/6/2009 OMB)

Adopted
4/9/10

26-LS0051\E
Luckhaupt
4/7/10

SENATE CS FOR CS FOR HOUSE BILL NO. 98(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE RAMRAS

A BILL

FOR AN ACT ENTITLED

"An Act relating to minor consuming and repeat minor consuming; relating to penalties for violations of limitations on possessing, sending, shipping, transporting, or bringing alcoholic beverages to, soliciting or receiving orders for delivery of alcoholic beverages to, and the manufacture, sale, offer for sale, barter, traffic, or possession of alcoholic beverages in, a local option area; and providing for an effective date."

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

*** Section 1.** AS 04.11.010(c) is amended to read:

(c) Unless a municipality or established village has adopted a more restrictive local option under AS 04.11.491(g), in a criminal prosecution for possession of alcoholic beverages for sale in violation of (a) of this section, the fact that a person

(1) possessed more than 10 1/2 liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** in an area where the sale of alcoholic

beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person possessed the alcoholic beverages for sale;

(2) sends, transports, or brings more than 10 1/2 liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** to an area where the sale of alcoholic beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person sent, transported, or brought the alcoholic beverages for sale in the area.

*** Sec. 2.** AS 04.11.150(g) is amended to read:

(g) If a shipment is to an area that has restricted the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), a package store licensee, agent, or employee may not ship to a purchaser more than 10 and one-half liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** in a calendar month, or a lower amount of distilled spirits, wine, or malt beverages if the municipality or established village has adopted the lower amount by local option under AS 04.11.491(g). Before shipping alcohol to a purchaser in a restricted area, a package store licensee, agent, or employee shall consult the database maintained by the board under AS 04.06.095 for any alcoholic beverage shipments made to the purchaser during that calendar month by a package store licensee, agent, or employee. A package store licensee, agent, or employee may not ship an amount of alcoholic beverages to a purchaser in a restricted area that, when added to the amount already shipped, exceeds the amount authorized by this subsection. A package store licensee, agent, or employee shall immediately enter into the database the date and the amount of alcoholic beverages shipped to the purchaser. Failure to enter into the database the date and amount of alcoholic beverages shipped to the purchaser as required by this subsection is a class B misdemeanor.

*** Sec. 3.** AS 04.16.050(b) is amended to read:

(b) A person who violates (a) of this section and who has not been previously convicted or received a suspended imposition of sentence under (1) of this subsection is guilty of minor consuming or in possession or control. **Minor consuming or in**

possession or control is not a misdemeanor. Upon conviction in the district court, the court

(1) may grant a suspended imposition of sentence under AS 12.55.085 and place the person on probation for up to one year if the person has not been convicted of a violation of this section previously; among the conditions of probation, the court shall, with the consent of a community diversion panel, refer the person to the panel, and require the person to comply with conditions set by the panel, including counseling, education, treatment, community work, and payment of fees; in this paragraph, "community diversion panel" means a youth court or other group selected by the court to serve as a sentencing option for a person convicted under this section; or

(2) shall impose a fine of at least $200 but not more than $600, shall require the person to attend alcohol information school if the school is available, and shall place the person on probation for up to one year under (e) of this section; the court may suspend a portion of the fine imposed under this paragraph that exceeds $200 if the person is required to pay for education or treatment required under (e) of this section.

* **Sec. 4.** AS 04.16.050(c) is amended to read:

(c) A person is guilty of repeat minor consuming or in possession or control if the person was **previously granted a suspended imposition of sentence** [PLACED ON PROBATION] under (b)(1) of this section**, has a prior conviction under (b)(2) of this section,** or has been previously convicted once, and the person violates (a) of this section. **Repeat minor consuming or in possession or control is not a misdemeanor.** Upon conviction in the district court, the court shall

(1) impose a fine of $1,000 and require at least 48 hours of community work;

(2) revoke the person's driver's license for three months;

(3) take possession of the person's driver's license; and

(4) suspend up to $500 of the fine and place the person on probation for up to one year under (e) of this section.

* **Sec. 5.** AS 04.16.050(d) is amended to read:

(d) A person is guilty of habitual minor consuming or in possession or control if the person **has a prior conviction** [WAS PLACED ON PROBATION] under (c) of this section, or has been previously convicted **two or more times** [TWICE], and the person violates (a) of this section. Habitual minor consuming or in possession or control is a class B misdemeanor. Upon conviction, the court may impose an appropriate period of imprisonment and fine and place the person on probation under (e) of this section for one year, or until the person is 21 years of age, whichever is later, and shall

(1) impose at least 96 hours of community work;

(2) revoke the person's driver's license for six months;

(3) within five working days, notify the agency responsible for the administration of motor vehicle laws of the revocation; and

(4) take possession of the person's driver's license.

*** Sec. 6.** AS 04.16.200(e) is amended to read:

(e) A person who sends, transports, or brings alcoholic beverages into a municipality or established village in violation of AS 04.11.499(a) is, upon conviction,

(1) except as provided in (3) of this subsection, guilty of a class A misdemeanor if the quantity of alcoholic beverages is less than 10 and one-half liters of distilled spirits **or** [,] 24 liters of wine, or **either a half-keg of malt beverages or** 12 gallons of malt beverages **in individual containers**;

(2) guilty of a class C felony if the quantity of alcoholic beverages is 10 and one-half liters or more of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers**; or

(3) guilty of a class C felony if the quantity of alcoholic beverages is less than 10 and one-half liters of distilled spirits **or** [,] 24 liters of wine, or **either a half-keg of malt beverages or** 12 gallons of malt beverages **in individual containers** and the person has been previously convicted under this subsection or (b) of this section two or more times within 15 years of the date of the present offense.

*** Sec. 7.** AS 04.16.200(h) is amended to read:

(h) Upon conviction of a class C felony under (b) or (e)(2) or (3) of this

section, the court

(1) shall impose a fine of not less than $10,000 and a minimum sentence of imprisonment of

(A) 120 days if the person has **not** been previously convicted [ONCE];

(B) 240 days if the person has been previously convicted **once** [TWO TIMES];

(C) 360 days if the person has been previously convicted **two** [THREE] or more times;

(2) may not

(A) suspend execution of sentence or grant probation except on the condition that the person

(i) serve the minimum imprisonment under (1) of this subsection; and

(ii) pay the minimum fine required under (1) of this subsection; or

(B) suspend imposition of sentence.

*** Sec. 8.** AS 04.21.080 is amended by adding a new paragraph to read:

(18) "half-keg" means a keg designed to be a bulk container for, and containing not more than, 15 1/2 gallons of malt beverages.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 04.11.010(c), as amended by sec. 1 of this Act, and AS 04.16.200(h), as amended by sec. 7 of this Act, apply to an offense occurring on or after the effective date of this Act. References to previous convictions in sec. 7 of this Act apply to convictions occurring before, on, or after the effective date of this Act.

*** Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).

SENATE FINANCE COMMITTEE REPORT

DATE: 3/2/10

FURTHER: Rules

DATE TURNED IN TO OFFICE: 4/14/10

Finance Committee considered CS FOR HOUSE BILL NO. 114(TRA) am

HB 114 USE STATE TRANS FACILITY FOR DISASTER AID

"An Act relating to availability of state transportation facilities and state-owned or state-operated transportation modes for delivering compassionate aid."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[X] adopt **previous** [X] **SCS** or [ ] **CS** HB 114 (TRA)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[X] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/9/10			✓	8

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
MVA	2/4/10			✓	5
DFG	2/4/10			✓	6
DOT	2/4/10			✓	7

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 8
Bill Version: CSHB 114 (TRA)
() Publish Date: 4/14/10

Identifier (file name): HB114CS(TRA)-CED-ARR-03-9-10
Dept. Affected: DCCED
Title: State Transportation Assets deliver compassionate aid
RDU
Component: Alaska Railroad Corporation
Sponsor: Representative Ramras
Requester: Senate Finance Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

If the Governor determines that public safety or health conditions in an area of the state require emergency assistance, the Governor can utilize state transportation assets to deliver compassionate aid. This legislation would provide that the Alaska Railroad Corporation would not be liable in tort for damages, for the injury to or death of a person, or property damage resulting from assistance provided. Because the Alaska Railroad does not receive state funding for operations or capital improvements, HB 114 would not provide a railroad related cost to the state. The cost to provide this service to the Alaska Railroad would depend on the number of rail cars and locomotive power needed, crew requirements, and the destination.

Prepared by: Wendy Lindskoog, Assistant Vice President, Corporate Affairs
Phone 907-265-2498
Division: Alaska Railroad Corporation
Date/Time 3-9-10 11:00 a.m.
Approved by: Emil Notti, Commissioner
Date 3/9/2010
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB 114 (TRA)
() Publish Date:

Identifier (file name): HB114CS(TRA)-CED-ARR-03-9-10
Dept. Affected: DCCED
Title: State Transportation Assets deliver compassionate aid
RDU
Component: Alaska Railroad Corporation
Sponsor: Representative Ramras
Requester: Senate Finance Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

If the Governor determines that public safety or health conditions in an area of the state require emergency assistance, the Governor can utilize state transportation assets to deliver compassionate aid. This legislation would provide that the Alaska Railroad Corporation would not be liable in tort for damages, for the injury to or death of a person, or property damage resulting from assistance provided. Because the Alaska Railroad does not receive state funding for operations or capital improvements, HB 114 would not provide a railroad related cost to the state. The cost to provide this service to the Alaska Railroad would depend on the number of rail cars and locomotive power needed, crew requirements, and the destination.

Prepared by: Wendy Lindskoog, Assistant Vice President, Corporate Affairs
Phone 907-265-2498
Division: Alaska Railroad Corporation
Date/Time 3-9-10 11:00 a.m.
Approved by: Emil Notti, Commissioner
Date 3/9/2010
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 7
Bill Version: SCS CSHB 114(TRA)
(S) Publish Date: 3/2/10

Identifier (file name): HB114CS-DOT-C0-2-04-10
Dept. Affected: DOT&P
Title: Use of State Transportation Facility for Disaster Aid
RDU: Administration and Support
Component: Commissioner's Office
Sponsor: Rep. Ramras
Requester: S. TRA
Component Number: 530

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

No fiscal impact

Prepared by: Mary Siroky, Legislative Liaison
Phone 465-4772
Division: DOT&PF, Commissioner's Office
Date/Time 2/4/10 11:00 AM
Approved by: Frank Richards
Deputy Commissioner, DOT&PF
Date 2/4/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: SCS CSHB 114(TRA)
(S) Publish Date: 3/2/10

Identifier (file name): CSHB114(TRA)-DFG-CO-2-4-10
Dept. Affected: ADF&G
Title: An act relating to availability of state transportation facilities and state-owned or state operated...
RDU: Administration and Support
Component: Commissioner's office
Sponsor: Rep. Ramras et al.
Requester: Senate Transportation
Component Number: 2175

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

No fiscal impact to the department.

Prepared by: Jeff Hoover, Deputy Director — Phone 465-6077
Division: Adminstrative Services — Date/Time 2/4/10 2:00 PM
Approved by: Tom Lawson, Director of Administrative Services — Date 2/4/2010
Department of Fish and Game

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: SCS CSHB 114(TRA)
(S) Publish Date: 3/2/10

Identifier (file name): HB114-DMVA-HS&EM-2-4-10
Dept. Affected: Military & Veterans Affairs
Title: An Act relating to availability of state transportation facilities and state-owned or state-operated transportation modes for deliver
RDU: Military and Veterans Affairs
Component: Homeland Security & Emerg. Mgmt.
Sponsor: Ramras, Dahlstrom, Millett, Johansen, Edgmon, Peterson, Holmes
Requester: TRA
Component Number: 2657

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

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

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

No fiscal impact is expected as a result of this legislation.

Prepared by: McHugh Pierre, Deputy Commissioner/Legislative Liaison
Phone 465-4602
Division: Commissioner's Office
Date/Time 2/4/10 @ 12:25 pm
Approved by: General Thomas Katkus
Commissioner
Date 2/4/2010

(Revised 11/6/2009 OMB)

Adopted
4/9/10

26-LS0051\E
Luckhaupt
4/7/10

SENATE CS FOR CS FOR HOUSE BILL NO. 98(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE RAMRAS

A BILL

FOR AN ACT ENTITLED

"An Act relating to minor consuming and repeat minor consuming; relating to penalties for violations of limitations on possessing, sending, shipping, transporting, or bringing alcoholic beverages to, soliciting or receiving orders for delivery of alcoholic beverages to, and the manufacture, sale, offer for sale, barter, traffic, or possession of alcoholic beverages in, a local option area; and providing for an effective date."

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

*** Section 1.** AS 04.11.010(c) is amended to read:

(c) Unless a municipality or established village has adopted a more restrictive local option under AS 04.11.491(g), in a criminal prosecution for possession of alcoholic beverages for sale in violation of (a) of this section, the fact that a person

(1) possessed more than 10 1/2 liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** in an area where the sale of alcoholic

beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person possessed the alcoholic beverages for sale;

(2) sends, transports, or brings more than 10 1/2 liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** to an area where the sale of alcoholic beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person sent, transported, or brought the alcoholic beverages for sale in the area.

*** Sec. 2.** AS 04.11.150(g) is amended to read:

(g) If a shipment is to an area that has restricted the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), a package store licensee, agent, or employee may not ship to a purchaser more than 10 and one-half liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** in a calendar month, or a lower amount of distilled spirits, wine, or malt beverages if the municipality or established village has adopted the lower amount by local option under AS 04.11.491(g). Before shipping alcohol to a purchaser in a restricted area, a package store licensee, agent, or employee shall consult the database maintained by the board under AS 04.06.095 for any alcoholic beverage shipments made to the purchaser during that calendar month by a package store licensee, agent, or employee. A package store licensee, agent, or employee may not ship an amount of alcoholic beverages to a purchaser in a restricted area that, when added to the amount already shipped, exceeds the amount authorized by this subsection. A package store licensee, agent, or employee shall immediately enter into the database the date and the amount of alcoholic beverages shipped to the purchaser. Failure to enter into the database the date and amount of alcoholic beverages shipped to the purchaser as required by this subsection is a class B misdemeanor.

*** Sec. 3.** AS 04.16.050(b) is amended to read:

(b) A person who violates (a) of this section and who has not been previously convicted or received a suspended imposition of sentence under (1) of this subsection is guilty of minor consuming or in possession or control. **Minor consuming or in**

possession or control is not a misdemeanor. Upon conviction in the district court, the court

(1) may grant a suspended imposition of sentence under AS 12.55.085 and place the person on probation for up to one year if the person has not been convicted of a violation of this section previously; among the conditions of probation, the court shall, with the consent of a community diversion panel, refer the person to the panel, and require the person to comply with conditions set by the panel, including counseling, education, treatment, community work, and payment of fees; in this paragraph, "community diversion panel" means a youth court or other group selected by the court to serve as a sentencing option for a person convicted under this section; or

(2) shall impose a fine of at least $200 but not more than $600, shall require the person to attend alcohol information school if the school is available, and shall place the person on probation for up to one year under (e) of this section; the court may suspend a portion of the fine imposed under this paragraph that exceeds $200 if the person is required to pay for education or treatment required under (e) of this section.

*** Sec. 4.** AS 04.16.050(c) is amended to read:

(c) A person is guilty of repeat minor consuming or in possession or control if the person was **previously granted a suspended imposition of sentence** [PLACED ON PROBATION] under (b)(1) of this section**, has a prior conviction under (b)(2) of this section,** or has been previously convicted once, and the person violates (a) of this section. **Repeat minor consuming or in possession or control is not a misdemeanor.** Upon conviction in the district court, the court shall

(1) impose a fine of $1,000 and require at least 48 hours of community work;

(2) revoke the person's driver's license for three months;

(3) take possession of the person's driver's license; and

(4) suspend up to $500 of the fine and place the person on probation for up to one year under (e) of this section.

*** Sec. 5.** AS 04.16.050(d) is amended to read:

(d) A person is guilty of habitual minor consuming or in possession or control if the person **has a prior conviction** [WAS PLACED ON PROBATION] under (c) of this section, or has been previously convicted **two or more times** [TWICE], and the person violates (a) of this section. Habitual minor consuming or in possession or control is a class B misdemeanor. Upon conviction, the court may impose an appropriate period of imprisonment and fine and place the person on probation under (e) of this section for one year, or until the person is 21 years of age, whichever is later, and shall

(1) impose at least 96 hours of community work;

(2) revoke the person's driver's license for six months;

(3) within five working days, notify the agency responsible for the administration of motor vehicle laws of the revocation; and

(4) take possession of the person's driver's license.

*** Sec. 6.** AS 04.16.200(e) is amended to read:

(e) A person who sends, transports, or brings alcoholic beverages into a municipality or established village in violation of AS 04.11.499(a) is, upon conviction,

(1) except as provided in (3) of this subsection, guilty of a class A misdemeanor if the quantity of alcoholic beverages is less than 10 and one-half liters of distilled spirits **or** [,] 24 liters of wine, or **either a half-keg of malt beverages or** 12 gallons of malt beverages **in individual containers**;

(2) guilty of a class C felony if the quantity of alcoholic beverages is 10 and one-half liters or more of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers**; or

(3) guilty of a class C felony if the quantity of alcoholic beverages is less than 10 and one-half liters of distilled spirits **or** [,] 24 liters of wine, or **either a half-keg of malt beverages or** 12 gallons of malt beverages **in individual containers** and the person has been previously convicted under this subsection or (b) of this section two or more times within 15 years of the date of the present offense.

*** Sec. 7.** AS 04.16.200(h) is amended to read:

(h) Upon conviction of a class C felony under (b) or (e)(2) or (3) of this

section, the court

(1) shall impose a fine of not less than $10,000 and a minimum sentence of imprisonment of

(A) 120 days if the person has **not** been previously convicted [ONCE];

(B) 240 days if the person has been previously convicted **once** [TWO TIMES];

(C) 360 days if the person has been previously convicted **two** [THREE] or more times;

(2) may not

(A) suspend execution of sentence or grant probation except on the condition that the person

(i) serve the minimum imprisonment under (1) of this subsection; and

(ii) pay the minimum fine required under (1) of this subsection; or

(B) suspend imposition of sentence.

*** Sec. 8.** AS 04.21.080 is amended by adding a new paragraph to read:

(18) "half-keg" means a keg designed to be a bulk container for, and containing not more than, 15 1/2 gallons of malt beverages.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 04.11.010(c), as amended by sec. 1 of this Act, and AS 04.16.200(h), as amended by sec. 7 of this Act, apply to an offense occurring on or after the effective date of this Act. References to previous convictions in sec. 7 of this Act apply to convictions occurring before, on, or after the effective date of this Act.

*** Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 98(FIN) am
(S) Publish Date: 2/3/10

Identifier (file name): HB098CS(FIN)AM-LAW-CRIM-1-29-10
Dept. Affected: Law
Title: An Act relating to minor consuming and repeat minor consuming
RDU: CRIMINAL
Component: Criminal Justice Litigation
Sponsor: REPRESENTATIVE(s) RAMRAS
Requester: Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

The bill would clarify the existing minor consuming statute regarding when a minor would be designated as a habitual offender. The bill also clarifies the intent of the legislature that the penalties for bootlegging be the same as those for drunk driving by making the penalties for bootlegging track those for drunk driving. The Department of Law does not anticipate any fiscal impact from passage of this legislation.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 1/29/10 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Date 1/29/2000
Department of Law

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: CSHB 98(FIN) am
(S) Publish Date: 2/3/10

Identifier (file name): HB098CS(FIN)-DPS-DET-01-27-10
Dept. Affected: Public Safety
Title "An act relating to minor consuming, and penalties for violation of certain alcohol laws in a local option community".
RDU Alaska State Troopers
Component AST Detachments
Sponsor Representative Ramras
Requester Senate Finance
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill amends AS 04.16.050(b-d) by clarifying when a person is guilty of repeat or habitual minor consuming or in possession or control. This bill changes AS 04.16.200 by increasing the penalities for violation of AS 04.16.200(b) or (2) or (3), and AS 04.11.499(h).

Passage of this legislation will not increase the number of arrests made or cases referred for prosecution. This bill will have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial
Phone 907-247-4480
Division Alaska State Troopers
Date/Time 12/27/09 10:40 AM
Approved by: Joseph Masters, Commissioner
Department of Public Safety
Date 12/27/2009

(Revised 11/6/2009 OMB)

called in 4-9-10
10:00 am N.J.

26-LS0051\E
Luckhaupt
4/7/10

SENATE CS FOR CS FOR HOUSE BILL NO. 98(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVE RAMRAS

A BILL

FOR AN ACT ENTITLED

"An Act relating to minor consuming and repeat minor consuming; relating to penalties for violations of limitations on possessing, sending, shipping, transporting, or bringing alcoholic beverages to, soliciting or receiving orders for delivery of alcoholic beverages to, and the manufacture, sale, offer for sale, barter, traffic, or possession of alcoholic beverages in, a local option area; and providing for an effective date."

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

*** Section 1.** AS 04.11.010(c) is amended to read:

(c) Unless a municipality or established village has adopted a more restrictive local option under AS 04.11.491(g), in a criminal prosecution for possession of alcoholic beverages for sale in violation of (a) of this section, the fact that a person

(1) possessed more than 10 1/2 liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** in an area where the sale of alcoholic

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beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person possessed the alcoholic beverages for sale;

(2) sends, transports, or brings more than 10 1/2 liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** to an area where the sale of alcoholic beverages is restricted or prohibited under AS 04.11.491 creates a presumption that the person sent, transported, or brought the alcoholic beverages for sale in the area.

*** Sec. 2.** AS 04.11.150(g) is amended to read:

(g) If a shipment is to an area that has restricted the sale of alcoholic beverages under AS 04.11.491(a)(1), (2), or (3) or (b)(1) or (2), a package store licensee, agent, or employee may not ship to a purchaser more than 10 and one-half liters of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers** in a calendar month, or a lower amount of distilled spirits, wine, or malt beverages if the municipality or established village has adopted the lower amount by local option under AS 04.11.491(g). Before shipping alcohol to a purchaser in a restricted area, a package store licensee, agent, or employee shall consult the database maintained by the board under AS 04.06.095 for any alcoholic beverage shipments made to the purchaser during that calendar month by a package store licensee, agent, or employee. A package store licensee, agent, or employee may not ship an amount of alcoholic beverages to a purchaser in a restricted area that, when added to the amount already shipped, exceeds the amount authorized by this subsection. A package store licensee, agent, or employee shall immediately enter into the database the date and the amount of alcoholic beverages shipped to the purchaser. Failure to enter into the database the date and amount of alcoholic beverages shipped to the purchaser as required by this subsection is a class B misdemeanor.

*** Sec. 3.** AS 04.16.050(b) is amended to read:

(b) A person who violates (a) of this section and who has not been previously convicted or received a suspended imposition of sentence under (1) of this subsection is guilty of minor consuming or in possession or control. **Minor consuming or in**

possession or control is not a misdemeanor. Upon conviction in the district court, the court

(1) may grant a suspended imposition of sentence under AS 12.55.085 and place the person on probation for up to one year if the person has not been convicted of a violation of this section previously; among the conditions of probation, the court shall, with the consent of a community diversion panel, refer the person to the panel, and require the person to comply with conditions set by the panel, including counseling, education, treatment, community work, and payment of fees; in this paragraph, "community diversion panel" means a youth court or other group selected by the court to serve as a sentencing option for a person convicted under this section; or

(2) shall impose a fine of at least $200 but not more than $600, shall require the person to attend alcohol information school if the school is available, and shall place the person on probation for up to one year under (e) of this section; the court may suspend a portion of the fine imposed under this paragraph that exceeds $200 if the person is required to pay for education or treatment required under (e) of this section.

*** Sec. 4.** AS 04.16.050(c) is amended to read:

(c) A person is guilty of repeat minor consuming or in possession or control if the person was **previously granted a suspended imposition of sentence** [PLACED ON PROBATION] under (b)(1) of this section**, has a prior conviction under (b)(2) of this section,** or has been previously convicted once, and the person violates (a) of this section. **Repeat minor consuming or in possession or control is not a misdemeanor.** Upon conviction in the district court, the court shall

(1) impose a fine of $1,000 and require at least 48 hours of community work;

(2) revoke the person's driver's license for three months;

(3) take possession of the person's driver's license; and

(4) suspend up to $500 of the fine and place the person on probation for up to one year under (e) of this section.

*** Sec. 5.** AS 04.16.050(d) is amended to read:

(d) A person is guilty of habitual minor consuming or in possession or control if the person **has a prior conviction** [WAS PLACED ON PROBATION] under (c) of this section, or has been previously convicted **two or more times** [TWICE], and the person violates (a) of this section. Habitual minor consuming or in possession or control is a class B misdemeanor. Upon conviction, the court may impose an appropriate period of imprisonment and fine and place the person on probation under (e) of this section for one year, or until the person is 21 years of age, whichever is later, and shall

(1) impose at least 96 hours of community work;

(2) revoke the person's driver's license for six months;

(3) within five working days, notify the agency responsible for the administration of motor vehicle laws of the revocation; and

(4) take possession of the person's driver's license.

*** Sec. 6.** AS 04.16.200(e) is amended to read:

(e) A person who sends, transports, or brings alcoholic beverages into a municipality or established village in violation of AS 04.11.499(a) is, upon conviction,

(1) except as provided in (3) of this subsection, guilty of a class A misdemeanor if the quantity of alcoholic beverages is less than 10 and one-half liters of distilled spirits **or** [,] 24 liters of wine, or **either a half-keg of malt beverages or** 12 gallons of malt beverages **in individual containers**;

(2) guilty of a class C felony if the quantity of alcoholic beverages is 10 and one-half liters or more of distilled spirits **or** [,] 24 liters or more of wine, or **either a half-keg of malt beverages or** 12 gallons or more of malt beverages **in individual containers**; or

(3) guilty of a class C felony if the quantity of alcoholic beverages is less than 10 and one-half liters of distilled spirits **or** [,] 24 liters of wine, or **either a half-keg of malt beverages or** 12 gallons of malt beverages **in individual containers** and the person has been previously convicted under this subsection or (b) of this section two or more times within 15 years of the date of the present offense.

*** Sec. 7.** AS 04.16.200(h) is amended to read:

(h) Upon conviction of a class C felony under (b) or (e)(2) or (3) of this

section, the court

(1) shall impose a fine of not less than $10,000 and a minimum sentence of imprisonment of

(A) 120 days if the person has **not** been previously convicted [ONCE];

(B) 240 days if the person has been previously convicted **once** [TWO TIMES];

(C) 360 days if the person has been previously convicted **two** [THREE] or more times;

(2) may not

(A) suspend execution of sentence or grant probation except on the condition that the person

(i) serve the minimum imprisonment under (1) of this subsection; and

(ii) pay the minimum fine required under (1) of this subsection; or

(B) suspend imposition of sentence.

*** Sec. 8.** AS 04.21.080 is amended by adding a new paragraph to read:

(18) "half-keg" means a keg designed to be a bulk container for, and containing not more than, 15 1/2 gallons of malt beverages.

*** Sec. 9.** The uncodified law of the State of Alaska is amended by adding a new section to read:

APPLICABILITY. AS 04.11.010(c), as amended by sec. 1 of this Act, and AS 04.16.200(h), as amended by sec. 7 of this Act, apply to an offense occurring on or after the effective date of this Act. References to previous convictions in sec. 7 of this Act apply to convictions occurring before, on, or after the effective date of this Act.

*** Sec. 10.** This Act takes effect immediately under AS 01.10.070(c).

2-8-10

Chair, Judiciary
Chair, Economic Development, Trade & Tourism
Energy
Military & Veteran Affairs
Joint Armed Services
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Phone: (907) 452-1088
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Alaska State Legislature
House of Representatives

While in Session
State Capitol, Room 118
Juneau, Alaska 99801-1182
(907) 465- 3004
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Representative Jay Ramras
District 10

HB98 – Explanation of Changes

A change from version A to version R, was made at the request of the Department of Law Section 3 of the bill was added. Section 3 corrects AS 04.16.200(h), which deals with penalties for possession for sales or importation of liquor into areas that have chosen to establish local option laws. This amendment brings bootlegging penalties into compliance with felony DUI penalties.

A change was made on the House Floor to version R that resulted in version R.A. This amendment made it clear that Minor Consuming and Repeat Minor Consuming are not misdemeanor crimes.

Representative_Jay_Ramras@legis.state.ak.us

2-8-10

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Representative Jay Ramras
District 10

Sponsor Statement
HB 98

"An Act relating to minor consuming and repeat minor consuming; and providing for an effective date."

HB 98 fixes a problem that occurred with the enactment of HB 359, a bill that passed the House unanimously in the 25th Legislative Session. HB 359 originated due to the desire of Alaskan youths to join the military and not being able to so due to probation restrictions from a minor consuming charge that may have occurred up to 5 years previously. Unfortunately, when the bill was drafted, it left a loop-hole in the repeat minor consuming law.

HB 98 fixes this loop-hole by referencing both suspended impositions of sentence under AS 04.16.050(b)(1) and a judgment of conviction under AS 04.16.050(b)(2).

This new language will now cover all repeat offenders, no matter how their previous minor consuming charges were adjudicated.

An amendment was added in the House Finance HB98 to also fix an issue as it relates to bootlegging. The new language will bring bootlegging penalties in line with felony DUI penalties.

Representative_Jay_Ramras@legis.state.ak.us

Sec. 04.16.050. Possession, control, or consumption by persons under the age of 21.

(a) A person under the age of 21 years may not knowingly consume, possess, or control alcoholic beverages except those furnished persons under AS 04.16.051 (b).

(b) A person who violates (a) of this section and who has not been previously convicted or received a suspended imposition of sentence under (1) of this subsection is guilty of minor consuming or in possession or control. Upon conviction in the district court, the court

(1) may grant a suspended imposition of sentence under AS 12.55.085 and place the person on probation for up to one year if the person has not been convicted of a violation of this section previously; among the conditions of probation, the court shall, with the consent of a community diversion panel, refer the person to the panel, and require the person to comply with conditions set by the panel, including counseling, education, treatment, community work, and payment of fees; in this paragraph, "community diversion panel" means a youth court or other group selected by the court to serve as a sentencing option for a person convicted under this section; or

(2) shall impose a fine of at least $200 but not more than $600, shall require the person to attend alcohol information school if the school is available, and shall place the person on probation for up to one year under (e) of this section; the court may suspend a portion of the fine imposed under this paragraph that exceeds $200 if the person is required to pay for education or treatment required under (e) of this section.

(c) A person is guilty of repeat minor consuming or in possession or control if the person was placed on probation under (b)(1) of this section or has been previously convicted once, and the person violates (a) of this section. Upon conviction in the district court, the court shall

(1) impose a fine of $1,000 and require at least 48 hours of community work;

(2) revoke the person's driver's license for three months;

(3) take possession of the person's driver's license; and

(4) suspend up to $500 of the fine and place the person on probation for up to one year under (e) of this section.

(d) A person is guilty of habitual minor consuming or in possession or control if the person was placed on probation under (c) of this section, or has been previously convicted twice, and the person violates (a) of this section. Habitual minor consuming or in possession or control is a class B misdemeanor. Upon conviction, the court may impose an appropriate period of imprisonment and fine and place the person on probation under (e) of this section for one year, or until the person is 21 years of age, whichever is later, and shall

(1) impose at least 96 hours of community work;

(2) revoke the person's driver's license for six months;

(3) within five working days, notify the agency responsible for the administration of motor vehicle laws of the revocation; and

(4) take possession of the person's driver's license.

(e) The court shall place a person sentenced under (b)(2), (c), or (d) of this section on probation for the appropriate period. The person may not refuse probation. The court may require the person to pay for and enroll in a juvenile alcohol safety action program, if one is available. The court shall impose the following conditions of probation:

(1) the person shall pay for and successfully complete any education or treatment recommended;

(2) the person may not consume inhalants or possess or consume controlled substances or alcoholic beverages, except as provided in AS 04.16.051(b);

(3) the person shall timely complete any community work ordered, as provided in (f) of this section; and

(4) other conditions the court considers appropriate.

(f) A person ordered to perform community work under this section shall perform the work within 120 days of the entry of judgment for a conviction. The court may expand the time period for up to 30 days upon a showing of good cause. The person shall submit verification of completion of community work to the clerk of court on a form provided by the court. If the verification is not provided within the time period required by this subsection, the court shall, within 30 days, schedule further proceedings in the case to determine whether a violation of probation has occurred.

(g) The treatment recommended by a juvenile alcohol safety action program for a person placed on probation under (e) of this section may include a period of inpatient treatment if the judgment specifies the maximum period of inpatient treatment authorized. A person who has been recommended for inpatient treatment may make a written request to the sentencing court for review of the referral. A person shall make a request for review within seven days after the recommendation and shall specifically set out the grounds upon which the request for review is based. The court may order a hearing on the request for review.

(h) The juvenile alcohol safety action program to which a person is referred under this section shall inform the court or a minor's juvenile probation officer if the person fails to submit to evaluation or fails to complete successfully any education or treatment recommended. If the court finds that the person has failed to perform community work as ordered, to submit to evaluation, or to complete successfully the education or treatment recommended, the court may impose the suspended fine, and may impose any period of suspended incarceration. If the person was convicted under (c) or (d) of this section, the court shall revoke the person's driver's license for an additional six months beyond the revocation imposed under (c) or (d) of this section. A court revoking a person's driver's license under this subsection shall notify the agency responsible for the administration of motor vehicle laws of the revocation within five working days.

(i) When considering the financial resources of a minor for purposes of determining eligibility for court-appointed counsel under this section, the court shall consider the resources of both the defendant and the defendant's parent or guardian, unless the court finds good cause to treat the defendant's or the defendant's parent's or guardian's resources as being unavailable to the defendant.

(j) A driver's license revocation under this section is consecutive to a revocation imposed under another provision of law, but is concurrent with a revocation under another provision of law based on a prior conviction, adjudication of delinquency, or informal adjustment under AS 47.12.060 .

(k) Notwithstanding (b), (c), and (e) of this section, a person sentenced under (b) or (c) of this section may make a motion to the court to terminate probation of that person before the end of the probationary period required under those subsections. The court may grant the motion if the court finds, by clear and convincing evidence, that

(1) the person completed any community work ordered under (f) of this section;

(2) the person has successfully completed any education or treatment program ordered by the court and, if required by the court, has either

(A) paid for the programs; or

(B) made a good faith effort to pay for the programs, agreed to have the debt reduced to a civil judgment, entered into a repayment plan with the provider or the state, and agreed that the civil judgment may be enforced in the manner provided for restitution and fines in AS 12.55.051;

(3) the person has either

(A) paid the fine; or

(B) made a good faith effort to pay the fine, agreed to have the remaining fine amount reduced to a civil judgment, entered into a plan with the state, and agreed that the civil judgment may be enforced in the manner provided for restitution and fines in AS 12.55.051 ; and

(4) the person has substantially complied with the other conditions of probation.

(l) In this section,

(1) "driver's license" has the meaning given in AS 28.90.990 ;

(2) "juvenile alcohol safety action program" means

(A) a juvenile alcohol safety action program developed and implemented or approved by the Department of Health and Social Services under AS 47.37;

(B) any other alcohol education or treatment program approved by the Department of Health and Social Services under AS 47.37 if a program described in (A) of this paragraph is not available in the community in which the person resides; or

(C) a program or counseling approved by the court if a program or treatment described in (A) of this paragraph is not available in the community where the person resides;

(3) "previously convicted" means a conviction or an adjudication as a delinquent for a violation of AS 11.71, AS 28.35.030 , 28.35.032, 28.35.280 - 28.35.290, or a law or ordinance in another jurisdiction with substantially similar elements.

Sec. 04.16.180. Penalties for violation.

(a) Except as provided in AS 04.11.015 , 04.11.150(g), AS 04.16.025, »04.16.050«, 04.16.051, 04.16.200 - 04.16.210, and AS 04.21.065, a person who violates a provision of this title or a regulation adopted by the board is guilty, upon conviction, of a class A misdemeanor. Each violation is a separate offense.

(b) A suspension or revocation of a license ordered by the board under AS 04.11.370 (a)(4) and (5) shall be as follows:

(1) on first conviction the license of the premises involved may not be revoked, but may be suspended for not more than 45 days;

(2) on second conviction the license of the premises involved may not be revoked, but may be suspended for not more than 90 days;

(3) on third conviction the license of the premises involved may be suspended or revoked.

(c) In this section, the terms "second conviction" and "third conviction" include only convictions for violations that occur within five years of the first conviction. The terms refer to the cumulative number of convictions of a licensee of any combination of violations of the provisions of this title, regulations adopted under this title, or ordinances adopted under AS 04.21.010 . The terms "second conviction" and "third conviction" include a conviction of the agent or employee of a licensee of a violation of a law, regulation, or ordinance if the conviction constitutes a ground for suspension or revocation under AS 04.11.370(a)(5).

(d) This section does not affect the authority of the board to suspend or revoke a license when the board determines that continuance of activities under a license would not be in the best interests of the public.

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Representative Jay Ramras
District 10

HB98 Sectional

Sec. 1. States that minor consuming is not a misdemeanor

Sec. 2. Incorporates AS 04.16.050(b) penalties under the repeat minor consuming statute.

Sec. 3. Conforming language for habitual minor consuming.

Sec. 4. Corrects the intent of the bootlegging statute, to bring penalties in line with felony DUIs.

Sec 5. Applicability language for section 4.

Sec. 6. Immediate effective date language.

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February 17, 2009

Representative Jay Ramras
House of Representatives
State Capitol
Juneau AK 99801-1182

Dear Representative Ramras:

On behalf of the Alaska Peace Officers Association (APOA), I would like to thank you for introducing HB 98, an act relating to minor consuming and repeat minor consuming; and providing for an effective date.

The APOA State Board's Legislative Committee recently reviewed this proposed legislation and decided to unanimously support this bill.

We thank you for addressing this issue. Please contact the APOA office in Anchorage at 277-0515, if there is anything our organization can do to assist in the passage of this bill.

Sincerely,

Angella Long
State President

Westlaw.

AS § 04.16.050 Page 1

C

West's Alaska Statutes Annotated Currentness
Title 4. Alcoholic Beverages
Chapter 16. Regulation of Sales and Distribution
Article 1. Prohibited Acts
→ **§ 04.16.050. Possession, control, or consumption by persons under the age of 21**

(a) A person under the age of 21 years may not knowingly consume, possess, or control alcoholic beverages except those furnished persons under AS 04.16.051(b).

(b) A person who violates (a) of this section and who has not been previously convicted or received a suspended imposition of sentence under (1) of this subsection is guilty of minor consuming or in possession or control. Upon conviction in the district court, the court

(1) may grant a suspended imposition of sentence under AS 12.55.085 and place the person on probation for up to one year if the person has not been convicted of a violation of this section previously; among the conditions of probation, the court shall, with the consent of a community diversion panel, refer the person to the panel, and require the person to comply with conditions set by the panel, including counseling, education, treatment, community work, and payment of fees; in this paragraph, "community diversion panel" means a youth court or other group selected by the court to serve as a sentencing option for a person convicted under this section; or

(2) shall impose a fine of at least $200 but not more than $600, shall require the person to attend alcohol information school if the school is available, and shall place the person on probation for up to one year under (e) of this section; the court may suspend a portion of the fine imposed under this paragraph that exceeds $200 if the person is required to pay for education or treatment required under (e) of this section.

(c) A person is guilty of repeat minor consuming or in possession or control if the person was placed on probation under (b)(1) of this section or has been previously convicted once, and the person violates (a) of this section. Upon conviction in the district court, the court shall

(1) impose a fine of $1,000 and require at least 48 hours of community work;

(2) revoke the person's driver's license for three months;

(3) take possession of the person's driver's license; and

(4) suspend up to $500 of the fine and place the person on probation for up to one year under (e) of this section.

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(d) A person is guilty of habitual minor consuming or in possession or control if the person was placed on probation under (c) of this section, or has been previously convicted twice, and the person violates (a) of this section. Habitual minor consuming or in possession or control is a class B misdemeanor. Upon conviction, the court may impose an appropriate period of imprisonment and fine and place the person on probation under (e) of this section for one year, or until the person is 21 years of age, whichever is later, and shall

(1) impose at least 96 hours of community work;

(2) revoke the person's driver's license for six months;

(3) within five working days, notify the agency responsible for the administration of motor vehicle laws of the revocation; and

(4) take possession of the person's driver's license.

(e) The court shall place a person sentenced under (b)(2), (c), or (d) of this section on probation for the appropriate period. The person may not refuse probation. The court may require the person to pay for and enroll in a juvenile alcohol safety action program, if one is available. The court shall impose the following conditions of probation:

(1) the person shall pay for and successfully complete any education or treatment recommended;

(2) the person may not consume inhalants or possess or consume controlled substances or alcoholic beverages, except as provided in AS 04.16. 051(b);

(3) the person shall timely complete any community work ordered, as provided in (f) of this section; and

(4) other conditions the court considers appropriate.

(f) A person ordered to perform community work under this section shall perform the work within 120 days of the entry of judgment for a conviction. The court may expand the time period for up to 30 days upon a showing of good cause. The person shall submit verification of completion of community work to the clerk of court on a form provided by the court. If the verification is not provided within the time period required by this subsection, the court shall, within 30 days, schedule further proceedings in the case to determine whether a violation of probation has occurred.

(g) The treatment recommended by a juvenile alcohol safety action program for a person placed on probation under (e) of this section may include a period of inpatient treatment if the judgment specifies the maximum period of inpatient treatment authorized. A person who has been recommended for inpatient treatment may make a written request to the sentencing court for review of the referral. A person shall make a request for review within seven days after the

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recommendation and shall specifically set out the grounds upon which the request for review is based. The court may order a hearing on the request for review.

(h) The juvenile alcohol safety action program to which a person is referred under this section shall inform the court or a minor's juvenile probation officer if the person fails to submit to evaluation or fails to complete successfully any education or treatment recommended. If the court finds that the person has failed to perform community work as ordered, to submit to evaluation, or to complete successfully the education or treatment recommended, the court may impose the suspended fine, and may impose any period of suspended incarceration. If the person was convicted under (c) or (d) of this section, the court shall revoke the person's driver's license for an additional six months beyond the revocation imposed under (c) or (d) of this section. A court revoking a person's driver's license under this subsection shall notify the agency responsible for the administration of motor vehicle laws of the revocation within five working days.

(i) When considering the financial resources of a minor for purposes of determining eligibility for court-appointed counsel under this section, the court shall consider the resources of both the defendant and the defendant's parent or guardian, unless the court finds good cause to treat the defendant's or the defendant's parent's or guardian's resources as being unavailable to the defendant.

(j) A driver's license revocation under this section is consecutive to a revocation imposed under another provision of law, but is concurrent with a revocation under another provision of law based on a prior conviction, adjudication of delinquency, or informal adjustment under AS 47.12.060.

(k) Notwithstanding (b), (c), and (e) of this section, a person sentenced under (b) or (c) of this section may make a motion to the court to terminate probation of that person before the end of the probationary period required under those subsections. The court may grant the motion if the court finds, by clear and convincing evidence, that

(1) the person completed any community work ordered under (f) of this section;

(2) the person has successfully completed any education or treatment program ordered by the court and, if required by the court, has either

(A) paid for the programs; or

(B) made a good faith effort to pay for the programs, agreed to have the debt reduced to a civil judgment, entered into a repayment plan with the provider or the state, and agreed that the civil judgment may be enforced in the manner provided for restitution and fines in AS 12.55.051;

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(3) the person has either

(A) paid the fine; or

(B) made a good faith effort to pay the fine, agreed to have the remaining fine amount reduced to a civil judgment, entered into a plan with the state, and agreed that the civil judgment may be enforced in the manner provided for restitution and fines in AS 12.55.051; and

(4) the person has substantially complied with the other conditions of probation.

(*l*) In this section,

(1) "driver's license" has the meaning given in AS 28.90.990;

(2) "juvenile alcohol safety action program" means

(A) a juvenile alcohol safety action program developed and implemented or approved by the Department of Health and Social Services under AS 47.37;

(B) any other alcohol education or treatment program approved by the Department of Health and Social Services under AS 47.37 if a program described in (A) of this paragraph is not available in the community in which the person resides; or

(C) a program or counseling approved by the court if a program or treatment described in (A) of this paragraph is not available in the community where the person resides;

(3) "previously convicted" means a conviction or an adjudication as a delinquent for a violation of AS 11.71, AS 28.35.030, 28.35.032, 28.35.280--28.35.290, or a law or ordinance in another jurisdiction with substantially similar elements.

CREDIT(S)

SLA 1980, ch. 131, § 3; SLA 1983, ch. 109, § 8; SLA 1995, ch. 81, § 1; SLA 2001, ch. 65, §§ 1, 2. Amended by SLA 2008, ch. 75, §§ 1 to 5, eff. July 1, 2008.

HISTORICAL AND STATUTORY NOTES

SLA 2008, ch. 75, inserted "up to" after "on probation for" and deleted "or until the person is 21 years of age, whichever is later" after "one year" in subsec. (b)(1); inserted "for up to one year" after "person on probation" in subsec. (b)(2); substituted "(b)(1)" for "(b)" and inserted "once" after "previously convicted" in subsec. (c), and inserted "for up to one year" in subsec. (c)(4); inserted "for one year, or until the person is 21 years of age, whichever is later" in subsec. (d); substituted "(b)(2)" for "(b)" and "the appropriate period" for "one year, or until the person is 21 years of age, whichever is later" in subsec. (e); and added subsec. (*l*) (now subsec. k).

SLA 2008, ch. 75, § 43 provides:

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"APPLICABILITY. (a) Sections 6--9, 14--16, 22--24, 29--31, and 40 of this Act apply to an offense occurring on or after July 1, 2008. References to previous convictions in secs. 8 and 9 of this Act apply to convictions occurring before, on, or after July 1, 2008.

"(b) Sections 5 and 13 of this Act apply to an offense occurring before, on, or after July 1, 2008.

"(c) Sections 17, 18, 39, and 41 of this Act apply to search warrants applied for on or after July 1, 2008, regardless of whether the offense occurred before, on, or after July 1, 2008.

"(d) Sections 19--21, 36, and 37 of this Act apply to procedures occurring after July 1, 2008, regardless of whether the offense occurred before, on, or after July 1, 2008.

"(e) Section 25 of this Act applies to applications for criminal extraditions submitted on or after July 1, 2008, regardless of whether the offense occurred before, on, or after July 1, 2008.

"(f) Section 12 of this Act applies to offenses occurring and actions arising on or after July 1, 2008.

"(g) Sections 26--28 and 42 of this Act apply to applications submitted on or after July 1, 2008."

SLA 2008, ch. 75, § 44 provides:

"SEVERABILITY. Under AS 01.10.030, if any provision of this Act, or the application of it to any person or circumstance, is held invalid, the remainder of this Act and the application to other persons or circumstances are not affected."

In 2008, new subsec. (*l*) was redesignated as (k) and existing subsec. (k) as (*l*) by the revisor.

CROSS REFERENCES

Administrative revocation of license to drive, see § 28.15.183.
Attempt, classification of offenses, see § 11.31.100.
Civil liability of persons providing alcoholic beverages, see § 04.21.020.
Classification of offenses, see § 11.81.250.
Court reports to Department of Transportation, conviction records, see § 28.15.191.
Court revocation of a minor's license to drive, see § 28.15.185.
Court suspensions, revocations, and limitations, see § 28.15.181.
Criminal jurisdiction, see § 22.15.060.
Fines, see § 12.55.035.
Gangs, additional penalties for activities punishable as misdemeanors, see § 12.55.137.
Grounds for arrest by private person or peace officer without warrant, see § 12.25.030.
Juvenile delinquency, certain provisions inapplicable, see § 47.12.030.
Juvenile delinquents, criminal consequences, see § 47.12.060.
Juvenile delinquents, judgment and orders, see § 47.12.120.
Legal accountability based upon the conduct of another, see §§ 11.16.110 and 11.16.120.
Misdemeanors, sentences of imprisonment, see § 12.55.135.

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Motor vehicle insurance following driver's license revocation, see § 21.89.027.
Offenses defined by statute, see § 11.81.220.
Periods of limitation, suspension or revocation, see § 28.15.211.
Prior convictions, effect on sentencing, see § 12.55.145.
Private manufacture of alcoholic beverages, see § 04.21.015.
Restitution and compensation, see § 12.55.045.
Restrictions on driver's license issued to a person under 18, see § 28.15.057.
Victims of crimes, rights, see § 12.61.010 et seq.

LIBRARY REFERENCES

Intoxicating Liquors ⚿ 131, 139.
Westlaw Key Number Searches: 223k131; 223k139.
C.J.S. Intoxicating Liquors §§ 311, 323 to 324, 361 to 364, 366 to 368.

NOTES OF DECISIONS

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1. Validity

Provision in statute prohibiting possessing, controlling, or consuming alcoholic beverages by a person under the age of 21, which provision requires younger offenders to stay on probation longer than older offenders by mandating that person convicted of violating statute be placed on probation for one year, or until the person reached 21 years of age, whichever is later, does not violate state equal protection clause; state has compelling interest in preserving health and welfare of minors and, given that younger offenders are more at risk than older offenders, challenged provision bears substantial relationship to legislature's goal of preserving minors' health and welfare by preventing unlawful underage drinking. Const. Art. 1, § 1; AS 04.16.050. State v. Morgan (2005) Alaska App., 111 P.3d 360. Constitutional Law ⚿ 3819; Intoxicating Liquors ⚿ 19

Portions of statute imposing automatic "probation," which made statute unconstitutional in denying underage drinkers right to jury trial and appointed counsel on showing of indigency, could not be stricken, leaving rest of statute intact, where offensive potential punishments of custodial in-patient treatment and community service were clearly important to achievement of legislative goals, and even if offensive portions were removed, fact that underage drinker

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did not receive jury trial for first offense would prohibit imposition of increased penalties for subsequent offense, thus defeating legislative scheme of enhanced punishment for repeat offenders. U.S.C.A. Const.Amends. 6, 14; Const. Art. 1, § 11; AS 04.16.050. State v. Auliye (2002) Alaska App., 57 P.3d 711. Statutes ⚿ 64(6)

2. Nature of offense

Underage drinking violations are a class of quasi-criminal offenses which, while they are not serious, are to be disposed of within the criminal justice system. State v. Euteneier (2001) Alaska App., 31 P.3d 111. Intoxicating Liquors ⚿ 131

3. Search warrants

Underage drinking violations can be enforced by traditional criminal procedures, including the use of search warrants. State v. Euteneier (2001) Alaska App., 31 P.3d 111. Intoxicating Liquors ⚿ 249

4. Persons liable

Possibility that minor who purchases alcohol may drive automobile, and that alcohol-related accident may result, is well within scope of foreseeable risk, for purpose of determining liquor licensee's liability in negligence. AS 04.16.051, 04.21.020, 04.21.050. Loeb v. Rasmussen, 1991, 822 P.2d 914. Intoxicating Liquors ⚿ 288

4.5. Detention and custody

Police officers did not breach their duty to act reasonably in releasing intoxicated sixteen-year old to her parents, and thus city was not liable in wrongful death action brought by parents after sixteen-year old killed herself shortly after being released; officers initially and properly took sixteen-year old into custody based on their reasonable belief that she had violated law prohibiting minors from consuming alcohol, once officers detained sixteen-year old, they were then governed by statute that provided that the police must release a minor who has consumed alcohol to her parents unless there is a lawful reason not to do so, and parents did not show that there was a lawful reason to keep sixteen-year old in custody. Estate of Logusak ex rel. Logusak v. City of Togiak (2008) Alaska, 185 P.3d 103. Municipal Corporations ⚿ 747(3)

5. Defenses

Minor's willful misconduct in unlawfully purchasing and consuming alcohol, and in subsequently driving while intoxicated, did not bar recovery in negligence from owner of liquor store. AS 04.16.051, 04.21.020, 04.21.050. Loeb v. Rasmussen, 1991, 822 P.2d 914. Intoxicating Liquors ⚿ 295

6. Double jeopardy

Administrative revocation of a minor's driver's license for alcohol-related violation is not "punishment" for double jeopardy purposes; valid regulatory purpose exists in restricting or

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revoking driver's licenses of underage drinkers. U.S.C.A. Const.Amend. 5; Const. Art. 1, § 9; AS 04.16.050, 28.15.183. Rexford v. State (1997) Alaska App., 941 P.2d 906. Double Jeopardy ⚷ 24

7. Counsel for accused

Statute requiring revocation of driver's license of minor convicted of underage drinking or possession of alcohol was a punitive measure, entitling minors, under State Constitution, to jury trial and court-appointed counsel if indigent. Const. Art. 1, § 11; AS 04.16.050(a), 28.15.185. State v. District Court, 1996, 927 P.2d 1295. Criminal Law ⚷ 1715; Jury ⚷ 19.5

8. Presumptions and burden of proof

Exceptions in statute making it offense for person under age of 21 years to consume, possess, or control alcoholic beverages in those cases where beverages are furnished by parents, guardians, spouses, or licensed physicians or nurses were "defenses" to criminal liability, and thus, if defendant wished to invoke one of these exceptions, defendant had to affirmatively raise exception and point to some evidence from which reasonable jury could decide on issue in his or her favor; state was not required to disprove possibility that exception applied. AS 04.16.050, 04.16.051(b). Trout v. State, 1994, 866 P.2d 1323. Intoxicating Liquors ⚷ 224

9. Weight and sufficiency of evidence

Defendant charged with consuming alcohol while under 21 years of age failed to properly raise any of the statutory exceptions to criminal liability by failing to present some evidence from which reasonable jury could decide that issue in his favor, and thus, defendant was not entitled to judgment of acquittal or to jury instruction that would have required state to disprove exceptions to criminal liability. AS 04.16.050, 04.16.051(b). Trout v. State, 1994, 866 P.2d 1323. Intoxicating Liquors ⚷ 236(1); Intoxicating Liquors ⚷ 239(2)

10. Probation

Trial court did not violate doctrine of separation of powers by requiring minor who was convicted of consuming alcoholic beverages to return to court every other week to report on her progress on probation; responsibilities for probation function were shared by executive and judicial branches, and legislative history of statute indicated that legislature wanted to assure that courts were part of the monitoring process for minors who were convicted of possessing or consuming alcoholic beverages. AS 04.16.050. Jackson v. State (2006) Alaska App., 127 P.3d 835, as amended. Constitutional Law ⚷ 2545(1); Infants ⚷ 225

Trial court's requirement that minor who was convicted of minor consuming alcoholic beverages return to court every other week to report on her progress on probation did not impermissibly relieve State's burden to prove a violation of probation, where trial court specifically stated that any petition to revoke minor's probation would have to be initiated by State, not by court. AS 04.16.050. Jackson v. State (2006) Alaska App., 127 P.3d 835, as amended. Infants ⚷ 225

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Penalty of automatic "probation" for underage drinking, which permitted sentencing judge to order custodial in-patient treatment, community work service, and revocation of driver's license, were sufficiently severe that underage defendant was entitled to trial by jury and, if defendant was indigent, to counsel at public expense, where each of sentencing judge's permitted orders, if imposed as direct punishment, would have entitled defendant to trial by jury and right to appointed counsel upon finding of indigency. U.S.C.A. Const.Amends. 6, 14; Const. Art. 1, § 11; AS 04.16.050(e). State v. Auliye (2002) Alaska App.. 57 P.3d 711. Infants ⚿ 68.4; Jury ⚿ 22(2)

AS § 04.16.050, AK ST § 04.16.050
Current through the 2008 Second Regular and Fourth Special Session of the 25th Legislature

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HB

105

<target><bill>HB 105</bill><subject>HB
105</subject><comm>SFIN26</comm></target>

ALASKA STATE HOUSE OF REPRESENTATIVES

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REPRESENTATIVE JOHN COGHILL

SSHB 105 State Training and Employment Program
Sponsor Statement

The State Training and Employment Program (STEP) was established as a pilot program in 1989 to increase training opportunities for Alaskans affected by fluctuations in the economy or by technological changes in the workplace. Since its inception the program has been reauthorized by the legislature six times.

Last legislature I introduced HB 226 which would have made the STEP a permanent program without a sunset date. During the debate on the legislation it became apparent there needed to be a closer look at the program before eliminating a sunset. The legislature directed the Department of Labor to work with the "group of entities" that are eligible to participate in the STEP program over the interim and come back to the legislature this year with recommended revisions to the STEP program. HB 105 is the work product of that process.

HB 105 Redefines the powers and duties of the Department of Labor and enacts a working partnership between the Department of Labor and the Alaska Workforce Investment Board. HB 105 instructs DOL to adopt regulations to implement the recommendations of the workgroup and gives the Alaska Workforce Investment Board a seat at the table in determining what regulations will be adopted. Current regulations are seen as onerous, discouraging employers from participating in the program and inflating the Department's administrative costs.

Workforce development has never been more important in Alaska's public policy as it is today. The work group, the Alaska Workforce Investment Board, and the Department of Labor are committed to making the STEP program accountable, fair and balanced, and user friendly.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/16/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR SPONSOR SUBSTITUTE FOR HOUSE BILL NO. 105(L&C)

HB 105 STEP PROGRAM

"An Act relating to the state training and employment program; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LWF	4/6/09	✓			1
LWF	4/7/09	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	[illegible]			X	
	Thomas	✓			
	OLSON	✓			
	ELLIS	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	STEDMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSSHB 105(L&C)
(H) Publish Date: 4/7/09

Identifier (file name): HB105CSSS-DOLWD-BSC-04-06-09
Dept. Affected: Labor and Workforce Development
Title: STEP Program
RDU: Business Partnerships
Component: Business Services
Sponsor: Representative Coghill
Requester: House Labor and Commerce
Component Number: 2658

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services		402.7	402.7	402.7	402.7	402.7	402.7
Travel		31.2	31.2	31.2	31.2	31.2	31.2
Contractual		446.8	446.8	446.8	446.8	446.8	446.8
Supplies		9.8	9.8	9.8	9.8	9.8	9.8
Equipment							
Land & Structures							
Grants & Claims		5,146.7	5,146.7	5,146.7	5,146.7	5,146.7	5,146.7
Miscellaneous							
TOTAL OPERATING	**0.0**	**6,037.2**	**6,037.2**	**6,037.2**	**6,037.2**	**6,037.2**	**6,037.2**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1054)		**6,405.0**	**6,405.0**	**6,405.0**	**6,405.0**	**6,405.0**	**6,405.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1054 State Training and Employment		6,037.2	6,037.2	6,037.2	6,037.2	6,037.2	6,037.2
TOTAL	**0.0**	**6,037.2**	**6,037.2**	**6,037.2**	**6,037.2**	**6,037.2**	**6,037.2**

Estimate of any current year (FY2009) cost: None

POSITIONS

Full-time		4	4	4	4	4	4
Part-time							
Temporary							

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

This legislation makes the State Training and Employment Program (STEP) permanent in addition to other program changes recommended by the STEP taskforce. There are no additional costs to the program anticipated as a result of the changes.

A portion of STEP revenue is set aside for tax collection costs; a separate fiscal note has been submitted by the department to display the cost of collecting STEP by staff in the Unemployment Insurance component under a federally approved cost allocation formula.

Prepared by: Corine Geldhof, Director
Phone 465-5937
Division: Division of Business Partnerships
Date/Time 4/6/09 10:55 AM
Approved by: Click Bishop, Commissioner
Date 4/6/09
Agency: Department of Labor and Workforce Development

(Revised 9/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSSSHB 105(L&C)
(H) Publish Date: 4/7/09

Identifier (file name): HB105CSSS-DOLWD-UI-04-06-09
Title: STEP Program
Sponsor: Representative Coghill
Requester: House Labor and Commerce

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

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services		250.4	250.4	250.4	250.4	250.4	250.4
Travel		4.0	4.0	4.0	4.0	4.0	4.0
Contractual		109.4	109.4	109.4	109.4	109.4	109.4
Supplies		4.0	4.0	4.0	4.0	4.0	4.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**367.8**	**367.8**	**367.8**	**367.8**	**367.8**	**367.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1054 State Training and Employment		367.8	367.8	367.8	367.8	367.8	367.8
TOTAL	**0.0**	**367.8**	**367.8**	**367.8**	**367.8**	**367.8**	**367.8**

Estimate of any current year (FY2009) cost: None

POSITIONS

Full-time		3	3	3	3	3	3
Part-time							
Temporary							

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

This legislation makes the State Training and Employment Program (STEP) permanent in addition to other program changes recommended by the STEP taskforce. There are no additional costs to the program anticipated as a result of the changes.

The amounts shown in this fiscal note reflect STEP's share of Unemployment Insurance tax collection costs as required by federal law.

Prepared by: Thomas Nelson, Director — Phone 465-5933
Division: Division of Employment Security — Date/Time 4/6/09 10:53 AM
Approved by: Click Bishop, Commissioner — Date 4/6/09
Agency: Department of Labor and Workforce Development

(Revised 9/2008 OMB)

SSHB 105 State Training and Employment Program

Sectional

Section 1. Expands the statutory responsibilities of the Alaska Workforce Investment Board to include performing the duties assigned to it for the management of the State Training and Employment Program in AS 23.15.620 – 23.15.660.

Section 2. Removes language from AS 23.15.580(f) describing people to be served under the STEP and inserts reference to AS 23.15.620 – 23.15.660 which expands guidelines for people to receive training and persons to provide training under the STEP program.

Section 3. AS 23.15.620 is repealed and reenacted to change the description to describe the goals and objectives of the STEP program as defined by the group of entities directed to review STEP by the legislature last year in House Bill 226. The goals and objectives include:

1. Enhance quality of in-state job training and employment assistance.

2. Make in-state job training and employment assistance more accessible to employers, employees, and future employees.

3. Combine resources of program with resources available outside of the program.

Section 3 also defines who qualifies to apply for a STEP grant as a person who provides training and employment services, including a registered apprenticeship program under the National Apprenticeship Act.

Section 4. Eliminates reference to AS 23.15.640 (Services for eligible people; repayment) and AS 23.15.651 (Duties of Alaska Workforce Investment Board; eligible entities), both of which are being repealed because of policy recommended by the entities in the rewriting of the STEP statutes.

This section deletes language requiring a person to be served to be likely to be displaced "within the next six months". If a person is "liable to be displaced" the person could qualify for training.

It also adds two additional groups of people to be served through STEP:

1. Certain recipients of unemployment insurance benefits.
2. People who have a child support order.

Section 5. This is a new section of law recommended by the group of entities giving direction the Department of Labor and the Alaska Workforce Investment Board by redefining the duties and powers of the department and the board.

1. Adopt regulations after being reviewed by the department **and the board.**
2. Distribute through grants the purchase of services and contracts.
3. Enter into interagency agreements with other state agencies for training and employment assistance, including the University of Alaska.
4. Conduct an annual review of workforce demand and prioritize grant funding strategies.
5. The **Board** will assist the department in evaluating grant proposals and awarding grants.

Section 6. Outlines the eligibility of grantees and how the grants are to be used:

AS 23.15.641 Grantees can be a government agency, a private business, an employer, or a nonprofit entity offering vocational training or employment assistance services that can demonstrate they have an acceptable accounting system who can provide industry specific training, on-the-job training, or institutional or classroom job training.

This new section of law also allows grant recipients to use grant monies for tools, clothing, relocation expenses, and other costs essential in training program participants to obtain or retain a job.

AS 23.15.643 A program participant must be a resident of the state, needs training to improve ability to obtain or retain a job, and has worked at a job contributing to Alaska's unemployment benefits program within the last five years.

Section 7. Implements program accountability and an appeals process.

AS 23.15.652 The department can expend no more than 20% of the amount appropriated for the program annually for administration of the program. The department and grantees must comply with all federal and state laws. The department shall prepare an annual report of the program to be presented to the Alaska Workforce Investment Board and notify the legislature of the release of the report.

AS 23.15.654 Provides that a person denied a grant by the Department of Labor has 60 days to file an appeal with the Alaska Workforce Investment Board. The Board has 60 days to render a decision on the appeal and their decision is final unless the appeal is then filed in Superior Court.

Section 8. The following statutes are repealed:

AS 23.15.640 The first portion of this statute is reenacted in Section 6 of this bill. The second section repealed required program participants to repay the

department for grant monies used to purchase clothing and tools. Under this repeal program participants will no longer have to reimburse the department.

AS 23.15.645 Repeals duties and powers of the department reenacted in Section 5.

AS 23.15.651 Repeals duties of Alaska Workforce Investment Board which are reenacted in Section 1,2, 3, 5 and 7.

Section 9. Repeals repeal provisions for the STEP in four past pieces of legislation relating to STEP.

Section 10. This bill has an immediate effective date clause.

STATE OF ALASKA

Department of Labor and Workforce Development

OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

P.O. BOX 111149
JUNEAU, ALASKA 99811-1149

PHONE: (907) 465-2700
FAX: (907) 465-2784

February 18, 2009

The Honorable Senator Gary Stevens
President of the Senate
State Capitol, Room 111
Juneau, Alaska 99801-1182

The Honorable Representative Mike Chenault
Speaker of the House
State Capitol, Room 208
Juneau, Alaska 99801-1182

Dear Senator Stevens and Representative Chenault:

Enclosed is a copy of the State Training and Employment Program (STEP) report which presents the findings of the STEP Task Force required by Chapter 46, SLA 2008.

The Task Force reached consensus that the STEP should be made permanent in statute, however they recommended the statute be changed to include financing and awarding grants to employers. They also suggested removing in statute a repayment clause and defining full employment. Specific recommendations were made to clarify the role of the Alaska Workforce Investment Board in providing program oversight and accountability. For changes to regulation and policy, the Task Force recommended that: regional occupational priorities are considered; an appeal process is established; administration and reporting improvements are made; the application for grant process is streamlined; and performance measures are updated. The Task Force will continue to convene in implementing recommendations to applicable regulations, policy and procedures.

If you have questions about the report, please contact me at (907) 465-2700.

Sincerely,

David G. Stone
Deputy Commissioner
STEP Task Force Co-Chair

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Alaska Department of Labor and Workforce Development
Findings and Recommendations for the State Training and Employment Program
Task Force Report to the 26th Alaska Legislature
February 18, 2009

Background

Chapter 46, SLA – 08 on May 18, 2008, which extends the State Training and Employment Program (STEP) to June 30, 2010, requires a review of the program as follows:

> "The department shall work with representatives of entities who are eligible to submit a grant application under AS 23.15.620 - 23.15.660 and who provide industry-specific training, on-the-job training, institutional training, classroom job-linked training, and employment assistance to conduct a review of the priorities and procedures of the state training and employment program. The group of entities involved in the review must include representatives from organized labor and representatives that are not from organized labor. Following the review, the department shall publish a written report containing its findings and recommendations, including changes, if any, that it recommends be made to state statute and the department's regulations. The department shall deliver the report to the president of the senate and the speaker of the House of Representatives, and publish a summary of the recommendations made in the report on the Alaska Online Public Notice System (AS 44.62.175), on or before the 30th day of each regular legislative session of the Twenty-Sixth Alaska State Legislature."

This report presents the findings of the STEP Task Force appointed by Department of Labor and Workforce Development Commissioner Bishop in response to this requirement.

Synopsis of STEP Task Force Activity

The Task Force (Attachment A, STEP Task Force Membership) began meeting in March 2008 and continues both in a series of teleconferences and in-person meetings. All meetings have been supported with agendas and facilitated with staff support from the department, the Alaska Workforce Investment Board (AWIB), and with support from the Office of the Attorney General. Notes and documentation of the meetings are available.

The STEP Task Force developed the following recommendations for changes to statute. Following its work on the statutory recommendations, the STEP Task Force will commence consideration of regulation and policy for the STEP. There was considerable discussion regarding changing the purpose of the STEP which began as a pilot program in 1989, but there was ultimately consensus to maintain the current purpose as specified in statute connected to Unemployment Insurance.

There was consensus by the STEP Task Force to make the STEP permanent. The following are their recommendations to the changes in statute some of which were clarified by the department that could be addressed by either a policy and/or regulation change.

Recommended Changes to Statute

- AS 23.15.350 currently reads "There is created in the department a program to finance and award grants to employment assistance and training entities. Employment assistance and training entities shall give appropriate state agencies full access to accounting records concerning grants received to assure compliance with program standards." The STEP Task Force recommendation is to have the statute read "There is created in the department a program to finance and award grants to employers, employment assistance and training entities."

- AS 23.15.635 currently reads "Within the limits of its grant, an employment assistance and training entity receiving a grant under AS 23.15.651 shall provide services set out in AS 23.15.640(a) to state residents who, immediately before beginning training or receiving benefits under a grant financed by this program,
  - (2) are unemployed, but liable to be displaced within the next six months..." The STEP Task Force recommendation is to remove the section "within the next six months" in the applicable statute.
  - (3) "have worked in a position covered by AS 23.20 at any time during the last three years, and are not currently eligible for unemployment insurance benefits because they are underemployed, they are in need of employment assistance and training to obtain full employment." The STEP Task Force recommendation is to replace this section with "at least the average annual wage as determined under the applicable under 8 AAC 87.110 (REGULATION)."

- There was discussion of striking AS 23.15.640(c) which requires repayment of the amount received by an individual participating in a program funded by a STEP grant for tools, work-related clothing, safety gear, or other necessities to obtain or retain employment. Consensus was achieved to have this provision removed as it is difficult to administer and collect repayment. The STEP Task Force recommendation is to delete the requirement of repayment in the applicable statute.

- AS 23.15.645(a) currently reads "The department shall award a grant to the board to (1) administer a state training and employment program; and (2) award grants to qualified entities." There appeared to be interest from the STEP Task Force in clarifying the role of the AWIB in the STEP program, to provide oversight and improve accountability in statute.

- The STEP Task Force recommends revisions to the applicable STEP statute to define the duties and powers of the department and board in Section IV of the Proposed Changes to STEP Statutes. The revisions include the following:

  - The department shall develop and the board shall annually approve a priority list of targeted projects, services, and persons served.

  - The department and board shall consider giving preference to projects and services that train or assist individuals in vocations, businesses or industries identified in the resident hire report required under AS 36.10.130 as employing a disproportionate percentage of nonresidents.

  - The board shall make recommendations to the department regarding the award of grants to eligible employers, employment assistance, and training entities.

  - The department may provide funds to the board for purposes of assisting in the evaluation and award of grants under the program.

  - The department shall promulgate and the AWIB shall adopt regulations governing the allocation and accountability of funds provided and implemented through this program.

<u>Comments and Recommended Changes for Regulation or Policy</u>

- The STEP Task Force felt regional representation was an important consideration. Regional Advisory Councils could forward occupational priorities and provide input from local businesses to the AWIB. Loss of regional control and decision-making has affected service delivery. The recommendation

of the STEP Task Force is for the AWIB to utilize input from Regional Advisory Councils in the review of STEP grant applications.

- The STEP Task Force supports a recommendation for the incorporation of an appeals process for the STEP program in the applicable statute. Policy and regulation can be developed for the administration of the statutory appeals process.

- The STEP Task Force supports the improvement of administration and reporting for the STEP program, as the current reporting requirements are cumbersome and difficult. There was interest from the STEP Task Force to participate in the development of and provide recommendations for a new Management Information System (MIS). The Task Force is interested in support for funding for a new reporting system to upgrade the MIS. The statute should require that improvements be made to the reporting requirements, but the actual improvements can be made explicit by incorporating changes in regulation or policy.

- The STEP Task Force recommended that improvements be made to the application process for the STEP program, as the application process is cumbersome and needs to be updated. The STEP Task Force felt eligibility requirements need to be reviewed and there should be different tiers for STEP funding. Through a tiered approach to STEP, funds can be set aside for small businesses that require assistance in providing training to its employees with streamlined grant application and administrative procedures. Larger, more complex workforce improvement plans will have a different level of reporting requirements and oversight. The statute should reference tiers, but the department can recommend that it be incorporated in regulation or policy.

- The applicable statute currently allows the AWIB to set performance measures and outcomes for the STEP, including the amount charged for administrative costs. Performance measures for STEP grant recipients can be developed by the AWIB incorporating changes in regulation or policy.

Attachment A – STEP Task Force Membership Roster

Ginger Blaisdell, Senate President's Office

Diana Cartier, Alaska Operating Engineers/Employers Training

Krista Gonder, Northern Industrial Training

John Hakala, US Department of Labor, Office of Apprenticeship Training

Linda Hulbert, AWIB Member, New York Life Insurance Company

Eden Larson, Klebs Mechanical, Inc.

Tom Minder, Alaska Joint Electrical Apprenticeship & Training

Bo Underwood, ASRC Energy Services

Fred Villa, AWIB Member, University of Alaska

Doug Ward, AWIB Member, Alaska Ship and Dry Dock

Staff Roster

Greg Cashen, AWIB Executive Director, DOLWD*
Corine Geldhof, Director, Division of Business Partnerships, DOLWD
Jeff Hadland, Senior Economist, DOLWD
Larry McKinstry, Assistant Attorney General, AK Department of Law
Tom Nelson, Director, Employment Security Division, DOLWD
Christine Sanderford, Program Lead, Division of Business Partnerships, DOLWD
David Stone, Deputy Commissioner, DOLWD

*DOLWD – Alaska Department of Labor and Workforce Development

RESOLUTION NUMBER 09-01
RESOLUTION IN SUPPORT OF THE STATE TRAINING AND EMPLOYMENT PROGRAM (STEP) TASK FORCE REPORT

WHEREAS, the Alaska Workforce Investment Board is a public organization that is accountable through its members and staff to the residents, the Legislature and the Governor of Alaska;

WHEREAS, the Alaska Workforce Investment Board acts as the lead state planning and coordinating entity for state human resource programs involving employment training, vocational education, and workforce development;

WHEREAS, the primary purpose of the State Training and Employment Program (STEP) is to reduce current and future claims against Unemployment Insurance benefits through investment in job training;

WHEREAS, STEP promotes local hire and may be used to mitigate the impacts of Alaska's economic fluctuations through training or retraining for new or emerging industries and technologies;

WHEREAS, the Commissioner of Labor established a STEP Task Force to consult and work with entities from organized labor and not from organized labor eligible to submit a grant application and who provide training and employment assistance to conduct a review of the STEP program as required by Alaska Legislature in Chapter 46 SLA 08;

WHEREAS, the Commissioner of Labor determined that the Alaska Workforce Investment Board should be an active participant in the STEP Task Force to conduct a review of the STEP program;

WHEREAS, the STEP Task Force met in the spring and summer of 2008 to review the STEP program making recommendations for changes to statute, regulation, and policy; and

WHERES, the STEP Task Force Report was forwarded to the President of the Senate and Speaker of the House or Representatives on or before the 30th day of the 2009 legislative session.

NOW THEREFORE BE IT RESOLVED that the Alaska Workforce Investment Board fully supports the proposed recommendations contained in the STEP Task Force Report, including making the STEP program permanent, that was forwarded by the Department of Labor and Workforce Development to the President of the Senate and Speaker of the House of Representatives.

CERTIFICATION
The Alaska Workforce Investment Board held a meeting duly and regularly called, noticed, and convened this 23rd day of February, 2009 and the foregoing Resolution was adopted at said meeting.

Signed this 23rd day of February 2009.

Jim Lynch, Chair
Alaska Workforce Investment Board

Chapter 4c - Apprentice Labor

29 USC 50 - Sec. 50. Promotion of labor standards of apprenticeship

The Secretary of Labor is authorized and directed to formulate and promote the furtherance of labor standards necessary to safeguard the welfare of apprentices, to extend the application of such standards by encouraging the inclusion thereof in contracts of apprenticeship, to bring together employers and labor for the formulation of programs of apprenticeship, to cooperate with State agencies engaged in the formulation and promotion of standards of apprenticeship, and to cooperate with the Secretary of Education in accordance with section 17 of title 20. For the purposes of this chapter the term "State" shall include the District of Columbia.

29 USC 50 - Sec. 50a. Publication of information; national advisory committees

The Secretary of Labor may publish information relating to existing and proposed labor standards of apprenticeship, and may appoint national advisory committees to serve without compensation.

Such committees shall include representatives of employers, representatives of labor, educators, and officers of other executive departments, with the consent of the head of any such department.

29 USC 50 - Sec. 50b. Appointment of employees

The Secretary of Labor is authorized to appoint such employees as he may from time to time find necessary for the administration of this chapter, with regard to existing laws applicable to the appointment and compensation of employees of the United States.

HB

106

<target><bill>HB 106</bill><subject>HB
106</subject><comm>SFIN26</comm></target>

During Session:
Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-4833
Fax (907) 465-4586
1-800-782-4833
Representative_Reggie_Joule@legis.state.ak.us

During Interim:
P.O. Box 673
Kotzebue, Alaska 99752
(907) 442-3880
Fax (907) 442-3022

Alaska State Legislature

REPRESENTATIVE REGGIE JOULE

Sponsor Statement

CS HB 106

"An act relating to grants to nonprofit regional corporations, and, in certain situations, to municipalities with populations of less than 10,000, for village public safety officers in rural areas; defining 'rural area' for the purpose of the village public safety officer program; and authorizing municipalities to accept grants under, and contract with respect to, the village public safety officer program."

The purpose of CS HB 106 is to provide flexibility in the implementation of the Village Public Safety Officer Program. Under the current law, regional nonprofit corporations receive grants to administer the Program; however, not all regional nonprofit corporations wish to do so. CS HB 106 would amend the law to provide the option for municipalities with fewer than 10,000 residents to administer the Program. This would not interfere with existing nonprofit implementation of the Program where the sentiment from effected communities is that the Program should be housed in the nonprofit. All Alaskans deserve to be safe and secure in their hometowns. This bill aims to make that possible in yet more villages.

CS House Bill 106 – VPSO Program

Sectional Analysis

26-LS0402\M.A

Section 1: Adds municipalities as entities that may administer the Village Public Safety Officer Program.

Section 2: Adds that if a nonprofit regional corporation declines a grant to administer the Program, the Commissioner of Public Safety may provide the grant to a municipality with a population of less than 10,000 after consulting with the nonprofit corporation that declined the grant.

Section 3: Adds that the Commissioner of Public Safety may adopt regulations pertaining to municipalities' participation in the Program.

Section 4: Defines "rural area."

Section 5: Adds to municipalities' general powers contracting with and receiving grants from the Department of Public Safety.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/16/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 106(STA)(title am)

HB 106 VILLAGE PUBLIC SAFETY OFFICERS

"An Act relating to grants to nonprofit regional corporations, and, in certain situations, to municipalities with populations of less than 10,000, for village public safety officers in rural areas; defining 'rural area' for the purpose of the village public safety officer program; and authorizing municipalities to accept grants under, and contract with respect to, the village public safety officer program."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DPS	7/23			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Huggins	✓			
	Olson	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	STEDMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 106(CRA)
(H) Publish Date: 2/27/09

Identifier (file name): HB106-DPS-DET-02-23-09
Title "An act relating to village public safety officers."
Sponsor Representative Joule
Requester House Community and Regional Affairs

RDU Public Safety
Component Alaska State Troopers
Component AST Detachments
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill amends AS 18.65.670 to include boroughs as an authorized entity allowed to administer the village public safety program.

Passage of this legislation will have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial
Division Alaska State Troopers
Approved by: Joseph Masters, Commissioner
Department of Public Safety

Phone 907-247-4480
Date/Time 2/23/09 12:09 PM
Date

(Revised 11/19/2007 OMB)

2540

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 106(CRA)
(H) Publish Date: 2/27/09

Identifier (file name): HB106-DPS-DET-02-23-09
Title "An act relating to village public safety officers."
Sponsor Representative Joule
Requester House Community and Regional Affairs

RDU Public Safety
Component Alaska State Troopers
Component AST Detachments
Component Number 2325

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill amends AS 18.65.670 to include boroughs as an authorized entity allowed to administer the village public safety program.

Passage of this legislation will have no fiscal impact on the department.

Prepared by: Lt. Rodney Dial
Division Alaska State Troopers
Approved by: Joseph Masters, Commissioner
Department of Public Safety

Phone 907-247-4480
Date/Time 2/23/09 12:09 PM
Date

(Revised 11/19/2007 OMB)

NORTHWEST ARCTIC BOROUGH
RESOLUTION 09-05

A RESOLUTION OF THE NORTHWEST ARCTIC BOROUGH ASSEMBLY SUPPORTING STATE LEGISLATION TO ENABLE THE BOROUGH TO PROVIDE PUBLIC SAFETY SERVICES WITHIN THE BORUGH THROUGH THE VILLAGE PUBLIC SAFETY OFFICER PROGRAM AND FOR RELATED PURPOSES

WHEREAS: the State of Alaska is constitutionally mandated to provide public safety services for all state residents, and

WHEREAS: the Northwest Arctic Borough, an Alaskan home rule municipality, has made it one of its highest priorities to enhance and promote the well being and public safety of all its residents by managing and implementing borough law enforcement powers, and

WHERAS: the Maniilaq Association, a regional non-profit for the Northwest area of Alaska, receives funding for and manages the state sponsored Village Public Safety Officer (VPSO) program, and

WHERAS: Representative Reggie Joule has introduced House Bill 106, which would allow boroughs to contract for, manage and implement the VPSO program.

NOW THEREFORE BE IT RESPOLVED that the Northwest Arctic Borough Assembly supports House Bill 106, which would allow the borough to contract for, manage and implement the VPSO program.

PASSED AND ADOPTED THIS 24th DAY OF FEBRUARY 2009.

Walter Sampson, Assembly Presdent

APPROVED THIS 24th DAY OF FEBRUARY 2009.

During Session:
Alaska State Capitol
Juneau, Alaska 99801-1182
(907) 465-4833
Fax (907) 465-4586
1-800-782-4833
Representative_Reggie_Joule@legis.state.ak.us

During Interim:
P.O. Box 673
Kotzebue, Alaska 99752
(907) 442-3880
Fax (907) 442-3022

Alaska State Legislature

REPRESENTATIVE REGGIE JOULE

Sponsor Statement

CS HB 106

"An act relating to grants to nonprofit regional corporations, and, in certain situations, to municipalities with populations of less than 10,000, for village public safety officers in rural areas; defining 'rural area' for the purpose of the village public safety officer program; and authorizing municipalities to accept grants under, and contract with respect to, the village public safety officer program."

The purpose of CS HB 106 is to provide flexibility in the implementation of the Village Public Safety Officer Program. Under the current law, regional nonprofit corporations receive grants to administer the Program; however, not all regional nonprofit corporations wish to do so. CS HB 106 would amend the law to provide the option for municipalities with fewer than 10,000 residents to administer the Program. This would not interfere with existing nonprofit implementation of the Program where the sentiment from effected communities is that the Program should be housed in the nonprofit. All Alaskans deserve to be safe and secure in their hometowns. This bill aims to make that possible in yet more villages.

CS House Bill 106 – VPSO Program

Sectional Analysis

26-LS0402\M.A

Section 1: Adds municipalities as entities that may administer the Village Public Safety Officer Program.

Section 2: Adds that if a nonprofit regional corporation declines a grant to administer the Program, the Commissioner of Public Safety may provide the grant to a municipality with a population of less than 10,000 after consulting with the nonprofit corporation that declined the grant.

Section 3: Adds that the Commissioner of Public Safety may adopt regulations pertaining to municipalities' participation in the Program.

Section 4: Defines "rural area."

Section 5: Adds to municipalities' general powers contracting with and receiving grants from the Department of Public Safety.

NORTHWEST ARCTIC BOROUGH
RESOLUTION 09-05

A RESOLUTION OF THE NORTHWEST ARCTIC BOROUGH ASSEMBLY SUPPORTING STATE LEGISLATION TO ENABLE THE BOROUGH TO PROVIDE PUBLIC SAFETY SERVICES WITHIN THE BORUGH THROUGH THE VILLAGE PUBLIC SAFETY OFFICER PROGRAM AND FOR RELATED PURPOSES

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Walter Sampson, Assembly Presdent

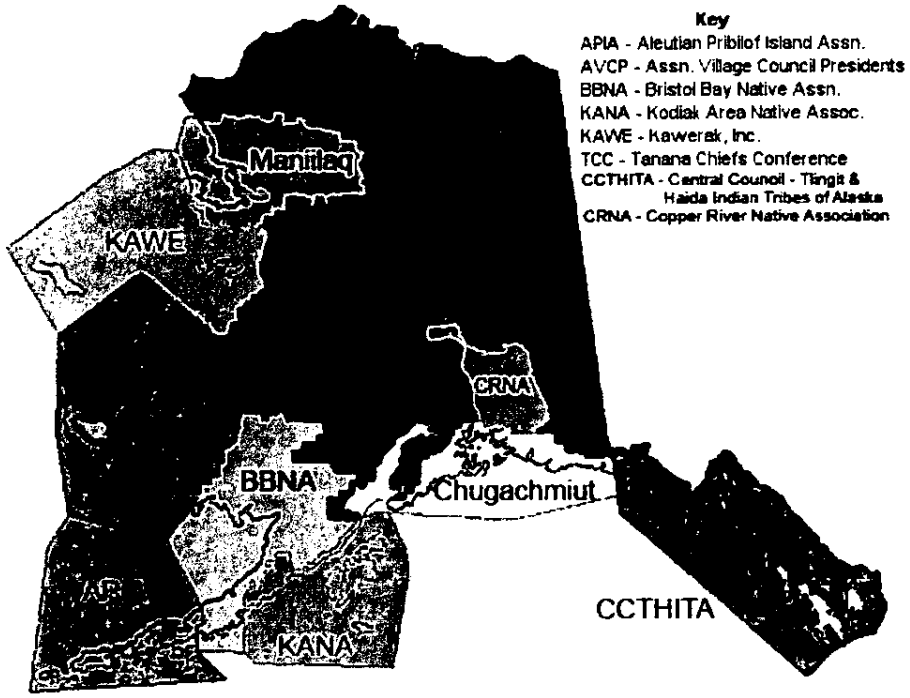
APPROVED THIS 24th DAY OF FEBRUARY 2009.

Alaska State Troopers
Village Public Safety Officer Program

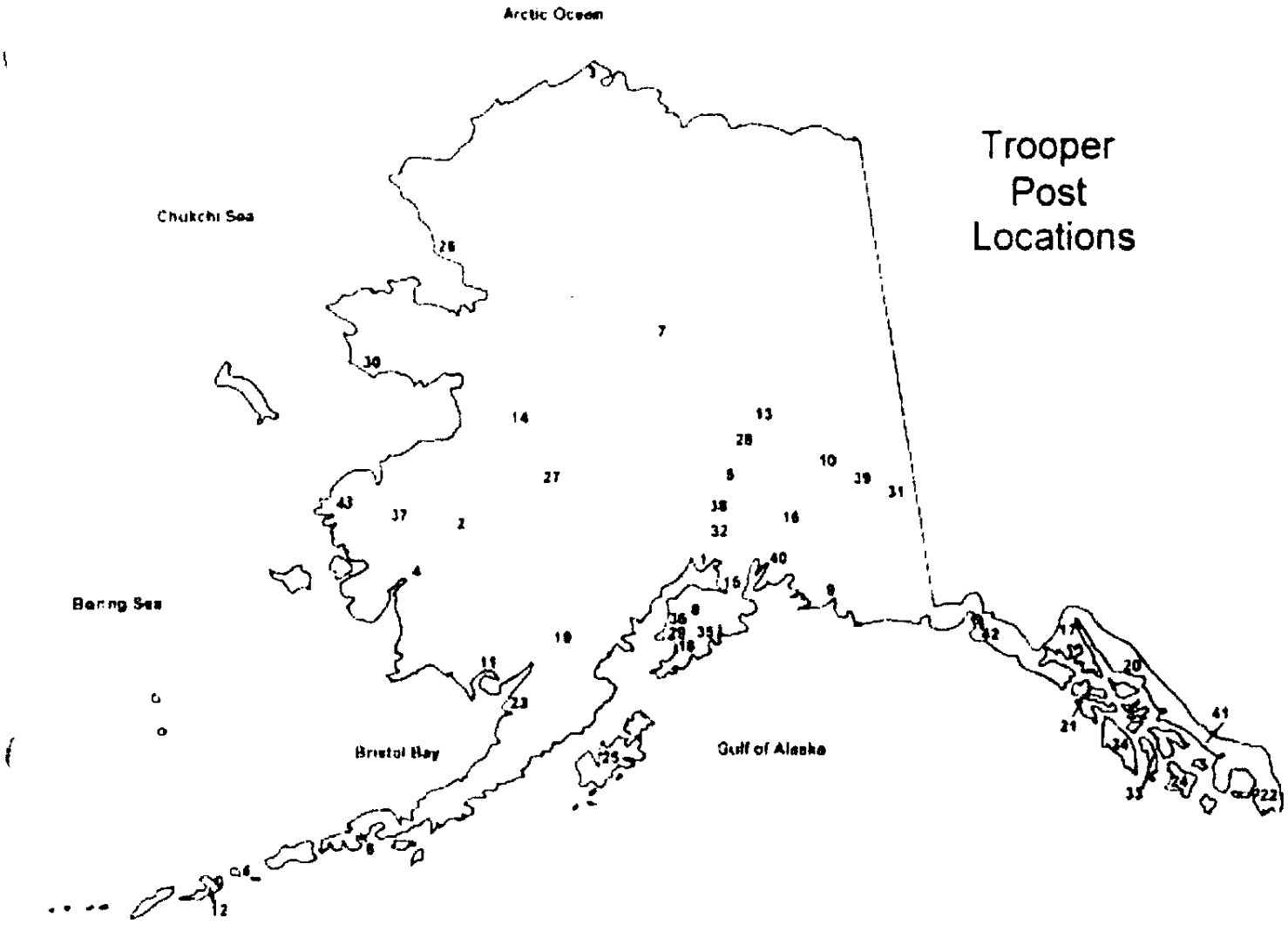
Employment Opportunities

For employment opportunities, contact the individual Native Nonprofit Corporations. Please refer to the map below for the Corporation location.

- Aleutian/Pribilof Islands Association (APIA)
- Association of Village Council Presidents (AVCP)
- Bristol Bay Native Association (BBNA)
- Central Council - Tlingit & Haida Indian Tribes of Alaska (CCTHITA)
- Chugachmiut Inc.
- Copper River Native Association (CRNA)
- Kawerak, Inc. (KAWE)
- Kodiak Area Native Association (KANA)
- Maniilaq Inc
- Tanana Chiefs Conference (TCC)



For more detailed contacts on the VPSO Program please visit the "Contact Us" page.



Headquarters and Posts for the Detachments and Bureaus

Detachment	Headquarters	Posts
A	Ketchikan	Haines, Juneau, Klawock, Ketchikan, Petersburg
B	Palmer	Glennallen, Palmer/Mat-Su West, Talkeetna
C	Anchorage	Anchorage, Aniak, Bethel, Dillingham, Emmonak, Iliamna, King Salmon, Kodiak, Kotzebue, McGrath, Nome, Saint Mary's, Unalakleet
D	Fairbanks	Barrow, Cantwell, Delta Junction, Fairbanks, Galena, Healy, Nenana, Northway, Tok
E	Soldotna	Anchor Point, Cooper Landing, Girdwood, Ninilchik, Seward, Soldotna
ABADE	Anchorage	Anchorage, Bethel, Fairbanks, Juneau, Kodiak, Kotzebue, Nome, Palmer, Soldotna, Wasilla
ABI	Anchorage	Anchorage, Fairbanks, Palmer, Soldotna, Mat-Su West

Source: http://www.dps.state.ak.us/AST/detachments.aspx

U.S. Census Bureau
American FactFinder

Alaska -- Borough or Census Area
GCT-T1-R. Population Estimates (geographies ranked by estimate)
Data Set: **2006 Population Estimates**

Note: For information on errors stemming from model error, sampling error, and nonsampling error, see: http://www.census.gov/popest/topics/methodology.

Rank	Geographic area	Population Estimates							Estimates Base	Census 2000
		July 1, 2006	July 1, 2005	July 1, 2004	July 1, 2003	July 1, 2002	July 1, 2001	July 1, 2000	April 1, 2000	April 1, 2000
	Alaska	670,053	663,253	656,834	647,747	640,544	632,241	627,533	626,931	626,932
	BOROUGH OR CENSUS AREA									
1	Anchorage Municipality	278,700	276,474	273,756	270,818	267,561	263,621	260,609	260,283	260,283
2	Fairbanks North Star Borough	86,754	87,565	86,769	85,172	84,722	83,795	82,727	82,840	82,840
3	Matanuska-Susitna Borough	80,480	76,112	72,187	68,292	65,079	62,204	59,807	59,322	59,322
4	Kenai Peninsula Borough	52,304	51,766	51,527	51,208	51,008	50,172	49,673	49,691	49,691
5	Juneau City and Borough	30,737	30,881	31,061	30,899	30,769	30,672	30,680	30,711	30,711
6	Bethel Census Area	17,147	17,116	16,979	16,844	16,627	16,291	16,092	16,046	16,006
7	Ketchikan Gateway Borough	13,384	13,263	13,199	13,343	13,573	13,810	13,985	14,059	14,070
8	Kodiak Island Borough	13,072	13,073	13,222	13,363	13,690	13,751	13,977	13,913	13,913
9	Valdez-Cordova Census Area	9,872	9,923	9,940	9,979	10,070	10,111	10,240	10,195	10,195
10	Nome Census Area	9,245	9,355	9,373	9,227	9,155	9,170	9,171	9,196	9,196
11	Sitka City and Borough	8,920	8,917	8,859	8,858	8,849	8,708	8,838	8,835	8,835
12	Wade Hampton Census Area	7,580	7,493	7,481	7,301	7,170	7,083	7,042	7,028	7,028
13	Northwest Arctic Borough	7,811	7,435	7,418	7,306	7,274	7,255	7,215	7,208	7,208
14	Southeast Fairbanks Census Area	6,773	6,488	6,034	5,738	5,625	5,696	6,167	6,174	6,174
15	North Slope Borough	6,608	6,790	6,951	7,146	7,152	7,240	7,373	7,385	7,385
16	Wrangell-Petersburg Census Area	6,096	6,230	6,294	6,286	6,447	6,622	6,889	6,684	6,684
17	Yukon-Koyukuk Census Area	5,844	6,104	6,293	6,308	6,325	6,328	6,489	6,510	6,551
18	Prince of Wales-Outer Ketchikan Census Area	5,688	5,657	5,758	5,756	5,745	5,910	6,138	6,157	6,146
19	Aleutians West Census Area	5,239	5,368	5,457	5,452	5,157	5,374	5,441	5,465	5,465
20	Dillingham Census Area	4,970	4,969	4,944	4,907	4,971	4,886	4,931	4,922	4,922
21	Skagway-Hoonah-Angoon Census Area	3,100	3,137	3,137	3,149	3,276	3,397	3,433	3,436	3,436
22	Aleutians East Borough	2,647	2,696	2,679	2,720	2,668	2,460	2,684	2,697	2,697
23	Haines Borough	2,257	2,243	2,241	2,298	2,299	2,310	2,399	2,392	2,392
24	Denali Borough	1,848	1,873	1,896	1,863	1,851	1,837	1,894	1,893	1,893
25	Lake and Peninsula Borough	1,548	1,578	1,593	1,591	1,585	1,666	1,809	1,823	1,823
26	Bristol Bay Borough	1,042	1,103	1,090	1,107	1,146	1,192	1,232	1,258	1,258
27	Yakutat City and Borough	889	715	697	713	740	780	798	808	808

Source: US Census Bureau, Population Estimates Program

STATE OF ALASKA

Department of Public Safety
Active VPSO List by Village
November, 2007

PermID	Corp	VCode	Village	LstName	FstName	Work	Address	Zip	Oversight
DAC0	AVCP	RDKB	AKIACHAK	CHARLES	DAVID	825-4313	PO BOX 34	99551	TRP DUFFIELD
BZB2	AVCP	RDKF	AKIAK	BEAVER	BENJAMIN	765-7000	General Delivery		TRP DUFFIELD
JLL1	APIA	RBLB	AKUTAN	LEVAN	JAY	698-2315	po box 111	99553	DILLINGHAM
JSC1	BBNA	RDAB	ALEKNAGIK	CREASEY	JASON	842-2189	PO BOX 62	99555	TRP BUMP
CRH1	KANA	RARD	ANGOON	HARTZELL	CHARLES	788-3631	po box 286	99820	TPRP UMBS
HZA1	APIA	RBDA	ATKA	ANELON JR	HENRY	839-2214	PO BOX 47015	99547	DILLINGHAM
JMT2	AVCP	RDJC	CHEFORNAK	TOBELUK	JOHN	867-8733	GENERAL DELIVERY	99561	TRP ROBERTS
GWA0	BBNA	RBWA	CHIGNIK	ASHBY	GUY	749-2273	GENERAL DELIVERY	99564	TRP SHEPHERD
[illegible]	TCC	RJKA	EAGLE	BEAUCAGE	TIMOTHY	547-2356	po box 957	ak	DAVID SHERBAHN
[illegible]	AVCP	RDJD	EEK	FRIENDLY	JOHN	536-5328	PO BOX 52	99578	TRP DUFFILED
[illegible]	BBNA	RCKD	EGEGIK	LEFERVERE	MARK	233-2217	PO BOX 10	99579	TRP HENDRICKSON
DED0	BBNA	RDAD	EKWOK	DECKER	DANIEL	464-3326	PO BOX 37	99580	TRP BUMP
GJB0	AVCP	RDBA	GOODNEWS BAY	BRIGHT	GEORGE	967-8050	PO BOX 145	99589	TRP ALTEPETER
TZP0	TCC	RJTA	HUSLIA	PAVLICK	TIMOTHY	829-2286	PO BOX 30	99746	JEANNINE SANTORA
JRL9	BBNA	RCZC	ILIAMNA/NEWHALEN	LAMONT	JAMES	571-1692	PO BOX 52	99606	TRP HENDRICKSON
CFA0	AVCP	RDCD	KIPNUK	ALEXIE	CHRISTOPHER	896-5515	PO BOX 002	99614	TRP ROBERTS
LOR0	KANA	RKCB	KOBUK	ROLLS	LESLIE	948-3222	PO BOX 44	99751	
GZT0	BBNA	RDAE	KOLIGANEK	TUNGUING	GUSTY	596-3418	PO BOX 5040	99576	TRP SADLOSKE
JEOL	AVCP	RDCB	KONGIGANAK	OTTO	JONATHAN	557-5607	PO BOX 5097	99559	TRP ALTEPETER
MDO0	AVCP	RDKC	KWETHLUK	OLICK	MAX	757-6629	PO BOX 56	99621	TRP KEMPER
RLJ0	KANA	RCAJ	LARSEN BAY	JONES JR	ROY	847-2262	PO BOX 144	99624	TRP ZITO
KWP0	TCC	REZA	MCGRATH	PARKER	KENNETH	524-3075	PO BOX 168	99627	TRP SPENCER
AJB0	AVCP	REWD	MT VILLAGE	BROWN	ALVIN	591-2921	PO BOX 32015	99632	TRP ADKINS
MDM2	KANA	RCYI	NANWALEK	MCCOMACK	MICHAEL	281-2277	PO Box 5515	99603	TRP BROWNING
WDO0	AVCP	RDKG	NAPAKIAK	OLICK	WILLIAM	589-2920	PO BOX 112	99634	TRP ROBERTS
GOL0	AVCP	RDKE	NAPASKIAK	LARSON	GREGORY	737-7639	PO BOX 6055	99559	TRP ALTEPETER
MEN0	APIA	RBSB	NELSON LAGOON	NEMETH	MICHAEL	989-2232	PO BOX 36	99571	DILLINGHAM
EJW0	BBNA	RDAG	NEW STUYAHOK	WONHOLA	EVAN	693-3170	PO BOX 51	99636	TRP BUMP
JMT1	AVCP	RDJA	NUNAPITCHUK	TOBELUK JR	JACOB	527-5718	PO BOX 102	99641	TRP BALLESTEROS/DUNFORD
RNW0	BBNA	RCCB	PILOT POINT	WISE	BYRON	797-2275	PO BOX 429		TRP HENDRICKSON
BGA0	KANA	RCAE	PORT LIONS	AMES	BRADLEY	454-2330	PO BOX 110	99550	TRP ZITO
wzp0	AVCP	RDBD	QUINHAGAK	PLEASANT	WASSILLIE	556-8314	GENERAL DELIVERY	99655	TRP ROBERTS
MFH0	TCC	RHZA	RUBY	HAGLIN	MARK	468-4603	PO BOX 81	99768	JEANNINE SANTORA
JGP0	KAWE	RHSB	SAVOONGA	PERATROVICH	JOHN	984-6011	PO BOX 206	99769	TRP KOSTO
PKY0	AVCP	RESB	SCAMMON BAY	YUNAK	PAULA	558-5529	BOX 86	99662	SGT MERRILL
ORW1	KAWE	RJZA	SHISHMAREF	WEBB	DONALD	649-3411	PO BOX 72174	99772	TRP WITROSKY
mz80	APIA	RCEB	ST GEORGE	LEJARZAR	MICHAEL	859-2415	PO BOX 957	99591	DILLINGHAM
[illegible]	KAWE	RHRB	STEBBINS	RAYMOND	LEONARD	934-2340	PO BOX 71084	99671	TRP ERICKSON
GWR0	TCC	RJRA	TANANA	ROBINSON	GEORGE		PO BOX 189	99777	SGT WASSMANN
cmg0	KANA	RAER	THORNE BAY	OMALLEY	CLINTON	828-3905	PO BOX 19310	99919	BOB CLAUS
WPG0	AVCP	RDJB	TUNTUTULIAK	GILILA SR	WASSILLIE	256-2634	GENERAL DELIVERY	99680	TRP KEMPER
jks1	KANA	HEKA	TYONEK	BYSTEDT	JAMES	583-2203	PO BOX 119	99922	TRP BLIZZARD
D7H0	KAWE	RHWD	WHITE MOUNTAIN	HARRELSON	DAN	638-3411	PO BOX 138	99784	

HB

109

<target><bill>HB 109</bill><subject>HB
109</subject><comm>SFIN26</comm></target>

4/1/09

Alaska State Legislature

Rep. Cathy Muñoz, Vice-Chair
Rep. Wes Keller
Rep. Bob Buch

Rep. Peggy Wilson
Rep. Bryce Edgmon
Rep. Berta Gardner

Rep. Paul Seaton, Chairman
HOUSE EDUCATION COMMITTEE

HB 109
Sponsor Statement

HB 109 requires that, as a condition of eligibility for an Alaska Supplemental Education Loan (ASEL), a borrower must have good credit or, if unable to document a history of good credit, must apply with a credit-worthy co-signer. Administered by the Alaska Commission on Postsecondary Education (ACPE), these loans are funded by the Alaska Student Loan Corporation (ASLC). ASLC issues bonds in the capital markets using its various AlaskAdvantage education loans as collateral pledged to support the bonds. The loans are in two categories: those with a federal guaranty (Stafford, Federal PLUS and Grad PLUS) and non-guaranteed State loans. With bonds collateralized by guaranteed loans, investors know they can rely on the backing by the federal government. ASELs have no guarantee and therefore the underlying quality is a primary concern. ASLC has determined that unless the credit quality of ASELs is improved, they will not be usable as collateral.

Compared to credit standards imposed by lenders in other states, ASEL credit requirements are among the least restrictive for alternative education loans. ACPE currently only reviews histories for bad credit. If an applicant has no credit history they may borrow without a co-signer. In today's national economic climate, bond investors are extremely averse to bonds backed by certain asset types. Unfortunately, in this new environment ASELs are viewed as subprime loans. ASLC financial advisors indicate there is little likelihood this conservative investor perspective will change in the future. Passage of HB 109 is intended to permit ACPE to improve ASEL quality so they will be more positively received in the bond market. If ASLC is unable to finance the ASEL program through the capital markets, in the future the State would have to directly fund this program or ASELs would be unavailable. ACPE estimates that its annual loan demand through the ASEL program will continue to be $40 to $50 million.

HB 109 also allows ASLC to set the interest rate for Family Education Loans (FEL) in accordance with the rate set for the ASEL (not to exceed 8.25%). The FEL program allows a family member to take out a loan on behalf of another family member. This program accounts for less than 2% of ASLC loans. Currently ASLC must charge the 5% interest rate set in statute for the FEL. HB 109 gives ASLC the flexibility to set the interest rate according to the current fiscal environment.

The Legislature should carefully examine changes that put limitations on borrowers. However, HB 109 is necessary for ACPE and ASLC to continue to meet their shared mission to promote, support, and provide access to postsecondary education for Alaskans and in Alaska, without relying on the State General Fund to finance its operations.

State Capitol, Room 102 Juneau, AK 99801 - Phone: 465-3923 - Fax: 465-3472 - Toll Free (800) 665-2689
Representative_Paul_Seaton@legis.state.ak.us

SENATE FINANCE COMMITTEE REPORT

DATE: 3/23/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/16/09

Finance Committee considered HOUSE BILL NO. 109

HB 109 EDUC. LOANS: SUPPLEMENTAL & FAMILY

"An Act relating to eligibility for the Alaska supplemental education loan program and to the interest rate for a loan made under the Alaska family education loan program; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
EED	2/5/09			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Olson			✓	
	Ellis			✓	
				—	
CO-CHAIR:	Hoffman			✓	
CO-CHAIR:	Stedman			✓	

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 109
(H) Publish Date: 2/11/09

Identifier (file name): HB109-EED-ACPE-02-05-09
Dept. Affected: Education
Title: An act relating to eligibility for the Alaska Supplemental Education Loan Program; and the Alaska Family Education loan interest rate
RDU: ACPE
Component: Program Administration and Operations
Sponsor: (H)Education
Requester: (H)Education
Component Number: 2738

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill is intended to improve the quality of education loans sufficiently to maintain the Alaska Student Loan Corporation's (ASLC) capacity to issue revenue bonds, backed by loan assets, to finance future lending activities. Implementation of the proposed changes is not expected to require additional appropriations. It is feasible that these changes will positively impact ASLC revenues through improved collections on the loans, but it is not possible to estimate that impact at this time due to the complexity of factors impacting loan collections.

Prepared by: Diane Barrans, Executive Director — Phone 907-465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 2/5/09 11:00 AM
Approved by: Diane Barrans, Executive Director — Date 2/5/2009
Alaska Commission on Postsecondary Education

(Revised 9/10/2008 OMB)

4/1/09

ACPE Quick Loan Comparison Charts

These are quick comparison charts of student and parent loans offered by the Alaska Commission on Postsecondary Education. For more information on the individual loans please click on the loan programs.

2008-2009 Interest Rates with Benefits[1]	AlaskAdvantage Stafford Loan[2]		Alaska Supplemental Education Loan		AlaskAdvantage PLUS Loan	Family Education Loan
	In-School Period/ Grace/ Deferment	Repayment Period/ Forbearance	In-school Period/ Grace/ Deferment	Repayment Period/ Forbearance		
Annual Percentage Rate[3]	n/a	n/a	8.27%	7.30%	n/a	6.31%
Base Rate	6.80%	6.80%	7.30%	7.30%	8.50%	5.00%
AlaskAdvantage General Benefit	-0.80%	-0.50%	n/a	n/a	-1.00%	n/a
Alaska Presence Benefit	-1.00%	-1.00%	-0.50%	-0.50%	-1.00%	n/a
Direct Payment Benefit	n/a	-0.25%	n/a	-0.25%	-0.25%	-0.25%
Lowest rate with **immediate** benefits	**5.00%**	**5.05%**	**6.80%**	**6.55%**	**6.25%**	**4.75%**
Timely Payment Benefit	n/a	-2.00%	n/a	-2.00%	-1.00%	n/a
Lowest rate **after 48 months** of repayment	**5.00%**	**3.05%**	**6.80%**	**4.55%**	**5.25%**	**4.75%**

[1]Interest rates are set according to the base rates set each year by the United States Department of Education. Interest rates and borrower benefits are subject to approval annually by the Alaska Student Loan Corporation and do not apply to interest subsidized by the federal government.

[2]benefits apply only to the interest owed by the borrower; not to subsidized loans. The base rate for undergraduate borrowers on subsidized Stafford loans is 6.0% after 7/1/08.

[3]APR assumes a principal loan amount of $8500, origination fee of 3%, freshman borrower, and a repayment term of 10 years. The APR does not include the effects of borrower benefits.

	AlaskAdvantage Subsidized[5] Stafford Loan	AlaskAdvantage Unsubsidized[6] Stafford Loan	Alaska Supplemental Education Loan	AlaskAdvantage PLUS Loan	Family Education Loan
What is it?	Low-interest education loan for students			Loan to parents	Low-interest loan to family member
Need-based?	Yes	No	No	No	No
Credit Check Required?	No	No	Yes	Yes	Yes
Origination fee:	No	No	3%	3%	3%
Type of interest rate:	Fixed	Fixed	Fixed	Fixed	Fixed
Repayment begins:	6 months after a student graduates or attends less than half time			Within 60 days of full disbursement	
Deferment available?	Yes	Yes	Yes	Yes	No
Forbearance available in cases of hardship?	Yes	Yes	Yes	Yes	No
Are repayment options available?	Yes	Yes	Yes	Yes	Yes

[5]a subsidized loan means the government pays the interest while you are in school, in deferment, or your grace period.

[6]students borrowing unsubsidized loans are responsible for repaying all interest that accrues on the loan.

COPY ON FILE

decisions.

[1]The APR assumes a principal loan amount of $8500, origination fee of 3%, freshman borrower, and a repayment term of 10 years. The APR does not include the effects of borrower benefits.

Alaska Family Education Loan

The Family Education Loan (FEL) is available to family members wishing to help students with education expenses.

Apply Now

- 5% fixed interest rate
- 3% origination fee
- .25% discount for autopayment

2008-2009 Interest Rates with Benefits	Percentages
Base Rate	5.00% (6.31% APR)[1]
Direct Payment Benefit	-0.25%
Lowest Cost Interest Rate Equivalent	**4.75%**

Borrowing Limits	Annual Limit
Career Training (Vocational)	$6,500
Undergraduate	$8,500
Graduate	$9,500

LOAN PROGRAMS

Student Loans
AlaskAdvantage® Stafford
PLUS for Graduate & Professional Students
Alaska Supplemental
Parent Loans
PLUS
Family Education
Career Specific Loans
Teacher Education
A.W."Winn" Brindle
Michael Murphy Memorial
Professional Student Exchange
Consolidation Loans
Federal
Alternative

Eligibility

- Borrower (family member applying for loan) must be an Alaska resident
- Student must have a high school diploma or equivalent (i.e., GED)
- Student must be enrolled and admitted into an eligible program on a full-time basis
- Neither the student nor the borrower can be in default on a federal or state education loan
- Neither the student nor the borrower may be past due on an Alaska child support obligation
- Borrower must not have an adverse credit history

How to Apply

You can apply online, stop by our office in Anchorage or Juneau, or an application is available for download. Remember:

1. Family members may only borrow up to the student's cost of attendance as certified by the school, not to exceed the annual limits listed above.
2. Discuss financial aid options with the school. Many schools offer different financial aid programs. School financial aid experts can advise you regarding which aid is suitable for you. The school may also have specific criteria and deadlines, and you may miss out if you apply without first discussing your options with the school. Inform your school of your financial aid decisions.

[1]The APR assumes a principal loan amount of $8500, origination fee of 3%, freshman student, and a repayment term of 10 years. The APR does not include the effects of borrower benefits.

Alaska Supplemental Education Loan

LOAN PROGRAMS

Student Loans
AlaskAdvantage® Stafford
PLUS for Graduate & Professional Students
Alaska Supplemental
Parent Loans
PLUS
Family Education
Career Specific Loans
Teacher Education
A.W."Winn" Brindle
Michael Murphy Memorial
Professional Student Exchange
Consolidation Loans
Federal
Alternative

The Alaska Supplemental Education Loan is an alternative, low-cost borrowing option to supplement funding for students with costs of attendance not fully covered by the AlaskAdvantage Stafford Loan. The interest rates listed below are fixed*, but borrower benefits are variable and may change annually.

Apply Now

- 3% origination fee

2008-2009 Interest Rates with Benefits	In-School Period	Repayment Period
Base Note Rate	7.30% (APR 8.27%)[1]	7.30% (APR 7.3%)[1]
Alaska Presence Benefit	-0.50%	-0.50%
Direct Payment Benefit		-0.25%
Timely Benefit After First 48 Repayment Months		-2.00%
Lowest Cost Interest Rate Equivalent	**6.80%**	**4.55%**

*Interest rates and AlaskAdvantage Borrower Benefits are subject to approval annually by the Alaska Student Loan Corporation. Interest rates on loans issued prior to the 2006/2007 academic year are variable and change annually. Click here for a chart of rates. AlaskAdvantage Borrower Benefits apply to both new fixed rate loans and existing variable loans.

Borrowing Limits	Annual Limit[1]	Lifetime Maximum
Career Training (Vocational)	$6,500	
Undergraduate	$8,500	$42,500
Graduate	$9,500	$47,500
Undergrad + Grad		$60,000

[1]Loan amounts are pro-rated based on the term of attendance; e.g., an undergraduate student attending only one semester is eligible for 1/2 the annual loan limit, or $4,250.

Eligibility

- FAFSA may be required
- High school diploma or equivalent (i.e., GED)
- Minimum half-time enrollment in eligible program
- Not in default on a federal or state loan
- Not have an adverse credit history (option to apply with credit-worthy cosigner)
- Alaska resident or attending an eligible school in Alaska
- Not past due in child support obligations

You can apply online, or you can download an application. Before you apply for loan programs, we recommend you:

1. Complete the Free Application for Federal Student Aid (FAFSA).
   You can complete the FAFSA online at http://www.fafsa.ed.gov/ anytime after January 1st.
2. Discuss your financial aid options with your school. Many schools offer different financial aid programs. Your school financial aid experts can advise you regarding which aid is suitable for you. Your school may also have specific criteria and deadlines, and you may miss out if you apply without first discussing your options with your school. Inform your school of your financial aid

4/1/09

Briefing on: ASLC Liquidity Issues and Proposed Plan of Action

- The Alaska Student Loan Corporation (ASLC), created by the legislature in 1988 to provide a source of financing for state-administered education loans, has successfully issued bonds from 1988 through 2007. ASLC's tax-exempt bond issues have been structured using education loans as collateral.

- In 2008, due to the extended disruption in the capital markets, ASLC was unable to issue bonds. One reason for that was contagion from the sub-prime mortgage-backed bond market had spread to student loan-backed bonds—particularly in regards to non-federally guaranteed education loans such as the Alaska Supplemental Education Loans (ASELs). Rating agencies, financial partners and investors have substantially altered their level of scrutiny and qualitative standards for asset-backed bonds, resulting in ASELs being viewed as sub-prime loans.

- In short, ASELs as they exist today are no longer of sufficient quality to be effectively used to back bonds. In order for ASLC to be able to efficiently use ASELs to back bonds in the future, the credit standards applied to borrowers of these loans must be strengthened.

- Failure to make the proposed changes will seriously compromise ASLC's ability to finance its programs and operations in the capital markets. In that event the options will be 1) the State of Alaska will have to directly fund the ASEL program at an annual cost of approximately $50 million, or 2) ASLC will substantially cease originating ASELs effective in 2009.

- In addition to the proposal to raise the credit standard for the ASEL, because in the increases in the costs of financing the loan program, there is also a need to alter the interest rate on the Alaska Family Education Loan (FEL). That loan rate is currently set in statute at 5%. The proposal is to set the FEL rate at the same rate charged on the ASEL—currently that rate is 7.3% and is capped in statute at 8.25%. Proposal would allow the Corporation to set the rate on these loans using the same program-costs based formula used for the ASEL.

- The timing of a change in the ASEL credit standard is fortunate in that it coincides with the 2008 increase in the federal Stafford loan limits.[1] Stafford loans, also offered by ASLC for Alaska students, are a federal entitlement to any student attending an accredited institution and no credit standard is considered in making these loans (except that the borrower may not be in default on an existing federal education loan). Furthermore, in January 2009 congress introduced a stimulus bill which provides for an additional increase in the Stafford loan limits of $2,000 per year for an undergraduate program.

The actions described above are proposed at the recommendation of ASLC Executive Officer and Alaska Commission on Postsecondary Education Executive Director Diane Barrans. She is available to respond to questions or concerns and can be contacted at diane.barrans@alaska.gov or 465.2113.

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[1] Annual Stafford borrowing limits are for dependent and independent students respectively: 1) $5,500 and $9,500 (freshman), 2) $6,500 and $10,500 (sophomore), 3) $7,500 and $12,500 (junior/senior), and 4) $20,500 (all graduate).

STATE OF ALASKA

ALASKA STUDENT LOAN CORPORATION

SARAH PALIN, GOVERNOR

P. O. Box 33377
Juneau, Alaska 99811-0505
PHONE (907) 465-6740
FAX (907) 465-3293

April 7, 2009

The Honorable Bert Stedman
Co-Chair
Senate Finance Committee
State Capitol, Room 516
Juneau, Alaska 99801

Re: HB109 – Eligibility for the Alaska supplemental education loan program

Dear Senator Stedman:

Thank you for your prompt action to schedule this bill before your committee. Provided below is additional information requested by members at that April 1 Finance Committee meeting. Given that the objective of the proposed legislation is to raise the credit requirement for individuals borrowing under the Alaska Supplemental Education Loan Program (ASEL), members understandably had questions about ASEL program delinquency and default rates, as well as the rates at which ASEL borrowers, unable to pay as agreed on the standard repayment schedule, utilize alternative repayment options to avoid default. Following are data (substantially all of which is as of 12/31/2008) in response to those questions:

- Total loans/principal balance – 95,114 - $560.8 million
- Total loans/principal balance with default flag set[1] – 25,214 - $120.6 million
- Principal balance of loans 271 or more days past due - $81.9 million
- Total loans/principal balance in deferment/forbearance – 3,810 - $27.6 million
- Total loans/principal balance in school/grace period – 22,747 - $134.6 million
- Total loans/principal balance in repayment/not in default – 53,223 - $316.7 million
- Total loans/principal balance of loans in repayment approved for reduced payments and/or extended repayment terms – 6,773 - $31.8 million
- Average debt per borrower - $16,000

As you can see, while the Alaska Student Loan Corporation has never failed to honor all of its obligations to bondholders, the history of extremely broad access and generous loan eligibility criteria has resulted in delinquency and defaults statistics that our past partners in the credit market can no longer discount in our favor. I urge prompt passage of HB109. This action is critical and will allow program manager to take the steps needed to accept and process loan applications for the 2009-2010 academic year. We anticipate that it will be at least 30 from enactment of the legislation for the new credit criteria to be in effect.

[1] The default flag sets when a loan becomes 270+ delinquent and remains set until the loan is repaid or otherwise discharged.

If any other information or program data is desired please let me know. I urge your affirmative action on this legislation.

Sincerely,

Diane Barrans
Executive Officer

DB/dv

4/1/09

washingtonpost.com

College financial aid system facing stiff test

By DAVE CARPENTER
The Associated Press
Sunday, January 25, 2009; 4:26 AM

CHICAGO -- Finding financial aid for college this year promises to be tougher than any final exam. The quest for money that begins for students and parents every January has taken on new urgency in 2009 amid fears that loans and grants will be scarcer than in the past due to the recession.

"The financing system for college is in real crisis," said Barmak Nassirian, associate executive director of the American Association of College Registrars and Admissions Officers. "Every one of the participants in the system is experiencing hardship _ higher education institutions, states, aid donors and families all are cash-strapped."

Federal student loans remain readily available _ with some funding even increased recently by Congress. But the prospect that grants and scholarships may be cut at many schools, combined with the shrinking availability of private loans, has fueled widespread angst at a time when more people than ever are seeking help. Applications for federal aid for the current academic year already are running 10 percent above last year's record pace, according to the Department of Education.

Savings held in Section 529 plans _ the state-sponsored investment funds for college that are popular for their tax breaks _ have been depleted by the worst bear market in decades and home equity values have plummeted. That has sapped two sources most tapped by parents to fund their children's higher education. Colleges' endowments have been similarly walloped.

Private student loans are especially hard hit. Last year, 60 private lenders provided $19 billion to students. Now, 39 of those have stopped lending to students and the remaining firms have made it harder to borrow, according to Finaid.org, a Web site that tracks the industry.

"The stress level is high," said Rod Bugarin, financial aid adviser for the New York-based college consulting firm IvyWise.

Numerous revenue-short states are likely to consider cutting aid in one way or another, and public colleges and universities are expected to raise tuition _ in some cases by double digit percentages _ as they set rates for next year.

Scholarships from civic groups and local companies across the country also are likely to decline, Bugarin said, although it's too early to know the extent.

What it all means is that families and college counselors are having to hold difficult conversations about reduced savings and the need to take on more debt and lower sights to focus on more affordable schools.

"There are no sure answers because we're in new territory," said Bruce Hammond, a Washington, D.C.-based college admissions consultant and co-author of "The Fiske Guide to Getting into the Right College." "But students with high need and lesser credentials are going to have to brace themselves

for less aid."

Jean Kliphuis, 46, of Huntington, N.Y., is concerned about the tightening vise of college costs and how to pay for them as she studies aid prospects for daughter Katie, a high school senior who has applied to six schools. Jean is a librarian and her husband Tim is self-employed in the office equipment business. As middle-income parents of three children, their tab for college could be overwhelming if they didn't do all their homework on aid options.

"There is money out there, but you have to jump through a lot of hoops to get it," Kliphuis said. "So my husband and I are jumping through the hoops."

The key to success in the "convoluted" financial aid process is good information, she said, and there's lots of it available through schools' aid offices and online at such sites as Collegeboard.com and Princetonreview.com.

Indeed, the news isn't all bad. The federal government has authorized some $95 billion in grants, loans and work-study assistance to help almost 11 million students and their families pay for college this year, and its recent commitments mean that total will all but certainly be exceeded next year.

"It's scary, but not as scary as people might think," said Lauren Asher of the California-based Institute for College Access and Success, an independent nonprofit group.

Among the encouraging developments for parents and students:

_ The government broadened student borrowing in the midst of the credit crunch, ensuring the continued flow of federal loans that families depend on ahead of costlier private ones. Among other changes, annual borrowing limits for unsubsidized Stafford loans, which students can take out regardless of income, were raised by $2,000 and parents can now defer repayment of federal loans until after their child leaves school.

Stimulus proposals that would give students more financial aid also are progressing through Congress.

"This certainly has been an unprecedented disruption in the student loan marketplace," said Mark Kantrowitz, publisher of Finaid.org. "But Congress and the Department of Education have acted quickly to avert a crisis."

_ No school is known to have withdrawn pledged financial aid this academic year despite financial setbacks that have prompted them to make cuts elsewhere. A number of top institutions, from Harvard, Yale and Duke to smaller institutions with large endowments, announced expanded aid last year and have insisted they will stick to those commitments.

Aid can make a huge difference in affordability. The average list price of tuition and fees for the current academic year is $6,585 for in-state students at four-year public universities and $25,143 at private colleges, with some costing far more. But grants and tax breaks lower the average net price to about $2,900 at public universities and $14,900 at private schools, according to the College Board.

_ Some students will benefit from the turmoil, especially at colleges with high tuitions and scarce resources.

"These places continue to jack it up," Hammond said of tuition increases, "so if you can pay the full

outrageous fee in this economy, as long as you can walk and chew gum you will be admitted. And if you're pretty good _ average, even _ you might get a $10,000 merit scholarship."

Admissions experts recommend considering a range of fallback options, from lower-cost public schools to community colleges or even waiting a year to save more money. And colleges and parents alike are hedging their bets on next year and beyond.

Administrators at Ohio State University see no big immediate impact on aid from the economy but are concerned about what may happen over the longer term, said Bill Shkurti, chief financial officer. The school's endowment has fallen by as much as 30 percent from $1.5 billion a year ago but accounts for just 2 percent of operating revenue, he said.

The University of North Carolina at Wilmington, with a much smaller enrollment and endowment, similarly has taken a hit. In a scenario likely to be repeated on many campuses, financial aid director Emily Bliss says the school is bracing for unpleasant conversations with parents about next year as it relies more on loans in its aid packages and eliminates some of the "free" money.

"Grants and scholarships won't all come through," she said. "It's difficult for us to tell families that, because our heart is breaking for them knowing what they're going through."

AP Education Writer Justin Pope contributed to this report.

On the Net:

FAFSA:http://www.fafsa.ed.gov/

FinAid:http://www.finaid.org/

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NATIONAL ASSOCIATION OF STUDENT FINANCIAL AID ADMINISTRATORS

4/1/09

NEWS FROM NASFAA

Financial Services Committee Holds Hearing On Auction Rate Securities Market Troubles

Broker-dealer firms that underwrote, marketed and sold auction-rate securities (ARS) misled investors by not disclosing the increasing risks associated with ARS and their reduced ability to support auctions, according to the testimony of Linda Thomsen, the director of the Securities and Exchange Commission's Division of Enforcement.

Thomsen testified Thursday at the House Financial Services Committee's hearing on problems and potential resolutions to the auction-rate securities market, which froze up in mid-February when investors stopped buying ARS - effectively drying up all the liquidity in the market. ARS had grown into a $330 billion market by early 2008. Until the ARS market froze in mid-February, auction failures were extremely rare and the market was highly liquid.

ARS and Student Loans

The current lack of liquidity in the ARS market and the Asset Backed Securities market combined with recent subsidy cuts has forced more than 130 Federal Family Education Loan Program (FFELP) loan providers to suspend or terminate a portion or all of their services. The freezing of the ARS market has hit nonprofit lenders especially hard because of their reliance on ARS to raise capital.

In her testimony before the committee, Tara E. Payne, vice president of Corporate Communications at the New Hampshire Higher Education Loan Corporation (NHHELCO), explained that thousands of students were forced to find a new, likely more expensive, student loan provider because funds NHHECLO would have used to make loans are frozen in the ARS market.

Payne testified that NHHELCO's once solid financial base had been significantly compromised by UBS Securities, LLC, NHHELCO's "long-standing, trusted" financial advisor and broker-dealer since 1997.

UBS actively encouraged NHHELCO to extend its commitment to student loan bonds, even when UBS knew that the market for these bonds was on the verge of collapse, according to Payne. UBS advised NHHELCO to reset the maximum rate on NHHELCO's taxable bonds to 17% to 18% to ensure liquidity and prevent auctions from failing.

"We know now that this was a 'scheme' to make the securities more attractive to investors and to keep NHHELCO in the Student Loan Auction Rate Securities market," Payne said.

Additionally, UBS would bid for bonds that went unsold to prevent auctions they ran from failing, but it was actively considering withdrawing its own holdings in the market. At the same time, it was advising NHHELCO to stay in the market. On February 13, 2008, UBS stopped supporting the ARS market and it collapsed, leaving NHHELCO and investors with billions of dollars frozen.

"UBS never disclosed to NHHELCO that the ARS market was at risk of freezing ... or that UBS was preparing to ends its support of the market," Payne said.

On August 14, 2008, the New Hampshire Bureau of Securities Regulation announced that is was taking action against UBS Securities, LLC for fraud and failing in its fiduciary and moral duty to NHHELCO. .

Fortunately, NHHELCO was able to raise $94 million from community lenders in order to continue making loans. Congress then passed the Ensuring Continued Access to Student Loans Act, which allows the Department of Education to provide liquidity to the market and enabled NHHELCO to continue making loans.

Proposed Solutions

Payne and others testifying before the committee agreed that it is unlikely that the ARS market will recover in the near future, if ever. Payne urged lawmakers to extend ECASLA to ensure students and families will be able to finance higher education.

"In New Hampshire we know that 82 percent of borrowers in repayment believe that the opportunity to go to college would not have been possible without access to student loans," Payne said. "The credit crisis has threatened many families' ability to get a second mortgage or for students to qualify for private education loans without parents as co-signers. As a result, some low- and middle-income families may be running out of college funding options. We understand that some are turning to borrowing from 401k plans and putting tuition on credit cards."

James Preston, president and CEO of the Pennsylvania Higher Education Assistance Agency (PHEAA) also advocated for an extension of ECASLA, but noted that it was only a temporary fix and a longer-term solution is needed.

"Unless Congress and the Administration address the underlying causes of the current liquidity difficulties, there will continue to be instability in the student loan marketplace and participants will continue to cease supporting student loans," Preston said.

Preston and other nonprofit loan providers have been championing a plan to have the Treasury replicate its efforts to rescue Fannie Mae and Freddie Mac for student loan providers. Under this plan, the Treasury would stand in place of the global markets which are unable to supply sufficient capital to student lenders.

A Wide-Spread Problem

NHHELCO's experience is not unique.

Broker-dealer firms that underwrote, marketed and sold ARS used their sales forces, marketing materials, and account statements to misrepresent to their customers that ARS were safe, highly liquid investments that were equivalent to cash or money market funds, according to Thomsen.

"These firms failed to disclose the increasing risks associated with ARS, including their reduced ability to support the auctions," she said. "By engaging in this conduct, those firms violated the Federal securities laws, including the broker-dealer antifraud provisions."

Federal and state law enforcement and securities regulatory officials have helped tens of thousands of investors get billions of dollars of liquidity restored to them. Before the hearing, the Financial Industry Regulatory Authority announced it reached agreements with SunTrust Banks Inc. (STI), Comerica Inc. (CMA), Washington Mutual Inc. (WM) and First Southwest Co. to settle queries about how they marketed and sold auction-rate securities. Finra said the companies have agreed to repurchase auction-rate securities bought by individual investors, charities and small businesses with $10 million or less in their accounts between May 31, 2006, and Feb. 28, 2008. The companies didn't admit or deny wrongdoing.

Causes of the ARS Market Freeze

The ARS market encountered significant problems during early 2008 for several reasons, according to Thomsen.

One factor was the significant increase in the size of the ARS market, which had grown to $330 billion by the time of the freeze. This larger market required the firms to find more and more customers to bid in the auctions.

An additional reason for the market seizure is the rating agencies' downgrades of the monoline insurers (e.g., Ambac Financial Group Inc, and MBIA Inc.), which provided insurance for many ARS to ensure that holders would receive repayment of their principal if the issuer defaulted. These downgrades resulted in the loss of customers willing to invest in ARS.

Another factor that contributed to the freeze is the sub-prime mortgage and credit crisis that unfolded throughout the second half of 2007, which limited the firms' ability to support the auctions with their own capital. In fact, firms stopped supporting the auctions in mid-February 2008, and the entire market froze in a matter of days. The securities became illiquid, leaving tens of thousands of customers unable to sell their

ARS holdings.

A complete list of witnesses who testified and their testimony is available online.

Media Coverage

- Nonprofit Lender Asks Congress for More Help to Stay Afloat (The Chronicle of Higher Education) *A paid subscription may be required.*

By Haley Chitty
NASFAA Associate Director of Communications

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Financial Institutions
U.S.A.
Special Report

Private Education Loans: Time for a Re-Education

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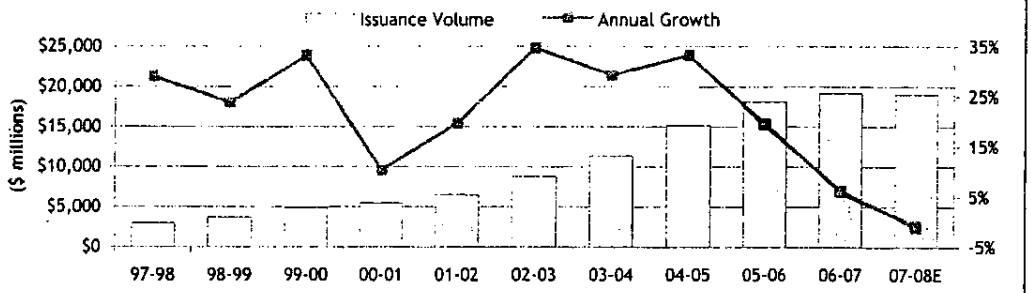
Related Research

- *Federal Student Loans: A Lesson in Legislation, Jan. 14, 2009.*
- *U.S. Finance & Leasing Company Outlook 2009, Dec. 18, 2008.*
- *2009 U.S. Structured Finance Outlook, Dec. 10, 2008.*
- *Student Loan Auction Rates - The Definition of Stress, Sept. 30, 2008.*
- *An Education in Student Lending, Feb. 5, 2007.*

Overview

The rising cost of education has consistently outpaced growth in loan limits for federal student loan programs. The gap has been filled with the private education loan. Issuance of private, or nonfederal, education loans has grown from $3bn in academic year 1997-1998 to $19.1bn in academic year 2007-2008, according to College Board. Lenders involved in the federal student loan space have leveraged their school relationships, operating platform, and expertise to expand into private education lending. While early performance data seemed to indicate a smooth transition, the economic environment was strong and loan portfolios had yet to fully season. As the economy showed signs of weakness in 2007 and more private student loans entered repayment, cracks began to emerge in lender underwriting strategies.

Private Education Loan Growth



Source: College Board.

Deterioration in portfolio credit metrics combined with a widespread re-pricing of risk in the capital markets have made it more difficult for lenders to access the asset-backed securitization (ABS) markets for private student loan term funding. Lenders have pulled back on origination volume by tightening underwriting standards and cancelling certain school relationships, but many lenders have had to arrange expensive funding facilities for un-securitized private loans on their balance sheets. Government funding programs, like the Term Asset-Backed Loan Facility (TALF) may temporarily increase investor buying of private loan deals, but they will not truly re-ignite interest. This will necessitate re-educating investors on the risk/rewards of the product and, potentially, making changes to the loans to make them more attractive to investors. Continued deterioration in portfolio credit quality and an inability to secure cost-effective funding could result in negative rating action for student lenders.

In this report, Fitch will:

- Discuss how college costs, federal student aid, and legislation drive growth trends in the private education loan;
- Explain how dislocations in the capital markets have impacted funding options for loans and how the structure of the private student loan may need to change;
- Provide an analysis of recent credit trends for large private lenders; and

- Discuss the impact of the bankruptcy of The Education Resources Institute, Inc. (TERI) on the private education loan market.

Private Education Loans

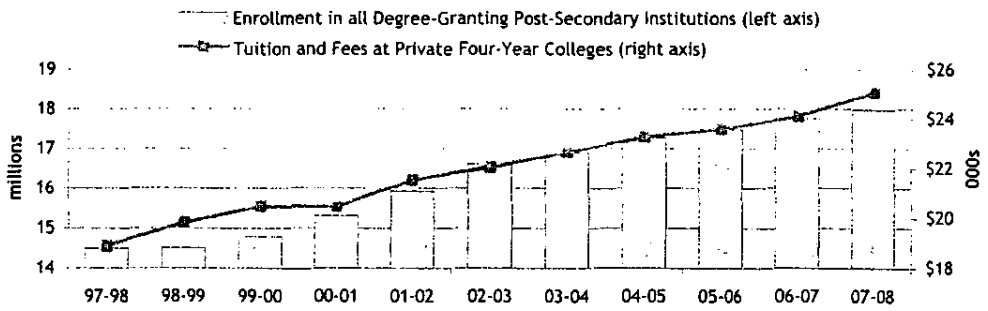
The private or nonfederal education loan has garnered increasing interest as growth in the product has surged over the last decade. Demand for private student loan ABS was relatively robust through 2006, given ample market liquidity and stable collateral performance, but investor interest waned in 2007 as market risk premiums increased and the weakening economic picture began to impact credit quality.

The following sections will discuss growth trends in the private education loan, funding alternatives, asset quality trends, and the impact of the bankruptcy of The Education Resources Institute), Inc. (TERI).

Growth

Private education loans have become an increasingly important component of education funding in the last decade, accounting for approximately 11.7% of total student aid in the 2007-2008 academic year, according to College Board, compared to 3.7% a decade ago. Growth in private student loans has been driven by increasing enrollment levels, rising tuition expenses and, until recently, static federal loan limits. Over the last ten years, enrollment in degree-granting post-secondary institutions grew 24% and average annual tuition and fees at private and public four-year institutions is up 32.7% and 53.3%, respectively. Meanwhile, federal Stafford loan limits remained static from October 1993 to June 2007.

Drivers of Private Education Loan Borrowing



Source: College Board and National Center for Education Statistics.

Fitch expects growth of the private loan product to change; however, as higher funding costs and deteriorating collateral performance have reduced the propensity to loan and some recent legislative change may have an impact on the demand for private education loans. On the legislative front, federal Stafford loan limits have increased twice in the last two years. The Deficit Reduction Act of 2006 increased base limits for freshman and sophomores receiving loans after July 1, 2007 by $875 and $1,000, respectively. Fitch believes this change contributed to the 0.9% decline in private education loans issued in academic year 2007-2008, as subsidized Stafford loans increased 11.1% during the year; well above the 3.3% average annual increase over the last ten years. The Ensuring Continued Access to Student Loans Act of 2008 (ECASLA) increased federal loan limits further by allowing undergraduates to borrow an additional $2,000 in unsubsidized loans per year after July 1, 2008.

Loan Limits for Subsidized and Unsubsidized Federal Stafford Loans

	Pre-Deficit Reduction Base Subsidized/ Unsubsidized	Post-Deficit Reduction Base Subsidized/ Unsubsidized	Pre-ECASLA Additional Unsubsidized	Post-ECASLA Additional Unsubsidized
1st year undergraduate	$2,625	$3,500	$4,000	$6,000
2nd year undergraduate	$3,500	$4,500	$4,000	$6,000
3rd year & beyond undergraduate	$5,500	$5,500	$5,000	$7,000
Graduate/Professional	$8,500	$8,500	$12,000	$12,000

Source: FinAid.org

The most critical change, however, was a provision in the Deficit Reduction Act which permits graduate and professional students to use PLUS loans to fund their entire cost of attendance, less other aid received. Historically, students funded a significant portion of their graduate programs, which tend to be more expensive than undergraduate programs, with variable-rate private education loans. Fitch expects graduate students to willingly switch to federal PLUS loans, which offer more attractive terms. PLUS loans were up a modest 1.25% in academic year 2007-2008, well-below the 12% annual average growth rate over the last decade, but Fitch believes PLUS loans will expand materially in the 2008-2009 academic year, at the expense of private loans.

Still, private education loans remain very relevant for international graduate students with no access to federal loans and in the undergraduate space, for borrowers whose parents cannot access PLUS loans, as the gap between federal loan limits and tuition expenses continues to be relatively wide. Fitch estimates that, based on current legislation, the gap between four-years of tuition and fees at a private undergraduate college and federal loan aid could be around $50,000. Recent dislocations in the capital markets and credit deterioration resulting from portfolio seasoning and a tougher economic environment, however, have reduced the profitability, and therefore, the availability of the private education loan. Fitch believes lenders that remain in the space are taking a closer look at the terms and structuring of the product in order to make them more attractive for investors while remaining useful for borrowers.

Lenders

Many large financial institutions participate in the private student loan market, particularly those with a sizeable retail franchise, as student loans are often part of the consumer product suite. Most large banks, however, do not disclose detailed information on their student loan portfolios, as it is not a significant contributor to the overall business. Large bank lenders include JPMorgan Chase, Bank of America, Citigroup, and Wells Fargo (including Wachovia).

Private Education Loan Portfolios

($m)

	2002	2003	2004	2005	2006	2007	3Q 2008
SLM Corporation	$5,822	$8,305	$11,482	$16,437	$22,588	$ 28,328	$32,800
Student Loan Corp	$1,784	$2,643	$3,649	$4,812	$3,072	$4,696	$5,816
NelNet	$75	$92	$90	$97	$197	$275	$276

Source: Company Filings and Fitch Estimates.

More robust information is available for non-bank student lenders like SLM Corporation, Student Loan Corp. (which is 80% owned by Citibank, N.A.), and Nelnet, Inc. The portfolios of each have grown rapidly since 2002, but growth slowed materially in 2008, given the more difficult environment.

Many private education loan providers have funded a portion of their portfolio in the ABS market in recent years, but investor risk aversion and underlying collateral deterioration has reduced the demand for private student loan ABS bonds.

SLM Corporation, the largest student loan provider, completed three private loan ABS transactions in 2006 totaling over $5bn in issuance, but it has not completed a private loan ABS transaction since its $2.2bn deal in March 2007. Only two private student loan deals were completed in 2008; one $140m deal from MRU Holdings, Inc. (My Rich Uncle) completed in July, which Fitch did not rate, and a $400m deal from the Massachusetts Educational Financing Authority, completed in August, rated 'AAA' by Fitch based on the financial guaranty provided by Assured Guaranty Corp.

SLM: Private Education Loan Securitization Activity

(For the Years Ended December 31; $ 000s)

Year	Amount	# Deals
2002	$690	1
2003	$3,503	3
2004	$2,535	2
2005	$3,005	2
2006	$5,088	3
2007	$2,001	1
2008	-	0
Total	$16,822	12

Source: Company Filings.

Large bank lenders have been able to leverage their deposit base to replace ABS funding, but non-bank lenders have had to rely on more expensive sources of debt to fund student loan portfolios. The weighted-average cost of SLM's March 2007 term ABS deal, excluding the auction rate tranche, was approximately LIBOR plus 15 basis points. In 2008, the company paid LIBOR plus 400 basis points for its $2.5bn, ten-year, unsecured corporate debt issuance and LIBOR plus 155 basis points for $3.8bn in private loan ABCP capacity, which matures in February 2009.

Higher funding costs and reduced margins led many lenders, like CIT, College Loan Corporation, KeyBank, and Astrive Student Loans (a registered trademark of The First Marblehead Corporation), to exit the business altogether. Those that remain have reduced origination volume and re-evaluated underwriting criteria. SLM, for example, has tightened its underwriting standards, terminated certain school relationships and reduced origination volume by 20% year-over-year, to approximately $6.3bn in 2008. Additionally, SLM is looking to expand the deposit base of its industrial bank, Sallie Mae Bank, in order to more cost-effectively fund the private loan portfolio. The bank had $2.3bn in term bank deposits as of December 31, 2008 and Fitch believes the deposit base will grow to keep pace with private loan originations in coming quarters.

Still, Fitch does not believe that lenders will abandon the ABS markets altogether, as it can be an efficient way to secure term funding for private student loans. While lenders are expected to re-educate investors on the attractive risk/return attributes of the private education loan in order to reduce funding spreads, the Federal Reserve is doing its part to get the ABS market functioning again with the introduction of the Term Asset-Backed Loan Facility.

Term Asset-Backed Loan Facility (TALF)

The Term Asset-Backed Loan Facility (TALF) is being developed with the intention of restoring liquidity to the ABS markets for consumer assets; including auto, credit cards, and student loans. Under the TALF, the Federal Reserve Bank of NY is expected to make up to $200bn of loans, which will be fully secured by eligible ABS. Eligible collateral will include, US dollar-denominated cash ABS with a long-term credit rating of 'AAA'. The underlying credit exposures must be auto loans, student loans, credit

card loans, or small business loans guaranteed by the US Small Business Administration. Student loans will include federally-guaranteed loans, including consolidation loans, and private student loans. Eligible ABS must be issued after January 1, 2009 and all or substantially all of the underlying credit exposures of eligible student loan ABS must have had a first disbursement date on or after May 1, 2007.

TALF loans will have a three-year term with interest payable monthly and the loans will not be subject to mark-to-market requirements. TALF loans are pre-payable, but will not allow for substitution of collateral and any repayment of principal on eligible collateral must be used to reduce the principal amount of the TALF loan. The interest rate will be set to encourage borrowers to purchase ABS. The facility will stop making loans on December 31, 2009, unless the facility is extended by the Federal Reserve. Expectations are for the TALF to be up and running in the first quarter of 2009.

Fitch believes the TALF could be an attractive, and much-needed, funding source for private student loans originated after May 1, 2007, although enhancement levels needed to create 'AAA' securities will likely be more expensive given revised stress scenarios which reflect more recent credit conditions. But restoring more permanent liquidity to the private education loan ABS market may take more than what the TALF, alone, can accomplish. Fitch believes lenders will need to convince investors that underwriting criteria is effective enough to identify and exclude the riskier borrowers and schools that yielded significant deterioration in their portfolios in 2007 and 2008.

Additionally, lenders may need to alter the structure of the private student loan, itself, to make it more liquid and attractive for investors. The maturity of a private student loan, for example, is typically 15 to 20 years, while the maturity of an auto loan is around 5 to 6 years. Investors may not be comfortable with the longer average life of a private student loan ABS transaction and it may be more difficult and more expensive to hedge the interest rate risks of a longer-dated asset. Still, shortening the life of the underlying loan can increase the borrower's monthly payments significantly, making it more difficult to stay current on payment and, therefore, leading to higher portfolio credit losses. Clearly, there will be a balancing act for lenders to consider.

Furthermore, Fitch believes the Deficit Reduction Act, which gave graduate students the increased ability to borrow federal loans, will change the make-up of private student loan portfolios. Of the last 7 private student loan ABS transactions facilitated by First Marblehead Corp, 10.4% of collateral, on average, was related to graduate student borrowers. Going forward, portfolios will be more heavily weighted to undergraduate students. Typically undergraduates do not have an extensive credit history, which means underwriting is often based on the credit risk of the co-borrower or co-signor, which is often a parent, guardian, or spouse. As underwriting policies have tightened, the portion of new loans with co-borrowers has increased. Therefore, newer originations are not solely dependent upon the student's ability to graduate and obtain meaningful employment, as the co-borrower, who is more likely to be established and have more at risk from a credit perspective, is also responsible for making payments. This should provide investors with additional comfort.

SLM has discussed adjusting its private education loan by shortening the product term, increasing the portion of the portfolio with a co-borrower, and requiring interest-only payments while students are in-school.

Asset Quality

Unlike federal student loans, private education loans do not come with a government guarantee against default, although the loans are generally non-dischargeable in bankruptcy and lenders will often obtain third-party insurance to limit the downside

Asset Quality: Private Education Loans

30+ Day Delinquencies/Loans in Repayment

	2002	2003	2004	2005	2006	2007	3Q 2008	Average
SLM Corp	7.7%	9.2%	8.4%	7.7%	10.1%	9.3%	9.6%	8.8%
NelNet	14.4%	12.5%	10.1%	7.8%	5.6%	4.7%	5.3%	8.6%
Student Loan Corp	NA	3.0%	2.3%	2.5%	5.2%	4.0%	5.2%	3.7%

Loans in Forbearance/(Loans in Repayment + Forbearance)

	2002	2003	2004	2005	2006	2007	3Q 2008	Average
SLM Corp	9.8%	10.0%	7.5%	9.9%	9.2%	13.9%	11.5%	10.3%
NelNet	17.5%	22.1%	3.1%	4.2%	5.4%	7.9%	5.2%	9.4%
Student Loan Corp	NA	NA	6.6%	7.1%	6.6%	8.1%	6.2%	6.9%

Net Charge-offs/Average Private Loans in Repayment

	2002	2003	2004	2005	2006	2007	3Q 2008	Average
SLM Corp	2.2%	1.9%	1.9%	1.9%	1.6%	3.1%	3.4%	2.3%
NelNet	3.5%	9.0%	10.6%	0.9%	1.1%	0.9%	2.4%	4.1%
Student Loan Corp	NA	0.4%	0.4%	0.4%	0.7%	1.4%	2.9%	1.0%

PrivateLoans in Repayment/Private Loans

	2002	2003	2004	2005	2006	2007	3Q 2008	Average
SLM Corp	53.1%	51.6%	52.5%	49.7%	50.7%	50.3%	52.2%	51.4%
NelNet	48.8%	56.3%	72.1%	68.4%	54.3%	54.6%	59.1%	59.1%
Student Loan Corp	NA	47.7%	51.8%	52.8%	37.6%	41.2%	38.1%	44.9%

Private Allowance/Private Loans in Repayment

	2002	2003	2004	2005	2006	2007	3Q 2008	Average
SLM Corp	6.3%	5.9%	5.1%	3.4%	3.4%	8.2%	7.8%	5.7%
NelNet	5.6%	12.1%	11.0%	20.1%	17.2%	14.0%	15.2%	13.6%
Student Loan Corp	NA	0.1%	0.2%	0.1%	0.6%	1.5%	4.6%	1.2%

Note: Metrics annualized in 2008 where appropriate.
Source: Company Filings and Fitch Estimates. NA - Not Available.

risk. Federal student loans are underwritten based on need, but private education loans are underwritten based on a credit evaluation of the borrower and/or co-borrower and risk-based pricing is employed. While early statistical data of collateral performance was sound, Fitch remained cautious about early credit data, as the surge in origination volume meant that only a small portion of loans outstanding were in repayment status. In recent years, as loan portfolios have seasoned and the economy has slowed, credit performance of the private education loan product has deteriorated.

Private student loan credit performance metrics for SLM Corp, Nelnet, Inc. and Student Loan Corp (SLC) are presented in the table above. Nelnet's portfolio is significantly smaller than the other lenders, but many metrics have followed a similar pattern. Surprisingly, delinquency metrics were actually down at the end of 2007 relative to the prior year, but Fitch believes this was because lenders were employing forbearance policies more aggressively, perhaps believing that a borrower's inability to pay was a temporary blip. But delinquency rates rebounded in 2008, as lenders pulled back on forbearance, after realizing the economic downturn would have a more prolonged impact on a borrower's ability to pay, particularly given the significant increase in the unemployment rate. Borrowers receiving forbearance are being awarded shorter grace periods to ensure they do not get out of the habit of paying every month. SLM's forbearance levels declined from 13.9% of loans in repayment and forbearance in 2007 to 11.5% in 3Q2008, while STU's declined from 8.1% to 6.2%. Fitch believes forbearance levels may decline further in 2009, as lender's award payment programs only to borrowers that they believe can truly benefit, but the decline will accelerate the recognition of credit losses into current periods.

From a net charge-off perspective, metrics have deteriorated for all three issuers since 2006, with SLC increasing 220 basis points to 2.9% as of September 30, 2008, and SLM increasing 180 basis points to 3.4%. Still, both issuers believe they have identified the main source of credit deterioration (outside normal pressure from economic weaknesses) and that is: lending to students attending schools with lower graduation rates and lower average earning potential, given the degree programs offered.

SLM has divided its portfolio into traditional schools and non-traditional schools, where the latter refers to 'loans made to borrowers that are expected to have a high default rate as a result of a number of factors, including having a lower tier credit rating, low program completion and graduation rates, or where the borrower is expected to graduate, a low expected income relative to the borrower's cost of attendance'. The dispersion in portfolio performance is clear, with the traditional portfolio posting net charge-offs of 2.5% in the fourth quarter of 2008, while the non-traditional portfolio posted net losses of 16.1%. Delinquency statistics are also significant with traditional and non-traditional delinquencies of 7.1% and 28.9%, respectively. SLM has ceased lending to non-traditional schools, but Fitch believes the impact of the $4.95bn portfolio will remain for some time as only 60.6% of the portfolio was in repayment as of December 31, 2008.

SLM Corporation - Private Portfolio Distribution

(For the Years Ended December 31; $m)

	2006	2007	1Q 2008	2Q 2008	3Q 2008	4Q 2008
Traditional Private Education Loans						
Traditional Loans, End of Period	19,533	25,791	27,502	28,349	30,060	30,949
Traditional Loans in Repayment	9,835	12,711	12,683	14,433	14,605	17,715
30+ Delinquencies/Loans in Repayment	NA	5.2%	4.6%	4.9%	6.3%	7.1%
Loans in Forbearance/Loans in Forebearance and Repayment*	NA	12.8%	15.5%	12.0%	11.0%	6.7%
Net Charge-Offs/Average Loans in Repayment	0.6%	1.5%	1.7%	2.0%	2.0%	2.5%
Allowance/Loans in Repayment	1.8%	3.5%	3.7%	3.3%	3.9%	4.0%
Non-Traditional Private Education Loans						
Non-Traditional Loans, End of Period	3,449	4,580	4,811	4,873	4,952	4,945
Non-Traditional Loans in Repayment	1,819	2,155	2,187	2,451	2,641	2,997
30+ Delinquencies/Loans in Repayment	NA	26.3%	23.3%	24.0%	26.3%	28.9%
Loans in Forbearance/Loans in Forebearance and Repayment*	NA	19.4%	21.4%	18.5%	14.4%	9.0%
Net Charge-Offs/Average Loans in Repayment	7.2%	11.9%	12.9%	15.0%	12.9%	16.1%
Allowance/Loans in Repayment	11.8%	36.3%	36.6%	33.4%	29.8%	26.4%

* Annualized.
Source: Company Filings.

Net charge-offs on SLM's traditional portfolio, which represents about 86% of the total private loan portfolio, have increased as well, given the tougher economic environment, with net losses rising from 0.6% in 2006. Fitch expects credit metrics to deteriorate further in 2009, as the unemployment picture remains weak for borrowers in and just entering repayment status.

SLC has also segmented its private loan portfolio into the following three categories: Insured CitiAssist, Uninsured CitiAssist Standard and Uninsured CitiAssist Custom. Standard loans are primarily related to CitiAssist loans that have been approved based on standard underwriting criteria and were originated on or after January 1, 2008. Custom loans are related to loans made to non-traditional students or loans with less stringent underwriting standards.

Approximately 78% of the private loan portfolio carries private insurance through

United Guaranty Commercial Insurance Company of North Carolina/New Hampshire Insurance Company or through Arrowood Indemnity Company. Risk-sharing deductibles range from 5% to 20% up to maximum loss levels. As expected, net charge-offs on Insured CitiAssist loans remain relatively low at 0.8%, as of September 30, 2008, but SLC stopped insuring new CitiAssist loan originations on January 1, 2008, believing that higher loan losses would be more than offset by declines in insurance premiums paid.

Student Loan Corp - Private Portfolio Distribution

(For the Years Ended December 31; $m)

Insured CitiAssist	2006	2007	1Q 2008	2Q 2008	3Q 2008
Loans, End of Period	$2,410	$3,870	$4,489	$4,590	$4,523
Loans in Repayment	$733	$1,443	$1,469	$1,706	$1,605
30+ Delinquencies/Loans	6.5%	3.7%	4.6%	3.5%	5.3%
Loans in Forbearance/Loans in Forebearance and Repayment	8.3%	9.3%	13.4%	9.2%	11.8%
Net Charge-Offs/Loans in Repayment*	NA	NA	0.4%	0.6%	0.8%
Allowance/Loans in Repayment	0.1%	0.2%	0.4%	0.3%	0.6%
Uninsured CitiAssist					
Loans, End of Period	$662	$826	$1,033	$1,230	$1,293
Loans in Repayment	$423	$494	$530	$580	$609
30+ Delinquencies/Loans	2.9%	4.8%	5.1%	4.6%	4.5%
Loans in Forbearance/Loans in Forebearance and Repayment	3.5%	4.4%	7.2%	7.1%	8.5%
Net Charge-Offs/Loans in Repayment*	NA	NA	6.1%	8.0%	7.3%
Allowance/Loans in Repayment	1.6%	5.4%	6.8%	11.6%	15.0%
Loans Covered by Risk-Sharing Agreements with Schools	75.9%	59.7%	47.7%	40.3%	37.3%

* Annualized.
Source: Company Filings and Fitch Estimates.

Net losses on the uninsured portfolio amounted to 7.3% in the third quarter of 2008. Standard loans account for approximately 29% of the uninsured portfolio while custom loans account for about 71%. Net charge-offs on the standard portfolio amounted to 0.2% in the third quarter of 2008, while losses on the custom portion amounted to 9.3%. In the second quarter of 2008, SLC discontinued relationships with schools that generated higher-risk uninsured CitiAssist originations, which Fitch believes would be included in the custom portion of the portfolio. SLC has tightened underwriting criteria in response to the economic environment and plans additional tightening in the near-term.

A portion of the uninsured portfolio is covered by risk-sharing agreements with schools and universities, although that portion has been on a declining trend; from 75.9% of the uninsured portfolio in 2006 to 37.3% in the third quarter of 2008. Under the agreements, the school reimburses a specified percentage when losses exceed a certain threshold or the school pays a percentage of the total disbursed amount to compensate for future expected losses. Lenders to schools with riskier borrower profiles are subject to adverse selection.

While lenders like SLM and SLC are segmenting portfolios and modifying underwriting standards; balance sheets and securitization trusts continue to contain a significant amount of loans already originated which have yet to enter repayment status. As of September 30, 2008, only 38.1% of SLC's private loan portfolio was in repayment status, compared to 57.7% of SLM's portfolio at year-end. Fitch believes lenders have and will continue to build reserves in anticipation of poorer performance of loans made to 'non-traditional' schools and to incorporate general portfolio weakening due to the weaker economic environment. SLM's allowance as a percent of loans in repayment amounted

to 7.2% at year-end 2008 and SLC's allowance amounted to 4.6% at the end of the third quarter 2008.

The fact that private education loans are non-dischargeable in bankruptcy has come under an increasing amount of scrutiny in recent years, in the face of bankruptcy reform and political transition. Consumer protection has been a hot topic in recent months and Fitch believes recent developments in the mortgage market aimed at reducing a borrower's debt burden could expand into other asset classes. Consumer protection advocates have also highlighted the higher interest rates charged by lenders on private loans. The imposition of interest rate caps or limits would also make the private loan less attractive to lenders and investors.

The Education Resources Institute, Inc.

The Education Resources Institute, Inc. (TERI), a private, non-profit corporation and the largest guarantor of private student loans, filed for Chapter 11 bankruptcy protection on April 7, 2008. TERI provided private education loan guarantees to commercial banks underwriting loans according to its articulated standards. Participating banks included Bank of America, Charter One Bank, JPMorgan Chase, and RBS Citizens. These banks would often partner with First Marblehead Corporation (FMD), a student loan facilitator, to structure private student loan ABS transactions. FMD conducted ABS transactions out of its wholly owned subsidiary, National Collegiate Funding LLC and TERI guaranteed 100% of principal and accrued interest on defaulted loans in the trusts.

As discussed in the Asset Quality section, private education loan credit performance began to deteriorate in 2007 and early 2008 as the economic picture weakened. But compounding the issue for TERI was that a large portion of the collateral included in the National Collegiate Student Loan Trust (NCSLT) was originated through the direct-to-consumer channel (as opposed to the school channel), which has been more susceptible to fraud, as there is typically no verification with schools to ensure that funds are being used to pay a borrower's tuition. On average, of the last 7 NCSLT ABS transactions, completed in 2006 and 2007, approximately 80% of loan collateral was originated in the direct-to-consumer channel. So as the economy weakened, some TERI-guaranteed portfolios deteriorated quickly, given the higher direct-to-consumer exposure. TERI received an increasing amount of default claims and its liquidity profile weakened.

Fitch has downgraded and/or placed on Rating Watch Negative numerous classes of NCSLT ABS due to deteriorating collateral performance, beyond Fitch's expectations, combined with operational uncertainties related to the bankruptcy proceedings of TERI and concerns regarding the level of recoveries on defaulted loans in a post-TERI environment. Ongoing analysis is focusing on default level and loss timing projections for each pool. Depending on the outcome, Fitch expects that ratings currently on Rating Watch Negative could be downgraded by an additional zero to three notches.

Fitch believes the impact of the TERI bankruptcy is not limited to ABS transactions, as there are TERI-guaranteed loans residing on bank balance sheets which may, therefore, end up performing well-below management expectations. While student loans are generally not a material component to a large commercial bank's profitability, unexpected losses on what were believed to be insured loans, will only add to the challenges facing banks in the current environment.

Summary

Fitch believes tighter underwriting standards and structural changes to the private education loan product will help peak investor interest in the collateral, but true market liquidity is not likely to return until investors have more information about how

private student loan portfolios perform in the current stressed environment and the ABS markets are fully functioning without government intervention.

Even so, ABS spreads are not likely to return to pre-2007 levels, which means that many lenders that have temporarily cut origination volume may need to reassess the long-term risk/return attributes of the business. Based on these dynamics, the private student loan market will find a new equilibrium; however, this may not align with public policy interests and could necessitate further legislative action to restore a healthier balance of financing for this asset class.

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The Boston Globe A late try to salvage student loans

Patrick calls on pension board, colleges to invest in agency bonds

By Casey Ross, Globe Staff | August 7, 2008

Governor Deval Patrick has asked the state pension fund to invest $50 million and will ask Harvard University and other local colleges to invest millions more to provide student loans to thousands of families struggling to pay college tuition bills that are due in the coming weeks.

Patrick's 11th hour proposal, floated among key officials yesterday, would prop up the troubled 26-year-old Massachusetts Educational Financing Authority, which announced last week that it would be unable to provide student loans for this school year because of turmoil in the nation's credit markets.

The proposal would entail the investment funds buying portions of a $425 million bond sale that MEFA is planning this month. The agency would use the proceeds to finance student loans.

"We have 40,000 students and families who need help, and we're right up against it," Patrick said in an interview with the Globe last night. "This is a sound investment for the pension board and the endowments."

The governor and his aides, along with state lawmakers, have been brainstorming ways to restore student loan funds for the past week. MEFA had previously offered low-cost, fixed-rate loans, but now borrowers have to look to other lenders whose loans may carry higher rates and higher costs.

Yesterday, Patrick's top budget aide, Leslie Kirwan, asked the state pension board to consider buying $50 million of the upcoming MEFA bonds. Administration officials also hope the state investment would be seen as a show of confidence in the bond market and MEFA, spurring purchase by other investors that could finance more loans.

Patrick said he intends to call officials today from Harvard, Boston College, the University of Massachusetts, and the Massachusetts Institute of Technology, among other schools, about making similar investments in MEFA bonds.

The chairman of the state pension board, state Treasurer Timothy Cahill, was noncommittal about Patrick's request, but said the board would consider it.

The pension fund staff "will examine the options legally available to invest in any debt issuance set up by MEFA and report back to the trustees before any action is taken," Cahill said through a spokeswoman.

With $51.7 billion in assets, the pension fund invests monies for state employees and retirees. And while it is unusual for the fund to use anything other than financial returns as grounds for investment, the board has already committed funds to local projects that are intended to produce economic and social benefits within Massachusetts. The program was a major policy goal of Cahill, who got the pension board to adopt it in 2003.

Even without Cahill's commitment, Patrick has a strong start on getting the board to adopt his measure, as he appoints three of its nine members, one of whom is Kirwan.

Another board member, Robert Brousseau, reacted favorably to Patrick's request and said he did not hear strong objections from fellow board members at yesterday's meeting.

"I can't see anybody opposing it, but we have to see the parameters of the investment and what form it would take," said Brousseau, who represents teachers on the board.

Patrick said he is seeking swift consideration from the pension fund board because MEFA is planning to hold its bond sale within two weeks.

"We need action," he said. "If they need to call a special meeting to approve this, then I hope they will."

Meanwhile, representatives of the local colleges said the institutions will consider the investment.

"We're always more than happy to have discussions with the governor," said John Longbrake, a spokesman for Harvard University, the governor's alma mater. "We welcome the opportunity to learn more about the challenges MEFA is facing and to discuss ways to address them."

Robert Connolly, a spokesman for UMass President Jack Wilson, said: "This is an idea we're definitely willing to explore. We do see it as a potential win-win in terms of providing the university with a sound investment while helping families cope with their financial aid challenges."

Officials at the student lending agency, meanwhile, said Patrick's plan carries minimal risk to the investment funds because MEFA's bonds provide reliable returns. Executive Director Tom Graf said the default rate on the authority's loans is less than 1 percent. "This plan allows" the pension board "to make a stable investment that is especially warranted in this financial climate," he said.

The problems in the bond market, which started with the foreclosure crisis and spread to other credit markets, have imperiled student lenders across the country, prompting more than 50 agencies to stop making federal or private loans.

Graf said the size of the upcoming bond sale may change based on investor interest. If the sale is a success, he hopes the agency will then be able to offer loans with rates below 8.5 percent, which is the current charge for Federal Plus loans. Last year, the authority's private 20-year loan rate was 6.39 percent.

The agency made $400 million in private loans in the last school year, and another $110 million in federal student loans.

State Senator Brian A. Joyce, who authored a letter last week signed by other legislators urging Patrick to support MEFA, applauded the governor's actions. "This critically important to an awful lot of Massachusetts families," he said. "The governor can use his bully pulpit to ask for some assistance, and I wholeheartedly support what he's doing."

Casey Ross can be reached at cross@globe.com. ■

AP Associated Press

NH working on student loan problem

By Kathy McCormack, Associated Press Writer | August 6, 2008

CONCORD, N.H. --Turmoil in the financial markets has driven many lenders out of the student loan market, leaving students struggling to pay their fall tuition. That's a problem that New Hampshire officials are working on.

Many students "are being frozen out from having the loans they were expecting," said Mark Connolly, director of the state Bureau of Securities Regulation.

"In the last several days, our office has been engaged in discussions with some of the participants who have been involved in securitizing these loans in our state," Connolly said Wednesday.

"We are trying to encourage these participants to bring liquidity to these loans so students can plan for their academic year. If we are unable to successfully encourage these participants to bring liquidity to our student loan market, we will take regulatory action that in part will address the issue," Connolly said.

Connolly said his office has been involved with many other states in looking at the auction-rate securities market -- short-term investments that are a popular way for companies and some wealthy investors to store their cash -- which has rippled into the student loan market.

Dozens of lenders have left the federal student loan program, though where that has happened other lenders have stepped in or students have turned to a smaller program in which the Education Department makes loans directly to students.

Last month, the Massachusetts Educational Financing Authority, which provided more than $500 million worth of college financing last year, said it would not provide private loans this year because of turmoil in the financial markets. That affected about 650 New Hampshire college students from Massachusetts.

Earlier this year, the New Hampshire Higher Education Loan Corp., the state's leading provider of student loan financing, said it was suspending its private loan program because of market conditions. That meant more than 6,000 students had to find another place to borrow money.

On the Net:

http://www.sos.nh.gov/securities/ ■

4/1/09

The Salt Lake Tribune http://www.sltrib.com

Paying for college

State stepping in as banks bail out of student loans

As the number of private lenders shrinks, Utah agency expects to help thousands of borrowers

By Brian Maffly
The Salt Lake Tribune
Salt Lake Tribune

Article Last Updated:08/15/2008 03:35:18 AM MDT

For the first time, the state of Utah has begun originating student loans, a shift that will ensure that any Utah college student who needs financial assistance can get it, although it will cost more.

The Utah Higher Education Assistance Authority (UHEAA), the agency that oversees financial aid to Utah students, is bracing for loan applications worth $100 million this academic year after big banks all but abandoned the federally guaranteed loan program.

Last fall, Congress cut what participating lenders could make on student loans at the same time money became more scarce. That created a double disincentive for financial institutions to lend to college students. With fewer lenders available, Utah students are expected to flock to UHEAA, agency director David Feitz told his board Thursday.

"We would rather have a full cadre of lenders, but that is unlikely to happen in the near future until Congress raises the yields," he said.

Adding to the pressure was a recent move by Congress to raise the maximum students can borrow by $2,000 (to $5,500 for freshman, $6,500 for sophomores and $7,500 for upperclassmen). Feitz estimated UHEAA will see applications worth one-fourth of the state's total student loan volume this coming year, but he won't know how much until students begin applying as they return to school.

"It could be $60 million, it could be $200 million," Feitz said of a development that represents a profound change in the way UHEAA conducts business.

UHEAA has access to $121 million to lend over the coming academic year.

The U.S. Department of Education promises to buy participating states' loans issued this year under the Federal Family and Education Loan program (FFELP). This would enable states to "recycle" the money back to students in the form of new loans. The UHEAA board voted unanimously Thursday to approve Utah's participation in the complex arrangement.

Feitz cautioned that the program, which runs only for one year, isn't a permanent solution to the liquidity mess that has caused "tremendous chaos" in the $50 billion system that subsidizes the popular Stafford and PLUS loan programs.

"Now we're calling on Congress and the departments of Treasury and Education to take additional action to further stabilize the student loan program for years to come," he said.

In recent months four banks - Wells Fargo, Zions, J.P. Morgan Chase and Key - pulled out of Utah's program, leaving only U.S. Bank. Fifteen credit unions, led by America First, still lend to students, but the banks' departure left a vacuum. Wells Fargo and Zions were the top lenders last year, accounting for more than half of the state's student loan volume.

Lenders also have become picky about which institutions they work with. One Utah school, Snow College, found itself with no lenders, so UHEAA last month began lending directly to students at the Ephraim school.

"Were in a pretty good place, a much better place than our sister agencies across the country," board chairman David Jordan said. "From the students' perspective, this will work. We will be able to help them without depleting our resources."

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Utah students can expect to pay more for college loans under steps taken by the Utah Higher Education Assistance Authority to preserve universal access to federally guaranteed loans.
But the news isn't all bad.

"I'm not aware of lenders offering better terms than what UHEAA is offering," said John Curl, the University of Utah's financial aid director. "We encourage students to research who they're going to get loans from and find the best terms they can get. They are going to have to pay more interest; that's unfortunate."

Congress last year cut the rate on some student loans from 6.8 to 6 percent. But in order to participate in an emergency federal bail-out measure, Utah slashed two rate reductions. Until now, students who had payments automatically drawn from their accounts received a 1.25-point reduction and another 2-point reduction after four years of timely payments. Losing these benefits adds $1,763 to the cost of servicing a $15,000 loan.

On Thursday, the UHEAA board suspended issuing consolidation loans to avoid tying up scarce capital needed to serve current students. Former students looking to simplify repayment plans have other options for consolidating their loans in the federal program.

But Utah students still get breaks on up-front costs of the most common loans, Stafford and PLUS. UHEAA continues to cover the 1 percent origination fee and 1 percent default fee, translating into a $100 subsidy on a $5,000 loan.
- Brian Maffly

Financial aid
* **Students who are considering borrowing** for college for the upcoming school year should start researching their options now, said John Curl, financial aid director at the University of Utah.
* **Students should consult the financial aid office** at their school, check Web sites that serve as information clearinghouses, such as finaid.org, or www.uheaa.org, the Web site for the Utah Higher Education Assistance Authority.

HB

113

<target><bill>HB 113</bill><subject>HB
113</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/09

FURTHER:

DATE TURNED IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 113(FIN) am(brf sup maj fld)

HB 113 SUPPLEMENTAL/CAPITAL/OTHER APPROPRIATIONS

"An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making appropriations to capitalize funds; and providing for an effective date."

and recommends:

[N] be **replaced** with [X] **SCS** or [ ] **CS** HB113 (F,N)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[X] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[✓] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stevens	✓			

Adopted 4/19/09

26-GH1005\M.1
Kane
4/18/09

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR HOFFMAN

TO: SCS CSHB 113(FIN), Draft Version "M"

Page 28, following line 18:

Insert a new subsection to read:

"(c) For the appropriations made in (a) and (b) of this section, it is the intent of the legislature that

(1) the funds be used solely to plan, coordinate, and facilitate construction, ownership, and management of a natural gas pipeline serving Fairbanks, the Southcentral region of the state, and other communities wherever practicable, connecting with or enhancing the existing gas pipeline system, and reaching to tidewater;

(2) the funds be used for a full alternative analysis of possible routes;

(3) an economically feasible in-state pipeline and any connecting lines serve industrial, residential, and utility customers along the entire route, including any other regions of the state that could be served at commercially feasible rates;

(4) the Office of the Governor use the appropriations to

(A) coordinate with entities that could build, own, and operate the line;

(B) assist with preparing cost estimates for the project to determine its economic feasibility and cost to consumers;

(C) apply for and obtain right-of-way permits for the project route, with the intent that the state would transfer the permits to, and receive compensation for the permits from, the entity best able to complete the project;

(D) work with other entities to promote the gas supply and gas purchase contracts that would be required for the project to be commercially

viable;

(5) the coordination effort by the Office of the Governor use, to the fullest extent possible, any and all existing work by other state agencies before contracting for new reports, research, and analyses, and that the coordination effort by the Office of the Governor not expand beyond the scope of coordinating interests to build, own, and operate the gas line;

(6) the Office of the Governor submit written monthly reports to the president of the senate, the speaker of the house of representatives, and all legislators, listing all current and future contracts executed for development of an in-state natural gas pipeline and specifying the scope of work and contract amount, a cumulative total monthly of all funds spent for development of an in-state natural gas pipeline, reporting progress to date on the project work plan, and presenting a work plan for each subsequent month."

Analysis of Governor's Supplemental Request

Monday, April 06, 2009

									General Funds	Federal Funds	Other Funds	Total Funds
					SupOp Reductions	-59,059.7	Operating		(59,059.7)	53,634.3	(7,023.7)	(12,450.8)
			delete		Unallocated Reductions	-11,647.4		unallocated reductions	-	-	-	-
			undecided		GF Operating Impact	-70,707.1		lapse extensions	-	-	-	-
			in bill					specific reductions	(20,507.4)	(13,500.0)	(4,333.7)	(38,341.1)
								items remaining for consideration	(38,552.3)	67,134.3	(2,690.0)	25,890.3
					GF Capital Impact	3,260.9	Capital		3,260.9	2,416.5	21,773.5	24,663.9
								reappropriations from dead projects	(350.4)	(53.5)	(1,166.4)	(4,357.3)
								new projects	3,611.3	2,470.0	22,939.9	29,021.2
					Net GF Impact	-67,446.2	Total		(55,798.8)	56,050.8	14,749.8	12,213.1
							Reappropriated to the Capital Income Fund		2,787.0			
							Appropriated from the Capital Income Fund		5,950.0			
							Net addition to the Capital Income Fund		(3,163.0)			

Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		1	Recommendation			**Unallocated Operating Reductions**		**Recommendation: Exclude all unallocated reductions.** **PRO:** --The purpose of a supplemental bill is to provide additional funds where the funds are needed. There is little reason to reduce operating appropriations that will lapse at year-end without any action. --The Governor has directed commissioners to achieve the savings and the funds have been restricted. --Accepting the reductions may imply that the legislature believes the reductions are sufficient, when these reductions fall short of the $20 million target set long before oil prices fell. **CON:** --Restrictions could be lifted unless the amounts are repealed, but this appears to be an unlikely event. --Rejecting the reductions may appear to imply that the legislature does not support reductions --Money could be used offset FY2010 appropriations (for example, Debt Retirement Fund) **Alternative:** Accept unallocated reductions for agencies that request supplemental appropriations the legislature finds undesirable					
		2	1		1	Administration	Office of the Commissioner	Departments have implemented savings plans and this unallocated reduction will allow the commissioner to apply the reduction to the specific components in which the savings will be achieved.	(1,100.0)				(1,100.0)
3/13/2009	DOA 1	3	202		1	Administration	Office of the Commissioner	Reduce the savings target unallocated reduction by $107.6 already submitted as a separate transaction in Retirement and Benefits.	107.6				107.6
		4	10		1	Commerce	Commissioner's Office		(80.0)				(80.0)
		5	11		1	Corrections	Office of the Commissioner		(750.0)				(750.0)
		6	13		1	Education	Executive Administration		(270.0)				(270.0)
		7	14		1	Environ Cons	Office of the Commissioner		(390.0)				(390.0)
		8	18		1	Fish and Game	Commissioner's Office		(1,000.0)				(1,000.0)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
		9	22		1	Governor	Unallocated Reduction		(465.0)					(465.0)
		10	29		1	HSS	Unallocated Reduction		(4,760.0)					(4,760.0)
		11	31		1	Labor	Commissioner's Office		(330.0)					(330.0)
		12	35		1	Law	Office of the Attorney General		(980.0)					(980.0)
		13	39		1	Natural Resources	Commissioner's Office		(1,240.0)					(1,240.0)
		14	59		1	Revenue	Commissioner's Office		(390.0)					(390.0)
		15	61		1	Transportation	Commissioner's Office		(1,500.0)					(1,500.0)
		16		**None Accepted**		**Subtotal--Unallocated Reductions**		**None Accepted**	**(13,147.4)**	-	-	-		**(13,147.4)**
		17												
		18												

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds	
		19	Recommendation			**Operating Lapse Extensions**		**Recommendation: Temporarily exclude all operating lapse extensions.** Operating lapse extensions circumvent the subcommittee process; they add money to the FY2010 budget without the benefit of subcommittees review. Subcommittees should have the opportunity to see the full budget for FY2010. These should be resubmitted as FY2010 increments and allowed as lapse extensions only after review in conjunction with the operating budget.						
		20												**OMB Response to Request for Operating Budget Amendment**
		21		Allow, per HFC	6	Administration	AOGCC	Extend lapse date of AOGCC appropriation for reservoir depletion studies, sec. 61(d), ch. 30, SLA 2007, as amended by sec. 34(a), ch. 29, SLA 2008, from June 30, 2009 to June 30, 2010. The estimated carryforward amount is $1.4 million.						Some of the money is currently being used to perform a similar study of the Pt. Thomson reservoir. Although this study has been underway for over 2-1/2 years, it is far from being completed due to numerous delays, all beyond the control of the AOGCC. These delays have all been due either to the litigation between the DNR and Exxon/Mobil or to internal process issues at Exxon/Mobil. The results of this study will assist the AOGCC in determining the appropriate gas off take allowable from the Pt. Thomson reservoir for sale into a North Slope gas line. AOGCC's goal is to complete the Pt. Thomson study during FY2010 but, given their lack of control over the schedule, it is very possible that the study may extend beyond that time. It is also possible that some funds may be used to study new issues, to update the Prudhoe study, and/or to hire consultants to testify at hearings.
3/13/2009	DOL 3	22		Allow, per HFC	10a	Labor	Commissioner's Office	Sec. 10(a) $100,000 to the Commissioner's Office for a detailed occupational forecast to be prepared by the department's Research and Analysis section and continued funding for three Steering Committee and Regional Training Center coordination meetings through June 30, 2010.						100.0 was not requested in FY2010
3/13/2009	DOL 4	23		Allow, per HFC	10b	Labor	Labor Market Information	Sec. 10(b) $145,000 to the Labor Management Information component for development and dissemination of regional employment data products and continued development of a web and print based Alaska Training Program guide through June 30, 2010.						Replaces FY2010 request for 145.0. Use lapse from Commissioner's Office
3/13/2009	DOL 5	24		Allow, per HFC	10c	Labor	Business Services	Sec. 10(c) $80,000 to the Business Services component for training and related instruction to at least 70 apprentices at Regional Training Centers for Gasline related occupations; and funding for cooperative training agreements with business and industry for registered apprentices and structured on-the-job training for approximately 125 workers through June 30, 2010.						In combination with 505.0 in HFC operating budget, matches 585 request
3/13/2009	DOL 6	25		Allow, per HFC	10d	Labor	Workforce Investment Board	The unexpended and unobligated general fund balance, not to exceed $85,000, of the appropriation made in sec. 1, ch. 27, SLA 2008, page 28, line 27, is reappropriated to the Department of Labor and Workforce Development, Workforce Investment Board for continuing gasline activities, for fiscal year ending June 30, 2010.						In combination with 45.0 in HFC operating budget, matches 130.0 request

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		26	[redacted]	Allow, per HFC	13	Natural Resources	Oil & Gas	Extend lapse date on sec. 24(p), ch. 159, SLA 2004 Gasline Right of Way and Application from June 30, 2009 to June 30, 2011. Due to the number of projects under development and the work involved with right of ways and associated permitting there is huge demand for work not covered by the companies involved: ANGDA, ENSTAR, Denali and TransCanada. The estimated carryforward is $2,965,800.	This $3.9 million appropriation for permitting and application processing for gas line right of way work was originally requested as a capital project as the department knew the amount of work would vary from year-to-year and would take years to complete. The legislature, however, made it a five-year operating appropriation. The department's original reasoning still applies and that is why the extension through FY2011 is requested in the supplemental bill.				
		27	[redacted]	Allow, per HFC	14a	Revenue	Resource Rebate	Extend lapse date from June 30, 2009 to June 30, 2010 for the Alaska Resource Rebate Program, appropriated in sec.1(b), ch. 1, 4SSLA 2008, in order to finalize determinations for approximately 10,000 applicants in some stage of having their eligibility determined, already denied but not yet appealed, or in appeal status.	The lapse extension will allow the department to have the necessary funding to finalize the determinations of the approximately 10,000 applicants in some stage of eligibility review and to pay the rebate should the applicant prevail. The department is not able to estimate the funding needed to finalize these cases. The resource rebate was truly a one-time appropriation.				
3/13/2009	DOT 4	28	[redacted]	Federal requirement	15e	Transportation	Central Region Highways and Aviation	Extend the lapse date from June 30, 2009 to June 30, 2014 for the $10 million federal funds appropriated for Adak airport operations. the estimated balance is $6.2 million.□ The Memorandum of Agreement signed by the Navy and the State require the funds provided for facility maintenance and operations to be spent solely on the Adak airport.					
[redacted]	[redacted]	29	[redacted]	Could wait because this is a lang change...but need ratification anyway		Transportation	Central Region Support Services	Extend the lapse date for costs related to Environmental Protection Agency enforcement actions and settlement costs, made in sec. 28(e), ch. 11, SLA 2008, page 105, lines 29 - 31 and page 106, line 1, from June 30, 2009 to June 30, 2010.					
		30	113	Per OMB, the lapse extension may be deleted.		Education	ACPE - Program Administration & Operations	Extend lapse date from June 30, 2009 to June 30, 2011 for the Mental Health Employee Loan Repayment Program, which is appropriated and allocated in sec 1, ch. 28, SLA 2008, page 2, line 31 - page 3, lines 3 - 5. This program makes payments on participant education loans over eight quarters. The lapse extension is necessary to be able to make payments for the entire period.					
		31	139	OMB offset		Labor	Commissioner's Office	The $850.0 fiscal note for ch. 22, SLA 2007 (HB 177, AGIA) was appropriated in sec. 2, ch. 28, SLA 2007, page 44, line 22. Sec 34(e), Ch 29, SLA 2008, Pg 210, Ln 22 extended the lapse date to June 30, 2009. The department will not spend the entire amount in FY09, therefore they request that the lapse date be extended through June 30, 2010 in order to complete the work with the estimated balance of $325.0.	The legislature agreed to extend this gas pipeline-related item last session. The department is continuing its AGIA-related work to deliver a comprehensive training program to provide a prepared Alaska workforce for the Alaska Gas Pipeline. Activities include continued funding of Steering Committee and Regional Training Center coordination meetings as well as a detailed occupational forecast to be prepared by the department's Research and Analysis section.				

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds	
3/13/2009	DOL 2	32	215	OMB offset		Labor	Commissioner's Office	Replace Sec. 10 - The previous supplemental request to extend the lapse date of funding received through the fiscal note for ch. 22 SLA 2007 (HB177, AGIA), is being replaced with the following three lines in order to distribute the $325.0 estimated lapse funding to separate components for ongoing gasline activities.						
		33	142	in OpBud		Law	Second Judicial District	Extend the lapse date for the Sexual Assault/Domestic Violence Federal Earmark, made in sec. 27(d), ch. 11, SLA 2008, page 104, line 29 (SB 256), from June 30, 2009 to June 30, 2010 Further extending the lapse date to June 30, 2010 will enable the department to continue to fund additional attorneys and paralegals in Bethel, Barrow and Anchorage to aid in the prosecution of domestic violence as well as adult and child sexual assault cases. It is estimated that approximately $89,700 would be available to carry forward.	The lapse extension is for federal receipts from the Department of Justice grant to stop violence against women.					
		34	143	in OpBud		Law	Third Judicial District: Anchorage	Same as OMB 142	The lapse extension is for federal receipts from the Department of Justice grant to stop violence against women.					
		35	144	in OpBud		Law	Fourth Judicial District	Same as OMB 142	The lapse extension is for federal receipts from the Department of Justice grant to stop violence against women.					
		36	145	in OpBud		Law	BP Corrosion	Extend the lapse date for the BPXA Corrosion Litigation appropriation made in sec. 1, ch. 27, SLA 2008, page 31, line 20, from June 30, 2009 to June 30, 2010 Further extending the lapse date to June 30, 2010 will enable the department to pursue claims for penalties and lost revenues for the 2006 Prudhoe Bay pipeline spills and production shutdowns. It is estimated that approximately $1,900,000 would be available to carry forward.	The Governor has requested an FY2010 operating budget amendment for $3.5 million					
		37												
		38												
		39												

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
		40	Recommendation			**Specific Operating Reductions**		**Recommendation: Review specific operating reductions.** There is perhaps no harm in specific reductions, but the reason for reducing authorization should be a desire to force spending reductions. In most of these cases, the authority has been identified as excess and money is expected to lapse at year-end. On the other hand, historic data series report the level of authorization. Reducing authorization improves the data series. Perhaps more importantly, it assures that reductions are made rather than passively allowing unused money to lapse.						
		41	[redacted]		8d	Education	School Performance Incentive program	Based on prior year trends, the department believes that only $2.5 million will be needed for this program in FY09, freeing up $2.3 million.	(2,300.0)					(2,300.0)
		42	[redacted]		1	HSS	Behavioral Health Medicaid	Reduce GF and federal authorizations based on current trends and projections.	(8,100.0)	(8,100.0)				(16,200.0)
		43	[redacted]		1	HSS	Medicaid Services	Reduce GF due to reduction of RSA with Nursing due to recent determination of error in billing methodology. See related items in Nursing and Administrative Support Services. A corresponding FY10 budget amendment is likely.	(2,000.0)					(2,000.0)
		44	[redacted]		1	HSS	Senior & Disabilities Medicaid Services	Reduce GF and federal authorizations based on current trends and projections.	(5,400.0)	(5,400.0)				(10,800.0)
		45	[redacted]		1	Revenue	ARM Board	Reduce the $300,000 one-time item for the estimated cost of an independent audit of the state's actuary. The actual cost of the audit contract is $135,000, so funding may be reduced.			(165.0)	(107.6) PERS (55.2) TRS (1.5) Jud Retire (0.7) Nat Guard Retire		(165.0)
		46	[redacted]		1	Transportation	International Airport Systems Office	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. This reduces the amount to be spent on a feasibility study and contract consulting fees. These services will be performed by the Controller and other AIAS staff.			(16.2)	International Airport Revenue Funds		(16.2)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		47	[redacted]		1	Transportation	Anchorage Airport Administration	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Reduce contractual services for Anchorage Airport Administration. Public relations, cargo, passenger marketing services and capital improvement project support contracts were all reduced.			(281.0)	International Airport Revenue Funds	(281.0)
		48	[redacted]		1	Transportation	Anchorage Airport Field and Equipment Maintenance	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Reduce Anchorage Airport Field and Equipment Maintenance snow removal services contract and equipment rentals. Snow removal will be for priority areas only. Lease agreements will be reviewed to ensure tenants provide their own snow removal and do not request services from the Anchorage Airport. Only priority equipment rentals will be approved (loaders, other large equipment).			(400.0)	International Airport Revenue Funds	(400.0)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
		49	[redacted]		1	Transportation	Anchorage Airport Operations	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Reduce Anchorage Airport Operations contractual services, commodity and equipment budget. Priority only items will be approved. A reduction in contractual services will reduce the contract for airport parking services.			(80.0)	International Airport Revenue Funds		(80.0)
		50	[redacted]		1	Transportation	Anchorage Airport Safety	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Reduce Anchorage Airport Safety contract for unarmed security at the Anchorage Airport. The coverage previously provided will be monitored using current on duty Police and Fire Officers as well as other contracted unarmed guards.			(254.0)	International Airport Revenue Funds		(254.0)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		51	[redacted]		1	Transportation	Fairbanks Airport Safety	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Delete funding for a part-time Radio Dispatcher II, PCN 25-3471. With a decrease in airport activity, the transfer of this PCN without funding to Statewide Aviation and the deletion of funding for this position will have little impact on the Fairbanks Airport. This action was taken as part of the FY10 Governor's Budget.			(47.3)	International Airport Revenue Funds	(47.3)
		52	[redacted]		1	Transportation	Anchorage Airport Facilities	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Reduce contractual services for Anchorage Airport Facilities. A maintenance contract was cancelled in FY07 and those services were provided from newly created maintenance positions as well as individual contracts for services (such as window washing). These changes resulted in cost savings that are included in this reduction.			(800.0)	International Airport Revenue Funds	(800.0)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
		53	[redacted]		1	Transportation	Fairbanks Airport Field and Equipment Maintenance	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Delete funding for a full-time equipment operator position, PCN 25-2997. This position is no longer needed and will be transferred to Statewide Aviation where it will be reclassified to an Administrative Assistant II. In addition, a time status change for PCN 25-2992, Equipment Operator Journey from full-time to part-time seasonal has been implemented to better focus staffing resources on airfield snow and ice removal during the winter. These actions were also taken as part of the FY10 Governor's budget.			(157.4)	International Airport Revenue Funds		(157.4)
		54	[redacted]		1	Transportation	Fairbanks Airport Operations	Reduce Operating Budget in Response to Airline Carrier Economic Operating Environment In response to a multitude of requests for economic relief from airline carriers, the Commissioner and Deputy Commissioner directed the Alaska International Airport System (AIAS) to implement certain operating and capital cost reductions to stabilize rates and fees. This response was in recognition of the deterioration of the economic operating environment in which AIAS customers operate. Funding for PCN 25-3367, Engineering Assistant II, can be deleted. PCN 25-3367 was transferred without funding to Statewide Aviation as part of the FY10 Governor's budget to be utilized as a Transportation Planner I. In addition, PCN 25-2999 was reclassified from an Operations Superintendent to an Operations Officer.			(117.0)	International Airport Revenue Funds		(117.0)
		55	[redacted]		17(b)	Debt Reimbursement	School Construction Debt Reimbursement	School construction bonds issued are below what was originally projected for FY2009.			(2,015.8)	Debt Retirement Fund		(2,015.8)
		56	[redacted]		17(b)	Debt Reimbursement	School Construction Debt Reimbursement	FY2009 projections of the cigarette tax revenue to the School Fund are above the original estimates, so funds are available to supplant the amount drawn from the Debt Retirement Fund.				(600.0) DRF 600.0 School Fund		-

FY2009 SUPPLEMENTAL REQUESTS

Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
								Net addition to the Capital Income Fund	(3,163.0)				
		57	[redacted]		17(a)	Debt Service	Administration Lease Financing	Name Change Only -- Sec. 27(l)(4), ch. 27, SLA 2008, page 86, line 6 - the name of the facility needs to be updated: Goose Creek [POINT MACKENZIE] Correctional Center [FARM]					-
		58	[redacted]		17(a)	Debt Service	Administration Lease Financing	Repeal the debt service appropriation for the Spring Creek Correction Center -- Sec. 27(l)(2), ch. 27, SLA 2008, page 86, line 4 since bond payments will not be due until FY2010.	(1,755.6)				(1,755.6)
		59	[redacted]		17(a)	Debt Service	Administration Lease Financing	Repeal the debt service appropriation for the Yukon Kuskokwim Correction Center -- Sec. 27(l)(3), ch. 27, SLA 2008, page 86, line 5 since bond payments will not be due until FY2010.	(951.8)				(951.8)
		60				**Subtotal--Specific Reductions Accepted**			**(20,507.4)**	**(13,500.0)**	**(4,333.7)**	-	**(38,341.1)**
		61	118			Education	School Performance Incentive program	This subsection appropriates the amount necessary if the $2.5 million left in the appropriation is insufficient to make the payments.					-
		62	56		1	Public Safety	VPSO Contracts	The department has not been able to utilize the full VPSO Contract authority due to the inability of the grantees to hire VPSO's. Therefore, the department is reducing this amount to help fund other supplemental needs.	(1,100.0)				(1,100.0)
		63	175	Reject, does not lapse		Debt Service	Debt Retirement Fund	Reduce general fund capitalization for School Debt Reimbursement as additional School Fund (cigarette tax revenue) funding is available per the Fall 2008 Revenue Sources Book, Figure 5-3, page 67.	(600.0)				(600.0)
		64	176	Reject, does not lapse		Debt Service	Debt Retirement Fund	School construction bonds issued are below what was originally projected for FY2009, requiring less GF capitalization of the Debt Retirement Fund. General fund capitalization after both transactions is $104,427,500.	(2,015.8)				(2,015.8)
		65	177	Alternate plans		Special Appropriations	Oil and Gas Tax Credit Fund	Reduce the FY2009 appropriation for oil and gas tax credits from $400 million to $200 million to reflect the Department of Revenue's updated estimate for this fiscal year.	(200,000.0)				(200,000.0)
		66											
		67											

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
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		68	Recommendation			**Operating Requests**		**These are operating appropriations that appear to be legitimate supplemental requests** None of the items appear to require fast track action, but OMB should be asked about the need for speed.						
		69	[redacted]		1	Administration	Office of Public Advocacy	Authorization is needed to accept and spend two federal grants. The two grants are Court Appointed Special Advocate (CASA) program funds from the National CASA Program. One is for $31,000.00 and the other is for $1,949.00 for a total of $32,949.00. Both were awarded to the Office of Public Advocacy after the end of the last legislative session.		33.0				33.0
		70	[redacted]		1	Administration	Public Defender Agency	Caseload and cost increases - For the 1st half of FY2009, the Public Defender Agency has experienced caseload growth in the following key areas: The Anchorage Criminal Section has experienced an 11% increase for all cases, a 30% increase in felony petitions to revoke probation, a 14% increase in misdemeanor cases, and a 70% increase in misdemeanor petitions to revoke probation. Fairbanks has experienced a 5% increase in felony cases and a 14% increase in juvenile delinquency cases. The Civil Section within the Public Defender Agency has experienced a 7% increase in all cases, a 15% increase in juvenile delinquency cases, and a 9% increase in civil commitment cases. The Palmer office has seen a 35% increase in Child in Need of Aid (CINA) cases. Multi-year trends show significant increases over the past five years and predict caseload increases for FY2009. Statewide closing rates, however, are below 100% for the most complex caseloads, which indicates an increase in workload due to the increasing complexity of casework and trial preparation.	1,000.0					1,000.0
		71	[redacted]		1	Administration	Retirement and Benefits	This adjustment is necessary to properly allocate costs of the defined contribution plan, Tier 4, to the correct fund sources, per the fiscal note for Ch. 9, FSSLA2005 An Act relating to the teachers' and public employees' retirement systems and creating defined contribution and health reimbursement plans (SB 141).	(107.6)		154.1	120.0 PERS 34.1 TRS		46.5

FY2009 SUPPLEMENTAL REQUESTS

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Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		72	[redacted]		1	Administration	Group Health Insurance	The Division of Retirement and Benefits is preparing to re-bid the health benefits Third Party Administrator (TPA) contract and needs additional funding to have the healthcare consultant (Buck) help prepare information for the bid process, audit the performance of the current TPA contractor, and analyze the long term care projections to determine if the State is carrying adequate reserves.			250.0	Group Health and Life Benefits Fund	250.0
		73	[redacted]		1	Administration	EPORS	Actual increased program retirement and health benefits	85.0				85.0
		74	[redacted]		1	Administration	Motor Vehicles	Additional funding is needed to provide for the purchase of license plates, driver manuals, and license tabs. The plates, manuals and tabs were previously funded in the capital budget. When the budget was established in the operating budget, the division underestimated the annualized costs and the amount added was insufficient to cover the costs now being incurred. In addition, some materials costs have increased. It is critical that Division of Motor Vehicles not run out of these materials and have to stop issuing licenses and plates. The funding requested here is necessary to purchase sufficient stock and inventory for the remainder of FY2009.			562.8	Receipt Supported Services	562.8
3/13/2009	DOC 1	75	[redacted]		1	Corrections	Anchorage Correctional Center	This is a fund source change reducing the current general fund authorization and increasing the federal receipt authorization. The Department of Corrections continues to see a fluctuation in the numbers of federal mandays which affects the dollar amount of federal receipts. At this date, the department is projecting FY2009 federal receipts to be over collected between $900,000 and $1,000.000. This number of mandays is based on a trend observed in the first half of FY2009 of increased federal holds which is currently anticipated to continue during the next five months of the fiscal year.	(1,000.0)	1,000.0			-

FY2009 SUPPLEMENTAL REQUESTS

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Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		76	[redacted]		1	Corrections	Inmate Health Care	The department is requesting a supplemental of $1,405.8 for increased inmate health care costs that includes fees-for-service, increased release medications for mentally ill inmates, and Inmate Health Care staff cost overages due to overtime for 24-hour medical coverage. $646.4 shortfall is projected in the in-state and out-of-state medical fees for service. The department is seeing an increase in chronic disease associated with diabetes, cancer, heart disease, surrounding health-related issues due to obesity, and health issues associated with care for geriatrics. $361.0 shortfall is projected for psychotropic drugs. As of September 2008, the department's Mental Health Unit began providing additional release medications to inmates with serious chronic mental illness as an interim measure until treatment begins with a community mental health provider. $398.4 shortfall is projected for overtime for 24-hour medical coverage; contractual nursing shortages; and the successful hiring of a Forensic Psychiatrist.	1,405.8				1,405.8
		77			1	Courts	Trial Courts	Utilities and Service Contracts Shortfall A corresponding increase for $725.0 is in the FY10 budget.	390.0				390.0
		78	[redacted]		1	Courts	Judicial Conduct	Funds are needed for Special Counsel Attorneys fees from formal disciplinary proceedings that are in excess of the budget for this type of expenditure.	33.2				33.2
		79	[redacted]		1	Fish and Game	Commercial Fisheries Special Projects	Transfer excess SDPR from Commercial Fisheries Special Projects to Administrative Services to cover indirect receipt costs The FY10 budget contains a corresponding transfer.			(145.0)	Statutory Designated Prgm. Rcpts.	(145.0)
		80	[redacted]		1	Fish and Game	Commercial Fisheries Special Projects	Transfer excess SDPR from Commercial Fisheries Special Projects to Fish and Game Boards and Advisory Committees to cover public information requests. The FY10 budget contains a corresponding transfer.			(6.0)	Statutory Designated Prgm. Rcpts.	(6.0)
		81	[redacted]		1	Fish and Game	Commercial Fisheries Special Projects	Transfer excess SDPR from Commercial Fisheries Special Projects to Habitat to cover the North Slope Borough Teshekpuk Lake Studies.			(22.0)	Statutory Designated Prgm. Rcpts.	(22.0)
		82	[redacted]		1	Fish and Game	Administrative Services	Transfer excess SDPR from Commercial Fisheries Special Projects to Administrative Services to cover indirect receipt costs. The FY10 budget contains a corresponding transfer.			145.0	Statutory Designated Prgm. Rcpts.	145.0
		83	[redacted]		1	Fish and Game	Fish and Game Boards and Advisory Committees	Transfer excess SDPR from Commercial Fisheries Special Projects to Fish and Game Boards and Advisory Committees to cover public information requests. The FY10 budget contains a corresponding transfer.			6.0	Statutory Designated Prgm. Rcpts.	6.0

FY2009 SUPPLEMENTAL REQUESTS

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		84			1	Fish and Game	Habitat	Transfer excess SDPR from Commercial Fisheries Special Projects to Habitat to cover the North Slope Borough Teshekpuk Lake Studies.			22.0	Statutory Designated Prgm. Rcpts.	22.0
		85			1	Fish and Game	Wildlife Conservation Special Projects	Additional statutory designated program receipt authority is needed to accept funds from the National Fish and Wildlife Foundation to support two new research projects related to Dall Sheep and Grizzly Bears in northern Alaska. Additional EVOS authority is needed for continued research on Harlequin Ducks in Prince William Sound. Reduce excess federal and interagency receipt authority.		(100.0)	100.0	50.0 EVOS 160.0 SDPR (110.0) I/A Rcpts	-
		86			1	Governor	Executive Office	Transfer AGIA Coordinator PCN and funds to DNR (PCN 01-802X) $158.0 from personal services and $25.0 from travel.	(183.0)				(183.0)
3/13/2009	GOV 1	87			1	Governor	Executive Office	Transfer PCN 01-919X along with personal services, services and commodities funding to the Department of Natural Resources for gas pipeline work.	(207.0)				(207.0)
3/13/2009	HSS 2	88			1	HSS	Energy Assistance Program	Additional federal authority needed to receive Low Income Home Energy Assistance Program (LIHEAP) contingency funds in FY09.		9,900.0			9,900.0
3/13/2009	HSS 3	89			1	HSS	Children's Medicaid Services	FMAP change due to Economic Stimulus. Increases FMAP by 6.2% and provides for a 1.95% hold harmless provision. The department calculated this amount based upon their understanding that the new FMAP will apply only to base Medicaid expenditures and not to any parts of the program that receive an enhanced Medicaid rate.	(460.3)	460.3			-
3/13/2009	HSS 4	90			1	HSS	Foster Care Base Rate	Same as OMB 208	(767.7)	767.7			-
3/13/2009	HSS 5	91			1	HSS	Behavioral Health Medicaid Services	Same as OMB 208	(7,525.3)	7,525.3			-
3/13/2009	HSS 6	92			1	HSS	Adult Preventative Dental Medicaid Services	Same as OMB 208	(377.0)	377.0			-
3/13/2009	HSS 7	93			1	HSS	Medicaid Services	Same as OMB 208	(25,126.0)	25,126.0			-
3/13/2009	HSS 8	94			1	HSS	Senior and Disabilities Medicaid Services	Same as OMB 208	(19,711.4)	19,711.4			-
		95			1	HSS	Probation Services	Funds necessary for guard hires for escorts, travel for juveniles who are not Medicaid-eligible, psychiatric evaluations that are not Medicaid-eligible and other various court-ordered costs. Recipients of the funds are youth either in division custody or under court order to receive specified services. The department previously received legislative direction to bring these costs forward as supplementals rather than include them in the base budget.	250.0				250.0

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Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
		96	[redacted]		1	HSS	Commissioner's Office	Interim management contract for Mary Conrad Center. The state suspended the license and assumed management of the facility on Dec 18, 2008. A plan of correction required by the federal Centers for Medicare and Medicaid Services has been developed to address the identified deficiencies. Implementation of that plan is directed by state staff working with a nursing consulting firm. These funds will be used to pay the nursing consulting firm as well as contracted security personnel. The current owners of the facility are trying to negotiate a sale of the facility and operations.	500.0					500.0
		97	[redacted]		9(a)	HSS	Medicaid Services	Payment Error Rate Measurement (PERM) is a new, ongoing federal audit program. If the PERM audits find that providers have been overpaid, the federal funds must be reimbursed to CMS within a very short period of time. We anticipate getting the audit findings in April or May and have to report them in the quarter ending June 2009. This is our best estimate of potential overpayments for all Medicaid direct service components.	450.0		50.0	Statutory Designated Prgm. Rcpts.		500.0
		98	[redacted]	Move to sec 1	1	HSS	Probation Services	Miscellaneous Claim in the amount of $298.75 from FY06. The invoice from the Bristol Bay Area Health Corporation was not received until June 2008.	0.3					0.3
		99	[redacted]	Move to sec 1	1	HSS	Alaska Pioneer Homes	Pioneer Homes have been collecting more revenues than projected from the residents' own resources, enabling them to reduce GF and increase RSS to stay authorization-neutral. They do not think there will be an effect on the FY10 budget since this revenue stream varies from year to year.	(740.0)		740.0	Receipt Supported Services		-
		100	[redacted]	Move to sec 1	1	HSS	Children's Services: Children's Services Management	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Administrative Support Services, Front Line Social Workers, Information Technology and Women, Children and Family Health. A corresponding FY10 budget amendment is likely.	165.0		(165.0)	I/A Receipts		-
		101	[redacted]	Move to sec 1	1	HSS	Children's Services: Front Line Social Workers	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Administrative Support Services, Children's Services Management, Information Technology and Women, Children and Family Health. A corresponding FY10 budget amendment is likely.	955.3		(955.3)	I/A Receipts		-
		102	[redacted]	Move to sec 1	1	HSS	Public Health: Nursing	Increase GF due to reduction of RSA with Medicaid Services due to recent determination of error in billing methodology related to Nursing. See related items in Medicaid Services and Nursing. A corresponding FY10 budget amendment is likely.	4,000.0		(4,000.0)	I/A Receipts		-

FY2009 SUPPLEMENTAL REQUESTS

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		103	[redacted]	Move to sec 1	1	HSS	Public Health: Women, Children and Family Health	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Administrative Support Services, Children's Services Management, Front Line Social Workers and Information Technology. A corresponding FY10 budget amendment is likely.	347.8		(347.8)	I/A Receipts	-
		104	[redacted]	Move to sec 1	1	HSS	Dept. Support Services: Administrative Support Services	Increase GF due to reduction of RSA with Medicaid Services due to recent determination of error in billing methodology related to Nursing. See related items in Medicaid Services and Nursing. A corresponding FY10 budget amendment is likely.	800.0	(800.0)			-
		105	[redacted]	Move to sec 1	1	HSS	Dept. Support Services: Administrative Support Services	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Children's Services Management, Front Line Social Workers, Information Technology and Women, Children and Family Health. A corresponding FY10 budget amendment is likely.	431.5		(431.5)	I/A Receipts	-
		106	[redacted]	Move to sec 1	1	HSS	Dept. Support Services: Information Technology	Increase GF due to identified problems with School Based Claims process and resulting reduction in achievable revenues. See related items in Administrative Support Services, Children's Services Management, Front Line Social Workers and Women, Children and Family Health. A corresponding FY10 budget amendment is likely.	216.5		(216.5)	I/A Receipts	-
		107	[redacted]	Revised from 217.6 to 105.8 on 3/28 per HSS	1	HSS	Foster Care Special Needs	Miscellaneous claim for denied Medicaid billing from Providence Medical Center in FY06. A child in foster care with an emergency medical condition was hospitalized for surgery and recovery. The foster parents realized they would not be able to deal with the child's medical needs, so the child stayed in the hospital until a specialized foster home placement could be found. The department was notified of the unpaid bill in August 2008. The exact amount of the invoice is $217,603.41.	105.8				105.8
3-Apr-09	HSS 10	108	246	item 107 revised in 3/28 version of sheet		HSS	Foster Care Special Need	This amendment reduces the amount of the original supplemental request from $217,603.41 to $105,825.63 (reduction of $111,777.78) based on a revised billing from Providence Alaska Medical Center for services provided from June 26, 2006 to September 26, 2006 to a foster care child.					0.0
		109	138	Unnecessary		HSS		Reflects fund source changes from sec. 9(h)-(k)					-
3/13/2009	DOL 1	110	[redacted]		1	Labor	Unemployment Insurance	The division has received additional federal revenue from operating grants (due to an increase in UI contingency funds earned) that can be used to offset a portion of the FY2009 general funds needed for operations.	(699.6)	699.6			-

FY2009 SUPPLEMENTAL REQUESTS

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3/13/2009	DOL 7	111	[redacted]	no transaction required	10(e)	Labor	Technical Vocational Education Program	The wrong account was cited in sec. 71, ch. 29, SLA 2008, page 226 - appropriating funds for operating expenditures. The account cited was the Vocational Education account (AS 37.10.200), instead of the Alaska Technical Vocational Education account (AS 23.15.830).					-
		112	[redacted]		11(a)	Law	Deputy Attorney General's Office	Judgments and Settlements The actual amount of the FY2009 Judgments and Settlements that are finalized as of February 2, 2009 is $90,061.64.	90.1				90.1
3/13/2009	LAW 2	113	[redacted]		11(a)	Law	Civil Division - Deputy Attorney General's Office	Judgments and Settlements □ This amendment adds $1,261,298.56 to the original FY2009 Judgments and Settlements request of $90,061.64, bringing the new FY2009 total for Judgments and Settlements that are finalized as of March 13, 2009 to $1,351,360.20.	1,261.3				1,261.3
		114	[redacted]	no transaction required	11(b)	Law	Deputy Attorney General's Office	Judgments and Settlements Language The amount necessary to pay judgments awarded against the state on or before June 30, 2009, is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments against the state for the fiscal year ending June 30, 2009.					-
		115	[redacted]	Was 150.0. Delete and replace with reapprop of Leg Council ($2 m available) money for ESA. Amount is 1,250 for FY09 and FY10	11c	Law	Statehood Defense	Endangered Species Act Litigation Unplanned legal activity for costs associated with assessing and protecting the State's interest related to actions taken by the federal government as they relate to the Endangered Species Act, specifically Polar Bears and Beluga Whales.	-				-
		116	[redacted]		1	Military & Vets	Army Guard Facilities Maintenance	Increase federal authority for ongoing maintenance costs. There is a corresponding increase in the FY10 budget.		500.0			500.0
		117	[redacted]		1	Military & Vets	Air Guard Facilities Maintenance	Increase federal authority for ongoing maintenance costs. There will likely be a corresponding FY10 budget amendment.		300.0			300.0
		118	[redacted]		1	Natural Resources	Commissioner's Office	Transfer AGIA Coordinator PCN and funds from Governor's Office (PCN 01-802X) $158.0 from personal services and $25.0 from travel.	183.0				183.0
3/13/2009	DNR 1	119	[redacted]		1	Natural Resources	Commissioner's Office	Transfer PCN 01-919X along with personal services, services and commodities funding from the Office of the Governor for gas pipeline work.	207.0				207.0

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								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		120	[redacted]		1	Public Safety	Fire and Life Safety Operations	A $10/month/person uniform allowance is included in the current PSEA bargaining unit agreement. Unfortunately that monetary term was inadvertently omitted from the FY09 PSEA appropriation. The total cost to the department in FY09 is $44.1. There is a corresponding increase in the department's FY10 budget of $50.5.	0.6				0.6
		121			1	Public Safety	Special Projects	Same as OMB 40	1.7				1.7
		122			1	Public Safety	Alaska Bureau of Judicial Services	Same as OMB 40	7.0				7.0
		123			1	Public Safety	Narcotics Task Force	Same as OMB 40	1.2				1.2
		124			1	Public Safety	Alaska State Trooper Detachments	Same as OMB 40	19.8				19.8
		125			1	Public Safety	Alaska Bureau of Investigation	Same as OMB 40	2.9				2.9
		126			1	Public Safety	Alaska Bureau of Alcohol and Drug Enforcement	Same as OMB 40	1.1				1.1
		127			1	Public Safety	Alaska Wildlife Troopers	Same as OMB 40	8.4				8.4
		128			1	Public Safety	Alaska Wildlife Troopers Investigations	Same as OMB 40	0.7				0.7
		129			1	Public Safety	Training Academy	Same as OMB 40	0.7				0.7
		130			1	Public Safety	Alaska Bureau of Judicial Services	An approved increase of $656.3 was inadvertently omitted from CCS HB 310. This supplemental corrects that error. The FY10 budget includes an increment for the same purpose.	656.3				656.3
		131			1	Public Safety	Prisoner Transportation	Increased transportation costs due to higher fuel and airline ticket costs.	300.0				300.0
		132			1	Public Safety	Alaska State Trooper Detachments	Increased cost for dispatch services based on FY09 contracts.	208.3				208.3
		133			1	Public Safety	Alaska State Trooper Detachments	Increased vehicle costs.	139.8				139.8
		134			1	Public Safety	Alaska Bureau of Alcohol and Drug Enforcement	Increased vehicle costs.	6.4				6.4
		135			1	Public Safety	Alaska Wildlife Troopers Aircraft Section	Increased risk management fees for aircraft.	318.8				318.8
		136			1	Public Safety	Alaska Wildlife Troopers Marine Enforcement	Increased risk management fees for vessels.	21.2				21.2

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
		137	[redacted]		1	Revenue	AHFC	Utility expenses have increased due to increased rates for energy costs. Now that AHFC is in HUD's Moving to Work agency status, there are sufficient federal resources to cover these expenses. There is a corresponding increase in the FY10 budget.		959.7				959.7
		138	[redacted]	Move to sec 1	1	Revenue	AHFC	Fund source change from corporate receipts to federal, mostly in personal services. Now that AHFC is in HUD's Moving to Work agency status, there are sufficient federal resources to cover these expenses. There is a corresponding increase in the FY10 budget.		674.3	(674.3)	AHFC Rcpts		-
		139	[redacted]	Move to sec 1	1	Revenue	ARM Board	Implementation of cost allocation plan wherein FY09 is based on FY07 net asset values that realized a large increase in value of the funds under management. This is compounded by prior year allocations that were a flat amount and may not have charged benefit systems their full fair share, as well as an increase in the number of participants. Plus, ARM Board is managing additional new investment options for participants (SBS, deferred comp). The FY10 budget contains a corresponding increase of $249.0 relating to investment options and it is likely that an FY10 budget amendment will also be proposed.				890.0 Benefit Systems Rcpts (700.0) PERS (190.0) TRS		-
		140	[redacted]		15d	Transportation	Marine Vessel Operations	The Inlandboatmen's Union of the Pacific (IBU) has ratified a new three- year contract. This request is for the FY09 one-time bonus of $2,137/employee in pay status on July 1, 2008 ($1,917.8) plus a health insurance increase of $16 from $852 to $868 per month ($81.3). The contract calls for wage increases of 5% in FY10 and 4% in FY11, along with health insurance increases.	1,999.1					1,999.1
3/13/2009	DOT 5	141	[redacted]		15d	Transportation	Marine Vessel Operations	Due to a calculation correction for the Inlandboatmen's Union of the Pacific new bargaining unit agreement, the new FY2009 cost is $1601.2, reduced from the originally requested $1,999.1.	(397.9)					(397.9)
3/13/2009	DOT 6	142	[redacted]		15f	Transportation	Marine Vessel Operations	Masters, Mates, and Pilots bargaining unit agreement This request is for the FY2009 one-time bonus of $2,381/employee in pay status on July 1, 2008 plus a health insurance increase of $17 from $851 to $868 per month. The contract calls for wage increases of 5% in FY2010 and 4% in FY2011, along with health insurance increases.	408.2					408.2

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
3/13/2009	DOT 7	143	[redacted]		15g	Transportation	Marine Vessel Operations	Marine Engineers Beneficial Association bargaining unit agreement□ This request is for the FY2009 one-time bonus of $2,381/employee in pay status on July 1, 2008 plus a health insurance increase of $16 from $851 to $867 per month. The contract calls for wage increases of 5% in FY2010 and 4% in FY2011, along with health insurance increases.□	463.7				463.7
		144	[redacted]		1	Transportation	Measurement Standards and Commercial Vehicle Enforcement	Unified Carrier Registration Fees The Unified Carrier Registration (UCR) program requires individuals and companies that operate commercial motor vehicles in interstate or international commerce to register their business with a participating state and pay an annual fee based on the size of their fleet. FY09 was the first year Alaska participated in this program. Per the Federal Motor Carrier Safety Administration, these revenues may only be used for administration of the unified carrier fee system, motor carrier safety programs, or motor carrier enforcement programs.			150.0	Receipt Supported Services	150.0
		145	[redacted]		1	Transportation	Measurement Standards and Commercial Vehicle Enforcement	Permit Fee Increase Changes to 17 AAC 25 are in process to increase the amounts charged for oversize/overweight permits. Measurement Standards and Commercial Vehicle Enforcement anticipates the permit fee increase to be in place mid-March 2009. This will be an overall average increase of 23%. This increased Receipt Supported Service revenue will be used to fund the following: $16.4 - Increased State equipment Fleet costs. $55.0 - Computer Equipment Replacement Program/Equipment for new inspector position. $31.1 Capital Outlay - which includes the following: Metrology Laboratory Air Quality Study $14.9. Anchorage Prover Truck Conversion $16.2.			102.5	Receipt Supported Services	102.5
		146	[redacted]		1	Transportation	State Equipment Fleet	Credit Card Payments for Fuel The State Equipment Fleet (SEF) maintains contracts which allow a vehicle credit card to be used to purchase fuel and necessary consumables. These charges are paid by SEF and subsequently billed to executive branch state agencies.			400.0	HWCF	400.0
		147	[redacted]		1	Transportation	State Equipment Fleet	Increased Travel Costs Related to Airfare in and Around Alaska's Rural Areas Increase receipt authority to cover travel costs in support of rural airports and highways for the repair and preventative maintenance of vehicles and equipment.			149.0	HWCF	149.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		148	67		1	Transportation	State Equipment Fleet	Increased Costs in Freight for Parts, Equipment and Vehicles Increased receipt authority to cover cost increases in freight (shipment of parts, commodities, vehicles and equipment around the state) and increased contractual costs for vendor supplied repairs or vehicle and equipment make-ready such as Trooper vehicle setups.			77.0	HWCF	77.0
		149	68		1	Transportation	State Equipment Fleet	Increased Costs Related to Parts and Commodities Used in the Maintenance and Repair of Wheeled Assets Increase receipt authority to cover parts and commodities costs. The transportation sector has not seen the cost decreases that the average retail sector has. Commodities like oils and lubricants have not seen price reductions that mirror fuel prices. Bulk quantities were purchased early in the fiscal year when fuel prices were at their highest for shipment to rural locations statewide.			800.0	HWCF	800.0
3-Apr-09	DOT 14	150	247	No additional funding requested; just authorization to spend	1	Transportation	State Equipment Fleet	Increased Costs in Vendor Repairs to Equipment The additional increase is needed to cover the unforeseen costs of vendor (outsourced) repairs to equipment. Due to higher vehicle and equipment usage in areas experiencing unusual winter events such as Western and Interior Alaska, State Equipment Fleet (SEF) has experienced additional increases in the cost of vendor repairs to equipment. This request is for additional spending authorization only, no additional funding is required.			115.0	HEWCF	115.0
3-Apr-09	DOT 15	151	248	Adds to 800.0 requested for same purpose. No additional funding requested; just authorization to spend	1	Transportation	State Equipment Fleet	Increased Costs Related to Parts and Commodities Used in the Maintenance and Repair of Wheeled Assets The additional increase is needed to cover unforeseen parts and commodities costs for internal preventive maintenance and repairs to equipment. State Equipment Fleet (SEF) has experienced additional increases in parts and commodities costs related to increased preventive maintenance schedules and internal repairs to equipment due to higher vehicle and equipment usage in areas experiencing unusual winter events such as Western and Interior Alaska. This request is for additional spending authorization only, no additional funding is required.			450.0	HEWCF	450.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		152	[redacted]	Was 250.0. Now new section allowing use of unallocated reductions	15j	Transportation	Central Region Highways and Aviation	Anchorage Sidewalk Snow Removal Funding is requested to operate newly acquired sidewalk tractors throughout the winter to blow, plow, and sweep the snow from Anchorage sidewalks, bus stops, trails and pathways. The Federal Highway Administration (FHWA) has notified the department that all infrastructure built with FHWA federal funds must be appropriately maintained. That maintenance includes snow removal from sidewalks and other pathways. Failure to meet these requirements could jeopardize future surface transportation funds and require reimbursement of previously expended funds.	-			Reapprop	-
3-Apr-09	DOT 19	153	252	Funded via unallocated. No reason to change; simply makes more $ available for SEF		Transportation	Central Region Highways and Aviation	Reduce Anchorage Sidewalk Snow Removal This amendment reduces the original request for authorization for Anchorage sidewalk snow removal from $250.0 to $171.0. Due to favorable weather conditions after the original request was submitted, we no longer need this additional funding.					0.0
3/13/2009	DOT 3	154	[redacted]		1	Transportation	Central Region Support Services	Legal fees associated with a dispute between Offshore Systems Kenai (OSK) and the State of Alaska over public access to a state-owned road and beach. □ This case is going to trial May 2nd and will require the Department of Law to complete depositions, expert witness reports, and trial preparation.	41.0				41.0
		155	[redacted]		1	Transportation	Central Region Highways and Aviation	Commodities Price Increases The increased cost for commodities has significantly impacted the operating budget for Central Region Maintenance and Operations. Competitive bids were completed last spring for delivery of commodities prior to winter maintenance needs. Purchases of sand and winter chemicals fall into this category. Similarly, competitive bids are completed during the fall for delivery of commodities prior to spring maintenance needs, such as paint for striping. Supplemental funding is needed for sand ($575.0), winter chemicals ($205.3) and paint ($334.0).	1,114.3				1,114.3

FY2009 SUPPLEMENTAL REQUESTS

Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
								Net addition to the Capital Income Fund	(3,163.0)					
		156	[redacted]		1	Transportation	Northern Region Highways and Aviation	Legal Costs for Material Site Lawsuits Due to ongoing lawsuits filed by one of the regional native corporations for supposed infringement on their land and rights of way, the department has incurred excessive costs this year for Department of Law attorneys. None of the three lawsuits filed have yet gone to court so the total cost is unknown at this time. Additional funding for $150.0 is based on the amount expended to date for attorneys and expert witnesses.	150.0					150.0
		157	[redacted]	SEF--provide authority to move $ across Appropriation lines, and use $1.5 million unallocated reduction to pay 1251.7 SEF increases	15j	Transportation	Central Region Facilities	State Equipment Fleet Costs Over the past few years the operating and replacement rates of state vehicles has increased without a corresponding increase in budgets to the Facilities components. Older vehicles have remained in the fleet and repair costs have been incurred to maintain these vehicles. Certain services, such as repairing damage from accidents, is a billable service and not part of operating rates established by the State Equipment Fleet (SEF). The accumulation of additional costs can no longer be absorbed in the operating budget.	was 54.8					-
		158	[redacted]	SEF	15j	Transportation	Northern Region Facilities	Same as OMB 69	was 116.7					-
		159	[redacted]	SEF	15j	Transportation	Central Region Highways and Aviation	State Equipment Fleet Costs Older equipment and vehicles have remained in the fleet and repair costs have been incurred for maintenance and repairs. Certain services, such as repairing damage from accidents, is a billable service and not part of operating rates established by the State Equipment Fleet (SEF). The accumulation of additional costs cannot be absorbed in the operating budget.	was 284.8					-
		160	[redacted]	SEF	15j	Transportation	Northern Region Highways and Aviation	Same as OMB 74	was 554					-
		161	[redacted]	SEF	15j	Transportation	Southeast Region Highways and Aviation	Same as OMB 74	was 241.4					-
		162	[redacted]		20	Constitutional Budget Reserve Fund		Add language to access the CBR to balance the FY09 budget.						-
		163				**Subtotal--Operating Items for Consideration**		**Approved**	**(38,554.0)**	**67,134.3**	**(2,690.0)**	-		**25,890.3**
		164	2			Administration	Personnel	Personnel Board investigations and support - contracts for legal services for complaints filed with the board	725.0					725.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
3/13/2009	DOA 2	165	203			Administration	Personnel	Reduce the Personnel Board investigations and support - contracts for legal services for complaints filed with the board supplemental request from $725.0 to $560.8. The Personal Board has revised its expenditure estimates.□	(164.2)				(164.2)
		166	4			Administration	Retirement and Benefits	Funding is needed to conduct an analysis of how pending legislation might affect retirement systems of the State. Per AS 24.08.036, a cost analysis must be done for legislation that may affect retirement systems of the State before that legislation is reported to the Rules Committee. General Funds are requested so that no current pension trust funds are impacted.	50.0				50.0
3-Apr-09	EED 2	167	245	Hold. Can go in CapBud if bill passes		Education	ACPE	Contingent upon passage of a version of HB172/SB140, the Alaska Commission on Postsecondary Education will need to cover costs incurred by the Department of Revenue for structuring legal agreements related to financing education loans, rating agency and consulting services.			60.0	P-Sec Recpts	60.0
		168	26	OMB offset		HSS	Medicaid Services	Medicaid rate increase for physician services effective 1/1/09 tied to increased Medicare rates. Many of the reimbursements for services are going up as much as 20-30% instead of the usual 4-5%. The ten most frequently used procedures are increasing 27%. The department analyzed nearly 3,000 medical procedure codes to determine the estimated cost impact.	6,000.0	6,000.0			12,000.0
3/13/2009	HSS 1	169	206	OMB offset		HSS	Medicaid Services	Original supplemental request is withdrawn. The original request was $12,000.0 (50% federal / 50% GF Match) and appeared on line 26 of the Supplemental spreadsheet dated 2/24/09. The Medicaid rate increase for physician services effective 1/1/09 was tied to increased Medicare rates. Updated projections show these funds will not be needed in FY2009.	(6,000.0)	(6,000.0)			(12,000.0)
		170	32			Law	Deputy Attorney General's Office	Unplanned Legal Activity: Gasoline Pricing Investigation Public Records Polar Tanker Kensington Mine	849.0				849.0

FY2009 SUPPLEMENTAL REQUESTS

Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
								Net addition to the Capital Income Fund	(3,163.0)				
		171	33	OMB offset		Law	Oil, Gas and Mining	Oil and Gas Projects The Department of Law has a number of major projects underway that will continue to require outside counsel and experts beyond the funding included in the base operating budget. The most noteworthy are the Pt. Thomson litigation, ongoing proceedings before the Federal Energy Regulatory Commission (FERC) on TransAlaska Pipeline Service (TAPS) tariffs issues, State of Alaska Assessment Review Board disputes and two major corporate income tax matters.	1,335.0				1,335.0
3/13/2009	LAW 1	172	221	OMB offset		Law	Civil Division - Oil, Gas and Mining	Oil and Gas Projects□ The Department of Law (DOL) is withdrawing its $1,335.0 supplemental request. DOL is close to settlement on one large case and thus anticipates not needing the funds requested earlier. In addition, judges on several other cases are not moving the cases through as quickly as expected. These cases will continue however, and will consume resources from the Oil, Gas and Mining component in FY10. DOL has included funding for them in their FY10 budget request.	(1,335.0)				(1,335.0)
		173	72	Increase from 218.5 to 250.0 and delete OMB item 153 **4/3/09 delete per OMB**	1	Transportation	Central Region Highways and Aviation	Anchorage Snow Haul (Roads) Snowfall in Anchorage this winter has returned to the amount that used to be considered normal for the area. Including the heavy snowstorms over the holidays, the accumulation of snow plowed from the roads onto the shoulders and sidewalk areas reached the level that required hauling it away. To date, snow haul expenses have nearly exhausted the annual operating budget of $250. Supplemental funding of $250.0 will allow for one additional snow haul for the remainder of the winter. In addition to this funding request, an additional $31.5 in funding required to fully fund one additional snow haul has been requested as a reappropriation in sec. 14(b).				was 218.5 GF, now adds 31.5 from former reapprop in OMB item 153	-

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		174	153	Convert to # and combine with 218.5 in OMB item 72 for a total of 250.0		Transportation	Central Region Highways and Aviation	Anchorage Snow Haul (Roads) Snowfall in Anchorage this winter has returned to the amount that used to be considered normal for the area. Including the heavy snowstorms over the holidays, the accumulation of snow plowed from the roads onto the shoulders and sidewalk areas reached the level that required hauling it away. To date, snow haul expenses have nearly exhausted the annual operating budget of $250. Supplemental funding of $250.0 will allow for one additional snow haul for the remainder of the winter. With the appropriation made in sec. 1, the department will have funds for one additional snow haul.	-			was 31.5 GF	-
3-Apr-09	DOT 16	175	249	delete item 173 (OMB 72)		Transportation	Central Region Highways and Aviation	Withdraw supplemental request for Anchorage Snow Haul (Roads) Withdraw the original request for authorization for Anchorage snow haul. Due to favorable weather conditions after the original request was submitted, we no longer need this additional funding.	(218.5)				(218.5)
3-Apr-09	DOT 17	176	250	delete item 173 (OMB 72). Retain sweep from capital project to CIF		Transportation	Central Region Highways and Aviation	Delete Sec 14(b)(1) - Reappropriation: Anchorage Snow Haul Costs The unexpended and unobligated balance of the appropriation made in sec. 13, ch. 29, SLA08, page 16, line 13 and allocated on page 160, line 32 (Yakutat Multi-Purpose Dock - $555,000) estimated to be $5,500, is reappropriated to the Department of Transportation and Public Facilities, Central region Highways and Aviation for Anchorage snow haul costs. Withdraw the original request for authorization for Anchorage snow haul. Due to favorable weather conditions after the original request was submitted, we no longer need this additional funding.					0.0
3-Apr-09	DOT 18	177	251	delete item 173 (OMB 72). Retain sweep from capital project to CIF		Transportation	Central Region Highways and Aviation	Delete Sec 14(b)(2) - Reappropriation: Anchorage Snow Haul Costs The unexpended and unobligated balance, not to exceed $26,000, of the appropriation made in sec. 7, ch. 82, SLA 2006, page 128, lines 22 - 23 (Willow - Fishhook Road Plowing - $41,000), is reappropriated to the Department of Transportation and Public Facilities, Central Region Highways and Aviation for Anchorage snow haul costs. Withdraw the original request for authorization for Anchorage snow haul. Due to favorable weather conditions after the original request was submitted, we no longer need this additional funding.					0.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
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		178	86	rate change is zero or negligible. State has no reserves set aside for U events. UA is independently self-insured		University	Statewide Services	Catastrophic Workers' Compensation Claims The University of Alaska is responsible for the first $300.0 of self insured claims and is requesting a supplemental to cover two catastrophic workers' compensation claims which have been paid in excess of that amount. Claim #2000179 has been paid $1,021.2 to date, and Claim #2005056 has been paid $325.0 to date. The amount exceeding $300.0 for each claim is $721.2 for Claim # 2000179 and $25.0 for Claim #2005056.	746.2					746.2
		179	87	Requested and denied in FY09 operating budget		University	Multiple Campuses	Utility Cost Increase UA continues to make improvements to its facilities designed to improve energy efficiencies, thus reducing energy consumption. Unfortunately, most campuses continue to see utility cost increases due mostly to utility provider rate increases and colder than usual temperatures. For example, Anchorage and Mat-Su campuses are expecting a 22% natural gas increase and UAF rural sites are still being impacted by last year's high fuel/heating oil costs. UA's funding distribution is as follows: Statewide Services $ (28.6) Anchorage Campus 287.0 Kenai Peninsula College 34.1 Kodiak College 92.0 Mat-Su College 38.6 Prince William Sound CC 40.1 Fairbanks Campus 610.4 Bristol Bay Campus 29.5 Chukchi Campus 12.3 Interior-Aleutians Campus 17.3 Kuskokwim Campus 105.3 Northwest Campus 17.2 Juneau Campus 34.4 Ketchikan Campus (11.3)	1,272.0					1,272.0
		180	186			Lapse of Appropriations								-
		181	187			Effective date of April 19, 2009								-
		182	90					Sets out the funding by agency for the appropriations in sec. 1.						-
		183												
		184												

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		185	Recommendation			**Capital Projects--Old money no longer needed**		**Recommendation: All GF (and some other) reappropriations go to the capital income fund, leaving the "to side" of each reappropriation as a separate decision (both year and fund source).** Money can be lapsed administratively--no legislative action is necessary. GF reappropriations may appear to be free money, but the source of a reappropriation would otherwise go to the GF and reduce the FY09 CBR draw. The issue here is not whether projects are terminated administratively (easier) or legislatively, it is that terminating projects by either method reduces the deficit in FY09. Similarly, spending the money--either via a direct reappropriation (Governor's method), indirect reappropriation (through the capital income fund) or as an independent action has exactly the same impact on the deficit.					
		186	[redacted]	CIF	**19b**	Capital	Education	Repeal the $98,056 balance of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 140, line 24, for Alaska Gateway - Dot Lake School Mechanical Upgrade. In section 14(d) the funds are reappropriated to the Department of Transportation and Public Facilities, Southeast Region Highways and Aviation, for the purchase of required safety equipment at rural airports.	(98.1)				(98.1)
		187	[redacted]	CIF	**19c**	Capital	Education	Repeal the $54,753 balance of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 142, line 13, for Southeast Island - Thorne Bay House Access Ramp. In section 14(m) the funds are reappropriated to the Department of Transportation and Public Facilities, Alaska Marine Highway System for vessel and terminal overhaul and rehabilitation.	(54.8)				(54.8)
		188	[redacted]	CIF	**19.2**	Capital	Transportation	The unexpended and unobligated balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 84, line 23 (Anchorage: Hillcrest Bridge Repairs - $192,600) is reappropriated to the Department of Transportation and Public Facilities, Mission Road (Kodiak Island) – Upgrade and Repair. The bridge repairs have been completed and the trucking company's insurance covered the cost.	(192.6)				(192.6)
		189	[redacted]	CIF	**19.3**	Capital	Transportation	The unexpended and unobligated balance of the appropriation made in sec. 13, ch. 29, SLA08, page 16, line 13 and allocated on page 160, line 32 (Yakutat Multi-Purpose Dock - $555,000) is reappropriated to the Department of Transportation and Public Facilities, Central region Highways and Aviation for Anchorage snow haul costs.	(5.5)				(5.5)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
		190	[redacted]	CIF	**19.4**	Capital	Transportation	The unexpended and unobligated balance, not to exceed $26,000, of the appropriation made in sec. 7, ch. 82, SLA 2006, page 128, lines 22 - 23 (Willow - Fishhook Road Plowing - $41,000), is reappropriated to the Department of Transportation and Public Facilities, Central Region Highways and Aviation for Anchorage snow haul costs.	(41.0)			was -26 GF, now adds 15 from OMB item 152		(41.0)
		191	[redacted]	CIF	**19.5**	Capital	Health & Soc Svcs	Reappropriate the balance of $39,012 of the appropriation made in sec. 1, ch. 82, SLA 2006, page 73, lines 31 - 33, for the Ready to Read, Ready to Learn Program Development project to the Department of Transportation and Facilities, Southeast Region Highways and Aviation, for the purchase of required safety equipment at rural airports.	(39.0)					(39.0)
		192	152	CIF		Capital	Transportation	The unexpended and unobligated balance, not to exceed $15,000, of the appropriation made in sec. 7, ch. 82, SLA 2006, page 128, line 22 (Willow - Fishhook Road Plowing - $41,000) is reappropriated to the Department of Transportation and Public Facilities, Mission Road (Kodiak Island) – Upgrade and Repair.	-			was-15 GF, now combined with OMB item 155		-
		193	[redacted]	CIF	**19.6**	Capital	Military & Vets	Reappropriate the $484,518.10 balance of the appropriation made in sec. 1, ch. 82, SLA 2006, page 75, line 11 for the Alaska Military Youth Academy Expansion to the Department of Transportation and Public Facilities for the Alaska Marine Highway System: Columbia Fuel Management System. Total project cost is $499.5.	(484.5)					(484.5)
		194	[redacted]	CIF	**19.7**	Capital	Natural Resources	Reappropriate the $9,059.26 balance of the appropriation made in sec. 7, ch. 82, SLA 2006, page 127, line 26 for the Juneau Subport Asbestos Abatement project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System: Columbia Fuel Management System. Total project cost is $499.5.	(9.1)					(9.1)
		195	[redacted]	CIF	**19.8**	Capital	Health & Soc Svcs	Reappropriate the $1,006.25 balance of the appropriation made in sec. 4, ch. 30, SLA 2007, page 94, lines 25 - 26 for the Anchorage Pioneers Home Safety Upgrades project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System: Columbia Fuel Management System. Total project cost is $499.5.	(1.0)					(1.0)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		196	[redacted]	CIF	19.9	Capital	Public Safety	Reappropriate the $4,913.22 balance of the appropriation made in sec. 1, ch. 82, SLA 2003, page 33, lines 9 - 11 for the Fairbanks Public Safety Bldg - Indoor Firing Range Lead Removal project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System: Columbia Fuel Management System. Total project cost is $499.5.	(4.9)				(4.9)
		197	[redacted]	CIF	19.10 19.11 19.12 19.13	Capital	Transportation	The unexpended and unobligated balances of projects are reappropriated to the Department of Transportation and Public Facilities, Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation. Project citations are as follows; (1) sec. 82, ch. 100, SLA 1997, page 59, line 11, and allocated on page 59, line 12 - $12,356 (2) sec. 131, ch. 139, SLA 1998, page 56, line 17 - $407,700 (3) sec. 1, ch. 82, SLA 2006, page 84, line 33 - $4,352 (4) sec. 20(b), ch. 30, SLA 2007, page 148, line 27 - $63,299	(487.7)				(487.7)
		198	[redacted]	CIF	19.14	Capital	Commerce	The Organization Grant appropriation made in sec. 1, ch. 3, FSSLA 2005, page 3, line 29 is not needed as the community of Naukati elected not to form a municipal government. The appropriation's balance is reappropriated to the Department of Transportation and Public Facilities for the Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation project.	(75.0)				(75.0)
		199	[redacted]	CIF	19.15	Capital	Education	Reappropriate the unexpended and unobligated general fund balance of $17,825 made in sec. 1, ch. 82, SLA 2006, page 65, line 25 for the Demolition and Site Restoration, Northern Lights School project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation project.	(17.8)				(17.8)
		200	[redacted]	CIF	19.16	Capital	Education	Reappropriate the unexpended and unobligated general fund balance of $66,772 made in sec. 4, ch. 30, SLA 2007, page 89, line 24 for the Pedro Bay Old School Demolition project to the Department of Transportation and Public Facilities for the Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation project..	(66.8)				(66.8)
3/13/2009	DNR 2	201	[redacted]	CIF	19.17	Capital	Natural Resources	Lapse remaining $224,899.82 balance of the completed Juneau Subport Abatement Phase 2 - Mental Health Trust Settlement project originally appropriated in sec. 4, ch. 30, SLA 2007, page 98, line 30.□	(224.9)				(224.9)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
3/13/2009	DOT12	202		CIF LFD modify DOT 12	**19.20**	Capital	Transportation	The unexpended and unobligated balance of the appropriation, estimated to be $38,161, made in sec. 100, ch. 2, FSSLA 1999, page 63, line 18, and allocated on line 20, (CTP State Match - $11,313,864) is reappropriated to the Capital Income Fund	(38.2)				(38.2)
3/13/2009	DOT 13	203	[redacted]	modified OMB 239	**19.1 19.19 19.21 19.22 19.23**	Capital	Transportation	Reappropriate the unexpended and unobligated balances of the following FY2000 Department of Transportation and Public Facilities capital projects to the Department of Health and Social Services, McLaughlin Youth Center renovation to meet safety and security needs, phase 1.□ □ 1. State Matching Funds for Federal-Aid Highway Projects - Estimated to be $513,713□ 2. Anchorage: New Seward Highway at Diamond Interchange Capacity Improvement - Estimated to be $158,555□ 3. Anchorage: Dowling Rd Reconstruction: Lake Otis Pkwy. to Old Seward Hwy. - Estimated to be $63,454□ 4. Anchorage: Old Seward Hwy. Reconstruction - Estimated to be $2,886□ 5. National Highway System (NHS) State Match - Estimated to be $207,449□	(946.1)				(946.1)
		204	[redacted]	Pure repeal, but see OMB 160 and 161	**15b**	Capital	Transportation	Delete $350,400 of the $400,000 GF-funded FY09 Department of Transportation and Public Facilities capital project, Bridge Repair and Upgrade, appropriated in sec. 13, ch. 29, SLA 2008, page 158, lines 21 and 22, to be replaced with reappropriated AHFC Dividend.	(350.4)				(350.4)
		205	[redacted]		**16**	Capital	Commerce	Amend the NPRA grants appropriation made in sec 38, ch. 29, SLA 2008 to the actual amount of NPRA funds received by reducing the North Slope Borough's Arctic Fox Continuing Study by $53.5 in favor of maintaining Nuiqsut's Youth Recreation grant as requested by the Mayor of the North Slope Borough.		(53.5)			(53.5)
		206	[redacted]		**9c**	Capital	HSS	Reappropriate the unexpended and unobligated balance of $944,400 of the appropriation made in sec. 4, ch. 82, SLA 2006, page 120, lines 32 - 33 for Wik Road Improvements to the Department of Health and Social Services, McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1.			(944.4)	NTSC Bonds	(944.4)

FY2009 SUPPLEMENTAL REQUESTS

Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
								Net addition to the Capital Income Fund	(3,163.0)				
		207	[redacted]		9d	Capital	Education	Reappropriate the unexpended and unobligated balance of $222,022 of the appropriation made in sec.1(a), ch. 131, SLA 2000, page 2, line 9, for Kashunamiut - Chevak School Replacement to the Department of Health and Social Services, McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1.			(222.0)	NTSC Bonds	(222.0)
		208				**Subtotal--Old Project Reappropriated to Capital Income Fund**			**(2,787.0)**	-	-	-	**(2,787.0)**
		209				**Subtotal--Old Project Repeal/Reappropriation**			**(3,137.4)**	**(53.5)**	**(1,166.4)**	-	**(4,357.3)**
[redacted]		210											
		211											

Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
								Net addition to the Capital Income Fund	(3,163.0)				
		212				**Capital Projects-- Items for Consideration**		**Recommendation: Treat all reappropriations as new projects** Change GF to Capital Income Fund if desired.					
		213	[redacted]	put in lang	7a	Capital	Commerce	Banking and Securities Management System This project was submitted in the FY2010 Governor's Capital Budget, as a Governor's Office Information Technology project, reference number 47010 but a supplemental is needed now because of system failure. An amendment to the FY2010 budget will be submitted to remove this project.			890.0	Receipt Supported Services	890.0
		214	[redacted]	put in lang	7b	Capital	Commerce	Secretary of State Knowledge Base (SOSKB) System Replacement The department is very concerned about the continued viability of the Division of Corporations, Business and Professional Licensing's information technology system and cannot afford to operate without it.			630.0	Blic Rcpts	630.0
3/13/2009	EED 1	215	[redacted]	Start early	8c	Capital	Education	Kalskag High School Replacement:□ □ Amend the appropriation to the School Construction Grant Fund (AS 14.11.005) in sec. 13, ch. 29, SLA 2008, page 136 by increasing the appropriation an additional $18,688,685 to be allocated for a new project - Kalskag High School Replacement.□ □ The school was destroyed by fire on January 28, 2009. Total replacement cost is $19,070,100. The REAA's 2% share is $381,400, leaving $18,688,700 as the state's share. Ultimately, insurance proceeds will be submitted to the state and applied as a deduction to the grant	18,688.7				18,688.7
		216	[redacted]	Corrects an error and is easy to add with Kalskag project	8ab	Capital	Education	Increase the FY09 appropriation and allocation for the Maudry J. Sommers K-12 School Major Maintenance project. When HB 373, now ch. 107, SLA 2008, passed last year, the participating share amounts for some districts were revised and funds were appropriated in sec. 61(b), ch. 29, SLA 2008, page 220 and 221, to those districts whose amounts were lowered. Tanana City School District should have received a similar adjustment to make up the difference between a 5% and 10% participating share.	392.5				392.5

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		217	[redacted]	already in bill	9b	Capital	HSS	Amend the appropriation made in sec. 4, ch. 29, SLA 2007, page 13, lines 10 - 14, by changing the project's name by deleting "Eklutna" from the title: "MH Southcentral Foundation [EKLUTNA] Residential Psychiatric Treatment Center - Match for Bring the Kids Home" in order to expand the locations that can be considered for the center.					-
LFD replacement		218		Must use misc earnings in FY09	9cde	Capital	HSS	DOA reports that $14 million of misc earnings associated with NTSC bonds as well as $1,469.9 of bond proceeds are available. DOA recommends spending these funds in FY09. The McLaughlin center was chosen as a project to use this available funding because of similarities to projects funded by the NTSB bonds. This is a fund source change that frees up $15.5 million GF. NTSC bpnd proceeds of 944.4 and 222 were removed in sections 9c and9e-items 196 and 197.	(15,469.9)		15,469.9	1,469.9 NTSC Bonds 14,000.0 Misc Earnings (from NTSC Bonds)	-
		219	[redacted]	put in lang	12	Capital	Military & Vets	Alaska Military Youth Academy Infrastructure Project Improvements Unanticipated funding from a Department of Defense Appropriations Act, 2009 earmark for Camp Carroll Challenge Infrastructure Improvements will be used for health, safety and code compliance issues, including bringing plumbing up to code in various buildings, including dorms; replacing outdated washers and dryers; replacing outdated kitchen equipment, and upgrading information technology and management connectivity.		2,470.0			2,470.0
		220	[redacted]	do not run this one thru CIF, just leave it alone. Already took GF	15c	Capital	Public Safety	Reappropriate the $350,400 AHFC Dividend balance of the appropriation made in sec. 1, ch. 61, SLA 2001, page 23, lines 26 - 27 for the Emergency Communications: Southeast Upgrade project to the Department of Transportation and Public Facilities to replace general funds appropriated in FY09 for bridge repair and upgrade.			(350.4)	AHFC Dividend	(350.4)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
3/13/2009	DOR 1	221	[redacted]	in bill	14b	Capital	Revenue	Change the name of the FY2009 Power Builder Replacement Project Feasibility Study to Power Builder Replacement and SQL Database Evaluation, Equipment and Training□ □ Due to electronic filing and more records being stored electronically, PFD is currently storing more than 1.2 Terabytes of information. It is anticipated that this data storage may double in the next year. Also, PFD is slowly migrating off the states mainframe while working to fit within state data standards as established by the Department of Administration. The SQL Database is critical to the PFD computer systems ability to perform beyond the next years data. The feasibility study is now a moot point since PFD needs to improve its system and must meet state standards. None of the original $300.0 GF has been spent to date. This scope change also enables the removal of an FY2010 CIP request.					-
3/13/2009	DOT 10	222	[redacted]	should be fast, project well underway	15h	Capital	Transportation	Amend: Petersburg: Airport Runway Safety Area□ Amend the project description to include runway realignment and paving.□					-

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		223	[redacted]	Complicated Reapprop. Leave in Sup bill	15a	Capital	Transportation	The unexpended and unobligated balances on June 30, 2009, of projects identified in the Department of Transportation and Public Facilities' January 2009 Capital Project Status Report are reappropriated to the Department of Transportation and Public Facilities for the construction and maintenance of Alaska Railroad Corporation crossings on state roads. Project citations are as follows; (1) sec. 53, ch. 120, SLA 1980, page 91, line 14, and allocated on page 91, line 15 (2) sec. 163, ch. 96, SLA 1991, page 42, line 9 (3) sec. 152, ch. 5, FSSLA 1992, page 41, line 21 (4) sec. 152, ch. 5, FSSLA 1992, page 41, line 22 (5) sec. 19, ch. 79, SLA 1993, page 20, line 30 (6) sec. 10, ch. 4, FSSLA 1994, page 12, line 29, and allocated on page 13, line 33 (7) sec. 9, ch. 103, SLA 1995, page 3, line 16 (8) sec. 84, ch. 103, SLA 1995, page 21, line 26 (9) sec. 135, ch. 103, SLA 1995, page 40, line 34, and allocated on page 41, line 11 (10) sec. 135, ch. 103, SLA 1995, page 40, line 34, and allocated on page 41, line 14 (11) sec. 100, ch. 123, SLA 1996, page 58, line 30, and allocated on page 58, line 31 (12) sec. 100, ch. 123, SLA 1996, page 58, line 30, and allocated on page 59, line 4 (13) sec. 46, ch. 100, SLA 1997, page 24, line 19 (14) sec. 46, ch. 100, SLA 1997, page 24, line 20 (15) sec. 82, ch. 100, SLA 1997, page 58, line 8, and allocated on page 58, line 9	(1,048.7)				(1,048.7)
		224	[redacted]	Complicated Reapprop. Leave in Sup bill	15a	Capital	Transportation	Same as OMB 157	1,048.7				1,048.7
		225	[redacted]	do not run this one thru CIF, just leave it alone	15c	Capital	Transportation	Same s 161			350.4	AHFC Dividend	350.4
[redacted]		226	[redacted]			Capital	Transportation	New: Ketchikan: Airport Ferry M/V Bob Ellis Replacement The existing airport ferry M/V Bob Ellis has reached the end of its useful service life and will not pass future Coast Guard inspections without major maintenance investment, which could exceed the cost of a new ferryboat. The Ketchikan International Airport requires a second ferryboat to ensure reliability of service when the other ferry is in overhaul or out of service. The airport also requires a second ferryboat to cover peak summer traffic demand to the airport.			4,250.0	AK Capital Income Fund	4,250.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
3/13/2009	DOT 11	227	237	This should go in fast--changed fund source to CIF	14i	Capital	Transportation	Emergency and Non-Routine Repairs□ On February 10, 2009, a portion of the hillside slid into the roadway at Mile 5, North Tongass Highway in Ketchikan. The slide area is unstable and needs to be remedied immediately.□			1,700.0	CIF, was GF	1,700.0
3-Apr-09	DEBT 1	228	254	OMB items 254 and 256 are linked. They allow airport user fees to be reduced. The reduction has already occurred; failure to adopt the changes would conflict with bond covenants		Debt Service	International Airport Revenue Bonds	Amend Chapter 27, SLA 2008, Section 27(g) to change the fund source for payment of $25 million of the International Airports Revenue Bonds from International Airports Revenue Fund (Fund Code 1027) to International Airports Construction Fund (Fund Code 1112). This allows the Department of Transportation and Public Facilities to minimize the amount of revenue needed to be collected from airport customers and to meet debt service coverage ratios required under the bond resolution rate covenant.					0.0
3-Apr-09	DOT 21	229	256			Capital	Transportation	Amend Chapter 29, SLA 2008, Section 14, page 177, lines 12-15 to change the fund source of $25,000,000 for the Ted Stevens International Airport: South Terminal Seismic and Retrofit project from International Airports Construction Fund to International Airports Revenue Fund.					0.0
		230						**Subtotal Capital**	**3,611.3**	**2,470.0**	**22,939.9**	-	**29,021.2**
		231	93	Consider in Regular Capital Budget	Cap	Capital	Fish and Game	Cooperative Resource Program This program allows Habitat to accept funds from the private sector to pass through to the U.S. Geological Survey (USGS), as part of a funding agreement for cooperative water resource programs. Funds passed to the federal agency can then be matched up to 100% by the federal government.			55.0	Statutory Designated Prgm. Rcpts.	55.0
3/13/2009	GOV 2	232	230	Consider in Regular Capital Budget	Cap	Capital	Governor	Elections Reform Under the Federal Help America Vote Act□ New capital project to improve the administration of elections in accordance with the Help America Vote Act			3,821.7	elec fund	3,821.7
		233	95	Present as 4 allocations and use cruise ship $	Cap	Capital	Natural Resources	Transfer the capital project, State Parks Deferred Maintenance and Emergency Repairs, from the FY10 capital budget to the supplemental to allow for an earlier start date.	6,000.0			Cruise Ship -- not Gambling Tax	6,000.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		234	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation This amends an existing FY2009 project (sec. 13, ch. 29, SLA2008, page 158, line 17), increasing the FY2009 appropriation to $10,600,000. Effective January 2009, the Ketchikan Shipyard increased their prices 18.5% to 20% to the Alaska Marine Highway System (AMHS) for state funded maintenance overhauls of AMHS vessels. This cost increase to AMHS will impact six scheduled vessel maintenance overhauls this fiscal year, with a budgeted value of $3,500,000. Total of secs. 14(l) and (m) is $702.1.	647.3				647.3
		235	[redacted]	Combine with OMB 168	Cap	Capital	Transportation (CORRECTED from "Education")	Reappropriate the $54,753 balance of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 142, line 13, for Southeast Island - Thorne Bay House Access Ramp to the Department of Transportation and Public Facilities, Alaska Marine Highway System -Vessel and Terminal Overhaul and Rehabilitation project. (The negative amount is shown in sec. 7(d)).	54.8				54.8
		236	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Alaska Marine Highway System: Columbia Fuel Management System This is a new FY2009 project. Install a Stellar Marine ESP 1000, Electronic Speed Pilot power management system to provide precision control of ship speed and fine tune throttle settings to maximize the vessel's propulsive efficiency.	499.5				499.5
		237	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Airport Rescue and Fire Fighting Safety Equipment Standards set by the National Fire Protection Association require Southeast Region to upgrade self-contained breathing equipment used in Airport Rescue and Fire Fighting (ARFF) operations. The upgrades include the Personal Alert Safety System (PASS) which activates an alarm when a firefighter becomes disabled inside a burning structure. Twenty-six sets are needed at a cost of over $5,000 per set. This equipment will reduce the risk of death and injuries to firefighters at Alaska's southeast rural airports. Reappropriation in 14(d) from sec. 7(d) provides $98.1 Reappropriation in 14(e) provides $39.0	137.1				137.1

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		238	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Mission Road (Kodiak Island) - Upgrade and Repair This amends an existing FY2009 project (sec. 13, Ch 29, SLA 2008, page 159, line 14), increasing the FY2009 appropriation to $782,600. Additional funding is being requested to cover costs for the project because the low bid came in higher than expected. Project work was initiated during the fall of 2008 and will resume in the spring of 2009 and is scheduled for completion mid-summer of 2009.	207.6				207.6
3/13/2009	DOT 12	239	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	The unexpended and unobligated balance of the appropriation, estimated to be $38,161, made in sec. 100, ch. 2, FSSLA 1999, page 63, line 18, and allocated on line 20, (CTP State Match - $11,313,864) is reappropriated to the Capital Income Fund	38.2				38.2
		240	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	**Airport Improvement Program Appropriation $64,590,000**					-
3/13/2009	DOT 8	241	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Amend: Airport Improvement Program Appropriation□ This amendment increases the Airport Improvement Program appropriation to include the new Nulato Airport Improvements request. This amendment increases the FY09 Airport Improvement Program appropriation from $61,090,000 to $70,290,000.					-
		242	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Bethel: Airport Parallel Runway and Other Improvements This is a new FY2009 project. Complete parallel runway, expand runway 18-36 safety area; rehabilitate south end of runway 18-36 pavement surface; expand old General Aviation (GA) apron as a new air taxi/cargo apron; expand the existing north air taxi apron and widen the air taxi access road and cul-de-sac.		4,000.0			4,000.0
		243	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Dillingham: 3 Bay Chemical Storage Building This amends an existing FY2009 project (sec. 13, ch. 29, SLA2008, page 162, line 25), increasing the FY2009 allocation to $1,500,000. Construct a new heated facility with concrete floor and new 20,000 gallon E-36 storage tanks. The engineers estimate has been revised and advertising of the project is expected in the spring.		500.0			500.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		244	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Fairbanks International Airport: Runway 1L-19R Reconstruction This is a new FY2009 project. Funding to complete the reconstruction of 1L-19R, including replacement of the runway pavement structure, reconstruction of airfield lighting systems as necessary to accommodate pavement replacement, drainage modifications, safety area upgrades, pavement marking, and pavement grooving.		17,337.5	912.5	International Airport Construction Funds	18,250.0
		245		Consider in Regular Capital Budget	Cap	Capital	Transportation	Fort Yukon: Snow Removal Equipment Building This is a new FY2009 project. Construct a new snow removal equipment building at Fort Yukon Airport to include a building pad with surfacing and drainage improvements. The City of Fort Yukon has been under a yearly contract to maintain the airport. However, they have advised the department that they are not interested in contracting to perform airport maintenance for more than an additional year or so. Consequently, the department needs to acquire maintenance equipment and construct a snow removal equipment building to house it, in accordance with Federal Aviation Administration (FAA) regulations.		1,500.0			1,500.0
		246	[redacted]	Consider in Regular Capital Budget	Cap	Capital	Transportation	Iliamna: Snow Removal Equipment / Sand and Chemical Storage / Office Building This is a new FY2009 project. Construct a 4-bay Maintenance and Operating building to provide inside heated storage for an expanded equipment fleet, sand and urea storage, as well as an office, training room and bathroom facilities. This project will add two equipment storage bays with a minimum of 22 foot door openings. It will also add a bay for storing approximately 400 cubic yards of sand and 50 tons of urea. It will add additional space for an office area, a training room, and a bathroom facility complete with a shower.		1,000.0			1,000.0
		247		Consider in Regular Capital Budget	Cap	Capital	Transportation	Petersburg: Airport Runway Safety Area This is a new FY2009 project. This project consists of the design and construction of an expanded Runway Safety Area, shifting the existing runway, replacing undersized culverts, relocating navigation aids, and other required work. It also includes the acquisition of additional property adjacent to the airport in order to protect Runway Protection Zones from incompatible land uses.		26,000.0			26,000.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		248		Consider in Regular Capital Budget	Cap	Capital	Transportation	Savoonga: Airport Improvements This is a new FY2009 project. This is the second stage for rehabilitating the Savoonga Airport. The work includes resurfacing the runway, taxiway, apron and airport access road, applying a dust palliative to the operating surfaces and replacing the lighting system. The taxiway will be realigned to meet geometric standards.		4,840.0			4,840.0
		249		Consider in Regular Capital Budget	Cap	Capital	Transportation	Takotna: Airport Relocation This amends an existing FY2009 project (sec. 13, ch. 29, SLA2008, page 164, line 16), increasing the FY2009 allocation to $10,500,000. Relocate the airport to a new location about a mile east of the village. This will include acquiring property and constructing the following to current standards: new runway, taxiway, apron, airport lighting and visual aids, snow removal equipment building and an airport access road.		5,000.0			5,000.0
3/13/2009	DOT 9	250		Consider in Regular Capital Budget	Cap	Capital	Transportation	New: Nulato: Airport Improvements This is a new supplemental request. Resurface the airport operational surfaces, rehabilitate the access road, apply dust palliative, replace lighting, construct a snow removal equipment building, and other improvements as funds allow.		9,200.0			9,200.0
		251		Consider in Regular Capital Budget	Cap	Capital	Transportation	**Surface Transportation Program Appropriation** **$15,750,000**					
		252		Consider in Regular Capital Budget	Cap	Capital	Transportation	Chena Hot Springs Road: Milepost 24 to 56 Rehabilitation This is a new FY2009 project. The project consists of 32 miles of roadway reconditioning and paving with 1.5" of hot mix asphalt. The work includes bridge seismic retrofits and upgrading traffic signs, guardrail, striping, and approaches.		1,430.0			1,430.0
		253		Consider in Regular Capital Budget	Cap	Capital	Transportation	Ester Weigh Station Scale Replacement This is a new FY2009 project. Replace the scale at the Ester weigh station and return it to service. The Ester Weigh Scale has currently been removed from service due to inaccuracies in its measurements. The steel scale deck support system and steel scale mechanisms have deteriorated beyond the point of reasonable repair. The extensive corrosion present is almost certainly a direct cause of the recent loss of accuracy of the scale system.		120.0			120.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		254	[redacted]		Cap			Sets out the funding by agency for the appropriations in sec. 1.					-
		255	[redacted]		Cap			Summarizes by fund source the funding for the appropriations in secs. 1 and 3.					-
		256							**14,807.1**	**75,867.5**	**50,669.0**	**-**	**141,343.6**
		257	100	OMB offset		Capital	Transportation	Fort Yukon: Airport Improvements This is a new FY2009 project. Resurface and include a dust palliative on the apron, taxiway and runway at the Fort Yukon Airport. Correct drainage problems, clear overgrown vegetation, and complete other improvements as funding allows. This request reflects an update to the engineer's estimate.		3,500.0			3,500.0
2/24/2009	DOT 1	258	199	OMB offset		Capital	Transportation	Delete: Fort Yukon: Airport Improvements□ Economic Stimulus: This project is now part of the department's Economic Stimulus appropriation request for $6.5 million of Federal Economic Stimulus. In addition the Economic Stimulus appropriation bill includes changing the fund source from Federal Receipts to Federal Economic Stimulus of $10,490.8 from prior year capital appropriation(s), for a total of $16,990.8.		(3,500.0)			(3,500.0)
		259	109	OMB offset		Capital	Transportation	Kotzebue: Shore Avenue Rehabilitation and Erosion Protection This amends an existing FY2009 project (sec. 13, ch. 29, SLA2008, page 170, line 3), increasing the FY2009 allocation to $20,590,000. This project was originally requested as an FY2010 project. A corresponding decrement for FY2010 will be submitted as a budget amendment. Reconstruct Shore Avenue from Lake Street, through the primary commercial area of Kotzebue, approximately 4,400 feet to the end of the road at Crowley Dock. Shore Avenue will be paved, new sidewalks, a pathway, parallel parking, an open space on the seaward side, and an erosion protection revetment on the seaside.		14,200.0			14,200.0
2/24/2009	DOT 2	260	200	OMB offset		Capital	Transportation	Delete: Kotzebue: Shore Avenue Rehabilitation and Erosion Protection□ Economic Stimulus: This project is now part of the department's Economic Stimulus appropriation request for $6.5 million of Federal Economic Stimulus and $8.5 million of Federal Receipts, for a total of $15 million.		(14,200.0)			(14,200.0)
3/13/2009	DCCED 1	261	240	Not our battle		Capital	Commerce	Add the contingency language associated with the Banking and Securities Management Systems capital project that was inadvertently omitted when the project was moved from the FY2010 capital budget into the supplemental bill.					-

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
		262	[redacted]	New Approp for DEC	lang in Cap	Capital	Environmental Cons	New allocation: Village Safe Water Study, Design and Construction Projects $834,387 - Sec. 1, Ch. 135, SLA 2000. This supplemental is needed to meet federal funding agency requirements and to ensure that federal funds for water and sewer improvements throughout the state are retained.		625.8			625.8
		263	[redacted]	LFD split project reapprop	lang in Cap	Capital	Environmental Cons	Transfer the balance of $625,800 Federal funds from Tununak Flush Tank and Haul, and Washeteria Project (ED 38), made in sec. 1, ch. 135, SLA 2000, page 10, line 30, to a new Village Safe Water Study, Design and Construction Projects allocation.		(625.8)			(625.8)
		264	[redacted]	cannot split reapprop, so leave for capbud	lang in Cap	Capital	Environmental Cons	Transfer the balance of $208,578 AHFC Dividend from Tununak Flush Tank and Haul, and Washeteria Project (ED 38), made in sec. 1, ch. 135, SLA 2000, page 10, line 30, to the CIF			(208.6)	AHFC Dividend	(208.6)
		265	124	included in McLaughlin reapprop		Capital	HSS	Reappropriate the unexpended and unobligated balance of $944,400 of the appropriation made in sec. 4, ch. 82, SLA 2006, page 120, lines 32 - 33 for Wik Road Improvements to the Department of Health and Social Services, McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1.			944.4	NTSC Bonds	944.4
3/13/2009	DOT 13	266	239			Capital	Transportation	Reappropriate the unexpended and unobligated balances of the following FY2000 Department of Transportation and Public Facilities capital projects to the Department of Health and Social Services, McLaughlin Youth Center renovation to meet safety and security needs, phase 1.□ □ 1. State Matching Funds for Federal-Aid Highway Projects - Estimated to be $513,713□ 2. Anchorage: New Seward Highway at Diamond Interchange Capacity Improvement - Estimated to be $158,555□ 3. Anchorage: Dowling Rd Reconstruction: Lake Otis Pkwy. to Old Seward Hwy. - Estimated to be $63,454□ 4. Anchorage: Old Seward Hwy. Reconstruction - Estimated to be $2,886□ 5. National Highway System (NHS) State Match - Estimated to be $207,449□ □ This amendment replaces the Governors original reappropriation request of $944,400 Northern Tobacco Securitization Corporation Bonds with $946,100 General Funds as the original request inadvertently reappropriated a Legislative capital project.	(946.1)		944.4	NTSC Bonds	(1.7)

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
3/13/2009	HSS 9	267	231	McL		Capital	HSS	Reappropriate the unexpended and unobligated balances of the following FY00 Department of Transportation and Public Facilities capital projects to the Department of Health and Social Services, McLaughlin Youth Center renovation to meet safety and security needs, phase 1.□ □ 1. State Matching Funds for Federal-Aid Highway Projects - Estimated to be $513,713□ 2. Anchorage: New Seward Highway at Diamond Interchange Capacity Improvement - Estimated to be $158,555□ 3. Anchorage: Dowling Rd Reconstruction: Lake Otis Pkwy. to Old Seward Hwy. - Estimated to be $63,454□ 4. Anchorage: Old Seward Hwy. Reconstruction - Estimated to be $2,886□ 5. National Highway System (NHS) State Match - Estimated to be $207,449□ □ This amendment replaces the Governors original reappropriation request of $944,400 Northern Tobacco Securitization Corporation Bonds with $946,100 General Funds as the original request inadvertently reappropriated a Legislative capital project.	946.1		(944.4)	NTSC Bonds	1.7
		268	126	taken care of		Capital	HSS	Reappropriate the unexpended and unobligated balance of $222,022 of the appropriation made in sec.1(a), ch. 131, SLA 2000, page 2, line 9, for Kashunamiut - Chevak School Replacement to the Department of Health and Social Services, McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1.			222.0	NTSC Bonds	222.0
		269	122	taken care of		Capital	Health & Soc Svcs	Amend the appropriation made in sec. 13, ch. 29, SLA 20089, page 149, lines 24 - 27 for the McLaughlin Youth Center Renovation to Meet Safety and Security Needs, Phase 1, by replacing GF with $303.5 of unappropriated NTSC Bond Proceeds and $14,000.0 of Miscellaneous Earnings from NTSC Bonds.	(15,469.9)		14,303.5	303.5 NTSC Bonds 14,000.0 Misc Earnings (from NTSC Bonds)	(1,166.4)
3-Apr-09	DCCED 2	270	[redacted]	Consider in CapBud.Why CIF if this is operational assistance?	Cap	Capital	Commerce	Inter-Island Ferry Authority - Operational Assistance State funding for maintenance and operations of the Inter-island Ferry Authority (IFA).	1,500.0			was AK Capital Income Fund	1,500.0
3-Apr-09	DOT 23	271	[redacted]	Consider in CapBud.	Cap	Capital	Transportation	**Airport Improvement Program - Appropriation**					0.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)					
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source		Total Funds
3-Apr-09	DOT 24	272	259	Consider in CapBud.	Cap	Capital	Transportation	New: Alaska International Airport System: Development Fund These funds may be used for design and construction of both exclusive-use and common-use Alaska International Airport System (AIAS) projects. The funds allow for timely response to airport development needs and are required by the operating agreement in place between signatory air carriers and DOTPF/AIAS.			5,000.0	International Airports Revenue Fund		5,000.0
3-Apr-09	DOT 25	273	260	Consider in CapBud.	Cap	Capital	Transportation	New: Fairbanks International Airport: 1L-19R - Taxiway and Apron Improvements This amendment to the FY09 Governor's Supplemental Budget adds $3,000,000 Federal Funds for a new FY09 total of $21,250,000. This request will fund construction of the initial phase of Taxiway Echo and pave aircraft apron areas proximal to runway 1L-19R. The initial phase of Taxiway Echo consists of excavating, filling, grading, paving, lighting, and marking approximately 400' of new taxiway.		3,000.0				3,000.0
3-Apr-09	DOT 26	274	261	Consider in CapBud.	Stim	Capital	Transportation	New: Kodiak: Chemical Storage Building Construct a facility consisting of storage tanks, mixing tank and storage area for de-icing truck.		1,200.0				1,200.0
3-Apr-09	DOT 27	275	262	Consider in CapBud.	Stim	Capital	Transportation	New: Kotzebue: Apron Expansion Expand the terminal apron to the south and east. This project will also construct new general aviation aircraft parking, a new access road and taxiway, security fencing and drainage improvements, and will provide new leasing areas.		5,300.0				5,300.0
3-Apr-09	DOT 28	276	263	Consider in CapBud.		Capital	Transportation	**Surface Transportation Program - Appropriation**						0.0
3-Apr-09	DOT 29	277	264	Consider in CapBud.	Stim	Capital	Transportation	New: Fairbanks: LED Street Light Conversion Convert existing high pressure sodium (HPS) street lights to light-emitting diode (LED) lights in the City of Fairbanks and North Pole. The City of Fairbanks and North Pole operates approximately 2,900 high pressure sodium (HPS) street lights, which cost approximately $550,000 per year to power and $75,000 per year in maintenance and replacement bulb costs. The light-emitting diode (LED) street lights provide a 70% reduction in power usage and have a lifespan estimated from 50,000 to 100,000 hours. This would result in an annual savings of $400,000 or greater per year for the City of Fairbanks and North Pole residents.		3,310.0				3,310.0

FY2009 SUPPLEMENTAL REQUESTS

								Net addition to the Capital Income Fund	(3,163.0)				
Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
3-Apr-09	DOT 30	278	265	Consider in CapBud.	Stim	Capital	Transportation	New: Fairbanks: Sign Replacement Design and implement a system to assess all traffic signs in the Fairbanks area and replace as needed to improve their visibility and increase road safety. There is a new federal mandate to ensure the retro-reflectivity of all signs are assessed, inventoried, and replaced as needed. By January 2012, a sign assessment or management system has to be in place to track sign data and ensure timely sign replacement. By January 2015, all ground-mounted regulatory, warning and guide signs must comply with retro-reflectivity requirements and by January 2018, all overhead and street name signs must be compliant.		973.6			973.6
3-Apr-09	DOT 31	279	266	Consider in CapBud.	Stim	Capital	Transportation	New: Fairbanks: Wendell Street ADA Improvements Sidewalk improvements are necessary to comply with the Americans with Disabilities Act. Wendell Street is the home of the new Morris Thompson Cultural and Visitor's Center and tourists will be dropped off and picked up there by bus companies. Improving the pedestrian facilities and repaving will enhance this new cultural visitor destination in Fairbanks. The storm drains are 40 year old wood stave pipes and are in dire need of replacement.		814.0			814.0
		280	188										
		281	189										
		282	190										

FY2009 SUPPLEMENTAL REQUESTS

Date	Amend #	Item	OMB Item	Notes	Sec. No.	Department or Capital	Component or, if capital, Department	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
								Net addition to the Capital Income Fund	(3,163.0)				
		283	191		**RATIFICATIONS**			AR and AR Name	These are actual dollars--not thousands				
		284	192		18(a)	Natural Resources	Fire Suppression Activity	AR 37313-08 Fire General Fund	$ 1,470,229.86				$ 1,470,229.86
		285	193		18(b)(1)	Corrections	Capital	AR 51299-06 Offender Tracking Information System Development	$ 59,856.00				$ 59,856.00
		286	194		18(b)(2)	Education	Teaching and Learning Support	AR 17722-07 Student and School Achievement	$ 3,954.34				$ 3,954.34
		287	195		18(b)(3)	HSS	Administrative Support Services	AR 22729-05 Integrated Strategic Planning	$ 710.00				$ 710.00
		288	196		18(b)(4)	HSS	Administrative Support Services	AR 22733-05 Transitions to Work	$ 6.49				$ 6.49
		289	197		18(b)(5)	Public Safety	Council on Domestic Violence and Sexual Assault	AR 47180-08 Domestic Violence	$ 29,544.44				$ 29,544.44
		290	198		18(b)(6)	Transportation	Anchorage Airport Safety	AR 57538-06 Anchorage Airport Safety	$ 9,773.65				$ 9,773.65
3-Apr-09	DOT 32	291			18b7		Measurement Standards and Commercial Vehicle Enforcement	AR 68983-08 SHSGP II Critical Infrastructure Protection	4,158.00				4,158.00

Adopted 26-GH1005\M
Kane
4/18/09

SENATE CS FOR CS FOR HOUSE BILL NO. 113(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making supplemental appropriations, capital appropriations, and other appropriations; amending appropriations; making appropriations to capitalize funds; making appropriations under art. IX, sec. 17(c), Constitution of the State of Alaska, from the constitutional budget reserve fund; and providing for an effective date."

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

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2008 and ending June 30, 2009, unless otherwise indicated.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Centralized Administrative Services		**296,500**	**-107,600**	**404,100**
Retirement and Benefits	46,500			
Group Health Insurance	250,000			
Special Systems		**85,000**	**85,000**	
Elected Public Officers Retirement System Benefits	85,000			
Legal and Advocacy Services		**1,033,000**	**1,000,000**	**33,000**
Office of Public Advocacy	33,000			
Public Defender Agency	1,000,000			
Motor Vehicles		**562,800**		**562,800**
Motor Vehicles	562,800			
*****		*****		
***** **Department of Corrections** *****				
*****		*****		
Population Management			**-1,000,000**	**1,000,000**
Anchorage Correctional Complex	0			
Inmate Health Care		**1,405,800**	**1,405,800**	
Inmate Health Care	1,405,800			

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** Department of Fish and Game *****				
*****		*****		
Commercial Fisheries		**-173,000**		**-173,000**
Commercial Fisheries	-173,000			
Special Projects				
Wildlife Conservation				
Wildlife Conservation	0			
Special Projects				
Administration and Support		**151,000**		**151,000**
Administrative Services	145,000			
Fish and Game Boards and	6,000			
Advisory Committees				
Habitat		**22,000**		**22,000**
Habitat	22,000			
*****		*****		
***** Office of the Governor *****				
*****		*****		
Executive Operations		**-390,000**	**-390,000**	
Executive Office	-390,000			
*****			*****	
***** Department of Health and Social Services *****				
*****			*****	
Alaska Pioneer Homes			**-740,000**	**740,000**
Pioneer Homes	0			
Behavioral Health		**-16,200,000**	**-15,625,300**	**-574,700**
Behavioral Health Medicaid	-16,200,000			
Services				
Children's Services		**105,800**	**-1,900**	**107,700**
Children's Medicaid	0			
Services				

	Allocations	Appropriation Items	General Funds	Other Funds
Children's Services	0			
Management				
Front Line Social Workers	0			
Foster Care Base Rate	0			
Foster Care Special Need	105,800			
Health Care Services		**-2,000,000**	**-27,503,000**	**25,503,000**
Adult Preventative Dental	0			
Medicaid Services				
Medicaid Services	-2,000,000			
Juvenile Justice		**250,300**	**250,300**	
Probation Services	250,300			
Public Assistance		**9,900,000**		**9,900,000**
Energy Assistance Program	9,900,000			
Public Health			**4,347,800**	**-4,347,800**
Nursing	0			
Women, Children and Family Health	0			
Senior and Disabilities Services		**-10,800,000**	**-25,111,400**	**14,311,400**
Senior and Disabilities Medicaid Services	-10,800,000			
Departmental Support Services		**500,000**	**1,948,000**	**-1,448,000**
Commissioner's Office	500,000			
Administrative Support Services	0			
Information Technology Services	0			
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	

	Allocations	Appropriation Items	General Funds	Other Funds
Workforce Development			**-699,600**	**699,600**
Unemployment Insurance	0			
*****			*****	
***** **Department of Military and Veterans Affairs** *****				
*****			*****	
Military and Veteran's		**800,000**		**800,000**
Affairs				
Army Guard Facilities	500,000			
Maintenance				
Air Guard Facilities	300,000			
Maintenance				
*****		*****		
***** **Department of Natural Resources** *****				
*****		*****		
Resource Development		**390,000**	**390,000**	
Commissioner's Office	390,000			
*****		*****		
***** **Department of Public Safety** *****				
*****		*****		
Fire and Life Safety		**600**	**600**	
Fire and Life Safety	600			
Operations				
Alaska State Troopers		**1,693,600**	**1,693,600**	
Special Projects	1,700			
Alaska Bureau of Judicial	663,300			
Services				
Prisoner Transportation	300,000			
Narcotics Task Force	1,200			
Alaska State Trooper	367,900			
Detachments				
Alaska Bureau of	2,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Investigation				
Alaska Bureau of Alcohol and Drug Enforcement	7,500			
Alaska Wildlife Troopers	8,400			
Alaska Wildlife Troopers Aircraft Section	318,800			
Alaska Wildlife Troopers Marine Enforcement	21,200			
Alaska Wildlife Troopers Investigations	700			
Statewide Support		**700**	**700**	
Training Academy	700			
*****		*****		
***** **Department of Revenue** *****				
*****		*****		
Taxation and Treasury		**-165,000**		**-165,000**
Alaska Retirement Management Board	-165,000			
Alaska Housing Finance Corporation		**959,700**		**959,700**
AHFC Operations	959,700			
*****			*****	
***** **Department of Transportation & Public Facilities** *****				
*****			*****	
Administration and Support		**277,300**	**41,000**	**236,300**
Central Region Support Services	41,000			
International Airport Systems Office	-16,200			
Measurement Standards & Commercial Vehicle	252,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Enforcement				
State Equipment Fleet		**1,991,000**		**1,991,000**
State Equipment Fleet	1,991,000			
Highways, Aviation and Facilities		**1,264,300**	**1,264,300**	
Central Region Highways and Aviation	1,114,300			
Northern Region Highways and Aviation	150,000			
International Airports		**-2,136,700**		**-2,136,700**
Anchorage Airport Administration	-281,000			
Anchorage Airport Facilities	-800,000			
Anchorage Airport Field and Equipment Maintenance	-400,000			
Anchorage Airport Operations	-80,000			
Anchorage Airport Safety	-254,000			
Fairbanks Airport Field and Equipment Maintenance	-157,400			
Fairbanks Airport Operations	-117,000			
Fairbanks Airport Safety	-47,300			
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Alaska Court System		**390,000**	**390,000**	
Trial Courts	390,000			
Commission on Judicial Conduct		**33,200**	**33,200**	

	Allocations	Appropriation Items	General Funds	Other Funds
Commission on Judicial Conduct	33,200			

(SECTION 2 OF THIS ACT BEGINS ON PAGE 9)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1002 Federal Receipts	33,000
1004 Unrestricted General Fund Receipts	977,400
1017 Group Health and Life Benefits Fund	250,000
1029 Public Employees Retirement Trust Fund	120,000
1034 Teachers Retirement Trust Fund	34,100
1156 Receipt Supported Services	562,800
*** Total Agency Funding ***	$1,977,300
Department of Corrections	
1002 Federal Receipts	1,000,000
1004 Unrestricted General Fund Receipts	-152,700
1037 General Fund / Mental Health	558,500
*** Total Agency Funding ***	$1,405,800
Department of Fish and Game	
1002 Federal Receipts	-100,000
1007 Interagency Receipts	-110,000
1018 Exxon Valdez Oil Spill Trust	50,000
1108 Statutory Designated Program Receipts	160,000
*** Total Agency Funding ***	$0
Office of the Governor	
1004 Unrestricted General Fund Receipts	-390,000
*** Total Agency Funding ***	$-390,000
Department of Health and Social Services	
1002 Federal Receipts	-4,400,000
1003 General Fund Match	-69,467,700
1004 Unrestricted General Fund Receipts	7,032,200
1007 Interagency Receipts	-6,116,100
1156 Receipt Supported Services	740,000

1212	Federal Stimulus: ARRA 2009	53,967,700
***	Total Agency Funding ***	$-18,243,900
Department of Labor and Workforce Development		
1002	Federal Receipts	699,600
1004	Unrestricted General Fund Receipts	-699,600
***	Total Agency Funding ***	$0
Department of Military and Veterans Affairs		
1002	Federal Receipts	800,000
***	Total Agency Funding ***	$800,000
Department of Natural Resources		
1004	Unrestricted General Fund Receipts	390,000
***	Total Agency Funding ***	$390,000
Department of Public Safety		
1004	Unrestricted General Fund Receipts	1,694,900
***	Total Agency Funding ***	$1,694,900
Department of Revenue		
1002	Federal Receipts	1,634,000
1017	Group Health and Life Benefits Fund	890,000
1029	Public Employees Retirement Trust Fund	-807,600
1034	Teachers Retirement Trust Fund	-245,200
1042	Judicial Retirement System	-1,500
1045	National Guard Retirement System	-700
1103	Alaska Housing Finance Corporation Receipts	-674,300
***	Total Agency Funding ***	$794,700
Department of Transportation & Public Facilities		
1004	Unrestricted General Fund Receipts	1,305,300
1026	Highways Equipment Working Capital Fund	1,991,000
1027	International Airports Revenue Fund	-2,152,900
1156	Receipt Supported Services	252,500
***	Total Agency Funding ***	$1,395,900
Alaska Court System		

1004	Unrestricted General Fund Receipts	423,200
***	Total Agency Funding ***	$423,200
* * * * *	Total Budget * * * * *	$-9,752,100

(SECTION 3 OF THIS ACT BEGINS ON PAGE 12)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source		Amount
General Funds		
1003	General Fund Match	-69,467,700
1004	Unrestricted General Fund Receipts	10,580,700
1037	General Fund / Mental Health	558,500
Total General Funds		$-58,328,500
Federal Funds		
1002	Federal Receipts	-333,400
1212	Federal Stimulus: ARRA 2009	53,967,700
Total Federal Funds		$53,634,300
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	1,140,000
1018	Exxon Valdez Oil Spill Trust	50,000
1027	International Airports Revenue Fund	-2,152,900
1029	Public Employees Retirement Trust Fund	-687,600
1034	Teachers Retirement Trust Fund	-211,100
1042	Judicial Retirement System	-1,500
1045	National Guard Retirement System	-700
1103	Alaska Housing Finance Corporation Receipts	-674,300
1108	Statutory Designated Program Receipts	160,000
1156	Receipt Supported Services	1,555,300
Total Other Non-Duplicated Funds		$-822,800
Duplicated Funds		
1007	Interagency Receipts	-6,226,100
1026	Highways Equipment Working Capital Fund	1,991,000
Total Duplicated Funds		$-4,235,100

(SECTION 4 OF THIS ACT BEGINS ON PAGE 13)

*** Sec. 4.** DEPARTMENT OF ADMINISTRATION. The appropriation made by sec. 20(a), ch. 3, FSSLA 2005, as amended by sec. 13(c), ch. 30, SLA 2007, by sec. 61(d), ch. 30, SLA 2007, and by sec. 34(a), ch. 29, SLA 2008, lapses June 30, 2010.

*** Sec. 5.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The sum of $890,000 is appropriated from the receipts of functions related to banking, securities, and corporations (AS 37.05.146(c)(34)) to the Department of Commerce, Community, and Economic Development for a banking and securities management system.

(b) The sum of $630,000 is appropriated from the receipts of functions related to business licensing and license endorsements (AS 37.05.146(c)(52)) to the Department of Commerce, Community, and Economic Development for a secretary of state knowledge base system.

(c) The sum of $115,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to World Trade Center Alaska for the international trade program partnership for the fiscal year ending June 30, 2010.

(d) The unexpended and unobligated balance of the appropriation made in sec. 13, ch. 29, SLA 2008, page 100, lines 27 - 29 (Southeast Conference, timber revitalization in Southeast Alaska - $125,000) is reappropriated to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Southeast Conference for the Southeast Intertie energy program for the fiscal year ending June 30, 2010.

*** Sec. 6.** DEPARTMENT OF CORRECTIONS. The unexpended and unobligated balance, not to exceed $500,000, of the appropriation made in sec. 1, ch. 27, SLA 2008, page 19, line 12, and allocated on page 20, lines 15 - 16 (Department of Health and Social Services, behavioral health administration - $8,270,200) is reappropriated to the Department of Corrections for secure detoxification and treatment for involuntary substance abuse commitment for the fiscal year ending June 30, 2010.

*** Sec. 7.** DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. (a) Section 13, ch. 29, SLA 2008, page 136, lines 24 - 25, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND

Major Maintenance Grant Fund		**81,757,216**	**81,757,216**
(AS 14.11.007)		**[81,364,724]**	**[81,364,724]**

(b) Section 13, ch. 29, SLA 2008, page 137, lines 17 - 19, is amended to read:

	ALLOCATIONS
Maudry J. Sommers K-12 School Major Maintenance (HD 6)	**7,457,381** [7,064,889]

(c) Section 13, ch. 29, SLA 2008, page 136, lines 13 - 23, is amended to read:

	ALLOCATIONS	APPROPRIATION ITEMS	GENERAL FUND
School Construction Grant Fund (AS 14.11.005)		**125,109,759** **[106,421,074]**	**125,109,759** **[106,421,074]**
Susitna Valley High School Replacement (HD 13-16)	19,099,558		
Marshall K-12 School Replacement (HD 6)	35,554,900		
Chaptnguak K-12 Renovation and Addition, Chefornak (HD 38)	44,182,623		
Kobuk K-12 Renovation/ Addition (HD 40)	7,583,993		
Kalskag High School Replacement (HD 38)	**18,688,685**		

(d) Section 12, ch. 27, SLA 2008, is amended to read:

Sec. 12. DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The sum of **$2,500,000** [$4,800,000] is appropriated from the general fund to the Department of Education and Early Development for the school incentive program for the fiscal year ending June 30, 2009.

(e) The sum of $60,000 is appropriated from the Alaska Commission on Postsecondary Education receipts (fund code 1106) to the Department of Education and Early Development, Alaska Commission on Postsecondary Education, for program administration

and operations for the fiscal year ending June 30, 2009.

* **Sec. 8.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) The amount necessary, estimated to be $500,000, to repay the United States Department of Health and Human Services, Centers for Medicare and Medicaid Services, the federal share of overpayments for Medicaid provider services identified as a result of payment error rate audit findings is appropriated from the general fund, estimated to be $450,000, and from statutory designated program receipts, estimated to be $50,000, to the Department of Health and Social Services for the fiscal year ending June 30, 2009.

(b) Section 4, ch. 29, SLA 2007, page 13, lines 10 - 14, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
MH Southcentral Foundation [EKLUTNA] Residential Psychiatric Treatment Center - Match for Bring the Kids Home (HD 13-16)	7,000,000	7,000,000

(c) The sum of $944,400 is appropriated from the Alaska capital income fund (AS 37.05.565) to the Department of Health and Social Services for renovation of the McLaughlin Youth Center to meet safety and security needs, phase 1.

(d) The unexpended and unobligated balance, estimated to be $222,022, of the appropriation made in sec. 1(a), ch. 131, SLA 2000, and allocated on page 2, line 9 (Kashunamiut, Chevak school replacement - $28,273,000) is reappropriated to the Department of Health and Social Services for renovation of the McLaughlin Youth Center to meet safety and security needs, phase 1.

(e) Section 13, ch. 29, SLA 2008, page 149, lines 24 - 27, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND	OTHER FUNDS
McLaughlin Youth Center	**18,337,300**	**4,033,800**	**14,303,500**
Renovation to Meet Safety and Security Needs, Phase 1 (HD 17-32)	[19,503,700]	[19,503,700]	

(f) The sum of $45,000 is appropriated from the general fund to the Department of Health and Social Services to implement the Interstate Compact for Juveniles for the fiscal

year ending June 30, 2010.

*** Sec. 9.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. (a) The unexpended and unobligated balance, not to exceed $100,000, of the appropriation made in sec. 2, ch. 28, SLA 2007, page 44, lines 22 - 24, as amended by sec. 34(e), ch. 29, SLA 2008 (Department of Labor and Workforce Development, HB 177, natural gas pipeline project - $850,000) is reappropriated to the Department of Labor and Workforce Development, commissioner's office, for gas pipeline activities for the fiscal year ending June 30, 2010.

(b) The unexpended and unobligated balance, not to exceed $145,000, of the appropriation made in sec. 2, ch. 28, SLA 2007, page 44, lines 22 - 24, as amended by sec. 34(e), ch. 29, SLA 2008 (Department of Labor and Workforce Development, HB 177, natural gas pipeline project - $850,000) is reappropriated to the Department of Labor and Workforce Development, labor market information, for gas pipeline activities for the fiscal year ending June 30, 2010.

(c) The unexpended and unobligated balance, not to exceed $80,000, of the appropriation made in sec. 2, ch. 28, SLA 2007, page 44, lines 22 - 24, as amended by sec. 34(e), ch. 29, SLA 2008 (Department of Labor and Workforce Development, HB 177, natural gas pipeline project - $850,000) is reappropriated to the Department of Labor and Workforce Development, business services, for gas pipeline activities for the fiscal year ending June 30, 2010.

(d) The unexpended and unobligated balance, not to exceed $85,000, of the appropriation made in sec. 1, ch. 27, SLA 2008, page 28, line 22, and allocated on line 27 (Department of Labor and Workforce Development, workforce development, Alaska Workforce Investment Board - $543,600) is reappropriated to the Department of Labor and Workforce Development, Alaska Workforce Investment Board, for gas pipeline activities for the fiscal year ending June 30, 2010.

(e) Section 71, ch. 29, SLA 2008, is amended to read:

Sec. 71. TECHNICAL VOCATIONAL EDUCATION PROGRAM. The following amounts are appropriated from the **Alaska technical and** vocational education **program** account **(AS 23.15.830)** [(AS 37.10.200)] to the following state agencies for operating expenditures for the institutions listed in AS 23.15.835(d), added by **sec. 2, ch. 47, SLA 2008** [A VERSION OF HB 2, TWENTY-FIFTH

ALASKA STATE LEGISLATURE], for programs consistent with AS 23.15.820 - 23.15.850 for the fiscal year ending June 30, 2009:

	APPROPRIATION
HB 2 Technical and vocational education program appropriated to Department of Labor and Workforce Development	$1,704,300
HB 2 Technical and vocational education program appropriated to Department of Education and Early Development	120,200
HB 2 Technical and vocational education program appropriated to University of Alaska	1,180,700

(f) If the amount available for appropriation in (a) - (c) of this section is less than $325,000, the reappropriations made in (a) - (c) of this section shall be reduced in proportion to the amount of the shortfall.

*** Sec. 10.** DEPARTMENT OF LAW. (a) The sum of $1,351,361 is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2009.

(b) The amount necessary, after application of the amount appropriated in (a) of this section, to pay judgments awarded against the state on or before June 30, 2009, is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments against the state for the fiscal year ending June 30, 2009.

(c) The unexpended and unobligated balance, not to exceed $1,250,000, of the appropriation made in sec. 70(b), ch. 29, SLA 2008 (Legislative Council, Alaska Conference on State and Federal Responsibility Related to Economic Impacts of ESA Listings) is reappropriated to the Department of Law, statehood defense, for costs associated with assessing and protecting the state's interest related to the Endangered Species Act for the fiscal years ending June 30, 2009, and June 30, 2010.

*** Sec. 11.** DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. (a) The sum of

$2,470,000 is appropriated from federal receipts to the Department of Military and Veterans' Affairs for Alaska Military Youth Academy infrastructure improvements.

(b) The sum of $31,300 is appropriated from the general fund to the Department of Military and Veterans' Affairs, veterans' services, for retirement benefits for members of the Alaska Territorial Guard for the fiscal year ending June 30, 2009.

* **Sec. 12.** DEPARTMENT OF NATURAL RESOURCES. The unexpended and unobligated balance of the appropriation made in sec. 24(p), ch. 159, SLA 2004 (Department of Natural Resources, permitting and application processing related to the state gas pipeline right-of-way work related to bringing North Slope natural gas to market - $3,900,000) is reappropriated to the Department of Natural Resources for permitting and application processing related to the state gas pipeline right-of-way work related to bringing North Slope natural gas to market.

* **Sec. 13.** DEPARTMENT OF REVENUE. (a) Section 1(b), ch. 1, 4SSLA 2008, is amended to read:

(b) The amount necessary to pay **the one-time** [A] $1,200 resource rebate **that increased 2008 permanent fund dividends under sec. 5, ch. 2, 4SSLA 2008,** to all eligible individuals and related administrative costs, estimated to be $744,600,000, is appropriated from the general fund to the Department of Revenue for the Alaska resource rebate program and related administrative costs [FOR THE FISCAL YEAR ENDING JUNE 30, 2009].

(b) Section 9, ch. 1, 4SSLA 2008, is amended by adding a new subsection to read:

(c) The appropriation made in sec. 1(b) of this Act does not lapse.

(c) Section 13, ch. 29, SLA 2008, page 155, line 33, through page 156, line 4, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
PowerBuilder Replacement **and SQL Database Evaluation, Equipment, and Training** [FEASIBILITY STUDY] (HD 1-40)	300,000	300,000

(d) The sum of $86,700 is appropriated from the dividend fund (AS 43.23.045(a)) to

the Department of Revenue, permanent fund dividend division, for administrative and related costs associated with evaluating the eligibility of deceased applicants for a permanent fund dividend for the fiscal year ending June 30, 2010.

*** Sec. 14.** DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. (a) The unexpended and unobligated balances of the following appropriations on the effective date of this section are reappropriated to the Department of Transportation and Public Facilities for the construction and maintenance in prior fiscal years of Alaska Railroad Corporation crossings on state roads:

(1) sec. 53, ch. 120, SLA 1980, page 91, line 14, and allocated on page 91, line 15, as amended by secs. 130(a) and (b), ch. 105, SLA 1985, and by sec. 115(a)(1), ch. 139, SLA 1998 (transportation planning - $10,295,900);

(2) sec. 163, ch. 96, SLA 1991, page 42, line 9, as amended by sec. 50(a)(1), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(3) sec. 152, ch. 5, FSSLA 1992, page 41, line 21, as amended by sec. 55(a) - (c), ch. 159, SLA 2004, and by sec. 56(d)(10), ch. 82, SLA 2006 (Department of Transportation and Public Facilities, central region highways and aviation for increased maintenance costs);

(4) sec. 152, ch. 5, FSSLA 1992, page 41, line 22, as amended by sec. 50(a)(5), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(5) sec. 19, ch. 79, SLA 1993, page 20, lines 30 - 31, as amended by sec. 50(a)(7), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(6) sec. 10, ch. 4, FSSLA 1994, page 12, line 29, and allocated on page 13, lines 33 - 34, as amended by sec. 50(a)(11), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(7) sec. 9(a), ch. 103, SLA 1995, as amended by sec. 50(a)(12), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(8) sec. 84(b)(2), ch. 103, SLA 1995, as amended by sec. 50(a)(13), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage

building);

(9) sec. 135, ch. 103, SLA 1995, page 40, line 34, and allocated on page 41, lines 11 - 13, as amended by sec. 54(b)(11), ch. 159, SLA 2004 (Department of Transportation and Public Facilities, construction of Chandalar maintenance station);

(10) sec. 135, ch. 103, SLA 1995, page 40, line 34, and allocated on page 41, lines 14 - 15, as amended by sec. 50(a)(14), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(11) sec. 100, ch. 123, SLA 1996, page 58, line 30, and allocated on page 58, lines 31 - 32, as amended by sec. 50(a)(15), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(12) sec. 100, ch. 123, SLA 1996, page 58, line 30, and allocated on page 59, lines 4 - 5, as amended by sec. 50(a)(16), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(13) sec. 46(b)(1), ch. 100, SLA 1997, as amended by sec. 50(a)(18), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(14) sec. 46(b)(2), ch. 100, SLA 1997 (federal-aid aviation projects - $305,492);

(15) sec. 82, ch. 100, SLA 1997, page 58, line 8, and allocated on page 58, lines 9 - 12, as amended by sec. 50(a)(19), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(16) sec. 131, ch. 139, SLA 1998, page 56, lines 30 - 32 (state match for previously authorized federal-aid highway projects - $3,400,000);

(17) sec. 131, ch. 139, SLA 1998, page 83, line 13, and allocated on page 83, lines 14 - 15 (federal-aid aviation state match - $5,000,000).

(b) Section 13, ch. 29, SLA 2008, page 158, lines 21 - 22, is amended to read:

	APPROPRIATION ITEMS	GENERAL FUND
Bridge Repair and Upgrade (HD 3-4)	**49,600** [400,000]	**49,600** [400,000]

(c) The unexpended and unobligated balance of the appropriation from AHFC

dividends, estimated to be $350,400, made in sec. 1, ch. 61, SLA 2001, page 23, lines 26 - 27 (Emergency Communications: Southeast Upgrade - $400,400) is reappropriated to the Department of Transportation and Public Facilities for Juneau area bridge repair and upgrade.

(d) The sum of $1,601,200 is appropriated from the general fund to the Department of Transportation and Public Facilities, marine vessel operations, to implement the collective bargaining agreement with the Inlandboatmen's Union of the Pacific, representing the unlicensed marine unit, for the fiscal year ending June 30, 2009.

(e) The unexpended and unobligated balance, estimated to be $6,300,000, of the appropriation made in sec. 57, ch. 3, FSSLA 2005 (Department of Transportation and Public Facilities, multi-year contract for building, runway, and system improvements and to provide immediate and long-term operation and maintenance of the Adak air field) is reappropriated to the Department of Transportation and Public Facilities for Adak air field maintenance and operations.

(f) The sum of $408,200 is appropriated from the general fund to the Department of Transportation and Public Facilities, marine vessel operations, to implement the collective bargaining agreement with the International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit for the fiscal year ending June 30, 2009.

(g) The sum of $463,700 is appropriated from the general fund to the Department of Transportation and Public Facilities, marine vessel operations, to implement the collective bargaining agreement with the Marine Engineers' Beneficial Association, representing licensed engineers employed by the Alaska marine highway system, for the fiscal year ending June 30, 2009.

(h) Section 1, ch. 82, SLA 2006, page 91, lines 23 - 24, is amended to read:

	ALLOCATIONS
Petersburg: Airport Runway Safety Area **and Repaving** **Runway** (HD 2)	19,650,000

(i) The sum of $1,700,000 is appropriated from the Alaska capital income fund (AS 37.05.565) to the Department of Transportation and Public Facilities for emergency and nonroutine repairs associated with the hillside slide at Mile 5, North Tongass Highway, in

Ketchikan.

(j) The unexpended and unobligated balances, not to exceed $1,500,000, of the appropriations made in sec. 1, ch. 27, SLA 2008, page 39, line 10 (Department of Transportation and Public Facilities, administration and support - $40,992,100), sec. 1, ch. 27, SLA 2008, page 40, lines 12 - 13 (Department of Transportation and Public Facilities, design, engineering, and construction - $102,878,700), sec. 1, ch. 27, SLA 2008, page 40, line 32 (Department of Transportation and Public Facilities, state equipment fleet - $26,232,000), sec. 1, ch. 27, SLA 2008, page 41, lines 3 - 4 (Department of Transportation and Public Facilities, highways, aviation, and facilities - $141,887,200), and sec. 1, ch. 27, SLA 2008, page 42, line 9 (Department of Transportation and Public Facilities, marine highway system - $120,823,700) are reappropriated to the Department of Transportation and Public Facilities to pay the costs of removing snow from Anchorage sidewalks and to pay service agreements with the state equipment fleet, for the fiscal year ending June 30, 2009.

(k) Section 28(e), ch. 11, SLA 2008, is amended to read:

(e) The sum of $500,000 is appropriated from the general fund to the Department of Transportation and Public Facilities, central region support services, for costs related to Environmental Protection Agency enforcement actions and settlement costs, for the fiscal years ending June 30, 2008, [AND] June 30, 2009**, and June 30, 2010**.

(l) The sum of $4,250,000 is appropriated from the Alaska capital income fund (AS 37.05.565) to the Department of Transportation and Public Facilities for construction of a new Ketchikan airport ferry to replace the M/V Bob Ellis.

(m) The sum of $800,000 is appropriated from the commercial vessel passenger tax account (AS 43.52.230) to the Department of Transportation and Public Facilities for emergency and nonroutine repairs for work associated with cleanup of a rockslide on the Portage Glacier Highway.

(n) The sum of $2,000,000 is appropriated from the Alaska capital income fund (AS 37.05.565) to the Department of Transportation and Public Facilities for Newtok road and evacuation shelter material.

*** Sec. 15.** NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. Section 38, ch. 29, SLA 2008, is amended to read:

Sec. 38. NATIONAL PETROLEUM RESERVE - ALASKA IMPACT GRANT PROGRAM. The amount received by the National Petroleum Reserve - Alaska special revenue fund (AS 37.05.530) under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 by August 31, 2008, estimated to be $5,300,000, is appropriated from that fund to the Department of Commerce, Community, and Economic Development for capital project grants under the National Petroleum Reserve - Alaska impact grant program to the following municipalities in the amounts stated:

MUNICIPALITY	PROJECT	APPROPRIATION
North Slope Borough	Emergency operations center communication upgrades and response tools, equipment, supplies, and personal protective equipment for NPRA village fire departments	$ 317,000
North Slope Borough	Flight equipment, medical oxygen generator, equipment, vehicles, and supplies for search and rescue department	500,000
North Slope Borough	Arctic fox continuing study	**348,473** [402,000]
North Slope Borough	Police officers for NPRA impacted communities	274,000
City of Wainwright	Robert James Community Center heating fuel tank replacement	36,000
North Slope Borough	School counselors	300,000
City of Barrow	Piuraagvik Recreation Center facility addition design	1,300,000
City of Barrow	Public facilities operations and maintenance	985,000
North Slope Borough	Water tender	300,000

City of Atqasuk	Local government operations and youth center	238,000
City of Wainwright	Wainwright local government operations	188,000
City of Wainwright	Wainwright youth program	125,000
City of Nuiqsut	Local government operations and maintenance	285,000
City of Nuiqsut	Youth recreation	50,000

*** Sec. 16.** STATE DEBT AND OTHER OBLIGATIONS. (a) Section 27(*l*), ch. 27, SLA 2008, is amended to read:

(*l*) The sum of **$19,717,125** [$22,424,525] is appropriated from the general fund to the Department of Administration for the fiscal year ending June 30, 2009, for payment of obligations and fees for the following facilities:

FACILITY	ALLOCATION
(1) Anchorage Jail	$ 5,091,125
(2) **Goose Creek** [SPRING CREEK] Correctional Center	**14,626,000** [1,755,600]
[(3) YUKON KUSKOKWIM CORRECTIONAL CENTER	[951,800]
(4) POINT MACKENZIE CORRECTIONAL FARM]	[14,626,000]

(b) Section 27(n), ch. 27, SLA 2008, is amended to read:

(n) The sum of **$95,005,361** [$97,021,161] is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 from the following sources:

Alaska debt retirement fund (AS 37.15.011)	**$71,005,361** [$73,621,161]
School fund (AS 43.50.140)	**24,000,000** [23,400,000]

(c) Section 27(g), ch. 27, SLA 2008, is amended to read:

(g) The sum of $50,027,400 is appropriated to the state bond committee for

the fiscal year ending June 30, 2009, for payment of debt service and trustee fees on outstanding international airports revenue bonds from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund	**$21,827,400**
(AS 37.15.430)	[$46,827,400]
Passenger facility charge	3,200,000
International Airports Construction Fund	**25,000,000**
(AS 37.15.420)	

(d) Section 14, ch. 29, SLA 2008, page 177, lines 12 - 15, is amended to read:

1027	International Airports Revenue Fund	**45,165,000**
		[20,165,000]
1061	Capital Improvement Project Receipts	400,000
1108	Statutory Designated Program Receipts	46,500,000
1112	International Airports Construction Fund	**3,577,055**
		[28,577,055]

* **Sec. 17.** RATIFICATIONS OF CERTAIN EXPENDITURES. (a) The expenditures by the Department of Natural Resources for fire suppression for the fiscal year ending June 30, 2008 (AR 37313-08 Fire General Fund), are ratified in the amount of $1,470,229.86.

(b) The following departmental expenditures made in fiscal years 2005, 2006, 2007, and 2008 are ratified to reverse the negative account balances in the Alaska state accounting system in the amount listed for the AR number. The appropriations from which these expenditures were actually paid are amended by increasing those appropriations by the amount listed, as follows:

Department of Corrections	
(1) AR 51299-06 Offender Tracking Information System System Development	$ 59,856.00
Department of Education and Early Development	
(2) AR 17722-07 Student and School Achievement	3,954.34
Department of Health and Social Services	
(3) AR 22729-05 Integrated Strategic Planning	710.00

(4) AR 22733-05 Transitions to Work 6.49

Department of Public Safety

(5) AR 47180-08 Domestic Violence and Sexual Assault 29,544.44

Department of Transportation and Public Facilities

(6) AR 57538-06 Anchorage Airport Safety 9,773.65

(7) AR 68983-08 SHSGP Critical Infrastructure Upgrades 4,158.00

* **Sec. 18.** ALASKA CAPITAL INCOME FUND. (a) The unexpended and unobligated balances of the following appropriations are reappropriated to the Alaska capital income fund (AS 37.05.565):

(1) sec. 53(c), ch. 2, FSSLA 1999 (Department of Transportation and Public Facilities, state matching funds for federal-aid highway projects);

(2) sec. 1, ch. 82, SLA 2006, page 84, lines 23 - 24 (Anchorage, Hillcrest Bridge repairs - $192,600);

(3) sec. 13, ch. 29, SLA 2008, page 160, lines 13 - 14, and allocated on page 160, lines 32 - 33 (Yakutat, multi-purpose dock - $555,000);

(4) sec. 7, ch. 82, SLA 2006, page 128, lines 22 - 23 (Willow, Fishhook Road plowing - $41,000);

(5) sec. 1, ch. 82, SLA 2006, page 73, lines 31 - 33 (Department of Health and Social Services, ready to read, ready to learn program development - $250,000);

(6) sec. 1, ch. 82, SLA 2006, page 75, lines 11 - 12 (Department of Military and Veterans' Affairs, Alaska Military Youth Academy expansion - $7,500,000);

(7) sec. 7, ch. 82, SLA 2006, page 127, lines 26 - 28 (Department of Natural Resources, Juneau subport asbestos abatement - mental health trust settlement - $625,300);

(8) sec. 4, ch. 30, SLA 2007, page 94, lines 25 - 26 (Department of Health and Social Services, Anchorage Pioneers' Home safety upgrades - $25,000);

(9) sec. 1, ch. 82, SLA 2003, page 33, lines 9 - 11 (Department of Public Safety, Fairbanks Public Safety Building, indoor firing range lead removal - $66,000);

(10) sec. 82, ch. 100, SLA 1997, page 59, line 11, and allocated on page 59, lines 12 - 14, as amended by sec. 50(a)(22), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(11) sec. 131, ch. 139, SLA 1998, page 56, lines 17 - 18 (Department of Transportation and Public Facilities, federal emergency and contingency projects - $8,888,900);

(12) sec. 1, ch. 82, SLA 2006, page 84, line 33, through page 85, line 5 (Department of Transportation and Public Facilities, Clark Wolverine Road 0-1.6 base work, ditching and overlay pavement from Glenn Highway Up Hill - $150,000);

(13) sec. 20(b), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Thompson Pass refueling station - $150,000);

(14) sec. 1, ch. 3, FSSLA 2005, page 3, lines 29 - 30 (Department of Commerce, Community, and Economic Development, organization grants - $75,000);

(15) sec. 1, ch. 82, SLA 2006, page 65, lines 25 - 27 (Department of Education and Early Development, demolition and site restoration, Northern Lights School - $50,000);

(16) sec. 4, ch. 30, SLA 2007, page 89, lines 24 - 25 (Department of Education and Early Development, Pedro Bay old school demolition - $350,000);

(17) sec. 4, ch. 30, SLA 2007, page 98, lines 30 - 32 (Department of Natural Resources, Juneau subport abatement phase 2 - mental health trust settlement - $725,000);

(18) sec. 50(a)(34), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(19) sec. 100, ch. 2, FSSLA 1999, page 56, line 10, and allocated on page 56, lines 18 - 20 (Anchorage, New Seward Highway at Dimond Interchange capacity improvement - $5,095,086);

(20) sec. 100, ch. 2, FSSLA 1999, page 63, lines 18 - 19, and allocated on page 63, line 20, as amended by sec. 50(a)(34), ch. 30, SLA 2007 (Department of Transportation and Public Facilities, Nome warm storage building);

(21) sec. 100, ch. 2, FSSLA 1999, page 56, line 23, and allocated on page 56, lines 26 - 28 (Anchorage, Dowling Road reconstruction: Lake Otis Parkway to Old Seward Highway - $3,572,606);

(22) sec. 100, ch. 2, FSSLA 1999, page 56, line 23, and allocated on page 56, line 33, through page 57, line 3 (Anchorage, Old Seward Highway reconstruction - $12,641,530);

(23) sec. 100, ch. 2, FSSLA 1999, page 69, lines 29 - 30, and allocated on page 69, lines 31 - 32 (Department of Transportation and Public Facilities, National Highway System (NHS) state match - $22,602,059).

(b) The unexpended and unobligated balance, not to exceed $98,056, of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 140, lines 24 - 26 (Alaska Gateway, Dot Lake School mechanical upgrade - $1,087,118) is reappropriated to the Alaska capital income fund (AS 37.05.565).

(c) The unexpended and unobligated balance, not to exceed $54,753, of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 142, lines 13 - 14 (Southeast Island, Thorne Bay house access ramp - $141,415) is reappropriated to the Alaska capital income fund (AS 37.05.565).

* **Sec. 19.** NATURAL GAS PIPELINE. (a) The sum of $4,322,000 is appropriated from the Alaska capital income fund (AS 37.05.565) to the Office of the Governor for the development of an in-state natural gas pipeline.

(b) The unexpended and unobligated balance, estimated to be $2,700,000, of the appropriation made in sec. 8, ch. 1, 4SSLA 2008 (Department of Natural Resources, gas pipeline implementation - $5,500,000) is reappropriated to the Office of the Governor for the development of an in-state natural gas pipeline.

* **Sec. 20.** FUND TRANSFER. An amount equal to 20 percent of the revenue collected under AS 43.55.011(g), not to exceed $60,000,000, is appropriated from the general fund to the community revenue sharing fund (AS 29.60.850).

* **Sec. 21.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) The sum of $1,111,914,700 is appropriated from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public education fund (AS 14.17.300).

(b) The appropriation made by (a) of this section is made under art. IX, sec. 17(c), Constitution of the State of Alaska.

* **Sec. 22.** CONTINGENCIES. (a) Sections 14(f) and 14(g) of this Act are contingent on ratification by the members of the respective collective bargaining unit of its collective bargaining agreement.

(b) Section 7(e) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 172

relating to the education loan fund.

(c) Section 11(b) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of SB 89 relating to retirement benefits for members of the Alaska Territorial Guard.

(d) Section 8(f) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 141 relating to the Interstate Compact for Juveniles.

(e) Section 13(d) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of SB 171 relating to deceased permanent fund dividend applicants.

*** Sec. 23.** LAPSE OF APPROPRIATIONS. (a) The appropriations made by secs. 5, 7(a), 7(b), 7(c), 8(c), 8(d), 11(a), 14(a), 14(c), 14(i), 14(*l*), 14(m), and 14(n) of this Act are for capital projects and lapse under AS 37.25.020.

(b) The appropriations made by secs. 18, 20, and 21 of this Act are for the capitalization of funds and do not lapse.

(c) Section 12 of this Act lapses June 30, 2011.

(d) Section 14(e) of this Act lapses June 30, 2014.

(e) The appropriations made by sec. 19 of this Act lapse February 28, 2010.

*** Sec. 24.** RETROACTIVITY. (a) Section 14(i) of this Act is retroactive to February 10, 2009.

(b) Section 14(m) of this Act is retroactive to April 11, 2009.

*** Sec. 25.** Sections 5(d), 6, and 9(a) - (d) of this Act take effect June 30, 2009.

*** Sec. 26.** Sections 5(c), 8(f), 13(d), 14(n), 20, and 21 of this Act take effect July 1, 2009.

*** Sec. 27.** Except as provided in secs. 25 and 26 of this Act, this Act takes effect April 19, 2009.

SCS CSHB 113 (fin)
FY 2009 Supplemental
Changes from the House CS

Item	Page and Line
1 Grant to DCCED for World Trade Center Alaska FY 2010 $115.0 GF	pg.13 ln 13
2 DCCED SE Conference reapprop to SE Conference $47.0	pg 13 ln 17
3 Dept. of Corrections reapprop from HESS secure detox & treatment.	pg 13 ln 22
4 HB172 Contingent supplemental appropriation for APSE (60.0 Psec recpts) ???	pg 14 ln 29
5 Wik Road Re approp- $944.4k cap income fund to HESS for McLaughlin Youth Center	pg 15 ln 15
6 HB141 Contingent FY2010 Operating for Interstate Compact on Juveniles 45K GF	pg 15 ln 30
7 SB89 Contingent supplemental appropriation for Territorial Guard retirement (31.3 GF)	pg 18 ln 3
8 SB171 Contingent FY2010 Operating for PFD Decesased Bill $86.7 I/A Rept	pg 18 ln 31
9 Delete Language for DOT International Airport	pg 22 ln 2
10 Whittier Tunnel rock slide $800.0 Comm vessel passenger tax	pg 22 ln 23
11 DOT $2.0 millionCIF (road and evacuation shelter material) Village of Newtok	pg 22 ln 27
12 Office of the Governor $4,322,000 Capital Income Fund Gas line Development	pg 28 ln 12
13 Office of the Governor $2.7 Million from DNR lapse for Gas line Development	pg 28 ln15
14 Revenue Sharing $60 million	pg 28 ln 19
15 CBR draw to forward fund Education	pg 28 ln 22

HB 114

<target><bill>HB 114</bill><subject>HB 114</subject><comm>SFIN26</comm></target>

Chair, Judiciary
Chair, Economic Development, Trade & Tourism
Energy
Military & Veteran Affairs
Joint Armed Services
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature
House of Representatives

While in Session
State Capitol, Room 118
Juneau, Alaska 99801-1182
(907) 465- 3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

Representative Jay Ramras
District 10

Sponsor Statement
HB 114
"An Act relating to availability of state transportation facilities and state-owned or state-operated transportation modes for delivering compassionate aid."

House Bill 114 is a compassionate aid bill that would enable the Governor to use state transportation to provide aid to Alaska communities in times of eminent disaster without declaring a disaster.

In the initial week of the 26th Legislative session, the village of Emmonak wrote a declaration of economic disaster to the Department of Commerce, Community and, Economic Development. As private and public entities worked together to raise donations of money and food for relief to Emmonak it became apparent that they were not the only village in desperate need of aid and attention. The following weeks, Representative Ramras and his staff worked with the Fairbanks and Anchorage Food Banks and local faith based organizations to raise over 30,000 pounds of food for eleven villages in Western Alaska.

Due to the current restrictions, state transportation could not be used because a disaster had not been declared. Consequently, Representative Ramras and staff had two options:1)use the monetary donations towards transportation; thus taking away precious funds for additional food or 2)work with transportation companies to provide their services for free or discounted rates.

Ultimately, based on the collective generosity of a few transportation companies, the food was able to arrive in all of the eleven villages.

House Bill 114 would reduce the need to spend donated funds on transportation and instead, allow a sharper focus on gathering the resources needed for relief.

Representative_Jay_Ramras@legis.state.ak.us

Representative Jay Ramras
Chair, Judiciary
Chair, Economic Development, Trade & Tourism
Energy
Military & Veteran Affairs
Joint Armed Services
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Alaska State Legislature

House of Representatives

Interim:
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Fax: (907) 452-1146
Toll Free: (877) 465-3004

House District 10

Memo

To: Senator Bert Stedman
Senator Lyman Hoffman
Co-Chairs Senate Finance Committee

From: Representative Ramras

Date: March 2, 2010

Re: HB114 – Explanation of Changes

Below is an explanation of changes to HB114 26-LS0505/R to SCSCSHB114(TRA) 26-LS0505\W:

- The proposed legislation was removed from AS 26.23.020 and was added to a new section in AS44.19 under the Office of the Governor;
- The purpose and mechanism of the legislation remains the same, however by taking it out of AS26.23.020 the Governor would not have to declare a disaster before utilizing state-owned or operated transportation modes for delivering compassionate aid in times that the Governor determines that public safety and health conditions in an area of the state require emergency assistance;
- Section (b) was amended to remove liability from the state, the Alaska Railroad Corporation and subsequent officers, agents and employees in the event of injury or death of a person or property damage resulting from assistance;
- A liability standard was added back into the bill on the House Floor
- In the Senate Transportation Committee the bill was amended to read more cleanly. It came to the committees' attention that as drafted the bill would allow state-owned equipment to be loaned to non-profit corporations. The language was reworded to cover use of state-owned and state-operated equipment. This also would take the liability back under current statutes and case law.

Representative_Jay_Ramras@legis.state.ak.us

Raymond J. Watson, Chairperson
Myron P. Naneng, Sr., President
Phone (907)543-7300
Fax (907)543-3369

AVCP
The Association of Village Council Presidents
Office of Administration
Pouch 219, Bethel, AK 99559

Akiachak
Akiak
Alakanuk
Andreafsky
Aniak
Atmautluak
Bethel
Bill Moore's St.
Chefornak
Chevak
Chuathbaluk
Chuloonawick
Crooked Creek
Eek
Emmonak
Georgetown
Goodnews Bay
Hamilton
Hooper Bay
Lower Kalskag
Upper Kalskag
Kasigluk
Kipnuk
Kongiganak
Kotlik
Kwethluk
Kwigillingok
Lime Village
Marshall
Mekoryuk
Mtn. Village
Napaimute
Napakiak
Napaskiak
Newtok
Nightmute
Nunakauyak
Nunam Iqua
Nunapitchuk
Oscarville
Paimiut
Pilot Station
Pitka's Point
Platinum
Quinhagak
Red Devil
Russian Mission
Scammon Bay
Sleetmute
St. Mary's
Stony River
Tuluksak
Tuntutuliak
Tununak
Umkumiut

Comments for the record
26th Alaska State Legislature
House Transportation / Finance Committee

by

Myron P. Naneng, Sr., President
Regarding HB 114

February 9, 2009

BILL: HB 114
BILL VERSION:
CURRENT STATUS: (H) TRA
THEN FIN

SHORT TITLE: USE STATE TRANS FACILITY FOR DISASTER AID
STATUS DATE: 02/04/09

SPONSOR(s): REPRESENTATIVE(s) RAMRAS, Dahlstrom, Millett, Johansen, Edgmon, Petersen, Holmes, Foster, Johnson, Tuck, Gruenberg, Salmon, Coghill, Thomas, Joule, Munoz

TITLE: "An Act relating to availability of state transportation facilities and state-owned or state-operated transportation modes for delivering compassionate aid during a disaster emergency."

We at the Association of Village Council Presidents, Inc. (AVCP) are grateful for Representative Ramras and the co-sponsors of HB 114 in an effort to make use of State transportation resources to ship out compassionate aid to remote, rural Alaska communities in our Yukon Kuskokwim region.

My name is Myron Naneng, I am President of our regional non-profit corporation made up of 56 federally recognized Tribes in the YK Delta. While energy and food relief has been pouring into our communities suffering from food shortages and crippling fuel prices, the efforts have until this point remained primarily by private citizens and groups. We would also like to recognize and thank the redirect of donated Energy Rebates under the United Way.

In the last several weeks, Representative Jay Ramras, has focused on directing some of his food drive activities for relief to our communities. We appreciate his efforts, and are sorry that he, along with other private donors, has been burdened with the shipping expense of getting this compassionate aid out to our remote villages. Our calls to the Governor's office to address our energy crisis have largely gone ignored, and this bill, along with SB 88 and SB 91 finally has State efforts come into play.

Last week, we testified in favor of extending the PCE program and instituting a fuel cap on costs beyond $3 a gallon. Since early last summer, tribal leaders as well as myself were justifiably concerned about our coming winter since we were forced to prepay our winter fuel purchases for our tank farms at the highest costs of oil on record.

Because we are roadless, all of our villages have to import fuel by barge or by air in emergencies. In most cases, we have no choice but to sign no-fault contracts with fuel vendors if weather or acts of god prevent a scheduled delivery. Some of our villages, with human resources turnover or other constraints, are unable to make their fuel orders in concordance to State programs such as the bulk fuel loan in time to lock in at more agreeable rates. Factors such as these aggravate the already challenging nature of providing light and heat to our communities with little or no energy infrastructure.

With continued and full funding by the Legislature of the Renewable Energy Fund coupled with possible federal stimulus infrastructure funds, we may be looking at a reality where accessible energy sources come to fruition in a matter of years, rather than a matter of decades. With affordable energy at the village level, a failed fishing season would not break us as badly as this hard winter has shown.

Though Governor Palin herself has not directly acknowledged the fishery or fuel crisis in our region, in her response to the U.S. Army's reduced retirement payments to 26 Alaska Native Elders who had served in the Territorial Guard during WWII, she argued:

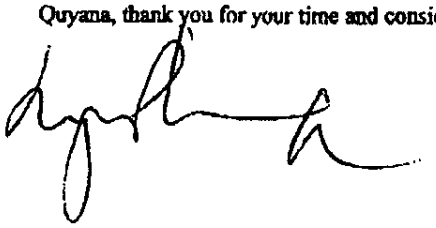
"Rural Alaskans face the highest food and energy costs in the nation, and these veterans need their retirement checks now more than ever," Governor Palin said. "Using the emergency fund to provide monetary protection for these 26 veterans is the right thing to do."

AVCP provides direct assistance to many families in our member villages that include a Housing Improvement Program, TANF and LIHEAP to name a few. Last year we assisted 1,846 households with energy assistance, and we anticipate the same number if not more appeals for the remainder of this season.

We tried to address this crisis proactively, in public statements and resolutions. We warned that the $1,200 rebate would not adequately address the remote / rural fuel needs - and with the taxes due from as little as $90 to over $300 per person, we will continue to see pain in affected households this year. If we had access to affordable energy sources, all the factors we laid out for you would not have hurt us so badly this winter.

With families not having to worry about donated foods delivered from the state, it will go a long way to keeping our homes heated, and save our families from deciding between going cold or going hungry.

Quyana, thank you for your time and consideration.



HB

121

<target><bill>HB 121</bill><subject>HB
121</subject><comm>SFIN26</comm></target>

4/16/09

Municipality of Anchorage

P.O. Box 196650 • Anchorage, Alaska 99519-6650 • Telephone: (907) 343-4431 • Fax: (907) 343-4498 http://www.muni.org

Mayor Mark Begich

Office of the Mayor

December 31, 2008

To the Members of the Alaska State Legislature:

On December 16, 2008 the Anchorage Assembly passed a Resolution that urges the State Legislature to enact legislation that would level the playing field between the University of Alaska Anchorage and Alaska Pacific University's contiguous campus when it comes to property taxation. The phrase "contiguous campus" is an important limitation upon APU's equalization, and one that APU agrees with. It precludes APU from buying additional property and then competing with the private sector for development dollars.

The Anchorage Assembly was impressed by the contribution at APU has made and continues to make to Anchorage—as an economic engine ($200,000,000 spent locally since 1995), as an important part of the city's educational landscape, and as an institution offering manifold public services at little or no cost to the people of Anchorage.

Alaska Pacific University was not assessed any property taxes for its first 47 years until a new ruling by the Municipal Assessor in 2005. APU has contested this ruling for the past three years. In the past, I have not opposed this equalization of property taxation between our two Alaska universities, but the Municipal Attorney has clearly shown me that only the State Legislature, not the Mayor's Office nor the Anchorage Assembly, can effect this change.

As APU enters its 50th year of life—it was founded in 1959, the year of statehood, I too urge you to pass this legislation. As Mark Hamilton, President of the University of Alaska, himself said, "It is simply the right thing to do."

Alaska Pacific University has served Anchorage and its public for decades without Alaska taxpayer support. I urge you also to do the right thing and equalize the property taxation between Alaska Pacific University's contiguous campus here in Anchorage, and the University of Alaska.

Sincerely,

Mark Begich
Mayor

Community, Security, Prosperity

COPY ON FILE

2670

Mark R. Hamilton, President
Phone: (907) 450-8000
Fax: (907) 450-8012
EMAIL: sypres@alaska.edu

UNIVERSITY of ALASKA
Many Traditions One Alaska

202 Butrovich Building
910 Yukon Drive
P.O. Box 755000
Fairbanks, AK 99775-5000

January 12, 2009

Dear Legislators:

I join the Anchorage Assembly and the leadership of Alaska Pacific University in urging that APU enjoy tax exemption on the use of its historic, contiguous acreage in Anchorage. It is in the best interests of the State of Alaska that we maintain the viability of a private University in our state. APU is complimentary to the State University system; and we work together well in providing non-duplicative programs. The "endowment properties" are sufficient to maintain APU in its current and envisioned size and role if they can be assured that those properties will not suffer from property tax.

With the loss of Sheldon Jackson, the importance of APU is magnified. I believe this small consideration will return to the State of Alaska many times over in the careers and contributions of APU's graduates.

Respectfully,

Mark R. Hamilton
President

cc: President Douglas M. North, APU

2671

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ALASKA STATE LEGISLATURE
HOUSE RULES COMMITTEE
REPRESENTATIVE JOHN COGHILL, CHAIRMAN
State Capitol Juneau, AK 99801-1182 (907) 465-3719
3340 Badger Road Suite #290, North Pole, AK 99705 (907) 488-5725

Sponsor Statement

HB 121
"An Act relating to municipal property tax credit for an improvement that aids in improving air quality"
(26-LS0540\A)

The purpose of House Bill 121 is to provide a municipality with the statutory authority to pass an ordinance to provide for air quality tax credits. These tax credits will help offset a portion of the property taxes and encourage property owners to invest in improvements that help improve air quality.

Each municipality will establish the eligibility, conditions and other criteria for a tax credit by passing ordinances that will are based on local public input and specific community conditions.

ALASKA STATE LEGISLATURE
HOUSE RULES COMMITTEE
REPRESENTATIVE JOHN COGHILL, CHAIRMAN
State Capitol Juneau, AK 99801-1182 (907) 465-3719
3340 Badger Road Suite #290, North Pole, AK 99705 (907) 488-5725

Sectional

HB121
"An Act relating to municipal property tax credit for an improvement that aids in improving air quality"
(26-LS0540\A)

Section 1. AS 29.45 is amended by adding a new section to read:

Sec. 29.45.048 Air quality improvement tax credit. *A municipality may, by ordinance, provide for an air quality improvement tax credit to offset a portion of the property taxes due on property that, during the immediately preceding tax year, has been improved in a way that aids in improving the air quality in the municipality. The amount of the credit shall be based on a percentage of the verifiable costs of the improvement, and the credit may be granted for more than one year. The ordinance may limit the availability of a credit to some, but not all types of improvements for which a credit may be granted under this section and to property located in areas that do not meet air quality standards required by federal or state law or regulation. Eligibility, conditions, and other criteria for the credit shall be established in the ordinance adopted under this section.*

This new section provides municipalities the opportunity to offer property owners a tax credit if they make qualifying air quality improvements on their property.

The amount of the credit is based on a percentage of the verifiable costs of the improvement, and the tax credit may be granted for more than one year.

This new section further states that an ordinance may place some restrictions on availability of the tax credit, the type of improvement, and the property location. The ordinance will establish the eligibility, conditions and other criteria for the tax credit that allows each municipality the leeway to pass an ordinance that is specific to its own unique air quality issues, location, and property.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/11/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 121(FIN)

HB 121 MUNICIPAL AIR QUALITY PROPERTY TAX CREDIT

"An Act relating to and authorizing certain municipalities to provide a property tax credit for an improvement that aids in improving air quality."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	2/13/09			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	STEDMAN	✓			

2674

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 121
(H) Publish Date: 2/18/09

Identifier (file name): HB121-CED-CRA-2-13-09
Dept. Affected: DCCED
Title: Municipal Air Quality Property Tax Credit
RDU: Community and Regional Affairs
Component: Community and Regional Affairs
Sponsor: Representative Coghill
Requester: House Community and Regional Affairs Committee
Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill would allow municipalities to provide a property tax exemption based on a percentage of verifiable air quality improvement costs on a property.

The Department of Commerce, Community and Economic Development does not foresee a fiscal impact as a result of this bill.

Prepared by: Tyson Fick, Legislative Liaison — Phone 465-2503
Division: DCCED — Date/Time 02/13/09 1:00pm
Approved by: Emil Notti, Commissioner — Date 2/13/2009
Department of Commerce, Community and Economic Development

(Revised 9/10/2008 OMB)

2675

CS FOR HOUSE BILL NO. 121(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/6/09
Referred: Rules

Sponsor(s): REPRESENTATIVES COGHILL, Kawasaki, Gara, Ramras, Kelly, Harris, Foster, Thomas, Lynn

A BILL

FOR AN ACT ENTITLED

"An Act relating to and authorizing certain municipalities to provide a property tax credit for an improvement that aids in improving air quality."

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

* **Section 1.** AS 29.45 is amended by adding a new section to read:

Sec. 29.45.048. Air quality improvement tax credit. A municipality that includes within its boundaries an area that fails to meet federal or state air quality standards for fine particles that are less than or equal to 2.5 micrometers in diameter may, by ordinance, provide for an air quality improvement tax credit to offset a portion of the property taxes due on property that, during the immediately preceding tax year, has been improved in a way that aids in improving the air quality in the municipality. The municipality shall establish eligibility, conditions, and other criteria for the credit in the ordinance adopted under this section.

* **Sec. 2.** AS 29.45.048 is repealed on January 1, 2016.

WD

1

AMENDMENT

OFFERED IN THE SENATE FINANCE COMMITTEE

Thursday, May 16, 2009

To: SCS HB 121 (FIN) by Senator Olson
Work Draft: 26-LS0540 / S T

ADD NEW SECTION (renumber accordingly):

Section 19, ch. 117, SLA 2000, as amended by sec. 2, ch. 74, SLA 2003, and by sec. 3, ch. 67, SLA 2008, is amended to read:

Sec. 19. Section 3 of this Act takes effect November 30, **2012** [2009].

Adopted 9/14/09 Rescinded

26-LS0540\T
Cook
4/14/09

SENATE CS FOR CS FOR HOUSE BILL NO. 121(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES COGHILL, Kawasaki, Gara, Ramras, Kelly, Harris, Foster, Thomas, Lynn

A BILL

FOR AN ACT ENTITLED

"An Act relating to and authorizing certain municipalities to provide a property tax credit for an improvement that aids in improving air quality; and relating to an optional exemption from municipal property taxes for certain college property."

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

* **Section 1.** AS 29.45 is amended by adding a new section to read:

Sec. 29.45.048. Air quality improvement tax credit. A municipality that includes within its boundaries an area that fails to meet federal or state air quality standards for fine particles that are less than or equal to 2.5 micrometers in diameter may, by ordinance, provide for an air quality improvement tax credit to offset a portion of the property taxes due on property that, during the immediately preceding tax year, has been improved in a way that aids in improving the air quality in the municipality. The municipality shall establish eligibility, conditions, and other criteria for the credit in the ordinance adopted under this section.

* **Sec. 2.** AS 29.45.050(b) is amended to read:

New Text Underlined [DELETED TEXT BRACKETED]

(b) A municipality may by ordinance

(1) classify and exempt from taxation

(A) the property of an organization not organized for business or profit-making purposes and used exclusively for community purposes if the income derived from rental of that property does not exceed the actual cost to the owner of the use by the renter;

(B) historic sites, buildings, and monuments;

(C) land of a nonprofit organization used for agricultural purposes if rights to subdivide the land are conveyed to the state and the conveyance includes a covenant restricting use of the land to agricultural purposes only; rights conveyed to the state under this subparagraph may be conveyed by the state only in accordance with AS 38.05.069(c);

(D) all or any portion of private ownership interests in property that, based upon a written agreement with the University of Alaska, is used exclusively for student housing for the University of Alaska; property may be exempted from taxation under this subparagraph for no longer than 30 years unless the exemption is specifically extended by ordinance adopted within the six months before the expiration of that period;

(E) property of a private, nonprofit four-year college or university that is accredited by a regional or national accrediting agency recognized by the Council for Higher Education Accreditation or the United States Department of Education, or both, that is not subject to the mandatory exemption described in AS 29.45.030(a)(3); however, a private leasehold, contract, or other interest in the property is taxable to the extent of the private interest;

(2) classify as to type and exempt or partially exempt some or all types of personal property from ad valorem taxes.

*** Sec. 3.** AS 29.45.048 is repealed on January 1, 2016.

Adopted 4/16/09

26-LS0912\A
Cook
4/14/09

SENATE CONCURRENT RESOLUTION NO.

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Introduced:
Referred:

A RESOLUTION

Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, concerning House Bill No. 121, relating to a municipal property tax credit for an improvement that aids in improving air quality.

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

That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding changes to the title of a bill, are suspended in consideration of House Bill No. 121, relating to a municipal property tax credit for an improvement that aids in improving air quality.

Submitted by: ASSEMBLY MEMBER COFFEY
Prepared by: Assembly Counsel
For reading: December 16, 2008

ANCHORAGE, ALASKA
AR NO. 2008–329

A RESOLUTION OF THE ANCHORAGE MUNICIPAL ASSEMBLY RELATING TO THE PROPERTY TAX STATUS OF ALASKA PACIFIC UNIVERSITY CAMPUS PROPERTY USED TO GENERATE INCOME TO SUPPORT ALASKA PACIFIC UNIVERSITY'S EDUCATIONAL PROGRAMS.

WHEREAS, Alaska Pacific University, a private education institution serving an important public purpose, is a non-profit corporation which exists to encourage, promote, and extend instruction, research and education; and

WHEREAS, Alaska Pacific University and the United States Department of the Interior agreed that use of the Alaska Pacific University campus property for "educational and public purposes" allows development of revenue producing facilities on the campus; and

WHEREAS, Alaska Pacific University reports that none of its educational programs are profitable, revenue from tuition and fees covers only a portion of the cost of operating the University, and funds generated by income producing campus property is an essential component of the university's budget; and

WHEREAS, beginning with tax year 2006, the Municipality of Anchorage has assessed property tax on that portion of Alaska Pacific University campus property under lease to for-profit enterprise; and

WHEREAS, Alaska Pacific University provides an early honors program in cooperation with the Anchorage School District allowing Anchorage students to finish their high school education and obtain college level instruction and credit, which program lessens the burden on the government of providing public education for students enrolled in the program; and

WHEREAS, use of campus property (whether for classrooms, research facilities, administrative offices, recreation facilities, faculty, student and administrative housing, public broadcasting or leases to other parties which facilitate creation of educational opportunities or programs or which have a significant relation to an existing education program offered by Alaska Pacific University) provides a significant public benefit, improves public welfare and lessens the burden on the government of providing public education; and

WHEREAS, Alaska Pacific University is a tax-exempt educational institution under the Internal Revenue Code; and

COPY ON FILE

WHEREAS, both Alaska Pacific University and the University of Alaska Anchorage are significant institutions in the Municipality that enhance the educational and cultural fabric of this community; and

WHEREAS, the real property owned by the University of Alaska Anchorage and leased to for-profit entities to generate income for the University of Alaska, is not subject to municipal property tax under state law; and

WHEREAS, Alaska Pacific University, as a private accredited post secondary institution, seeks an exemption in state law from municipal taxation on parity with the University of Alaska Anchorage, for all campus property, including all income-producing property under lease to for-profit enterprise;

NOW, THEREFORE, the Anchorage Assembly recognizes and resolves:

1. Private accredited post secondary institutions make important social and economic contributions to the community.

2. Alaska Pacific University receives no direct funding from the Municipality of Anchorage.

3. Absent a change in state law, certain income-producing property of Alaska Pacific University under lease to for-profit enterprise is not exempt from municipal property tax.

4. The Alaska Legislature is encouraged to enact legislation authorizing a municipal property tax exemption to Alaska Pacific University for all of its contiguous Anchorage Campus, so that Alaska Pacific University campus property would be taxed no more than University of Alaska Anchorage property.

PASSED AND APPROVED by the Anchorage Assembly this _____day of _____, 2008.

_____
Chair

ATTEST:

_____
Municipal Clerk

4/16/09

Alaska Conservation Alliance

Uniting for Alaska's Future

March 13, 2009

State House of Representatives
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Representatives Coghill and Kawasaki,

On behalf of the 40 conservation groups and the 38,000 Alaskans that are represented by the Alaska Conservation Alliance, I am pleased to acknowledge our strong support for HB121 allowing municipalities to offer property tax credits for reductions in emissions. Offering an incentive to decrease emissions rewards pro-active Alaskans without penalizing others. Current tools available to municipalities to reduce emissions are limited to banning certain actions and other punitive measures and without this change to Title 29, municipalities are missing a very useful tool to use to become compliant with the clean air act.

HB121 could help reduce harmful levels of $PM_{2.5}$ in the air. $PM_{2.5}$ is particulate matter that is 2.5 micrometers in diameter and smaller, less than 1/10 of the diameter of a single strand of hair. This type of air pollution is unhealthy to breath because of its small size. The particles can travel deep into the respiratory tract to the lungs and has been associated with short-term health effects such as eye, nose, throat and lung irritation, coughing, sneezing, runny nose and shortness of breath. Studies also suggest that long term exposure to fine particulate matter may be associated with increased rates of chronic bronchitis, reduced lung function and increased mortality from lung cancer and heart disease. People with breathing and heart problems, children and the elderly may be particularly sensitive to $PM_{2.5}$. While there are many difference sources of pollution, HB121 would address the $PM_{2.5}$ pollution coming from the burning of wood, heating oil, coal and natural gas in Alaskan homes.

In March 2007 the EPA set new requirements for air quality – defining those areas not meeting national $PM_{2.5}$ air quality standards for over 3 years as "non-attainment" areas. Currently there are two areas designated as non-attainment in Alaska - Fairbanks and Juneau. States must submit an implementation plan to the EPA for these non-attainment areas to show how they will address $PM_{2.5}$ levels. By allowing these and other municipalities an additional method for controlling air pollution they can potentially avoid the health and economic consequences of a non-attainment listing. HB121 does not *require* municipalities to make any change but simply puts an additional tool into the toolbox.

PO Box 1006600, Anchorage, Alaska 99501 • Ph. 907.258.6171 • Fax 907.258.6177 • www.akvoice.org
419 6th Street, Ste. 321, Juneau, Alaska 99801 • Ph. 907.463.3366 • Fax 907.463.2554

In conclusion, we support this bill as a way to encourage better air quality through incentives, should the municipalities choose to use it. The Alaska Conservation Alliance strongly encourages the Alaska Legislature to pass HB 121. Thank you for your time and consideration.

Sincerely,

Kate Troll

Kate Troll
Executive Director

CC: House Finance Committee

PO Box 1006600, Anchorage, Alaska 99501 • Ph. 907.258.6171 • Fax 907.258.6177 • www.akvoice.org
419 6th Street, Ste. 321, Juneau, Alaska 99801 • Ph. 907.463.3366 • Fax 907.463.2554

4/16/09

ALASKA MUNICIPAL LEAGUE
Alaska Conference of Mayors

217 Second Street, Suite 200 • Juneau, Alaska 99801
Tel (907) 586-1325 • Fax (907) 463-5480 • www.akml.org

ALASKA MUNICIPAL LEAGUE
BOARD OF DIRECTORS

RESOLUTION #BOD2009-02

A RESOLUTION OF THE ALASKA MUNICIPAL LEAGUE BOARD OF DIRECTORS ADVOCATING FOR AMENDING TITLE 29 TO ALLOW LOCAL GOVERNEMNT OPTION TO CONSIDER PROPERTY TAX CREDITS FOR IMPROVEMENTS TO AIR QUALITY CONDITIONS AND FUEL CONSUMPTION

WHEREAS, Alaska Municipal League Board of Directors supports the issue of local governments being able to develop local responses to Alaska's energy solutions; and

WHEREAS, municipalities should have the ability to adopt local incentives to encourage individuals to make their homes and businesses more energy efficient thereby improving local air quality; and

WHEREAS, local taxation policy determined by Title 29 currently allows a property tax credit only for river bank habitat protection; and

WHEREAS, by providing for an optional tax credit, local municipalities will be able to consider providing property tax credits for actions, such as reducing fuel consumption, that councils or assemblies determine will improve air quality; and

WHEREAS, the Alaska Municipal League Board of Directors believes it is in the best interest of Alaska to allow local government to encourage its citizens to make improvements to their home and businesses that positively impact the community's air quality and to heat their homes and businesses in the most environmentally responsible way possible.

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League Board of Directors supports an amendment to Title 29 that provides local municipalities with the ability to provide tax incentives for residences or commercial businesses to improve the energy efficiency of their property, convert from carbon based energy consumption to alternative energy generation or to take other steps that positively impact their community's air quality; and

NOW, THEREFORE BE IT RESOLVED that the Alaska Municipal League Board of Directors supports legislation authorizing an air quality improvement tax credit that allows specific eligibility, conditions, and other criteria for the tax credits to be established by local ordinance so that governments will have flexibility in crafting appropriate tax incentives that meet their individual community's needs.

PASSED AND APPROVED by the Alaska Municipal League Board of Directors on this 30th day of January, 2009.

Signed: _____

Denise Michels, President, Alaska Municipal League

Attest: Kathie Wasserman

Kathie Wasserman, Executive Director, Alaska Municipal League

4/16/09

Fairbanks North Star Borough
Office of the Mayor
809 Pioneer Road P.O. Box 71267 Fairbanks, Alaska 99707-1267 907/459-1300
Fax 907/459-1102
Email mayor@co.fairbanks.ak.us

February 9, 2009

The Honorable Bob Herron, Co-Chair
House Community & Regional Affairs Committee
State Capitol
Juneau, Alaska 99811

Dear Representative Herron:

The Fairbanks North Star Borough appreciates Representative Coghill and Representative Kawasaki's efforts to address a very serious issue facing our community by introducing HB 121. This letter is being offered in support of the change to Alaska Statutes, Title 29 proposed by HB 121, "An Act relating to a municipal property tax credit for an improvement that aids in improving air quality." This bill, if enacted by the legislature, will provide tools to local municipalities that can be used to create incentives for individuals to take actions that will improve local air quality and reduce fuel consumption. Local taxation policy and discretion is governed by Title 29 of the Alaska Statutes. Tax exemptions and tax credits are only permitted within the authority of this section of state law.

The proposed legislation expands the discretion of local municipalities in a manner that allows, by ordinance, creation of programs that will offer tax credits for actions that the local governing body determines will improve air quality. The language proposed requires that eligibility, conditions, and other criteria for the tax credits be established by ordinance.

Example of how this proposed legislation might be used by a municipality include:

- Incentives to residents to exchange old-style wood stoves for EPA certified wood stoves. Data show that EPA certified wood stoves reduce fine particulate emissions by approximately 67% over non-EPA stoves. It is clearly in the interest of any community with air quality nonattainment issues to have citizens who choose to heat with wood do so in the most environmentally friendly way possible.

- Incentives to residences or commercial businesses to improve the energy efficiency of their property. Reduced fuel consumption would lead to reduced emissions from area heating or electric generation. Incentives could be based on calculated BTU savings, MW reductions, etc.

- Incentives to convert from carbon based energy consumption to alternative energy generation. This could involve tax credits for

construction and use of a solar array or wind turbine to power/heat residential or commercial facilities.

As the Fairbanks North Star Borough and the State of Alaska look to find solutions that will help the borough and the state come into compliance with the clean air act, there exists a clear lack of ability to provide incentives at the local level. Compliance efforts will ask individuals to take and pay for actions to benefit the air quality of the entire community. Enactment of this bill will allow local municipalities the ability to lessen the individual cost of action through creation of a tax credit program not presently allowed by state law.

The Fairbanks North Star Borough Assembly passed a resolution including this item as an FNSB legislative priority for 2009 on December 11, 2008. We support this bill and urge its passage as drafted and introduced on February 4, 2009.

Thank you.

Jim Whitaker, Mayor

Nadine Winters, Presiding Officer

JW:csm

HB

123

<target><bill>HB 123</bill><subject>HB
123</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/09

Finance Committee considered CS FOR HOUSE BILL NO. 123(FIN) am

HB 123 EXTEND SUICIDE PREVENTION COUNCIL

"An Act relating to the membership and voting privileges of members of the Statewide Suicide Prevention Council; extending the termination date of the Statewide Suicide Prevention Council; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[X] adopt **previous** [ ] **SCS** or [X] **CS** HB 123 (FIN)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DHS	3/23	✓			1
DHS	3/23	✓			2

[ ] **APPROPRIATION** - **no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins				
	Thomas	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	STEDMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 123(STA)
(H) Publish Date: 3/27/09

Identifier (file name): HB123-DHSS-BHA-03-23-09
Dept. Affected: Health & Social Services
Title: Extend Suicide Prevention Council
RDU: Behavioral Health
Component: Behavioral Health Administration
Sponsor: Fairclough, Lynn, Wilson, Kerttula
Requester: House State Affairs
Component Number: 2665

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services		46.3	46.3	46.3	46.3	46.3	46.3
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**46.3**	**46.3**	**46.3**	**46.3**	**46.3**	**46.3**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health		46.3	46.3	46.3	46.3	46.3	46.3
Other Interagency Receipts							
TOTAL	**0.0**	**46.3**	**46.3**	**46.3**	**46.3**	**46.3**	**46.3**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time		0.5	0.5	0.5	0.5	0.5	0.5
Part-time							
Temporary							

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

The proposed bill extends the termination date of the Statewide Suicide Prevention Council (SSPC or council) to June 30, 2013. The 0.5 FTE administrative support position, hired by the council, will continue to be assigned to the Division of Behavioral Health.

Prepared by: Melissa Stone, Director
Phone 269-3410
Division: Behavioral Health
Date/Time 3/19/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 3/23/2009
DHSS Finance & Management Services

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 123(STA)
(H) Publish Date: 3/27/09

Identifier (file name): HB123-DHSS-SPC-03-23-09
Dept. Affected: Health & Social Services
Title: Extend Suicide Prevention Council
RDU: Behavioral Health
Component: Suicide Prevention Council
Sponsor: Fairclough, Lynn, Wilson, Kerttula
Requester: House State Affairs
Component Number: 2651

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel		35.0	35.0	35.0	35.0	35.0	35.0
Contractual		30.6	30.6	30.6	30.6	30.6	30.6
Supplies		17.2	17.2	17.2	17.2	17.2	17.2
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**82.8**	**82.8**	**82.8**	**82.8**	**82.8**	**82.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health		82.8	82.8	82.8	82.8	82.8	82.8
Other Interagency Receipts							
TOTAL	**0.0**	**82.8**	**82.8**	**82.8**	**82.8**	**82.8**	**82.8**

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

The proposed bill extends the termination date of the Statewide Suicide Prevention Council (SSPC or council) to June 30, 2013. The SSPC will continue to be assigned to the Division of Behavioral Health (DBH). The costs to DBH would include travel, contractual, and supply expenses related to the council meetings, teleconferences, presentations and suicide prevention public awareness campaigns.

Prepared by: Melissa Stone, Director
Phone 269-3410
Division: Behavioral Health
Date/Time 3/19/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 3/23/2009
DHSS Finance & Management Services

(Revised 9/10/2008 OMB)

2692

Alaska State Legislature

Representative Anna Fairclough – House District 17

House Bill 123

"An Act extending the termination date of the Statewide Suicide Prevention Council; and providing for an effective date."

House Bill 123 extends the termination date of the Statewide Suicide Prevention Council to June 30, 2013. Suicide is a very serious public health concern in Alaska, particularly among young males and the Alaska native population. Extension of the Statewide Suicide Prevention Council is important in curtailing this avoidable loss of life. The mission of the Statewide Suicide Prevention Council is to advise the governor and the legislature on issues relating to suicide. In collaboration with communities, faith-based organizations, and public-private entities, the Council works to improve the health and wellness of Alaskans by reducing suicide and its effect on individuals and communities.

By statute the Statewide Suicide Prevention Council consists of 15 members, 11 appointed by the governor and four by the Legislature. The governor appoints two executive branch state employees; one member of the Advisory Board on Alcoholism and Drug Abuse; one member of the Alaska Mental Health Board; a designee from the Alaska Federation of Natives, Inc.; a counselor in a secondary school; an adult active in a statewide youth organization; a person who has experienced a family member's death by suicide; one person who resides in a rural community not connected by a road or Alaska marine highway to the state's main road system; a member of the clergy; and a youth under 18. The senate president appoints one majority member of the Senate; the speaker of the House appoints one majority member and one minority member of the House.

The council serves in an advisory capacity to the Legislature and governor with respect to what actions can and should be taken to improve health and wellness throughout the state by reducing suicide and its effect on individuals, families and communities; broaden the public's awareness of suicide and the risk factors related to suicide; enhance suicide prevention services and programs throughout the state; develop healthy communities through comprehensive, collaborative, community-based approaches; develop and implement a statewide suicide prevention plan; and strengthen existing and build new partnerships between public and private entities that will advance suicide prevention efforts in the state.

I urge your support on this important piece of legislation.

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

Alaska State Legislature

Representative Anna Fairclough – House District 17

CS for House Bill 123 (STA)

"An Act extending the termination date of the Statewide Suicide Prevention Council; and providing for an effective date."

Explanation of Changes

Section 1. This section explains the composition of the council. The House State Affairs Committee decided instead of having both a majority and minority member from both bodies reside on the council that they would not designated and just have two members from each body on the council.

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
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Representative_Anna_Fairclough@legis.state.ak.us

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or stay and fight.

Just two sheds were destroyed in the Melbourne suburb of Belgrave South before the fire threat eased Monday, but the panic showed how jittery Australians wait out the latest emergency.

At least two new fires broke out in southern Victoria state, where temperatures soared into the mid-80s Fahrenheit (low 30s Celsius) and strong, gusty winds dropped.

The confirmed death toll was increased to 210 early today, and was expected to rise as more remains were identified from the ruins.

"We have ended the black wind (of violence) and have started the reconstruction process," al-Maliki told hundreds of officials as Iraqi soldiers with red berets stood guard.

Sam and Gayle Trivette, advocates, long-time Alaskans retired public employees

Like too many Alaskans, we lost a son to suicide.

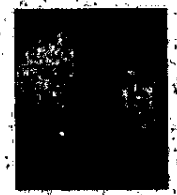
YOU KNOW us...

He was home from college for the summer. He had a wide network of friends. He was so loved. But in retrospect, we realized he had battled depression since high school.

Our loss has led us to suicide prevention efforts. We don't want other parents, or anyone, to feel this wrenching heartbreak. We've joined our community task force (juneausuicideprevention.org.) to get out the word: signs someone's considering suicide, risk factors, how to talk to them, where to get help.

The Statewide Suicide Prevention Council website has even more information.

www.hss.state.ak.us/suicideprevention or call the 24-hour hotline: Alaska's Careline 1-877-266-HELP (4357)



The TRUST
The Alaska Mental Health Trust Authority
www.mhtrust.org

A message from the Alaska

Fiscal Year 2007 ANNUAL REPORT TO THE LEGISLATURE

Statewide Suicide Prevention Council

Sarah Palin GOVERNOR

Karleen K. Jackson COMMISSIONER

www.hss.state.ak.us/suicideprevention

2696

Alaska needs:

- A committed person to take initiative, a core leadership group and active volunteers
- A partnership involving multiple levels of the community
- Support from school district administrations
- A foundation of mental health, substance abuse and emergency/crisis services
- Training, knowledge of best practices and materials
- A plan with realistic goals and strategies
- Appropriate funding
- Media focus on the issue

(adapted from June 2004 Group Health Community Foundation Evaluation)

"Suicide prevention work must come from (and out of) the community."

Bethel Town Hall meeting participant, May 2005

RISK FACTORS THAT A PERSON MIGHT BE SUICIDAL

Talks about suicide — seriously or "just kidding."

Has attempted suicide before.

Has trouble eating or sleeping.

Prepares for death — makes out a will and final arrangements.

Gives away prized possessions.

Has had recent severe losses; lost someone to suicide

Drastic changes in behavior.

Withdraws from friends, social activities.

Loses interest in hobbies, work, school.

Takes unnecessary risks.

Loses interest or dramatic change in personal appearance.

Increases use of alcohol or drugs.

Council — Historical Overview

By statute the Statewide Suicide Prevention Council consists of 15 members, 11 appointed by the governor and four by the Legislature. The governor appoints two executive branch state employees; one member of the Advisory Board on Alcoholism and Drug Abuse; one member of the Alaska Mental Health Board; a designee from the Alaska Federation of Natives, Inc.; a counselor in a secondary school; an adult active in a statewide youth organization; a person who has experienced a family member's death by suicide; one person who resides in a rural community not connected by a road or Alaska marine highway to the state's main road system; a member of the clergy; and a youth under 18. The senate president appoints one majority member of the Senate; the speaker of the House appoints one majority member and one minority member of the House.

The council serves in an advisory capacity to the Legislature and governor with respect to what actions can and should be taken to:

- improve health and wellness throughout the state by reducing suicide and its effect on individuals, families and communities;
- broaden the public's awareness of suicide and the risk factors related to suicide;
- enhance suicide prevention services and programs throughout the state;
- develop healthy communities through comprehensive, collaborative, community-based approaches;
- develop and implement a statewide suicide prevention plan; and
- strengthen existing and build new partnerships between public and private entities that will advance suicide prevention efforts in the state.

WAYS YOU CAN HELP

Be willing to listen.
Allow expression of feelings.
Accept the feelings.

Be nonjudgmental.
Don't lecture the value of life.

Don't dare someone to do it.

Don't be sworn to secrecy.
Connect with services specializing in crisis intervention.
Offer to accompany the person in need.

Pay attention when a person "just kids" about ending it all.

Offer hope that alternatives are available, but don't offer glib reassurances.

Take action. Remove means, such as guns or stockpiled pills.

Suicide Prevention Council

Performance Measures	3
Alaska Suicides per Region	6-7
Alaska Suicide Follow Back Study	14
Alaska Suicide Information and Data	15
Council Members	back cover

Fiscal Year 2007 ANNUAL REPORT TO THE LEGISLATURE

www.hss.state.ak.us/suicideprevention

Prevention works!

Strong communities are an essential part of a successful prevention network.

Statewide Suicide Prevention Council Performance Measures — Fiscal Year 2007 Report on Activities

In response to the 2005 legislative Suicide Prevention Council sunset extension hearings, Council members drafted the following performance measures to guide their work over the next several years. These measures were chosen to respond directly to the legislative audit findings and, more important, to reflect the Council's concern with Alaska's high suicide rate.

1 In an effort to get Alaska off the national list of the "top ten" states with the highest suicide rates for the first time since 1991, the Statewide Suicide Prevention Council will partner with the Division of Behavioral Health to reduce the three-year average rate of Alaska suicides from 21 deaths per 100,000 population to 15 per 100,000, representing a 29 percent decrease from the current rate, over a seven-year period.

The three-year average rate for 2002–2004 = 21.1/100,000

2006	21.1	x	5%	=	1.05	=	20.1 /100,000
2007	20.1	x	5%	=	1.01	=	19.1 /100,000
2008	19.1	x	5%	=	0.95	=	18.14 /100,000
2009	18.14	x	5%	=	.91	=	17.23 /100,000
2010	17.23	x	5%	=	.86	=	16.37 /100,000
2011	16.37	x	5%	=	.82	=	15.55 /100,000
2012	15.55	x	5%	=	.78	=	14.78 /100,000

Progress. The current three-year average Alaska suicide rate for 2003–2005 is 20.86/100,000. This is a decrease from the previous three-year average of 21.1/100,000. There were 131 suicides in 2005, giving Alaska a fatality rate of 19.7/100,000. This rate is well ahead of our scheduled decreases, but it is more accurate to rely on the three-year averages due to the annual fluctuation in rates.

2 On a yearly basis, review and update the Statewide Suicide Prevention Plan as indicated by community feedback and Council members' recommendations.

Progress. Council members are currently reviewing the Statewide Suicide Prevention Plan for revisions to be made during FY07. The FY07 version will include an introductory letter from William Martin, Council chair.

2700

3 Through the Follow-Back Study and other data sources, consistently review data and information in an effort to identify trends, make analysis and forward recommendations to the department regarding prevention, education and services needed statewide. This information may assist in:

a. understanding the suicidal mind more clearly;

b. understanding who decedents thought of as "gatekeepers," (i.e., who they confided in or who may have been able to recognize the ideation);

c. designing new intervention and prevention programs to help suicidal individuals and suicide survivors;

d. bringing new money into the state to combat suicide;

e. providing a better understanding of the age groups and racial groups involved;

f. discovering and providing information on risk and protective factors that can be prevented or enhanced;

g. access and use of behavioral health services;

h. ideation communicated to others;

i. prescription medication being used; and,

j. recent encounters with law enforcement or medical staff.

Progress. The Alaska Injury Prevention Center (AIPC) and our research partners (American Association of Suicidology and the Critical Illness and Trauma Foundation) have collected data on suicides in Alaska from Sept. 1, 2003, through Dec. 31, 2006. A preliminary analysis of data from this three-year period has been completed and submitted to the Alaska Suicide Prevention Council. The final analysis and report of the Follow-Back Study (personal interviews) should be completed in February 2007.

The Alaska Injury Prevention Center presented the suicide data at an international suicide prevention conference in Durban, South Africa (September 2005); at the Alaska Health Summit (December 2005); for the Alaska Native Medical Center, Southcentral Foundation; and to several other small groups. The Follow-Back Study and data were instrumental in the formation of the Mat-Su Valley survivors group. Limited data from the study have been made available to Native health corporations for grant requests, to police chaplains, and to other groups to assist in suicide prevention or coping program design.

4 Support and assist Alaskans in starting a SPAN-Alaska (Suicide Prevention Awareness Network) affiliate. This grassroots community effort enlists the support of individuals to:

a. establish a group that will oversee the SPAN-Alaska affiliate by becoming a 501 (c) 3 nonprofit; draft Articles of Incorporation and bylaws;

b. sign up a minimum of 150 new members; and

c. develop a Survivor Support Group list,

gather baseline data on the number of Survivor Support Groups, and

track the increase of Survivor Support Groups.

Progress. While the grassroots community members researching the feasibility of becoming a SPAN affiliate decided not to proceed, they have continued to be active in their work toward suicide prevention and awareness and, more important, as support to other survivors of suicide. Statewide Suicide Prevention Council member Stan Tucker volunteered as liaison between the Council and these community members.

5 Support the Division of Behavioral Health in its efforts to increase the number of communities that can recognize the warning signs of suicide by tracking the number of community-based Suicide Prevention grantees that align their community suicide prevention funding with the Statewide Suicide Prevention Plan by:

- **a** conducting eight community trainings on the use of the Statewide Suicide Prevention Plan; and
- **b** tracking the number of trainings provided from July 1, 2005–June 30, 2006.

Progress. The Division of Behavioral Health Request for Proposals required all grantees to align their suicide prevention efforts with the Statewide Suicide Prevention Plan. At the statewide meeting for prevention grantees (September 2006), the division created a presentation on community-based planning for implementing effective strategies aligned with the statewide plan. The Council with the division has provided two trainings on use of the statewide plan and assessing community readiness for decreasing suicide and non-lethal suicidal behaviors. These trainings took place at the Full Lives Conference (April 2006) and the Rural Behavioral Health Providers Conference (June 2006).

6 Assist the Division of Behavioral Health in its SAMHSA Garrett Lee Smith Memorial Act youth suicide prevention application, and if awarded, in its implementation.

Progress. The Council supported the state's Garrett Lee Smith Memorial Act youth suicide prevention application. Alaska's application was not awarded funding; however, some of the activities that were included in the response, such as Gatekeeper training and extending the Follow-Back Study, will continue to be funded through other avenues. It is planned to apply again at the next opportunity.

7 Provide technical assistance to Boys & Girls Clubs of Alaska statewide youth suicide prevention initiative, Project LEAD (Leadership, Education, Acceptance and Determination). Project LEAD builds protective factors in youth through academic and leadership programming, along with alcohol and substance abuse prevention programming.

Progress. Project LEAD empowers Boys & Girls Clubs Instructors to network with mental health and medical providers, school counselors, cultural leaders, churches and parents to identify and serve at-risk and in-crisis youth. In 2005, due to a lapse in essential grant funding, Project LEAD sites fell from 22 communities to 16. Prevention specialists in these communities intervened with 43 youth in crisis and tracked another 301 youth who exhibited one or more risk factors. Staff continue to seek partnership and grant support for suicide prevention efforts and continue to train front-line professionals in first-response intervention skills. Ninety-five current front-line employees are trained in suicide intervention and prevention.

The Suicide Prevention Council provides technical support to the program via research and best practice updates and referral resources, and training and conference opportunities. In April 2005, the Council sponsored the Project LEAD Coordinator's travel and registration to the National Suicide Prevention and Awareness Conference in Seattle, Wash.; and at the Council's recommendation, Boys & Girls Clubs Director of Staff Development received training and certification as a Gatekeeper Trainer.

8 Gather data from the Division of Behavioral Health on the Substance Abuse and Mental Health Services-funded Gatekeeper Training:

- **a** number of trainings held; and
- **b** number of attendees.

(continued on page 8)

Alaska

Suicides per 100,000 per Region for the last ten years

RATE	REGION
More than 70	Northwest Arctic Nome Census area
50–70	Wade Hampton Bethel Census area
30–50	North Slope Borough Dillingham Bristol Bay Lake Borough Peninsula Borough
Less than 30	Kodiak Island Aleutians Mat-Su Borough Anchorage Kenai Peninsula Valdez-Cordova Census area Fairbanks Southeast Fairbanks Denali Yukon-Koyokuk Census area Southeast

KEY TO NUMBERS ON THE MAP

00.0 RATE PER 100,000

(0) REGIONAL COUNT

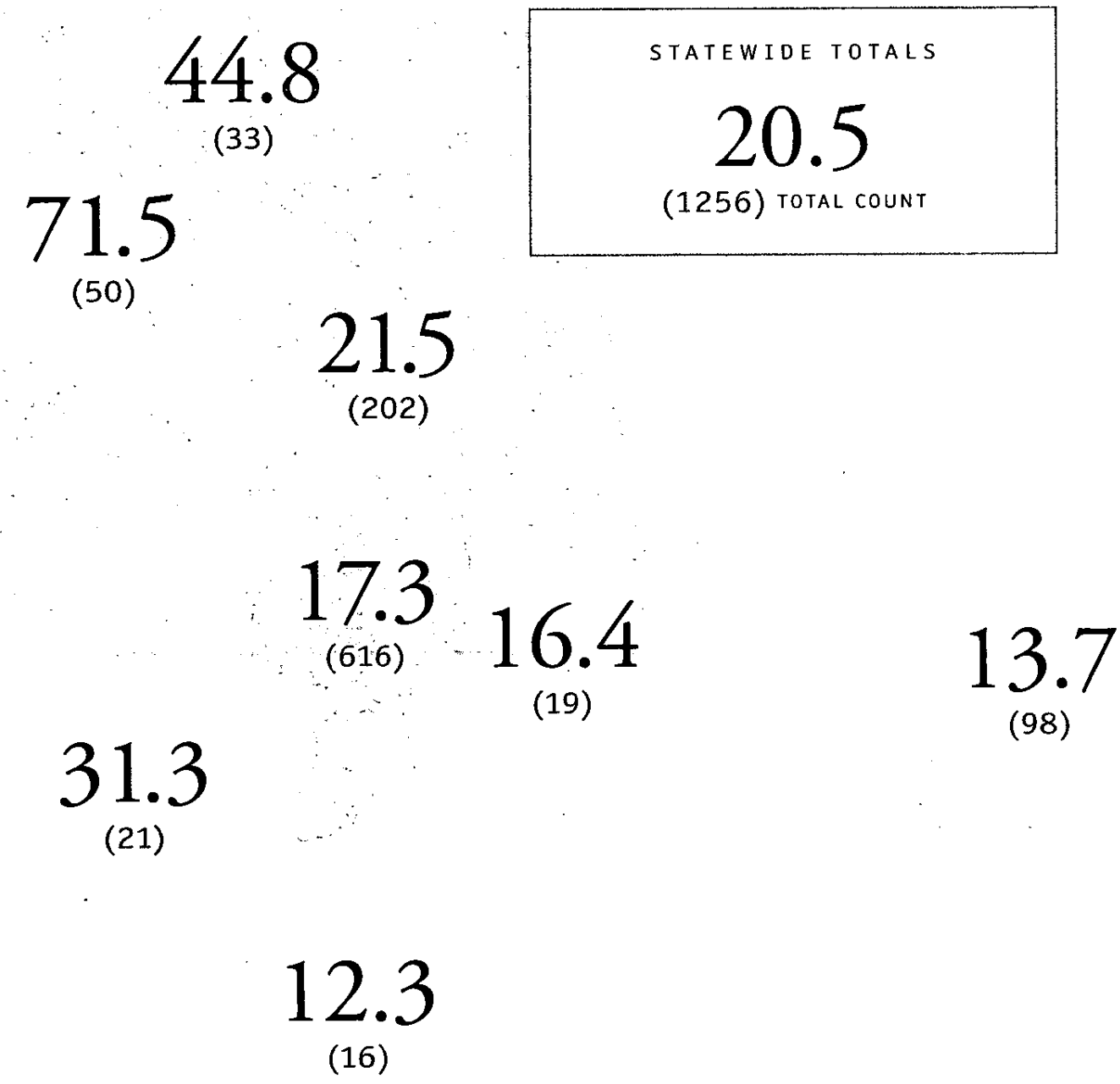
71.7
(65)

55.3
(126)

10.9
(10)

Suicides (and numbers) per Region

1996–2005



2704

SSPC Performance Measures *(continued from page 5)*

Progress. From Oct. 1, 2005, to Sept. 30, 2006, implementation of Targeted Gatekeeper Training of Trainers (TOT) was completed. Phase II was completed in July 2006. Following the regional TOT's there was a follow-up meeting for all gatekeeper trainers in August to allow them to meet each other, share what is working, and discuss ideas for further expansion of the gatekeeper training program. The trainers have a listserve that enhances their ability to share and support one another.

TABLE ONE Targeted Gatekeeper Testing of Trainers Sessions

SCHEDULED FOR 2007	LOCATION	TARGET AUDIENCE	NUMBER OF PARTICIPANTS
April 21	Anchorage	Northern	7
April 21	Anchorage	Southcentral	8
April 21	Anchorage	Southeastern	8
April 21	Anchorage	Statewide	18

The Statewide Suicide Prevention Council Board members set performance measures for themselves to help them stay involved in spreading the word about the work of the Council. Some of the effort is represented above. The Statewide Suicide Prevention Plan was presented at numerous conferences, health fairs, and health entity gatherings. Board members also participated in talking to their legislators, chairing committee meetings, submitting letters to the editor and participating in suicide awareness efforts in a variety of settings. See Table Two.

TABLE TWO Council Members' Performance Measures

	SCHEDULED TASKS	ACCOMPLISHED TASKS
1	Present statewide suicide prevention plan in two public venues.	★★★★★★★ ★★★★★★ ★★★★
2	Submit two digital photographs and one written article of member or constituent activity relevant to suicide prevention awareness of activities for the legislative report.	★★★★
3	Arrange and attend at least two meetings with legislators, other than council members who are legislators, to discuss the Council's mission, activities and performance measures.	★★★★★★★
4	Submit one Letter to the Editor to a newspaper of member choice addressing suicide prevention awareness and Council activities.	★★★
5	Demonstrate meaningful participation in a statewide or worldwide suicide prevention effort (i.e., Worldwide Suicide Prevention Awareness Day, Sept.10).	★★★★
6	The above items may be substituted for leadership on a significant Council priority/project that impacts the visibility, longevity and/ or financial sustainability of the Council.	★★

The Council has various suicide prevention material available free of charge. Please contact Kathy Craft at

Kathryn_Craft@health.state.ak.us

if you would like to receive items that are available.

Posters

Pens

Magnets

Statewide Suicide Prevention Plans

Annual Reports

You KNOW Me Posters

Ramy Brooks trading cards

Statewide Resource Guides

Radio Public Service Announcements on CD

Ramy Brooks DVD with Study Guide

McDowell Report on the Economic Costs of Alcohol and Other Drug Abuse in Alaska, 2005 Update.

"You KNOW Me," The Alaska Mental Health Trust Authority's coordinated communication campaign, has used print, radio, and television announcements to reduce stigma and increase awareness that treatment works. The Trust also provided the Statewide Suicide Prevention Council with funds to continue statewide suicide prevention and awareness focus through their coordinated communications and advocacy work.

The Trust's daily Web site activity has significantly increased from the year prior to the campaign. Average daily visits are up 50 percent, and page views up 31 percent.

Calls to the Statewide Suicide Prevention toll-free Careline (877-266-HELP) increase when the number appears in print ads. In some months, calls have gone up from 300 to 400, coming from all over the state.

We suspect that there is similar activity on local 24-hour hotlines. (Because the lines are run by volunteers, reports are sporadic.)

2706

Fiscal 2007 Statewide Suicide Prevention Council
Highlights and Accomplishments

"Live Your Dream"— Youth Prevention Focus

As part of the Live Your Dream campaign, silicone bracelets with the message "Live Your Dream" have been distributed free of charge to Alaska middle and high school youth. The positive outer message links to a resource on the inside — "To talk, call 1-877-266-HELP." The bracelets are given to schools accompanied by a letter giving ideas of prevention activities such as:

1 Government/Tribal

a. Declare a Suicide Prevention Awareness Day or Week; the national Yellow Ribbon Week is in September each year.
   - Host a communitywide scavenger hunt for protective factors (i.e., Youth embark with a "Prevention Passport" and receive stamps from elders, health professionals, coaches, school officials, clergy and businesses).

b. Encourage local businesses, schools and community agencies to give discounts or free items to youth wearing their bracelets during that week/day.

2 Schools/Youth Agencies

a. Ask the high school students to arrange activities or an assembly to discuss suicide prevention.
   - Hold a "Life" cereal-eating contest for the younger students.
   - Organize a "Life" board game tournament.
   - Create a banner "Celebrating Life" with pictures of friends/ families involved in healthy activities/hobbies.

3 Parents/Clergy

a. Coordinate a "Celebration of Life" event with musicians/bands, dance, art, poetry readings/slams, or photography exhibits that support prevention.

b. Hold a community/family night with activities and information about prevention and have bracelets available.

Signs of Suicide Curriculum Evidenced-Based Model Program

The Signs of Suicide (SOS) curriculum is rated by the Substance Abuse and Mental Health Services Administration as an evidence-based Model Program. The goal of the SOS program is to teach students the action steps — ACT (Acknowledge, Care and Tell). ACT helps students develop instinctual and familiar skills to respond to signs of suicide. SOS is a school-based program that offers a curriculum to raise awareness of suicide and its related issues combined with a brief screening for depression and other risk factors. This enables students to recognize depression and suicidal thoughts and behaviors in themselves and others, and prompts them to seek assistance.

The Council has 10 copies of the SOS curriculum, five for middle-school and five for high-school ages, available for distribution to selected communities that can demonstrate they are open to the issue of suicide prevention. This is assessed by a community readiness survey, through a planning team supporting this strategy, and through letters of support from key community members who will be able to continue to offer their support through the first two years of implementation.

Because ACT enables students to better recognize depression and suicidal thoughts, each applicant must also document the availability of an on-site referral system for students who need and ask for assistance.

Where Do We Go From Here?

We believe that every Alaskan should understand that while suicide is a problem, there is something that can be done about it.

To enhance public awareness...children as young as sixth grade should be taught to recognize the warning signs for depression and suicide. They need to know how to help a friend who is exhibiting signs, and the resources for help.

Parents need to know about community resources and should be encouraged to push through obstacles to asking for help.

Clergy, community leaders, first responders, teachers and school personnel need to develop crisis plans that encourage staff to respond to suicidal behavior.

To enhance skills and knowledge of gatekeepers...all educators, physicians and health care providers need to be trained to ask directly about suicidal thoughts.

To enhance community-based safety nets... community members need to address the stigma associated with mental illness, substance use disorders and increase the accessibility of crisis resources. Communities should also support funding for community day and evening programs that provide meaningful activities.

2708

Division of Behavioral Health Corner

The Statewide Suicide Prevention Council (SSPC), in partnership with the DBH Section of Prevention & Early Intervention Services, has targeted the reduction of suicide and non-lethal suicidal behaviors in Alaska's communities as one of its long-term outcomes. In FY06, DBH offered a three-year funding opportunity, which combined the Community-Based Suicide Prevention Program with Substance Abuse Prevention funds, FASD funding, and Youth Resiliency funds to reflect an integrated approach to these services. In all, 25 communities received funding under the umbrella of suicide prevention programming. The overall goal for all grantees is "To Promote a Healthy Community Utilizing Effective Practices and Partnerships." Grantee communities receive ongoing technical assistance in implementing effective practices and outcomes measurements to achieve one of three long-term community impacts by:

reducing the harmful effects of substance abuse in one or more communities;

reducing incidents of suicide and nonlethal suicidal behaviors in one or more communities; and/or

increasing community members' connectedness, resiliency and life skills in one or more communities.

Together, the Statewide Suicide Prevention Council and DBH trained grantees on the Statewide Suicide Prevention Plan, which they incorporated in their programmatic goals, and provided an update of the Gatekeeper Suicide Prevention Training (to be completed by September 2006).

During fiscal year 2006, a total of 65,268 contacts were made through our community-based suicide prevention grantees. Nineteen of the programs delivered activities at the universal level of prevention (focusing on the entire population) and six programs focused activities at a selective level (focusing on populations indicated at high risk).

Using the federal Center for Substance Abuse Prevention's six prevention strategies, DBH suicide prevention grantees employed the following strategies:

five used dissemination of information;
14 used prevention education;
19 used alternative activities;
12 used community-based practices;
two used environmental approaches; and
five used identification and referral.

We celebrate our program's success with our grantees in their community:

"Alternative activities with the coordinator/ mentor have taken place, resulting in increased sobriety and outdoor cultural skills acquisition (men and boys are learning trapping and other related skills). Participants are in a positive, alcohol- and drug-free setting and are mutually supporting each other at the same time."

"The verbal feedback from Council members, community members, participants of the activities and the elders have all been positive and they are happy that there is a place to go to do these important cultural and community enhancing activities."

2709

Partners in Prevention

ADVISORY BOARD ON ALCOHOLISM AND DRUG ABUSE

AND

THE ALASKA MENTAL HEALTH BOARD

In helping Alaskans stay healthy and free from self-harm, the State Suicide Prevention Council has a partnership with other behavioral health agencies — including the Alaska Mental Health Board (AMHB) and the Advisory Board on Alcoholism and Substance Abuse (ABADA).

Why are AMHB and ABADA partners in suicide prevention?

According to an October 2006 report by the World Health Organization (WHO), more than 90 percent of all individuals with completed suicides also had depression, schizophrenia, or alcoholism — or some combination of mental health and substance abuse problems. The WHO looked at completed suicide in 14 countries and found that, in the most rural countries (or, as in Alaska, the most rural regions of a state or country), around 80 percent of individuals with serious behavioral health challenges had not received treatment in the year before the suicide. The WHO Acting Director, Anders Nordstroem, said, "All too often, suicide represents a tragic consequence of failing to diagnose and treat serious mental illness."

The mission of both the AMHB and ABADA is to plan, educate, coordinate, evaluate, and advocate for adequate mental health and substance abuse services for all Alaskans. These services should include early intervention and effective treatments for individuals with depression and alcohol abuse, particularly with the most vulnerable Alaskans, who are often our youth in rural areas.

The WHO report on suicide worldwide points to the same challenges the SSPC, AMHB, and ABADA face — although a great deal is known about how to effectively help individuals with depression and substance abuse, there are gaps in treatment availability and resources. But through partnerships, such as the SSPC has with AMHB and ABADA, Alaskans can strive to reduce rates of suicide, a preventable form of death, by improving mental health and substance abuse services to vulnerable Alaskans.

2710

Alaska Suicide Follow-Back Study — Alaska Injury Prevention Center

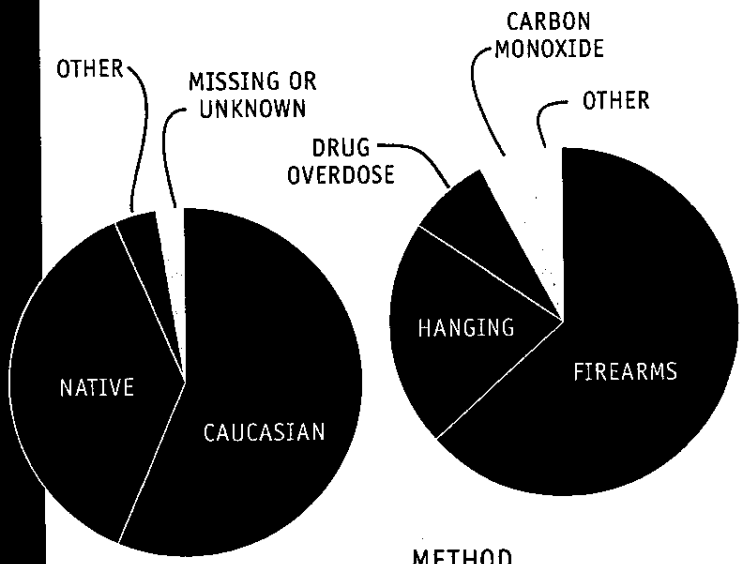
September 1, 2003 through August 31, 2006

In three years of collected data, there were 426 suicide deaths in Alâska as reported by the state Medical Examiners Office for an annual average of 142 deaths. Of those 426 suicides:

- 88 were female, 338 were male;
- 58 were younger than 20;
- 120 were in their 20s;
- 77 were in their 30s;
- 86 were in their 40s;
- 50 in their 50s; and
- 35 were 60 or older.

To date, 70 follow-back interviews have been completed with some still in process. Analysis of all the interview data will be completed in Spring of 2007, and the richer research information from the interviews will be analyzed and available.

The three years of suicide data that we have compiled for deaths taking place between Sept. 2003–Aug. 2006 in Alaska include (not all data are finalized):



ETHNIC DEMOGRAPHICS

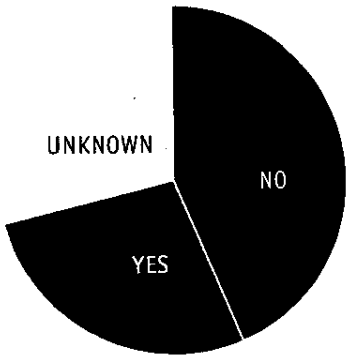
241 Caucasian
158 Native
17 Other
10 Missing or Unknown

METHOD OF SUICIDE

270 Firearms
90 Hanging
34 Drug Overdose
12 Carbon Monoxide
20 Other methods

ALCOHOL OR DRUGS INVOLVED

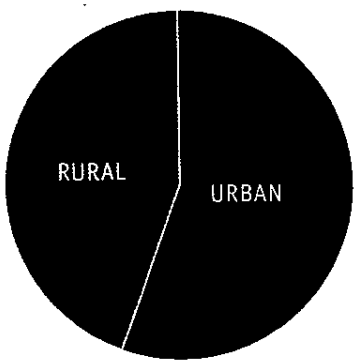
122 No
186 Yes
118 Unknown



LOCATION OF DEATH

237 Urban
55% of cases and 54% of population

189 Rural
45% of cases and 46% of population

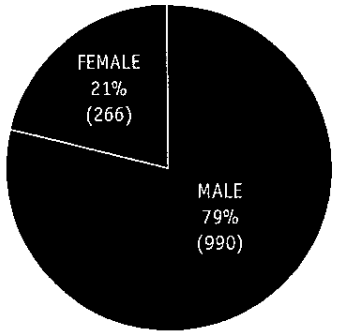


Alaska Suicide Information and Data

From the Department of Health and Human Service's Bureau of Vital Statistics

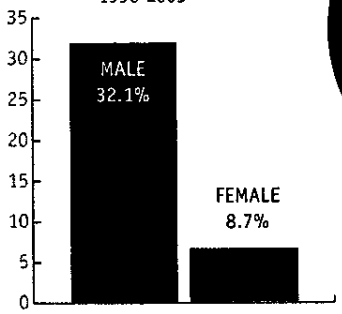
ALASKA SUICIDE BY SEX

1996-2005



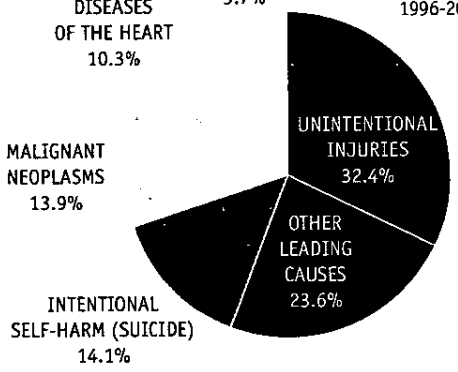
ALASKA AGE-AJUSTED SUICIDE RATES BY SEX

1996-2005



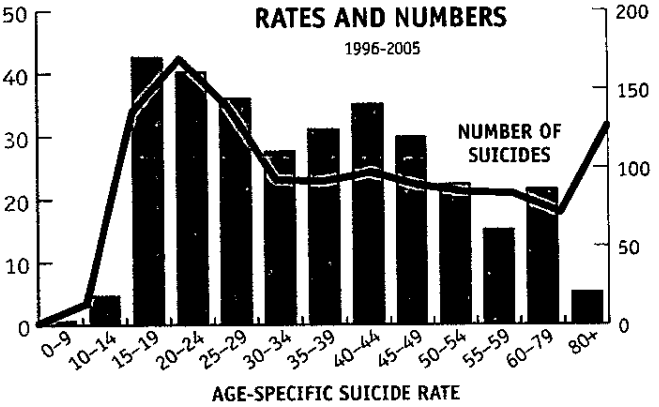
ALASKAN YEARS OF POTENTIAL LIFE LOST BY LEADING CAUSE OF DEATH

1996-2005

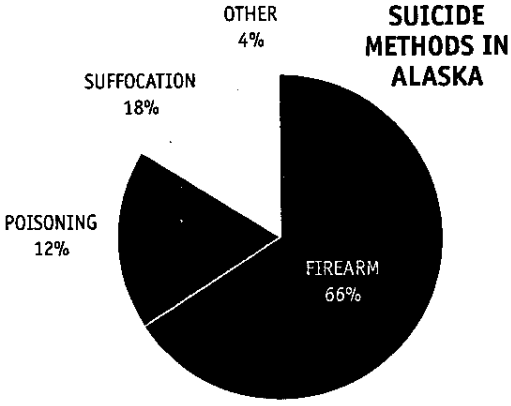


ALASKA AGE-SPECIFIC SUICIDE RATES AND NUMBERS

1996-2005

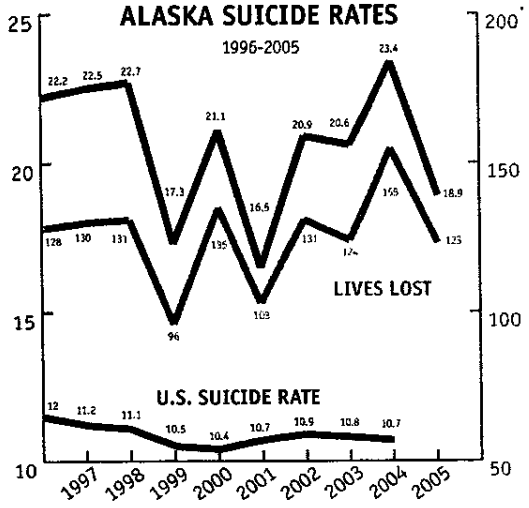


SUICIDE METHODS IN ALASKA



ALASKA SUICIDE RATES

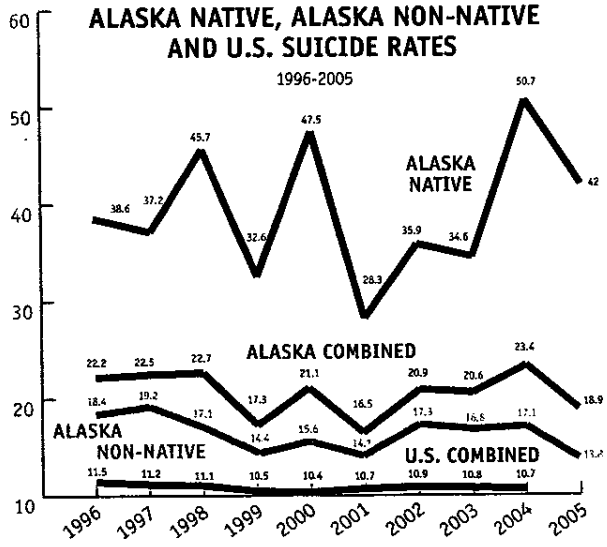
1996-2005



Rates are age-adjusted per 100,000 population
* The Alaska rate and lives lost rate for 2005 are preliminary.
** US rate for 2004 is preliminary and the US rate for 2005 is unavailable at the time of publication.

ALASKA NATIVE, ALASKA NON-NATIVE AND U.S. SUICIDE RATES

1996-2005



Rates are age-adjusted per 100,000 population
* The Alaska rate for 2005 is preliminary.
** US rate for 2004 is preliminary and the US rate for 2005 is unavailable at the time of publication.

www.hss.state.ak.us/suicideprevention

Suicide Prevention Council Fiscal Year 2007

William Martin	Chair, Alaska Federation of Natives
Mario Gatto	Chair-Elect, Secondary School
Noelle Hardt	Secretary/Treasurer, Statewide Youth Organization
Stan Tucker	Member-at-Large, Clergy
Charles Jones	Public
Brenda Moore	Alaska Mental Health Board
Arthur Hansen, DDS	Advisory Board on Alcoholism and Drug Abuse
Bill Hogan	Department of Health and Social Services, Deputy Commissioner
Renee Gayhart	Department of Health and Social Services, Tribal Health Manager
Sen. Ben Stevens	State Senate
Sen. Kim Elton	State Senate
Rep. Nancy Dahlstrom	State House of Representatives
Rep. Woodie Salmon	State House of Representatives
Mandee Collins	Youth
Hilma Kameroff	Public

Kathy Craft — Department of Health and Social Services Office of the Commissioner
Statewide Suicide Prevention Council Coordinator
907-451-2017, Kathryn_Craft@health.state.ak.us

Scheduled Meetings Fiscal Year 2007

September 20, 2006	Statewide Teleconference
November 6–7, 2006	Anchorage
February 12–13, 2007	Juneau
April 30–May 1, 2007	Kotzebue

Alaska (Statewide)	Suicide Prevention **Careline** 1-877-266-HELP (4357)
Fairbanks	Suicide Prevention **Careline** 452-4357
National	**Lifeline** 1-800-273-TALK (8255)

www.hss.state.ak.us/suicideprevention

This publication is released by the Statewide Suicide Prevention Council through the Department of Health and Social Services and is intended to provide data and information to the public about suicide prevention and awareness. It was produced at a cost of $2.69 per copy and printed in Anchorage, Alaska. A portion of this document was funded through the Alaska Mental Health Trust Authority.

Alaska State Legislature

Representative Anna Fairclough – House District 17

CS House Bill 123

"An Act extending the termination date of the Statewide Suicide Prevention Council; and providing for an effective date."

Sectional Analysis

Section 1. Amends AS 44.29.300

Changes the composition of the council by increasing the number of members from 15 to 16.

States that two members from each body of the legislature sit on the council.

Adds two members one of which shall represent the Department of Health and Social Services and one who shall represent the Department of Education and Early Development.

Changes the classification of the person in a secondary school from a counselor to an employee of a secondary school.

Adds one person who is enrolled in grades 9-12 of a secondary school in the state.

Changes the classification of a member under the age of 18 to a public member.

Section 2. Amends AS 44.29.300

Adds a new subsection that classifies the two members from each body of the legislature that sit on the council are nonvoting members.

Section 3. Amends AS 44.29.330(a)

States that the voting membership shall elect officers.

Section 4. Amends AS 44.29.340

Adds new subsection that changes the quorum requirement to seven voting members .

Section 5. Amends AS 44.66.010(a)(8)

Extends the sunset date from June 30, 2009 until June 30, 2013.

Section 6. Amends AS 01.10.070(c)

Immediate effective date clause

Session: Alaska State Capitol • Juneau, AK 99801 • 907-465-3777 • Fax 907-465-2819
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Representative_Anna_Fairclough@legis.state.ak.us

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit

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Juneau, AK 99811-3300
(907) 465-3830
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November 4, 2008

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), the attached report is submitted for your review.

DEPARTMENT OF HEALTH AND SOCIAL SERVICES
STATEWIDE SUICIDE PREVENTION COUNCIL
SUNSET REVIEW
November 4, 2008

Audit Control Number
06-20055-08

The review was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). Currently, under AS 44.66.010(a)(8), the Statewide Suicide Prevention Council (council) is scheduled to terminate on June 30, 2009. We recommend the legislature extend the termination date of the council until June 30, 2013.

Four of the fifteen voting members of the council are legislators. Since the Legislative Audit Division is part of the legislative branch, our agency does not meet the independence standard required by generally accepted government auditing standards. Therefore, we are disclosing our lack of adherence to the independence auditing standard.

Except for the independence standard discussed above, the audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Statewide Suicide Prevention Council (SSPC or council) to determine if there is a demonstrated public need for its continued existence and if it has been operating in an efficient and effective manner.

As required by AS 44.66.050(a), the legislative committee of reference shall consider this report as part of the oversight process in determining if the termination date of the council should be extended. State law currently specifies SSPC will terminate on June 30, 2009. If no action is taken by the legislature, the council will have one year from that date to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the termination date of the council should be extended.
2. To determine if the council is operating in the public interest.
3. To provide a current status on the recommendations made in the prior report.

Our assessment of the operations and performance of the council was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the council.

Scope and Methodology

Auditors and audit organizations are required to be independent in both fact and appearance to the entities being audited. Audit organizations are presumed to be organizationally independent per generally accepted government auditing standards under various situations. One of those situations, which is applicable to the Division of Legislative Audit, is when the,

> *. . .audit organization is in a different branch of government within the same level of government as the audited entity; for example, legislative auditors auditing an executive branch program.*

The Division of Legislative Audit does not meet the organizational independence requirements because four of the fifteen voting members of SSPC are members of the Alaska State Legislature. Readers of this report may not view the conclusions, findings, and

recommendations as impartial because of the lack of organizational independence. Nevertheless, we conducted the audit of SSPC as required by AS 24.20.271 and AS 44.66.050.

Our audit reviewed the operations and activities of the council from FY 05 through FY 08.

During the course of our examination, we reviewed and evaluated the following:

- Applicable statutes and regulations.
- Budget documents, session laws, and other legislative information related to the council's operations.
- Council meeting minutes, bi-laws, and website.
- Annual reports to the legislature and governor.
- Financial reports from the State Accounting System.
- The *Statewide Suicide Prevention Plan.*
- Alaska Injury Prevention Center's follow-back studies to the council.
- Other documents related to the council's operations and mission, as necessary.

In addition, we interviewed:

- Various SSPC members, SSPC coordinators, and staff under the Department of Health and Social Services.
- Board members, executive directors and other staff of the Alaska Mental Health Trust Authority (AMHTA), Alaska Mental Health Board (AMHB) and Advisory Board on Alcoholism and Drug Abuse (ABADA).

We also attended the following meetings:

- May 5-6, 2008 meeting of SSPC.
- June 13, 2008 meeting of representatives from SSPC, Division of Behavioral Health, Division of Senior and Disability Services, the Alaska Commission on Aging, AMHTA, ABADA, AMHB, and the Governor's Council on Disability and Special Education.
- June 17, 2008 SSPC teleconference for a working session on the revision of the Suicide Prevention Plan.

ORGANIZATION AND FUNCTION

Under AS 44.29.350, the Statewide Suicide Prevention Council (SSPC or council) is charged with advising the legislature and the governor on,

> *...actions that can and should be taken to improve health and wellness throughout the state by reducing suicide and its effect on individuals, families, and communities.*

In addition to this advisory role, the council's activities include planning, coordinating, educating, training, and providing technical support on the prevention of suicide.

The council consists of 15 members. There are two senators, two representatives, two executive branch employees, and nine public members. The senate seats and the representative seats are appointed by the president of the senate and the speaker of the house, respectively. The executive branch and public seats are appointed by the governor.

Exhibit 1

Council Members
As of September 30, 2008

Officers:
- Brenda Moore, Public, Chair
- Pat Donelson, Public, Chair-Elect
- Renee Gayhart, DHSS, Treasurer

Other Members:
- Charles Jones, Public
- Celena Powder, Public
- William Martin, Public
- Bernard Gatewood, Public
- Vacant, Public
- Vacant, Public
- Vacant, Public
- Bill Hogan, DHSS
- Johnny Ellis, Senate
- Kim Elton, Senate
- Woodie Salmon, House
- Reggie Joule, House

Alaska Statute 44.29.300 specifies the public seats be filled by,

> *...one member of the Advisory Board on Alcoholism and Drug Abuse; one member of the Alaska Mental Health Board; one person recommended by the Alaska Federation of Natives, Inc.; one person who is a counselor in a secondary school; one adult who is active in a statewide youth organization; one person who has experienced the death by suicide of a member of the person's family; one person who resides in a rural community in the state that is not connected by road or the Alaska marine highway to the main road system of the state; one person who is a member of the clergy; and one person who is under the age of 18.*

Except for the members of the House of Representatives who serve two years, council members serve staggered four-year terms.

The council is staffed by a coordinator, who, by statute, is employed by the council and directly responsible to the council. As of July 1, 2008, the coordinator is the project manager for the Prevention and Early Intervention section. The coordinator is employed for the council on a part-time basis and is assisted by a project coordinator from the same division.

The council receives administrative assistance from the Department of Health and Social Services.

REPORT CONCLUSIONS

Under AS 44.66.010(a)(8), the Statewide Suicide Prevention Council (SSPC or council) will terminate on June 30, 2009. If the legislature does not take action to extend the termination date, the council will have one year to administratively conclude its affairs.

Alaska Statute 44.29.350 defines the purpose of the council.

> *The council shall serve in an advisory capacity to the legislature and the governor with respect to what actions can and should be taken to...*

The statute continues, listing the six areas where the council should advise the legislature and the governor. In addition to advising the legislature through testimony to the House and Senate Committees, the council has taken on a direct role in various areas. These areas include broadening the public awareness of suicide and the related risk factors, the development of a statewide suicide prevention plan, and other examples which are discussed in more detail in the Analysis of Public Need section of this report.

Suicide remains a major public health problem in Alaska. Over the last seven years, the crude rate[1] for suicide has ranged from over 16 to 23, while the national average crude rate for suicide was 11 in 2005[2].

Exhibit 2

Suicides of Alaska Residents By Year*

	Year of Death						
	2001	**2002**	**2003**	**2004**	**2005**	**2006**	**2007**
Deaths	103	131	123	154	127	132	146
Crude Rate	16.3	20.5	19	23.4	19.1	19.7	21.6

*2006 and 2007 data is still provisional and subject to change.

Source: Alaska Bureau of Vital Statistics

In addition to the rate of suicide being significantly higher than the national average, the profile of those committing suicide is also substantially different. In national statistics, elderly individuals are more likely to commit suicide; in Alaska, suicide is most commonly committed by individuals in their 20s. Suicide rates in Alaska are also disproportionately high in the native population.

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[1] Crude rate is the number of suicides per 100,000 population.
[2] USA Suicide: 2005 Official Final Data, from American Association of Suicidology on its website, http://www.suicidology.org.

In developing our conclusion on whether SSPC's termination date should be extended, we evaluated SSPC's operations using the 11 factors set out in AS 44.66.050(c) to determine if the council has demonstrated a public need for its continued operation.

We found no direct correlation between the activities of the council and the change in the suicide rate for any particular year. However, given that the council's role is primarily advisory and suicide is a public health concern that is often linked with mental illness and substance abuse, both which are long term health issues, it is unlikely that a direct identifiable correlation will ever be clearly visible.

However, through the efforts of the council we have seen a broader and more public acknowledgement of the problem of suicide in Alaska. We saw the council responding to communities by working to revise the statewide suicide prevention plan, making it less clinical and more user-friendly. The council and the Department of Health and Social Services, Division of Behavioral Health (DHSS, DBH) have proposed an initiative to develop a cross-disciplinary, community-driven, and research-based approach to reducing the number of deaths by suicide in Alaska. A Suicide Prevention Strategy and Implementation Plan will be available to the legislature by December 15, 2008.

Overall, we found that the council is operating in the public interest and spearheading efforts that are necessary to address the public health concern of suicide. Therefore, we recommend the legislature extend the termination date of the council to June 30, 2013.

The four year extension is recommended because of the following issues:

- At the end of FY 08, the council was organizationally aligned with the Prevention and Early Intervention section, Division of Behavioral Health. A key to enhancing the effectiveness of the council is a good working relationship between the council and DBH, each focused on its own mission – coordinating but not duplicating. A limited extension will allow for a reevaluation of whether the closer alignment with DBH has impeded the independent voice of the council.

- Secondly, the membership requirements for appointment to the council make it difficult to fill all the seats and to ensure sufficient participation to meet quorum requirements. Again, a limited extension will allow a timely reexamination of this problem.

These issues are more fully discussed in the Findings and Recommendations section of this report.

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Statewide Suicide Prevention Council (SSPC or council) should, in accordance with statutes, appoint its own coordinator and perform annual performance reviews.

Effective July 1, 2008, the Department of Health and Social Services (DHSS) assigned SSPC coordinator responsibilities to the Prevention and Early Intervention section[3] manager in the Division of Behavioral Health (DBH). This SSPC coordinator appointment was not made in accordance with the statutes and appears to diminish SSPC's autonomy and independent voice with the governor and legislature. Also, the coordinator may be placed in a position with potentially conflicting responsibilities between the council and DBH.

DHSS' decision was based on department personnel resource needs and a desire to align the activities of the council and the section.

The hiring, supervision, and evaluation of the SSPC coordinator are part of the council's rights and responsibilities per the statutes.[4] DHSS has traditionally assisted the council with the coordinator's selection. However, SSPC was not involved in the latest selection. Also, the council has not annually evaluated the coordinator's performance for at least the past four years. Neglecting these statutory requirements may have diminished the council's ability to maintain an independence voice.

We recommend the council either accept the current coordinator through a formal vote or initiate actions to hire a new coordinator. In addition, it is critical that the council conduct annual performance evaluations as required by statute, particularly if the coordinator is a DBH employee. Only through the council's interest in remaining autonomous can its independent voice be assured.

Recommendation No. 2

The legislature should consider modifying the composition of council membership.

During FY 05 – FY 08, there were excessive vacancies on the council and significant absences by council members at its meetings. Additionally, those being appointed to the

[3] Prevention and Early Intervention is the section responsible for DHSS programs that address suicide prevention.
[4] Alaska Statute 44.29.330(b) states,

> *The council may employ a coordinator to assist the council. The coordinator is in the partially exempt service. The coordinator shall be directly responsible to the council in the performance of the coordinator's duties. The council shall annually review the performance of the coordinator.*

council did not always meet the statutory qualifications for the position. Exhibit 3 illustrates the extent of vacancies and absences over the last four years.

Exhibit 3

Statutory Qualifications	Do incumbents meet the qualifications	Rate of attendance at SSPC meeting FY 05 – FY 08
Four legislator seats: Senate majority member Senate minority member House majority member House minority member	 Yes No No Yes	Overall 15%
Two persons employed by the executive branch of state government	Yes	Overall 73%
A member of the Advisory Board on Alcoholism and Drug Abuse	Yes	60%
A member of the Alaska Mental Health Board	Yes	100%
A person recommended by the Alaska Federation of Natives, Inc.	Yes	100%
A person who is a secondary school counselor	No[5]	80%
A person who is an adult and active in statewide youth organizations	Yes	73%
A person whose family has experienced death by suicide	Vacant[6]	33%
A person who lives in a rural community – not connected by either the road system or the marine highway	Vacant[7]	0%
A member of the clergy	Yes	93%
A person under the age of 18	Yes	33%
Overall Average[8]		**54%**

The composition of the council's membership is established in AS 44.29.300 and includes very specific qualifications which have created difficulties in filling the positions. Vacancies combined with low attendance rates make it difficult for the council to establish a quorum at its meetings.

The legislature should consider changes to AS 44.29.300 to broaden the qualifications of council members to ensure that appointees are interested in the work of the council and can

[5] The current incumbent is a secondary school principal.
[6] This position has been vacant since November 2005.
[7] This position has been vacant for more than 3 of the 4 years between FY 05 and FY 08.
[8] This average includes one member appointed to the council that does not meet any of the statutory criteria. This member's attendance over the last 4 years has been at 87%.

make the time commitment necessary to serve. Additionally, consideration should be given to making legislative members non-voting to prevent potential quorum issues.

Current Status of Prior Audit Recommendations

Prior Recommendation No. 1

The Division of Behavioral Health Community-based Suicide Prevention Program coordinator should ensure prevention programs conform to the statewide suicide prevention plan.

Current Status

This recommendation is no longer an issue. Starting in FY 06, the State has followed a national trend to provide grants on a more comprehensive programmatic basis. Grant funds are awarded in a way that allows communities to focus the funds according to local priorities, rather than awarding separate grants for mental health, substance abuse, or suicide programs.

Additionally, the council has undertaken a rewrite of the statewide suicide prevention plan to make it more user-friendly, so Alaskan communities can better use the plan in developing their grant activities and community plans.

Prior Recommendation No. 2

The administrative manager for Department of Health and Social Services Boards and Commission and the Statewide Suicide Prevention Council coordinator should develop a more formalized information system of reporting financial information to the council.

Current Status

This recommendation has been resolved. Council members are receiving budget and financial reports as part of their meeting packets.

Prior Recommendation No. 3

The council should ensure it provides public notice of all council meetings as required by Alaska Statute 44.62.310.

Current Status

This recommendation has been resolved.

Prior Recommendation No. 4

The Office of the Governor should make appointments to the council in a timely manner.

Current Status

Appointments to the council continue to be a problem. See current Recommendation No. 2.

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ANALYSIS OF PUBLIC NEED

The following analysis of commission activities relates to the public need factors defined in the sunset law, AS 44.66.050. This analysis was not intended to be comprehensive, but to address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

To assess whether the Statewide Suicide Prevention Council (SSPC or council) has operated in the public interest, we measured the council's activities against objectives set out by the legislature for SSPC in state law, at AS 44.29.350.[9] From our review of council activities, we conclude SSPC has reasonably addressed its statutory objectives.

The council, as an advisory body, has made presentations to the House and Senate Committees on Health, Education and Social Services. Additionally, they provide the legislature and the governor with the council's annual report.

The council also actively participates in the six areas in which they are intended to advise the legislature and the governor. The following discussion describes the council's areas of active participation:

1. Actions to be taken to improve health and wellness by reducing suicide.

   During FY 08, the council, in partnership with Department of Health and Social Services, Division of Behavioral Health (DHSS, DBH), proposed the Alaska Suicide Prevention Initiative to the governor and the legislature. The initiative proposed developing a cross-disciplinary, community-driven and research-based approach to reduce the number of deaths by suicide in Alaska. The initiative addressed potential activities from FY 09 through FY 13. The FY 09 budget included an increment dedicated to the development of the Suicide Prevention Strategy and Implementation Plan, which is to be completed by December 15, 2008.

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[9] Alaska Statute 44.29.350 states,

The council shall serve in an advisory capacity to the legislature and the governor with respect to what actions can and should be taken to (1) improve health and wellness throughout the state by reducing suicide and its effects on individuals, families, and communities; (2) broaden the public's awareness of suicide and the risk factors related to suicide; (3) enhance suicide prevention services and programs throughout the state; (4) develop healthy communities through comprehensive, collaborative, community-based and faith-based approaches; (5) develop and implement a statewide suicide prevention plan; and (6) strengthen existing and build new partnerships between public and private entities that will advance suicide prevention efforts in the state.

2. Increasing public awareness of suicide and the related risk factors.

The council has become increasingly diligent in this area. The council continues to maintain a website[10] that provides suicide statistics, risk factors, and prevention. Additionally, the website provides links to resources such as the council's annual reports and statewide suicide prevention plan.

The council participated in many conferences and workshops during FY 05 through FY 08, making presentations or providing information displays. The council also purchased and distributed items such as pens, pencils, magnets, and posters to those needing support for suicide prevention related functions.

In 2006 the council initiated the "Live Your Dream" bracelet campaign which targets the State's youth population. This has been viewed as particularly popular and successful in spreading suicide awareness.

The council has contributed to the "YOU KNOW ME" media campaign which focuses on suicide prevention awareness. The Alaska Mental Health Trust Authority (AMHTA) has sponsored the council in this endeavor since 2005.

3. Enhance suicide prevention services and programs throughout the State.

Overall, the council enhances suicide prevention services and programs by directly providing information or providing direction to other knowledgeable sources. Throughout the year, the council receives two to three requests per week for information or technical assistance. Their web site generates questions from the public and other organizations who then request informational materials from the council. As appropriate, they also provide studies, DVDs, books, and other materials on suicide and suicide prevention.

Other examples of SSPC's enhancement of suicide prevention services include:

- Involvement in the certification of Careline[11] and DBH's targeted gatekeeper training.[12]

- Having the Careline phone number placed in phone books across the State.

[10] http://health.hss.state.ak.us/suicideprevention/default.htm
[11] Careline is Alaska's statewide toll-free crisis intervention and assistance hotline.
[12] DBH has contracted for the development of a training curriculum specific to Alaska. Gatekeepers are individuals who have face-to-face contact with large numbers of people in their community. The council's role in the initiative is to review the developed curriculum and provide feedback.

- Sponsoring travel for communities that needed assistance to attend gatekeeper training.

- Providing funds which allowed the Careline project manager, the Boys & Girls Club representative, and the Survivor Group representative to attend the American Association of Suicidology Conference in 2006.

4. Develop healthy communities though comprehensive, collaborative, community-based and faith-based approaches.

   The council has maintained faith-based partnerships through some SSPC members' participation in faith-based organizations. Other community approaches have included:

   - Sponsoring an Alaska State Council on the Arts workshop in Bethel to orient artists and arts organizations to programs, resources, and grant opportunities.

   - Providing a liaison to assist grassroots community members as they researched and established a nonprofit organization whose mission is suicide prevention, awareness, and support of the survivors.

   - Providing technical support to community programs providing suicide prevention services via research, best practices updates, referral resources, training, and conference opportunities.

   - Recommending the Boys & Girls Clubs' staff development director receive training and certification as a gatekeeper[13] trainer.

5. Develop and implement a statewide suicide prevention plan.

   SSPC completed its first statewide plan in 2004, and it followed the format of the National Strategy for Suicide Prevention and existing plans from other states. However, communities did not find the plan user-friendly in providing guidance in aligning their grant activities and community plans with the statewide plan. The council is now revising the statewide plan to make it more relevant to the granting process for the Comprehensive Behavioral Health Prevention and Early Intervention Services grants.

6. Collaborating on planning activities with other related agencies.

   In 2005 SSPC established a memorandum of agreement (MOA) with the Advisory Board on Alcoholism and Drug Abuse (ABADA), the Alaska Mental Health Board (AMHB), and DHSS. In 2006 an MOA was established with AMHTA. The purpose of the MOAs is coordination and collaboration to achieve the best outcomes for their targeted

[13] See footnote 12 for more information about gatekeepers.

beneficiaries. Their websites are interlinked and these entities participate in reciprocal reporting.

Other boards that SSPC collaborates with include Alaska Commission on Aging, Alaska Brain Injury Network, Governor's Council on Disabilities and Special Education, Faith-Based and Community Initiatives, and Division of Behavioral Health. While there is reciprocal reporting between these boards, MOAs have not yet been established.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

SSPC has not operated in strict compliance with the statutes in regards to the composition of the council and some personnel matters. Specifically:

1. SSPC was not involved in hiring its latest coordinator, a position directly responsible to the council; nor has the council reviewed the coordinator's performance for any of the past four years. These are requirements stated in AS 44.29.330. At least in appearance, these moves could impede the council's independence and autonomy when advising the legislature and the governor. (See Recommendation No. 1)

2. Some council members either do not meet the positions' requirements as presented in the statutes or have excessive absences from the board meetings and other SSPC activities. (See Recommendation No. 2)

Exhibit 4

Schedule of Operating Expenditure and Funding Sources
(Unaudited)

	FY 05	FY 06	FY 07	FY 08
Expenditures				
Personal Services	$ 18,300	$ 26,028	$ 22,307	$ 35,915
Travel	23,847	32,636	41,155	51,072
Services	33,335	37,515	19,821	18,205
Commodities	14,383	6,336	8,461	2,142
Total Operating Expenditures	$ 89,865	$ 102,515	$ 91,744	$ 107,334
Funding Sources				
General Fund Appropriations	$ 89,865	$ 102,515	$ 91,744	$ 107,334
Total Funding	$ 89,865	$ 102,515	$ 91,744	$ 107,334

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The council has not pursued any statutory changes.

Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

The council provided public notices to all but one of their meetings. However, public comment periods occurred during all of the meetings. The council has conscientiously made efforts to conduct at least one of their four meetings in a remote location such as Bethel, Kotzebue, and Sitka. They have held three town hall meetings, usually following one of their regularly scheduled meetings. Additionally, the public has the opportunity to contact the council, through its website, to offer feedback and request information.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Under AS 44.29.350, the council has developed and implemented a statewide suicide prevention plan. The existing plan is currently under major revision to increase its usability. The council has requested input from participants outside the council such as the grantees, gatekeepers,[14] and members of other boards. Once the plan has been approved by the council, it will be sent out for public testimony. Further revisions, as a result of public testimony, may be made before its release.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

Neither the Office of the Ombudsman nor the Office of Victim's Rights reported any complaints filed with them regarding SSPC.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

This criterion is not applicable since SSPC does not regulate any occupations or professions.

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

Nothing in our review of the council indicated that there were any complaints involving SSPC personnel practices.

[14] See footnote 12 for more information about gatekeepers.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

As discussed in Report Conclusions, we recommend the council be continued. However, in Recommendation No. 1, we also suggest that the appointment of the council's coordinator be approved by the council and annual performance reviews of the coordinator's performance should be conducted as set out in statute. This is important for SSPC to maintain its autonomy in the future for advising the legislature and governor. Due to personnel resource concerns and the desire for closer alignment between the council and DBH, DHSS has organizationally moved the administration of the council to DBH, specifically the Prevention and Early Intervention section. It is essential that DHSS and the council develop means to assure the council maintains an independent voice.

As discussed in Recommendation No. 2, the council should ensure that appointed members meet the qualifications of AS 44.29.300. We suggest the legislature consider broadening the qualifications for membership to ensure sufficient qualified and interested individuals are available and willing to serve on the council.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

The council established performance measures which are detailed in the annual reports to the legislature. For the FY 08 annual report, the measures were:

- Reduction of the three-year average rate of Alaska suicides.

  SSPC has been unable to achieve this objective at this time. During FY 08, the council has partnered with DHSS, DBH in an initiative, attempting to accomplish this by FY 13.

- Review and update the statewide suicide prevention plan.

  SSPC members are currently reviewing the plan with the objective of making it more relevant to the granting process for the Comprehensive Behavioral Health Prevention and Early Intervention Services grants.

- Consistently review data to identify trends, make analyses, and provide recommendations regarding suicide prevention, education and services needed in the State.

  The Follow-Back Study, which presented Alaska suicide data and analysis for the period from September 1, 2003 through August 31, 2006, was received by SSPC in February 2007. The council has and continues to use this study to make recommendations to the legislature, executive branch agencies, and the public.

- Support and assist Alaskans in starting a state Suicide Prevention Awareness Network (Network).

  The council supported the Alaska Suicide Prevention Action Coalition (ASPAC) in its research into becoming a Network affiliate. Although the Coalition decided to incorporate and maintain its autonomy, its goals are similar to the Network and further the goals of the council.

- Increase the number of communities that can recognize the warning signs of suicide through increasing the number of community-based suicide prevention grantees who align their community funding with the statewide suicide prevention plan.

  The Prevention and Early Intervention section gave comprehensive prevention grants to communities for the FY 06 - FY 08 three-year grant cycle. A comprehensive prevention grant can be used to address any alcohol, drug, mental health, or suicide related issue. Since none of the grants during this grant cycle were specifically for suicide prevention, no tracking was done to determine whether grantees aligned their funding with the statewide plan. As comprehensive prevention grants continue to be made by DBH, the council should revise this performance measure.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

The Statewide Suicide Prevention Council mission overlaps with other state entities such as the Alaska Mental Health Board, the Advisory Board on Alcoholism and Drug Abuse, and the Alaska Mental Health Trust Authority. However, the council was established to bring attention and focus, specifically, to the suicide issue in Alaska, so overlapping missions are to be expected.

While the council actively collaborates with various other boards and commissions with related missions, there does not appear to be any duplication of activities between the council and these other governmental agencies or in the private sector.

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STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES
OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

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December 1, 2008

RECEIVED
DEC 0 1 2008
LEGISLATIVE AUDIT

Pat Davidson
Legislative Auditor
Alaska State Legislature, Division of Legislative Audit
PO Box 113300
Juneau, AK 99811-3300

Dear Ms. Davidson:

Thank you for this opportunity to provide a written response to the *Preliminary Audit Report on the Statewide Suicide Prevention Council, Sunset Review, November 4, 2008.* I have reviewed the report and offer the following comments.

First, we appreciate your staff's careful attention to detail and the thorough nature of the audit process, including the many interviews and opportunities for individuals to be heard and to voice their opinions. Suicide is a critical social issue for the State of Alaska and the Statewide Suicide prevention Council (SSPC) has a significant responsibility to find strategies and solutions to begin reducing the rate of suicide throughout our state.

As stated in the audit report, the SSPC has recently undergone a significant change in location within the department and in their staff coordination. Beginning July 1, 2008, the SSPC is now under the direction of the Division of Behavioral Health, section of Prevention & Early Intervention Services. The reason for this change of location was to allow for better coordination of statewide suicide prevention efforts between the SSPC and Behavioral Health and to promote a more seamless and coordinated approach to suicide prevention in Alaska. While this transition is complete, the SSPC members and Behavioral Health staff are continuing to define and develop their relationship and structure. We are confident this change will accomplish its intended purpose and provide for better statewide alignment in issues related to suicide prevention.

The Department of Health and Social Services (DHSS) supports and agrees with the audit findings and recommendations. We are pleased with the recommendation to extend the SSPC for four more years, with a new sunset date of June 30, 2013. We believe the DHSS and the SSPC are at a critical juncture to make significant progress in reducing and preventing suicide in Alaska. DHSS, in partnership with the council and others, recently received a 3-year federal Garrett Lee Smith Youth Suicide Prevention grant to focus on developing regional strategies to 'turn the corner' on suicide data. In addition, with one-time funding from the FY08 Legislature, we are offering regional suicide prevention planning grants focusing on those regions of Alaska with the highest rates of suicide. It is our intent that these planning grants will become the foundation of the Statewide Suicide Prevention Initiative, a joint effort of the DHSS and the Council. The four (4) year extension will allow these projects to become embedded in our statewide strategy and to develop sustainability of community/regional efforts.

In response to the other two recommendations, again we are in agreement with the findings and recommendation, with the following comments and suggestions.

Recommendation No. 1:

The Statewide Suicide Prevention Council should, in accordance with statues, appoint its own coordinator and perform annual performance reviews.
With the change in location of the SSPC to the Division of Behavioral Health, and the departure of Kathryn Craft as Coordinator, interim decisions were made with minimal input from the council. One decision was to have two current Behavioral Health staff share the role of providing support to the council. L. Diane Casto, Section Manager and James Gallanos, Project Coordinator, are currently sharing the task of providing staff support to the council. It was never the intent that these two staff would be the Council Coordinator, but would be available to provide support and guidance as requested from Council Chairperson Brenda Moore.

Due to limited funding, there are not enough funds for a full-time coordinator, and in fact, Ms. Craft provided approximately .25 FTE services to the council. At the most recent SSPC meeting in September, and again during a November telephonic executive work session of the council , it was decided that the personnel money available in the SSPC budget will be used to hire a . 50 FTE Project Assistant, hired by the council, to provide day-to-day support. We are beginning the process to reclass the current Position Control Number (PCN) previously assigned to Ms. Craft. Once completed, we will begin the solicitation and hiring process, with input and direction from the council. The position will be located in the Juneau offices of the Division of Behavioral Health.

We also support the audit recommendation for the council to conduct annual evaluations of the council staff person and will provide assistance as requested.

Recommendation No. 2:

The legislature should consider modifying the composition of council membership.

As stated in the audit, there have been "excessive vacancies on the council and significant absences by council members at its meetings. "In addition, it is noted that "those being appointed to the council did not always meet the statutory qualifications for the position." We agree with both of these conclusions and support the recommendation to consider modifying the composition of the council membership.

In July, when the SSPC came into the Division of Behavioral Health, section of Prevention & Early Intervention Services, Ms. Casto began a dialogue with the Director of Boards and Commissions about the current vacancies and how best to recruit and/or encourage applications to fill these positions. Through this process, it became evident that the current membership did not directly meet the statutory qualifications for council membership. Discussions with the office of Boards and Commissions continue with DBH staff to make sure vacant positions are

filled in a timely manner and that applicants meet the statutory requirements. The office of Boards and Commissions is currently reviewing a number of applications for SSPC membership.

In addition, at the September meeting of the SSPC, there was a discussion about these current qualifications or categories of representation, and the council agrees that some modifying of the council composition would be beneficial. Providing more flexibility and broader definitions (i.e. expanding a secondary school counselor to a school counselor or K-12 school personnel) would allow for a larger pool of potential candidates.

Another area that has concerned the council is the large number of legislators required as council members. While the council is not concerned with having legislative representation and in fact supports their membership, it is difficult for legislators to be available for meetings, creating difficulty having a quorum for conducting council business. As reported in the audit, legislative members have attended meeting 15% of the time over the last 4 years.

With the challenges the current statutory qualifications have created, the DHSS supports the recommendation to modify the membership and, upon request, will work with the council to develop broader and more flexible categories of representation for possible legislative action.

I want to thank you for the opportunity to review and respond to the preliminary audit report. We support the work of the Legislative Audit team, and believe your recommendations will strengthen the Statewide Suicide Prevention Council, the collaboration with Behavioral Health, and the council outcomes.

Please do not hesitate to contact me if you have questions or would like additional information.

Sincerely,

William H. Hogan
Commissioner

cc: Melissa Stone, Director, Division of Behavioral Health

(Intentionally left blank)

To: Legislative Budget and Audit Committee
Division of Legislative Audit

RECEIVED
NOV 3 0 2008
LEGISLATIVE AUDIT

From: Statewide Suicide Prevention Council
Brenda Moore, Chair

Re: Department of Health and Social Services
Statewide Suicide Prevention Council, Sunset Review, November 4, 2008

November 28, 2008

Recommendation No. 1

The Statewide Suicide Prevention Council (SSPC or council) should, in accordance with statutes appoint its own coordinator and perform annual performance reviews.

During an executive session, Nov. 24, 2008, the council discussed hiring a part-time coordinator to work in conjunction with the Division of Behavioral Health, Office of Prevention and Early Intervention manager and prevention specialist that currently provides administrative support to the council. There was consensus among council members that it could develop its own goals and implementation plans with input and assistance from its current administrative support staff. A coordinator is needed to organize and carry out operational activities necessary to support the council in achieving its goals. The council determined to form a committee to review the budget and job classification in order to hire a coordinator. A performance review schedule and procedure will also be established.

Recommendation No. 2

The legislature should consider modifying the composition of council membership.

The council is in agreement with the recommendation to broaden the qualifications of council members to ensure that appointees are interested in the work of the council and can make the time commitment necessary to serve. In addition the council agrees to the recommendation that consideration should be made to making legislative members non-voting to prevent potential quorum issues.

HB 126

<target><bill>HB 126</bill><subject>HB 126</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

REPRESENTATIVE LES GARA

Sponsor Statement

CSHB 126(FIN): Success for Foster Youth

While we work hard to increase the success rate of Alaska's 2,000 foster youth, the homelessness and criminal activity numbers remain disconcerting. HB 126 makes two important fixes that will improve the lives and success outcomes of our youth. Currently approximately 29% of our foster youth end up incarcerated after leaving care, and roughly 37% end up homeless at some point in their life.

Foster Care Until Age 21

Following federal legislation signed by former President George W. Bush in 2008, 30 states have extended foster care until age 21 where a youth and state agree an extension is warranted. For youth who are not ready to stand on their own, an extra year in care can help develop the life skills and stability needed to succeed. Foster youth often have no one to call for support after leaving care, and an extra year of stability can make a profound difference. Extending foster care to 21 has been a priority for youth advocates, and the federal Fostering Connections Act provides federal funding to states that join in this reform.

Allowing Foster Care Reentry

When a youth leaves foster care, they are unable to return if they realize they made a poor choice. Sometimes a youth, faced with a host of problems, will make a mistake in seeking emancipation or leaving care. HB 126 allows reentry if it is in the youth's best interest, and provides for the Department to attach conditions to the reentry when reasonable. Currently at least 15 states allow reentry.

I would appreciate your support of HB 126, and am happy to answer any questions you may have.

January-May: State Capitol • Juneau, AK 99801-1182 • (907) 465-2647 • Fax (907) 465-3518
June-December: 716 W. 4th Avenue • Anchorage, AK 99501• (907) 269-0106• Fax (907) 269-0109
Representative_Les_Gara@legis.state.ak.us

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 126(FIN)

HB 126 EXTEND/RESUME STATE CUSTODY OF CHILDREN

"An Act relating to extensions and resumptions of state custody of children; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DHS	4/6	✓			4
DHS	4/5	✓			5
DHS	4/6	✓			6

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas	✓			
	Egan	✓			
	Olson			✓	
	Ellis	X			
CO-CHAIR:		✓			
CO-CHAIR:				✓	

2743

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 6
Bill Version: CSHB 126(HSS)
(H) Publish Date: 4/7/10

Identifier (file name): HB126CS(HSS)-DHSS-CSM-04-06-10
Dept. Affected: Health & Social Services

Title: Foster Care/CINA/Education of Homeless
RDU: Children's Services
Component: Children's Services Management

Sponsor: Gara
Requester: House HSS
Component Number: 2666

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURI	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	204.2		0.0	0.0	0.0	0.0	0.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**204.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	73.5						
1003 GF Match	130.7						
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**204.2**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The intent of CSHB126(HSS) is to extend foster care services to youth who stay in custody between the ages of 18 and 21, if it is determined to be in the best interest of the youth, and the youth consents to remain in care. It also extends the option to those youth ages 16 to 21 who have been emancipated to return to foster care.

The Office of Children's Services Online Resource for the Children of Alaska (ORCA) data base is mandated by the federal government and must be continuously updated to reflect changes in both state and federal law and policy. In addition, functionality in ORCA provides OCS the ability to claim federal reimbursement for eligible clients. Without these updates, OCS will not meet federal outcomes and mandates, will not establish the correct foster care rates for care providers of youth that are older than age 19, will not be able to claim federal reimbursement for costs associated with these older youth, and may be subject to federal fines.

Prepared by: Tammy Sandoval, Director
Phone 465-3191
Division: Office of Children's Services
Date/Time 4/5/10 2:00 PM

Approved by: Alison Elgee, Assistant Commissioner
Date 4/6/2010
DHSS Finance & Management Services

(Revised 11/6/2009 OMB)

FISCAL NOTE #6

STATE OF ALASKA

BILL NO. CSHB 126(HSS)

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Functional Area	Enhancement Description	Total # of Hrs	Total Cost
Update Services page with new youth Services	Page documents services OCS provides a youth or family member in care. The enhancement requires adding additional services such as Vocational Training.	200	$22,000
Update Education page with post-secondary information	Page records youth education and training. The enhancement requires adding reference values for vocational and post-secondary education and training to record and report completion of the Services such as vocational training.	140	$15,400
Update Out-of-Home Placement (OHP) page for unlicensed Independent Living Services	Page documents a child's IL placement. The enhancement requires updates to the services categories (foster care, group home, institution, etc.) and service types (going from 16-18 to 18-21). Additionally, updates to the business logic are needed to ensur	200	$22,000
Update Out-of-Home Page for licensed Foster Care Services	The OHP page documents a child's placement with a licensed provider for correct FC payments. Services categories and service types for older youth required.	220	$24,200
Update reference values for youth 18-21	ORCA pages use business logic that includes the person's age to complete work on the page. Updates to include older youth are rquired.	140	$15,400
Update IV-E Eligibility calculations to include youth 18-21	Page calculates a child's eligibility for IV-E reimbursement funding. A new age category for older youth will be necessary.	340	$37,400
Update Medicaid Eligibility calculations to include youth 18-21	Medicaid Eligibility page requires the new age category and new age parameters to determine eligibility for Medicaid services.	340	$37,400
Update ORCA Reports to include youth 18-21	ORCA produces federally mandated and management reports that use age parameters. Parameters must be updated to include older youth.	76	$8,360
Batch job updates to include youth 18-21	Background processing (batch jobs) determine eligibility reimbursement and payments amounts. Service types for older youth are necessary to correctly calculating reimbursements.	200	$22,000
TOTAL FISCAL NOTE COSTS: COST BELOW WILL BE ABSORBED INTO CURRENT ORCA FUNDING			$204,200
Update Interfaces	Interfaces are information exchanges between ORCA and other systems such as EIS, NSTAR, JOMIS. The enhancement requires updates to the Medicaid interface to include older youth.	200	$22,000
Update ORCA automated messages and ticklers	ORCA automated messages and ticklers are tracking tools for line wokers. Updates to the messages and ticklers to include the new age category is required.	140	$15,400
Updates to Provider Licensing	Licensing Page documents the provider's license to provide services based on the child's age. The enhancement requires adding new license service categories and service type for older youth in order to collect federal reimbursements.	76	$8,360
Case Plan Documents	Older youth in Foster Care will require additions to ongoing case plans (such as "received GED" to document services and outcomes for the youth. parameters.	140	$15,400
Service Intake	Page documents requests for services from OCS and requires updates to the age parameters to allow services Intakes for youth over 18.	76	$8,360
Protective services Intake, Investigation, and Provider Investigation.	PS intake and Investigations provide for protective services reports of abuse and neglect. Pages require updates to the age parameters to include youth victims over 18.	140	$15,400

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 126(HSS)
(H) Publish Date: 4/7/10

Identifier (file name): HB126CS(HSS)-DHSS-FCSN-04-06-10
Dept. Affected: Health & Social Services

Title: Foster Care/CINA/Education of Homeless
RDU: Children's Services
Component: Foster Care Special Needs

Sponsor: Gara

Requester: House HSS
Component Number: 2238

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITUR	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	41.0		81.9	81.9	81.9	81.9	81.9
Miscellaneous							
TOTAL OPERATING	**41.0**	**0.0**	**81.9**	**81.9**	**81.9**	**81.9**	**81.9**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	2.2		4.4	4.4	4.4	4.4	4.4
1003 GF Match	38.8		77.5	77.5	77.5	77.5	77.5
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**41.0**	**0.0**	**81.9**	**81.9**	**81.9**	**81.9**	**81.9**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The intent of CSHB126 is to extend foster care services to youth who stay in custody between the ages of 18 and 21, if it is determined to be in the best interest of the youth, and the youth consents to remain in care. It also extends the option to those youth ages 16 to 21 who have been emancipated to return to foster care.

This fiscal note addresses increased foster care special needs costs for youth who remain in foster care beyond age 18. Special needs costs include: items such as youth specific travel (foster family vacations, biological family visitation, any necessary treatment or medical costs not paid by Medicaid, school or cultural events, or summer camp; tutoring; prescribed diet or food services; extraordinary clothing related to growth spurts or medically fragile conditions that exceed the allocated 10% of the foster care base rate; or damage costs of up to $5,000 if the damages were caused by an act of the child or youth.

Prepared by: Tammy Sandoval, Director
Division: Office of Children's Services
Phone: 465-3191
Date/Time: 4/5/2010 1200:00 PM

Approved by: Alison Elgee, Assistant Commissioner
DHSS Finance & Management Services
Date: 4/6/2010

FISCAL NOTE #5

STATE OF ALASKA

BILL NO. CSHB 126(HSS)

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

The following assumptions have been applied:

1) OCS successfully implements all federal program requirements to extend foster care to age 21 within the first 6 months of FY 2011.
2) The number of youth who return to foster care after emancipation will be minimal. An estimate provided by the Facing Foster Care in Alaska group equaled 3.
3) The number of youth who turn age 18 will remain somewhat consistent from year to year and are based on the average number of children in custody ages 17 through 19 as of February, 2010 [80 youth]. No consideration has been included in this note for a possible influx of youth into the program extension during the first year of implementation nor to possible growth in out years.
4) Calculations are based on full time equivalents (FTEs) to account for youth who move in and out of the program for varying reasons. FTEs are calculated using a 94.23% conversion rate.
5) Approximately 45% of youth ages 19 and 20 will remain in care. This assumption is not supported by any known Alaska statistics but is an estimate that ties to the average number of youth who experience some postsecondary education in the State of Illinois. Illinois one of the few states that have experience providing care to age 21. The assumption is that the majority of youth who remain in school may remain in foster care as well.
6) No monetary adjustments have been included to address the possibilities of youth who develop special needs such as medical fragility or pregnancy before age 21 and return to foster care.
7) Calculations use the average cost per child for special needs items.
8) 66% percent of the youth who remain in care will follow through with post secondary education or work at least 80 hours per month and remain within the requirements of the Adoption and Guardianship Fostering Connections to Success and Increasing Adoptions Act of 2008 to be eligible for IV-E federal reimbursement. This assumption is not based on data but an experience-based guess by OCS staff.
9) The foster care penetration rate and the Federal Medical Assistance Percentage will remain somewhat stable.

Average number of youth age 17 through 19 = 81. 81 youth x 94.23% FTE conversion = 76 FTEs. 76 FTEs applying the assumption that about 45% will remain in care through ages 19 and 20 = approximately 35 FTEs.

Estimated cost per FTE = $2,340.00 annually x 35 FTEs = $81,900. Federal reimbursement for these costs is estimated at 5.4% or $4,422.6.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB 126(HSS)
(H) Publish Date: 4/7/10

Identifier (file name): HB126CS(HSS)-DHSS-FCBR-04-06-10
Dept. Affected: Health & Social Services

Title: Foster Care/CINA/Education of Homeless
RDU: Children's Services
Component: Foster Care Base Rate

Sponsor: Gara

Requester: House HSS
Component Number: 2236

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITUR	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	224.0		444.5	444.5	444.5	444.5	444.5
Miscellaneous							
TOTAL OPERATING	**224.0**	**0.0**	**444.5**	**444.5**	**444.5**	**444.5**	**444.5**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	37.2		73.7	73.7	73.7	73.7	73.7
1003 GF Match	186.8		370.8	370.8	370.8	370.8	370.8
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**224.0**	**0.0**	**444.5**	**444.5**	**444.5**	**444.5**	**444.5**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The intent of CSHB126(HSS) is to extend foster care services to youth who stay in custody between the ages of 18 and 21, if it is determined to be in the best interest of the youth, and the youth consents to remain in care. It also extends the option to those youth ages 16 to 21 who have been emancipated to return to foster care.

This fiscal note addresses increased foster care reimbursement costs for youth who remain in foster care beyond age 18 above and beyond those 18 and 19 year olds who already remain in care.

The following assumptions have been applied:

Prepared by: Tammy Sandoval, Director
Phone 465-3191
Division: Office of Children's Services
Date/Time 4/5/10 12:30 PM

Approved by: Alison Elgee, Assistant Commissioner
Date 4/6/2010
DHSS Finance & Management Services

STATE OF ALASKA

BILL NO. CSHB 126(HSS)

2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

The following assumptions have been applied:

1) OCS successfully implements all federal program requirements to extend foster care to age 21 within the first 6 months of FY 2011.
2) The number of youth who return to foster care after emancipation will be minimal. An estimate provided by the Facing Foster Care in Alaska group equaled 3.
3) The number of youth who turn age 18 will remain somewhat consistent from year to year and are based on the average number of children in custody ages 17 through 19 as of February, 2010 [80 youth]. No consideration has been included in this note for a possible influx of youth into the program extension during the first year of implementation nor to possible growth in out years.
4) Calculations are based on full time equivalents (FTEs) to account for youth who move in and out of the program for varying reasons. FTEs are calculated using a 94.23% conversion rate.
5) Approximately 45% of youth ages 19 and 20 will remain in care. This assumption is not supported by any known Alaska statistics but is an estimate that ties to the average number of youth who experience some postsecondary education in the State of Illinois. Illinois one of the few states that have experience providing care to age 21. The assumption is that the majority of youth who remain in school may remain in foster care as well.
6) No monetary adjustments have been included to address the possibilities of youth who develop special needs such as medical fragility or pregnancy before age 21 and return to foster care.
7) 66% percent of the youth who remain in care will follow through with post secondary education or work at least 80 hours per month and remain within the requirements of the Adoption and Guardianship Fostering Connections to Success and Increasing Adoptions Act of 2008 to be eligible for IV-E federal reimbursement. This assumption is not based on data but an experience-based guess by OCS staff.
8) The foster care penetration rate and the Federal Medical Assistance Percentage will remain somewhat stable.

Average number of youth age 17 through 19 = 81. 81 youth x 94.23% FTE conversion = 76 FTEs. 76 FTEs applying the assumption that about 45% will remain in care through ages 19 and 20 = approximately 35 FTEs.

Fiscal Year	FTEs	½ Year Cost/FTE	Annual Cost/FTE	Est. FFP	Total Annual Cost	Federal Funds	General Funds
2011	35	$6.4		16.59%	$224.0	$37.2	$186.8
2012	35		$12.7	16.59%	$444.5	$73.7	$370.8
2013	35		$12.7	16.59%	$444.5	$73.7	$370.8
2014	35		$12.7	16.59%	$444.5	$73.7	$370.8
2015	35		$12.7	16.59%	$444.5	$73.7	$370.8
2016	35		$12.7	16.59%	$444.5	$73.7	$370.8

CS FOR HOUSE BILL NO. 126(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered: 4/12/10
Referred: Rules

Sponsor(s): REPRESENTATIVES GARA, Crawford, Kerttula, Gardner, Harris, Richard Foster, Edgmon, Muñoz, Lynn, Herron, Dahlstrom, Johansen, Millett, Doogan, Gruenberg, Peggy Wilson, Petersen, Buch, Holmes, Tuck, Joule, Guttenberg, Neal Foster, Johnson, Cissna

A BILL

FOR AN ACT ENTITLED

"An Act relating to extensions and resumptions of state custody of children; and providing for an effective date."

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

*** Section 1.** AS 47.10.080(c) is amended to read:

(c) If the court finds that the child is a child in need of aid, the court shall

(1) order the child committed to the department for placement in an appropriate setting for a period of time not to exceed two years or in any event not to extend past the date the child becomes 19 years of age, except that the department**, the child,** or the child's guardian ad litem may petition for and the court may grant in a hearing

(A) one-year extensions of commitment that do not extend beyond the child's 19th birthday if the extension is in the best interests of the child; and

(B) [AN] additional one-year **extensions of commitment**

[PERIOD OF STATE CUSTODY] past 19 years of age **that do not extend beyond the person's 21st birthday,** if the continued state custody is in the best interests of the person and the person consents to it;

(2) order the child released to a parent, adult family member, or guardian of the child or to another suitable person, and, in appropriate cases, order the parent, adult family member, guardian, or other person to provide medical or other care and treatment; if the court releases the child, it shall direct the department to supervise the care and treatment given to the child, but the court may dispense with the department's supervision if the court finds that the adult to whom the child is released will adequately care for the child without supervision; the department's supervision may not exceed two years or in any event extend past the date the child reaches 19 years of age, except that the department or the child's guardian ad litem may petition for and the court may grant in a hearing

(A) one-year extensions of supervision that do not extend beyond the child's 19th birthday if the extensions are in the best interests of the child; and

(B) an additional one-year period of supervision past 19 years of age if the continued supervision is in the best interests of the person and the person consents to it; or

(3) order, under the grounds specified in (o) of this section or AS 47.10.088, the termination of parental rights and responsibilities of one or both parents and commit the child to the custody of the department, and the department shall report quarterly to the court on efforts being made to find a permanent placement for the child.

*** Sec. 2.** AS 47.10.080 is amended by adding a new subsection to read:

(v) In addition to the extensions of state custody ordered by a court under (c)(1)(A) or (B) of this section, a court may grant in a hearing a resumption of state custody that does not extend beyond a person's 21st birthday if the person

(1) consents to it;

(2) was placed in out-of-home care by the department immediately before being released from state custody and the person was released to the person's

own custody;

(3) is in need of out-of-home care to avoid personal harm or homelessness, or to enhance the person's ability to continue the person's education or training or otherwise improve the person's successful transition to independent living; and

(4) if requested by the department, agrees to reasonable terms for resuming state custody that may include matters relating to the person's education, attainment of a job or life skills, or other terms found by the court to be reasonable and in the person's best interest.

*** Sec. 3.** AS 47.10.990(3) is amended to read:

(3) "child" means a person **who is**

(A) under 18 years of age**;**

(B) [AND A PERSON] 19 years of age if that person was under 18 years of age at the time that a proceeding under this chapter was commenced**; and**

(C) under 21 years of age if that person is committed to the custody of the department under AS 47.10.080(c)(1) or (v);

*** Sec. 4.** This Act takes effect January 1, 2011.

ALASKA STATE LEGISLATURE

REPRESENTATIVE LES GARA

Sectional Analysis

CSHB 126(FIN): Success for Foster Youth

Section 1

Extends the eligibility for foster care to age 21.

Section 2

Allows for voluntary reentry to foster care until age 21.

Section 3

Expands the definition of "child" to include a person under 21 years of age that is in state custody.

Section 4

Established the effective date of January 1, 2011.

January-May: State Capitol • Juneau, AK 99801-1182 • (907) 465-2647 • Fax (907) 465-3518
June-December: 716 W. 4th Avenue • Anchorage, AK 99501• (907) 269-0106• Fax (907) 269-0109
Representative_Les_Gara@legis.state.ak.us

ALASKA STATE LEGISLATURE

REPRESENTATIVE LES GARA

Summary of Changes

Changes made to HB 126

HB 126 has undergone major changes and restructuring since it was first introduced. Many of the original provisions of the bill have been deleted, and new sections have been added.

The bill now contains two discrete provisions: extending foster care to age 21, and allowing voluntary reentry to care.

The following are changes made to the original version of HB 126:

Section 1

Deleted

Section 2

Deleted

Section 3

Deleted

Section 4

Deleted

Section 5

Deleted

Section 6

Deleted

Section 7

January-May: State Capitol • Juneau, AK 99801-1182 • (907) 465-2647 • Fax (907) 465-3518
June-December: 716 W. 4th Avenue • Anchorage, AK 99501• (907) 269-0106• Fax (907) 269-0109
Representative_Les_Gara@legis.state.ak.us

Deleted

Section 8

Deleted

Section 9

Defines a "child" as a person under 21 years of age that is committed to the custody of the department under AS 47.10.080(c)(1) or (v).

This is now Section 3 of CSHB 126(FIN).

Section 10

Deleted

Section 11

Deleted

Section 12

Deleted

Section 13

Deleted

New provisions in CSHB 126(FIN) are as follows:

Section 1

Extends the eligibility for foster care to age 21.

Section 2

Allows for voluntary reentry to foster care until age 21.

Section 3

Expands the definition of "child" to include a person under 21 years of age that is in state custody.

Section 4

Establishes the effective date of January 1, 2011.

x Close

casey family programs

State Child Welfare Policy Database

> Older Youth in Foster Care > Foster Care Age Limits > Age at which youth become ineligible to remain in foster care

State	When are youth ineligible to remain in foster care?
Alabama	21st birthday
Alaska	20th birthday
Arizona	21st birthday
Arkansas	21st birthday
California	Don't know
Colorado	21st birthday
Connecticut	24th birthday
Delaware	19th birthday
District of Columbia	21st birthday
Florida	18th birthday
Georgia	21st birthday
Hawaii	Depends on the situation
Idaho	19th birthday
Illinois	21st birthday
Indiana	21st birthday
Iowa	20th birthday
Kansas	21st birthday
Kentucky	21st birthday
Louisiana	21st birthday
Maine	21st birthday
Maryland	–
Massachusetts	Depends on the situation
Michigan	20th birthday
Minnesota	21st birthday
Mississippi	Depends on the situation
Missouri	21st birthday
Montana	–

Nebraska	19th birthday
Nevada	21st birthday
New Hampshire	21st birthday
New Jersey	21st birthday
New Mexico	18th birthday
New York	21st birthday
North Carolina	21st birthday
North Dakota	21st birthday
Ohio	Depends on the situation
Oklahoma	--
Oregon	21st birthday
Pennsylvania	21st birthday
Rhode Island	--
South Carolina	21st birthday
South Dakota	--
Tennessee	19th birthday
Texas	22nd birthday
Utah	21st birthday
Vermont	22nd birthday
Virginia	21st birthday
Washington	21st birthday
West Virginia	--
Wisconsin	19th birthday
Wyoming	21st birthday

www.childwelfarepolicy.org
Developed and Managed By Child Trends

LEGISLATIVE RESEARCH REPORT

MARCH 23, 2010 REPORT NUMBER 10.209

YOUTH RE-ENTERING FOSTER CARE AFTER TURNING 18

PREPARED FOR REPRESENTATIVE LES GARA

BY TIM SPENGLER, LEGISLATIVE ANALYST

You asked whether Alaska or any states allow youth 18 years of age or older to re-enter the foster care system. Additionally, you wanted to know if child welfare organizations have developed a "best practices" model for re-entry after the age of 18.

Alaska law does not allow youth who have left foster care to re-enter after they are age 18 or older.[1] Under Alaska Statute 47.10.080, youth are able, in certain circumstances, to extend their stay in foster care until they are 19 or 20; however, if they have left foster care, and are 18 or older, they are unable to re-enter the system.

We identified 15 states (Alabama, Arizona, Connecticut, Illinois, Indiana, Iowa, Kentucky, Maine, Massachusetts, Minnesota, New York, Oklahoma, Texas, Virginia, and Washington) that allow youth over age 18 to re-enter foster care under varying circumstances. Below we highlight aspects of each state's program.[2] As you will note from this summary, re-entry in many states is dependent on the education plan of the youth in question.

- Alabama - Youth who were in "out of home" care on or after their 18th birthday have the option of returning to care if they are living in a situation in which there is an identifiable risk of harm.
- Arizona - Teens and young adults who left the Arizona foster care system at age 18 or older may request to re-enter foster care prior to their 21st birthday. All foster care services end on the person's 21st birthday.
- Connecticut – Until they turn 21, youth can return to care as long as they were in care on their 18th birthday, and the purpose of re-entry is to either obtain education or work skills for transition into adulthood.

---

[1] Mike Lesmann, community program manager, Office of Children's Services, Department of Health and Social Services at (907) 465-3548.

[2] We identified state programs through a number of sources including the Casey Family Programs (*http://www.casey.org*), the Child Welfare League of America (*http://cwla.org*), and the National Conference of State Legislatures (*http://www.ncsl.org*).

907-465-3991
907-465-3908 (fax)

Alaska Legislature
Legislative Research Services
w3.legis.state.ak.us/laa/research/research.php

State Capitol
Juneau, AK 99801

- Illinois – Former foster care youth under 21 may "reengage" with the Department of Children and Family Services in order to secure essential supports and services to learn to live independently as adults.[3]

- Indiana - Youth must meet eligibility requirements to re-enter care under the Older Youth in Foster Care Program. In Attachment A, we include the Indiana Code (31-28-5.7-1) pertaining to this program as well as correspondence from the Department of Child Services outlining the program. Indiana's Independent Living Program is detailed at *http://www.in.gov/dcs/2530.htm.*

- Iowa - A youth can return to care provided that he or she is still working on a high school education or GED. Individuals can remain in care up to the age of 20.

- Kentucky - Youth have up to six months after reaching age 18 to decide if they would like to return to care.

- Maine - Youth must typically enroll in the optional Volunteer Extended Care Program prior to, or within 90-days following, reaching age 18. In some exceptional cases youth who have been out of care for more than 90 days are permitted to re-enter foster care. Program details are available at *http://www.maine.gov/dhhs/ocfs/cw/v92.htm.*

- Massachusetts - Youth may request to re-enter care as long as they have not reached age 22, even if they voluntarily exited at age 18.

- Minnesota - Youth are able to re-enter care as long as they were "wards of the state" and have not reached the age of 21, even if they voluntarily exited at age 18. The re-entry provision does not apply if the youth's parents' parental rights have not been terminated.

- New York - A youth age 18 or older can re-enter care if that individual is on a "trial discharge" and is in need of services. Youth age 18 or older with a status of "final discharge" cannot return to care, although some agencies at their own discretion may provide assistance to these youth.

- Oklahoma - If a youth has exited care without completing the requirements for a high school diploma or without obtaining a GED, that individual may return on a voluntary basis if a placement is available. The youth may remain in care until completing high school or the GED, or until age 21, whichever comes first.

- Texas - The Return to Care program allows certain eligible youth age 18 to 21 years of age to return to care in order to attend high school or GED courses (up to age 22), or to attend a vocational or technical program (up to age 21). In Attachment B, we provide a copy the pertinent Texas Administrative Code (Rule 700.346) as well as Return to Care policy

[3] The full 34-page text of enrolled House Bill 4054, which allows for reengagement of former foster youth, can be accessed at *http://www.ilga.gov/legislation/*

information taken from the Department of Family and Protective Services handbook.

- Virginia - If a youth decides to leave foster care, he or she can resume independent living services as long as he or she returns within 60 days of discontinuance of services.

- Washington - Youth can re-enter foster care via the Foster Care to 21 program within six months of leaving care if they are enrolled in a post-secondary education program. (We include a program description as Attachment C.) A Washington State Institute for Public Policy report from January 2010 found that Foster Care to 21 participants had higher college attendance rates, fewer arrests, and used food stamps for a shorter period of time than did foster youth who graduated from high school before the program was available. The report (also included in Attachment C) estimates a taxpayer benefit of $1.35 for every dollar spent on the program.

In Attachment D, we include the statutory language from both Virginia (CV 63.2-905.1) and Washington (RCW 74.13.031) pertaining to former foster care youth over 18 reentering the system.

We could identify no "best practices" or official policy positions put forth by child welfare or foster care organizations regarding allowing youth over 18 to re-enter foster care. Nevertheless, it is commonly held by experts in the field that many, if not most, 18 year-olds—whether they were in the foster system or not—are ill-equipped to function as independent adults. To that point, we include an issue brief (Attachment E), from the University of Chicago's Chapin Hall Center for Children entitled, "When Should the State Cease Parenting?," which suggests that allowing youth to remain (or re-enter) foster care past age 18 would benefit both them and society.

Attachment E also contains a print article from National Public Radio entitled, "Generation Next in the Slow Lane to Adulthood." The piece examines how the current generation of young adults is quite dissimilar to past generations in terms of becoming independent from their parents and being prepared for the responsibilities of adulthood.

We hope you find this information to be useful. Please let us know if you have questions or need additional information.

Attachments available upon request.
Contact Rep. Gara's office at 465-2647.

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April 6, 2010

Study Finds More Woes Following Foster Care

By ERIK ECKHOLM

Only half the youths who had turned 18 and "aged out" of foster care were employed by their mid-20s. Six in 10 men had been convicted of a crime, and three in four women, many of them with children of their own, were receiving some form of public assistance. Only six in 100 had completed even a community college degree.

The dismal outlook for youths who are thrust into a shaky adulthood from the foster care system — now numbering some 30,000 annually — has been documented with new precision by a long-term study released Wednesday, the largest to follow such children over many years.

Researchers studied the outcomes for 602 youths in Illinois, Iowa and Wisconsin, and compared them with their peers who had not been in foster care. Most youths had entered the foster care system in their early teens and then were required to leave it at 18 or, in the case of Illinois, 21.

"We took them away from their parents on the assumption that we as a society would do a better job of raising them," said Mark Courtney, a social work researcher at the University of Washington who led the study with colleagues from the Partners for Our Children program at Washington and the Chapin Hall center at the University of Chicago. "We've invested a lot money and time in their care, and by many measures they're still doing very poorly."

Over the last decade, the federal government and many states have started to assist former foster care youths with education grants, temporary housing subsidies and, in some places, extra years of state custody and support. The new data showed that just over half of them are doing reasonably well and benefit from such aid. But they throw a spotlight, researchers said, on two groups that need more sweeping and lasting help.

About one-fourth of the people in the study, mainly women, are receiving public aid and struggling to raise their own children, usually without a high school degree. Researchers found

that one in five in a second group, mainly men, are badly floundering, with multiple criminal convictions, low education and incomes and, often, mental health or substance abuse problems.

Once they leave foster care, these most troubled youths often have no reliable adults to advise them or provide emotional support, said Gary Stangler, director of the Jim Casey Youth Opportunities Initiative, a private foundation. "When these kids make a mistake, it's life altering, they have nothing to fall back on," Mr. Stangler said.

Finding a mentor who provides "that backbone you need" has made all the difference, said Cameron Anderson, 21, of Tampa, Fla., who entered foster care at 15 after he got into trouble with the law, then lived in group homes.

Mr. Anderson, who is now in community college and works at a printer cartridge company, receives education and other financial aid that has helped him keep an apartment. But he has made some missteps since moving out on his own, he said, like not paying bills in full so he could buy shoes and hanging out with old friends who were bad influences.

Last fall, he was introduced to a mentor, an investor in Tampa, by a Casey program, Connected by 25. The two now speak daily, Mr. Anderson said, discussing "school and life in general, even to the point where he'll say, 'Hey, are you using protection?' "

Had he had such a relationship earlier, Mr. Anderson said, "it would have saved me from a ton of bridges I've had to cross."

While younger children are often adopted when their parents' rights are terminated, fewer prospective parents want to adopt teenagers. Recent research, including the new study, shows that most foster children, even though they have been removed from their homes, maintain ties with a parent or other relative. Some agencies are trying to support such ties or to locate relatives who might adopt the children or provide long-term support.

Illinois, New York, Vermont and the District of Columbia now allow youths to remain in foster care to age 21, and some states help with transitional housing.

Congress in 2008 passed a law providing matching money to states that extend foster care to age 21, something that the authors of the study call for. But in the face of large budget deficits, few states have signed on so far.

Newsweek

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SOCIAL SERVICES

Children of the System

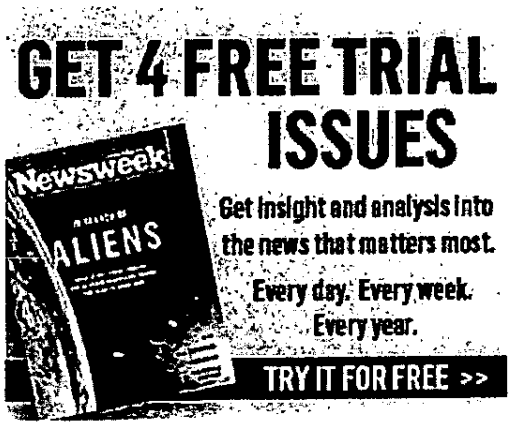
New research supports a radical shift in child-welfare policy for the thousands of teens who 'age out' of foster care at age 18, only to face high rates of homelessness, unemployment and incarceration.

By Daniel Heimpel | Newsweek Web Exclusive
Mar 9, 2009

Eighteen-year-old John Kyzer's blue eyes are bleary and the skin around them puffy as he paces a corner of Hollywood Boulevard in Los Angeles. Kyzer has been spending his nights on a bench in front of a Starbucks. And now, he is dangerously close to entering the ranks of dozens of other former foster youth who "cop a squat" (sit) on concrete stairwells and sleep in "abandos" (abandoned buildings) up and down the street.

Soon after his 18th birthday, the state of California "terminated" Kyzer's case and he was forced to leave his group home. He moved in with his girlfriend and their 4-month-old baby in the home she shared with three generations of her family. Wanting to help support his son, Kyzer got a job at Starbucks and worked as many hours as the boss would give him. For two months his confidence brimmed.

But then he did something many teenagers do. He blew off work and was fired. Now, the door to his girlfriend's house is shut. Kyzer is on his own.



For Kyzer and many of the more than 25,000 other foster youth in the United States who "age out" of the system every year, there is no family and no support network to pick you up when you fall. Within two years of emancipation, half of Los Angeles County's foster youth will be unemployed, one fifth will be homeless and a quarter will have been to prison, according the Children's Law Center. Similar fates can be expected across the country for many of the 500,000 children who call the state their parents.

But a law signed by President Bush in the waning days of his administration could radically change the futures of these children. The Fostering Connections to Success and Increasing Adoptions Act of 2008 offers states matching federal funds to extend care to age 21 for all foster youth who choose to stay in the system after their 18th birthday. What's meant by "care" would vary state by state, but could include extending Medicaid coverage to age 21 (which about 20 states now do), providing housing vouchers or access to group homes, vocational training, educational funding and psychological counseling services.

"We have known for a long time that kids don't suddenly become self-sufficient at the age of 18," says the federal bill's sponsor, Rep. Jim McDermott of Washington state. "The law we passed last year finally

recognized the need to better provide the building blocks of success to these children."

Research released Monday suggests that the approach makes financial sense for a government weighed down by the costs of incarceration, welfare, Medicaid and homelessness incurred by former foster youth who struggle after emancipation. Conducted by the University of Washington School of Social Work, the study finds that caring for young adults until age 21 will represent a return of $2.40 on every government dollar spent in California.

Experts hope the report will lead more states to implement the federal law. But adding anything to a state budget right now is a hard sell. Thus far only seven states have put forward such legislation, including California. And before the passage of the federal legislation, only two states had implemented comprehensive extended care for foster kids after age 18—Illinois and Vermont.

The study's leading researcher, Mark Courtney, director of Partners for Our Children, a public-private collaboration promoting child-welfare reform at the University of Washington, sees the federal legislation as the most radical shift in child-welfare policy in the last decade. "The government has been unwilling to help kids after 18 beyond teaching them independent-living skills," he says. "That is not what parents do. A parent is not happy to kick a kid out at 18 and say good luck."

Courtney's earlier work has shown significant long-term benefits for kids who get a few more year's care versus those who are pushed out of the system at 18. His hallmark "Midwest Study," published in 2005, was instrumental in shaping the current federal legislation. That report followed 732 foster youth through their 17th, 18th and 21st birthdays. It found that along with lower rates of incarceration, homelessness and unemployment, young people in a state like Illinois, which extends care until 21, were 3.5 times as likely to have completed a year of college than peers in states like Iowa and Wisconsin, which routinely cut care at 18. (Census data show that less than 3 percent of foster kids earn college degrees, compared with 28 percent of the population as a whole.)

"The minute we kick them out they start looking for their families," says Karen Bass, speaker of the California Assembly and coauthor of The California Fostering Connections to Success Act. The legislation plans to increase spending to $70 million in California for youths age 18 to 21, largely through the newly available federal funds. "When they can't find their families, they make families of their own on Hollywood Boulevard. In L.A., they are couch surfing; you have groups of young people living together and it is homelessness, just a different form." Bass and coauthor Jim Beall say that despite the budget wrangle and deficits that California faces, the bill bears the name of 26 Assembly members, has wide cross-aisle support and will likely pass.

In this latest study of foster care, Courtney narrowed his focus on higher education. As he had already shown, young people in extended care were better equipped to pursue a higher level of education and thus vastly increased their lifetime earning potential. For an expenditure of $37,948 over the course of extended care, Courtney concludes that those foster youth will earn $92,000 more in their working life. "We are talking about spending $38,000 over one to three years versus what it costs to incarcerate somebody for 20 to 30 years," says Bass. In California, the Department of Corrections anticipates the annual cost of incarceration will jump to $53,000 in fiscal year 2009-10.

But these undeniable statistics are running headlong into the cold reality of a national financial crisis. "Here is the most significant piece of [foster-care] legislation in a decade and it may be slowed down by these

economic times," says Kathi Crowe, executive director of the Foster Care Coalition. "It's almost too bad it is optional." Nonetheless, Courtney believes that the evidence he has presented along with the National Youth in Transition Database, which will be implemented nationwide as of October 2010 and will track young people as they mature into adulthood, will force states to act. "At that point some states may be shamed into changing their laws if the outcomes of their former foster youth look much worse than the outcomes for youth in states that have extended care to 21."

But for Kyzer and the kids currently "copping a squat" on the streets, it may be too late. "I just wasn't ready," Kyzer says of being a father, holding a job and moving into his own place. Tonight he is couch surfing, but tomorrow, his only option may be an abando.

Find this article at
http://www.newsweek.com/id/188493

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April 6, 2010

To the Alaska State Legislature:

As current and former foster youth of Alaska's child welfare system, we would like to express our support for House Bill 126. HB 126 aides foster youth as they make the transition into adulthood, oftentimes without a safety net or family to turn to for support once they have entered into the world on their own.

Studies show that the benefits greatly outweigh the costs to society for youth who extend foster care to age 21. Youth who extend care have better overall outcomes throughout the course of their lives. Allowing young people to remain in care until age 21 is associated with increased postsecondary educational attainment, delayed pregnancy, higher earnings, and a greater likelihood of receiving independent living services.

Statistics show that youth who leave Alaska's foster care system become homeless at a rate of 40%, fall behind in their education, are at risk of early pregnancy, and have a high rate of adult incarceration. The purpose of this bill is to help children and youth in foster care throughout the state make a successful transition to independence.

Many young people who venture out into the world on their own, have caring parents willing to allow them the option of coming home if they fall through the cracks when asserting their independence. Youth who leave the foster care system, don't have the luxury of going home. Allowing youth to re-enter the foster care system once they have left, creates a safety net for our young people and allows them room for growth.

The members of Facing Foster Care in Alaska know that this is an important bill. It will benefit the community at large by creating opportunities for foster youth to become productive, successful members of society as adults.

Thank you for your support in improving the lives of Alaska's foster children.

Sincerely,

Amanda Metivier

Amanda Metivier
FFCA Coordinator

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The Honorable
Representative Les Gara
Alaska State Capitol
Room 500
Juneau, AK 99801

Re: SUPPORT HB 126

Dear Representative Gara,

I am writing to express the support of Friends of Alaska CASA (FAC) for House Bill 126. This bill, as you know, will help foster youth transition more successfully from state care to independent living.

Currently 38% of foster youth aging out of the system end up homeless. This bill attempts to remedy this reality through several assistance measures, including extending foster care to age 21 and allowing for reentry into care until age 21 if a youth is emancipated or voluntarily leaves care after turning 18.

Additionally, HB 126 reflects a larger national movement among children's advocacy groups to extend foster care to 21 years of age. In fact, 30 states already provide this option. Extending foster care will allow youth to better prepare themselves for independent living, and avoid common problems (such as homelessness and dependence on public assistance) faced by foster youth aging out of the system.

Allowing former foster youth to reenter care after leaving voluntarily will support youth in their pursuit of higher education or vocational training. Extending foster care and allowing reentry will improve foster youths' chance of success as they transition to independent living.

Thank you for your consideration.

Sincerely,

Ryan Zinn
Executive Director

Friends of Alaska CASA · 101 E. 9th Avenue · Suite 13-B · Anchorage, AK 99501
Phone: 907-222-2534 · Fax 888-723-5486
info@friendsofalaskacasa.org · www.friendsofalaskacasa.org

St. Vincent de Paul Society
Juneau, Alaska

svdpjuneau.org

Mary Fitterer, President

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Paul Paradis

Mary Ann Welp

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We provide material and spiritual charity and work for social justice for all people.

St. Vincent de Paul Society

Diocesan Council of Southeast Alaska, Inc.

8617 Teal St., Juneau, Alaska 99801 (907) 789-5535 phone

st.vincentdepaul.juneau@gci.net (907) 789-2557 fax

April 13, 2010

Members of the Twenty Sixth Alaska State Legislature;

I write today in support of **HB 126, "An Act relating to extensions and resumptions of state custody of children; and providing for an effective date."**

The St. Vincent de Paul Society operates the largest homeless family shelter in Southeast. We also provide licensed daycare to an average of 15 children currently in state custody. Everyday we see the depressing continuum of homelessness that begins with an abused or neglected child. If that child is lucky enough to benefit from agency intervention before it is too late, they may continue in state custody for years. Many remain in state custody until they "age-out" of the system. From there, too many end up in jail, on the street, or "couch-surfing" with friends and relatives. Homeless by any other name is still homeless-- these young people begin their independent lives with the same barriers to productive citizenship that all homeless experience.

HB 126 offers simple, cost-effective help. By allowing a young person to voluntarily remain in state custody until their 21st birthday, it will keep them connected to the supportive services and educational opportunities critical to a successful transition to responsible adulthood.

Please support HB 126 and help ensure that fewer of our daycare kids return to us as homeless adults.

Sincerely

Dan Austin, General Manager

(907) 321-5222

EQUAL HOUSING OPPORTUNITY

2769

Rose Foley

From: Gail Tharpe-Lucero [gailtl@searhc.org]
Sent: Tuesday, April 13, 2010 3:34 PM
To: Rose Foley
Subject: HB 126 Support

Ms Foley,
This correspondence in written in support of HB 126 "An Act relating to extensions and resumptions of state custody of children; and providing for an effective date."

As a medical provider who provides health care to those experiencing homelessness, I first hand see the consequences that can result from children not having the support systems they need to transition into independence.

HB126 offers a cost-effective way to allow a young person to voluntarily remain in state custody until their 21st birthday.
This provides an avenue to connect them to supportive services and educational opportunities that are critical to a successful transition into adulthood.

Please support HB 126 to allow additional support systems to be put into place to help decrease the numbers of young people who end up homeless and on the streets without support systems and hope to turn this never ending spiral around.

Respectfully,
Gail Tharpe-Lucero, PA-C
--
Gail Tharpe-Lucero, PA-C
Medical Provider/Manager Front Street Clinic
Health Care for those experiencing Homelessness
225 Front Street, Suite 202
Juneau, Alaska 99801
907-463-4201
907-463-6617 Fax

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Rose Foley

From: Joanne Wiita [jwiita@thrha.org]
Sent: Tuesday, April 13, 2010 3:05 PM
To: Rose Foley

Follow Up Flag: Follow up
Flag Status: Completed

HB 126 offers simple, cost-effective help.

By allowing a young person to voluntarily remain in state custody until their 21st birthday, it will keep them connected to the supportive services and educational opportunities critical to a successful transition to responsible adulthood.

Please support HB 126 and help ensure that fewer of our daycare kids return to us as homeless adults.

Joanne Wiita
Tlingit Haida Regional Housing Authority
5446 Jenkins Dr
Juneau AK 99803
Tel 907 780 3158
Fax 907 780 6895
Email JWiita@THRHA.org

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Rose Foley

From: Hallmark, Debra L (HSS) [debbie.hallmark@alaska.gov]
Sent: Thursday, April 08, 2010 4:16 PM
To: Rose Foley
Subject: HB 126
Attachments: image001.png

I am a social worker in Dillingham and just heard about HB 126. How exciting!!!!!!! This is wonderful news and a much needed change to our current system. I certainly hope that this passes for our children's sake.

Sincerely,

Debra Hallmark CSSII

P.O Box 1290

Dillingham, AK 99576

907/842-2341 Fax: 907/8425924

office of CHILDREN'S SERVICES
safe children | strong families

Safe Children, Strong Families ~ Strengthening Families, Keeping Children Safe, Decreasing Disproportionality, Quality & Stable Workforce, and Strengthening Community Partnerships

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Rose Foley

From: Ed Denton [aked@yahoo.com]
Sent: Thursday, April 08, 2010 6:44 AM
To: Rose Foley
Subject: HB 126

Follow Up Flag: Follow up
Flag Status: Completed

If this bill passes it would have a positive impact on many young peoples lives. We all know that at ages 16 through 21 young people require (some more than others) additional support. This will mean the difference beetween sucess and failure for many of these young people after foster care.

I know that I want my children to be self sufficiant. However, it often takes a little extra time beyond the age of eighteen to figure it out. By forcing these young people (that will have additional baggage) out into society without this additional support, sets them up for failure.

As a parent of seven children and a lifelong Alaskan, I believe it is of utmost importance to provide this support to these young people to assist them in developing a more productive life.

I appreciate you support on this Bill.

Thank you

Ed Denton

Rose Foley

From: Linda Setterberg [linda.joelsplace@gmail.com]
Sent: Wednesday, April 07, 2010 7:46 PM
To: Rose Foley; Rep. Jay Ramras; Rep. Scott Kawasaki; Brodie Anderson; Sen. Joe Thomas
Subject: SB 105, HB 126

I am in favor of youth ages 16 and older being able to leave and reenter foster care until the age of 21. This bill has the potential to prevent youth homelessness in the state of Alaska. This is a great solution! Please support this bill. Linda

--
Linda Setterberg
Executive Director
Wellspring Revival Ministries
linda.joelsplace@gmail.com
www.joelsplacealaska.org
907-452-2621

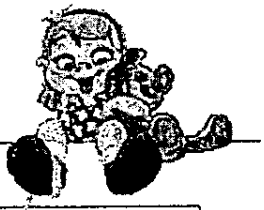
We are to be fire, to weave our lives together so that Spirit's inferno of love spreads across the earth. - Claiborne

Rose Foley

From: Sam Bush [sam_i_am@gci.net]
Sent: Wednesday, April 07, 2010 4:50 PM
To: Rose Foley
Subject: HB126
Attachments: IndexStock-514287.jpg; 2.gif; stampa_girl_line_en.gif

Follow Up Flag: Follow up
Flag Status: Completed

Ms. Rose Foley,
Please pass along my comments to whom ever they should go. I think that HB126 is long overdue. It is a much needed step in helping our youth in foster care, gain a better chance at success in life. Hopefully by having the extra years of family and help our youth will be able to better prepare themselves for life in the real world. Being cast into the world at age 18 with little or no higher education is not conducive to a successful, gainfully employable life. It is my hope that this bill goes on to become law.
Sincerely,
L. M. "Sam" Bush
P. O. Box 10298
Fairbanks, AK. 99710



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HB 134

<target><bill>HB 134</bill><subject>HB 134</subject><comm>SFIN26</comm></target>

Alaska State Legislature

Interim: (June-Dec)
716 West 4th Avenue, Suite 600
Anchorage, AK
99501-2133
(907) 269-0129
Fax (907) 269-0128

Session: (Jan-May)
State Capitol, Room 403
Juneau, AK
99801-1182
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Representative John Harris

Sponsor Statement

SCS for CS for House Bill No. 134 (RES)

An Act relating to terms and conditions of commercial passenger vessel permits for wastewater discharges

The Senate Resources Committee Substitute for HB 134 represents a continuing effort to reach a compromise to address the issue of permits for wastewater discharges from large commercial passenger vessels known as cruise ships.

In 2006, Alaska voters approved the cruise ship initiative that amended the law to require vessels to meet water quality standards at the point of discharge. Municipal wastewater systems and discharges from other commercial entities commonly use mixing zones, and smaller-sized vessels in Alaska are exempt.

In 2008, the Department of Environmental Conservation issued a general permit for all large cruise ships that provided a two-year period for vessels to meet standards at the point of discharge. DEC has also conducted a cruise ship technology conference on available treatments for discharges of ammonia and dissolved metals.

All sides on this issue agree that technology is unavailable now for onboard treatment of wastewater that allows vessels to meet all water quality standards at the point of discharge.

This bill addresses how the agency will permit wastewater discharges from vessels to allow for the time it takes to get the technology developed and installed onboard. It is important to keep in mind that cruise ships discharge cleaner wastewater than most municipalities, commercial entities, and all other Alaska vessels.

The Senate Resources Committee version of HB 134 places a sunset date of January 1, 2015 on the provisions in the bill that provide an exception to the "point of discharge" requirement for meeting water quality standards.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/11/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 134(RES)

HB 134 CRUISE SHIP WASTEWATER DISCHARGE PERMITS

"An Act relating to the terms and conditions of commercial passenger vessel permits for the discharge of graywater, treated sewage, and other wastewater; establishing a science advisory panel on wastewater treatment and effluent quality in the Department of Environmental Conservation; and providing for an effective date."

and recommends:

[√] be **replaced** with [√] **SCS** or [ ] **CS** CSHB 134 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[√] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DEC	2/13			√	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 134(CRA)
(H) Publish Date: 2/18/09

Identifier (file name): HB134-DEC-WQ-02-13-09
Dept. Affected: Environ. Conservation
Title: Cruise Ship Wastewater Discharge Permits
RDU: Division of Water
Component: Water Quality
Sponsor: Representative Harris
Requester: House Community and Regional Affairs Committee
Component Number: 2062

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

HB 134 has no fiscal impact on the Department of Environmental Conservation.

Prepared by: Lynn J. Tomich Kent — Phone (907) 269-7599
Division: Water — Date/Time 2/13/09 3:00 PM
Approved by: Dan Easton — Date 2/13/2009
Deputy Commissioner

(Revised 9/10/2008 OMB)

Adopted 4/15/09

AMENDMENT # 1 by Senator Ellis

OFFERED IN THE SENATE
TO CS HB134 (RES)

Page 3, line 11
Insert after "using" "economically feasible"

Page 3, line 13
Delete "and economically feasible"

Page 3, line 18
Insert after "use of" "economically feasible"

Page 3, lines 19-20
Delete "and economically feasible"

Page 4, line 29
Insert after "additional" "economically feasible"

Page 4, lines 30-31
Delete "and economically feasible"

Adopted
4.15.09

26-LS0570\D
Bullard
4/14/09

SENATE CS FOR CS FOR HOUSE BILL NO. 134(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES HARRIS, Kelly, Millett, Johansen, Foster, Keller, Chenault, Coghill, Johnson, Wilson, Muñoz, Hawker, Dahlstrom

A BILL

FOR AN ACT ENTITLED

"An Act relating to the terms and conditions of commercial passenger vessel permits for the discharge of graywater, treated sewage, and other wastewater; establishing a science advisory panel on wastewater treatment and effluent quality in the Department of Environmental Conservation; and providing for an effective date."

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

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

LEGISLATIVE INTENT. It is the intent of the legislature that the minimum standards for the terms and conditions of wastewater discharge permits for large commercial passenger vessels meet all applicable state and federal effluent limits or standards, including Alaska Water Quality Standards, governing pollution at the point of discharge. The Department of Environmental Conservation shall establish and consult with a science advisory panel on wastewater treatment to evaluate the most technologically effective and economically feasible treatment options.

* **Sec. 2.** AS 46.03.462(b) is amended to read:

(b) The minimum standard terms and conditions for all discharge permits authorized under this section require that the owner or operator

(1) may not discharge untreated sewage, treated sewage, graywater, or other wastewaters in a manner that violates any applicable effluent limits or standards under state or federal law, including Alaska Water Quality Standards governing pollution at the point of discharge**, except as provided in (e) of this section**;

(2) shall maintain records and provide the reports required under AS 46.03.465(a);

(3) shall collect and test samples as required under AS 46.03.465(b) and (d) and provide the reports with respect those samples required by AS 46.03.475(c);

(4) shall report discharges in accordance with AS 46.03.475(a);

(5) shall allow the department access to the vessel at the time samples are taken under AS 46.03.465 for purposes of taking the samples or for purposes of verifying the integrity of the sampling process; and

(6) shall submit records, notices, and reports to the department in accordance with AS 46.03.475(b), (d), and (e).

* **Sec. 3.** AS 46.03.462(b), as amended by sec. 2 of this Act, is amended to read:

(b) The minimum standard terms and conditions for all discharge permits authorized under this section require that the owner or operator

(1) may not discharge untreated sewage, treated sewage, graywater, or other wastewaters in a manner that violates any applicable effluent limits or standards under state or federal law, including Alaska Water Quality Standards governing pollution at the point of discharge [, EXCEPT AS PROVIDED IN (e) OF THIS SECTION];

(2) shall maintain records and provide the reports required under AS 46.03.465(a);

(3) shall collect and test samples as required under AS 46.03.465(b) and (d) and provide the reports with respect those samples required by AS 46.03.475(c);

(4) shall report discharges in accordance with AS 46.03.475(a);

(5) shall allow the department access to the vessel at the time samples are taken under AS 46.03.465 for purposes of taking the samples or for purposes of verifying the integrity of the sampling process; and

(6) shall submit records, notices, and reports to the department in accordance with AS 46.03.475(b), (d), and (e).

*** Sec. 4.** AS 46.03.462 is amended by adding new subsections to read:

(e) When issuing, reissuing, renewing, or modifying a permit required under (a)(1) of this section, the department may include effluent limits or standards less stringent than those required under (b)(1) of this section for not more than three years duration if the department finds that a permittee is using methods of pollution prevention, control and treatment the department considers to be the most technologically effective and economically feasible in controlling all wastes and other substances in the discharge but is unable to achieve compliance with Alaska Water Quality Standards at the point of discharge.

(f) In developing an effluent limit or standard under (e) of this section, the department shall

(1) require use of methods of pollution prevention, control, and treatment the department finds to be the most technologically effective and economically feasible; and

(2) apply all other applicable provisions of state law and this section.

(g) When reissuing, renewing, or modifying a permit required under this section that was issued after the effective date of this bill section, the department may not include effluent limits or standards less stringent than the comparable effluent limitations in a previous permit issued under this section.

(h) Nothing in this section shall be construed to limit the authority of the department to

(1) restrict the areas in which discharges permitted under this section may occur; or

(2) impose additional terms and conditions on the manner in which discharges permitted under this section may be made in a specific area.

* **Sec. 5.** AS 46.03 is amended by adding a new section to read:

Sec. 46.03.464. Advisory panel on wastewater treatment; commissioner's reports to the legislature. (a) A science advisory panel is established in the department. The panel consists of 11 members selected by the commissioner. Members of the panel serve without compensation but are entitled to transportation expenses and per diem as authorized for members of boards and commissions under AS 39.20.180. Each of the individuals the commissioner selects will serve for up to a six-year period and have expertise in the design, operation, or function of wastewater management and treatment systems; among the 11 panel members, the commissioner shall select at least one individual from each of the following groups:

(1) coastal community domestic wastewater management;

(2) cruise ship industry;

(3) commercial fishing industry; and

(4) a nongovernmental organization with an interest in water quality matters.

(b) The panel shall

(1) meet at the call of the commissioner and give public notice of meetings of the panel as required under AS 44.62.310 and 44.62.312;

(2) hold one or more public conferences or workshops before 2013, with at least one public conference or workshop to be held between January 1, 2013, and January 1, 2015, if the department issues, renews, or modifies a permit required under AS 46.03.462(a)(1) after January 1, 2012; and

(3) assist and advise the commissioner in conducting the analyses and preparing the reports required in (c) and (d) of this section.

(c) On or before January 1, 2013, the commissioner, in consultation with the panel, shall provide a preliminary report to the legislature that summarizes

(1) methods of pollution prevention, control, and treatment in use and the level of effluent quality achieved by commercial passenger vessels;

(2) additional methods of pollution prevention, control, and treatment that could be employed to provide the most technologically effective and economically feasible measures to control all wastes and other substances in the

discharge; and

(3) the environmental benefit and cost of implementing additional methods of pollution prevention, control, and treatment identified in (2) of this subsection.

(d) On or before January 1, 2015, the commissioner, in consultation with the panel, shall provide a final report to the legislature that includes the topics identified in (c)(1) - (3) of this section.

*** Sec. 6.** AS 46.03.465 is amended by adding a new subsection to read:

(h) On request, the owner or operator of a commercial passenger vessel discharging wastewater under AS 46.03.462(b) shall provide the department with information relating to wastewater treatment, pollution avoidance, and pollution reduction measures used on the vessel, including testing and evaluation procedures and economic and technical feasibility analyses.

*** Sec. 7.** AS 46.03.462(e), 46.03.462(f), and 46.03.464 are repealed.

*** Sec. 8.** Sections 3 and 7 of this Act take effect December 31, 2015.

*** Sec. 9.** Except as provided in sec. 8 of this Act, this Act takes effect immediately under AS 01.10.070(c).

Timeline Requirements for CS for CSHB 134 (RES)

March 2008 – DEC issued a **general permit** (*expires March 2013).* Permit gives relief from meeting the water quality standards (WQS) at the "point of discharge" for four pollutants (ammonia, copper, nickel, and zinc) through the 2009 cruise season.

March 2010 – DEC will issue a **general permit** (expires March 2013). Permit will be based on the 2009 technology review; most recent data; and will likely include limits for ammonia, copper, nickel, and zinc that are similar to the interim limits in the 2008 permit. The February 2009 technology conference shows there are no treatment options currently available for installation on cruise ships that would allow them to consistently meet "at the point of discharge" requirements for these four pollutants.

Fall 2012 – DEC will host a **technology conference**.

January 2013 – DEC will provide preliminary **report to Legislature** on conference and status.

March 2013 – DEC will issue a **general permit** (expires March 2016) again - even if the Fall 2011 technology conference indicates WQS can't be met yet "at the point of discharge" for all pollutants.

Fall 2014 – DEC will host **technology conference** if cruise ships are not yet meeting the "at the point of discharge" requirement for all pollutants.

January 2015 – DEC will provide **report to Legislature** on conference and status.

March 2016 - DEC will issue a **general permit** (expires March 2021) again – requiring all vessels discharging in Alaska waters to meet WQS at the "point of discharge" regardless of the status of technology to do so.

Alaska State Legislature

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Session: (Jan-May)
State Capitol, Room 403
Juneau, AK
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(907) 465-4859
Fax (907) 465-3799

Representative John Harris

MEMORANDUM

April 14, 2009

TO: Senator Bert Stedman

FROM: Representative John Harris

SUBJECT: HB 134, Commercial Passenger Vessel Wastewater Permits

Please consider this request to schedule HB 134 for a hearing in the Senate Finance Committee. An updated sponsor statement is attached for your review.

HB 134 would address wastewater discharges from commercial passenger vessels. My office, as bill sponsor, has worked with all interested parties on it. Under the bill:

- Cruise ship companies would be provided time and opportunity to develop technology that allows them to meet water quality standards at the point of discharge.

- The Alaska Department of Environmental Conservation would have the authority to issue wastewater discharge permits that attempt to incorporate the best available technology for effluent treatment.

- A science advisory panel would be created to assist DEC and provide the legislature with reports about wastewater treatment technology development and cruise ship discharge activities.

- Large commercial passenger vessels that cannot meet water quality standards at the point of discharge would have permits limited to two years – rather than the normal five-year period for all other permits.

- The Senate Resources Committee placed a sunset provision of January 1, 2015 for the provisions in the bill that give DEC authority to issue permits to vessels that cannot meet standards at the point of discharge.

I believe we have done our best to make sure that all viewpoints have been considered, and we have drafted a bill that would be good for Alaska.

Alaska State Legislature

Interim: (June – Dec.)
716 West 4TH Avenue, Suite 600
Anchorage, Alaska 99501-2133
(907) 269-0129
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Session: (Jan. – May)
State Capitol, Room 403
Juneau, Alaska 99801-1182
(907) 465-4859
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REPRESENTATIVE JOHN HARRIS

March 11, 2009

Governor Sarah Palin
Office of the Governor
Juneau, Alaska

Subject: Large Commercial Passenger Vessel Wastewater Discharge Permits

Dear Governor Palin:

This is to call your attention to legislation relating to wastewater discharge permits for large passenger vessels operating in state waters. Policy direction from your office would be helpful to the legislature, coastal communities, vessel owners, and many interested individuals toward resolving this issue.

House Bill 134 would provide the Department of Environmental Conservation with the same authority to regulate wastewater discharges of large vessels that it has with other entities. Current law – which was established by voter initiative in 2006 – requires testing of vessel wastewater specifically at the point of discharge.

Testing at the point of discharge imposes a different methodology than that which exists for any other industry or municipality in Alaska. For example, mining operations, seafood processing, and coastal communities have their discharges tested at a reasonable distance away from the discharge point. Be that as it may, clean water itself should be our standard, and if someone is polluting our waters, then DEC must step in and stop them.

In spite of the initiative's language, DEC issued a general permit for all large commercial passenger vessels on March 25, 2008 that provides interim effluent limits and recognizes that vessels need time to make changes to their operations or equipment. The compliance schedule provides a deadline of 2010 to fully meet new standards for ammonia, copper, nickel, and zinc.

I believe this first discharge permit was a good first step. It complies with the citizens' initiative, and it establishes a reasonable approach toward developing vessel treatment systems that will keep our marine water clean.

Two bills have already been signed into law that have amended the citizens' initiative. One, by former Sen. Kim Elton, removed state ferries and other vessels of similar size from the initiative's requirements. Another, by Rep. Lindsey Holmes, removed certain passenger disclosure provisions. HB 134 – if enacted – would not be the first change to the initiative.

As the prime sponsor of HB 134, I have confidence that DEC is fully qualified to evaluate the best available methods and technologies and apply them to the operational permits that cruise ships must obtain. A technology session recently held by DEC revealed several approaches that could result in protecting Alaska waters; however, it found that not all systems could work on all vessels, not all vessels could discharge to shore, and all this is a developing field needing further evaluation by DEC. The bottom line is that your administration is working right now toward bringing the best treatment systems possible on board vessels as quickly as possible.

By having confidence in DEC's ability and efforts, I sponsored HB 134. Giving the agency broad authority does nothing to diminish water quality standards. Its officials are working hard to implement the best treatment technology as quickly as possible, and they will hold vessels to high water quality standards.

Unless a bill is enacted this session that amends the testing requirement "at the point of discharge," both large commercial passenger vessels and DEC will face a difficult decision. Either the agency will have to continue to issue permits that don't meet the requirements of the citizens' initiative or large commercial passenger vessels will have to abide by standards for which technology is not now available.

HB 134 returns that authority to the agency. Your support for the legislation will convey your confidence that the agency will do the job that we expect it to do.

Thank you for your time and consideration of this important issue.

Sincerely,

Representative John Harris

cc: Commissioner Larry Hartig, Department of Environmental Conservation
Jerry Gallagher, Legislative Director, Office of the Governor

ALASKA CRUISE ASSOCIATION

Thank you for taking the time to meet with us.

In 2006, the Alaska voters passed a cruise ship initiative. The area of concern for the cruise ships is the new permit standards that were created.

Since 2002, Alaska has had among the highest standards in the world for waste water discharge from large cruise ships. We acknowledge being held to a higher standard and have invested over $200 million in the technology to achieve those levels. In May of 2008, ADEC adopted new standards for the final large cruise ship general permit. Not only are these standards far higher than any community in Alaska; the technology to implement them is not commercially available or is impractical for ships. This is despite the promise from initiative sponsors that the initiative would simply "level the playing field."

The initiative language tied the hands of ADEC and does not allow them to set the permit limits based on science. We are asking the legislature to follow the will of the people and "level the playing field," to untie the hands of ADEC and let them do their job.

Attached you will find several documents that we feel make a compelling case to use similar methods of measurement in order to "level the playing field."

Sincerely,

John Binkley
President
ACA

360 K Street · Anchorage, Alaska · 99501 · (907) 743-4529 · (907) 743-4553 fax

Comparable EPA NPDES Discharge Permits in Alaska and Associated Effluent Limits

The following table compares the effluent guidelines in the ADEC General Cruise Ship Permit with effluent limitations within existing wastewater discharge permit limits in Alaska. Analytical data from the EPA cruise ship sampling project is compared with minimum permitted levels for land-based plants within typical large cruise ship itineraries and various other communities in Alaska. For cases where land-based permits indicated analysis for total recoverable metals, these limits were compared to cruise ship dissolved metals concentrations. For land-based permits that include variable effluent limitations based on monthly averages, weekly averages, or daily maximums, the most stringent level was chosen. The synopsis indicates that the final 2010 effluent limitations of the ADEC General Cruise Ship permit are stricter than the limits in the permits of any land-based municipal treatment plants in Alaska.

	2002			2006			
	Fecal Coliform (fc/100 ml)	BOD (mg/L)	TSS (mg/L)	Diss Copper (ug/L)	Diss Nickel (ug/L)	Diss Zinc (ug/L)	Total Ammonia (ug/L)
Cruise Ship Permit (interim)	14	30	30	66	180	230	80.4
Cruise Ship Permit (2010 final)	14	30	30	3.1	8.2	81	2.9
Anchorage	850	240	170				
Eagle River	100	30	30	175			36
Fairbanks	200	30	30				
Girdwood	100	30	30	57			
Haines	1,000,000	140	140	156			
Juneau Douglas	400	30	30				
Juneau Mendenhall	161	30	30	95.8			48.0
Kenai	200	30	30				
Kennecott Greens Creek mine	7,000	30	20	300		1000	
Ketchikan	1,000,000	146	129	290		9384	43
Palmer	20	30	30				18.5
Seward	50,000	30	30				
Sitka	1,000,000	140	140	354			
Skagway	1,000,000	80	70	210			
Soldotna	100	30	30				

Interim Levels

2010 Initiative Limits

Submitted by Rep Harris

Comparison of Effluent Volumes between Land-based Municipal Treatment Plants and Cruise Ships

The average volume of discharge from a cruise ship was also compared to the average discharge volume of each land-based plant in order to evaluate the cumulative effects of cruise ship discharges within Alaska waters. Advanced wastewater systems on cruise ships operate efficiently and generally produce a small volume of treated effluent compared to land based plants. The following chart lists the permitted effluent for Alaska land-based treatment plants, and the equivalent number of cruise ships required to match the volume of daily effluent in each community.

	Permitted daily discharge in gallons	Equivalent number of large cruise ships to equal one day of each city's permitted waste water discharge
Average Cruise Ship Daily Discharge	143,600	1
Anchorage	36,000,000	251
Eagle River	2,500,000	17
Girdwood	600,000	4
Haines	1,900,000	13
Juneau Douglas/Mendenhall	7,660,000	53
Kenai	1,330,000	9
Kennecott Greens Creek mine	2,390,000	17
Ketchikan	4,000,000	28
Palmer	950,000	7
Seward	900,000	6
Sitka	1,800,000	13
Skagway	630,000	4
Soldotna	1,080,000	8

For average cruise ship effluents, 2004 EPA cruise ship study data, available at http://www.epa.gov/owow/oceans/cruise_ships/results.html

For effluent values for communities, individual EPA permits, located at http://yosemite.epa.gov/R10/water.nsf/NPDES+Permits/Permits+Homepage

Submitted by Harris

Quote from Gershon Cohen and the Campaign to Safeguard America's Waters issued press release (Alaska Cruise Ship Initiative Certified for 2006 Ballot).

"If passed, the new initiative will level the economic and environmental playing fields between the cruise ship industry and other major dischargers of polluted wastes into Alaska waters."

Quote from Joe Geldhof, Juneau Attorney, co-author of Alaska Cruise Ship Initiative, Skagway News story (Ballot Measure Two, the cruise initiative, raises voices in ship-happy Skagway).

"There's nothing radical on here," said Geldhof, adding that the measure would make the cruise industry adhere to the same pollution standards as fisheries, municipalities, and gas and oil companies. Drafting techniques to adopt the similar basic body of law makes it long. "It's not meant to be long, onerous and punitive."

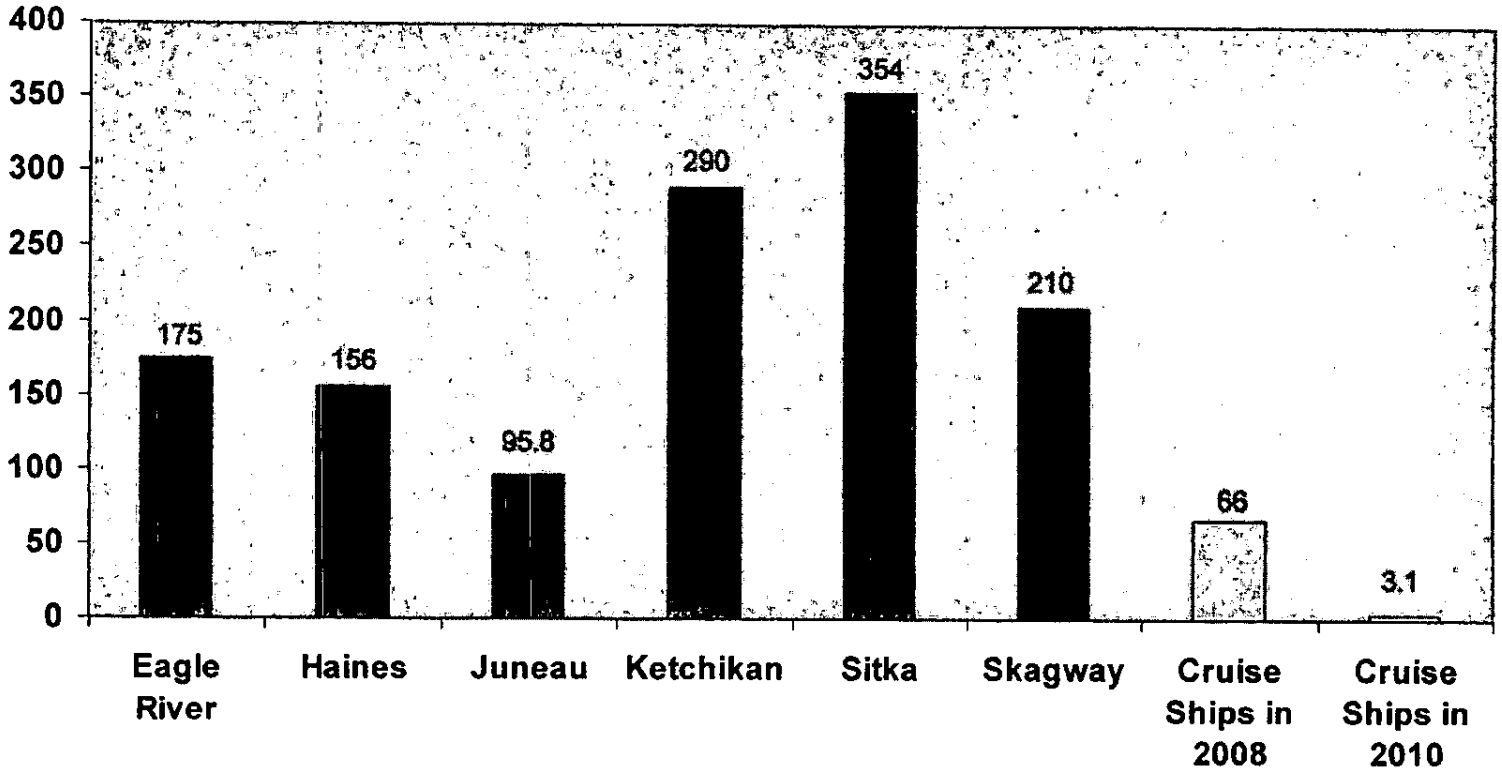
Quote from an Alaska Department of Environmental Conservation issued press release (State Issues First Discharge Permit for Cruise Ships in Alaska).

"The majority of large cruise ships operating in Alaska have advanced wastewater treatment systems that produce a very high quality discharge – much higher, for example, than shore-based municipal sewage treatment systems."

"The department has determined that as long as ships comply with the interim effluent limits there will be no impacts on water resources or aquatic life."

Submitted by Rep Harris

Copper Limits for Community Discharge Permits vs. Cruise Ship Permit Limits



Max Daily Permit Limits in Parts Per Billion (ppb)

Submitted by Rep Harris

LAWS OF ALASKA

2006

Source
Ballot Measure No. 2

AN INITIATIVE

Providing for taxation of certain commercial ship vessels, pertaining to certain vessel activities, and related to ship vessel operations taking place in the marine waters of the State of Alaska; and providing for an effective date.

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

THE INITIATIVE FOLLOWS ON PAGE 1

Date Election Results Certified: September 18, 2006
Actual Effective Date: December 17, 2006

AN INITIATIVE

Providing for taxation of certain commercial ship vessels, pertaining to certain vessel activities, and related to ship vessel operations taking place in the marine waters of the State of Alaska; and providing for an effective date.

---

* **Section 1.** AS 43 is amended by adding a new chapter to read:

Chapter 52. Excise Tax on Travel Aboard Commercial Passenger Vessels.

Sec. 43.52.010. Levy of excise tax on overnight accommodations on commercial passenger vessels. There is imposed an excise tax on travel on commercial passenger vessels providing overnight accommodations in the state's marine water.

Sec. 43.52.020. Rate of tax. The tax imposed by AS 43.52.010 - 43.52.095 is levied at a rate of $46 a passenger per voyage.

Sec. 43.52.030. Liability for payment of tax. A passenger traveling on a commercial passenger vessel providing overnight accommodations in state marine

water is liable for the tax imposed by AS 43.52.010 - 43.52.095. The tax shall be collected and is due and payable to the department

(1) by the person who provides travel aboard a commercial vessel for which the tax is payable; and

(2) in the manner and at the times required by the department by regulation.

Sec. 43.52.040. Disposition of receipts. (a) The proceeds from the tax on travel on commercial passenger vessels providing overnight accommodations in the state's marine water shall be deposited in a special "commercial vessel passenger tax account" in the general fund. The legislature may appropriate money from this account for the purposes described in (b) and (c) of this section, for state-owned port and harbor facilities, other services to properly provide for vessel or watercraft visits, to enhance the safety and efficiency of interstate and foreign commerce, and such other lawful purposes as determined by the legislature.

(b) For each voyage of a commercial passenger vessel providing overnight accommodations, the commissioner shall identify the first five ports of call in the state and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner shall distribute to each port of call $5 per passenger of the tax revenue collected from the tax levied under this chapter. If the port of call is a city located within a borough not otherwise unified with the borough, the commissioner shall, subject to appropriation by the legislature, distribute $2.50 per passenger to the city and $2.50 to the borough. Each port of call receiving funds under this section shall use the funds in a manner calculated to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce.

(c) A "regional cruise ship impact fund" consisting of 25 percent of the proceeds from the tax on travel aboard commercial passenger vessels providing overnight accommodations in the state's marine water shall be established as sub-account of the funds established in (a) of this section and deposited in the general fund. Subject to appropriation by the legislature and regulations adopted by the Department of Revenue, the commissioner shall distribute funds to municipalities or

other governmental entities within the Prince William Sound Region, Southeast Alaska, or any other distinctive region impacted by cruise ship related tourism activities but not entitled to receive funds based on port of call visitation as allowed by (b) of this section, provided that any funds used from this account shall be used to provide services and infrastructure directly related to passenger vessel or watercraft visits or to enhance the safety and efficiency of interstate and foreign commerce related to vessel or watercraft activities.

Sec. 43.52.050. Administration. (a) The department shall

(1) administer this chapter; and

(2) collect, supervise, and enforce the collection of taxes due under this chapter and penalties as provided in AS 43.05.

(b) The department may adopt regulations necessary for the administration of this chapter.

Sec. 43.52.060. Local levies. Any municipality, whether home rule or general law, that receives passenger ship fee funds under this chapter may not impose an additional form of tax on travel on commercial passenger vessels engaged in activities involving overnight accommodations for passengers in state marine waters. Any form of tax on travel on commercial passenger vessels engaged in activities involving overnight accommodations for passengers in state marine waters enacted by a municipality, whether home rule or general law, prior to the effective date of this section shall expire one year after enactment of this law if that municipality elects to receive funds under this chapter.

Sec. 43.52.095. Definitions. In this chapter,

(1) "commercial passenger vessel" means a boat or vessel that is used in the common carriage of passengers in commerce; "commercial passenger vessel" does not include

(A) vessels with fewer than 250 berths or other overnight accommodations for passengers;

(B) noncommercial vessels, warships, and vessels operated by the state, the United States, or a foreign government;

(2) "marine water of the state" and "state marine water" have the

meaning given to "waters" in AS 46.03.900, except that they include only marine waters;

(3) "passenger" means a person whom a common carrier has contracted to carry from one place to another;

(4) "voyage" means any trip or itinerary lasting more than 72 hours.

* Sec. 2. AS 05 is amended by adding a new chapter to read:

Chapter 16. Games of Chance and Contests of Skill on Ships Operating on Waters within the Jurisdiction of Alaska.

Sec. 05.16.010. Gambling activities aboard commercial vessels purportedly authorized by federal law. This chapter applies to the use of playing cards, dice, roulette wheels, coin-operated instruments or machines, or other objects or instruments used, designed, or intended for gaming or gambling used in the waters under the jurisdiction of the State of Alaska on a voyage described in 15 U.S.C. 1175(c)(2), and to any other gambling activities taking place aboard large passenger vessels in the state.

Sec. 05.16.020. Tax on gambling activities authorized by AS 05.16.010. There is imposed on the operator of a gaming or gambling activities aboard large passenger vessels in the state a tax of 33 percent of the adjusted gross income from those activities. "Adjusted gross income" means gross income less prizes awarded and federal and municipal taxes paid or owed on the income. The tax shall be collected and is due and payable to the Department of Revenue in the manner and at the times required by the Department of Revenue.

Sec. 05.16.030. Disposition of receipts. The proceeds from the tax on gambling operations aboard commercial passenger vessels in the state's marine water shall be deposited in a special "commercial vessel passenger tax account" in the general fund.

* Sec. 3. AS 43.20.021 is repealed and reenacted to read:

Sec. 43.20.021(a). Internal Revenue Code adopted by reference. (a) Sections 26 U.S.C. - 1399 and 6001 - 7872 (Internal Revenue Code), as amended, are adopted by reference as a part of this chapter. These portions of the Internal Revenue Code have full force and effect under this chapter unless excepted to or modified by

other provisions of this chapter.

(b) Nothing in this chapter or in AS 43.19 (Multistate Tax Compact) may be construed as an exception to or modification of 26 U.S.C. 883.

(c) The provision in (b) of this section does not apply to commercial passenger vessels as defined in AS 43.52.095.

* Sec. 4. AS 46.03.462 is repealed and reenacted to read:

Sec. 46.03.462. Terms and conditions of discharge permits. (a) An owner or operator may not discharge any treated sewage, graywater, or other wastewater from a large commercial passenger vessel into the marine waters of the state unless the owner or operator obtains a permit under AS 46.03.100, which shall comply with the terms and conditions of vessel discharge requirements specified in (b) of this section.

(b) The minimum standard terms and conditions for all discharge permits authorized under this provision require that the owner or operator

(1) may not discharge untreated sewage, treated sewage, graywater, or other wastewaters in a manner that violates any applicable effluent limits or standards under state or federal law, including Alaska Water Quality Standards governing pollution at the point of discharge;

(2) shall maintain records and provide the reports required under AS 46.03.465(a);

(3) shall collect and test samples as required under AS 46.03.465(b) and (d) and provide the reports with respect those samples required by AS 46.03.475(c);

(4) shall report discharges in accordance with AS 46.03.475(a);

(5) shall allow the department access to the vessel at the time samples are taken under AS 46.03.465 for purposes of taking the samples or for purposes of verifying the integrity of the sampling process; and

(6) shall submit records, notices, and reports to the department in accordance with AS 46.03.475(b), (d), and (e).

* Sec. 5. AS 46.03.463 is amended to read as follows:

Sec. 46.03.463(d) is repealed.

Sec. 46.03.463(a) is repealed and reenacted to read: An owner or operator may

not discharge any treated sewage, graywater, or other wastewater from a large commercial passenger vessel into the marine waters of the state unless the owner or operator obtains a permit under AS 46.03.100 and 46.03.462, and provided that the vessel is not in an area where the discharge of treated sewage, graywater, or other wastewaters is otherwise prohibited.

Sec. 46.03.463(g) is repealed.

* Sec. 6. AS 46.03.465 is repealed and reenacted to read:

Sec. 46.03.465. Information-gathering requirements. (a) The owner or operator of a commercial passenger vessel shall maintain daily records related to the period of operation while in the state, detailing the dates, times, and locations, and the volumes and flow rates of any discharges of sewage, graywater, or other waster into the marine waters of the state, provide electronic copies of such records on a monthly basis to the department no later than five days after each calendar month of operation in state waters.

(b) While a commercial passenger vessel is present in the marine waters of the state, the owner or operator of the vessel shall provide an hourly report of the vessel's location based on Global Positioning System technology and collect routine samples of the vessel's treated sewage, graywater, and other wastewaters being discharged into marine waters of the state with a sampling technique approved by the department.

(c) While a commercial passenger vessel is present in the marine waters of the state, the department, or an independent contractor retained by the department, may collect additional samples of the vessel's treated sewage, graywater, and other wastewaters being discharged into the marine waters of the state.

(d) The owner or operator of a vessel required to collect samples under (b) of this section shall ensure that all sampling techniques and frequency of sampling events are approved by the department in a manner sufficient to ensure demonstration of compliance with all discharge requirements under AS 46.03.462.

(e) The owner or operator of a commercial passenger vessel shall pay for all reporting, sampling, and testing of samples under this section.

(f) If the owner or operator of a commercial passenger vessel has, when complying with another state of federal law that requires substantially equivalent

information required under (a), (b), or (d) of this section, the owner or operator shall be considered to be in compliance with that subsection so long as the information is also provided to the department.

* Sec. 7. AS 46.03 is amended by adding new sections to read:

Sec. 46.03.476. Ocean Rangers. (a) An owner or operator of a large commercial passenger vessel entering the marine waters of the state is required to have a marine engineer licensed by the United States Coast Guard hired or retained by the department on board the vessel to act as an independent observer for the purpose of monitoring state and federal requirements pertaining to marine discharge and pollution requirements and to insure that passengers, crew, and residents at ports are protected from improper sanitation, health, and safety practices.

(b) The licensed marine engineer shall monitor, observe, and record data and information related to the engineering, sanitation, and health related operations of the vessel, including but not limited to registration, reporting, record-keeping, and discharge functions required by state and federal law.

(c) Any information recorded or gathered by the licensed marine engineer shall be promptly conveyed to the Alaska Department of Environmental Conservation and the United States Coast Guard on a form or in a manner approved by the commissioner of environmental conservation. The commissioner may share information gathered with other state and federal agencies.

Sec. 46.03.481. Citizens' suits. (a) Any citizen of the State of Alaska may commence a civil action (1) against an owner or operator of a large passenger vessel alleged to have violated any provision of this chapter, or (2) against the department where there is an alleged failure to perform any act or duty under this chapter which is not discretionary. No civil action may be commenced under this section, however, prior to 45 days after the plaintiff has provided written notice of the intent to sue to the Attorney General of Alaska.

(b) Subject to appropriation, as necessary, up to 50 percent and not less than 25 percent of any fines, penalties, or other funds recovered as a result of enforcement of this chapter shall be paid to the person or entity, other than the defendant, providing information sufficient to commence an investigation and enforcement of this chapter

under this provision.

* Sec. 8. AS 46.03.480 is amended as follows:

Sec. 46.03.480 is amended by adding a new subsection to read:

(d) An additional fee in the amount of $4 per berth, is imposed on all large commercial passenger vessels, other than vessels operated by the state, for the purpose of operating the Ocean Ranger program established in AS 46.03.476; said program shall be subject to legislative appropriation.

Sec. 46.03.480(d) shall be repealed and reenacted as AS 46.03.480(e).

* Sec. 9. AS 46.03.760 is amended as follows:

Sec. 46.03.760 is amended by adding a new subsection to read:

(f) An owner, agent, employee, or operator of a commercial passenger vessel, as defined in AS 43.52.095, who falsifies a registration or report required by AS 46.03.460 or 46.03.475 or who violates or causes or permits to be violated a provision of AS 46.03.250 - 46.03.314, 46.03.460 - 46.03.490, AS 46.14, or a regulation, a lawful order of the department, or a permit, approval, or acceptance, or term or condition of a permit, approval, or acceptance issued under AS 46.03.250 - 46.03.314, 46.03.460 - 46.03.490, or AS 46.14 is liable, in a civil action, to the state for a sum to be assessed by the court of not less than $5,000 nor more than $100,000 for the initial violation, nor more than $10,000 for each day after that on which the violation continues, and that shall reflect, when applicable,

(1) reasonable compensation in the nature of liquidated damages for any adverse environmental effects caused by the violation, that shall be determined by the court according to the toxicity, degradability, and dispersal characteristics of the substance discharged, the sensitivity of the receiving environment, and the degree to which the discharge degrades existing environmental quality; for a violation relating to AS 46.14, the court, in making its determination under this paragraph, shall also consider the degree to which the discharge causes harm to persons or property; this paragraph may not be construed to limit the right of parties other than the state to recover for personal injuries or damage to their property;

(2) reasonable costs incurred by the state in detection, investigation, and attempted correction of the violation;

(3) the economic savings realized by the person in not complying with the requirement for which a violation is charged; and

(4) the need for an enhanced civil penalty to deter future noncompliance.

Sec. 46.03.760(f) shall be repealed and reenacted as AS 46.03.760(g).

* **Sec. 10.** AS 45.50.474 is repealed and reenacted to read:

Sec. 45.50.474. Required disclosures in promotions and shoreside sales on board cruise ships. (a) A person may not conduct a promotion on board a cruise ship that mentions or features a business in a state port that has paid something of value for the purpose of having the business mentioned, featured, or otherwise promoted, unless the person conducting the promotion clearly and fully discloses orally and in all written materials used in the promotion that the featured businesses have paid to be included in the promotion. All such written notice of disclosure shall be in a type not less than 14-point typeface and in a contrasting color calculated to draw attention to the disclosure.

(b) A person or other entity aboard a cruise ship conducting or making a sale of tours, flightseeing operations, or other shoreside activities to be delivered by a vendor or other entity at a future port of call shall disclose, both orally and in writing, the amount of commission or percentage of the total sale retained or returned to the person making the sale. The person or entity aboard a cruise ship making or attempting to make a sale of services or goods provided by a shoreside vendor shall disclose the address and telephone number of the shoreside vendor if asked by a consumer. All such written notice of disclosure shall be in a type not less than 14-point typeface and in a contrasting color calculated to draw attention to the disclosure.

(c) Each violation of this section constitutes an unfair trade practice under AS 45.50.471, and shall result in a penalty of not more than $100 for each violation. In this section, "cruise ship" means a ship that operates at least 48 hours in length for ticketed passengers, provides overnight accommodations and meals for at least 250 passengers, is operated by an authorized cruise ship operator, and is certified under the International Convention for the Safety of Life at Sea or otherwise certified by the United States Coast Guard.

* Sec. 11. The uncodified law of the State of Alaska is amended by adding a new section to read:

SEVERABILITY. It is the intention of the people of Alaska that any portion of this legislation that is declared unlawful shall be stricken in a manner that preserves the remaining portion of the remaining legislation to the maximum extent possible.

* Sec. 12. EFFECTIVE DATE. This Act takes effect 90 days after enactment.

The Alaska Statutes - 2006

Sec. 46.03.462. Terms and conditions of discharge permits.

(a) An owner or operator may not discharge any treated sewage, graywater, or other wastewater from a large commercial passenger vessel into the marine waters of the state unless the owner or operator obtains a permit under AS 46.03.100 , which shall comply with the terms and conditions of vessel discharge requirements specified in (b) of this section.

(b) The minimum standard terms and conditions for all discharge permits authorized under this section require that the owner or operator

(1) may not discharge untreated sewage, treated sewage, graywater, or other wastewaters in a manner that violates any applicable effluent limits or standards under state or federal law, including Alaska Water Quality Standards governing pollution at the point of discharge;

(2) shall maintain records and provide the reports required under AS 46.03.465(a);

(3) shall collect and test samples as required under AS 46.03.465 (b) and (d) and provide the reports with respect those samples required by AS 46.03.475 (c);

(4) shall report discharges in accordance with AS 46.03.475 (a);

(5) shall allow the department access to the vessel at the time samples are taken under AS 46.03.465 for purposes of taking the samples or for purposes of verifying the integrity of the sampling process; and

(6) shall submit records, notices, and reports to the department in accordance with AS 46.03.475 (b), (d), and (e).

TEMSCO
HELICOPTERS, INC.
P.O. BOX 5057 • KETCHIKAN ALASKA 99901-0057

KETCHIKAN: (907) 225-5141
FAX: (907) 225-2340
PETERSBURG: (907) 772-4760
SKAGWAY: (907) 983-2909
JUNEAU: (907) 789-9501

February 18, 2009

RECEIVED
FEB 18 2009

Senator Bert Stedman
P.O. Box 110001
Capitol Building, Room 516
Juneau, AK 99811-0001

Dear Senator Stedman:

Thank you for your support of the Cruise Line Industry in our state. The continued growth and sustainability of the Cruise Industry is important to us as a business and to the community that we live in.

The proposed changes to the wording that HB 134 addresses will allow ADEC to use science for determining safe discharge limits. The people and business that will be hurt by this permitting process is Alaskan's. The language that is now in the initiative may cause a decrease in port times and that will have an adverse impact on our business and many other businesses not only in our community but throughout the state.

I do not think the intention of the initiate nor of Alaskans was to cause one industry to be treated less favorably than another nor to have discharge limits that not even Alaska communities are held accountable to or could meet for "End-of-pipe" effluent limits.

I ask for your continued efforts and support as this bill moves through the legislative process.

Respectfully,

Joe Hicks, General Manager

cc: House of Representatives
Senate
Governor's Office

2807

RECEIVED
FEB 18 2009

NorthStar Trekking
1910 Renshaw Wy. Juneau. Alaska • Phone 907 790-4530

February 17, 2009

Representative Cathy Munoz
P.O. Box 110001
Capitol Building, Room 409
Juneau, AK 99811-0001

Dear Representative Munoz:

Thank you for your support of HB 134 and the work that you did to introduce the bill in Committee. The continued growth and sustainability of the Cruise Industry is important to our business and the well being of our employees.

The proposed changes to the wording that HB 134 addresses will allow ADEC to use science for determining safe discharge limits. The original language in the initiative may cause a decrease in port times and that will have an adverse impact on our business as we rely on the current port times so that our guests are able to fully enjoy the product we offer. Should the proposed language in HB 134 not get passed through the legislature then ships will have to travel outside of Alaskan Waters to discharge waste and this will most likely affect businesses and local revenues.

I do not think the intention of the initiate nor of Alaskans was to cause one industry to be treated less favorably than another nor to have set limits that not even Alaska communities are held accountable to.

We encourage a vote in favor of the bill and thank you again for your support.

Respectfully,

Craig Jennison

Craig Jennison, General Manager

cc: House of Representatives
Senate
Governor's Office

cc Darwin
Weston

Ketchikan Dock Company
1429 Tongass Avenue, Ketchikan, AK 99901 Phone: 907.225.0999 Fax: 907.247.6042

February 17, 2009

Senator Bert Stedman
P.O. Box 110001
Capitol Building, Room 516
Juneau, AK 99811-0001

Dear Senator Stedman:

Thank you for your continued support of our visitor industry and specifically the cruise line industry. The continued growth and sustainability of the Cruise Industry is important to us as a business and to the community that we live in.

The wording that HB 134 proposes changing gives ADEC back the authority to do their job and corrects the error in the Initiatives original wording. As a business that provides water hook-ups for the vessels while in our port, it is shocking that the water we sell the Cruise Ships under the original Initiative would be illegal for the lines to discharge in Alaska waters.

Thank you again for your support.

Respectfully,

Ethan Berto, President

cc: Senate and Governors Office

2009-02-17-16-45-51

cc Darwin
Weston

Amak Towing Company, Inc.
1429 Tongass Avenue, P.O. Box 8080,
Ketchikan, Alaska 99901 Phone 907 225-8847

February 17, 2009

Senator Bert Stedman
P.O. Box 110001
Capitol Building, Room 516
Juneau, AK 99811-0001

Dear Senator Stedman:

Thank you for your long standing and continued support of the Cruise Line Industry. I am asking you to continue to support the language that is in HB 134 as the bill moves through committees and comes before the Senate. As the manager of a business that deals with regulations I would hope that we as a State do not discourage nor treat one industry different from others when applying for discharge permits.

The language that HB 134 addresses changing from the original initiative is what I believe the voters understood they were passing in 2006. I do not believe that any Alaskan resident had the intention to treat the Cruise Industry any less favorably than other communities or industries.

I ask that you work diligently to see that the language changes offered in this bill are moved forward through the full legislature.

Respectfully,

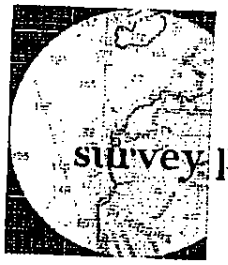
John A. Thompson, General Manager

cc: Senate
Governor's Office

2810

2009-02-17-16-45-27

cc Weston
Darwin



survey point holdings
incorporated
P.O. Box 8080, KETCHIKAN, AK 99901 ♦ 907.247.6157 PHONE 907.225.8254 FAX

February 17, 2009

Senator Bert Stedman
P.O. Box 110001
Capitol Building, Room 516
Juneau, AK 99811-0001

Dear Senator Stedman:

Thank you for your continued support of our visitor industry and specifically the cruise line industry. HB 134 is important to well-being of this company and the people that work for us.

The wording that HB 134 proposes to change will have a positive and long term impact on the coastal communities and all of Alaska. Thank you for recognizing that we have no legitimate basis for treating cruise ships less favorably than other communities or industries seeking discharge permits.

Thank you again for your support.

Respectfully,

Bob Berto, President

CC: SENATE AND GOVERNORS OFFICE

2009-02-17-16-44-58

RECEIVED
APR 13 2009

Re: HB134

Hi, my name is Geraldine Ann Gray. I currently live in Juneau, Alaska. I grew up between Sitka, Mt. Edgecumbe, Hoonah & Metlakatla, Alaska. I am so very fortunate to have family in all these towns as well as Angoon and Yakutat.

My family on both sides have gathered our traditional foods from time immemorial. Our foods are as much a part of our culture today as they have been for our ancestors. We gather most of it from the ocean/sea.

I urge the committee to amend HB134 Section (e) in 3-5 years.
A deadline of 3-5 years is reasonable, realistic and absolutely necessary.
A deadline is the only incentive for compliance.
PROTECT our traditional food gathering areas and our fisheries from the many chemicals and heavy metals in cruise ship waste water.

Only God and the one who is "dumping" the waste water **and** chemicals know what is exactly being put into our precious waters. This is not even taking into consideration what is washing ashore onto our plant life and our deer are eating.

I would personally like to know (I am sure I am not the only one) on how and when the cruise ship/other large ships dumping of the **chemicals and waste waters** correlate to when we started losing so many to cancers and other illnesses. It has been on the rise more and more from Metlakatla to Yakutat.

Thank you for your time.

Geraldine Ann Gray
4304 Taku Court
Juneau, Alaska

BUSINESS COMPUTER SYSTEMS INC.
P.O. BOX 7856
KETCHIKAN, AK 99901

cc Weston
Darwin

February 18, 2009

RECEIVED
FEB 19 2009

Representative Kyle Johansen
P.O. Box 110001
Capitol Building, Room 204
Juneau, AK 99811-0001

Dear Representative Johansen:

Thank you for the work you did on HB 134 and your long standing and continued support for the Cruise Line Industry. As the manager of a local business my clients and as a result myself depend on the continued vitality of the Cruise Industry.

If the language of the initiative that states "end-of-pipe" effluent limits that the voters passed in 2006 is not changed and I believe was not intended; then the communities of Alaska may suffer from shorter port times which could result in a loss of business to my self and others directly and indirectly dependant upon the Cruise Industry. I do not believe that the intention of the bill was to treat one industry less favorably than others when applying for discharge permits.

I encourage the committee to vote in favor of this bill.

Respectfully,

Mike Lyshol, General Manager

cc: House of Representatives

2009-02-19_10-10-29

2813

cc Weston
Darwin

RECEIVED
FEB 19 2009

SOUTH TONGASS SERVICE

2.5 Miles South Tongass Highway
P.O. Box 8080
Ketchikan, AK 99901

Phone 907.225.6697
Fax 907.225.6693

Representative Kyle Johansen
P.O. Box 110001
Capitol Building, Room 204
Juneau, AK 99811-0001

Dear Representative Johansen:

Thank you for the work you did on HB 134 and your long standing and continued support for the Cruise Line Industry. As the manager of a local business my clients and as a result myself depend on the continued vitality of the Cruise Industry.

If the language of the initiative that states "end-of-pipe" effluent limits that the voters passed in 2006 is not changed and I believe was not intended; then the communities of Alaska may suffer from shorter port times which could result in a loss of business to my self and others directly and indirectly dependant upon the Cruise Industry. I do not believe that the intention of the bill was to treat one industry less favorably than others when applying for discharge permits.

I encourage the committee to vote in favor of this bill.

Respectfully,

Mike Lyshol, General Manager

cc: House of Representatives

2009_02_19_10_10_57

RECEIVED
FEB 18 2009

RECEIVED
FEB 19 2009

February 18, 2009

Senator Bert Stedman
P.O. Box 110001
Capitol Building, Room 516
Juneau, AK 99811-0001

Dear Senator Stedman:

Thank you for your continued support of the states visitor industry. The continued growth and sustainability of all tourism is important to us as a business and to the communities that we live in. Our company is in strong support of the language changes supported by HB 134, we think that this is what Alaskan's originally thought the initiative said.

I do not believe that the intention of the Initiative or Alaskans was to treat one industry less favorably than others when applying for discharge permits. An industry doing business in Alaska should not be held to standards that we as individual communities can not meet ourselves. By correcting the wording in the original bill DEC will have the tools to use the best available science, as they do with all industries in Alaska, for establishing safe discharge limits that will continue to protect Alaska's clean water.

I encourage all of you to support this bill.

Respectfully,

Debbie Azure
Yacht Services of Alaska

cc: Senate
Governor's Office

Yacht Services of Alaska P.O Box 7955 Ketchikan, AK 99901 (907) 225-2200 fax (907) 2225-9254

RECEIVED
FEB 19 2009

P.O. Box 102019•Anchorage•Alaska•Ph 907 272-7536

February 18, 2009

Honorable Bob Lynn
House of Representatives
P.O. Box 110001
Capitol Building, Room 104
Juneau, AK 99811-0001

Dear Representative Lynn:

I would like to ask for your support of the language changes proposed in HB 134 and to vote yes. Our company works closely with the Cruise Lines handling the Stevedoring work and providing heavy equipment needs they may have. Many of Alaska's communities depend on the job opportunities that the Cruise Industry has afforded us; a yes vote to remove those five words "at the point of discharge" from the original Initiative will go a long ways in showing support for continued investment by the Cruise Lines in our State.

I do not believe that the intention of the Initiative or Alaskans was to treat one industry less favorably than others when applying for discharge permits. An industry doing business in Alaska should not be held to standards that we as individual communities can not meet ourselves. By correcting the wording in the original bill DEC will have the tools to use the best available science, as they do with all industries in Alaska, for establishing safe discharge limits that will continue to protect Alaska's clean water.

I encourage you to support this bill for the benefit of all Alaskans.

Respectfully,

Bob Berto, Director

cc: House of Representatives
Senate
Governor's Office

2816

RECEIVED
FEB 19 2009

NEPTUNE Security Services
4341 B Street, Suite 101•Anchorage•AK•99503
Phone 907-562-8808

February 18, 2009

Honorable Bob Lynn
House of Representatives
P.O. Box 110001
Capitol Building, Room 104
Juneau, AK 99811-0001

Dear Representative Lynn:

I would like to ask for your support of the language changes to the Initiative passed in 2006 that are proposed in HB 134 and to vote yes. Our company handles all of the baggage screening and security needs in both Whittier and Seward for the Cruise Lines. The Initiative that was passed in 2006 contains language that could have long term negative effects on the sustainability of the Cruise Industry and consequently our company.

I do not believe that the intention of the Initiative or Alaskans was to treat one industry less favorably than others when applying for discharge permits. An industry doing business in Alaska should not be held to standards that we as individual communities can not meet ourselves. By correcting the wording in the original bill DEC will have the tools to use the best available science, as they do with all industries in Alaska, for establishing safe discharge limits that will continue to protect Alaska's clean water.

I encourage you to support this bill for the benefit of all Alaskans.

Respectfully,

Bob Berto, Director

cc: House of Representatives
Senate
Governor's Office

HB 141

<target><bill>HB 141</bill><subject>HB 141</subject><comm>SFIN26</comm></target>

ALASKA STATE HOUSE OF REPRESENTATIVES

Contact:
Interim Address:
3340 Badger Road
North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271

Session

(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 214

REPRESENTATIVE JOHN COGHILL

Sponsor Statement
HB 141

"An Act relating to the Interstate Compact for Juveniles; relating to the State Council for Interstate Adult Offender Supervision; amending Rules 4 and 24, Alaska Rules of Civil Procedure; and providing for an effective date."

This bill would enact the new Interstate Compact for Juveniles into law. This would replace the old compact which was created in 1955. The purpose of the Compact is to ensure the supervision of juvenile offenders and the return of runaways, escapees and absconders. The Compact provides the procedural means to regulate the movement of juveniles who are under court supervision across state lines. The Association of Compact Administrators estimates that the Interstate Compact on Juveniles is used in 20,000 to 30,000 transfer and supervision cases annually.

The new Compact ensures that all states will have identical language in their statutes which would help with compliance issues. The new Compact provides procedures for enforcement which the old Compact lacked. The Interstate Compact for Juveniles also provides for the collection of standardized information and information sharing systems.

This is a chance for the states to have the means to deal with state problems and enforce state solutions without having any federal intervention. 35 states have already passed this compact. If Alaska chooses not to enact this Compact the state would have to deal with every other state on a case-by-case basis which would cost the state more money than it would cost to implement the Compact.

The compact provides for the safety of the juvenile offender and the state as a whole. The importance of this compact cannot be overstated. This legislation is necessary to ensure the public safety and security of Alaskans. It will help ensure that Alaska receives notification about juveniles who are relocated or traveling to Alaska before they arrive here, and will expedite Alaska's ability to send juveniles from here to other jurisdictions.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/16/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 141

HB 141 COMPACT FOR JUVENILES; INTERSTATE COUNCIL

"An Act relating to the Interstate Compact for Juveniles; relating to the State Council for Interstate Adult and Juvenile Offender Supervision; amending Rules 4 and 24(b), Alaska Rules of Civil Procedure; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DHS	3/4/09	✓			1
COR	3/24/09			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	OLSON	✓			
	ELLIS	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	STEDMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 141
(H) Publish Date: 3/23/09

Identifier (file name): HB141-DHSS-PS-03-04-09
Dept. Affected: Health & Social Services
Title: Compact for Juveniles: Interstate Council
RDU: Juvenile Justice
Component: Probation Services
Sponsor: Coghill
Requester: House HSS
Component Number: 2134

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services							
Travel	13.0		13.0	13.0	13.0	13.0	13.0
Contractual	27.0		27.0	27.0	27.0	27.0	27.0
Supplies	5.0		5.0	5.0	5.0	5.0	5.0
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**45.0**	**0.0**	**45.0**	**45.0**	**45.0**	**45.0**	**45.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	45.0		45.0	45.0	45.0	45.0	45.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**45.0**	**0.0**	**45.0**	**45.0**	**45.0**	**45.0**	**45.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Since 1960, the Interstate Compact on Juveniles has provided states, including Alaska, with the procedural means to regulate the movement of court-supervised juveniles across state lines. Approximately 160 juveniles under the supervision of the Department of Health and Social Services leave or enter Alaska each year. This bill would place a new, extensively revised compact into Alaska statute replacing the current compact. The new compact seeks to correct deficiencies in the existing compact that have been identified at the national level with regard to administration, rules, enforcement procedures, financial management, communications and data sharing.

(continued on next page)

Prepared by: Stephen F. McComb
Phone 907-261-4335
Division: Juvenile Justice
Date/Time 3/2/09 12:00 AM

Approved by: Alison Elgee, Assistant Commissioner
Date 3/4/2009
DHSS Finance & Management Services

FISCAL NOTE #1

STATE OF ALASKA **BILL NO.** HB 141

2009 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Participation in the new compact requires that the state council implement and oversee compact functions. However, because some of the membership requirements for the juvenile compact council are the same as those required for the Alaska State Council for Interstate Adult Offender Supervision, the state intends to have a single state council oversee both compacts. Combining the two responsibilities under the authority of a single council will save the state the effort and duplication of creating and managing two councils with similar functions.

Being part of the new compact will create additional costs to the division. Costs include the following:

$13.0 Travel associated with membership participation, including travel to required meetings by staff
$27.0 Membership Dues, teleconferences, overhead costs that include chargeback, etc.
$ 5.0 Supplies for staff and required meetings

Dues to participate in the current compact are $400 per year. Dues to participate in the new compact are expected to be $14,000 per year.

The cost estimates for the participation in the state council only reflect those anticipated for the operations for the juvenile justice compact and do not include operational and other costs associated with the ongoing adult council activities. The existing adult council has not had in-person meetings for several years, and at least initially the division anticipates that such meetings will be necessary to address the added juvenile justice functions. The travel costs reflected in this fiscal note are again only intended to portray the costs for the juvenile compact activities. The travel costs also reflect the intent that council members represent all areas of the state.

A possible one-time additional cost to the division may also be incurred by adoption of this bill. The new compact will require use of a national database management system that may need to communicate with the division's MIS. The national system is still under development. Without knowing when the new system will be available, or how difficult it will be to link the two systems, we are not prepared to estimate a cost at this time. The division may need to make a specific request to meet this cost at some point in the future.

In addition, the division will be monitoring the amount of additional staff time required to participate in the new compact. At some point an increment request may be needed to fund a position if absorption of these duties is too challenging for our existing staff. The division needs to ensure we do not hamper our ability to research, apply for, and successfully win grants, such as the federal Re-Entry and Gang Prevention grants that have been invaluable in improving public safety and helping the state monitor and improve its response to gang issues. If the increase in workload forces staff to spend less time involved in the management of existing programs (these include the federal Juvenile Justice and Delinquency Prevention Formula Program, the Enforcing Underage Drinking Laws program, Title V, Juvenile Accountability Block Grants, Bureau of Justice Assistance grant management, and Youth Court earmark) current federal funding that the division receives could be at risk.

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 141
(H) Publish Date: 3/30/09

Identifier (file name): HB141-DOC-OC-3-24-09
Dept. Affected: DOC
Title "An Act Relating to the Interstate Compact for Juveniles"
RDU Administration & Support
Component Office of the Commissioner
Sponsor Representative Coghill
Requester Governor
Component Number 694

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: **0.0**

POSITIONS

Full-time							
Part-time							
Temporary							

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

Passage of this legislation should not have a significant impact on the Department of Corrections.

Prepared by: Leslie Houston, Director
Phone 465-3339
Division Administrative Services Division
Date/Time 3/24/2009 1535
Approved by: Dwayne Peeples, Deputy Commissioner
Date 3/24/2009
Office of the Commissioner

(Revised 9/10/2008 OMB)

2823

ALASKA STATE HOUSE OF REPRESENTATIVES

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North Pole, AK 99705
(907)-488-5725
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Session

(907)-465-3719
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State Capitol
Room 214

REPRESENTATIVE JOHN COGHILL

SECTIONAL

HB 141

"An Act relating to the Interstate Compact for Juveniles; relating to the State Council for Interstate Adult and Juvenile Offender Supervision; amending Rules 4 and 24(b), Alaska Rules of Civil Procedure; and providing for an effective date."

Section 1: AS 33.36.140 State Council:

(a) Adds the words **and Juvenile** to the State Council for Interstate Offender Supervision. Adds a reference to the repealed and reenacted statute AS 47.15.010.

Section 2: AS 33.36.140

(b) changes the number of council members from seven to **nine**.

(6) adds the position of **the commissioner of health and social services** and provides that the commissioner may appoint a designee to serve in his/her capacity.

(7) adds the position of the **compact administrator appointed under AS 47.15.020**.

Section 3: AS 44.21.410(a)

(a) (5) deletes the word [UNIFORM], adds the word **for** and deletes the word [ON] in order to change the name of the Compact to the Interstate Compact for Juveniles.

Section 4: AS 47.15.010

The Execution of interstate compact is repealed and reenacted.

Section 5: AS 47.15.020

Changes the designator of the compact administrator from the Governor to the commissioner of health and social services and adds a comma to ensure proper grammar.

Section 6: AS 47.15

Adds a new section: AS 47.15.025 which designates the State Council for Interstate Adult and Juvenile Offender Supervision to serve as the state council under AS 47.15.010.

Section 7: AS 47.15

Adds a new section: AS 47.15.035 which allows the Department of Health and Social Services to adopt regulations to implement the provisions of this chapter.

Section 8: AS 47.15.070

Cleanup of section for clarity.

Section 9: AS 47.15.080

States that the short title of this chapter may be cited as the Interstate Compact for Juveniles.

Section 10: AS 47.15.050

Appointment of attorney or guardian provision is covered in AS 47.12.090.

Section 11: The uncodified law of the State of Alaska is amended by adding a new section:

(1) Changes the name of the Compact to the Interstate Compact for Juveniles in Rule 4 in Alaska Rules of Civil Procedure.

(2) Changes the name of the Compact to the Interstate Compact for Juveniles in Rule 24(b) in the Alaska Rules of Civil Procedure.

Section 12: The uncodified law of the State of Alaska is amended by adding a new section: This section applies the old Compact to the states who do not opt to join the new Compact.

Section 13: The uncodified law of the State of Alaska is amended by adding a new section: Court rule changes only take effect if it is approved by 2/3 of the majority of each house.

Section 14: The uncodified law of the State of Alaska is amended by adding a new section: The Compact takes effect only if at least 34 other states ratify the Interstate Compact for Juveniles.

Section 15: Setting the effective date as either the day after the date on which the commissioner of health and social services or the commissioner's designee notifies the revisor of statutes that at least 34 other states have ratified the new Compact or July 1, 2009 whichever is later.

Interstate Compact for Juveniles
State Legislative Status

Update February 26, 2009

State	Bill	Primary Sponsor	Status
Alabama			Signed into law, 4/22/04
Alaska	**HB 141**	**Coghill**	**Intro'd & ref'd Jud & H&SS, 2/23**
Arizona			Signed into law, 4/30/03
Arkansas			Signed into law, 4/6/05
California			
Colorado			Signed into law, 4/26/04
Connecticut			Signed into law, 6/18/03
Delaware			Signed into law, 7/8/03
Florida			Signed into law, 5/26/05
Georgia			
Hawaii	**HB297 / SB109**	**Say / Hanabusa**	**Rec pass w. Amnds 2/10 / Ref'd to Ways & Means 2/13**
Idaho			Signed into law, 3/19/04
Illinois			Signed into law, 8/26/08
Indiana			
Iowa			
Kansas			Signed into law, 3/29/04
Kentucky			Signed into law, 3/18/05
Louisiana			Signed into law, 7/3/03
Maine			Signed into law, 6/25/03
Maryland			Signed into law, 5/17/07
Massachusetts	*SB 2187*	*Sen. McGee*	*Passed S; H ref'd to Ways & Means 7/1/08*
Michigan			Signed into law, 7/11/03
Minnesota			
Mississippi	**HB465 / HB759 / SB2595**	**Holland / Hines / Hyde-Smith**	**S Jud DO PASS 2/24 / Died in Comm 2/03 / H ref'd to Jud 2/09**
Missouri			Signed into law, 4/1/03
Montana			Signed into law, 4/1/03
Nebraska	**LB 237**	**Lathrop**	**Ref'd to Judiciary, 1/15**
Nevada			Signed into law, 5/19/05

State	Bill	Primary Sponsor	Status
New Hampshire			
New Jersey			Signed into law, 9/10/04
New Mexico			Signed into law, 3/19/03
New York			
North Carolina			Signed into law, 7/18/05
North Dakota			Signed into law, 3/13/03
Ohio			
Oklahoma			Signed into law, 4/21/04
Oregon	**SB 107**	**Senate President**	**Work session 2/26**
Pennsylvania			Signed into law, 7/2/04
Rhode Island			Signed into law, 7/10/03
South Carolina			Signd into law, 5/24/06
South Dakota			Signed into law, 2/13/04
Tennessee			Signed into law, 6/20/08
Texas			Signed into law, 6/18/05
Utah			Signed into law, 3/16/05
Vermont			
Virginia			Signed into law, 3/12/07
Washington			Signed into law, 5/9/03
West Virginia			Signed into law, 4/6/04
Wisconsin			Signed into law, 3/30/06
Wyoming			Signed into law, 3/5/04
Amer. Samoa			
Dist. of Columbia			
Guam			
N. Mariana Is.			
Puerto Rico			
U.S. Virgin Is.			

RESOLUTION OF THE
AMERICAN PROBATION AND PAROLE ASSOCIATION

"Interstate Compact for Juveniles"

Whereas, The Interstate Compact on Juveniles was established in 1955 and is the primary compact addressing the needs of juveniles within the justice system who move between states and has not been sufficiently amended in its 47-year existence; and

Whereas, This compact is the only vehicle for the controlled movement of juveniles released from custody or on probation across state lines; and

Whereas, The complexities of the compact have become more difficult to administer, and many jurisdictions have expanded supervision expectations to include currently unregulated practices such as victim input, victim notification requirements and sex offender registration; and

Whereas, After national surveys and a detailed study by a task force appointed by the Office of Juvenile Justice and Delinquency Prevention, the overwhelming recommendation has been to amend the document to bring about an effective management capacity that addresses public safety concerns, offender accountability and effective treatment needs.

BE IT THEREFORE RESOLVED, That the Board of Directors of the American Probation and Parole Association hereby endorses and recommends adoption of the amended and newly titled Interstate Compact for Juveniles by the 50 states and affected territories of the United States of America.

January 5, 2003

CSG GOVERNING BOARD/EXECUTIVE COMMITTEE

RESOLUTION ON

THE INTERSTATE COMPACT FOR JUVENILES

WHEREAS, The Interstate Compact on Juveniles was established in 1955 and is the compact addressing the needs of juveniles within the juvenile justice system who move between states and has not been sufficiently amended in its forty-seven (47) year existence; and

WHEREAS, This compact is the only vehicle for the interstate supervision of juvenile offenders, the return of absconders and escapees, and runaways; and

WHEREAS, The complexities of the compact have become more difficult to administer, and many jurisdictions have expanded supervision and program expectations to include currently unregulated practices such as victim input and notification requirements, sex offender registration, and age related issues; and

WHEREAS, After exhaustive research and detailed study, the Office of Juvenile Justice and Delinquency Prevention and The Council of State Governments convened an Advisory Group and Drafting Team to formulate recommendations and implement changes to the compact language to better address public safety, enforcement, accountability and communication concerns.

NOW THEREFORE BE IT RESOLVED, That The Council of State Governments hereby endorses and recommends adoption of the new compact entitled, "Interstate Compact for Juveniles" by the fifty (50) states, the District of Columbia, Puerto Rico and effected territories of the United States of America.

Adopted this 8th Day of December, 2002 at the
CSG Annual State Trends and Leadership Forum
In Richmond, Virginia

Resolution of the
Association of Juvenile Compact Administrators

"Interstate Compact for Juveniles"

Whereas, The Interstate Compact on Juveniles was established in 1955 and is the compact addressing the needs of juveniles within the juvenile justice system who move between states and has not been sufficiently amended in its forty-seven (47) year existence; and

Whereas, This compact is the only vehicle for the interstate supervision of juvenile offenders, the return of absconders and escapees, and runaways; and

Whereas, The complexities of the compact have become more difficult to administer, and many jurisdictions have expanded supervision and program expectations to include currently unregulated practices such as victim input and notification requirements, sex offender registration, and age related issues; and

Whereas, After national surveys and a detailed study by a task force appointed by the Office of Juvenile Justice and Delinquency Prevention, the recommendation has been to rewrite the document to bring about an effective management capacity that addresses public safety concerns and juvenile accountability.

Be it therefore resolved, That the Association of Juvenile Compact Administrators hereby endorses and recommends adoption of the new compact entitled "Interstate Compact for Juveniles" by the fifty (50) states, the District of Columbia, and affected territories of the United States of America.

Adopted this 10th day of August, 2002.

STATE OFFICE
ALASKA PEACE OFFICERS ASSOCIATION

P.O. Box 240106 Anchorage, Alaska 99524-0106 Phone (907) 277-0515 Fax (907) 272-5355

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Wrangell
Pres. Wrangell Chapter

March 27, 2009

Representative John Coghill
House of Representatives
State Capitol
Juneau AK 99801-1182

Dear Representative Coghill:

On behalf of the Alaska Peace Officers Association (APOA), I would like to thank you for introducing HB 141, an act relating to the Interstate Compact for Juveniles; relating to the State Council for Interstate Adult and Juvenile Offender Supervision; amending Rules 4 and 24(b), Alaska Rules of Civil Procedure; and providing for an effective date.

The APOA State Board's Legislative Committee recently reviewed this proposed legislation and decided to unanimously support this bill.

We thank you for addressing this issue. Please contact the APOA office in Anchorage at 277-0515, if there is anything our organization can do to assist in the passage of this bill.

Sincerely,

Angella Long
State President

NDAA

Office of the President

National District Attorneys Association
99 Canal Center Plaza, Suite 510, Alexandria, Virginia 22314
703.549.9222 / 703.836.3195 Fax
www.ndaa-apri.org

February 19 , 2003

Mr. Daniel M. Sprague
Executive Director
The Council of State Governments
P.O. Box 11910
Lexington, KY 40578-8001

Dear Mr. Sprague:

On behalf of the Board of Directors of the National District Attorneys Association I want to offer our support for the Interstate Compact for Juveniles. Our Board unanimously voted to support your effort during our recent meeting in Texas.

As local prosecutors we have to work daily with juveniles that require the attention of our court system and we recognize the need for interstate supervision of juvenile offenders and for the return of those who have escaped, run away or fail to live up to release expectations.

We also recognize that the changes in the complexities of our society have made many of the provisions of the compact badly out dated. Ideas such as community corrections, sexual predator registrations and victims rights provisions all impact on the how states must relate to each other in dealing with criminal offenders and in this instance, juveniles.

The Board of Directors considered the importance of addressing consistent treatment of juveniles in need of both consequences and treatment. The proposed Compact language provides states with the means of accomplishing these goals.

Sincerely,

Daniel M. Alsobrooks
District Attorney General, 23rd Judicial District, Tennessee
President, National District Attorneys Association

RECEIVED NOV 0 7 2002

NATIONAL CENTER FOR MISSING & EXPLOITED CHILDREN®

Charles B. Wang International
Children's Building
699 Prince Street
Alexandria, VA 22314-3175
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Telephone 703.274.3900

Facsimile 703.274.2200

www.missingkids.com

November 1, 2002

Mr. Daniel M. Sprague
Executive Director
The Council of State Governments
Headquarters Office
P.O. Box 11910
Lexington, Kentucky 40578-8001

Dear Mr. Sprague:

The National Center for Missing & Exploited Children (NCMEC) is pleased to support the proposed Interstate Compact Initiative for Juveniles. As an organization that provides services to runaway youth and their families, we are pleased that this enhanced initiative will ensure consistent use of those policies governing the Compact.

Although, primarily designed to assist those organizations working within the juvenile justice, and social service systems, the Compact will assist NCMEC in it's work to bring children back home by providing law enforcement professionals with clear guidelines and procedures once a missing youth is recovered.

As you work to implement this initiative throughout the 50 states, please do not hesitate to let us know if we can be of further assistance in this most important venture.

Sincerely,

Ernie Allen
President & CEO
NCMEC

Branches
California
Florida
Kansas City
New York
South Carolina

National Juvenile Detention Association | NJDA

Eastern Kentucky University • 301 Perkins Building • 521 Lancaster Avenue
Richmond, Kentucky 40475-3102 • Telephone: (859) 622-6259
Fax: (859) 622-2333 • E-Mail: NJDAEKU@aol.com • Website: www.njda.com

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East Lansing, Michigan
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January 28, 2003

Chad S. Foster
Policy Analyst
The Council of State Governments
2760 Research Park Drive
PO Box 11910
Lexington, KY 40578-1910

Dear Mr. Foster:

As one of participating entities, the National Juvenile Detention Association (NJDA) has been actively involved in the review and update of the Interstate Compact or Juveniles, originally established in 1955. The two-year effort to modernize the Compact has been thorough and comprehensive and has engaged the efforts of many practitioners from the juvenile justice field. The process addressed a multiplicity of issues regarding the Compact that have been identified as problematic or outdated in an effort to develop a document that meets the current needs of stakeholders in the signatory states.

The nation's detention centers deal with the Contract frequently as the entities responsible for housing juveniles found to be in violation of placement agreements or of state laws in the receiving states. The proposed modifications to the Compact should address many of the issues that have created problems for detention centers and will offer assistance to them in dealing with both sending and receiving states.

As the association serving juvenile detention nationally, NJDA supports the proposed changes to the Compact. The changes are designed to address the needs of the states, of the agencies within the states, and of the public in ensuring that placement agreements are complied with and community safety is ensured.

We are happy to offer assistance to you in your efforts to achieve adoption of the revised Interstate Compact for Juveniles.

Sincerely,

Earl L. Dunlap

Earl L. Dunlap, Executive Director
National Juvenile Detention Association

cc: file
Executive Committee

AJJAC

ALASKA JUVENILE JUSTICE ADVISORY COMMITTEE

Alaska Juvenile Justice Advisory Committee
P.O. Box 110635
Juneau, AK 99811-0635
Phone: (907) 465-3855
Fax: (907) 465-2333

Carol Brenckle
Chair
502 Hemlock
Kenai, AK 99611
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Barbara Tyndall
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Larry LeDoux
Judy Norton-Bedge
Laura Ogan
Michael Reed
Samantha Wheaton
Tina Woods

March 4, 2009

Alaska Legislature
Alaska State Capitol
Juneau, AK 99801

Dear Legislators:

The Alaska Juvenile Justice Advisory Committee (AJJAC) held an in-person meeting in Juneau on March 2-3, 2009. At the meeting Division of Juvenile Justice (DJJ) presented information on HB 141, which included the benefits of passing this legislation as well as the potential public safety issues if HB 141 does not pass.

After discussion, the AJJAC voted unanimously on March 2, 2009 to support HB 141, the Interstate Compact for Juveniles.

Please feel free to contact me if you have any questions.

Sincerely,

Carol Brenckle
AJJAC Chair

STATE OF ALASKA

DEPARTMENT. OF HEALTH AND SOCIAL SERVICES
DIVISION OF JUVENILE JUSTICE

Sarah Palin, GOVERNOR

P.O. BOX 110635
JUNEAU, ALASKA 99811-0635
PHONE: (907) 465-1382
FAX (907) 465-2333

April 1, 2009

The Honorable Jay Ramras
Chair, House Judiciary Committee
Alaska State Legislature
Alaska State Capitol
Juneau, AK 99811

Dear Representative Ramras:

In the House Judiciary Committee hearing held on March 27, 2009, Representative Max Gruenberg asked the following questions about House Bill 141 (Interstate Compact for Juveniles):

- When did the first state adopt the new Interstate Compact for Juveniles?

We contacted Keith Scott, Director of the National Center for Interstate Compacts at the Council of State Governments, to answer this question; he reported that the first state to adopt the new Compact did so in March 2003 (North Dakota). The 35th state to adopt the Compact, Illinois, did so in August 2008. Adoption of the Compact by 35 states placed the Compact into "active" status, meaning that participating states are now developing the new rules that will govern interstate travel by juveniles. With the 35th state enacting the Compact, the first Interstate Commission meeting was held in December 2008. States that have not enacted the new Compact by December 2009 will not be able to transfer juveniles to and from states operating under the new Compact at that time, and will be required to develop individualized Memoranda of Agreement to transfer juveniles to and from those states.

- What are Hawaii's amendments to its bill on the Interstate Compact for Juveniles, noted in the materials provided by Rep. Coghill's office?

To answer this question we contacted Hawai's juvenile compact administrator. She stated that Hawaii is currently considering two changes to the Compact:

1.) In Article III, subsection (h)(7), deleting the phrase "regulated person or entity" and replacing it with the word "juvenile." The Hawaiian compact administrator said they believed the phrase "regulated person or entity" to be confusing.

2.) In Article VI of the Compact (found in Section 4 of Alaska's HB 141), deleting section (f), which reads: "The existing rules governing the operation of the Interstate Compact on Juveniles shall be null and void 12 months after the first meeting of the Interstate Commission created under this compact." The Hawaiian compact administrator said they made this change to ensure that Hawaii could continue to work with states that have adopted the new compact as well as states that continue to operate under the old compact.

We consulted with Jan Rutherdale and Deborah Behr at the Department of Law on these issues. Our two agencies agree that Hawaii's amendments are not needed in Alaska's bill and would only complicate what is intended to be a nationally uniform document. In the first case, we do not believe the term used in the Compact, "regulated person or entity," is confusing. It clearly refers to the individuals subject to the compact. In the second case, we believe Alaska's ability to work with other states, including those that do not adopt the new compact, is ensured in Section 12 of Alaska's HB 141, which reads:

> The Department of Health and Social Services may continue to implement the provisions of former AS 47.15.010 (the old Interstate Compact on Juveniles), as it read on the day before the effective date of this Act, to certain states that are compacting states to the Uniform Interstate Compact on Juveniles, but have not yet enacted the Interstate Compact for Juveniles, set out in AS 47.15.010, as repealed and reenacted by sec. 4 of this Act, or a substantially similar form of that compact.

- Have other states made amendents to the Compact?

To answer this question we contacted the Keith Scott, Director of the National Center for Interstate Compacts at the Council of State Governments. We asked Mr. Scott if he could provide a list of other states' amendments to the Interstate Compact for Juveniles. Mr. Scott said no such list has been assembled by the Council. While he has received occasional inquiries and provided feedback on potential amendments on the Compact from various states, he has not maintained a list of these inquiries and does not know which, if any, of these potential amendments have been adopted. To fully answer this question therefore would require us to contact individual states and review their legislation that enacted the Interstate Compact for Juveniles.

At the request of Acting Chair Nancy Dahlstrom we are sending a copy of this response to the members of the House Finance Committee, the next committee of referral for HB 141.

Sincerely,

Tony Newman
Social Services Program Officer

Barb Murray
Deputy Administrator
Interstate Compact on Juveniles

Cc: The Honorable Carl Gatto, Alaska House of Representatives
The Honorable Lindsay Holmes, Alaska House of Representatives
The Honorable Nancy Dahlstrom, Alaska House of Representatives
The Honorable Bob Lynn, Alaska House of Representatives
The Honorable Max Gruenberg, Alaska House of Representatives
The Honorable Mike Hawker, Alaska House of Representatives
The Honorable Bill Thomas, Alaska House of Representatives
The Honorable Bill Stoltze, Alaska House of Representatives
The Honorable Alan Austerman, Alaska House of Representatives
The Honorable Anna Fairclough, Alaska House of Representatives
The Honorable Richard Foster, Alaska House of Representatives
The Honorable Reggie Joule, Alaska House of Representatives
The Honorable Mike Kelly, Alaska House of Representatives
The Honorable Harry Crawford, Alaska House of Representatives
The Honorable Les Gara, Alaska House of Representatives
The Honorable Woodie Salmon, Alaska House of Representatives
Jan Rutherdale, Civil Division, Alaska Department of Law
Deborah Behr, Civil Division, Alaska Department of Law
Wilda Laughlin, Commissioner's Office, Alaska Department of Health and Social Services

HB 151

<target><bill>HB 151</bill><subject>HB 151</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

Co-Chair:
House Committee on Natural Resources

Vice Chair
House Committee on Labor and Commerce

Member:
House Committee on Rules, House Special Committee on Economic Development, Trade, and Tourism, and Legislative Budget & Audit Committee

Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
Toll Free (800) 505-2678

Interim:
600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 376-4745

REPRESENTATIVE MARK NEUMAN
Rep.Mark.Neuman@legis.state.ak.us

Sponsor Statement

HB 151
USE, REGULATION, AND OPERATION OF BOATS

House Bill 151 extends the sunset dates of the Statewide Boating Safety and Education program.

This program has been successful as more boaters follow safety rules and boating fatalities have steadily decreased during the tenure of the law while bringing Alaskan law into compliance with federal regulations. Under this program, boating deaths in Alaska have decreased by 20% and the lives of at least 17 Alaskan children have been saved by a Kids Don't Float life jacket.

Furthermore, the Statewide Boating Safety and Education Act has allowed the State of Alaska to consistently receive over one million dollars a year in federal funds. To receive full funding for the federal FY 10 this sunset must either be extended or repealed during the 2009 legislative session.

Passage of HB 151 will ensure that a successful program will continue to save lives and that the State of Alaska will continue to have clear and consistent boating safety regulations with ample federal funds to administer safety and educational programs.

I ask for your support extending an effective program that has successfully saved lives.

ALASKA STATE LEGISLATURE

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House Committee on Labor and Commerce

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REPRESENTATIVE MARK NEUMAN
Rep.Mark.Neuman@legis.state.ak.us

Explanation of Changes

HB 151
USE, REGULATION, AND OPERATION OF BOATS

The committee substitute for HB 151 introduced in House Labor & Commerce extends the sunset date for one year. This is a chance from the House Labor & Commerce CS which would have extended the sunset for eight years. In its original version HB 151 would have repealed the sunset date instead of extending it as the current version does.

For bill version 26-LS0422\C

SENATE FINANCE COMMITTEE REPORT

DATE: 4/18/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/19/09

Finance Committee considered CS FOR HOUSE BILL NO. 151(FIN)

HB 151 USE, REGULATION, AND OPERATION OF BOATS

"An Act amending the termination date of the statewide boating safety and education program; providing for an effective date by amending the effective date of secs. 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27, ch. 28, SLA 2000, as amended; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	4/14	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 151(FIN)
(H) Publish Date: 4/17/09

Identifier (file name): HB151CS(FIN)-DNR-Park-04-16-09
Dept. Affected: Natural Resources
Title: Repeal of Boating Safety Sunset Provision
RDU: Parks & Outdoor Recreation
Component: Parks and Recreation Access
Sponsor: Rules Committee
Requester: House Finance Committee
Component Number: 2136

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2010**	**FY 2010**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**
Personal Services		364.5	364.5				
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**364.5**	**364.5**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**0.0**	**1,085.5**	**1,085.5**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts/CIP		364.5	364.5				
TOTAL	**0.0**	**364.5**	**364.5**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time		4	4				
Part-time		1	1				
Temporary							

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

CS HB 151 (FIN) extends the sunset provisions in AS 05.25 for the Boating Safety Program through July 1, 2011 (FY 2011).
This program is funded exclusively by a federal grant and vehicle receipts. Continuance of the program will not result in fiscal impacts to the Department.

Prepared by: James King, Director
Phone (907)269-8705
Division: Parks & Outdoor Recreation
Date/Time: April 16, 2009
Approved by: Tom Irwin, Commissioner
Date: April 16, 2009
Natural Resources

(Revised 9/10/2008 OMB)

White Paper

Alaska's Boating Safety Dollars at Work

Alaska Division of Parks and Outdoor Recreation
Office of Boating Safety

BACKGROUND

While Congressional attention to recreational boating safety began as early as 1910, the Federal Boat Safety Act of 1971 (46 U.S.C. 13101) provided the first federal funding to the states to *"encourage greater state participation and uniformity in boating safety efforts, and particularly to permit the states to assume the greater share of boating safety education, assistance, and enforcement activities."* Since this act was passed, the U.S. Coast Guard estimates that more than 27,000 lives have been saved. Nationally, the number of non-commercial boating fatalities has been cut in half; even though boat ownership more than doubled over the same period. Even so, recreational boating safety remains on the National Transportation Safety Board's *"12 Most Wanted List"* for needed transportation safety improvements.

Boats are an integral part of the lifestyle of many Alaskans. Alaskans use boats to enjoy the state's world-class recreational opportunities, but also as a primary means of transportation and subsistence. Unfortunately, Alaska's boating fatality rate is nearly 10 times the national average and among the nation's highest. In Alaska, only highway accidents account for more unintentional death than does drowning. Most of these fatalities could have been prevented. However, from 1987 to 1998, Alaska was the *only* state without a boating program. As a result, Alaska's share of federal funding available for boating safety was divided among all the other states. At the same time, because U.S. Coast Guard registered our boats, Alaska's registration fees went into the U.S. Treasury instead of remaining in the state. Alaska became the last state to establish a boating safety program when the State Office of Boating Safety was established by Department Order within the Division of Parks and Outdoor Recreation in June 1998. The Alaska Boating Safety Act (AS 05.25) was drafted and introduced in the 1999 legislative session. The act was signed into law on May 11, 2000, and Alaska qualified for the state's full share of federal grant money for state boating programs. The Alaska Boating Safety Program relies almost entirely on this federal grant. Federal funding now contributes more that $1,000,000 a year to Alaska's economy.

Alaska's investment in boating safety is small when compared to the lives saved

PROGRAM MISSION AND OBJECTIVES

Mission:
It is the policy of the state to promote the safety of persons and property in and connected with the use, operation, and equipment of boats on the water of the state and to promote the uniformity of laws relating to boat safety (AS 05.25.050) with the intended purpose of reducing boating deaths, injuries and property damage, and enhancing enjoyment on Alaska's waterways.

Objectives:
1. Cooperate with other state and federal agencies and organizations to provide for statewide boating safety programs in Alaska.
2. Secure the benefits available to the state under 46 U.S.C. 13101 - 13110; and take the actions necessary to continue to qualify for federal grant funding under 46 U.S.C. 13102, and the U.S. Coast Guard / State of Alaska Memorandum of Understanding.
3. Provide and expand the boating safety education program to increase public awareness of boating risks and the knowledge, skills, and abilities of Alaska's boaters, including:
    - The production of educational materials relevant to the needs of Alaska's urban and rural boaters.
    - Support for statewide boating safety education programs for children 1 and other high - risk groups.
    - Training, certification, and support of boating safety instructors.
    - Evaluation, on an ongoing basis, of the effectiveness of programs.
4. Support the Alaska Boating Safety Advisory Council.
5. Provide for a uniform state waterway marking system.
6. Provide for boating accident and casualties reporting.
7. Serve as liaison between the U.S. Coast Guard and the Division of Motor Vehicles as necessary on state boat registration issues.
8. Provide for boating law enforcement training.
9. Promote the uniformity of laws relating to boating safety.

Alaska faces significant challenges in meeting these goals:

- Less than one third of the state is served by the road system, and many communities are difficult to reach.
- Alaska's population is the second most culturally diverse in the nation. Over 56 different cultural groups, including about 102,000 Eskimo, Athabascan, Aleut, Tlingit, Tsimshian, and Haida natives, are represented. Learning and communication styles differ widely between these groups.
- Alaska's cold water presents a significant risk to boaters and our vast distances often make a timely rescue impossible, significantly reducing the odds of surviving a boating emergency in Alaska.

Because the Alaska Boating Safety program is small compared to most other states, maintaining dynamic and productive partnerships is critical if we are to meet these goals. To that end, the program works closely with the U.S. Coast Guard, the U.S Coast Guard Auxiliary, other agencies, and boating organizations, to make the most out of limited resources and avoid duplication of effort. Alaska also maintains relationships with other states and participates in regional and national boating organizations to identify and adopt best practices of other boating programs, maximize resources, and increase program quality, productivity, and effectiveness.

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2 According to data published by the State of Alaska, Dept. of Heath and Social Services, drowning was the second leading cause of unintentional death for children and youth under 20 between 1991 and 1998, with an average of 9.2 lives lost per year. From 1994 – 1998 the drowning death rate of Alaska's children, per 100,000, was 4.8 as compared to the national rate of 1.8 per 100,000.

PROGRAM HIGHLIGHTS

The *Kids Don't Float* life jacket loaner program is a collaborative effort between the Alaska Department of Health and Social Services, the Alaska Boating Safety Program, the U.S. Coast Guard, and local sponsors. A total of **514** life jacket loaner board stations in **153** communities have been established statewide. The Alaska Boating Safety Program is the primary supplier for the program, and has thus far provided **20,133** life jackets for *Kids Don't Float.*

Kids Don't Float has an educational component that provides boating safety programs for Alaska's students. To date, classes provided by the program have reached more than **56,235**.

The program offers *Alaska Water Wise (AWW)*, Alaska's nationally approved and Alaska – relevant, boating safety course.

- A total of **1,400** boaters (representing all of Alaska's census areas) have completed an *AWW* course to date.
- The program also trains Alaskans to teach *Alaska Water Wise* courses and supports their efforts to teach boating safety in and around their communities. **250** potential instructors from more than **52** Alaska communities in **24** of the state's 27 census areas have completed the *Alaska Water Wise Instructor* course thus far.
- Those who meet program requirements for state instructor certification are placed on the state boating safety instructor registry and authorized to teach *Alaska Water Wise (AWW).* As of the end of 2008, there were **104** instructors on the state's instructor registry.

The program conducts an ongoing social marketing campaign using variety of boating safety messages on radio and television, and produces publications and articles (including the popular *Alaska Boater's Handbook*, an award - winning boating safety poster series), and instructional films such as *Cold Water Boating.*

The program provides marine law enforcement training for the Alaska State Troopers and other Alaska law enforcement officers

The program provides support for the U.S. Coast Guard Auxiliary Vessel Safety Check program.

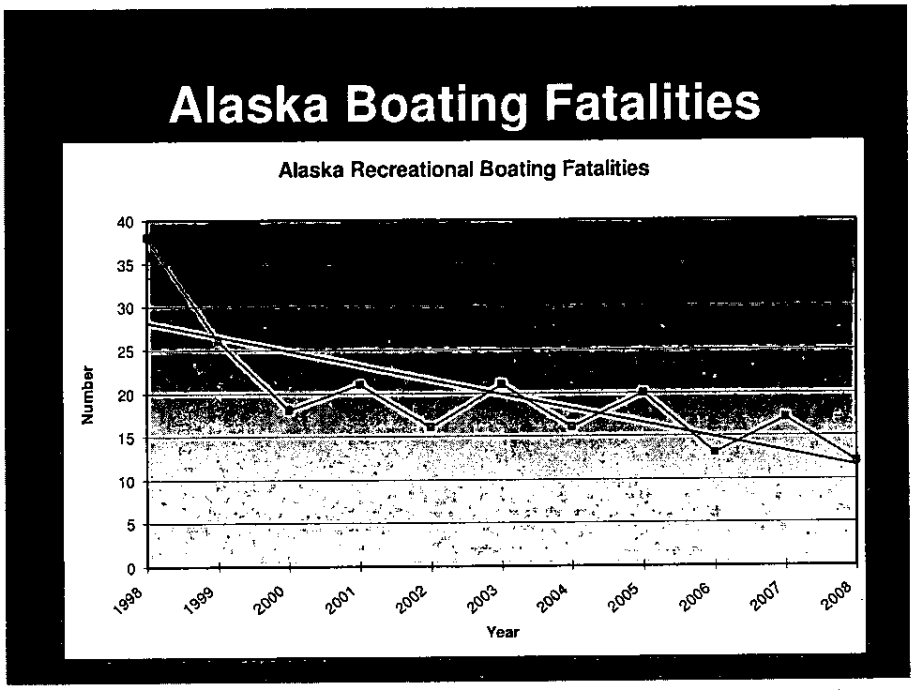
The Alaska Boating Safety Program is entirely user – funded, through the federal *Sport Fish Restoration and Boating Trust Fund* and a portion of Alaska's state boat registration receipts.

Observational behavior studies, statewide boater surveys, instructor and course evaluations, student testing, and U.S Coast Guard statistics are examples of sources used to evaluate program performance.

The Alaska Boating Safety Program and its staff have received multiple awards, including the U.S. Coast Guard *Public Service Commendation*, and the U.S. Department of Transportation's *Partnering for Excellence Award.* The *Kids Don't Float Peer Educator Program* was the 2002 regional winner of the National Safe Boating Council's *Boating Education Advancement Award.*

IS THE PROGRAM IS MAKING PROGRESS?

Alaska's recreational boating fatality rate (fatalities per 100,000 boats) has dropped steadily from 144 in 1998 (when the state's Alaska Office of Boating Safety was established) to 34 in 2007. In comparing the number of fatalities during each of the two five - year periods within the previous 10 years, fatalities have dropped 20% between the two periods.



At least 17 Alaskan children have survived a water emergency thanks to a *Kids Don't Float* loaner life jacket.

<u>Alaska Boater Survey Results:</u>

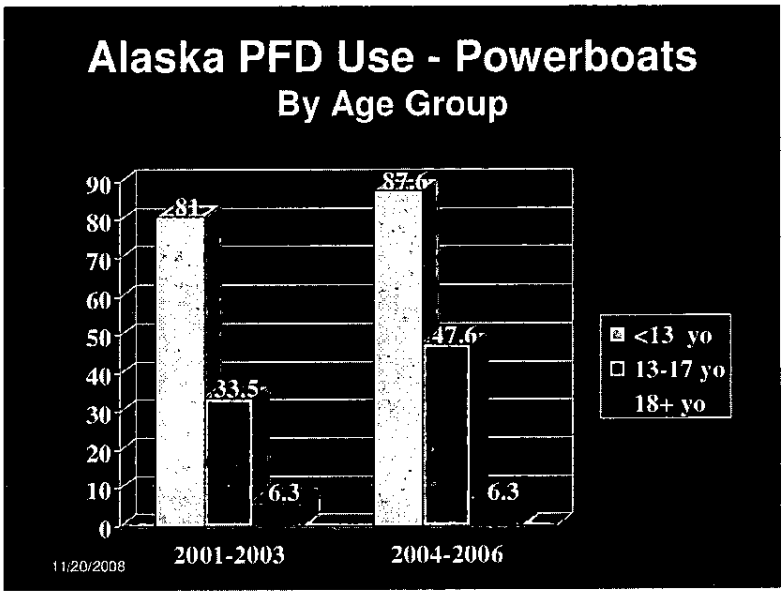
25% of Alaskan boaters say they wear a life jacket more often today than they did five years ago

12% of Alaskan boaters say a life jacket saved the life of someone in their household

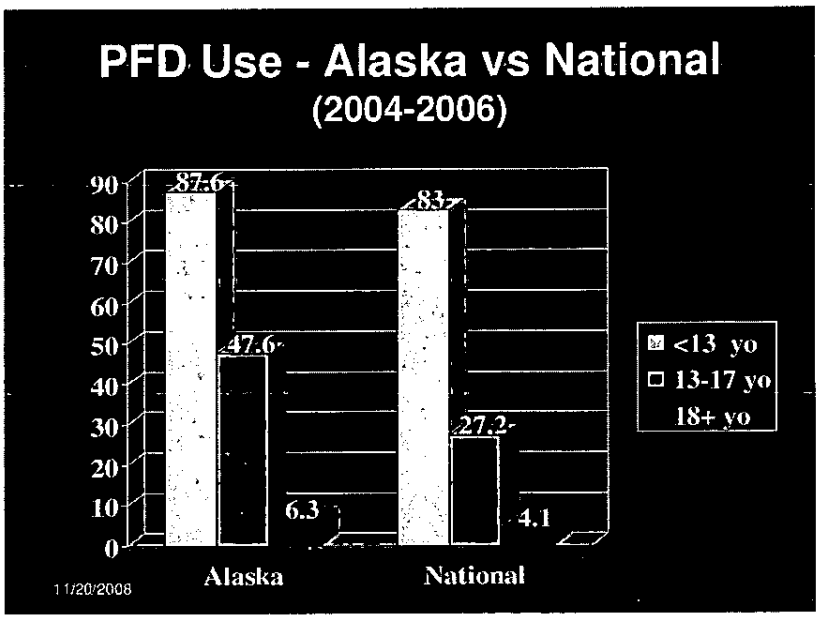
77% of Alaskan boaters believe everyone should be required to wear life jackets when in open boats

72% of Alaskan boaters say they have taken a boating safety course, compared to 46% five years ago

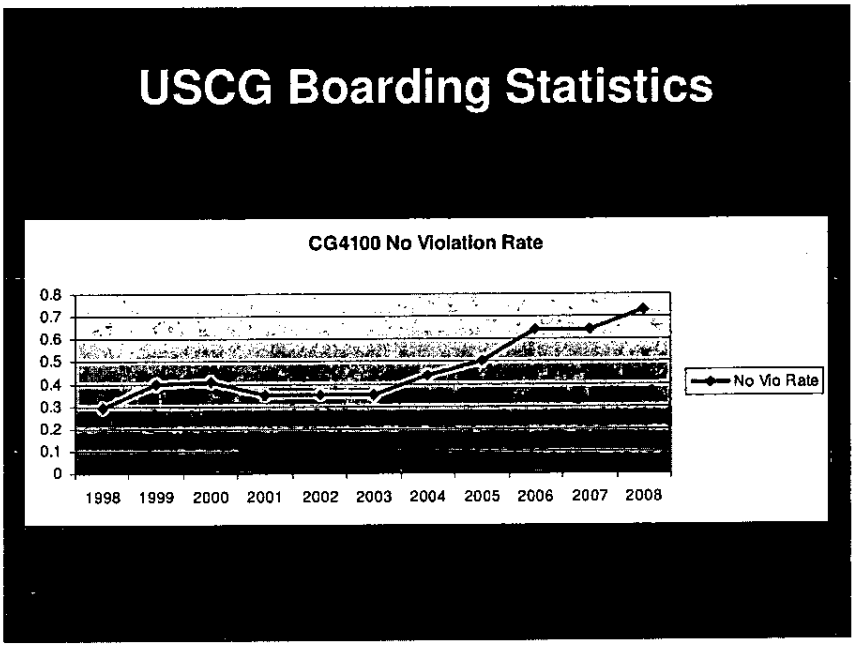
Observational life jacket wear rate studies show increased life jacket wear in ages 17 and younger.



Alaska's life jacket wear rates are above the national average in all age groups.



USCG law enforcement boarding statistics show increasing compliance rate.



STAFFING DETAIL

The Alaska Boating Safety Program has four full time staff. Three were pre – existing positions within the Division of Parks that were moved to the boating safety program.

Boating Law Administrator – (Natural Resource Mgr. I, PCN 10-5101)
Each state's Boating Law Administrator plans, implements, and directs the functions of their state's boating program. This position formulates and revises the program's budget, policies, and management strategies, coordinates with other state agencies that provide Alaska's program elements, assures maximum utilization of financial and human resources, identifies and adopts the best practices of other state boating programs, designs ways to evaluate performance of the program, and leads the analysis of boating related issues affecting the State. The position serves as the state's official representative on local, regional, and national levels with regard to recreational boating issues, policy development, and program funding and also provides regulatory interpretive assistance to agencies and the public.

Boating Education Coordinator – (Park Ranger I, PCN 10-5257)
The Boating Education Coordinator plans, develops, and coordinates the delivery of a variety of educational programs statewide. This position's duties include curriculum development, professional training, and overseeing paid and volunteer boating safety instructors, overseeing all *Kid's Don't Float* schools programs, providing a variety of seminars and presentations, managing the Alaska Boating Safety Instructor Registry, and assisting and supporting boating safety instructors statewide. This position also trains law enforcement officers in boating law and marine law enforcement, and is a law enforcement field - training officer.

Boating Education Specialist – (Park Specialist, PCN 10-5260)
This position independently provides a variety of high quality and Alaska - relevant public boating education and interpretive programs that promote safe, enjoyable boating experiences, for children and adults, performs outreach and schedules programs, develops, prepares for, and executes boating education programs including *Alaska Water Wise* and *Kids Don't Float* classes, workshops, and presentations. Ensures all programs satisfy the standards and policies of the Division of Parks and Outdoor Recreation, Alaska Office of Boating Safety.

Administrative Assistant – (PCN 10-5062)
Administrative support functions in the areas of budget preparation and financial monitoring/reporting, purchasing, inventory, travel, training, personnel, and information dissemination. Duties include gathering information for and preparing budgets, federal grant applications and reports, fiscal and financial tracking of expenditures, procurement of equipment, supplies, and professional services, preparing and tracking reimbursable services agreements, executing payments, processing time sheets, arranging travel, preparing and processing travel authorizations, coding, certifying, and reconciling invoices, attending meetings and drafting meeting minutes, handling public and agency inquiries, assisting unit staff with boating safety program activities, preparing advertising orders, organizing media campaigns, developing and maintaining web pages, and setting up and maintaining a highly organized system of electronic databases, files and records.

The program also funds several other pre-existing Division staff. Currently, **13** seasonal park rangers and other Division staff work on specific boating education projects during a portion of their off season, particularly in the delivery of *Kids Don't Float* school programs.

ENDORSEMENTS FOR
THE ALASKA BOATING SAFETY ACT OF 2000

- Alaska Municipal League
- United States Coast Guard
- United States Coast Guard Auxiliary
- Valdez Harbor Users Association
- Seward Boat Owners Association
- Whittier Boat Owners Association
- Alaska Wilderness Recreation and Tourism Association
- Alaska Marine Dealer's Association
- Trails and Recreational Access for Alaskans Board (TRAAK)
- Alaska Safety Advisory Council
- Kenai River Special Management Area Citizen's Advisory Board
- Alaska Boating Safety Advisory Council (ABSAC)
- Mat-Su State Parks Citizen's Advisory Board
- Big Lake Community Council
- Sitka State Parks Citizen's Advisory Board
- Denali Safety Council (members: National Bank of Alaska, University of Alaska, Teamsters local 302, Carr's, Anchorage Daily News, VECO, Alyeska Pipeline, ARCO, NANA/Marriott, Federal and State OSHA, Anchorage Safe Communities)
- Alaska Department of Public Safety
- Alaska Wildland Adventures
- National Transportation Safety Board
- Alaska Department of Health and Social Services - Community Health and EMS Section
- Western States Boating Administrator's Association
- National Association of State Boating Law Administrators
- South Peninsula State Parks Citizen's Advisory Board
- Alaska Recreation and Park Association
- Kodiak State Parks Citizen's Advisory Board
- Fairbanks Paddlers
- Valdez City Council
- Kachemak Bay State Park Citizen's Advisory Board
- Alaska Harbormaster's Association
- Fairbanks Area Alaska State Parks Citizen's Advisory Board
- Kodiak City Council
- Bristol Bay Area Health Corporation
- Valdez State Parks Citizens Advisory Board
- River Management Society - Alaska Chapter

HB

162

<target><bill>HB 162</bill><subject>HB 162</subject><comm>SFIN26</comm></target>

SARAH PALIN
GOVERNOR

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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 25, 2009

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

Dear Speaker Chenault:

Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill establishing the Southeast State Forest and relating to the Southeast State Forest. This legislation is one important piece of our overall strategy to revitalize the timber industry and expand wood energy in Southeast Alaska.

This bill designates approximately 25,291 acres of state land as the Southeast State Forest. These lands are presently used for timber harvest, but they are designated "General Use" land, and there is no certainty that they will continue to be available for forest management in future decades. Establishing a Southeast State Forest enables the division of forestry in the Department of Natural Resources to manage this land to increase long-term timber supply for local processors and wood energy needs, provide near-term jobs in thinning, and retain the land in state ownership for multiple uses.

In Southern Southeast (SSE) Alaska, demand for state timber exceeds supply. Most SSE timber is on federal land, but federal timber sales have declined drastically. Local mills now depend heavily on state timber for survival. The state is committed to finding long-term solutions through cooperative efforts to increase economically feasible federal timber sales, and maximizing the sustainable supply of timber from the small state timber base.

Second-growth stands that have been thinned have higher volumes per acre, less impact on wildlife, and shorter rotations. However, thinning is a long-term investment, and is only cost-effective if the land will continue to be available for forest management. A Southeast State Forest will retain the land for long-term forest management, and provide 8 - 10 jobs annually during the thinning season.

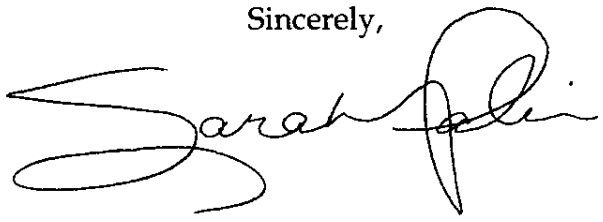
The proposed Southeast State Forest includes 20 parcels totaling approximately 25,291 acres. Parcels are General Use lands on Prince of Wales (8,708 acres), Tuxekan (200 acres), Kosciusko (2,680 acres), Heceta (2,010 acres), Revilla (324 acres), and Gravina islands (5,878 acres), and on the mainland at Crittenden Creek and Bradfield Canal (5,490 acres).

This land would be managed under the State Forest statutes located at AS 41.17.200 - 41.17.230. It would continue to be open for multiple use, including wildlife harvest and recreational activities. Current Department of Natural Resources area plans will continue to direct management until a specific plan, involving interagency and public review, for the forest is adopted. Of these designated lands, approximately 655 acres will be offered for harvest in the near term (within the next two years). The remainder will be scheduled for harvest later, in accordance with the adopted management plan.

Because the City and Borough of Wrangell has not yet selected its full municipal entitlement, and some of the designated lands fall within its municipal boundaries, the bill provides that selections may still be made from those lands. If new municipalities are recognized, this bill will not affect their entitlement amounts, but will prevent these designated lands from being selected.

This bill is an important part of Alaska's effort to maintain timber as part of the southeast economy. I urge your prompt and favorable action on this measure.

Sincerely,



Sarah Palin
Governor

4-6-10

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

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PHONE: (907) 269-8431
FAX: (907) 269-8918

March 2, 2009

Sectional Analysis
HB 162
Establishing the Southeast State Forest and relating to the Southeast State Forest; and providing for an effective date

This bill would establish a new Southeast State Forest (SESF). The SESF would be managed as part of the State Forest System under AS 41.17.200-.230. Lands in the State Forest would continue to be open for multiple uses, including wildlife habitat and harvest and recreational activities. The State Forest designation would not affect the Wrangell Borough municipal entitlement, nor would it affect calculation of entitlement acreage for future municipalities in southeast Alaska.

Section 1 – Southeast State Forest.

Legal descriptions. Section 1, subsections (a) and (d) provide legal descriptions for the lands to be designated as the Southeast State Forest (SESF). Designated lands include 20 parcels totaling approximately 25,291 acres (see chart) on Prince of Wales, Tuxekan, Kosciusko, Heceta, Revilla, and Gravina islands, and on the mainland at Crittenden Creek. These parcels are an important part of the state timber base, but are classified as General Use land, which may be sold in the future. Legislatively designating a State Forest would ensure that some land will remain available for long-term forest management, and enable thinning to increase timber volumes. Designated lands exclude areas identified as important sites for future state land disposals.

Management plan and transportation corridor. Subsection (b) directs DNR to prepare a management plan for the Southeast State Forest. Under AS 41.17.230 a management plan is required within three years after a State Forest is established. State Forest management plans must consider and permit multiple uses, include recreation and tourism, mining, use of fish and wildlife, and other traditional uses, unless the Commissioner issues a site-specific written finding that a use in incompatible with one or more other uses. Public, interagency, and Board of Forestry review is required prior to adoption of a State Forest management plan. As in other state forests, Subsection (c) states that the DNR Commissioner may also establish transportation corridors within the State Forest.

Municipal entitlements. Subsection (e) clarifies the relationship of the Southeast State Forest to current and potential municipal entitlements. State Forests can affect the amount of land a municipality is entitled to select, and the land

available for selection. The amount of land a municipality may select is based on the maximum total acreage of vacant, unappropriated, unreserved (VUU) land in the borough boundaries within two years after the date of incorporation (AS 29.65.030). Municipal selections are limited to VUU land. Land classified as General Use land is VUU land, but State Forests are not.

The SESF is designed to have no impact on Wrangell Borough land selections. The amount of land that Wrangell Borough may select is already fixed by its date of incorporation, and this bill specifies that the Wrangell Borough may select State Forest land within the borough boundary. Three parcels in the SESF are within the Wrangell Borough boundary.

If new municipalities are incorporated before June 30, 2019, the SESF will not affect the amount of land that they can select. The bill specifies that State Forest lands that were VUU land before establishment of the State Forest will be included in the calculation of the entitlement acreage. However, parcels in the SESF may not be selected. If municipalities form after 2019, the amount and location of their entitlement would be based on the VUU land at that time.

Section 2. Regulations. This section authorizes DNR to immediately adopt regulations to implement the bill.

Section 3. Effective date for regulations. Under Section 3 the authority to adopt regulations (Section 2) takes effect immediately.

Section 4. Effective date for State Forest. Section 4 provides for an effective date of July 1, 2008.

Briefing: **HB 162**

Southeast State Forest

DEPARTMENT OF NATURAL RESOURCES -- DIVISION OF FORESTRY

Alaska Department of NATURAL RESOURCES

March 2, 2009

Background. The state Department of Natural Resources manages over 156,000 acres of forest land in Southern Southeast (SSE) Alaska. Of this land, timber management is allowed on approximately 49,000 acres. The state actively manages this timber base to supply wood to local processors. Remaining land is designated primarily for other uses including land sales, recreation, water resources, and fish and wildlife habitat, including over 25,000 acres of legislatively designated state parks, refuges, and public use areas.

In SSE, demand for state timber exceeds supply. The majority of timber in SSE is on federal land, but federal timber sales have declined drastically. Local mills now depend heavily on state timber for survival. The state is committed to finding long-term solutions by:

- maximizing the sustainable supply of timber from the small state timber base.
- working with the US Forest Service to increase economically feasible federal timber sales, and
- accelerating the transition from old-growth harvesting to harvesting second-growth.

There is broad support for shifting timber harvesting in SE Alaska from old growth to second-growth stands. Actively-managed second-growth stands provide more timber volume per acre on shorter rotations, and have less impact on wildlife. Much of the state timber land was inherited from the USFS with young second-growth stands. We can accelerate the shift to second-growth harvesting and increase timber volume on state land by thinning these stands. However, thinning is a long-term investment, and is only justified if the land will continue to be available for forest management. Legislatively designating a State Forest would ensure that some land will remain available for long-term forest management.

Purpose. This bill would establish a new Southeast State Forest from state lands presently used for timber harvest. The Division of Forestry will be able to manage the State Forest for a long-term supply of timber to local processors, and retain the land in state ownership for multiple uses.

Proposed State Forest land. The proposed Southeast State Forest includes 20 parcels totaling approximately 25,291 acres (see chart). Parcels are General Use lands on Prince of Wales, Tuxekan, Kosciusko, Heceta, Revilla, and Gravina islands, and on the mainland at Crittenden Creek. The Division of Forestry worked with the Division of Mining, Land, and Water Management to identify and exclude lands that are priorities for the state land disposal program.

State Forest Management. The Southeast State Forest would be managed as part of the State Forest System under AS 41.17.200-.230. Lands in the State Forest would continue to be open for multiple uses, including wildlife habitat and harvest and recreational activities. State Forest lands would be managed consistent with the management intent under the current Prince of Wales Island and Central Southeast area plans. Changes to management intent would require public and interagency review through adoption of a State Forest Management Plan under AS 41.17.230.

Municipal Entitlements. The City and Borough of Wrangell boundary encompasses three parcels in the proposed state forest (Crittenden Creek and Bradfield Canal East and West). A State Forest designation will not affect the amount or location of land the Wrangell Borough can select. That determination is based on the maximum total acreage of vacant, unappropriated, unreserved land in the borough boundaries within two years after the date of incorporation (AS 29.65.030). However, a borough would not normally be able to select land within a State Forest. To avoid conflicts with the Wrangell entitlement, the Southeast State Forest bill specifies that the Wrangell Borough may select State Forest land within the borough boundary.

If new municipalities are incorporated before June 30, 2019, lands that were vacant, unappropriated, unreserved land before establishment of the State Forest will be included in the calculation of the municipal entitlement acreage, but may not be selected.

PROPOSED SOUTHEAST STATE FOREST

Planning Unit	Acreage	General Location	Island
Prince of Wales Island Area Plan			
4a	1,528.21	El Capitan – North	Prince of Wales
4a	600.44	El Capitan – South	Prince of Wales
6a	1,558.11	Coffman Cove – West	Prince of Wales
6a	320	Coffman Cove – East	Prince of Wales
7b	200	Tuxekan – East	Tuxekan
7c	436.89	Naukati – North	Prince of Wales
7c	640	Naukati – South	Prince of Wales
8b	480	Kosciusko/Edna Bay – North	Kosciusko
8b	2,199.84	Kosciusko/Edna Bay – South	Kosciusko
10a	1,257.92	Heceta Island – West	Heceta
10a	752.8	Heceta Island – East	Heceta
11a	744.32	Control Lake	Prince of Wales
11c	2,040	Thorne Bay – North	Prince of Wales
11c	840	Thorne Bay – South	Prince of Wales
Central Southeast Area Plan			
K-04	324.20	Traitors Cove	Revillagigedo
K-33	901.03	Gravina/Vallenar	Gravina
K-41	4,977.38	Gravina/Bostwick	Gravina
W-01	3,087.72	Crittenden Creek	Mainland
W-19	624.15	Bradfield Canal – West	Mainland
W-20	1,778.56	Bradfield Canal – East	Mainland
TOTAL	**25,291.14**	**20 parcels**	

SENATE FINANCE COMMITTEE REPORT

DATE: 4/2/10

FURTHER: Rules

DATE TURNED IN TO OFFICE: 4-7-10

Finance Committee considered HOUSE BILL NO. 162

HB 162 SOUTHEAST STATE FOREST

"An Act establishing the Southeast State Forest and relating to the Southeast State Forest; and providing for an effective date."

and recommends:

[X] adopt previous [X] **SCS** or [ ] **CS** HB 162 (RES)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[X] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	2/24			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Olson			X	
	Ellis			X	
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

SENATE FINANCE COMMITTEE REPORT

DATE: 4/2/10

FURTHER:

DATE TURNED IN TO OFFICE: 4-7-10

Finance Committee considered HOUSE BILL NO. 162

HB 162 SOUTHEAST STATE FOREST

"An Act establishing the Southeast State Forest and relating to the Southeast State Forest; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** HB 162 (RES)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

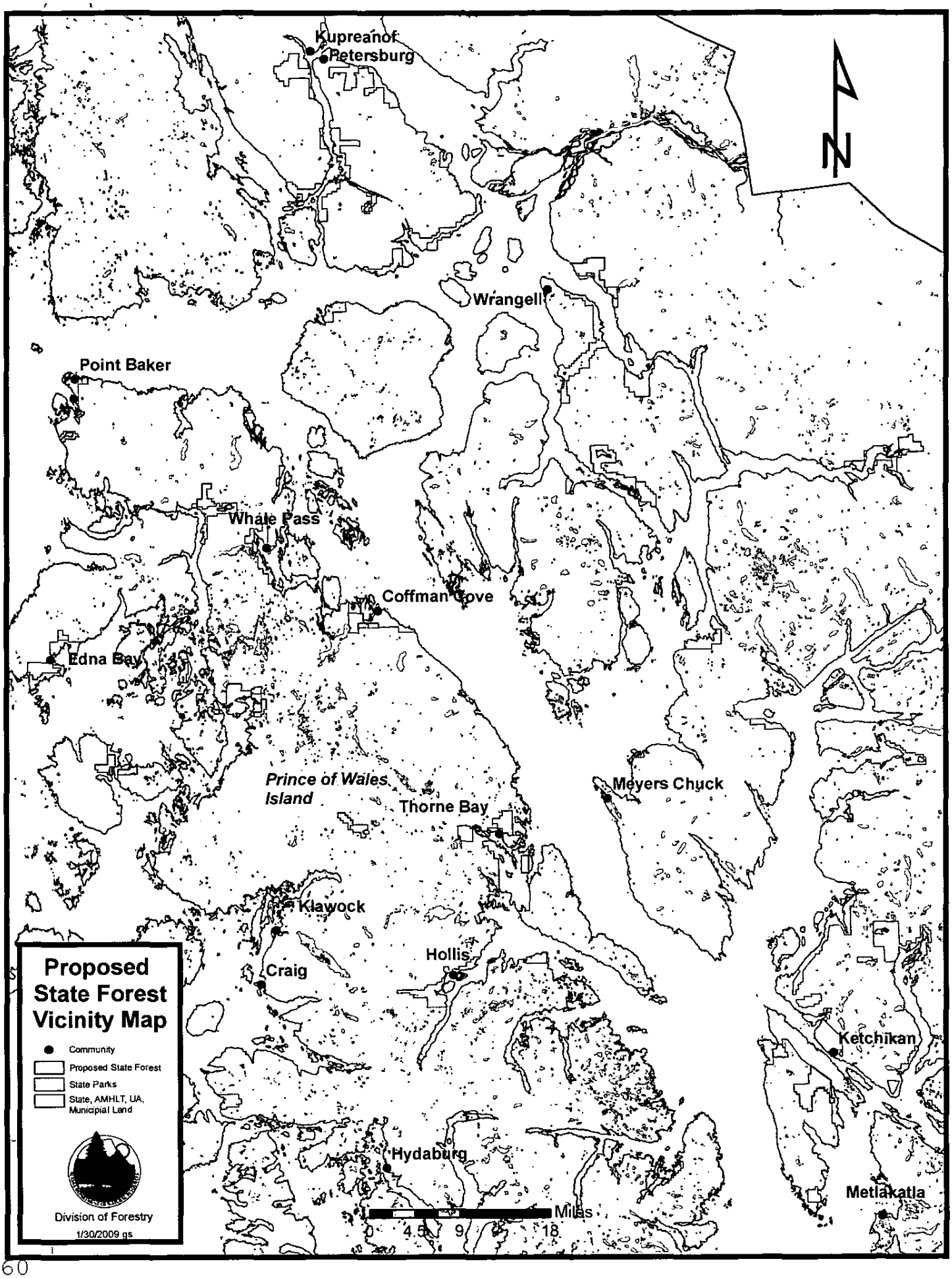
Department	Date	Fiscal	Indet	Zero	FN#

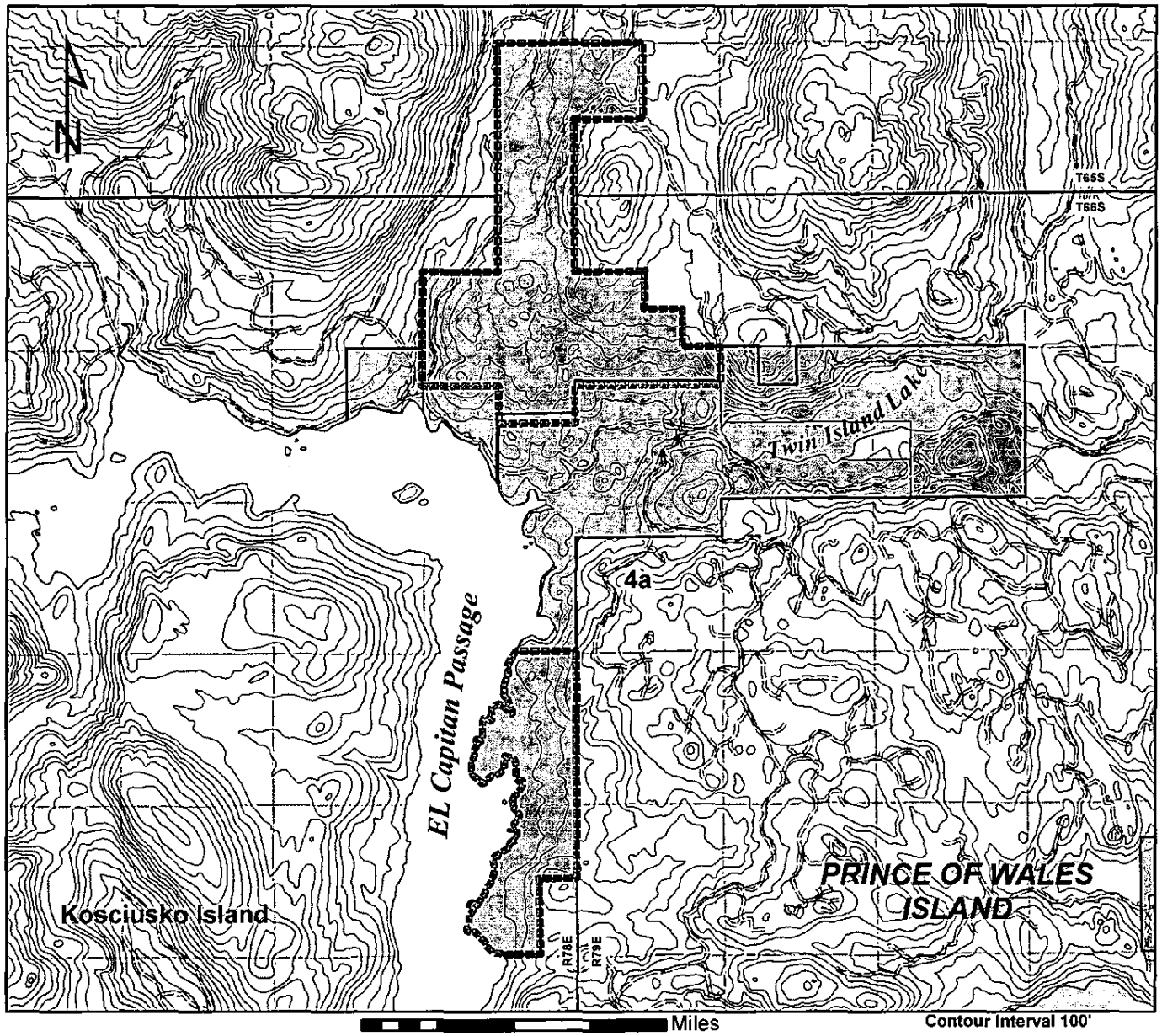
PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
DNR	2/24			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Olson			X	
	Ellis			X	
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			


Kupreanof
Petersburg
N
Wrangell
Point Baker
Whale Pass
Coffman Cove
Edna Bay
Prince of Wales Island
Thorne Bay
Meyers Chuck
Klawock
Craig
Hollis
Ketchikan
Hydaburg
Metlakatla
Proposed State Forest Vicinity Map
Community
Proposed State Forest
State Parks
State, AMHLT, IA, Municipal Land
Division of Forestry
1/30/2009 gs
0 4.5 9 18
Miles



Legend

- Property Line
- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat
- Roads

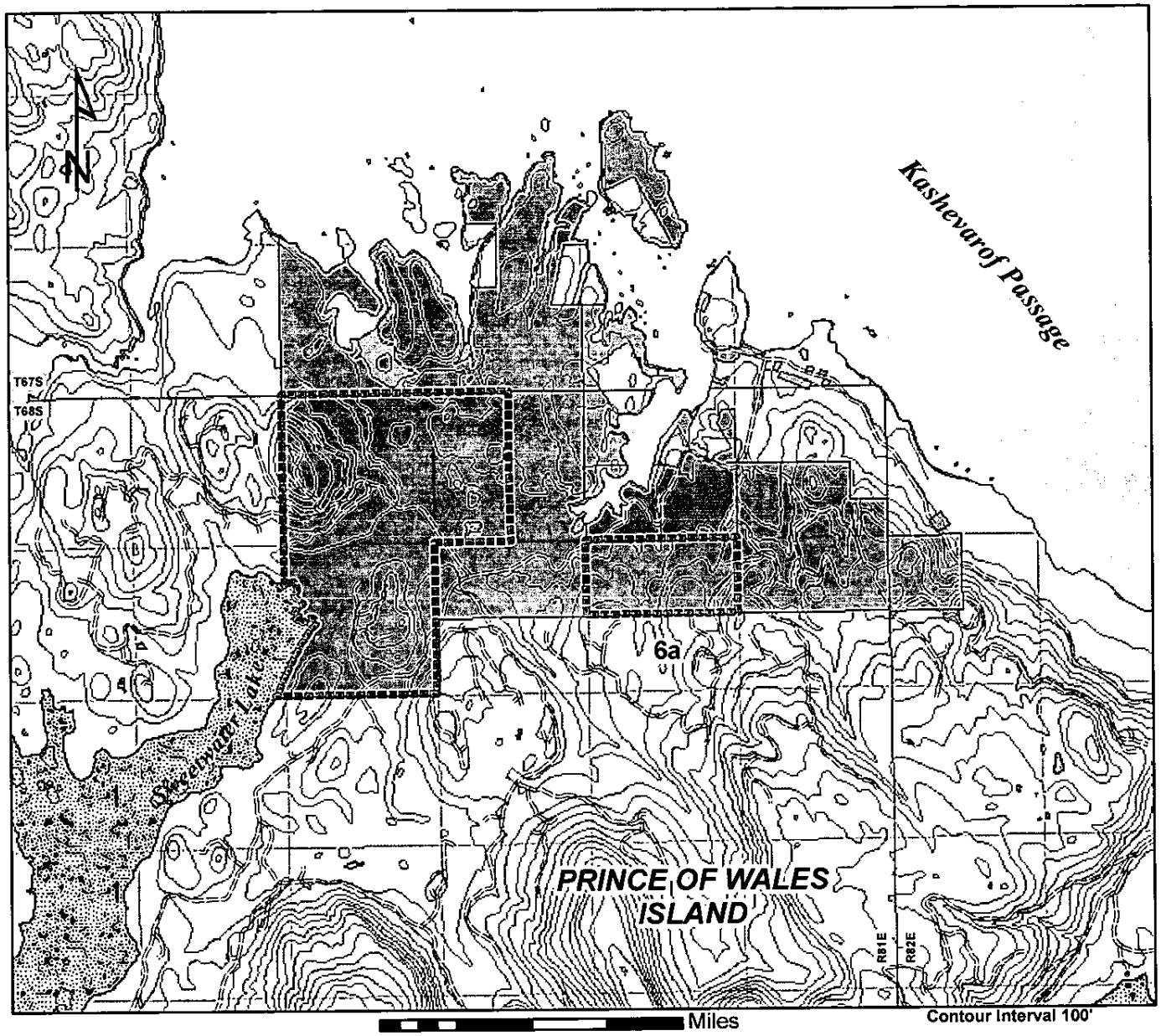
Proposed Southeast Alaska State Forest El Capitan

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

1/30/09 gs

2861



Legend

- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat
- Roads

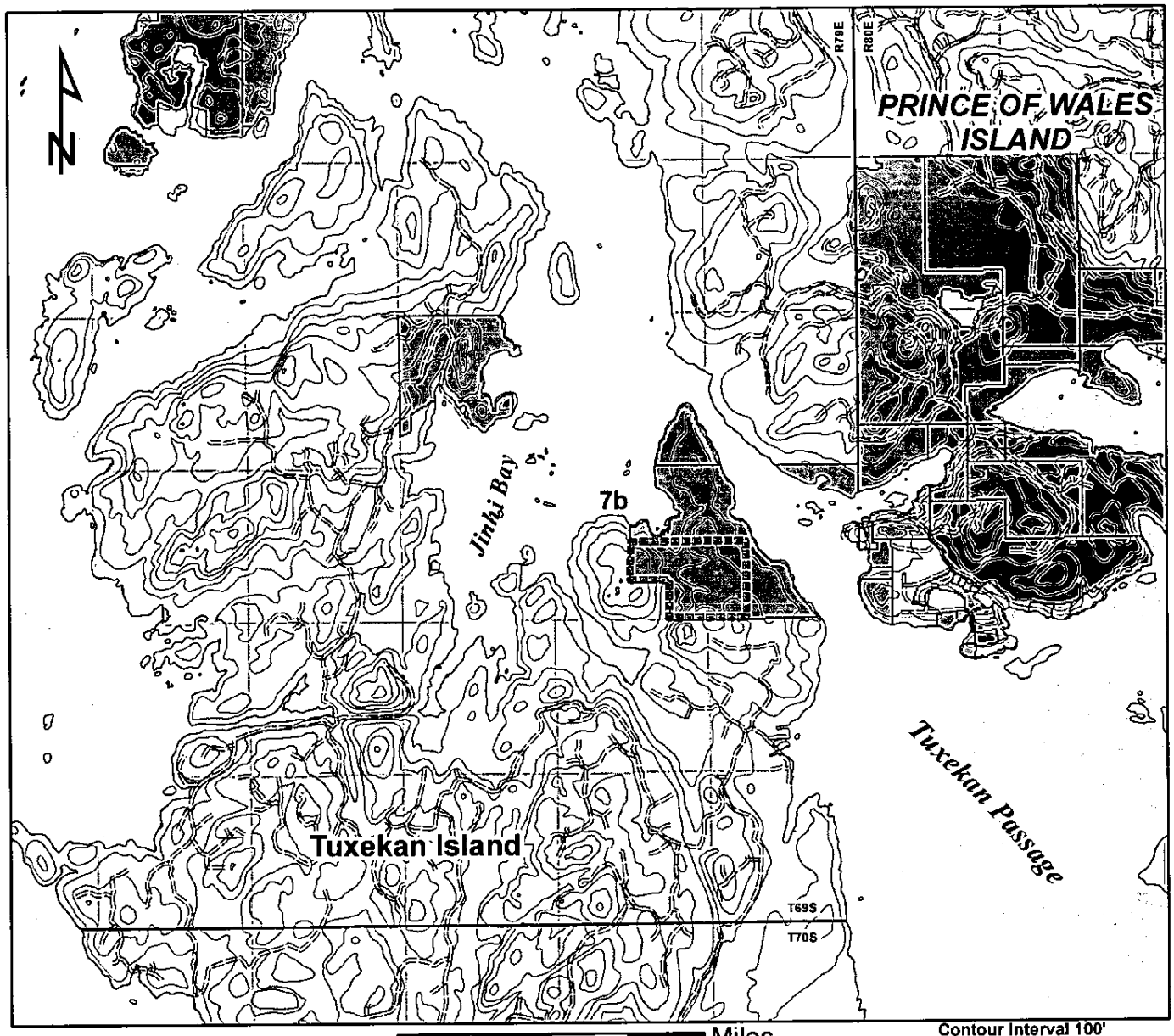
Proposed Southeast Alaska State Forest Coffman Cove

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

1/19/2009 gs

2862



Legend

- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat
- Roads

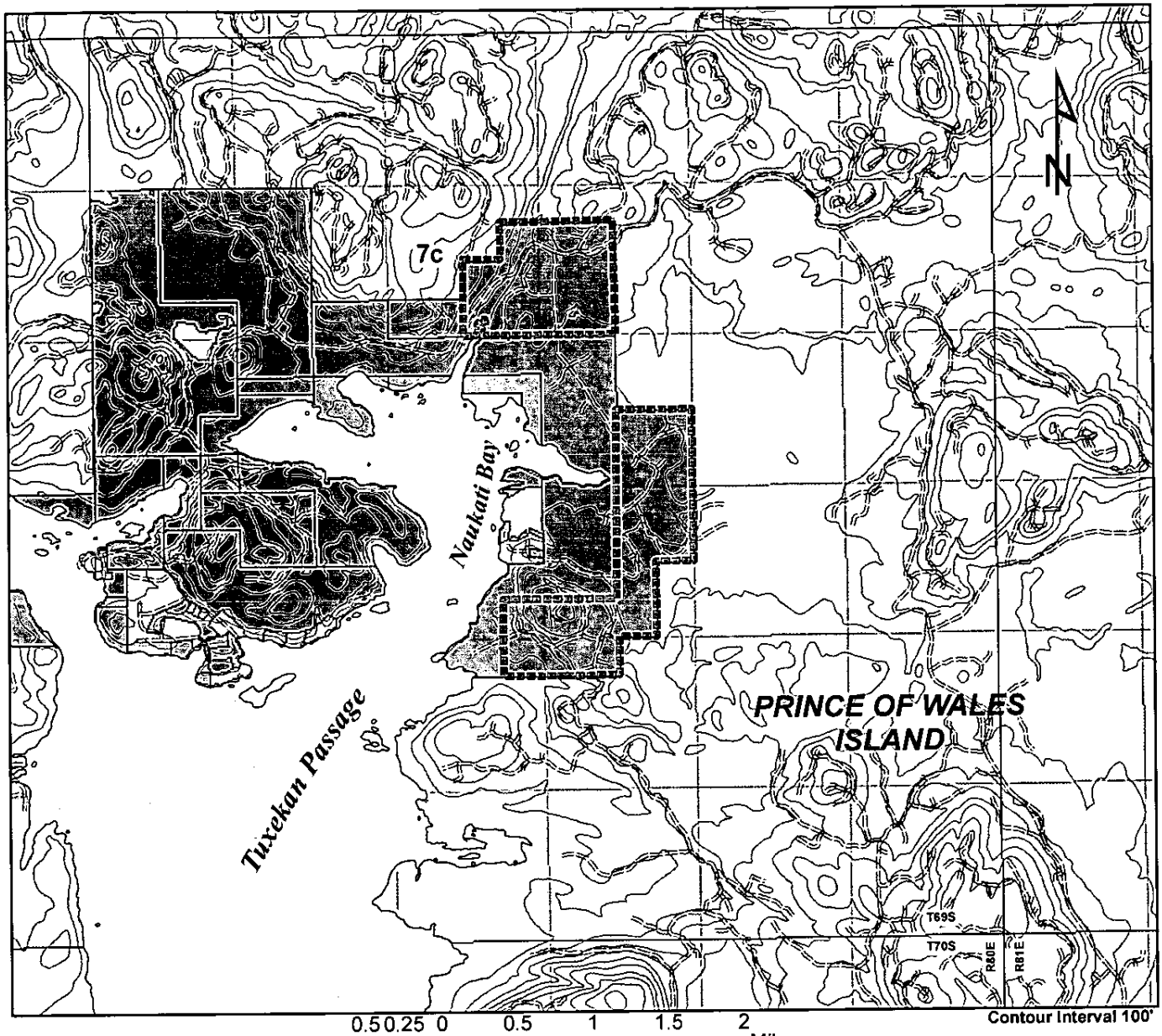
Proposed Southeast Alaska State Forest Tuxekan

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

1/21/2009 gs

2863



1 inch equals 1 miles

Legend

- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat

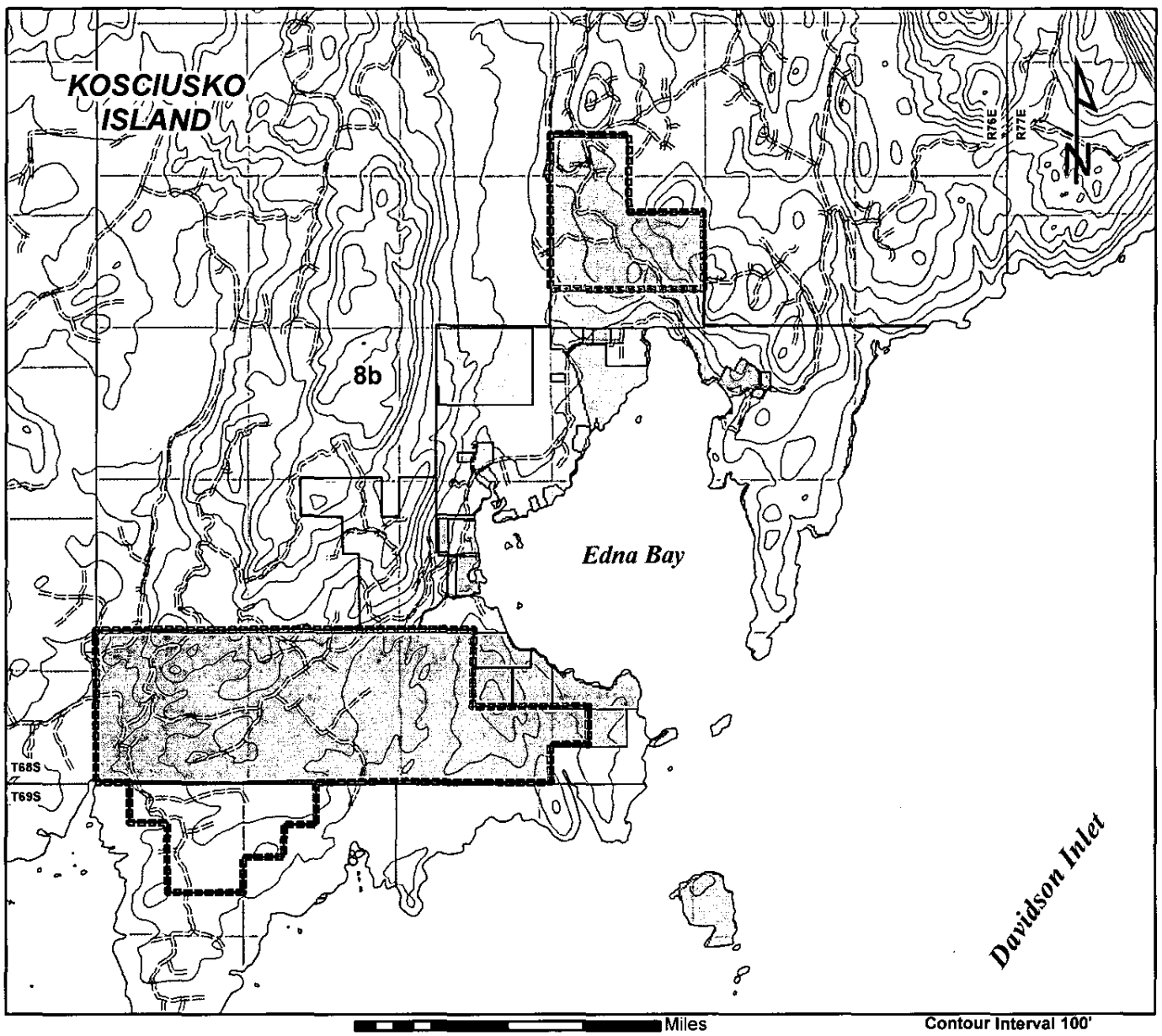
Proposed Southeast Alaska State Forest Naukati

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

1/19/2009 gs

2864



Legend

- Property Line
- Proposed State Forest
- Roads
- GU
- Disposable
- Recreation
- Habitat

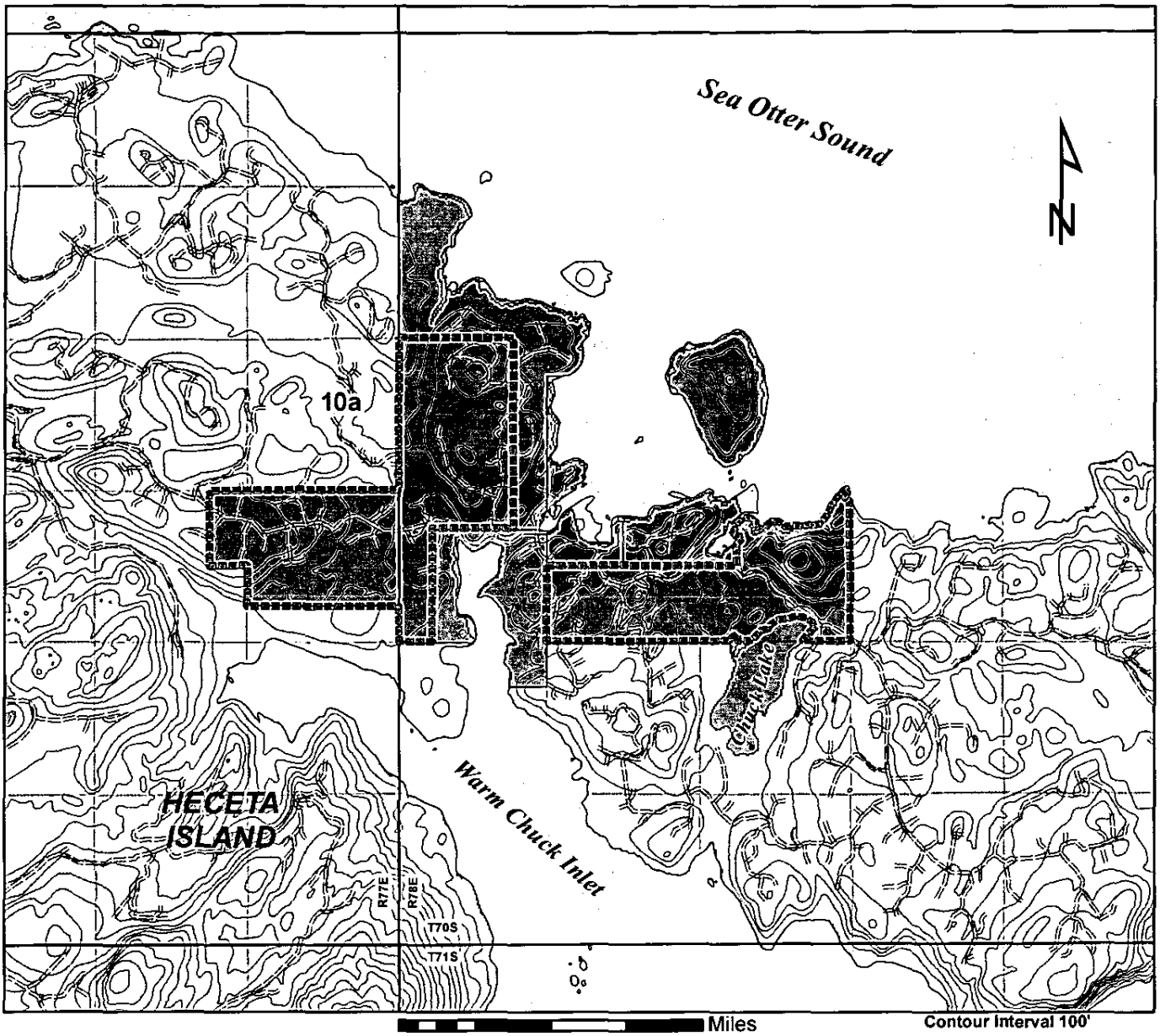
Proposed Southeast Alaska State Forest Kosciusko (Edna Bay)

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

1/30/09 gs

2865



Legend

- Proposed State Forest
- Roads
- GU
- Disposable
- Recreation
- Habitat

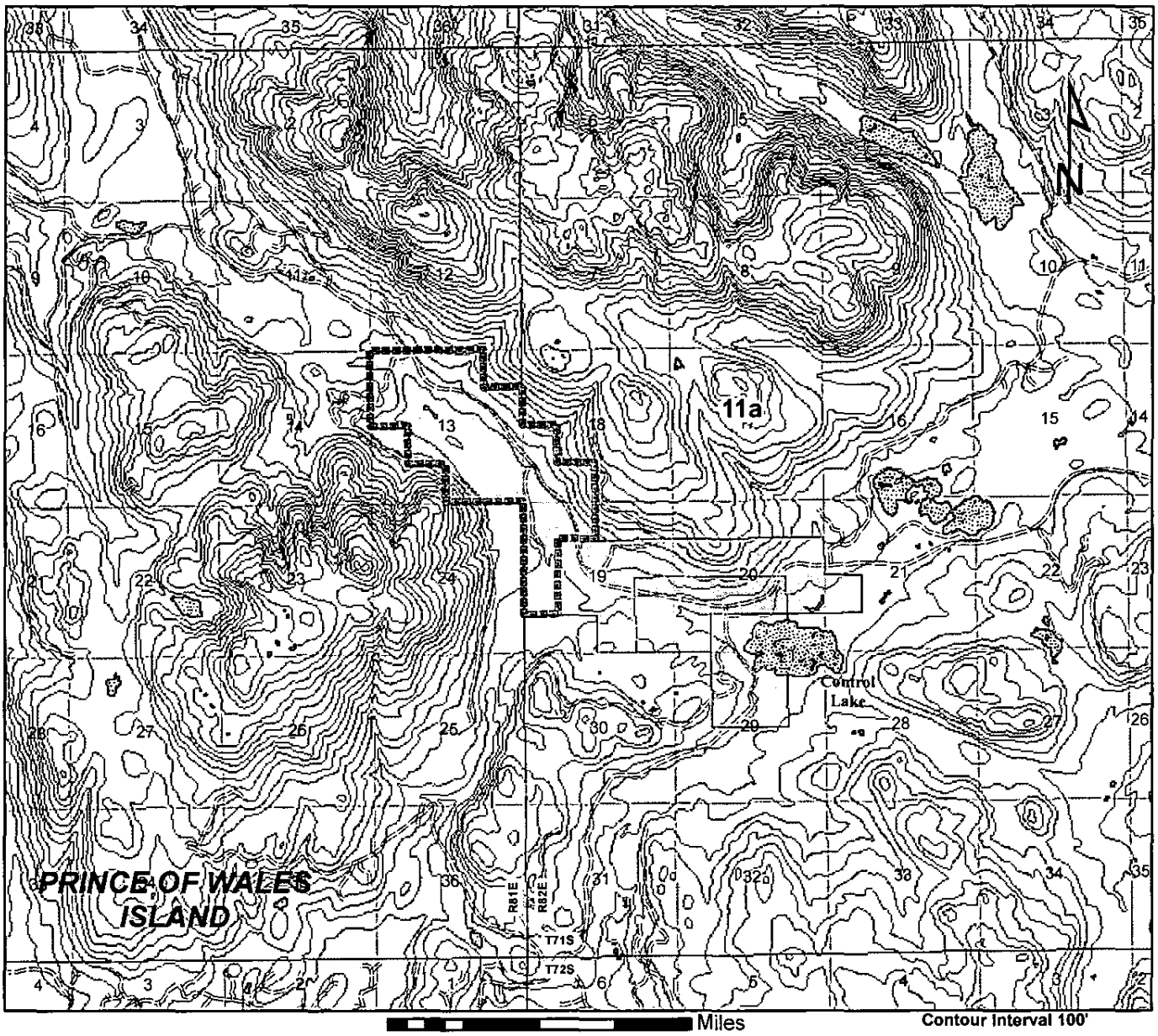
Proposed Southeast Alaska State Forest Heceta Island

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

12/03/08 gs

2866



Legend

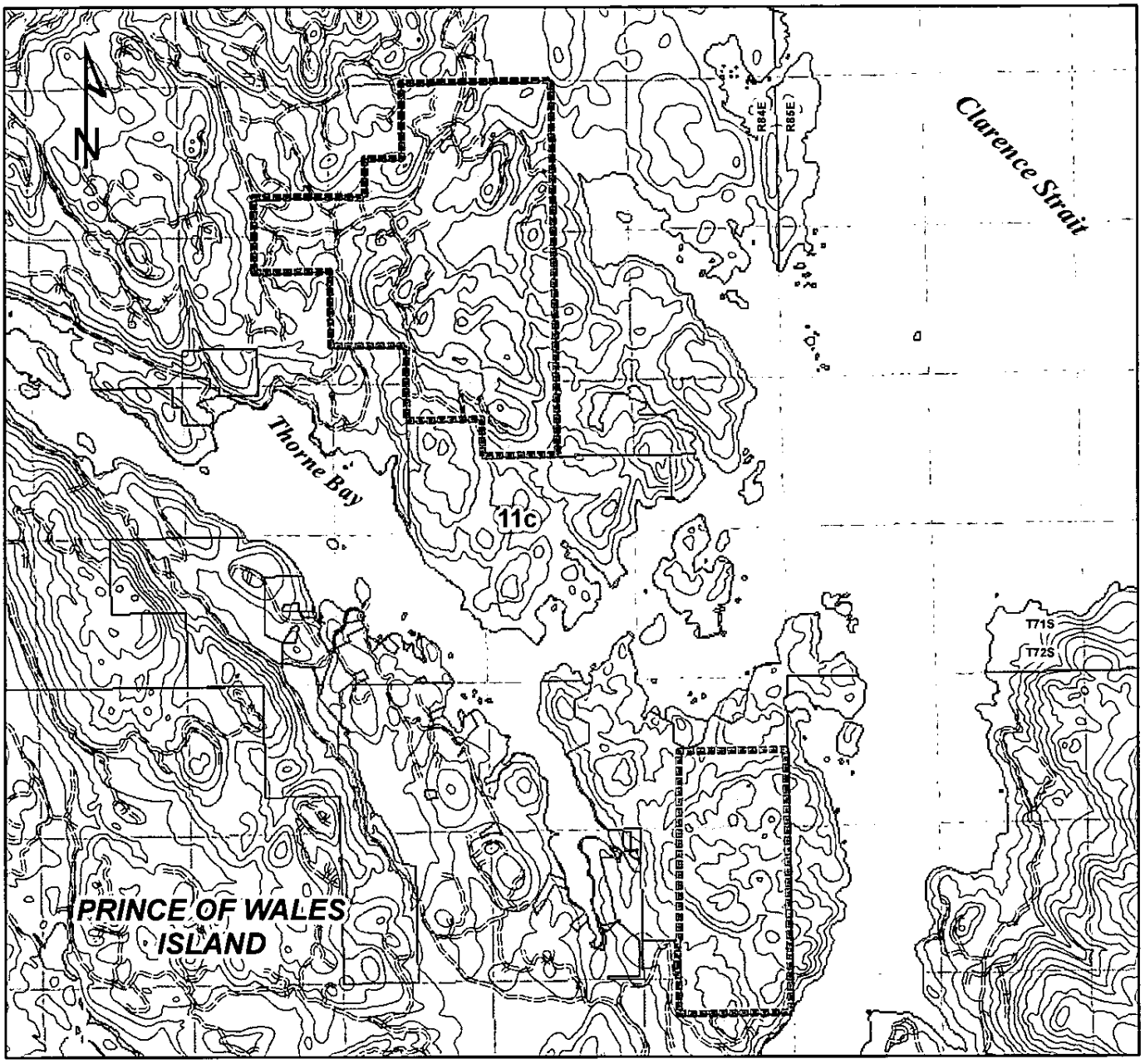
- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat
- Roads

Proposed Southeast Alaska State Forest Control Lake

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

1/30/2009 gs



Miles
0 0.5 1 1.5 2
1 inch equals 1 miles

Contour Interval 100'

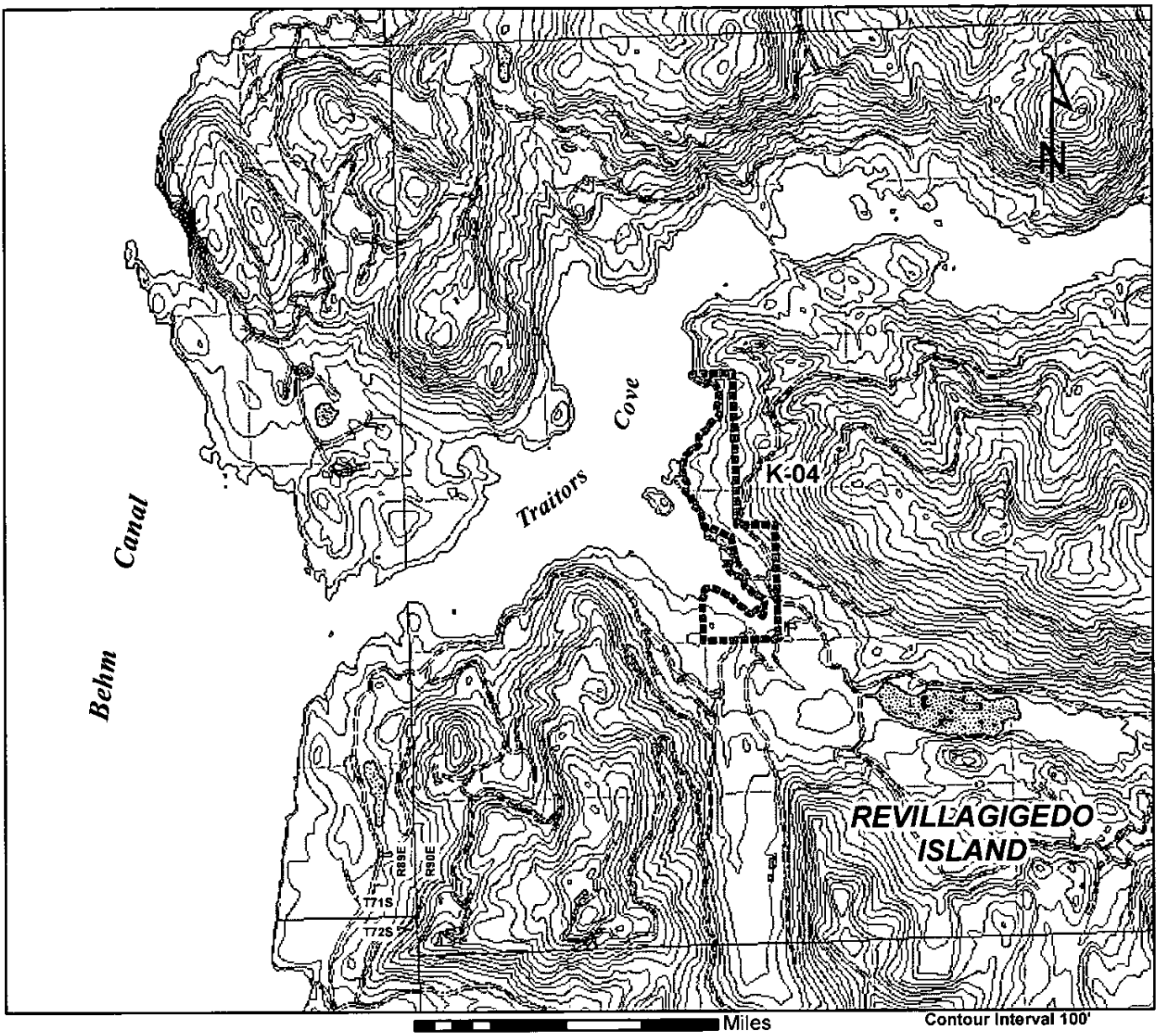
Legend

- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat
- Roads

Proposed Southeast Alaska State Forest Thorne Bay

DIVISION OF FORESTRY
1/19/2009

2868



Legend

- Proposed State Forest
- Roads
- GU
- Disposable
- Recreation
- Habitat
- Lakes

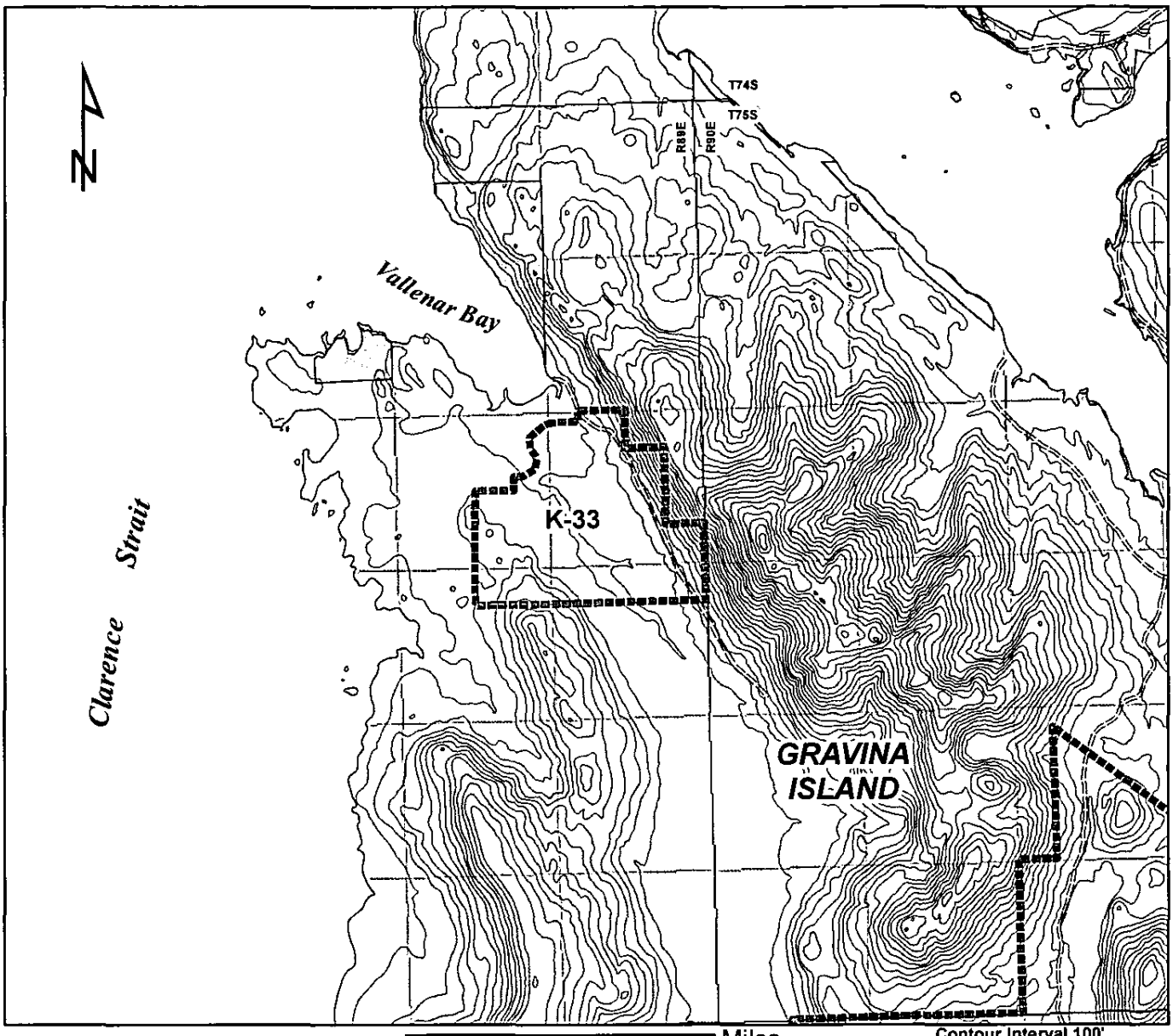
Proposed Southeast Alaska State Forest Traitors Cove

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

2/09/2009 gs

2869



Legend

- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat
- Roads

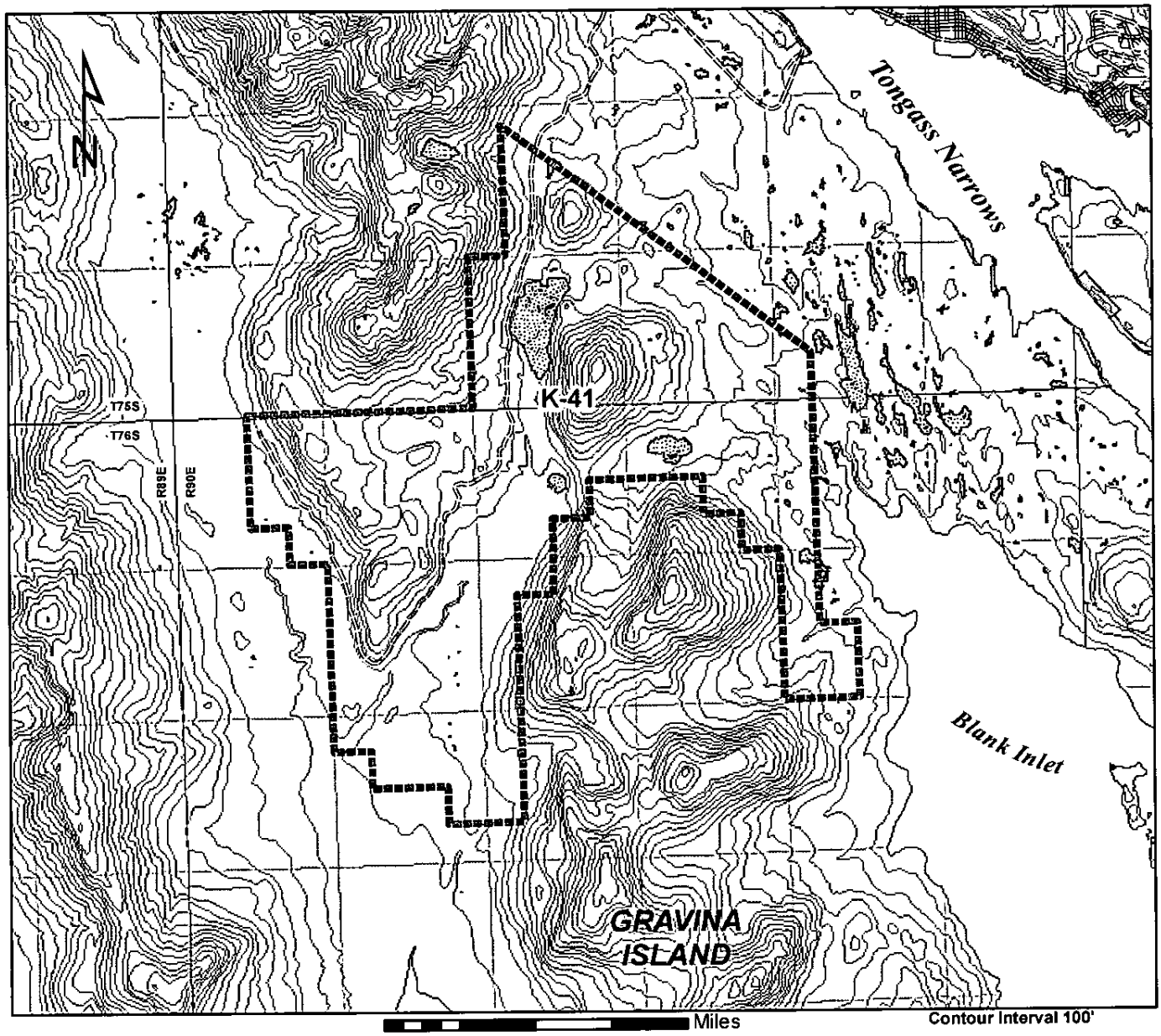
Proposed Southeast Alaska State Forest Gravina (Vallenar)

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

2/05/2008 gs

2870



Legend

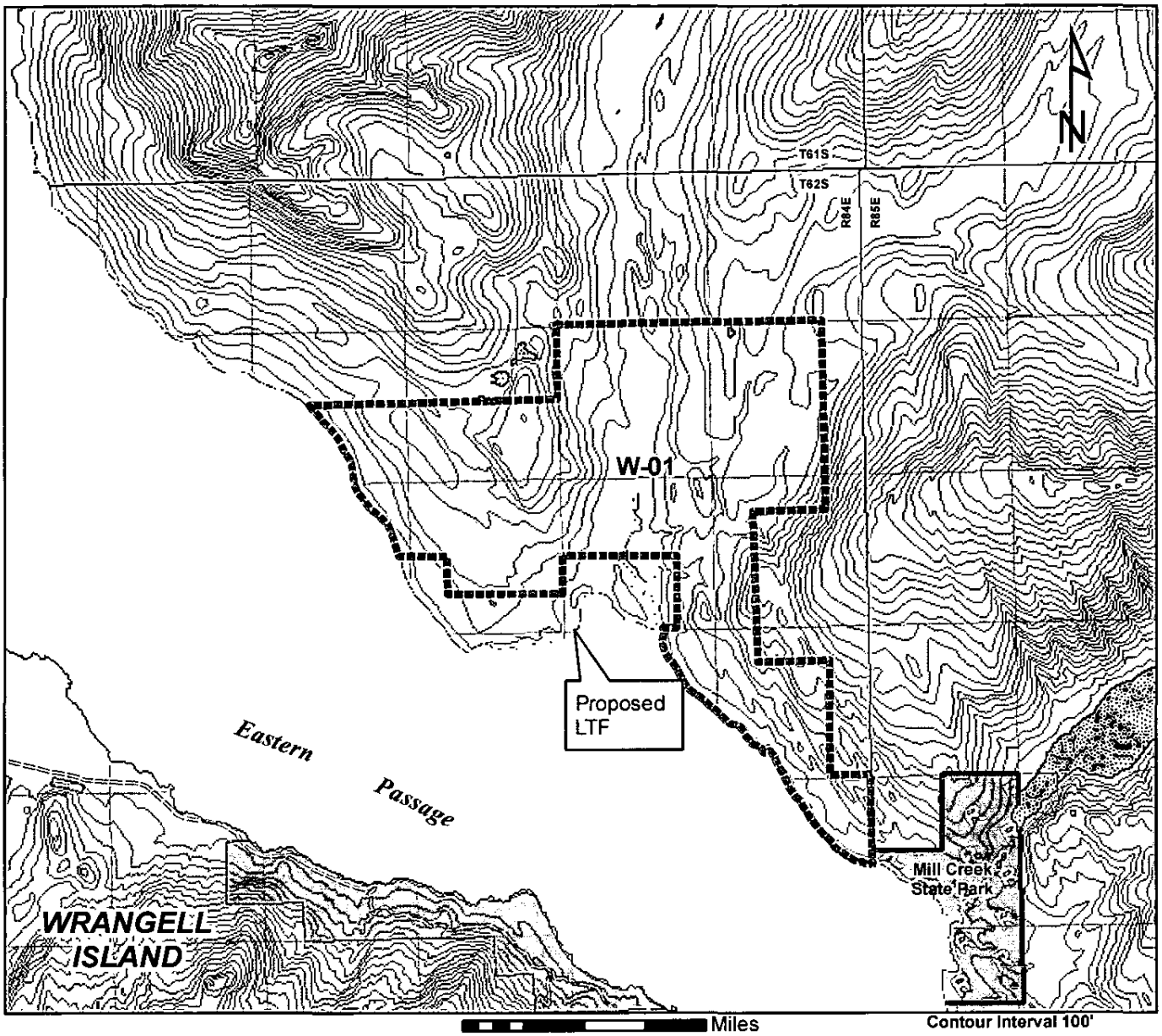
- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat
- ==== Roads

Proposed Southeast Alaska State Forest Gravina (Bostwick)

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

12/03/2008 gs



Legend

- Proposed State Forest
- State Park
- GU
- Disposable
- Recreation
- Habitat
- lakes
- Roads

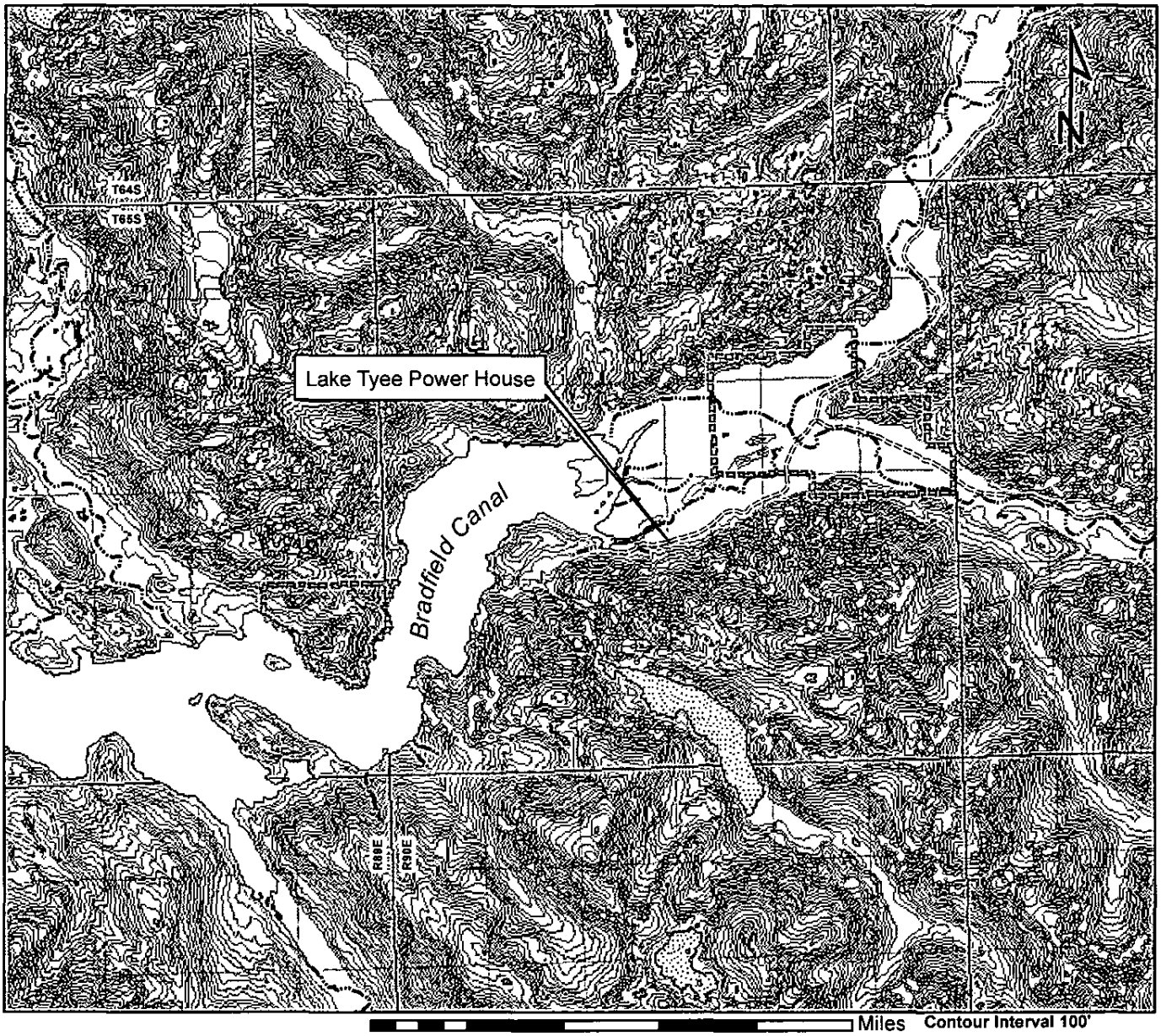
Proposed Southeast Alaska State Forest Crittenden Creek

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

1/19/09 gs

2872



1 inch equals 1.6 miles

Legend

- Proposed State Forest
- GU
- Disposable
- Recreation
- Habitat
- Lakes
- Catologed Streams
- Roads

Proposed Southeast Alaska State Forest Bradfield Area

ALASKA DEPARTMENT OF NATURAL RESOURCES

DIVISION OF FORESTRY

1/21/09 gs

2873

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

BOARD OF FORESTRY

SARAH PALIN, GOVERNOR

550 West 7th Avenue, Suite 1450
Anchorage, AK 99501

April 3, 2009

Representative Bill Stoltze, Co-chair
House Finance Committee
State Capitol, Room 515
Juneau, Alaska 99801-1182

Dear Representative Stoltze,

The Alaska Board of Forestry is pleased to convey its support for HB 162 to establish a Southeast State Forest. The Board of Forestry provides a forum to discuss and resolve issues on forest practices and management of forests on state land (AS 41.17.947(b)). Board members represent diverse constituencies – the timber, fishing, and mining industries, Native Corporations, professional foresters and fish and wildlife biologists, and environmental and recreational organizations.

The Board of Forestry was briefed on the concept of a Southeast State Forest at the November 12, 2008 Board meeting, and on the specifics of HB 162 at the March 18-19, 2009 Board meeting. HB 162/SB127 would establish a 25,291-acre state forest consisting of 20 parcels in southeast Alaska. This land is currently part of the state timber base, but susceptible to future changes in land use designations. Dedication to long-term management helps provide for long-term forest management to support the southeast timber industry and ensure continued multiple use. It also secures a land base suitable for thinning to increase the volume of second-growth timber and reduce impacts on wildlife habitat.

I am pleased to report that on March 18, 2009 the Board unanimously voted to support passage of House Bill 162.

Sincerely,

Chris Maisch, State Forester
Chair, Alaska Board of Forestry

Alaska Board of Forestry

- Ron Wolfe, Alaska Native Corporations
- Rick Rogers, Forest Industry Trade Association
- Wayne Nicolls, Non-governmental Professional Forestere
- Rob Bosworth, Environmental Organization
- Erin McLarnon, Recreation Organization
- Mark Vinsel, Commercial Fisherman's Organization
- Jeff Foley, Mining Organization
- Matt Cronin, Non-governmental Professional Fish/Wildlife Biologist

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

SARAH PALIN, GOVERNOR

☐ P.O. BOX 111000
JUNEAU, ALASKA 99811-1000
PHONE: (907) 465-2400
FAX: (907) 465-3886

☐ 550 WEST 7TH AVENUE, SUITE 1400
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8431
FAX: (907) 269-8918

April 10, 2009

Representative Bill Stoltze, Co-Chairman
House Finance Committee
State Capitol, Room 515
Juneau, Alaska 99801

Re: House Bill 162 – Establishing the Southeast State Forest

Dear Representative Stoltze,

Please accept this request for your consideration to schedule HB 162 before the House Finance Committee at your earliest convenience.

This bill would establish a new Southeast State Forest (SESF) in Southeast Alaska. The SESF would be managed as part of the State Forest System under AS 41.17.200-.230. Designated lands include 20 parcels totaling approximately 25,291 acres on Prince of Wales, Tuxekan, Kosciusko, Heceta, Revilla, and Gravina islands, and on the mainland at Crittenden Creek. Lands in the State Forest would continue to be open for multiple uses, including wildlife habitat and harvest and recreational activities. Legislatively designating a State Forest would ensure that some land will remain available for long-term forest management, and enable thinning to increase timber volumes.

The bill is supported by the Alaska State Forest Association, the Southeast Conference, and Resource Development Council along with recreation groups and surrounding land owners. Attached are a Sectional Analysis, DNR's zero fiscal note and background materials and maps.

If you have any questions regarding the bill, feel free to contact Melanie Lesh, Special Assistant, Department of Natural Resources' and Legislative Liaison at 465-4730, or Marty Freeman, the Forest Resources Program Manager at 269-8473.

Sincerely,

Thomas E. Irwin
Commissioner

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

2875

Briefing: HB 162
Southeast State Forest
DEPARTMENT OF NATURAL RESOURCES -- DIVISION OF FORESTRY

Alaska Department of NATURAL RESOURCES

April 10, 2009

Background. The state Department of Natural Resources manages over 156,000 acres of forest land in Southern Southeast (SSE) Alaska. Of this land, timber management is allowed on approximately 49,000 acres. The state actively manages this timber base to supply wood to local processors. Remaining land is designated primarily for other uses including land sales, recreation, water resources, and fish and wildlife habitat, including over 25,000 acres of legislatively designated state parks, refuges, and public use areas.

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STATE OF ALASKA

SARAH PALIN, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

P.O. BOX 111000
JUNEAU, ALASKA 99811-1000
PHONE: (907) 465-2400
FAX: (907) 465-3886

550 WEST 7TH AVENUE, SUITE 1400
ANCHORAGE, ALASKA 99501-3650
PHONE: (907) 269-8431
FAX: (907) 269-8918

March 2, 2009

Sectional Analysis
HB 162
Establishing the Southeast State Forest and relating to the Southeast State Forest; and providing for an effective date

This bill would establish a new Southeast State Forest (SESF). The SESF would be managed as part of the State Forest System under AS 41.17.200-.230. Lands in the State Forest would continue to be open for multiple uses, including wildlife habitat and harvest and recreational activities. The State Forest designation would not affect the Wrangell Borough municipal entitlement, nor would it affect calculation of entitlement acreage for future municipalities in southeast Alaska.

Section 1 – Southeast State Forest.

Legal descriptions. Section 1, subsections (a) and (d) provide legal descriptions for the lands to be designated as the Southeast State Forest (SESF). Designated lands include 20 parcels totaling approximately 25,291 acres (see chart) on Prince of Wales, Tuxekan, Kosciusko, Heceta, Revilla, and Gravina islands, and on the mainland at Crittenden Creek. These parcels are an important part of the state timber base, but are classified as General Use land, which may be sold in the future. Legislatively designating a State Forest would ensure that some land will remain available for long-term forest management, and enable thinning to increase timber volumes. Designated lands exclude areas identified as important sites for future state land disposals.

Management plan and transportation corridor. Subsection (b) directs DNR to prepare a management plan for the Southeast State Forest. Under AS 41.17.230 a management plan is required within three years after a State Forest is established. State Forest management plans must consider and permit multiple uses, include recreation and tourism, mining, use of fish and wildlife, and other traditional uses, unless the Commissioner issues a site-specific written finding that a use in incompatible with one or more other uses. Public, interagency, and Board of Forestry review is required prior to adoption of a State Forest management plan. As in other state forests, Subsection (c) states that the DNR Commissioner may also establish transportation corridors within the State Forest.

Municipal entitlements. Subsection (e) clarifies the relationship of the Southeast State Forest to current and potential municipal entitlements. State Forests can affect the amount of land a municipality is entitled to select, and the land

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 162
(H) Publish Date: 3/2/09

Identifier (file name): 0012-DNR-FOR-02-09-09
Dept. Affected: Natural Resources
Title: Southeast State Forest
RDU: Resource Development
Component: Forest Management & Development
Sponsor: Rules Committee
Requester: Governor
Component Number: 435

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

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

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

This bill establishes a 25,291-acre State Forest in Southern Southeast Alaska by redesignating certain state-owned parcels. A timber management plan would be developed to actively manage the parcels for higher timber volumes per acre, shorter rotations and less impact on wildlife. This would involve thinning young second-growth stands; a long-term investment not justified for undesignated lands.

Implementation of this bill will not require new positions or funding. The bill will have no short-term impact to the revenue stream, but will provide for long-term increases in forest productivity and subsequent increased timber revenues.

Prepared by: Chris Maisch, Director
Phone 451-2660
Division: Division of Forestry
Date/Time: February 9, 2009
Approved by: Tom Irwin, Commissioner
Date: February 9, 2009
Natural Resources

(Revised 9/10/2008 OMB)

RESOURCE DEVELOPMENT COUNCIL

Growing Alaska Through Responsible Resource Development

Founded 1975
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2008-2009 Executive Committee
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Lorna Shaw
Kenneth Sheffield
Keith N. Silver
Tiel Smith
Robert Stiles
Jeanine St. John
John L. Sturgeon
Jim Taro
John Williams
John Zager

Ex-Officio Members
Senator Mark Begich
Senator Lisa Murkowski
Congressman Don Young
Governor Sarah Palin

March 12, 2009

Senator Olson, Chair
Senate Community and Regional Affairs Committee
Alaska State Legislature, State Capitol
Juneau, AK 99801

RE: SB127-An Act to Establish the Southeast Alaska State Forest

Dear Senator Olson:

The Resource Development Council (RDC) is writing to support SB 127, the establishment of the Southeast Alaska State Forest.

RDC is a statewide, non-profit, membership-funded organization founded in 1975. The RDC membership is comprised of individuals and companies from Alaska's oil and gas, mining, timber, tourism, and fisheries industries, as well as Alaska Native corporations, local communities, organized labor, and industry support firms. RDC's purpose is to link these diverse interests together to encourage a strong, diversified private sector in Alaska and expand the state's economic base through the responsible development of our natural resources.

The bill would establish a new state forest in Southeast Alaska from state lands presently used for timber harvest. The Division of Forestry would be able to manage the state forest for a long-term supply of timber to local processors, and retain the land in state ownership for multiple use. The forest would be managed as part of the State Forest System and under the current Prince of Wales Island and Central Southeast area plans.

In Southeast Alaska, demand for state timber exceeds supply and local mills are dependent on a consistent supply to stay in business. The majority of the timber in Southeast Alaska is on federal land, but federal timber sales have declined sharply, oftentimes due to incessant litigation from anti-logging groups as well as the federal government consistently putting forward uneconomic timber sales. Subsequently, the demand for state timber has increased significantly.

Much of the proposed forest was inherited from the U.S. Forest Service with young second-growth stands. Establishment of the Southeast Alaska State Forest will help provide a sustainable timber supply to local mills and accelerate the harvest of second-growth timber. Actively managed second-growth stands will provide more timber volume per acre on shorter rotations, and have less impact on wildlife. The shift to second-growth harvesting can be accelerated and timber volume increased on state land by thinning these stands. However, thinning is a long-term investment and is only justified if the land will continue to be available for forest management. A legislatively designated State Forest would ensure that land would remain available for long-term forest management. Thank you for the opportunity to provide comment on SB 127.

Sincerely,

Carl Portman, Deputy Director

121 West Fireweed Lane, Suite 250, Anchorage, Alaska 99503-2035
Phone: 907/276-0700 Fax: 907/276-3887 Email: Resources@akrdc.org Website: www.akrdc.org

Southeast Conference

P.O. Box 21989
612 W. Willoughby Avenue, Suite A
Juneau, AK 99802
(907) 523-2310
(907) 463-5670 fax
www.seconference.org

February 16, 2009

The Honorable Governor Sarah Palin
PO Box 110001
Juneau, AK 99811-0001

Governor Palin;

The Southeast Conference (SEC) is a broad based association of communities in Southeast Alaska with a mission of undertaking and supporting activities that promote strong economies, healthy communities and a quality environment throughout the region. In furthering that mission, SEC would like to lend its support for the concept of creating a new State Forest in southern southeast.

In southern southeast the demand for state supplied timber far exceeds the supply. The majority of the timber in the area is on federal land; however federal timber sales have declined dramatically. For their survival, the few remaining, local mills now depend heavily on state supplied timber from the 49,000 state acres where timber management is allowed.

Many of the states' managed acres support either second-growth stands on lands previously harvested by the U.S. Forest Service prior to state selection or new-growth on lands that have recently been harvested through state sales. Thus, for a future timber supply from state lands in southeast, the emphasis must be on active management of second-growth stands with higher volumes per acre, less impact on wildlife, and shorter harvest rotations.

In order for the state to expend funds to enter into intensive second-growth management on its timber lands, there must be assurance that the acres will be managed for timber over the long term. That assurance can best come through the designation of the lands as a State Forest with a management plan calling for extended, intensive timber management. With that designation, the Division of Forestry would be able to manage the lands for a reliable, long-term supply of timber to local processors and retain the land in state ownership for multiple uses.

Approximately 3,800 acres of state lands potentially included in a new State Forest are within the new Wrangell Borough. SEC understands that the establishment of State Forest lands within the new borough would not adversely affect the amount of land Wrangell may select. AS 29.65.030 states that borough selections are based on the maximum total acres

ARDOR

9674
JB

Alaska Forest Association, Inc.

111 STEDMAN STREET, SUITE 200
KETCHIKAN, ALASKA 99901
Phone: 907-225-6114
Fax: 907-225-5920
E-mail: afa@akforest.org

March 10, 2009

Honorable Sarah Palin
State of Alaska Governor
PO Box 110001
Juneau, AK 99811

Dear Governor Palin,

Only about 12% of the commercial timberlands in Southeast Alaska are comprised of young-growth timber. Most of these stands are less than 50-years old and will not be mature for another 30 to 50-years. Therefore, for the next few decades, our industry will have to continue harvesting old-growth timber. However, well managed stands of young-growth timber can produce faster growing, high quality timber on fewer acres than unmanaged stands. *Consequently, we applaud your legislative proposal to add some State General Use lands to the State Forest in Southeast Alaska so that the Division of Forestry can more intensively manage those lands.*

The Division of Forestry has done an excellent job of preparing timber sales to keep a small portion of our industry alive in recent years, but they cannot increase their timber sales level without acquiring more timberlands or by departing from their long-term sustained yield requirement. There is opportunity however for increased timber sales from the Mental Health Trust and the University of Alaska timberlands. *We ask that you encourage both of these land managers to increase their timber sales program.* This would provide additional timber to our industry, would lessen the amount of State funding needed to sustain these two entities and create real, private sector jobs in Alaska.

Lastly, we want to thank you for making State personnel available to assist in the restoration of a viable federal timber sale program. That effort is already producing good results and provides our beleaguered industry some hope for our future.

Sincerely,

Brian Brown
President
Alaska Forest Association

OFFICE OF THE GOVERNOR
JUN 15 2009

SERVING ALASKA'S FOREST INDUSTRY

City of Coffman Cove
Resolution 09-18

A RESOLUTION SUPPORTING A STATE FOREST IN SOUTHEAST ALASKA

WHEREAS, the State of Alaska has Timber harvest plan regulated by the State Forestry Guidelines. and

WHEREAS, the economy of Southeast Alaska has suffered with the decline in the logging industry, and

WHEREAS, a stable timber supply with good management practices benefits all Alaskans, and

WHEREAS, THE CONCEPT OF THE State Forest provides stability, jobs and resource management,

NOW THEREFORE BE IT RESOLVED the Coffman Cove City Council supports the Alaska Department of Natural Resources State Forest proposal as presented.

Mayor/Vice Mayor

ATTEST:

Cindy Huff, City Clerk

Briefing: **HB 162**
Southeast State Forest
DEPARTMENT OF NATURAL RESOURCES -- DIVISION OF FORESTRY

Alaska Department of NATURAL RESOURCES

January 24, 2010

Background. The state Department of Natural Resources manages over 156,000 acres of forest land in Southern Southeast (SSE) Alaska. Of this land, timber management is allowed on approximately 49,000 acres. The state actively manages this timber base to supply wood to local processors. Remaining land is designated primarily for other uses including land sales, recreation, water resources, and fish and wildlife habitat, including over 25,000 acres of legislatively designated state parks, refuges, and public use areas.

In SSE, demand for state timber exceeds supply. The majority of timber in SSE is on federal land, but federal timber sales have declined drastically. Local mills now depend heavily on state timber for survival. The state is committed to finding long-term solutions by:

- maximizing the sustainable supply of timber from the small state timber base.
- working with the US Forest Service to increase economically feasible federal timber sales, and
- accelerating the transition from old-growth harvesting to harvesting second-growth.

There is broad support for shifting timber harvesting in SE Alaska from old growth to second-growth stands. Actively-managed second-growth stands provide more timber volume per acre on shorter rotations, and have less impact on wildlife. Much of the state timber land was inherited from the USFS with young second-growth stands. We can accelerate the shift to second-growth harvesting and increase timber volume on state land by thinning these stands. However, thinning is a long-term investment, and is only justified if the land will continue to be available for forest management. Legislatively designating a State Forest would ensure that some land will remain available for long-term forest management.

Purpose. This bill would establish a new Southeast State Forest from state lands presently used for timber harvest. The Division of Forestry will be able to manage the State Forest for a long-term supply of timber to local processors, and retain the land in state ownership for multiple uses.

Proposed State Forest land. The proposed Southeast State Forest includes 20 parcels totaling approximately 25,291 acres (see chart). Parcels are General Use lands on Prince of Wales, Tuxekan, Kosciusko, Heceta, Revilla, and Gravina islands, and on the mainland at Crittenden Creek. The Division of Forestry worked with the Division of Mining, Land, and Water Management to identify and exclude lands that are priorities for the state land disposal program.

State Forest Management. The Southeast State Forest would be managed as part of the State Forest System under AS 41.17.200-.230. Lands in the State Forest would continue to be open for multiple uses, including wildlife habitat and harvest and recreational activities. State Forest lands would be managed consistent with the management intent under the current Prince of Wales Island and Central Southeast area plans. Changes to management intent would require public and interagency review through adoption of a State Forest Management Plan under AS 41.17.230.

Municipal Entitlements. The City and Borough of Wrangell boundary encompasses three parcels in the proposed state forest (Crittenden Creek and Bradfield Canal East and West). A State Forest designation will not affect the amount or location of land the Wrangell Borough can select. That determination is based on the maximum total acreage of vacant, unappropriated, unreserved land in the borough boundaries within two years after the date of incorporation (AS 29.65.030). However, a borough would not normally be able to select land within a State Forest. To avoid conflicts with the Wrangell entitlement, the Southeast State Forest bill specifies that the Wrangell Borough may select State Forest land within the borough boundary.

If new municipalities are incorporated before June 30, 2019, lands that were vacant, unappropriated, unreserved land before establishment of the State Forest will be included in the calculation of the municipal entitlement acreage, but may not be selected.

PROPOSED SOUTHEAST STATE FOREST			
Planning Unit	**Acreage**	**General Location**	**Island**
Prince of Wales Island Area Plan			
4a	1,528.21	El Capitan – North	Prince of Wales
4a	600.44	El Capitan – South	Prince of Wales
6a	1,558.11	Coffman Cove – West	Prince of Wales
6a	320	Coffman Cove – East	Prince of Wales
7b	200	Tuxekan – East	Tuxekan
7c	436.89	Naukati – North	Prince of Wales
7c	640	Naukati – South	Prince of Wales
8b	480	Kosciusko/Edna Bay – North	Kosciusko
8b	2,199.84	Kosciusko/Edna Bay – South	Kosciusko
10a	1,257.92	Heceta Island – West	Heceta
10a	752.8	Heceta Island – East	Heceta
11a	744.32	Control Lake	Prince of Wales
11c	2,040	Thorne Bay – North	Prince of Wales
11c	840	Thorne Bay – South	Prince of Wales
Central Southeast Area Plan			
K-04	324.20	Traitors Cove	Revillagigedo
K-33	901.03	Gravina/Vallenar	Gravina
K-41	4,977.38	Gravina/Bostwick	Gravina
W-01	3,087.72	Crittenden Creek	Mainland
W-19	624.15	Bradfield Canal – West	Mainland
W-20	1,778.56	Bradfield Canal – East	Mainland
TOTAL	**25,291.14**	**20 parcels**	

Alaska Society of American Foresters

February 18, 2010

Chris Maisch, State Forester
Alaska Division of Forestry
3700 Airport Way
Fairbanks, AK 99709

Dear Mr. Maisch,

The Alaska Society of American Foresters strongly supports the adoption of House Bill 162: "An Act establishing the Southeast State Forest and relating to the Southeast State Forest; and providing for an effective date" and the corresponding Senate Bill 127.

The Alaska Society is a state chapter of the national Society of American Foresters (SAF), the national scientific and educational organization representing the forestry profession in the United States. The Alaska SAF's support of House Bill 162 parallels the SAF Core Values:

- Forests are a fundamental source of global health and human welfare,
- Forests must be sustained through simultaneously meeting environmental, economic, and community aspirations and needs,
- Foresters are dedicated to sound forest management and conservation, and
- Foresters serve landowners and society by providing sound knowledge and professional management skills

The Alaska SAF supports the establishment of the southeast state forest as it promotes continued timber and resource management in Southeast Alaska. In doing so, state forests support timber production, wood energy, recreation, habitat and jobs. Formal designation as a state forest provides the incentive for the Alaska Division of Forestry to invest in management of these lands for their multiple benefits to the community and natural resources of the region.

Furthermore, the Alaska SAF concurs with the Juneau Chapter of SAF in its Resolution attached.

Sincerely,

Sue Rodman, Chair
Alaska Society of American Foresters

Enclosure

2885

Resolution

Whereas the majority of timber in SE Alaska is on federally owned National Forest land, harvest of which has drastically declined and local mills are heavily dependent on sale of state timber, and;

Whereas the state is committed to maximizing the sustainable supply of timber from the small state timber land base, and;

Whereas, there is broad support for shifting timber harvesting in SE Alaska from old growth to young growth stands, which yield higher volumes per acre on shorter rotations, and have less impact on wildlife, and;

Whereas, much of the state timber land was conveyed from the federal government with young growth stands, the shift from old growth to young growth harvest can be accelerated by thinning these stands, and;

Whereas, thinning and subsequent young growth management constitutes long-term investment, it is only justified if the land will continue to be available for forest management, and;

Whereas land designated as State Forest would ensure that some land will remain available for long-term management for multiple uses including the supply of timber to local processors, and;

Whereas, the State owns 20 parcels of land comprising approximately 25,291 acres suitable for designation and subsequent management as a State Forest, now therefore;

Be it resolved that the Juneau Chapter Alaska Society of American Foresters (SAF) generally endorses establishment of a Southeast Alaska State Forest as currently proposed in House Bill #162 "An Act establishing the Southeast State Forest and relating to the Southeast State Forest; and providing for an effective date" and Senate Bill #127.

And be it finally resolved that the Juneau Chapter of the Alaska Society of American Foresters transmit this resolution to the Governor of Alaska, House and Senate Resource Committee Chair, Alaska State Legislature, the Alaska Congressional Delegation, the U.S. Forest Service Chief, U.S. Forest Service Alaska Regional Forester.

Adopted by unanimous vote of the Juneau Chapter, Alaska Society of American Foresters, January 20, 2010.

/s/ Michael McClellan
Michael McClellan, Chair

Alaska Forest Association, Inc.

111 STEDMAN STREET, SUITE 200
KETCHIKAN, ALASKA 99901
Phone 907-225-6114
Fax 907-225-5920
E-mail afa@akforest.org

January 28, 2010

Senator Lesil McGuire, Co-Chair
Senator Bill Wielechowski, Co-Chair
Senate Resources Committee
Alaska State Legislature, State Capitol
Juneau, AK 99801

RE. HB 162-An Act to Establish the Southeast Alaska State Forest

Dear Senators McGuire and Wielechowski:

The Alaska Forest Association (AFA) is one of the oldest trade associations in the State of Alaska and represents more than 120 members sharing an interest in the timber industry and public lands of Alaska. Our mission is to advance the restoration, promotion and maintenance of a healthy, viable forest products industry that contributes to the economic and ecological health in Alaska's forests and communities.

Most of the timber industry in Southeast Alaska has been operating for only about 50-years and since it takes about 100-years to grow our commercial timber to maturity, we will not be able to begin a significant transition to young-growth operations for at least other 50-years. As a result, we must continue harvesting old-growth timber during the next 50-years. The harvest on federal lands will likely continue to be controversial because of this unavoidable reliance on old-growth timber. The State Division of Forestry has been able to sustain a viable but small timber sale program and we encourage the State Legislature to take advantage of every opportunity to increase the amount of commercial timber the State can make available to our mills

We are in support of HB 162 which would establish a State Forest in Southeast Alaska and thus make it more efficient for the State Division of Forestry to perform thinning and other intensive forestry management practices that will maximize the growth of commercial timber on State lands.

Sincerely,

Owen Graham
Executive Director
Alaska Forest Association

SERVING ALASKA'S FOREST INDUSTRY

HB

168

<target><bill>HB 168</bill><subject>HB
168</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/16/10

Finance Committee considered CS FOR HOUSE BILL NO. 168(FIN)

HB 168 TRAUMA CARE CENTERS/FUND

"An Act relating to state certification and designation of trauma centers; creating the trauma care fund to offset trauma care provided at certified and designated trauma centers; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CSHB 168 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[✓] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DHS	4/13			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	2/8			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins				
	Thomas	✓			
	EGAN				
	OLSON	✓			
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SCS CSHB 168 (FIN)**
() Publish Date:

Identifier (file name):
Title
Sponsor: Representative Coghill
Requester: Senate Finance Committee

Dept. Affected: Health & Social Services
RDU: Public Health
Component: Injury Prevention/Emergency Medical Services
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Senate Finance Committee
Co-Chair Bert Stedman/Co-Chair Lyman Hoffman
Phone 465-3873/465-4453
Date/Time

Approved by:
Date 4/13/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 168(HSS)
(H) Publish Date: 2/17/10

Identifier (file name): HB168-REV-TRS-2-8-10
Dept. Affected: Revenue

Title: Uncompensated Trauma Care fund
RDU: Taxation and Treasury
Component: Treasury Division

Sponsor: Representative Kerttula
Requester: House Health and Social Services
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

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

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

This bill establishes a fund to compensate certain certified trauma centers in Alaska for care uncompensated by the person receiving the care or by another source. This fund will be invested within the GeFonsi investment pool No additional costs have been identified.

Prepared by: Pamela J. Leary, Comptroller — Phone 465-2300
Division: Treasury Division — Date/Time 2-8-10; 10:01am
Approved by: Ginger Blaisdell, Director — Date 2/8/2010; 8:12pm
Administrative Services Division

(Revised 11/6/2009 OMB)

26-LS0437\T
Mischel
4/16/10

SENATE CS FOR CS FOR HOUSE BILL NO. 168(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES COGHILL, Kerttula, Lynn, Cissna, Keller, Herron, Ramras, Kawasaki, Dahlstrom, Tuck, Crawford

A BILL

FOR AN ACT ENTITLED

"An Act relating to state certification and designation of trauma centers; creating the trauma care fund to offset trauma care provided at certified and designated trauma centers; and providing for an effective date."

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

*** Section 1.** AS 18.08.082 is amended by adding a new subsection to read:

(c) The commissioner shall establish special designations in regulation for varying levels of trauma care provided by any certified trauma center in the state that shall be used to set compensation eligibility and amounts under AS 18.08.085. The designations shall be based on nationally recognized standards and procedures.

*** Sec. 2.** AS 18.08 is amended by adding a new section to read:

Sec. 18.08.085. Trauma care fund; creation. (a) The trauma care fund is created. The purpose of the fund is to compensate certified trauma centers in the state that receive a special designation under AS 18.08.082(c) and that achieve or maintain the highest appropriate level of trauma care designation.

(b) The fund consists of money appropriated to it by the legislature, including donations, recoveries of or reimbursements for awards made from the fund, income from the fund, and other program receipts from activities under this chapter. Appropriations to the fund do not lapse.

(c) The commissioner shall administer the fund in accordance with the provisions of this chapter. The commissioner shall spend money from the trauma care fund for the purpose established in (a) of this section.

(d) The commissioner shall establish compensation standards under this section. The standards must include funding priorities for trauma centers receiving a special designation under AS 18.08.082(c). The commissioner may seek the advice of a special committee for review of statewide trauma care and compensation standards.

(e) The commissioner may not provide more than 25 percent of the total assets, including earnings, of the fund in a fiscal year to one trauma center.

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

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 168(FIN)

HB 168 TRAUMA CARE CENTERS/FUND

"An Act relating to state certification and designation of trauma centers; creating the trauma care fund to offset trauma care provided at certified and designated trauma centers; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CSHB 168 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[✓] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DHS	4/13			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	2/8			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	EGAN	✓			
	OLSON	✓			
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SCS CSHB 168 (FIN)
() Publish Date:

Identifier (file name):
Title
Sponsor Representative Coghill
Requester Senate Finance Committee

Dept. Affected: Health & Social Services
RDU Public Health
Component Injury Prevention/Emergency Medical Services
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Senate Finance Committee
Co-Chair Bert Stedman/Co-Chair Lyman Hoffman
Phone 465-3873/465-4453
Date/Time

Approved by:
Date 4/13/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 168(HSS)
(H) Publish Date: 2/17/10

Identifier (file name): HB168-REV-TRS-2-8-10
Dept. Affected: Revenue
Title: Uncompensated Trauma Care fund
RDU: Taxation and Treasury
Component: Treasury Division
Sponsor: Representative Kerttula
Requester: House Health and Social Services
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Part-time	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Temporary	0.0	0.0	0.0	0.0	0.0	0.0	0.0

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

This bill establishes a fund to compensate certain certified trauma centers in Alaska for care uncompensated by the person receiving the care or by another source. This fund will be invested within the GeFonsi investment pool No additional costs have been identified.

Prepared by: Pamela J. Leary, Comptroller — Phone 465-2300
Division: Treasury Division — Date/Time 2-8-10; 10:01am
Approved by: Ginger Blaisdell, Director — Date 2/8/2010; 8:12pm
Administrative Services Division

(Revised 11/6/2009 OMB)

2896

Adopted

26-LS0437\T
Mischel
4/16/10

called in 9:36

SENATE CS FOR CS FOR HOUSE BILL NO. 168(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): REPRESENTATIVES COGHILL, Kerttula, Lynn, Cissna, Keller, Herron, Ramras, Kawasaki, Dahlstrom, Tuck, Crawford

A BILL

FOR AN ACT ENTITLED

"An Act relating to state certification and designation of trauma centers; creating the trauma care fund to offset trauma care provided at certified and designated trauma centers; and providing for an effective date."

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

*** Section 1.** AS 18.08.082 is amended by adding a new subsection to read:

(c) The commissioner shall establish special designations in regulation for varying levels of trauma care provided by any certified trauma center in the state that shall be used to set compensation eligibility and amounts under AS 18.08.085. The designations shall be based on nationally recognized standards and procedures.

*** Sec. 2.** AS 18.08 is amended by adding a new section to read:

Sec. 18.08.085. Trauma care fund; creation. (a) The trauma care fund is created. The purpose of the fund is to compensate certified trauma centers in the state that receive a special designation under AS 18.08.082(c) and that achieve or maintain the highest appropriate level of trauma care designation.

(b) The fund consists of money appropriated to it by the legislature, including donations, recoveries of or reimbursements for awards made from the fund, income from the fund, and other program receipts from activities under this chapter. Appropriations to the fund do not lapse.

(c) The commissioner shall administer the fund in accordance with the provisions of this chapter. The commissioner shall spend money from the trauma care fund for the purpose established in (a) of this section.

(d) The commissioner shall establish compensation standards under this section. The standards must include funding priorities for trauma centers receiving a special designation under AS 18.08.082(c). The commissioner may seek the advice of a special committee for review of statewide trauma care and compensation standards.

(e) The commissioner may not provide more than 25 percent of the total assets, including earnings, of the fund in a fiscal year to one trauma center.

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

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 168(HSS)
(H) Publish Date: 2/17/10

Identifier (file name): HB168-REV-TRS-2-8-10
Dept. Affected: Revenue
Title: Uncompensated Trauma Care fund
RDU: Taxation and Treasury
Component: Treasury Division
Sponsor: Representative Kerttula
Requester: House Health and Social Services
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

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

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

This bill establishes a fund to compensate certain certified trauma centers in Alaska for care uncompensated by the person receiving the care or by another source. This fund will be invested within the GeFonsi investment pool No additional costs have been identified.

Prepared by: Pamela J. Leary, Comptroller — Phone 465-2300
Division: Treasury Division — Date/Time 2-8-10; 10:01am
Approved by: Ginger Blaisdell, Director — Date 2/8/2010; 8:12pm
Administrative Services Division

(Revised 11/6/2009 OMB)

2899

New

AMENDMENT #2

OFFERED IN THE SENATE BY SENATOR ELLIS

TO: CSHB 168 (FIN) am

Page 1, lines 13-14:

Delete **"that is a higher level than a designation received by the center in the preceding fiscal year"**

After "AS 18.08.082 (c)" insert **"that achieve or maintain the highest appropriate level of trauma care designation"**

Amendment 3

OFFERED IN THE SENATE

By: Senator Hoffman

To: CSHB 168(FIN) am

Page 1, line 7:

after "by" insert "any"

after "center" insert "in Alaska"

Adopted
4/13/10

1

AMENDMENT

OFFERED IN THE SENATE BY: Senator Ellis

TO: CSHB 168 (FIN)

Page 1, line 13

Following "AS 18.08.082(c)" insert **"that is a higher level than a designation received by the center in the preceding fiscal year."**

FISCAL NOTE

replaced

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 168(FIN)
(H) Publish Date: 4/7/2010

Identifier (file name): CS HB 168(FIN)-DHSS-IPEMS-04-06-10
Title: Trauma Care Centers/Fund
Sponsor: Representative Coghill
Requester: House Finance Committee

Dept. Affected: Health & Social Services
RDU: Public Health
Component: Injury Prevention/Emergency Medical Services
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	5,000.0						
Miscellaneous							
TOTAL OPERATING	**5,000.0**		*	*	*	*	*
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	2,500.0						
1003 GF Match							
1004 GF	2,500.0						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other-AHFC Receipts							
TOTAL	**5,000.0**		*	*	*	*	*

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

CS HB 168 (FIN) creates the trauma care fund to be used to compensate certified trauma centers for practicing at the highest national standards for trauma care. Monies from the Disproportionate Share Hospital (DSH) program can be used as a match to money in the trauma care fund. This would be a 50/50 match.

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 4/6/2010 12:00PM

Co-Chair Rep. Hawker
House Finance Committee
Date 4/6/2010

2903

HB

172

<target><bill>HB 172</bill><subject>HB
172</subject><comm>SFIN26</comm></target>

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA STUDENT LOAN CORPORATION

P.O. BOX 110505
JUNEAU, ALASKA 99811-0505
VOICE (800) 441-2962
In Juneau (907) 465-6740
TDD (907) 465-3143
FAX (907) 465-3293

April 7, 2009

The Honorable Bert Stedman
Co-Chair
Senate Finance Committee
State Capitol, Room 516
Juneau, Alaska 99801

Re: HB109 – Eligibility for the Alaska supplemental education loan program

Dear Senator Stedman:

Thank you for your prompt action to schedule this bill before your committee. Provided below is additional information requested by members at that April 1 Finance Committee meeting. Given that the objective of the proposed legislation is to raise the credit requirement for individuals borrowing under the Alaska Supplemental Education Loan Program (ASEL), members understandably had questions about ASEL program delinquency and default rates, as well as the rates at which ASEL borrowers, unable to pay as agreed on the standard repayment schedule, utilize alternative repayment options to avoid default. Following are data (substantially all of which is as of 12/31/2008) in response to those questions:

- Total loans/principal balance – 95,114 - $560.8 million
- Total loans/principal balance with default flag set[1] – 25,214 - $120.6 million
- Principal balance of loans 271 or more days past due - $81.9 million
- Total loans/principal balance in deferment/forbearance – 3,810 - $27.6 million
- Total loans/principal balance in school/grace period – 22,747 - $134.6 million
- Total loans/principal balance in repayment/not in default – 53,223 - $316.7 million
- Total loans/principal balance of loans in repayment approved for reduced payments and/or extended repayment terms – 6,773 - $31.8 million
- Average debt per borrower - $16,000

As you can see, while the Alaska Student Loan Corporation has never failed to honor all of its obligations to bondholders, the history of extremely broad access and generous loan eligibility criteria has resulted in delinquency and defaults statistics that our past partners in the credit market can no longer discount in our favor. I urge prompt passage of HB109. This action is critical and will allow program manager to take the steps needed to accept and process loan applications for the 2009-2010 academic year. We anticipate that it will be at least 30 from enactment of the legislation for the new credit criteria to be in effect.

[1] The default flag sets when a loan becomes 270+ delinquent and remains set until the loan is repaid or otherwise discharged.

printed on recycled paper

If any other information or program data is desired please let me know. I urge your affirmative action on this legislation.

Sincerely,

Diane Barrans
Executive Officer

DB/dv

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA STUDENT LOAN CORPORATION

P.O. BOX 110505
JUNEAU, ALASKA 99811-0505
VOICE (800) 441-2962
In Juneau (907) 465-6740
TDD (907) 465-3143
FAX (907) 465-3293

April 10, 2009

The Honorable Bert Stedman
Co-Chair
Senate Finance Committee
State Capitol, Room 516
Juneau, Alaska 99801

Re: HB172 – Alaska Student Loan Corporation Interim Financing

Dear Senator Stedman:

Following is additional information requested by Co-Chair Hoffman and others during Wednesday's meeting. It is supplemental to my letter dated April 7 in regards to HB109.

Using borrowers' last known home addresses the following information was produced. Please bear in mind that these statistics are specific to Alaska Supplemental Education Loans; however, approximately 80% of ASLC's federally guaranteed loans are to students attending Alaska institutions.

- # loans/principal balance – 95,114 - $560.8 million (64.3% in Alaska)
- # loans/principal balance with default flag set[1] – 25,214 - $120.6 million (70% in Alaska)
- Principal balance of loans 271 or more days past due - $81.9 million (46.5% in Alaska)
- # loans/principal balance in deferment/forbearance – 3,810 - $27.6 million (48% in Alaska)
- # loans/principal balance in school/grace period – 22,747 - $134.6 million (77.4% in Alaska)
- # loans/principal balance in repayment/not in default – 53,223 - $316.7 million (65% in Alaska)
- Total loans/principal balance of loans in repayment approved for reduced payments and/or extended repayment terms – 6,773 - $31.8 million (60.8% in Alaska)

During the discussion I was asked to survey other state's alternative education loan programs to determine how widespread the practice is of allowing residents to borrow for attendance at institutions in other states. In a survey of other non-federal lending programs, I was able to only identify two states, Texas and Michigan, where residents were prohibited from using the aid to attend institutions in other states. It is important to note that the educational options available to residents of Texas and Michigan include an exhaustive array of vocational, undergraduate, graduate and professional programs. This was very likely a factor in making loans in those states non-portable. It is also important to consider that restricting loans to in-state attendance would have the inevitable effect of reducing the number of borrowers to the detriment of the agency's scale of operations. Many costs of originating and servicing loans are fixed and

[1] The default flag sets when a loan becomes 270+ delinquent and remains set until the loan is repaid or otherwise discharged.

printed on recycled paper

if spread across a smaller set of consumers would thereby increase their borrowing costs. This agency's ability to increase its customer base in recent years has been key to containing servicing costs relative to the size of the portfolio. By leveraging this lending model, over the past eight years ASLC has been able to provide borrower benefits totaling $24.5 million.

Below is the requested information regarding ASLC costs of bonds issued in the last five years.

ASLC Bonding Costs

		Average Annual Rate over last five years	
Bonds	Amount (in millions)	Fixed	Variable [1]
2003	$ 47.0		2.79%
2004	$ 93.1		3.16%
	22.0	4.97%	
	$ 115.1		
2005	$ 58.3	4.54%	
2006	$ 30.0		3.95%
	55.0	4.74%	
	$ 85.0		
2007	$ 41.5		3.97%
	67.5	4.56%	
	$ 109.0		

[1] rate is re-set every 35 days on all bonds with the exception of the 2007 bonds where rates are re-set every 7 days.

Please advise if any other information or program data is desired. Again, thank you for your careful consideration of this legislation which is critically important to Alaska's students.

Sincerely,

Diane Barrans
Executive Office

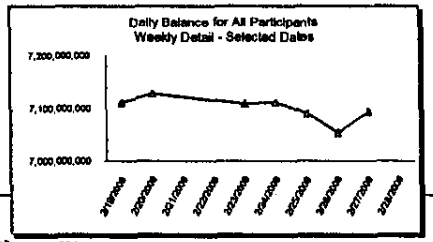
DB/dv

2908

2909

4/8/09

General Fund and Other Non-Segregated Investments (GeFONSI)



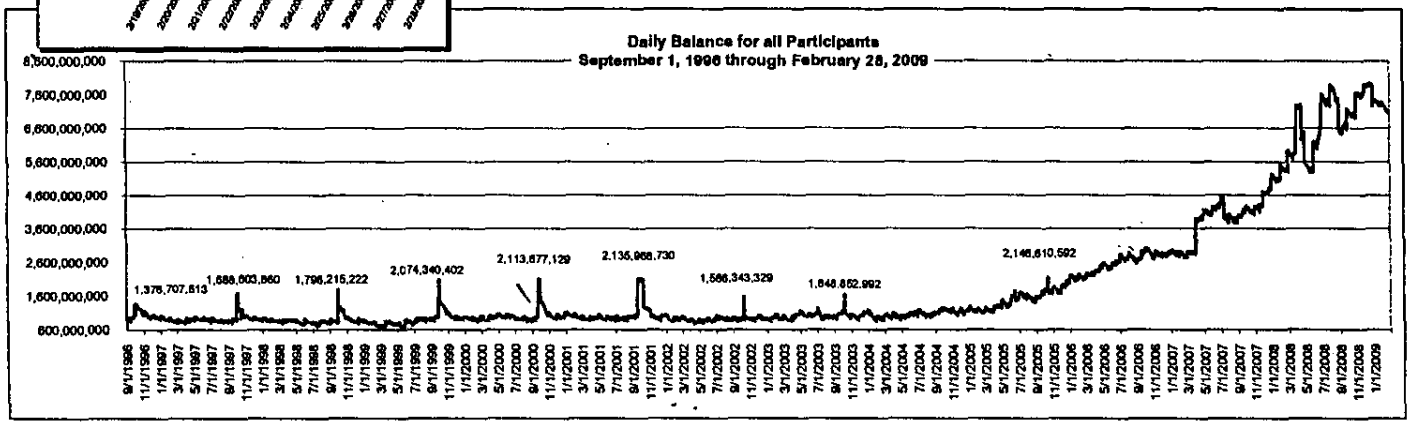
Historically, the operating General Fund has made up about 1/3 of the GeFONSI.

Beginning 7/1/99, daily balances shown below include unallocated receipts, some of which may be transferred to non-GeFONSI participants. The daily unallocated balance generally averages about $60 million and doubles at month end.

7/3/00: Transfers from CBR through GeFONSI not reflected below.

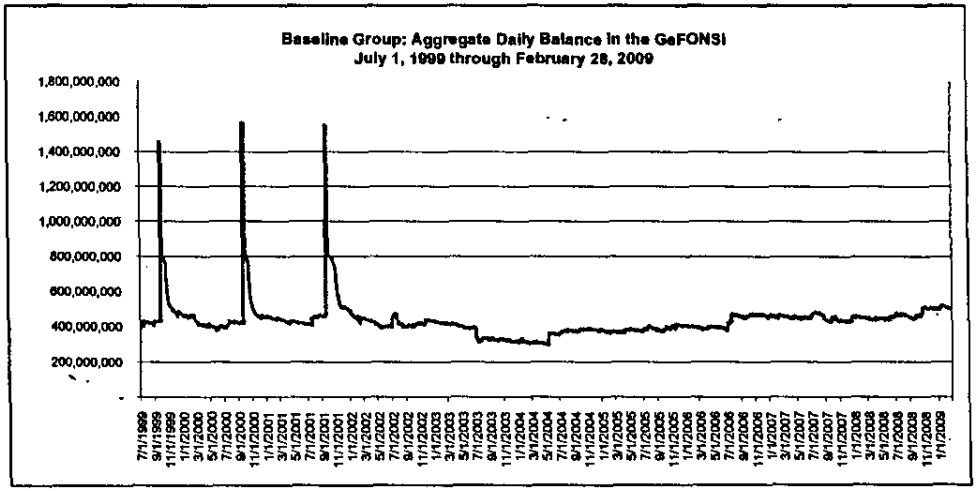
7/26/02: PFD Corporation transferred $897 million to the General Fund for the 2001 dividend. These funds along with $49 million previously invested in the GeFONSI have been invested separately. These balances do not appear on GeFONSI charts.

10/04: Electronic deposits of PFDs were not processed through the GeFONSI.



Baseline Group Information:
The baseline group was formed in February 1998 when Treasury considered the creation of a second GeFONSI. The baseline group is composed of participants (funds) which have demonstrated stable balances or predictable trends over time. This group, along with the General Fund, represents the core of the GeFONSI (based on daily balances). The baseline group contains the following participants (additional information is available from Treasury Division, Accounting Section):

21468 OHSR Substance Prevention*
21472 OHSR Response Account*
21477 Employee Assistance & Training
21478 Storage Tank Assistance
21496 Fishermen's Fund**
21497 Railbelt Energy*
21503 Prevention Mitigation*
21504 Oil Restoration*
21511 Municipal CIP Matching Grants**
21512 Unincorporated CIP Matching Grants**
21516 Power Cost Equalization* (inactive 4/2005)
21520 School Fund
21530 Fish and Game Fund*
21560 AK Marine Highway**
21980 Agricultural Revolving Loan
21990 Commercial Fish Revolving Loan Fund
22076 Alaska Clean Water Fund*
22093 Power Project (inactive 4/2001)
22110 Highway Equipment Working Capital Fund - Operating
22115 Information Services
22160 Suspense and Deposits
22162 Public Advocacy Trust*
22170 Permanent Fund Dividend
22178 Alyeska Settlement*
22297 Student Loan Corp. - GF Appropriations*



* Indicates that the participant is credited with investment income.
** Indicates that the participant is credited with investment income only if appropriated by the State Legislature.

Treasury Division, Department of Revenue

SENATE FINANCE COMMITTEE REPORT

DATE: 3/25/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/16/09

Finance Committee considered CS FOR HOUSE BILL NO. 172(FIN)

HB 172 STATE INVESTMENT IN EDUCATION FUND

"An Act relating to an investment in the education loan fund; relating to authority for the commissioner of revenue to enter into a bond purchase agreement and letter of credit with the Alaska Student Loan Corporation; and providing for an effective date."

and recommends:

[✓] be **replaced** with [✓] **SCS** or [ ] **CS** CSHB 172 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[X] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
EED	3/18		✓		3
REV	3/18		✓		4

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Olson			✓	
	Ellis			✓	
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB172(FIN)
(H) Publish Date: 3/18/09

Identifier (file name): CSHB172(FIN)-DOR-TRE-3-18-09
Dept. Affected: Revenue
Title: State Investment in Education Fund
RDU: Tax and Treasury
Component: Treasury
Sponsor: Governor
Requester: House Finance
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This legislation allows, but does not require, the Commissioner of Revenue to invest state funds in the education loan fund, if the Commissioner determines that the Alaska Student Loan Corp cannot practically or economically borrow money through issuing private activity revenue bonds. This investment must be made consistent with the duties of a fiduciary and will earn a return to the state. The bill also allows, but does not require, the Commissioner to provide a bond repurchase agreement or letter of credit to the Alaska Student Loan Corp, and to require the ASLC to pay the costs associated with the repurchase agreement or letter of credit. The Department of Revenue does not expect to incur any non-reimbursed costs as a result of the passage of this bill. The fiscal note is indeterminate as costs will be dependent on the actual financing that occurs

Prepared by: Jerry Burnett — Phone 465-3669
Division: Treasury — Date/Time 3/18/09 12:00 AM
Approved by: Ginger Blaisdell — Date 3/18/2009
Department of Revenue

(Revised 9/10/2008 OMB)

2911

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 172(FIN)
(H) Publish Date: 3/18/09

Identifier (file name): CSHB172(FIN)-EED-ACPE-03-18-09
Dept. Affected: Education
Title: An Act relating to an investment in the education loan fund, relating to authority for the commissioner of revenue to...
RDU: ACPE
Component: Program Administration and Operations
Sponsor: (H)Rules
Requester: (H)Finance
Component Number: 2738

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1106 P-Sec Receipts	****		****	****	****	****	0.0
Other Interagency Receipts							
TOTAL	****		****	****	****	****	**0.0**

Estimate of any current year (FY2009) cost: 130.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This legislative proposal, which authorizes the Commissioner of Revenue to: 1) invest in Alaska education loans; and, 2) provide credit enhancement for the Alaska Student Loan Corporation (ASLC), is designed to be cost-neutral to the state. The appropriation above is ASLC receipts needed to cover costs incurred by the Department of Revenue for legal, rating agency, and consulting services necessary to implement the provisions of the bill. Authorization for this support through the Department of Revenue will result in a cost avoidance to the state General Fund because if ASLC, without the state assistance provided in the bill, is unable to issue bonds, state appropriations to fund the education loan programs could be required. Current year (2008-2009) loans were funded through internal liquidity. However, those funds will have substantially been exhausted with Spring 2009 disburse-

Prepared by: Diane Barrans, Executive Director — Phone 907-465-6740
Division: Alaska Commission on Postsecondary Education — Date/Time 3/18/09 9:30 AM
Approved by: Diane Barrans, Executive Director — Date 3/18/2009
Alaska Commission on Postsecondary Education

(Revised 9/10/2008 OMB)

2912

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. CSHB 172(FIN)

ANALYSIS CONTINUATION

ments. At this time, there is a need to postpone processing 2009-2010 loan applications until such time as funding has been secured. Currently, market-based issuance costs have reached prohibitive levels relative to the economics of ASLC programs. ASLC has been attempting to structure a deal to issue Variable Rate Demand Bonds (VRDB), for which a market still exists. Structurally, VRDBs are attractive to investors because they are credit enhanced through some form of external liquidity provider, thereby eliminating investor liquidity risk. VRDBs can be held in money market accounts due to the liquidity facility expanding the investor base for ASLC bonds. However, over the course of 2008 the cost of liquidity/credit enhancement increased dramatically as demand grew exponentially and supply declined at an alarming rate due to financial institution consolidations, ratings downgrades, and a general reluctance of the usual players to put further strain on their balance sheets. Liquidity costs have more than quadrupled and there is nothing currently occurring in the financial services arena to indicate this problem will improve any time soon to once again enable ASLC to finance its programs as it has successfully done over the preceding twenty years of operation.

The FY09 cost will require a supplemental amendment of $60,000 to ACPE's Program Administration and Operations component (2738) using postsecondary receipts as the funding source (1106). The remaining FY09 cost of $70,000 will be absorbed by the Department of Revenue's current appropriation of Alaska Postsecondary Education Commission Receipts (1106) which are projected to be available for that purpose.

Adopted 9/16/09

26-GH1211\S
Cook
4/15/09

SENATE CS FOR CS FOR HOUSE BILL NO. 172(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act relating to an investment in the education loan fund; relating to authority for the commissioner of revenue to enter into a bond purchase agreement and letter of credit with the Alaska Student Loan Corporation; relating to a proposal for a program under which the state repays loans to students for costs of postsecondary education; and providing for an effective date."

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

*** Section 1.** AS 37.10.085(a) is amended to read:

(a) Except as provided in AS 14.40.458, [OR] (c) or (d) of this section, **or AS 37.10.089,** neither the state nor a political subdivision of the state may

(1) make a subscription to the capital stock of a corporation;

(2) lend its credit for the use of a corporation; or

(3) borrow money for the use of a corporation.

*** Sec. 2.** AS 37.10 is amended by adding a new section to article 3 to read:

Sec. 37.10.089. Loans to the education loan fund; bond purchase agreements and letters of credit. (a) If the education loan fund (AS 14.42.210) is unable to fully finance loan demand in a fiscal year, the commissioner may invest in the education loan fund for the purpose of financing education loans under AS 14.43.161 - 14.43.175, 14.43.600 - 14.43.750, and AS 14.44.040. The commissioner shall require the corporation to secure the investment of state money.

(b) The commissioner may make investments under (a) of this section only when the commissioner determines that market conditions relating to tax-exempt private activity revenue bonds make the issuance of the bonds by the corporation impracticable or uneconomical for the purpose of financing education loans under AS 14.43.161 - 14.43.175, 14.43.600 - 14.43.750, and AS 14.44.040.

(c) The corporation shall repay money invested under (a) of this section under terms established by the commissioner and agreed to by the corporation. Except as provided in this section, the terms must be consistent with the duties of a fiduciary set out in AS 37.10.071(c).

(d) Notwithstanding any other provision of this section, the commissioner is authorized to enter into an agreement with the corporation to provide a bond purchase agreement and a letter of credit when market conditions relating to those credit enhancement mechanisms are uneconomical. The commissioner may require the corporation to pay the costs associated with providing credit enhancement and may charge the corporation a fee for this service.

(e) The commissioner may charge the corporation interest on the investments under (a) of this section. The rate of interest may not exceed the five-year average return on the state's general fund.

(f) The commissioner may charge the corporation an annual fee for the services provided under (d) of this section. The annual fee may not exceed 0.15 percent of the average principal outstanding and interest covered by the bond purchase agreement and the letter of credit.

(g) If a draw on the bond purchase agreement and the letter of credit occurs under this section, the commissioner may charge the corporation an additional annual rate of interest not to exceed three percent on the bonds held under the bond purchase

agreement and letter of credit.

(h) The term of the investment under (a) of this section may not exceed four years and the commitment under (d) of this section may not exceed four years from the commencement of the initial investment, bond purchase agreement, and letter of credit.

(i) The maximum amount of the investment under (a) of this section may not exceed $100,000,000. The maximum amount of the commitment under (d) of this section may not exceed $106,000,000.

(j) The commissioner may adopt regulations under AS 44.62 to implement this section.

(k) In this section,

(1) "commissioner" means the commissioner of revenue;

(2) "corporation" means the Alaska Student Loan Corporation created under AS 14.42.100.

*** Sec. 3.** The uncodified law of the State of Alaska is amended by adding a new section to read:

PROPOSAL FOR REPAYMENT OF STUDENT LOANS. The Alaska Student Loan Corporation shall develop a proposal for a state program under which the state would repay all or part of loans to students for costs of postsecondary education. The corporation shall submit its proposal to the legislature on January 19, 2010.

*** Sec. 4.** This Act takes effect immediately under AS 01.10.070(c).

4/1/09

STATE OF ALASKA
ALASKA STUDENT LOAN CORPORATION

SARAH PALIN, GOVERNOR

P. O. Box 110505
Juneau, Alaska 99811-0505
PHONE (907) 465-6740
465-3293

March 13, 2009

Sponsor Statement

HB 172 - An Act relating to an investment in the education loan fund; relating to authority for the commissioner of revenue to enter into a bond purchase agreement and letter of credit with the Alaska Student Loan Corporation; and providing for an effective date.

This legislation is necessary to avert a disruption in new education loan origination by the Alaska Student Loan Corporation (ASLC, or the Corporation) beginning in July 2009. The Corporation, since its establishment by the Legislature in 1987, has financed its education loan programs by issuing tax-exempt revenue bonds in the capital market. After 20 years of successful operation in this environment, catastrophic disruptions to the capital market resulted in ASLC being unable to issue bonds in 2008. Education loans continued to be available to Alaska students for the 2008-2009 academic year due to capacity within the Corporation to meet loan demand with available cash. However, after lending a projected $95 million in new loans through June 2009, that capacity will be substantially exhausted. Until such time as sufficient funding is secured, loan application processing for the 2009-2010 academic year will remain suspended.

The modification of Alaska statutes set out in this legislation enables ASLC, in partnership with the Commissioner of Revenue, to meet the immediate need to accept and process loan applications for the upcoming school year, and, additionally, to create a bonding structure to re-access the capital markets in 2009.

The Corporation's largest education loan programs are AlaskAdvantage Stafford Loans (which carry a federal guarantee), and the AlaskAdvantage Supplemental Loans (state loans which carry no guarantee). This year, more than 8,100 Alaska students relied on one or both of these low-cost education loan programs to aid in financing their postsecondary education and training program. More than 60% of those students were attending schools in Alaska.

This bill enables the Commissioner of Revenue to: 1) provide a bridge loan and directly invest in the Corporation's education loans; and, 2) create a credit enhancement facility to assist ASLC in the issuance of bonds during the current economic crisis when, without this facility, it would be uneconomical to issue bonds.

The combination of these two authorities are projected to assist in meeting loan demand through 2010 without the need for a State appropriation, by which time ASLC expects capital markets will have normalized to the extent these State support mechanisms will no longer be required.

4/1/09

STATE OF ALASKA

SARAH PALIN, GOVERNOR

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ALASKA STUDENT LOAN CORPORATION

March 13, 2009

The Honorable Bill Stoltze
House of Representatives
Co-Chair
Finance Committee
State Capitol, Room 515
Juneau, Alaska 99801

Re: HB172 State Investment in Education Loan Fund

Dear Representative Stoltze:

On behalf of the Alaska Student Loan Corporation (ASLC) I respectfully request a hearing in the House Finance Committee of legislation entitled "An Act relating to an investment in the education loan fund; relating to authority for the commissioner of revenue to enter into a bond purchase agreement and letter of credit with the Alaska Student Loan Corporation; and providing for an effective date."

The bill will authorize the Commissioner of Revenue to 1) provide a bridge loan to ASLC to finance its education loans when market conditions relating to tax-exempt bonds make them uneconomical; and, 2) create a credit enhancement facility to prevent a disruption of lending activities by ASLC during the current economic crisis that has limited its ability to successfully issue bonds and has caused the market-based financing of student loans to be uneconomical.

A copy of Governor Palin's transmittal letter and the associated fiscal note will be referred to the committee. Enclosed is a sponsor's statement, sectional analysis, background information, letters of support, and relevant news articles.

Your favorable consideration of this request will be appreciated.

Sincerely,

Diane Barrans
Executive Officer

DB/dv

Enclosures

cc: Gerald Gallagher, Legislative Director
Office of the Governor

printed on recycled paper

4/1/09

STATE OF ALASKA

SARAH PALIN, GOVERNOR

ALASKA STUDENT LOAN CORPORATION

P. O. Box 110505
Juneau, Alaska 99811-0505
PHONE (907) 465-6740
FAX (907) 465-3293

March 13, 2009

Sectional Analysis

HB172 – An Act relating to an investment in the education loan fund; relating to authority for the commissioner of revenue to enter into a bond purchase agreement and letter of credit with the Alaska Student Loan Corporation; and providing for an effective date.

Section 1 Provides authority to the state to loan funds and provide a letter of credit to the Alaska Student Loan Corporation under certain conditions for certain purposes.

Section 2 Authorizes the Commissioner of Revenue to enter into an agreement, not to exceed a five-year term, to provide a secured investment in the Alaska Student Loan Corporation's education loan fund, not to exceed $100 million, to finance certain education loans when the Corporation is unable to finance loan demand due to market conditions that would result in uneconomical issuance of tax-exempt bonds. Interest paid to the state on the investment may not exceed the five-year average return on the state's general fund. The Commissioner is also authorized to enter into an agreement, not to exceed a five-year term, to provide credit enhancement to the Corporation, not to exceed $106 million, when it would otherwise be uneconomical for the Corporation to issue bonds, absent such an agreement, due to market conditions. The Corporation is responsible for associated costs and an annual fee, not to exceed 15 basis points. In the event of a draw on the credit facility, the state may be paid interest by the Corporation not to exceed 3%. The Commissioner is authorized to adopt regulations to implement the bill.

Section 3 provides the Act takes place the day after the Governor's signature or the day after permitted to become law without her signature.

4/1/09

STATE OF ALASKA

ALASKA STUDENT LOAN CORPORATION

SARAH PALIN, GOVERNOR

P. O. Box 110505
Juneau, Alaska 99811-0505
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March 13, 2009

HB172 – An Act relating to an investment in the education loan fund; relating to authority for the commissioner of revenue to enter into a bond purchase agreement and letter of credit with the Alaska Student Loan Corporation; and providing for an effective date.

Background on ASLC Liquidity Issues and Proposed Plan of Action

Precipitating Events/Conditions

In 2007, the market for Auction Rate Securities (ARS), which ASLC has successfully used to finance its variable rate education loans since 2002, collapsed in the wake of the subprime mortgage loan debacle. As a result, ARS are no longer a viable bond mode to finance new loan originations. As an alternative, ASLC intends to issue Variable Rate Demand Bonds (VRDB) or Obligations, for which there is still a market. Structurally, VRDBs attract investors because they are credit enhanced through an external liquidity provider, thereby eliminating investor liquidity risk. Due to the liquidity facility, VDRBs can be held by money market funds as investments.

The ARS market collapse impacted issuers nationwide. Over the course of 2008 the cost of liquidity and/or credit enhancement increased dramatically as demand grew exponentially, and supply declined at an alarming rate due to financial institution consolidations, ratings downgrades, and a general reluctance of the usual players to put further strain on their balance sheets. Liquidity costs, prior to the ARS market meltdown, ranged between 15 and 40 basis points per annum. Currently, those costs start at over 100 bases point, and rise from there. There is nothing occurring in the financial services arena to indicate this problem will improve any time soon. None of the recent federal initiatives to address the nation's economic ailments include a mechanism by which ASLC could acquire the needed liquidity support to issue VRDBs.

ASLC Capacity to Meet New Loan Demand—ASLC was last able to bond in June 2007. 2008-2009 academic year loans were funded through internal liquidity. Annual loan volume is projected to be approximately $95 million. Although confident about its ability to fully fund loans for the year ending June 2009, Corporation projections verify the need to delay processing 2009-2010 loan applications until such time as sufficient external funding is secured. As described above, market-based issuance costs have reached prohibitive levels relative to the economics of the ASLC programs.

ASLC Proposal for Alternative Financing Strategies—A two-pronged approach is recommended:

1—authorize the Department of Revenue to meet the Corporation's immediate need for funding for its Alternative and Federal loan programs using a loan structure. No appropriation of state general funds is required because use of the funds constitutes an investment, not an expenditure. ASLC will cover all related costs, and provide a return on the investment similar to the return the funds would have derived if left in the general fund (with a stipulated not to exceed rate). The loan is governed by a trust agreement between ASLC and Revenue that sets out all related terms. The loan period may not exceed five years.

2—authorize the Department of Revenue to provide ASLC with the liquidity and/or credit support necessary to issue VRDBs. The credit enhancement program would allow ASLC to access the capital markets by attracting institutional purchasers (primarily money market funds), while also keeping bond issue costs low enough that ASLC can continue to offer low-cost education loans to Alaska students. As with the bridge loan, the facility fee will provide revenue to the State. The term length of the facility may not exceed five years and the amount issued with support from the facility may not exceed $106 million.

In combination, these strategies are expected to cover loan demand through 2010, by which time market conditions should have normalized sufficient to dispense with this state support.

Provided on the following page are descriptions of efforts made in support of other state agency or nonprofit education lenders similarly impacted by the credit market collapse.

Other States' Initiatives to Assist State Agency of Nonprofit Education Loan Lenders

Several states have made liquidity and/or credit enhancement available to issuers.

California's approach has been very commercial in that the state's SBPA/LOC facility is available to any issuer inside or outside the state, and the primary goal has been to generate fee income for the funding source (CALPERS).

The State of Arkansas, acting through the State Board of Finance, entered into an $80 million loan agreement with the Arkansas Student Loan Authority (ASLA). The interest rate is a variable rate reset semiannually by the State Bank Commissioner and approved by the State Board of Finance. The loan has a term of 18 months but can be extended. ASLA paid the State's out-of-pocket expenses and legal fees related to the issuance of the Note. A trust was developed to hold education loans made with loan proceeds and payments made on those education loans until the loan to the State is paid in full. The trust also holds state loan proceeds until the education loan is disbursed in the form of qualifying investment vehicles.

The New Mexico State Treasurer's Office purchased a $50 million private placement bond from New Mexico Student Loans (NMSL). The bond is a short-term investment for the State of New Mexico at a competitive rate. A second deal was struck by which their State Treasurer's Office will purchase a bond from NMSL totaling $95.1 million.

The State of Kentucky bought a $50 million bond from the Kentucky Higher Education Student Loan Corp. The bond has a term of 445 days and carries a variable interest rate (originally set at 3.2%).

The South Carolina Student Loan Corporation issued $600 million in student loan backed notes. The notes are variable rate notes rated AAA. A significant portion of the notes have been purchased by the State of South Carolina.

In Colorado, CollegeInvest, a division of the Colorado Department of Higher Education, originates loans to college and graduate students. The State loaned CollegeInvest $30 million to prevent a Spring 2009 interruption in their lending program.

Prepared by Diane Barrans, Executive Officer, ASLC; 465.2113

4/1/09

First Southwest Company

505 West 5th Street, Suite 280
P. O. Box 508
Clifton, TX 76634

(254) 675-3552 Direct
(254) 675-8455 Fax

Memorandum

Lee Donner
Managing Director

ldonner@firstsw.com

Date: March 10, 2009

To: Diane Barrans, Executive Officer, Alaska Student Loan Corporation

Cc: Charlene Morrison, CFO, Alaska Student Loan Corporation

Subject: Ensuring Access to Student Loans in Alaska

At your request, following is First Southwest Company's summary of events and circumstances which have culminated in the Alaska Student Loan Corporation's (ASLC) need for mid-term financing support from the State of Alaska.

Across the approximately thirteen months since the downgrade of the mono-line bond insurers and the collapse of the Auction Rate Securities (ARS) market, a number of additional developments have contributed to the emergence of serious ongoing challenges to the ability of entities like ASLC to fulfill their mission to ensure the uninterrupted availability of low cost loans (including both the Federal Family Education Loan Program (FFELP) and non-guaranteed alternative loans) for students who depend upon such loan products to finance the cost of their post-secondary educational goals.

One of those developments has been the large scale departure of investors from the entire asset-backed finance arena in what is often described as a "flight to quality." Another negative development has been the top to bottom re-examination of cash flow modeling and other credit rating analysis criteria by all three of the nationally recognized securities rating organizations, which development has only served to reinforce the perception on the part of reluctant investors that asset-backed securities are fraught with a higher level of risk than they had been previously led to believe. These two phenomena have reinforced each other to produce an escalating demand for higher interest rates and declining investor base for asset-backed securities in virtually every asset class.

Issuers like ASLC have responded to these negative developments by seeking liquidity and/or credit support from highly rated financial institutions in the form of a Standby Bond Purchase Agreements (SBPA) or Letters of Credit (LOC). At the same time that demand for SBPA or LOC support from national and international financial institutions has exploded in response to the conditions described above, most, if not all, of those financial institutions have been hit with threatened or actual downgrades of both their long term and short term credit ratings. All of this has combined to create a situation where the demand and cost for bank credit/liquidity support is increasing at the very same time that the availability of and investor confidence in the

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reliability of such bank credit/liquidity support has sharply declined. Directly related to all of this is the dramatically increased demand, from investors in the tax-exempt arena, for debt securities issued by, **or credit/liquidity supported by**, highly rated state and local governmental issuers.

The combination of conditions described above has resulted in a number of state governments looking for ways to assist the state agency or not-for-profit student loan providers (both FFELP and alternative) in their state to continue to be able to fulfill their mission of ensuring educational access through low cost college loans. In Arkansas, this cooperation between the State and the student loan agency they created many years ago resulted in a low cost variable rate bridge loan from the State to the loan agency. In South Carolina, the State purchased a significant portion of the state created student loan agency's last bond issue. Both of these cooperative efforts represent viable short-term solutions to a problem that is showing signs of becoming protracted. In other states, similar initiatives are being analyzed or are in various stages of actual development or implementation. The sole example from 2008 where the student loan provider had no market access problems is the Texas Higher Education Coordinating Board, where the State's support for THECB's student loan program includes a State of Texas General Obligation pledge for THECB's debt obligations.

Against the background of the liquidity, credit and market conditions discussed herein, it is becoming quickly apparent that the major Federal initiatives such as TARP and TALF are of very limited, if any, utility to state agency and not-for-profit loan providers in continuing to finance their low cost loan programs without disruption and resultant serious consequences for the students and parents who depend on them.

First Southwest Company serves as financial advisor to a number of such student loan providers in various parts of the country. Based on our knowledge of what is happening in the student loan finance arena on a national basis and our experience with those limited number of student loan providers who have been able to successfully access the capital markets over the past year, it is our very firm belief that the best hope for entities like ASLC to continue their mission without interruption will be a cooperative effort between such entities and their sponsoring state governments to create temporary financing vehicles, and more importantly, credit and/or liquidity facilities that meet investors' demand for the elimination of credit/liquidity risk, but at a level of cost that is sustainable within the economic limitations of the loan programs being offered to students and their parents.

This communication is for information only, not an offer, solicitation or recommendation, nor an official confirmation of any financial transaction. It is not to be considered research. The information is considered to be reliable, but First Southwest Company does not warrant its completeness or accuracy, prices and availability are subject to change without notice. We may trade, have long or short positions, or act as a market maker in any financial instrument discussed herein. Clients should consult their own advisors regarding any accounting, legal or tax aspects. Investors are instructed to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

4/1/09

UNIVERSITY of ALASKA
Many Traditions One Alaska

March 05, 2009

Dear Alaskan Legislator:

The educational loans provided by the Alaska Student Loan Corporation are crucial to the success of thousands of University of Alaska students. The funding from loans allows these students to continue and complete their educational goals in Alaska. Only the federal government provides more financial assistance to UA students.

The University of Alaska supports efforts that help the Alaska Student Loan Corporation secure the necessary funding to prevent a disruption of lending activities to Alaskan's seeking a post-secondary education in general and students at the University of Alaska in particular.

The Alaska Student Loan Corporation annually helps over 4700 students at the University of Alaska – at both the urban and rural campuses. Loans totaling over $40 million dollars help students fulfill their educational goals in the state - leading to a more prepared and qualified Alaskan workforce.

Thank you,

Saichi T Oba
Associate Vice President
Office of Student & Enrollment Services
University of Alaska

Office of Student and Enrollment Services
910 Yukon Drive ~ Fairbanks, Alaska 99775-5020

www.alaska.edu/studentservices

4/1/09

Received from the Chair of Student Senate, Associated Students of the University of Alaska Fairbanks, on 3/12/09.

To Whom It May Concern:

Please accept this letter of full support for legislation and related initiatives to provide interim funding to the Alaska Student Loan Corporation (ASLC), until such time as the markets recover sufficiently for ASLC to complete bonding.

The alternative financing proposed in the Governor's bill and endorsed by the Alaska Student Loan Corporation (ASLC) and the Alaska Department of Revenue is a win/win solution that meets an urgent statewide need to assist students in financing their education programs with no cost to the state's General Fund.

We understand that unless this alternative is approved quickly, Alaska will not be able to provide low-cost financial aid to our students. Without ASLC's loans, we expect that many of Alaska's college and vocational students may not be able to continue in or start school this year. We also understand that nationwide, education loans are becoming much harder to come by. In fact, 177 lenders to date have suspended their education loan programs. Specific to Alaska, several large banks indicate they will no longer be making loans in Alaska. The same economy that caused the market collapse has also resulted in increases in unemployment, resulting in many students staying in school longer, and many adults returning to school for re-training to get better jobs. The bottom line is that these factors result in fewer options for financial aid at the same time as the demand for financial aid is increasing. While there are increased grant provisions included in the American Recovery and Reinvestment Act, those funds are targeted only to the very neediest students.

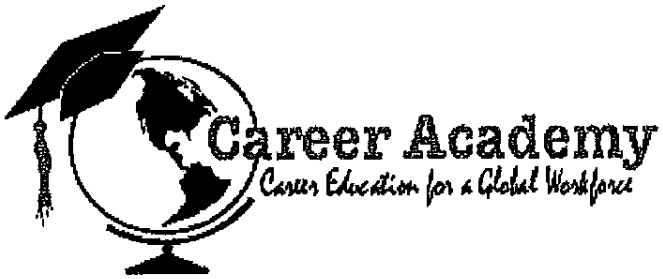
Your full and prompt support of legislation to provide interim financing to fund AlaskAdvantage loans is urgently needed, and will result in no cost to the state. Without your support, Alaska's students will suffer.

Thank you for your consideration.

Respectfully,

Jennifer S Chambers
ASUAF Senate Chair

4/1/09



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career@careeracademy.edu

March 5, 2009

To Whom It May Concern:

Career Academy is Alaska' largest Alaskan owned accredited private career college serving over 600 students annually. Career Academy fully supports legislation and related initiatives to provide interim funding to the Alaska Student Loan Corporation (ASLC), until such time as the markets recover sufficiently for ASLC to complete bonding.

The alternative financing proposed in the Governor's bill and endorsed by the Alaska Student Loan Corporation (ASLC) and the Alaska Department of Revenue is a win/win solution that meets an urgent statewide need to assist our students in financing their education programs with no cost to the state's General Fund.

We understand that unless this alternative is approved quickly, Alaska will not be able to provide low-cost financial aid to our students. Without ASLC's loans, we expect that many of Alaska's college and vocational students may not be able to continue in or start school this year. We also understand that nationwide, education loans are becoming much harder to come by. In fact, 177 lenders to date have suspended their education loan programs. Specific to Alaska, several large banks indicate they will no longer be making loans in Alaska. The same economy that caused the market collapse has also resulted in increases in unemployment, resulting in many students staying in school longer, and many adults returning to school for re-training to get better jobs. The bottom line is that these factors result in fewer options for financial aid at the same time as the demand for financial aid is increasing. While there are increased grant provisions included in the American Recovery and Reinvestment Act, those funds are targeted only to the very neediest students. In addition many many Alaskan students are not eligible to receive these grants due to the increased wage scale in Alaska. These same grant programs do not take into consideration the increased cost of living in Alaska.

Your full and prompt support of legislation to provide interim financing to fund AlaskAdvantage loans is urgently needed, and will result in no cost to the state. Without your support, Alaska's students will suffer. Last year approximately 125 students enrolled at Career Academy used over $692,000 in ASLC funds to at least in part fund their educational programs. Without these loan funds being available they would not have been able to attend college, receive their education, and become valuable trained professional in Alaska's workforce

Thank you for your consideration.

Respectfully,

Jennifer A. Deitz
President & Founder

4/1/09

AVTEC

Great careers for Alaska's future

March 5, 2009

To Whom It May Concern:

Please accept this letter of Alaska Vocational Technical Center's (AVTEC) full support for legislation and related initiatives to provide interim funding to the Alaska Student Loan Corporation (ASLC), until such time as the markets recover sufficiently for ASLC to complete bonding.

The alternative financing proposed in the Governor's bill and endorsed by the Alaska Student Loan Corporation (ASLC) and the Alaska Department of Revenue is a win/win solution that meets an urgent statewide need to assist our students in financing their education programs with no cost to the state's General Fund.

We understand that unless this alternative is approved quickly, Alaska will not be able to provide low-cost financial aid to our students. Without ASLC's loans, we expect that many of Alaska's college and vocational students may not be able to continue in or start school this year. AVTEC provides many training programs and opportunities for Alaskans that are needed for employment in good paying high skilled jobs. These programs are more important now than ever before, as Alaskans face tighter economic conditions.

I urge your full and prompt support of legislation to provide interim financing to fund AlaskAdvantage loans is urgently needed, and will result in no cost to the state. Without your support, Alaska's students will suffer. Last year 79 of the 364 students enrolled at our institution used ASLC educations to fund, at least in part, their educational programs.

Thank you for your consideration.

Respectfully,

Fred W. Esposito
AVTEC Director

Alaska Vocational Technical Center • PO BOX 889 • 2nd Avenue • Seward, Alaska 99664-0889
Admissions Office (907) 224-3322 • 1-800-478-5389 • FAX (907) 224-4400 • www.avtec.edu
Alaska Vocational Technical Center does not discriminate due to race, color,
National origin, age, sex, political affiliation, religious beliefs, or disability.
AVTEC is a component of the Alaska Department of Labor and Workforce Development.

4/1/09

March 3, 2009

To Whom It May Concern:

Please accept this letter of the Alaska Technical Center's full support for legislation and related initiatives to provide interim funding to the Alaska Student Loan Corporation (ASLC), until such time as the markets recover sufficiently for ASLC to complete bonding.

The alternative financing proposed in the Governor's bill and endorsed by the Alaska Student Loan Corporation (ASLC) and the Alaska Department of Revenue is a win/win solution that meets an urgent statewide need to assist our students in financing their education programs with no cost to the state's General Fund.

We understand that unless this alternative is approved quickly, Alaska will not be able to provide low-cost financial aid to our students. Without ASLC's loans, we expect that many of Alaska's college and vocational students may not be able to continue in or start school this year. We also understand that nationwide, education loans are becoming much harder to come by. In fact, 177 lenders to date have suspended their education loan programs. Specific to Alaska, several large banks indicate they will no longer be making loans in Alaska. The same economy that caused the market collapse has also resulted in increases in unemployment, resulting in many students staying in school longer, and many adults returning to school for re-training to get better jobs. The bottom line is that these factors result in fewer options for financial aid at the same time as the demand for financial aid is increasing. While there are increased grant provisions included in the American Recovery and Reinvestment Act, those funds are targeted only to the very neediest students.

Your full and prompt support of legislation to provide interim financing to fund AlaskAdvantage loans is urgently needed, and will result in no cost to the state. Without your support, Alaska's students will suffer. Over the years, we have had many students enrolled at our institution who used ASLC educations to fund, at least in part, their educational programs.

Thank you for your consideration.

Respectfully,

Cheryl Edenshaw

Cheryl Edenshaw, Director
Alaska Technical Center

Alaska Technical Center • Box 51 • Kotzebue, Alaska 99752 • (907) 442-3733

4/1/09

To Whom It May Concern:

Please accept this letter of Charter College's full support for legislation and related initiatives to provide interim funding to the Alaska Student Loan Corporation (ASLC), until such time as the markets recover sufficiently for ASLC to complete bonding.

The alternative financing proposed in the Governor's bill and endorsed by the Alaska Student Loan Corporation (ASLC) and the Alaska Department of Revenue is a win/win solution that meets an urgent statewide need to assist our students in financing their education programs with no cost to the state's General Fund.

We understand that unless this alternative is approved quickly, Alaska will not be able to provide low-cost financial aid to our students. Without ASLC's loans, we expect that many of Alaska's college and vocational students may not be able to continue in or start school this year. We also understand that nationwide, education loans are becoming much harder to come by. In fact, 177 lenders to date have suspended their education loan programs. Specific to Alaska, several large banks indicate they will no longer be making loans in Alaska. The same economy that caused the market collapse has also resulted in increases in unemployment, resulting in many students staying in school longer, and many adults returning to school for re-training to get better jobs. The bottom line is that these factors result in fewer options for financial aid at the same time as the demand for financial aid is increasing. While there are increased grant provisions included in the American Recovery and Reinvestment Act, those funds are targeted only to the very neediest students.

Your full and prompt support of legislation to provide interim financing to fund AlaskAdvantage loans is urgently needed, and will result in no cost to the state. Without your support, Alaska's students will suffer. Last year 470 of students enrolled at our institution used ASLC educations to fund, at least in part, their educational programs.

Thank you for your consideration.

Respectfully,

Terrance Harris
Campus President

Anchorage Campus
2221 E. Northern Lights Boulevard
Suite 120
Anchorage, AK 99508
Main 907.277.1000
Fax 907.274.3342

Mat-Su Campus
1451 E. Parks Highway
Suite B
Wasilla, AK 99654
Main 907.352.1000
Fax 907.352.1001

CharterCollege.edu

4/1/09

Advertisement

Sept. 5

State Agencies Get Creative on Student Loans

As various lenders and some of its peers in other states announced in recent months that they would stop making federal or private loans because of disruptions in the capital markets, the Illinois Student Assistance Commission steadfastly held firm. "We saw it as a must do, and had said we'd be there no matter what," said Andrew Davis, the commission's executive director.

The only problem, Davis acknowledges, is that officials at the agency — which guarantees student loans and oversees most student aid programs in Illinois — "weren't quite sure how we would fund" the operations behind that promise. Like many nonprofit lenders, particularly, Illinois had seen its primary source of financial backing for its loans dry up, because of the collapse of the auction-rate securities market.

Fortunately for the agency and the 20,000-plus students whose federal loans it will finance this academic year, the Illinois commission became one of several state loan providers that have found alternative ways of funding their loans in the current economic climate. Last month, days after the Massachusetts loan agency announced that it would not make federal loans this academic year, the state of Kentucky said that it was issuing a $50 million bond to ensure that the Kentucky Higher Education Student Loan Corp. could continue to issue federal student loans. (Massachusetts officials had considered but then backed away from a similar plan.)

The Illinois agency contemplated several options for finding the money to finance its 2008-9 loans, including bank financing and the federal government's newly designed process for bolstering lenders to ensure that students continue to have access to federal loans. Davis was most intrigued, though, by an idea he liberally borrowed from North Carolina.

There, last spring, officials at the State Employees' Credit Union had approached Steve Brooks, executive director of the North Carolina State Education Assistance Authority, after learning about the turmoil shaking the student loan industry. "It's a very civic-minded group, and they wanted to make sure North Carolina students were protected," said Brooks. The credit union agreed to back a $1.1 billion student loan bond to refinance some of the authority's auction-rate securities (for private and federal loans) and to finance some new loans in the new academic year.

While the credit union's investment will not finance all of the state agency's loans for the year or refinance all of its outstanding debt, the vote of confidence should make it easier, Brooks said, for the

state loan authority to refinance another $1.3 billion through variable rate bonds in the coming months.

"This represented a great breakthrough for us," he said.

North Carolina's arrangement inspired Davis in Illinois. He approached the Illinois Credit Union League to see if its member credit unions might be interested in backing the student loan agency, given the organizations' tradition of making "mission-based loans," Davis said.

The result: a pending agreement for eight credit unions to provide about $100 million, in three traunches timed to the annual financial aid cycle, through the course of the 2008-9 academic year.

"This will more than meet our anticipated need, but if we find there is more need" — more students than usual have been applying for loans through the agency's Web site, Davis said — "we may be able to go back for more." The agency provides loans to most students at about a half dozen colleges in the state, including Western Illinois University, Southern Illinois University at Edwardsville, and the University of Illinois at Springfield, Davis said; many colleges in Illinois participate in the federal government's competing direct loan program.

— Doug Lederman

The original story and user comments can be viewed online at http://insidehighered.com/news/2008/09/05/loans.

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HB 184

<target><bill>HB 184</bill><subject>HB 184</subject><comm>SFIN26</comm></target>

Myron J. Dosch, CPA
Controller
Phone: (907) 450-8079
Fax: (907) 450-8071
myron.dosch@alaska.edu

UNIVERSITY
of ALASKA
Many Traditions One Alaska

209 D Butrovich Building
910 Yukon Drive
PO Box 756540
Fairbanks, AK 99775-6540

March 24, 2009

The Honorable Representative Mike Kelly
State Capitol, Room 513
Juneau, Alaska 99801-1182

Dear Representative Kelly:

On behalf of the University of Alaska and President Hamilton, I offer this letter of support for House Bill 184: "An Act relating to debt authorization of the University of Alaska". My position is Controller for the University of Alaska and I oversee its debt function.

AS14.40.253 requires that when the University anticipates a financing will exceed $1.0 million in annual debt service, notice to and approval from the Legislature is required. This bill updates the statute for construction inflation by increasing that threshold to $2.5 million. I believe this bill will reduce the administrative impact to the University and Legislature for approving smaller debt issuances. At the same time, Legislative oversight is retained for relatively large debt issuances.

AS14.40.253 was originally issued in 1990 and construction inflation in Alaska has been steady since. In 1990, $1.0 million of annual debt service was about a $15 million capital project financing. Now, that same project costs about $40 million, or approximately $2.5 million in annual debt service.

The University has solid credit ratings from Standard and Poor's at AA-, and Aa3 from Moody's Investors Services. With $127 million in debt currently outstanding, the University is below half of the Board of Regents' debt policy limit of five percent of unrestricted revenues, or $317 million. The University's track record shows that it has used debt prudently and responsibly to further its strategic mission in the state.

I appreciate your support of House Bill 184. If there are any questions, please contact me.

Sincerely,

Myron J. Dosch

Myron Dosch

Derek Miller

From: Myron J. Dosch [Myron.Dosch@alaska.edu]
Sent: Monday, March 23, 2009 9:46 AM
To: Derek Miller
Subject: Re: Heads up HB 184

Derek -

To follow up on this morning's House Education Committee hearing on HB184.

All UA capital projects need capital project receipt authority regardless of the source(s) of funding.

Under AS14.40.253, if the capital project anticipates annual debt service over $1.0m, then notice _and_ approval is needed. The approval referred to here is not receipt authority, rather it is specific approval language that would need to be written into a bill. (This is why the statute says "An appropriation for the project does not constitute approval of the project for the purpose of this section.")

If the project anticipates annual debt service under $1.0m, AS14.40.253 does not apply. All that is needed is receipt authority. The university can issue debt without any special notice or approval.

Hope this helps,

Myron

Derek Miller wrote:
>
> Myron -
>
> A bill got added to the committee hearing today. They'll bring it up
> first according to the committee aide. I'd suggest dialing in from
> your office around 8:00AM and listen to the hearing until you hear HB
> 184 being brought up. That way you can still do work in your office as
> the hearing goes along.
>
> Call me if you have questions, I'll be here for another 45 minutes,
> then I'm going to shoot down to the committee room.
>
> 465-6879.
>
> -D
>
> Derek Miller / Legislative Aide
>
> Office of Representative Mike Kelly
>
> Fairbanks, District 7
>
> p: 907.465.6879/ c: 907.978.1360/ f: 907.465.3883
>
> http://www.housemajority.org/kelly/index.php
>

--
Myron J. Dosch
Controller
University of Alaska
Phone: (907)450-8079
Fax: (907)450-8071

Alaska State Legislature

Juneau
State Capitol Bldg., Rm. 513
Juneau, AK 99801-1182
Phone (907) 465-4976
Fax (907) 465-3883
Toll Free 866-465-4976

Fairbanks
1292 Sadler Way, Ste 323
Fairbanks, AK 99701
Phone (907) 452-6084
Fax (907) 452-6096

Member
House Finance Committee

Representative Mike Kelly

House District 7

Sponsor Statement – HB 184

HB184 adjusts the current bond debt cap for the University of Alaska to reflect today's construction prices. Current Alaska Statute allows the University of Alaska to borrow money, issue debt or enter into long-term obligations for the purchase of facilities, goods or services without having to provide notice to the legislature as long as the annual debt service payment doesn't exceed $1.0 million. HB184 bumps up the threshold to $2.5 million.

The current bond debt cap limit of $1.0 million was originally issued in 1990. At that time, $1.0 million in annual debt service was the cost of financing a $15.0 million capital project. Taking into account construction inflation in Alaska, a $15.0 million capital project built in 1990 would cost about $40.0 million today. Annual debt service on $40.0 million is $2.5 million assuming a 4.5% interest rate and a 25-year straight line amortization.

The University has operated a viable debt program over the last 18 years. It has issued 14 general revenue bonds plus other financing arrangements that have been critical in securing funding for capital projects. The University has never suffered a rating downgrade. In fact, in December 2007, Moody's Investor Service upgraded the University credit rating to Aa3. The University continues to monitor its debt capacity and compliance with tax exempt bond covenants. Currently, the amount of debt service outstanding is $11.2 million. This is less than half the Board of Regents' policy limit of 5% of unrestricted revenues which is $26.2 million for FY08. This equates to $127 million in outstanding debt with the ability to issue a total of $317 million in debt.

By increasing the bond debt cap approval level, the administrative burden of compliance with the statute for smaller bond issues would be reduced for both the legislature and the University. At the same time, legislative oversight would be retained for larger financings.

I would appreciate your support for HB184.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/10

Finance Committee considered HOUSE BILL NO. 184

HB 184 DEBT AUTHORIZATION FOR UNIVERSITY

"An Act relating to the debt authorization of the University of Alaska."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
UA	3/23			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			✓	
	Thomas	✓			
	Egan	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:				✓	

2936

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 184
(H) Publish Date: 3/25/09

Identifier (file name): HB184-UA-Sysbra-03-23-09
Dept. Affected: University of Alaska
Title: An act relating to the debt authorization of the University of Alaska
RDU: University of Alaska
Component: Sysbra
Sponsor: Representatives Kelly and Fairclough
Requester: Education Committee
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

HB184 increases the debt authorization level for the University of Alaska and is not anticipated to have a measurable fiscal impact on the University of Alaska.

Prepared by: Alesia Kruckenberg
Phone 907-450-8426
Division: University of Alaska
Date/Time 3/23/09 2:00PM
Approved by: Michelle Rizk
Date 3/23/09 2:00PM
University of Alaska

(Revised 9/2008 OMB)

; 01.10.070(c).

LAWS OF ALASKA

1990

Source

HCS CSSB 108(Fin)

Chapter No.

181

AN ACT

Relating to public finance, including lease-financing, and to the disposal of certain property; repealing certain lease-purchasing approval; and providing for an effective date.

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

THE ACT FOLLOWS ON PAGE 1, LINE 11

UNDERLINED MATERIAL INDICATES TEXT THAT IS BEING ADDED TO THE LAW AND BRACKETED MATERIAL IN CAPITAL LETTERS INDICATES DELETIONS FROM THE LAW; COMPLETELY NEW TEXT OR MATERIAL REPEALED AND RE-ENACTED IS IDENTIFIED IN THE INTRODUCTORY LINE OF EACH BILL SECTION.

Approved by the Governor: June 21, 1990
Actual Effective Date: Section 11 takes effect June 22, 1990; remainder of Act takes effect July 1, 1990

Chapter 181

AN ACT

Relating to public finance, including lease-financing, and to the disposal of certain property; repealing certain lease-purchasing approval; and providing for an effective date.

---

* Section 1. AS 14.40.040 is amended to read:

Sec. 14.40.040. GENERAL POWERS OF THE UNIVERSITY. There is created and established a corporation to be called the University of Alaska. It may in that name

(1) sue and be sued;

(2) receive and hold real and personal property;

(3) contract and be contracted with;

(4) adopt, use, and alter a corporate seal;

(5) borrow money, issue debt, or enter into lo obligations, for the purchase of facilities, goods, or servic obligations may secure, in whole or in part, debt issued by party;

(6) do and have done all matters necessary for the of any function set out [FORTH] in this chapter.

* Sec. 2. AS 14.40 is amended by adding a new section to read:

Sec. 14.40.253. FINANCING NOTICE AND APPROVAL. If the U... ty of Alaska intends to enter into an obligation, except for refinancing obligations, under AS 14.40.040(5) with an annual payment by the university anticipated to exceed $1,000,000, the university shall

provide notice to the legislature. The notice must include the anticipated annual payment amount, the anticipated financing, and the total construction, acquisition, or other costs of the project. The university may not enter into an obligation requiring a financing notice under this section, other than a refinancing obligation, unless the project has been approved by the legislature by law. An appropriation for the project does not constitute approval of the project for the purpose of this section.

* Sec. 3. AS 18.55.255 is amended to read:

Sec. 18.55.255. DISPOSAL OF SURPLUS PROPERTY [PROCEDURE FOR SALE OF LAND]. The authority may convey real or personal property that it determines is in excess of its needs. Except as provided in (b) and (c) of this section, the sale [SALE OF LAND] shall be by public auction or by sealed bids at a price not lower than the fair market value determined by an appraisal made within 180 days before [OF] the sale by a qualified appraiser. Public notice shall be given by publishing notice of the sale at least once a week for two consecutive weeks in a newspaper of general circulation within the area in which the property to be sold is located and by posting notice of sale in at least two public places in the area. In no event may [SHALL] the auction be held less than 30 days after the last day of publication. If no acceptable bids are received the authority may sell the property at negotiated sale [,] within six months after [OF] the date of the auction. A negotiated sale may not be made on an appraisal made more than nine months before the date of sale. The price at a negotiated sale may not be less than the appraised value.

* Sec. 4. AS 18.55.255 is amended by adding new subsections to read:

(b) Real or personal property of the authority may be conveyed to a state or federal agency or political subdivision for less than

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* Sec. 5. AS 22.

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* Sec. 6. AS 36.

Sec. 36.3
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as to the administration
0 ACLA 1949; am § 2 ch
; am § 3 ch 71 SLA 2008)

For the purposes of this
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ing of the decision. The decision of the chief finance officer is a final decision that may ppealed to the superior court under the Alaska Rules of Appellate Procedure. (§ 1 ch SLA 2004)

Sec. 14.40.253. Financing notice and approval. If the University of Alaska ends to enter into an obligation, except for refinancing obligations, under AS .40.040(a)(5) with an annual payment by the university anticipated to exceed 1,000,000, the university shall provide notice to the legislature. The notice must include he anticipated annual payment amount, the anticipated financing, and the total onstruction, acquisition, or other costs of the project. The university may not enter into n obligation requiring a financing notice under this section, other than a refinancing bligation, unless the project has been approved by the legislature by law. An appropri- tion for the project does not constitute approval of the project for the purpose of this ection. (§ 2 ch 181 SLA 1990; am § 2 ch 90 SLA 1999)

Sec. 14.40.254. University revenue bonds. (a) Subject to AS 14.40.253, the board may issue revenue bonds to pay the cost of acquiring, constructing, or equipping a facility that the board determines is necessary.

(b) The board may enter into an agreement with a trustee or bond owner for the purpose of securing payment of revenue bonds issued by the University of Alaska to acquire, construct, or equip a facility that the board determines is necessary. The agreement may include the fixing and collection of fees, charges, or rentals pledged to secure payment of the revenue bonds and agreement regarding the use of the proceeds of the revenue bonds.

(c) The state pledges not to limit or alter rights vested under this section in the University of Alaska to fulfill the terms of a contract with revenue bond owners.

(d) The board may pledge revenue received by the University of Alaska as fees, charges, or rentals in order to secure payment of the revenue bonds. A pledge of revenue received by the University of Alaska is considered a perfected security interest and is valid and binding from the time the pledge is made. The pledge creates an immediate lien against property pledged without physical delivery or other act. (§ 1 ch 26 SLA 1991)

Sec. 14.40.255. Investment of surplus money. If the Board of Regents determines that there is a surplus of money, received in the form of state and federal appropriations, above the amount sufficient to meet current and projected cash expenditure needs of the university, the surplus must be invested as set out in AS 37.10.071. Income earned on investments made under this section may be retained by the university and expended in accordance with AS 37.07 (Executive Budget Act.) (§ 4 ch 143 SLA 1986; am § 5 ch 141 SLA 1988)

Sec. 14.40.257. Reimbursement for costs of capital projects. (a) Subject to appropriations for the purpose, during each fiscal year, the legislature may appropriate an amount to reimburse the University of Alaska for the cost to be paid by the university during that same fiscal year for the principal and interest on outstanding debt for the projects listed in (b) of this section.

HB

186

<target><bill>HB 186</bill><subject>HB
186</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/26/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/14/10

Finance Committee considered CS FOR HOUSE BILL NO. 186(FIN) am

HB 186 AK FIREARMS EXEMPT FROM FED. REGULATION

"An Act declaring that certain firearms and accessories are exempt from federal regulation."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
Law	1/29/10		✓		3

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	EGAN	✓			
	OLSON			✓	
	ELLIS	X			
CO-CHAIR:		✓			
CO-CHAIR:					

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 186(FIN) am
(S) Publish Date: 2/26/10

Identifier (file name): HB186CS(FIN)AM-LAW-CRIM-01-29-10
Dept. Affected: LAW
Title: An Act declaring that certain firearms and accessories are exempt form federal regulation.
RDU: CRIMINAL
Component: CRIMINAL JUSTICE LITIGATION

Sponsor: REPRESENTATIVE(s) Kelly, Wilson, Lynn, Gatto, Ramras, Austerman, Stoltze, Hawker, Dahlstrom, Johnson, Millett, Newman
Requester: JUDICIARY
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

This bill attempts to declare that firearms that are made in Alaska are exempt from any federal law or regulation. The bill grants the Attorney General for Alaska the authority to defend any Alaska citizen prosecuted for violating federal law regarding firearms, when that citizen defends on the ground that the firearm was manufactured in Alaska. The bill has significant constitutional issues. These issues would most likely arise in the context of a state citizen being charged with a crime in federal court. It is anticipated that an affected citizens might contend that the AG is required to exercise the discretion to defend them, which could result in significant litigation in both state and federal court. While such litigation is likely, it is difficult to estimate with any certainty the costs that might be incurred and they are therefore indeterminate at this point.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 1/29/10 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 1/29/2010

(Revised 11/6/2009 OMB)

LEGAL SERVICES

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MEMORANDUM April 8, 2009

SUBJECT: Interstate Commerce Clause and CSHB 186(JUD)
(Work Order No. 26-LS0627\S)

TO: Representative Lindsey Holmes

FROM: Gerald P. Luckhaupt
Legislative Counsel

You have asked if the declarations in CSHB 186(JUD) regarding interstate and intrastate commerce would successfully prevent someone from being prosecuted for a firearms violation under federal law. In my opinion, CSHB 186(JUD) would not prevent the federal government from prosecuting someone for a firearms violation under federal law.[1]

The commerce clause is found at Article I, § 8, of the Constitution of the United States:

> The Congress shall have power . . . [t]o regulate commerce with foreign nations, and among the several states and with the Indian tribes . . . .

The extent of the commerce clause was first interpreted to not apply to commerce "which is carried on between man and man in a State, or between different parts of the same State, and which does not extend to or affect other States."[2] Over the years, "certain categories of activity such as 'production,' 'manufacturing,' and 'mining' were within the province of state governments, and thus were beyond the power of Congress under the Commerce Clause."[3] As the interpretation of the commerce clause continued, the United States Supreme Court allowed incidental effects on purely interstate commerce if that

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[1] 18 U.S.C. §§ 921 - 931 regulate certain firearms and activities. For example, 18 U.S.C. § 922(g) prohibits a felon from possessing in or affecting commerce firearms or ammunition.

[2] *Gibbons v. Ogden*, 9 Wheat. 1, 189 - 190 (1824)

[3] *United States v. Lopez*, 514 U.S. 549 (1995).

regulation was necessary to regulate interstate commerce.[4] The development of the commerce clause continued as explained in this excerpt from *United States v. Lopez*:[5]

> In *A. L. A. Schecter Poultry Corp. v. United States*, 295 U.S. 495, 550 (1935), the Court struck down regulations that fixed the hours and wages of individuals employed by an intrastate business because the activity being regulated related to interstate commerce only indirectly. In doing so, the Court characterized the distinction between direct and indirect effects of intrastate transactions upon interstate commerce as "a fundamental one, essential to the maintenance of our constitutional system." *Id.*, at 548. Activities that affected interstate commerce directly were within Congress' power; activities that affected interstate commerce indirectly were beyond Congress' reach. *Id.*, at 546. The justification for this formal distinction was rooted in the fear that otherwise "there would be virtually no limit to the federal power and for all practical purposes we should have a completely centralized government." *Id.*, at 548.
>
> Two years later, in the watershed case of *NLRB v. Jones & Laughlin Steel Corp.*, 301 U.S. 1 (1937), the Court upheld the National Labor Relations Act against a Commerce Clause challenge, and in the process, departed from the distinction between "direct" and "indirect" effects on interstate commerce. *Id.*, at 36-38 ("The question [of the scope of Congress' power] is necessarily one of degree"). The Court held that intrastate activities that "have such a close and substantial relation to interstate commerce that their control is essential or appropriate to protect that commerce from burdens and obstructions" are within Congress' power to regulate. *Id.*, at 37.
>
> In *United States* v. *Darby*, 312 U.S. 100 (1941), the Court upheld the Fair Labor Standards Act, stating:
>
> "The power of Congress over interstate commerce is not confined to the regulation of commerce among the states. It extends to those activities intrastate which so affect interstate commerce or the exercise of the power of Congress over it as to make regulation of them appropriate means to the attainment of a legitimate end, the exercise of the granted power of Congress to regulate interstate commerce." *Id.*, at 118.
>
> See also *United States* v. *Wrightwood Dairy Co.*, 315 U.S. 110, 119 (1942) (the commerce power "extends to those intrastate activities which

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[4] *Houston, E. & W. T. R. Co. v. United States*, 234 U.S. 342 (1914)

[5] *United States v. Lopez*, 514 U. S. 549 (1995) (syllabus and majority opinion enclosed).

in a substantial way interfere with or obstruct the exercise of the granted power").

In *Wickard* v. *Filburn*, the Court upheld the application of amendments to the Agricultural Adjustment Act of 1938 to the production and consumption of home grown wheat. 317 U. S., at 128-129. The *Wickard* Court explicitly rejected earlier distinctions between direct and indirect effects on interstate commerce, stating:

"[E]ven if appellee's activity be local and though it may not be regarded as commerce, it may still, whatever its nature, be reached by Congress if it exerts a substantial economic effect on interstate commerce, and this irrespective of whether such effect is what might at some earlier time have been defined as 'direct' or 'indirect.' " *Id.*, at 125.

The *Wickard* Court emphasized that although Filburn's own contribution to the demand for wheat may have been trivial by itself, that was not "enough to remove him from the scope of federal regulation where, as here, his contribution, taken together with that of many others similarly situated, is far from trivial." *Id.*, at 127-128.

Jones & Laughlin Steel, *Darby*, and *Wickard* ushered in an era of Commerce Clause jurisprudence that greatly expanded the previously defined authority of Congress under that Clause. In part, this was a recognition of the great changes that had occurred in the way business was carried on in this country. Enterprises that had once been local or at most regional in nature had become national in scope. But the doctrinal change also reflected a view that earlier Commerce Clause cases artificially had constrained the authority of Congress to regulate interstate commerce.

But even these modern era precedents which have expanded congressional power under the Commerce Clause confirm that this power is subject to outer limits. In *Jones & Laughlin Steel*, the Court warned that the scope of the interstate commerce power "must be considered in the light of our dual system of government and may not be extended so as to embrace effects upon interstate commerce so indirect and remote that to embrace them, in view of our complex society, would effectually obliterate the distinction between what is national and what is local and create a completely centralized government." 301 U. S., at 37; see also *Darby*, *supra*, at 119-120 (Congress may regulate intrastate activity that has a "substantial effect" on interstate commerce); *Wickard*, *supra*, at 125 (Congress may regulate activity that "exerts a substantial economic effect on interstate commerce"). Since that time, the Court has heeded that warning and undertaken to decide whether a rational basis existed for concluding that a regulated activity sufficiently affected interstate

commerce. See, *e.g., Hodel* v. *Virginia Surface Mining & Reclamation Assn., Inc.*, 452 U.S. 264, 276-280 (1981); *Perez* v. *United States*, 402 U.S. 146, 155-156 (1971); *Katzenbach* v. *McClung*, 379 U.S. 294, 299-301 (1964); *Heart of Atlanta Motel, Inc.* v. *United States*, 379 U.S. 241, 252-253 (1964).

Similarly, in *Maryland* v. *Wirtz*, 392 U.S. 183 (1968), the Court reaffirmed that "the power to regulate commerce, though broad indeed, has limits" that "[t]he Court has ample power" to enforce. *Id.*, at 196, overruled on other grounds, *National League of Cities* v. *Usery*, 426 U.S. 833 (1976), overruled by *Garcia* v. *San Antonio Metropolitan Transit Authority*, 469 U.S. 528 (1985). In response to the dissent's warnings that the Court was powerless to enforce the limitations on Congress' commerce powers because "[a]ll activities affecting commerce, even in the minutest degree, *[Wickard]*, may be regulated and controlled by Congress," 392 U.S., at 204 (Douglas, J., dissenting), the *Wirtz* Court replied that the dissent had misread precedent as "[n]either here nor in *Wickard* has the Court declared that Congress may use a relatively trivial impact on commerce as an excuse for broad general regulation of state or private activities," *id.*, at 197, n. 27. Rather, "[t]he Court has said only that where *a general regulatory statute bears a substantial relation to commerce*, the *de minimis* character of individual instances arising under that statute is of no consequence." *Ibid.* (first emphasis added).

Consistent with this structure, we have identified three broad categories of activity that Congress may regulate under its commerce power. *Perez* v. *United States*, *supra*, at 150; see also *Hodel* v. *Virginia Surface Mining & Reclamation Assn.*, *supra*, at 276-277. First, Congress may regulate the use of the channels of interstate commerce. See, *e.g., Darby*, 312 U. S., at 114; *Heart of Atlanta Motel*, *supra*, at 256 (" '[T]he authority of Congress to keep the channels of interstate commerce free from immoral and injurious uses has been frequently sustained, and is no longer open to question.' " (quoting *Caminetti* v. *United States*, 242 U.S. 470, 491 (1917)). Second, Congress is empowered to regulate and protect the instrumentalities of interstate commerce, or persons or things in interstate commerce, even though the threat may come only from intrastate activities. See, *e.g., Shreveport Rate Cases*, 234 U.S. 342 (1914); *Southern R. Co.* v. *United States*, 222 U.S. 20 (1911) (upholding amendments to Safety Appliance Act as applied to vehicles used in intrastate commerce); *Perez*, *supra*, at 150 ("[F]or example, the destruction of an aircraft (18 U.S.C. § 32), or . . . thefts from interstate shipments (18 U.S.C. § 659)"). Finally, Congress' commerce authority includes the power to regulate those activities having a substantial relation to interstate commerce, *Jones & Laughlin Steel*, 301 U. S., at 37, *i.e.*,

> those activities that substantially affect interstate commerce. *Wirtz*, *supra*, at 196, n. 27.
>
> Within this final category, admittedly, our case law has not been clear whether an activity must "affect" or "substantially affect" interstate commerce in order to be within Congress' power to regulate it under the Commerce Clause. Compare *Preseault* v. *ICC*, 494 U.S. 1, 17 (1990), with *Wirtz*, *supra*, at 196, n. 27 (the Court has never declared that "Congress may use a relatively trivial impact on commerce as an excuse for broad general regulation of state or private activities"). We conclude, consistent with the great weight of our case law, that the proper test requires an analysis of whether the regulated activity "substantially affects" interstate commerce.

Lopez, at 554 - 559. The *Wickard* case is particularly relevant as it involved an individual farmer who grew his own wheat for his own consumption. As noted, Wickard was still subject to federal regulation even though as an individual his potential effect on interstate commerce was small but when combined with others the court noted that the potential effect on interstate commerce could be great.

In *Lopez*, the Court struck down 18 U.S.C. § 922(q), the "Gun Free School Zones Act of 1990," which made it a federal crime to possess a gun within a school zone. The Court found that

> Section 922(q) is a criminal statute that by its terms has nothing to do with "commerce" or any sort of economic enterprise, however broadly one might define those terms. Section 922(q) is not an essential part of a larger regulation of economic activity, in which the regulatory scheme could be undercut unless the intrastate activity were regulated. It cannot, therefore, be sustained under our cases upholding regulations of activities that arise out of or are connected with a commercial transaction, which viewed in the aggregate, substantially affects interstate commerce.
>
> Second, §922(q) contains no jurisdictional element which would ensure, through case by case inquiry, that the firearm possession in question affects interstate commerce.
>
> . . . .
>
> The possession of a gun in a local school zone is in no sense an economic activity that might, through repetition elsewhere, substantially affect any sort of interstate commerce. Respondent was a local student at a local school; there is no indication that he had recently moved in interstate commerce, and there is no requirement that his possession of the firearm have any concrete tie to interstate commerce.

Id., at 561. See also *United States v. Morrison*, 529 U.S. 598 (2000) (striking down the "Violence Against Women Act" that created civil liability for the commission of any gender based violent crime and noting that again there was no "express jurisdictional element which might limit its reach" to those acts connected with or affecting interstate commerce).[6]

The limits of the *Lopez* and *Morrison* decisions were found in the context of medical marijuana. In *Gonzales v. Raich*, 545 U.S. 1 (2005),[7] the Court held the commerce clause authorized Congress to enact federal laws regulating and criminalizing activities involving controlled substances even if those activities were wholly intrastate and were pursuant to a state statutory scheme that authorized the activities.

> Unlike those at issue in *Lopez* and *Morrison*, the activities regulated by the CSA [Controlled Substances Act] are quintessentially economic. "Economics" refers to "the production, distribution, and consumption of commodities." Webster's Third New International Dictionary 720 (1966). The CSA is a statute that regulates the production, distribution, and consumption of commodities for which there is an established, and lucrative, interstate market. Prohibiting the intrastate possession or manufacture of an article of commerce is a rational (and commonly utilized) means of regulating commerce in that product. Such prohibitions include specific decisions requiring that a drug be withdrawn from the market as a result of the failure to comply with regulatory requirements as well as decisions excluding Schedule I drugs entirely from the market. Because the CSA is a statute that directly regulates economic, commercial activity, our opinion in *Morrison* casts no doubt on its constitutionality.
>
> . . .
>
> Second, limiting the activity to marijuana possession and cultivation "in accordance with state law" cannot serve to place respondents' activities beyond congressional reach. The Supremacy Clause unambiguously provides that if there is any conflict between federal and state law, federal law shall prevail. It is beyond peradventure that federal power over commerce is " 'superior to that of the States to provide for the welfare or necessities of their inhabitants,' " however legitimate or dire those necessities may be. *Wirtz*, 392 U.S., at 196 (quoting *Sanitary Dist. of Chicago v. United States*, 266 U.S. 405, 426 (1925)). See also 392 U.S., at 195-196; *Wickard*, 317 U.S., at 124 (" '[N]o form of state activity can constitutionally thwart the regulatory power granted by the commerce clause to Congress' "). Just as state acquiescence to federal regulation

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[6] Syllabus and majority opinion enclosed.

Syllabus and majority opinion enclosed.

> cannot expand the bounds of the Commerce Clause, see, *e.g.*, *Morrison*, 529 U.S., at 661-662 (Breyer, J., dissenting) (noting that 38 States requested federal intervention), so too state action cannot circumscribe Congress' plenary commerce power. See *United States* v. *Darby*, 312 U.S. 100, 114 (1941) ("That power can neither be enlarged nor diminished by the exercise or non-exercise of state power").

Raich, *id.* at 25 - 26.

The *Wickard* and *Raich* cases seem especially relevant to CSHB 168(JUD). They clearly stand for the proposition that the Commerce Clause allows federal regulation of purely intrastate activities and products if Congress could rationally conclude that those activities could enter or affect interstate commerce. The production of wheat in *Wickard* and the production of marijuana in *Raich* could enter and could affect interstate commerce. Similarly, the production of a firearm, even if performed wholly intrastate and with materials found only in that state, could seemingly affect interstate commerce in firearms generally.

Indeed, this was the decision of the Ninth Circuit Court of Appeals in *United States v. Stewart*, 451 F.3d 1071 (9th Cir. 2006).[8] Robert Stewart manufactured homemade machine guns and machine gun kits wholly within California and was convicted of possessing a machine gun in violation of federal law. Stewart appealed and the Ninth Circuit Court of Appeals, based upon *Lopez* and *Morrison*, and before *Raich* was decided, initially reversed his conviction finding that the simple possession of homemade machines did not have a substantial effect on interstate commerce. See *United States v. Stewart*, 348 F.3d 1132(2003). After the United States Supreme Court decided *Raich*, the Supreme Court vacated the decision of the Ninth Circuit and told the court to reconsider their opinion in light of *Raich*.[9] On remand, the Ninth Circuit found that Congress had the authority to regulate machine guns, including one's wholly a product of intrastate commerce. The court found that "[h]omemade guns, even those with a unique design, can enter the interstate market and affect supply and demand."[10]

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Enclosures

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[8] Opinion enclosed.

[9] *United States v. Stewart*, 545 U.S. 1112 (2005).

[10] *Stewart*, 451 F.3d at 1077.

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State Legislation to Exempt Firearms from Federal Regulation

ALASKA

AK H 186

AUTHOR: Kelly (R)
TITLE: Firearms Exempt From Federal Regulation
INTRODUCED: 03/12/2009
DISPOSITION: Pending
SUMMARY:
Declares that certain firearms and accessories are exempt from federal regulation.
STATUS:

03/12/2009	INTRODUCED.
03/12/2009	To HOUSE Committee on JUDICIARY. (PASSED)
03/12/2009	To HOUSE Committee on FINANCE.

AK S 146

AUTHOR: Dyson (R)
TITLE: Firearms Exempt From Federal Regulation
INTRODUCED: 03/11/2009
DISPOSITION: Pending
SUMMARY:
Declares that certain firearms and accessories are exempt from federal regulation.
STATUS:

03/11/2009	INTRODUCED.
03/11/2009	To SENATE Committee on JUDICIARY.
03/11/2009	To SENATE Committee on FINANCE.

MONTANA (Enacted)

MT D 671

AUTHOR: Office of Curtiss
TITLE: Firearms and Ammunition
DISPOSITION: Pending
SUMMARY:
Exempts from Federal regulation under the commerce clause of the Constitution of the United States, which regulates interstate and international commerce, a firearm, firearm accessory, or ammunition manufactured and retained in this State.
STATUS:

01/09/2009	Draft delivered to Requester.

MT H 246

AUTHOR: Boniek (R)
TITLE: Commerce Clause
INTRODUCED: 01/13/2009
DISPOSITION: To Governor
SUMMARY:
Exempt Montana-made firearms and ammunition from commerce clause.
STATUS:

04/03/2009	Eligible for GOVERNOR'S desk.

TN H 1783 **SAME AS:** TN S 1644

TENNESSEE

	AUTHOR:	West (D)
	TITLE:	Firearms and Ammunition
	INTRODUCED:	02/23/2009
	DISPOSITION:	Pending
	SUMMARY:	
	Relates to firearms and ammunition; enacts the Tennessee Firearms Freedom Act.	
	STATUS:	
	03/02/2009	In HOUSE Committee on JUDICIARY: Referred to Subcommittee on CRIMINAL PROCEDURE AND PRACTICE.

TN H 1796	**SAME AS:**	TN S 1610
	AUTHOR:	West (D)
	TITLE:	Firearms and Ammunition
	INTRODUCED:	02/23/2009
	DISPOSITION:	Pending
	SUMMARY:	
	Relates to firearms and ammunition; enacts the Tennessee Firearms Freedom Act.	
	STATUS:	
	03/02/2009	In HOUSE Committee on JUDICIARY: Referred to Subcommittee on CRIMINAL PROCEDURE AND PRACTICE.

TN S 1610	**SAME AS:**	TN H 1796
	AUTHOR:	Beavers (R)
	TITLE:	Firearms and Ammunition
	INTRODUCED:	02/12/2009
	DISPOSITION:	Pending
	SUMMARY:	
	Relates to firearms and ammunition; enacts the Tennessee Firearms Freedom Act. - Amends TCA Title 4.	
	STATUS:	
	02/18/2009	To SENATE Committee on JUDICIARY.

TN S 1644	**SAME AS:**	TN H 1783
	AUTHOR:	Beavers (R)
	TITLE:	Firearms and Ammunition
	INTRODUCED:	02/12/2009
	DISPOSITION:	Pending
	SUMMARY:	
	Relates to firearms and ammunition; enacts the Tennessee Firearms Freedom Act.	
	STATUS:	
	02/18/2009	To SENATE Committee on JUDICIARY.

TEXAS

TX H 1863	**AUTHOR:**	Berman (R)
	TITLE:	Firearm Manufacturer Regulation
	INTRODUCED:	02/26/2009
	DISPOSITION:	Pending
	SUMMARY:	
	Relates to exempting the intrastate manufacture of a firearm, a firearm accessory, or ammunition from federal regulation.	
	STATUS:	
	03/04/2009	To HOUSE Committee on PUBLIC SAFETY.

Powered By STATENET

SENATE BILL 1644

By Beavers

AN ACT to amend Tennessee Code Annotated, Title 4, relative to exempting from regulation under the commerce clause of the Constitution of the United States a firearm, firearm accessory, or ammunition manufactured and retained in Tennessee.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 4, is amended by adding Sections 2 through 6 of this act as a new chapter thereto.

SECTION 2. This chapter shall be known and may be cited as the "Tennessee Firearms Freedom Act".

SECTION 3. The general assembly declares that the authority for this chapter is the following:

(1) The tenth amendment to the United States Constitution guarantees to the states and their people all powers not granted to the federal government elsewhere in the Constitution and reserves to the state and people of Tennessee certain powers as they were understood at the time that Tennessee was admitted to statehood. The guarantee of those powers is a matter of contract between the state and people of Tennessee and the United States as of the time that the compact with the United States was agreed upon and adopted by Tennessee and the United States;

(2) The ninth amendment to the United States Constitution guarantees to the people rights not granted in the Constitution and reserves to the people of Tennessee certain rights as they were understood at the time that Tennessee was admitted to statehood. The guarantee of those rights is a matter of contract between the state and

people of Tennessee and the United States as of the time that the compact with the United States was agreed upon and adopted by Tennessee and the United States.

(3) The regulation of intrastate commerce is vested in the states under the ninth and tenth amendments to the United States Constitution, particularly if not expressly preempted by federal law. Congress cannot preempt state regulation of intrastate commerce pertaining to the manufacture on an intrastate basis of firearms, firearms accessories, and ammunition;

(4) The second amendment to the United States Constitution reserves to the people the right to keep and bear arms as that right was understood at the time that Tennessee was admitted to statehood, and the guarantee of the right is a matter of contract between the state and people of Tennessee and the United States as of the time that the compact with the United States was agreed upon and adopted by Tennessee and the United States; and

(5) The Tennessee Constitution clearly secures to Tennessee citizens, and prohibits government interference with, the right of individual Tennessee citizens to keep and bear arms.

SECTION 4. As used in this chapter, unless the context otherwise requires:

(1) "Firearms accessories" means items that are used in conjunction with or mounted upon a firearm but are not essential to the basic function of a firearm, including but not limited to telescopic or laser sights, magazines, flash or sound suppressors, folding or aftermarket stocks and grips, speedloaders, ammunition carriers, and lights for target illumination;

(2) "Generic and insignificant parts" includes but is not limited to springs, screws, nuts, and pins; and

(3) "Manufactured" means creating a firearm, a firearm accessory, or ammunition from basic materials for functional usefulness, including but not limited to forging, casting, machining, or other processes for working materials.

SECTION 5. A firearm, a firearm accessory, or ammunition that is manufactured commercially or privately in Tennessee is not subject to federal law or federal regulation, including registration, under the authority of congress to regulate interstate commerce. It is declared by the legislature that those items have not traveled in interstate commerce. This section applies to a firearm, a firearm accessory, or ammunition that is manufactured in Tennessee from basic materials and that can be manufactured without the inclusion of any significant parts imported into this state. Generic and insignificant parts that have other manufacturing or consumer product applications are not firearms, firearms accessories, or ammunition, and their importation into Tennessee and incorporation into a firearm, a firearm accessory, or ammunition manufactured in Tennessee does not subject the firearm, firearm accessory, or ammunition to federal regulation. It is declared by the legislature that basic materials, such as unmachined steel and unshaped wood, are not firearms, firearms accessories, or ammunition and are not subject to congressional authority to regulate firearms, firearms accessories, and ammunition under interstate commerce as if they were actually firearms, firearms accessories, or ammunition. The authority of congress to regulate interstate commerce in basic materials does not include authority to regulate firearms, firearms accessories, and ammunition made in Tennessee from those materials. Firearms accessories that are imported into Tennessee from another state and that are subject to federal regulation as being in interstate commerce do not subject a firearm to federal regulation under interstate commerce because they are attached to or used in conjunction with a firearm in Tennessee.

SECTION 6. A firearm manufactured or sold in Tennessee under this chapter must have the words "Made in Tennessee" clearly stamped on a central metallic part, such as the receiver or frame.

SECTION 7. This act shall take effect upon becoming a law, the public welfare requiring it.

Gun Groups File Lawsuit to Validate Montana Firearms Freedom Act

FOR IMMEDIATE RELEASE **Contact: Gary Marbut, 406-549-1252**
Alan Gottlieb, 425-454-7012

MISSOULA - The Montana Shooting Sports Association (MSSA) and the Second Amendment Foundation (SAF) filed a lawsuit in federal court in Missoula today to validate the principles and terms of the Montana Firearms Freedom Act (MFFA).

The MFFA was enacted by the 2009 Montana Legislature, signed by Governor Schweitzer, and becomes effective today, Oct. 1.

Lead attorney for the plaintiffs' litigation team is Quentin Rhoades of the Missoula firm of Sullivan, Tabaracci & Rhoades, PC. The MFFA litigation team also includes other attorneys located in Montana, New York, Florida, Arizona and Washington.

"We feel very strongly that the federal government has gone way too far in attempting to regulate a lot of activity that occurs only in-state," explained MSSA President Gary Marbut. "The Montana Legislature and governor agreed with us by enacting the MFFA. It's time for Montana and her sister states to take a stand against the bullying federal government, which the Legislature and Governor have done and we are doing with this lawsuit. We welcome the support of many other states that are stepping up to the plate with their own firearms freedom acts."

"We're happy to join this lawsuit," said SAF founder Alan Gottlieb, "because we believe this issue should be decided by the courts."

The MFFA declares that any firearms made and retained in Montana are not subject to any federal authority under the power given to Congress in the U.S. Constitution to regulate "commerce ... among the several states." The MFFA relies on the Tenth Amendment and other principles to challenge Congress' commerce clause power to regulate a wide spectrum of in-state activities. This is a states' rights effort, using firearms as the object of the exercise. The MFFA exempts Montana-made and retained firearms, firearm accessories and ammunition from federal power, saying that if these items do not cross state lines, they are strictly INTRAstate commerce, not INTERstate commerce, and not subject to federal authority.

MSSA continues to strongly urge that no Montana citizen attempt to manufacture an MFFA-covered item, even after the law takes effect today, until MSSA can prove the

principles of the MFFA in court. Until the courts rule in support of the MFFA, any such manufacturer could be subject to federal criminal prosecution.

This concept has caught national attention. Tennessee has passed a clone of the MFFA. Other clones have been introduced in Alaska, Texas, Florida, South Carolina, Pennsylvania, Michigan and Minnesota. Legislators in 20 other states have indicated that they will introduce MFFA clones in their states once their legislatures reconvene, Marbut said. Information about the Firearms Freedom Act movement is being accumulated and made publicly available at firearmsfreedomact.com.

This movement follows multi-state rejection of Washington-mandated Real ID, a law passed by Congress requiring state drivers licenses to conform to federal identification standards. The FFA movement also works in tandem with resolutions introduced or passed in many states asserting state sovereignty under the Ninth and Tenth Amendments to the U.S. Constitution. As is the rest of the Bill of Rights, the Ninth and Tenth Amendments are limitations on federal power. The Ninth Amendment says: "The enumeration in the Constitution of certain rights shall not be construed to deny or disparage others retained by the people." The Tenth Amendment declares: "The powers not delegated to the United States by the Constitution, nor prohibited by it to the States, are reserved to the States respectively, or to the people."

Under our federated system of government in the U.S., Marbut noted, states and the federal government are widely recognized to share power and authority, with definite limits placed on federal power by the states, the creators of the federal government. The MFFA lawsuit is designed to test and define those limits, to assert states' authority, and to limit what many see as overbearing authority assumed by Congress and the federal government.

Beginning during the New Deal, federal courts have generally upheld federal commerce clause authority, initially in the 1942 case of *Wickard v. Filburn* and continuing recently with the 2005 case of *Gonzales v. Raich*. *Raich* was the Supreme Court case allowing federal regulation of medical marijuana in California. However, other cases such as the 1995 case of *US v. Lopez* suggest that federal commerce power is not infinitely elastic, that there are limits to federal commerce power, and that it has just not yet been determined what those limits may be. The MFFA litigation is structured to clarify and affirm those limits.

The modern era of dramatically-expanded federal commerce clause power was ushered in with the *Wickard* decision. The Supreme Court allowed this considerable expansion of federal commerce power under *Wickard* only after President Roosevelt threatened to pack the Court with cronies if the Court didn't cease declaring

Roosevelt's New Deal programs to be unconstitutional and beyond federal reach. (http://en.wikipedia.org/wiki/Commerce_clause)

MSSA is the primary political advocate for Montana gun owners. SAF is a national organization headquartered in Bellevue, WA that works nationally to advance the interests of gun owners.

Copy of Complaint available at: http://www.marbut.com/complaint.html

Quentin M. Rhoades
State Bar No. 3969
SULLIVAN, TABARACCI & RHOADES, P.C.
1821 South Avenue West, Third Floor
Missoula, Montana 59801
Telephone (406) 721-9700
Facsimile (406) 721-5838
qmr@montanalawyer.com

Pro Querente

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MONTANA
MISSOULA DIVISION

MONTANA SHOOTING SPORTS ASSOCIATION, SECOND AMENDMENT FOUNDATION, and GARY MARBUT, Plaintiffs, v. **ERIC H. HOLDER, JR., ATTORNEY GENERAL OF THE UNITED STATES OF AMERICA,** Defendant.	Cause No. _____ **COMPLAINT**

Plaintiffs, Montana Shooting Sports Association, Second Amendment Foundation, Inc., and Gary Marbut ("PLAINTIFFS"), by and through the

undersigned counsel of record, allege for their Complaint against Eric H. Holder, Attorney General of the United States of America ("DEFENDANT"), as follows:

1. Plaintiff Montana Shooting Sports Association ("MSSA") is a non-profit corporation organized under the laws of the State of Montana. The purpose of MSSA is to "support and promote firearm safety, the shooting sports, hunting, firearm collecting, and personal protection using firearms, to provide education to its members concerning shooting, firearms, safety, hunting and the right to keep and bear arms, to own and or manage one or more shooting facilities for the use of its members and or others, to conduct such other activities as serves the needs of its members." MSSA regularly lobbies the Montana Legislature, and its efforts were instrumental in the passage of the Montana statutes at issue in this civil action. MSSA has a genuine and viable interest in this case, as its goals and its existence depends upon the protection of the rights and interests of its members, and the enforcement of Montana law.

2. Plaintiff Second Amendment Foundation, Inc. ("SAF"), is a non-profit membership organization incorporated under the laws of Washington with its principal place of business in Bellevue, Washington.

SAF has over 650,000 members and supporters nationwide, including Montana. The purposes of SAF include promoting the exercise of the right to keep and bear arms, education, research, publishing and legal action focusing on the Constitutional right to privately own and possess firearms, and the consequences of gun control.

3. Plaintiff Gary Marbut is the President of MSSA, a citizen of the United States, and a resident of Missoula, Montana. Marbut is responsible for promoting and protecting the interests of MSSA and its members. Further, as an individual, Marbut desires to manufacture and sell small arms and small arms ammunition per the Montana Firearms Freedom Act.

4. Defendant, Eric H. Holder, Jr., is the appointed, qualified, confirmed, and acting Attorney General and head of the Department of Justice of the United States of America and, as such, is the official charged with administering the Unites States Bureau of Alcohol, Tobacco, Firearms and Explosives ("BATFE"), and enforcement of both the National Firearms Act ("NFA"), and the Gun Control Act of 1968 ("GCA"). DEFENDANT maintains his offices as Attorney General in the District of Columbia.

5. This is an action for declaratory judgment pursuant to 28 U.S.C. §§ 2201 and 2202, and 18 U.S.C. § 925A and is brought for the

purpose of determining a question of actual controversy between the parties as more fully appears in the complaint below.

6. Jurisdiction of this action is based generally on 5 U.S.C. § 704 and 28 U.S.C. § 1331. Jurisdiction is expressly conferred on this court by 18 U.S.C. § 925A(2).

7. Venue for this action is proper pursuant to 28 U.S.C. § 1391(e) because Plaintiff resides in this district and no real property is involved in this action.

8. The Montana Firearms Freedom Act ("MFFA"), House Bill 246 of the 2009 Montana legislative session, whose language is incorporated herein by this reference, becomes effective today. Its scope is limited to activity occurring exclusively within the state of Montana.

9. The activity authorized under the MFFA is primarily political. It has a commercial element, but the purpose is to allow Montanans who wish to avoid interference by the United States government in their legitimate activity (specifically, manufacturing and selling small arms and small arms ammunition), to do so if they strictly confine such activity to the political boundaries of their own state. Although there are commercial elements to the statutory scheme, they are incidental to the material

purpose and function of the MFFA. Passage of the MFFA was an express exercise by the State of Montana of powers reserved to the states and to the people under the 10th Amendment of the United States Constitution. The MFFA is also authorized under the conditions of the compact with the United States that Montana entered upon admission to the union. The United States Congress therefore has no authority, under the limited powers granted to it by the United States Constitution, to preempt the MFFA.

10. PLAINTIFF MARBUT wishes to manufacture and sell small arms and small arms ammunition to customers exclusively in Montana, pursuant to the MFFA, without complying with the NFA or the GCA, or other applicable federal laws. MARBUT has sought permission and assurances from BATFE that he may proceed under MFFA without fear of criminal prosecution or civil sanction, so long as he strictly confines such activity to Montana.

11. PLAINTIFF MSSA and PLAINTIFF SAF have members, along with other Montana citizens, who wish to manufacture and sell small arms and small arms ammunition to customers in Montana, pursuant to the MFFA, without complying with the NFA or the GCA, or other applicable

federal laws.

12. Like PLAINTIFF MARBUT, other members of PLAINTIFF MSSA and PLAINTIFF SAF, and other Montana citizens, have sought permission and assurances from BATFE that they may proceed under MFFA without fear of criminal prosecution or civil sanction, sanction so long as he strictly confines such activity to Montana.

13. BATFE refuses to give permission to Marbut or anyone else to proceed under MFFA, and instead, on September 29, 2009, it issued a letter to Plaintiff Gary Marbut contending that "to the extent the [MFFA] conflicts with Federal firearms laws and regulations, Federal law supersedes the MFFA, and all provisions of the GCA and NFA, and their corresponding regulations, continue to apply." (See copy attached hereto as Exhibit A.) This is consistent with an "open letter" BATFE issued to the general public on July 16, 2009, warning that MFFA conflicts with federal firearms law and regulations, and that federal law therefore supersedes the MFFA. (See copy attached hereto as Exhibit B.)

14. As a result of BATFE'S actions in issuing its July 16, 2009, "open letter," and in its September 29, 2009, letter to PLAINTIFF MARBUT, and its refusal to give other Montana citizens assurances or permission to

exercise their rights under the MFFA, no Montanan who wishes to proceed under the MFFA can do so without fear of federal criminal prosecution and/or civil sanctions, including fines and/or forfeiture.

15. There is therefore a real and actual controversy between PLAINTIFFS and DEFENDANT regarding whether the United States Constitution confers power on Congress to regulate activities contemplated by the MFFA. Under the 10th Amendment, all regulatory authority of all such activities within Montana's political borders is left in the sole discretion of Montana. Federal law therefore does not preempt the MFFA and cannot be invoked to regulate or prosecute Montana citizens acting in compliance with the MFFA, so long as they do so solely within the political borders of Montana.

16. In addition, PLAINTIFFS face irreparable harm from DEFENDANT'S threat to enforce the NFA and/or the GCA and other federal laws and regulations through the prosecution of civil actions and criminal indictments against Montana citizens who proceed in compliance with MFFA. The threat of federal civil action and/or criminal prosecution faced under the circumstances effectively blocks PLAINTIFFS and all law abiding citizens from exercising their rights under and otherwise benefitting from

the MFFA, a wrong for which they have no adequate legal remedy at law.

REQUEST FOR RELIEF

PLAINTIFFS respectfully request:

A. A declaratory judgment pursuant to 28 U.S.C. § 2201 and Federal Rule of Civil Procedure 57 for the purpose of determining and adjudicating the questions of actual controversy between the parties as set forth above, that:

(i) The United States Constitution confers no power on Congress to regulate the special rights and activities contemplated by the MFFA;

(ii) Under the 10th Amendment of the United States Constitution, all regulatory authority of all such activities within Montana's political borders is left in the sole discretion of Montana; and

(iii) Federal law does not preempt the MFFA and cannot be invoked to regulate or prosecute Montana citizens acting in compliance with the MFFA.

B. A permanent injunction order enjoining DEFENDANT and any agency of the United States of America from prosecuting any civil action or criminal indictment or information under the NFA or the GCA, or any other federal laws and regulations, against PLAINTIFFS or other Montana citizens

acting, solely within the political borders of Montana, in compliance with the MFFA.

C. An order awarding to PLAINTIFFS costs and a reasonable attorney fee under the private attorney general doctrine.

D. PLAINTIFFS request such other and further relief as may be

///

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proper in the circumstances.

DATED this ____ day of September, 2009.

Respectfully submitted,
SULLIVAN, TABARACCI & RHOADES, P.C.

By: /s/ Quentin M. Rhoades
Quentin M. Rhoades
Pro Querente

ATF – Bureau of Alcohol, Tobacco, Firearms and Explosives

Identify Prohibited Persons

The Gun Control Act (GCA) makes it unlawful for certain categories of persons to ship, transport, receive, or possess firearms. 18 USC 922(g). Transfers of firearms to any such prohibited persons are also unlawful. 18 USC 922(d).

These categories include any person:

Under indictment or information in any court for a crime punishable by imprisonment for a term exceeding one year;

convicted of a crime punishable by imprisonment for a term exceeding one year;

who is a fugitive from justice;

who is an unlawful user of or addicted to any controlled substance;

who has been adjudicated as a mental defective or has been committed to any mental institution;

who is an illegal alien;

who has been discharged from the military under dishonorable conditions;

who has renounced his or her United States citizenship;

who is subject to a court order restraining the person from harassing, stalking, or threatening an intimate partner or child of the intimate partner; or

who has been convicted of a misdemeanor crime of domestic violence (enacted by the Omnibus Consolidated Appropriations Act of 1997, Pub. L. No. 104-208, effective September 30, 1996). 18 USC 922(g) and (n).

The Arms Export Control Act (AECA) prohibits the issuance of licenses to persons who have been convicted of:

Section 38 of the AECA, 22 USC 2778;

Section 11 of the Export Administration Act of 1979, 60 USC App. 2410;

Sections 7903, 794, or 798 of Title 18, USC, relating to espionage involving defense or classified information;

Section 16 of the Trading with the Enemy Act, 50 USC App. 16;

Section 30A of the Securities Exchange Act of 1934, 15 USC 78dd-1, or section 104 of the Foreign Corrupt Practices Act, 15 USC 78dd-2;

Chapter 105 of Title 18, USC, relating to sabotage;

Section 4(b) of the Internal Security Act of 1950, 50 USC 783(b), relating to communication of classified information;

Sections 57, 92, 101, 104, 222, 224, 225, or 226 of the Atomic Energy Act of 1954, 42 USC 2077 2122, 2131, 2234, 2272, 2275, and 2276;

Section 601 of the National Security Act of 1947, 50 USC 421, relating to the protection of the identity of undercover intelligence officers, agents, and other sources;

Section 371 of Title 17, USC, when it involves conspiracy to violate any of the above statutes; and

International Emergency Economic Powers Act, 50 USC 1702 and 1705.

Prohibitions on Certain Types of Firearms

Federal firearms laws prohibit transactions in and possession of certain types of firearms. These include, for example:

Transfer or possession of a machinegun, 18 USC 922(o);

Manufacture, importation, sale, or possession of any firearm not detectable by airport security devices, 18 USC 922(p);

and Possession of a firearm not registered as required by the National Firearms Act (NFA), 26 USC 5861(d).

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ATF – Bureau of Alcohol, Tobacco, Firearms and Explosives

Manufacturers

1. Must a person who engages in the business of manufacturing and importing firearms have a separate license to cover each type of business?
2. May a person licensed as a manufacturer of ammunition also manufacture firearms?
3. May a person licensed as a manufacturer of firearms also manufacture ammunition?
4. Is a person who reloads ammunition required to be licensed as a manufacturer?
5. Must a licensed manufacturer pay excise taxes?
6. May a person engage in gunsmithing under a dealer's license (type 01), or do gunsmiths need to be licensed as "manufacturers" of firearms?

Q: Must a person who engages in the business of manufacturing and importing firearms have a separate license to cover each type of business?

Yes. A separate license is required to cover each of these types of businesses.

[27 CFR 478.41]

Q: May a person licensed as a manufacturer of ammunition also manufacture firearms?

No. A person licensed as a manufacturer of ammunition may not manufacture firearms unless he or she obtains a license as a firearms manufacturer.

Q: May a person licensed as a manufacturer of firearms also manufacture ammunition?

Yes. The person may also manufacture ammunition (not including destructive device ammunition or armor piercing ammunition) without obtaining a separate license as a manufacturer of ammunition.

Q: Is a person who reloads ammunition required to be licensed as a manufacturer?

Yes, if the person engages in the business of selling or distributing reloads for the purpose of livelihood and profit. No, if the person reloads only for personal use.

[18 U.S.C. 922(a) (i) and 923(a), 27 CFR 478.41]

Q: Must a licensed manufacturer pay excise taxes?

Yes. Licensed manufacturers incur excise tax on the sale of firearms and ammunition manufactured. See Item 17, "Federal Excise Tax" in the General Information section of this publication.

Q: May a person engage in gunsmithing under a dealer's license (type 01), or do gunsmiths need to be licensed as "manufacturers" of firearms?

Generally, a person engaged in gunsmithing requires only a dealer's license (type 01). There are circumstances in which a gunsmith might require a manufacturing license. Generally, a person should obtain a license as a manufacturer of firearms if the person is: 1. performing operations which create firearms or alter firearms (in the case of alterations, the work is not being performed at the request of customers, rather the person who is altering the firearms is purchasing them, making the changes, and then reselling them), 2. is performing the operations as a regular course of business or trade, and 3. is performing the operations for the purpose of sale or distribution of the firearms.

Below are examples of operations performed on firearms and guidance as to whether or not such operations would be considered manufacturing under the Gun Control Act (GCA). These examples do not address the question of whether the operations are considered manufacturing for purposes of determining excise tax. Any questions concerning the payment of excise tax should be directed to the Alcohol and Tobacco Tax and Trade Bureau, U.S. Department of the Treasury.

1. A company produces a quantity of firearm frames or receivers for sale to customers who will assemble firearms.

   The company is engaged in the business of manufacturing firearms and should be licensed as a manufacturer of firearms.

2. A company produces frames or receivers for another company that assembles and sells the firearms.

   Both companies are engaged in the business of manufacturing firearms and each should be licensed as a manufacturer of firearms.

3. A company provides frames to a subcontractor company that performs machining operations on the frames and returns the frames to the original company which assembles and sells the completed firearms.

   Both companies are engaged in the business of manufacturing firearms and should be licensed as manufacturers of firearms.

4. A company produces barrels for firearms and sells the barrels to another company that assembles and sells complete firearms.

   Because barrels are not firearms, the company that manufactures the barrels is not a manufacturer of firearms. The company that assembles and sells the firearms should be licensed as a manufacturer of firearms.

5. A company receives firearm frames from individual customers, attaches stocks and barrels and returns the firearms to the customers for the customers' personal use.

   The operations performed on the firearms were not for the purpose of sale or distribution. The company should be licensed as a dealer or gunsmith, not as a manufacturer of firearms.

6. A company acquires one receiver, assembles one firearm, and sells the firearm.

   The company is not manufacturing firearms as a regular course of trade or business and is not engaged in the business of manufacturing firearms. This company does not need to be licensed as a manufacturer.

7. An individual acquires frames or receivers and assembles firearms for his personal use, not for sale or distribution.

   The individual is not manufacturing firearms for sale or distribution and is not required to be a licensed manufacturer.

8. A gunsmith regularly buys military type firearms, Mausers etc., and â€œsporterizesâ€ them for resale.

   The gunsmith is in the business of manufacturing firearms and should be licensed as a manufacturer.

9. A gunsmith buys semiautomatic pistols or revolvers and modifies the slides to accept new Style f sights. The sights are not usually sold with these firearms and do not attach to the existing mounting openings.

   The gunsmith offers these firearms for sale. This would be considered the manufacturing of firearms and the gunsmith should be licensed as a manufacturer.

10. A gunsmith buys government model pistols and installs â€œdrop-inâ€ precision trigger parts or other â€œdrop-in partsâ€ for the purpose of resale.

    This would be considered the manufacturing of firearms, as the gunsmith is purchasing the firearms, modifying the firearms and selling them. The gunsmith should be licensed as a manufacturer.

11. A gunsmith buys surplus military rifles, bends the bolts to accept a scope, and then drills the receivers for a scope base. The gunsmith offers these firearms for sale.

    This would be considered the manufacturing of firearms and the gunsmith should be licensed as a manufacturer.

12. A gunsmith buys surplus military rifles or pistols and removes the stocks, adds new stocks or pistol grips, cleans the firearms, then sends the firearms to a separate contractor for bluing. These firearms are then sold to the public.

    This would be considered manufacturing of firearms and the gunsmith should be licensed as a manufacturer.

13. A company purchases surplus firearms, cleans the firearms then offers them for sale to the public.

    The company does not need to be licensed as a manufacturer.

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Firearms Freedom Act

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The Firearms Freedom Act (FFA) is sweeping the Nation.

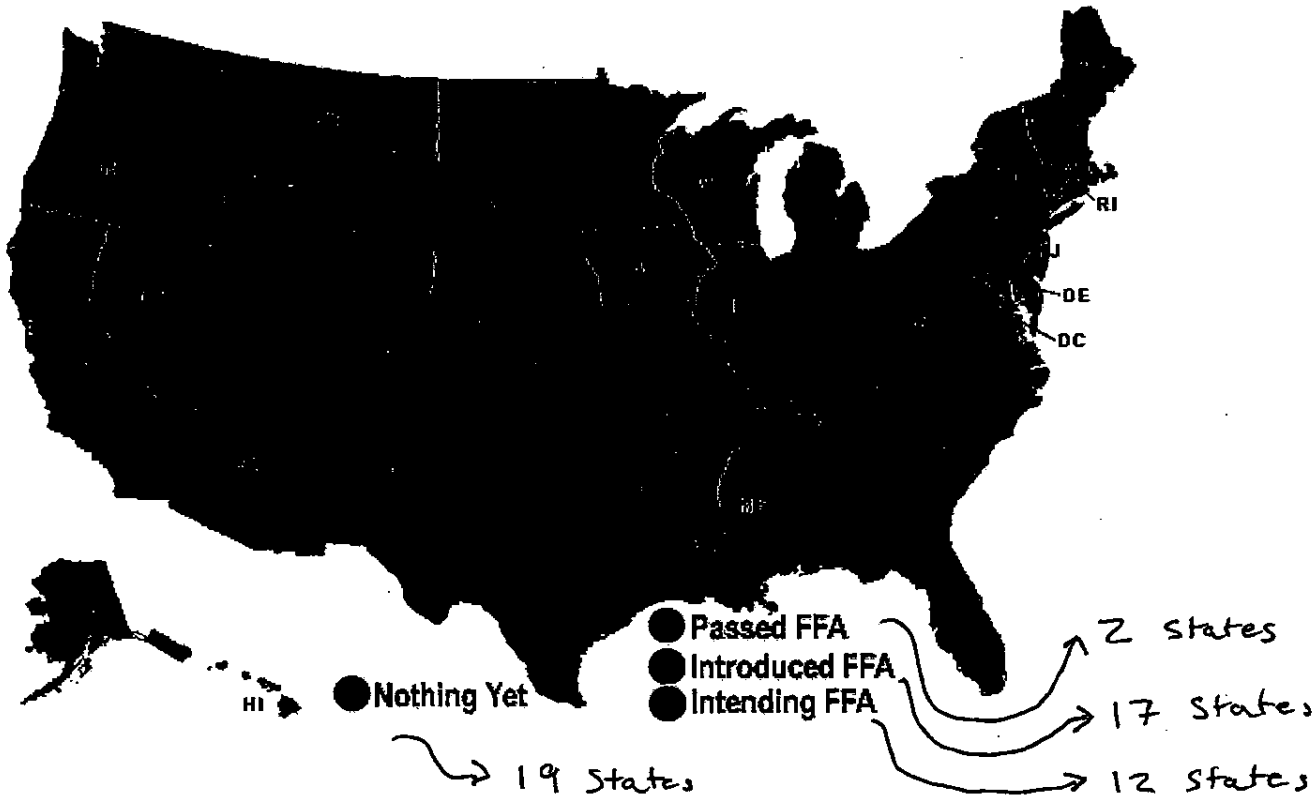
January 15th, 2010 Leave a comment Go to comments

Originally introduced and passed in Montana, the FFA declares that any firearms made and retained in-state are beyond the authority of Congress under its constitutional power to regulate commerce among the states.

Since its passage in Montana, a clone of the Firearms Freedom Act has been enacted in Tennessee, and has been introduced in the legislatures of Alaska, Texas, South Carolina, Minnesota and Florida. Legislators in many other states have announced that they will introduce FFA clones when their legislatures next convene.

The FFA is primarily a Tenth Amendment challenge to the powers of Congress under the "commerce clause," with firearms as the object – it is a state's rights exercise.

Help Fund the Lawsuit – Donate



U.S. Department of Justice

Bureau of Alcohol, Tobacco,
Firearms and Explosives

Assistant Director

Washington, DC 20226

JUL 16 2009

OPEN LETTER TO ALL TENNESSEE FEDERAL FIREARMS LICENSEES

The purpose of this letter is to provide guidance on your obligations as a Federal firearms licensee ("FFL"). The Bureau of Alcohol, Tobacco, Firearms and Explosives ("ATF") is dedicated to your success in meeting your requirements as a Federal firearms licensee. The following guidance is intended to assist you in accomplishing this goal.

The passage of the Tennessee Firearms Freedom Act, H.B. 1796, 106th Leg. (Tenn. 2009) 1796 ("Act"), effective June 19, 2009, has generated questions from industry members as to how this State law may affect them while engaged in a firearms business activity. The Act purports to exempt personal firearms, firearms accessories, and ammunition manufactured in the State, and which remain in the State, from most Federal firearms laws and regulations. However, because the Act conflicts with Federal firearms laws and regulations, Federal law supersedes the Act, and all provisions of the Gun Control Act and the National Firearms Act, and their corresponding regulations, continue to apply.

As you may know, Federal law requires a license to engage in the business of manufacturing firearms or ammunition, or to deal in firearms, even if the firearms or ammunition remain within the same state. All firearms manufactured by a licensee must be properly marked. Additionally, each licensee must record the type, model, caliber or gauge, and serial number of each firearm manufactured or otherwise acquired, and the date such manufacture or other acquisition was made. The information required must be recorded in the licensee's records not later than the seventh day following the date such manufacture or other acquisition was made. Firearms transaction records and NICS background checks must be conducted prior to disposition of firearms to unlicensed persons. These, as well as other Federal requirements and prohibitions, apply whether or not the firearms or ammunition have crossed state lines.

If you have any questions regarding the Federal firearms laws and regulations, please contact your local ATF office. ATF works closely with the firearms industry and appreciates the important role the industry plays in combating violent crime. A listing of ATF office phone numbers can be found at http://www.atf.gov/contact/field.htm.

Carson W. Carroll
Assistant Director
(Enforcement Programs and Services)

Derek Miller

From: Maria Rensel [akconservative@ymail.com]
Sent: Thursday, February 04, 2010 5:42 PM
To: Rep. Mike Kelly
Subject: Alaska Firearms Freedom Act

Follow Up Flag: Follow up
Flag Status: Completed

I am writing in support of the Alaska Firearms Freedom Act. I am a member of the Second Amendment Task force as well as a Founder of the Interior Alaska Conservative Coalition (IACC). I am in touch on a daily basis with Alaskans in the Interior who are committed to the restoration of all of our Constitutional Rights.

This bill will be a step in the right direction for a state that has many, many citizens who want their legislature to stand up for our liberty, state sovereignty and second amendment rights as well as the entire Constitution. We are simply insisting that all levels of government uphold the Law of the Land. Why do we even have to ask?

Sincerely,

Maria Rensel

Derek Miller

From: Brandi Fleshman [bfleshman2@alaska.edu]
Sent: Thursday, February 04, 2010 12:34 PM
To: Rep. Mike Kelly
Subject: Firearms Freedom Act

Follow Up Flag: Follow up
Flag Status: Completed

Representative Kelly:

Please support the Firearms Freedom Act in the House Judiciary Committee.

Brandi Fleshman
2026 Kendall Ave.
North Pole, AK 99705

Derek Miller

From: Tomaszewski [sparkyselectricalservices@gmail.com]
Sent: Thursday, February 04, 2010 12:11 PM
To: Rep. Mike Kelly
Subject: Alaska Firearms Freedom Act

Follow Up Flag: Follow up
Flag Status: Completed

I support this Bill and would appreciate your support.

Frank Tomaszewski

Derek Miller

From: Douglas Hart [dsimshart@gmail.com]
Sent: Thursday, February 04, 2010 11:23 AM
To: Rep. Mike Kelly
Subject: Alaska Firearms Freedom Act

Follow Up Flag: Follow up
Flag Status: Completed

Representative Kelly,

I wish to add my name to those who have written to you in support of this act. I know that there are many who do not believe Barack Obama can, could, or would do anything to "abridge" our 2nd Amendment Rights. The fact remains, however, that I do believe he/they (I include his 'friends') would like to curtail these rights and will do so if given the opportunity. I believe that, in these present circumstances, apathy and complacency are our Worst Enemies!

I've recently read where there are many in the current administration that wish for the United States to ratify a United Nations Treaty that would adversely affect the 2nd Amendment Rights of American Citizens. My question, sir, is how can the United States Federal Government enter into a Treaty in an Area that is NOT granted to it by the Constitution but is Reserved unto the States of the Union?

With Appreciation,

Doug Hart
Douglas S. Hart, Sr
Master Sergeant, US Army (Retired)

"ΜΟΛΩΝ ΛΑΒΕ"

Derek Miller

From: s.murray@gci.net on behalf of Susan Murray [s.murray@gci.net]
Sent: Thursday, February 04, 2010 10:37 AM
To: Rep. Mike Kelly
Subject: FFA

Follow Up Flag: Follow up
Flag Status: Completed

Please support the Alaska Firearms Freedom Act. Thank you

Derek Miller

From:	Al Weber [al@tlcgeneral.com]
Sent:	Thursday, February 04, 2010 9:05 AM
To:	Rep. Mike Kelly
Subject:	Firearms Freedom Act
Follow Up Flag:	Follow up
Flag Status:	Completed

Mr. Kelly,

Thank you for the work you are doing to restore states' rights in Alaska and the USA. Our Federal Government has arrogantly usurped power not granted to it by the Constitution and as a result it has grown into a dangerous monster with a salacious appetite for more and more power. The Firearms Freedom Act is a big step in returning the power to the states and to the people as intended by the framers of our Constitution as they clearly stated in the 10th Amendment.

The Fire Arms Freedom Act is big step in the right direction, but it is only the first step. We have a long way to go to undo the damage that has and is being done.

God Bless you and all the men and women who are willing to take a stand for what is right rather than for what is convenient. You are in my prayers. Keep up the good work.

Al Weber
<><
cell 907 378-9427
work 907-479-8810

Derek Miller

From: Phil Evans [philevans@pbevans.com]
Sent: Thursday, February 04, 2010 8:59 AM
To: Rep. Mike Kelly
Subject: Fire Arms Freedom Act

Follow Up Flag: Follow up
Flag Status: Completed

Dear Rep Kelly:

I wholeheartedly support the Fire Arms Freedom Act. For states like Alaska, firearms are an integral part of our lively hood. Hunting with all of the associated support is an important industry for our state. Shooting sports and all of us who are involved with the various ranges help cultivate the talented shooters who go on to UAF Nanooks Rifle Team and make us national champions.

Simply put, our second amendment rights shall not be infringed. Many have died to defend our Constitution. Currently, there are those who have never served in the military to defend our freedoms who are hell bent on taking them away. We must stand together to protect our rights.

Thank you for your service!

Phil Evans

Derek Miller

From: Carl St.George [cstgeorge@gci.com]
Sent: Thursday, February 04, 2010 8:40 AM
To: Rep. Mike Kelly
Subject: Firearms Freedom Act

Follow Up Flag: Follow up
Flag Status: Completed

Hey Mike,
I just wanted to take a minute to thank you for everything you are & have been doing to protect our 2nd Amendment rights, and our State sovereignty. Please do everything in your power to get this act of legistlation through. Have a good day, and may God bless you & your work there.

Thanks,
Carl St. George
330 Gold Claim Ave
Fairbanks AK 99712

Derek Miller

From: akinvest@gci.net on behalf of Rodger Hopp [akinvest@gci.net]
Sent: Thursday, February 04, 2010 8:19 AM
To: Rep. Mike Kelly
Subject: FFA

Follow Up Flag: Follow up
Flag Status: Completed

Rep Mike Kelly, I am writing to show support for the "Firearms Freedom Act" and related issues currently being considered. I view this as a very important action that is sorely needed to help establish the position of Alaska sovereignty from oppressive, restrictive and highly regulatory actions from legislators and regulators in the Federal Government. You have a massive base of support in the Interior. Thanks Mike!
Sincerely, Rodger P Hopp

Derek Miller

From: Michael Lockery [northern_templar@yahoo.com]
Sent: Thursday, February 04, 2010 8:16 AM
To: Rep. Mike Kelly
Subject: Firearms Freedom act

Follow Up Flag: Follow up
Flag Status: Completed

Mr. Kelly, Please forward this letter to whom ever you need too. I support this act 100%. I am an active voter and plan on continuing to fight the politcians (no matter which party) who are trying to sell our God given rights away. Thank you for your service, Michael Lockery Two Rivers, Alaska.

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Sarah Palin, Governor

P.O. BOX 110300
JUNEAU, ALASKA 99811-0300
PHONE: (907)465-2133
FAX: (907)465-2075

April 14, 2009

The Honorable Mike Kelly
State Capitol, Room 513
Juneau, AK 99801

The Honorable John Coghill
Chair, House Rules Committee
State Capitol, Room 214
Juneau, AK 99801

Re: CSHB 186(FIN) – Exempting Firearms from Federal Regulation

Dear Representatives Kelly and Coghill:

I write to inform you of my reasons for seeking an amendment to CSHB 186(FIN). I have asked that the bill be amended to change "shall" to "may" on page 3, line 18. This paragraph currently mandates that the Attorney General defend individuals who are charged with firearms violations in federal court. The enclosed amendment would make the defense of individuals discretionary.

A statute which requires the Attorney General to represent all who are accused of violating a particular law, regardless of the individual merits of their cases, could result in court decisions which do not advance the interests of Alaska's citizens. AS 44.23.020, which requires the Attorney General to prosecute crimes and defend the state in civil lawsuits, does not mandate that the Attorney General defend particular individuals. CHSB 186(FIN), without the attached amendment, would therefore add a mandatory duty which does not otherwise exist, and would not allow the Attorney General to refuse to defend cases which, in his opinion, are not meritorious.

It has been said that bad facts make bad law. It is the duty of the executive to defend the laws which are promulgated by the legislature. The most powerful tool which the Attorney General possesses in defending the laws is the discretion to choose which cases to defend. To reverse that process, and require the state to defend individuals whose behavior is not consistent with the intent of the legislation is to deprive the state of

this valuable advantage. For that reason, I urge the Rules Committee to adopt the proposed amendment.

Sincerely,

Wayne Anthony Ross
Attorney General

4-13-10

Alaska State Legislature

Juneau
State Capitol Bldg., Rm. 513
Juneau, AK 99801-1182
Phone (907) 465-4976
Fax (907) 465-3883
Toll Free 866-465-4976

Fairbanks
1292 Sadler Way, Ste 323
Fairbanks, AK 99701
Phone (907) 452-6084
Fax (907) 452-6096

Member
House Finance Committee

Representative Mike Kelly

House District 7

MEMORANDUM

DATE: **January 20, 2010**

TO: **Representative Mike Kelly**

FROM: **Derek Miller**

RE: **Sectional Analysis for CSHB 186(FIN) – (26-LS0627\P.A)**

A sectional summary of a bill should not be considered an authoritative interpretation of the bill. The bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1.
Findings Section. The authority of this Act is the Second, Ninth, and Tenth Amendments to the Constitution of the United States. The Second Amendment reserves to the people the right to keep and bear arms, the Ninth Amendment guarantees to the people rights not granted in the constitution, and the Tenth Amendment guarantees to the states and their people all powers not granted to the federal government elsewhere in the constitution. The United States Congress has not expressly preempted state regulation of intrastate commerce pertaining to the manufacture on an intrastate basis of firearms, firearm accessories, and ammunition. Article I, Section 19 of the Constitution of the State of Alaska secures to the citizens and prohibits government interference with the right of individual Alaska citizens to keep and bear arms.

Section 2.
(a) A personal firearm, a firearm accessory, or ammunition that is manufactured commercially or privately in this state and that remains in the state is not subject to federal law or federal regulation including registration under the authority of the United States Congress to regulate intrastate commerce.

(b) This section applies to a firearm, a firearm accessory, or ammunition that is manufactured in this state from basic materials without the inclusion of significant parts imported from another state. Generic and insignificant parts that have other manufacturing or consumer applications are not firearms, firearm accessories, or ammunition and their incorporation into a firearm, firearm accessory, or ammunition manufactured in this state does not subject them to federal regulation. Basic materials, such as unmachined steel and unshaped wood are not firearms, firearm accessories, and ammunition and are not subject to federal regulation under intrastate commerce. Firearm accessories imported into this state from another state and are attached to or used in conjunction with a firearm in this state does not subject the firearm to federal regulation under intrastate commerce.

(c) A firearm manufactured or sold in this sate and not subject to federal regulation mush have the words "Made in Alaska" clearly stamped on a central metallic part, such as the receiver or frame.

(d) Permits the Attorney General of Alaska to defend a citizen of the state who is prosecuted by the government of the United States under power to regulate interstate commerce for violating federal law concerning the manufacture, sale, transfer, or possession of a firearm, a firearm accessory, or ammunition manufactured and retained within this state.

(e) Definitions section.

"Firearm accessory" – an item that is used in conjunction with or mounted on a firearm but is not essential to the basic function of a firearm. This includes: a telescope or laser sight, magazine, flash or sound suppressor, folding or aftermarket stock and grip, speedloader, ammunition carrier, and light for target illumination.

"Generic and insignificant parts" – includes springs, screws, nuts, and pins.

"Manufactured" – means a firearm a firearm accessory, or ammunition that has been created from basic materials for functional usefulness, including forging, casting, machining, or other processes for working materials.

Section 3.
Applicability section. This Act applies to firearms, firearm accessories, and ammunition that are manufactured and retained in this state after October 1, 2009.

HB 190

<target><bill>HB 190</bill><subject>HB 190</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/11/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/18/10

Finance Committee considered CS FOR HOUSE BILL NO. 190(FIN)

HB 190 CHILDREN'S TRUST

"An Act amending the Alaska children's trust and relating to the trust; establishing a children's trust grant account; relating to birth certificates and certificates of marriage; relating to special request Alaska children's trust license plates; and amending the State Procurement Code to exempt the Alaska children's trust and the Alaska Children's Trust Board."

and recommends:

be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	4/5			✓	2
DHS	4/5			✓	3
REV	4/4			✓	4

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHB 190(FIN)
(H) Publish Date: 4/6/10

Identifier (file name): CSHB190-REV-TRS-04-04-10
Dept. Affected: Revenue
Title: Alaska Children's Trust
RDU: Taxation and Treasury
Component: Treasury Division
Sponsor: Representative Fairclough
Requester: House Finance Committee
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: _____

POSITIONS

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

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

The Committee Substitute Bill is an amendment to the Alaska Children's Trust statute which allow the legislature to appropriate funds generated from birth and heirloom marriage certificates and trust license plates to the Alaska Children's Trust Grant Account and defines the assets of the trust to include appropriations, donations and income earned on investments of trust assets. Treasury would continue to invest the assets of the Trust and would calculate 5% of market value of the Trust on a three year average for appropriation to the grant fund. No appropriation is required as implementation will be carried out through existing personal services and custodial resources. The effect this bill will have on investment performance is unknown.

Prepared by: Pamela Leary, Comptroller — Phone 465-2300
Division: Treasury Division — Date/Time 04-02-10; 3:55pm
Approved by: Ginger Blaisdell, Director — Date 04-04-10; 4:04pm
Administrative Services Division

(Revised 11/5/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 190(FIN)
(H) Publish Date: 4/6/10

Identifier (file name): HB 190CS(FIN)-DHSS-CSM-04-03-10
Title: Alaska Children's Trust
Sponsor: Representative Fairclough
Requester: House Finance Committee

Dept. Affected: Health & Social Services
RDU: Children's Services
Component: Children's Services Management
Component Number: 2666

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 4/5/2010 12:00PM

Co-Chair Rep. Hawker
House Finance Committee
Date 4/5/2010

(Revised 9/10/2008 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 190(FIN)
(H) Publish Date: 4/6/10

Identifier (file name): HB190CS(HSS)-CED-CRA-04-5-10
Title: Alaska Children's Trust
Sponsor: Representative Fairclough
Requester: House Finance Committee

Dept. Affected: DCCED
RDU: Comm. Assist. and Econ. Dev.
Component: Community and Regional Affairs
Component Number: 2879

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

HB 190 makes several changes to the Alaska Children's Trust (ACT) board and trust account management. The Trust is to be managed by the Commissioner of Revenue with five percent of the market value of the unencumbered balance of the trust to be appropriated for awarding a named recipient grant by the Department of Commerce, Community and Economic Development to be used by the non-profit selected by the board to award subgrants to organizations and projects designed to prevent child abuse and neglect in Alaska.

The Department does not expect to need additional funds to manage this grant.

Prepared by: Tyson Fick, Legislative Liaison — Phone 465-2503
Division: Department of Commerce, Community and Economic Development — Date/Time 4/5/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 4/5/2010
Department of Commerce, Community and Economic Development

(Revised 5/10/2008 OMB)

Alaska State Legislature

Representative Anna Fairclough – House District 17

CS for House Bill 190 (FIN) (26-LS0502\K)

"An Act amending the Alaska children's trust and relating to the trust; relating to special request Alaska children's trust plates; and amending State Procurement Code to exempt the Alaska children's trust and the Alaska Children's Trust Board."

House Bill 190 establishes an Alaska Children's Trust (ACT) grant account in the general fund and provides for private restricted-use donations, and an annual legislative appropriation of five percent average market value (preceding three years) of the trust account into the grant account. In addition it exempts the ACT and the ACT board from the state procurement code and would require the board to establish regulations as required by state statute.

It would preserve the present revenue sources of children's trust license plates, birth and marriage certificates annually appropriated by the legislature into the grant account for child abuse and neglect prevention activities and programs.

The ACT board of directors is given the authority to enter into a joint arrangement with a non-profit entity or entities for grant-making and fundraising without delegating its duties or authority. ACT will continue to be managed by seven board of directors; including the Governor or designee, Commissioners of the Departments of Health and Social Services and Education and Early Development, four public members appointed by the Governor with expertise in children's or prevention programs including child abuse and neglect prevention programs.

In summary, HB 190 provides ACT and the ACT board with greater flexibility to create a more stable, streamlined and simplified administrative structure that would greatly enhance the Trust's ability to pursue its mission efficiently and effectively.

I urge your support on this piece of legislation.

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

Alaska State Legislature

Representative Anna Fairclough – House District 17

CS for House Bill 190 (FIN) (26-LS0502\K)

"An Act amending the Alaska children's trust and relating to the trust; relating to special request Alaska children's trust plates; and amending State Procurement Code to exempt the Alaska children's trust and the Alaska Children's Trust Board."

Sectional Analysis

Section 1, 2, 3. Amends AS 18.50.225(d); 18.50.272(e); 28.10.421(d)(14)

Allows the legislature to appropriate funds generated from birth certificates and heirloom marriage certificates suitable for display; and Alaska children's trust license plates to the Alaska children's trust grant account.

Section 4. Amends AS 36.30.990(1)

Exempts the Alaska children's trust and the Alaska Children's Trust Board from the State Procurement Code.

Section 5. Amends AS 37.14.200(b)

Defines the assets of the trust to include appropriations, donations to the trust, and income earned on investments of trust assets.

Section 6. Repeals and reenacted AS 37.14.200(c)

Provides for the commissioner of revenue to manage the trust as an endowment.

Section 7. Amends AS 37.14.200 by adding new subsections AS 37.14.200(d)(e)(f)(g)

The commissioner of revenue shall provide reports to the board on condition and investment of the trust.

Allows the legislature to annually appropriate 5% of the market value, as calculated on a three year average, of the Alaska Children's Trust to the grant account.

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Representative_Anna_Fairclough@legis.state.ak.us

Allows the legislature to appropriate from the principal of the trust up to $150,000 for administrative expenses of the board; and appropriate expenses related to the commissioner of revenue's management of trust assets.

Explains that this section does not create a dedicated fund.

Section 8. Amends AS 37.14 by adding new section AS 37.14.205

Creates an Alaska children's trust grant account as an account in the general fund and allows the legislature to appropriate funds from the trust to the grant account.

Defines uses of the grant account to include making grants; obtaining private and federal; solicit contributions, gifts and bequests for the trust and grant accounts; and expend private restricted-use donations from the grant account without further appropriation.

Section 9. Amends AS 37.14.225

Defines the membership of the ACT board, and their qualifications.

Section 10. Amends AS 37.14.230

Describes the powers and duties of the ACT board, to include awarding grants, maintaining records of all donations to the trust and grant account; apply for and use funds from grant account to obtain private and federal grants for child abuse & neglect prevention programs; solicit donations to the grant account; account for interest earned on private restricted donations not fully expended.

Section 11. Amends AS 37.14.230 by adding new subsection AS 37.14.230(b)

Allows the Alaska Children's Trust Board to enter into joint arrangement with a private non-profit entity or entities for grant-making and fundraising without delegating its duties or authority.

Section 12. Amends AS 37.14 by adding new section AS 37.14.245

Allows the Alaska Children's Trust Board to adopt regulations not subject to the requirements of the Administrative Procedures Act.

Section 13. Amends AS 37.14.270 is repealed and reenacted

Defines board, grant account, private restricted-use donation, and trust.

Section 14. Amends AS 37.14.210, 37.14.240, 37.14.250, and 37.14.260 are repealed

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Representative_Anna_Fairclough@legis.state.ak.us

Alaska State Legislature

Representative Anna Fairclough – House District 17

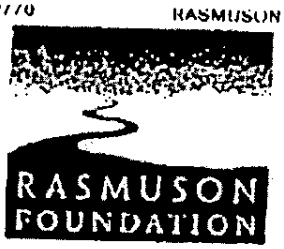
CS for House Bill 190 (FIN) 26-LS0502\K

"An Act amending the Alaska children's trust and relating to the trust; relating to special request Alaska children's trust plates; and amending State Procurement Code to exempt the Alaska children's trust and the Alaska Children's Trust Board."

Explanation of Changes

Version 26-LS5020\T – had constitutional issues based on the University Land Grant Supreme Court Decision prompting a total re-write of the bill. This version reaches a compromise between the Alaska Department of Law, legislative legal, the Alaska Children's Trust and Friends of the Alaska Children's Trust to provide continued support for child abuse and neglect prevention programs throughout the State of Alaska – version 26-LS5020\K adopted and passed out of House Finance Committee on April 5th, 2010.

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



April 5, 2010

301 W. Northern Lights Blvd.
Suite 400
Anchorage, AK 99503

907.297.2700 *tel*
907.297.2770 *fax*
877.366.2700 *toll-free in Alaska*
rasmusonfdn@rasmuson.org *email*
www.rasmuson.org

The Honorable Anna Fairclough
Alaska State Legislature
State Capitol, Room 421
Juneau, AK 99801-1182

Dear Representative Fairclough:

As a trustee of the Alaska Children's Trust (ACT) and a longtime supporter and former member of the Friends of the Alaska Children's Trust (FACT), I want to thank you for your leadership in sponsoring House Bill 190, an act amending the Alaska Children's Trust. Your attention and diligence to this matter could result in significantly impacting the incidence of child abuse and neglect in Alaska.

The Finance Committee Substitute for HB190 addresses head-on many of the issues that have made the FACT fundraising and ACT grantmaking processes cumbersome. In particular, the creation of a grant account within the general fund allows FACT volunteers to raise funds from individual Alaskans to support issue-specific grants. If enacted, Alaskans will for the first time have assurances that their gifts to ACT can be directed to a specific purpose.

The ACT and FACT have struggled to find a way to meet the original intent of donors and ensure that their gifts are treated with the highest level of stewardship. While the trustees and friends continue to believe that privatization of the Trust through a public-private sector partnership is still the best approach, this CS to HB190 goes a long way toward resolving issues that have confounded advocates for prevention of child abuse and neglect for many years.

I hope this legislation is favorably considered by your colleagues in the Alaska State Legislature.

Best regards,

Diane Kaplan
President

BOARD of DIRECTORS
Edward B. Rasmuson *Chairman*
Morgan Christen
Jeff Cook
Douglas Eby
Adam Gibbons
Lile R. Gibbons
Anthony Mallott
Roberta Quintavell
Cathryn Rasmuson
Judy Rasmuson
Mary Louise Rasmuson
Natasha von Imhof

PRESIDENT
Diane Kaplan

replaced by 2

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 190(HSS)
(H) Publish Date: 4/15/09

Identifier (file name): CSHB190(HSS)-DOR-TRS-4-14-09
Title: Amendment to Alaska Children's Trust
Sponsor: Rep Fairclough, Hawker, Holmes, Wilson
Requester: House H&SS

Dept. Affected: Revenue
RDU: Taxation and Treasury
Component: Treasury
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: _____

POSITIONS

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

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

The Committee Substitute Bill is an amendment to the the Alaska Children's Trust statute which would divest funds from the existing ACT Income fund managed by Treasury and transfer them to a 501(c)3 entity. Treasury would continue to invest the assets of the ACT Principal fund and would calculate 5% of market valu of the Principal fund balance for appropriation to the new 501(c)3 entity. No operating appropriation is required as implementation will be carried out through existing personal services and custodial resources. The effect this bill will have on investment performance is unknown.

Prepared by: Pamela Green, Comptroller — Phone 465-2300
Division: Treasury Division — Date/Time Monday; 4 pm
Approved by: Jerry Burnett, Deputy Commissioner — Date 4/13/2009
Department of Revenue

(Revised 9/10/2008 OMB)

3004

HB 199

<target><bill>HB 199</bill><subject>HB 199</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/15/09

Finance Committee considered CS FOR HOUSE BILL NO. 199(FIN) am

HB 199 APPROPS: NON-TRANSPORTATION STIMULUS

"An Act making appropriations, including supplemental appropriations and capital appropriations; amending appropriations; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CS HB 199 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[✓] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME,	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:	Stedman	✓			

Adopted 9/15/09 Sen. Stedman

26-GH1260\PA.1
Kane
4/11/09

AMENDMENT #1

OFFERED IN THE SENATE

TO: CSHB 199(FIN) am

Page 19, line 11:

Delete "sec. 14002(a)"

Insert "sec. 14002(a)(3)"

3007

Adopted 4/15/09

26-GH1260\PA.3
Kane
4/14/09

Senator Stedman

AMENDMENT #2

OFFERED IN THE SENATE

TO: CSHB 199(FIN) am

Page 7, line 26, following "2009":

Insert "Entitlement Fund and"

Funds ← tech am. to amend. moved + adopted

Adopted 4/15/09

Senator Stedman

AMENDMENT #3

OFFERED IN THE SENATE

TO: CSHB 199(FIN) am

Page 12, line 10:

Delete "679,900" in both places?

Insert "679,936" in both places?

Page 12, line 13:

Delete "3,960,000" in both places

Insert "3,962,565" in both places

tech (changes moved + adopted)

Page 14, line 5:

Delete "4,639,900"

Insert "4,642,501"

Page 14, line 6:

Delete "$4,639,900"

Insert "$4,642,501"

Page 14, line 13:

Delete "$63,262,600"

Insert "$63,265,201"

Page 15, line 7:

Delete "63,262,600"

Insert "63,265,201"

Page 15, line 8:

Delete "$63,262,600"

Insert "$63,265,201"

3010

CS FOR HOUSE BILL NO. 199(FIN) am

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE HOUSE FINANCE COMMITTEE

Amended: 4/8/09
Offered: 4/7/09

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations, including supplemental appropriations and capital appropriations; amending appropriations; and providing for an effective date."

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

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 2 of this Act.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *		* * * * *		
* * * * * **Department of Administration** * * * * *				
* * * * *		* * * * *		
Centralized Administrative Services		**1,489,000**		**1,489,000**
Finance	1,489,000			
Violent Crimes Compensation Board		**149,400**		**149,400**
Violent Crimes Compensation Board	149,400			
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Serve Alaska		**1,500,000**		**1,500,000**
Serve Alaska	1,500,000			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
Teaching and Learning Support		**78,227,500**		**78,227,500**
Student and School Achievement	77,838,000			
Child Nutrition	389,500			
Commissions and Boards		**300,000**		**300,000**
Alaska State Council on the Arts	300,000			

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * Department of Health and Social Services * * * * *				
* * * * *			* * * * *	
Children's Services		**2,139,800**		**2,139,800**
Infant Learning Program Grants	2,139,800			
Health Care Services		**2,040,000**	**40,000**	**2,000,000**
Medical Assistance Administration	2,040,000			
Public Assistance		**5,275,700**		**5,275,700**
Child Care Benefits	4,036,000			
Public Assistance Administration	462,000			
Women, Infants and Children	777,700			
Public Health		**2,000,000**		**2,000,000**
Chronic Disease Prevention and Health Promotion	2,000,000			
Senior and Disabilities Services		**485,000**		**485,000**
Senior Community Based Grants	485,000			
* * * * *			* * * * *	
* * * * * Department of Labor and Workforce Development * * * * *				
* * * * *			* * * * *	
Workforce Development		**15,439,600**		**15,439,600**
Employment and Training Services	5,162,000			
Unemployment Insurance	1,115,700			
Business Services	9,161,900			
Vocational Rehabilitation		**2,046,200**		**2,046,200**

	Allocations	Appropriation Items	General Funds	Other Funds
Client Services	1,800,000			
Independent Living Rehabilitation	246,200			
* * * * *		* * * * *		
* * * * * Department of Public Safety * * * * *				
* * * * *		* * * * *		
Alaska State Troopers		**5,871,000**		**5,871,000**
Special Projects	50,000			
Narcotics Task Force	5,821,000			
Council on Domestic Violence and Sexual Assault		**1,348,600**		**1,348,600**
Council on Domestic Violence and Sexual Assault	1,348,600			

(SECTION 2 OF THIS ACT BEGINS ON PAGE 5)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
Department of Administration	
1212 Federal Stimulus: ARRA 2009	1,638,400
*** Total Agency Funding ***	$1,638,400
Department of Commerce, Community and Economic Development	
1212 Federal Stimulus: ARRA 2009	1,500,000
*** Total Agency Funding ***	$1,500,000
Department of Education and Early Development	
1212 Federal Stimulus: ARRA 2009	78,527,500
*** Total Agency Funding ***	$78,527,500
Department of Health and Social Services	
1003 General Fund Match	40,000
1212 Federal Stimulus: ARRA 2009	11,900,500
*** Total Agency Funding ***	$11,940,500
Department of Labor and Workforce Development	
1212 Federal Stimulus: ARRA 2009	17,485,800
*** Total Agency Funding ***	$17,485,800
Department of Public Safety	
1212 Federal Stimulus: ARRA 2009	7,219,600
*** Total Agency Funding ***	$7,219,600
* * * * * Total Budget * * * * *	$118,311,800

(SECTION 3 OF THIS ACT BEGINS ON PAGE 6)

* **Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source	Amount
General Funds	
1003 General Fund Match	40,000
Total General Funds	$40,000
Federal Funds	
1212 Federal Stimulus: ARRA 2009	118,271,800
Total Federal Funds	$118,271,800
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 4 OF THIS ACT BEGINS ON PAGE 7)

* **Sec. 4.** The following appropriation items are for capital projects and grants associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 5 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
American Recovery and Reinvestment Act of 2009		**68,637,000**		**68,637,000**
Alaska Clean Water Stimulus (HD 1-40)	23,637,000			
Alaska Drinking Water Stimulus (HD 1-40)	19,500,000			
Leaking Underground Storage Tank Stimulus (HD 1-40)	1,000,000			
Village Safe Water Stimulus (HD 1-40)	24,260,000			
Water Quality Planning Stimulus (HD 1-40)	240,000			
* * * * *		* * * * *		
* * * * * **Office of the Governor** * * * * *				
* * * * *		* * * * *		
American Recovery and Reinvestment Act of 2009 Statewide Competitive, Discretionary, and Incentive Grants (HD 1-40)		1,000,000		1,000,000

Entitlement Funds and

3017

	Allocations	Appropriation Items	General Funds	Other Funds
	* * * * *		* * * * *	
	* * * * * Department of Labor and Workforce Development * * * * *			
	* * * * *		* * * * *	
Economic Stimulus - Additional Funding for AVTEC Culinary Building Replacement and Cafeteria Upgrade (HD 33-35)		3,000,000		3,000,000
	* * * * *	* * * * *		
	* * * * * Department of Natural Resources * * * * *			
	* * * * *	* * * * *		
Forestry and Fire Economic Stimulus - Fire Fuels and Forest Management (HD 1-40)		2,500,000		2,500,000
	* * * * *	* * * * *		
	* * * * * Department of Revenue * * * * *			
	* * * * *	* * * * *		
Alaska Housing Finance Corporation				
AHFC Capital Fund Program (CFP) - Competitive (HD 1-40)		1,200,500		1,200,500
AHFC Capital Fund Program (CFP) - Formula (HD 1-40)		3,307,000		3,307,000
AHFC Emergency Shelter Grants (ESG) (HD 1-40)		1,144,000		1,144,000
AHFC Home Investment Partnerships (HD 1-40)		5,490,700		5,490,700
AHFC Low-Income Housing		28,500,000		28,500,000

	Allocations	Appropriation Items	General Funds	Other Funds
Grants in Lieu of Tax Credits (HD 1-40)				
	* * * * *	* * * * *		
	* * * * * **University of Alaska** * * * * *			
	* * * * *	* * * * *		
UAF Alaska Region Research Vessel Additional Receipt Authority (HD 1-40)		116,000,000		116,000,000
UA Economic Stimulus Federal Receipt Authority Competitive, Discretionary, and Incentive Grants (HD 1-40)		1,000,000		1,000,000

(SECTION 5 OF THIS ACT BEGINS ON PAGE 10)

* **Sec. 5.** The following sets out the funding by agency for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
Department of Environmental Conservation	
1212 Federal Stimulus: ARRA 2009	68,637,000
*** Total Agency Funding ***	$68,637,000
Office of the Governor	
1212 Federal Stimulus: ARRA 2009	1,000,000
*** Total Agency Funding ***	$1,000,000
Department of Labor and Workforce Development	
1212 Federal Stimulus: ARRA 2009	3,000,000
*** Total Agency Funding ***	$3,000,000
Department of Natural Resources	
1108 Statutory Designated Program Receipts	1,000,000
1212 Federal Stimulus: ARRA 2009	1,500,000
*** Total Agency Funding ***	$2,500,000
Department of Revenue	
1212 Federal Stimulus: ARRA 2009	39,642,200
*** Total Agency Funding ***	$39,642,200
University of Alaska	
1212 Federal Stimulus: ARRA 2009	117,000,000
*** Total Agency Funding ***	$117,000,000
* * * * * Total Budget * * * * *	$231,779,200

(SECTION 6 OF THIS ACT BEGINS ON PAGE 11)

* **Sec. 6.** The following sets out the statewide funding for the appropriations made in sec. 4 of this Act.

Funding Source	Amount
General Funds	
Total General Funds	$0
Federal Funds	
1212 Federal Stimulus: ARRA 2009	230,779,200
Total Federal Funds	$230,779,200
Other Non-Duplicated Funds	
1108 Statutory Designated Program Receipts	1,000,000
Total Other Non-Duplicated Funds	$1,000,000
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 7 OF THIS ACT BEGINS ON PAGE 12)

* **Sec. 7.** The following appropriation items are for capital projects and grants associated with the American Recovery and Reinvestment Act of 2009 from the general fund or other funds as set out in section 8 of this Act by funding source to the agencies named for the purposes expressed and lapse under AS 37.25.020, unless otherwise noted.

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Community Development Block Grant Program (HD 1-40)		679,900 679,936		679,900
Community Services Block Grant Program (HD 1-40)		3,960,000 3,962,565		3,960,000 3,962,565
* * * * *		* * * * *		
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *		* * * * *		
Air Non-Point Mobile Source Stimulus (HD 1-40)		2,000,000		2,000,000
* * * * *		* * * * *		
* * * * * **Department of Revenue** * * * * *				
* * * * *		* * * * *		
Alaska Housing Finance Corporation				
AHFC Energy Efficiency and Conservation Block Grants (HD 1-40)		9,593,500		9,593,500
AHFC State Energy Program (HD 1-40)		28,563,000		28,563,000
AHFC Weatherization Program (HD 1-40)		18,466,200		18,466,200

	Appropriation	General	Other
Allocations	**Items**	**Funds**	**Funds**

(SECTION 8 OF THIS ACT BEGINS ON PAGE 14)

* **Sec. 8.** The following sets out the funding by agency for the appropriations made in sec. 7 of this Act.

Funding Source	Amount	
Department of Commerce, Community and Economic Development		
1212 Federal Stimulus: ARRA 2009	~~4,639,900~~	4,642,501
*** Total Agency Funding ***	~~$4,639,900~~	4,642,501
Department of Environmental Conservation		
1212 Federal Stimulus: ARRA 2009	2,000,000	
*** Total Agency Funding ***	$2,000,000	
Department of Revenue		
1212 Federal Stimulus: ARRA 2009	56,622,700	
*** Total Agency Funding ***	$56,622,700	
* * * * * Total Budget * * * * *	$63,262,600	63,265,201

(SECTION 9 OF THIS ACT BEGINS ON PAGE 15)

* **Sec. 9.** The following sets out the statewide funding for the appropriations made in sec. 7 of this Act.

Funding Source	Amount
General Funds	
Total General Funds	$0
Federal Funds	
1212 Federal Stimulus: ARRA 2009	~~63,262,600~~ 63,265,201
Total Federal Funds	$~~63,262,600~~ 63,265,201
Other Non-Duplicated Funds	
Total Other Non-Duplicated Funds	$0
Duplicated Funds	
Total Duplicated Funds	$0

(SECTION 10 OF THIS ACT BEGINS ON PAGE 16)

*** Sec. 10.** LEGISLATIVE INTENT. (a) It is the intent of the legislature regarding P.L. 111-5 (American Recovery and Reinvestment Act of 2009) that

(1) federal stimulus money not be expended for any purpose that creates an obligation for the state to replace those funds after they have been exhausted and that stimulus funds be used primarily to supplement or improve existing programs rather than create new services or programs;

(2) all state agencies notify recipients of grants funded by federal stimulus money of the limited and temporary nature of the grant funds, and that the state will not be granting additional funds to continue the programs after the federal aid is exhausted;

(3) state agencies awarding grants funded in whole or in part by federal stimulus money disclose in writing to all grant recipients that the program funding source will expire;

(4) notwithstanding any other provision of this Act, federal stimulus money may be expended to recruit, train, equip, and compensate new peace officers;

(5) the executive branch not use any federal stimulus money to enter into lease obligations, equipment contracts, or professional services contracts that extend beyond the end date of federal stimulus funding without a financial plan in place to use existing funds to complete the obligation or contract;

(6) the executive branch refuse any federal stimulus money that would violate the strong constitutional right to privacy enjoyed by Alaskans;

(7) the Department of Transportation and Public Facilities diligently pursue any federal stimulus grant money that could be used for construction of new vessels for the Alaska marine highway system fleet;

(8) the Department of Labor and Workforce Development, to the extent practical, use federal stimulus money to extend or expand job training programs with existing, proven contractors rather than start new programs with new contractors;

(9) each school district receiving federal stimulus money through the Department of Education and Early Development be required to acknowledge, in a letter signed by the school superintendent and school board president or their designees, that the funding is a one-time addition and that the legislature makes no representation that it will replace the federal stimulus money when it expires;

(10) the executive branch, to the fullest extent possible, minimize its expenditure of federal stimulus money on administrative costs;

(11) the executive branch, to the fullest extent allowed by law, strive to ensure that projects and programs funded with federal stimulus money hire Alaska workers and use Alaska contractors and vendors and minimize the use of out-of-state consultants;

(12) federal stimulus money for energy or energy-related programs be used to help reduce energy costs of Alaskans whenever possible and practical;

(13) federal stimulus money for education programs be spent for best-practices improvements, training, equipment, services, and facility modernization, renovation, and repair that do not expand programs or create continuing obligations for state funding when federal stimulus money is exhausted;

(14) school districts focus on short-term investment with long-term gains for student and teacher performance and pay particular attention to the advisory statement issued by the United States Department of Education that "These funds should be invested in ways that do not result in unsustainable continuing commitments after the funding expires."

(b) It is the intent of the legislature that the two positions funded in sec. 11 of this Act coordinate compliance with the accounting and reporting requirements related to P.L. 111-5 (American Recovery and Reinvestment Act of 2009).

* **Sec. 11.** DEPARTMENT OF ADMINISTRATION. The sum of $200,000 is appropriated from the general fund to the Department of Administration, division of finance, to fund two positions and related office expenses relating to accounting and reporting requirements of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) for the fiscal year ending June 30, 2010.

* **Sec. 12.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) Federal receipts from the federal economic stimulus funding received by the state under the federal medical assistance program (sec. 1905(b), Social Security Act) for the fiscal years ending June 30, 2009, and June 30, 2010, are appropriated to the Department of Health and Social Services for Medicaid programs, as allowed by the federal medical assistance program.

(b) If federal receipts under (a) of this section that are received during the fiscal years ending June 30, 2009, and June 30, 2010, exceed the amounts appropriated for Medicaid programs by this Act or another Act making appropriations passed by the Twenty-Sixth

Alaska State Legislature in the First Regular Session and enacted into law, the appropriations from state funds for the affected programs shall be reduced by the excess if the reductions are consistent with applicable federal statutes.

*** Sec. 13.** DEPARTMENT OF REVENUE. (a) The sum of $1,730,500 is appropriated to the Department of Revenue, child support services, for the fiscal year ending June 30, 2010, from the following sources:

SOURCE	AMOUNT
General fund match	$ 400,000
Federal economic stimulus	1,330,500

(b) The federal receipts and receipt supported services appropriated to the Department of Revenue, child support services, in the version of HB 81, Twenty-Sixth Alaska State Legislature, that is enacted into law are amended to reduce the amount of the appropriation by $1,730,500 for the fiscal year ending June 30, 2010, from the following sources:

SOURCE	AMOUNT OF REDUCTION
Federal receipts	$ 612,400
Receipt supported services	1,118,100

(c) Section 3, ch. 27, SLA 2008, page 61, line 7, is amended to read:

FUNDING SOURCE		OPERATING	NEW LEGISLATION	TOTAL
1002	Federal Receipts	**33,355,800**	0	**33,355,800**
		[34,153,800]		[34,153,800]

(d) Section 3, ch. 27, SLA 2008, page 62, lines 16 - 19, is amended to read:

FUNDING SOURCE		OPERATING	NEW LEGISLATION	TOTAL
1156	Receipt Supported Services	**6,730,100**	0	**6,730,100**
		[7,315,600]		[7,315,600]
1169	Power Cost Equalization Endowment Fund	211,000	0	211,000
1192	Mine Reclamation Trust Fund	24,000	0	24,000
1212	**Federal Stimulus: ARRA 2009**	**1,383,500**	**0**	**1,383,500**

* **Sec. 14.** OFFICE OF THE GOVERNOR. (a) The sum of $20,701,535 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Office of the Governor to be distributed by the Department of Commerce, Community, and Economic Development on a per capita basis to entities that are eligible to receive community revenue sharing under AS 29.60.850 - 29.60.879 during the fiscal year ending June 30, 2009, to be used by the entity for purposes consistent with sec. 14002(b), P.L. 111-5.

(b) The sum of $93,043,200 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Office of the Governor to be distributed by the Department of Education and Early Development for purposes consistent with sec. 14002(a), P.L. 111-5.

* **Sec. 15.** CONTINGENCY. The appropriation reduction made in sec. 13(b) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 81 that appropriates not less than $612,400 in federal receipts and $1,118,100 in receipt supported services to the Department of Revenue, child support services.

* **Sec. 16.** LAPSE. (a) The appropriations made in secs. 4 and 7 of this Act are for capital projects and lapse under AS 37.25.020.

(b) The appropriations made in secs. 1 and 14 of this Act lapse June 30, 2010.

* **Sec. 17.** RETROACTIVITY. Sections 1 - 16 of this Act are retroactive to February 17, 2009.

* **Sec. 18.** This Act takes effect immediately under AS 01.10.070(c).

4/14/09

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SARAH PALIN, GOVERNOR

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

April 14, 2009

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

The Honorable Mike Hawker
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

Dear Finance Committee Co-Chairs:

Please consider the enclosed amendments to HB 199, Federal Economic Stimulus appropriations bill currently in the Senate Finance Committee. These amendments will result in reducing the draw on reserves and provide funding for capital projects and increases in the K-12 school funding formula.

Given the projected revenue shortfall in FY2009 and FY2010, use of federal stimulus funds will help pay for needed projects and education increases while reducing general fund spending. Please contact me if you have additional questions.

Sincerely,

Karen

Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Legislative Finance Division
House and Senate Finance Committee members

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	A	B	C
1	**Federal Economic Stimulus - General Fund Savings/Replacements**		
2			
2	**State Fiscal Stabilization Funds**		
3	**School Major Maintenance**	**General Fund**	**Federal ES**
4	Kaltag K-12 School Heating System Replacement	-1,078.8	1,078.8
5	Diomede K-12 School Renovation	-15,890.6	15,890.6
6	Kodiak Schools Seismic Mitigation Project	-3,236.1	3,236.1
7	Craig Middle School Classroom Renovation	-83.6	83.6
8	St. Mary's Districtwide Fuel Tank Farm Replacement (partial funding of $3.3 m)	-412.4	412.4
9	**Total**	**-20,701.5**	**20,701.5**
10	**Public School Funding Program**	**General Fund**	**Federal ES**
11	HB273 - FY10 Increase	-56,491.6	56,491.6
12	HB273 - FY11 Increase (partial funding of $57.7m)	-36,551.6	36,551.6
13	**Total**	**-93,043.2**	**93,043.2**
14			
15	**Public Safety - Justice Assistance Grants****	**General Fund**	**Federal ES**
16	APSIN Redesign, Final Phase	-2,000.0	2,000.0
17	AST Mobile Data Computers - Phase II	-154.1	154.1
18	Alaska Law Enforcement Information Sharing System (ALIESS)	-220.0	220.0
19	DPS Computer replacements	-200.0	200.0
20	Network storage servers	-800.0	800.0
21	Crime Lab Equipment	-100.0	100.0
22	AST/AWT Law Enforcement Equipment Replacement	-900.0	900.0
23	**Total**	**-4,374.1**	**4,374.1**
24			
25	**Operating Items**	**General Fund**	**Federal ES**
26	Child Care Development Block Grants	-1,500.0	1,500.0
27	Child Support Enforcement	-1,500.0	1,500.0
28	Vocational Rehabilitation Soc Security Interface (to capital)	-275.4	275.4
29	Medicaid FY09 and FY10	-128,500.0	128,500.0
30	**Total**	**-131,775.4**	**131,775.4**
31			
32	**Total Savings/Replacements***	**-249,894.2**	**249,894.2**
33	**Reduces the amount of the draw on savings at the end of FY2009 and FY2010*		
34	***Does not include $1,446.9 for mandatory grants to local governments*		

CSHB 199(FIN) am Budget Amendment

Amend section 14(a), Office of the Governor, to read:

(a) The sum of $20,701,535 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Office of the Governor **for deposit into the major maintenance grant fund (AS 14.11.007) and allocated as shown for purposes consistent with sec. 14002(b), P.L. 111-5:**

	Allocation
(1) St. Mary's – Districtwide Fuel Tank Farm Replacement (HD 39)	412,347
(2) Craig Middle School Classroom Renovation (HD 5)	83,588
(3) Kodiak Schools Seismic Mitigation Project (HD 36)	3,236,143
(4) Diomede K-12 School Renovation (HD 39)	15,890,622
(5) Kaltag K-12 School Heating System Replacement (HD 6)	1,078,835

[TO BE DISTRIBUTED BY THE DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT ON A PER CAPITA BASIS TO ENTITIES THAT ARE ELIGIBLE TO RECEIVE COMMUNITY REVENUE SHARING UNDER AS 29.60.850 – 29.60.879 DURING THE FISCAL YEAR ENDING JUNE 30, 2009, TO BE USED BY THE ENTITY FOR PURPOSES CONSISTENT WITH SEC. 14002(b), P.L. 111-5.]

Economic Stimulus funding may be used for these capital projects. This amendment replaces the use of this portion of the State Fiscal Stabilization Fund.

CSSB 75 could be amended by reducing the amount for the St. Mary's project from $3,306,502 by $412,347 down to $2,894,155. The remaining four projects listed above could be deleted in their entirety from CSSB 75.

CSHB 199(FIN) am Budget Amendment

Amend section 14(b), Office of the Governor, to read:

(b) The sum of $93,043,200 is appropriated from federal economic stimulus funds received by the state under P.L. 111-5 (American Recovery and Reinvestment Act of 2009) to the Office of the Governor **for deposit into the public education fund (AS 14.17.300)** [TO BE DISTRIBUTED BY THE DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT] for purposes consistent with sec. 14002(a), P.L. 111-5.

This amendment replaces the use of this portion of the State Fiscal Stabilization Fund by depositing the $93 million into the public education fund. The FY10 increase in education funding of $56,491,600 would come from the federal economic stimulus funds and $36,551,600, a portion of the FY2011 increase of $57.7 million, would come from the federal economic stimulus funds.

Conceptual amendment 1 to HB 199 to adjust FY10 and FY11 funding via the FY11 deposit to the public education fund:

Sec. --. CONSTITUTIONAL BUDGET RESERVE. The appropriation of $1,111,914,700 from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public education fund (AS 14.17.300) in the version of HB 81, Twenty-Sixth Alaska State Legislature, that is enacted into law is reduced by $93,043,200 to a new total of $1,018,871,500.

Amend sec. 15, Contingency, by adding a new subsection to read:

(b) The appropriation reduction made in sec. -- of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 81 that appropriates not less than $1,111,914,700 from the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) to the public education fund (AS 14.17.300).

Conceptual amendment 1 needs a July 1, 2009 effective date.

-OR- (if the CBR deposit fails in HB 81)

Conceptual amendment 2 to HB 199 to reduce the FY10 funding by $56,491,600:

Sec. --. FUND TRANSFERS. Sec. 22(r), ch. 27, SLA 2008, page 82, lines 6 – 7, is amended to read:

(r) The sum of **$947,608,400** [$1,004,100,000] is appropriated from the general fund to the public education fund (AS 14.17.300).

CSHB 199(FIN) am Budget Amendment

Amend section 1, to read:

	Department of Public Safety		
	Allocation	Appropriation Items	General Funds	Other Funds
Alaska State Troopers		1,496,100		1,496,100
		[5,871,000]		[5,871,000]
Special Projects	50,000			
Narcotics Task Force	1,446,900			
	[5,821,000]			

Amend section 7, to read:

	Department of Public Safety		
	Allocation	Appropriation Items	General Funds	Other Funds
APSIN Redesign, Final Phase (HD 1-40)		2,000,000		2,000,000
Alaska Law Enforcement Information Sharing System (ALIESS) (HD 1-40)		220,000		220,000
Computer Replacements (HD 1-40)		200,000		200,000
Network Storage Servers and Software (HD 1-40)		800,000		800,000
Crime Laboratory Equipment Replacement (HD 1-40)		100,000		100,000
AST Mobile Data Computers - Phase II (HD 1-40)		154,100		154,100
AST Law Enforcement Equipment Replacement (HD 1-40)		500,000		500,000
AWT Law Enforcement Equipment Replacement (HD 1-40)		400,000		400,000

Economic Stimulus funding may be used for these capital projects. This amendment transfers Economic Stimulus funds from the operating to the capital section of HB 199.

CSSB 75 could be amended to delete the appropriations for Crime Laboratory Equipment Replacement, $50,000; AST Law Enforcement Equipment Replacement, $250,000; AWT Law Enforcement Equipment Replacement, $200,000; and reduce the appropriation for AST Mobile Data Computers – Phase II by $154,100 from $240,000 to $85,900.

CSHB 199(FIN) am Budget Amendment

Amend section 12, Department of Health and Social Services, by adding a new subsection to read:

(c) The general fund appropriation to the Department of Health and Social Services, public assistance, child care benefits, in the version of HB 81 that is passed by the Twenty-Sixth Alaska State Legislature and enacted into law, is reduced by $1,500,000, for the fiscal year ending June 30, 2010.

Amend sec. 15, Contingency, by adding a new subsection to read:

(--) The appropriation reduction made in sec. 12(c) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 81 that allocates not less than $50,229,100 to the Department of Health and Social Services, public assistance, child care benefits,

These amendments need a July 1, 2009 effective date.

Economic Stimulus funding is used to replace the general fund increase in the child care benefits FY2010 operating budget.

CSHB 199(FIN) am Budget Amendment

Amend sec. 1, Department of Labor and Workforce Development, to read:

	Allocation	Appropriation Items	General Funds	Other Funds
Vocational Rehabilitation		1,770,800 [2,046,200]		1,770,800 [2,046,200]
Client Services	1,524,600 [1,800,000]			

Amend sec. 4, Department of Labor and Workforce Development, to read:

	Allocation	Appropriation Items	General Funds	Other Funds
Vocational Rehabilitation		275,400		275,400
Social Security / Employment Data Interface (HD 40)				

Economic Stimulus funding may be used for the Social Security / Employment Data Interface capital project. This amendment transfers Economic Stimulus funds from the operating to capital section of HB 199.

HB

221

<target><bill>HB 221</bill><subject>HB 221</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

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

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

Sponsor Statement

House Bill 221, Mortgage Lending Regulation

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

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

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

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

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

I urge your support and the timely passage of HB 221

4/14/09

From: Lorie Hovanec, Director
Division of Banking and Securities (administers the Alaska Mortgage Lending Regulation Act)
Date: April 14, 2009
RE: Request for Support

HB 221 – Enabling Legislation to Join the National Mortgage Licensing System

PURPOSE

- **Provides enabling legislation to allow the state to join the national licensing system on schedule**. The National Mortgage Licensing System and Registry is an on-line database system used for licensing and registering mortgage loan companies and professionals.[1] The Division is scheduled to begin licensing through this national uniform system on August 1, 2009. States join the system in groups, and we are scheduled to join with the August 1st group of states this year.

BENEFITS to Consumers, Regulators and the Industry

- **State Regulators**: State regulators started developing the national licensing system in 2003, and it launched in January of 2008 with 7 states. Currently about 30 states participate, and all states will be participating by the end of 2010. State regulators can access information about individuals and companies which conduct business in other states and which hope to do business in Alaska. Regulators and the industry can easily access information regarding the employment history of and publicly adjudicated disciplinary and enforcement actions against loan originators.
- **Consumers**: Consumer protection is enhanced by creating more accountability within the mortgage lending industry.
- **Mortgage Lending Industry**: Companies and professionals find the convenience & simplicity of the system advantageous. The system provides the ability to update, amend, renew or apply for licenses online over a secure website 362 days a year. For businesses which operate in numerous states, the system's uniform application form and process make doing business easier. Companies can also track the employment history of loan originators before hiring them.

PARTICIPATION IS ALSO FEDERALLY MANDATED

- **SAFE Act**. On 7/30/08, a new federal law called the Secure and Fair Enforcement for Mortgage Licensing Act of 2008 (the SAFE Act) became effective and requires all state to join and use this national database for licensing mortgage loan originators. HB 221 enables Alaska to comply. Other licensing standards required under the SAFE Act are being addressed in separate legislation which is being carried over to next year.
- **7/30/09 Deadline**. Under the SAFE Act, Alaska has until 7/30/09, to comply. If the deadline is not met, HUD is required to either set up a licensing system in the state OR to grant an extension, if the state has demonstrated a good faith effort to comply. Under HB 221, a new section of law is added to our current law, which allows us to join the national system and pay a one-time fee ($50,000, the state's share of the system development costs). Thereafter, participation costs are covered by licensing and registration fees.
- **Demonstrates good faith effort to HUD to qualify for 1 year extension.** By joining the national database licensing system, the state will likely qualify for a 1 year extension from HUD to bring our current mortgage lending law into compliance with other SAFE Act requirements.
- **Avoids dual licensing of the mortgage lending industry**. If Alaska does not demonstrate a good faith effort and is not granted an extension, then the mortgage lending industry may have to operate under two separate licensing systems: both state and federal.

[1] This uniform licensing system is similar to what has been done by state agencies in the securities and investment advisor industries.

3039

COPY ON FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/09

Finance Committee considered CS FOR HOUSE BILL NO. 221(L&C)

HB 221 MORTGAGE LENDING REGULATION

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

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	4/8	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

3040

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

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

Identifier (file name):HB221-CED-BAS-04-08-09
Title: Nationwide Mortgage Licensing System and Registry
Sponsor: House Labor and Commerce Committee
Requester: House Labor and Commerce Committee

Dept. Affected: DCCED
RDU: Banking and Securities
Component: Banking and Securities
Component Number: 2808

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

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

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

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

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

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

(Revised 9/10/2008 OMB)

3041

STATE OF ALASKA
2009 LEGISLATIVE SESSION

BILL NO. CSHB 221(L&C)

ANALYSIS CONTINUATION

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

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

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

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

4/16/09

CSBS/AARMR
Nationwide Mortgage Licensing System

Improving Supervision of the Mortgage Industry through Collaboration and Technology

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

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

NMLS

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

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

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

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

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

Increasing Transparency and Accountability in the Mortgage Industry

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

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

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

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

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

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

# # #

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

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

12/30/2008

4/10/09

Alaska State Legislature

Please enter into the record my testimony to the House Labor + Commerce committee name

committee on HB221 bill/subject, dated 4-10-09.

Good Afternoon Mr. Chairman and Committee Members:

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

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

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

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

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

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

Thank you for your consideration and attention to this matter.

Respectfully,

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

HB

226

<target><bill>HB 226</bill><subject>HB
226</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 226(TRA)

HB 226 NAMING VETERANS' WAY IN MAT-SU

"An Act renaming Seldon Road and that portion of Bogard Road that extends between Palmer and Meadow Lakes as Veterans' Way."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOT	3/30	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	EGAN	✓			
	OLSON			✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:				✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 226(TRA)
(H) Publish Date: 4/1/10

Identifier (file name): CSHB226(TRA)-DOT-CRHA-03-30-10
Dept. Affected: DOT&PF
Title: Naming Veteran's Way in Mat-Su
RDU: Highways, Aviation and Facilities
Component: CR Highways and Aviation
Sponsor: Rep. Keller
Requester: H FIN
Component Number: 564

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies	8.5						
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	8.5						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**8.5**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The department will install 10 brown Cultural Interest area signs. These brown signs are a distinctive size and color and are designed to point out to travelers areas of cultural interest or recreational significance.

Attached is an example of the signs that will be posted.

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: Department of Transportation and Public Facilities — Date/Time 3/30/2010 11:15:00 APM
Approved by: Frank Richards, Deputy Commissioner — Date 3/30/2010
Department of Transportation and Public Facilities

ALASKA STATE LEGISLATURE

Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
Phone (907) 373-1842
Fax: (907) 373-4729

Session:
State Capitol Building
Juneau, Alaska 99801-1182
Phone: (907) 465-2186
Fax: (907) 465-3818

REPRESENTATIVE WES KELLER
DISTRICT 14

CS for House Bill 226- Naming Veterans' Way in Mat-Su

Sponsor Statement

Alaska has one of the nation's largest per-capita populations of veterans. These are the true heroes of Alaska, men and women who have served in the armed forcers of our great country to keep us free.

CS for House Bill 226 is an opportunity for us as a legislature to say thank you for keeping America and Alaska free. Thank you for interrupting your life to serve at home and abroad. Thank you for offering to make the supreme sacrifice for your country.

Upon passage of CSHB 226, Bogard, Seldon and East Colony Schools Roads will become Veteran's Way. In addition to honoring our veterans the name change will also provide an easier understanding of directions as this one road will have one name rather than the current three names. We urge your passage of this bill in support of our veterans.

E-Mail: Representative_Wes_Keller@legis.state.ak.us
Call Juneau Toll free: (800) 468-2186
Website: www.akrepublicans.org/keller/

Bogard Road/Seldon Road: 49th State Street to Church Road
Proposed "VETERANS WAY" Signing Plan

1A↔ MAT SU VETERANS MEMORAL HWY
D7 Special (66" X 42")
6" Series C Letters
QUANTITY: 2

↔1B MAT SU VETERANS MEMORIAL HIGHWAY
D7 Special (36" X 36")
4" Series C Letters
QUANTITY: 8

● Major Intersection

2A↕ Veterans Way
D3-2 (108" X 24")
8/6" Clearview 5W
QUANTITY: 7

2B↕ Veterans Way →
D3-2 (126" X 24")
8/6" Clearview 5W
Quantity: 1

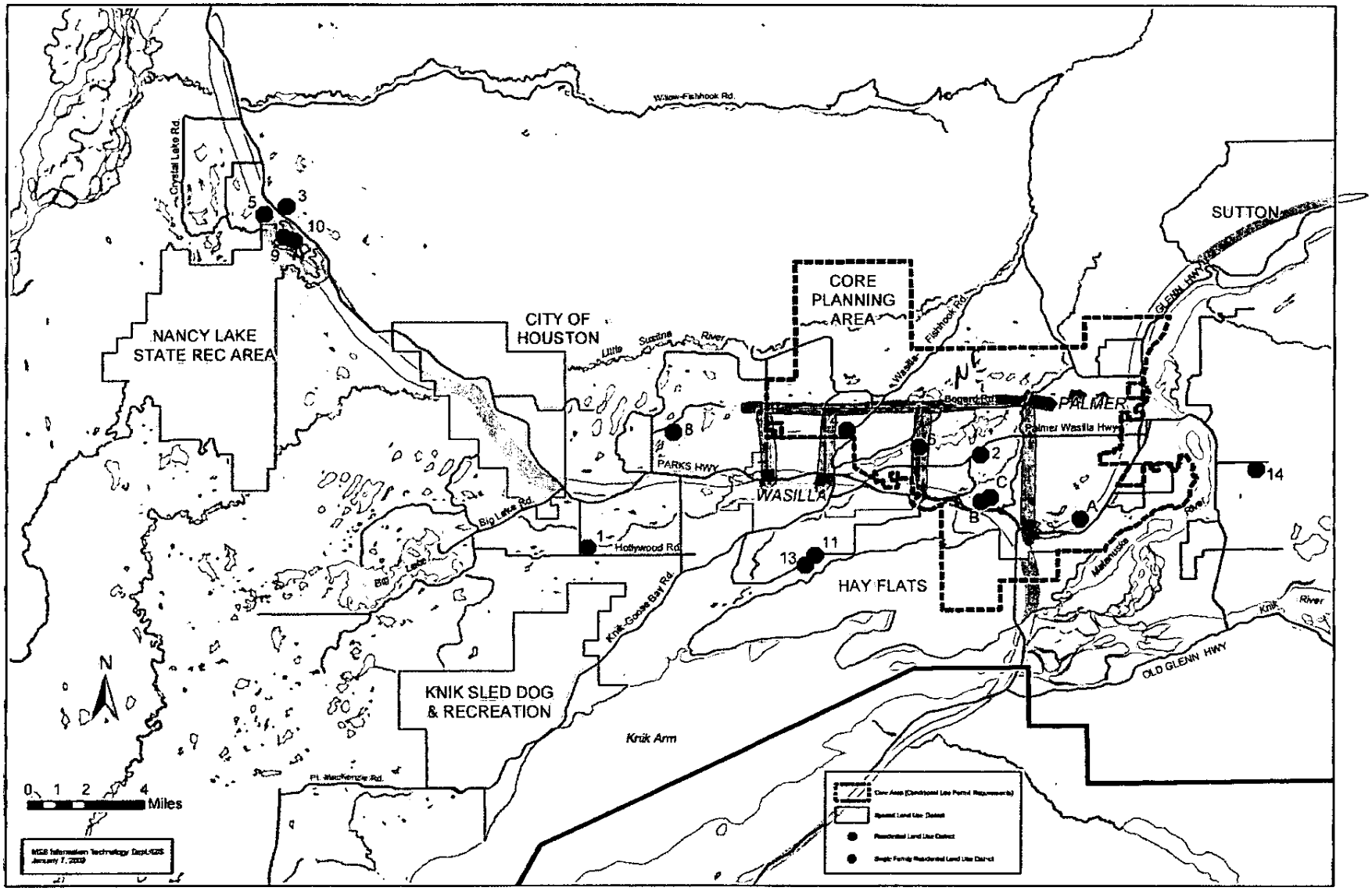
2C↕ ← Veterans Way
D3-2 (126" X 24")
8/6" Clearview 5W
Quantity: 1

(Mastarm Mounted)
3↕ Veterans Way
D3-1B (108" X 18")
8/6" Clearview 5W
Quantity: 2

4O VETERANS WAY
D3-1 (36" X 8")
4" series C Letters
Quantity: 67

Estimated Sign Quantity & Cost

Sign Quantity	TOTAL Sq. Ft.	Material + Installation by M&O Cost per S.F. = $75.00	Materials + Installation by Contractor* Cost per S.F. = $110.00
88	439.5	$32,963	$48,345


NANCY LAKE
STATE REC AREA
CITY OF
HOUSTON
CORE
PLANNING
AREA
WASILLA
PALMER
SUTTON
HAY FLATS
KNIK SLED DOG
& RECREATION
Knik Arm
Willow-Fishhook Rd.
Crystal Lake Rd.
Little Susitna River
Wasilla-Fishhook Rd.
Bogard Rd.
Palmer Wasilla Hwy
PARKS HWY
GLENN HWY
Big Lake Rd.
Hollywood Rd.
Knik-Goose Bay Rd.
Pt. MacKenzie Rd.
Matanuska River
Knik River
OLD GLENN HWY
N
0 1 2 4
Miles

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
---	---	Y/N	Phone Or address
Ryan Friesen	—	N	907 376 7076
Linda Rhodes		N	907-982-0577
David G Hall	—	N	907-376-6925
Cheryl L Petrina	—	N	907-373-6874
MARY METRINA	—	N	907-373-6874
Jenny Rebecca Ries	—	N	907-355-3700
Tracie Zinetto	—	N	907-232-0523
Sheila Rosales		N	907 376 0269
Bonnie Robinson	-	N	907-232-6786
Brian Stanley	-	N	907-376-2600
Kayleigh Mozley	-	N	907-315-3518
Medford Cole	Air Force	Y	907-376-0270
Matthew Holechers	—	N	907-373-6588

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Valley Veterans For "Veterans Way"

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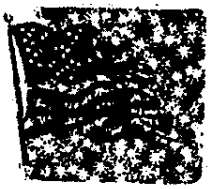
Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
Shaun Teter	US NAVY	YES	441-4875
Josh Hoops	—	—	841-3169
Candace McIlvain	------	------	841-9066
THOMAS MARTIN	U.S.M.C.	YES	227-7607
CATHERINE PALMER	—	—	232-1085
DENA SCHLECHT	N/A		841-9805
Jason Palmer	—	—	232-5359
JIM THOMPSON	USMC/USAR/USN	25 yrs	244-9928
Jesse Tanner	USN	4 yrs.	232-8607

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607	Yukon Tanner, USN 733-7472	Joe Gabrielle, USMC
Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

JG



Valley Veterans For "Veterans Way"

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Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
Gary J. Crochet	US NAVY (VNV)	72 to 79	907-373-1224
Stephen Vlahovich	US ARMY	65-67	907-373-2851
M MATTHEW	USAF	70-80	907-376-3724
Steff Crochet	N/A	N/A	907-250-9988
[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	USAMC	[illegible]	376-6[illegible]4
Ed D[illegible]	USArmy	69-73	357-1131
Richard Lewis	US ARMY	79-84	440 2899
Rick Clapp	US Army	74-76	354-1766
Bud Herrell	Army	51-54	892-7[illegible]89
Tiger Cpl Chumbley	USA	USA	354-8370
Guy Hemp	USA	AR	715-6450
Ky Hall	NAVY	YES	344-7776
Gary Reed	ARMY	YES	376-0915
Robert Langston	AIR FORCE	YES	376-2829
Jesse Hart	ARMY	YES	355 7910
Brian Davis		NO	775-9868
Joe Harp		NO	864-8620

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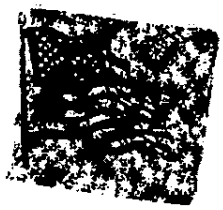
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

JG



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Name	Branch of Service	Military Service	Contact Information
——	——	Y/N	Phone Or address
[illegible]	YES	yes	357-1001
[illegible]		NO	379-7856
[illegible]		~~yes~~ NO	357-1001
[illegible]		NO	373-4588
[illegible]	ARMY	YES	~~892~~-6695
[illegible]	—	NO	892-66695
[illegible]		NO	841-916916
WAYNE LEE		No	775-8771
Thomas Brown	USAF	yes	337-1845
[illegible] VanKooten	N/a	n/a	354-1665
[illegible]	N/A	N/A	354-4956
[illegible]		NO	361 8690
[illegible]		NO	3571545
[illegible]	ARMY	yes	745-7174
[illegible]		NO	745-7174
[illegible] GABRIELLE	USMC	YES	373 7588
Rose of ELDON GALLEAR	MERCHANT MARINE	WWII/as (Combat)	357-2179
Eldon Gallear	" 11 YRS	YES	"

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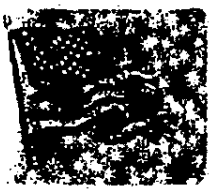
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

373-7588

J. Gabrielle
PO Box 2838
Palmer, AK 99645-2838

JG



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Name	Branch of Service	Military Service	Contact Information
		Y/N	Phone Or address
Michael Gabrielle	USMC	Y	373-3773
Emil Jonsdale	USMC + ANG	Y	232 9055
ANTHONY J. PUPPA	N/A	N	745-3223
LISA ALEXANDER	N/A	N	775-3690
Chris Allen	ARNG	Y	775-0333
Richard Davis			357-3689
Wesley J. Allen	US Navy (Ret)	Yes	357-3689
Randal Beer		N	357-3689
James Medley	USMC	Banished	373-7240
[illegible]	USMC	Y	278-8598
[illegible]	US Marine	Semi-Lee	745-1936
[illegible]	—		373-6409
Tammi [illegible]	-	-	892-0558
Elizabeth Thornton	—	—	745-3174
Dave HANNA	USN	Y	726-1240
[illegible]	USMC	Y	892-2698
James Denny	USAF	N Y	775-5199
Michael L. Foltz	USA	Y	980-1527

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Keith Greba, USCG	Susan Jones, USA	John Davies, USA
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373-7588

J. Gabrielle
PO Box 2838
Palmer, AK 99645-2838

KT

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Name	Branch of Service	Military Service	Contact Information
-------	------	Y/N	Phone Or address
Flavia Mock		N	907-373-6554
John Goss	USARMY	Yes	351-0375
Robert Smith	Navy	NO	232-1915
Sheri Ray			357-7938
Lisa Cameron		NO	357-0218
Jeffrey Bush		NO	376-5664
Bobby Bush		no	357-1464
David Mock		NO	355-7163
Joey mock		NO	315-2357
Adam Mock		NO	841-3280
Tish y Steele	Navy	Yes	373-4083
Tara Vaughn		no	841-4409
Heather Wright		No dependent	230 3483
James Crews	USMC	Y	307 389 5738
Kimberly Cornbrook		NO	841-3331
Hannah Hopkins		NO	841 9549
Sam Mock		NO	373-6554
Keith Cameron		no	3570218
Tom Woody			376-6432

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Keith Greba, USCG
Toni Koeckritz, USN
Yukon Tanner, USN 733-7472
Aaron Tanner, USN 232-1069
Susan Jones, USA
Joe Gabrielle, USMC
Jake Davies USN 315-[illegible]
John Davies, Jr. USA

-142-

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Name	Branch of Service	Military Service	Contact Information
-------	-------	Y/N	Phone Or address
Julie Dickerson			746-0823
Richard Town			376 4819
AE - Gail Tan			" "
[illegible]			" "
[illegible]			376 4819
[illegible]			" "
[illegible]			" "
Mary Farelic			373-6195
Bonna Townsend			357-8306
MARGARET PEPIN			631-5059
[illegible]	Army	Y	746-3420
Casey Berg		N	357-9026
[illegible]	USMC	Y	
Darlene Heath			357-4993
Mike Heath	Airforce	Y	"
Jim Lindeman	NAVY	Y	376-9057
Valerie Lindeman			376-4057
Lanelle Williams			376-8008

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Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Don & Beverly Tanner
Box 646
Talkeetna, AK 99676

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Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
Don Brown	N	N	745-8386
Linda Bolam	N	N	775-6000
Joanna Loader	Army	N	764-1010
[illegible]	Army	N	357-2919
[illegible]		N	745-1694
Amber Spoelstra	N	N	373-7463
Dana Chavin	N/A	N/A	357-3902
[illegible]	Army	Y	357-7300
[illegible]	N	N	376-6349
Zach Tanner	N	N	376-2257
Qing Jian Yu	N	N	232-0591
Phil Scalzo	N	N	509 892 1726
Jon Soderholm	Air Guard	Y	574-22-5308
Robert Gilman	N	N	745-8618
Shannon Mathieson	N	N	376-2404
Dave Malone	Army	Y	355-0867
[illegible]	N/A	N/A	982-1857
JUDITH PEWTHER	N/A	N/A	373-6520

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Name	Branch of Service	Military Service	Contact Information
-------	------	Y/N	Phone Or address
Mike DyAS	—	—	arcticwolfmike@yhoo.com
Robert Husted	—	—	761-9309
BILL SHARLOW	USMC	Y	376-9025
Tim Bynum	USN	Y	746-7495
David Raley	USN	Y	841-8086
Denise Lovell	-	N	715-9400
Caroline Cortez	USAF	Y	355-0251
John Fox	—	N	354-2658
John BAKer	—	N	745-4411
Susan M. Jones	USArmy	Y	357-2810
JEANETTE S. JOHN	FMLY - NAVY	N	376-6716
Julie Gray	—	N	745-410
Danny Lovell		N	
Randy Jenkins	Army	Y	357-9724
Wayne Carmody	ARMY NAT. GUARD	N	761-9211
Patricia L. Wagnell	—	N	376-5794
Ann Grandt	Ann Grandt	N	761-9893
Dee Melton	Dee Melton	N	745-4743

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Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
April Ward April Ward			761.9240
Danielle Boonsch Danielle Boonsch			761-9514
Lisa Hansel Lisa Hansel			892-2120
Susie Dauser		N	761-9508
Shirley Glass	none	None	841-6950
Candice Goforth	NONE	NONE	982-9365
Katrina Sanders	NONE	NONE	357-7803
Ann Spies	None	None	355-1631
Erin Bell	none	none	357-0701
[illegible]	none	N	373-2287
Verne Kephigt	AF/Army	Y	373-9055
[illegible]	none	N	355-6133
Toni Wacks	Lt	N	232-4961
Christopher Daw	NAVY	Y	775-1016
Robin M. Hawk	Army	Y	376-2586
Bill Childress	AK ANG	Y	746-5212
Jim Frei		Yes	373-5963
Jim Poughon	NONE	N	3734781

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------	------	Y/N	Phone Or address
R. Hill	N	N	907 232 1005
[illegible]	N	N	316 N. Hatcher Palmer AK 99645
[illegible]	NAVY		280 S PARK ST - 99508
[illegible]	USAF		746-5548
[illegible]		N	841-6372
[illegible]	ARMY	Y	888-7773
[illegible]	—	N	354-4578
[illegible]	-	—	775-5336
Sunil Sethi	—	N	317-6180
B. Bullen	N		907-376-2697
JANICE STRONG	N	N	907-223-4789
[illegible]	ARMY	YES	907-376-1219
[illegible]	Army	Yes	907 376-4770
[illegible]	N	N	907-317-9572
[illegible]	N/A	N/A	907-244-2425
[illegible]	N/A	N/A	907-892-4114
[illegible]	N/A	N	907-357-2517
[illegible]		N	907-373-8010

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Keith Greba, USCG	Susan Jones, USA	John Davies, USA
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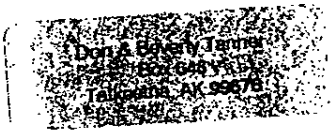

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Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
ART MONGEAU	—	—	745-1205
Diane Mongeau	—	—	745-1205
Dawn Fraker	US NAVY	Y	357-7527
Jaryn Fraker	US NAVY	Y	357-7527
Larry Fraker	US ARMY	Y	357-7527
Dawn Gassinger	US Navy	Y	357-6128
Duane Gassinger		N	357-6128
Bob Bynum		N	357-4030
Arlena Steinger		N	715-8589
Rich Owens		N	746-5652
Paul Mosier			745-2984
Joe a Varner	—	N	733 7472
Beverly Tanner	—	N	733-7472
Turkeeman Babcock		N	394 4910
Lorali Carter		N	357-4677
Anita Bookam	—	N	357-2466
Mike Powell	Army	Y	357-5440
Joe Carroll		N	557-4162

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607
Zach Stamper, USAF
Keith Greba, USCG
Toni Koeckritz, USN
Yukon Tanner, USN 733-7472
Aaron Tanner, USN 232-1069
Susan Jones, USA
Joe Gabrielle, USMC
Jake Davies USN 315-6605
John Davies, USA

Don & Bobbi Turner
Box 646
Talkeetna, AK 99676

YA

Valley Veterans For "Veterans Way"

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Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
Martha Dixon			355-1071
Gracie Whaley			357-2226
Joyce Gardner	NAVY	Y	357-2226
J. Koeckritz	NAVY	Y	357-5258
[illegible]			746-1335
Gaizy Kuhn	NA	N	745-4110
Cory Williamson	NA	NA	357-5565
Keith Quigtavell		N	761-9265
Joanne Glaser			746-3077
Barbara Munk	NA	NA	373-3062
Lynda Hill	NA	NA	376-2226
Cynthia Griggs	N/A	N/A	376-7349
Dawn Spain	NA	NA	761-9394
Donald Zeeman	USAF	Yes	745-4450
Sue York	USAF	Yes	376-9695
Cynthia A Wanson	NA	No	761-9241
Maria Benson	NA	NO	761-9239
Lenora VanValin	NA	NO	761-9285

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Jake Davies USN 315-6605
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Susan Jones, USA
John Davies, USA
Toni Koeckritz, USN

[redacted]

Yf

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Name	Branch of Service	Military Service	Contact Information
-------	-------	Y/N	Phone Or address
Lance McKamson		N	357-2737
John Bogue	ARA	Y	745-1778
Tom Compton		N	373-1486
Steve Wills		N	357-8592
Hank Gackle		N	495-6560
Kelly Pollock		N	761-9242
Mike Phillips		N	841-1284
Chantelle James		N	250-8904
Elaine Aldolfer		N	696-7821
Mary Whiting		N	841-3775
Gary Ratliff	USN	Y	376-1148
Richard Denver	USA	N	376-9484
Mark Doe	USA	N	242-7887
Tania Barber		N	8447351
Sam Brown	USN	Y	376-7090
TIM SMITH	USN	Y	376-7090
Jason Ford	Army	Y	715-1753
Carlee Hunter	USN	Y	(907) [redacted] 239-6168

This petition has been supported by the ad hoc committee of the following members:

Jesse Tanner, USN 232-8607
Zach Stamper, USAF
Keith Greba, USCG
Toni Koeckritz, USN
Yukon Tanner, USN 733-7472
Aaron Tanner, USN 232-1069
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Jake Davies USN 315-6605
John Davies, USA

[redacted]

17

Valley Veterans For "Veterans Way"

Thank you for taking the time to read our petition. The purpose of this committee is to obtain your support in renaming one of the most confusing roadways located in the Wasilla/Palmer area. Some know it as Seldon or Bogard or a variation of those two names. Sometime in the next two years the Borough and the State will extend this roadway from Colony Schools drive down Colony way crossing the intersection of 49th state street near Colony High School. This roadway will continue on to Arctic Avenue near Palmer High school providing an alternate route for all valley residents who might normally use the Palmer/Wasilla Highway. The completion of this bypass is a much needed alternative to the Palmer Wasilla highway. This will help alleviate congestion and provide an alternate route for traffic whenever there is emergency shutdowns. We propose to name the thoroughfare from Palmer to Church Road **"Veterans Way"** in honor of all of those who have served our nation. The roadway currently has over 6 names for all of the different segments, Bogard, Bogard extension, Seldon, Seldon extension, Colony Schools drive, Colony way, and Arctic Avenue. We hope that you will support our efforts by signing our petition to show support for all of our valley, state and nations veterans. Please sign the line below to attest to your support of the road name "Veterans Way" Also by signing please share this idea with 3 friends or co-workers to get the word out

Name	Branch of Service	Military Service	Contact Information
------	------	Y/N	Phone Or address
Yukon Tanner	USN		733-7472
Pat Hopper	Army	Yes	376 7896
Gerald Bancroft	"	"	733-2165
Linda Keeley	Husband-USAF	Husband	PO Box 814, Willow
Johnnie Davis	Army	Father	761-9251
Janice Yance			761-9220
Steve Carey	Wife-Navy	wife	350.3508
Gerald Johnson	—	NO	354-3357
Kathleen Hilderbrand			373-3740
Mike Lehn	ANG Retired	Yes	357 0563
Steve Pakkala	USAF	Yes	354-1209
[illegible]		n	733-180
Charley Johnson		No	357-4244
Victor Badillo		No	357-9559
Jodi K Webb		No	373-2075
Keven Makuen		No	761-9551
Alyson Tuomi		NO	376-7703
Pam Keller		No (Husband)	357-8596

This petition has been supported by the ad hoc committee of the following members:

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Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

Don & Beverly Tanner
Box 649
Talkeetna, AK 99676

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Name	Branch of Service	Military Service	Contact Information
		Y/N	Phone Or address
Krista Tanner		N	9286075989
[illegible]	USAR	Y	3557317
Shawn Walters	USAF	Y	357-0133
[illegible]		N	355-6122
[illegible]		N	357-1694
Kara M. Johnson		N	315-2345
[illegible]		N	388-1320
Barbara Dewar		N	376-7463
[illegible]		N	376-7463
[illegible]		N	376-4088/982-2056 cell
Katrina Bobbett		N	631-2290
Jessica Greenfield	USA	Y	9073764097
Aaron Tanner		Y	907 232-1069
[illegible]		N	907-232-0522
Josh Blue		N	907-775-1172
Mike Hodson		N	907-357-7951
David Perala		N	11 376-1451

This petition has been supported by the ad hoc committee of the following members:

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Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

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Name	Branch of Service	Military Service	Contact Information
-------	------	Y/N	Phone Or address
Stephen Whaley	USN	Yes	907 775 1980
Amy Kurka		NO	745-4800
Jeff Duffield	USAF	Yes	357-1057 776-1266
Edward Domenech			
Benjamin Barton		No	864-0662
Linda Kellar		No	715-3491
Debra Hyman		NO	232-0429
Tonya Tanner		No	232-2033
Ann Sellar		NO	376-8911
Matt Corbett	USN	N	360-9186
Steve Runyan		N	495-2697
Paula Runyan		N	495-2697
Ingrid Fecke		N	376-1451
Dave Green	U.S. ARMY	Y 1963-66	373-6523
Jeff Bara		N	694 0588
Travis Powell		No	354-7695
Charles D. Palentik	USAF RET.	Y	8573042
Kobe mee	NA	NA	350-6238

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Keith Greba, USCG	Susan Jones, USA	John Davies, USA
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Don & Beverly Tanner
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Name	Branch of Service	Military Service	Contact Information
——	——	Y/N	Phone Or address
Mike Summitt	Marines	80-83	
Ben Parker			376-3226
Steve Ewing			373-6012
Mike Sweeney			745-3933
Dennis W. Herman		N	373-5938
[illegible]	—		373-2961
David [illegible]			373-6213
Larry Fetchenhier	—	—	376-4382
Caleb Adams		—	376-3552

This petition has been supported by the ad hoc committee of the following members:

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Zach Stamper, USAF	Aaron Tanner, USN 232-1069	Jake Davies USN 315-6605
Keith Greba, USCG	Susan Jones, USA	John Davies, USA
Toni Koeckritz, USN		

I talked with Janet from your office a bit and understand that you are working on a draft bill to designate the Bogard-Seldon Corridor as Veteran's Way. We at the Borough have been discussing this since last year and think that this name would be appropriate in regard to completely re-naming the road corridor. It would make giving directions much easier in that you would no longer have to say, "travel up Arctic Avenue for X distance until it turns into Bogard Extension, then travel X distance until it becomes Colony Way, then travel X distance until it becomes Bogard Road, then travel X distance until it becomes Seldon Road, then travel X distance until it becomes Beverly Lakes Road.
Let me know what we can provide that would be helpful to you in supporting the name change. We may be able to provide a resolution from the MSB Transportation Advisory Board, Planning Commission or Assembly. I also talked to the Community Transportation Coalition (with representatives from Palmer and Wasilla present) about this and they are also willing to provide a resolution.

Brad Sworts
MSB Planning, Transportation & Environmental Division Manager
Phone: (907) 746-7430
Fax: (907) 745-9876

Matanuska-Susitna Borough
350 E. Dahlia Avenue
Palmer, AK 99645

Jim Pound

From: randi davies [jrdavies3@yahoo.com]
Sent: Wednesday, March 17, 2010 12:56 PM
To: Rep. Peggy Wilson
Cc: Rebecca Rooney; Rep. Wes Keller; Jim Pound
Subject: Veterans Way Bill - Support

Dear Representative Wilson,

My name is John G. Davies. I first came to Alaska in 1970 with the US Army. I am a Viet Nam veteran, a life member of the Veterans of Foreign Wars, and a Charter Member of the American Legion Post 35. I practiced law in the Matanuska Valley for about 30 years before joining the Alaska State Legislature as a staff member for the District 14 Representative.

I am very familiar with the Veterans Way road corridore and support the Bill changing the road name. The old name, Bogard Road is confusing, and the name change will clarify and simplify matters, especially with the new extensions to be built on each end of the road way. Right now Bogard turns into Sledon Rd. at a 4 way stop sign where there used to be a sharp turn in Bogard Rd. If you now are traveling west on Bogard and stop at the stop sign, when you cross the intersection the road turns into Seldon Rd. You have to turn left in order to proceed on Bogard. Also at the Palmer end of the roadway new construction is planned, and extension of the present Bogard will take up a few other street names. So, renaming the entire east to west roadway and the new extensions all Veterans Way will not only honor all the Valley veterans, but clarify and simplify matters a lot.

Thank you for considering my opinion.

Very Truly Yours,

John G. Davies
Voter # 1000659

HB

280

<target><bill>HB 280</bill><subject>HB
280</subject><comm>SFIN26</comm></target>

Representative Mike Hawker
Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:
716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

House District 32:
Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 280
"The Cook Inlet Recovery Act"
Sponsor Statement

Residents of South Central Alaska are at risk that in the near future there will not be enough natural gas produced in Cook Inlet to heat and light their homes and businesses. Legislative action now can help address this challenge before it becomes a crisis.

A critical and universally recognized part of the solution is large-scale gas storage, allowing utilities to purchase gas during lower demand periods; hold the gas in storage; then withdraw it when needed. Establishing gas storage is crucial, and the state needs to promote the rapid development of storage facilities. House Bill 280, the Cook Inlet Recovery Act (CIRA), provides tax incentives and regulatory assurances to attract the private investment necessary to develop storage facilities and help reduce the cost of storage to consumers.

Specifically, CIRA provides a 10-year exemption from state land lease fees and rents to owners of new gas storage facilities. Since storage is needed urgently, these financial incentives will be available only for facilities put into operation before December 31, 2015. CIRA sets standards, such as minimum size and access requirements, for qualifying projects. Consumers will benefit from increased energy security and lower energy costs, as any financial incentives are required to pass through the supply chain to utilities and, in turn, to their customers.

In addition to storage, South Central also needs new gas discoveries. CIRA increases the incentives for exploration in Cook Inlet and allows explorers and producers to take their full benefit in one year rather than over two years.

CIRA also provides statutory guidance to the Regulatory Commission of Alaska in its consideration of utility gas supply contracts to help ensure adequate supplies of reasonably priced gas in the years ahead.

2/5/10

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

Representative Mike Hawker
Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
907 465-4949 direct
800 478-4950 toll free
907 465-4979 fax

Interim:
716 W 4th Avenue
Anchorage, AK 99501
907 269-0244 office
907 269-0248 fax

House District 32:
Eagle River
Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 280
"The Cook Inlet Recovery Act"
Summary of Changes

Senate Resources Committee:

Most of the changes adopted in the Senate Resources were requested by the Department of Revenue to clarify the intent of the legislation. This includes the addition of Section 14, which ensures that passage of CIRA will not affect the Department of Revenue's existing authority and discretion in valuing gas.

The substantive changes, also to respond to concerns by the Department of Revenue, were:

- In addition to other qualifications for tax credits in this bill, requires AOGCC to certify that a proposed facility meet the statutory definition of a gas storage facility.
- Allows the Department of Revenue to buy back a refundable credit from a taxpayer that has tax liability for previous years, as long as the tax due for the calendar year is zero.
- Rewords the definition for "well lease expenditure" and removed the tax credit for overhead expenses.

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/18/10

Finance Committee considered CS FOR HOUSE BILL NO. 280(FIN) am

HB 280 NATURAL GAS: STORAGE/ TAX CREDITS

"An Act relating to a gas storage facility; relating to the Regulatory Commission of Alaska; relating to the participation by the attorney general in a matter involving the approval of a rate or a gas supply contract; relating to an income tax credit for a gas storage facility; relating to oil and gas production tax credits; relating to the powers and duties of the Alaska Oil and Gas Conservation Commission; relating to production tax credits for certain losses and expenditures, including exploration expenditures; relating to the powers and duties of the director of the division of lands and to lease fees for a gas storage facility on state land; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CSHB 280 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	4/10	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
ADM	2/8			✓	1
CED	2/8			✓	2
REV	3/23			✓	5

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Ecas	✓			
	Ellis	✓			
				✓	
CO-CHAIR:					
CO-CHAIR:				✓	

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **Sen CS for CSHB 280**
() Publish Date:

Identifier (file name): HB 280-DNR-OG-04-10-10
Dept. Affected: Natural Resources
Title: Cook Inlet Recovery Act
RDU: Resource Development
Component: Oil and Gas Development
Sponsor: Rep. Hawker, Chenault, et al.
Requester: (H) Labor & Commerce Committee
Component Number: 439

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Section 13 of CSHB 280 offers tax credits for Cook Inlet gas storage facilities and provides a 40 percent production tax credit for Cook Inlet gas and oil production in the Cook Inlet.

There is no anticipated fiscal impact to the Division of Oil and Gas for the management of gas storage on state land. However Section 8 of the bill provides a per year "holding" on all storage fees and rents for the storage lease. Also the accounting section described in this section means that no gas will be withdrawn from storage for sale or, by extension, gas to make gas will be withdrawn. Therefore, in response to the tax credits offered by this bill, the impact to fees, rents and royalties is indeterminate.

Prepared by: Kevin Banks
Phone 269-8800
Division: Director
Date/Time 4/10/10 4:00 PM
Approved by:
Date
Natural Resources

(Revised 11/6/2009 OMB)

3076

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 5
Bill Version: CSHB 280(FIN)
(H) Publish Date: 3/24/10

Identifier (file name): CSHB280(FIN) -REV-TAX-3-23-10
Dept. Affected: Revenue
Title: Cook Inlet Recovery Act
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Representative Hawker
Requester: House Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Co-Chair Rep. Stoltze
House Finance Committee
Phone 465-4958
Date/Time 3/23/2010 4:55PM

Co-Chair Rep. Hawker
House Finance Committee
Date 3/23/2010

(Revised 9/10/2008 OMB)

3077

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 280(L&C)
(H) Publish Date: 2/17/10

Identifier (file name): HB280-CED-RCA-02-08-10
Dept. Affected: DCCED
Title: Natural Gas
RDU: Regulatory Commission of Alaska (399)
Component: Regulatory Commission of Alaska
Sponsor: Hawker, Chenault
Requester: House Labor & Commerce
Component Number: 2417

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

The proposed legislation would provide financial incentives for natural gas storage facilities and for exploration in the Cook Inlet basin, and provide general guidance to the Regulatory Commission of Alaska (RCA) on natural gas pricing. Statutes governing the general powers and duties of the RCA would be revised to require the RCA, when considering whether approval of a natural gas supply contract is in the public interest, to (1) recognize the public benefits of a utility's ability to negotiate different pricing mechanisms with different suppliers and maintain a diversified portfolio of gas supply contracts to protect customers from the risks of inadequate supply or excessive costs that may arise from a single pricing mechanism, and (2) consider whether the utility could meet its responsibility to the public in a timely manner should the rate of gas supply contract not be approved.
(ANALYSIS CONTINUED)

Prepared by: Robert M. Pickett, Chairman — Phone 907.276.6222
Division: Regulatory Commission of Alaska — Date/Time 2/8/10 11:30 AM
Approved by: Emil R. Notti, Commissioner — Date 2/8/2010
Commerce, Community, and Economic Development

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 280(L&C)

ANALYSIS CONTINUATION

This legislation would require that certain factors be recognized or considered when the RCA determines whether to approve natural gas supply contracts. The RCA expects to implement the provisions of this legislation with existing resources. The RCA can incorporate this review into the existing review process for natural gas supply contracts.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 280(L&C)
(H) Publish Date: 2/17/10

Identifier (file name): HB280-DOA-AOGCC-02-08-10
Dept. Affected: Admin
Title "An Act relating to natural gas; relating to a gas storage facility; relating to the Regulatory Commission of Alaska..."
RDU AOGCC
Component AOGCC
Sponsor Representatives Hawker and Chenault
Requester (H) L&C
Component Number 2010

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

Additional work for the Alaska Oil and Gas Conservation Commission resulting from this bill could be managed by existing staff. The agency therefore submits a zero fiscal note.

Prepared by: Jody J. Colombie, Special Assistant I
Phone (907 793-1221
Division Alaska Oil and Gas Conservation Commission
Date/Time 02/08/10 12:00pm
Approved by: Rachael Petro, Deputy Commissioner
Date 2/8/2010
Department of Administration

(Revised 11.6/2009 OMB)

3080

Hawker 4-14-10

HB 280
Cook Inlet Recovery Act - Sectional Analysis
Prepared by Representative Mike Hawker's Office

Section 1: Sets out a short title for the legislation: Cook Inlet Recovery Act (CIRA).

Section 2: Establishes an application process, criteria and timeline for the Alaska Oil and Gas Conservation Commission (AOGCC) to certify that a gas storage facility (GSF) meets the qualifications in statute to be eligible for the financial incentives provided in this bill, including minimum working gas storage capacity and daily delivery rate requirements.

Requires a GSF owner to notify the AOGCC if the facility ceases operation.

Provides definitions for terms used in CIRA.

Section 3: Requires the Director of the Division of Mining, Land and Water to give priority to and expedite "when reasonably possible" any applications, permits and lease assignments needed for development and operation of a GSF.

Section 4: Prohibits the Director of the Division of Mining, Land and Water from denying a lease application for a natural gas storage facility solely because the facility would be used exclusively or primarily to store gas owned by the owner or operator of the facility.

Section 5: Directs the Department of Natural Resources (DNR) to waive any state land lease fees or rents for the first 10 years of a GSF's operation. The waiver would stop if the storage facility ceases commercial operations.

States that any waivers of lease fees or rents would be public record.

Requires that the GSF pass on the financial benefits of any lease exemption to utilities that use its service.

Clarifies that any gas withdrawn from a GSF is considered to be non-native gas and not subject to royalty until all non-native gas is withdrawn.

Section 6: Directs the Regulatory Commission of Alaska (RCA), when considering the approval of a utility's gas supply contract, to consider the impact on consumers if the commission rejects a utility's gas supply contract and to recognize the value of a utility holding a diversified portfolio of gas supply contracts with different pricing mechanisms in order to protect consumers from inadequate gas supplies and the risk of a single pricing mechanism.

Section 7: Requires that a utility's cost of gas storage that is passed on to consumers reflect the financial benefits of any tax credits and state lease exemptions provided in this legislation.

Section 8: Clarifies that a natural gas storage facility that is part of a regulated natural gas pipeline (regulated under AS42.06) shall not also be regulated as a utility under the new provisions of AS42.05 in this bill.

3081

Section 9: Specifies that the RCA has jurisdiction over natural gas storage services provided for gas that is owned by a regulated utility.

Section 10: Further defines "natural gas storage facility" and clarifies what equipment and facilities are considered part of the storage facility.

Further defines that RCA regulation of gas storage facilities is limited to facilities operated primarily or exclusively for third-party customers; regulation does not extend to a proprietary storage facility operated exclusively or primarily to hold gas owned by the storage facility owner or operator.

Section 11: Clarifies that the names of taxpayers and the amount of credits received for a GSF under this legislation shall be public information. Requires the Department of Revenue (DOR) to furnish the information to the RCA.

Section 12: Establishes a credit against corporate income taxes of $1.50 per thousand cubic feet of new gas storage capacity opened in Alaska during 2011-2015. The credit is limited to the lesser of $15 million or 25% the costs incurred to establish the GSF. This section sets out minimum capacity and deliverability requirements to qualify for the credit, including that the GSF must be available for use by regulated utilities and, if utilizing state land, must be in compliance with its DNR storage lease. The credit can be refunded by the state at full value if the owner does not have enough taxable income to fully utilize it.

Section 13: Sunsets on January 1, 2011, the rule that limits how certain oil and gas production tax credits arising from activity in Cook Inlet or from producing gas for in-state use are used. This would allow a Cook Inlet explorer or producer to explore or produce elsewhere in the state and have full access to the credits it earned from its Cook Inlet activities.

Section 14: Clarifies that DOR's existing authority and discretion in valuing gas also applies to gas produced and stored in a gas storage facility. This section was added to ensure that passage of CIRA did not affect DOR's current practice.

Section 15: Clarifies that any native gas in a gas storage facility shall be deemed not to be produced for production tax purposes until all of the non-native gas injected into the storage facility has been withdrawn.

Section 16: Allows explorers in Cook Inlet to receive their full production tax credit in the first year rather than over two years (as in current statute).

Section 17: Makes additional statutory changes to allow explorers in Cook Inlet to receive their full production tax credit the first year rather than over two years (as in current statute).

Section 18: Adds the new Cook Inlet-related well tax credits to the section in statute dealing with audits of transferred tax credits.

Section 19: Provides a 40% credit for exploration expenses in Cook Inlet against production taxes, rather than the two-tiered 30% / 40% credit in existing statute. In addition, all well-related lease expenditures in Cook Inlet, including non-capital and non-exploration related lease expenditures, also qualify for the credit. The section also defines which expenses qualify as a "Cook Inlet well lease expenditure" to be eligible for the tax credit.

Section 20: Allows the state to use funds from the oil and gas tax credit fund to refund the tax credits issued to a GSF.

Section 21: Makes additional changes to make it easier for a company to sell its Cook Inlet exploration credits to the state. Current law requires that before a company can sell credits back to the state it must prove it has spent an amount equal to the credit in Alaska. HB 280 would eliminate that requirement for Cook Inlet exploration credits.

Section 22: Authorizes DOR to write regulations implementing certain aspects of Section 17.

Section 23: Directs the Office of Public Advocacy & Regulatory Affairs (RAPA) at the Department of Law, when considering whether to participate in a utility rate case regarding a utility's gas supply contract before the RCA, to consider the impact to consumers if the commission rejects a utility's gas supply contract and to recognize the value of a utility holding a diversified portfolio of gas supply contracts with different pricing mechanisms in order to protect consumers from inadequate gas supplies and the risk of a single pricing mechanism.

Section 24: Immediate effective date clause.

HB 280
Cook Inlet Recovery Act (CIRA) - Overview
Prepared by Representative Mike Hawker's Office

CIRA provides a statutory framework and financial incentives for developing large-scale natural gas storage facilities and also makes changes to Cook Inlet exploration tax credits to encourage exploration and development of new gas discoveries.

Gas Storage Facilities

- Incentives include:
  - Land lease and fee exemption for 10 years
  - NEW income tax credit
    - Credit is based on capacity, certified by AOGCC: $1.50/1,000 cubic feet (cf) of working storage capacity
    - Maximum credit is the lesser of $15 million per facility or 25% of costs incurred to establish the GSF
    - Credit is fully refundable by the state
  - Expedited/priority processing of applications by DNR, when reasonably possible
- Incentives apply to gas storage facility that meets minimum capacity and delivery requirements, certified by AOGCC:
  - Minimum Working Storage Capacity: 500 million cf
  - Minimum Daily Delivery Capacity: 10 million cf
- Available for a GSF that commences operations between Jan. 1, 2011, and Dec. 31, 2015
- All financial benefits and the names of those receiving the benefits are public information
- All financial benefits must be passed on to utilities, which then pass on to consumers
- All financial benefits stop when a project ceases operation
- CIRA also mandates RCA regulation of gas storage facilities that hold gas owned by regulated utilities.

Gas Exploration in Cook Inlet

- Changes to existing credits:
  - Allows 100% of credits earned by explorers in the Cook Inlet to be used elsewhere in the state; current statute generally limits those credits to be applied only to actual taxes paid on Cook Inlet production
  - Allows the full amount of the credit to be used in the year issued; current statute allows only half of the credit to be used in one year
  - Provides a 40% credit for exploration within Cook Inlet; current statute contains a variable (30% or 40%) credit based on the proximity of the exploration to an existing well.

HB 280 Overview (cont.)
Definitions

Gas storage facility: A depleted or nearly depleted reservoir or aboveground tank used to store natural gas produced offsite and delivered to the storage facility to hold until needed. The owner of the gas — a utility, for example — would inject gas into the facility and would pay the facility operator for storage service.

Working gas storage capacity: The maximum amount of natural gas the storage facility could safely hold for its storage customers.

Cushion gas (also known as pad gas): The volume of gas that must be maintained in the storage facility to provide adequate pressure for operations. The storage operator, not the storage customers, would own the cushion gas.

Native gas: In the case of a nearly depleted reservoir, native gas is the natural gas that exists in the reservoir at the time it is developed for use as a storage facility. Native gas is used as cushion gas to maintain pressurization. If all of the non-native working gas that was injected for storage is withdrawn and native gas is eventually produced, state tax and royalty would be assessed.

Non-native working gas: Natural gas that is produced from another reservoir and delivered to the storage facility and held until needed. For example, a utility could purchase gas from a Cook Inlet producer and have it delivered to the storage facility for safekeeping until the utility needs the gas to meet customer demand. At that point, the utility would instruct the gas storage operator to deliver the quantity of gas required. The utility, not the storage operator, would own the gas in storage. State tax and royalty would be assessed on the non-native working gas when it is first produced and sold to the utility; no additional taxes or royalties would be due when it is withdrawn from storage for delivery to the utility.

HB 280 Overview (cont.)
FAQs

1. What are the minimum requirements for a gas storage facility (GSF) to qualify for financial incentives in the Cook Inlet Recovery Act? Who determines if a GSF meets these requirements?

   In order to qualify for the financial incentives in CIRA, a GSF must have the capacity to store more than 500 million cubic feet of working gas and deliver gas at a rate of at least 10 million cubic feet per day. The Alaska Oil and Gas Conservation Commission (AOGCC) will be required to certify these capacities within six months of receiving an application and provide the certification to the applicant, the Department of Natural Resources and the Department of Revenue.

2. What happens if the GSF stops operating?

   A GSF ceases operations if it doesn't inject or withdraw at least 100 million cubic feet of gas in a calendar year. The operator is required to notify the AOGCC by April 1st of the following year. If this happens, the GSF will no longer be eligible for state lease fees exemptions or tax credits.

3. Sections 5 and 15 of the bill state that gas withdrawn from a GSF is considered to be non-native gas and not considered to be produced until all non-native gas has been withdrawn. What does this mean and why do we need this language?

   This language requires that state follow last-in, first-out accounting rules for gas in a GSF. "Native gas" is any gas that is already in a storage facility and will be subject to existing royalty and production taxes when it is produced. "Non-native gas" includes all gas that is injected into the facility for temporary storage - royalty and production taxes were assessed when it was produced. By including this language, it is clear that non-native gas extracted from a GSF is not taxed twice and native gas is not subject to royalty and production taxes until all non-native gas is withdrawn.

4. Gas storage companies are receiving lease exemptions and tax breaks under CIRA. Are these savings passed on to the consumer?

   Yes. Language in sections 5 and 7 require the owner of a GSF to reflect the savings of any financial benefits enacted in CIRA in their gas storage price.

HB

292

<target><bill>HB 292</bill><subject>HB
292</subject><comm>SFIN26</comm></target>

STATE CAPITOL
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Governor Sean Parnell
STATE OF ALASKA

January 8, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill that increases the existing limit on State grants for major disaster victims in the State of Alaska.

This bill would change an existing limitation on the Governor's authority to issue assistance grants to victims of a major disaster in this state, which has not been updated for nearly 20 years. Under current law, when the Governor declares a disaster emergency, a grant can only be provided to a victim of the disaster in this state in an amount not to exceed $5,000. After witnessing the widespread disaster of the 2009 spring floods, it has become obvious that the maximum amount of $5,000 per household is not enough to cover incurred costs from damages in today's economy. It is clearly time to revise the limit and give the State the ability to provide improved relief to victims of major disasters in this state.

This proposed legislation increases the maximum amount that can be granted to a household in 2010 to $14,950 for a State-declared disaster. This is calculated by setting it at half of the amount of a federally declared disaster. The amount will be adjusted each year based upon the consumer price index.

I urge your prompt and favorable action on this bill.

Sincerely,

Sean Parnell
Governor

Enclosure

SENATE FINANCE COMMITTEE REPORT

DATE: 3/31/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/11/10

Finance Committee considered HOUSE BILL NO. 292

HB 292 GRANTS TO DISASTER VICTIMS

"An Act relating to grants to victims of a disaster in this state; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
MVA	3/24/10			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Lesh	✓			
	Olson			X	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 292
(H) Publish Date: 3/24/10

Identifier (file name): Disaster Relief
Dept. Affected: DMVA
Title: An Act relating to grants to victims of a disaster in this state; and providing for an effective date
RDU: Fund Transfers (52)
Component: Disaster Relief Fund
Sponsor: Rules Committee
Requester: Governor
Component Number: 2497

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

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

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

Please see attached

Prepared by: McHugh Pierre, Deputy Commissioner/Legislative Liaison
Phone 907-428-6003
Division: Commissioner's Office
Date/Time 3/24/10 @ 8:30 am
Approved by: Thomas Katkus, Commissioner
Date 3/24/2010
Department of Military and Veterans Affairs

ANALYSIS CONTINUATION

Funding for this legislation is authorized under the Alaska Disaster Act 26.23 and provided through fund transfers to the Disaster Relief Fund (DRF). In recent years, the Legislature has provided an annual appropriation to the DRF ensuring funds are quickly available once a disaster declaration is made and legislative concurrence is obtained, when required. Therefore, determining an annual amount for a fiscal note is dependent upon the number of disasters we incur that affect individuals and families. This cannot be predicted but historial references are provided for analysis and we made the assumption that there may be 2 events per year that qualify for this benefit.

2009 Spring Flood Disaster is used as an example - a large portion of this disaster was approved for a Presidential Disaster Declaration and there the State Individual Assistance Program was only enacted for a total of 30 eligible applicants. If all applicants had major damages, they would be eligible for the maximum current grant of $5,000 for a total of $150,000. Under proposed legislative language change, each applicant would be eligible for $14,950 (one half of the maximum grant amount established under Section 1 of the bill) if their damages equaled this amount under the State Individual Assistance Plan. The total maximum grant funds for the 30 applicants would have totaled $448,500, an increase in State Disaster Relief Funding requirements of $298,500 for this disaster.

In order to provide an average, we have the following statistics. Since 2002, we have had 10 disasters where we implemented the State Individual Assistance Program with an average of 133 applicants. under our current legislation, the maximum total grant funds per disaster would have been an average of $665,000. With the implementation of new legislation, the increase would have been an average of over $1.3 million per event. These are only estimates and would depend on levels of damages incurred by each individual applicant.

In FY2011 we anticipate $595.5 GFM in addition to the budgeted amount of $300.0 GFM. In out years through FY2016, we anticipate the amount required to meet this legislation being $895.5 GFM.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 292
(H) Publish Date: 1/19/10

Identifier (file name): LL0854 Disaster Relief
Dept. Affected: DMVA
Title: An Act relating to grants to victims of a disaster in this state; and providing for an effective date
RDU: Fund Transfers (52)
Component: Disaster Relief Fund
Sponsor: Rules Committee
Requester: Governor
Component Number: 2497

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims	595.5	300.0	895.5	895.5	895.5	895.5	895.5
Miscellaneous							
TOTAL OPERATING	**595.5**	**300.0**	**895.5**	**895.5**	**895.5**	**895.5**	**895.5**
CAPITAL EXPENDITURES	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	595.5	300.0	895.5	895.5	895.5	895.5	895.5
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**595.5**	**300.0**	**895.5**	**895.5**	**895.5**	**895.5**	**895.5**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

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

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

Please see attached

Prepared by: McHugh Pierre, Deputy Commissioner/Legislative Liaison
Phone 907-428-6003
Division: Commissioner's Office
Date/Time 12/11/09 @ 11:00 am
Approved by: Thomas Katkus, Commissioner
Department of Military and Veterans Affairs
Date 12/12/2009

(Revised 11/6/2009 OMB)

3092

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 292

ANALYSIS CONTINUATION

Funding for this legislation is authorized under the Alaska Disaster Act 26.23 and provided through fund transfers to the Disaster Relief Fund (DRF). In recent years, the Legislature has provided an annual appropriation to the DRF ensuring funds are quickly available once a disaster declaration is made and legislative concurrence is obtained, when required. Therefore, determining an annual amount for a fiscal note is dependent upon the number of disasters we incur that affect individuals and families. This cannot be predicted but historial references are provided for analysis and we made the assumption that there may be 2 events per year that qualify for this benefit.

2009 Spring Flood Disaster is used as an example - a large portion of this disaster was approved for a Presidential Disaster Declaration and there the State Individual Assistance Program was only enacted for a total of 30 eligible applicants. If all applicants had major damages, they would be eligible for the maximum current grant of $5,000 for a total of $150,000. Under proposed legislative language change, each applicant would be eligible for $14,950 (one half of the maximum grant amount established under Section 1 of the bill) if their damages equaled this amount under the State Individual Assistance Plan. The total maximum grant funds for the 30 applicants would have totaled $448,500, an increase in State Disaster Relief Funding requirements of $298,500 for this disaster.

In order to provide an average, we have the following statistics. Since 2002, we have had 10 disasters where we implemented the State Individual Assistance Program with an average of 133 applicants. under our current legislation, the maximum total grant funds per disaster would have been an average of $665,000. With the implementation of new legislation, the increase would have been an average of over $1.3 million per event. These are only estimates and would depend on levels of damages incurred by each individual applicant.

STATE INDIVIDUAL and FAMILY GRANT PROGRAM (IFG)

History of State IFG Program:

Authority: Alaska Statute 26.23.090

Enacted in: 1977

Amended in 1990

$5,000 limit dates back to original date statute was enacted (1977)

Regulations: 06 Alaska Administrative Codes (AAC) 94.200 – 94.280

Adopted in: 2000

Individual Assistance Task Force:

- The Individual Assistance Task Force convened January 2008 to examine Individual Assistance programs and current program capacity to provide prompt and effective relief to individuals and families affected by disasters.
- Agencies involved in review of IFG program:
  - Division of Homeland Security and Emergency Management, Department of Commerce, Community, and Economic Development, Department of Health and Social Services, Alaska Housing Finance Corporation, Alaska VOAD, American Red Cross of Alaska, and USDA Rural Development
- Agencies met 10 times over a six month period
- Task Force recommended that maximum awards increase and that funding levels be tied to an annual figure such as the FEMA Individual and Households Program award or the Consumer Price Index.

IFG Program Requirements:

- AS 26.23.090
  - Governor authorized to make grants to individuals and families to meet disaster related expenses or serious needs that cannot be met from other means of assistance.
  - Current funding limits:
    - State Disaster Limit - $5,000
    - Legislative Recommendation – One-Half of Federal IA Program (based on CPI)
- 06 AAC 94.200 – 94.280
  - Must incur a necessary expense or serious need in the declared disaster area as a result of the disaster, and be unable to meet that expense or need
  - Grants may be given to meet necessary expenses or serious needs by providing essential items or services in the following categories: housing; housing repair; personal property, transportation; medical or dental expenses; expenses related to funerals, burials, and cremations.

- Disaster victims' needs will be identified on the Disaster Assistance Application and confirmed by verifications. Verifications can be accomplished by on-site visits, photographs, Loss Verification Statement forms, and other documentation deemed appropriate by the IA Officer.
- Applicants will be denied eligibility for a current disaster claims if they have not complied with requirements on previous disasters. Therefore, applicants will be cross-referenced for any past disaster non-compliance.
- If the grantee is in a Special Flood Hazard Area, as determined by the National Flood Insurance Program (NFIP), and the grantee is a homeowner, flood insurance coverage must be maintained on the residence at the flood-damaged property address for as long as the grantee owns the structure, in order for the grantee to be eligible for a future grant for acquisition and construction purposes. If the grantee is a renter, flood insurance required under this section must be maintained on the contents of the rental unit for as long as the grantee resides at the flood-damaged property address.

HB

294

<target><bill>HB 294</bill><subject>HB
294</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

Co-Chair:
House Committee on Natural Resources

Vice Chair
House Committee on Labor and Commerce

Member:
House Committee on Rules, House Special Committee on Economic Development, Trade, and Tourism, and Legislative Budget & Audit Committee

Session:
Alaska State Capitol
Juneau, AK 99801-1182
Phone: (907) 465-2679
Fax: (907) 465-4822
Toll Free (800) 505-2678

Interim:
600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 376-4745

REPRESENTATIVE MARK NEUMAN
Rep.Mark.Neuman@legis.state.ak.us

Sponsor Statement

HB 294
USE, REGULATION, AND OPERATION OF BOATS

House Bill 294 extends the sunset dates of the Statewide Boating Safety and Education program for two years to July 1, 2013. In 2009 HB 151 was passed which extended the program for one year, allowing funding to continue to 2010.

This program has been successful as more boaters follow safety rules and boating fatalities have steadily decreased during the tenure of the law while bringing Alaskan law into compliance with federal regulations. Under this program, boating deaths in Alaska have decreased by 20% and the lives of at least 17 Alaskan children have been saved by a Kids Don't Float life jacket.

Furthermore, the Statewide Boating Safety and Education Act has allowed the State of Alaska to consistently receive over one million dollars a year in federal funds. To receive any funding for the federal FY 2011 this sunset must either be extended or repealed during the 2010 legislative session.

Passage of HB 294 will ensure that a successful program will continue to save lives and that the State of Alaska will continue to have clear and consistent boating safety regulations with ample federal funds to administer safety and educational programs.

I ask for your support extending an effective program that has successfully saved lives.

ALASKA STATE LEGISLATURE

Co-Chair:
House Committee on Natural Resources

Vice Chair
House Committee on Labor and Commerce

Member:
House Committee on Rules, House Special Committee on Economic Development, Trade, and Tourism, and Legislative Budget & Audit Committee

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600 E. Railroad Ave
Wasilla, AK 99654
Phone: (907) 376-2679
Fax: (907) 376-4745

REPRESENTATIVE MARK NEUMAN
Rep.Mark.Neuman@legis.state.ak.us

Summary of Changes

The House Finance Committee introduced a CS that changed the sunset extension on page 1, line 11 from July 1, 2016 to July 1, 2013.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 294(FIN)

HB 294 USE, REGULATION, AND OPERATION OF BOATS

"An Act amending the termination date of certain statutes relating to the use, operation, and regulation of boats, a uniform state waterway marking system, and civil liability for boat owners by extending the termination date by two years; providing for an effective date by amending the effective date of secs. 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27, ch. 28, SLA 2000, as amended; and providing for an effective date."

and recommends:

[ ] be **replaced** with [X] **SCS** or [ ] CSCSHB 294 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	2/1	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson	✓			
	Ellis	X			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

3099

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 1
Bill Version: HB 294
(H) Publish Date: 2/3/2010

Identifier (file name): HB294A-DNR-Parks-2-01-10
Dept. Affected: Natural Resources
Title: Amend the Termination Date of Statewide Boating Safety Act and education program
RDU: Parks and Recreation Management
Component: Parks and Recreation Access
Sponsor: Representative Neuman
Requester: House Labor and Commerce Committee
Component Number: 2136

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		380.0	380.0	380.0	380.0	380.0	380.0
Travel		84.0	84.0	84.0	84.0	84.0	84.0
Contractual		443.7	443.7	443.7	443.7	443.7	443.7
Supplies		53.3	53.3	53.3	53.3	53.3	53.3
Equipment							
Land & Structures							
Grants & Claims							
Capital Outlay		489.0	489.0	489.0	489.0	489.0	489.0
TOTAL OPERATING	**0.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		1,250.0	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0
1003 GF Match							
1004 GF (VehRntltax)		200.0	200.0	200.0	200.0	200.0	200.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time		4	4	4	4	4	4
Part-time		1	1	1	1	1	1
Temporary							

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

No fiscal Impact is associated with this bill. The project is included in the governor's operating budget.

The primary purpose of this bill is to extend the sunset date of the Alaska Boating Safety Act.

The program is funded primarily by a federal grant.

Prepared by: Karlyn Herrera — Phone 269-8703
Division: Parks and Outdoor Recreation — Date/Time 2/1/10 12:00 AM
Approved by: Tom Irwin — Date 2/1/2010
Natural Resources

(Revised 11/6/2009 OMB)

3100

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 294(FIN)

HB 294 USE, REGULATION, AND OPERATION OF BOATS

"An Act amending the termination date of certain statutes relating to the use, operation, and regulation of boats, a uniform state waterway marking system, and civil liability for boat owners by extending the termination date by two years; providing for an effective date by amending the effective date of secs. 3, 5, 7, 9, 11, 14, 16, 18, 20, 23, 26, and 27, ch. 28, SLA 2000, as amended; and providing for an effective date."

and recommends:

[ ] be **replaced** with [X] **SCS** or [ ] CS CSHB 294 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[X] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DNR	2/1	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson	✓			
	Ellis	X			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 1
Bill Version: HB 294
(H) Publish Date: 2/3/2010

Identifier (file name): HB294A-DNR-Parks-2-01-10
Dept. Affected: Natural Resources
Title: Amend the Termination Date of Statewide Boating Safety Act and education program
RDU: Parks and Recreation Management
Component: Parks and Recreation Access
Sponsor: Representative Neuman
Requester: House Labor and Commerce Committee
Component Number: 2136

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services		380.0	380.0	380.0	380.0	380.0	380.0
Travel		84.0	84.0	84.0	84.0	84.0	84.0
Contractual		443.7	443.7	443.7	443.7	443.7	443.7
Supplies		53.3	53.3	53.3	53.3	53.3	53.3
Equipment							
Land & Structures							
Grants & Claims							
Capital Outlay		489.0	489.0	489.0	489.0	489.0	489.0
TOTAL OPERATING	**0.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts		1,250.0	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0
1003 GF Match							
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1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time		4	4	4	4	4	4
Part-time		1	1	1	1	1	1
Temporary							

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

No fiscal Impact is associated with this bill. The project is included in the governor's operating budget.

The primary purpose of this bill is to extend the sunset date of the Alaska Boating Safety Act.

The program is funded primarily by a federal grant.

Prepared by: Karlyn Herrera — Phone 269-8703
Division: Parks and Outdoor Recreation — Date/Time 2/1/10 12:00 AM
Approved by: Tom Irwin — Date 2/1/2010
Natural Resources

(Revised 11/6/2009 OMB)

3102

Adopted

26-LS1282\E.1
Bailey
4/15/10

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR EGAN

TO: CSHB 294(FIN)

Page 1, line 3:

Delete "**two**"

Insert "**seven**"

Page 1, line 11:

Delete "**2013**"

Insert "**2018**"

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SE

Fiscal Note Number: 1
Bill Version: HB 294
(H) Publish Date: 2/3/2010

Identifier (file name): HB294A-DNR-Parks-2-01-10
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Contractual		443.7	443.7	443.7	443.7	443.7	443.7
Supplies		53.3	53.3	53.3	53.3	53.3	53.3
Equipment							
Land & Structures							
Grants & Claims							
Capital Outlay		489.0	489.0	489.0	489.0	489.0	489.0
TOTAL OPERATING	**0.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts		1,250.0	1,250.0	1,250.0	1,250.0	1,250.0	1,250.0
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1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**0.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**	**1,450.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time		4	4	4	4	4	4
Part-time		1	1	1	1	1	1
Temporary							

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

No fiscal Impact is associated with this bill. The project is included in the governor's operating budget.

The primary purpose of this bill is to extend the sunset date of the Alaska Boating Safety Act.

The program is funded primarily by a federal grant.

Prepared by: Karlyn Herrera — Phone 269-8703
Division: Parks and Outdoor Recreation — Date/Time 2/1/10 12:00 AM
Approved by: Tom Irwin — Date 2/1/2010
Natural Resources

(Revised 11/6/2009 OMB)

3104

White Paper

Alaska's Boating Safety Dollars at Work

Alaska Division of Parks and Outdoor Recreation
Office of Boating Safety

BACKGROUND

While Congressional attention to recreational boating safety began as early as 1910, the Federal Boat Safety Act of 1971 (46 U.S.C. 13101) provided the first federal funding to the states to *"encourage greater state participation and uniformity in boating safety efforts, and particularly to permit the states to assume the greater share of boating safety education, assistance, and enforcement activities."* Since this act was passed, the U.S. Coast Guard estimates that more than 27,000 lives have been saved. Nationally, the number of non-commercial boating fatalities has been cut in half; even though boat ownership more than doubled over the same period. Even so, recreational boating safety remains on the National Transportation Safety Board's "*12 Most Wanted List*" for needed transportation safety improvements.

Boats are an integral part of the lifestyle of many Alaskans. Alaskans use boats to enjoy the state's world-class recreational opportunities, but also as a primary means of transportation and subsistence. Unfortunately, Alaska's boating fatality rate is nearly 10 times the national average and among the nation's highest. In Alaska, only highway accidents account for more unintentional death than does drowning. Most of these fatalities could have been prevented. However, from 1987 to 1998, Alaska was the *only* state without a boating program. As a result, Alaska's share of federal funding available for boating safety was divided among all the other states. At the same time, because U.S. Coast Guard registered our boats, Alaska's registration fees went into the U.S. Treasury instead of remaining in the state. In June 1998 Alaska became the last state to establish a boating safety program when the Office of Boating Safety was established by Department Order. The Alaska Boating Safety Act (AS 05.25) was drafted and introduced in the 1999 legislative session. The act was signed into law on May 11, 2000, and Alaska qualified for the state's full share of federal grant money for state boating programs. The Alaska Boating Safety Program relies almost entirely on this federal grant. Federal funds for boating safety now contribute more than $1,000,000 a year to Alaska's economy.

Alaska's investment in boating safety is small when compared to the lives saved

9/22/09

PROGRAM MISSION AND OBJECTIVES

Mission

The mission and objectives of the Alaska Boating Safety Program are identified by Alaska statute: *It is the policy of the state to promote the safety of persons and property in and connected with the use, operation, and equipment of boats on the water of the state and to promote the uniformity of laws relating to boat safety* (AS 05.25.050). The program implements this mission with the intended purpose of reducing boating deaths, injuries and property damage, and enhancing enjoyment on Alaska's waterways.

Objectives

1. Cooperate with other state and federal agencies and organizations to provide for statewide boating safety programs in Alaska.
2. Secure the benefits available to the state under 46 U.S.C. 13101 - 13110; and take the actions necessary to continue to qualify for federal grant funding under 46 U.S.C. 13102, and the U.S. Coast Guard / State of Alaska Memorandum of Understanding.
3. Provide and expand the boating safety education program to increase public awareness of boating risks and the knowledge, skills, and abilities of Alaska's boaters, including:
    - The production of educational materials relevant to the needs of Alaska's urban and rural boaters.
    - Support for statewide boating safety education programs for children 1 and other high - risk groups.
    - Training, certification, and support of boating safety instructors.
    - Evaluation, on an ongoing basis, of the effectiveness of programs.
4. Support the Alaska Boating Safety Advisory Council.
5. Provide for a uniform state waterway marking system.
6. Provide for boating accident and casualties reporting.
7. Serve as liaison between the U.S. Coast Guard and the Division of Motor Vehicles as necessary on state boat registration issues.
8. Provide for boating law enforcement training.
9. Promote the uniformity of laws relating to boating safety.

Alaska faces significant challenges in meeting these objectives:

- Less than one third of the state is served by the road system, and many communities are difficult to reach.
- Alaska's population is the second most culturally diverse in the nation. Over 56 different cultural groups, including about 102,000 Eskimo, Athabascan, Aleut, Tlingit, Tsimshian, and Haida natives, are represented. Learning and communication styles differ widely between these groups.
- Alaska's cold water presents a significant risk to boaters and our vast distances often make a timely rescue impossible, significantly reducing the odds of surviving a boating emergency in Alaska.

Because the Alaska Boating Safety program is small compared to most other states, maintaining dynamic and productive partnerships is critical if we are to meet objectives. To that end, the program works closely with the U.S. Coast Guard, the U.S Coast Guard Auxiliary, other agencies, and boating organizations, to make the most out of limited resources and avoid duplication of effort. Alaska also maintains relationships with other states and participates in regional and national boating organizations to identify and adopt best practices of other boating programs, maximize resources, and increase program quality, productivity, and effectiveness.

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2 According to data published by the State of Alaska, Dept. of Heath and Social Services, drowning was the second leading cause of unintentional death for children and youth under 20 between 1991 and 1998, with an average of 9.2 lives lost per year. From 1994 – 1998 the drowning death rate of Alaska's children, per 100,000, was 4.8 as compared to the national rate of 1.8 per 100,000.

PROGRAM HIGHLIGHTS

The *Kids Don't Float* life jacket loaner program is a collaborative partnership between the Alaska Department of Health and Social Services, the Alaska Boating Safety Program, the U.S. Coast Guard, and local sponsors. A total of **514** life jacket loaner board stations in **153** communities have been established statewide. The Alaska Boating Safety Program is the primary supplier of life jackets for the program, **30,287** life jackets for *Kids Don't Float.*

Kids Don't Float has an educational component that provides boating safety programs for Alaska's students. To date, attendance numbers total over **71,000.**

The program offers *Alaska Water Wise (AWW),* Alaska's nationally approved and Alaska – relevant, boating safety course.

- A total of **1,672** boaters (representing all of Alaska's census areas) have completed an *AWW* course.
- The program also trains Alaskans to teach *Alaska Water Wise* courses and supports their efforts to teach boating safety in and around their communities. **279** potential instructors from more than **52** Alaska communities in **24** of the state's **27** census areas have completed the *Alaska Water Wise Instructor* course.
- Those who meet program requirements for state instructor certification are placed on the state boating safety instructor registry and authorized to teach *Alaska Water Wise (AWW).* There are **110** instructors on the registry.

The program conducts an ongoing social marketing campaign on radio and television, produces publications and articles including the popular *Alaska Boater's Handbook,* and the handbook supplement series, award - winning posters, interpretive panels for display at boat launches, presents seminars, and produces instructional films such as *Boating Alaska* and *Cold Water Boating.*

The program develops curriculum and provides marine law enforcement training for the Alaska State Troopers and other Alaska law enforcement officers including instruction in boating laws at the Alaska Law Enforcement Training Academy, the 40 hr Alaska Boating Law Enforcement (ABLE) course, and financial support for officers attending NASBLA Boating Under the Influence and Boat Accident Investigation courses.

The program provides support for the U.S. Coast Guard Auxiliary Vessel Safety Check program.

The Alaska Boating Safety Program is entirely user – funded, through the federal *Sport Fish Restoration and Boating Trust Fund* and a portion of Alaska's state boat registration receipts.

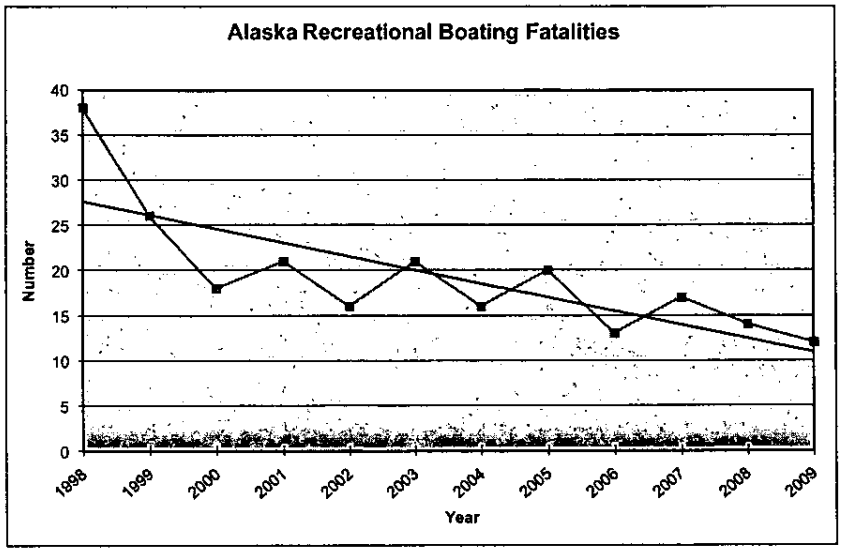
Observational behavior studies, statewide boater surveys, instructor and course evaluations, student testing, and U.S Coast Guard statistics are examples of sources used to evaluate program performance.

The Alaska Boating Safety Program and its staff have received numerous awards, including the prestigious *NASBLA Bonner Award,* the U.S. Coast Guard *Public Service Commendation,* and the U.S. Department of Transportation's *Partnering for Excellence Award.* The *Kids Don't Float Peer Educator Program* was a 2002 regional winner of the National Safe Boating Council's *Boating Education Advancement Award.* The *Kids Don't Float* schools program was the 2009 national winner of the Council's *Boating Safety Youth Program Award.*

9/22/09

IS THE PROGRAM IS MAKING PROGRESS?

Alaska's recreational boating fatality rate (fatalities per 100,000 boats) has dropped steadily from 144 in 1998 (when the state's Alaska Office of Boating Safety was established) to 34 in 2007. In comparing the number of fatalities during each of the two five - year periods within the previous 10 years, fatalities have dropped 20% between the two periods.



At least 17 Alaskan children have survived a water emergency thanks to a *Kids Don't Float* loaner life jacket.

<u>Alaska Boater Survey Results:</u>

25% of Alaskan boaters say they wear a life jacket more often today than they did five years ago

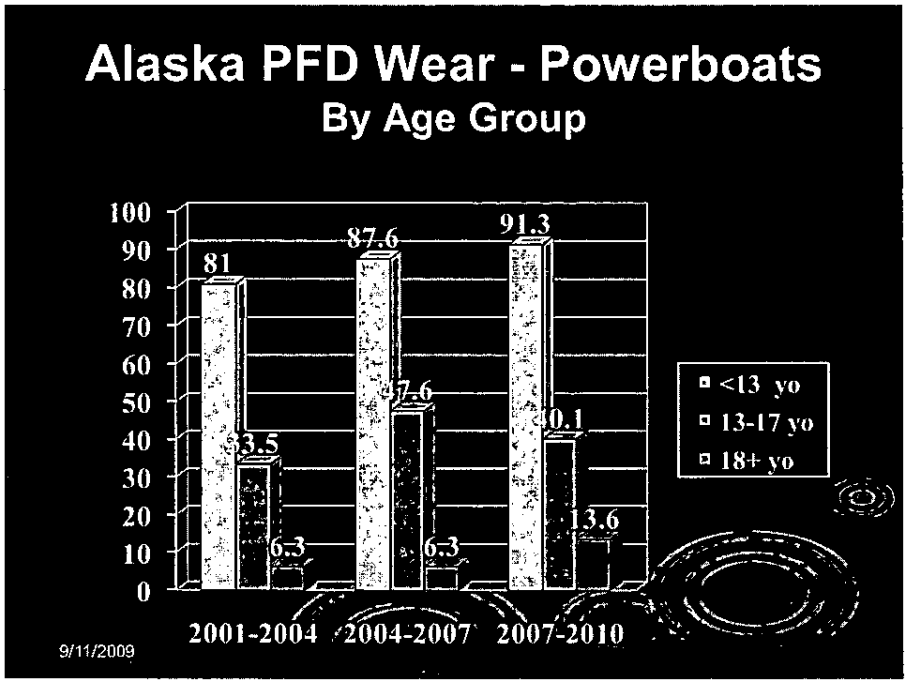
12% of Alaskan boaters say a life jacket saved the life of someone in their household

77% of Alaskan boaters believe everyone should be required to wear life jackets when in open boats

72% of Alaskan boaters say they have taken a boating safety course, compared to 46% five years ago

U.S. Coast Guard observational life jacket wear rate studies show increases in life jacket wear.

9/22/09

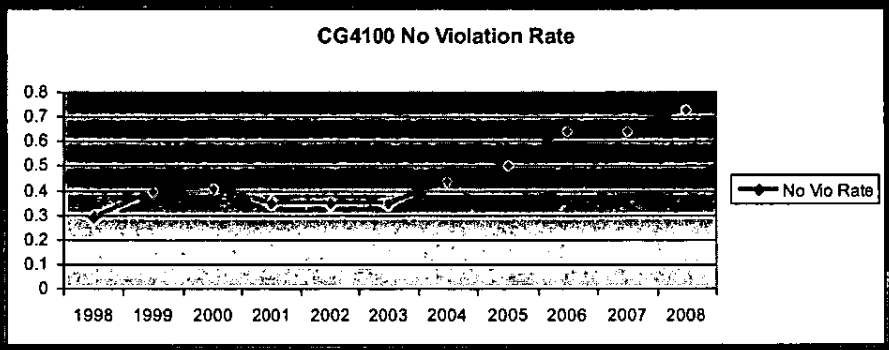


Alaska's life jacket wear rates are above the national average in all age groups.

USCG law enforcement boarding statistics show increasing compliance.

9/22/09

USCG Boarding Statistics



9/22/09

STAFFING DETAIL

The Alaska Boating Safety Program has four full time staff. Three were pre – existing positions within the Division of Parks that were moved to the boating safety program.

Boating Law Administrator – (Program Coordinator II, PCN 10-5101)
Each state's Boating Law Administrator plans, implements, and directs the functions of their state's boating program. This position formulates and revises the program's budget, policies, and management strategies, coordinates with other state agencies that provide Alaska's program elements, assures maximum utilization of financial and human resources, identifies and adopts the best practices of other state boating programs, designs ways to evaluate performance of the program, and leads the analysis of boating related issues affecting the State. The position serves as the state's official representative on local, regional, and national levels with regard to recreational boating issues, policy development, and program funding and also provides regulatory interpretive assistance to agencies and the public.

Boating Education Coordinator – (Park Ranger I, PCN 10-5257)
The Boating Education Coordinator plans, develops, and coordinates the delivery of a variety of educational programs statewide. This position's duties include curriculum development, professional training, and overseeing paid and volunteer boating safety instructors, overseeing all *Kid's Don't Float* schools programs, providing a variety of seminars and presentations, managing the Alaska Boating Safety Instructor Registry, and assisting and supporting boating safety instructors statewide. This position also trains law enforcement officers in boating law and marine law enforcement, and is a law enforcement field - training officer.

Boating Education Specialist – (Park Specialist, PCN 10-5260)
This position independently provides a variety of high quality and Alaska - relevant public boating education and interpretive programs that promote safe, enjoyable boating experiences, for children and adults, performs outreach and schedules programs, develops, prepares for, and executes boating education programs including *Alaska Water Wise* and *Kids Don't Float* classes, workshops, and presentations. Ensures all programs satisfy the standards and policies of the Division of Parks and Outdoor Recreation, Alaska Office of Boating Safety.

Administrative Assistant – (PCN 10-5062)
Administrative support functions in the areas of budget preparation and financial monitoring/reporting, purchasing, inventory, travel, training, personnel, and information dissemination. Duties include gathering information for and preparing budgets, federal grant applications and reports, fiscal and financial tracking of expenditures, procurement of equipment, supplies, and professional services, preparing and tracking reimbursable services agreements, executing payments, processing time sheets, arranging travel, preparing and processing travel authorizations, coding, certifying, and reconciling invoices, attending meetings and drafting meeting minutes, handling public and agency inquiries, assisting unit staff with boating safety program activities, preparing advertising orders, organizing media campaigns, developing and maintaining web pages, and setting up and maintaining a highly organized system of electronic databases, files and records.

The program also funds several other pre-existing Division staff. Currently, **13** seasonal park rangers and other Division staff work on specific boating education projects during a portion of their off season, particularly in the delivery of *Kids Don't Float* school programs.

9/22/09

ENDORSEMENTS FOR
THE ALASKA BOATING SAFETY ACT OF 2000

- Alaska Municipal League
- United States Coast Guard
- United States Coast Guard Auxiliary
- Valdez Harbor Users Association
- Seward Boat Owners Association
- Whittier Boat Owners Association
- Alaska Wilderness Recreation and Tourism Association
- Alaska Marine Dealer's Association
- Trails and Recreational Access for Alaskans Board (TRAAK)
- Alaska Safety Advisory Council
- Kenai River Special Management Area Citizen's Advisory Board
- Alaska Boating Safety Advisory Council (ABSAC)
- Mat-Su State Parks Citizen's Advisory Board
- Big Lake Community Council
- Sitka State Parks Citizen's Advisory Board
- Denali Safety Council (members: National Bank of Alaska, University of Alaska, Teamsters local 302, Carr's, Anchorage Daily News, VECO, Alyeska Pipeline, ARCO, NANA/Marriott, Federal and State OSHA, Anchorage Safe Communities)
- Alaska Department of Public Safety
- Alaska Wildland Adventures
- National Transportation Safety Board
- Alaska Department of Health and Social Services - Community Health and EMS Section
- Western States Boating Administrator's Association
- National Association of State Boating Law Administrators
- South Peninsula State Parks Citizen's Advisory Board
- Alaska Recreation and Park Association
- Kodiak State Parks Citizen's Advisory Board
- Fairbanks Paddlers
- Valdez City Council
- Kachemak Bay State Park Citizen's Advisory Board
- Alaska Harbormaster's Association
- Fairbanks Area Alaska State Parks Citizen's Advisory Board
- Kodiak City Council
- Bristol Bay Area Health Corporation
- Valdez State Parks Citizens Advisory Board
- River Management Society - Alaska Chapter

9/22/09

HB 300

<target><bill>HB 300</bill><subject>HB 300</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 300(FIN)

HB 300 APPROP: OPERATING BUDGET/LOANS/FUNDS

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

and recommends:

[√] be **replaced** with [√] **SCS** or [ ] **CS** HB 300 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	√			
		→			
	ELLIS	√			
	OLSON	√			
CO-CHAIR:	STEDMAN	√			
CO-CHAIR:	Hoffman	√			

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 300(FIN)

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SENATE BILL:
[ ] Same Title
[ ] New Title

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[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	√			
		→			
	Ellis	√			
	Olson	√			
CO-CHAIR:	Stedman	√			
CO-CHAIR:	Hoffman	√			

3115

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 300(FIN)

HB 300 APPROP: OPERATING BUDGET/LOANS/FUNDS

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

and recommends:

[√] be **replaced** with [√] **SCS** or [ ] **CS** HB 300 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	√			
	[illegible]	→			
	Ellis	√			
	Olson	√			
CO-CHAIR:	Stedman	√			
CO-CHAIR:	Hoffman	√			

3116

Adopted
3/23/10

26-GH2823\U
Bailey
3/22/10

SENATE CS FOR CS FOR HOUSE BILL NO. 300(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

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

(SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

* **Section 1.** The following appropriation items are for operating expenditures from the general fund or other funds as set out in section 2 of this Act to the agencies named for the purposes expressed for the fiscal year beginning July 1, 2010 and ending June 30, 2011, unless otherwise indicated. A department-wide, agency-wide, or branch-wide unallocated reduction set out in this section may be allocated among the appropriations made in this section to that department, agency, or branch.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** **Department of Administration** *****				
*****		*****		
Centralized Administrative Services		**72,298,700**	**13,241,100**	**59,057,600**

The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of inter-agency receipts appropriated in sec. 1, ch. 12, SLA 2009, page 2, line 12, and collected in the Department of Administration's federally approved cost allocation plans.

Office of Administrative Hearings	1,563,900
DOA Leases	1,814,900
Office of the Commissioner	948,100
Administrative Services	2,334,300
DOA Information Technology Support	1,248,200
Finance	9,092,100
E-Travel	2,890,700
Personnel	15,502,900
Labor Relations	1,289,200
Purchasing	1,241,700
Property Management	958,000
Central Mail	3,427,700

	Allocations	Appropriation Items	General Funds	Other Funds
Centralized Human Resources	281,700			
Retirement and Benefits	14,216,700			
Group Health Insurance	15,100,400			
Labor Agreements Miscellaneous Items	50,000			
Centralized ETS Services	338,200			
Leases		**48,390,800**	**58,100**	**48,332,700**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of inter-agency receipts appropriated in sec. 1, ch. 12, SLA 2009, page 3, line 15, and collected in the Department of Administration's federally approved cost allocation plans.				
Leases	47,182,700			
Lease Administration	1,208,100			
State Owned Facilities		**17,403,200**	**1,394,100**	**16,009,100**
Facilities	15,258,700			
Facilities Administration	1,389,700			
Non-Public Building Fund Facilities	754,800			
Administration State Facilities Rent		**1,538,800**	**1,468,600**	**70,200**
Administration State Facilities Rent	1,538,800			
Special Systems		**2,298,100**	**2,298,100**	
Unlicensed Vessel Participant Annuity Retirement Plan	50,000			
Elected Public Officers Retirement System Benefits	2,248,100			
Enterprise Technology Services		**45,965,200**	**8,006,100**	**37,959,100**

	Allocations	Appropriation Items	General Funds	Other Funds
State of Alaska Telecommunications System	5,468,900			
Alaska Land Mobile Radio	1,300,000			
Enterprise Technology Services	39,196,300			
Information Services Fund		**55,000**		**55,000**
Information Services Fund	55,000			
This appropriation to the Information Services Fund capitalizes a fund and does not lapse.				
Public Communications Services		**4,872,200**	**4,548,500**	**323,700**
Public Broadcasting Commission	54,200			
Public Broadcasting - Radio	3,119,900			
Public Broadcasting - T.V.	527,100			
Satellite Infrastructure	1,171,000			
AIRRES Grant		**100,000**	**100,000**	
AIRRES Grant	100,000			
Risk Management		**36,926,900**		**36,926,900**
Risk Management	36,926,900			
Alaska Oil and Gas Conservation Commission		**5,686,300**	**5,550,600**	**135,700**
Alaska Oil and Gas Conservation Commission	5,686,300			
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts of the Department of Administration, Alaska Oil and Gas Conservation Commission receipts account for regulatory cost charges under AS 31.05.093 and permit fees under AS 31.05.090.				
Legal and Advocacy Services		**42,632,200**	**41,438,800**	**1,193,400**
Therapeutic Courts Support Services	65,000			
Office of Public Advocacy	20,528,300			

	Allocations	Appropriation Items	General Funds	Other Funds
Public Defender Agency	22,038,900			
Violent Crimes Compensation Board		**2,543,600**	**1,883,500**	**660,100**
Violent Crimes Compensation Board	2,543,600			
Alaska Public Offices Commission		**1,301,200**	**1,301,200**	
Alaska Public Offices Commission	1,301,200			
Motor Vehicles		**15,136,200**	**14,590,500**	**545,700**
Motor Vehicles	15,136,200			
General Services Facilities Maintenance		**39,700**		**39,700**
General Services Facilities Maintenance	39,700			
ITG Facilities Maintenance		**23,000**		**23,000**
ETS Facilities Maintenance	23,000			
* * * * *			* * * * *	
* * * * * **Department of Commerce, Community and Economic Development** * * * * *				
* * * * *			* * * * *	
Executive Administration		**5,371,300**	**1,361,000**	**4,010,300**
Commissioner's Office	933,900			
Administrative Services	4,437,400			
Community Assistance & Economic Development		**14,128,800**	**9,754,700**	**4,374,100**
Community and Regional Affairs	10,882,600			
Office of Economic Development	3,246,200			
Revenue Sharing		**30,973,400**		**30,973,400**
Payment in Lieu of Taxes	10,100,000			

	Allocations	Appropriation Items	General Funds	Other Funds
(PILT)				
National Forest Receipts	17,273,400			
Fisheries Taxes	3,600,000			
Qualified Trade Association Contract		**9,000,000**	**9,000,000**	
Qualified Trade Association Contract	9,000,000			
Investments		**4,582,300**	**4,578,100**	**4,200**
Investments	4,582,300			
Alaska Aerospace Corporation		**28,721,400**		**28,721,400**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the federal and corporate receipts of the Department of Commerce, Community, and Economic Development, Alaska Aerospace Corporation.				
Alaska Aerospace Corporation	4,491,500			
Alaska Aerospace Corporation Facilities Maintenance	24,229,900			
Alaska Industrial Development and Export Authority		**10,709,000**		**10,709,000**
Alaska Industrial Development and Export Authority	10,447,000			
Alaska Industrial Development Corporation Facilities Maintenance	262,000			
Alaska Energy Authority		**8,068,700**	**2,292,200**	**5,776,500**
Alaska Energy Authority Owned Facilities	1,067,100			
Alaska Energy Authority	5,591,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Rural Energy Operations				
Alaska Energy Authority	100,700			
Technical Assistance				
Statewide Project	1,309,400			
Development, Alternative				
Energy and Efficiency				
Alaska Seafood Marketing		**18,212,200**	**13,212,200**	**5,000,000**
Institute				
Alaska Seafood Marketing	18,212,200			
Institute				
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts from the salmon marketing tax (AS 43.76.110), from the seafood marketing assessment (AS 16.51.120), and from program receipts of the Alaska Seafood Marketing Institute.				
Banking and Securities		**3,264,300**	**3,264,300**	
Banking and Securities	3,264,300			
Insurance Operations		**6,816,600**	**6,691,300**	**125,300**
Insurance Operations	6,816,600			
The amount appropriated by this appropriation includes up to $1,000,000 of the unexpended and unobligated balance on June 30, 2010, of the Department of Commerce, Community, and Economic Development, division of insurance, program receipts from license fees and service fees.				
Corporations, Business and		**10,907,600**	**9,816,200**	**1,091,400**
Professional Licensing				
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of receipts collected under AS 08.01.065(a), (c) and (f)-(i).				
Corporations, Business and	10,907,600			
Professional Licensing				
Regulatory Commission of		**8,542,700**	**8,210,600**	**332,100**
Alaska				
Regulatory Commission of	8,542,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska				
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the Department of Commerce, Community, and Economic Development, Regulatory Commission of Alaska receipts account for regulatory cost charges under AS 42.05.254 and AS 42.06.286.				
DCED State Facilities Rent		**1,345,200**	**585,000**	**760,200**
DCED State Facilities Rent	1,345,200			
Serve Alaska		**3,309,700**	**121,700**	**3,188,000**
Serve Alaska	3,309,700			
* * * * *		* * * * *		
* * * * * **Department of Corrections** * * * * *				
* * * * *		* * * * *		
Administration and Support		**6,577,300**	**6,465,900**	**111,400**
Office of the Commissioner	1,283,900			
Administrative Services	2,703,700			
Information Technology MIS	2,001,000			
Research and Records	298,800			
DOC State Facilities Rent	289,900			
Population Management		**208,819,800**	**192,533,900**	**16,285,900**
Correctional Academy	981,600			
Facility-Capital Improvement Unit	548,500			
Prison System Expansion	501,000			
Facility Maintenance	12,280,500			
Classification and Furlough	1,161,600			
Out-of-State Contractual	21,866,100			
Institution Director's Office	9,606,300			
Prison Employment Program	2,285,600			

	Allocations	Appropriation Items	General Funds	Other Funds
The amount allocated for Prison Employment Program includes the unexpended and unobligated balance on June 30, 2010, of the Department of Corrections receipts collected under AS 37.05.146(c)(80).				
Inmate Transportation	2,139,600			
Point of Arrest	628,700			
Anchorage Correctional Complex	23,184,000			
Anvil Mountain Correctional Center	4,893,100			
Combined Hiland Mountain Correctional Center	9,678,900			
Fairbanks Correctional Center	8,884,900			
Goose Creek Correctional Center	518,600			
Ketchikan Correctional Center	3,662,500			
Lemon Creek Correctional Center	7,614,100			
Matanuska-Susitna Correctional Center	3,960,300			
Palmer Correctional Center	11,512,200			
Spring Creek Correctional Center	18,051,100			
Wildwood Correctional Center	12,413,100			
Yukon-Kuskokwim Correctional Center	5,285,300			
Point MacKenzie Correctional Farm	3,497,400			
Probation and Parole	741,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Director's Office				
Statewide Probation and Parole	13,318,000			
Electronic Monitoring	2,182,700			
Community Jails	6,415,400			
Community Residential Centers	20,215,800			
Parole Board	791,900			
Inmate Health Care		**29,258,900**	**29,032,900**	**226,000**
Behavioral Health Care	1,670,800			
Physical Health Care	27,588,100			
Offender Habilitation		**4,622,100**	**4,383,300**	**238,800**
It is the intent of the legislature that the Department of Corrections will provide detailed information to the legislature on a quarterly basis regarding the success of the Offender Habilitation programs with a strong focus on performance and outcomes.				
Education Programs	663,300			
Vocational Education Program	150,000			
Domestic Violence Program	175,000			
Substance Abuse Treatment Program	906,200			
Sex Offender Management Program	2,727,600			
24 Hr. Institutional Utilities		**4,528,900**	**4,528,900**	
24 Hr. Institutional Utilities	4,528,900			
* * * * *			* * * * *	
* * * * * **Department of Education and Early Development** * * * * *				
* * * * *			* * * * *	
K-12 Support		**45,411,600**	**24,620,600**	**20,791,000**

	Allocations	Appropriation Items	General Funds	Other Funds
Foundation Program	33,491,000			
Boarding Home Grants	1,690,800			
Youth in Detention	1,100,000			
Special Schools	3,303,000			
Alaska Challenge Youth Academy	5,826,800			
Education Support Services		**5,180,400**	**3,241,100**	**1,939,300**
Executive Administration	832,100			
Administrative Services	1,385,800			
Information Services	658,900			
School Finance & Facilities	2,303,600			
Teaching and Learning Support		**215,913,900**	**23,360,200**	**192,553,700**
Student and School Achievement	164,850,600			
State System of Support	1,624,300			
Statewide Mentoring Program	4,500,000			
Teacher Certification	701,900			

The amount allocated for Teacher Certification includes the unexpended and unobligated balance on June 30, 2010, of the Department of Education and Early Development receipts from teacher certification fees under AS 14.20.020(c).

Child Nutrition	35,580,700			
Early Learning Coordination	8,656,400			

It is the intent of the legislature that this funding be granted by the Department in the manner the Department determines will most effectively enhance pre-kindergarten educational development to: Best Beginnings for its early education, partnership grant and Imagination Library efforts; and/or to existing providers of Parents as Teachers pre-kindergarten efforts.

Commissions and Boards		**1,954,500**	**972,700**	**981,800**
Professional Teaching Practices Commission	277,100			
Alaska State Council on the	1,677,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Arts				
Mt. Edgecumbe Boarding School		**8,994,200**	**3,909,500**	**5,084,700**
Mt. Edgecumbe Boarding School	8,994,200			
State Facilities Maintenance		**3,226,600**	**2,115,800**	**1,110,800**
State Facilities Maintenance	1,084,800			
EED State Facilities Rent	2,141,800			
Alaska Library and Museums		**8,844,700**	**7,247,400**	**1,597,300**
Library Operations	5,846,000			
Archives	1,117,000			
Museum Operations	1,881,700			
Alaska Postsecondary Education Commission		**16,270,600**	**2,964,800**	**13,305,800**
Program Administration & Operations	13,305,800			
WWAMI Medical Education	2,964,800			
* * * * *			* * * * *	
* * * * * **Department of Environmental Conservation** * * * * *				
* * * * *			* * * * *	
Administration		**7,727,600**	**4,757,100**	**2,970,500**
Office of the Commissioner	1,012,700			
Administrative Services	4,744,800			
The amount allocated for Administrative Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Environmental Conservation's federal approved indirect cost allocation plan for expenditures incurred by the Department of Environmental Conservation.				
State Support Services	1,970,100			
DEC Buildings Maintenance and Operations		**507,800**	**507,800**	

	Allocations	Appropriation Items	General Funds	Other Funds
DEC Buildings Maintenance and Operations	507,800			
Environmental Health		**26,384,400**	**13,155,900**	**13,228,500**
Environmental Health Director	336,900			
Food Safety & Sanitation	4,069,000			
Laboratory Services	3,328,300			
Drinking Water	6,713,200			
Solid Waste Management	2,226,300			
Air Quality Director	259,400			
Air Quality	9,451,300			

The amount allocated for Air Quality includes the unexpended and unobligated balance on June 30, 2010, of the Department of Environmental Conservation, Division of Air Quality receipt supported services from fees collected under AS 46.14.240 and AS 46.14.250.

Spill Prevention and Response		**17,525,800**	**13,179,100**	**4,346,700**

It is the intent of the legislature that the Department of Environmental Conservation return to the Legislature by the first day of the 27th Legislature with a proposal to make the Spill Prevention and Response fund sustainable through an increased surcharge rate and/or a surcharge for non-taxable barrels of oil transported in the state.

Spill Prevention and Response Director	269,800			
Contaminated Sites Program	7,209,300			
Industry Preparedness and Pipeline Operations	4,536,000			
Prevention and Emergency Response	4,040,200			
Response Fund Administration	1,470,500			
Water		**23,538,400**	**11,562,000**	**11,976,400**
Water Quality	15,927,400			

It is the intent of the legislature that the Department of Environmental Conservation and the

	Allocations	Appropriation Items	General Funds	Other Funds
Department of Labor & Workforce Development collaborate to develop a workforce development plan to train Alaskans for jobs as Ocean Rangers.				
It is the intent of the legislature that the Departments of Environmental Conservation, Fish and Game, and Natural Resources work together to develop a plan to remove fish waste from the Kenai and Kasilof Rivers dipnet fishery and maintain a safe and attractive riverfront.				
Facility Construction		7,611,000		
* * * * *		* * * * *		
*** * * * * Department of Fish and Game * * * * ***				
* * * * *		* * * * *		
The amount appropriated for the Department of Fish and Game includes the unexpended and unobligated balance on June 30, 2010 of receipts collected under the Department of Fish and Game's federal indirect cost plan for expenditures incurred by the Department of Fish and Game.				
Commercial Fisheries		**62,616,800**	**43,685,400**	**18,931,400**
The amount appropriated for Commercial Fisheries includes the unexpended and unobligated balance on June 30, 2010, of the Department of Fish and Game receipts from commercial fisheries test fishing operations receipts under AS 16.05.050(a)(14).				
Southeast Region Fisheries Management		8,073,200		
Central Region Fisheries Management		8,807,200		
AYK Region Fisheries Management		6,440,700		
Westward Region Fisheries Management		7,915,200		
Headquarters Fisheries Management		9,498,400		
Commercial Fisheries Special Projects		21,882,100		
The amount appropriated to the Commercial Fisheries Special Projects allocation includes the unexpended and unobligated balances on June 30, 2010, of the Department of Fish and Game,				

	Allocations	Appropriation Items	General Funds	Other Funds
Commercial Fisheries Special Projects, receipt supported services from taxes on dive fishery products.				
Sport Fisheries		**47,521,200**	**3,748,300**	**43,772,900**
Sport Fisheries	47,521,200			
Wildlife Conservation		**40,923,800**	**6,582,100**	**34,341,700**
Wildlife Conservation	28,649,400			
Wildlife Conservation Special Projects	11,660,300			
Hunter Education Public Shooting Ranges	614,100			
Administration and Support		**28,435,900**	**9,629,500**	**18,806,400**
Commissioner's Office	1,790,600			
Administrative Services	11,356,900			
Fish and Game Boards and Advisory Committees	1,738,500			
State Subsistence	5,786,200			
EVOS Trustee Council	3,624,900			
State Facilities Maintenance	1,608,800			
Fish and Game State Facilities Rent	2,530,000			
Habitat		**6,030,900**	**3,450,100**	**2,580,800**
Habitat	6,030,900			
Commercial Fisheries Entry Commission		**4,022,600**	**3,908,200**	**114,400**
Commercial Fisheries Entry Commission	4,022,600			

The amount appropriated for Commercial Fisheries Entry Commission includes the unexpended and unobligated balance on June 30, 2010, of the Department of Fish and Game, Commercial Fisheries Entry Commission program receipts from licenses, permits and other fees.

	Allocations	Appropriation Items	General Funds	Other Funds
*****		*****		
***** Office of the Governor *****				
*****		*****		
Commissions/Special Offices		**3,144,500**	**2,954,600**	**189,900**
Human Rights Commission	2,144,500			
Redistricting Planning	1,000,000			
Executive Operations		**13,058,100**	**13,058,100**	
Executive Office	10,603,800			
Governor's House	485,300			
Contingency Fund	800,000			
Lieutenant Governor	1,169,000			
Office of the Governor State Facilities Rent		**998,300**	**998,300**	
Governor's Office State Facilities Rent	526,200			
Governor's Office Leasing	472,100			
Office of Management and Budget		**2,598,400**	**2,598,400**	
Office of Management and Budget	2,598,400			
Elections		**7,884,100**	**7,130,000**	**754,100**
Elections	7,884,100			
*****		*****		
***** Department of Health and Social Services *****				
*****		*****		

It is the intent of the legislature that the Department continues to aggressively pursue Medicaid cost containment initiatives. Efforts should continue where the Department believes additional cost containment is possible including further efforts to contain travel expenses. The Department must continue efforts imposing regulations controlling and materially reducing the cost of Personal Care Attendant (PCA) services. Efforts must be continued utilizing existing resources to impose regulations screening applicants for

	Appropriation	General	Other
	Allocations	Items	Funds	Funds

Residential Psychiatric Treatment Center (RPTC) services, especially for out-of-state services. The department must address the entire matrix of optional Medicaid services, reimbursement rates and eligibility requirements that are the basis of the Medicaid growth algorithm. This work is to utilize the results of the Medicaid Assessment and Planning analysis. The legislature requests that by January 2011 the Department be prepared to present projections of future Medicaid funding requirements under our existing statute and regulations and be prepared to present and evaluate the consequences of viable policy alternatives that could be implemented to lower growth rates and reducing projections of future costs.

It is the intent of the legislature that the Department of Health and Social Services eliminate the requirement for narrative and financial quarterly reports for all grant recipients whose grants are $50,000 or less. This is an unnecessary burden and is not a requirement of the federal grants.

It is the intent of the legislature that the Department of Health and Social Services make a single 'upfront' payment for any grant award that is $50,000 or less and includes a signature of the grantee certifying compliance with the terms of the grant with their approved application. Signature of the grantee would also certify that if a final report certifying completion of the grant requirements is not filed, future grants will not be considered for that grantee until all requirements of prior grants are completed satisfactorily. In the event a grantee is deemed ineligible for a future grant consideration due to improper filing of final reports, the grantee will be informed about the department's procedures for future consideration of grant eligibility. The department will establish procedures to consider retroactivity for specific grant consideration or express that the retroactivity cannot be considered for certain grants during the selection process.

It is the intent of the legislature that the Department of Health and Social Services continue the Medicaid Reform work to improve efficiency and slow the need for General Funds in the Medicaid program. Specifically, but not exclusively, the Department is to:

1) Complete the evaluation of possible changes to program design, determine waiver changes necessary to secure federal funding and report back to the First Session of the 27th Alaska Legislature on suggested changes, expected outcomes related to Medicaid sustainability, and resources needed to accomplish the work.

2) Develop and implement public provider reimbursement methodologies and payment rates

	Allocations	Appropriation Items	General Funds	Other Funds
that will further the goals of Medicaid Reform.				
3) Continue and enhance the State and Tribal Medicaid work and partnership to enhance our ability to provide Medicaid services through Tribal Health Organizations.				
It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program.				
It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program.				
Alaska Pioneer Homes		**41,292,000**	**32,064,800**	**9,227,200**
It is the intent of the legislature that the Department maintain regulations requiring all residents of the Pioneer Homes to apply for all appropriate benefit programs prior to a state subsidy being provided for their care from the State Payment Assistance program.				
It is the intent of the legislature that all pioneers' homes and veterans' homes applicants shall complete any forms to determine eligibility for supplemental program funding, such as Medicaid, Medicare, SSI, and other benefits as part of the application process. If an applicant is not able to complete the forms him/herself, or if relatives or guardians of the applicant are not able to complete the forms, Department of Health and Social Services staff may complete the forms for him/her, obtain the individuals' or designee's signature and submit for eligibility per AS 47.25.120.				
Alaska Pioneer Homes Management	1,437,400			
Pioneer Homes	39,840,900			
Pioneers Homes Advisory Board	13,700			
Behavioral Health		**50,617,700**	**13,154,700**	**37,463,000**
AK Fetal Alcohol Syndrome Program	1,409,000			
It is the intent of the legislature that AK Fetal Alcohol Syndrome Programs located in Juneau, Kenai, Sitka, and Bethel be expanded.				
Alcohol Safety Action	2,585,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Program (ASAP)				
Behavioral Health Grants	5,845,500			

It is the intent of the legislature that $375,000 of this appropriation be used to fund Soteria-Alaska, Inc., which is a home-like, healing environment for Alaskan adults who are newly diagnosed with mental illness.

It is the intent of the legislature that the department continue developing policies and procedures surrounding the awarding of recurring grants to assure that applicants are regularly evaluated on their performance in achieving outcomes consistent with the expectations and missions of the Department related to their specific grant. The recipient's specific performance should be measured and incorporated into the decision whether to continue awarding grants. Performance measurement should be standardized, accurate, objective and fair, recognizing and compensating for differences among grant recipients including acuity of services provided, client base, geographic location and other factors necessary and appropriate to reconcile and compare grant recipient performances across the array of providers and services involved.

Behavioral Health Administration	6,681,600			
Community Action Prevention & Intervention Grants	3,783,000			
Rural Services and Suicide Prevention	785,900			
Psychiatric Emergency Services	1,714,400			
Services to the Seriously Mentally Ill	2,184,000			
Services for Severely Emotionally Disturbed Youth	1,382,100			
Alaska Psychiatric Institute	24,096,400			

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Psychiatric Institute Advisory Board	10,000			
Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse	140,100			
Children's Services		**118,392,700**	**69,640,400**	**48,752,300**
Children's Services Management	7,346,900			

It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below:

$85,000: Supplement Employment Training Vouchers for youth covered by the Independent Living Program.

$55,000: Fund an additional 10 University of Alaska Presidential Tuition Waivers beyond the annual 10 waivers funded by the University.

$35,000: Television ads to recruit foster parents in shortage areas, including ads on highly watched television programs ($30,000); annual mailing to foster parents on the OCS FosterWear discount clothing plan ($5,000).

Children's Services Training	1,824,800
Front Line Social Workers	41,115,400
Family Preservation	12,628,800
Foster Care Base Rate	17,246,000
Foster Care Augmented Rate	1,276,100

It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below:

$100,000: Housing assistance for youth facing the prospect of homelessness after receiving the existing short-term rental help currently offered by the Independent Living Program.

Foster Care Special Need	5,595,800

It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below:

$80,000: These funds shall be used to permit foster youth who move between placements to

	Allocations	Appropriation Items	General Funds	Other Funds
stay, when in the youth's best interest, in their original school for the remainder of the school term. These funds shall not be used for those "homeless" youth already being provided school stability services under the Federal McKinney-Vento Act.				
Subsidized Adoptions & Guardianship	23,401,600			
Residential Child Care	3,311,900			
Infant Learning Program Grants	4,095,700			
Children's Trust Programs	549,700			
Health Care Services		**49,681,800**	**16,618,900**	**33,062,900**
Catastrophic and Chronic Illness Assistance (AS 47.08)	1,471,000			
Health Facilities Survey	1,994,300			
Medical Assistance Administration	37,110,100			
Rate Review	2,370,700			
Health Planning and Infrastructure	4,581,800			
Community Health Grants	2,153,900			
Juvenile Justice		**51,197,200**	**47,880,700**	**3,316,500**
McLaughlin Youth Center	16,276,800			
Mat-Su Youth Facility	2,020,100			
Kenai Peninsula Youth Facility	1,697,700			
Fairbanks Youth Facility	4,400,800			
Bethel Youth Facility	3,502,500			
Nome Youth Facility	2,383,700			
Johnson Youth Center	3,541,100			
Ketchikan Regional Youth Facility	1,630,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Probation Services	13,446,000			

It is the intent of the legislature that $115,000 of this appropriation and one PFT position for Probation Services be used to review the Aggression Replacement Training program, and provide program oversight and quality assurance.

Delinquency Prevention	1,300,000			
Youth Courts	998,000			
Public Assistance		**289,634,400**	**155,225,600**	**134,408,800**
Alaska Temporary Assistance Program	25,159,500			
Adult Public Assistance	57,881,400			

It is the intent of the legislature that the Interim Assistance cash payments be restricted to those individuals who agree to repay the State of Alaska in the event Supplementary Security Income (SSI) does not determine the individual eligible for cash assistance. It is the intent of the Legislature that the Department of Health and Social Services make all attempts possible to recover the Interim Assistance cash payments in the event an individual is not SSI eligible after receiving Interim Assistance.

Child Care Benefits	48,805,900			
General Relief Assistance	1,655,400			
Tribal Assistance Programs	14,845,000			
Senior Benefits Payment Program	20,473,500			
Permanent Fund Dividend Hold Harmless	13,584,700			
Energy Assistance Program	17,346,200			
Public Assistance Administration	4,411,600			
Public Assistance Field Services	36,218,900			

It is the intent of the legislature that there shall be no fee agents engaged in activities within 50 road miles of any public assistance office.

Fraud Investigation	1,838,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Quality Control	1,803,400			
Work Services	16,044,900			
Women, Infants and Children	29,565,100			
Public Health		**99,140,200**	**52,380,900**	**46,759,300**
Injury Prevention/Emergency Medical Services	4,096,500			
Nursing	27,803,300			
Women, Children and Family Health	9,371,600			
Public Health Administrative Services	2,214,400			
Preparedness Program	5,371,900			
Certification and Licensing	5,356,200			
Chronic Disease Prevention and Health Promotion	11,454,900			
Epidemiology	10,863,600			
Bureau of Vital Statistics	2,800,700			
Emergency Medical Services Grants	2,820,600			
State Medical Examiner	2,550,600			
Public Health Laboratories	6,622,600			
Tobacco Prevention and Control	7,813,300			
Senior and Disabilities Services		**39,124,000**	**21,449,300**	**17,674,700**
General Relief/Temporary Assisted Living	6,548,400			

It is the intent of the legislature that regulations related to the General Relief / Temporary Assisted Living program be reviewed and revised as needed to minimize the length of time

	Allocations	Appropriation Items	General Funds	Other Funds

that the state provides housing alternatives and assure the services are provided only to intended beneficiaries who are actually experiencing harm, abuse or neglect. The department should educate care coordinators and direct service providers about who should be referred and when they are correctly referred to the program in order that referring agents correctly match consumer needs with the program services intended by the department.

Senior and Disabilities Services Administration	12,677,900			
Senior Community Based Grants	9,876,100			

It is the intent of the legislature that funding in the FY 2011 budget for Senior Community Based Grants be used to invest in successful home and community based supports provided by grantees who have demonstrated successful outcomes documented in accordance with the department's performance based evaluation procedures.

Senior Residential Services	815,000			
Community Developmental Disabilities Grants	6,889,500			
Commission on Aging	366,600			
Governor's Council on Disabilities and Special Education	1,950,500			
Departmental Support Services		**46,702,600**	**18,016,700**	**28,685,900**
Public Affairs	1,588,500			
Quality Assurance and Audit	1,174,600			
Commissioner's Office	2,071,300			

It is the intent of the legislature that the Department of Health and Social Services complete the following tasks related to fiscal audits required in chapter 66, SLA 2003 of all Medicaid providers:

1. Develop regulations addressing the use of extrapolation methodology following an audit of Medicaid providers that clearly defines the difference between actual overpayment of funds to a provider and ministerial omission or clerical billing error that does not result in

	Allocations	Appropriation Items	General Funds	Other Funds
overpayment to the provider. The extrapolation methodology will also define percentage of 'safe harbor' overpayment rates for which extrapolation methodology will be applied.				
2. Develop training standards and definitions regarding ministerial and billing errors versus overpayments. Include the use of those standards and definitions in the State's audit contracts. All audits initiated after the effective date of this intent and resulting in findings of overpayment will be calculated under the Department's new regulations governing overpayment standards and extrapolation methodology.				
It is the intent of the legislature that the department develops a ten year funding source and use of funds projection for the entire department.				
It is the intent of the legislature that the department continue working on implementing a provider rate rebasing process and specific funding recommendations for both Medicaid and non-Medicaid providers to be completed and available to the legislature no later than December 15, 2010.				
Assessment and Planning	250,000			
Administrative Support Services	10,408,000			
Hearings and Appeals	965,000			
Medicaid School Based Administrative Claims	5,543,800			
Facilities Management	1,242,800			
Information Technology Services	14,408,500			
Facilities Maintenance	2,454,900			
Pioneers' Homes Facilities Maintenance	2,125,000			
HSS State Facilities Rent	4,470,200			
Human Services Community Matching Grant		**1,485,300**	**1,485,300**	
Human Services Community Matching Grant	1,485,300			
Community Initiative		**938,100**	**925,700**	**12,400**

	Allocations	Appropriation Items	General Funds	Other Funds
Matching Grants				
Community Initiative Matching Grants (non-statutory grants)	938,100			
Medicaid Services		**1,269,354,400**	**385,449,100**	**883,905,300**

It is the intent of the legislature that the Department of Health and Social Services identify and investigate alternatives that could improve internal administrative management and accounting controls over the Medicaid program, including determining the viability of outsourcing those activities. The Department should be prepared to present its findings to the legislature during the 2011 session.

Behavioral Health Medicaid Services	108,520,100			

It is the intent of the legislature that $553,500 of this appropriation be used to fund an increase in level V residential treatment reimbursement rates for part of the fiscal year when the department has completed its cost/rate review, and/or as a means of avoiding closure of level V facilities who haven't had a rate increase in nearly 5 years. The department should complete its rate/cost review and report back to the legislature by January 31, 2011 on the need for level V rate increases.

Children's Medicaid Services	10,658,600			
Adult Preventative Dental Medicaid Services	8,278,400			

It is the intent of the legislature that the Adult Preventative Dental Medicaid Services not over spend authority granted by authorizing statute and adjust benefits available to individual participants as necessary to maintain and conduct the program throughout the entire fiscal year.

Health Care Medicaid Services	743,128,900			

No money appropriated in this appropriation may be expended for an abortion that is not a mandatory service required under AS 47.07.030(a). The money appropriated for Health and Social Services may be expended only for mandatory services required under Title XIX of the

	Allocations	Appropriation Items	General Funds	Other Funds
Social Security Act and for optional services offered by the state under the state plan for medical assistance that has been approved by the United States Department of Health and Human Services.				
Senior and Disabilities Medicaid Services	398,768,400			
* * * * *			* * * * *	
* * * * * **Department of Labor and Workforce Development** * * * * *				
* * * * *			* * * * *	
It is the intent of the legislature that the Alaska Department of Labor and Workforce Development and the Alaska Workforce Investment Board, to include the One-Stop Job Centers, assist the recipients of Alaska Technical & Vocational Education Program Account funding to apply for a United States Department of Labor community-based job training grant. Participation should include assistance in analyzing the need for training and education in the local area and identifying high growth industries, making referrals to the program, and identifying additional resources participants may be able to access through the one-stop network.				
Commissioner and Administrative Services		**21,646,500**	**6,933,300**	**14,713,200**
Commissioner's Office	1,067,800			
Alaska Labor Relations Agency	509,900			
Management Services	3,259,000			
The amount allocated for Management Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for expenditures incurred by the Department of Labor and Workforce Development.				
Human Resources	846,500			
Leasing	3,335,500			
Data Processing	7,250,700			
Labor Market Information	5,377,100			
Workers' Compensation		**11,595,600**	**11,595,600**	

	Allocations	Appropriation Items	General Funds	Other Funds
Workers' Compensation	5,165,200			
Workers' Compensation Appeals Commission	553,100			
Workers' Compensation Benefits Guaranty Fund	280,000			
Second Injury Fund	3,978,400			
Fishermens Fund	1,618,900			
Labor Standards and Safety		**10,613,000**	**6,618,400**	**3,994,600**
Wage and Hour Administration	2,218,600			
Mechanical Inspection	2,671,300			
Occupational Safety and Health	5,597,300			
Alaska Safety Advisory Council	125,800			

The amount allocated for the Alaska Safety Advisory Council includes the unexpended and unobligated balance on June 30, 2010, of the Department of Labor and Workforce Development, Alaska Safety Advisory Council receipts under AS 18.60.840.

Employment Security		**60,207,400**	**3,928,300**	**56,279,100**
Employment and Training Services	28,749,000			
Unemployment Insurance	27,943,300			
Adult Basic Education	3,515,100			
Business Partnerships		**49,334,600**	**19,300,500**	**30,034,100**
Workforce Investment Board	938,100			
Business Services	40,684,500			
Kotzebue Technical Center Operations Grant	1,536,300			
Southwest Alaska Vocational and Education Center Operations Grant	507,100			

	Allocations	Appropriation Items	General Funds	Other Funds
Yuut Elitnaurviat, Inc. People's Learning Center Operations Grant	936,300			
Northwest Alaska Career and Technical Center	712,100			
Delta Career Advancement Center	312,100			
New Frontier Vocational Technical Center	208,100			
Construction Academy Training	3,500,000			

It is the intent of the legislature that the Construction Academy pursue other sources of funding during FY2011, to include applying for State Training and Employment Program funding and pursuing becoming an Eligible Training Provider to receive federal Workforce Investment Act funding.

Vocational Rehabilitation		**24,880,400**	**5,370,000**	**19,510,400**
Vocational Rehabilitation Administration	1,567,200			

The amount allocated for Vocational Rehabilitation Administration includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Labor and Workforce Development's federal indirect cost plan for expenditures incurred by the Department of Labor and Workforce Development.

Client Services	14,335,000			
Independent Living Rehabilitation	1,759,100			
Disability Determination	5,161,300			
Special Projects	1,196,400			
Assistive Technology	633,000			
Americans With Disabilities Act (ADA)	228,400			

The amount allocated for the Americans with Disabilities Act includes the unexpended and

	Allocations	Appropriation Items	General Funds	Other Funds
unobligated balance on June 30, 2010, of inter-agency receipts collected by the Department of Labor and Workforce Development for cost allocation of the Americans with Disabilities Act.				
Alaska Vocational Technical Center		**12,614,300**	**9,441,000**	**3,173,300**
Alaska Vocational Technical Center	11,056,200			
The amount allocated for the Alaska Vocational Technical Center includes the unexpended and unobligated balance on June 30, 2010, of contributions received by the Alaska Vocational Technical Center under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, and AS 43.77.045.				
It is the intent of the legislature that by January 15, 2010, the Department of Labor provide a report , by fiscal year, of the number and amounts of federal grants obtained in AVTEC for the past 5 years and for FY2011.				
AVTEC Facilities Maintenance	1,558,100			
*****		*****		
***** **Department of Law** *****				
*****		*****		
Criminal Division		**30,274,100**	**26,389,500**	**3,884,600**
First Judicial District	1,902,600			
Second Judicial District	1,562,400			
Third Judicial District: Anchorage	7,344,600			
Third Judicial District: Outside Anchorage	5,350,000			
Fourth Judicial District	5,521,000			
Criminal Justice Litigation	2,550,100			
Criminal Appeals/Special Litigation	6,043,400			
The amount appropriated for Criminal Appeals/Special Litigation includes the unexpended				

	Allocations	Appropriation Items	General Funds	Other Funds
and unobligated balance on June 30, 2010, of federal grants to the Department of Law that address domestic violence and/or sexual assault.				
Civil Division		**50,347,000**	**29,564,600**	**20,782,400**
Deputy Attorney General's Office	916,100			
Child Protection	5,219,000			
Collections and Support	2,708,600			
Commercial and Fair Business	4,825,200			
The amount allocated for Commercial and Fair Business includes the unexpended and unobligated balance on June 30, 2010, of designated program receipts of the Department of Law, Commercial and Fair Business section, that are required by the terms of a settlement or judgment to be spent by the state for consumer education or consumer protection.				
Environmental Law	2,118,700			
Human Services	1,615,000			
Labor and State Affairs	5,813,600			
Legislation/Regulations	854,000			
Natural Resources	3,282,700			
BP Corrosion	4,000,000			
Oil, Gas and Mining	8,088,800			
Opinions, Appeals and Ethics	1,824,500			
Regulatory Affairs Public Advocacy	1,543,500			
Timekeeping and Litigation Support	1,706,500			
Torts & Workers' Compensation	3,462,200			
Transportation Section	2,368,600			
Administration and Support		**3,476,300**	**2,198,000**	**1,278,300**
Office of the Attorney	651,100			

	Allocations	Appropriation Items	General Funds	Other Funds
General				
Administrative Services	2,338,200			
Dimond Courthouse Public Building Fund	487,000			
*****			*****	
***** Department of Military and Veterans Affairs *****				
*****			*****	
Military and Veteran's Affairs		**47,487,700**	**10,670,700**	**36,817,000**
Office of the Commissioner	3,991,100			
Homeland Security and Emergency Management	9,087,300			
Local Emergency Planning Committee	300,000			
National Guard Military Headquarters	815,100			
Army Guard Facilities Maintenance	12,295,100			
Air Guard Facilities Maintenance	7,361,100			
Alaska Military Youth Academy	10,197,900			
Veterans' Services	1,082,100			
Alaska Statewide Emergency Communications	2,033,000			
State Active Duty	325,000			
Alaska National Guard Benefits		**961,200**	**961,200**	
Educational Benefits	80,000			
Retirement Benefits	881,200			

	Allocations	Appropriation Items	General Funds	Other Funds
	*****	*****		
	***** Department of Natural Resources *****			
	*****	*****		
Resource Development		**92,718,200**	**58,568,300**	**34,149,900**
Commissioner's Office	1,177,500			
Administrative Services	2,543,400			

The amount allocated for Administrative Services includes the unexpended and unobligated balance on June 30, 2010, of receipts from all prior fiscal years collected under the Department of Natural Resource's federal indirect cost plan for expenditures incurred by the Department of Natural Resources.

Information Resource Management	4,211,400			
Oil & Gas Development	13,519,600			
Petroleum Systems Integrity Office	1,044,100			
Pipeline Coordinator	7,612,000			
Gas Pipeline Implementation	685,300			
Alaska Coastal and Ocean Management	4,393,700			
Large Project Permitting	3,742,100			
Claims, Permits & Leases	11,000,300			

It is the intent of the legislature that the Department of Natural Resources submit the draft plan for the Guide Concession Area Program to the legislature for review prior to final implementation.

Land Sales & Municipal Entitlements	5,125,800			
Title Acquisition & Defense	2,808,300			
Water Development	1,926,000			
Director's Office/Mining, Land, & Water	439,900			

	Allocations	Appropriation Items	General Funds	Other Funds
Forest Management and Development	6,114,300			

The amount allocated for Forest Management and Development includes the unexpended and unobligated balance on June 30, 2010, of the timber receipts account (AS 38.05.110).

Non-Emergency Hazard Mitigation Projects	710,500			
Geological Development	8,427,000			
Recorder's Office/Uniform Commercial Code	4,470,400			
Agricultural Development	2,229,500			

It is the intent of the legislature that the Department of Corrections purchase agricultural products directly from Alaskan Farmers whenever practical.

North Latitude Plant Material Center	2,070,500			

It is the intent of the legislature that the Department of Natural Resources explore options to expand the domestic production and export of seed potatoes, including a totally private sector initiative, and report their findings to the legislature before February 1, 2011.

Agriculture Revolving Loan Program Administration	2,480,000			
Conservation and Development Board	116,000			
Public Services Office	495,800			
Trustee Council Projects	442,000			
Interdepartmental Information Technology Chargeback	906,600			
Human Resources Chargeback	929,500			
DNR Facilities Rent and Chargeback	2,792,500			
Facilities Maintenance	300,000			
Mental Health Trust Lands	4,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Administration				
State Public Domain & Public Access		**602,900**	**527,200**	**75,700**
Citizen's Advisory Commission on Federal Areas	254,900			
RS 2477/Navigability Assertions and Litigation Support	348,000			
Fire Suppression		**28,810,900**	**21,832,900**	**6,978,000**
Fire Suppression Preparedness	17,138,000			
Fire Suppression Activity	11,672,900			
Parks and Recreation Management		**14,560,200**	**8,338,700**	**6,221,500**
State Historic Preservation Program	2,224,200			

The amount allocated for the State Historic Preservation Program includes up to $15,500 general fund program receipt authorization from the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 41.35.380.

Parks Management	8,690,300			

The amount allocated for Parks Management includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 41.21.026.

Parks & Recreation Access	3,645,700			
* * * * *		* * * * *		
* * * * * **Department of Public Safety** * * * * *				
* * * * *		* * * * *		
Fire and Life Safety		**5,839,400**	**4,501,500**	**1,337,900**
Fire and Life Safety Operations	2,881,400			
Training and Education	2,958,000			

	Allocations	Appropriation Items	General Funds	Other Funds
Bureau				
Alaska Fire Standards Council		**486,100**	**232,200**	**253,900**
The amount appropriated by this appropriation includes the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 18.70.350(4) and AS 18.70.360.				
Alaska Fire Standards Council	486,100			
Alaska State Troopers		**120,139,600**	**103,762,300**	**16,377,300**
It is the intent of the legislature that the Department of Public Safety provide additional state trooper coverage for international border communities to help meet Federal and Homeland Security requirements.				
Special Projects	11,163,100			
Alaska State Troopers Director's Office	365,400			
Alaska Bureau of Judicial Services	9,292,100			
Prisoner Transportation	2,604,200			
Search and Rescue	577,900			
Rural Trooper Housing	2,680,100			
Narcotics Task Force	3,963,500			
Alaska State Trooper Detachments	51,904,400			
Alaska Bureau of Investigation	5,695,400			
Alaska Bureau of Alcohol and Drug Enforcement	3,263,500			
Alaska Wildlife Troopers	18,941,700			
Alaska Wildlife Troopers Aircraft Section	5,313,800			
Alaska Wildlife Troopers Marine Enforcement	2,930,800			

	Allocations	Appropriation Items	General Funds	Other Funds
Alaska Wildlife Troopers Director's Office	368,200			
Alaska Wildlife Troopers Investigations	1,075,500			
Village Public Safety Officer Program		**11,062,500**	**10,891,000**	**171,500**
VPSO Contracts	10,621,900			
VPSO Support	440,600			
Alaska Police Standards Council		**1,166,700**	**1,166,700**	

The amount appropriated by this appropriation includes up to $125,000 of the unexpended and unobligated balance on June 30, 2010, of the receipts collected under AS 12.25.195(c), AS 12.55.039, AS 28.05.151, and AS 29.25.074 and receipts collected under AS 18.65.220(7).

Alaska Police Standards Council	1,166,700			
Council on Domestic Violence and Sexual Assault		**14,180,500**	**9,175,000**	**5,005,500**

Notwithstanding AS 43.23.028(b)(2), up to 10% of the amount appropriated by this appropriation under AS 43.23.028(b)(2) to the Council on Domestic Violence and Sexual Assault may be used to fund operations and grant administration.

Council on Domestic Violence and Sexual Assault	13,980,500			
Batterers Intervention Program	200,000			
Statewide Support		**23,838,000**	**17,203,600**	**6,634,400**
Commissioner's Office	1,469,700			
Training Academy	2,348,100			
Administrative Services	3,795,200			
Alaska Wing Civil Air Patrol	553,500			

	Allocations	Appropriation Items	General Funds	Other Funds
Alcoholic Beverage Control Board	1,432,100			
Alaska Public Safety Information Network	3,299,200			
Alaska Criminal Records and Identification	5,721,300			

The amount allocated for Alaska Criminal Records and Identification includes up to $125,000 of the unexpended and unobligated balance on June 30, 2010, of the receipts collected by the Department of Public Safety from the Alaska automated fingerprint system under AS 44.41.025(b).

Laboratory Services	5,218,900			
Statewide Facility Maintenance		**608,800**		**608,800**
Facility Maintenance	608,800			
DPS State Facilities Rent		**114,400**	**114,400**	
DPS State Facilities Rent	114,400			
*****		*****		
***** **Department of Revenue** *****				
*****		*****		
Taxation and Treasury		**70,516,400**	**24,468,100**	**46,048,300**
Tax Division	13,920,900			
Treasury Division	6,401,600			
Unclaimed Property	355,200			
Alaska Retirement Management Board	7,969,900			
Alaska Retirement Management Board Custody and Management Fees	34,022,900			
Permanent Fund Dividend Division	7,845,900			
Child Support Services		**25,328,900**	**6,955,500**	**18,373,400**

	Allocations	Appropriation Items	General Funds	Other Funds
Child Support Services Division	25,328,900			
Administration and Support		**2,882,700**	**833,700**	**2,049,000**
Commissioner's Office	926,000			
Administrative Services	1,564,700			
State Facilities Rent	342,000			
Natural Gas Commercialization	50,000			
Alaska Natural Gas Development Authority		**317,200**	**317,200**	
Gas Authority Operations	317,200			
Alaska Mental Health Trust Authority		**564,500**	**116,400**	**448,100**
Mental Health Trust Operations	30,000			
Long Term Care Ombudsman Office	534,500			
Alaska Municipal Bond Bank Authority		**829,300**	**829,300**	
AMBBA Operations	829,300			
Alaska Housing Finance Corporation		**54,932,400**		**54,932,400**
AHFC Operations	54,532,400			
Anchorage State Office Building	400,000			
Alaska Permanent Fund Corporation		**86,548,900**		**86,548,900**
APFC Operations	10,373,900			
APFC Custody and Management Fees	76,175,000			

	Allocations	Appropriation Items	General Funds	Other Funds
*****			*****	
***** Department of Transportation & Public Facilities *****				
*****			*****	
Administration and Support		**43,694,400**	**21,107,000**	**22,587,400**
Commissioner's Office	1,782,300			
Contracting and Appeals	307,100			
Equal Employment and Civil Rights	1,032,200			
Internal Review	1,040,900			
Transportation Management and Security	1,231,900			
Statewide Administrative Services	4,957,000			
Statewide Information Systems	4,131,200			
Leased Facilities	2,356,100			
Human Resources	2,663,900			
Statewide Procurement	1,332,300			
Central Region Support Services	1,043,300			
Northern Region Support Services	1,378,700			
Southeast Region Support Services	872,400			
Statewide Aviation	2,960,200			
International Airport Systems Office	843,300			
Program Development	4,739,800			
Per AS 19.10.075(b), this allocation includes $58,500 representing an amount equal to 50% of the fines collected under AS 28.90.030 during the fiscal year ending June 30, 2009.				
Central Region Planning	1,869,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Northern Region Planning	1,822,000			
Southeast Region Planning	608,600			
Measurement Standards & Commercial Vehicle Enforcement	6,722,000			

The amount allocated for Measurement Standards and Commercial Vehicle Enforcement includes the unexpended and unobligated balance on June 30, 2010, of the Unified Carrier Registration Program receipts collected by the Department of Transportation and Public Facilities.

Design, Engineering and Construction		**104,454,200**	**5,443,100**	**99,011,100**
Statewide Public Facilities	3,849,200			
Statewide Design and Engineering Services	9,962,500			
Central Design and Engineering Services	20,372,700			
Northern Design and Engineering Services	16,275,300			
Southeast Design and Engineering Services	9,881,500			
Central Region Construction and CIP Support	18,995,500			
Northern Region Construction and CIP Support	15,699,000			
Southeast Region Construction	7,817,600			
Knik Arm Bridge/Toll Authority	1,325,900			
Harbor Program Development	275,000			
State Equipment Fleet		**29,200,900**		**29,200,900**

	Allocations	Appropriation Items	General Funds	Other Funds
State Equipment Fleet	29,200,900			
Highways, Aviation and Facilities		**157,968,600**	**136,276,800**	**21,691,800**
Central Region Facilities	7,797,300			
Northern Region Facilities	12,350,600			
Southeast Region Facilities	1,437,100			
Traffic Signal Management	1,682,200			
Central Region Highways and Aviation	48,931,600			
Northern Region Highways and Aviation	65,752,800			
Southeast Region Highways and Aviation	15,646,800			

The amounts allocated for highways and aviation shall lapse into the general fund on August 31, 2011.

Whittier Access and Tunnel	4,370,200			

The amount allocated for Whittier Access and Tunnel includes the unexpended and unobligated balance on June 30, 2010, of the Whittier Tunnel toll receipts collected by the Department of Transportation and Public Facilities under AS 19.05.040(11).

International Airports		**69,965,700**		**69,965,700**
Anchorage Airport Administration	7,605,400			
Anchorage Airport Facilities	19,750,400			
Anchorage Airport Field and Equipment Maintenance	11,936,700			
Anchorage Airport Operations	5,387,900			
Anchorage Airport Safety	11,166,300			
Fairbanks Airport Administration	1,795,800			

	Allocations	Appropriation Items	General Funds	Other Funds
Fairbanks Airport Facilities	3,115,200			
Fairbanks Airport Field and Equipment Maintenance	3,542,000			
Fairbanks Airport Operations	1,240,700			
Fairbanks Airport Safety	4,425,300			
Marine Highway System		**135,209,300**	**133,565,700**	**1,643,600**
Marine Vessel Operations	103,035,400			
Marine Vessel Fuel	12,914,400			
Marine Engineering	3,265,200			
Overhaul	1,698,400			
Reservations and Marketing	3,138,300			
Marine Shore Operations	7,300,900			
Vessel Operations Management	3,856,700			
* * * * *		* * * * *		
* * * * * **University of Alaska** * * * * *				
* * * * *		* * * * *		
It is the intent of the legislature that future requests by the University of Alaska for Unrestricted General Funds move toward a long-term goal of 125 percent of actual University Receipts for the most recently closed fiscal year.				
Budget Reductions/Additions		**38,352,600**	**31,458,600**	**6,894,000**
Budget Reductions/Additions - Systemwide	38,352,600			
Statewide Programs and Services		**64,489,500**	**51,897,200**	**12,592,300**
Statewide Services	34,955,200			
Office of Information Technology	18,808,600			
Systemwide Education and	10,725,700			

	Allocations	Appropriation Items	General Funds	Other Funds
Outreach				
University of Alaska		**270,960,400**	**228,172,700**	**42,787,700**
Anchorage				
Anchorage Campus	239,686,000			
Kenai Peninsula College	11,339,100			
Kodiak College	4,168,700			
Matanuska-Susitna College	8,886,700			
Prince William Sound	6,879,900			
Community College				
Small Business Development		**887,200**	**887,200**	
Center				
Small Business Development	887,200			
Center				
University of Alaska		**365,806,300**	**242,027,100**	**123,779,200**
Fairbanks				
Fairbanks Campus	230,595,200			
Fairbanks Organized	135,211,100			
Research				
University of Alaska		**53,483,200**	**39,623,800**	**13,859,400**
Community Campuses				
Bristol Bay Campus	3,519,300			
Chukchi Campus	1,986,100			
College of Rural and	13,199,000			
Community Development				
Interior-Aleutians Campus	4,989,100			
Kuskokwim Campus	5,998,900			
Northwest Campus	2,825,300			
Tanana Valley Campus	12,330,100			
Cooperative Extension	8,635,400			
Service				
University of Alaska		**53,639,500**	**46,300,600**	**7,338,900**

	Allocations	Appropriation Items	General Funds	Other Funds
Southeast				
Juneau Campus	41,634,500			
Ketchikan Campus	4,836,900			
Sitka Campus	7,168,100			
*****		*****		
***** **Alaska Court System** *****				
*****		*****		
Alaska Court System		**90,863,300**	**88,581,700**	**2,281,600**
Appellate Courts	6,553,600			
Trial Courts	74,014,500			
Administration and Support	9,850,800			
Therapeutic Courts	444,400			
Commission on Judicial		**376,900**	**376,900**	
Conduct				
Commission on Judicial	376,900			
Conduct				
Judicial Council		**1,098,000**	**1,098,000**	
Judicial Council	1,098,000			
*****		*****		
***** **Alaska Legislature** *****				
*****		*****		
Budget and Audit Committee		**19,135,100**	**18,835,100**	**300,000**
Legislative Audit	4,679,600			
Legislative Finance	8,358,000			
Committee Expenses	5,882,300			
Legislature State	215,200			
Facilities Rent				
Legislative Council		**36,541,300**	**36,428,300**	**113,000**
Salaries and Allowances	6,584,900			
Administrative Services	12,319,000			
Session Expenses	9,589,200			

	Allocations	Appropriation Items	General Funds	Other Funds
Council and Subcommittees	1,896,900			
Legal and Research Services	3,942,300			
Select Committee on Ethics	228,600			
Office of Victims Rights	916,200			
Ombudsman	1,064,200			
Legislative Operating Budget		**11,848,200**	**11,848,200**	
Legislative Operating Budget	11,848,200			

(SECTION 2 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 2.** The following sets out the funding by agency for the appropriations made in sec. 1 of this Act.

Funding Source			Amount
Department of Administration			
	1002	Federal Receipts	3,048,400
	1004	Unrestricted General Fund Receipts	72,451,600
	1005	General Fund/Program Receipts	15,993,500
	1007	Interagency Receipts	114,863,500
	1017	Group Health and Life Benefits Fund	19,115,900
	1023	FICA Administration Fund Account	141,400
	1029	Public Employees Retirement Trust Fund	7,010,300
	1033	Federal Surplus Property Revolving Fund	385,200
	1034	Teachers Retirement Trust Fund	2,722,600
	1042	Judicial Retirement System	117,700
	1045	National Guard Retirement System	207,600
	1061	Capital Improvement Project Receipts	1,981,400
	1081	Information Services Fund	35,759,100
	1108	Statutory Designated Program Receipts	775,700
	1147	Public Building Fund	14,703,100
	1162	Alaska Oil & Gas Conservation Commission Receipts	5,550,600
	1171	PFD Appropriations in lieu of Dividends to Criminals	1,883,500
	1212	Federal Stimulus: ARRA 2009	500,000
	*** Total Agency Funding ***		$297,211,100
Department of Commerce, Community and Economic Development			
	1002	Federal Receipts	65,330,500
	1003	General Fund Match	824,700
	1004	Unrestricted General Fund Receipts	19,418,000
	1005	General Fund/Program Receipts	14,939,700
	1007	Interagency Receipts	15,243,700

1036	Commercial Fishing Loan Fund	3,788,100
1040	Real Estate Surety Fund	280,700
1061	Capital Improvement Project Receipts	6,940,300
1062	Power Project Fund	1,056,500
1070	Fisheries Enhancement Revolving Loan Fund	564,500
1074	Bulk Fuel Revolving Loan Fund	53,700
1101	Alaska Aerospace Development Corporation Revolving Fund	522,900
1102	Alaska Industrial Development & Export Authority Receipts	4,876,900
1107	Alaska Energy Authority Corporate Receipts	1,067,100
1108	Statutory Designated Program Receipts	474,800
1141	Regulatory Commission of Alaska Receipts	8,210,600
1156	Receipt Supported Services	14,893,200
1164	Rural Development Initiative Fund	52,500
1170	Small Business Economic Development Revolving Loan Fund	50,700
1200	Vehicle Rental Tax Receipts	4,912,800
1209	Alaska Capstone Avionics Revolving Loan Fund	122,300
1212	Federal Stimulus: ARRA 2009	192,100
1216	Boat Registration Fees	136,900
*** Total Agency Funding ***		$163,953,200
Department of Corrections		
1002	Federal Receipts	3,103,400
1003	General Fund Match	128,400
1004	Unrestricted General Fund Receipts	218,948,300
1005	General Fund/Program Receipts	7,681,200
1007	Interagency Receipts	12,938,900
1054	State Training & Employment Program	150,000
1061	Capital Improvement Project Receipts	519,800

1	1108	Statutory Designated Program Receipts	300,000
2	1171	PFD Appropriations in lieu of Dividends to	10,037,000
3		Criminals	
4	*** Total Agency Funding ***		$253,807,000
5	**Department of Education and Early Development**		
6	1002	Federal Receipts	193,886,500
7	1003	General Fund Match	947,100
8	1004	Unrestricted General Fund Receipts	55,205,400
9	1005	General Fund/Program Receipts	1,163,400
10	1007	Interagency Receipts	8,995,500
11	1014	Donated Commodity/Handling Fee Account	352,800
12	1043	Federal Impact Aid for K-12 Schools	20,791,000
13	1066	Public School Trust Fund	10,700,000
14	1106	Alaska Commission on Postsecondary	12,405,800
15		Education Receipts	
16	1108	Statutory Designated Program Receipts	902,800
17	1145	Art in Public Places Fund	30,000
18	1151	Technical Vocational Education Program	416,200
19		Receipts	
20	*** Total Agency Funding ***		$305,796,500
21	**Department of Environmental Conservation**		
22	1002	Federal Receipts	22,157,100
23	1003	General Fund Match	4,352,200
24	1004	Unrestricted General Fund Receipts	13,837,000
25	1005	General Fund/Program Receipts	5,654,000
26	1007	Interagency Receipts	1,603,300
27	1018	Exxon Valdez Oil Spill Trust	96,900
28	1052	Oil/Hazardous Release Prevention & Response	14,097,900
29		Fund	
30	1061	Capital Improvement Project Receipts	4,108,100
31	1075	Alaska Clean Water Fund	67,400

1093	Clean Air Protection Fund	4,264,000
1108	Statutory Designated Program Receipts	225,300
1166	Commercial Passenger Vessel Environmental Compliance Fund	1,179,700
1205	Berth Fees for the Ocean Ranger Program	4,041,100
*** Total Agency Funding ***		$75,684,000
Department of Fish and Game		
1002	Federal Receipts	61,152,300
1003	General Fund Match	422,600
1004	Unrestricted General Fund Receipts	62,465,000
1005	General Fund/Program Receipts	2,607,800
1007	Interagency Receipts	15,066,000
1018	Exxon Valdez Oil Spill Trust	4,148,800
1024	Fish and Game Fund	24,043,300
1055	Inter-Agency/Oil & Hazardous Waste	123,500
1061	Capital Improvement Project Receipts	6,007,200
1108	Statutory Designated Program Receipts	7,456,500
1109	Test Fisheries Receipts	1,600,000
1199	Alaska Sport Fishing Enterprise Account	500,000
1201	Commercial Fisheries Entry Commission Receipts	3,908,200
1212	Federal Stimulus: ARRA 2009	50,000
*** Total Agency Funding ***		$189,551,200
Office of the Governor		
1002	Federal Receipts	189,900
1004	Unrestricted General Fund Receipts	26,734,500
1005	General Fund/Program Receipts	4,900
1061	Capital Improvement Project Receipts	754,100
*** Total Agency Funding ***		$27,683,400
Department of Health and Social Services		
1002	Federal Receipts	1,038,822,400

1	1003	General Fund Match	431,602,800
2	1004	Unrestricted General Fund Receipts	334,789,800
3	1005	General Fund/Program Receipts	23,876,800
4	1007	Interagency Receipts	59,597,600
5	1013	Alcoholism and Drug Abuse Revolving Loan	2,000
6		Fund	
7	1050	Permanent Fund Dividend Fund	13,584,700
8	1061	Capital Improvement Project Receipts	5,664,000
9	1098	Children's Trust Earnings	399,700
10	1099	Children's Trust Principal	150,000
11	1108	Statutory Designated Program Receipts	20,301,300
12	1168	Tobacco Use Education and Cessation Fund	9,888,300
13	1212	Federal Stimulus: ARRA 2009	118,881,000
14	*** Total Agency Funding ***		$2,057,560,400
15	**Department of Labor and Workforce Development**		
16	1002	Federal Receipts	95,869,900
17	1003	General Fund Match	6,667,200
18	1004	Unrestricted General Fund Receipts	22,546,900
19	1005	General Fund/Program Receipts	2,833,900
20	1007	Interagency Receipts	25,301,800
21	1031	Second Injury Fund Reserve Account	3,978,200
22	1032	Fishermen's Fund	1,618,900
23	1049	Training and Building Fund	798,900
24	1054	State Training & Employment Program	8,526,200
25	1061	Capital Improvement Project Receipts	310,900
26	1108	Statutory Designated Program Receipts	596,000
27	1117	Vocational Rehabilitation Small Business	325,000
28		Enterprise Fund	
29	1151	Technical Vocational Education Program	5,282,000
30		Receipts	
31	1157	Workers Safety and Compensation	8,720,600

		Administration Account	
	1172	Building Safety Account	1,934,300
	1203	Workers Compensation Benefits Guarantee Fund	280,000
	1212	Federal Stimulus: ARRA 2009	5,301,100
	*** Total Agency Funding ***		$190,891,800
Department of Law			
	1002	Federal Receipts	1,995,400
	1003	General Fund Match	178,300
	1004	Unrestricted General Fund Receipts	55,612,700
	1005	General Fund/Program Receipts	652,600
	1007	Interagency Receipts	21,165,000
	1055	Inter-Agency/Oil & Hazardous Waste	554,400
	1061	Capital Improvement Project Receipts	106,200
	1105	Permanent Fund Gross Receipts	1,477,600
	1108	Statutory Designated Program Receipts	646,700
	1141	Regulatory Commission of Alaska Receipts	1,543,500
	1168	Tobacco Use Education and Cessation Fund	165,000
	*** Total Agency Funding ***		$84,097,400
Department of Military and Veterans Affairs			
	1002	Federal Receipts	23,476,900
	1003	General Fund Match	4,645,300
	1004	Unrestricted General Fund Receipts	6,958,200
	1005	General Fund/Program Receipts	28,400
	1007	Interagency Receipts	11,788,900
	1061	Capital Improvement Project Receipts	1,116,200
	1108	Statutory Designated Program Receipts	435,000
	*** Total Agency Funding ***		$48,448,900
Department of Natural Resources			
	1002	Federal Receipts	16,293,200
	1003	General Fund Match	2,165,000

1	1004	Unrestricted General Fund Receipts	62,639,800
2	1005	General Fund/Program Receipts	10,776,600
3	1007	Interagency Receipts	7,579,200
4	1018	Exxon Valdez Oil Spill Trust	432,000
5	1021	Agricultural Revolving Loan Fund	2,480,000
6	1055	Inter-Agency/Oil & Hazardous Waste	71,500
7	1061	Capital Improvement Project Receipts	5,336,000
8	1105	Permanent Fund Gross Receipts	5,167,400
9	1108	Statutory Designated Program Receipts	12,345,800
10	1153	State Land Disposal Income Fund	7,194,000
11	1154	Shore Fisheries Development Lease Program	365,800
12	1155	Timber Sale Receipts	832,200
13	1200	Vehicle Rental Tax Receipts	2,813,700
14	1216	Boat Registration Fees	200,000
15	*** Total Agency Funding ***		$136,692,200
16	**Department of Public Safety**		
17	1002	Federal Receipts	12,277,300
18	1003	General Fund Match	655,100
19	1004	Unrestricted General Fund Receipts	131,465,500
20	1005	General Fund/Program Receipts	7,319,400
21	1007	Interagency Receipts	8,529,800
22	1055	Inter-Agency/Oil & Hazardous Waste	49,000
23	1061	Capital Improvement Project Receipts	9,279,300
24	1108	Statutory Designated Program Receipts	253,900
25	1171	PFD Appropriations in lieu of Dividends to	7,606,700
26		Criminals	
27	*** Total Agency Funding ***		$177,436,000
28	**Department of Revenue**		
29	1002	Federal Receipts	37,683,800
30	1003	General Fund Match	6,275,500
31	1004	Unrestricted General Fund Receipts	17,688,500

1	1005	General Fund/Program Receipts	836,100
2	1007	Interagency Receipts	5,590,100
3	1016	CSSD Federal Incentive Payments	1,800,000
4	1017	Group Health and Life Benefits Fund	1,667,600
5	1027	International Airports Revenue Fund	32,100
6	1029	Public Employees Retirement Trust Fund	25,995,900
7	1034	Teachers Retirement Trust Fund	13,409,800
8	1042	Judicial Retirement System	375,300
9	1045	National Guard Retirement System	243,400
10	1046	Education Loan Fund	54,900
11	1050	Permanent Fund Dividend Fund	7,610,000
12	1061	Capital Improvement Project Receipts	2,361,000
13	1066	Public School Trust Fund	104,800
14	1098	Children's Trust Earnings	15,200
15	1103	Alaska Housing Finance Corporation Receipts	30,485,000
16	1104	Alaska Municipal Bond Bank Receipts	829,300
17	1105	Permanent Fund Gross Receipts	86,631,000
18	1108	Statutory Designated Program Receipts	465,900
19	1133	CSSD Administrative Cost Reimbursement	1,283,300
20	1169	Power Cost Equalization Endowment Fund	160,800
21	1192	Mine Reclamation Trust Fund	24,000
22	1212	Federal Stimulus: ARRA 2009	297,000
23	*** Total Agency Funding ***		$241,920,300
24	**Department of Transportation & Public Facilities**		
25	1002	Federal Receipts	3,752,300
26	1004	Unrestricted General Fund Receipts	234,452,800
27	1005	General Fund/Program Receipts	8,307,400
28	1007	Interagency Receipts	3,977,800
29	1026	Highways Equipment Working Capital Fund	29,902,300
30	1027	International Airports Revenue Fund	70,827,000
31	1061	Capital Improvement Project Receipts	132,678,100

1	1076	Alaska Marine Highway System Fund	53,314,000
2	1108	Statutory Designated Program Receipts	462,800
3	1200	Vehicle Rental Tax Receipts	318,400
4	1207	Regional Cruise Ship Impact Fund	500,000
5	1214	Whittier Tunnel Tolls	1,750,200
6	1215	Unified Carrier Registration Receipts	250,000
7	*** Total Agency Funding ***		$540,493,100
8	**University of Alaska**		
9	1002	Federal Receipts	132,798,700
10	1003	General Fund Match	4,777,300
11	1004	Unrestricted General Fund Receipts	330,068,300
12	1007	Interagency Receipts	15,301,100
13	1048	University of Alaska Restricted Receipts	300,319,700
14	1061	Capital Improvement Project Receipts	7,630,700
15	1151	Technical Vocational Education Program	5,201,900
16		Receipts	
17	1174	University of Alaska Intra-Agency Transfers	51,521,000
18	*** Total Agency Funding ***		$847,618,700
19	**Alaska Court System**		
20	1002	Federal Receipts	1,466,000
21	1004	Unrestricted General Fund Receipts	90,056,600
22	1007	Interagency Receipts	521,000
23	1108	Statutory Designated Program Receipts	85,000
24	1133	CSSD Administrative Cost Reimbursement	209,600
25	*** Total Agency Funding ***		$92,338,200
26	**Alaska Legislature**		
27	1004	Unrestricted General Fund Receipts	66,326,200
28	1005	General Fund/Program Receipts	78,600
29	1007	Interagency Receipts	413,000
30	1171	PFD Appropriations in lieu of Dividends to	706,800
31		Criminals	

*** Total Agency Funding ***		$67,524,600
* * * * * Total Budget * * * * *		$5,798,708,000

(SECTION 3 OF THIS ACT BEGINS ON THE NEXT PAGE)

*** Sec. 3.** The following sets out the statewide funding for the appropriations made in sec. 1 of this Act.

Funding Source			Amount
Unrestricted General Funds			
	1003	General Fund Match	463,641,500
	1004	Unrestricted General Fund Receipts	1,821,665,100
	1104	Alaska Municipal Bond Bank Receipts	829,300
Total Unrestricted General Funds			$2,286,135,900
Designated General Funds			
	1005	General Fund/Program Receipts	102,754,300
	1021	Agricultural Revolving Loan Fund	2,480,000
	1031	Second Injury Fund Reserve Account	3,978,200
	1032	Fishermen's Fund	1,618,900
	1036	Commercial Fishing Loan Fund	3,788,100
	1048	University of Alaska Restricted Receipts	300,319,700
	1049	Training and Building Fund	798,900
	1050	Permanent Fund Dividend Fund	21,194,700
	1052	Oil/Hazardous Release Prevention & Response Fund	14,097,900
	1054	State Training & Employment Program	8,676,200
	1062	Power Project Fund	1,056,500
	1066	Public School Trust Fund	10,804,800
	1070	Fisheries Enhancement Revolving Loan Fund	564,500
	1074	Bulk Fuel Revolving Loan Fund	53,700
	1076	Alaska Marine Highway System Fund	53,314,000
	1098	Children's Trust Earnings	414,900
	1099	Children's Trust Principal	150,000
	1109	Test Fisheries Receipts	1,600,000
	1141	Regulatory Commission of Alaska Receipts	9,754,100
	1151	Technical Vocational Education Program Receipts	10,900,100

1153	State Land Disposal Income Fund	7,194,000
1154	Shore Fisheries Development Lease Program	365,800
1155	Timber Sale Receipts	832,200
1156	Receipt Supported Services	14,893,200
1157	Workers Safety and Compensation Administration Account	8,720,600
1162	Alaska Oil & Gas Conservation Commission Receipts	5,550,600
1164	Rural Development Initiative Fund	52,500
1166	Commercial Passenger Vessel Environmental Compliance Fund	1,179,700
1168	Tobacco Use Education and Cessation Fund	10,053,300
1169	Power Cost Equalization Endowment Fund	160,800
1170	Small Business Economic Development Revolving Loan Fund	50,700
1171	PFD Appropriations in lieu of Dividends to Criminals	20,234,000
1172	Building Safety Account	1,934,300
1200	Vehicle Rental Tax Receipts	8,044,900
1201	Commercial Fisheries Entry Commission Receipts	3,908,200
1203	Workers Compensation Benefits Guarantee Fund	280,000
1205	Berth Fees for the Ocean Ranger Program	4,041,100
1209	Alaska Capstone Avionics Revolving Loan Fund	122,300
Total Designated General Funds		$635,937,700
Other Non-Duplicated Funds		
1017	Group Health and Life Benefits Fund	20,783,500
1018	Exxon Valdez Oil Spill Trust	4,677,700
1023	FICA Administration Fund Account	141,400

1	1024	Fish and Game Fund	24,043,300
2	1027	International Airports Revenue Fund	70,859,100
3	1029	Public Employees Retirement Trust Fund	33,006,200
4	1034	Teachers Retirement Trust Fund	16,132,400
5	1040	Real Estate Surety Fund	280,700
6	1042	Judicial Retirement System	493,000
7	1045	National Guard Retirement System	451,000
8	1046	Education Loan Fund	54,900
9	1093	Clean Air Protection Fund	4,264,000
10	1101	Alaska Aerospace Development Corporation	522,900
11		Revolving Fund	
12	1102	Alaska Industrial Development & Export	4,876,900
13		Authority Receipts	
14	1103	Alaska Housing Finance Corporation Receipts	30,485,000
15	1105	Permanent Fund Gross Receipts	93,276,000
16	1106	Alaska Commission on Postsecondary	12,405,800
17		Education Receipts	
18	1107	Alaska Energy Authority Corporate Receipts	1,067,100
19	1108	Statutory Designated Program Receipts	45,727,500
20	1117	Vocational Rehabilitation Small Business	325,000
21		Enterprise Fund	
22	1192	Mine Reclamation Trust Fund	24,000
23	1199	Alaska Sport Fishing Enterprise Account	500,000
24	1207	Regional Cruise Ship Impact Fund	500,000
25	1214	Whittier Tunnel Tolls	1,750,200
26	1215	Unified Carrier Registration Receipts	250,000
27	1216	Boat Registration Fees	336,900
28	***Total Other Non-Duplicated Funds***		$367,234,500
29	**Federal Funds**		
30	1002	Federal Receipts	1,713,304,000
31	1013	Alcoholism and Drug Abuse Revolving Loan	2,000

Fund		
1014	Donated Commodity/Handling Fee Account	352,800
1016	CSSD Federal Incentive Payments	1,800,000
1033	Federal Surplus Property Revolving Fund	385,200
1043	Federal Impact Aid for K-12 Schools	20,791,000
1075	Alaska Clean Water Fund	67,400
1133	CSSD Administrative Cost Reimbursement	1,492,900
1212	Federal Stimulus: ARRA 2009	125,221,200
Total Federal Funds		$1,863,416,500
Duplicated Funds		
1007	Interagency Receipts	328,476,200
1026	Highways Equipment Working Capital Fund	29,902,300
1055	Inter-Agency/Oil & Hazardous Waste	798,400
1061	Capital Improvement Project Receipts	184,793,300
1081	Information Services Fund	35,759,100
1145	Art in Public Places Fund	30,000
1147	Public Building Fund	14,703,100
1174	University of Alaska Intra-Agency Transfers	51,521,000
Total Duplicated Funds		$645,983,400

(SECTION 4 OF THIS ACT BEGINS ON THE NEXT PAGE)

* **Sec. 4.** FINDINGS. The legislature finds that the state will realize savings in the amount of $114,081,600 during the fiscal year ending June 30, 2011, through the federal medical assistance percentage provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) that will be used to offset appropriations from the general fund made in this Act.

* **Sec. 5.** RATIFICATION OF SMALL AMOUNTS IN STATE ACCOUNTING SYSTEM. The appropriation to each department under this Act for the fiscal year ending June 30, 2011, is reduced to reverse negative account balances for the department in the state accounting system in amounts of $1,000 or less for each prior fiscal year in which a negative account balance of $1,000 or less exists. It is the intent of the legislature that the office of management and budget report to the legislature the amounts appropriated under this section.

* **Sec. 6.** LEGISLATIVE INTENT. It is the intent of the legislature that the amounts appropriated by this Act are the full amounts that will be appropriated for those purposes for the fiscal year ending June 30, 2011.

* **Sec. 7.** COSTS OF JOB RECLASSIFICATIONS. The money appropriated in this Act includes the amount necessary to pay the costs of personal services because of reclassification of job classes during the fiscal year ending June 30, 2011.

* **Sec. 8.** PERSONAL SERVICES TRANSFERS. It is the intent of the legislature that agencies restrict transfers to and from the personal services line. It is the intent of the legislature that the office of management and budget submit a report to the legislature on January 15, 2011, that describes and justifies all transfers to and from the personal services line by executive branch agencies during the first half of the fiscal year ending June 30, 2011. It is the intent of the legislature that the office of management and budget submit a report to the legislature on August 1, 2011, that describes and justifies all transfers to and from the personal services line by executive branch agencies during the second half of the fiscal year ending June 30, 2011.

* **Sec. 9.** ALASKA AEROSPACE CORPORATION. Federal receipts and other corporate receipts of the Alaska Aerospace Corporation received during the fiscal year ending June 30, 2011, that are in excess of the amount appropriated in sec. 1 of this Act are appropriated to the Alaska Aerospace Corporation for operations during the fiscal year ending June 30, 2011.

* **Sec. 10.** ALASKA HOUSING FINANCE CORPORATION. (a) The board of directors of the Alaska Housing Finance Corporation anticipates that $42,549,257 of the adjusted net

income from the second preceding fiscal year will be available during the fiscal year ending June 30, 2011, for appropriation.

(b) A portion of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, will be retained by the Alaska Housing Finance Corporation for the following purposes in the following estimated amounts:

(1) $1,000,000 for debt service on University of Alaska, Anchorage, dormitory construction, authorized under ch. 26, SLA 1996;

(2) $2,592,558 for debt service on the bonds described under ch. 1, SSSLA 2002;

(3) $2,548,195 for debt service on the bonds authorized under sec. 4, ch. 120, SLA 2004.

(c) After deductions for the items set out in (b) of this section, $36,408,504 of the remainder of the amount set out in (a) of this section is available for appropriation.

(d) After deductions for the items set out in (b) of this section and deductions for appropriations for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, is appropriated to the Alaska capital income fund (AS 37.05.565).

(e) All unrestricted mortgage loan interest payments, mortgage loan commitment fees, and other unrestricted receipts received by or accrued to the Alaska Housing Finance Corporation during the fiscal year ending June 30, 2011, and all income earned on assets of the corporation during that period are appropriated to the Alaska Housing Finance Corporation to hold as corporate receipts for the purposes described in AS 18.55 and AS 18.56. The corporation shall allocate its corporate receipts between the Alaska housing finance revolving fund (AS 18.56.082) and senior housing revolving fund (AS 18.56.710) in accordance with procedures adopted by the board of directors.

(f) The sum of $36,000,000 is appropriated from federal receipts to the Alaska Housing Finance Corporation for housing assistance payments under the Section 8 program for the fiscal year ending June 30, 2011.

* **Sec. 11.** ALASKA PERMANENT FUND CORPORATION. (a) The amount authorized under AS 37.13.145(b) for transfer by the Alaska Permanent Fund Corporation on June 30, 2011, estimated to be $637,000,000, is appropriated from the earnings reserve account

(AS 37.13.145) to the dividend fund (AS 43.23.045) for the payment of permanent fund dividends and for administrative and associated costs for the fiscal year ending June 30, 2011.

(b) After money is transferred to the dividend fund under (a) of this section, the amount calculated under AS 37.13.145(c) to offset the effect of inflation on the principal of the Alaska permanent fund during the fiscal year ending June 30, 2011, estimated to be $886,000,000, is appropriated from the earnings reserve account (AS 37.13.145) to the principal of the Alaska permanent fund.

(c) The amount required to be deposited in the Alaska permanent fund under AS 37.13.010(a)(1) and (2) during the fiscal year ending June 30, 2011, is appropriated to the principal of the Alaska permanent fund in satisfaction of that requirement.

* **Sec. 12.** ALASKA INDUSTRIAL DEVELOPMENT AND EXPORT AUTHORITY. (a) The sum of $23,423,000 has been declared available by the Alaska Industrial Development and Export Authority board of directors under AS 44.88.088 for appropriation as the dividend for the fiscal year ending June 30, 2011, from the unrestricted balance in the Alaska Industrial Development and Export Authority revolving fund (AS 44.88.060).

(b) After deductions for appropriations made for operating and capital purposes, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, is appropriated to the Alaska capital income fund (AS 37.05.565).

* **Sec. 13.** DEPARTMENT OF ADMINISTRATION. The amount necessary to fund the uses of the state insurance catastrophe reserve account described in AS 37.05.289(a) is appropriated from that account to the Department of Administration for those uses during the fiscal year ending June 30, 2011.

* **Sec. 14.** DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT. (a) The unexpended and unobligated balance of federal money apportioned to the state as national forest income that the Department of Commerce, Community, and Economic Development determines would lapse into the unrestricted portion of the general fund June 30, 2011, under AS 41.15.180(j) is appropriated as follows:

(1) up to $170,000 is appropriated to the Department of Transportation and Public Facilities, commissioner's office, for road maintenance in the unorganized borough, for the fiscal year ending June 30, 2011;

(2) the balance remaining after the appropriation made by (1) of this

subsection is appropriated to home rule cities, first class cities, second class cities, a municipality organized under federal law, or regional educational attendance areas entitled to payment from the national forest income for the fiscal year ending June 30, 2011, to be allocated among the recipients of national forest income according to their pro rata share of the total amount distributed under AS 41.15.180(c) and (d) for the fiscal year ending June 30, 2011.

(b) If the amount necessary to make national forest receipts payments under AS 41.15.180 exceeds the amount appropriated for that purpose in sec. 1 of this Act, the amount necessary to make national forest receipt payments is appropriated from federal receipts received for that purpose to the Department of Commerce, Community, and Economic Development, revenue sharing, national forest receipts allocation, for the fiscal year ending June 30, 2011.

(c) An amount equal to the salmon enhancement tax collected under AS 43.76.001 - 43.76.028 in calendar year 2009 and deposited in the general fund under AS 43.76.025(c) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in the fiscal year ending June 30, 2011, to qualified regional associations operating within a region designated under AS 16.10.375.

(d) An amount equal to the seafood development tax collected under AS 43.76.350 - 43.76.399 in calendar year 2009 and deposited in the general fund under AS 43.76.380(d) is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment in the fiscal year ending June 30, 2011, to qualified regional seafood development associations.

(e) The sum of $23,673,600 is appropriated from the power cost equalization endowment fund (AS 42.45.070) to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year ending June 30, 2011.

(f) If the amount appropriated in (e) of this section is not sufficient to pay power cost equalization program costs without proration, the amount necessary to pay power cost equalization program costs without proration, estimated to be $12,626,400, is appropriated from the general fund to the Department of Commerce, Community, and Economic Development, Alaska Energy Authority, power cost equalization allocation, for the fiscal year

ending June 30, 2011.

(g) If the amount necessary to make payment in lieu of taxes payments under 3 AAC 152 exceeds the amount appropriated for that purpose in sec. 1 of this Act, the amount necessary to make payment in lieu of taxes payments is appropriated from federal receipts received for that purpose to the Department of Commerce, Community, and Economic Development, revenue sharing, payment in lieu of taxes allocation, for the fiscal year ending June 30, 2011.

(h) The sum of $800,000 is appropriated from the general fund to the Department of Commerce, Community, and Economic Development for payment as a grant under AS 37.05.316 to the Bering Sea Fishermen's Association for the operation of the Arctic-Yukon-Kuskokwim Sustainable Salmon Initiative for the fiscal year ending June 30, 2011.

*** Sec. 15.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) The sum of $1,200,000 is appropriated from the general fund to the Department of Health and Social Services, office of children's services, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2011.

(b) If the amount of federal receipts from P.L. 111-5 (American Recovery and Reinvestment Act of 2009) appropriated in sec. 1 of this Act for state Medicaid programs for the fiscal year ending June 30, 2011, is not available to the state in the amount appropriated, the appropriation of federal receipts is reduced by the unavailable amount, and the difference between the amount of federal receipts appropriated and the amount received is appropriated from the general fund to the Department of Health and Social Services for Medicaid programs for the fiscal year ending June 30, 2011.

*** Sec. 16.** DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT. (a) If the amount necessary to pay benefit payments from the fishermen's fund (AS 23.35.060) exceeds the amounts appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated for that purpose from that fund to the Department of Labor and Workforce Development, fishermen's fund allocation, for the fiscal year ending June 30, 2011.

(b) If the amount necessary to pay benefit payments from the second injury fund (AS 23.30.040(a)) exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to make those benefit payments is appropriated for that purpose

from that fund to the Department of Labor and Workforce Development, second injury fund allocation, for the fiscal year ending June 30, 2011.

(c) If the amount necessary to pay benefit payments from the workers' compensation benefits guaranty fund (AS 23.30.082) exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional amount necessary to pay those benefit payments is appropriated for that purpose from that fund to the Department of Labor and Workforce Development, workers' compensation benefits guaranty fund allocation, for the fiscal year ending June 30, 2011.

(d) If the amount of contributions received by the Alaska Vocational Technical Center under AS 21.89.070, AS 43.20.014, AS 43.55.019, AS 43.56.018, AS 43.65.018, AS 43.75.018, and AS 43.77.045 during the fiscal year ending June 30, 2011, exceeds the amount appropriated for that purpose in sec. 1 of this Act, the additional contributions are appropriated to the Department of Labor and Workforce Development, Alaska Vocational Technical Center, Alaska Vocational Technical Center allocation, for the fiscal year ending June 30, 2011.

* **Sec. 17.** DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. Five percent of the market value of the average ending balances in the Alaska veterans' memorial endowment fund (AS 37.14.700) for the fiscal years ending June 30, 2008, June 30, 2009, and June 30, 2010, estimated to be $12,800, is appropriated from the Alaska veterans' memorial endowment fund to the Department of Military and Veterans' Affairs for the purposes specified in AS 37.14.730(b) for the fiscal year ending June 30, 2011.

* **Sec. 18.** DEPARTMENT OF NATURAL RESOURCES. (a) Federal receipts received for fire suppression during the fiscal year ending June 30, 2011, estimated to be $2,000,000, are appropriated to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 2011.

(b) The sum of $1,000,000 is appropriated from federal receipts to the Department of Natural Resources, state public domain and public access, RS 2477/Navigability Assertions and Litigation Support allocation, for state participation in the United States Department of the Interior Bureau of Land Management navigable water identification project, for the fiscal years ending June 30, 2011, and June 30, 2012.

(c) The amount necessary for the purposes specified in AS 37.14.820 for the fiscal

year ending June 30, 2011, is appropriated from the mine reclamation trust fund operating account (AS 37.14.800(a)) to the Department of Natural Resources.

(d) The interest earned during the fiscal year ending June 30, 2011, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources, estimated to be $250,000, is appropriated from the general fund to the Department of Natural Resources for the purpose of the bond for the fiscal year ending June 30, 2011.

*** Sec. 19.** GAS PIPELINE DEVELOPMENT. (a) The following amounts are appropriated from the general fund to increase the appropriations in sec. 1 of this Act to the named department, appropriation, and allocation in the amounts stated for work associated with development of a natural gas pipeline for the fiscal year ending June 30, 2011:

DEPARTMENT, APPROPRIATION, AND ALLOCATION	AMOUNT
(1) Law	
Civil division, oil, gas, and mining	$1,750,000
(2) Natural Resources	
Resource development, gas pipeline implementation	2,952,250
(3) Revenue	
Administration and support, natural gas commercialization	1,085,000

(b) The appropriations made in (a) of this section are contingent on a person's submitting to the Federal Energy Regulatory Commission a "precedent agreement" for shipping natural gas on a North Slope natural gas pipeline.

*** Sec. 20.** DEPARTMENT OF PUBLIC SAFETY. (a) The sum of $1,393,200 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, narcotics task force, for drug and alcohol enforcement efforts during the fiscal year ending June 30, 2011.

(b) If the amount of federal receipts received by the Department of Public Safety from the justice assistance grant program during the fiscal year ending June 30, 2011, for drug and alcohol enforcement efforts exceeds $1,289,100, the appropriation in (a) of this section is

reduced by the amount by which the federal receipts exceed $1,289,100.

(c) The sum of $1,270,000 is appropriated from the general fund to the Department of Public Safety, division of Alaska state troopers, special projects, for rural alcohol interdiction efforts for the fiscal year ending June 30, 2011.

(d) If federal receipts are received by the Department of Public Safety for the rural alcohol interdiction program during the fiscal year ending June 30, 2011, the appropriation in (c) of this section is reduced by the amount of the federal receipts.

* **Sec. 21.** DEPARTMENT OF REVENUE. (a) If the amount of the federal incentive payments (AS 25.27.125) received by the child support services agency for the fiscal year ending June 30, 2011, that may be used by the state to match federal receipts for child support enforcement is less than $1,800,000, an amount equal to 66 percent of the difference between the incentive payments used to match federal receipts and $1,800,000 is appropriated from the general fund to the Department of Revenue, child support services agency, for child support enforcement for the fiscal year ending June 30, 2011.

(b) Program receipts collected as cost recovery for paternity testing administered by the child support services agency, as required under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f), estimated to be $46,000, are appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011.

* **Sec. 22.** OFFICE OF THE GOVERNOR. (a) If the 2011 fiscal year-to-date average price of Alaska North Slope crude oil exceeds $35 a barrel on August 1, 2010, the amount of money corresponding to the 2011 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs.

(b) If the 2011 fiscal year-to-date average price of Alaska North Slope crude oil exceeds $35 a barrel on December 1, 2010, the amount of money corresponding to the 2011 fiscal year-to-date average price, rounded to the nearest dollar, as set out in the table in (c) of this section is appropriated from the general fund to the Office of the Governor for distribution to state agencies to offset increased fuel and utility costs.

(c) The following table shall be used in determining the amount of the appropriations in (a) and (b) of this section:

64	14,500,000
63	14,000,000
62	13,500,000
61	13,000,000
60	12,500,000
59	12,000,000
58	11,500,000
57	11,000,000
56	10,500,000
55	10,000,000
54	9,500,000
53	9,000,000
52	8,500,000
51	8,000,000
50	7,500,000
49	7,000,000
48	6,500,000
47	6,000,000
46	5,500,000
45	5,000,000
44	4,500,000
43	4,000,000
42	3,500,000
41	3,000,000
40	2,500,000
39	2,000,000
38	1,500,000
37	1,000,000
36	500,000
35	0

(d) It is the intent of the legislature that a payment under (a) or (b) of this section be

used to offset the effects of higher fuel and utility costs for the fiscal year ending June 30, 2011.

(e) The governor shall allocate amounts appropriated in (a) and (b) of this section as follows:

(1) to the Department of Transportation and Public Facilities, 65 percent of the total plus or minus 10 percent;

(2) to the University of Alaska, eight percent of the total plus or minus three percent;

(3) to the Department of Health and Social Services and the Department of Corrections, not more than five percent each of the total amount appropriated;

(4) to any other state agency, not more than four percent of the total amount appropriated;

(5) the aggregate amount allocated may not exceed 100 percent of the appropriation.

* **Sec. 23.** UNIVERSITY OF ALASKA. The amount of the fees collected under AS 28.10.421(d) during the fiscal year ending June 30, 2010, for the issuance of special request university plates, less the cost of issuing the license plates, estimated to be $2,000, is appropriated from the general fund to the University of Alaska for support of alumni programs at the campuses of the university for the fiscal year ending June 30, 2011.

* **Sec. 24.** BOND CLAIMS. The amount received in settlement of a claim against a bond guaranteeing the reclamation of state, federal, or private land, including the plugging or repair of a well, estimated to be $50,000, is appropriated to the agency secured by the bond for the fiscal year ending June 30, 2011, for the purpose of reclaiming the state, federal, or private land affected by a use covered by the bond.

* **Sec. 25.** FEDERAL AND OTHER PROGRAM RECEIPTS. (a) Federal receipts, designated program receipts as defined in AS 37.05.146(b)(3), information services fund program receipts as described in AS 44.21.045(b), Exxon Valdez oil spill trust receipts described in AS 37.05.146(b)(4), receipts of the Alaska Housing Finance Corporation, receipts of the Alaska marine highway system fund described in AS 19.65.060(a), and receipts of the University of Alaska as described in AS 37.05.146(b)(2) that are received during the fiscal year ending June 30, 2011, and that exceed the amounts appropriated by this

Act, are appropriated conditioned on compliance with the program review provisions of AS 37.07.080(h).

(b) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2011, exceed the amounts appropriated by this Act, the appropriations from state funds for the affected program shall be reduced by the excess if the reductions are consistent with applicable federal statutes.

(c) If federal or other program receipts as defined in AS 37.05.146 and in AS 44.21.045(b) that are received during the fiscal year ending June 30, 2011, fall short of the amounts appropriated by this Act, the affected appropriation is reduced by the amount of the shortfall in receipts.

*** Sec. 26.** FUND TRANSFERS. (a) The federal funds received by the state under 42 U.S.C. 6506a(*l*) or former 42 U.S.C. 6508 not appropriated for grants under AS 37.05.530(d) are appropriated as follows:

(1) to the principal of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska) and the public school trust fund (AS 37.14.110(a)), according to AS 37.05.530(g)(1) and (2); and

(2) to the principal of the Alaska permanent fund (art. IX, sec. 15, Constitution of the State of Alaska), the public school trust fund (AS 37.14.110(a)), and the power cost equalization and rural electric capitalization fund (AS 42.45.100(a)), according to AS 37.05.530(g)(3).

(b) The following amounts are appropriated to the oil and hazardous substance release prevention account (AS 46.08.010(a)(1)) in the oil and hazardous substance release prevention and response fund (AS 46.08.010(a)) from the sources indicated:

(1) the balance of the oil and hazardous substance release prevention mitigation account (AS 46.08.020(b)) in the general fund on July 1, 2010, estimated to be $3,209,500, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2010, estimated to be $8,400,000 from the surcharge levied under AS 43.55.300.

(c) The following amounts are appropriated to the oil and hazardous substance release response account (AS 46.08.010(a)(2)) in the oil and hazardous substance release prevention

and response fund (AS 46.08.010) from the following sources:

(1) the balance of the oil and hazardous substance release response mitigation account (AS 46.08.025(b)) in the general fund on July 1, 2010, estimated to be $30,000, not otherwise appropriated by this Act;

(2) the amount collected for the fiscal year ending June 30, 2010, from the surcharge levied under AS 43.55.201, estimated to be $2,100,000.

(d) The portions of the fees listed in this subsection that are collected during the fiscal year ending June 30, 2011, estimated to be $35,000, are appropriated to the Alaska children's trust (AS 37.14.200):

(1) fees collected under AS 18.50.225, less the cost of supplies, for the issuance of birth certificates;

(2) fees collected under AS 18.50.272, less the cost of supplies, for the issuance of heirloom marriage certificates;

(3) fees collected under AS 28.10.421(d) for the issuance of special request Alaska children's trust license plates, less the cost of issuing the license plates.

(e) The loan origination fees collected by the Alaska Commission on Postsecondary Education for the fiscal year ending June 30, 2011, are appropriated to the origination fee account (AS 14.43.120(u)) within the education loan fund (AS 14.42.210) of the Alaska Student Loan Corporation for the purposes specified in AS 14.43.120(u).

(f) The balance of the mine reclamation trust fund income account (AS 37.14.800(a)) on June 30, 2010, and money deposited in that account during the fiscal year ending June 30, 2011, estimated to be $50,000, is appropriated to the mine reclamation trust fund operating account (AS 37.14.800(a)) for the fiscal year ending June 30, 2011.

(g) The sum of $15,660,000 is appropriated to the Alaska clean water fund (AS 46.03.032) for the Alaska clean water loan program from the following sources:

Alaska clean water fund revenue bond receipts	$ 2,700,000
Federal receipts	12,960,000

(h) The sum of $13,092,200 is appropriated to the Alaska drinking water fund (AS 46.03.036) for the Alaska drinking water loan program from the following sources:

Alaska drinking water fund revenue bond receipts	$ 2,963,000
Federal receipts	10,129,200

(i) The amount of municipal bond bank receipts determined under AS 44.85.270(h) to be available for transfer by the Alaska Municipal Bond Bank Authority for the fiscal year ending June 30, 2010, estimated to be $819,800, is appropriated to the Alaska municipal bond bank authority reserve fund (AS 44.85.270).

(j) An amount equal to the bulk fuel revolving loan fund fees established under AS 42.45.250(j) and collected under AS 42.45.250(k) from July 1, 2009, through June 30, 2010, estimated to be $45,000, is appropriated from the general fund to the bulk fuel revolving loan fund (AS 42.45.250(a)).

(k) The sum of $7,000,000 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) in the fish and game fund (AS 16.05.100) to the Alaska fish and game revenue bond redemption fund (AS 37.15.770).

(*l*) An amount equal to the federal receipts deposited in the Alaska sport fishing enterprise account (AS 16.05.130(e)), not to exceed $1,644,800, as reimbursement for the federally allowable portion of the principal balance payment on the sport fishing revenue bonds series 2006 is appropriated from the Alaska sport fishing enterprise account (AS 16.05.130(e)) to the fish and game fund (AS 16.05.100).

(m) If the Alaska Municipal Bond Bank Authority must draw on the Alaska municipal bond bank authority reserve fund (AS 44.85.270), 2005 general bond resolution reserve, because of a default by a borrower, an amount equal to the amount drawn from the reserve is appropriated from the general fund to the Alaska municipal bond bank authority reserve fund (AS 44.85.270).

(n) The sum of $1,130,982,400 is appropriated from the general fund to the public education fund (AS 14.17.300).

(o) Fees collected at boating and angling access sites managed by the Department of Natural Resources, division of parks and outdoor recreation, under a cooperative agreement authorized under AS 16.05.050(a)(6), during the fiscal year ending June 30, 2011, estimated to be $450,100, are appropriated to the fish and game fund (AS 16.05.100).

* **Sec. 27.** FUND CAPITALIZATION. (a) The amount of federal receipts received for disaster relief during the fiscal year ending June 30, 2011, estimated to be $9,000,000, is appropriated to the disaster relief fund (AS 26.23.300(a)).

(b) The sum of $7,500,000 is appropriated from the general fund to the disaster relief

fund (AS 26.23.300(a)).

(c) The amount received under AS 18.67.162 as program receipts, estimated to be $21,000, including donations and recoveries of or reimbursement for awards made from the crime victim compensation fund, during the fiscal year ending June 30, 2011, is appropriated to the crime victim compensation fund (AS 18.67.162).

(d) If the balance of the oil and gas tax credit fund (AS 43.55.028) is insufficient to purchase transferable tax credit certificates issued under AS 43.55.023 and production tax credit certificates issued under AS 43.55.025 that are presented for purchase, the amount by which the tax credit certificates presented for purchase exceeds the balance of the fund, estimated to be $180,000,000, is appropriated from the general fund to the oil and gas tax credit fund (AS 43.55.028).

(e) An amount equal to 20 percent of the revenue collected under AS 43.55.011(g), not to exceed $60,000,000, is appropriated from the general fund to the community revenue sharing fund (AS 29.60.850).

* **Sec. 28.** RETAINED FEES AND BANKCARD SERVICE FEES. (a) The amount retained to compensate the collector or trustee of fees, licenses, taxes, or other money belonging to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to the agency authorized by law to generate the revenue. In this subsection, "collector or trustee" includes vendors retained by the state on a contingency fee basis.

(b) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to each agency of the executive, legislative, and judicial branches that accepts payment by bankcard or credit card for licenses, permits, goods, and services provided by that agency on behalf of the state, from the funds and accounts in which the payments received by the state are deposited.

(c) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 and AS 47.12.170 by bankcard or credit card, from the funds and accounts in which the restitution payments received by the Department of Law are deposited.

* **Sec. 29.** RETIREMENT SYSTEM FUNDING. (a) The sum of $190,850,258 is

appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the teachers' retirement system as an additional state contribution under AS 14.25.085 for the fiscal year ending June 30, 2011.

(b) The sum of $165,841,171 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the public employees' retirement system as an additional state contribution under AS 39.35.280 for the fiscal year ending June 30, 2011.

(c) The sum of $84,175 is appropriated from the general fund to the Department of Military and Veterans' Affairs for deposit in the defined benefit plan account in the Alaska National Guard and Alaska Naval Militia retirement system for the purpose of funding the Alaska National Guard and Alaska Naval Militia retirement system under AS 26.05.226 for the fiscal year ending June 30, 2011.

(d) The sum of $788,937 is appropriated from the general fund to the Department of Administration for deposit in the defined benefit plan account in the judicial retirement system for the purpose of funding the judicial retirement system under AS 22.25.046 for the fiscal year ending June 30, 2011.

* **Sec. 30.** SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following ongoing collective bargaining agreements:

(1) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing the employees of the Alaska Vocational Technical Center;

(2) Public Safety Employees Association, representing the regularly commissioned public safety officers unit;

(3) Inlandboatmen's Union of the Pacific, for the unlicensed marine unit;

(4) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(5) Marine Engineers' Beneficial Association.

(b) The operating budget appropriations made to the University of Alaska in this Act

include amounts for salary and benefit adjustments for the fiscal year ending June 30, 2011, for university employees who are not members of a collective bargaining unit and for implementing the monetary terms of the collective bargaining agreements including the terms of the agreement providing for the health benefit plan for university employees represented by the following entities:

(1) Alaska Higher Education Crafts and Trades Employees;

(2) University of Alaska Federation of Teachers;

(3) United Academics;

(4) United Academics-Adjuncts.

(c) If a collective bargaining agreement listed in (a) or (b) of this section is not ratified by the membership of the respective collective bargaining unit, the appropriations made by this Act that are applicable to that collective bargaining unit's agreement are reduced proportionately by the amount for that collective bargaining agreement, and the corresponding funding source amounts are reduced accordingly.

* **Sec. 31.** SHARED TAXES AND FEES. (a) The amount necessary to refund to local governments their share of taxes and fees collected in the listed fiscal years under the following programs is appropriated to the Department of Revenue from the general fund for payment to local governments in the fiscal year ending June 30, 2011:

REVENUE SOURCE	FISCAL YEAR COLLECTED
Fisheries business tax (AS 43.75)	2010
Fishery resource landing tax (AS 43.77)	2010
Aviation fuel tax (AS 43.40.010)	2011
Electric and telephone cooperative tax (AS 10.25.570)	2011
Liquor license fee (AS 04.11)	2011

(b) The amount necessary to pay the first five ports of call their share of the tax collected under AS 43.52.220 in calendar year 2010 according to AS 43.52.230(b), estimated to be $8,500,000, is appropriated from the commercial vessel passenger tax account (AS 43.52.230(a)) to the Department of Revenue for payment to the port of call during the fiscal year ending June 30, 2011.

(c) It is the intent of the legislature that the payments to local governments set out in (a) and (b) of this section may be assigned by a local government to another state agency.

* **Sec. 32.** STATE DEBT AND OTHER OBLIGATIONS. (a) The amount required to pay interest on any revenue anticipation notes issued by the commissioner of revenue under AS 43.08 during the fiscal year ending June 30, 2011, is appropriated from the general fund to the Department of Revenue for payment of the interest on those notes.

(b) The amount required to be paid by the state for principal and interest on all issued and outstanding state-guaranteed bonds is appropriated from the general fund to the Alaska Housing Finance Corporation for payment of principal and interest on those bonds for the fiscal year ending June 30, 2011.

(c) The sum of $7,066,800 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2003A general obligation bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2011.

(d) The sum of $42,300 is appropriated to the state bond committee from State of Alaska general obligation bonds, series 2003A bond issue premium, interest earnings, and accrued interest held in the debt service fund of the series 2003A bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2011.

(e) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2003A, for the fiscal year ending June 30, 2011, after the payments in (c) and (d) of this section, estimated to be $23,090,800, is appropriated from the general fund to the state bond committee for that purpose.

(f) The sum of $374,800 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project fund for state guaranteed transportation revenue anticipation bonds, series 2003B, for payment of debt service, accrued interest, and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B, for the fiscal year ending June 30, 2011.

(g) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding state-guaranteed transportation revenue anticipation bonds, series 2003B, for the fiscal year ending June 30, 2011, after the payment in (f) of this section, estimated to

be $12,353,300, is appropriated from federal receipts to the state bond committee for that purpose.

(h) The sum of $1,902,400 is appropriated to the state bond committee from the investment earnings on the bond proceeds deposited in the capital project funds for the series 2009A general obligation bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2011.

(i) The sum of $2,278,900 is appropriated to the state bond committee from State of Alaska general obligation bonds, series 2009A bond issue premium, interest earnings, and accrued interest held in the debt service fund of the series 2009A bonds for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2011.

(j) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2009A, for the fiscal year ending June 30, 2011, after the payments made in (h) and (i) of this section, estimated to be $6,650,800, is appropriated from the general fund to the state bond committee for that purpose.

(k) The sum of $1,039,000 is appropriated to the state bond committee from the Alaska debt retirement fund (AS 37.15.011(a)) for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A, for the fiscal year ending June 30, 2011.

(*l*) The sum of $34,000 is appropriated from the general fund to the state bond committee for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A, for the fiscal year ending June 30, 2011.

(m) The amount necessary for payment of debt service, accrued interest, and trustee fees on outstanding State of Alaska general obligation bonds, series 2010A, for the fiscal year ending June 30, 2011, after the payments made in (k) and (*l*) of this section, estimated to be $3,927,000, is appropriated from the general fund to the state bond committee for that purpose.

(n) The sum of $50,047,900 is appropriated to the state bond committee for payment of debt service and trustee fees on outstanding international airports revenue bonds for the

fiscal year ending June 30, 2011, from the following sources in the amounts stated:

SOURCE	AMOUNT
International Airports Revenue Fund (AS 37.15.430(a))	$46,847,900
Passenger facility charge	3,200,000

(o) The sum of $2,710,000 is appropriated from interest earnings of the Alaska clean water fund (AS 46.03.032) to the Alaska clean water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2011.

(p) The sum of $2,973,200 is appropriated from interest earnings of the Alaska drinking water fund (AS 46.03.036) to the Alaska drinking water fund revenue bond redemption fund (AS 37.15.565) for payment of principal and interest, redemption premium, and trustee fees, if any, on bonds issued by the state bond committee under AS 37.15.560 during the fiscal year ending June 30, 2011.

(q) The amount necessary for payment of lease payments and trustee fees relating to certificates of participation issued for real property for the fiscal year ending June 30, 2011, estimated to be $7,841,100, is appropriated from the general fund to the state bond committee for that purpose.

(r) The sum of $168,400 is appropriated from the debt retirement fund (AS 37.15.011) to the state bond committee for trustee fees and lease payments related to certificates of participation issued for real property for the Fairbanks virology laboratory replacement, for the fiscal year ending June 30, 2011.

(s) The sum of $3,467,100 is appropriated from the general fund to the Department of Administration for payment of obligations to the Alaska Housing Finance Corporation for the Robert B. Atwood Building in Anchorage for the fiscal year ending June 30, 2011.

(t) The sum of $22,924,500 is appropriated from the general fund to the Department of Administration for payment of obligations and fees for the following facilities for the fiscal year ending June 30, 2011:

FACILITY	ALLOCATION
(1) Anchorage Jail	$ 5,108,000
(2) Goose Creek Correctional Center	17,816,500

(u) The sum of $3,303,500 is appropriated from the general fund to the Department of Administration for payment of obligations to the Alaska Housing Finance Corporation for the Linny Pacillo Parking Garage in Anchorage, for the fiscal year ending June 30, 2011.

(v) The sum of $106,258,500 is appropriated to the Department of Education and Early Development for state aid for costs of school construction under AS 14.11.100 for the fiscal year ending June 30, 2011, from the following sources:

General fund	$85,058,500
School Fund (AS 43.50.140)	21,200,000

(w) The sum of $5,707,302 is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 2011, for payment of debt service on outstanding debt authorized by AS 14.40.257, AS 29.60.700, and AS 42.45.065, respectively, for the following projects:

AGENCY AND PROJECT	APPROPRIATION AMOUNT
(1) University of Alaska	$1,409,822
Anchorage Community and Technical College Center	
Juneau Readiness Center/UAS Joint Facility	
(2) Department of Transportation and Public Facilities	
(A) Nome (port facility addition and renovation)	127,000
(B) Matanuska-Susitna Borough (deep water port and road upgrade)	752,450
(C) Aleutians East Borough/False Pass (small boat harbor)	101,840
(D) Lake and Peninsula Borough/Chignik (dock project)	119,844
(E) City of Fairbanks (fire headquarters station replacement)	869,765
(F) City of Valdez (harbor renovations)	222,868
(G) Aleutians East Borough/Akutan (small boat harbor)	465,868
(H) Fairbanks North Star Borough	342,990

	(Eielson AFB Schools, major maintenance and upgrades)	
(3)	Alaska Energy Authority	
	(A) Kodiak Electric Association (Nyman combined cycle cogeneration plant)	943,676
	(B) Copper Valley Electric Association (cogeneration projects)	351,179

(x) The sum of $7,500,000 is appropriated from the Alaska fish and game revenue bond redemption fund (AS 37.15.770) to the state bond committee for payment of debt service, accrued interest, and trustee fees on outstanding sport fish hatchery revenue bonds for the fiscal year ending June 30, 2011. It is the intent of the legislature that the sum of $2,200,000 of the appropriation made by this subsection be used for early redemption of the bonds.

* **Sec. 33.** BUDGET RESERVE FUND. If the unrestricted state revenue available for appropriation in fiscal year 2011 is insufficient to cover general fund appropriations made for fiscal year 2011, the amount necessary to balance revenue and general fund appropriations is appropriated from the budget reserve fund (AS 37.05.540(a)) to the general fund.

* **Sec. 34.** CONSTITUTIONAL BUDGET RESERVE FUND. (a) An amount equal to the investment earnings that would otherwise have been earned by the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) on money borrowed from the budget reserve fund to meet general fund expenditures during the fiscal year ending June 30, 2011, is appropriated from the general fund to the budget reserve fund for the fiscal year ending June 30, 2011, for the purpose of compensating the budget reserve fund for lost earnings.

(b) The sum of $2,060,000 is appropriated from the general fund to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska) for the fiscal year ending June 30, 2011.

* **Sec. 35.** LAPSE EXTENSION OF APPROPRIATIONS. (a) Section 61(c), ch. 30, SLA 2007, is repealed and reenacted to read:

(c) The appropriation made in sec. 18(b), ch. 30, SLA 2007, lapses June 30, 2010, and the appropriation made in sec. 19(a), ch. 30, SLA 2007, lapses June 30,

2011.

(b) Section 16(b), ch. 17, SLA 2009, is amended to read:

(b) The appropriations made in secs. 1 and 14**, ch. 17, SLA 2009,** [OF THIS ACT] lapse June 30, **2011** [2010].

(c) The estimated amounts subject to the lapse extension under (b) of this section by department are as follows:

Department of Commerce, Community, and Economic Development	$ 200,000
Department of Education and Early Development	64,350,000
Department of Health and Social Services	5,478,300
Department of Labor and Workforce Development	6,102,700
Department of Public Safety	5,873,900
Total	$82,004,900

(d) The appropriation made to the Office of the Governor, commissions and special offices, redistricting planning committee allocation, in sec. 1, ch. 12, SLA 2009, page 16, line 28, and allocated on page 16, lines 30 - 31, lapses June 30, 2011.

* **Sec. 36.** NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 10(d), 11(b), 11(c), 12(b), 26, 27, and 29 of this Act are for the capitalization of funds and do not lapse.

* **Sec. 37.** RETROACTIVITY. Those portions of the appropriations made in sec. 1 of this Act that appropriate either the unexpended and unobligated balance of specific fiscal year 2010 program receipts or the unexpended and unobligated balance on June 30, 2010, of a specified account are retroactive to June 30, 2010, solely for the purpose of carrying forward a prior fiscal year balance.

* **Sec. 38.** CONTINGENCY. The appropriation made in sec. 19(a) of this Act is contingent as set out in sec. 19(b) of this Act.

* **Sec. 39.** Sections 35 and 37 of this Act take effect June 30, 2010.

* **Sec. 40.** Except as provided in sec. 39 of this Act, this Act takes effect July 1, 2010.

HB 300/302 AMEND-MENTS

<target><bill>HB 300</bill><subject>HB 300-302 AMENDMENTS</subject><comm>SFIN26</comm></target>

FY 2011

GOVERNOR'S OPERATING BUDGET AMENDMENTS

HB 300/HB302

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SEAN PARNELL, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
TELEPHONE: (907) 465-4660
FAX: (907) 465-3640

April 7, 2010

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

The Honorable Mike Hawker
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

Re: FY 2011 Operating Amendments
FY 2011 Capital Amendment

Dear Finance Committee Co-Chairs:

Enclosed are three proposed amendments to the FY 2011 operating budget incorporating the recently negotiated agreements with the General Government, Supervisory, and Confidential Employees bargaining units for your consideration.

Enclosed you will find a funding summary for each department by bargaining unit. Change records will be transmitted separately.

Also enclosed are two proposed capital amendments for the Department of Environmental Conservation to accommodate new provisions from the Environmental Protection Agency for grants to Alaska communities for principal forgiveness for loans received from the Alaska Clean Water and Alaska Drinking Water funds.

Thank you for your consideration of these amendments.

Sincerely,

Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Legislative Finance Division

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FY2011 Operating Amendments (HB300/SB229)

	Sec. No.	Department	Component	Description of Amendment	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
	1	Statewide	(Multiple)	FY2011 ASEA General Government Unit collective bargaining agreement - 1% COLA, $185/mo. health insurance increase	13,623.7	3,477.2	6,308.3	multiple	23,409.2
	1	Statewide	(Multiple)	FY2011 APEA Supervisory Unit collective bargaining agreement- 2% COLA, $178/mo. health insurance increase, $2/mo. legal trust fund increase	7,748.3	1,820.1	3,149.3	multiple	12,717.7
	1	Statewide	(Multiple)	FY2011 APEA Confidential Unit collective bargaining agreement - 2% COLA, $178/mo. health insurance increase, adopt Supervisory Unit salary schedule	924.3		28.6	multiple	952.9
									0.0
	Total FY2011 Operating Amendments				**22,296.3**	**5,297.3**	**9,486.2**		**37,079.8**

Submitted April 7, 2010

OPERATING BUDGET AMENDMENT

Add a section to amend the SALARY AND BENEFIT ADJUSTMENTS sections in HB300 and HB302 as follows:

*** Sec. XX.** SALARY AND BENEFIT ADJUSTMENTS. (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following ongoing collective bargaining agreements:

(1) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing the employees of the Alaska Vocational Technical Center;

(2) Public Safety Employees Association, representing the regularly commissioned public safety officers unit;

(3) Inlandboatmen's Union of the Pacific, for the unlicensed marine unit;

(4) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(5) Marine Engineers' Beneficial Association;

(6) Public Employees Local 71, for the labor trades and crafts unit; [AND]

(7) Teachers' Education Association of Mount Edgecumbe**;**

(8) Alaska Public Employees Association, for the confidential unit;

(9) Alaska Public Employees Association, for the supervisory unit; and

(10) Alaska State Employees Association, for the general government unit.

GF/Fed/Other Summary by Department

GGU Year 1 Salary and Benefits Increases

Scenario: FY2011 FINAL GGU HI & Sal Yr 1 (8089)

Department	GF	Federal	Other	Total	PFT	PPT	NP	Total Positions
Department of Administration	774.5	2.2	523.3	1,300.0	0	0	0	0
Department of Commerce, Community, and Economic Development	118.6	50.3	628.6	797.5	0	0	0	0
Department of Corrections	1,262.6	0.0	43.1	1,305.7	0	0	0	0
Department of Education and Early Development	392.9	22.0	27.3	442.2	0	0	0	0
Department of Environmental Conservation	385.0	121.1	495.6	1,001.7	0	0	0	0
Department of Fish and Game	1,848.3	246.8	24.1	2,119.2	0	0	0	0
Office of the Governor	0.1	0.0	-0.1	0.0	0	0	0	0
Department of Health and Social Services	5,269.3	1,335.3	827.2	7,431.8	0	0	0	0
Department of Labor and Workforce Development	362.7	1,014.9	581.7	1,959.3	0	0	0	0
Department of Law	514.2	0.0	18.3	532.5	0	0	0	0
Department of Military and Veterans Affairs	72.0	266.7	136.7	475.4	0	0	0	0
Department of Natural Resources	689.6	57.5	435.1	1,182.2	0	0	0	0
Department of Public Safety	776.5	17.3	122.8	916.6	0	0	0	0
Department of Revenue	464.4	343.1	235.1	1,042.6	0	0	0	0
Department of Transportation/Public Facilities	682.1	0.0	2,207.7	2,889.8	0	0	0	0
Alaska Court System	10.9	0.0	1.8	12.7	0	0	0	0
Total:	**13,623.7**	**3,477.2**	**6,308.3**	**23,409.2**	**0**	**0**	**0**	**0**

GF/Fed/Other Summary by Department

SU Year 1 Salary and Benefits Increases

Scenario: FY2011 FINAL SU HI & Sal Yr 1 (8091)

Department	GF	Federal	Other	Total	PFT	PPT	NP	Total Positions
Department of Administration	317.3	0.0	267.4	584.7	0	0	0	0
Department of Commerce, Community, and Economic Development	61.4	10.4	305.5	377.3	0	0	0	0
Department of Corrections	797.2	23.8	0.0	821.0	0	0	0	0
Department of Education and Early Development	185.2	8.9	17.4	211.5	0	0	0	0
Department of Environmental Conservation	317.4	112.1	322.6	752.1	0	0	0	0
Department of Fish and Game	1,630.3	169.7	2.7	1,802.7	0	0	0	0
Office of the Governor	0.1	0.0	-0.1	0.0	0	0	0	0
Department of Health and Social Services	2,184.0	702.0	140.0	3,026.0	0	0	0	0
Department of Labor and Workforce Development	110.3	477.0	218.3	805.6	0	0	0	0
Department of Law	185.0	0.0	8.6	193.6	0	0	0	0
Department of Military and Veterans Affairs	52.0	126.3	59.4	237.7	0	0	0	0
Department of Natural Resources	535.6	56.3	319.0	910.9	0	0	0	0
Department of Public Safety	510.6	2.2	30.7	543.5	0	0	0	0
Department of Revenue	241.1	129.7	102.4	473.2	0	0	0	0
Department of Transportation/Public Facilities	620.8	1.7	1,355.4	1,977.9	0	0	0	0
Total:	**7,748.3**	**1,820.1**	**3,149.3**	**12,717.7**	**0**	**0**	**0**	**0**

GF/Fed/Other Summary by Department

CEA Year 1 Salary and Benefits Increases

Scenario: FY2011 FINAL CEA HI & Salary Year 1 (8094)

Department	GF	Federal	Other	Total	PFT	PPT	NP	Total Positions
Department of Administration	916.7	0.0	0.0	916.7	0	0	0	0
Department of Health and Social Services	7.6	0.0	0.7	8.3	0	0	0	0
Department of Transportation/Public Facilities	0.0	0.0	27.9	27.9	0	0	0	0
Total:	**924.3**	**0.0**	**28.6**	**952.9**	**0**	**0**	**0**	**0**

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SEAN PARNELL, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld, Director
Office of Management and Budget
Office of the Governor

Date: April 2, 2010

From: Annette Kreitzer

Phone: 465-5671

Subject: Monetary terms of the July 1, 2010 to June 30, 2013 Collective Bargaining Agreement between the State and the Alaska State Employees Association representing the General Government Bargaining Unit.

The Department of Administration has concluded negotiations with the Alaska State Employees Association, AFSCME Local 52 representing the General Government Bargaining Unit, pending ratification by union members. If approved by the Legislature and ratified by the members the monetary terms of this agreement become effective July 1, 2010 and remain in effect through June 30, 2013.

I. Terms Requiring Appropriation.

Current Legislative Session

Effective July 1, 2010 the Employer's health insurance premium contribution to the union's health trust will increase to $1,125 per employee per month.

Effective July 1, 2010 the wage schedule in effect on June 30, 2010 shall increase by 1%.

Future Legislative Sessions

Effective July 1, 2011 the Employer's health insurance premium contribution to the union's health trust will increase by a percentage amount not exceeding that necessary to maintain the AlaskaCare Economy Plan.

Effective July 1, 2011 the wage schedule in effect on June 30, 2011 shall increase by 2%.

Effective July 1, 2011 the wage schedule in effect on June 30, 2011 will be adjusted to reflect geographic differentials as set out in the attached spreadsheet.

Effective July 1, 2012 the Employer's health insurance premium contribution to the union's health trust will increase by a percentage amount not exceeding that necessary to maintain the AlaskaCare Economy Plan.

Effective July 1, 2012 the wage schedule in effect on June 30, 2012 shall increase by 2%.

Effective July 1, 2012 the wage schedule in effect on June 30, 2012 will be adjusted to reflect geographic differentials as set out in the attached spreadsheet.

II. Change in State Revenues.

No term of this agreement would result in a change to State revenues.

III. Change in Productive Work Hours.

No term of this agreement would result in a change in productive work hours for state employees.

IV. Terms addressing employee compensation, leave benefits, or health insurance benefits that do not require an appropriation.

Where a Bargaining Unit Member's geographic differential is lowered during the term of the Agreement, the salary of the affected Bargaining Unit Member will be frozen for so long as they remain at their current duty station or until salary increases or changes in the Bargaining Unit Member's position result in the member receiving a higher salary than the frozen amount. For employees hired before July 1, 2011 (approximately 65 individuals) in the communities of Delta Junction, Tok, Nenana and Cantwell these frozen pay provisions will not take effect until July1, 2013.

This report of monetary terms is consistent with the requirements of the Public Employment Relations Act. Please forward these monetary terms to the Legislature in accordance with AS 23.40.215.

cc: All Commissioners
All Administrative Service Directors
Kim Garnero, Director, Division of Finance
Nicki Neal, Director, Division of Personnel and Labor Relations

Geographic Differentials by Community

Duty Station	Current Percentage Above Basic Pay Plan	Percentage Above Basic Pay Plan for Fiscal Year 11	Percentage Above Basic Pay Plan for Fiscal Year 12	Percentage Above Basic Pay Plan for Fiscal Year 13
Anchor Point	0%	0%	0%	0%
Anchorage	0%	0%	0%	0%
Anchorage Intl. Airport	0%	0%	0%	0%
Aniak	30%	30%	40%	50%
Anvik	30%	30%	40%	50%
Auke Bay	0%	0%	2%	5%
Barrow	42%	42%	46%	50%
Bethel	38%	38%	44%	50%
Camp Carroll	0%	0%	0%	0%
Cantwell	30%	30%	0%	0%
Chena River	4%	4%	3%	3%
Chignik	27%	27%	39%	50%
Chitina	11%	11%	0%	0%
Cold Bay	27%	27%	39%	50%
Cordova	11%	11%	11%	11%
Craig	0%	0%	0%	0%
Deadhorse	42%	42%	46%	50%
Delta Junction	16%	16%	0%	0%
Denali	0%	0%	0%	0%
Dillingham	27%	27%	32%	37%
Douglas	0%	0%	2%	5%
Dutch Harbor	27%	27%	44%	60%
Eagle	4%	4%	0%	0%
Eagle River	0%	0%	0%	0%
Eielson AFB	4%	4%	3%	3%
Elfin Cove	5%	5%	0%	0%
Elmendorf AFB	0%	0%	0%	0%
Emmonak	30%	30%	40%	50%
Fairbanks	4%	4%	3%	3%
Finger Lake	0%	0%	0%	0%
Fort Richardson	0%	0%	0%	0%
Fort Wainwright	4%	4%	3%	3%
Fort Yukon	42%	42%	37%	37%
Galena	30%	30%	34%	37%
Girdwood	0%	0%	0%	0%
Glennallen	11%	11%	0%	0%
Gustavus	5%	5%	0%	0%
Haines	5%	5%	0%	0%
Harding Lake	4%	4%	3%	3%
Homer	0%	0%	0%	0%
Hoonah	5%	5%	0%	0%
Juneau	0%	0%	2%	5%

Prepared by: Department of Administration

April 2, 2010

Geographic Differentials by Community

Duty Station	Current Percentage Above Basic Pay Plan	Percentage Above Basic Pay Plan for Fiscal Year 11	Percentage Above Basic Pay Plan for Fiscal Year 12	Percentage Above Basic Pay Plan for Fiscal Year 13
Kenai	0%	0%	0%	0%
Ketchikan	0%	0%	0%	0%
King Cove	27%	27%	39%	50%
King Salmon	27%	27%	39%	50%
Klawock	0%	0%	0%	0%
Kodiak	9%	9%	11%	11%
Kotzebue	42%	42%	51%	60%
Kulis ANG Base	0%	0%	0%	0%
Mackenzie Point	0%	0%	0%	0%
Matanuska	0%	0%	0%	0%
McGrath	30%	30%	34%	37%
Mount Edgecumbe	0%	0%	5%	5%
Nancy	0%	0%	0%	0%
Nenana	20%	20%	0%	0%
Ninilchik	0%	0%	0%	0%
Nome	34%	34%	37%	37%
Palmer	0%	0%	0%	0%
Pelican	5%	5%	0%	0%
Petersburg	0%	0%	0%	0%
Port Moller	27%	27%	39%	50%
Saint Marys	30%	30%	40%	50%
Sand Point	27%	27%	39%	50%
Seward	0%	0%	0%	0%
Sitka	0%	0%	5%	5%
Skagway	5%	5%	0%	0%
Soldotna	0%	0%	0%	0%
Sterling	0%	0%	0%	0%
Sutton	0%	0%	0%	0%
Talkeetna	0%	0%	0%	0%
Tazlina	11%	11%	0%	0%
Tenakee Springs	0%	0%	0%	0%
Tok	16%	16%	0%	0%
Unalakleet	34%	34%	42%	50%
Unalaska	27%	27%	44%	60%
Valdez	11%	11%	11%	11%
Wasilla	0%	0%	0%	0%
Whittier	11%	11%	0%	0%
Willow	0%	0%	0%	0%
Wrangell	0%	0%	0%	0%
Yakutat	5%	5%	0%	0%

Prepared by: Department of Administration

April 2, 2010

SEAN PARNELL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE (907) 465-2200
FAX (907) 465-2135

April 2, 2010

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

Dear President Stevens:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the State and the Alaska State Employees Association, representing the General Government Bargaining Unit. Also enclosed is a copy of the collective bargaining agreement.

The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b), subject to ratification by a majority of union members.

If I can answer any questions or provide additional information please call.

Sincerely,

Annette Kreitzer

Enclosure

cc: Karen Rehfeld, Director of the Office of Management and Budget

SEAN PARNELL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

April 2, 2010

The Honorable Mike Chenault
Speaker of the House
Alaska State Capitol
Juneau Alaska 99801-1182

Dear Speaker Chenault:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the State and the Alaska State Employees Association, representing the General Government Bargaining Unit. Also enclosed is a copy of the collective bargaining agreement.

The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b), subject to ratification by a majority of union members.

If I can answer any questions or provide additional information please call.

Sincerely,

Annette Kreitzer

Enclosure

cc: Karen Rehfeld, Director of the Office of Management and Budget

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld, Director
Office of Management and Budget
Office of the Governor

Date: April 2, 2010

From: Annette Kreitzer

Phone: 465- 5671

Subject: Monetary terms of the July 1, 2010 to June 30, 2013 Collective Bargaining Agreement between the State and the Alaska Public Employees Association representing the Supervisory Bargaining Unit (REVISED).

The Department of Administration has concluded negotiations with the Alaska Public Employees Association/AFT representing the Supervisory Bargaining Unit, pending ratification by union members. If approved by the Legislature and ratified by members the monetary terms of this agreement become effective July 1, 2010 and remain in effect through June 30, 2013.

I. Terms Requiring Appropriation.

Current Legislative Session

Effective July 1, 2010 the Employer's health insurance premium contribution will increase to $1,088 per month, which is the amount necessary to maintain the AlaskaCare Economy Plan. This amounts to an increase of $178 per member, per month.

Effective July 1, 2010 the wage schedule in effect on June 30, 2010 shall increase by 2%.

Effective July 1, 2010 the Employer's contribution to the Alaska Public Employees Association/AFT Legal Trust Fund will increase by $2 per member, per month (from $10 to $12).

Future Legislative Sessions

Effective July 1, 2011 the Employer's health insurance premium contribution will increase by the amount necessary to maintain the AlaskaCare Economy Plan.

Effective July 1, 2011 the wage schedule in effect on June 30, 2011 shall increase by 2%.

Effective July 1, 2011 the wage schedule in effect on June 30, 2011 will be adjusted to reflect geographic differentials as set out in the attached spreadsheet.

Effective July 1, 2012 the Employer's health insurance premium contribution will increase by the amount necessary to maintain the AlaskaCare Economy Plan.

Effective July 1, 2012 the wage schedule in effect on June 30, 2012 shall increase by 2%.

Effective July 1, 2012 the wage schedule in effect on June 30, 2012 will be adjusted to reflect geographic differentials as set out in the attached spreadsheet.

II. Change in State Revenues.

No term of this agreement would result in a change to State revenues.

III. Change in Productive Work Hours.

No term of this agreement would result in a change in productive work hours for state employees.

IV. Terms addressing employee compensation, leave benefits, or health insurance benefits that do not require an appropriation.

Effective July 1, 2010, the State will provide regularly commissioned supervisors in the State Fire Marshal's Office with physicals comparable to those provided to members of the Public Safety Employees Association.

Where a Bargaining Unit Member's geographic differential is lowered during the term of the Agreement, the salary of the affected Bargaining Unit Member will be frozen for so long as they remain at their current duty station or until salary increases or changes in the Bargaining Unit Member's position result in the member receiving a higher salary than the frozen amount.

This report of monetary terms is consistent with the requirements of the Public Employment Relations Act. Please forward these monetary terms to the Legislature in accordance with AS 23.40.215.

cc: All Commissioners
All Administrative Services Directors
Kim Garnero, Director, Division of Finance
Nicki Neal, Director, Division of Personnel and Labor Relations

Geographic Differentials by Community

Duty Station	Current Percentage Above Basic Pay Plan	Percentage Above Basic Pay Plan for Fiscal Year 11	Percentage Above Basic Pay Plan for Fiscal Year 12	Percentage Above Basic Pay Plan for Fiscal Year 13
Anchor Point	0%	0%	0%	0%
Anchorage	0%	0%	0%	0%
Anchorage Intl. Airport	0%	0%	0%	0%
Aniak	30%	30%	40%	50%
Anvik	30%	30%	40%	50%
Auke Bay	0%	0%	2%	5%
Barrow	42%	42%	46%	50%
Bethel	38%	38%	44%	50%
Camp Carroll	0%	0%	0%	0%
Cantwell	30%	30%	0%	0%
Chena River	4%	4%	3%	3%
Chignik	27%	27%	39%	50%
Chitina	11%	11%	0%	0%
Cold Bay	27%	27%	39%	50%
Cordova	11%	11%	11%	11%
Craig	0%	0%	0%	0%
Deadhorse	42%	42%	46%	50%
Delta Junction	16%	16%	0%	0%
Denali	0%	0%	0%	0%
Dillingham	27%	27%	32%	37%
Douglas	0%	0%	2%	5%
Dutch Harbor	27%	27%	44%	60%
Eagle	4%	4%	0%	0%
Eagle River	0%	0%	0%	0%
Eielson AFB	4%	4%	3%	3%
Elfin Cove	5%	5%	0%	0%
Elmendorf AFB	0%	0%	0%	0%
Emmonak	30%	30%	40%	50%
Fairbanks	4%	4%	3%	3%
Finger Lake	0%	0%	0%	0%
Fort Richardson	0%	0%	0%	0%
Fort Wainwright	4%	4%	3%	3%
Fort Yukon	42%	42%	37%	37%
Galena	30%	30%	34%	37%
Girdwood	0%	0%	0%	0%
Glennallen	11%	11%	0%	0%
Gustavus	5%	5%	0%	0%
Haines	5%	5%	0%	0%
Harding Lake	4%	4%	3%	3%
Homer	0%	0%	0%	0%
Hoonah	5%	5%	0%	0%
Juneau	0%	0%	2%	5%

Prepared by: Department of Administration

April 2, 2010

Geographic Differentials by Community

Duty Station	Current Percentage Above Basic Pay Plan	Percentage Above Basic Pay Plan for Fiscal Year 11	Percentage Above Basic Pay Plan for Fiscal Year 12	Percentage Above Basic Pay Plan for Fiscal Year 13
Kenai	0%	0%	0%	0%
Ketchikan	0%	0%	0%	0%
King Cove	27%	27%	39%	50%
King Salmon	27%	27%	39%	50%
Klawock	0%	0%	0%	0%
Kodiak	9%	9%	11%	11%
Kotzebue	42%	42%	51%	60%
Kulis ANG Base	0%	0%	0%	0%
Mackenzie Point	0%	0%	0%	0%
Matanuska	0%	0%	0%	0%
McGrath	30%	30%	34%	37%
Mount Edgecumbe	0%	0%	5%	5%
Nancy	0%	0%	0%	0%
Nenana	20%	20%	0%	0%
Niniltchik	0%	0%	0%	0%
Nome	34%	34%	37%	37%
Palmer	0%	0%	0%	0%
Pelican	5%	5%	0%	0%
Petersburg	0%	0%	0%	0%
Port Moller	27%	27%	39%	50%
Saint Marys	30%	30%	40%	50%
Sand Point	27%	27%	39%	50%
Seward	0%	0%	0%	0%
Sitka	0%	0%	5%	5%
Skagway	5%	5%	0%	0%
Soldotna	0%	0%	0%	0%
Sterling	0%	0%	0%	0%
Sutton	0%	0%	0%	0%
Talkeetna	0%	0%	0%	0%
Tazlina	11%	11%	0%	0%
Tenakee Springs	0%	0%	0%	0%
Tok	16%	16%	0%	0%
Unalakleet	34%	34%	42%	50%
Unalaska	27%	27%	44%	60%
Valdez	11%	11%	11%	11%
Wasilla	0%	0%	0%	0%
Whittier	11%	11%	0%	0%
Willow	0%	0%	0%	0%
Wrangell	0%	0%	0%	0%
Yakutat	5%	5%	0%	0%

Prepared by: Department of Administration

April 2, 2010

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

April 2, 2010

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

Dear President Stevens:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the State and the Alaska State Employees Association, representing the General Government Bargaining Unit. Also enclosed is a copy of the collective bargaining agreement.

The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b), subject to ratification by a majority of union members.

If I can answer any questions or provide additional information please call.

Sincerely,

Annette Kreitzer

Enclosure

cc: Karen Rehfeld, Director of the Office of Management and Budget

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

April 2, 2010

The Honorable Mike Chenault
Speaker of the House
Alaska State Capitol
Juneau Alaska 99801-1182

Dear Speaker Chenault:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the State and the Alaska State Employees Association, representing the General Government Bargaining Unit. Also enclosed is a copy of the collective bargaining agreement.

The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b), subject to ratification by a majority of union members.

If I can answer any questions or provide additional information please call.

Sincerely,

Annette Kreitzer

Annette Kreitzer

Enclosure

cc: Karen Rehfeld, Director of the Office of Management and Budget

3220

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

SEAN PARNELL, GOVERNOR

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

Memorandum

To: Karen Rehfeld, Director
Office of Management and Budget
Office of the Governor

Date: April 6, 2010

From: Annette Kreitzer

Phone: 907.465.5671

Subject: Monetary terms of the July 1, 2010 to June 30, 2013 Collective Bargaining Agreement between the State and the Alaska Public Employees Association representing the Confidential Bargaining Unit.

The Department of Administration has reached a tentative agreement with the Confidential Employees Association (CEA), pending ratification by union members. If approved by the Legislature the monetary terms of this agreement become effective July 1, 2010 and remain in effect through June 30, 2013.

I. Terms Requiring Appropriation.

Current Legislative session

Effective July 1, 2010 the Employer's health insurance premium contribution will increase by the amount necessary to maintain the AlaskaCare Economy Plan. This amounts to an increase of $178 per member, per month.

Effective July 1, 2010 CEA members will convert to the Supervisory Unit salary schedule in effect on July 1, 2010.

Effective July 1, 2010 a training committee shall be established with an annual budget of $20,000 to provide training to CEA members.

Future Legislative sessions

Effective July 1, 2011, the Employer's health insurance premium contribution will increase by the amount necessary to maintain the AlaskaCare Economy Plan.

Effective July 1, 2011 the wage schedule in effect on June 30, 2011, shall increase by 2%.

Effective July 1, 2011 the wage schedule in effect on June 30, 2011 will be adjusted to reflect geographic differentials as set out in the table below.

Effective July 1, 2012 the Employer's health insurance premium contribution will increase by the amount necessary to maintain the AlaskaCare Economy Plan.

Effective July 1, 2012 the wage schedule in effect on June 30, 2012, shall increase by 2%.

Effective July 1, 2012 the wage schedule in effect on June 30, 2012 will be adjusted to reflect geographic differentials as set out in the table below.

Duty Station	Current %	FY12 %	FY13 %
Anchorage	0%	0%	0%
Juneau	0%	2%	5%
Ketchikan	0%	0%	0%

II. Change in State Revenues.

No term of this agreement would result in a change to State revenues.

III. Change in Productive Work Hours.

There are no provisions in the tentative agreement that would change productive work hours.

IV. Terms addressing employee compensation, not requiring appropriation.

There are no terms addressing employee compensation that do not require appropriation.

IV. Terms addressing employee compensation, not requiring appropriation.

There are no terms addressing employee compensation that do not require appropriation.

This report of monetary terms is consistent with the requirements of the Public Employment Relations Act. Please forward these monetary terms to the Legislature in accordance with AS 23.40.215.

cc: Commissioner Leo von Scheben, Department of Transportation and Public Facilities
Laura Baker, Director, Division of Administrative Services, DOTPF
Eric Swanson, Director, Division of Administrative Services
Kim Garnero, Director, Division of Finance

SARAH PALIN, GOVERNOR

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

April 6, 2010

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

Dear Mr. President:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the State and the Confidential Employees Association. Also attached is a copy of the collective bargaining agreement.

The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b), subject to ratification by a majority of union members.

If I can answer any questions or provide additional information, please call.

Sincerely,

Annette Kreitzer

Enclosure

cc: Karen Rehfeld, Director of the Office of Management and Budget

SARAH PALIN, GOVERNOR

DEPARTMENT OF ADMINISTRATION

ANNETTE KREITZER, COMMISSIONER

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200
PHONE: (907) 465-2200
FAX: (907) 465-2135

April 6, 2010

The Honorable Mike Chenault
House Speaker
Alaska State Capitol
Juneau, Alaska 99801-1182

Dear Speaker Chenault:

I am required by the Public Employment Relations Act (AS 23.40.070-260) to report the monetary terms of any agreement reached with an employee organization. By copy of my memorandum to Karen Rehfeld, Director of the Office of Management and Budget (enclosed), please accept my report of the monetary terms of the collective bargaining agreement reached between the State and the Confidential Employees Association. Also attached is a copy of the collective bargaining agreement.

The monetary terms of this agreement must be submitted to the Legislature for approval pursuant to AS 23.40.215. In the interest of maintaining harmonious relations, I respectfully request that the Legislature approve the monetary terms of this agreement pursuant to AS 23.40.215(b), subject to ratification by a majority of union members.

If I can answer any questions or provide additional information, please call.

Sincerely,

Annette Kreitzer

Enclosure

cc: Karen Rehfeld, Director of the Office of Management and Budget

STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET

SEAN PARNELL, GOVERNOR

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
TELEPHONE: (907) 465-4660
FAX: (907) 465-3640

February 17, 2010

The Honorable Lyman Hoffman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 518
Juneau, AK 99801-1182

The Honorable Bert Stedman
Co-Chair, Senate Finance Committee
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

The Honorable Mike Hawker
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 505
Juneau, AK 99801-1182

The Honorable Bill Stoltze
Co-Chair, House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

Re: FY 2011 Operating Budget Amendments HB300/SB229
FY 2011 Mental Health Operating Budget Amendments HB302/SB231

Dear Finance Committee Co-Chairs:

Enclosed are proposed amendments to the FY 2011 operating budget.

The majority of the operating amendments are based on projected growth in the enrollment, utilization, and costs associated with the Medicaid program. In addition, we have included amendments in the FY 2011 operating budget to address specific items that require supplemental funding in the current year. We are also requesting a structure change for the University of Alaska in both the operating budget and the mental health operating budget bills to reflect a single appropriation structure.

Thank you for your consideration of these operating budget amendments.

Sincerely,

Karen J. Rehfeld
Director

Enclosures

cc: David Teal, Legislative Finance Division

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	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
2	Administration	EPORS				EPORS Benefit Reduction Due to a reduction in the member base this original increment request has been recalculated. This decrement is the net effect of this recalculation.	(250.0)	0.0	0.0		(250.0)
3	Administration	Finance				Finance Federal Stimulus AR 11690, per Sec. 1 Ch. 17 SLA 2009 P2 L11 (HB 199) lapse 6/30/10 The qualifying period for COBRA premium reduction has been extended through May 2011.	0.0	500.0	0.0	ARRA	500.0
4	Administration	Office of Public Advocacy				Increased Operational Costs Caseload has increased 21% over this same time last year.	865.0	0.0	0.0		865.0
5	Administration	Public Defender Agency				Delete Statutory Designated Program Receipts Delete unrealizable funding source	0.0	0.0	(20.0)	Statutory Designated Program Receipts	(20.0)
6	Administration	Public Defender Agency				Increased Operational Costs caseload has increased 10% over this time last year.	800.0	0.0	0.0		800.0
7	Administration	Violent Crimes Comp Board				Delete Unrealizable Fund Source for Health Insurance for Non-Covered The PFD Criminal Fund available amount for FY 2011 was over authorized by 2.0		0.0	(2.0)	PFD Criminal Fund	(2.0)
8	Commerce	Alaska Seafood Marketing Inst				Fund Source Change to Replace Reduced Federal Receipts with Receipt Supported Services	0.0	(500.0)	500.0	Receipt Supported Services	0.0
9	Commerce	Office of Economic Development				The requested funds will be used to facilitate economic development through aggressive outreach to the business community, identifying and removing barriers to growth, and the forging of productive public-private partnerships. This broadens the focus of the Office of Economic Development (OED) and better equips OED to interface with the private sector and the public.	250.0				250.0
10	Corrections	Physical Health Care				Meet Physical Health Care Funding Shortfalls Resulting from Increased Medical Costs	3,050.8	0.0	0.0		3,050.8
11	Education	EED State Facilities Rent				Additional general funds for increased costs of Alaska State Council on the Arts new office space lease, recently negotiated by Department of Administration, Division of General Services.	70.0	0.0	0.0		70.0
12	Education	Mt. Edgecumbe Boarding School				Line item transfer to align and accurately allocate Mt. Edgecumbe Boarding School general fund authority.	0.0	0.0	0.0		0.0
13	Education	Mt. Edgecumbe Boarding School				Technical adjustment to align interagency receipt authority for Mt. Edgecumbe Boarding School with needed allocation as indicated by review of unbudgeted Reimbursable Service Agreements (RSA) from Teaching and Learning Support Division.	0.0	0.0	1,400.0	I/A Receipts	1,400.0
14	Education	Mt. Edgecumbe Boarding School				Technical adjustment to transfer in statutory designated program receipt authority from Student and School Achievement to align and accurately allocate authority.	0.0	0.0	170.0	Statutory Designated Program Receipts	170.0
15	Education	Student and School Achievement				Technical adjustment to transfer out statutory designated program receipt authority to Mt. Edgecumbe Boarding School to align and accurately allocate authority.	0.0	0.0	(170.0)	Statutory Designated Program Receipts	(170.0)

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
16	Fish and Game	Commercial Fisheries				Federal authorization is needed to receive federal grants to support the Bering Sea Crab Research and Crab Rationalization programs in the Westward Region. The reduction of EVOSS and Statutory Designated Program Receipts authority is unrelated to these programs, but is in excess to the needs of the division and is being reduced to make this a net zero transaction.	0.0	400.0	(400.0)	(250.0) EVOSS (150.0) SDPR	0.0
17	Fish and Game	Sport Fisheries				A technical correction of Fish and Game Fund revenue accounting is need for DNR Parks boating and angling facilities fees.	0.0	0.0	0.0	(441.1) F&G Fund 441.1 F&G Fund Non-Dedicated	0.0
18	Fish and Game	Wildlife Conservation				A technical correction for Fish and Game Fund revenue accounting is needed for sanctuary access permit fees.	0.0	0.0	0.0	(1.4) F&G Fund 1.4 F&G Fund Non-Dedicated	0.0
19	Fish and Game	Hunter Education Public Shooting Ranges				A technical correction for Fish and Game Fund revenue accounting is needed fees collected at the department managed shooting ranges.	0.0	0.0	0.0	(284.8) F&G Fund 284.8 F&G Fund Non-Dedicated	0.0
20	Fish and Game	Administrative Services				A technical correction for Fish and Game Fund revenue accounting is needed commercial crew licenses.	0.0	0.0	0.0	(124.0) F&G Fund 124.0 F&G Fund Non-Dedicated	0.0
21	Fish and Game	State Subsistence				The division is handling the Donlin Creek project from the Department of Natural Resources as an unbudgeted RSA in FY10 due to a shortfall of I/A receipts authority. This amendment is needed to bring the RSA on budget for FY11.	0.0	0.0	0.0	140.0 I/A (140.0) EVOSS	0.0
22	Fish and Game	Habitat				Federal receipt authority is needed for the petroleum diesel spill that occurred in Helmet Creek on Adak Island on January 11, 2010.	0.0	100.0	0.0		100.0
23	Governor	Executive Office				Delete Statutorily Designated Program Receipt authority originally appropriated to provide receipts for large trade missions.	0.0	0.0	(95.0)	Statutory Designated Program Receipts	(95.0)
24	Health and Social Services	Administrative Support Svcs	1			Reverse Transfer of PCN 06-0117 to Senior and Disabilities Administration	0.0	0.0	0.0		0.0
25	Health and Social Services	Administrative Support Svcs				Transfer Funding from Medicaid School Based Admin Claims to Stabilize the Admin Support Services Budget	700.0	0.0	0.0		700.0
26	Health and Social Services	Administrative Support Svcs	(1)			Transfer of Position to Department of Law (DOL) for Replacement of Position from DOL	0.0	0.0	0.0		0.0
27	Health and Social Services	Administrative Support Svcs	(1)			Transfer PCN 06-0515 to Senior and Disabilities Administration	0.0	0.0	0.0		0.0
28	Health and Social Services	Adult Prev Dental Medicaid Svcs				Medicaid Growth	0.0	285.6	0.0		285.6
29	Health and Social Services	Adult Public Assistance				Funding for Adult Public Assistance Enrollment Growth	1,500.0	0.0	0.0		1,500.0
30	Health and Social Services	Behavioral Health Administration			1	MH Trust: AMHB/ABADA - Psychiatric Emergency Services, DES/DET Expansion	0.0	0.0	200.0	MH Trust Receipts	200.0
31	Health and Social Services	Behavioral Health Grants				Transfer Out FY09 Increment to Community Action Prevention & Early Intervention	(500.0)	0.0	0.0		(500.0)
32	Health and Social Services	Behavioral Hlth Medicaid Svcs				Medicaid Growth	3,870.9	6,622.3	0.0		10,493.2
33	Health and Social Services	CAPI Grants				Transfer in FY09 Increment from Behavioral Health Grants component	500.0	0.0	0.0		500.0

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
34	Health and Social Services	Chronic Disease Prev/Hlth Promo			2	ARRA funding for Communities Putting Prevention to Work	0.0	2,856.3	0.0		2,856.3
35	Health and Social Services	Chronic Disease Prev/Hlth Promo				ARRA Funding for Prevention and Wellness	0.0	414.5	0.0		414.5
36	Health and Social Services	Genl Relief/Temp Assisted Living				Additional Funds for General Relief Component	3,800.0	0.0	0.0		3,800.0
37	Health and Social Services	Health Planning & Infrastructure				MH Trust Workforce - Grant 1383.03 Loan Repayment Extension	0.0	0.0	150.0	MH Trust Receipts	150.0
38	Health and Social Services	Health Planning & Infrastructure				SDPR Authority for Children's Health Improvement Program Reinvestment Act (CHIPRA)	0.0	0.0	1,110.0	Statutory Designated Program Receipts	1,110.0
39	Health and Social Services	Health Planning & Infrastructure				SDPR for Federal Match for Student Loan Repayment Program	0.0	0.0	700.0	Statutory Designated Program Receipts	700.0
40	Health and Social Services	Hearings and Appeals	1			Transfer of Position from Department of Law for Operational Alignment	0.0	0.0	0.0		0.0
41	Health and Social Services	Medicaid School Based Admin Clms				Transfer Funding to Stabilize the Admin Support Services Budget	(700.0)	0.0	0.0		(700.0)
42	Health and Social Services	Medicaid Services				Medicaid Growth	30,387.1	35,091.2	0.0		65,478.3
43	Health and Social Services	Medicaid Services				Reflect Unbudgeted Reimbursable Service Agreements	0.0	0.0	3,475.0	I/A Receipts	3,475.0
44	Health and Social Services	Senior/Disabilities Medicaid Svc				Medicaid Growth	6,133.4	12,658.6	0.0		18,792.0
45	Health and Social Services	Senior/Disabilities Svcs Admin				Additional Resources Required for Compliance with the Corrective Action Plan Mandated by CMS	518.0	424.0	0.0		942.0
46	Health and Social Services	Senior/Disabilities Svcs Admin	(1)			Reverse Transfer of PCN 06-0117 from Admin Support Svcs	0.0	0.0	0.0		0.0
47	Health and Social Services	Senior/Disabilities Svcs Admin	1			Transfer PCN 06-0515 from Admin Support Svcs	0.0	0.0	0.0		0.0
48	Labor	Business Services				Add One-Time ARRA Federal Authorization for Alaska Energy Sector Partnership Grant ARRA funding for training Alaska workers in energy efficiency skills to support energy efficient end user technology and the geothermal, hydroelectric, wind turbine, and biomass industries.	0.0	3,600.0	0.0	ARRA	3,600.0
49	Labor	Business Services				Decrease State Training and Employment Program Authorization to Align with Planned Expenditures	0.0	0.0	(1,500.0)	State Training and Employment Program	(1,500.0)
50	Labor	Client Services				Add One-Time Carry Forward ARRA Federal Authorization for Employment Services to Disabled Alaskans Enhance the provision of services to clients, especially those with mobility issues experiencing difficulty in the current cramped office environment and provide vocational rehabilitation services to individuals who are disabled to either obtain or maintain employment.	0.0	200.0	0.0	ARRA	200.0
51	Labor	Employment and Training Services				Decrease Training and Building Fund Authorization to Align with Anticipated Receipts	0.0	0.0	(250.0)	Training and Building Fund	(250.0)
52	Labor	Unemployment Insurance				Increase Federal Authorization to Align with Anticipated Grant Receipts Additional funds are available due to the increase in UI contingency grant funds earned as a result of an increased workload, a change to the federal contingency reimbursement rate, and Emergency Unemployment Compensation grants.	0.0	4,000.0	0.0		4,000.0

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
53	Labor	Unemployment Insurance				Add One-Time ARRA Federal Authorization for Unemployment Insurance Program Development and Improvements The claims workload has increased to the point that the current ARRA authorization level is not sufficient to accept all of the federal reimbursement available.	0.0	600.0	0.0	ARRA	600.0
54	Law	Commercial and Fair Business				Tobacco Education Cessation Arbitration	0.0	0.0	165.0	Tob Ed/Ces	165.0
55	Law	Criminal Appeals/Special Lit	0			Reduce Fund Change Request for Rural Prosecution	(250.0)	250.0	0.0		0.0
56	Law	Criminal Appeals/Special Lit	0			Reduce Fund Change Request for Sexual Assault/Domestic Violence Earmark	(150.0)	150.0	0.0		0.0
57	Law	Criminal Appeals/Special Lit	1			Transfer of Position from DHSS for Replacement of Position	0.0	0.0	0.0		0.0
58	Law	Criminal Appeals/Special Lit	(1)			Transfer of Position to Department of Health and Social Services for Operational Alignment	0.0	0.0	0.0		0.0
59	Law	Third JD: Outside Anchorage	2			Add 2 PFT Kenai District Attorneys	400.0	0.0	0.0		400.0
60	Natural Resources	Claims, Permits, & Leases				Guide Concession Area Program Development To develop a program to award specific designated guiding areas to individual guides in order to better manage hunting resources and commercial competition in the industry. This corrects an omission in the initial budget submission.	130.0	0.0	0.0		130.0
61	Natural Resources	Information Resource Management				Reverse Statewide Parcel Database (Cadastral) Increment It has been determined the project will not be ready to proceed next fiscal year.	0.0	(50.0)	(250.0)	Receipt Supported Services	(300.0)
62	Natural Resources	Land Sales & Municipal Entitlem.				Additional Hiring Capability to Address Land Use Permitting Backlog Funding to bring vacancy factor into accepted guidelines and allow filling of some existing positions to assist with increasing workload.\	0.0	0.0	113.6	Land Sales	113.6
63	Natural Resources	Large Project Permitting				OCS Lease Planning Mineral Management Service Agency Agreement FY11 To fund Cooperating agency status with the Minerals Management Service in order to address Outer Continental Shelf issues, especially concerning EISs.	240.0	0.0	0.0		240.0
64	Public Safety	Domestic Violence/Sexual Assault				Victims' Services	125.0	0.0	0.0		125.0
65	Public Safety	Prisoner Transportation				Increased Prisoner Transportation Costs	300.0	0.0	0.0		300.0
66	Public Safety	Special Projects				Combating Internet Crimes Against Children - Economic Stimulus	0.0	97.0	0.0		97.0
67	Revenue	Alaska Retirement Management Board				Funding for Investment Officer Position Increase funding in the Alaska Retirement Management Board (ARMB) component to fund one new investment officer position provided by the Treasury Division. Approval of the new position and this funding request will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.	0.0	0.0	220.0	$38.7 Benefits Systems Receipts $124.5 PERS $55.0 TRS $1.3 JRS .5 NGRS	220.0

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
68	Revenue	Alaska Retirement Management Board Custody and Management Fees				Replace External Investment Manager with New Investment Officer Position A decrement in expenditure authorization is requested for FY2011 to reflect a decline in management fees resulting from a reduction in actively managed large cap publicly traded stocks as well as a decrease in management fees resulting from manager terminations due to organizational and performance issues and renegotiated contracts at a lower rate.	0.0	0.0	(850.0)	($584.6) PERS ($256.3) TRS ($7.1) JRS ($2.0) NGRS	(850.0)
69	Revenue	APFC Custody and Management Fees				Manager Fees Adjustment This increment, or reduction to our original decrement request, is the result of a stronger than projected market recovery and some changes to the Fund's portfolio structure. Over the last twelve months the Fund's performance was 18.87%, compared to the median rate of return of approximately 9% which was used to develop the original budget request.			8,000.0	Alaska Permanent Fund Corporation Receipts	8,000.0
70	Revenue	Child Support Services Division				Change in Matching Funds for the Child Support Program This request is a result of the language change in the American Reinvestment and Recovery Act (ARRA) which allowed states to use federal incentive funds as the required 34% state match. Senate Bill 1859 is making its way through Congress and if this bill passes would establish language that will allow states to continue to use federal incentive funds as the required 34% match; originally under ARRA this match language was going to sunset on September 30, 2010. This fund change also addresses the decline in the number of Temporary Assistance to Needy Families (TANF) cases which results in less Receipt Supported Services (RSS) being collected by the division. The division is requesting a fund source change to replace $1,033.5 of ARRA dollars with federal receipts, and replace $426.8 of RSS authority with general fund match. This will allow the division to continue to maximize federal support of the child support program and maintain the existing level of service to the clients.	426.8	0.0	(426.8)	$426.8 General Fund Match ($426.8) Receipt Supported Services $1,033.5 Federal Receipts ($1,033.5) Federal ARRA Receipts	0.0
71	Revenue	Permanent Fund Dividend Division				Central Mailroom Equipment Replacement The Central Mailroom, operated by the Department of Administration (DOA), uses a specialized piece of mailing equipment for pressure sealing documents such as the IRS form 1099. Current demands on this piece of equipment have exceeded its useful life, and Central Mail has been advised that further repairs are not feasible. The pressure sealer must be replaced prior to the mailing of tax documents for 2010. As the primary user of this equipment, the Permanent Fund Dividend Division has been asked to reimburse DOA for nearly 84% of its cost.	0.0	0.0	42.0	Permanent Fund Dividend	42.0

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
72	Revenue	Permanent Fund Dividend Division				Increased Cost for Bandwidth during Dividend Filing Season Permanent Fund Dividend (PFD) applicant filing season runs annually from January through March. Demand by the public for internet access to PFD, Gavel to Gavel, and other State websites during this period has increased dramatically, especially with at least 75% of PFD applicants filing online. On a daily basis, demand exceeds the State's available bandwidth causing a slowdown of all State activity online. At the request of the Department of Administration, Enterprise Technology Services (ETS), the Permanent Fund Dividend Division is requesting an increment equal to the cost of obtaining additional bandwidth sufficient to meet the State's needs for one of the three months. ETS will be working with other State entities and the service provider to cover the remaining cost during the peak season.	0.0	0.0	25.0	Permanent Fund Dividend	25.0
73	Revenue	Permanent Fund Dividend Division				New Annual Fee for Vital Statistics Records The Permanent Fund Dividend Division (PFDD) requests an increment of $25.0 to pay for the annual data file containing state birth and death information that is gathered by the Department of Health and Social Services, Bureau of Vital Statistics. This information is matched to dividend applicant files to verify applicant existence and to ensure applicants did not die before the date of application. In addition, this file match allows the division to exempt most residents who were born in Alaska from having to supply a birth certificate with their initial application, making it easier for first time applicants to apply for a dividend. Beginning in FY2011, the Bureau of Vital Statistics will begin charging the PFD Division an annual fee of $25.0 for the data file.	0.0	0.0	25.0	Permanent Fund Dividend	25.0
74	Revenue	Treasury Division				Funding for Investment Officer to Replace External Investment Manager Establish full year funding for one new exempt investment officer position in the Treasury Division's portfolio section, which was added during FY2010. This new position would support an internal effort to begin active management of other public market investments. Funding for this position will come from inter-agency receipts paid from the pension funds managed by the Alaska Retirement Management Board (ARMB) and invested by the Treasury Division. Approval of this request and related funding in the Alaska Retirement Management Board (ARMB) component will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.	0.0	0.0	220.0	I/A Receipts	220.0

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
75	Transportation	Southeast Design and Engineering Services				Utility Permitting Program Additional expenditure authority for the Utility Permitting program will allow the component to cover the cost of the positions which are responsible for this program. The component has only afforded the positions in the past due to vacancies and or finding funding via revised program. Adequate revenue is expected due to July 2009 changes in the utility permit fee rate structure in 17 AAC 15.	0.0	0.0	50.0	Receipt Supported Services	50.0
76	Transportation	Statewide Public Facilities				PCN 09-0012 Eng/Arch II Fund Source Swap (I/A to CIP) Fund source swap of Interagency receipts to Capital Improvement Project receipts to correctly fund PCN 09-0012 Eng/Arch II. This position was previously funded via an RSA with the Department of Military and Veteran's Affairs (DMVA) in support of DMVA facilities projects. This position provides facilities project support which may include the design and construction of new buildings, additions, major repairs and remodeling of existing DMVA buildings, as requested per DMVA. This position charges 100% to DMVA Capital Improvement Projects.	0.0	0.0	0.0	($128.0) I/A Receipts $128.0 CIP Receipts	0.0
77	University of Alaska	Systemwide Reduction/Additions				Change the multiple appropriation structure to a single appropriation with multiple allocations.	0.0	0.0	0.0		0.0
78	University of Alaska	Systemwide Reduction/Additions				University of Alaska Federation of Teachers (UAFT) compensation adjustment for the ratified collective bargaining agreement approved by the Board of Regents on February 5, 2010.	1,540.4	0.0	537.5		2,077.9
79			2	0	3	**FY2011 Operating Budget Numbers Amendments Subtotal**	**53,757.4**	**67,699.5**	**13,139.3**		**134,596.2**
80											
81	**Operating Budget Language Section Amendments**										
82	Statewide					Add a new section as follows: FINDINGS REGARDING SECS. 1 AND 26 OF THIS ACT. The legislature finds that the State of Alaska has realized savings of the general fund of $114,081,600 in the fiscal year ending June 30, 2011 through the federal medical assistance percentage provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009), and those savings, in part, are being used to finance the appropriations made from the general fund in secs. 1 and 26 of this Act.					0.0
83	Revenue	Alaska Housing Finance Corporation				Amend * Sec. 5. ALASKA HOUSING FINANCE CORPORATION, as follow: (d) After deductions for the items set out in (b) of this section and deductions for appropriations for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, is appropriated to the budget reserve fund (AS 37.05.540) [ALASKA DEBT RETIREMENT FUND (AS 37.15.011(a))].					0.0

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
84	Health and Social Services	(multiple)				Amend * Sec. 10. DEPARTMENT OF HEALTH AND SOCIAL SERVICES, and add a new subsection (b) as follows: (b) If the amount of federal receipts appropriated in sec. 1 of this act for Medicaid programs through provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) are not available to the state in the amounts appropriated for that purpose, the appropriations from federal economic stimulus funds for the affected program shall be reduced, and an appropriation in the amount reduced is appropriated from the general fund to the Department of Health and Social Services for the year ending June 30, 2011.					0.0
85	Natural Resources	Cook Inlet Energy Reclamation Bond				Amend * Sec. 13. DEPARTMENT OF NATURAL RESOURCES, to add a new subsection (c) as follows: (c) The interest earned in fiscal year 2011, estimated to be $250,000, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources and on deposit in the general fund, is appropriated from the general fund to the Department of Natural Resources for the purposes of the bond for the fiscal year ending June 30, 2011.	250.0			General Fund Program Receipts (Miscellaneous Earnings)	250.0
86	Revenue	Child Support Services Division				Amend *Sec. 15. DEPARTMENT OF REVENUE. In the event program receipts decline as a result of decreases in TANF, the minimum amount of general fund match is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011. The minimum amount of general fund match needed by the child support services agency for the fiscal year ending June 30, 2011 that is required to secure the federal funding appropriated for the child support enforcement program in sec. 1 of this Act is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011, contingent upon Congress not approving the extension for the use of federal incentive receipts as state matching funds for federal fiscal year 2011.	0.0	0.0	0.0		0.0
87	Statewide					Amend * Sec. 22. RETAINED FEES AND BANKCARD SERVICE FEES, subsection (c) as follows: (c) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 **and AS 47.12.170** by bankcard or credit card, from the funds and accounts in which the restitution payments received by the Department of Law are deposited.					0.0

	A	B	C	D	E	F	G	H	I	J	K
1	Department	RDU/ Component	PFT	PPT	NP	Description	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
88	Statewide					Amend * Sec. 26. STATE DEBT AND OTHER OBLIGATIONS, as follows: (q) The amount necessary for payment of lease payments and trustee fees relating to certificates of participation issued for real property for the fiscal year ending June 30, 2011, estimated to be $12,157,800, [$12,326,200] is appropriated to the state bond committee from the general fund for that purpose. Insert a new subsection after q to read (and renumber remaining subsections): (x) The sum of $168,400 is appropriated to the state bond committee from balances held in the debt service fund for the Fairbanks Virology Laboratory Replacement for the fiscal year ending June 30, 2011, for trustee fees and lease payments relating to certificates of participation issued for real property.	(168.4)		168.4	Miscellaneous Earnings	0.0
89	Revenue	Treasury Division				Amend *Sec. 29 CONSTITUTIONAL BUDGET RESERVE FUND Change Constitutional Budget Reserve Fund Investment Management Fees to General Fund This request changes the funding source for the amount necessary for FY2011 operating costs related to management of the Constitutional Budget Reserve Fund (CBRF).	2,060.0	0.0	(2,060.0)	Constitutional Budget Reserve Fund	0.0
90						**FY2011 Operating Budget Language Amendments Subtotal**	**2,141.6**	**0.0**	**(1,891.6)**		**250.0**
91											
92						**FY2011 Operating Budget Amendments Total**	**55,899.0**	**67,699.5**	**11,247.7**		**134,846.2**
93											

Change Record Detail with Description

Department of Administration

Scenario: FY2011 Governor Amended (7973)
Component: Finance (59)
RDU: Centralized Administrative Services (13)
Title: Finance Federal Stimulus AR 11690, per Sec. 1 Ch. 17 SLA 2009 P2 L11 (HB 199) lapse 6/30/10

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	IncOTI	500.0	0.0	0.0	500.0	0.0	0.0	0.0	0.0	0	0	0
1212 Fed ARRA		500.0										

The American Recovery and Reinvestment Act of 2009 included a program whereby an involuntary terminated employee would be eligible to obtain a 65% premium subsidy for health benefits under the Consolidated Omnibus Budget Reconciliation Act (COBRA) of 1985. To qualify, the involuntary termination must occur during the period that began September 1, 2008 through December 31, 2009. The premium reduction applies to periods of health coverage that began on or after February 17, 2009 and would last up to 9 months.

On December 19, 2009 the Department of Defense Appropriation Act for 2010 (2010 DOD Act) was passed, which extended the qualifying period through February 28, 2010, and the premium subsidy was extended to 15 months. This will result in potential COBRA premium subsidy coverage through May 31, 2011 for some former employees. As a result, the original appropriation will now need to be extended through FY 2011.

This request is based on estimated premium costs incurred for the COBRA premium subsidy through May 31, 2011 for FY 2011.

Change Record Detail with Description

Department of Administration

Scenario: FY2011 Governor Amended (7973)
Component: Elected Public Officers Retirement System Benefits (964)
RDU: Special Systems (299)
Title: EPORS Benefit Reduction

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-250.0	-250.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-250.0										

The Elected Public Officers Retirement System currently has 38 members (24 retirees and 14 survivors), all of whom are receiving a benefit. Due to a reduction in the member base the original increment request has been recalculated. This decrement is the net effect of this recalculation.

Change Record Detail with Description

Department of Administration

Scenario: FY2011 Governor Amended (7973)
Component: Office of Public Advocacy (43)
RDU: Legal and Advocacy Services (11)
Title: Increased Operational Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	865.0	0.0	0.0	865.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund 865.0

The Office of Public Advocacy (OPA) has experienced a significant spike in case assignments throughout the state. In the first two quarters of FY2010, the agency has seen a 21% increase in case assignments over the same time period in FY2009. The most notable areas of increases are as follows: criminal defense representation, 47%; child advocacy representation in CINA cases, 20%; parental representation in CINA cases, 30%.

This is a continuing trend. In FY2009 the guardianship caseload grew an unexpectedly 13.6% which resulted in one additional public guardian position. In FY2010 it was necessary to obtain additional contractual services for guardian ad litem services due to an 18.5% increase in CINA cases in FY2009.

This additional funding will be needed in FY2011 to keep provide for the increased caseload experienced during FY2010.

Change Record Detail with Description

Department of Administration

Scenario: FY2011 Governor Amended (7973)
Component: Public Defender Agency (1631)
RDU: Legal and Advocacy Services (11)
Title: Delete Statutory Designated Program Receipts

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-20.0	0.0	0.0	-20.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig	-20.0											

Delete unrealizable fund source for the Public Defender Agency.

Change Record Detail with Description

Department of Administration

Scenario: FY2011 Governor Amended (7973)
Component: Public Defender Agency (1631)
RDU: Legal and Advocacy Services (11)
Title: Increased Operational Costs

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Inc	800.0	800.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund 800.0

The Public Defenders (PD) Office has experienced significant increases in caseloads throughout the state in all types of cases in the first half of FY2010 as compared to the same period in FY2009. All cases statewide have increased approximately 10%, felonies have increased 15%, and misdemeanors have increased 11%. Anchorage felonies increased 16% and misdemeanors have increased 8%. Northern Region cases increased 25%, felonies have increased 37% and misdemeanors increased 30%.

The appellate caseload is expected to increase in future quarters as a result of the increases in trial cases. Additionally, the felony trial rate tripled and the misdemeanor trial rate more than doubled in the first quarter of FY2010. These statistics indicate that the agency will incur a substantial increase in merit appeals which are generally filed in all felony trial cases. Therefore it is expected that the backlog of felony merit appeals and the delay associated with the back log will continue.

This additional funding will be needed in FY2011 to keep provide for the increased caseload experienced during FY2010.

Change Record Detail with Description

Department of Administration

Scenario: FY2011 Governor Amended (7973)
Component: Violent Crimes Compensation Board (2694)
RDU: Violent Crimes Compensation Board (491)
Title: Delete Unrealizable Fund Source for Health Insurance for Non-Covered

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-2.0	-2.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1171 PFD Crim		-2.0										

Remove unrealizable fund source for health insurance for non-covered employees.

Change Record Detail with Description

Department of Commerce, Community, and Economic Development

Scenario: FY2011 Governor Amended (7973)
Component: Office of Economic Development (2743)
RDU: Community Assistance & Economic Development (405)
Title: Governor Priority for Economic Development Outreach

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	250.0	250.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		250.0										

The requested funds will be used to facilitate economic development through aggressive outreach to the business community, identifying and removing barriers to growth, and the forging of productive public-private partnerships. This broadens the focus of the Office of Economic Development (OED) and better equips OED to interface with the private sector, the public and media. The increase will fully fund a Business Development Officer (range 22) and a Communications Coordinator (range 23). The positions were transferred into OED from other department agencies for the specific purpose of enhancing and facilitating the department's economic development efforts.

Change Record Detail with Description

Department of Commerce, Community, and Economic Development

Scenario: FY2011 Governor Amended (7973)
Component: Alaska Seafood Marketing Institute (393)
RDU: Alaska Seafood Marketing Institute (126)
Title: Fund Source Change to Replace Reduced Federal Receipts with Receipt Supported Services

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	-500.0											
1156 Rcpt Svcs	500.0											

The Alaska Seafood Marketing Institute (ASMI) is requesting a fund source change to reduce Federal Receipt authorization and increase Receipt Supported Services authorization within their FY2011 budget. ASMI has confirmed that the FY2011 federal revenues will be $500.0 less than originally anticipated and the Receipt Supported Services carry forward will be more than anticipated. This amendment will allow ASMI to expend the additional Receipt Supported Services revenue in place of the reduced Federal revenue.

Change Record Detail with Description

Department of Corrections

Scenario: FY2011 Governor Amended (7973)
Component: Physical Health Care (2952)
RDU: Inmate Health Care (520)
Title: Meet Physical Health Care Funding Shortfalls Resulting from Increased Medical Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	3,050.8	0.0	0.0	3,050.8	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund 3,050.8

The Department of Corrections (DOC) is obligated to deliver essential medical care to incarcerated offenders. The department is requesting an increase to the base budget of $3,050.8 for increased inmate health care costs that are directly related to the fees-for-services.

Medical costs continue to escalate for inmates, as for the whole nation. "Costs for the most popular types of health care coverage are projected to increase at double-digit rates through the remainder of 2009 and into 2010," according to a recent national survey of insurers and administrators conducted by Buck Consultants, an independent subsidiary of Affiliated Computer Services, Inc. "Health insurance premiums have consistently grown faster than inflation or workers' earning in recent years." (Kaiser Family Foundation, March 2009 newsletter)

A shortfall is projected in the in-state and out-of-state (inmates in Arizona and now Colorado) medical fees-for-service. The department is required to provide and pay for health care services for all offenders. The department is seeing an increase in chronic disease associated with diabetes, cancer, heart disease, health-related issues due to obesity, and health issues associated with care for geriatrics. Fees-for-service costs are generated when it is necessary to seek non-institutional medical treatment for an inmate. The types of non-institutional medical treatment may include dialysis treatment for renal failure and/or acute renal failure, chemotherapy and radiation, etc. The department promotes good relations with non-institutional health care providers by maintaining timely payments, abiding by contractual agreements, and avoiding incurring interest charges. Nonpayment could result in a lapse of medical services for inmates and ultimately increase the severity of health related issues. The department receives a discounted fee-for-service rate for contracted medical services, due to the high volume of need. Costs associated with catastrophic medical cases (defined as in excess of $30.0 for a single event for an individual) unfortunately cannot either be accurately predicted or controlled.

In FY2009 a $2,126.9 PFD Criminal Fund increment was approved within this component, in addition to an approved FY2009 supplemental request of $646.4. A FY2010 supplemental request of $4,650.1 has been introduced, so this FY2011 Governor's Amended request of $3,050.8 is simply acknowledgment of the projected continued need.

To highlight the issue: Billings for 45 catastrophic, fee-for-service cases received as of Jan 13, 2010 totaled $4,158.1, or an average FY2010 monthly cost of $693.0, but the actual catastrophic cases' cost to the department per month may vary greatly. Specific recent catastrophic medical cases include, but are not limited to:

$713.1 – acute and chronic pancreatitis
$310.5 – dialysis
$307.1 – incarcerated umbilical hernia and end-stage cirrhosis/ascites
$190.7 – gun shot wound to chest
$171.0 – subarchnoid hemorrhage

Change Record Detail with Description

Department of Education and Early Development

Scenario: FY2011 Governor Amended (7973)
Component: Student and School Achievement (2796)
RDU: Teaching and Learning Support (56)
Title: To Mt. Edgecumbe Boarding School for Technical Adjustment Aligning and Accurately Allocating SDPR Authority

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Trout	-170.0	0.0	0.0	-170.0	0.0	0.0	0.0	0.0	0	0	0

1108 Stat Desig -170.0

The Department of Education & Early Development (EED) is requesting a "transfer out" transaction of $170.0 in Statutory Designated Program Receipt (SDPR) authority as a technical adjustment to align and more accurately allocate SDPR funds for Mt. Edgecumbe High School (MEHS).

EED has recently performed a detailed review of the MEHS programs and associated funding sources. As a result of this study, EED has determined that technical adjustments are necessary to account for all of MEHS's actual receipts and to accurately align program funding sources. MEHS annually receives receipts for leasing/renting MEHS facilities for educational related activities (Sitka Fine Arts Camp, Answer Camp, etc.). In the past, these receipts have been collected by the Teaching & Learning Support division and sent to MEHS via an unbudgeted RSA because MEHS does not have the SDPR receipt authority.

This request to transfer out $170.0 SDPR authority to MEHS will add an additional funding source to the MEHS budget. This request is an effort to align and accurately allocate program expenditures, and to increase efficiencies and resources within departmental operations.

This funding is "transferred out" from the Teaching & Learning Support, Student & School Achievement component. A corresponding "transfer in" transaction is reflected in the MEHS component.

AS 14.07.030 (7), (9), (10), (11), and (12) - statute that allows EED to charge and receive fees.
AS 37.05.146(b)(3) - statute that classifies funding source of fees received.

Change Record Detail with Description

Department of Education and Early Development

Scenario: FY2011 Governor Amended (7973)
Component: Mt. Edgecumbe Boarding School (1060)
RDU: Mt. Edgecumbe Boarding School (64)
Title: Line Item Transfer to Align and Accurately Allocate General Fund Authority

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
LIT	0.0	-546.3	358.5	0.0	187.8	0.0	0.0	0.0	0	0	0

A line item transfer is necessary to accurately reflect Mt. Edgecumbe High School (MEHS) programs and GF funding source expenditures.

The Department of Education and Early Development (EED) has recently performed a detailed review of the MEHS programs and associated funding sources. As a result of this study, EED has determined that technical adjustments are necessary to accurately align program funding sources.

This GF line item transfer request is an effort to align and accurately allocate program expenditures and to increase efficiencies and resources within departmental operations. This request will result in the academic portion of MEHS to be funded primarily through I/A receipts and residential operations to be primarily funded through GF.

Change Record Detail with Description

Department of Education and Early Development

Scenario: FY2011 Governor Amended (7973)
Component: Mt. Edgecumbe Boarding School (1060)
RDU: Mt. Edgecumbe Boarding School (64)
Title: From Student and School Achievement for Technical Adjustment Aligning and Accurately Allocating SDPR Authority

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Trin	170.0	0.0	14.5	148.4	7.1	0.0	0.0	0.0	0	0	0
1108 Stat Desig		170.0										

The Department of Education & Early Development (EED) is requesting a "transfer in" transaction of $170.0 in Statutory Designated Program Receipt (SDPR) authority from the Teaching & Learning Support, Student & School Achievement (S&SA) component as a technical adjustment to align and more accurately allocate SDPR funds for Mt. Edgecumbe High School (MEHS).

EED has recently performed a detailed review of the MEHS programs and associated funding sources. As a result of this study, EED has determined that technical adjustments are necessary to account for all of MEHS's actual receipts and to accurately align program funding sources. MEHS annually receives receipts for leasing/renting MEHs facilities for educational activities (Sitka Fine Arts Camp, Answer Camp, etc.). In the past, these receipts have been collected by the Teaching & Learning Support division and sent to MEHS via an unbudgeted RSA because MEHS does not have the SDPR receipt authority.

This request to transfer in $170.0 of SDPR authority from S&SA will add an additional funding source to the MEHS budget. This request is an effort to align and accurately allocate program expenditures, and to increase efficiencies and resources within departmental operations.

This funding will be "transferred in" to the MEHS component and a corresponding "transfer out" transaction is reflected in the S&SA component.

AS 14.07.030 (7), (9), (10), (11), and (12) - statute that allows EED to charge and receive fees.
AS 37.05.146(b)(3) - statute that classifies funding source of fees received.

Change Record Detail with Description

Department of Education and Early Development

Scenario: FY2011 Governor Amended (7973)
Component: Mt. Edgecumbe Boarding School (1060)
RDU: Mt. Edgecumbe Boarding School (64)
Title: Technical Adjustment to Align and Accurately Allocate Interagency Receipt Authority

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	1,400.0	519.0	76.5	699.4	105.1	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts		1,400.0										

The Department of Education & Early Development (EED) is requesting an additional $1,400.0 in Interagency Receipt (I/A) authority as a technical adjustment to align and more accurately allocate I/A funds for Mt. Edgecumbe High School (MEHS).

EED has recently performed a detailed review of the MEHS programs and associated funding sources. As a result of this study, EED has determined that technical adjustments are necessary to account for all of MEHS's unbudgeted Reimburseable Service Agreements (RSA) and to accurately align program funding sources.

This $1,400.0 request will increase the I/A authority to $4,914.7. Based on actuals, from FY2007 to FY2009 MEHS has processed $1,183.2 to $1,360.5 of unbudgeted RSAs. Unbudgeted RSAs are not initially reflected in an agency's budget and this request is an effort to align and accurately allocate program expenditures, and to increase efficiencies and resources within departmental operations. The unbudgeted RSAs are from the Teaching & Learning Support division and include MEHS's annual allocations of educational grants (Title VIB, Title IID, Suicide Prevention, etc.).

Change Record Detail with Description

Department of Education and Early Development

Scenario: FY2011 Governor Amended (7973)
Component: EED State Facilities Rent (2422)
RDU: State Facilities Maintenance (356)
Title: Additional Funding for Increased Alaska State Council on the Arts Lease Costs

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Inc	70.0	0.0	0.0	70.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund 70.0

This increment request is necessary to allocate the required funding for a new lease for the Alaska State Council on the Arts (ASCA) located in Anchorage. A new lease for office space was negotiated by the Department of Administration, Division of General Services in December 2009 and ASCA is scheduled to relocate in April of 2010. The reason for the new leasing contract is that the current lease expires in April 2010 and all renewal options have been exhausted.

Change Record Detail with Description

Department of Fish and Game

Scenario: FY2011 Governor Amended (7973)
Component: Commercial Fisheries (2965)
RDU: Commercial Fisheries (143)
Title: Federal Authority for Bering Sea Crab Research and Crab Rationalization Programs, and Reduce Excess Other Funds

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	400.0											
1018 EVOSS	-250.0											
1108 Stat Desig	-150.0											

This fund source change will provide federal authority necessary to receive additional grant funds to support the Bering Sea Crab Research and Crab Rationalization programs in the Westward Region.

The Bering Sea Crab Research grant is funded in FY10 with approximately $1 million in federal receipts, and according to National Marine Fisheries Service, the program is expected to receive a $300.0 increase in FY11. These additional funds will support a St. Matthew Island blue king crab pot survey. Funding for that survey does not exist in the FY10 federal grant.

The department has been advised that the federally funded Crab Rationalization Program is also increasing by nearly $300.0. The department is proposing that these funds be used to fund additional observer coverage in Bering Sea crab fisheries.

Upon careful review of known FY11 federal projects, the department believes they can fully book these new amounts by increasing federal receipt authority by $400.0.

Unrelated excess SDPR and EVOSS fund source authority is available and is reduced to make this a net zero transaction.

Change Record Detail with Description

Department of Fish and Game

Scenario: FY2011 Governor Amended (7973)
Component: Sport Fisheries (464)
RDU: Sport Fisheries (145)
Title: Correct Fish and Game Fund Revenue Accounting for DNR Parks Boating and Angling Facilities Fees

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1024 Fish/Game	-441.1											
1194 F&G Nond	441.1											

A technical correction is needed in the Division of Sport Fisheries for Fish and Game Fund revenue accounting. The Sport Fisheries Fish and Game authorization is related to the collection of fees at DNR Parks boating and angling facilities. The authorization is currently shown as dedicated Fish and Game Fund (code 1024); it should be shown as non-dedicated Fish and Game Fund (code 1194).

Change Record Detail with Description

Department of Fish and Game

Scenario: FY2011 Governor Amended (7973)
Component: Wildlife Conservation (473)
RDU: Wildlife Conservation (147)
Title: Correct Fish and Game Fund Revenue Accounting for Sanctuary Access Permit Fees

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1024 Fish/Game	-1.4											
1194 F&G Nond	1.4											

A technical correction is needed in the Wildlife Conservation component for Fish and Game fund revenue accounting. The authorization from the Fish and Game Fund is related to receipt and expenditure of access permit fees collected from patrons visiting the three department managed wildlife sanctuaries: McNeil River, Stan Price/Pack Creek, and Round Island. The authorization is currently shown as dedicated Fish and Game Fund (code 1024); it should be shown as non-dedicated Fish and Game Fund (code 1194).

Change Record Detail with Description

Department of Fish and Game

Scenario: FY2011 Governor Amended (7973)
Component: Hunter Education Public Shooting Ranges (2807)
RDU: Wildlife Conservation (147)
Title: Correct Fish and Game Fund Revenue Accounting for Shooting Range Fees

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1024 Fish/Game	-284.8											
1194 F&G Nond	284.8											

A technical correction is needed in the Hunter Education Public Shooting Range component for Fish and Game Fund revenue accounting. The authorization from the Fish and Game Fund is related to receipt and expenditure of fees collected from patrons of the three department managed shooting ranges. The authorization is currently shown as dedicated Fish and Game Fund (code 1024); it should be shown as non-dedicated Fish and Game Fund (code 1194).

Change Record Detail with Description

Department of Fish and Game

Scenario: FY2011 Governor Amended (7973)
Component: Administrative Services (479)
RDU: Administration and Support (148)
Title: Correct Fish and Game Fund Revenue Accounting for Commercial Crew Licenses

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1024 Fish/Game	-124.0											
1194 F&G Nond	124.0											

A technical correction is needed in the Division of Administrative Services (DAS) for Fish and Game Fund revenue accounting. The DAS Fish and Game Fund authorization is related to collection and accounting of the commercial crew member licenses. The authorization is currently shown as dedicated Fish and Game Fund (code 1024), but it should be shown as non-dedicated Fish and Game Fund (code 1194).

Change Record Detail with Description

Department of Fish and Game

Scenario: FY2011 Governor Amended (7973)
Component: State Subsistence (2625)
RDU: Administration and Support (148)
Title: Inter-Agency Receipts Authority for the Donlin Creek Project from the Department of Natural Resources

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts	140.0											
1018 EVOSS	-140.0											

The Subsistence division needs to increase Inter-Agency (I/A) receipts authority due to the award of the Donlin Creek Project to the Department of Natural Resources. The division is handling this project as an unbudgeted RSA in FY10 due to a shortfall of I/A receipts authority, but this amendment is needed to bring the RSA on budget for FY11.

Although not related to the project, the division does not anticipate receiving EVOSS funds in FY11, and is therefore being decreased to make this a net zero transaction.

Change Record Detail with Description

Department of Fish and Game

Scenario: FY2011 Governor Amended (7973)
Component: Habitat (486)
RDU: Habitat (151)
Title: Federal Receipt Authority for Helmet Creek Diesel Spill

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	100.0	45.0	45.0	3.0	7.0	0.0	0.0	0.0	0	0	0

1002 Fed Rcpts 100.0

The Division of Habitat is seeking a FY11 federal receipts amendment because of the petroleum diesel spill that occurred in Helmet Creek on Adak Island on January 11, 2010. The additional authority will allow the division to accept National Pollution Funds Center funds from the U.S. Coast Guard and the Department of Commerce for Natural Resource Damage Assessment (NRDA) work associated with this spill. As a NRDA trustee agency, the ADF&G has been actively involved in the Helmet Creek NRDA effort thus far, including study planning and protocol development and providing logistical support and personnel for field sampling of fish, water, and sediments in Helmet Creek and a local reference stream.

If the request for the additional federal authorization is not approved, the division will not have enough funds to remain actively engaged in this NRDA effort and thus, will be unable to satisfy our responsibilities as a NRDA trustee agency. The total federal funding is uncertain but $100.0 is being requested as a FY10 supplemental amendment and $100.0 as an FY11 Governor's budget amendment.

Change Record Detail with Description

Office of the Governor

Scenario: FY2011 Governor Amended (7973)
Component: Executive Office (6)
RDU: Executive Operations (2)
Title: Delete Excess Statutory Designated Program Receipts Authority

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-95.0	0.0	0.0	-95.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig		-95.0										

Delete Statutorily Designated Program Receipt authority originally appropriated to provide receipts for large trade missions.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Behavioral Health Medicaid Services (2660)
RDU: Behavioral Health (483)
Title: Medicaid Growth

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	10,493.2	0.0	0.0	0.0	0.0	0.0	10,493.2	0.0	0	0	0
1002 Fed Rcpts	3,626.0											
1037 GF/MH	3,870.9											
1212 Fed ARRA	2,996.3											

The FY11 Governor's Budget request for Medicaid programs was based on data as of late summer 2009. Based on that data, DHSS was expecting the FY10 spending for the Behavioral Health Medicaid Services component to be 4.9% higher than FY09, and spending for FY11 would be 4.4% higher than FY10. There have been unexpected increases in enrollment and utilization in recent months. Based upon the spending that has occurred in recent months, DHSS now projects spending in FY10 to be 8.6% higher than FY09, with FY11 spending being 7.0% higher than FY10.

Medicaid expenditure projections have changed from $54,974.1 to $58,845.0 in general funds and from $95,373.5 to $101,995.8 in federal funds based on December 2009 data.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Behavioral Health Grants (2669)
RDU: Behavioral Health (483)
Title: Transfer Out FY09 Increment to Community Action Prevention & Early Intervention

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Trout	-500.0	0.0	0.0	0.0	0.0	0.0	-500.0	0.0	0	0	0
1037 GF/MH		-500.0										

Transfer out the FY2009 Conference Committee $500.0 GF/MH increment for "Community Based Prevention and Intervention, Wrap-Around Services" to the Community Action Prevention & Early Intervention (CAPI) component. This aligns funding intent with the core services of the CAPI component.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Behavioral Health Administration (2665)
RDU: Behavioral Health (483)
Title: MH Trust: AMHB/ABADA - Psychiatric Emergency Services, DES/DET Expansion

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	IncOTI	200.0	150.0	50.0	0.0	0.0	0.0	0.0	0.0	0	0	1
1092 MHTAAR		200.0										

DHSS DBH requests authorization to carry-over $200.0 of the allotted $300.0 from FY10 to FY11 for the MH Trust: AMHB/ABADA – Psychiatric Emergency Services DES/DET Expansion project for the following activities:

Non-permanent oversight position is responsible for continued development of Emergency Services (DES/DET) statewide continuum of care, on-going support/training and development of sites in MatSu and Kenai/Soldotna communities. Position qualifications require a high level degree in behavioral health field, senior-level experience with Alaska's emergency services systems of care and experience and prior working relationships with hospitals state-wide.

Travel expense for oversight position to DES/T sites for orientation, training, implementation and support.

In FY10, the funding was authorized in the Designated Evaluation and Treatment Component. In FY11, the division is requesting this funding in the BH Administration component where division personal services and employee travel are budgeted.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Community Action Prevention & Intervention Grants (2596)
RDU: Behavioral Health (483)
Title: Transfer in FY09 Increment from Behavioral Health Grants component

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Trin	500.0	0.0	0.0	0.0	0.0	0.0	500.0	0.0	0	0	0
1037 GF/MH		500.0										

Transfer in the FY2009 Conference Committee $500.0 GF/MH increment for "Community Based Prevention and Intervention, Wrap-Around Services" to the Community Action Prevention & Early Intervention (CAPI) component. This aligns funding intent with the core services of the CAPI component.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Adult Preventative Dental Medicaid Svcs (2839)
RDU: Health Care Services (485)
Title: Medicaid Growth

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	285.6	0.0	0.0	0.0	0.0	0.0	285.6	0.0	0	0	0
1002 Fed Rcpts	153.8											
1212 Fed ARRA	131.8											

The FY11 Governor's Budget request for Medicaid programs was based on data as of late summer 2009. Based on that data, DHSS was expecting the FY10 spending for the Health Care Services, Adult Preventative Dental Medicaid Services component to be 11.0% higher than FY09, and spending for FY11 would be 8.9% higher than FY10. There have been unexpected increases in enrollment and utilization in recent months. Based upon the spending that has occurred in recent months, DHSS now projects spending in FY10 to be 18.1% higher than FY09, with FY11 spending being 15.0% higher than FY10.

Medicaid expenditure projections have changed from $5,319.6 to $5,605.2 federal funds based on December 2009 data.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Medicaid Services (2077)
RDU: Health Care Services (485)
Title: Reflect Unbudgeted Reimbursable Service Agreements

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	3,475.0	0.0	0.0	3,475.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts	3,475.0											

Reflect three unbudgeted reimbursable service agreements that provide general fund match from the Division of Behavioral Health for Medicaid payments for the following:

1. Disproportionate Share (DSH) Single Point of Entry Psychiatric Services at Providence Hospital - $1,625.0
2. Disproportionate Share for Designated Evaluation and Treatment Services provided by Fairbanks Memorial Hospital - $900.0
3. Disproportionate Share for Designated Evaluation and Treatment Services provided by Bartlett Regional Hospital - 950.0

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Medicaid Services (2077)
RDU: Health Care Services (485)
Title: Medicaid Growth

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	65,478.3	0.0	0.0	0.0	0.0	0.0	65,478.3	0.0	0	0	0
1002 Fed Rcpts	22,067.4											
1003 G/F Match	30,387.1											
1212 Fed ARRA	13,023.8											

The FY11 Governor's Budget request for Medicaid programs was based on data as of late summer 2009. Based on that data, DHSS was expecting the FY10 spending for the Health Care Services Medicaid Services component to be 5.9% higher than FY09, and spending for FY11 would be 2.1% higher than FY10. There have been unexpected increases in enrollment and utilization in recent months. Based upon the spending that has occurred in recent months, DHSS now projects spending in FY10 to be 12.8% higher than FY09, with FY11 spending being 3.6% higher than FY10.

Medicaid expenditure projections have changed from $198,268.6 to $228,655.7 in general funds and from $476,055.8 to $511,147.0 in federal funds based on December 2009 data.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Health Planning and Infrastructure (2765)
RDU: Health Care Services (485)
Title: Statutory Designated Program Receipts for Federal Match for Student Loan Repayment Program

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	700.0	0.0	0.0	700.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig	700.0											

The Alaska State Loan Repayment Program (SLRP) is a Health Resources and Services Administration (HRSA) sponsored effort to help encourage selected healthcare practitioners to work in Alaska. This is done by making loan repayments on behalf of practitioners while they provide healthcare services in high-need areas. The Department of Health and Social Services has received an HRSA grant award for $1,284.3 for FFY10.

States must agree to make available (directly or through donations from public or private entities) non-federal contributions in cash toward SLRP contracts in an amount not less than $1 for each $1 of federal funds provided in the grant. A state may not use any federal funds or in-kind contributions to satisfy the non-federal match requirement. A state must verify that contributions from sources other than state appropriated funds are non-federal.

The non-federal matching funds will be provided by the following four committed partners:

(1) the Alaska Mental Health Trust Authority (AMHTA),
(2) the Anchorage Neighborhood Health Center,
(3) the Kodiak Community Health Center, and
(4) the Interior Neighborhood Health Center.

Each of these four entities has made explicit contribution commitments. The non-federal matching funds collected from the Anchorage Neighborhood Health Center, the Kodiak Community Health Center, and the Interior Community Health Center are SDPR. In FY11, Health Care Services anticipates non-federal matching funds from these entities to be $700.0.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Health Planning and Infrastructure (2765)
RDU: Health Care Services (485)
Title: Statutory Designated Program Receipts for Children's Health Improvement Program Reinvestment Act (CHIPRA)

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	1,110.0	250.0	10.0	300.0	20.0	0.0	530.0	0.0	0	0	0
1108 Stat Desig		1,110.0										

This project will allow the Department of Health & Social Services to participate in a tri-state collaborative effort with Oregon and West Virginia to work on the following categories of the program:

(A) test federal government proposed measures of quality of children's care;
(B) promote the use of Health Information Technology (HIT) in reporting on and improving children's health care delivery; and
(C) demonstrate effectiveness of practice based models for improved care for children.

The federal grant provides for State Medicaid and Child Health Insurance Programs to work with health care providers and other partners in their states to carry out the activities proposed in the grant guidance.

Alaska is collaborating with Oregon and West Virginia to apply for funds through CHIPRA Quality Improvement Request for Proposals (RFP). The three states point out that testing measures of quality of care, demonstrating patient care models, and implementing electronic health records should be accomplished in rural states (all three are designated as rural by the federal government). CHIPRA targets children and youth 0-18. While the federal government provides funding for children's health care in the form of Medicaid and CHIPRA, the Centers for Medicare and Medicaid Services (CMS) is asking states to assist in testing more comprehensive measures of quality and effectiveness of medical services for children, and in turn is providing support for infrastructure for support of quality measures, HIT, and patient centered medical home practice models. This project will result in improved health care for Alaska's children.

The project is 100% federally funded. Oregon has been designated to be the primary grant recipient. Alaska will be a subgrantee. Funds received by the state will be categorized as statutory designated program receipts (SDPR). The project is anticipated to have a duration of 5 years: FY11 through FY15. The division is requesting authorization to collect and to expend these funds.

The federal grant could be awarded to Oregon as early as February 1, 2010. The department anticipates expenditures of approximately $75.0 for FY10, and is confident that there is sufficient SDPR authorization in FY10 to accommodate this.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Health Planning and Infrastructure (2765)
RDU: Health Care Services (485)
Title: MH Trust Workforce - Grant 1383.03 Loan Repayment Extension

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	IncOTI	150.0	0.0	0.0	0.0	0.0	0.0	150.0	0.0	0	0	0
1092 MHTAAR	150.0											

Brief Overview of the State Loan Repayment Program

The Alaska State Loan Repayment Program (SLRP) is a Health Resources and Services Administration (HRSA) sponsored effort to help encourage selected healthcare practitioners to work in Alaska. This is done by making loan repayments on behalf of practitioners while they provide healthcare services in high-need areas. The current budget for practitioner LRPs is $1,200,000, with 50% from HRSA, and the other 50% from "non-federal match," the later composed of $400,000 from AMHTA, and $200,000 from three community health centers.

Need for the Project

Considerable evidence nationwide indicates that healthcare practitioners are finishing their training programs with substantial educational debt. Further, many of these providers are quite willing to work in high-need areas and/or with high-need populations if state &/or federal agencies can help relieve this debt in return. Nationally, this workforce support-for-service strategy has been repeatedly shown to increase both recruitment and retention. The Alaska SLRP program startup was in September 2009, and is scheduled for one year. Of modest size, it will field 23 practitioners, across a broad spectrum of primary care occupations, with each practitioner working on a two-year service contract.

Reason for the Extension Request

The Department of Health and Social Services (DHSS) received approval for a September 2009 start-up of the program from HRSA, well into FY10, and the program has proven complex to begin. DHSS now anticipates that practitioner applications will be accepted starting in February 2010, with placement decisions soon thereafter. This means that DHSS will not be able to spend any more than $50,000 of the $200,000 that AMHTA has allocated for its FY10 portion of the program's "non-federal matching funds."

DHSS has identified 23 practitioner slots for the SLRP, and plans to fill all of the slots. Therefore, all federal and non-federal LRP funds will eventually be expended. The carry-over of AMTHA funding in the amount of $150,000 into FY11 would allow the Alaska SLRP program to fully use the HRSA-provided federal funds, and to actually place all 23 practitioners for their full two-year contracts.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Adult Public Assistance (222)
RDU: Public Assistance (73)
Title: Adult Public Assistance Enrollment Growth

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	1,500.0	0.0	0.0	0.0	0.0	0.0	1,500.0	0.0	0	0	0

1004 Gen Fund 1,500.0

The projected Adult Pubic Assistance (APA) program expenditure growth represents a 2.3% increase from the FY10 authorized budget. This program cost growth is due to anticipated increases in the number of individuals served by the program as APA participation is projected to increase by the same 2.3%.

Without this additional funding, the APA program will not be able to provide benefits to the full population meeting the eligibility requirements for the program.

The APA program was established with the mandate to provide income support for needy elderly, blind and disabled persons. APA benefits serve as a supplement to federal Supplementary Security Income (SSI) and allow the individual to meet basic needs and to remain independent in the community. APA also provides Interim Assistance (IA), a state funded cash benefit of $280 per month for SSI applicants waiting for a disability determination. People who receive APA financial assistance are over 64 years of age or experience severe and long-term disabilities that impose mental or physical limitations on their day-to-day functioning. Certain income and asset eligibility standards apply.

There is currently a change record in the FY11 Governor's scenario for Adult Pubic Assistance (APA) program growth. Since the submission of the FY11 Governor's scenario the division has revised its projections for this program. This increment is for the need above what was already requested.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Chronic Disease Prevention and Health Promotion (2818)
RDU: Public Health (502)
Title: ARRA Funding for Prevention and Wellness

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
IncOTI	414.5	103.3	15.4	294.6	1.2	0.0	0.0	0.0	0	0	0

1212 Fed ARRA 414.5

An American Recovery and Reinvestment Act (ARRA) Prevention and Wellness funding opportunity was announced in September 2009 for Communities Putting Prevention to Work, State Supplemental Funding for Healthy Communities, Tobacco Control, Diabetes Prevention and Control, and Behavioral Risk Factor Surveillance System.

There are two purposes for this funding: 1) policy and environmental change related to obesity/overweight, physical activity, nutrition and tobacco use and 2) enhancement of tobacco quit lines and associated media. Funds will also be used to pay for one (existing) FTE (Public Health Specialist II) and related supported costs which have largely been funded through federal earmarks, which expire September 2010. Activities will focus on implementing policies to a) improve nutrition, b) increase physical activity and c) promote tobacco cessation through enhanced media promotion and outreach for the Quit Line with a follow-up evaluation.

One goal is implementation of policies and food systems changes that improve availability and affordability of healthy local foods, thus, increasing the intake of fruits and vegetables, and reducing the prevalence of obesity in Alaska. To increase physical activity, the State will work with physical education (PE) stakeholders to increase quality PE in schools, and implement strategies to reach the goal of providing quality daily PE to all students (or 150 minutes per week at the elementary level and 225 minutes per week at the secondary level). The Obesity Prevention and Control Program will work primarily on adoption of PE Content Standards by the State Board of Education, and establishment of a statewide PE coordination position. Funds will also be used to enhance the Tobacco Quit Line and building public support for smoke free air policies.

The cumulative amount of the grant over the 24-month period is projected to be $828.9. About $207.2 will be needed in FY10 with the remainder spread over FY11 and FY12. This increment request for $414.5 federal ARRA funds represents the amount of additional authorization needed in FY11.

This funding will improve the DHSS performance related to healthy people in healthy communities in the two following areas:
5.7% adult diabetes prevalence for 2005-2007; prevalence has increased 40% since 1998-2000.
28.2% adult obesity prevalence for 2007 continues worsening trend and is higher than the 26.3% national average.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Chronic Disease Prevention and Health Promotion (2818)
RDU: Public Health (502)
Title: ARRA funding for Communities Putting Prevention to Work

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	IncOTI	2,856.3	281.4	27.3	252.8	2.4	0.0	2,292.4	0.0	0	0	2
1212 Fed ARRA		2,856.3										

An American Recovery and Reinvestment Act (ARRA) Prevention and Wellness competitive funding opportunity was announced in September 2009 for Communities Putting Prevention to Work. Eligibility for Alaska is limited to tribal organizations and the state, which can apply on behalf of up to 2 communities. The Centers for Disease Control specified that communities must have existing coalitions in place that are ready to begin utilizing these funds as soon as they become available.

Seventy-five percent (75%) of the funds will be awarded to the communities as grants for services described below. Anchorage and Wrangell have been selected based on their comprehensive plans for how they would spend these funds. Anchorage will receive $2.5 million and Wrangell $2.1 million over the 24 month project.

The remaining 25% of this total grant award will be used to manage the grant funds and provide technical assistance. Two, long-term non-perm positions (1.75 FTE) will manage these grant programs. The grant will also support the Obesity Prevention and Control Program Manager position at 0.75 FTE, an existing epidemiologist/data collections position at 0.25 FTE, and an existing public health specialist position at 0.5 FTE. Two of these positions are currently funded by a federal earmark, which ends September, 2010.

The Municipality of Anchorage will focus on increasing physical activity and access to healthy foods through social networking, media, and other communication strategies. The Healthy Wrangell Coalition will also focus on increasing physical activity and healthy foods. They will implement worksite health promotion programs at their largest worksites; assist the Wrangell Community Garden, the Wrangell Recreation Center, and community eateries in developing business plans that expand services and improve the nutritional content of food served; and promote safe outdoor physical activity by eliminating unsafe areas on the road for pedestrians and bicyclists.

The cumulative amount of the grant over the 24-month period is projected to be $5,712.6. About $952.1 will be needed in FY10 with the remainder spread over FY11 and FY12. This increment request for $2,856.3 federal ARRA funds represents the amount of additional authorization needed in FY11.

This funding will improve the DHSS performance related to healthy people in healthy communities in the two following areas:

5.7% adult diabetes prevalence for 2005-2007; prevalence has increased 40% since 1998-2000.
28.2% adult obesity prevalence for 2007 continues worsening trend and is higher than the 26.3% national average.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: General Relief/Temporary Assisted Living (2875)
RDU: Senior and Disabilities Services (487)
Title: Additional Funds for General Relief Component

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	3,800.0	0.0	0.0	0.0	0.0	0.0	3,800.0	0.0	0	0	0

1004 Gen Fund 3,800.0

Based on recent projections this component will expend $3.8 million more funds than authorized in both FY10 and FY11. The number of clients, and the related costs, are greater in FY10 than FY09. Expenditures for the first four months of FY10 are 15% above the same period in FY09. This trend is anticipated to continue throughout the year and total projected costs are approximately $7.3 million.

This component needs a supplemental appropriation of $3.8 million in FY10 to meet program expenses. In prior years, General Relief costs have been approximately $6.3 million and were covered through a transfer of GF from Senior and Disabilities Medicaid Services. However, Senior and Disabilities Medicaid Services is also facing shortfalls and is requesting a FY10 supplemental and an FY11 increment, so this transfer will not be possible.

Senior and Disabilities Services, in compliance with legislative intent language, reviews policies to ensure only qualified applicants receive relief, and only for the period for which they qualify. Senior and Disabilities Services will continue to comply with intent language while requesting funding consistent with observed trends.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Senior and Disabilities Medicaid Services (2662)
RDU: Senior and Disabilities Services (487)
Title: Medicaid Growth

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	18,792.0	0.0	0.0	0.0	0.0	0.0	18,792.0	0.0	0	0	0
1002 Fed Rcpts	3,893.4											
1003 G/F Match	6,133.4											
1212 Fed ARRA	8,765.2											

The FY11 Governor's Budget request for Medicaid programs was based on data as of late summer 2009. There have been unexpected increases in enrollment and utilization in recent months. Based upon the spending that has occurred in recent months, DHSS now projects spending in FY11 to be 9.8% higher than FY10. This increase is similar to the increase seen from FY08 to FY09 and the increase anticipated from FY09 to FY10.

Medicaid expenditure projections have changed from $144,987.6 to $151,121.0 in general funds and from $235,502.3 to $248,160.9 in federal funds based on December 2009 data.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Senior and Disabilities Services Administration (2663)
RDU: Senior and Disabilities Services (487)
Title: Transfer PCN 06-0515 from Admin Support Svcs

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Trin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0

Transfer positions to address priority needs across the department. The position will be reclassified to meet divisional needs.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Senior and Disabilities Services Administration (2663)
RDU: Senior and Disabilities Services (487)
Title: Reverse Transfer of PCN 06-0117 from Admin Support Svcs

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Trout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

Transfer positions to address priority needs across the department. The position will be reclassified to meet divisional needs.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Senior and Disabilities Services Administration (2663)
RDU: Senior and Disabilities Services (487)
Title: Additional Resources Required for Compliance with the Corrective Action Plan Mandated by CMS

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	942.0	550.0	140.0	160.0	60.0	32.0	0.0	0.0	0	0	0

1002 Fed Rcpts	424.0
1003 G/F Match	423.0
1004 Gen Fund	95.0

A $1,000.0 increment was included in the FY11 Governor's scenario for Home and Community Based waiver compliance. The division now has a better understanding of the requirements and an updated projection of the funding needed for FY11 is $1,942.0.

This funding will be used to:

1) fund positions recommended by the Federal Centers for Medicare and Medicaid Services (CMS);
2) outfit the workspaces of the employees including computer, workstation and communications equipment;
3) improve existing communications; and
4) explore the replacement of the division's current assessment process and instrument.

The division has requested resources that were partially funded in the past; however, with the current emphasis that CMS has placed on compliance with their expectations there is added urgency to obtain the appropriate resources needed in order to retain the ability to use their waiver and entitlement programs.

If funded, SDS will be able to deliver core services and implement the program enhancements agreed to in the Corrective Action Plan (CAP) mandated by CMS. If this request is not approved, the division will be unable to meet the program performance requirements, and commitments documented in the CAP.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Administrative Support Services (320)
RDU: Departmental Support Services (106)
Title: Transfer PCN 06-0515 to Senior and Disabilities Administration

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Trout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

Transfer positions to address priority needs across the department. The position will be reclassified to meet divisional needs.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Administrative Support Services (320)
RDU: Departmental Support Services (106)
Title: Transfer of Position to Department of Law (DOL) for Replacement of Position from DOL

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Atrout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

This transaction will transfer PCN 06-0517 to the Department of Law in place of the position that the Department of Law is transferring to DHSS.

Department of Law is transferring PCN 03-0193 an Attorney V to DHSS. This position has headed the Hearings and Appeals component out stationed from Department of Law and reimbursed through an RSA.

DHSS and Law considered a different solution to this on-going need as the continued use of an attorney PCN in DHSS is contrary to their policy of keeping all attorney resources within the Department of Law. Division of Personnel reviewed the entire office and provided the recommendation to implement the Hearing Examiner job series.

With this recommendation PCN 03-0193 will be transferred to DHSS and reclassified into a Hearing Examiner II.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Administrative Support Services (320)
RDU: Departmental Support Services (106)
Title: Transfer Funding from Medicaid School Based Admin Claims to Stabilize the Admin Support Services Budget

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Trin	700.0	0.0	0.0	700.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		700.0										

This corrects an error in the proposed FY11 budget. The increment was incorrectly reflected in the Medicaid School Based Admin Claims component.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Administrative Support Services (320)
RDU: Departmental Support Services (106)
Title: Reverse Transfer of PCN 06-0117 to Senior and Disabilities Administration

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Trin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0

Transfer positions to address priority needs across the department. The position will be reclassified to meet divisional needs.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Hearings and Appeals (1434)
RDU: Departmental Support Services (106)
Title: Transfer of Position from Department of Law for Operational Alignment

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Atrin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0

This transaction will transfer in from Dept of Law PCN 03-0193, an Attorney V. This position has headed the Hearings and Appeals component out stationed from Department of Law and reimbursed through an RSA.

DHSS and Law considered a different solution to this on-going need as the continued use of an attorney PCN in DHSS is contrary to their policy of keeping all attorney resources within the Department of Law. Division of Personnel reviewed the entire office and provided the recommendation to implement the Hearing Examiner job series.

With this recommendation PCN 03-0193 will be transferred to DHSS and reclassified into a Hearing Examiner II.

DHSS will transfer PCN 06-0517 to the Department of Law to replace the one they are transferring to DHSS.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2011 Governor Amended (7973)
Component: Medicaid School Based Admin Claims (2748)
RDU: Departmental Support Services (106)
Title: Transfer Funding to Stabilize the Admin Support Services Budget

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Trout	-700.0	0.0	0.0	-700.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		-700.0										

This corrects an error in the proposed FY11 budget. The increment was incorrectly reflected in the Medicaid School Based Admin Claims component. It is being correctly placed in the Administrative Support Services component.

Change Record Detail with Description

Department of Labor and Workforce Development

Scenario: FY2011 Governor Amended (7973)
Component: Employment and Training Services (2761)
RDU: Employment Security (107)
Title: Decrease Training and Building Fund Authorization to Align with Anticipated Receipts

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-250.0	0.0	0.0	-250.0	0.0	0.0	0.0	0.0	0	0	0
1049 Trng Bldg		-250.0										

Decrease contractual line authorization funded by the Training and Building Fund to more accurately reflect the anticipated level of receipts. There will be no impact on services as increased federal grant funds are available to continue support of job center operational costs. Unanticipated grant funds include increased Trade Adjustment Assistance, Senior Community Service Employment Program and Reemployment Services. The component has sufficient federal authorization to accept these increases.

Change Record Detail with Description

Department of Labor and Workforce Development

Scenario: FY2011 Governor Amended (7973)
Component: Unemployment Insurance (2276)
RDU: Employment Security (107)
Title: Increase Federal Authorization to Align with Anticipated Grant Receipts

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	4,000.0	1,172.6	0.0	2,353.4	169.0	305.0	0.0	0.0	0	0	0
1002 Fed Rcpts	4,000.0											

Change Record Detail with Description

Department of Labor and Workforce Development

Scenario: FY2011 Governor Amended (7973)
Component: Unemployment Insurance (2276)
RDU: Employment Security (107)
Title: Increase Federal Authorization to Align with Anticipated Grant Receipts

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP

The Unemployment Insurance (UI) component needs additional federal authorization due to an increase in UI contingency grant funds earned as a result of an increased workload, a change to the federal contingency reimbursement rate, and Emergency Unemployment Compensation grants. These funds have caused an unanticipated increase of $4,000.0 in available federal funding. The workload has dramatically escalated and the current resources are inadequate to process it.

The following are amounts for three primary 'countable items' that illustrate the increase in Alaska's UI program workload:

Month/Year	12/2008	12/2009	Change
Initial Claims	10,464	16,756	60.0%
Weeks Claimed	92,416	141,958	53.6%
Adjudications	6,213	7,119	14.5%

The personal services line will provide full funding for existing staff positions and also support the potential addition of non-permanent positions to accommodate the program workload.

The contractual line increase will be used to support program staff costs such as telephone, data processing and software maintenance and licensing costs. Other ongoing program support costs include increased mainframe usage due to the implementation of multiple special UI benefit programs along with increased postage costs.

The contractual funds will also address:
Purchase of phone queue software to manage client claim phone calls.
A rewrite of the Quality Control Audit software program as the current system is cumbersome and difficult to maintain.
A contract to identify workflow inefficiencies and areas needing enhancement and automation in the processing of UI claim adjudications and appeals.
Redesign of workstations for several UI program work units to meet the long term needs of staff.
An upgrade to the automated claims filing system to meet the current demands of the Unemployment Insurance program.
Enhancements to the UI data processing computer systems to improve performance.
A contract to automate UI Trust Fund accounting and reporting functions.

The commodity line increase is needed to purchase office supplies, computers, printers, data network supplies, and work stations.

The capital line increase is needed to purchase back-up generators for the Anchorage and Fairbanks claim centers to prevent productivity loss associated with power failures. In addition, a high speed copier will be purchased for each of the three UI claims centers and a new server will be purchased for the Interactive Voice Response system.

All of these items will enhance the overall UI program, helping it to become more effective, efficient and will reduce future operating costs.

Change Record Detail with Description

Department of Labor and Workforce Development

Scenario: FY2011 Governor Amended (7973)
Component: Unemployment Insurance (2276)
RDU: Employment Security (107)
Title: Add One-Time ARRA Federal Authorization for Unemployment Insurance Program Development and Improvements

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	IncOTI	600.0	0.0	0.0	600.0	0.0	0.0	0.0	0.0	0	0	0
1212 Fed ARRA	600.0											

The Unemployment Insurance (UI) component is requesting an increment establishing new FY11 American Recovery and Reinvestment Act (ARRA) authorization in the amount of $600.0 for improvement of UI benefit and tax operations and to respond to an increased demand for UI benefits. These are additional ARRA funds that are earned as a result of reimbursement for ARRA related UI claims processed. The claims workload has increased to the point that the current ARRA authorization level is not sufficient to accept all of the federal reimbursement available.

An increment request of $351.1 for new ARRA funding was included in the original Governor's budget; however this amount has now proven to be too low. The program has already received federal notification of $601.1 in new ARRA funds and anticipates receiving additional amounts on a quarterly basis. It is very difficult to forecast future claims activity which may result in this increased authorization also being insufficient; however, this is the best estimate we can currently justify.

Funds will be used along with regular UI federal base grant funding for information technology training and contracts, including ongoing enhancements to the UI Tax and Benefit programs and to support program staff costs such as telephone, postage, computer mainframe usage costs, software licensing and maintenance.

All of these items will enhance the overall UI program, ensure faster and more efficient customer service, and reduce future costs in operations.

Change Record Detail with Description

Department of Labor and Workforce Development

Scenario: FY2011 Governor Amended (7973)
Component: Business Services (2658)
RDU: Business Partnerships (481)
Title: Add One-Time ARRA Federal Authorization for Alaska Energy Sector Partnership Grant

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	IncOTI	3,600.0	0.0	10.0	115.0	4.5	0.0	3,470.5	0.0	0	0	0
1212 Fed ARRA	3,600.0											

This transaction requests new American Recovery and Reinvestment Act (ARRA) federal authorization for training Alaska workers in energy efficiency skills to support energy efficient end user technology and the geothermal, hydroelectric, wind turbine, and biomass industries. Training will include: course related instruction; on-the-job training and customized training with existing federally registered apprenticeship programs and labor management partners; technology-based learning and distance learning.

The increment transaction does not include a personal services request because the division will use existing staff to complete the activities. The requested increased authorization for travel ($10.0), contractual ($15.0) and supplies ($2.0) will be used to fund staff assigned to assist in development of this project. The grants line ($2,473.0) will be used to issue grants through a competitive solicitation process for training of new and incumbent workers in renewable energy and energy efficiency occupations.

The period of performance of this award is January 29, 2010 through January, 28, 2013. During the period of performance the grant will be used to train 700 participants. Of the 700 trained, 85% (598) will be placed in an occupation related to the training with a retention of 90% (538) retained at least two quarters following placement.

Change Record Detail with Description

Department of Labor and Workforce Development

Scenario: FY2011 Governor Amended (7973)
Component: Business Services (2658)
RDU: Business Partnerships (481)
Title: Decrease State Training and Employment Program Authorization to Align with Planned Expenditures

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-1,500.0	0.0	0.0	0.0	0.0	0.0	-1,500.0	0.0	0	0	0
1054 Empl Trng	-1,500.0											

Based on projected State Training and Employment Program (STEP) account revenues and a policy decision to more evenly expend an accumulated carry forward balance over several years, this change record reduces the amount of authorization requested for FY11 to be more in line with planned expenditures.

Change Record Detail with Description

Department of Labor and Workforce Development

Scenario: FY2011 Governor Amended (7973)
Component: Client Services (1828)
RDU: Vocational Rehabilitation (65)
Title: Add One-Time Carry Forward ARRA Federal Authorization for Employment Services to Disabled Alaskans

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
IncOTI	200.0	0.0	25.0	175.0	0.0	0.0	0.0	0.0	0	0	0

1002 Fed Rcpts 200.0

Legislation originally appropriated American Recovery and Reinvestment Act (ARRA) funds (Sec 1, CH 17, SLA 2009, P 4, L 3 (HB 199)) to the Client Services component in the amount of $1,800.0.

This transaction will increase the authorization requested in FY 2011. Current year expenditures are lower than previously expected due to upgrades to the management information system being achieved at a lower cost than originally planned making additional funds available for use in FY 2011.

The additional authorization will be used to relocate the Wasilla Vocational Rehabilitation office. The division added staff in the Wasilla office to address the increasing caseload and to assure the provision of timely services to consumers. Additional staff have been absorbed in the existing space resulting in staff occupying significantly less space than allowed under state office space standards. New space has been identified at a minimal increase in cost which existing program funding can support with no significant impact on services. The new space will require a build out and move costs which these ARRA funds will support. The increased space will enhance the provision of services to clients, especially those with mobility issues experiencing difficulty in the current cramped environment.

The requested ARRA funds will also be used to provide vocational rehabilitation services to individuals who are disabled to either obtain or maintain employment. These services include direct consumer services such as training or transportation as well as staff travel to serve individuals in rural areas of the state.

Change Record Detail with Description

Department of Law

Scenario: FY2011 Governor Amended (7973)
Component: Third Judicial District: Outside Anchorage (2279)
RDU: Criminal Division (33)
Title: Add 2 PFT Kenai District Attorneys

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	400.0	340.0	2.0	38.0	8.0	12.0	0.0	0.0	2	0	0

1004 Gen Fund 400.0

The Kenai District Attorney's Office handles all criminal matters on the peninsula. There are seven attorneys in the office who cover three court locations. They appear before eight judicial officers in Kenai, Homer and Seward. The case load increased by 11%, from 3,639 in 2008 to 4,097 in 2009. In the first quarter of FY2010 the felony case load increased by 46% with misdemeanors increasing by 11%. The Department of Law is requesting two additional District Attorneys for the Kenai office to manage the very high Kenai caseload. Two additional prosecutors could bring the average Kenai caseload within the range for the other large District Attorney offices.

Change Record Detail with Description

Department of Law

Scenario: FY2011 Governor Amended (7973)
Component: Criminal Appeals/Special Litigation (2203)
RDU: Criminal Division (33)
Title: Transfer of Position to Department of Health and Social Services for Operational Alignment

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Atrout	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	-1	0	0

This transaction will transfer PCN 03-0193, an Attorney V, from the Department of Law to the Department of Health and Social Services (DHSS). This position has headed the DHSS Hearings and Appeals component, out-stationed from Department of Law and reimbursed through an RSA.

DHSS and Law considered a different solution to this on-going need as the continued use of an attorney PCN in DHSS is contrary to their policy of keeping all attorney resources within the Department of Law. Division of Personnel reviewed the entire office and provided the recommendation to implement the Hearing Examiner job series.

With this recommendation, PCN 03-0193 will be transferred to DHSS and reclassified from an Attorney to a Hearing Examiner II.

DHSS will meanwhile transfer PCN 06-0517 to the Department of Law to complete the position exchange.

Change Record Detail with Description

Department of Law

Scenario: FY2011 Governor Amended (7973)
Component: Criminal Appeals/Special Litigation (2203)
RDU: Criminal Division (33)
Title: Transfer of Position from DHSS for Replacement of Position

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Atrin	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1	0	0

This transaction will transfer PCN 06-0517 from Department of Health and Social Services (DHSS) to the Department of Law, in exchange for the position that the Department of Law is transferring to DHSS.

Department of Law is transferring PCN 03-0193, an Attorney V, to DHSS. This position has headed the DHSS Hearings and Appeals component, out-stationed from Department of Law and reimbursed through an RSA.

DHSS and Law considered a different solution to this on-going need as the continued use of an attorney PCN in DHSS is contrary to their policy of keeping all attorney resources within the Department of Law. Division of Personnel reviewed the entire office and provided the recommendation to implement the Hearing Examiner job series.

With this recommendation, PCN 03-0193 will be transferred from Law to DHSS and reclassified from an Attorney to a Hearing Examiner II. The additional transfer of DHSS PCN 06-0517 to Law completes the position exchange.

Change Record Detail with Description

Department of Law

Scenario: FY2011 Governor Amended (7973)
Component: Criminal Appeals/Special Litigation (2203)
RDU: Criminal Division (33)
Title: Reduce Fund Change Request for Sexual Assault/Domestic Violence Earmark

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	150.0											
1004 Gen Fund	-150.0											

A pair of related requests reduces the component's original fund change request by ($400.0) in FY2011. Two of the federal grants have recently been extended, reducing the amount of funds needing to be replaced in FY2011, postponing further fund replacement needs until FY2012.

The U.S. Department of Justice, Rural Prosecution Unit grant has been extended to 9/30/2010.
The U.S. Department of Justice, VAWA Earmark has been extended to 12/31/2010 .

Change Record Detail with Description

Department of Law

Scenario: FY2011 Governor Amended (7973)
Component: Criminal Appeals/Special Litigation (2203)
RDU: Criminal Division (33)
Title: Reduce Fund Change Request for Rural Prosecution

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	250.0											
1004 Gen Fund	-250.0											

A pair of related requests reduces the component's original fund change request by ($400.0) in FY2011. Two of the federal grants have recently been extended, reducing the amount of funds needing to be replaced in FY2011, postponing further fund replacement needs until FY2012.

The U.S. Department of Justice, Rural Prosecution Unit grant has been extended to 9/30/2010.
The U.S. Department of Justice, VAWA Earmark has been extended to 12/31/2010.

Change Record Detail with Description

Department of Law

Scenario: FY2011 Governor Amended (7973)
Component: Commercial and Fair Business (2717)
RDU: Civil Division (35)
Title: Tobacco Education Cessation Arbitration

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	IncOTI	165.0	64.3	48.0	52.7	0.0	0.0	0.0	0.0	0	0	0
1168 Tob Ed/Ce	165.0											

There is a dispute between Alaska and the tobacco companies that signed the Master Settlement Agreement (MSA) over whether or not Alaska should be subject to the 2003 Non-Participating Manufacturer Adjustment (2003 NPM Dispute). This dispute is expected to be resolved by an arbitration panel. If Alaska is found subject to the 2003 NPM Adjustment, future MSA payments that the state receives could be reduced by up to $21.0 million to pay off Alaska's portion of this payment adjustment (non-exempt states share the loss jointly). It now appears likely the State will need to continue into FY 2011 its legal efforts to ensure Alaska continues to receive these payments.

Because this is the first arbitration to take up this issue since execution of the MSA, and because department staff will need to travel to negotiate the procedures agreement and attend the arbitration, there will be significant preparation and travel costs associated with this arbitration. Law requests a budget amendment for $165,000 to fund these expenses, and that the appropriation come from the Tobacco Use Education and Cessation Fund (AS 37.05.580), an account within the general fund where Alaska's share of MSA money is deposited. While this money is typically used to fund tobacco cessation efforts in Alaska, use of a portion of this money to fund these arbitration expenses is appropriate to avoid a significant loss of MSA proceeds.

Change Record Detail with Description

Department of Natural Resources

Scenario: FY2011 Governor Amended (7973)
Component: Information Resource Management (427)
RDU: Resource Development (136)
Title: Reverse Statewide Parcel Database (Cadastral) Increment

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-300.0	-190.0	-5.0	-100.0	-5.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	-50.0											
1156 Rcpt Svcs	-250.0											

Upon further review, it was determined that information would need to be added to the State Recorder's Office title records in order for this project to be successful as envisioned. Some of those changes may require statutory revisions. A new project plan needs to be developed prior to proceeding with a statewide parcel database.

This long-term project will combine land records from federal and state government, boroughs and native organizations to create a single parcel map for the state. The foundation for the database was established through a previous capital project that created an electronic record of the state's plats. Dedication of resources through the operating budget will allow continuation of this project, with the long-term goal of having a single source for detailed ownership, interest, and boundary information for all state lands. This will provide quick and easy access to essential land ownership information for land managers, developers, first responders, and the public. This budget request will authorize funding through the U.S. Bureau of Land Management and from State Recorder's Office receipts.

Change Record Detail with Description

Department of Natural Resources

Scenario: FY2011 Governor Amended (7973)
Component: Large Project Permitting (2733)
RDU: Resource Development (136)
Title: OCS Lease Planning Mineral Management Service Agency Agreement FY11

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Inc	240.0	35.0	5.0	200.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund 240.0

Over the next six years, the U.S. Minerals Management Service (MMS) will need to complete eight Environmental Impact Statements (EIS's) that will address the impacts of proposed outer continental shelf (OCS) oil and gas leasing and exploration activities in Alaska's offshore waters. The EIS's will address OCS leasing, exploration and development activities in the Chukchi and Beaufort Seas, Cook Inlet, and the North Aleutian Basin. This budget request will allow the state to be a participant in this process. Cooperating agency status will allow the State to partner with MMS in developing these EIS's, thereby ensuring that the concerns of Alaskans are better addressed. State agency expertise will be critical in assisting the MMS to ensure that these EIS's are completed in a timely and thorough manner.

A DNR Project Coordinator and state agency review team will participate in identifying and resolving significant environmental issues; assist in preparing portions of each EIS document; provide MMS an inventory of relevant information (e.g., GIS data, hardcopy and electronic datasets, maps, reports, etc.) that would be useful in identification and analysis of environmental data; provide data and rationale for analysis and assessment of alternatives; and participate with pertinent U.S. federal agencies such as the U.S. Corps of Engineers, U.S. Environmental Protection Agency, U.S. Fish and Wildlife Service, and National Marine Fisheries Service in review of and comment on National Environmental Policy Act (NEPA) process documents.

Funds included in this budget will be used to pay for personal service and travel expense in DNR's Office of Project Management and Permitting. The majority of the funds will be used to reimburse expenses of other participating state agencies including the Division of Mining, Land & Water, Division of Coastal and Ocean Management, Division of Oil and Gas, State Historic Preservation Office, and the Departments of Fish and Game, Law, Health and Social Services, and Environmental Conservation.

Work on the EIS's is already underway. The State will be able to participate as a cooperating agency as soon as state funding is available.

Change Record Detail with Description

Department of Natural Resources

Scenario: FY2011 Governor Amended (7973)
Component: Claims, Permits & Leases (2460)
RDU: Resource Development (136)
Title: Guide Concession Area Program Development

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Inc	130.0	0.0	0.0	130.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund 130.0

The Division of Mining, Land and Water has been working with the hunting guide industry, the Board of Game, and the Big Game Commercial Services Board to develop a program to award specific designated guiding areas to individual guides in order to better manage hunting resources and commercial competition in the industry. This funding will pay for a contractor to assist with the development of regulations, an initial step for development and implementation of the program. Staffing will be needed at later stages of the project in order to develop the application and review procedures, assemble the evaluation board, and implement the program.

This request corrects an error in the initial Governor's Budget request of $120.0 for a total project request of $250.0. This amendment is needed to further advance the project.

Change Record Detail with Description

Department of Natural Resources

Scenario: FY2011 Governor Amended (7973)
Component: Land Sales & Municipal Entitlements (2456)
RDU: Resource Development (136)
Title: Additional Hiring Capability to Address Land Use Permitting Backlog

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	113.6	113.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

1153 State Land 113.6

The Division has previously been able to absorb increased personal services costs as it has simultaneously experienced higher than normal vacancy rates and recruitment difficulties. However, the Division is seeing improvement in recruitment and retention efforts and the number of vacancies and length of time positions are vacant is beginning to decline. The requested funds will allow recruitment efforts for critical positions to begin as they become vacant and the division to more accurately budget for anticipated vacancy levels.

Change Record Detail with Description

Department of Public Safety

Scenario: FY2011 Governor Amended (7973)
Component: Special Projects (1001)
RDU: Alaska State Troopers (160)
Title: Combating Internet Crimes Against Children - Economic Stimulus

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
IncOTI	97.0	50.0	30.0	0.0	17.0	0.0	0.0	0.0	0	0	0

1212 Fed ARRA 97.0

$50.0 in American Recovery and Reinvestment Act (ARRA) funds was appropriated to the Department of Public Safety for an ARRA subgrant from the Anchorage Police Department to combat internet crimes against children (ICAC) in section 1, chapter 17, SLA2009, page 4, line 10. The department has been awarded a subgrant of $147,000 for this purpose.

The Governor has requested a FY2010 supplemental of $97,000 to authorize the full amount of the subgrant for this activity in the current fiscal year. This request continues those funds into FY2011, as the agreement between the Alaska State Troopers and the Anchorage Police Department (APD) extends subgrant activity until December 31, 2010, with further extensions permitted commensurate with any extension of the federal grant to APD, and mutual consent.

The funds will be used to augment personal services costs of a computer forensic examiner, provide training to investigators in combating internet crimes, and purchase computer forensic equipment.

Change Record Detail with Description

Department of Public Safety

Scenario: FY2011 Governor Amended (7973)
Component: Prisoner Transportation (512)
RDU: Alaska State Troopers (160)
Title: Increased Prisoner Transportation Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	300.0	0.0	300.0	0.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund 300.0

The cost of prisoner transportation continues to increase. In FY2010, the Department of Public Safety (DPS) requested a $400.0 GF increment for this purpose, and received $200.0. Actual expenditures through January 31, 2010, projected in a straight line for 5.5 months, indicate a relatively significant shortfall this fiscal year. DPS has requested a FY2010 supplemental of $300.0.

The cost of prisoner transports is travel-related. Airline tickets, DPS and private charter costs, baggage and other fees for out-of-state extraditions, state travel office fees, etc., constitute most of the component's expenditures, with a very small amount allocated for prisoner meals. It is not possible to predict how often the much more expensive private charter will be required or how many out-of-state extraditions will be performed, or even how many DPS charters vs. commercial flights will be used -- thus, the straight-line method.

FY2009 actuals for the component were $2,428.6, compared to the current FY2010 base funding of $2,154.2. The FY2011 Governor's Request for $2,304.2 is before the legislature for consideration, but based on straight-line projections from the actuals of the last several fiscal years, a total FY2011 prisoner transportation cost of approximately $2,600.0 is more likely.

Change Record Detail with Description

Department of Public Safety

Scenario: FY2011 Governor Amended (7973)
Component: Council on Domestic Violence and Sexual Assault (521)
RDU: Council on Domestic Violence and Sexual Assault (164)
Title: Victims' Services

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	125.0	0.0	0.0	15.0	0.0	0.0	110.0	0.0	0	0	0
1004 Gen Fund	125.0											

This increase will help to ensure ongoinge funding of direct victims' services grants, and research and prevention activities in FY2011.

The amount of funding from federal competitive and/or one-time grants projected to be available over the course of state FY2011 is unknown. The Governor's goal is to ensure ongoinge funding for this statewide priority of stopping the cycle of domestic violence and funding prevention and adequate victim services. Although the department and the Council will continue to aggressively seek additional grant funds, this increase in general funds will provide a reliable funding stream for victims' services providers and prevention activities.

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Treasury Division (121)
RDU: Taxation and Treasury (510)
Title: Funding for Investment Officer to Replace External Investment Manager

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	220.0	209.7	3.3	6.0	1.0	0.0	0.0	0.0	0	0	0

1007 I/A Rcpts 220.0

This request will establish full year funding for one new exempt investment officer position in the Treasury Division's portfolio section, which was added during FY2010. Exempt investment officers are authorized by AS 39.25.110(26). Funding for this position will come from inter-agency receipts paid from the pension funds managed by the Alaska Retirement Management Board (ARMB) and invested by the Treasury Division. The full annual cost of the position is estimated to be $220.0 and includes salary, benefits, travel, training, supplies and other costs associated with an additional position.

This new position would support an internal effort to begin active management of other public market investments. Opportunities currently exist to provide active emerging market equity investment management through the use of exchange traded funds (ETF). ETFs are very attractive as investments because of their low costs, and stock-like features. ETFs have an embedded cost of approximately 58 basis points versus 100 basis points for management fees by external investment mangers. The 42 point difference represents a potential savings to the State by using an in-house investment officer in making the asset allocation decisions.

Approval of this request and related funding in the Alaska Retirement Management Board (ARMB) component will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Alaska Retirement Management Board (2813)
RDU: Taxation and Treasury (510)
Title: Funding for Investment Officer Position

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	220.0	0.0	0.0	220.0	0.0	0.0	0.0	0.0	0	0	0
1017 Ben Sys		38.7										
1029 P/E Retire		124.5										
1034 Teach Ret		55.0										
1042 Jud Retire		1.3										
1045 Nat Guard		0.5										

This action increases funding in the Alaska Retirement Management Board (ARMB) component to fund one new investment officer position provided by the Treasury Division. Approval of the new position and this funding request will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Alaska Retirement Management Board Custody and Management Fees (2812)
RDU: Taxation and Treasury (510)
Title: Replace External Investment Manager with New Investment Officer Position

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Dec	-850.0	0.0	0.0	-850.0	0.0	0.0	0.0	0.0	0	0	0
1029 P/E Retire	-584.6											
1034 Teach Ret	-256.3											
1042 Jud Retire	-7.1											
1045 Nat Guard	-2.0											

A decrement in expenditure authorization is requested for FY2011 to reflect a decline in management fees resulting from a reduction in actively managed large cap publicly traded stocks as well as a decrease in management fees resulting from manager terminations due to organizational and performance issues and renegotiated contracts at a lower rate.

If this request is approved Treasury would, with the approval of the Alaska Retirement Management Board, begin investing in emerging markets and frontier markets exchange traded funds (ETFs). ETFs have an embedded cost of approximately 58 basis points versus 100 basis points for management fees by external investment managers. The 42 point difference represents a potential savings to the State by using an in-house investment officer in making the asset allocation decisions.

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Permanent Fund Dividend Division (981)
RDU: Taxation and Treasury (510)
Title: New Annual Fee for Vital Statistics Records

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0
1050 PFD Fund	25.0											

The Permanent Fund Dividend Division (PFDD) requests an increment of $25.0 to pay for the annual data file containing state birth and death information that is gathered by the Department of Health and Social Services, Bureau of Vital Statistics. This information is matched to dividend applicant files to verify applicant existence and to ensure applicants did not die before the date of application. In addition, this file match allows the division to exempt most residents who were born in Alaska from having to supply a birth certificate with their initial application, making it easier for first time applicants to apply for a dividend.

Beginning in FY2011, the Bureau of Vital Statistics will begin charging the PFD Division an annual fee of $25.0 for the data file. Absorbing this new cost would mean holding seasonal positions vacant during the peak application season, which would impact the division's ability to process mail, key applications, respond to public inquiries, and meet timelines for paying dividends.

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Permanent Fund Dividend Division (981)
RDU: Taxation and Treasury (510)
Title: Increased Cost for Bandwidth during Dividend Filing Season

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Inc	25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0	0	0

1050 PFD Fund 25.0

Permanent Fund Dividend (PFD) applicant filing season runs annually from January through March. Demand by the public for internet access to PFD, Gavel to Gavel, and other State websites during this period has increased dramatically, especially with at least 75% of PFD applicants filing online. On a daily basis, demand exceeds the State's available bandwidth causing a slowdown of all State activity online.

At the request of the Department of Administration, Enterprise Technology Services (ETS), the Permanent Fund Dividend Division is requesting an increment equal to the cost of obtaining additional bandwidth sufficient to meet the State's needs for one of the three months. ETS will be working with other State entities and the service provider to cover the remaining cost during the peak season.

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Permanent Fund Dividend Division (981)
RDU: Taxation and Treasury (510)
Title: Central Mailroom Equipment Replacement

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	IncOTI	42.0	0.0	0.0	0.0	0.0	42.0	0.0	0.0	0	0	0
1050 PFD Fund	42.0											

The Central Mailroom, operated by the Department of Administration (DOA), uses a specialized piece of mailing equipment for pressure sealing documents such as the IRS form 1099. Current demands on this piece of equipment have exceeded its useful life, and Central Mail has been advised that further repairs are not feasible. The pressure sealer must be replaced prior to the mailing of tax documents for 2010. As the primary user of this equipment, the Permanent Fund Dividend Division has been asked to reimburse DOA for nearly 84% of its cost, or $42.0. This is a one-time request.

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Child Support Services Division (111)
RDU: Child Support Services (41)
Title: Change in Matching Funds for the Child Support Program

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	1,033.5											
1003 G/F Match	426.8											
1156 Rcpt Svcs	-426.8											
1212 Fed ARRA	-1,033.5											

The Child Support Services Division is requesting a fund source change. This request is a result of the language change in the American Reinvestment and Recovery Act (ARRA) which allowed states to use federal incentive funds as the required 34% state match. Senate Bill 1859 is making its way through Congress and if this bill passes would establish language that will allow states to continue to use federal incentive funds as the required 34% match; originally under ARRA this match language was going to sunset on September 30, 2010. This fund change also addresses the decline in the number of Temporary Assistance to Needy Families (TANF) cases which results in less Receipt Supported Services (RSS) being collected by the division.

The Federal Deficit Reduction Act (DRA) of 2005 changed how the division was able to use the money earned from federal incentives by requiring states to use the federal incentive dollars as 100% federal receipts. Congress passed the American Reinvestment and Recovery Act (ARRA) in early 2009 which contained a language change that allowed the state to use federal incentive dollars as part of the required 34% match; this language change is effective through September 30, 2010. However, if Congress passes Senate Bill 1859, states will be able to continue to use federal incentive funds as the required 34% match which will mean less state funds needed to operate the program. However, if Congress does not pass this bill then effective October 1, 2010 the division will once again go back to using the federal incentive dollars as 100% federal receipts, which will require more state funds to operate the program at its current level.

CSSD receives receipt supported services (RSS) from TANF cases; however the number of TANF cases has been declining due to the success of welfare reform and the new tribal TANF programs. Since FY2005, the number of TANF cases went from 4,727 to 3,720 in FY2008, a 21.3% decrease. During that same period CSSD's overall caseload increased. With more tribes implementing tribal TANF programs the division will continue to see a decrease in TANF cases and collections which results in less RSS available to be used for the required 34% match. The division will not be able to collect the amount of RSS needed for the required 34% match.

The division is requesting a fund source change to replace $1,033.5 of ARRA dollars with federal receipts, and replace $426.8 of RSS authority with general fund match. This will allow the division to continue to maximize federal support of the child support program and maintain the existing level of service to the clients.

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: APFC Custody and Management Fees (2310)
RDU: Alaska Permanent Fund Corporation (45)
Title: Manager Fees Adjustment

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	8,000.0	0.0	0.0	8,000.0	0.0	0.0	0.0	0.0	0	0	0
1105 PFund Rcp		8,000.0										

This increment (or reduction to our original decrement request) is the result of a stronger than projected market recovery and some changes to the Fund's portfolio structure. Over the last twelve months the Fund's performance was 18.87%, compared to the median rate of return of approximately 9% which was used to develop the original budget request.

Change Record Detail with Description

Department of Transportation/Public Facilities

Scenario: FY2011 Governor Amended (7973)
Component: Statewide Public Facilities (2882)
RDU: Design and Construction (526)
Title: PCN 09-0012 Engineer/Architect II Funding Source Change from I/A to CIP

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1007 I/A Rcpts	-128.0											
1061 CIP Rcpts	128.0											

PCN 09-0012 Engineer/Architect II was previously funded via an RSA with the Department of Military and Veteran's Affairs (DMVA) in support of DMVA facilities projects. This position provides facilities project support which may include the design and construction of new buildings, additions, major repairs and remodeling of existing DMVA buildings, as requested per DMVA. This should correctly be reflected as Capital Improvement Project receipts, since the position charges 100% to DMVA Capital Improvement Projects.

Change Record Detail with Description

Department of Transportation/Public Facilities

Scenario: FY2011 Governor Amended (7973)
Component: Southeast Design and Engineering Services (2300)
RDU: Design and Construction (526)
Title: Utility Permitting Program

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Inc	50.0	50.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

1156 Rcpt Svcs 50.0

Additional expenditure authority for the Utility Permitting program will allow the component to cover the cost of the positions which are responsible for this program. The component has only afforded the positions in the past due to vacancies and or finding funding via revised program.

Adequate revenue is expected due to July 2009 changes in the utility permit fee rate structure in 17 AAC 15.

If additional budget authority is not received, the component will need to hold positions vacant.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Budget Reductions/Additions - Systemwide (1296)
RDU: Budget Reductions/Additions (233)
Title: Appropriation Structure Changed from Multiple Appropriations to One Appropriation with Multiple Allocations

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

This amendment requests a correction to the University's appropriation structure reflected in both the Governor's proposed operating bill and mental health bills. The budget structure remains the same with multiple RDU and Components, but the appropriation structure would be collapsed into one appropriation, while retaining the existing multiple allocations.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Anchorage Campus (753)
RDU: University of Alaska Anchorage (235)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	757.9	757.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	530.5											
1048 Univ Rcpt	227.4											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Kenai Peninsula College (756)
RDU: University of Alaska Anchorage (235)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	219.7	219.7	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	164.8											
1048 Univ Rcpt	54.9											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Kodiak College (757)
RDU: University of Alaska Anchorage (235)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	64.5	64.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	51.6											
1048 Univ Rcpt	12.9											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Matanuska-Susitna College (758)
RDU: University of Alaska Anchorage (235)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	153.8	153.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	115.4											
1048 Univ Rcpt	38.4											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Prince William Sound Community College (759)
RDU: University of Alaska Anchorage (235)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	84.9	84.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	63.7											
1048 Univ Rcpt	21.2											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Fairbanks Campus (741)
RDU: University of Alaska Fairbanks (236)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	5.2	5.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	3.6											
1048 Univ Rcpt	1.6											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Bristol Bay Campus (1417)
RDU: University of Alaska Community Campuses (567)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	36.5	36.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	29.2											
1048 Univ Rcpt	7.3											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Chukchi Campus (744)
RDU: University of Alaska Community Campuses (567)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
SalAdj	33.9	33.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund	27.1
1048 Univ Rcpt	6.8

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: College of Rural and Community Development (956)
RDU: University of Alaska Community Campuses (567)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	95.8	95.8	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	71.9											
1048 Univ Rcpt	23.9											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Interior-Aleutians Campus (1418)
RDU: University of Alaska Community Campuses (567)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	33.3	33.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	26.6											
1048 Univ Rcpt	6.7											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Kuskokwim Campus (746)
RDU: University of Alaska Community Campuses (567)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	121.9	121.9	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	97.5											
1048 Univ Rcpt	24.4											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Northwest Campus (747)
RDU: University of Alaska Community Campuses (567)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
SalAdj	56.1	56.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund	44.9
1048 Univ Rcpt	11.2

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Tanana Valley Campus (2027)
RDU: University of Alaska Community Campuses (567)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	204.1	204.1	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	153.1											
1048 Univ Rcpt	51.0											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Juneau Campus (762)
RDU: University of Alaska Southeast (237)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	65.2	65.2	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	48.9											
1048 Univ Rcpt	16.3											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Ketchikan Campus (765)
RDU: University of Alaska Southeast (237)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	SalAdj	54.6	54.6	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	43.7											
1048 Univ Rcpt	10.9											

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

Change Record Detail with Description

University of Alaska

Scenario: FY2011 Governor Amended (7973)
Component: Sitka Campus (764)
RDU: University of Alaska Southeast (237)
Title: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
SalAdj	90.5	90.5	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

1004 Gen Fund	67.9
1048 Univ Rcpt	22.6

The University of Alaska has a ratified collective bargaining agreement with the University of Alaska Federation of Teachers (UAFT) that includes a three percent (3%) salary increase across-the-board to eligible faculty members for Fiscal Year 2011.

The union contract was still under negotiation when the University of Alaska's FY11 budget request was submitted to OMB. The ratified agreement was approved by the University Board of Regents on February 5, 2010. This increment is the amount required to fund the across-the-board increase of the UAFT Collective Bargaining Agreement.

FY2011 Operating Budget Amendment (HB 300/ SB 229)

Amend Section 1 for the University of Alaska to reflect one appropriation with multiple allocations:

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * * *	* * * * * *			
* * * * * * University of Alaska * * * * * *				
* * * * * *	* * * * * *			
University of Alaska		**845,557,500**	**333,321,900**	**512,235,600**
Budget Reductions/Additions - Systemwide	430,500			
Statewide Services	36,108,500			
Office of Information Technology	20,122,800			
Systemwide Education and Outreach	11,065,900			
Anchorage Campus	248,300,700			
Kenai Peninsula College	11,799,000			
Kodiak College	4,329,000			
Matanuska-Susitna College	9,252,600			
Prince William Sound Community College	7,136,800			
Small Business Development Center	891,200			
Fairbanks Campus	241,535,900			
Fairbanks Organized Research	141,888,100			
Bristol Bay Campus	3,653,200			
Chukchi Campus	2,070,600			
College of Rural and Community Development	13,531,000			
Interior-Aleutians Campus	5,180,400			
Kuskokwim Campus	6,277,000			
Northwest Campus	2,935,100			
Tanana Valley Campus	12,717,400			

Submitted February 17, 2010

Cooperative Extension Service	10,486,800
Juneau Campus	43,385,000
Ketchikan Campus	5,032,100
Sitka Campus	7,427,900

Submitted February 17, 2010

FY2011 Operating Budget Amendment (HB 300/ SB 229)

Add a new section, as follows:

* **Sec. XX.** FINDINGS REGARDING SECS. 1 AND 26 OF THIS ACT. The legislature finds that the State of Alaska has realized savings of the general fund of $114,081,600 in the fiscal year ending June 30, 2011 through the federal medical assistance percentage provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009), and those savings, in part, are being used to finance the appropriations made from the general fund in secs. 1 and 26 of this Act.

Submitted February 17, 2010

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FY2011 Operating Budget Amendment (HB 300/ SB 229)

Amend * **Sec. 5.** ALASKA HOUSING FINANCE CORPORATION, as follow:

(d) After deductions for the items set out in (b) of this section and deductions for appropriations for operating and capital purposes are made, any remaining balance of the amount set out in (a) of this section for the fiscal year ending June 30, 2011, is appropriated to the **budget reserve fund (AS 37.05.540)** [ALASKA DEBT RETIREMENT FUND (AS 37.15.011(a))].

Submitted February 17, 2010

FY2011 Operating Budget Amendment (HB 300/ SB 229)

Amend * **Sec. 10**. DEPARTMENT OF HEALTH AND SOCIAL SERVICES, and add a new subsection as follows:

* **Sec. 10.** DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) The sum of $1,200,000 is appropriated from the general fund to the Department of Health and Social Services, office of children's services, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2011.

(b) If the amount of federal receipts appropriated in sec. 1 of this act for Medicaid programs through provisions of P.L. 111-5 (American Recovery and Reinvestment Act of 2009) are not available to the state in the amounts appropriated for that purpose, the appropriations from federal economic stimulus funds for the affected program shall be reduced, and an appropriation in the amount reduced is appropriated from the general fund to the Department of Health and Social Services for the year ending June 30, 2011.

Submitted February 17, 2010

FY2011 Operating Budget Amendment (HB 300/ SB 229)

Amend * **Sec. 13. DEPARTMENT OF NATURAL RESOURCES**, to add a new subsection as follows:

(c) The interest earned in fiscal year 2011, estimated to be $250,000, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources and on deposit in the general fund, is appropriated from the general fund to the Department of Natural Resources for the purposes of the bond for the fiscal year ending June 30, 2011.

Submitted February 17, 2010

Change Record Detail with Description

Savings

Scenario: FY2011 Governor Amended (7973)
Component: DNR Cook Inlet Energy Reclamation Bond (2970)
RDU: Designated Savings (577)
Title: Depositing Interest Earnings into the DNR Abandonment Liability Fund

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	Misadj	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm	250.0											

In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond, in the amount of $6,600,000 along with interest earned, for abandonment liabilities for the Redoubt Unit between PERL and DNR, Division of Oil and Gas was transferred to DNR in October 2009.

The assets were purchased in December 2009 by Cook Inlet Energy (CIE). The remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.

The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, it cost over $1,800/mo in bank fees to hold the money in escrow. The department would prefer to hold the bond in Treasury. Interest earnings on the bond would then require an annual appropriation to the bond.

DNR requests that the interest earned be applied to the bond. The earned interest would maximize the value of the bond funds available for abandonment and reclamation costs.

Interest earned is expected to be $250,000 in fiscal year 2011. CIE will pay an estimated additional $250,000 into the bond account.

Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.

ALASKA DEPARTMENT OF NATURAL RESOURCES

Support Services Division

400 Willoughby, Suite 500 PO Box 111010 Juneau, AK 99811-1010

TO: Karen Rehfeld, Director
Office of Management and Budget

Steve Hildebrand, Chief Budget Analyst
Office of Management and Budget

FROM: Leta Simons, Director
Support Services Division

DATE: February 15, 2010

RE: Reclamation bond interest

The Department of Natural Resources is requesting appropriation language that will allow interest earned on the reclamation bond posted by Cook Inlet Energy (CIE) to accrue to the bond rather than to the general fund. The interest earned by the bond funds on deposit with the State of Alaska would thus be made available for the purpose of the bond.

In 2009, Pacific Energy Resources Ltd. (PERL) abandoned Redoubt Unit as a result of bankruptcy. The bond in the amount of $6,600,000 for abandonment liabilities between PERL and DNR's Division of Oil and Gas, along with interest earned, was transferred to DNR in October 2009.

The abandoned assets were purchased in December 2009 by Cook Inlet Energy. Remaining funds from the original bond will be used as a part of the new bond posted by CIE. This bond will be used toward abandonment and reclamation if CIE abandons the facilities or begins reclamation.

The original bond was held in an escrow account at First National Bank, where interest was earned on the principle. However, the cost in bank fees to hold the money in escrow was over $1,800 per month. The department would prefer to hold the bond in the State Treasury, thereby eliminating the escrow fees. Appropriation language is necessary, however, for the interest earned on the bond funds to remain available for the purpose of the bond.

DNR requests that the interest earned be applied to the bond. This will maximize the value of the bond funds available for abandonment and reclamation costs. Interest earned is expected to be $250,000 in fiscal year 2011. CIE will pay an estimated additional $250,000 into the bond account. Unless abandonment or reclamation occurs, all earned interest and bond funds will remain in the bond account.

FY2011 Operating Budget Amendment (HB 300/ SB 229)

Amend * **Sec. 15.** DEPARTMENT OF REVENUE, as follows:

(a) The minimum amount of program receipts received for the fiscal year ending June 30, 2011, by the child support services agency that is required to secure the federal funding appropriated from those program receipts for the child support enforcement program in sec. 1 of this Act is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011. **In the event program receipts decline as a result of decreases in federal funding through the Temporary Assistance for Needy Families (TANF) program, the minimum amount of general fund match is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011.**

(b) Program receipts collected as cost recovery for paternity testing administered by the child support services agency, as required under AS 25.27.040 and 25.27.165, and as collected under AS 25.20.050(f), are appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011.

(c) The minimum amount of general fund match needed by the child support services agency for the fiscal year ending June 30, 2011 that is required to secure the federal funding appropriated for the Department of Revenue, child support enforcement program in sec. 1 of this Act is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011, contingent upon Congress not approving the extension for the use of federal incentive receipts as state matching funds for federal fiscal year 2011.

Submitted February 17, 2010

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Child Support Services Division (111)
RDU: Child Support Services (41)
Title: Cild Support Services Division Match Language

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
Misadj	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

New Language to read:
In the event program receipts decline as a result of decreases in TANF, the minimum amount of general fund match is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011.
The minimum amount of general fund match needed by the child support services agency for the fiscal year ending June 30, 2011 that is required to secure the federal funding appropriated for the child support enforcement program in sec. 1 of this Act is appropriated to the Department of Revenue, child support services agency, for the fiscal year ending June 30, 2011, contingent upon Congress not approving the extension for the use of federal incentive receipts as state matching funds for federal fiscal year 2011.

FY2011 Operating Budget Amendment (HB 300/ SB 229)

Amend * **Sec. 22.** RETAINED FEES AND BANKCARD SERVICE FEES, subsection (c) as follows:

(c) The amount retained to compensate the provider of bankcard or credit card services to the state during the fiscal year ending June 30, 2011, is appropriated for that purpose to the Department of Law for accepting payment of restitution in accordance with AS 12.55.051 **and AS 47.12.170** by bankcard or credit card, from the funds and accounts in which the restitution payments received by the Department of Law are deposited.

Submitted February 17, 2010

MEMORANDUM

State of Alaska
Department of Law

TO: Steve Hildebrand
Chief Budget Analyst
Office of Management and Budget

DATE: February 15, 2010

TEL. NO: (907) 465-3673

FROM: Dave Blaisdell
Administrative Services Director

SUBJECT: Request for Amendment to Operating Budgets

The Department of Law is requesting a statutory cite be added to Section 22 (c) SB 229 SLA 2010 (page 57, line 28) and Section 22(c) HB 300, SLA 2010 (page 57, line 28) which addresses the credit card fees the Collections & Support section incurs for accepting restitution payments paid by a credit card. This section collects restitution under two different statues: AS 12.55.051 for adult cases and AS 47.12.170 for juvenile delinquency proceedings.

The Department of Law would like AS 47.12.170 to be added right after AS12.55.051.

Let me know if you have any questions.

FY2011 Operating Budget Amendment (HB 300/ SB 229)

Amend * **Sec. 26.** STATE DEBT AND OTHER OBLIGATIONS, as follows:

(q) The amount necessary for payment of lease payments and trustee fees relating to certificates of participation issued for real property for the fiscal year ending June 30, 2011, estimated to be **$12,157,800,** [$12,326,200] is appropriated to the state bond committee from the general fund for that purpose.

Insert a new subsection after q to read (and renumber remaining subsections):

(x) The sum of $168,400 is appropriated to the state bond committee from balances held in the debt service fund for the Fairbanks Virology Laboratory Replacement for the fiscal year ending June 30, 2011, for trustee fees and lease payments relating to certificates of participation issued for real property.

Submitted February 17, 2010

Change Record Detail with Description

Debt Service

Scenario: FY2011 Governor Amended (7973)
Component: Certificates of Participation (2523)
RDU: Debt Service (251)
Title: Residual Funds in the Debt Service Fund to Replace Part of the General Fund Payment for Certificates of Participation

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	-168.4											
1173 Misc Earn	168.4											

Additional funding is available in the debt service fund to replace general funds needed for payment of lease payments and trustee fees relating to certificates of participation issued for real property.

FY2011 Operating Budget Amendment (HB 300/ SB 229)

Amend * **Sec. 29.** CONSTITUTIONAL BUDGET RESERVE FUND, subsections (c) and (d) as follow:

(c) The sum of $2,060,000 is appropriated from the **general fund** [BUDGET RESERVE FUND (ART. IX, SEC. 17, CONSTITUTION OF THE STATE OF ALASKA)] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2011.

(d) The appropriations made by **(a)** [(a) AND (c)] of this section are made under art. IX, sec. 17(c), Constitution of the State of Alaska.

Submitted February 17, 2010

3344

Change Record Detail with Description

Department of Revenue

Scenario: FY2011 Governor Amended (7973)
Component: Treasury Division (121)
RDU: Taxation and Treasury (510)
Title: Change Constitutional Budget Reserve Fund Investment Management Fees to General Fund

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT	PPT	NP
	FndChg	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1001 CBR Fund	-2,060.0											
1004 Gen Fund	2,060.0											

This request changes the funding source for the amount necessary for FY2011 operating costs related to management of the Constitutional Budget Reserve Fund (CBRF).

FY2011 Mental Health Budget Amendment (HB 302/ SB 231)

Amend Section 1 for the University of Alaska to reflect one appropriation with multiple allocations:

	Allocations	Appropriation Items	General Funds	Other Funds
* * * * * *		* * * * * *		
* * * * * * University of Alaska * * * * * *				
* * * * * *		* * * * * *		
University of Alaska		**2,299,000**	**605,800**	**1,693,200**
Statewide Services	817,700			
Anchorage Campus	1,393,800			
Fairbanks Campus	87,500			

Submitted February 17, 2010

HB 300/302 CLOSE-OUT BACKUP

<target><bill>HB 300</bill><subject>HB 300-302 CLOSEOUT BACKUP</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 302(FIN)

HB 302 APPROP: MENTAL HEALTH BUDGET

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

and recommends:

[√] be **replaced** with [√] **SCS** or [ ] **CS** HB 302 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:	Stevens	✓			
CO-CHAIR:	Hoffman	✓			

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 302(FIN)

HB 302 APPROP: MENTAL HEALTH BUDGET

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

and recommends:

[√] be **replaced** with [√] **SCS** or [ ] **CS** HB 302 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	√			
	Egan	√			
	Olson	√			
	Ellis	√			
CO-CHAIR:	Stedman	√			
CO-CHAIR:	Hoffman	√			

3350

3/23 Leg Fin 300

2010 Legislature - Operating Budget
Agency Summary - Senate Structure

Numbers Only
Fund Groups: General Funds

Agency	[1] GAmdAdj	[2] H-Fu/Tvl	[3] Sen CS	[3] - [1] GAmdAdj to Sen CS		[3] - [2] H-Fu/Tvl to Sen CS	
Agency Budgets							
Administration	97,551.6	97,168.3	97,769.5	217.9	0.2 %	601.2	0.6 %
Commerce, Community & Econ Dev	68,856.2	69,375.3	68,887.3	31.1		-488.0	-0.7 %
Corrections	235,945.4	235,492.6	243,744.8	7,799.4	3.3 %	8,252.2	3.5 %
Education & Early Dev	68,171.9	68,951.9	68,771.9	600.0	0.9 %	-180.0	-0.3 %
Environmental Conservation	43,061.5	43,011.9	43,161.9	100.4	0.2 %	150.0	0.3 %
Fish and Game	70,480.5	69,156.0	71,003.6	523.1	0.7 %	1,847.6	2.7 %
Governor	26,639.4	26,739.4	26,739.4	100.0	0.4 %	0.0	
Health & Social Services	995,562.7	987,215.3	988,409.4	-7,153.3	-0.7 %	1,194.1	0.1 %
Labor & Workforce Dev	63,382.1	62,219.6	63,187.1	-195.0	-0.3 %	967.5	1.6 %
Law	59,238.1	57,723.4	58,238.1	-1,000.0	-1.7 %	514.7	0.9 %
Military & Veterans Affairs	11,631.9	11,631.9	11,631.9	0.0		0.0	
Natural Resources	89,890.1	88,595.6	89,267.1	-623.0	-0.7 %	671.5	0.8 %
Public Safety	146,871.9	146,846.7	147,046.7	174.8	0.1 %	200.0	0.1 %
Revenue	33,561.7	33,445.2	33,611.7	50.0	0.1 %	166.5	0.5 %
Transportation	299,316.7	298,146.3	296,392.6	-2,924.1	-1.0 %	-1,753.7	-0.6 %
University of Alaska	640,989.7	638,673.0	640,973.0	-16.7		2,300.0	0.4 %
Alaska Court System	95,315.8	93,542.2	90,902.2	-4,413.6	-4.6 %	-2,640.0	-2.8 %
Legislature	68,249.0	67,100.0	67,111.6	-1,137.4	-1.7 %	11.6	
Total	**3,114,716.2**	**3,095,034.6**	**3,106,849.8**	**-7,866.4**	**-0.3 %**	**11,815.2**	**0.4 %**
Statewide Total	**3,114,716.2**	**3,095,034.6**	**3,106,849.8**	**-7,866.4**	**-0.3 %**	**11,815.2**	**0.4 %**
Funding Summary							
Unrestricted General (UGF)	2,449,813.6	2,437,871.9	2,450,712.2	898.6		12,840.3	0.5 %
Designated General (DGF)	664,902.6	657,162.7	656,137.6	-8,765.0	-1.3 %	-1,025.1	-0.2 %

3/23 Leg Fin 300

2010 Legislature - Operating Budget
Agency Summary - Senate Structure

Numbers Only

Agency	[1] Sen Sub	[2] Sen BPFC	[3] Sen CS	[4] Sub+BPFC	[4] - [3] Sen CS to Sub+BPFC
Agency Budgets					
Administration	299,252.7	0.0	299,252.7	299,252.7	0.0
Commerce, Community & Econ Dev	164,750.5	-797.3	163,953.2	163,953.2	0.0
Corrections	260,980.9	0.0	260,980.9	260,980.9	0.0
Education & Early Dev	306,348.3	0.0	306,348.3	306,348.3	0.0
Environmental Conservation	75,647.1	36.9	75,684.0	75,684.0	0.0
Fish and Game	189,551.2	0.0	189,551.2	189,551.2	0.0
Governor	27,783.4	0.0	27,783.4	27,783.4	0.0
Health & Social Services	2,238,347.9	121.5	2,238,469.4	2,238,469.4	0.0
Labor & Workforce Dev	190,891.8	0.0	190,891.8	190,891.8	0.0
Law	84,183.4	0.0	84,183.4	84,183.4	0.0
Military & Veterans Affairs	48,448.9	0.0	48,448.9	48,448.9	0.0
Natural Resources	139,052.2	0.0	139,052.2	139,052.2	0.0
Public Safety	177,436.0	0.0	177,436.0	177,436.0	0.0
Revenue	244,770.1	0.0	244,770.1	244,770.1	0.0
Transportation	540,493.1	0.0	540,493.1	540,493.1	0.0
University of Alaska	849,917.7	0.0	849,917.7	849,917.7	0.0
Alaska Court System	94,139.1	0.0	94,139.1	94,139.1	0.0
Legislature	67,524.6	0.0	67,524.6	67,524.6	0.0
Total	**5,999,518.9**	**-638.9**	**5,998,880.0**	**5,998,880.0**	**0.0**
Statewide Total	**5,999,518.9**	**-638.9**	**5,998,880.0**	**5,998,880.0**	**0.0**
Funding Summary					
Unrestricted General (UGF)	2,443,435.7	7,276.5	2,450,712.2	2,450,712.2	0.0
Designated General (DGF)	659,971.0	-3,833.4	656,137.6	656,137.6	0.0
Other State Funds (Other)	1,033,138.4	-4,524.7	1,028,613.7	1,028,613.7	0.0
Federal Receipts (Fed)	1,862,973.8	442.7	1,863,416.5	1,863,416.5	0.0

Computed Column Definitions: [4]=[1]+[2]

SENATE FINANCE COMMITTEE REPORT

DATE: 3/12/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 302(FIN)

HB 302 APPROP: MENTAL HEALTH BUDGET

"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

and recommends:

[√] be **replaced** with [√] **SCS** or [ ] **CS** HB 302 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	√			
	Ellis	√			
	Olson	√			
	ELLIS	√			
CO-CHAIR:	Stevens	√			
CO-CHAIR:	Hoffman	√			

3353

Legfin 300

2010 Legislature - Operating Budget
Allocation Compare - Senate Structure

Language Only
Differences Only

Agency: Department of Commerce, Community and Economic Development

Appropriation: Community Assistance & Economic Development
Allocation: Community and Regional Affairs

	[1] H-Fu/Tvl	[2] Sen CS	[2] - [1] H-Fu/Tvl to Sen CS	
Total	**0.0**	**800.0**	**800.0**	**>999 %**
Objects of Expenditure				
Personal Services	0.0	0.0	0.0	
Travel	0.0	0.0	0.0	
Services	0.0	0.0	0.0	
Commodities	0.0	0.0	0.0	
Capital Outlay	0.0	0.0	0.0	
Grants, Benefits	0.0	800.0	800.0	>999 %
Miscellaneous	0.0	0.0	0.0	
Funding Sources				
1004 Gen Fund (UGF)	0.0	800.0	800.0	>999 %
Positions				
Perm Full Time	0	0	0	
Perm Part Time	0	0	0	
Temporary	0	0	0	

2010 Legislature - Operating Budget
Allocation Compare - Senate Structure

Language Only
Differences Only

Agency: Department of Education and Early Development

Appropriation: Teaching and Learning Support
Allocation: Student and School Achievement

	[1] H-Fu/Tyl	[2] Sen CS	[2] - [1] H-Fu/Tyl to Sen CS	
Total	**960.0**	**0.0**	**-960.0**	**-100.0 %**
Objects of Expenditure				
Personal Services	0.0	0.0	0.0	
Travel	0.0	0.0	0.0	
Services	960.0	0.0	-960.0	-100.0 %
Commodities	0.0	0.0	0.0	
Capital Outlay	0.0	0.0	0.0	
Grants, Benefits	0.0	0.0	0.0	
Miscellaneous	0.0	0.0	0.0	
Funding Sources				
1004 Gen Fund (UGF)	960.0	0.0	-960.0	-100.0 %
Positions				
Perm Full Time	0	0	0	
Perm Part Time	0	0	0	
Temporary	0	0	0	

2010 Legislature - Operating Budget
Allocation Compare - Senate Structure

Language Only
Differences Only

Agency: Department of Law

Appropriation: Civil Division
Allocation: Oil, Gas and Mining

	[1] H-Fu/Tv1	[2] Sen CS	[2] - [1] H-Fu/Tv1 to Sen CS	
Total	**750.0**	**0.0**	**-750.0**	**-100.0 %**
Objects of Expenditure				
Personal Services	0.0	0.0	0.0	
Travel	0.0	0.0	0.0	
Services	750.0	0.0	-750.0	-100.0 %
Commodities	0.0	0.0	0.0	
Capital Outlay	0.0	0.0	0.0	
Grants, Benefits	0.0	0.0	0.0	
Miscellaneous	0.0	0.0	0.0	
Funding Sources				
1004 Gen Fund (UGF)	750.0	0.0	-750.0	-100.0 %
Positions				
Perm Full Time	0	0	0	
Perm Part Time	0	0	0	
Temporary	0	0	0	

2010 Legislature - Operating Budget
Allocation Compare - Senate Structure

Language Only
Differences Only

Agency: Department of Natural Resources

Appropriation: Resource Development
Allocation: Gas Pipeline Implementation

	[1] H-Fu/Tvl	[2] Sen CS	[2] - [1] H-Fu/Tvl to Sen CS	
Total	**1,265.3**	**0.0**	**-1,265.3**	**-100.0 %**
Objects of Expenditure				
Personal Services	0.0	0.0	0.0	
Travel	0.0	0.0	0.0	
Services	1,265.3	0.0	-1,265.3	-100.0 %
Commodities	0.0	0.0	0.0	
Capital Outlay	0.0	0.0	0.0	
Grants, Benefits	0.0	0.0	0.0	
Miscellaneous	0.0	0.0	0.0	
Funding Sources				
1004 Gen Fund (UGF)	1,265.3	0.0	-1,265.3	-100.0 %
1105 PF Gross (Other)	0.0	0.0	0.0	
Positions				
Perm Full Time	0	0	0	
Perm Part Time	0	0	0	
Temporary	0	0	0	

2010 Legislature - Operating Budget
Allocation Compare - Senate Structure

Language Only
Differences Only

Agency: Department of Revenue

Appropriation: Taxation and Treasury
Allocation: Tax Division

	[1] H-Fu/Tvl	[2] Sen CS	[2] - [1] H-Fu/Tvl to Sen CS	
Total	**150.0**	**0.0**	**-150.0**	**-100.0 %**
Objects of Expenditure				
Personal Services	0.0	0.0	0.0	
Travel	0.0	0.0	0.0	
Services	150.0	0.0	-150.0	-100.0 %
Commodities	0.0	0.0	0.0	
Capital Outlay	0.0	0.0	0.0	
Grants, Benefits	0.0	0.0	0.0	
Miscellaneous	0.0	0.0	0.0	
Funding Sources				
1004 Gen Fund (UGF)	150.0	0.0	-150.0	-100.0 %
Positions				
Perm Full Time	0	0	0	
Perm Part Time	0	0	0	
Temporary	0	0	0	

2010 Legislature - Operating Budget
Allocation Compare - Senate Structure

Language Only
Differences Only

Agency: Department of Revenue

Appropriation: Administration and Support
Allocation: Natural Gas Commercialization

	[1] H-Fu/Tvl	[2] Sen CS	[2] - [1] H-Fu/Tvl to Sen CS	
Total	**465.0**	**0.0**	**-465.0**	**-100.0 %**
Objects of Expenditure				
Personal Services	0.0	0.0	0.0	
Travel	0.0	0.0	0.0	
Services	465.0	0.0	-465.0	-100.0 %
Commodities	0.0	0.0	0.0	
Capital Outlay	0.0	0.0	0.0	
Grants, Benefits	0.0	0.0	0.0	
Miscellaneous	0.0	0.0	0.0	
Funding Sources				
1004 Gen Fund (UGF)	465.0	0.0	-465.0	-100.0 %
Positions				
Perm Full Time	0	0	0	
Perm Part Time	0	0	0	
Temporary	0	0	0	

Hoffman

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Tim Grussendorf

Subcommittee Members
Sen. Bert Stedman
Sen. Gary Stevens

Department of Fish & Game Recommendations

The Senate Finance Budget Subcommittee for the Department of Fish and Game submits an Operating Budget to the Senate Finance Committee for FY 11 as follows:

Fund Source	10 Mgt Plan	Gov Amd+	Sen Sub	Difference (G-S)
Unrestricted GF	57,219.8	58,058.0	59,955.6	1,897.6
Designated GF	11,502.3	12,421.5	11,047.0	(1,374.5)
Other	55,555.7	56,896.2	57,346.3	450.1
Federal Funds	56,836.2	61,602.3	61,202.3	(400.0)
TOTAL	**181,114.0**	**188,978.0**	**189,551.2**	**573.2**

Positions	10 Mgt Plan	Gov Amd	Sen Sub	Difference (G-S)
PFT	910	912	915	3
PPT	766	760	762	2
Temp	66	65	65	-

The Subcommittee held one meeting with the Department and took the following actions:

Budget Action

Accepted the Governor's amended proposal with the following adjustments and comments:

- Denied the Governor's request to consolidate the Commercial Fisheries division into one component.
- Denied $400.0 of Wildlife's $3.5 million federal funds increment request.

OTHER SUBCOMMITTEE ACTION

- **Commercial Fisheries Appropriation:** Cut $924.4 of Test Fisheries Receipts from various Commercial Fisheries allocations to align Test Fisheries receipts authorization with anticipated expenditures. (See attached reports for details.)

- **SE Region:**
  - Added $50.0 of GF to SE Region Fisheries Management for a collaborative effort with the industry and fishermen to better determine the SE Red King Crab biomass.
  - Added $600.0 UGF for Southeast Region Stock Assessments, Monitoring, and Other Projects

- **Central Region:** Added $523.0 of UGF and 1 PFT for Salmon Research and Management Projects

- **AYK Region:** Added $400.0 of UGF and 3 pcns (2 PFTs and 1PPT) for Salmon Research and Management Projects.

- **Subsistence Division:**

  - Added $84.6 of UGF for a F&G Regional Regulatory Program Assistant position in Bethel to coordinate local fish and game advisory committees.
  - Added $260.0 of UGF for Yukon Chinook Salmon Disaster Research

Attached Reports

1. Agency Totals – FY 11 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd and Senate Subcom)
6. Wordage Report – FY 11 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 18, 2010

Department of Fish and Game
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Governor Amend+	Senate Subcom	House - Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Governor to Senate Subcommittee	
Unrestricted GF	57,219.8	57,241.4	58,058.0	59,955.6	58,108.0	2,735.8	4.8%	2,714.2	4.7%	1,897.6	3.3%
Designated GF	11,502.3	11,570.2	12,421.5	11,047.0	11,047.0	(455.3)	-4.0%	(523.2)	-4.5%	(1,374.5)	-11.1%
Other	55,555.7	55,584.5	56,896.2	57,346.3	57,346.3	1,790.6	3.2%	1,761.8	3.2%	450.1	0.8%
Federal Funds	56,836.2	56,838.9	61,602.3	61,202.3	60,483.9	4,366.1	7.7%	4,363.4	7.7%	(400.0)	-0.6%
Total	**181,114.0**	**181,235.0**	**188,978.0**	**189,551.2**	**186,985.2**	**8,437.2**	**4.7%**	**8,316.2**	**4.6%**	**573.2**	**0.3%**
Check (Enter #s from LFD reports)	181,114.0	181,235.0	188,978.0	189,551.2	186,985.2						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	68,722.1	68,811.6	70,479.5	71,002.8	69,155.0	2,280.5	3.3%	2,191.0	3.2%	523.1	0.7%
Other	55,555.7	55,584.5	56,896.2	57,346.3	57,346.3	1,790.6	3.2%	1,761.8	3.2%	450.1	0.8%
Federal	56,836.2	56,838.9	61,602.3	61,202.3	60,483.9	4,366.1	7.7%	4,363.4	7.7%	(400.0)	-0.6%
Positions (Enter position counts from LFD reports)											
PFTs	910	912	912	915	912	5.0	0.5%	3.0	0.3%	3.0	0.3%
PPTs	766	760	760	762	760	(4.0)	-0.5%	2.0	0.3%	2.0	0.3%
Temps	66	65	65	65	65	(1.0)	-1.5%	-	0.0%	-	0.0%
Total Positions	**1742**	**1737**	**1737**	**1742**							
Position Check (Should equal zero)				-							

Prepared by:	Tim Grussendorf
Date:	18-Mar-10
Time	3:10pm
Status:	Final

Department of Fish and Game

Total Subcommittee Changes	SUBCOMMITTEE (Shaded Cells are NOT equal to the Governor's Budget Request)				
	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	2,714.2	(523.2)	1,761.8	4,363.4	7,219.4
Governor's Original Request Accepted	816.6	-	2,563.0	3,545.0	6,924.6
Governor's Amendments Accepted	-	851.3	(1,251.3)	818.4	418.4
Subcommittee's Additions	1,897.6	(1,374.5)	450.1	-	(123.6)

OTI? Or Intent?

#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		7,324.6		0	5		816.6	-	2,563.0	3,545.0	6,924.6
1	Commercial Fisheries	Commercial Fisheries	Fund Source Change from Federal to GF for the Yukon River Chinook Stock ID Project in the AYK Region		1002	Fed Rcpts	(130.0)	1	0	0		-	-	-	(130.0)	(130.0)
					1004	Gen Fund	130.0	1	0	0		130.0	-	-	-	130.0
2	Commercial Fisheries	Commercial Fisheries	CIP Position Cost Authority to Support Alaska Sustainable Salmon Fund (AKSSF) Projects		1061	CIP Rcpts	500.0	1	0	0		-	-	500.0	-	500.0
3	Commercial Fisheries	Commercial Fisheries	Federal ARRA Authority to Support Algal Production at the Alutiiq Pride Hatchery		1212	Stimulus09	50.0	1	0	0		-	-	-	50.0	50.0
4	Wildlife Conservation	Wildlife Conservation	Intensive Predator Management Field Operations		1004	Gen Fund	250.0	1	0	0		250.0	-	-	-	250.0
5	Wildlife Conservation	Wildlife Conservation	Federal Authority for Wildlife Population Assessment and Species Research		1002	Fed Rcpts	3,500.0	0.885714	0	0		-	-	-	3,100.0	3,100.0
6	Wildlife Conservation	Wildlife Conservation	Endangered Species Act Listings Coordination		1004	Gen Fund	236.6	1	0	0		236.6	-	-	-	236.6
7	Wildlife Conservation	Wildlife Conservation Special Projects	Change Fund Sources for Walrus Studies in the Chukchi Sea and the Pittman-Robertson Program Which Requires F&GF Match		1002	Fed Rcpts	425.0	1	0	0		-	-	-	425.0	425.0
					1018	EVOS Trust	(150.0)	1	0	0		-	-	(150.0)	-	(150.0)
					1024	Fish/Game	50.0	1	0	0		-	-	50.0	-	50.0
					1061	CIP Rcpts	(275.0)	1	0	0		-	-	(275.0)	-	(275.0)
					1108	Stat Desig	(50.0)	1	0	0		-	-	(50.0)	-	(50.0)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE					
326																				Shaded Cells are NOT equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTP? Or Intent?		2,714.2	(523.2)	1,761.8	4,363.4	7,219.4	
329										Governor's Original Request Accepted										816.6	-	2,563.0	3,545.0	6,924.6	
330	Department of Fish and Game									Governor's Amendments Accepted										-	851.3	(1,251.3)	818.4	418.4	
331										Subcommittee's Additions										1,897.6	(1,374.5)	450.1	-	(123.6)	
332	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information									Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.					Fund Code			7,324.6						1	0	5			816.6	-	2,563.0	3,545.0	6,924.6	
348	8	Wildlife Conservation	Wildlife Conservation Special Projects	Inter-Agency Receipts from Commercial Fisheries for Steller Sea Lion Studies		1007	I/A Rcpts		500.0						1	0	0			-	-	500.0	-	500.0	
347	9	Administration and Support	Commissioner's Office	Activities Related to Abundance-based Management, Active Management, Intensive Management and Predator Control		1007	I/A Rcpts		180.0						1	0	0			-	-	180.0	-	180.0	
348	10	Administration and Support	Administrative Services	Inter-agency Receipts to Support the Fish and Wildlife Careers for Alaskans Program		1007	I/A Rcpts		156.0						1	0	0			-	-	156.0	-	156.0	
349	11	Administration and Support	Administrative Services	Federal and I/A Authority Needed for Division and Department Programs and Projects; and to Collect Additional Indirect		1002	Fed Rcpts		100.0						1	0	0			-	-	-	100.0	100.0	
350						1007	I/A Rcpts		420.0						1	0	0			-	-	420.0	-	420.0	
351	12	Administration and Support	Administrative Services	Inter-agency Receipts to Support the Workforce Development Program		1007	I/A Rcpts		130.0						1	0	0			-	-	130.0	-	130.0	
352	13	Administration and Support	State Subsistence	An Index Community Approach to Estimate/Monitor Subsistence Harvests of Fish and Wildlife in Alaska		1004	Gen Fund		200.0						1	0	0			200.0	-	-	-	200.0	
353	14	Administration and Support	State Facilities Maintenance	Inter-agency Receipts for State Facilities Maintenance Costs		1007	I/A Rcpts		300.0						1	0	0			-	-	300.0	-	300.0	
354	15	Habitat	Habitat	Inter-agency Oil and Hazardous Waste Receipts for Oil Contingency Planning		1055	IA/OIL HAZ		10.0						1	0	0			-	-	10.0	-	10.0	
355	16	Habitat	Habitat	Inter-agency Receipts for Coastal Impact Assistance Program Projects		1007	I/A Rcpts		792.0						1	0	0			-	-	792.0	-	792.0	
356																									
357	Governor's Amendments (Does not include Dec 15th request)					Fund Code			418.4							0	0			-	851.3	(1,251.3)	818.4	418.4	
358	1	Commercial Fisheries	Commercial Fisheries	AMD: Federal Authority for Bering Sea Crab Research and Crab Rationalization Programs, and Reduce Excess Other Funds		1002	Fed Rcpts		400.0						1	0	0			-	-	-	400.0	400.0	
359						1018	EVOS Trust		(250.0)						1	0	0			-	-	(250.0)	-	(250.0)	
360						1108	Stat Desig		(150.0)						1	0	0			-	-	(150.0)	-	(150.0)	
361	2	Sport Fisheries	Sport Fisheries	AMD: Correct Fish and Game Fund Revenue Accounting for DNR Parks Boating and Angling Facilities Fees		1024	Fish/Game		(441.1)						1	0	0			-	-	(441.1)	-	(441.1)	
362						1194	F&G NonDed		441.1						1	0	0			-	441.1	-	-	441.1	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																						SUBCOMMITTEE				
326																						Shaded Cells are NOT equal to the Governor's Budget Request)				
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes										2,714.2	(523.2)	1,761.8	4,363.4	7,219.4	
329																				816.6	-	2,563.0	3,545.0	6,924.6	
330	Department of Fish and Game																	OTI? Or Intent?		-	851.3	(1,251.3)	818.4	418.4	
331																				1,897.6	(1,374.5)	450.1	-	(123.6)	
332		#	Appropriation	Allocation	Description	Subcommittee Notes				Subcommittee Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			7,324.6			0	5			816.6	-	2,563.0	3,545.0	6,924.6	
363		3	Wildlife Conservation	Wildlife Conservation	AMD: Correct Fish and Game Fund Revenue Accounting for Sanctuary Access Permit Fees					1024	Fish/Game		(1.4)		1	0	0			-	-	(1.4)	-	(1.4)	
364										1194	F&G NonDed		1.4		1	0	0			-	1.4	-	-	1.4	
365		4	Wildlife Conservation	Hunter Education Public Shooting Ranges	AMD: Correct Fish and Game Fund Revenue Accounting for Shooting Range Fees					1024	Fish/Game		(284.8)		1	0	0			-	-	(284.8)	-	(284.8)	
366										1194	F&G NonDed		284.8		1	0	0			-	284.8	-	-	284.8	
367		5	Administration and Support	Administrative Services	AMD: Correct Fish and Game Fund Revenue Accounting for Commercial Crew Licenses					1024	Fish/Game		(124.0)		1	0	0			-	-	(124.0)	-	(124.0)	
368										1194	F&G NonDed		124.0		1	0	0			-	124.0	-	-	124.0	
369		6	Administration and Support	State Subsistence	AMD: Inter-Agency Receipts Authority for the Donlin Creek Project from the Department of Natural Resources					1007	I/A Rcpts		140.0		1	0	0			-	-	140.0	-	140.0	
370										1018	EVOS Trust		(140.0)		1	0	0			-	-	(140.0)	-	(140.0)	
371		7	Habitat	Habitat	AMD: Federal Receipt Authority for Helmet Creek Diesel Spill					1002	Fed Rcpts		100.0		1	0	0			-	-	-	100.0	100.0	
372		8	Commercial Fisheries	Commercial Fisheries Special Projects	3/18 AMD: Increase federal authority to support a coded wire tag project and a stock composition estimation project					1002	Fed Rcpts		318.4		1	0	0			-	-	-	318.4	318.4	
373							(924.4)																		
374	Other Subcommittee Actions									Fund Code			873.2			0	5			1,897.6	(1,374.5)	450.1	0	(123.6)	
375		1	Commercial Fisheries	Southeast Region Fisheries Mgmt	Test Fish Receipts	Align Test Fisheries receipts authorization with anticipated expenditures				1109	Test Fish		(123.6)		1	0	0			-	(123.6)	-	-	(123.6)	
376		2	Commercial Fisheries	Central Region Fisheries Mgmt	Test Fish Receipts	Align Test Fisheries receipts authorization with anticipated expenditures				1109	Test Fish		(150.2)		1	0	0			-	(150.2)	-	-	(150.2)	
377		3	Commercial Fisheries	AYK Region Fisheries Mgmt	Test Fish Receipts	Align Test Fisheries receipts authorization with anticipated expenditures				1109	Test Fish		(32.2)		1	0	0			-	(32.2)	-	-	(32.2)	
378		4	Commercial Fisheries	Westward Region Fisheries Mgmt	Test Fish Receipts	Align Test Fisheries receipts authorization with anticipated expenditures				1109	Test Fish		(618.4)		1	0	0			-	(618.4)	-	-	(618.4)	
379		5	Commercial Fisheries		Appropriation Structure	Deny request for one Commercial Fisheries appropriation and allocation and continue historical six allocations									1					-	-	-	-	-	
380		6	Commercial Fisheries	Southeast Region Fisheries Mgmt	Red King Crab Research	Collaborative effort with the industry and fisharmen to better determine the SE red king crab biomass				1004	Gen Fund		50.0		1	0	0			50.0	-	-	-	50.0	
381		7	Commercial Fisheries	Southeast Region Fisheries Mgmt	Southeast Region Stock Assessments, Monitoring, and Other Projects					1004	Gen Fund		600.0		1					600.0	-	-	-	600.0	
382		8	Commercial Fisheries	Central Region Fisheries Mgmt	Salmon Research and Management Projects					1004	Gen Fund		523.0		1		1			523.0	-	-	-	523.0	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE					
326																				Shaded Cells are NOT equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes										2,714.2	(523.2)	1,761.8	4,363.4	7,219.4	
329										Governor's Original Request Accepted										816.6	-	2,563.0	3,545.0	6,924.6	
330	Department of Fish and Game									Governor's Amendments Accepted								OTI? Or Intent?		-	851.3	(1,251.3)	818.4	418.4	
331										Subcommittee's Additions										1,897.6	(1,374.5)	450.1	-	(123.6)	
332		#	Appropriation	Allocation	Description	Subcommittee Notes				Subcommittee Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			7,324.6			0	5			816.6	-	2,563.0	3,545.0	6,924.6	
383		9	Commercial Fisheries	AYK Region Fisheries Mgmt	Salmon Research and Management Projects					1004	Gen Fund		205.0		1		1			205.0	-	-	-	205.0	
384		10	Commercial Fisheries	AYK Region Fisheries Mgmt	Fishery Biologist II and IV for Salmon Research and Management Projects for the AYK Region					1004	Gen Fund		175.0		1		2			175.0	-	-	-	175.0	
385		11	Administration and Support	Fish and Game Boards and Advisory Committees	Add a F&G Regional Regulatory Program Assistant position in Bethel to coordinate local fish and game advisory committees					1004	Gen Fund		84.6		1		1			84.6	-	-	-	84.6	
386		12	Administration and Support	State Subsistence	Yukon Chinook Salmon Disaster Research					1004	Gen Fund		260.0		1					260.0	-	-	-	260.0	

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Tim Grussendorf

Subcommittee Members
Sen. Albert Kookesh
Sen. Gary Stevens

Office of the Governor Recommendations

The Senate Finance Budget Subcommittee for the Office of the Governor submits an Operating Budget to the Senate Finance Committee for FY 10 as Follows:

Fund Source	10 mgt. plan	Fy11 Gov Amd	Sen Sub	Sen to Gov
General Funds	$22,485.0	$ 26,639.4	$ 26,639.4	-
Federal Funds	$187.6	$189.9	$ 189.9	-
Other Funds	$ 834.5	$754.1	$ 754.1	-

Positions	10 mgt plan	11 Gov Amd.	Sen. Sub	Sen to Gov
PFT	156	156	156	-
PPT	0	0	0	-
Temp	23	52	52	-

The Subcommittee held one meeting with the Department and took the following actions:

Budget Action

The Senate Finance Budget Subcommittee on the Office of the Governor submits an operating budget for FY11 as follows:

- The Sub-Committee budget authorizes no additional general funds than the Governor's Amended FY11 request.
- The FY11 subcommittee budget requests a total increment from FY11 Adjusted Base of $3,845.0 general funds and 29 additional temporary employees described below.
- The Governor requested a status-quo budget for FY11 with two significant one-time increments and two minor increments associated with REAA.
- elections and redistricting. $3,693.8 was requested along with 29 part time positions to run the 2010 elections. The amount of this funding is consistent with the prior election cycle.
- $6,500.0 was requested for continuing in-state gas line work in the language section of the budget. As this has been an issue important to the legislature and perceptions differ

on the project, in the context of overall gas monetization activities, it is not funded in the subcommittee close-out report and will be considered along with all other FY11 gas-line appropriation requests in the Standing Committee.

Attached Reports

1. Agency Totals – FY 11 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd and Senate Subcom)
6. Wordage Report – FY 11 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 17th, 2010

Office of the Governor
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Governor Amend	Senate Subcom	House-Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Governor to Senate Subcommittee	
Unrestricted GF	22,480.1	22,789.5	26,634.5	26,634.5	26,634.5	4,154.4	18.5%	3,845.0	16.9%	-	0.0%
Designated GF	4.9	4.9	4.9	4.9	4.9	-	0.0%	-	0.0%	-	0.0%
Other	834.5	849.1	754.1	754.1	754.1	(80.4)	-9.6%	(95.0)	-11.2%	-	0.0%
Federal Funds	187.6	189.9	189.9	189.9	189.9	2.3	1.2%	-	0.0%	-	0.0%
Total	**23,507.1**	**23,833.4**	**27,583.4**	**27,583.4**	**27,583.4**	**4,076.3**	**17.3%**	**3,750.0**	**15.7%**	-	**0.0%**
Check (Enter #s from LFD reports)	23,507.1	23,833.4	27,583.4	27,583.4	-						
Should equal zero	-	-	-	-	(27,583.4)						
Funding Summary											
General Funds Total	22,485.0	22,794.4	26,639.4	26,639.4	26,639.4	4,154.4	18.5%	3,845.0	16.9%	-	0.0%
Other	834.5	849.1	754.1	754.1	754.1	(80.4)	-9.6%	(95.0)	-11.2%	-	0.0%
Federal	187.6	189.9	189.9	189.9	189.9	2.3	1.2%	-	0.0%	-	0.0%
Positions (Enter position counts from LFD reports)											
PFTs	156	156	156	156	156	-	0.0%	-	0.0%	-	0.0%
PPTs	0	0	0	0	0	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Temps	23	23	52	52	52	29.0	126.1%	29.0	126.1%	-	0.0%
Total Positions	**179**	**179**	**208**	**208**							
Position Check (Should equal zero)				-							

Prepared by:	
Date:	
Time	
Status:	

Office of the Governor

																	SUBCOMMITTEE					
																	Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
																Total Subcommittee Changes						
																Governor's Original Request Accepted	3,845.0	-	(95.0)	-	3,750.0	
																Governor's Amendments Accepted	3,845.0	-	-	-	3,845.0	
																Subcommittee's Additions	-	-	(95.0)	-	(95.0)	
	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
	Governor's Increments, Decrements, and Fund Changes.					**Fund Code**		**10,345.0**		**29**	**29**		**3,845.0**	**-**	**-**	**-**	**3,845.0**	
	1	Executive Operations	AK Resources Marketing and Development	In-State Natural Gas Pipeline Development	**Language**	1213	AHCC	6,500.0		0	0		-	-	-	-	-	
	2	Elections	Elections	Increased Annual Costs for REAA Election and Optical Scan Units Maintenance	Approved costs associated with conducting elections - cost drivers are printing and postage.	1004	Gen Fund	74.0	1	0	0		74.0	-	-	-	74.0	
	3	Elections	Elections	Statewide Primary & General Elections Funding	Authorized costs and temporary personnel associated with an election year - One Time Item.	1004	Gen Fund	3,693.8	1	29	29		3,693.8	-	-	-	3,693.8	
	4	Elections	Elections	Purchase of Equipment for Statewide Redistricting	Approved equipment for redistricting - One Time Item.	1004	Gen Fund	77.2	1	0	0		77.2	-	-	-	77.2	
	Governor's Amendments (Does not Include the Dec 15th request)					**Fund Code**		**(95.0)**		**0**	**0**		**-**	**-**	**(95.0)**	**-**	**(95.0)**	
	1	Executive Operations	Executive Office	AMD: Delete Excess Statutory Designated Program Receipts Authority	Technical Cleanup Amendment	1108	Stat Desig	(95.0)	1	0	0		-	-	(95.0)	-	(95.0)	
	Other Subcommittee Actions					**Fund Code**		**-**		**0**	**0**		**-**	**-**	**-**	**-**	**-**	
	1	Appropriation						-			0		-	-	-	-	-	

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Tim Grussendorf

Subcommittee Members
Sen. Bert Stedman
Sen Gary Stevens

Legislatures FY 11 Operating Budget Recommendations

The Senate Finance Budget Subcommittee for the Legislatures Operating Budget submits this recommendation to the Senate Finance Committee for FY 11 as follows:

Fund Source	10 mgt. plan	11 Gov Amd	Sen Sub	Difference
General Funds	$ 65,730.0	$68,249.0	$ 67,111.6	$1,137.0
Federal Funds	0	0	0	0
Other Funds	$340.0	$340.0	$ 413.0	$73.0

Positions	10 mgt plan	11 Gov Amd.	Sen. Sub	Sen to Gov
PFT	246	246	247	1
PPT	280	280	281	1
Temp	0	0	0	0

Budget Action

The Senate Finance Budget Subcommittee on the Legislature submits an operating budget for FY11 as follows:

- The committee authorizes $1,137.0 less general funds and 5 less employees than the Legislature's initial FY11 request.
- The subcommittee proposal accepts both the decrement for the amount no longer needed For long term per diem and the corresponding transaction increasing legislator salary and benefits as recommended by the State Officers Compensation Commission.
- The increase proposed for legislator's annual allowance accounts has not been accepted pending further deliberations and final determinations by Legislative Council.
- Line Item Transfers for budget realignment and authorization for increased I/A Rcpts have been authorized for Legislative Budget and Audit (LB&A) and Legislative Council.
- The 4 positions associated with LB&A's request for additional auditors are not authorized at this time. The Legislative Auditor is directed to first reassess the effectiveness of contract audit services. Should this assessment conclude the need for additional personnel, the Chair and Vice Chair of the LB&A committee may authorize such action.

- $600.0 excess GF spending authority in the LB&A appropriation was transferred to the Legislative Council appropriation to provide assurance that sufficient authority exists there to absorb all other additional GF funding requests without increased budget authority.
- The Subcommittee approved the PPT position for the Select Committee on Legislative Ethics

Attached Reports

1. Agency Totals – FY 11 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd and Senate Subcom)
6. Wordage Report – FY 11 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 17, 2010

3371

Alaska Legislature
All Dollars in Thousands

	FY10 Mgt Pln	FY11 Adj Base	Leg Request	Senate Subcom	House-Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Leg Request to Senate Subcommittee	
Unrestricted GF	64,887.7	65,860.9	67,328.4	66,326.2	66,314.6	1,438.5	2.2%	465.3	0.7%	(1,002.2)	-1.5%
Designated GF	842.3	842.3	785.4	785.4	785.4	(56.9)	-6.8%	(56.9)	-6.8%	-	0.0%
Other	340.0	340.0	413.0	413.0	413.0	73.0	21.5%	73.0	21.5%	-	0.0%
Federal Funds			-	-	-	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Total	**66,070.0**	**67,043.2**	**68,526.8**	**67,524.6**	**67,513.0**	**1,454.6**	**2.2%**	**481.4**	**0.7%**	**(1,002.2)**	**-1.5%**
Check (Enter #s from LFD reports)	66,070.0	67,043.2	68,526.8	67,524.6	67,513.0						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	65,730.0	66,703.2	68,113.8	67,111.6		1,381.6	2.1%	408.4	0.6%	(1,002.2)	-1.5%
Other	340.0	340.0	413.0	413.0		73.0	21.5%	73.0	21.5%	-	0.0%
Federal	-	-	-	-		-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Positions (Enter position counts from LFD reports)											
PFTs	246	246	251	247	247	1.0	0.4%	1.0	0.4%	(4.0)	-1.6%
PPTs	280	280	282	281	280	1.0	0.4%	1.0	0.4%	(1.0)	-0.4%
Temps	0	0	0	0	0	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Total Positions	**526**	**526**	**533**	**528**	**527**						
Position Check (Should equal zero)				-							

Prepared by:	
Date:	
Time	
Status:	

Alaska Legislature

	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information			Funding Multiplier	Leg PCNs	Sen PCNs	OTI? Or Intent?	SUBCOMMITTEE Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total Subcommittee Changes													**465.3**	**(56.9)**	**73.0**	**-**	**481.4**
Governor's Original Request Accepted													(60.5)	(60.5)	-	-	-
													-	-	-	-	-
Legislature Additions													404.8	3.6	73.0	-	481.4
	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information			Funding Multiplier	Leg PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.						Fund Code		1,545.8		7	2		60.5	(60.5)	-	-	-
	1	Legislative Council	Council and Subcommittees	Restore to match GovBud: ESA and Effects of Climate Change Ch. 15, SLA 2009 Sec. 37(a)(3) and 37(e)	**Language** Technical--deny increase and deny removal. Net zero and makes change detail report easier to understand.	1004	Gen Fund	1,500.0	0	0	0		[redacted]	-	-	-	[redacted]
	2	Legislative Council	Council and Subcommittees	Restore to match GovBud: Legislative Outdoor Heritage Council Ch. 15, SLA 2009, Sec. 37(d)	**Language** Technical--deny increase and deny removal. Net zero and makes change detail report easier to understand.	1004	Gen Fund	45.8	0	0	0		[redacted]	-	-	-	[redacted]
	3	Legislative Council	Office of Victims Rights	Fund Change from PFD Criminal Funds to General Funds	Authorized fund source change due to decline in PFD Crim funds.	1004	Gen Fund	60.5	1	0	0		60.5	-	-	-	60.5
						1171	PFD Crim	(60.5)	1	0	0		-	(60.5)	-	-	(60.5)
Governor's Amendments (Does not include Dec 15th request)						Fund Code		-		0	0		-	-	-	-	-
	1					0		-		0	0		-	-	-	-	-
Other Subcommittee Actions						Fund Code		(63.3)		7	2		404.8	3.6	73.0	-	481.4
	1	Budget and Audit Committee	Legislative Audit	Reduce funding for contract audits and increase personal services to pay the majority of costs for 4 new positions	Line Item Transfer. Positions not authorized at this time. LB&A is directed to reassess the effectiveness of contractual services, should new hires still be warranted, the Chair and Vice Chair of LB&A may authorize.	0		-	1	4	0		-	-	-	-	-
	2	Budget and Audit Committee	Legislative Audit	Increase receipts from Dept of Administration for audit services to meet requirements of OMB Circular A-133	Accepted additional I/A Authority.	1007	I/A Rcpts	50.0	1		0		-	-	50.0	-	50.0

Alaska Legislature

																			SUBCOMMITTEE				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
																		Total Subcommittee Changes	465.3	(56.9)	73.0	-	481.4
																		Governor's Original Request Accepted	60.5	(60.5)	-	-	-
																			-	-	-	-	-
																		Legislature Additions	404.8	3.6	73.0	-	481.4
	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information			Funding Multiplier	Leg PCNs	Sen PCNs	OTI? Or Intent?		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.					Fund Code		1,545.8		7	2			60.5	(60.5)	-	-	-
345	3	Budget and Audit Committee	Committee Expenses	Transfer authorization from Committee Expenses to facilities rent	Transfer authorization from Committee Expenses to Facilities Rent	1004	Gen Fund	(1.1)	1		0			(1.1)	-	-	-	(1.1)
346	4	Budget and Audit Committee	Committee Expenses	Reduce surplus authorization	Transfer authorization from Committee Expenses to Council and Subcommittees	1004	Gen Fund	(600.0)	1		0			(600.0)	-	-	-	(600.0)
347	5	Budget and Audit Committee	Legislature State Facilities Rent	Increase in facilities rent	Transfer authorization from Committee Expenses to Facilities Rent to cover expense.	1004	Gen Fund	1.1	1		0			1.1	-	-	-	1.1
348	6	Legislative Council	Salaries and Allowances	Increase Salary & Benefits for Legislators based on SOCC Recommendations (effective 1-19-10)	Authorized increases to implement recommendations. Offset by elimination of long term per diem (see next item).	1004	Gen Fund	1,035.2	1		0			1,035.2	-	-	-	1,035.2
349	7	Legislative Council	Salaries and Allowances	Eliminate long term per diem payments	Decreases based on policy implementation.	1004	Gen Fund	(630.0)	1		0			(630.0)	-	-	-	(630.0)
350	8	Legislative Council	Salaries and Allowances	Double Legislator's Annual Allowance - Senators up to	Pending further approval process.	1004	Gen Fund	520.0	0		0			0	-	-	-	0
351	9	Legislative Council	Administrative Services	Fund Change for DOSO receipts	Authorized fund source change.	1004	Gen Fund	6.0	1		0			6.0	-	-	-	6.0
352						1005	GF/Prgm	(6.0)	1		0			-	(6.0)	-	-	(6.0)
353	10	Legislative Council	Administrative Services	New custodial position - Thomas Stewart Building	Authorized	1004	Gen Fund	55.7	1	1	1			55.7	-	-	-	55.7
354	11	Legislative Council	Administrative Services	New Dutch Harbor Session LIO Officer & casual labor hours	Increases to be absorbed in the existing budget authority. Position in casual labor pool.	1004	Gen Fund	65.7	0	1	0			0	-	-	-	0
355	12	Legislative Council	Administrative Services	Two additional months for Mail Technician position	Increases to be absorbed in the existing budget authority.	1004	Gen Fund	10.7	0		0			0	-	-	-	0
356	13	Legislative Council	Administrative Services	Budget for merit increases	Increases to be absorbed in the existing budget authority.	1004	Gen Fund	82.9	0		0			0	-	-	-	0
357	14	Legislative Council	Administrative Services	Increase in CSG-NCSL Dues	Increases to be absorbed in the existing budget authority.	1004	Gen Fund	7.6	0		0			0	-	-	-	0
358	15	Legislative Council	Administrative Services	Increases in CPI for statewide leases for LIO's and office space	Increases to be absorbed in the existing budget authority.	1004	Gen Fund	32.2	0		0			0	-	-	-	0
359	16	Legislative Council	Administrative Services	Increases and adjustments in software	Increases to be absorbed in the existing budget authority.	1004	Gen Fund	88.0	0		0			0	-	-	-	0
360	17	Legislative Council	Administrative Services	Interagency services for EPR for telecom & computers, AKPAY, AKSAS, interagency leases charges	Approved.	1004	Gen Fund	(41.1)	1		0			(41.1)	-	-	-	(41.1)
361	18	Legislative Council	Administrative Services	Increase in maintenance to reflect actuals (electrical, plumbing)	Increases to be absorbed in the existing budget authority.	1004	Gen Fund	20.0	0		0			0	-	-	-	0
362	19	Legislative Council	Administrative Services	Increase in maintenance to reflect actuals (lumber, misc parts)	Increases to be absorbed in the existing budget authority.	1004	Gen Fund	30.0	0		0			0	-	-	-	0

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																									
326																								SUBCOMMITTEE	
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
326										Total Subcommittee Changes										465.3	(56.9)	73.0	-	481.4	
329										Governor's Original Request Accepted										60.5	(60.5)	-	-	-	
330	Alaska Legislature																	OTI? Or Intent?		-	-	-	-	-	
331										Legislature Additions										404.8	3.6	73.0	-	481.4	
332	#	Appropriation	Allocation	Description		Subcommittee Notes	Subcommittee Funding Information						Funding Multiplier		Leg PCNs	Sen PCNs				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.						Fund Code			1,545.8					7	2				60.5	(60.5)	-	-	-	
363	20	Legislative Council	Session Expenses	Fund change to reflect adjustments in Capitol Press Room, AKStatute I/A, subscription, and lounge receipts		Accepted fund source changes.	1004	Gen Fund		(32.6)			1			0				(32.6)	-	-	-	(32.6)	
364							1005	GF/Prgm		9.6			1			0				-	9.6	-	-	9.6	
365							1007	I/A Rcpts		23.0			1			0				-	-	23.0	-	23.0	
366	21	Legislative Council	Council and Subcommittees	Realign Admin Reg. Review funding and Jt. Armed Services funding		Line Item Transfer	0			-			1			0				-	-	-	-	-	
367	22	Legislative Council	Council and Subcommittees	Remove carryforward for ESA and Effects of Climate Change Ch. 15, SLA 2009 Sec. 37(a)(3) and 37(e)		**Language** Technical--deny increase and deny removal. Net zero and makes change detail report easier to understand.	1004	Gen Fund		(1,500.0)			0			0				[redacted]	-	-	-	[redacted]	
368	23	Legislative Council	Council and Subcommittees	Remove carryforward for Legislative Outdoor Heritage Council Ch. 15, SLA 2009, Sec. 37(d)		**Language** Technical--deny increase and deny removal. Net zero and makes change detail report easier to understand.	1004	Gen Fund		(45.8)			0			0				[redacted]	-	-	-	[redacted]	
369	24	Legislative Council	Council and Subcommittees	Move authorization from LB&A Committee Expenses		Transfer authorization from Committee Expenses to Council and Subcommittees.	1004	Gen Fund		600.0			1			0				600.0	-	-	-	600.0	
370	25	Legislative Council	Legal and Research Services	Increase by 1.5 months for Assistant Legal Editor		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		11.3			0			0				[redacted]	-	-	-	[redacted]	
371	26	Legislative Council	Legal and Research Services	Increase 1 month for Research Analyst		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		9.8			0			0				[redacted]	-	-	-	[redacted]	
372	27	Legislative Council	Legal and Research Services	Budget for merit increases		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		72.2			0			0				[redacted]	-	-	-	[redacted]	
373	28	Legislative Council	Legal and Research Services	budget increase to reflect actuals		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		11.0			0			0				[redacted]	-	-	-	[redacted]	
374	29	Legislative Council	Legal and Research Services	budget increase to reflect actuals		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		2.2			0			0				[redacted]	-	-	-	[redacted]	
375	30	Legislative Council	Select Committee on Ethics	Budget for increase for Administrator position		See Intent Language.	1004	Gen Fund		7.6			0			0		[redacted]		[redacted]	-	-	-	[redacted]	
376	31	Legislative Council	Select Committee on Ethics	Budget change for Secretary from casual to seasonal; 6 months to 7.2 months		Increases to be absorbed in the existing budget authority. Position remains in casual labor pool.	1004	Gen Fund		11.6			1		1	1				11.6	-	-	-	11.6	
377	32	Legislative Council	Select Committee on Ethics	Budget increase in travel		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		9.0			0			0				[redacted]	-	-	-	[redacted]	
378	33	Legislative Council	Office of Victims Rights	Merit increases for Office of Victims' Rights		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		4.4			0			0				[redacted]	-	-	-	[redacted]	
379	34	Legislative Council	Ombudsman	Budget for Merit increases		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		4.5			0			0				[redacted]	-	-	-	[redacted]	
380	35	Legislative Council	Ombudsman	Budget for increased commodities to reflect actuals		Increases to be absorbed in the existing budget authority.	1004	Gen Fund		12.0			0			0				[redacted]	-	-	-	[redacted]	

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
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Staff
Tim Grussendorf

Subcommittee Members
Sen. Stedman
Sen. Ellis
Sen. Huggins
Sen Olson
Sen Thomas
Sen Egan

University of Alaska Recommendations

The Senate Finance Budget Subcommittee for the University submits an Operating Budget to the Senate Finance Committee for FY 11 as Follows:

Fund Source	10 Mgt Plan	FY11 Gov Amd	Sen Sub	Sen Sub to Gov
General Funds	$617,040.4	$640,989.7	$640,973.0	($16.7)
Federal Funds	$131,558.5	$132,798.7	$132,798.7	-
Other Funds	$ 74,608.0	$ 76,146.0	$ 76,146.0	-

Positions	10 Mgt Plan	FY11 Gov Amd	Sen Sub	Sen Sub to Gov
PFT	4,694	4,694	4,694	0
PPT	222	222	222	0
Temp	0	0	0	0

The Subcommittee held one meeting with the University and took the following actions:

Budget Action

- Changed structure from one appropriation in Gov Amd to seven appropriations (matching FY10)
- Transferred 3% of Federal Receipts, Unrestricted GF, and University Receipts from all appropriations (except the Small Business Development Center) into the Budget Reductions/Additions – Systemwide appropriation to provide program funding flexibility under the seven-appropriation scenario. The total transferred is $22.5 million. This is a net zero change in the overall budget.
- Accepted all Federal Receipts and Other Funds as requested in Gov Amd
- Accepted all Designated GF (University Receipts and VoTech Ed) as requested in Gov Amd

- Funded all GF Match and GF/MH as requested in Gov Amd and provided a Statewide University Increment of $4.5 million in General Funds
- Funded $1.2 million GF for the Alaska Native Science & Engineering Program at the Anchorage Campus
- Funded $314.2 GF specifically for Anchorage Fixed Cost Priorities
- Funded $300.0 GF for the Marine Advisory Program at the Fairbanks Campus
- Funded $75.0 GF for Alaska Summer Research at the Fairbanks Campus
- Funded $150.0 GF for Individual Technology Based Math and the Summer Bridge Program at the Fairbanks Campus
- Funded $260.8 GF for University of Alaska Community Campuses for Additional Lease Cost Increases (split between the College of Rural and Community Development and the Cooperative Extension Service allocations)
- Approved Intent that future requests by the University of Alaska for unrestricted general funds move toward a long-term goal of 125 percent of actual University Receipts for the most recently closed fiscal year.

Attached Reports

1. Agency Totals – FY 11 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd+ and Senate Subcom)
6. Wordage Report – FY 11 Operating Budget – Senate Structure
7. Transaction Comparison (House minus Amds and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 18th, 2010

University of Alaska
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amds	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	323,503.0	328,633.0	335,468.1	335,451.4	333,151.4	11,948.4	3.7%	6,818.4	2.1%	(16.7)	0.0%
Designated GF	293,537.4	297,117.4	305,521.6	305,521.6	305,521.6	11,984.2	4.1%	8,404.2	2.8%	-	0.0%
Other	74,608.0	73,280.0	76,146.0	76,146.0	76,146.0	1,538.0	2.1%	2,866.0	3.9%	-	0.0%
Federal Funds	131,558.5	131,006.7	132,798.7	132,798.7	132,798.7	1,240.2	0.9%	1,792.0	1.4%	-	0.0%
Total	**823,206.9**	**830,037.1**	**849,934.4**	**849,917.7**	**847,617.7**	**26,710.8**	**3.2%**	**19,880.6**	**2.4%**	**(16.7)**	**0.0%**
Check (Enter #s from LFD reports)	823,206.9	830,037.1	849,934.4	849,917.7	847,617.7						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	617,040.4	625,750.4	640,989.7	640,973.0	638,673.0	23,932.6	3.9%	15,222.6	2.4%	(16.7)	0.0%
Other	74,608.0	73,280.0	76,146.0	76,146.0	76,146.0	1,538.0	2.1%	2,866.0	3.9%	-	0.0%
Federal	131,558.5	131,006.7	132,798.7	132,798.7	132,798.7	1,240.2	0.9%	1,792.0	1.4%	-	0.0%
Positions (Enter position counts from LFD reports)											
PFTs	4694	4694	4694	4694	4694	-	0.0%	-	0.0%	-	0.0%
PPTs	222	222	222	222	222	-	0.0%	-	0.0%	-	0.0%
Temps	0	0	0	0	0	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Total Positions	**4916**	**4916**	**4916**	**4916**	**4916**						
Position Check (Should equal zero)				-							

Prepared by:	Tim Grussendorf
Date:	3/18/2010
Time	2:10 p.m.
Status:	Final

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Total Subcommittee Changes	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Original Request Accepted	[illegible]	478.3	1,693.2	[illegible]	2,171.5
Governor's Amendments Accepted	[illegible]	[illegible]	-	-	[illegible]
Subcommittee's Additions	6,818.4	7,925.9	1,172.8	1,792.0	17,709.1

OTI? Or Intent?

#	Appropriation	Allocation	Description	Subcommittee Notes	Fund Code		Funding Information	Funding Multiplier	Gov PCNs	Sen PCNs	SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request) Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.							17,819.4		0	0	-	478.3	1,693.2	-	2,171.5
1	Statewide Programs and Services	Statewide Services	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	11.2	0	0	0	-	-	-	[illegible]	[illegible]
					1007	I/A Rcpts	3.4	0	0	0	-	-	[illegible]	-	[illegible]
					1048	Univ Rcpt	234.4	0	0	0	-	[illegible]	-	-	[illegible]
2	Statewide Programs and Services	Office of Information Technology	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	3.7	0	0	0	-	-	-	[illegible]	[illegible]
					1004	Gen Fund	652.0	0	0	0	[illegible]	-	-	-	[illegible]
					1007	I/A Rcpts	32.8	0	0	0	-	-	[illegible]	-	[illegible]
					1048	Univ Rcpt	106.8	0	0	0	-	[illegible]	-	-	[illegible]
3	Statewide Programs and Services	Systemwide Education and Outreach	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	16.1	0	0	0	-	-	-	[illegible]	[illegible]
					1007	I/A Rcpts	80.0	0	0	0	-	-	[illegible]	-	[illegible]
					1048	Univ Rcpt	2.0	0	0	0	-	[illegible]	-	-	[illegible]
4	Univ of Alaska Anchorage	Anchorage Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	207.1	0	0	0	-	-	-	[illegible]	[illegible]
					1004	Gen Fund	500.5	0	0	0	[illegible]	-	-	-	[illegible]
					1007	I/A Rcpts	469.1	0	0	0	-	-	[illegible]	-	[illegible]
					1048	Univ Rcpt	1,230.4	0	0	0	-	[illegible]	-	-	[illegible]
					1061	CIP Rcpts	77.1	0	0	0	-	-	[illegible]	-	[illegible]
5	Univ of Alaska Anchorage	Kenai Peninsula College	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	3.7	0	0	0	-	-	-	[illegible]	[illegible]
					1004	Gen Fund	31.5	0	0	0	[illegible]	-	-	-	[illegible]
					1007	I/A Rcpts	8.5	0	0	0	-	-	[illegible]	-	[illegible]
					1048	Univ Rcpt	29.7	0	0	0	-	[illegible]	-	-	[illegible]
6	Univ of Alaska Anchorage	Kodiak College	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	2.5	0	0	0	-	-	-	[illegible]	[illegible]
					1004	Gen Fund	17.5	0	0	0	[illegible]	-	-	-	[illegible]
					1007	I/A Rcpts	2.0	0	0	0	-	-	[illegible]	-	[illegible]
					1048	Univ Rcpt	6.9	0	0	0	-	[illegible]	-	-	[illegible]
7	Univ of Alaska	Matanuska-	U of A Adjusted Base Non		1002	Fed Rcpts	2.5	0	0	0	-	-	-	[illegible]	[illegible]

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																			SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
										Total Subcommittee Changes							OTI? Or Intent?		6,818.4	8,404.2	2,866.0	1,792.0	19,880.6
										Governor's Original Request Accepted									-	478.3	1,693.2	-	2,171.5
										Governor's Amendments Accepted									-	-	-	-	-
										Subcommittee's Additions									6,818.4	7,925.9	1,172.8	1,792.0	17,709.1
	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs								Unrestricted GF	Designated GF	Other State Funds	Federal	Total
358		Anchorage	Susitna College	Personal Services Fixed Cost Increases		1004	Gen Fund	31.1	0	0	0								-	-	-	-	-
359						1007	I/A Rcpts	2.0	0	0	0								-	-	-	-	-
360						1048	Univ Rcpt	29.2	0	0	0								-	-	-	-	-
361	8	Univ of Alaska Anchorage	Prince William Sound Community College	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	3.7	0	0	0								-	-	-	-	-
362						1004	Gen Fund	12.2	0	0	0								-	-	-	-	-
363						1007	I/A Rcpts	4.0	0	0	0								-	-	-	-	-
364						1048	Univ Rcpt	13.1	0	0	0								-	-	-	-	-
365	9	Small Business Development Center	Small Business Development Center	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1048	Univ Rcpt	4.0	0	0	0								-	-	-	-	-
366	10	Univ of Alaska Fairbanks	Fairbanks Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	121.5	0	0	0								-	-	-	-	-
367						1004	Gen Fund	730.6	0	0	0								-	-	-	-	-
368						1007	I/A Rcpts	98.4	0	0	0								-	-	-	-	-
369						1048	Univ Rcpt	2,214.5	0	0	0								-	-	-	-	-
370						1061	CIP Rcpts	134.3	0	0	0								-	-	-	-	-
371	11	Univ of Alaska Fairbanks	Fairbanks Organized Research	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	450.9	0	0	0								-	-	-	-	-
372						1007	I/A Rcpts	67.0	0	0	0								-	-	-	-	-
373						1048	Univ Rcpt	320.5	0	0	0								-	-	-	-	-
374						1061	CIP Rcpts	100.5	0	0	0								-	-	-	-	-
375	12	UA Community Campuses	Bristol Bay Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1004	Gen Fund	6.4	0	0	0								-	-	-	-	-
376						1007	I/A Rcpts	4.0	0	0	0								-	-	-	-	-
377						1048	Univ Rcpt	12.0	0	0	0								-	-	-	-	-
378	13	UA Community Campuses	Chukchi Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	3.0	0	0	0								-	-	-	-	-
379						1004	Gen Fund	5.1	0	0	0								-	-	-	-	-
380						1048	Univ Rcpt	9.9	0	0	0								-	-	-	-	-
381	14	UA Community Campuses	College of Rural and Community Development	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	5.0	0	0	0								-	-	-	-	-
382						1007	I/A Rcpts	10.0	0	0	0								-	-	-	-	-
383						1048	Univ Rcpt	0.6	0	0	0								-	-	-	-	-
384	15	UA Community Campuses	Interior-Aleutians Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1004	Gen Fund	10.2	0	0	0								-	-	-	-	-
385						1048	Univ Rcpt	23.6	0	0	0								-	-	-	-	-
386	16	UA Community Campuses	Kuskokwim Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	3.6	0	0	0								-	-	-	-	-
387						1004	Gen Fund	27.9	0	0	0								-	-	-	-	-
388						1048	Univ Rcpt	31.6	0	0	0								-	-	-	-	-
389	17	UA Community Campuses	Northwest Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	0.4	0	0	0								-	-	-	-	-
390						1004	Gen Fund	7.6	0	0	0								-	-	-	-	-
391						1007	I/A Rcpts	1.1	0	0	0								-	-	-	-	-
392						1048	Univ Rcpt	7.5	0	0	0								-	-	-	-	-
393	18	UA Community Campuses	Tanana Valley Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	6.2	0	0	0								-	-	-	-	-
394						1004	Gen Fund	7.5	0	0	0								-	-	-	-	-
395						1007	I/A Rcpts	3.0	0	0	0								-	-	-	-	-
396						1048	Univ Rcpt	8.9	0	0	0								-	-	-	-	-
397	19	UA Community Campuses	Cooperative Extension Service	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1048	Univ Rcpt	5.2	0	0	0								-	-	-	-	-
398	20	Univ of Alaska Southeast	Juneau Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	36.0	0	0	0								-	-	-	-	-
399						1004	Gen Fund	99.5	0	0	0								-	-	-	-	-
400						1007	I/A Rcpts	49.6	0	0	0								-	-	-	-	-
401						1048	Univ Rcpt	198.8	0	0	0								-	-	-	-	-
402						1061	CIP Rcpts	18.8	0	0	0								-	-	-	-	-

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																					SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																					Unrestricted GF	Designated GF	Other State Funds	Federal	Total
																					6,818.4	8,404.2	2,666.0	1,792.0	19,880.6
																					-	478.3	1,693.2	-	2,171.5
																					-	-	-	-	-
																					6,818.4	7,925.9	1,172.8	1,792.0	17,709.1
	#	Appropriation	Allocation	Description	Subcommittee Notes																Unrestricted GF	Designated GF	Other State Funds	Federal	Total
403	21	Univ of Alaska Southeast	Ketchikan Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	3.7	0	0	0										-	-	-	-	-
404						1004	Gen Fund	19.3	0	0	0										-	-	-	-	-
405						1007	I/A Rcpts	3.6	0	0	0										-	-	-	-	-
406						1048	Univ Rcpt	18.1	0	0	0										-	-	-	-	-
407	22	Univ of Alaska Southeast	Sitka Campus	U of A Adjusted Base Non Personal Services Fixed Cost Increases		1002	Fed Rcpts	11.2	0	0	0										-	-	-	-	-
408						1004	Gen Fund	9.5	0	0	0										-	-	-	-	-
409						1007	I/A Rcpts	3.6	0	0	0										-	-	-	-	-
410						1048	Univ Rcpt	12.3	0	0	0										-	-	-	-	-
411																									
412	23	Statewide Programs & Services	Statewide Services	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	5.0	0	0	0										-	-	-	-	-
413	24	Univ of Alaska Anchorage	Anchorage Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	253.2	0	0	0										-	-	-	-	-
414						1048	Univ Rcpt	217.5	0	0	0										-	-	-	-	-
415	25	Univ of Alaska Anchorage	Kenai Peninsula College	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	48.0	0	0	0										-	-	-	-	-
416						1048	Univ Rcpt	5.0	0	0	0										-	-	-	-	-
417	26	Univ of Alaska Anchorage	Kodiak College	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	8.9	0	0	0										-	-	-	-	-
418						1048	Univ Rcpt	4.0	0	0	0										-	-	-	-	-
419	27	Univ of Alaska Anchorage	Matanuska-Susitna College	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	31.3	0	0	0										-	-	-	-	-
420						1048	Univ Rcpt	4.8	0	0	0										-	-	-	-	-
421	28	Univ of Alaska Anchorage	Prince William Sound Community College	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	25.8	0	0	0										-	-	-	-	-
422						1048	Univ Rcpt	5.2	0	0	0										-	-	-	-	-
423	29	Univ of Alaska Fairbanks	Fairbanks Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	965.8	0	0	0										-	-	-	-	-
424						1048	Univ Rcpt	787.6	0	0	0										-	-	-	-	-
425	30	UA Community Campuses	Bristol Bay Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	7.7	0	0	0										-	-	-	-	-
426						1048	Univ Rcpt	1.7	0	0	0										-	-	-	-	-
427	31	UA Community Campuses	Chukchi Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	4.1	0	0	0										-	-	-	-	-
428						1048	Univ Rcpt	1.1	0	0	0										-	-	-	-	-
429	32	UA Community Campuses	Interior-Aleutians Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	5.9	0	0	0										-	-	-	-	-
430						1048	Univ Rcpt	1.7	0	0	0										-	-	-	-	-
431	33	UA Community Campuses	Kuskokwim Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	29.0	0	0	0										-	-	-	-	-
432						1048	Univ Rcpt	7.6	0	0	0										-	-	-	-	-
433	34	UA Community Campuses	Northwest Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	6.9	0	0	0										-	-	-	-	-
434						1048	Univ Rcpt	1.8	0	0	0										-	-	-	-	-
435	35	Univ of Alaska Southeast	Juneau Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	74.1	0	0	0										-	-	-	-	-
436						1048	Univ Rcpt	53.4	0	0	0										-	-	-	-	-
437	36	Univ of Alaska Southeast	Ketchikan Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	11.0	0	0	0										-	-	-	-	-
438						1048	Univ Rcpt	5.3	0	0	0										-	-	-	-	-
439	37	Univ of Alaska Southeast	Sitka Campus	U of A Adjusted Base Utility Cost Increases		1004	Gen Fund	7.6	0	0	0										-	-	-	-	-
440						1048	Univ Rcpt	3.3	0	0	0										-	-	-	-	-

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y					
325																				SUBCOMMITTEE										
326																				(Shaded Cells are NOT Equal to the Governor's Budget Request)										
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total						
328										Total Subcommittee Changes										6,818.4	8,404.2	2,866.0	1,792.0	19,880.6						
329										Governor's Original Request Accepted										0	478.3	1,693.2	0	2,171.5						
330	University of Alaska									Governor's Amendments Accepted										0	0	-	-	0						
331										Subcommittee's Additions								OTI? Or Intent?		6,818.4	7,925.9	1,172.8	1,792.0	17,709.1						
332	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information							Funding Multiplier	Gov PCNs	Sen PCNs					Unrestricted GF	Designated GF	Other State Funds	Federal	Total						
441																														
442	38	Univ of Alaska Anchorage	Anchorage Campus	U of A Adjusted Base New Facility Operating & Maintenance Costs		1004	Gen Fund	429.0	0	0	0			0	-	-	-	0												
443	39	Univ of Alaska Fairbanks	Fairbanks Campus	U of A Adjusted Base New Facility Operating and Maintenance Costs - State Virology Lab		1004	Gen Fund	263.0	0	0	0			0	-	-	-	0												
444																														
445	40	Univ of Alaska Fairbanks	Fairbanks Organized Research	Continue Energy Priority Program - UAF Alaska Center for Energy and Power Leadership		1002	Fed Rcpts	400.0	0	0	0			-	-	-	0	0												
446						1004	Gen Fund	500.0	0	0	0			0	-	-	-	0												
447						1048	Univ Rcpt	918.4	0	0	0			-	0	-	-	0												
448	41	UA Community Campuses	Cooperative Extension Service	Continue Energy Priority Program - UAF Energy Outreach in Cooperation with Cooperative Extension Service		1002	Fed Rcpts	500.0	0	0	0			-	-	-	0	0												
449						1004	Gen Fund	450.0	0	0	0			0	-	-	-	0												
450						1048	Univ Rcpt	850.0	0	0	0			-	0	-	-	0												
451																														
452	42	Budget Reductions/ Additions	Budget Reductions/Additions - Systemwide	TVEP Increase for Distribution		1151	VoTech Ed	430.5	1	0	0			-	430.5	-	-	430.5												
453	43	Univ of Alaska Southeast	Juneau Campus	TVEP Increase for Distribution		1151	VoTech Ed	47.8	1	0	0			-	47.8	-	-	47.8												
454																														
455	44	Statewide Programs & Services	Statewide Services	MH Trust Workforce Dev - Grant 2470.01 Behavioral Health Alliance		1092	MHTAAR	25.0	1	0	0			-	-	25.0	-	25.0												
456	45	Statewide Programs & Services	Statewide Services	MH Trust Workforce Dev - Grant 1931.02 PhD Clinical Internship Accreditation		1092	MHTAAR	87.7	1	0	0			-	-	87.7	-	87.7												
457	46	Statewide Programs & Services	Statewide Services	MH Trust Workforce Dev - Grant 1395.03 Behavioral Health Initiative Partnership		1092	MHTAAR	300.0	1	0	0			-	-	300.0	-	300.0												
458	47	Univ of Alaska Anchorage	Anchorage Campus	MH Trust Workforce Dev - Grant 582.05 Training and technical assistance for providers		1092	MHTAAR	210.0	1	0	0			-	-	210.0	-	210.0												
459	48	Univ of Alaska Anchorage	Anchorage Campus	MH Trust Workforce Dev - Grant 573.05 Increase provider capacity to better serve cognitively impaired offenders		1092	MHTAAR	80.0	1	0	0			-	-	80.0	-	80.0												

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																					SUBCOMMITTEE				
326																					(Shaded Cells are NOT Equal to the Governor's Budget Request)				
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes										6,818.4	8,404.2	2,866.0	1,792.0	19,880.6	
329										Governor's Original Request Accepted										0	478.3	1,693.2	0	2,171.5	
330	University of Alaska									Governor's Amendments Accepted										0	0	-	-	0	
331										Subcommittee's Additions								OTI? Or Intent?		6,818.4	7,925.9	1,172.8	1,792.0	17,709.1	
332		#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
460		49	Univ of Alaska Anchorage	Anchorage Campus	MH Trust: Workforce Dev - Grant 1932.02 Children's mental health (interdisciplinary education) and certification					1092	MHTAAR	64.0			1	0	0			-	-	64.0	-	64.0	
461		50	Univ of Alaska Anchorage	Anchorage Campus	MH Trust: Workforce Dev - Grant 1384.03 Trust Training Cooperatives					1092	MHTAAR	559.0			1	0	0			-	-	559.0	-	559.0	
462		51	Univ of Alaska Anchorage	Anchorage Campus	MH Trust: Workforce Dev - Grant 1335.04 Vacancy study					1092	MHTAAR	25.0			1	0	0			-	-	25.0	-	25.0	
463		52	Univ of Alaska Anchorage	Anchorage Campus	MH Trust: Workforce Dev - Grant 574.05 Specialized skills and services training on serving cognitively impaired offenders					1092	MHTAAR	55.0			1	0	0			-	-	55.0	-	55.0	
464		53	Univ of Alaska Anchorage	Anchorage Campus	MH Trust: Benef Projects - Grant 1291.03 Partners in policymaking					1092	MHTAAR	200.0			1	0	0			-	-	200.0	-	200.0	
465		54	Univ of Alaska Fairbanks	Fairbanks Campus	MH Trust: Workforce Dev - Grant 247.101 AK Rural Behavioral Health Training Acad - Telebehavioral Health					1092	MHTAAR	87.5			1	0	0			-	-	87.5	-	87.5	
466																									
467	Governor's Amendments (Does not include the Dec 15th request)									[redacted]		Fund Code	[redacted]		2,077.9	0	0			-	-	-	-	0	
468		1	Univ of Alaska Anchorage	Anchorage Campus	AMD: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers					1004	Gen Fund	530.5			0	0	0			-	-	-	-	0	
469										1048	Univ Rcpt	227.4			0	0	0			-	0	-	-	0	
470		2	Univ of Alaska Anchorage	Kenai Peninsula College	AMD: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers					1004	Gen Fund	164.8			0	0	0			-	-	-	-	0	
471										1048	Univ Rcpt	54.9			0	0	0			-	0	-	-	0	
472		3	Univ of Alaska Anchorage	Kodiak College	AMD: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers					1004	Gen Fund	51.6			0	0	0			-	-	-	-	0	
473										1048	Univ Rcpt	12.9			0	0	0			-	0	-	-	0	
474		4	Univ of Alaska Anchorage	Matanuska-Susitna College	AMD: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers					1004	Gen Fund	115.4			0	0	0			-	-	-	-	0	
475										1048	Univ Rcpt	38.4			0	0	0			-	0	-	-	0	
476		5	Univ of Alaska Anchorage	Prince William Sound Community College	AMD: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers					1004	Gen Fund	63.7			0	0	0			-	-	-	-	0	
477										1048	Univ Rcpt	21.2			0	0	0			-	0	-	-	0	
478		6	Univ of Alaska Fairbanks	Fairbanks Campus	AMD: U of A Adjusted Base Salary Increase-University of Alaska Federation of Teachers					1004	Gen Fund	3.6			0	0	0			-	-	-	-	0	
479										1048	Univ Rcpt	1.6			0	0	0			-	0	-	-	0	
480		7	UA Community	Bristol Bay	AMD: U of A Adjusted Base					1004	Gen Fund	29.2			0	0	0			-	-	-	-	0	

University of Alaska

																					SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																					Unrestricted GF	Designated GF	Other State Funds	Federal	Total
																	Total Subcommittee Changes				6,818.4	8,404.2	2,866.0	1,792.0	19,880.6
																	Governor's Original Request Accepted				0	478.3	1,693.2	0	2,171.5
																	Governor's Amendments Accepted				0	0	-	-	0
																	Subcommittee's Additions			OTP Or Intent?	6,818.4	7,925.9	1,172.8	1,792.0	17,709.1
	#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
481		Campuses	Campus	Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	7.3	0	0	0		-	0	-	-	0
482	8	UA Community Campuses	Chukchi Campus	AMD: U of A Adjusted Base		1004	Gen Fund	27.1	0	0	0		-	-	-	-	0
483				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	6.8	0	0	0		-	0	-	-	0
484	9	UA Community Campuses	College of Rural and Community Development	AMD: U of A Adjusted Base		1004	Gen Fund	71.9	0	0	0		-	-	-	-	0
485				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	23.9	0	0	0		-	0	-	-	0
486	10	UA Community Campuses	Interior-Aleutians Campus	AMD: U of A Adjusted Base		1004	Gen Fund	26.6	0	0	0		-	-	-	-	0
487				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	6.7	0	0	0		-	0	-	-	0
488	11	UA Community Campuses	Kuskokwim Campus	AMD: U of A Adjusted Base		1004	Gen Fund	97.5	0	0	0		-	-	-	-	0
489				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	24.4	0	0	0		-	0	-	-	0
490	12	UA Community Campuses	Northwest Campus	AMD: U of A Adjusted Base		1004	Gen Fund	44.9	0	0	0		-	-	-	-	0
491				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	11.2	0	0	0		-	0	-	-	0
492	13	UA Community Campuses	Tanana Valley Campus	AMD: U of A Adjusted Base		1004	Gen Fund	153.1	0	0	0		-	-	-	-	0
493				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	51.0	0	0	0		-	0	-	-	0
494	14	Univ of Alaska Southeast	Juneau Campus	AMD: U of A Adjusted Base		1004	Gen Fund	48.9	0	0	0		-	-	-	-	0
495				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	16.3	0	0	0		-	0	-	-	0
496	15	Univ of Alaska Southeast	Ketchikan Campus	AMD: U of A Adjusted Base		1004	Gen Fund	43.7	0	0	0		-	-	-	-	0
497				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	10.9	0	0	0		-	0	-	-	0
498	16	Univ of Alaska Southeast	Sitka Campus	AMD: U of A Adjusted Base		1004	Gen Fund	67.9	0	0	0		-	-	-	-	0
499				Salary Increase-University of Alaska Federation of Teachers		1048	Univ Rcpt	22.6	0	0	0		-	0	-	-	0
500																									
501	Other Subcommittee Actions					Fund Code		17,709.1		0	0		6,818.4	7,925.9	1,172.8	1,792.0	17,709.1
502	1	University of Alaska	Change structure	Retain seven appropriations to match FY10: Budget Reductions/Additions; Statewide Programs & Services; Univ of Alaska Anchorage; Small Business Development Center; Univ of Alaska Fairbanks; UA Community Campuses; and Univ of Ataska Southeast					1											
503	2	University of Alaska	TRIN/TROUT	Transfer 3% Federal Receipts, Unrestricted GF, and University Receipts from all appropriations (except Small Business Development Center) into Budget Reductions/Additions - Systemwide to provide program funding flexibility under the seven-appropriation scenario. The total transferred is $22.5 million.					1											
504	3	Budget Reductions/ Additions	Budget Reductions/ Additions - Systemwide	Statewide University Increment		1002	Fed Rcpts	1,792.0	1		0	I	-	-	-	1,792.0	1,792.0

University of Alaska

																			SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
									Total Subcommittee Changes								OTI? Or Intent?		6,818.4	8,404.2	2,866.0	1,792.0	19,880.6
											Governor's Original Request Accepted								0	478.3	1,693.2	0	2,171.5
											Governor's Amendments Accepted								0	0	-	-	0
											Subcommittee's Additions								6,818.4	7,925.9	1,172.8	1,792.0	17,709.1
	#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information				Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
505									1004	Gen Fund	4,518.4		1		0		4,518.4	-	-	-	4,518.4
506									1007	I/A Rcpts	842.1		1		0		-	-	842.1	-	842.1
507									1048	Univ Rcpt	7,925.9		1		0		-	7,925.9	-	-	7,925.9
508									1061	CIP Rcpts	330.7		1		0		-	-	330.7	-	330.7
509	4	University of Alaska	Dept Level Intent	It is the intent of the legislature that future requests by the University of Alaska for unrestricted general funds move toward a long-term goal of 125 percent of actual University Receipts for the most recently closed fiscal year.					0		-		1		0		-	-	-	-	-
510	5	University of Alaska Anchorage	Anchorage Campus	Alaska Native Science & Engineering Program					1004	Gen Fund	1,200.0		1		0		1,200.0	-	-	-	1,200.0
511	6	University of Alaska Anchorage	Anchorage Campus	Anchorage Fixed Cost Priorities					1004	Gen Fund	314.2		1		0		314.2	-	-	-	314.2
512	7	University of Alaska Fairbanks	Fairbanks Campus	Marine Advisory Program					1004	Gen Fund	300.0		1		0		300.0	-	-	-	300.0
513	8	University of Alaska Fairbanks	Fairbanks Campus	Alaska Summer Research					1004	Gen Fund	75.0		1		0		75.0	-	-	-	75.0
514	9	University of Alaska Fairbanks	Fairbanks Campus	Individual Technology Based Math and Summer Bridge Program					1004	Gen Fund	150.0		1		0		150.0	-	-	-	150.0
515	10	University of Alaska Community Campuses	College of Rural and Community Development	Community Campus Lease Cost Increases					1004	Gen Fund	58.6		1		0		58.6	-	-	-	58.6
516	11	University of Alaska Community Campuses	Cooperative Extension Service	Community Campus Lease Cost Increases					1004	Gen Fund	202.2		1		0		202.2	-	-	-	202.2
517	12	University of Alaska Community Campuses	Cooperative Extension Service	Correction between Capital Outlay and Services line items to remove negative line item					0		-		1		0		-	-	-	-	-

Olson

ALASKA STATE LEGISLATURE

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FY11 Senate Budget Subcommittee Report
DEPARTMENT of ADMINISTRATION
March 19, 2010

MEMBERS:
Senator Donald Olson, Chair / Senator Joe Paskvan and Senator John Coghill

After five substantive hearings with the Department of Administration, the SFC Administration Subcommittee submits this recommended operating budget to the Senate Finance Committee for FY11:

FUND SOURCE:

	FY10 Mgt Plan	Gov Amd	Sen Sub	Difference SenSub to GovAmd
GENERAL FUNDS:	95,992.3	97,667.7	97,885.6	217.9 / .2%
FEDERAL FUNDS:	4,420.8	3,933.6	3,933.6	0.0
OTHER FUNDS:	194,276.8	197,451.4	197,433.5	(17.9) / 0%
TOTAL FUNDS:	294,689.9	299,052.7	299,252.7	200.0

FUNDS:
The Subcommittee approved a net increase in TOTAL FUNDS of $200.0, the difference between the Gov. Amend. and Sen. Subcom.

POSITIONS:
The Department eliminated 1 PFT position compared to FY10 Mgt. Plan, 2 PPT's, and 2 Temporary positions, and the Subcommittee **ACCEPTED** these changes.

	FY10 Mgt Plan	Gov Amd	Sen Sub
PFT	1,070	1,069	1,069
PPT	20	18	18
TEMP	34	32	32
TOTAL:	1,124	1,119	1,119

BUDGET ACTION:

DENIED GF fund source changes for health insurance increases for non-covered employees - **$32.1**: $12.3 (Admin. Hearings); $7.7 (Office of Commissioner); $1.9 (Administration Services); $1.0 (Personnel); $1.2 (Lease Administration); $4.2 (Enterprise Technology Services); $3.8 (Office of Public Advocacy). It was felt that the department could absorb these costs, or charge them back to other agencies via Inter-Agency receipts.

REDUCED projected travel costs in E-Travel by $50.0, Inter-Agency receipts, from $600.0 to $550.0.

ADDED an increment of $250.0 GF to the base, for the Alaska Public Broadcasting Commission / Radio Operations, for station operating grants.

INTENT LANGUAGE: None added by the Subcommittee.

GOVERNOR'S AMENDMENTS: **ACCEPTED**

EPORS	decrement	- $250.0 / GF
FINANCE	increment	$500.0 / ARRA

(result of a technical error: Transaction title is corrected with this amendment)

PUBLIC ADVOCACY	increment	$865.0 / GF
PUBLIC DEFENDER	decrement	- $20.0 / SDPR
PUBLIC DEFENDER	increment	$800.0 / GF
V. C. C. B.	decrement	- $2.0 / PFD Crim. Fund

ATTACHED REPORTS:

Agency Totals – FY11 Operating Budget – Senate Structure
Appropriation / Allocation Summary (GF) – Senate Structure
Appropriation / Allocation Summary (all funds) – Senate Structure
Transaction Comparison (Adj. Base and Senate Subcommittee)
Transaction Comparison (Gov. Amend + and Senate Subcommittee)
Wordage Report – FY11 Operating Budget – Senate Structure
Transaction Comparison (House minus Amends and Senate Subcommittee)

Respectfully submitted,

Senator Donald Olson
Senate Subcommittee Chairman

Department of Administration
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amds	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	72,123.6	72,076.9	74,124.0	74,341.9	73,590.7	2,218.3	3.1%	2,265.0	3.1%	217.9	0.3%
Designated GF	23,868.7	23,916.6	23,543.7	23,543.7	23,693.7	(325.0)	-1.4%	(372.9)	-1.6%	-	0.0%
Other	194,276.8	194,334.3	197,451.4	197,433.5	197,834.7	3,156.7	1.6%	3,099.2	1.6%	(17.9)	0.0%
Federal Funds	4,420.8	2,783.6	3,933.6	3,933.6	3,933.6	(487.2)	-11.0%	1,150.0	41.3%	-	0.0%
Total	**294,689.9**	**293,111.4**	**299,052.7**	**299,252.7**	**299,052.7**	**4,562.8**	**1.5%**	**6,141.3**	**2.1%**	**200.0**	**0.1%**
Check (Enter #s from LFD reports)	294,689.9	293,111.4	299,052.7	299,252.7	299,052.7						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	95,992.3	95,993.5	97,667.7	97,885.6	97,284.4	1,893.3	2.0%	1,892.1	2.0%	217.9	0.2%
Other	194,276.8	194,334.3	197,451.4	197,433.5	197,834.7	3,156.7	1.6%	3,099.2	1.6%	(17.9)	0.0%
Federal	4,420.8	2,783.6	3,933.6	3,933.6	3,933.6	(487.2)	-11.0%	1,150.0	41.3%	-	0.0%
Positions *(Enter position counts from LFD reports)*											
PFTs	1070	1069	1069	1069	1069	(1.0)	-0.1%	-	0.0%	-	0.0%
PPTs	20	18	18	18	18	(2.0)	-10.0%	-	0.0%	-	0.0%
Temps	34	32	32	32	32	(2.0)	-5.9%	-	0.0%	-	0.0%
Total Positions	**1124**	**1119**	**1119**	**1119**	**1119**						
Position Check (Should equal zero)				-							

Prepared by:	Tim Benintendi - 465-4989
Date:	03/19/10
Time	3:45 p.m.
Status:	FINAL

Department of Administration

Total Subcommittee Changes	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	2,265.0	(372.9)	3,099.2	1,150.0	5,891.3
Governor's Original Request Accepted	600.0	(370.9)	3,119.2	650.0	3,998.3
Governor's Amendments Accepted	1,415.0	(2.0)	(20.0)	[redacted]	1,393.0
Subcommittee's Additions	250.0	-	-	500.0	500.0

#	Appropriation	Allocation	Description	Subcommittee Notes	Fund Code		Funding Information	Funding Multiplier	Gov PCNs	Hse PCNs	OTP Or Intent?	SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request) Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.							**3,998.3**		**0**	**0**		**600.0**	**(370.9)**	**3,119.2**	**650.0**	**3,998.3**
1	Centralized Administrative Services	Office of Administrative Hearings	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Absorb or charge back I/A	1004	Gen Fund	12.3	0	0	0		[redacted]	-	-	-	[redacted]
					1007	I/A Rcpts	(12.3)	0	0	0		-	-	[redacted]	-	[redacted]
2	Centralized Administrative Services	Office of the Commissioner	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Absorb or charge back I/A	1004	Gen Fund	7.7	0	0	0		[redacted]	-	-	-	[redacted]
					1007	I/A Rcpts	(7.7)	0	0	0		-	-	[redacted]	-	[redacted]
3	Centralized Administrative Services	Administrative Services	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Absorb or charge back I/A	1004	Gen Fund	1.9	0	0	0		[redacted]	-	-	-	[redacted]
					1007	I/A Rcpts	(1.9)	0	0	0		-	-	[redacted]	-	[redacted]
4	Centralized Administrative Services	E-Travel	Projected Travel Cost	Subcommittee accepted $550.0 increment	1007	I/A Rcpts	[redacted]	1	0	0		-	-	550.0	-	550.0
5	Centralized Administrative Services	Personnel	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Absorb or charge back I/A	1004	Gen Fund	1.0	0	0	0		[redacted]	-	-	-	[redacted]
					1007	I/A Rcpts	(1.0)	0	0	0		-	-	[redacted]	-	[redacted]
6	Centralized Administrative Services	Central Mail	Interagency Receipt Authority for Central Mail Service Costs	Accepted	1007	I/A Rcpts	300.0	1	0	0		-	-	300.0	-	300.0

Department of Administration

																					SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																					Unrestricted GF	Designated GF	Other State Funds	Federal	Total
																		Total Subcommittee Changes			2,265.0	(372.9)	3,099.2	1,150.0	5,891.3
																		Governor's Original Request Accepted			600.0	(370.9)	3,119.2	650.0	3,998.3
																		Governor's Amendments Accepted			1,415.0	(2.0)	(20.0)	0	1,393.0
																		Subcommittee's Additions		OTI? Or Intent?	250.0	-	-	500.0	500.0
	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Hse PCNs										Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.					Fund Code		3,998.3		0	0										600.0	(370.9)	3,119.2	650.0	3,998.3
	7	Centralized Administrative Services	Group Health Insurance	Group Health Third Party Administrator Cost Projection Adjustment	Accepted	1017	Group Ben	(3,000.0)	1	0	0										-	-	(3,000.0)	-	(3,000.0)
	8	Leases	Leases	Lease Cost Increases	Accepted	1007	I/A Rcpts	3,117.9	1	0	0										-	-	3,117.9	-	3,117.9
	9	Leases	Lease Administration	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Absorb or charge back I/A	1004	Gen Fund	1.2	0	0	0										0	-	-	-	0
						1007	I/A Rcpts	(1.2)	0	0	0										-	-	0	-	0
	10	State Owned Facilities	Facilities	Facility Operation and Maintenance Cost Increases	Accepted	1147	PublicBldg	2,000.0	1	0	0										-	-	2,000.0	-	2,000.0
	11	Special Systems	Elected Public Officers Retirement System Benefits	EPORS Benefit Increases	Accepted	1004	Gen Fund	600.0	1	0	0										600.0	-	-	-	600.0
	12	Enterprise Technology Services	Enterprise Technology Services	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Absorb or charge back I/A	1004	Gen Fund	4.2	0	0	0										0	-	-	-	0
						1081	Info Svc	(4.2)	0	0	0										-	-	0	-	0
	13	Alaska Oil and Gas Conservation Commission	Alaska Oil and Gas Conservation Commission	AOGCC Gasline Funding	LANGUAGE	1213	AHCC	-	0	0	0										-	-	-	-	-
	14	Legal and Advocacy Services	Office of Public Advocacy	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Absorb or charge back I/A	1004	Gen Fund	3.8	0	0	0										0	-	-	-	0
						1007	I/A Rcpts	(3.8)	0	0	0										-	-	0	-	0
	15	Legal and Advocacy Services	Office of Public Advocacy	MH Trust: Dis Justice-Grant 2462.01 Deliver training for defense attorneys	Accepted	1092	MHTAAR	12.5	1	0	0										-	-	12.5	-	12.5
	16	Legal and Advocacy Services	Public Defender Agency	MH Trust: Dis Justice-Grant 1920.02 Public Defender Agency-Social Services Specialist position in Bethel	Accepted	1092	MHTAAR	138.8	1	0	0										-	-	138.8	-	138.8
	17	Violent Crimes Compensation Board	Violent Crimes Compensation Board	Federal Authorization	Accepted	1002	Fed Rcpts	150.0	1	0	0										-	-	-	150.0	150.0
	18	Violent Crimes Compensation Board	Violent Crimes Compensation Board	Claim Award Funding Increase	Accepted	1171	PFD Crim	297.9	1	0	0										-	297.9	-	-	297.9
	19	Motor Vehicles	Motor Vehicles	Commercial Driver License Support	Accepted	1002	Fed Rcpts	500.0	1	0	0										-	-	-	500.0	500.0
	20	Motor Vehicles	Motor Vehicles	DMV Anchorage Bensen Office Lease Reduction	Accepted	1156	Rcpt Svcs	(668.8)	1	0	0										-	(668.8)	-	-	(668.8)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)					
326																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
327																									
328										Total Subcommittee Changes								OTI? Or Intent?		2,265.0	(372.9)	3,099.2	1,150.0	5,891.3	
329																				Governor's Original Request Accepted					
330	Department of Administration																			600.0	(370.9)	3,119.2	650.0	3,998.3	
331																				Governor's Amendments Accepted					
																				1,415.0	(2.0)	(20.0)	-	1,393.0	
																				Subcommittee's Additions					
																				250.0	-	-	500.0	500.0	
332	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information									Funding Multiplier	Gov PCNs	Hse PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			3,998.3			0	0			600.0	(370.9)	3,119.2	650.0	3,998.3	
362	Governor's Amendments (Does not include the Dec 15th request)									Fund Code			1,893.0			0	0			1,415.0	(2.0)	(20.0)	-	1,393.0	
363	1	Centralized Administrative Services	Finance	AMD: Finance Federal Stimulus AR 11690, per Sec. 1 Ch. 17 SLA 2009 P2 L11 (HB 199) lapse 6/30/10	Incorrect transaction title. Deny in Subcommittee and substitute subcommittee transaction for the same amount.	1212	Stimulus09	500.0		0	0	0								-	-	-	-	-	
364	2	Special Systems	Elected Public Officers Retirement System Benefits	AMD: EPORS Benefit Reduction	Accepted	1004	Gen Fund	(250.0)		1	0	0								(250.0)	-	-	-	(250.0)	
365	3	Legal and Advocacy Services	Office of Public Advocacy	AMD: Increased Operational Costs	Accepted	1004	Gen Fund	865.0		1	0	0								865.0	-	-	-	865.0	
366	4	Legal and Advocacy Services	Public Defender Agency	AMD: Delete Statutory Designated Program Receipts	Accepted	1108	Stat Desig	(20.0)		1	0	0								-	-	(20.0)	-	(20.0)	
367	5	Legal and Advocacy Services	Public Defender Agency	AMD: Increased Operational Costs	Accepted	1004	Gen Fund	800.0		1	0	0								800.0	-	-	-	800.0	
368	6	Violent Crimes Compensation Board	Violent Crimes Compensation Board	AMD: Delete Unrealizable Fund Source for Health Insurance for Non-Covered	Accepted	1171	PFD Crim	(2.0)		1	0	0								-	(2.0)	-	-	(2.0)	
369																									
370	Other Subcommittee Actions									Fund Code			750.0			0	0			250.0	-	-	500.0	500.0	
371	1	Centralized Administrative Services	Finance	Consolidated Omnibus Budget Reconciliation Act (COBRA) for Premium Subsidy Coverage Extension.	Governor's Amendment reflected Incorrect transaction title. Deny original amendment and substitute subcommittee transaction for the same amount.	1212	Stimulus09	500.0		1	0	0								-	-	-	500.0	500.0	
372	2	Public Communications Services	Public Broadcasting / Radio Operations	Additional GF	Station Operating Grants	1004	Gen Fund	250.0		1	0	0								250.0	-	-	-	250.0	

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SENATE FINANCE / HEALTH & SOCIAL SERVICES SUB-COMMITTEE
SUB-COMMITTEE MEMBERS: SENATOR DAVIS, SENATOR MCGUIRE, SENATOR MEYER, SENATOR WIELECHOWSKI

FY 11 Budget Close-out Report

Date: March 17, 2010

By: Senator Donald C. Olson, Chair

Senator Bettye Davis

Senator Lesil McGuire

Senator Kevin Meyer

Senator Bill Wielechowski

The Sub-Committee for the Department of Health & Social Services submits an operating budget recommendation and report to the Senate Finance Committee for FY11 as follows:

Fund Source

	10 Mgt Plan	Gov Amd	Sen Sub	Difference	
GF	$ 899,499.2	$ 996,005.4	$ 988,852.1	$(7,153.3)	(0.7) %
Federal	1,081,482.7	1,162,698.6	1,157,262.7	(5,435.9)	0.1 %
Other	93,198.4	92,133.1	92,233.1	100.0	(0.5) %
Total	$2,074,180.3	$2,250,837.1	$2,238,347.9		

Position Summary

	10 Mgt Plan	Gov Amd	Sen Sub
PFT	3,474	3,469	3,469
PPT	93	93	93
Temp	123	108	108
Total	3,690	3,670	3,670

3391

Personnel

The authorized position count for the department was reviewed; the overall number of positions actually decreased in the Governor's request, and the sub-committee retained the same overall number.

Budget Action

- Held 5 public meetings with the department to discuss and explain the budget;
- Adopted the FY11 Adjusted Base; and
- Reviewed each of the increments and decrements submitted by the Governor, including amendments.

The GF in this budget was increased from the previous year, predominately due to Medicaid. Medicaid growth and projections increased the budget $153 million in total, $68,410.1 of which is GF. We are fortunate that our Federal Medical Assistance Percentage (FMAP) went down last year and is still at a lower rate, or the Medicaid increases would have been significantly more.

Another $6.3 million of GF increases are due to enrollment growth in adult public assistance, general relief, and senior benefit payments. Added to this is a GF increase to stabilize the funding of the Medicaid School Based Claims program, due to fairly recent discovery of problems with how this program was being implemented and the funds used. The federal agency wants to see a correlation between the claiming and the funding received going to school programs, and the department is still unsure of exactly how the funds can be spent or the impact of handling the funding "correctly".

Other increases were made in other areas, which we believe to be basic and integral to the services provided by this budget, and consider them to be essential to what government does for its citizens. And so this budget proposal funds basic support needed for children, the frail and other Alaskans who cannot provide for themselves. Notable increases that are approved include:

- $2.6 million of GF and $3.5 million of federal funds for the Adult Preventative Dental Medicaid Services

- Over $9 million in Mental Health Trust Funds, and about half that in GF/MH for Bring the Kids Home (BTKH); the other half funded FASD treatment, and substance abuse and mental health programs and services.

- $1 million to stabilize funding to public health nursing grantees

- $355 thousand to foster care services including toward the prevention of homelessness, job training and foster parent recruitment, and school transportation to prevent mid-term transfers by students who are in foster care.

- Finally, over $5.2 million of GF, $1.4 million of federal funds, and $11.7 million of other funds went to a variety of programs. To name a few: suicide response and postvention, home and community based waiver compliance, peer navigators, Soteria-Alaska, eye and vision rehab for rural Alaskans, and early childhood mental health.

Only 3 items requested by the Governor, totaling approximately $900 thousand, were not funded at all in this budget. Another 2 items were partially funded at 50% and total $487.5 instead of $975.0 as requested. The sub-committee also made a reduction of $3.5 million in GF to the Medicaid program, thereby reducing the increase provided in this budget recommendation.

The sub-committee recommendation also implements a structure change which moves all the Medicaid components into a new and separate component.

Detail on these and other changes are shown in the reports included with this.

Some items were left for the Finance Committee to take action. Those items are:

- A department-wide reduction in travel for $311.0 GF
- The Therapeutic Courts will be transferred to the Court System Budget, and
- Funding for several items related to the Domestic Violence and Sexual Assault Prevention Initiative.

It is our intention to allow Legislative Finance to do technical adjustments if any are needed.

Items of Concern

Clearly, the biggest concern for this budget is the size of the budget itself, and whether it can be sustained. This budget funds some of the most essential services of state government and not only are the costs of all the programs escalating, but in addition, there continues to be growth in the programs as the elderly population increases, poverty levels increase, and substance abuse and other behavioral health problems abound.

Another concern for this budget is the continuing change to the FMAP rate and other federal programs. Even a small increase in the State's share will cost tens of millions.

And the Medicaid School Based Claims Admin funding remains unresolved and will likely result in additional requests in the millions.

Documents attached

Legislative Finance Reports:

- Legislative Finance SubCommittee Worksheet
- Agency Totals – Senate Structure - FY 11 Operating Budget
- Appropriation/Allocation Summary - Senate Structure
- Appropriation/Allocation Summary – GF only - Senate Structure
- Transaction Comparison – Senate Structure - Between Adjusted Base and Senate Sub
- Transaction Comparison – Senate Structure - Between Gov Amend and Senate Sub
- Transaction Comparison – Senate Structure - Between House and Senate Sub
- Wordage Report – Senate Structure - FY 11 Operating Budget

Department of Health and Social Services
All Dollars in Thousands
(Number Only)

	FY10 Mgt Pln	FY11 Adj Base	Governor Amended	Senate Subcom	House Less Amds	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		GovAMD to Senate Subcommittee	
Unrestricted GF	831,913.0	828,987.4	927,743.3	920,310.0	919,913.2	88,397.0	10.6%	91,322.6	11.0%	(7,433.3)	-0.8%
Designated GF	67,586.2	67,589.6	68,262.1	68,542.1	67,744.8	955.9	1.4%	952.5	1.4%	280.0	0.4%
Other	93,198.4	86,237.9	92,133.1	92,233.1	93,259.8	(965.3)	-1.0%	5,995.2	7.0%	100.0	0.1%
Federal Funds	1,081,482.7	1,069,490.6	1,162,698.6	1,157,262.7	1,158,288.4	75,780.0	7.0%	87,772.1	8.2%	(5,435.9)	-0.5%
Total	**2,074,180.3**	**2,052,305.5**	**2,250,837.1**	**2,238,347.9**	**2,239,206.2**	**164,167.6**	**7.9%**	**185,042.4**	**9.1%**	**(12,489.2)**	**-0.6%**
Check (Enter #s from LFD reports)	2,074,180.3	2,052,305.5	2,250,837.1	2,238,347.9	2,239,206.2						
Should equal zero	-	-	-	-	-						

Prepared by:	Denise Liccioli
Date:	3/17/2010
Time	9:02 AM
Status:	Final

Funding Summary

General Funds Total	899,499.2	896,577.0	996,005.4	988,852.1		89,352.9	9.9%	(92,275.1)	10.3%	(7,153.3)	-0.7%
Other	93,198.4	86,237.9	92,133.1	92,233.1		(965.3)	-1.0%	(5,995.2)	7.0%	100.0	0.1%
Federal	1,081,482.7	1,069,490.6	1,162,698.6	1,157,262.7		75,780.0	7.0%	(87,772.1)	8.2%	(5,435.9)	-0.5%

Positions (Enter position counts from LFD reports)

PFTs	3474	3471	3469	3470	3471	(4.0)	-0.1%	(1.0)	0.0%	1.0	0.0%
PPTs	93	92	93	93	93	-	0.0%	1.0	1.1%	-	0.0%
Temps	123	107	108	108	108	(15.0)	-12.2%	1.0	0.9%	-	0.0%
Total Positions	**3690**	**3670**	**3670**	**3671**	**3672**						
Position Check (Should equal zero)											

Department of Health and Social Services

												SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
												Unrestricted GF	**Designated GF**	**Other State Funds**	**Federal**	**Total**
												Total Subcommittee Changes				
												Governor's Original Request Accepted				
												Governor's Amendments Accepted				
											OTP or Intent?	Subcommittee's Additions				
												91,322.6	952.5	5,995.2	87,772.1	186,042.4
												51,380.4	672.5	360.2	34,855.5	87,268.6
												46,209.4	-	5,635.0	58,352.5	110,196.9
												(6,267.2)	280.0	-	(5,435.9)	(11,423.1)
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					**Fund Code**		**93,886.1**		**0**	**0**		**51,380.4**	**672.5**	**360.2**	**34,855.5**	**87,268.6**
1	Alaska Pioneer Homes	Pioneer Homes	Federal Receipts for Veteran's Per Diem Payments		1002	Fed Rcpts	50.0	1	0	0		-	-	-	50.0	50.0
					1004	Gen Fund	(50.0)	1	0	0		(50.0)	-	-	-	(50.0)
2	Behavioral Health	AK Fetal Alcohol Syndrome Program	MH Trust: AK MH/Alc Bd-Increased Access to FASD Treatment Svcs Rural AK		1037	GF/MH	400.0	1	0	0		400.0	-	-	-	400.0
3	Behavioral Health	Alcohol Safety Action Program (ASAP)	MH Trust: Dis Justice - Grant 569.05 AK Safety Action Pgm Therapeutic Case Management and Monitoring Treatment		1092	MHTAAR	138.0	1	0	0		-	-	138.0	-	138.0
4	Behavioral Health	Behavioral Health Medicaid Services	Medicaid Growth		1002	Fed Rcpts	4,602.1	1	0	0		-	-	-	4,602.1	4,602.1
					1037	GF/MH	5,433.2	1	0	0		5,433.2	-	-	-	5,433.2
5	Behavioral Health	Behavioral Health Grants	MH Trust: Dis Justice - Specialized Treatment Unit (Clitherce)		1037	GF/MH	1,200.0	1	0	0		1,200.0	-	-	-	1,200.0
6	Behavioral Health	Behavioral Health Grants	MH Trust: Dis Justice - Maintain Treatment Capacity Therapeutic Court Participants w/ Co-occurring Disorders		1037	GF/MH	75.0	1	0	0		75.0	-	-	-	75.0
7	Behavioral Health	Behavioral Health Grants	MH Trust: Dis Justice - Detox and Treatment Capacity as alternatives to protective custody holds		1037	GF/MH	518.3	1	0	0		518.3	-	-	-	518.3
8	Behavioral Health	Behavioral Health Grants	MH Trust: AK MH/Alc Bd-Substance Abuse Treatment for Pregnant Women		1037	GF/MH	500.0	1	0	0		500.0	-	-	-	500.0
9	Behavioral Health	Behavioral Health Grants	MH Trust: Housing - Grant 1377.03 Assisted living home training and targeted capacity for development		1092	MHTAAR	100.0	1	0	0		-	-	100.0	-	100.0
10	Behavioral Health	Behavioral Health Grants	MH Trust: Dis Justice - Grant 1380.02 Pre-Development for Sleep Off Alternatives in Targeted Communities (Nome)		1092	MHTAAR	100.0	1	0	0		-	-	100.0	-	100.0
11	Behavioral Health	Behavioral Health Administration	Maintain Existing Tobacco Enforcement and Education Program		1168	Tob ED/CES	175.0	1	0	0		-	175.0	-	-	175.0
12	Behavioral Health	Behavioral Health Administration	MH Trust Workforce Dev - PhD Internship Consortium (AK-PIC)		1037	GF/MH	100.0	1	0	0		100.0	-	-	-	100.0
13	Behavioral Health	Behavioral Health Administration	MH Trust: BTKH - Grant 2465.01 Tribal/rural system development		1037	GF/MH	200.0	1	0	0		200.0	-	-	-	200.0
14	Behavioral Health	Behavioral Health Administration	MH Trust Workforce Dev - Grant 2709 DBH/UAA/UAF PhD Student Partnership		1092	MHTAAR	50.0	1	0	0		-	-	50.0	-	50.0

Department of Health and Social Services

												SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
												Unrestricted GF	Designated GF	Other State Funds	Federal	Total
					Total Subcommittee Changes							91,322.5	952.5	5,995.2	87,772.1	186,042.4
					Governor's Original Request Accepted							51,380.4	672.5	360.2	34,855.5	87,268.6
					Governor's Amendments Accepted							46,209.4	-	5,635.0	58,352.5	110,196.9
					Subcommittee's Additions						OTP? Or Item?	(6,267.2)	280.0	-	(5,435.9)	(11,423.1)
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		93,886.1		0	0		51,380.4	672.5	360.2	34,855.5	87,268.6
15	Behavioral Health	Behavioral Health Administration	MH Trust: BTKH - Grant 2465.01 Tribal/rural system development		1092	MHTAAR	200.0	1	0	0		-	-	200.0	-	200.0
16	Behavioral Health	Behavioral Health Administration	MH Trust: Housing - Grant 383.06 Office of Integrated Housing		1092	MHTAAR	200.0	1	0	0		-	-	200.0	-	200.0
17	Behavioral Health	Behavioral Health Administration	MH Trust: BTKH - Grant 2463.01 Technical Assistance		1092	MHTAAR	100.0	1	0	0		-	-	100.0	-	100.0
18	Behavioral Health	Behavioral Health Administration	MH Trust: BTKH - Grant 1391.03 Tool kit development and expand school-based services capacity via contract		1092	MHTAAR	50.0	1	0	0		-	-	50.0	-	50.0
19	Behavioral Health	Psychiatric Emergency Services	MH Trust: AMHB/ABADA - Grant 2464.01 Designated Evaluation and Treatment Expansion		1092	MHTAAR	300.0	1	0	0		-	-	300.0	-	300.0
20	Behavioral Health	Services to the Seriously Mentally Ill	MH Trust: Dis Justice - Flexible Forensic Treatment Team (Anc MH Court)	not accepted	1037	GF/MH	250.0	0	0	0		[redacted]	-	-	-	[redacted]
21	Behavioral Health	Services to the Seriously Mentally Ill	MH Trust: Housing - Grant 604.05 Department of Corrections discharge incentive grants		1092	MHTAAR	350.0	1	0	0		-	-	350.0	-	350.0
22	Behavioral Health	Services to the Seriously Mentally Ill	MH Trust: Housing - Grant 575.05 Bridge Home Pilot Project		1092	MHTAAR	750.0	1	0	0		-	-	750.0	-	750.0
23	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH -Grant 1392.03 Community Behavioral Health Centers Outpatient & Emergency Residential Services & Training		1037	GF/MH	500.0	1	0	0		500.0	-	-	-	500.0
24	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH - Grant 2466.01 Transitional Aged Youth		1037	GF/MH	100.0	1	0	0		100.0	-	-	-	100.0
25	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH - Individualized Services		1037	GF/MH	[redacted]	1	0	0		400.0	-	-	-	[redacted]
26	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH - Grant 1390.03 Expansion of school-based services capacity via grants		1037	GF/MH	200.0	1	0	0		200.0	-	-	-	200.0
27	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH -Grant 1392.03 Community Behavioral Health Centers Outpatient & Emergency Residential Services & Training		1092	MHTAAR	450.0	1	0	0		-	-	450.0	-	450.0
28	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH - Grant 2466.01 Transitional Aged Youth		1092	MHTAAR	100.0	1	0	0		-	-	100.0	-	100.0
29	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH - Grant 1390.03 Expansion of school-based services capacity via grants		1092	MHTAAR	200.0	1	0	0		-	-	200.0	-	200.0
30	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH - 1389.03 Crisis Bed Stabilization - Anchorage and statewide		1092	MHTAAR	150.0	1	0	0		-	-	150.0	-	150.0
31	Behavioral Health	Services for Severely Emotionally Disturbed Youth	MH Trust: BTKH - Grant 1388.03 Peer Navigator Program		1092	MHTAAR	175.0	1	0	0		-	-	175.0	-	175.0
32	Behavioral Health	Alaska Psychiatric Institute	Reflect Interagency Receipts for Medicaid-Eligible Clients		1007	I/A Rcpts	3,900.0	1	0	0		-	-	3,900.0	-	3,900.0
33	Behavioral Health	Alaska Psychiatric Institute	MH Trust Workforce Dev - API Psychiatry Residency Training		1037	GF/MH	300.0	1	0	0		300.0	-	-	-	300.0
34	Behavioral Health	Alaska Psychiatric Institute	MH Trust Cont - Grant 2467.01 IMPACT model of treating depression		1092	MHTAAR	70.0	1	0	0		-	-	70.0	-	70.0

Department of Health and Social Services

												SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
												Unrestricted GF	Designated GF	Other State Funds	Federal	Total
					Total Subcommittee Changes							91,322.6	952.5	5,995.2	87,772.1	186,042.4
												Governor's Original Request Accepted				
												51,380.4	672.5	360.2	34,855.5	87,268.6
												Governor's Amendments Accepted				
												46,209.4	-	5,635.0	58,352.5	110,196.9
												Subcommittee's Additions				
												(6,267.2)	280.0	-	(5,435.9)	(11,423.1)
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		93,886.1		0	0		51,380.4	672.5	360.2	34,855.5	87,268.6
35	Behavioral Health	Alaska Psychiatric Institute	MH Trust: BTKH - Grant 2708 Child Psychiatrist		1092	MHTAAR	50.0	1	0	0		-	-	50.0	-	50.0
36	Behavioral Health	Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse	MH Trust: BTKH - Grant 606.05 Strong family voice: parent and youth involved via AMHB		1092	MHTAAR	50.0	1	0	0		-	-	50.0	-	50.0
37	Behavioral Health	Alaska Mental Health Board and Advisory Board on Alcohol and Drug Abuse	MH Trust: Cont - Grant 605.05 ABADA/AMHB joint staffing		1092	MHTAAR	418.8	1	0	0		-	-	418.8	-	418.8
38	Children's Services	Children's Medicaid Services	Delete Excess Federal Authority Based on FY2011 Short Term Alaska Medicaid Projections (STAMP)		1002	Fed Rcpts	(748.4)	1	0	0		-	-	-	(748.4)	(748.4)
39	Children's Services	Children's Services Management	Replace Unrealizable Interagency Receipts for Medicaid School Based Claims		1004	Gen Fund	165.0	1	0	0		165.0	-	-	-	165.0
					1007	I/A Rcpts	(165.0)	1	0	0		-	-	(165.0)	-	(165.0)
40	Children's Services	Children's Services Management	Delete Unrealizable Federal Receipts Authority		1002	Fed Rcpts	(750.0)	1	0	0		-	-	-	(750.0)	(750.0)
41	Children's Services	Children's Services Management	Delete Unrealizable Interagency Receipt Authority		1007	I/A Rcpts	(283.5)	1	0	0		-	-	(283.5)	-	(283.5)
42	Children's Services	Front Line Social Workers	Replace Disproportionate Levels of Federal Authorization		1002	Fed Rcpts	(900.0)	1	0	0		-	-	-	(900.0)	(900.0)
					1004	Gen Fund	900.0	1	0	0		900.0	-	-	-	900.0
43	Children's Services	Front Line Social Workers	Replace Unrealizable Medicaid School Based Claims		1004	Gen Fund	955.3	1	0	0		955.3	-	-	-	955.3
					1007	I/A Rcpts	(955.3)	1	0	0		-	-	(955.3)	-	(955.3)
44	Children's Services	Front Line Social Workers	Delete Unrealizable Interagency and Statutory Designated Program Receipts		1007	I/A Rcpts	(694.7)	1	0	0		-	-	(694.7)	-	(694.7)
					1108	Stat Desig	(258.5)	1	0	0		-	-	(258.5)	-	(258.5)
45	Children's Services	Family Preservation	MH Trust: BTKH - 1926.02 Foster Parent & Parent Recruitment training & support		1037	GF/MH	150.0	1	0	0		150.0	-	-	-	150.0
46	Children's Services	Family Preservation	MH Trust: BTKH - 1926.02 Foster Parent & Parent Recruitment training & support		1092	MHTAAR	275.0	1	0	0		-	-	275.0	-	275.0
47	Children's Services	Family Preservation	Judgments and settlements against the state for fiscal year ending June 30, 2011 (Curyung lawsuit)	LANGUAGE (Do Not Make Any Selection)	1004	Gen Fund	1,200.0		0	0		-	-	-	-	-
48	Children's Services	Infant Learning Program Grants	MH Trust: BTKH - Grant 1393.03 Early childhood comprehensive system grants		1092	MHTAAR	75.0	1	0	0		-	-	75.0	-	75.0
49	Children's Services	Infant Learning Program Grants	MH Trust: BTKH - Grant 2550.01 Clinician to work w/ Head Start & Day Care Centers		1092	MHTAAR	100.0	1	0	0		-	-	100.0	-	100.0
50	Children's Services	Infant Learning Program Grants	MH Trust: Gov Cncl - 1207.03 Behavior Intervention and Supports for Early Childhood System		1092	MHTAAR	80.0	1	0	0		-	-	80.0	-	80.0
51	Children's Services	Infant Learning Program Grants	ARRA Individuals with Disabilities Act HB199 CarryFwd	Lapse extension to be handled in language section	0		-		0	0						
52	Children's Services	Children's Trust Programs	Delete Unrealizable Interagency Receipt Authority		1007	I/A Rcpts	(40.0)	1	0	0		-	-	(40.0)	-	(40.0)
53	Health Care Services	Adult Preventative Dental Medicaid Services	LFD: Match OMB: Restore Program Funding-technical correction to add base budget funding		1002	Fed Rcpts	3,531.8	1	0	0		-	-	-	3,531.8	3,531.8
					1003	G/F Match	2,602.0	1	0	0		2,602.0	-	-	-	2,602.0
54	Health Care Services	Adult Preventative Dental Medicaid Services	Medicaid Growth		1002	Fed Rcpts	448.0	1	0	0		-	-	-	448.0	448.0
					1003	G/F Match	256.4	1	0	0		256.4	-	-	-	256.4
55	Health Care Services	Adult Preventative Dental Medicaid Services	Enhance Medicaid Dental Prevention Benefits	not accepted	1004	Gen Fund	200.0	0	0	0		0	-	-	-	0
56	Health Care Services	Medicaid Services	Medicaid Growth		1002	Fed Rcpts	17,214.1	1	0	0		-	-	-	17,214.1	17,214.1
					1003	G/F Match	17,330.2	1	0	0		17,330.2	-	-	-	17,330.2
57	Health Care Services	Medicaid Services	Improve Medicaid Tobacco		1002	Fed Rcpts	152.5	1	0	0		-	-	-	152.5	152.5

Department of Health and Social Services

											SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
											Unrestricted GF	Designated GF	Other State Funds	Federal	Total
					Total Subcommittee Changes						91,322.6	952.5	5,995.2	87,772.1	186,042.4
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											(6,267.2)	280.0	-	(5,435.9)	(11,423.1)
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		93,886.1		0	0	51,380.4	672.5	360.2	34,855.5	87,268.6
			Cessation Services		1168	Tob ED/CES	97.5	1	0	0	-	97.5	-	-	97.5
58	Health Care Services	Medicaid Services	Decrease Interagency Receipt Authority for the Discontinued ProShare Program		1007	I/A Rcpts	(4,000.0)	1	0	0	-	-	(4,000.0)	-	(4,000.0)
59	Health Care Services	Health Facilities Survey	Stabilize the Health Facility Survey Budget		1004	Gen Fund	260.0	1	0	0	260.0	-	-	-	260.0
60	Health Care Services	Health Facilities Survey	Increased Capacity for Health Facilities Survey		1002	Fed Rcpts	112.5	1	0	0	-	-	-	112.5	112.5
					1003	G/F Match	75.0	1	0	0	75.0	-	-	-	75.0
61	Health Care Services	Medical Assistance Administration	Reflect Unbudgeted CIP Receipts for the Medicaid Management Information System (MMIS) Project		1061	CIP Rcpts	970.2	1	0	0	-	-	970.2	-	970.2
62	Health Care Services	Medical Assistance Administration	Reflect CIP Receipts for the Electronic Health Record System		1061	CIP Rcpts	287.5	1	0	0	-	-	287.5	-	287.5
63	Health Care Services	Medical Assistance Administration	ARRA Development of State Electronic Health Record System HB199 Carryforward	Lapse extension to be handled in language section	1003	G/F Match	30.0	0	0	0	-	-	-	-	-
					1212	Stimulus09	450.0	0	0	0	-	-	-	-	-
64	Health Care Services	Rate Review	Maintain, Improve, and Design New Financial and Payment Rate Systems		1002	Fed Rcpts	187.5	1	0	0	-	-	-	187.5	187.5
					1003	G/F Match	187.5	1	0	0	187.5	-	-	-	187.5
65	Health Care Services	Health Planning and Infrastructure	Replace Unrealizable Federal Receipts for Core Services		1002	Fed Rcpts	(475.1)	1	0	0	-	-	-	(475.1)	(475.1)
					1004	Gen Fund	475.1	1	0	0	475.1	-	-	-	475.1
66	Health Care Services	Health Planning and Infrastructure	Decrease Federal Receipt Authority from Expired Grants		1002	Fed Rcpts	(1,000.0)	1	0	0	-	-	-	(1,000.0)	(1,000.0)
67	Health Care Services	Health Planning and Infrastructure	MH Trust: Cont - Grant 120.06 Comprehensive Integrated Mental Health Plan		1092	MHTAAR	117.0	1	0	0	-	-	117.0	-	117.0
68	Health Care Services	Health Planning and Infrastructure	MH Trust Workforce - Grant 1383.03 Loan Repayment		1092	MHTAAR	200.0	1	0	0	-	-	200.0	-	200.0
69	Health Care Services	Health Planning and Infrastructure	ARRA Funding for State Primary Care Offices		1212	Stimulus09	36.1	1	0	0	-	-	-	36.1	36.1
70	Juvenile Justice	McLaughlin Youth Center	MH Trust: Dis Justice -Grant 1386.03 Increase Mental Health Clinical Capacity in Juvenile Justice Facilities		1092	MHTAAR	189.2	1	0	0	-	-	189.2	-	189.2
71	Juvenile Justice	Fairbanks Youth Facility	Reduce Federal Authority Due to the Completion of the Re-Entry Grant Initiative		1002	Fed Rcpts	(54.1)	1	-1	-1	-	-	-	(54.1)	(54.1)
72	Juvenile Justice	Johnson Youth Center	Reduce Federal Authorization Due to Completion of the Federal Re-Entry Initiative Grant		1002	Fed Rcpts	(50.0)	1	-1	-1	-	-	-	(50.0)	(50.0)
73	Juvenile Justice	Probation Services	Replace Statutorily Designated Program Receipts from Municipality of Anchorage		1004	Gen Fund	142.0	1	0	0	142.0	-	-	-	142.0
					1108	Stat Desig	(142.0)	1	0	0	-	-	(142.0)	-	(142.0)
74	Juvenile Justice	Probation Services	Reflect Reimbursable Service Agreement from Dept of Labor for the Workforce Investment Act Grant		1007	I/A Rcpts	150.0	1	0	0	-	-	150.0	-	150.0
75	Juvenile Justice	Delinquency Prevention	Delete Unrealizable Federal Revenue Authorization		1002	Fed Rcpts	(500.0)	1	0	0	-	-	-	(500.0)	(500.0)
76	Public Assistance	Adult Public Assistance	Adult Public Assistance Enrollment Growth		1004	Gen Fund	150.0	1	0	0	150.0	-	-	-	150.0
77	Public Assistance	Child Care Benefits	ARRA Child Care Program HB199 Carryforward	Lapse extension to be handled in language section	1212	Stimulus09	3,500.0	0	0	0	-	-	-	-	-
78	Public Assistance	General Relief Assistance	Increased Burial Costs for Indigent Alaskans		1004	Gen Fund	100.0	1	0	0	100.0	-	-	-	100.0
79	Public Assistance	Senior Benefits Payment Program	Restore Funding to Meet Original Senior Benefits Enrollment Projections		1004	Gen Fund	850.0	1	0	0	850.0	-	-	-	850.0
80	Public Assistance	Public Assistance Field Services	Discontinuation of the Family Self Sufficiency Program		1007	I/A Rcpts	(90.5)	1	0	0	-	-	(90.5)	-	(90.5)
81	Public Assistance	Women, Infants and Children	ARRA Funding for State Agency Model (SAM) Management Information System	RPL 06-0-0146 Second year of grant	1212	Stimulus09	961.2	1	0	0	-	-	-	961.2	961.2

Department of Health and Social Services

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											Unrestricted GF	Designated GF	Other State Funds	Federal	Total
											Total Subcommittee Changes				
											Governor's Original Request Accepted				
											Governor's Amendments Accepted				
											Subcommittee's Additions				
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		93,886.1		0	0	51,380.4	672.5	360.2	34,855.5	87,268.6
82	Public Health	Nursing	Maintaining Local Control of Essential Public Health Services: Stabilize Funding to Public Health Nursing Grantees		1004	Gen Fund	1,000.0	1	0	0	1,000.0	-	-	-	1,000.0
83	Public Health	Nursing	Discontinue Medicaid Administrative Claims Reimbursable Service Agreement		1007	I/A Rcpts	(4,000.0)	1	0	0	-	-	(4,000.0)	-	(4,000.0)
84	Public Health	Women, Children and Family Health	Replace Medicaid School Based Administrative Claims Funding		1004	Gen Fund	347.8	1	0	0	347.8	-	-	-	347.8
					1007	I/A Rcpts	(347.8)	1	0	0	-	-	(347.8)	-	(347.8)
85	Public Health	Women, Children and Family Health	MH Trust: Workforce Dev - Grant 1452.02 Autism capacity building		1092	MHTAAR	75.0	1	0	0	-	-	75.0	-	75.0
86	Public Health	Epidemiology	ARRA funding for Healthcare-Associated Infections (HAI) Prevention	RPL 06-0-0218 Second year of grant	1212	Stimulus09	144.0	1	0	0	-	-	-	144.0	144.0
87	Public Health	State Medical Examiner	Phase I of State Medical Examiner's Office Reforms: To Maintain Services		1004	Gen Fund	300.0	1	0	0	300.0	-	-	-	300.0
88	Public Health	Tobacco Prevention and Control	Empowering Alaskans to Take Personal Responsibility: Sustained Progress in Tobacco Prevention and Control		1168	Tob ED/CES	400.0	1	0	0	-	400.0	-	-	400.0
89	Senior and Disabilities Services	Senior and Disabilities Medicaid Services	Medicaid Growth		1002	Fed Rcpts	13,143.3	1	0	0	-	-	-	13,143.3	13,143.3
					1003	G/F Match	13,183.7	1	0	0	13,183.7	-	-	-	13,183.7
90	Senior and Disabilities Services	Senior and Disabilities Services Administration	Home and Community Based (HCB) Waiver Compliance		1002	Fed Rcpts	500.0	1	1	1	-	-	-	500.0	500.0
					1003	G/F Match	500.0	1	0	0	500.0	-	-	-	500.0
91	Senior and Disabilities Services	Senior and Disabilities Services Administration	MH Trust: Brain Injury - 2468.01 Traumatic Brain Injury Service Coordination		1037	GF/MH	200.0	1	0	0	200.0	-	-	-	200.0
92	Senior and Disabilities Services	Senior and Disabilities Services Administration	MH Trust: Housing - Grant 68.07 Rural long term care development		1092	MHTAAR	140.0	1	0	0	-	-	140.0	-	140.0
93	Senior and Disabilities Services	Senior and Disabilities Services Administration	MH Trust: Brain Injury - 2468.01 Traumatic Brain Injury Service Coordination		1092	MHTAAR	[redacted]	1	0	0	-	-	[redacted]	-	[redacted]
94	Senior and Disabilities Services	Senior Community Based Grants	MH Trust: ACoA - Grant 1927.02 Aging and Disability Resource Centers		1092	MHTAAR	125.0	1	0	0	-	-	125.0	-	125.0
95	Senior and Disabilities Services	Community Developmental Disabilities Grants	MH Trust: Benef Projects - Grant 124.06 Mini grants for beneficiaries with disabilities		1092	MHTAAR	227.5	1	0	0	-	-	227.5	-	227.5
96	Senior and Disabilities Services	Commission on Aging	MH Trust: Cont - Grant 151.06 ACOA Planner		1092	MHTAAR	87.3	1	0	0	-	-	87.3	-	87.3
97	Senior and Disabilities Services	Governor's Council on Disabilities and Special Education	MH Trust: Workforce Dev - Grant 1381.03 "Grow your own" recruitment strategy for youth		1092	MHTAAR	10.0	1	0	0	-	-	10.0	-	10.0
98	Senior and Disabilities Services	Governor's Council on Disabilities and Special Education	MH Trust: Benef Projects - Grant 2713 Peer operated services		1092	MHTAAR	50.0	1	0	0	-	-	50.0	-	50.0
99	Senior and Disabilities Services	Governor's Council on Disabilities and Special Education	MH Trust: Cont - Grant 105.06 Research Analyst III		1092	MHTAAR	103.4	1	0	0	-	-	103.4	-	103.4
100	Senior and Disabilities Services	Governor's Council on Disabilities and Special Education	MH Trust: Benef Projects - Grant 200.07 Microenterprise capital		1092	MHTAAR	100.0	1	0	0	-	-	100.0	-	100.0

Department of Health and Social Services

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												Unrestricted GF	Designated GF	Other State Funds	Federal	Total
												91,322.6	952.5	5,995.2	87,772.1	186,042.4
											Governor's Original Request Accepted	51,380.4	672.5	360.2	34,855.5	87,268.6
											Governor's Amendments Accepted	46,209.4	-	5,635.0	58,352.5	110,196.9
											Subcommittee's Additions	(6,267.2)	280.0	-	(5,435.9)	(11,423.1)
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		93,886.1		0	0		51,380.4	672.5	360.2	34,855.5	87,268.6
101	Senior and Disabilities Services	Governor's Council on Disabilities and Special Education	MH Trust: Workforce Dev - Grant 2344.03 Workforce Dev, Marketing, Recruitment & Conferences		1092	MHTAAR	175.0	1	0	0		-	-	175.0	-	175.0
102	Departmental Support Services	Commissioner's Office	Replace Unrealizable Interagency Receipts from Health Care Services		1004	Gen Fund	175.0	1	0	0		175.0	-	-	-	175.0
					1007	I/A Rcpts	(175.0)	1	0	0		-	-	(175.0)	-	(175.0)
103	Departmental Support Services	Commissioner's Office	Correct Unrealizable Fund Sources in the Health Insurance Increases for Noncovered Employees		1004	Gen Fund	11.4	1	0	0		11.4	-	-	-	11.4
					1007	I/A Rcpts	(9.3)	1	0	0		-	-	(9.3)	-	(9.3)
					1108	Stat Desig	(2.1)	1	0	0		-	-	(2.1)	-	(2.1)
104	Departmental Support Services	Commissioner's Office	MH Trust: Workforce Dev - Grant 2347.01 Workforce Development Manager		1092	MHTAAR	60.0	1	0	0		-	-	60.0	-	60.0
105	Departmental Support Services	Administrative Support Services	Reduce Excess Federal Authority		1002	Fed Rcpts	(300.0)	1	0	0		-	-	-	(300.0)	(300.0)
106	Departmental Support Services	Administrative Support Services	Delete Grants Administrator (PCNs 06-0023) and Accounting Clerk (PCN 06-0612)		0		-	1	-2	-2		-	-	-	-	-
107	Departmental Support Services	Medicaid School Based Administrative Claims	Replace Unrealizable Federal Receipts for Medicaid School Based Claims	If this item is accepted or modified, item # 24 of Bud Amd must be accepted or modified as well.	1002	Fed Rcpts	(700.0)	1	0	0		-	-	-	(700.0)	(700.0)
					1004	Gen Fund	700.0	1	0	0		700.0	-	-	-	700.0
108	Departmental Support Services	Information Technology Services	Replace Unrealizable Federal Receipts	fund half with GF - supplanting federal funds with GF	1002	Fed Rcpts	(750.0)	1	0	0		-	-	-	(750.0)	(750.0)
					1004	Gen Fund	750.0	0.5	0	0		375.0	-	-	-	375.0
109	Departmental Support Services	Information Technology Services	Replace Unrealizable Interagency Receipts from Health Care Services	fund half with GF - supplanting federal funds with GF	1004	Gen Fund	225.0	0.5	0	0		112.5	-	-	-	112.5
					1007	I/A Rcpts	(225.0)	1	0	0		-	-	(225.0)	-	(225.0)
110	Departmental Support Services	Information Technology Services	Cost Increases for Software Maintenance, Systems and Eligibility Information System Billings	not accepted	1004	Gen Fund	500.0	0	0	0		0	-	-	-	0
Governor's Amendments					Fund Code		110,196.9		1	0		46,209.4	-	5,635.0	58,352.5	110,196.9
1	Behavioral Health	Behavioral Health Medicaid Services	AMD: Medicaid Growth		1002	Fed Rcpts	3,626.0	1	0	0		-	-	-	3,626.0	3,626.0
					1037	GF/MH	3,870.9	1	0	0		3,870.9	-	-	-	3,870.9
					1212	Stimulus09	2,996.3	1	0	0		-	-	-	2,996.3	2,996.3
2	Behavioral Health	Behavioral Health Grants	AMD: Transfer Out FY09 Increment to Community Action Prevention & Early Intervention		1037	GF/MH	(500.0)	1	0	0		(500.0)	-	-	-	(500.0)
3	Behavioral Health	Behavioral Health Administration	AMD: MH Trust: AMHB/ABADA - Psychiatric Emergency Services, DES/DET Expansion		1092	MHTAAR	200.0	1	1	1		-	-	200.0	-	200.0
4	Behavioral Health	Community Action Prevention & Intervention Grants	AMD: Transfer in FY09 Increment from Behavioral Health Grants component		1037	GF/MH	500.0	1	0	0		500.0	-	-	-	500.0
5	Health Care Services	Adult Preventative Dental Medicaid Services	AMD: Medicaid Growth		1002	Fed Rcpts	153.8	1	0	0		-	-	-	153.8	153.8
					1212	Stimulus09	131.8	1	0	0		-	-	-	131.8	131.8
6	Health Care Services	Medicaid Services	AMD: Reflect Unbudgeted Reimbursable Service Agreements		1007	I/A Rcpts	3,475.0	1	0	0		-	-	3,475.0	-	3,475.0
7	Health Care Services	Medicaid Services	AMD: Medicaid Growth		1002	Fed Rcpts	22,087.4	1	0	0		-	-	-	22,087.4	22,087.4
					1003	G/F Match	30,387.1	1	0	0		30,387.1	-	-	-	30,387.1
					1212	Stimulus09	13,023.8	1	0	0		-	-	-	13,023.8	13,023.8
8	Health Care Services	Health Planning and Infrastructure	AMD: Statutory Designated Program Receipts for Federal Match for Student Loan Repayment Program		1108	Stat Desig	700.0	1	0	0		-	-	700.0	-	700.0
9	Health Care Services	Health Planning and Infrastructure	AMD: Statutory Designated Program Receipts for Children's Health Improvement Program Reinvestment Act (CHIPRA)		1108	Stat Desig	1,110.0	1	0	0		-	-	1,110.0	-	1,110.0
10	Health Care Services	Health Planning and Infrastructure	AMD: MH Trust Workforce - Grant 1383.03 Loan Repayment Extension		1092	MHTAAR	150.0	1	0	0		-	-	150.0	-	150.0

Department of Health and Social Services

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												Unrestricted GF	Designated GF	Other State Funds	Federal	Total
											Total Subcommittee Changes	91,322.6	952.5	5,995.2	87,772.1	186,042.4
											Governor's Original Request Accepted	51,380.4	672.5	360.2	34,855.5	87,268.6
											Governor's Amendments Accepted	46,209.4	-	5,635.0	58,352.5	110,196.9
											Subcommittee's Additions	(6,267.2)	280.0	-	(5,435.9)	(11,423.1)
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		93,866.1		0	0		51,380.4	672.5	360.2	34,855.5	87,268.6
11	Public Assistance	Adult Public Assistance	AMD: Adult Public Assistance Enrollment Growth		1004	Gen Fund	1,500.0	1	0	0		1,500.0	-	-	-	1,500.0
12	Public Health	Chronic Disease Prevention and Health Promotion	AMD: ARRA Funding for Prevention and Wellness	RPL 06-0-0219 Second year of grant	1212	Stimulus09	414.5	1	0	0		-	-	-	414.5	414.5
13	Public Health	Chronic Disease Prevention and Health Promotion	AMD: ARRA funding for Communities Putting Prevention to Work	RPL 06-0-0221 Second year of grant	1212	Stimulus09	2,856.3	1	2	2		-	-	-	2,856.3	2,856.3
14	Senior and Disabilities Services	General Relief/Temporary Assisted Living	AMD: Additional Funds for General Relief Component		1004	Gen Fund	3,800.0	1	0	0		3,800.0	-	-	-	3,800.0
15	Senior and Disabilities Services	Senior and Disabilities Medicaid Services	AMD: Medicaid Growth		1002	Fed Rcpts	3,893.4	1	0	0		-	-	-	3,893.4	3,893.4
					1003	G/F Match	6,133.4	1	0	0		6,133.4	-	-	-	6,133.4
					1212	Stimulus09	8,765.2	1	0	0		-	-	-	8,765.2	8,765.2
16	Senior and Disabilities Services	Senior and Disabilities Services Administration	AMD: Transfer PCN 06-0515 from Admin Support Svcs		0		-	1	1	1		-	-	-	-	-
17	Senior and Disabilities Services	Senior and Disabilities Services Administration	AMD: Reverse Transfer of PCN 06-0117 from Admin Support Svcs		0		-	1	-1	-1		-	-	-	-	-
18	Senior and Disabilities Services	Senior and Disabilities Services Administration	AMD: Additional Resources Required for Compliance with the Corrective Action Plan Mandated by CMS		1002	Fed Rcpts	424.0	1	0	0		-	-	-	424.0	424.0
					1003	G/F Match	423.0	1	0	0		423.0	-	-	-	423.0
					1004	Gen Fund	95.0	1	0	0		95.0	-	-	-	95.0
19	Departmental Support Services	Administrative Support Services	AMD: Transfer PCN 06-0515 to Senior and Disabilities Administration		0		-	1	-1	-1		-	-	-	-	-
20	Departmental Support Services	Administrative Support Services	AMD: Transfer of Position to Department of Law (DOL) for Replacement of Position from DOL		0		-	1	-1	-1		-	-	-	-	-
21	Departmental Support Services	Administrative Support Services	AMD: Transfer Funding from Medicaid School Based Admin Claims to Stabilize the Admin Support Services Budget	If item #24 of Bud Amd is accepted, this must be accepted as well. Transaction type changed to an "Increment."	1004	Gen Fund	700.0	1	0	0		700.0	-	-	-	700.0
22	Departmental Support Services	Administrative Support Services	AMD: Reverse Transfer of PCN 06-0117 to Senior and Disabilities Administration		0		-	1	1	1		-	-	-	-	-
23	Departmental Support Services	Hearings and Appeals	AMD: Transfer of Position from Department of Law for Operational Alignment		0		-	1	1	1		-	-	-	-	-
24	Departmental Support Services	Medicaid School Based Administrative Claims	AMD: Transfer Funding to Stabilize the Admin Support Services Budget	Transaction type changed to a "Decrement." This can only be accepted in subcommittee as long as item #107 of Gov's original budget is accepted as well.	1004	Gen Fund	(700.0)	1	0	0		(700.0)	-	-	-	(700.0)
Other Subcommittee Actions					Fund Code		(11,423.1)		0	1		(6,267.2)	280.0	-	(5,435.9)	(11,423.1)
1	Medicaid Services		Consolidate into newly created appropriation all Medicaid allocations	Transfer the following allocations from their existing locations to the newly created Medicaid Services Appropriation: *Behavioral Health Medicaid Services* *Children's Medicaid Services* *Adult Preventative Dental Medicaid Services* *Health Care Medicaid Services* *Senior and Disabilities Medicaid Services*				1		0		-	-	-	-	-
2	Behavioral Health	Behavioral Health Grants	Detox & treatment capacity alternative to protective custody holds		1037	GF/MH	300.0	1		0		300.0	-	-	-	300.0
3	Behavioral Health	Behavioral Health Grants	Soteria House - home-like, healing alternative for adults newly diagnosed mental illness.		1037	GF/MH	375.0	1		0		375.0	-	-	-	375.0
3	Behavioral Health	Behavioral Health Grants	Clear waiting list for methadone clinics in Anchorage and Fairbanks		1004	Gen Fund	160.0	1		0		160.0	-	-	-	160.0
4	Behavioral Health	Rural Services/Suicide Prevention	Suicide response and postvention resources		1180	A/D T&P Fd	200.0	1		0		-	200.0	-	-	200.0

Department of Health and Social Services

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											Unrestricted GF	Designated GF	Other State Funds	Federal	Total
						Total Subcommittee Changes					91,322.6	952.5	5,995.2	87,772.1	186,042.4
						Governor's Original Request Accepted					51,380.4	672.5	360.2	34,855.5	87,268.6
						Governor's Amendments Accepted					46,209.4	-	5,635.0	58,352.5	110,196.9
						Subcommittee's Additions				OTI? Or Intent?	(6,267.2)	280.0	-	(5,435.9)	(11,423.1)
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		93,886.1		0	0		51,380.4	672.5	360.2	34,855.5	87,268.6
5	Behavioral Health	Rural Services/Suicide Prevention	Training and technical assistance		1180	A/D T&P Fd	80.0	1		0		-	80.0	-	-	80.0
6	Behavioral Health	Services for Severely Emotionally Disturbed Youth	Peer Navigators		1037	GF/MH	275.0	1		0		275.0	-	-	-	275.0
7	Children's Services	Children's Services Management	Foster Care U of A Presidential Tuition Waiver; Foster Care Education and Training Voucher, Foster Parent Recruitment, Foster Care Ads and FosterWear Clothing Discounts.		1004	Gen Fund	175.0	1		0		175.0	-	-	-	175.0
8	Children's Services	Foster Care Augmented Rate	Foster care housing assistance to prevent homelessness		1004	Gen Fund	100.0	1		0		100.0	-	-	-	100.0
9	Children's Services	Foster Care Special Need	Foster care protect youth from mid-term school transfers		1004	Gen Fund	80.0	1		0		80.0	-	-	-	80.0
10	Children's Services	Infant Learning Program Grants	Early childhood mental health		1037	GF/MH	175.0	1		0		175.0	-	-	-	175.0
11	Health Care Services	Medicaid Services	Provide Primary Eye Care and Vision Related Rehabilitation to Rural Alaska Communities without access to those services		1004	Gen Fund	165.0	1		0		165.0	-	-	-	165.0
12	Health Care Services	Health Planning and Infrastructure	Improve Access to Medicare for Alaska Seniors by Off-Setting the Cost of Low Medicare Reimbursement Rates - Senior Access Grant		1004	Gen Fund	51.0	1		0		51.0	-	-	-	51.0
13	Juvenile Justice	Probation Services	Juvenile Justice Evidence Based Programs		1004	Gen Fund	115.0	1		1		115.0	-	-	-	115.0
14	Juvenile Justice	Youth Courts	Operating expense increases while federal funds decline		1004	Gen Fund	150.0	1		0		150.0	-	-	-	150.0
15	Senior and Disabilities Svcs	Community DD Grants	Intensive supp and intervention services for AMHT beneficiaries at risk of institutionalization		1004	Gen Fund	162.5	1		0		162.5	-	-	-	162.5
16	Community Initiative Matching	Community Initiative Matching	Grantee cost increases		1004	Gen Fund	250.0	1		0		250.0	-	-	-	250.0
17	Medicaid Services	Behavioral Health Medicaid Services	Adjust medicaid projections between department and other body's contractor		1002	Fed Rcpts	(1,628.1)	1	0	0		-	-	-	(1,628.1)	(1,628.1)
					1003	G/F Match	(1,116.2)	1	0	0		(1,116.2)	-	-	-	(1,116.2)
					1212	Stimulus09	(297.1)	1	0	0		-	-	-	(297.1)	(297.1)
18	Medicaid Services	Behavioral Health Medicaid Services	BTKH Level V treatment beds, some $ to afford rate increase after study is completed.		1002	Fed Rcpts	338.3	1	0	0		-	-	-	338.3	338.3
					1003	G/F Match	215.2	1	0	0		215.2	-	-	-	215.2
19	Medicaid Services	Health Care Medicaid Services	Adjust medicaid projections between department and other body's contractor		1002	Fed Rcpts	(1,072.8)	1	0	0		-	-	-	(1,072.8)	(1,072.8)
					1003	G/F Match	(767.1)	1	0	0		(767.1)	-	-	-	(767.1)
					1212	Stimulus09	(127.2)	1	0	0		-	-	-	(127.2)	(127.2)
20	Medicaid Services	Health Care Medicaid Services	Dual eligibles "clawback" adjustment		1004	Gen Fund	(4,900.0)	1		0		(4,900.0)	-	-	-	(4,900.0)
20	Medicaid Services	Health Care Medicaid Services	Money expended on abortions not qualified under the Hyde amendment		1004	Gen Fund	(615.9)	1		0		(615.9)	-	-	-	(615.9)
21	Medicaid Services	Senior/Disabilities Medicaid	Adjust medicaid projections between department and other body's contractor		1002	Fed Rcpts	(2,201.5)	1	0	0		-	-	-	(2,201.5)	(2,201.5)
					1003	G/F Match	(1,616.7)	1	0	0		(1,616.7)	-	-	-	(1,616.7)
					1212	Stimulus09	(447.5)	1	0	0		-	-	-	(447.5)	(447.5)

ALASKA STATE SENATE

SENATOR DONALD C. OLSON
SENATE FINANCE SUB-COMMITTEE CHAIR

ALASKA STATE CAPITOL
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SENATE FINANCE / PUBLIC SAFETY SUB-COMMITTEE
SUB-COMMITTEE MEMBERS: SENATOR FRENCH, SENATOR MCGUIRE, SENATOR WIELECHOWSKI, SENATOR BUNDE

FY 11 Budget Close-out Report

Date: March 18, 2010

FROM: Senator Donald C. Olson, Chair

Senator Hollis French

Senator Lesil McGuire

Senator Bill Wielechowski

Senator Con Bunde

The Senate Finance Sub-Committee for the Department of Public Safety submits an operating budget recommendation to the full Senate Finance Committee for FY11 as follows:

Fund Source

	10 Mgt Plan	Gov Amd	Sen Sub	Difference	
GF	$138,747.8	$144,872.9	$145,047.7	$174.8	0.1%
Federal	20,124.7	12,277.3	12,277.3		
Other	18,631.4	20,111.0	20,111.0		
Total	$177,503.9	$177,261.2	$177,436.0		

Position Summary

	10 Mgt Plan	Gov Amd	Sen Sub
PFT	863	870	870
PPT	16	16	16
Temp	14	13	13
Total	893	899	899

3402

Personnel

Reviewed the authorized position count for the department and authorized 8 new positions for the department. 5 were authorized for highway patrol out of CIP Receipts, and 3 were authorized for increased investigation for domestic violence and sexual assault.

Budget Action

- Held 3 public meetings with the department to discuss and explain the budget;
- Adopted the FY11 Adjusted Base; and
- Reviewed each of the increments and decrements submitted by the Governor, including amendments.

The Governor made public safety a priority and this budget certainly reflects that. The Department is also to be commended for its efforts in recruiting and retaining VPSO and trooper positions and bringing the vacancy rate down as well. The success in this area has been nothing short of remarkable.

The Senate Finance sub-committee approved all of the requested increases except for 1 minor one for $25.2 thousand. That item would have supplanted ARRA funding with GF.

Notable increases that were approved:

- $1.5 million of GF was approved for the VPSO program to add 15 additional positions this year, and for COLA and merit increases. This follows the recommendations of the Senate VPSO Task Force from 2008. The department is already seeing success with the implementation of the first of those recommendations, in a similar way as with the Troopers, with more applicants for VPSO positions, and less turnover. These increases are necessary if they are to continue and build on this success and ensure public safety for rural Alaskans as well.

- $725 thousand of GF and 3 positions for investigations, training, exam and other costs related to Domestic Violence and Sexual Assault (DVSA) prevention.

- A little more than $700 thousand of GF for DVSA victim services.

- $656.5 thousand of GF was approved for continuing cold case investigations and illegal drug and alcohol enforcement.

- $300 thousand of GF for increased costs of prisoner transportation

- $1.2 million of CIP receipts and 5 positions to enhance highway patrol efforts.

- $600 thousand of inter-agency receipts for background checks requested by the Department of Health & Social Services.

The detail on these and other changes are shown in the reports included with this.

The Sub-Committee also recommended language and conditional funding to be included in the "language section" of the CS for the Rural Alcohol Interdiction Team for $1,270.0; and for Drug and Alcohol Enforcement for $1,393.2.

Some items were left for the full Senate Finance Committee to address, relating to the Domestic Violence and Sexual Assault Prevention Initiative.

It is also our intention to allow Legislative Finance to do technical adjustments if any are needed.

Items of Concern

With the increases in VPSO positions, the department will need more oversight troopers soon, probably in the next budget cycle. Thereafter, as VPSOs are increased, it is expected that trooper oversight will also need to be increased to attain or maintain a ratio of 1:3 which is considered ideal by the department. The department has assured the sub-committee that oversight troopers are not needed in FY 11, but are expected to be needed in FY 12.

The Governor's DVSA prevention initiative will require the support of and funding by the Legislature if we hope to see a reduction in our notorious #1 ranking in the nation for DVSA. This is the first of ten years of this initiative, so we can expect to see additional increases requested to prevent DVSA and to assist victims of DVSA.

Documents attached

Legislative Finance Reports:

- Agency Totals – Senate Structure - FY 11 Operating Budget
- Appropriation/Allocation Summary - Senate Structure
- Appropriation/Allocation Summary – GF only - Senate Structure
- Transaction Comparison – Senate Structure - Between Adjusted Base and Senate Sub
- Transaction Comparison – Senate Structure - Between Gov Amend and Senate Sub
- Transaction Comparison – Senate Structure - Between House and Senate Sub
- Wordage Report – Senate Structure - FY 11 Operating Budget

Department of Public Safety
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	125,189.3	127,477.1	131,945.8	132,120.6	131,920.8	6,931.3	5.5%	4,643.5	3.6%	174.8	0.1%
Designated GF	13,558.5	13,580.6	12,927.1	12,927.1	12,927.1	(631.4)	-4.7%	(653.5)	-4.8%	-	0.0%
Other	18,631.4	18,787.4	20,111.0	20,111.0	20,111.0	1,479.6	7.9%	1,323.6	7.0%	-	0.0%
Federal Funds	20,124.7	11,605.1	12,277.3	12,277.3	12,277.3	(7,847.4)	-39.0%	672.2	5.8%	-	0.0%
Total	**177,503.9**	**171,450.2**	**177,261.2**	**177,436.0**	**177,236.0**	**(67.9)**	**0.0%**	**5,985.8**	**3.5%**	**174.8**	**0.1%**
Check (Enter #s from LFD reports)	177,503.9	171,450.2	177,261.2	177,436.0	177,236.0						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	138,747.8	141,057.7	144,872.9	145,047.7		6,299.9	4.5%	3,990.0	2.8%	174.8	0.1%
Other	18,631.4	18,787.4	20,111.0	20,111.0		1,479.6	7.9%	1,323.6	7.0%	-	0.0%
Federal	20,124.7	11,605.1	12,277.3	12,277.3		(7,847.4)	-39.0%	672.2	5.8%	-	0.0%
Positions *(Enter position counts from LFD reports)*											
PFTs	863	862	870	870	870	7.0	0.8%	8.0	0.9%	-	0.0%
PPTs	16	16	16	16	16	-	0.0%	-	0.0%	-	0.0%
Temps	14	13	13	13	13	(1.0)	-7.1%	-	0.0%	-	0.0%
Total Positions	**893**	**891**	**899**	**899**	**899**						
Position Check (Should equal zero)				-							

Prepared by:	Denise Liccioli
Date:	3/17/2010
Time	10:25:00 AM
Status:	FINAL

Department of Public Safety

Total Subcommittee Changes	OTP Or Intent?	SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request) Unrestricted GF	Designated GF	Other State Funds	Federal	Total
		4,643.5	(653.5)	1,323.6	672.2	5,985.8
Governor's Original Request Accepted		4,018.5	(653.5)	1,323.6	672.2	5,360.8
Governor's Amendments Accepted		425.0	-	-	-	425.0
Subcommittee's Additions		200.0	-	-	-	200.0

#	Appropriation	Allocation	Description	Subcommittee Notes	Fund Code		Funding Information	Funding Multiplier	Gov PCNs	Sen PCNs	OTP Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.							**11,162.9**		**8**	**8**		**4,018.5**	**(653.5)**	**1,323.6**	**672.2**	**5,360.8**
1	Alaska State Troopers	Special Projects	Continue cold case investigations and illegal		1004	Gen Fund	656.5	1	0	0		656.5	-	-	-	656.5
					1061	CIP Rcpts	(656.5)	1	0	0		-	-	(656.5)	-	(656.5)
2	Alaska State Troopers	Special Projects	Increase interagency receipt authority for violence against		1007	I/A Rcpts	75.0	1	0	0		-	-	75.0	-	75.0
3	Alaska State Troopers	Special Projects	Enhance highway patrol efforts - Alaska Bureau of		1061	CIP Rcpts	1,206.8	1	5	5		-	-	1,206.8	-	1,206.8
4	Alaska State Troopers	Alaska State Troopers Director's Office	Transfer from AST Detachments to Director's Office for increased		1004	Gen Fund	14.6	1	0	0		14.6	-	-	-	14.6
5	Alaska State Troopers	Narcotics Task Force	Correct Unrealizable Fund Sources in the Salary Adjustment for the Existing Bargaining Unit Agreements	GF Increment not accepted, eliminate new ARRA authorization - Legislature does not want Stimulus $$$ replaced with GF	1004	Gen Fund	25.2	0	0	0		-	-	-	-	-
					1212	Stimulus09	(25.2)	1	0	0		-	-	-	(25.2)	(25.2)
6	Alaska State Troopers	Narcotics Task Force	Carry forward Narcotics Task Force Sec1 Ch17 SLA09 P4	Carryforward will be addressed in lapse extension language in this bill	1212	Stimulus09	5,371.0	0	0	0		-	-	-	-	-
7	Alaska State Troopers	Alaska State Trooper Detachments	Transfer from AST Detachments to Director's Office for increased		1004	Gen Fund	(14.6)	1	0	0		(14.6)	-	-	-	(14.6)
8	Alaska State Troopers	Alaska State Trooper Detachments	Increase investigations, training, and exam costs for domestic violence and sexual		1004	Gen Fund	725.0	1	3	3		725.0	-	-	-	725.0
9	Alaska State Troopers	Alaska State Trooper Detachments	Delete unrealizable IA/Oil Hazardous receipt authority		1055	IA/OIL HAZ	(1.2)	1	0	0		-	-	(1.2)	-	(1.2)
10	Alaska State Troopers	Alaska Wildlife Troopers	Fund change CIP to I/A Receipts for Aircraft services		1007	I/A Rcpts	192.4	1	0	0		-	-	192.4	-	192.4
					1061	CIP Rcpts	(192.4)	1	0	0		-	-	(192.4)	-	(192.4)
11	Village Public Safety Officer Program	VPSO Contracts	Contract for 15 New Village Public Safety Officers		1004	Gen Fund	1,261.5	1	0	0		1,261.5	-	-	-	1,261.5

Department of Public Safety

																			SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
										Total Subcommittee Changes							OTI? Or Intent?	4,643.5	(653.5)	1,323.6	672.2	5,985.8
										Governor's Original Request Accepted								4,018.5	(653.5)	1,323.6	672.2	5,360.8
										Governor's Amendments Accepted								425.0	-	-	-	425.0
										Subcommittee's Additions								200.0	-	-	-	200.0
	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.						Fund Code		11,162.9		8	8		4,018.5	(653.5)	1,323.6	672.2	5,360.8
	12	Village Public Safety Officer Program	VPSO Contracts	Village Public Safety Officer cost of living adjustment and		1004	Gen Fund	223.8	1	0	0		223.8	-	-	-	223.8
	13	Council on Domestic Violence and Sexual	Council on Domestic	Replace permanent fund dividend appropriations in		1004	Gen Fund	651.4	1	0	0		651.4	-	-	-	651.4
						1171	PFD Crim	(651.4)	1	0	0		-	(651.4)	-	-	(651.4)
	14	Council on Domestic Violence and Sexual	Council on Domestic	Correct Unrealizable Fund Sources in the Health		1004	Gen Fund	2.1	1	0	0		2.1	-	-	-	2.1
						1171	PFD Crim	(2.1)	1	0	0		-	(2.1)	-	-	(2.1)
	15	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Increased Support for Domestic Violence Shelters Due To Increased Operating Costs		1004	Gen Fund	381.9	1	0	0		381.9	-	-	-	381.9
	16	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Carry forward Council on Domestic Violence and Sexual Assault ARRA Sec 1 Ch17 SLA09 P4 L14 (HB199)	Carryforward will be addressed in lapse extension language in this bill	1212	Stimulus09	405.9	0	0	0		-	-	-	-	-
	17	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Carry forward Council on Domestic Violence and Sexual Assault Earmark Sec 19a Ch30 SLA 2007 p148		1002	Fed Rcpts	697.4	1	0	0		-	-	-	697.4	697.4
	18	Statewide Support	Commissioner's Office	Increase interagency receipt authority for RSA with		1007	I/A Rcpts	50.0	1	0	0		-	-	50.0	-	50.0
	19	Statewide Support	Commissioner's Office	Increase interagency receipt authority to fund Office of		1007	I/A Rcpts	152.1	1	0	0		-	-	152.1	-	152.1
	20	Statewide Support	Training Academy	Correct Unrealizable Fund Sources in the Salary		1004	Gen Fund	11.2	1	0	0		11.2	-	-	-	11.2
						1007	I/A Rcpts	(11.2)	1	0	0		-	-	(11.2)	-	(11.2)
	21	Statewide Support	Alaska Criminal Records and Identification	Increase interagency receipt authority for DH&SS background check unit RSA		1007	I/A Rcpts	600.0	1	0	0		-	-	600.0	-	600.0
	22	Statewide Support	Laboratory Services	Development and purchase of pediatric sexual assault		1004	Gen Fund	12.3	1	0	0		12.3	-	-	-	12.3
	23	Statewide Support	Laboratory Services	Continue funding for DNA analyst for unknown suspect		1004	Gen Fund	92.8	1	0	0		92.8	-	-	-	92.8
	24	Statewide Support	Laboratory Services	Delete excess statutory designated program receipts		1108	Stat Desig	(91.4)	1	0	0		-	-	(91.4)	-	(91.4)
Governor's Amendments (Does not include the Dec 15th request)						Fund Code		522.0		0	0		425.0	0	0	0	425.0
	1	Alaska State Troopers	Special Projects	AMD: Combating Internet Crimes Against Children -	ARRA funding will be take care of in another appropraition bill	1212	Stimulus09	97.0	0	0	0		-	-	-	0	0
	2	Alaska State Troopers	Prisoner Transportation	AMD: Increased Prisoner Transportation Costs		1004	Gen Fund	300.0	1	0	0		300.0	-	-	-	300.0
	3	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	AMD: Victims' Services		1004	Gen Fund	125.0	1	0	0		125.0	-	-	-	125.0
Other Subcommittee Actions						Fund Code		0		0	0		0	0	0	0	0
	1	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Victim Services	Compensates for cost increases and loss of federal funds to maintain the status quo	1004	Gen Fund	200.0			0		200.0	-	-	-	200.0

Ellis

ALASKA STATE LEGISLATURE

Senator Johnny Ellis, Chair
•
Senator Bettye Davis
•
Senator Hollis French
•
Senator Joe Paskvan

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SENATE FINANCE SUBCOMMITTEE ON THE DEPARTMENT OF CORRECTIONS

FISCAL YEAR 2011 SENATE BUDGET SUBCOMMITTEE RECOMMENDATIONS

March 16th, 2010

The Senate Finance Subcommittee on the Department of Corrections submits an operating report to the full Senate Finance Committee for Fiscal Year 2010 as follows:

Fund Source:

	FY10 Management Plan	FY11 Governor's Amended Adjusted Base	FY 11 Senate Subcommittee	Difference (Governor to Senate Sub)
Unrestricted General Funds	212,688.8	218,227.2	225,876.6	7,649.4 (3.5%)
Designated General Funds	16,153.9	15,302.4	15,452.4	150.0 (1.0%)
Federal Funds	16,548.5	16,548.5	16,548.5	0
Other Funds	3,187.3	3,003.4	3,103.4	100.0 (3.3%)
Total	**248,578.5**	**253,081.5**	**260,980.9**	**7,899.4 (3.1%)**

Personnel:

The Subcommittee reviewed the authorized position count for the Department. The Governor's amended budget proposal requested three new positions. The Subcommittee is recommending three new positions.

Position Summary	FY10 Authorized	FY11 Governor's Amended Adjusted Base	FY 11 Senate Subcommittee
Permanent Full Time	1510	1509	1509
Permanent Part Time	1	2	2
Temporary	0	0	0
Total	1511	1511	1511

Budget Action:

The Subcommittee held four meetings with the Department and took the following actions:

1. Adopted the Fiscal Year 2010 Adjusted Base.

2. Reviewed each of the increments and decrements submitted by the Governor. Recommends the adoption of the Governor's proposal with the following exceptions:

    a. Adopt Inc 8,000.0 UGF/100.0 Fed "FY2011 Wage, Health Insurance, and Geographic Differential Increases for the ACOA Bargaining Unit" in the Institution Director's Office allocation of the Population Management appropriation.

    b. 12 TrIn/TrOut transactions totaling 4,528.9 UGF from each of the correctional center allocations of the Population Management appropriation into a new 24 Hour Institutional Utilities Appropriation.

    c. 6 TrIn/TrOut transactions totaling 6,041.1 UGF/111.7 Fed/70.8 I/A Receipts from various allocations and appropriations into a new Offender Habilitation appropriation.

    d. Change Inc 150.0 UGF "Construction Apprenticeship Program funding request" to 150.0 STEP for the same purpose.

    e. Reduce Inc 1242.8 UGF "Fund New Housing Units at Wildwood Correctional Center" to Inc 1104.3 UGF for the same purpose.

    f. Reduce Inc 400.0 UGF for "Increased Community Residential Contracts Costs" to 337.9 UGF for the same purpose.

    g. Adopt one statement of Legislative Intent:

        i. "It is the intent of the legislature that the Department of Corrections will provide detailed information to the legislature on a quarterly basis regarding the success of the Offender Habilitation programs with a strong focus on performance and outcomes" in the new Offender Habilitation appropriation.

Amendment Action:

1. Reviewed and recommends the adoption of the operating budget amendment (one increment) submitted by the Governor.

Items of Concern:

1. For many years the expansion of the Yukon-Kuskokwim Correctional Center in Bethel has been a high-priority project for the Legislature, leading to its inclusion in 2004's Senate Bill 65, which authorized the state to assist communities in building or expanding correctional facilities. While the construction of the Goose Creek Correctional Center in the Mat-Su Valley is underway, and a number of smaller expansion projects in facilities like Wildwood Correctional Center in Kenai have taken place, YKCC remains incomplete. For the second

year in a row, the Subcommittee discussed this issue and the lack of progress over the years with the Department, and remains committed to continuing this discussion until the community and legislators are satisfied with the Department's progress in Bethel.

2. In the last few years, there have been significant advances in the development of results-based programs that can reduce recidivism and cut costs by diminishing the inmate population. The Institute for Social and Economic Research at UAA and the Pew Foundation for the States have released reports in recent months detailing Alaska's need for increased education, job training, and substance abuse treatment programs, and the potential for significant long-term cost savings as a result. The Subcommittee is committed to working with the Commissioner and the Department to both monitor the success of current programs to ensure that they are providing the necessary results, and investing in additional programs with results supported by statistical evidence.

Documents Attached:

Reports from the Division of Legislative Finance:

1. Appropriation/Allocation Summary – Senate Structure
2. Appropriation/Allocation Summary (GF Only) – Senate Structure
3. Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Subcommittee)
4. Transaction Comparison – Senate Structure (Between Governor's Amended Adjusted Base and Senate Subcommittee)
5. Transaction Comparison – Senate Structure (Between House and Senate Subcommittees)
6. Wordage Report – FY2011 Operating Budget, Senate Structure
7. Agency Totals – FY2011 Operating Budget, Senate Structure

Respectfully Submitted,

Sen. Johnny Ellis, Chair Sen. Bettye Davis Sen. Hollis French Sen. Joe Paskvan

Senate Finance Subcommittee on the Department of Corrections

Department of Corrections
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Governor	Senate Subcom	House-Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Governor to Senate Subcommittee	
Unrestricted GF	212,688.6	211,724.1	218,227.2	225,876.6	217,624.4	13,187.8	6.2%	14,152.5	6.7%	7,649.4	3.5%
Designated GF	16,153.9	16,153.9	15,302.4	15,452.4	15,452.4	(701.5)	-4.3%	(701.5)	-4.3%	150.0	1.0%
Other	16,548.5	16,174.5	16,548.5	16,548.5	16,800.7	-	0.0%	374.0	2.3%	-	0.0%
Federal Funds	3,187.3	3,003.4	3,003.4	3,103.4	3,003.4	(83.9)	-2.6%	100.0	3.3%	100.0	3.3%
Total	**248,578.5**	**247,055.9**	**253,081.5**	**260,980.9**	**252,880.9**	**12,402.4**	**5.0%**	**13,925.0**	**5.6%**	**7,899.4**	**3.1%**
Check (Enter #s from LFD reports)	248,578.5	247,055.9	253,081.5	260,980.9	252,880.9						
Should equal zero	-	-	-	-	-						

Prepared by:	Max Hensley	
Date:	3/19/2010	
Time	1:20 PM	
Status:	FINAL	

Funding Summary

General Funds Total	228,842.7	227,878.0	233,529.6	241,329.0		12,486.3	5.5%	7,799.4	3.3%	13,451.0	5.9%
Other	16,548.5	16,174.5	16,548.5	16,548.5		-	0.0%	-	0.0%	374.0	2.3%
Federal	3,187.3	3,003.4	3,003.4	3,103.4		(83.9)	-2.6%	100.0	3.3%	100.0	3.3%

Positions (Enter position counts from LFD reports)

PFTs	1510	1509	1509	1509	1509	(1.0)	-0.1%	-	0.0%	-	0.0%
PPTs	1	2	2	2	2	1.0	100.0%	-	0.0%	-	0.0%
Temps	0	0	0	0	0	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Total Positions	**1511**	**1511**	**1511**	**1511**	**1511**						
Position Check (Should equal zero)				-							

Department of Corrections

SUBCOMMITTEE
(Shaded Cells are NOT Equal to the Governor's Budget Request)

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total Subcommittee Changes	14,152.5	(701.5)	374.0	100.0	13,925.0
Governor's Original Request Accepted	3,101.7	(701.5)	374.0	-	2,774.2
Governor's Amendments Accepted	3,050.8	-	-	-	3,050.8
Subcommittee's Additions	8,000.0	-	-	100.0	8,100.0

#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTP Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total	Governor's Funding Information		
Governor's Increments, Decrements, and Fund Changes					Fund Code		2,974.8		0	0		3,101.7	(701.5)	374.0	-	2,774.2			2,974.8
1	Population Management	Offender Habilitation Programs	Construction Apprenticeship Program funding request	Fund source change to STEP funds.	1004	STEP	150.0	1	0	0		-	150.0	-	-	150.0	1004	Gen Fund	150.0
2	Population Management	Wildwood Correctional Center	Fully Fund New Housing Units at Wildwood Correctional Center	Request reduced due to delay in opening date for new units.	1004	Gen Fund	1,242.8	0.88855809	0	0		(110.13)	-	-	-	(110.13)	1004	Gen Fund	1,242.8
					1156	Rcpt Svcs	8.0	1	0	0		-	8.0	-	-	8.0	1156	Rcpt Svcs	8.0
3	Population Management	Community Jails	Temporary increase in Kodiak Jail operating costs due to transition into new building	Accept Governor's request.	1004	Gen Fund	300.0	1	0	0		300.0	-	-	-	300.0	1004	Gen Fund	300.0
4	Population Management	Community Residential Centers	Increase Community Residential Centers by 43 Beds	Accept Governor's request.	1004	Gen Fund	500.0	1	0	0		500.0	-	-	-	500.0	1004	Gen Fund	500.0
5	Population Management	Community Residential Centers	Increased Community Residential Centers Contracts Costs	Request reduced to match actual inflation rate rather than 2% anticipated.	1004	Gen Fund	400.0	0.84475	0	0		337.9	-	-	-	337.9	1004	Gen Fund	400.0
6	Inmate Health Care	Behavioral Health Care	MH Trust: Dis Justice - Grant 571.05 Implement APIC Discharge Planning Model in Dept. of Corrections	Accept Governor's request.	1092	MHTAAR	210.0	1	0	0		-	-	210.0	-	210.0	1092	MHTAAR	210.0
7	Inmate Health Care	Behavioral Health Care	MH Trust: Dis Justice - Grant 1922.02 Corrections Mental Health Clinical Positions	Accept Governor's request.	1092	MHTAAR	164.0	1	0	0		-	-	164.0	-	164.0	1092	MHTAAR	164.0
8	Inmate Health Care	Physical Health Care	Fund Change from PFD Criminal Funds to General Funds	Accept Governor's request.	1004	Gen Fund	859.5	1	0	0		859.5	-	-	-	859.5	1004	Gen Fund	859.5
					1171	PFD Crim	(859.5)	1	0	0		-	(859.5)	-	-	(859.5)	1171	PFD Crim	(859.5)
Governor's Amendments					Fund Code		3,050.8		0	0		3,050.8	0	0	0	3,050.8			3,050.8
1	Inmate Health Care	Physical Health Care	AMD: Meet Physical Health Care Funding Shortfalls	Accept Governor's request. Intent of the amendment is to make an FY11 supplemental request unnecessary.	1004	Gen Fund	3,050.8	1	0	0		3,050.8	-	-	-	3,050.8	1004	Gen Fund	3,050.8
Other Subcommittee Actions					Fund Code		8,100.0		0	0		8,000.0	0	0	100.0	8,100.0			

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y	AF	AG	AH	AI
325																				SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)									
326																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total					
327										Total Subcommittee Changes										14,152.5	(701.5)	374.0	100.0	13,925.0					
328										Governor's Original Request Accepted										[redacted]	[redacted]	374.0	-	2,774.2					
329	Department of Corrections									Governor's Amendments Accepted										3,050.8	-	-	-	3,050.8					
330										Subcommittee's Additions										8,000.0	-	-	100.0	8,100.0					
331																													
332	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information							Funding Multiplier		Gov PCNs	Sen PCNs				Unrestricted GF	Designated GF	Other State Funds	Federal	Total			Governor's Funding Information		
333	Governor's Increments, Decrements, and Fund Changes:					Fund Code			2,974.8						0	0				3,101.7	(701.5)	374.0	-	2,774.2					2,974.8
349	1	24 Hr. Institutional Utilities (see attached reports)		Aggregate department utility costs for 24 Hr. Institutions into one appropriation		Various (see attached reports)			-				1			0				-	-	-	-	-					
350	1	Offender Habilitation (see attached reports)		Aggregate offender treatment and education programs into one appropriation with a separate component for each program (Education, Vocational Education, Domestic Violence, Substance Abuse Treatment, and Sex Offender Management)		Various (see attached reports)			-				1			0				-	-	-	-	-					
351	1	Population Management	Institution Director's Office	FY2011 Wage and Health Insurance Increases for the Alaska Correctional Officers Association Bargaining Unit Agreement	Funding is required to fulfill the decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association.	1004	Gen Fund		8,000.0				1			0				8,000.0	-	-	-	8,000.0					
352	1	Population Management	Institution Director's Office	FY2011 Wage and Health Insurance Increases for the Alaska Correctional Officers Association Bargaining Unit Agreement	Funding is required to fulfill the decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association.	1002	Fed Rcpts		100.0				1			0				-	-	-	100.0	100.0					

ALASKA STATE LEGISLATURE

Senator Johnny Ellis, Chair
•
Senator Joe Paskvan
•
Senator Tom Wagoner

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SENATE FINANCE SUBCOMMITTEE ON THE DEPARTMENT OF ENVIRONMENTAL CONSERVATION

FISCAL YEAR 2011 SENATE BUDGET SUBCOMMITTEE RECOMMENDATIONS

March 17th, 2010

The Senate Finance Subcommittee on the Department of Environmental Conservation submits an operating report to the full Senate Finance Committee for Fiscal Year 2011 as follows:

Fund Source:

	FY10 Management Plan	FY11 Governor's Amended	FY 11 Senate Subcommittee	Difference (Governor to Senate Sub)
Unrestricted General Funds	17,330.4	18,088.8	18,189.2	100.4 (0.6%)
Designated General Funds	24,816.7	24,972.7	24,972.7	0
Federal Funds	10,259.0	10,260.7	10,260.7	0
Other Funds	21,564.9	22,224.5	22,224.5	0
Total	73,971.0	75,546.7	75,647.1	100.4 (0.1%)

Personnel:

The Subcommittee reviewed the authorized position count for the Department. The Governor's amended budget proposal requested one new position. The Subcommittee is recommending three new positions.

Position Summary	FY10 Authorized	FY11 Governor's Amended	FY 11 Senate Subcommittee
Permanent Full Time	532	538	534
Permanent Part Time	2	2	2
Temporary	7	7	7
Total	541	547	543

Budget Action:

The Subcommittee held three meetings with the Department and took the following actions:

1. Adopted the Fiscal Year 2010 Adjusted Base.

2. Reviewed each of the increments and decrements submitted by the Governor. Recommends the adoption of the Governor's proposal with the following exceptions:

    a. Deny 5 PFT related to Inc 300.0 Fed/300.0 G/F Match "Environmental Protection Agency Drinking Water Rule Implementation" to the Drinking Water allocation of the Environmental Health appropriation.

    b. Adopt Inc 100.4 UGF "Add One Environmental Health Officer to Focus on Retail Food Establishment Safety Inspections" to the Food Safety and Sanitation allocation of the Environmental Health appropriation.

    c. Adopt three statements of Legislative Intent:

        i. "It is the intent of the Legislature that the Department of Environmental Conservation return to the Legislature by the first day of the 27th Legislature with a proposal to make the Spill Prevention and Response fund sustainable through an increased surchange rate and/or a surcharge for non-taxable barrels of oil transported in the state" to the Spill Prevention and Response appropriation.

        ii. "It is the intent of the Legislature that the Department of Environmental Conservation and the Department of Labor and Workforce Development collaborate to develop a workforce development plan to train Alaskans for jobs as Ocean Rangers" to the Water Quality allocation of the Water appropriation.

        iii. "It is the intent of the Legislature that the Department of Environmental Conservation, the Department of Natural Resources, and the Department of Fish and Game work together to develop a plan to remove fish waste from the Kenai and Kasilof Rivers dipnet fishery and maintain a safe and attractive riverfront" to the Water Quality allocation of the Water appropriation.

Amendment Action:

1. The Governor did not submit operating budget amendments for DEC.

Items of Concern:

1. The Subcommittee has serious concern about the sustainability of the Spill Prevention and Response Fund. This year, the Fund will expend approximately $7.7 million more than its estimated revenues. Over the next few years, this problem is expected to worsen as the level of oil production declines, and the Fund is projected to be insolvent by FY2014. The Department has done significant work to extend the life of the fund, including efficiencies, cost recovery,

and a significantly decreased capital improvement program (from $5.7M in FY 2010 to $2M in FY2011 to 0 in FY2012 and forward). The Subcommittee plans to work with the Department to adjust the current $0.04 surcharge on each barrel of oil produced in the state – including extending the surcharge to barrels produced off of state lands but transported across them and/or a potential increase in the rate of the surcharge. We are extremely concerned, and are sounding the alarm about the fund's rate of decline.

2. The Subcommittee had considerable discussion regarding the deficiency of the food safety inspection program and the disparity between the Department's funding level and the expectations of the public at large. Even with the addition of an addditional food safety inspector and related costs included in the Subcommittee's recommendation, the Department expects to be able to inspect significantly less than both DEC's and the federal Food and Drug Administration's recommendations. This serious shortfall threatens the health and safety of people across the state, but is felt strongest in rural areas, where costs drive inspection rates even lower than the statewide average.

Documents Attached:

Reports from the Division of Legislative Finance:

1. Appropriation/Allocation Summary – Senate Structure
2. Appropriation/Allocation Summary (GF Only) – Senate Structure
3. Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Sub.)
4. Transaction Comparison – Senate Structure (Between Governor's Amend. and Sen. Sub.)
5. Transaction Comparison – Senate Structure (Between House-Amds and Senate Sub.)
6. Wordage Report – FY2011 Operating Budget, Senate Structure
7. Agency Totals – FY2011 Operating Budget, Senate Structure

Respectfully Submitted,

Senator Johnny Ellis, Chair | Senator Joe Paskvan | Senator Tom Wagoner

Senate Finance Subcommittee on the Department of Environmental Conservation

Department of Environmental Conservation
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amds	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	17,330.4	17,340.8	18,088.8	18,189.2	18,039.2	858.8	5.0%	848.4	4.9%	100.4	0.6%
Designated GF	24,816.7	24,819.7	24,972.7	24,972.7	24,972.7	156.0	0.6%	153.0	0.6%	-	0.0%
Other	10,259.0	10,262.4	10,260.7	10,260.7	10,260.7	1.7	0.0%	(1.7)	0.0%	-	0.0%
Federal Funds	21,564.9	21,571.5	22,224.5	22,224.5	22,224.5	659.6	3.1%	653.0	3.0%	-	0.0%
Total	**73,971.0**	**73,994.4**	**75,546.7**	**75,647.1**	**75,497.1**	**1,676.1**	**2.3%**	**1,652.7**	**2.2%**	**100.4**	**0.1%**
Check (Enter #s from LFD reports)	73,971.0	73,994.4	75,546.7	75,647.1	75,497.1						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	42,147.1	42,160.5	43,061.5	43,161.9	43,011.9	1,014.8	2.4%	1,001.4	2.4%	100.4	0.2%
Other	10,259.0	10,262.4	10,260.7	10,260.7	10,260.7	1.7	0.0%	(1.7)	0.0%	-	0.0%
Federal	21,564.9	21,571.5	22,224.5	22,224.5	22,224.5	659.6	3.1%	653.0	3.0%	-	0.0%
Positions *(Enter position counts from LFD reports)*											
PFTs	532	531	538	534	533	2.0	0.4%	3.0	0.6%	(4.0)	-0.7%
PPTs	2	2	2	2	2	-	0.0%	-	0.0%	-	0.0%
Temps	7	7	7	7	7	-	0.0%	-	0.0%	-	0.0%
Total Positions	**541**	**540**	**547**	**543**	**542**						
Position Check (Should equal zero)				-							

Prepared by:	Max Hensley
Date:	3/17/2010
Time	6:00 p.m.
Status:	FINAL

Department of Environmental Conservation

	#	Appropriation	Allocation	Description	Subcommittee Notes	Fund Code		Funding	Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request) Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total Subcommittee Changes													848.4	153.0	(1.7)	653.0	1,652.7
Governor's Original Request Accepted													748.0	153.0	(1.7)	653.0	1,552.3
Governor's Amendments Accepted													-	-	-	-	-
Subcommittee's Additions													100.4	-	-	-	100.4
Governor's Increments, Decrements, and Fund Changes.						Fund Code		1,552.3		7	3		748.0	153.0	(1.7)	653.0	1,552.3
	1	Administration	Office of the Commissioner	Correct Unrealizable Fund Sources in the Health Insurance Increases for Non-Covered Employees	Accept Governor's request.	1002	Fed Rcpts	0.5	1	0	0		-	-	-	0.5	0.5
						1004	Gen Fund	0.5	1	0	0		0.5	-	-	-	0.5
						1018	EVOS Trust	(1.0)	1	0	0		-	-	(1.0)	-	(1.0)
	2	DEC Buildings Maintenance and Operations	DEC Buildings Maintenance and Operations	Reduce Uncollectable Inter-Agency Receipts Authority	Accept Governor's request.	1007	I/A Rcpts	(0.7)	1	0	0		-	-	(0.7)	-	(0.7)
	3	Environmental Health	Laboratory Services	Essential Public Health Equipment Maintenance and Service Contract Shortfalls	Accept Governor's request.	1004	Gen Fund	260.0	1	0	0		260.0	-	-	-	260.0
	4	Environmental Health	Drinking Water	Environmental Protection Agency Drinking Water Rule Implementation	Accept Governor's funding request, but deny Governor's position request. Department should use vacancies to fill these positions.	1002	Fed Rcpts	300.0	1		0		-	-	-	300.0	300.0
						1003	G/F Match	300.0	1	5	0		300.0	-	-	-	300.0
	5	Environmental Health	Solid Waste Management	Toxicology Specialty Contracting	Accept Governor's request.	1156	Rcpt Svcs	153.0	1	0	0		-	153.0	-	-	153.0
	6	Environmental Health	Air Quality	Federal Environmental Protection Agency Permitting Requirements	Accept Governor's request.	1004	Gen Fund	150.0	1	1	1		150.0	-	-	-	150.0
	7	Water	Facility Construction	Federal Resources for Public Water Systems Operator Certification and Training	Accept Governor's request.	1002	Fed Rcpts	240.0	1	1	1		-	-	-	240.0	240.0

Department of Environmental Conservation

	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	DIT? Or Intent?	SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request) Unrestricted GF	Designated GF	Other State Funds	Federal	Total
						Total Subcommittee Changes							848.4	153.0	(1.7)	653.0	1,652.7
						Governor's Original Request Accepted							748.0	153.0	(1.7)	653.0	1,552.3
						Governor's Amendments Accepted							-	-	-	-	-
						Subcommittee's Additions							100.4	-	-	-	100.4
	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.					Fund Code		1,552.3		7	3		748.0	153.0	(1.7)	653.0	1,552.3
	8	Water	Facility Construction	Federal Resources for Remote Maintenance Worker Program	Accept Governor's request.	1002	Fed Rcpts	112.5	1	0	0		-	-	-	112.5	112.5
						1003	G/F Match	37.5	1	0	0		37.5	-	-	-	37.5
	There are no Governor's Amendments for DEC!!					Fund Code		-		0	0		-	-	-	-	-
	1	Appropriation	Allocation	Transaction Placeholder2		0		-		0	0		-	-	-	-	-
	Other Subcommittee Actions					Fund Code		100.4		0	1		100.4	-	-	-	100.4
	1	Environmental Health	Food Safety and Sanitation	Add One Environmental Health Officer to Focus on Retail Food Establishment Safety Inspections.	Alaska currently inspects just over 30% of permitted food handling facilities per year, approximately 40% of the state's recommended inspection level and less than 15% of the federally recommended level. This increment would boost inspections and protect public safety.	1004	Gen Fund	100.4	1		1		100.4	-	-	-	100.4
	2	Spill Prevention and Reponse		SenSub INTENT at Appropriation Level	It is the intent of the legislature that the Department of Environmental Conservation return to the Legislature by the first day of the 27th Legislature with a proposal to make the Spill Prevention and Response fund sustainable through an increased surcharge rate and/or a surcharge for non-taxable barrels of oil transported in the state.				1				-	-	-	-	-
	3	Water	Water Quality	SenSub INTENT	It is the intent of the legislature that the Department of Environmental Conservation and the Department of Labor & Workforce Development collaborate to develop a workforce development plan to train Alaskans for jobs as Ocean Rangers.				1				-	-	-	-	-

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)					
326																									
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTI? Or Intent?		848.4	153.0	(1.7)	653.0	1,652.7	
329																	Governor's Original Request Accepted			748.0	153.0	(1.7)	653.0	1,552.3	
330	Department of Environmental Conservation																Governor's Amendments Accepted			-	-	-	-	-	
331																	Subcommittee's Additions			100.4	-	-	-	100.4	
332		#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			1,552.3			7	3			748.0	153.0	(1.7)	653.0	1,552.3	
354		4	Water	Water Quality	SenSub INTENT	It is the intent of the legislature that the Departments of Environmental Conservation, Fish and Game, and Natural Resources work together to develop a plan to remove fish waste from the Kenai and Kasilof Rivers dipnet fishery and maintain a safe and attractive riverfront.									1					-	-	-	-	-	

Stedman

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE
Department of Law
Operating Budget Subcommittee

Senator Bert Stedman, Chair
Senator Hollis French
Senator Kevin Meyer

Official Business

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FY2011 OPERATING BUDGET RECOMMENDATIONS

March 16th, 2010

The Senate Finance Budget Subcommittee for the Department of Law submits the following FY11 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	11 Adj Base	Gov Amd	Sen Sub	Difference
Unrestricted GF	$ 45,470.0	$ 56,677.0	$ 55,877.0	$ (800.0)
Designated GF	$ 2,184.1	$ 2,361.1	$ 2,361.1	$ 0
Other Funds	$ 23,670.9	$ 23,949.9	$ 23,949.9	$ 0
Federal Funds	$ 1,595.4	$ 1,995.4	$ 1,995.4	$ 0
Total	$ 72,920.4.	$ 84,983.4	$ 84,183.4	$ (800.0)

Positions	11 Adj Base	Gov Amd	Sen Sub	Difference
PFT	549	554	553	(1)
PPT	6	6	6	0
Temp	0	0	0	0

The Subcommittee met with the Department and took the following budget actions:

Budget Action

Approved the Governor's Amended budget requests with the following exceptions:

CRIMINAL DIVISION

- Denied the request to add a permanent full time Sexual Assault Coordinator with $200,000 in general funds within Criminal Justice Litigation. The subcommittee is recommending to the full Finance Committee that the Senate accept the House recommendation to add this new position and the funding, to the Executive Office of the Governor to better coordinate our activities across all agencies.

3420

- Approved the addition of 2 permanent full time District Attorneys within the Third Judicial District in Kenai. The committee took the House's recommendation to fund these positions at 75% of the $400,000 GF request. The department testified that the positions will not be ready to be filled at the start of the FY2011 fiscal year.

CIVIL DIVISION

- Approved a one-time increment of $3.0 million GF within the Oil, Gas & Mining section for outside legal counsel and expert services related to on-going Pt. Thomson litigation, Trans-Alaska Pipeline tariffs, TAPS reconfiguration and other corporate tax matters. This is $500,000 less than the Governor's request and was approved as a one-time increment instead of being added to the base as requested by the department.

- Deferred to the full Finance Committee, the Oil, Gas & Mining section's $2.5 million language request for outside legal counsel and expert services related to the state's gas pipeline and gas commercialization efforts. The subcommittee is recommending that the Finance Committee reduce this request by $500,000 and add a $2.0 mill GF increment to the numbers section of the department's budget.

Senator Hollis French

Senator Kevin Meyer

Senator Bert Stedman – Chairman

ATTACHMENTS:

- Report 1 – Agency Totals – Senate Structure
- Report 2 – Allocation Summary Numbers – Senate Structure
- Report 3 – Allocation Summary Numbers (GF Only) – Senate Structure
- Report 4 – Transaction Compare – Adjusted Base & Senate Subcommittee
- Report 5 – Transaction Compare – Gov Amend+ & Senate Subcommittee
- Report 6 – Transaction Compare – House & Senate Subcommittee
- Report 7 – Wordage
- Report 8 – Senate Subcommittee Worksheet

Department of Law
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	54,670.6	45,470.0	56,677.0	55,877.0	55,362.3	1,206.4	2.2%	10,407.0	22.9%	(800.0)	-1.4%
Designated GF	2,340.8	2,184.1	2,361.1	2,361.1	2,361.1	20.3	0.9%	177.0	8.1%	-	0.0%
Other	23,498.7	23,670.9	23,949.9	23,949.9	24,314.6	451.2	1.9%	279.0	1.2%	-	0.0%
Federal Funds	3,881.3	1,595.4	1,995.4	1,995.4	2,095.4	(1,885.9)	-48.6%	400.0	25.1%	-	0.0%
Total	**84,391.4**	**72,920.4**	**84,983.4**	**84,183.4**	**84,133.4**	**(208.0)**	**-0.2%**	**11,263.0**	**15.4%**	**(800.0)**	**-0.9%**
Check (Enter #s from LFD reports)	84,391.4	72,920.4	84,983.4	84,183.4	84,133.4						
Should equal zero	-	-	-	-	-						

Prepared by:	Miles Baker
Date:	3/16/2010
Time	12:26:00 PM
Status:	Final

Funding Summary

General Funds Total	57,011.4	47,654.1	59,038.1	58,238.1		1,226.7	2.2%	10,584.0	22.2%	(800.0)	-1.4%
Other	23,498.7	23,670.9	23,949.9	23,949.9		451.2	1.9%	279.0	1.2%	-	0.0%
Federal	3,881.3	1,595.4	1,995.4	1,995.4		(1,885.9)	-48.6%	400.0	25.1%	-	0.0%

Positions *(Enter position counts from LFD reports)*

PFTs	550	549	554	553	553	3.0	0.5%	4.0	0.7%	(1.0)	-0.2%
PPTs	7	6	6	6	6	(1.0)	-14.3%	-	0.0%	-	0.0%
Temps	0	0	0	0	0	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Total Positions	**557**	**555**	**560**	**559**	**559**						
Position Check (Should equal zero)				-							

Department of Law

Total Subcommittee Changes	OTI? Or Intent?	SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request) Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Original Request Accepted		10,407.0	177.0	279.0	400.0	11,263.0
Governor's Amendments Accepted		(7,507.0)	12.0	279.0	-	(7,798.0)
Subcommittee's Additions		(100.0)	165.0	-	400.0	465.0
		3,000.0	-	-	-	3,000.0

#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					**Fund Code**		**13,998.0**		**5**	**4**		**7,507.0**	**12.0**	**279.0**	**-**	**7,798.0**
1	Criminal Division	Second Judicial District	Replace One-Time Federal Earmarks for Sexual Assault/Domestic Violence Grants with GF	Accept	1004	Gen Fund	90.0	1	0	0		90.0	-	-	-	90.0
2	Criminal Division	Second Judicial District	Replace Rural Prosecution/One-Time Federal Earmarks: Sexual Assault/Domestic Violence with GF	Accept	1004	Gen Fund	90.1	1	0	0		90.1	-	-	-	90.1
3	Criminal Division	Third Judicial District: Anchorage	Replace Rural Prosecution/One-Time Federal Earmarks: Sexual Assault/Domestic Violence with GF	Accept	1004	Gen Fund	335.6	1	0	0		335.6	-	-	-	335.6
4	Criminal Division	Third Judicial District: Outside Anchorage	Replace Rural Prosecution/One-Time Federal Earmarks: Sexual Assault/Domestic Violence with GF	Accept	1004	Gen Fund	454.6	1	0	0		454.6	-	-	-	454.6
5	Criminal Division	Fourth Judicial District	Replace One-Time Federal Earmarks: Sexual Assault/Domestic Violence with GF	Accept	1004	Gen Fund	285.0	1	0	0		285.0	-	-	-	285.0
6	Criminal Division	Fourth Judicial District	Replace Rural Prosecution/One-Time Federal Earmarks: Sexual Assault/Domestic Violence	Accept	1004	Gen Fund	11.1	1	0	0		11.1	-	-	-	11.1

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE					
326																				(Shaded Cells are NOT Equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes										10,407.0	177.0	279.0	400.0	11,263.0	
329										Governor's Original Request Accepted										7,507.0	12.0	279.0	-	7,798.0	
330	Department of Law									Governor's Amendments Accepted										(100.0)	165.0	-	400.0	465.0	
331										Subcommittee's Additions								OTI? Or Intent?		3,000.0	-	-	-	3,000.0	
332	#	Appropriation	Allocation	Description		Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			13,998.0			5	4			7,507.0	12.0	279.0	-	7,798.0	
340	7	Criminal Division	Fourth Judicial District	Increase I/A Receipt Authority for Therapeutic Courts RSA		Accept				1007		I/A Rcpts	30.0		1	0	0			-	-	30.0	-	30.0	
341	8	Criminal Division	Criminal Justice Litigation	Increase I/A Receipt Authority for RSA with Department of Public Safety		Accept				1007		I/A Rcpts	175.0		1	0	0			-	-	175.0	-	175.0	
342	9	Criminal Division	Criminal Justice Litigation	Sexual Assault Coordinator		Denied; Accept House Suggestion to move position and funding to Governor's Office				1004		Gen Fund	200.0		0	1	0			-	-	-	-	-	
343	10	Criminal Division	Criminal Appeals/Special Litigation	Replace One-Time Federal Earmarks for Sexual Assault/Domestic Violence Grants with GF		Accept				1004		Gen Fund	271.6		1	0	0			271.6	-	-	-	271.6	
344	11	Criminal Division	Criminal Appeals/Special Litigation	Replace Rural Prosecution/One-Time Federal Earmarks: Sexual Assault/Domestic Violence with GF		Accept				1004		Gen Fund	769.0		1	0	0			769.0	-	-	-	769.0	
345	12	Civil Division	Child Protection	Kenai Child Protection Caseload Attorney		Accept				1004		Gen Fund	200.0		1	1	1			200.0	-	-	-	200.0	
346	13	Civil Division	Natural Resources	PFT Assistant Attorney General for Endangered Species Issues		Accept				1004		Gen Fund	200.0		1	1	1			200.0	-	-	-	200.0	
347	14	Civil Division	Natural Resources	Endangered Species Act Outside Counsel		Accept				1004		Gen Fund	800.0		1	0	0			800.0	-	-	-	800.0	
348	15	Civil Division	BP Corrosion	Pending Litigation, 2006 Prudhoe Bay Pipeline spills and production shutdown		Accept				1004		Gen Fund	4,000.0		1	0	0			4,000.0	-	-	-	4,000.0	
349	16	Civil Division	Oil, Gas and Mining	Oil and Gas Outside Counsel and Experts		Denied; See Subcommittee increment for reduced amount under "Other Subcommittee Actions"				1004		Gen Fund	3,500.0		0	0	0			0	-	-	-	0	
350	17	Civil Division	Oil, Gas and Mining	Gas Pipeline Outside Counsel & Experts		Denied under this Fund Code; See Subcommittee recommendation for reduced, one-time GF language item for $2,000 under "Other Subcommittee Actions"				1213		AHCC	2,500.0		0	0	0			0	-	-	-	0	
351	18	Civil Division	Timekeeping and Litigation Support	Increase I/A Receipt Authority for Civil Division Timekeeping Support RSA		Accept				1007		I/A Rcpts	12.0		1	0	0			-	-	12.0	-	12.0	
352	19	Administration and Support	Administrative Services	Increase GF/Program Receipts for accounting services provided to Collections Unit		Accept				1005		GF/Prgm	12.0		1	0	0			-	12.0	-	-	12.0	
353	20	Administration and Support	Administrative Services	Increase I/A Receipt Authority for Civil Division Timekeeping Administration RSA		Accept				1007		I/A Rcpts	50.0		1	0	0			-	-	50.0	-	50.0	
354	21	Administration and Support	Administrative Services	Increase I/A Receipt Authority for Victim Restitution Accounting RSA		Accept				1007		I/A Rcpts	12.0		1	0	0			-	-	12.0	-	12.0	

Department of Law

																		SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
									Total Subcommittee Changes							DIT? Or Intent?		10,407.0	177.0	279.0	400.0	11,263.0
									Governor's Original Request Accepted									7,507.0	12.0	279.0	-	7,798.0
									Governor's Amendments Accepted									(100.0)	165.0	-	400.0	465.0
									Subcommittee's Additions									3,000.0	-	-	-	3,000.0
	#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information				Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.								Fund Code		13,998.0			5	4			7,507.0	12.0	279.0	-	7,798.0
	Governor's Amendments (Does not include the Dec 15th request)								Fund Code		565.0			2	2			(100.0)	165.0	-	400.0	465.0
	1	Criminal Division	Third Judicial District: Outside Anchorage	AMD: Add 2 PFT Kenai District Attorneys	Accept House recommendation to fund 2 PFT positions but at 75% of request		1004	Gen Fund	400.0	0.75	2	2						300.0	-	-	-	300.0
	2	Criminal Division	Criminal Appeals/Special Litigation	AMD: Transfer of Position to Department of Health and Social Services for	Accept		0		-		-1	-1						-	-	-	-	-
	3	Criminal Division	Criminal Appeals/Special Litigation	AMD: Transfer of Position from DHSS for Replacement of Position	Accept		0		-		1	1						-	-	-	-	-
	4	Criminal Division	Criminal Appeals/Special Litigation	AMD: Reduce Fund Change Request for Sexual Assault/Domestic Violence Earmark	Accept		1002	Fed Rcpts	150.0	1	0	0						-	-	-	150.0	150.0
							1004	Gen Fund	(150.0)	1	0	0						(150.0)	-	-	-	(150.0)
	5	Criminal Division	Criminal Appeals/Special Litigation	AMD: Reduce Fund Change Request for Rural Prosecution	Accept		1002	Fed Rcpts	250.0	1	0	0						-	-	-	250.0	250.0
							1004	Gen Fund	(250.0)	1	0	0						(250.0)	-	-	-	(250.0)
	6	Civil Division	Commercial and Fair Business	AMD: Tobacco Education Cessation Arbitration	Accept		1168	Tob ED/CES	165.0	1	0	0						-	165.0	-	-	165.0
	Other Subcommittee Actions								Fund Code		3,000.0			0	0			3,000.0	-	-	-	3,000.0
	1	Civil Division	Oil, Gas and Mining	Oil and Gas Outside Counsel and Experts	One-time GF Increment of $3,000 for outside coucil; This is $500 less than requested in Gov's trans #16 and one-time only		1004	Gen Fund	3,000.0			0						3,000.0	-	-	-	3,000.0
	2	Civil Division	Oil, Gas and Mining	Gas Pipeline Outside Counsel & Experts	Subcommittee recommends replacing fund source of Gov's Lang trans #17 from AHCC to GF and reduce by $500k to $2.0 mill		1004	Gen Fund	-			0						-	-	-	-	-

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE

Department of Revenue
Operating Budget Sub-Committee

Senator Bert Stedman, Chair
Senator Lyman Hoffman
Senator Lesil McGuire

Official Business

State Capitol, Room 516
Juneau, AK 99801-1182
Phone: (907) 465-3873
Fax: (907) 465-3922

FY11 OPERATING BUDGET RECOMMENDATIONS

March 19th, 2010

The Senate Finance Budget Subcommittee for the Department of Revenue submits the following FY11 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	11 Adj Base	Gov Amd	Sen Sub	Difference
Unrestricted GF	$ 17,995.2	$ 18,880.8	$ 24,884.8	$ 6,004.0
Designated GF	$ 16,033.8	$ 14,680.9	$ 8,726.9	$(5,954.0)
Other Funds	$173,164.8	$170,630.7	$170,094.3	$ (536.4)
Federal Funds	$ 39,835.8	$ 41,064.1	$ 41,064.1	$ 0
Total	$246,989.6	$245,256.5	$244,770.1	$ (486.4)

Positions	11 Adj Base	Gov Amd	Sen Sub	Difference
PFT	864	865	865	0
PPT	41	41	41	0
Temp	17	17	17	0
Total	922	923	923	0

The Subcommittee met with the Department and accepted the Governor's amended budget with the following exceptions:

Budget Action

TAX DIVISION

- Deferred to the full Finance Committee a $300,000 language appropriation request for an Alaska Gasline Inducement Act (AGIA) information reporting system. This item may belong more appropriately in the capital budget. Committee

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recommends that if this item is approved, the fund source be changed from Alaska Housing Capital Corp Receipts to GF.

- Deferred to the full Finance Committee an $800,000 language appropriation request for the addition of 4 new exempt commercial analyst positions. This appropriation should be considered in conjunction with a number of other agency gas and gasline related requests. Committee recommends that if any of this funding is approved, the fund source be changed from Alaska Housing Capital Corp Receipts to GF and that the funding and positions be put into the numbers section of the budget.

TREASURY DIVISION

- Deferred to the full Finance Committee a $397,000 increment and fund source change for increased Constitutional Budget Reserve management fees. The Committee recommends approving this request and changing the funding source to GF. The CBR is anticipated to be paid off by the beginning of FY11 at which time management fees should be paid out of the General Fund to prevent creating new CBR liabilities.

CHILD SUPPORT SERVICES DIVISION

- Approved a $7.5 mill fund source change transaction as reworked and approved by the House Finance Committee, to accommodate federal language changes in the American Recovery and Reinvestment Act (ARRA) relating to the utilization of existing federal incentive dollars.

ADMINISTRATIVE & SUPPORT

- Approved a $50,000 one-time GF increment for costs associated with auditing the Alaska Gasline Inducement Act (AGIA) Fund. The committee agreed to establish a new allocation for Natural Gas Commercialization and recommends this audit transaction be put into the numbers section of that allocation instead of the language section of the budget.

- Deferred to the full Finance Committee a $1.5 mill language appropriation request for contractual services and consultants to assistance in the negotiations, analysis and establishment of fiscal terms related to natural gas pipeline development and the coming open season. This appropriation should be considered in conjunction with a number of other agency gas and gasline related requests. Committee recommends that if any of this request is approved, the fund source be changed from Alaska Housing Capital Corp Receipts to GF.

LONG TERM CARE OMBUDSMAN'S OFFICE

- Approved a one-time $91,500 GF/MH increment for an investigator within the Long Term Care Ombudsman's office to address increased workload relating to Alaska's seniors.

ALASKA HOUSING FINANCE OPERATIONS

- Denied two Corporation Receipt increments totaling $202,700 for sourcing and contract management technology solutions, accepting the House recommendation.

ALASKA PERMANENT FUND CORP OPERATIONS

- Denied a $15,500 increment in Corporation Receipts for increased Board of Trustee travel, accepting the House recommendation.

- Approved a one-time increment of $80,000 in Corporation Receipts for auditing and improving network and firewall security. The Governor's request was for a permanent increment.

- Denied a $318,200 increment in Corporation Receipts to lower the Corporation's vacancy rate, accepting the House recommendation.

ATTACHMENTS:

- Report 1 – Agency Totals – Senate Structure
- Report 2 – Allocation Summary Numbers – Senate Structure
- Report 3 – Allocation Summary Numbers (GF Only) – Senate Structure
- Report 4 – Transaction Compare – Adjusted Base & Senate Subcommittee
- Report 5 – Transaction Compare – Gov Amend+ & Senate Subcommittee
- Report 6 – Transaction Compare – House & Senate Subcommittee
- Report 7 – Wordage
- Report 8 – Senate Subcommittee Worksheet

Department of Revenue
All Dollars in Thousands

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	18,591.9	17,955.2	18,880.8	24,884.8	18,789.3	6,292.9	33.8%	6,929.6	38.6%	6,004.0	31.8%
Designated GF	14,911.6	16,033.8	14,680.9	8,726.9	14,655.9	(6,184.7)	-41.5%	(7,306.9)	-45.6%	(5,954.0)	-40.6%
Other	175,516.4	173,164.8	170,630.7	170,094.3	169,725.2	(5,422.1)	-3.1%	(3,070.5)	-1.8%	(536.4)	-0.3%
Federal Funds	40,349.1	39,835.8	41,064.1	41,064.1	41,064.1	715.0	1.8%	1,228.3	3.1%	-	0.0%
Total	**249,369.0**	**246,989.6**	**245,256.5**	**244,770.1**	**244,234.5**	**(4,598.9)**	**-1.8%**	**(2,219.5)**	**-0.9%**	**(486.4)**	**-0.2%**
Check (Enter #s from LFD reports)	249,369.0	246,989.6	245,256.5	244,770.1	244,234.5						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	33,503.5	33,989.0	33,561.7	33,611.7	33,445.2	108.2	0.3%	(377.3)	-1.1%	50.0	0.1%
Other	175,516.4	173,164.8	170,630.7	170,094.3	169,725.2	(5,422.1)	-3.1%	(3,070.5)	-1.8%	(536.4)	-0.3%
Federal	40,349.1	39,835.8	41,064.1	41,064.1	41,064.1	715.0	1.8%	1,228.3	3.1%	-	0.0%
Positions (Enter position counts from LFD reports)											
PFTs	866	864	865	865	864	(1.0)	-0.1%	1.0	0.1%	-	0.0%
PPTs	41	41	41	41	41	-	0.0%	-	0.0%	-	0.0%
Temps	18	17	17	17	17	(1.0)	-5.6%	-	0.0%	-	0.0%
Total Positions	**925**	**922**	**923**	**923**	**922**						
Position Check (Should equal zero)				-							

Prepared by:	Miles Baker
Date:	3/19/2010
Time	10:16 AM
Status:	FINAL

Department of Revenue

Total Subcommittee Changes	SUBCOMMITTEE				
	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Original Request Accepted	6,929.6	(7,306.9)	(3,070.5)	1,228.3	(2,219.5)
Governor's Amendments Accepted	148.8	100.0	(10,660.5)	510.2	(9,901.5)
Subcommittee's Additions	0	92.0	7,590.0	-	7,682.0
	6,780.8	(7,498.9)	-	718.1	-

#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					Fund Code		(6,378.1)		5	1		148.8	100.0	(10,660.5)	510.2	(9,901.5)
1	Taxation and Treasury	Tax Division	Alaska Gasline Inducement Act Information Reporting System	**LANGUAGE** (Defer to Full Finance; Recommend changing to GF if any funding is approved)	1213	AHCC	300.0	0	0	0		-	-	-	-	-
2	Taxation and Treasury	Tax Division	Petroleum Commercial Analyst Positions for Gasline and Production Tax Analysis	**LANGUAGE** (Defer to Full Finance; Recommend changing to GF and putting into numbers section of budget if any positions or funding are approved)	1213	AHCC	800.0	0	4	0		-	-	-	-	-
3	Taxation and Treasury	Treasury Division	Constitutional Budget Reserve Fund Investment Management Fee Increase due to Increased Assets Under Management	**LANGUAGE** (Defer to Full Finance; Recommend taking Gov's amended transaction #2 below for $2.06 mill w/GF fund source)	1001	CBR Fund	387.0	0	0	0		-	-	-	-	-
4	Taxation and Treasury	Permanent Fund Dividend Division	Dot.Net Training for Information Technology Staff	Accept - OTI	1050	PFD Fund	100.0	1	0	0	1	-	100.0	-	-	100.0
5	Child Support Services	Child Support Services Division	LFD: Maintain Fund Source Change to Match Governor's Budget - ARRA Economic Stimulus Funding Adjustment	Denied as submitted; Use House Fin Committee reworked transaction under "Other Subcommittee Action" below	1002	Fed Rcpts	(612.4)	0	0	0		-	-	-	-	-
					1003	G/F Match	400.0	0	0	0		[redacted]	-	-	-	-
					1156	Rcpt Svcs	(1,118.1)	0	0	0		-	[redacted]	-	-	-
					1212	Stimulus09	1,330.5	0	0	0		-	-	-	[redacted]	[redacted]
6	Administration and Support	Commissioner's Office	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Accept	1004	Gen Fund	2.0	1	0	0		2.0	-	-	-	2.0
					1133	CSSD Admin	(2.0)	1	0	0		-	-	-	(2.0)	(2.0)
7	Administration and Support	Administrative Services	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Accept	1004	Gen Fund	0.8	1	0	0		0.8	-	-	-	0.8
					1133	CSSD Admin	(0.8)	1	0	0		-	-	-	(0.8)	(0.8)
8	Administration and Support	Natural Gas Commercialization	Audit of Alaska Gasline Inducement Act Reimbursement Fund	**LANGUAGE** (Accept, put in Numbers section as OTI; Change fund source to GF)	[redacted]	Gen Fund	50.0	1	0	0	[redacted]	50.0	-	-	-	50.0
9	Administration and Support	Natural Gas Commercialization	Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms	**LANGUAGE** (Defer to Full Finance; Recommend changing to GF if any funding is approved)	1213	AHCC	1,500.0		0	0		-	-	-	-	-

Department of Revenue

																							SUBCOMMITTEE				
																							Unrestricted GF	Designated GF	Other State Funds	Federal	Total
																	Total Subcommittee Changes					OTI? Or Intent?	6,929.6	(7,306.9)	(3,070.5)	1,228.3	(2,219.5)
																	Governor's Original Request Accepted						148.8	100.0	(10,660.5)	510.2	(9,901.5)
																	Governor's Amendments Accepted						0	(92.0)	7,590.0	-	7,682.0
																	Subcommittee's Additions						6,780.8	(7,498.9)	-	718.1	-
	#	Appropriation	Allocation	Description	Subcommittee Notes					Subcommittee Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	10	Alaska Mental Health Trust Authority	Mental Health Trust Operations	MH Trust Cont - Trust Authority Admin Budget	Accept					1094	MHT Admin	2,726.3	1	0	0		-	-	2,726.3	-	2,726.3
	11	Alaska Mental Health Trust Authority	Long Term Care Ombudsman Office	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	Accept					1004	Gen Fund	4.5	1	0	0		4.5	-	-	-	4.5
										1007	I/A Rcpts	(4.5)	1	0	0		-	-	(4.5)	-	(4.5)
	12	Alaska Mental Health Trust Authority	Long Term Care Ombudsman Office	MH Trust - Long Term Care Ombudsman Office Investigator	Accept - OTI; Re-evaluate need for additional support to Seniors next year					1037	GF/MH	91.5	1	1	1	0	91.5	-	-	-	91.5
	13	Alaska Housing Finance Corporation	AHFC Operations	Increase Federal Funding for Facility Management	Accept					1002	Fed Rcpts	513.0	1	0	0		-	-	-	513.0	513.0
										1103	AHFC Rcpts	17.0	1	0	0		-	-	17.0	-	17.0
	14	Alaska Housing Finance Corporation	AHFC Operations	Ariba Sourcing and Contract Management modules to the Ariba suite of hosted online applications	Denied - Accept House Recommendation					1103	AHFC Rcpts	189.0	0	0	0		-	-	0	-	0
	15	Alaska Housing Finance Corporation	AHFC Operations	Mitas software Maintenance and Support - AHFC's Accounting, Budgeting, Mortgage, and General Ledger software	Denied - Accept House Recommendation					1103	AHFC Rcpts	13.7	0	0	0		-	-	0	-	0
	16	Alaska Housing Finance Corporation	AHFC Operations	Statewide Data Communication bandwidth requirement increase	Accept					1103	AHFC Rcpts	26.6	1	0	0		-	-	26.6	-	26.6
	17	Alaska Housing Finance Corporation	AHFC Operations	Grant Administrator I and Energy Specialist I positions related to administration of ARRA funding	Accept					1061	CIP Rcpts	218.0	1	0	0		-	-	218.0	-	218.0
	18	Alaska Permanent Fund Corporation	APFC Operations	Trustee Board Meeting Travel	Denied					1105	PFund Rcpt	15.5	0	0	0		-	-	0	-	0
	19	Alaska Permanent Fund Corporation	APFC Operations	New multi-year contractual arrangements for auditing, investment performance measurement, and external legal services	Accept					1105	PFund Rcpt	56.6	1	0	0		-	-	56.6	-	56.6
	20	Alaska Permanent Fund Corporation	APFC Operations	State support charge back cost increases with the Departments of Revenue and Administration	Accept					1105	PFund Rcpt	21.5	1	0	0		-	-	21.5	-	21.5
	21	Alaska Permanent Fund Corporation	APFC Operations	Anticipated cost increases for existing investment information and analytical systems	Accept					1105	PFund Rcpt	117.0	1	0	0		-	-	117.0	-	117.0
	22	Alaska Permanent Fund Corporation	APFC Operations	New investment risk management information and analytical services	Accept					1105	PFund Rcpt	321.0	1	0	0		-	-	321.0	-	321.0
	23	Alaska Permanent Fund Corporation	APFC Operations	IT System Security Services - network security audit, and firewall security and fixed income trade system upgrades	Accept - OTI					1105	PFund Rcpt	80.0	1	0	0	1	-	-	80.0	-	80.0
	24	Alaska Permanent Fund Corporation	APFC Operations	Funding to Lower Vacancy	Denied					1105	PFund Rcpt	318.2	0	0	0		-	-	0	-	0
	25	Alaska Permanent Fund Corporation	APFC Custody and Management Fees	Manager Fee Decrement	Accept					1105	PFund Rcpt	(14,240.0)	1	0	0		-	-	(14,240.0)	-	(14,240.0)

Department of Revenue

																			SUBCOMMITTEE				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
									Total Subcommittee Changes								OTI? Or Intent?		6,929.6	(7,306.9)	(3,070.5)	1,228.3	(2,219.5)
									Governor's Original Request Accepted										148.8	100.0	(10,660.5)	510.2	(9,901.5)
	Department of Revenue								Governor's Amendments Accepted										0	92.0	7,590.0	-	7,682.0
									Subcommittee's Additions										6,780.8	(7,498.9)	-	718.1	-
	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Amendments					Fund Code		7,682.0				0	0		0	92.0	7,590.0	0	7,682.0
	1	Taxation and Treasury	Treasury Division	AMD: Funding for Investment Officer to Replace External Investment Manager	Accept	1007	I/A Rcpts	220.0			1	0	0		-	-	220.0	-	220.0
	2	Taxation and Treasury	Treasury Division	AMD: Change Constitutional Budget Reserve Fund Investment Management Fees to General Fund	LANGUAGE (Defer to Full Finance and recommend approval)	1001	CBR Fund	(2,060.0)			0	0	0		-	-	-	-	-
						1004	Gen Fund	2,060.0			0	0	0		-	-	-	-	-
	3	Taxation and Treasury	Alaska Retirement Management Board	AMD: Funding for Investment Officer Position	Accept	1017	Group Ben	38.7			1	0	0		-	-	38.7	-	38.7
						1029	PERS Trust	124.5			1	0	0		-	-	124.5	-	124.5
						1034	Teach Ret	55.0			1	0	0		-	-	55.0	-	55.0
						1042	Jud Retire	1.3			1	0	0		-	-	1.3	-	1.3
						1045	Nat Guard	0.5			1	0	0		-	-	0.5	-	0.5
	4	Taxation and Treasury	Alaska Retirement Management Board Custody and Management Fees	AMD: Replace External Investment Manager with New Investment Officer Position	Accept	1029	PERS Trust	(584.6)			1	0	0		-	-	(584.6)	-	(584.6)
						1034	Teach Ret	(256.3)			1	0	0		-	-	(256.3)	-	(256.3)
						1042	Jud Retire	(7.1)			1	0	0		-	-	(7.1)	-	(7.1)
						1045	Nat Guard	(2.0)			1	0	0		-	-	(2.0)	-	(2.0)
	5	Taxation and Treasury	Permanent Fund Dividend Division	AMD: New Annual Fee for Vital Statistics Records	Accept	1050	PFD Fund	25.0			1	0	0		-	25.0	-	-	25.0
	6	Taxation and Treasury	Permanent Fund Dividend Division	AMD: Increased Cost for Bandwidth during Dividend Filing Season	Accept	1050	PFD Fund	25.0			1	0	0		-	25.0	-	-	25.0
	7	Taxation and Treasury	Permanent Fund Dividend Division	AMD: Central Mailroom Equipment Replacement	Accept - OTI	1050	PFD Fund	42.0			1	0	0	OTI	-	42.0	-	-	42.0
	8	Child Support Services	Child Support Services Division	AMD: Change in Matching Funds for the Child Support Program	Denied as submitted; Use House Fin Committee reworked transaction under "Other Subcommittee Action" below	1002	Fed Rcpts	1,033.5			0	0	0		-	-	-	-	0
						1003	G/F Match	426.8			0	0	0		-	-	-	-	0
						1156	Rcpt Svcs	(426.8)			0	0	0		-	-	-	-	0
						1212	Stimulus09	(1,033.5)			0	0	0		-	-	-	0	0
	9	Alaska Permanent Fund Corporation	APFC Custody and Management Fees	AMD: Manager Fees Adjustment	Accept	1105	PFund Rcpt	8,000.0			1	0	0		-	-	8,000.0	-	8,000.0
	Other Subcommittee Actions					Fund Code		0				0	0		6,780.8	(7,498.9)	0	718.1	0
	1	Child Support Services	Child Support Services Division	Adjustment to Matching Funds for the Child Support Program	Fund Source calculations to match the reworked transaction developed & adopted by the full House Finance Committee	1002	Fed Rcpts	421.1			1	0	0		-	-	-	421.1	421.1
						1003	G/F Match	6,275.5			1	0	0		6,275.5	-	-	-	6,275.5
						1004	Gen Fund	505.3			1	0	0		505.3	-	-	-	505.3
						1156	Rcpt Svcs	(7,498.9)			1	0	0		-	(7,498.9)	-	-	(7,498.9)
						1212	Stimulus09	297.0			1	0	0		-	-	-	297.0	297.0

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE
Department of Transportation
Operating Budget Sub-Committee

Senator Bert Stedman, Chair
Senator Albert Kookesh
Senator Linda Menard
Senator Kevin Meyer
Senator Donny Olson
Senator Gary Stevens

Official Business

State Capitol, Room 516
Juneau, AK 99801-1182
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FY2011 OPERATING BUDGET RECOMMENDATIONS

March 19th, 2010

The Senate Finance Budget Subcommittee for the Department of Transportation & Public Facilities submits the following FY11 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	11 Adj Base	Gov Amd	Sen Sub	Difference
Unrestricted GF	$232,655.4	$235,443.4	$234,452.8	$ (990.6)
Designated GF	$ 62,455.8	$ 64,483.0	$ 63,100.9	$ (1,382.1)
Other State	$236,587.9	$239,187.1	$239,187.1	$ 0
Federal	$ 4,043.4	$ 3,752.3	$ 3,752.3	$ 0
Total	$535,742.5	$542,865.8	$540,493.1	$ (2,372.7)

Positions	11 Adj Base	Gov Amd	Sen Sub	Difference
PFT	3,200	3,190	3,187	(3)
PPT	439	437	437	0
Temp	220	220	220	0
Total	3,859	3,847	3,844	(3)

Specific Budget Action

The Subcommittee met with the Department and accepted the Governor's amended budget with the following exceptions:

ADMINISTRATION & SUPPORT

- Denied a $30,000 training increment in Transportation Management & Security section, accepting the House recommendation.

3432

- Denied a $20,000 increment for increased travel in Statewide Aviation.

- Denied a $50,000 increment for increased appraisal revenues for non-aviation facilities rent within Statewide Aviation, accepting the House recommendation.

- Added a $129,300 GF increment for a new Budget Research/Analyst position within Statewide Administrative Services. The Department has a capital budget that approaches $1.0 bill annually. This position will provide increased services in the area of capital budget tracking, analysis, research & reporting.

DESIGN ENGINEERING & CONSTRUCTION

- Accepted a $275,000 GF increment to bring the Harbor Development Program from the department's capital budget into the operating budget. Established a separate allocation for this item within Statewide Design & Engineering.

HIGHWAYS, AVIATION & FACILITIES

- Denied a $12,000 GF increment for increased snow removal building M&O costs in the Northern Region, accepting the House recommendation.

- Added a $95,000 GF increment for the addition of one new maintenance specialist position in the Northern Region. This was the House recommendation and 50% of the Governor's original request for 2 positions and $190,000 in funding.

- Deferred to the full Finance Committee the request for a $188,000 GF increment for 2 new positions to monitor and enforce EPA permit compliance related to street sweeping in Central Region Highways and Aviation.

- Deferred to the full Finance Committee a $1.7 million GF request in Central Region Highways and Aviation for training, permitting, street sweeping and drain cleaning costs related to federal EPA requirements. The appropriate funding level of this item is still under review due to recently received RFP responses and agency amendments.

- Denied a $20,000 GF increment for bridge crew training and commodities in Central Region Highways and Aviation.

- Denied a $305,000 GF request for 2 new positions in Northern Region Highways and Aviation to address maintenance of state owned sidewalks and ADA compliance concerns.

MARINE HIGHWAY SYSTEM

- Added a $150,000 increment for a new Transportation Planner position within Marine Engineering to provide system wide transportation planning and to facilitate better integration with the department's Program Development RDU.

- Accepted a $750,000 increment within Marine Vessel Operations to provide ship-to-shore satellite capabilities aboard AMHS vessels. Increment was spilt 70% GF and 30% Marine Highway System Funds to more accurately reflect system funding ratios. The Governor's original request was for $1.0 mill but the agency reported that RFP responses were coming in lower than anticipated.

- Accepted a $500,000 increment within Marine Vessel Operations for increased lease costs at the Bellingham, Washington terminal. Increment was spilt 70% GF and 30% Marine Highway System Funds to more accurately reflect system funding ratios.

- Aligned salary increases within Marine Vessel Operations to more accurately reflect system funding ratios by replacing $65,000 GF with $65,000 Marine Highway System Funds.

- Replaced $382,000 Vehicle Rental Tax Receipts with 70% GF and 30% Marine Highway System funds within Reservations and Marketing section to compensate for unrealized rental tax revenues statewide.

- Established a new allocation for marine vessel fuel within Marine Vessel Operations. This separate allocation will provide for more transparency within the budget for evaluating fuel consumption and cost. The FY2011 fuel increment is $12.9 mill.

ATTACHMENTS:

- Report 1 – Agency Totals – Senate Structure
- Report 2 – Allocation Summary Numbers – Senate Structure
- Report 3 – Allocation Summary Numbers (GF Only) – Senate Structure
- Report 4 – Transaction Compare – Adjusted Base & Senate Subcommittee
- Report 5 – Transaction Compare – Gov Amend+ & Senate Subcommittee
- Report 6 – Transaction Compare – House & Senate Subcommittee
- Report 7 – Wordage
- Report 8 – Senate Subcommittee Worksheet

Department of Transportation & Public Facilities

All Dollars in Thousands

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	229,499.5	232,655.4	235,443.4	234,452.8	235,089.4	4,953.3	2.2%	1,797.4	0.8%	(990.6)	-0.4%
Designated GF	61,209.8	62,455.8	64,483.0	63,100.9	64,218.0	1,891.1	3.1%	645.1	1.0%	(1,382.1)	-2.1%
Other	236,100.4	236,587.6	239,187.1	238,187.1	239,187.1	3,086.7	1.3%	2,599.2	1.1%	-	0.0%
Federal Funds	3,988.2	4,043.4	3,752.3	3,752.3	3,752.3	(235.9)	-5.9%	(291.1)	-7.2%	-	0.0%
Total	**530,797.9**	**535,742.5**	**542,865.8**	**540,493.1**	**542,246.8**	**9,695.2**	**1.8%**	**4,750.6**	**0.9%**	**(2,372.7)**	**-0.4%**
Check (Enter #s from LFD reports)	530,797.9	535,742.5	542,865.8	540,493.1	542,246.8						
Should equal zero	-	-	-	-	-						

Prepared by:	Miles Baker						
Date:	3/19/2010						
Time	8:45 AM						
Status:	FINAL						

Funding Summary

General Funds Total	290,709.3	295,111.2	299,926.4	297,553.7		6,844.4	2.4%	2,442.5	0.8%	(2,372.7)	-0.8%
Other	236,100.4	236,587.6	239,187.1	239,187.1		3,086.7	1.3%	2,599.2	1.1%	-	0.0%
Federal	3,988.2	4,043.4	3,752.3	3,752.3		(235.9)	-5.9%	(291.1)	-7.2%	-	0.0%

Positions *(Enter position counts from LFD reports)*

PFTs	3207	3200	3190	3187	3189	(20.0)	-0.6%	(13.0)	-0.4%	(3.0)	-0.1%
PPTs	439	439	437	437	437	(2.0)	-0.5%	(2.0)	-0.5%	-	0.0%
Temps	220	220	220	220	220	-	0.0%	-	0.0%	-	0.0%
Total Positions	**3866**	**3859**	**3847**	**3844**	**3846**						
Position Check (Should equal zero)				-							

Department of Transportation & Public Facilities

Total Subcommittee Changes	SUBCOMMITTEE Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	1,797.4	645.1	2,599.2	(291.1)	3,746.3
Governor's Original Request Accepted	486.0	377.2	2,599.2	(291.1)	3,171.3
Governor's Amendments Accepted	-	50.0	-	-	50.0
Subcommittee's Additions	1,311.4	217.9	-	-	525.0

OTI? Or Intent?

	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.						Fund Code		7,973.3		-12	-15		486.0	377.2	2,599.2	(291.1)	3,171.3
334	1	Administration and Support	Equal Employment and Civil Rights	Time Status Change for Increased Activities in the Disadvantaged Business Enterprises and On-the-Job Training Programs	Accept	1004	Gen Fund	24.5	1	0	0		24.5	-	-	-	24.5
335	2	Administration and Support	Equal Employment and Civil Rights	Real Time Web-Based Software Program Maintenance Agreement	Accept	1004	Gen Fund	20.0	1	0	0		20.0	-	-	-	20.0
336	3	Administration and Support	Internal Review	Delete Vacant PCN 25-0037 Internal Auditor I/II/III, and Funding	Accept	1061	CIP Rcpts	(44.8)	1	-1	-1		-	-	(44.8)	-	(44.8)
337	4	Administration and Support	Transportation Management and Security	Federally Mandated Interactive Airport Employee Training	Denied	1156	Rcpt Svcs	30.0	0	0	0		-	[redacted]	-	-	[redacted]
338	5	Administration and Support	Statewide Aviation	Bethel Airport Building Lease Revenue Increase	Accept	1007	I/A Rcpts	88.0	1	0	0		-	-	88.0	-	88.0
339	6	Administration and Support	Statewide Aviation	Legal Fees for Spring Trial - Willow/Unalaska Float Plane Facilities	Accept	1156	Rcpt Svcs	50.0	1	0	0		-	50.0	-	-	50.0
340	7	Administration and Support	Statewide Aviation	Increased Travel for Inspections, Property Management and Training	Denied	1156	Rcpt Svcs	20.0	0	0	0		-	[redacted]	-	-	[redacted]
341	8	Administration and Support	Statewide Aviation	Increased Revenues from Appraisal Work for Non-Aviation Use	Denied; Take House Recomm	1156	Rcpt Svcs	50.0	0	0	0		-	[redacted]	-	-	[redacted]
342	9	Administration and Support	Statewide Aviation	E-Leasing Web Page and Program Updates	Accept	1156	Rcpt Svcs	100.0	1	0	0		-	100.0	-	-	100.0
343	10	Administration and Support	International Airport Systems Office	Delete Vacant PCN 25-2860 Accounting Clerk, and Funding	Accept	1027	IntAirport	(48.0)	1	-1	-1		-	-	(48.0)	-	(48.0)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																						SUBCOMMITTEE				
326																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
327																									
328										Total Subcommittee Changes								OTT? Or Intent?		1,797.4	645.1	2,599.2	(291.1)	3,746.3	
329										Governor's Original Request Accepted										(486.0)	377.2	2,599.2	(291.1)	3,171.3	
330		Department of Transportation & Public Facilities								Governor's Amendments Accepted										-	50.0	-	-	50.0	
331										Subcommittee's Additions										1,311.4	217.9	-	-	525.0	
332		#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information				Funding Multiplier	Gov PCNs	Sen PCNs							Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
344		11	Administration and Support	Program Development	Reduced collection of fines for violations in highway safety corridors	Accept	1004	Gen Fund	(16.9)		1	0	0							(16.9)	-	-	-	(16.9)	
345		12	Administration and Support	Measurement Standards & Commercial Vehicle Enforcement	Establish Computer Equipment Replacement Program - 6 year cycle - approximately 16% per year	Accept	1156	Rcpt Svcs	35.0		1	0	0							-	35.0	-	-	35.0	
346		13	Administration and Support	Measurement Standards & Commercial Vehicle Enforcement	New Administrative Assistant for Audit Recommendation Implementation	Accept	1156	Rcpt Svcs	67.1		1	1	1							-	67.1	-	-	67.1	
347		14	Design, Engineering and Construction	Statewide Design and Engineering Services	Harbor Program Development Administration - Move from Capital to Operating Budget	Accept; Move increment to new "Harbor Program Development" allocation within Statewide Design & Engineering Services	1004	Gen Fund	275.0		1	0	0							275.0	-	-	-	275.0	
348		15	Design, Engineering and Construction	Statewide Design and Engineering Services	Delete Vacant PCN 25-0239 Driller Journey, and Funding	Accept	1061	CIP Rcpts	(80.0)		1	-1	-1							-	-	(80.0)	-	(80.0)	
349		16	Design, Engineering and Construction	Statewide Design and Engineering Services	Delete Vacant PCN 25-0248 Driller Journey, and Funding	Accept	1061	CIP Rcpts	(80.0)		1	-1	-1							-	-	(80.0)	-	(80.0)	
350		17	Design, Engineering and Construction	Statewide Design and Engineering Services	Delete Vacant PCN 25-0182 Micro/Network Technician II, and Funding	Accept	1061	CIP Rcpts	(70.0)		1	-1	-1							-	-	(70.0)	-	(70.0)	
351		18	Design, Engineering and Construction	Central Design and Engineering Services	Migration of legacy utility permits to the eDocuments System - Increase supported by increased utility permit fees	Accept	1156	Rcpt Svcs	60.1		1	0	0							-	60.1	-	-	60.1	
352		19	Design, Engineering and Construction	Central Design and Engineering Services	Delete Vacant PCN 25-0690 Engineering Assistant III, and Funding	Accept	1061	CIP Rcpts	(99.4)		1	-1	-1							-	-	(99.4)	-	(99.4)	
353		20	Design, Engineering and Construction	Northern Design and Engineering Services	Delete Vacant PCN 25-1641 Office Assistant I, and Funding	Accept	1061	CIP Rcpts	(38.0)		1	-1	-1							-	-	(38.0)	-	(38.0)	
354		21	Design, Engineering and Construction	Northern Design and Engineering Services	Delete Vacant PCN 25-0639 Engineer/Architect I, and Funding	Accept	1061	CIP Rcpts	(113.7)		1	-1	-1							-	-	(113.7)	-	(113.7)	
355		22	Design, Engineering and Construction	Central Region Construction and CIP Support	Delete Vacant PCN 25-3502 Administrative Assistant II, and Funding	Accept	1061	CIP Rcpts	(38.8)		1	-1	-1							-	-	(38.8)	-	(38.8)	
356		23	Design, Engineering and Construction	Central Region Construction and CIP Support	Delete Vacant PCN 25-0823 Engineering Assistant III, and Funding	Accept	1061	CIP Rcpts	(97.3)		1	-1	-1							-	-	(97.3)	-	(97.3)	
357		24	Design, Engineering and Construction	Northern Region Construction and CIP Support	Delete Vacant PCN 25-1450 Engineering Assistant II, and Funding	Accept	1061	CIP Rcpts	(110.0)		1	-1	-1							-	-	(110.0)	-	(110.0)	

Department of Transportation & Public Facilities

																			SUBCOMMITTEE				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
																		Total Subcommittee Changes	1,797.4	645.1	2,599.2	(291.1)	3,746.3
																		Governor's Original Request Accepted	486.0	377.2	2,599.2	(291.1)	3,171.3
																		Governor's Amendments Accepted	-	50.0	-	-	50.0
																		Subcommittee's Additions	1,311.4	217.9	-	-	525.0
	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
25		Design, Engineering and Construction	Knik Arm Bridge/Toll Authority	Delete Vacant PCN 25-984X Financial Manager, and Funding	Accept	1061	CIP Rcpts	(92.0)	1	-1	-1		-	-	(92.0)	-	(92.0)
26		Design, Engineering and Construction	Knik Arm Bridge/Toll Authority	Delete Vacant PCN 25-985X Deputy Executive Director of Corporate Affairs, and Funding	Accept	1061	CIP Rcpts	(165.0)	1	-1	-1		-	-	(165.0)	-	(165.0)
27		State Equipment Fleet	State Equipment Fleet	Increased Operational Costs for Parts, Commodities, Services, and Fuel Purchases	Accept	1026	HwyCapital	2,706.7	1	0	0		-	-	2,706.7	-	2,706.7
28		Highways, Aviation and Facilities	Central Region Facilities	Inter-Agency Receipts for Increased Building Maintenance Costs for Various Reimbursable Services Agreements	Accept	1007	I/A Rcpts	10.0	1	0	0		-	-	10.0	-	10.0
29		Highways, Aviation and Facilities	Northern Region Facilities	Inter-Agency Receipts for Increased Building Maintenance Costs for Various Reimbursable Services Agreements	Accept	1007	I/A Rcpts	100.0	1	0	0		-	-	100.0	-	100.0
30		Highways, Aviation and Facilities	Northern Region Facilities	New Peger Truck Wash and Brining Facility Maintenance and Operations Costs - Online in December 2009	Accept	1004	Gen Fund	40.0	1	0	0		40.0	-	-	-	40.0
31		Highways, Aviation and Facilities	Northern Region Facilities	New Minto Snow Removal Equipment Building Maintenance and Operations Costs - Online Fall of 2009	Denied; Accept House Recommendation	1004	Gen Fund	12.0	0	0	0		[redacted]	-	-	-	[redacted]
32		Highways, Aviation and Facilities	Northern Region Facilities	New Maintenance Specialist Positions	Accept House Recommendation of 1 PFT and 50% Increment Request	1004	Gen Fund	190.0	0.5	2	[redacted]		95.0	-	-	-	95.0
33		Highways, Aviation and Facilities	Traffic Signal Management	Increase in Municipality of Anchorage Traffic Signal Management Transfer of Responsibility Agreement (TORA)	Accept	1004	Gen Fund	48.4	1	0	0		48.4	-	-	-	48.4
34		Highways, Aviation and Facilities	Central Region Highways and Aviation	Oversight of Street Sweeping and Permit Compliance - Environmental Protection Agency (EPA)	Defer decision on PFT positions and RFP funding for EPA compliance to full Finance Committee; Proper funding amount still in flux	1004	Gen Fund	188.0	0	2	[redacted]		[redacted]	-	-	-	[redacted]
35		Highways, Aviation and Facilities	Central Region Highways and Aviation	Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs	Defer decision on PFT positions and RFP funding for EPA compliance to full Finance Committee; Proper funding amount still in flux	1004	Gen Fund	1,682.0	0	0	0		[redacted]	-	-	-	[redacted]
36		Highways, Aviation and Facilities	Central Region Highways and Aviation	Budget for Ongoing Capital Improvement Project Work - Personal Services Reported in Operating Budget	Accept	1061	CIP Rcpts	1,000.0	1	0	0		-	-	1,000.0	-	1,000.0
37		Highways, Aviation and Facilities	Central Region Highways and Aviation	Bridge Crew (Inspection and Repair) Training and Commodities	Denied	1004	Gen Fund	20.0	0	0	0		[redacted]	-	-	-	[redacted]
38		Highways, Aviation and Facilities	Central Region Highways and Aviation	Inter-Agency Receipts for Increased Whittier Tunnel Maintenance and Operations Reimbursable Services Agreement	Accept	1007	I/A Rcpts	60.0	1	0	0		-	-	60.0	-	60.0

Department of Transportation & Public Facilities

																			SUBCOMMITTEE				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
									Total Subcommittee Changes								OTI? Or Intent?		1,797.4	645.1	2,599.2	(291.1)	3,746.3
																		Governor's Original Request Accepted		(486.0)	(377.2)	2,599.2	(291.1)	3,171.3
																		Governor's Amendments Accepted		-	50.0	-	-	50.0
																		Subcommittee's Additions		1,311.4	217.9	-	-	525.0
	#	Appropriation	Allocation	Description	Subcommittee Notes				Subcommittee Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
372	39	Highways, Aviation and Facilities	Northern Region Highways and Aviation	Federal Highway Administration Americans with Disabilities Act Compliance Requirements	Denied				1004	Gen Fund	305.0	0	2	0			[redacted]	-	-	-	[redacted]
373	40	Highways, Aviation and Facilities	Northern Region Highways and Aviation	Increase receipt authority from individuals, companies, and insurers as a result of damage to highway fixtures	Accept				1156	Rcpt Svcs	65.0	1	0	0			-	65.0	-	-	65.0
374	41	International Airports	Anchorage Airport Administration	Delete PCN 25-969X Director of Terminal Redevelopment and Construction, and Funding	Accept				1061	CIP Rcpts	(121.2)	1	-1	-1			-	-	(121.2)	-	(121.2)
375	42	International Airports	Anchorage Airport Administration	Delete Vacant PCN 25-3426 Environmental Impact Analyst III, and Funding	Accept				1027	IntAirport	(87.5)	1	-1	-1			-	-	(87.5)	-	(87.5)
376	43	International Airports	Anchorage Airport Field and Equipment Maintenance	Delete Vacant PCN 25-2866 Office Assistant I, and Funding	Accept				1027	IntAirport	(50.0)	1	-1	-1			-	-	(50.0)	-	(50.0)
377	44	International Airports	Anchorage Airport Field and Equipment Maintenance	Delete Vacant PCN 25-2605 Equipment Operations Analyst, and Funding	Accept				1027	IntAirport	(85.0)	1	-1	-1			-	-	(85.0)	-	(85.0)
378	45	International Airports	Anchorage Airport Safety	Correct Unrealizable Fund Sources for Health Insurance and Bargaining Unit Contract Increases for PSEA	Accept				1002	Fed Rcpts	(42.8)	1	0	0			-	-	-	(42.8)	(42.8)
379									1027	IntAirport	42.8	1	0	0			-	-	42.8	-	42.8
380	46	International Airports	Anchorage Airport Safety	Delete Vacant PCN 25-3569 Airport Screening Officer, and Funding	Accept				1002	Fed Rcpts	(118.2)	1	-1	-1			-	-	-	(118.2)	(118.2)
381	47	International Airports	Anchorage Airport Safety	Delete Vacant PCN 25-3571 Airport Screening Officer, and Funding	Accept				1002	Fed Rcpts	(117.7)	1	-1	-1			-	-	-	(117.7)	(117.7)
382	48	International Airports	Fairbanks Airport Safety	Correct Unrealizable Fund Sources for Health Insurance and Bargaining Unit Contract Increases for PSEA	Accept				1002	Fed Rcpts	(12.4)	1	0	0			-	-	-	(12.4)	(12.4)
383									1027	IntAirport	12.4	1	0	0			-	-	12.4	-	12.4
384	49	Marine Highway System	Marine Vessel Operations	Satellite Communications Contract Ship to Shore Communications	See transaction #1 under "Other Subcommittee Action" below; 75% of request based on RFP's coming in lower than expected; Change fund source to 70% GF/30% Marine Hwy to properly align funding ratio with system operations				1076	Marine Hwy	1,000.0	0	0	0			-	[redacted]	-	-	[redacted]
385	50	Marine Highway System	Marine Shore Operations	Bellingham Terminal Facilities Lease Increase - Annualize	See transaction #2 under "Other Subcommittee Action" below; Change fund source to 70% GF/30% Marine Hwy to properly align funding ratio with system operations				1076	Marine Hwy	500.0	0	0	0			-	[redacted]	-	-	[redacted]
386																							
387	Governor's Amendments								Fund Code		50.0		0	0			0	50.0	0	0	50.0
388	1	Design, Engineering and Construction	Statewide Public Facilities	AMD: PCN 09-0012 Engineer/Architect II Funding Source Change from I/A to CIP					1007	I/A Rcpts	(128.0)	1	0	0			-	-	(128.0)	-	(128.0)
389									1061	CIP Rcpts	128.0	1	0	0			-	-	128.0	-	128.0
390	2	Design, Engineering and Construction	Southeast Design and	AMD: Utility Permitting Program					1156	Rcpt Svcs	50.0	1	0	0			-	50.0	-	-	50.0

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																									
326																						SUBCOMMITTEE			
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTI? Or Intent?		1,797.4	645.1	2,599.2	(291.1)	3,748.3	
329										Governor's Original Request Accepted										486.0	377.2	2,599.2	(291.1)	3,171.3	
330	Department of Transportation & Public Facilities									Governor's Amendments Accepted										-	50.0	-	-	50.0	
331										Subcommittee's Additions										1,311.4	217.9	-	-	525.0	
332	#	Appropriation	Allocation	Description	Subcommittee Notes	Subcommittee Funding Information									Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
391																									
392	Other Subcommittee Actions									Fund Code			(152913			0	2			(1,311.4)	217.9	0	0	525.0	
393	1	Marine Highway System	Marine Vessel Operations	Satellite Communications Contract Ship to Shore Communications	Appove transaction #49 above at 75% of request based on RFP's coming in lower than expected; Change fund source to 70% GF/30% Marine Hwy to properly align funding ratio with system operations	1004	Gen Fund		525.0				0		525.0	-	-	-	525.0	
394						1076	Marine Hwy		225.0						-	225.0	-	-	225.0	
395	2	Marine Highway System	Marine Shore Operations	Bellingham Terminal Facilities Lease Increase - Annualize	Approve transaction #50 above; Change fund source to 70% GF/30% Marine Hwy to properly align funding ratio with system operations	1004	Gen Fund		350.0				0		350.0	-	-	-	350.0	
396						1076	Marine Hwy		150.0						-	150.0	-	-	150.0	
397	3	Marine Highway System	Marine Vessel Operations	Salary Adjustments	Change fund source for AMHS salary adjustments to 70% GF/30% Marine Hwy to properly align fuding ratio with system operations	1004	Gen Fund		(65.0)				0		(65.0)	-	-	-	(65.0)	
398						1076	Marine Hwy		65.0						-	65.0	-	-	65.0	
399	4	Marine Highway System	Reservations and Marketing	Funding Balance Alignment	Fund code change to compensate for unrealized Vehicle Rental Tax Receipt collection statewide	1004	Gen Fund		267.1				0		267.1	-	-	-	267.1	
400						1076	Marine Hwy		114.5						-	114.5	-	-	114.5	
401						1200	VehRntlTax		(381.6)						-	(381.6)	-	-	(381.6)	
402	5	Marine Highway System	Marine Vessel Operations	Establish new allocation for marine vessel fuel	Transfer base FY11 fuel budget of $12,914.4 to separate allocation (Expected consumption of 10 mill gallons @$1.29/gall)	1004	Gen Fund		(9,040.0)				0		(9,040.0)	-	-	-	(9,040.0)	
403						1076	Marine Hwy		(3,874.4)						-	(3,874.4)	-	-	(3,874.4)	
404						1004	Gen Fund		9,040.0						9,040.0	-	-	-	9,040.0	
405						1076	Marine Hwy		3,874.4						-	3,874.4	-	-	3,874.4	
406	6	Marine Highway System	Marine Engineering	New Transportation Planner I position within AMHS	Add new AMHS position for systemwide Marine transportation planning & to facilitate better integration with DOTPF Program Development RDU	1004	Gen Fund		105.0				1		105.0	-	-	-	105.0	
407						1076	Marine Hwy		45.0						-	45.0	-	-	45.0	
408	7	Administration & Support	Statewide Administrative Services	New Budget Research/Analyst IV position	Add new position within Admin Services Division to provide increased services in the area of capital budget tracking, analysis, reseach & reporting	1004	Gen Fund		129.3				1		129.3	-	-	-	129.3	

Huggins

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Senator Albert Kookesh
Senator Bill Wielechowski

Room 119
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SENATE FINANCE BUDGET SUBCOMMITTEE
DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

March 9, 2010

To: Senator Lyman Hoffman, Co-Chair, Senate Finance
Senator Bert Stedman, Co-Chair, Senate Finance

From: Senator Charlie Huggins, Chair
Senate Finance Budget Subcommittee for the Department of Military and Veterans Affairs

RE: Department Close Out

The Senate Finance Budget Subcommittee for the Department of Military and Veterans Affairs submits the following operating budget to the full Senate Finance Committee:

FUND SOURCE	10 Mgt Plan	11 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
General Funds	11,360.4	11,631. 9	11,631.9	0.0
Federal Funds	22,235.3	23,476.9	23,476.9	0.0
Other Funds	13,005.4	13,340.1	13,340.1	0.0
TOTAL	**46,601.1**	**48,448.9**	**48,448.9**	0.0

POSITIONS	10 Mgt Plan	11 Gov Amd Adj	Sen Sub	Gov Amd to Sen Sub
PFTs	296	295	295	0.0
PPTs	2	2	2	0.0
Temps	1	1	1	0.0
TOTAL	**299**	**298**	**298**	**0.0**

The budget Subcommittee held one hearing with the Department and took the following actions:

1. Reviewed the FY 10 Management Plan.
2. Reviewed the FY 11 Adjusted Base.
3. Reviewed the increments, decrements, and budget amendments proposed by the Governor.
4. Reviewed the House Finance Budget Subcommittee report, which adopted the Governor's request as amended and one fund change.
5. Adopted the Governor's request, as amended, plus the fund change recommended by the House Finance Budget Subcommittee.

The Subcommittee considered aligning the match portion of the Department's budget with the Alaska Air National Guard's Financial Plan. This increment allows the Department to adequately match federal funds.

The Subcommittee also considered the Bethel Armory lease costs and the Emergency Management Performance Grant program request.

Documents attached:

Legislative Financial Reports:

1. Agency Totals – FY 11 Operating Budget – Senate Structure
2. Allocation Summary All Funds – Senate Structure
3. Transaction Comparison – Senate Structure (Between Adj, Base and Sen Sub)
4. Transaction Comparison -- Senate Structure (Between GAmdAdj and Sen Sub)
5. House Close Out Reports

Respectfully submitted,

Senator Charlie Huggins, Chair

Senator Albert Kookesh, Member

Senator Bill Wielechowski, Member

Department of Military and Veterans Affairs

All Dollars in Thousands

(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House Subcom	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	11,332.0	11,269.2	11,603.5	11,603.5		271.5	2.4%	334.3	3.0%	-	0.0%
Designated GF	28.4	28.4	28.4	28.4		-	0.0%	-	0.0%	-	0.0%
Other	13,005.4	13,007.3	13,340.1	13,340.1		334.7	2.6%	332.8	2.6%	-	0.0%
Federal Funds	22,235.3	22,236.9	23,476.9	23,476.9		1,241.6	5.6%	1,240.0	5.6%	-	0.0%
Total	**46,601.1**	**46,541.8**	**48,448.9**	**48,448.9**	-	**1,847.8**	**4.0%**	**1,907.1**	**4.1%**	-	**0.0%**
Check (Enter #s from LFD reports)	46,601.1	46,541.8	48,448.9	48,448.9	-						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	11,360.4	11,297.6	11,631.9	11,631.9		271.5	2.4%	334.3	3.0%	-	0.0%
Other	13,005.4	13,007.3	13,340.1	13,340.1		334.7	2.6%	332.8	2.6%	-	0.0%
Federal	22,235.3	22,236.9	23,476.9	23,476.9		1,241.6	5.6%	1,240.0	5.6%	-	0.0%
Positions *(Enter position counts from LFD reports)*											
PFTs	296	295	295	295		(1.0)	-0.3%	-	0.0%	-	0.0%
PPTs	2	2	2	2		-	0.0%	-	0.0%	-	0.0%
Temps	1	1	1	1		-	0.0%	-	0.0%	-	0.0%
Total Positions	**299**	**298**	**298**	**298**							
Position Check (Should equal zero)				-							

Prepared by:	Jody Simpson
Date:	3/9/2010
Time	14:30
Status:	FINAL

Department of Military and Veterans Affairs

												SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
												Unrestricted GF	Designated GF	Other State Funds	Federal	Total
						Total Subcommittee Changes					OTI? Or Ongoing?	334.3	-	332.8	1,240.0	1,907.1
						Governor's Original Request Accepted						334.3	-	332.8	1,240.0	1,907.1
						Governor's Amendments Accepted						-	-	-	-	-
						Subcommittee's Additions						-	-	-	-	-
#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					**Fund Code**		**1,907.1**		**0**	**0**		**334.3**	**-**	**332.8**	**1,240.0**	**1,907.1**
1	Military and Veteran's Affairs	Homeland Security and Emergency Management	Realign previously unbudgeted positions to budgeted in emergency services (09-0418 through 09-0429)	Accept an increase in I/A Rcpts to realign the budget for 12 previous non-perm. positions to perm full time positions in the FY10 Mgt. Plan.	1007	I/A Rcpts	935.1	1	0	0		-	-	935.1	-	935.1
2	Military and Veteran's Affairs	Homeland Security and Emergency Management	Increase federal authority for Emergency Management Performance Grant	Accept an increase in federal authority to accept grant funds.	1002	Fed Rcpts	1,200.0	1	0	0		-	-	-	1,200.0	1,200.0
3	Military and Veteran's Affairs	Army Guard Facilities Maintenance	Bethel Armory Lease Costs	Accept the annual land lease costs for a new armory funded by $5.2 M State funds/$15.3 M Federal funds	1004	Gen Fund	88.9	1	0	0		88.9	-	-	-	88.9
4	Military and Veteran's Affairs	Air Guard Facilities Maintenance	Increase federal authority for Air Guard Lease for Recruiting Office	Accept an increase in federal authority for the annual lease for a store front recruiting office.	1002	Fed Rcpts	40.0	1	0	0		-	-	-	40.0	40.0
5	Military and Veteran's Affairs	Air Guard Facilities Maintenance	Increase matching funds to meet anticipated need	Accept an increase in GF/Match to maintain the required match ratio with the federal government	1003	G/F Match	240.0	1	0	0		240.0	-	-	-	240.0
6	Military and Veteran's Affairs	Alaska Military Youth Academy	Decrease in public school formula funding due to enrollment in ChalleNGe on 10/1/09	Reduce funding to reflect a decline of students from 10/1/08. A review of the funding formula is requested.	1007	I/A Rcpts	(602.3)	1	0	0		-	-	(602.3)	-	(602.3)
7	Military and Veteran's Affairs	Veterans' Services	Retiring Staff Award of Alaska Flags	Accept an increase to award Alaska flags to retiring Guardsmen.	1004	Gen Fund	5.0	1	0	0		5.0	-	-	-	5.0

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)					
326																									
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328												Total Subcommittee Changes						OTI? Or		334.3	-	332.8	1,240.0	1,907.1	
329																	Governor's Original Request Accepted			334.3	-	332.8	1,240.0	1,907.1	
330	Department of Military and Veterans Affairs																Governor's Amendments Accepted			-	-	-	-	-	
331																	Subcommittee's Additions			-	-	-	-	-	
332	#	Appropriation	Allocation	Description	Subcommittee Notes					Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			1,907.1			0	0			334.3	-	332.8	1,240.0	1,907.1	
341	8	Alaska National Guard Benefits	Retirement Benefits	Increase Funding to Approved Actuarial Recommendation	Accept an increase as recommended by an actuary.					1004		Gen Fund	0.4		1	0	0			0.4	-	-	-	0.4	
345																									
347	Other Subcommittee Actions									Fund Code			0			0	0			0	0	0	0	0	
348	1	Military and Veteran's Affairs	Army Guard Facilities Maintenance	Transfer GF to GF Match to better identify DMVA's State to Federal match	Fund Change					1004		Gen Fund	(1,746.4)		1		0			(1,746.4)	-	-	-	(1,746.4)	
349	1	Military and Veteran's Affairs	Army Guard Facilities Maintenance	Transfer GF to GF Match to better identify DMVA's State to Federal match	Fund Change					1003		G/F Match	1,746.4		1		0			1,746.4	-	-	-	1,746.4	

ALASKA STATE LEGISLATURE

Sen. Charlie Huggins, Chair
Senator Bill Wielechowski
Senator Lesil McGuire
Senator Linda Menard

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SENATE FINANCE BUDGET SUBCOMMITTEE
Department of Natural Resources

March 17, 2010

To: Senator Lyman Hoffman, Co-Chair, Senate Finance
Senator Bert Stedman, Co-Chair, Senate Finance

From: Senator Charlie Huggins, Chair
Senate Finance Budget Subcommittee for the Department of Natural Resources

RE: Department Close Out

The Senate Finance budget subcommittee for the Department of Natural Resources submits the following operating budget to the full Senate Finance Committee:

FUND SOURCE	FY 10 MGT PLAN	FY 11 ADJ BASE	FY 11 GOV AMD	HOUSE SUB	SEN SUB	GOV AMD TO SEN SUB
UNRESTRICTED GF	68,237.3	62,430.2	65,134.8	64,133.3	64,804.8	-0.5 %
DESIGNATED GF	24,337.2	24,348.7	24,755.3	24,462.3	24,462.3	-1.2 %
OTHER	32,376.3	30,161.1	33,291.9	33,477.3	33,491.9	0.6 %
FEDERAL	14,054.3	14,058.2	16,293.2	16,593.2	16,293.2	0.0 %
TOTAL	**139,005.1**	**130,998.2**	**139,475.2**	**138,666.1**	**139,052.2**	**-0.3 %**

The subcommittee also considered the Governor's request for personal services and recommends the following position count:

POSITIONS	FY 10 MGT PLAN	FY 11 ADJ BASE	GOVERNOR AMEND	HOUSE SUB	SEN SUB	GOV AMD TO SEN SUB
PFTs	779	772	776	771	775	-0.1 %
PPTs	247	247	247	247	247	0.0 %
TEMPS	81	82	82	82	82	0.0%
TOTAL	**1107**	**1101**	**1105**	**1100**	**1104**	**-0.1 %**

The budget subcommittee held six hearings with the Department and took the following actions:

1. Reviewed the FY 10 Management Plan.
2. Reviewed the FY 11 Adjusted Base.
3. Reviewed the increments, decrements, and budget amendments proposed by the Governor.
4. Reviewed the House Finance Budget Subcommittee report.
5. Adopted the attached narrative and Legislative Finance Department documents.

The subcommittee considered the request from the AGIA Coordinator's office to increase its permanent full-time employees from four to eight. The subcommittee recommends that the full Finance Committee and the Legislature consider funding this personal services request at a lesser rate, e.g., increasing from the staff from four to six employees, not eight.

Documents attached:

Legislative Financial Reports:

1. Agency Totals – FY 11 Operating Budget – Senate Structure
2. Allocation Summary All Funds – Senate Structure
3. Allocation Summary GF Funds – Senate Structure
4. Transaction Comparison – Senate Structure (Between Adj, Base and Sen Sub)
5. Transaction Comparison -- Senate Structure (Between GAmd+ and Sen Sub)
6. Transaction Comparison -- Senate Structure (Between Hse-Amds and Sen Sub)
7. Wordage Report – Senate Structure
8. Senate Subcommittee Worksheet Report

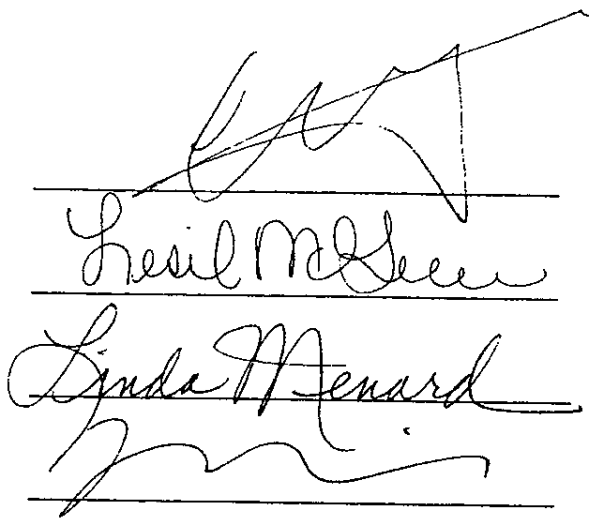
Respectfully submitted,

Senator Charlie Huggins, Chair

Senator Lesil McGuire, Member

Senator Linda Menard, Member

Senator Bill Wielechowski, Member



Department of Natural Resources
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Governor Amended	Senate Subcom	House Less Amds	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		GovAMD to Senate Subcommittee	
Unrestricted GF	68,237.3	62,430.2	65,134.8	64,804.8	64,133.3	(3,432.5)	-5.0%	2,374.6	3.8%	(330.0)	-0.5%
Designated GF	24,337.2	24,348.7	24,755.3	24,462.3	24,462.3	125.1	0.5%	113.6	0.5%	(293.0)	-1.2%
Other	32,376.3	30,161.1	33,291.9	33,491.9	33,477.3	1,115.6	3.4%	3,330.8	11.0%	200.0	0.6%
Federal Funds	14,054.3	14,058.2	16,293.2	16,293.2	16,593.2	2,238.9	15.9%	2,235.0	15.9%	-	0.0%
Total	**139,005.1**	**130,998.2**	**139,475.2**	**139,052.2**	**138,666.1**	**47.1**	**0.0%**	**8,054.0**	**6.1%**	**(423.0)**	**-0.3%**
Check (Enter #s from LFD reports)	139,005.1	130,998.2	139,475.2	139,052.2	138,666.1						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	92,574.5	86,778.9	89,890.1	89,267.1		(3,307.4)	-3.6%	2,488.2	2.9%	(623.0)	-0.7%
Other	32,376.3	30,161.1	33,291.9	33,491.9		1,115.6	3.4%	3,330.8	11.0%	200.0	0.6%
Federal	14,054.3	14,058.2	16,293.2	16,293.2		2,238.9	15.9%	2,235.0	15.9%	-	0.0%
Positions *(Enter position counts from LFD reports)*											
PFTs	779	772	776	775	771	(4.0)	-0.5%	3.0	0.4%	(1.0)	-0.1%
PPTs	247	247	247	247	247	-	0.0%	-	0.0%	-	0.0%
Temps	81	82	82	82	82	1.0	1.2%	-	0.0%	-	0.0%
Total Positions	**1107**	**1101**	**1105**	**1104**	**1100**						
Position Check (Should equal zero)				-							

Prepared by:	Jody Simpson
Date:	3/16/2010
Time	10:14 PM
Status:	Final

Department of Natural Resources

Total Subcommittee Changes

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Original Request Accepted	2,134.6	450.0	3,130.8	2,285.0	8,000.4
Governor's Amendments Accepted	240.0	(136.4)	-	(50.0)	53.6
Subcommittee's Additions	-	(200.0)	200.0	-	-

SUBCOMMITTEE
(Shaded Cells are NOT Equal to the Governor's Budget Request)

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	2,374.6	113.6	3,330.8	2,235.0	8,054.0

#	Appropriation	Allocation	Description	Subcommittee Notes	Fund Code		Funding Information	Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.							13,510.9		8	3		2,134.6	450.0	3,130.8	2,285.0	8,000.4
1	Resource Development	Information Resource Management	Statewide Parcel Database (Cadastral) Increment	Accept funding request. The Gov Amend budget deletes this appropriation - Line 367-68.)	1002	Fed Rcpts	50.0	1	0	0		-	-	-	50.0	50.0
					1156	Rcpt Svcs	250.0	1	0	0		-	250.0	-	-	250.0
2	Resource Development	Oil & Gas Development	Ongoing Oil and Gas Development Workload	Reduce request by $200.0 GF to reflect a vacant position; place amount in base; delete vacant positon.	1004	Gen Fund	1,143.1	0.825	0	-1		943.1	-	-	-	943.1
3	Resource Development	Oil & Gas Development	Arbitration of Oil and Gas Royalty Issues	Accept GF increase as OTI to fund royalty negotiations and arbitrations.	1004	Gen Fund	200.0	1	0	0	O	200.0	-	-	-	200.0
4	Resource Development	Gas Pipeline Implementation	Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity	LANGUAGE (Do not make any selections)	1213	AHCC	1,440.0		4	0		0	-	-	-	0
5	Resource Development	Gas Pipeline Implementation	Alaska Gas Inducement Act (AGIA) Implementation	LANGUAGE (Do not make any selections)	1213	AHCC	2,300.0		0	0		0				0
6	Resource Development	Gas Pipeline Implementation	Alaska Gas Inducement Act (AGIA) Outreach	LANGUAGE (Do not make any selections)	1213	AHCC	477.5		0	0		0	-	-	-	0
7	Resource Development	Large Project Permitting	Expedite Permitting for New Development	Accept an increase in receipt authority for funds paid by industry.	1108	Stat Desig	517.3	1	0	0		-	-	517.3	-	517.3
8	Resource Development	Large Project Permitting	Decrease Federal Receipts Authorization to actual expected	Accept a decrease to reflect the actual amount of federal dollars expected to be available.	1002	Fed Rcpts	(65.0)	1	0	0		-	-	-	(65.0)	(65.0)
9	Resource Development	Claims, Permits & Leases	Additional Capacity for Resource Development Projects	Accept GF request for $250.0 and the request for two positions.	1004	Gen Fund	250.0	1	2	2		250.0	-	-	-	250.0
10	Resource Development	Claims, Permits & Leases	Guide Concession Area Program Regulations	Accept original GF request and submit intent language. Please see Line 370.	1004	Gen Fund	120.0	1	0	0	I	120.0	-	-	-	120.0
11	Resource Development	Land Sales & Municipal Entitlements	Add Staff and Funding to Improve Land Sales Projects and Sales	Deny an increase in State Land funds (SLDF) and approve one full-time position. See line 371.	1153	State Land	93.0	0	1	1		-	0	-	-	0

Department of Natural Resources

																					SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																					Unrestricted GF	Designated GF	Other State Funds	Federal	Total
									Total Subcommittee Changes								OTI? Or Intent?		2,374.6	113.6	3,330.8	2,235.0	8,054.0
																		Governor's Original Request Accepted			2134.6	450.0	3,130.8	2,285.0	8,000.4
																		Governor's Amendments Accepted			240.0	(136.4)	-	(50.0)	53.6
																		Subcommittee's Additions			-	(200.0)	200.0	-	-
	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs								Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.					Fund Code		13,510.9		8	3								2,134.6	450.0	3,130.8	2,285.0	8,000.4
348	12	Resource Development	Title Acquisition & Defense	BLM Assistance Agreement for Land Conveyance	Accept an increase in Fed Rcpts from BLM to assist in land conveyance.	1002	Fed Rcpts	650.0	1	0	0								-	-	-	650.0	650.0
347	13	Resource Development	Title Acquisition & Defense	Reduce CIP Receipts Due to Completed Projects	Accept a reduction in CIP Rcpts as projects are completed.	1061	CIP Rcpts	(425.0)	1	0	0								-	-	(425.0)	-	(425.0)
348	14	Resource Development	Non-Emergency Hazard Mitigation Projects	Federal and Local Government Funded Forest Resource and Fire Program Projects	Accept an increase in Fed Rcpts as cooperation agreement grant funds to help fund a Type 1 HotShot firefighting crew.	1002	Fed Rcpts	250.0	1	0	0								-	-	-	250.0	250.0
349	15	Resource Development	Geological Development	Alaska Volcano Observatory	Accept a reduction in Fed Rcpts and accept an increase in GF.	1002	Fed Rcpts	(300.0)	1	0	0								-	-	-	(300.0)	(300.0)
350						1004	Gen Fund	300.0	1	0	0								300.0	-	-	-	300.0
351	16	Resource Development	Geological Development	Coastal Impact Assistance Program	Accept I/A Rcpts from CIAP to map and evaluate four to five communities.	1007	I/A Rcpts	802.0	1	0	0								-	-	802.0	-	802.0
352	17	Resource Development	Agricultural Development	Plant Health and Phytosanitary Certification	Accept GF request for one position.	1004	Gen Fund	121.5	1	1	1								121.5	-	-	-	121.5
353	18	Resource Development	North Latitude Plant Material Center	Continuation of Certified Seed Potato Program	Accept GF as OTI; encourage expansion of the domestic and export production of seed potatoes.	1004	Gen Fund	200.0	1	0	0							O & I	200.0	-	-	-	200.0
354	19	Resource Development	Trustee Council Projects	EVOS Trustee Council Personal Services Adjustment	Deny EVOS Trust increase.	1018	EVOS Trust	14.6	1	0	0								-	-	14.6	-	14.6
355	20	Resource Development	Mental Health Trust Lands Administration	MH Trust: Cont - Grant 129.08 Trust Land Office Admin Budget	Accept MHTAAR funds as the annual operation costs for the Trust Land Office.	1092	MHTAAR	1,661.2	1	0	0							O	-	-	1,661.2	-	1,661.2
356	21	Resource Development	Mental Health Trust Lands Administration	Move Trust Land Development from Capital to Operating	Accept MHTAAR funds as the trust land development has been moved from the CIP to operating.	1092	MHTAAR	680.0	1	0	0							O	-	-	680.0	-	680.0
357	22	State Public Domain & Public Access	RS 2477/Navigability Assertions and Litigation Support	Navigable Waters Identification	LANGUAGE (Do not make any selections)	1002	Fed Rcpts	1,000.0		0	0								-	-	-	-	-
358	23	Fire Suppression	Fire Suppression Preparedness	Federal and Local Government Funded Forest Resource and Fire Program Projects	Accept Fed Rcpts as annual grant funds to enhance capacity, support hazard mitigation, and outreach.	1002	Fed Rcpts	450.0	1	0	0								-	-	-	450.0	450.0
359	24	Parks and Recreation Management	State Historic Preservation Program	Support State Historian Preservation and Research Activities	Accept I/A Rcpts increase to fund two existing positions to conduct research for navigability determinations.	1007	I/A Rcpts	378.0	1	0	0								-	-	378.0	-	378.0
360	25	Parks and Recreation Management	Parks Management	Maintenance of Employee Housing	Accept Stat Desig increase to maintain housing; inc matches rent collected.	1108	Stat Desig	40.0	1	0	0								-	-	40.0	-	40.0
361	26	Parks and Recreation Management	Parks & Recreation Access	Move Alaska Boating Safety Program from Capital to Operating	Accept the change from Capital to Operating for the Alaska Boating Safety Program. Please see Line 374.	1002	Fed Rcpts	1,250.0	1	0	0								-	-	-	1,250.0	1,250.0
362						1200	VehRntlTax	200.0	1	0	0								-	200.0	-	-	200.0
363	27	Parks and Recreation Management	Parks & Recreation Access	Reduce CIP Authority for Positions Transferred to State Historical Preservation	Accept reduction in CIP Rcpts as two positions were transferred to SHPO.	1061	CIP Rcpts	(157.3)	1	0	0								-	-	(157.3)	-	(157.3)
364	28	Parks and Recreation Management	Parks & Recreation Access	Alaska Boating Safety Program (moved from CIP to Operating)	Accept decrease in CIP Rcpts; funding is in the Operating Budget and CIP Rcpts are no longer necessary.	1061	CIP Rcpts	(380.0)	1	0	0								-	-	(380.0)	-	(380.0)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																									
326																				SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTI? Or Intent?		2,374.6	113.6	3,330.8	2,235.0	8,054.0	
329																	Governor's Original Request Accepted			2134.6	450.0	3,130.8	2,285.0	8,000.4	
330	Department of Natural Resources																Governor's Amendments Accepted			240.0	(136.4)	-	(50.0)	53.6	
331																	Subcommittee's Additions			-	(200.0)	200.0	-	-	
332	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information									Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.					Fund Code		13,510.9								8	3			2,134.6	450.0	3,130.8	2,285.0	8,000.4	
365																									
366	Governor's Amendments (Does not include the Dec 15th request)					Fund Code		183.6								0	0			240.0	(136.4)	-	(50.0)	53.6	
367	1	Resource Development	Information Resource Management	AMD: Reverse Statewide Parcel Database (Cadastral) Increment	Accept reductions as further work needs to be completed before this project can be accomplished.	1002	Fed Rcpts	(50.0)		1		0		0						-	-	-	(50.0)	(50.0)	
368						1156	Rcpt Svcs	(250.0)		1		0		0						-	(250.0)	-	-	(250.0)	
369	2	Resource Development	Large Project Permitting	AMD: OCS Lease Planning Mineral Management Service Agency Agreement FY11	Accept GF increase as OTI; allows DNR to participate in eight OCS EISs; DNR should seek funding from the industry.	1004	Gen Fund	240.0		1		0		0				O		240.0	-	-	-	240.0	
370	3	Resource Development	Claims, Permits & Leases	AMD: Guide Concession Area Program Development	Deny GF additional increase; approved $120.0 in Line 344.	1004	Gen Fund	130.0		0		0		0						0	-	-	-	0	
371	4	Resource Development	Land Sales & Municipal Entitlements	AMD: Additional Hiring Capability to Address Land Use Permitting Backlog	Accept an increase in State Land funds (SLDIF) to allow recruitment efforts for vacant positions; please see Line 345.	1153	State Land	113.6		1		0		0						-	113.6	-	-	113.6	
372																									
373	Other Subcommittee Actions					Fund Code		0								0	0			0	(200.0)	200.0	0	0	
374	1	Parks and Recreation Management	Parks & Recreation Access	Move Alaska Boating Safety Program from Capital to Operating	**Technical Correction: Please be sure to accept this fund source change in subcommittee. Correct match funding source to reflect Boating Safety Receipts (1216) instead of Vehicle Rental Tax funding (1200).**	1200	VehRntlTax	(200.0)		1		0		0						-	(200.0)	-	-	(200.0)	
375						1216	Boat Rcpts	200.0		1		0		0						-	-	200.0	-	200.0	
376	2	Resource Development	Information Resource Mgmt	Technical Correction: LFD: Correction of an overage of I/A funding from Interdepartment IT Chargeback allocation	**Technical Correction: Do not accept this transaction in subcommittee.**	1007	I/A Rcpts	51.6		0				0						-	-	0	-	-	
377	3	Resource Development	Interdepartmental IT Chargeback	Technical Correction: LFD: Correction of an overage of I/A funding to Information Resource Mgmt allocation	**Technical Correction: Do not accept this transaction in subcommittee.**	1007	I/A Rcpts	(51.6)		0				0						-	-	0	-	-	
378	4	Resource Development	Claims, Permits & Leases	Guide Concession Area Program Regulations Intent Language	**It is the intent of the legislature that the Department of Natural Resources submit the draft plan for the Guide Concession Area Program to the legislature for review prior to final implementation.**			-						0						-	-	-	-	-	
379	5	Resource Development	Agricultural Development	Department of Corrections Purchasing Agricultural Products from Alaskan Farmers Intent Language	**It is the intent of the legislature that the Department of Corrections purchase agricultural products directly from Alaskan Farmers whenever practical.**			-						0						-	-	-	-	-	
380	6	Resource Development	North Latitude Plant Material Center	Continuation of Certified Seed Potato Program Intent Language	**It is the intent of the legislature that the Department of Natural Resources explore options to expand the domestic production and export of seed potatoes, including a totally private sector initiative, and report their findings to the legislature before February 1, 2011.**			-						0						-	-	-	-	-	

Thomas

ALASKA STATE SENATE

SENATOR JOE THOMAS, CHAIR
SENATOR LINDA MENARD
SENATOR ALBERT KOOKESH

DEPARTMENT OF
COMMERCE, COMMUNITY & ECONOMIC
DEVELOPMENT
SENATE FINANCE SUBCOMMITTEE

MEMO

Date: March 15, 2010

To: Senator Lyman Hoffman, Co-Chair
Senate Finance Committee

From: Senator Joe Thomas, Chair
Senator Linda Menard
Senator Albert Kookesh

Re: DCCED FY11 Operating Budgets – Subcommittee Report

Dept. of Commerce, Community & Economic Development

The Senate Finance Subcommittee for the Department of Commerce, Community & Economic Development submits an operating budget to the full Senate Finance Committee for FY11 as follows:

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom
Unrestricted GF	14,013.7	14,116.3	15,867.1	15,898.2
Designated GF	51,529.4	51,532.3	52,328.7	52,328.7
Other	25,678.2	25,866.6	31,001.0	31,001.0
Federal Funds	66,095.0	64,280.5	65,522.6	65,522.6
Total	**157,316.3**	**155,795.7**	**164,719.4**	**164,750.5**

Position Changes in DCCED:

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom
PFTs	529	526	528	527
PPTs	2	2	2	2
Temps	13	13	15	15
Total Positions	**544**	**541**	**545**	**544**

January – May: State Capitol – Juneau, Alaska 99801 – (907) 465-2327 – 1 (800) 336-7383 – Fax (907) 465-5241
June – December: 1292 Sadler Way Ste 203 – Fairbanks, Alaska 99701 – (907) 456-8161 – Fax (907) 456-8163
Senator.Joe.Thomas@legis.state.ak.us

ALASKA STATE SENATE

SENATOR JOE THOMAS, CHAIR
SENATOR LINDA MENARD
SENATOR ALBERT KOOKESH

DEPARTMENT OF
COMMERCE, COMMUNITY & ECONOMIC
DEVELOPMENT
SENATE FINANCE SUBCOMMITTEE

Budget Action:

- Adopted the Governor's amended FY11 budget proposed increments & decrements for:
  - $72.1 AIDEA Rcpts for 10% increase in ARDOR (Alaska Regional Development Organization) funding. Recommend that the Full Finance Committee transfer ARDOR funding to Office of Economic Development and out of AIDEA (part of the budget clarification project).
  - $164.0 Rcpt Svcs increment for Division of Banking and Securities travel. Funding will allow for travel associated with statutorily required exams and accreditation.
  - $200.0 Rcpt Svcs to cover drastic increase in fixed costs at Division of Insurance Operations. Costs for mail, print, legal and leases have risen $404.1 since FY08.
  - $192.1 Stimulus funds for RCA development of electricity regulations. Three years of funding provided under ARRA.

- Adopted the Governor's requested funding but approved the request as **one-time**:
  - $97.0 UGF one time funding for Natural Resource Specialist position to advise communities on ANCSA-related actions. Last ANCSA specialist in Department scheduled to retire in next two years. This will allow for training and replacement.
  - $400.0 one time fed rcpts for prescription database
  - $100.0 AIDEA Rcpt for AIDEA Strategic plan development funding

- Adopted the Governor's amended FY11 budget with the following changes:
  - $250.0 UGF for two Local Government Specialists. Two new positions transferred from within Commerce, declined funding for new position request.
  - $125.0 UGF funding for two positions in Office of Economic Development
  - $500.0 UGF and $500.0 Rcpt Svcs for Alaska Seafood Marketing Institute will increase funding for marketing and allow ASMI to cover a $500.0 decrease in federal funds with carry forward from FY2010.

- The Senate Subcimmittee also added the following items:
  - $500.0 operations grant for Illisagvik College workforce development programs in Barrow
  - $150.0 UGF to increase grant funding for the Alaska Legal Services Corporation
  - $250.0 UGF AEA funding for small-scale nuclear power feasibility research grant

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ALASKA STATE SENATE

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SENATOR ALBERT KOOKESH

DEPARTMENT OF
COMMERCE, COMMUNITY & ECONOMIC
DEVELOPMENT
SENATE FINANCE SUBCOMMITTEE

The subcommittee adopts the Legislative Finance Division reports attached.

1. Agency Totals – FY 2011 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (All Funds) – Senate Structure
4. Transaction Comparison – Senate Structure (Between ADJ Base and Sen Subcom)
5. Transaction Comparison – Senate Structure (Between GovAmds and Sen Subcom)
6. Transaction Comparison – Senate Structure (Between Hse and Sen Subcom)
7. Wordage Report – FY 2011 Operating Budget, Senate Structure

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Senator.Joe.Thomas@legis.state.ak.us

Department of Commerce, Community and Economic Development

All Dollars in Thousands

(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	Hse-Amds	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	14,013.7	14,116.3	15,867.1	15,898.2	16,323.2	1,884.5	13.4%	1,781.9	12.6%	31.1	0.2%
Designated GF	51,528.4	51,532.3	52,328.7	52,328.7	52,381.7	799.3	1.6%	796.4	1.5%	-	0.0%
Other	25,678.2	25,866.6	31,001.0	31,001.0	31,001.0	5,322.8	20.7%	5,134.4	19.8%	-	0.0%
Federal Funds	66,095.0	64,280.5	65,522.6	65,522.6	65,647.6	(572.4)	-0.9%	1,242.1	1.9%	-	0.0%
Total	**157,316.3**	**155,795.7**	**164,719.4**	**164,750.5**	**165,363.5**	**7,434.2**	**4.7%**	**8,954.8**	**5.7%**	**31.1**	**0.0%**
Check (Enter #s from LFD reports)	157,316.3	155,795.7	164,719.4	164,750.5	165,363.5						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	65,543.1	65,648.6	68,195.8	68,226.9		2,683.8	4.1%	2,578.3	3.9%	31.1	0.0%
Other	25,678.2	25,866.6	31,001.0	31,001.0		5,322.8	20.7%	5,134.4	19.8%	-	0.0%
Federal	66,095.0	64,280.5	65,522.6	65,522.6		(572.4)	-0.9%	1,242.1	1.9%	-	0.0%
Positions *(Enter position counts from LFD reports)*											
PFTs	529	526	528	527		(2.0)	-0.4%	1.0	0.2%	(1.0)	-0.2%
PPTs	2	2	2	2		-	0.0%	-	0.0%	-	0.0%
Temps	13	13	15	15		2.0	15.4%	2.0	15.4%	-	0.0%
Total Positions	**544**	**541**	**545**	**544**							
Position Check (Should equal zero)				-							

Prepared by:	Joe Hardenbrook
Date:	3/15/2010
Time	11:30 AM
Status:	FINAL

Department of Commerce, Community and Economic Development

Total Subcommittee Changes	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Original Request Accepted	756.9	296.4	5,134.4	1,742.1	7,929.8
Governor's Amendments Accepted	125.0	500.0	-	(500.0)	125.0
Subcommittee's Additions	900.0	-	-	-	-

OTI? Or Intent?

#	Appropriation	Allocation	Description	Subcommittee Notes	Fund Code		Funding Information	Funding Multiplier	Gov PCNs	Sen PCNs	SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request) Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.							7,513.7		4	3	**756.9**	**296.4**	**5,134.4**	**1,742.1**	**7,929.8**
1	Community Assistance & Economic Development	Community and Regional Affairs	Funding for Local Government Specialists to provide technical assistance to at risk rural communities		1004	Gen Fund	343.9	0.726956	1	0	250.0	-	-	-	250.0
2	Community Assistance & Economic Development	Community and Regional Affairs	New Planner III Position to administer the federally funded Coastal Impact Assistance Program		1061	CIP Rcpts	122.0	1	1	1	-	-	122.0	-	122.0
3	Community Assistance & Economic Development	Community and Regional Affairs	New Natural Resource Specialist II Position to provide communities with assistance for ANSCA 14(c) actions		1004	Gen Fund	97.0	1	1	1	97.0	-	-	-	97.0
4	Community Assistance & Economic Development	Office of Economic Development	Increase for Replacement of Federal EDA Funds for DART, TMAP, AlaskaHost and other rural tourism programs		1004	Gen Fund	150.0	0	0	0	0	-	-	-	0
5	Community Assistance & Economic Development	Office of Economic Development	Increase ARDOR Funding by 10% (from $720.8 to $792.9)		1007	I/A Rcpts	72.1	1	0	0	-	-	72.1	-	72.1

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE					
326																				(Shaded Cells are NOT Equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTI? Or Intent?		1,781.9	796.4	5,134.4	1,242.1	8,054.8	
329																Governor's Original Request Accepted					756.9	296.4	5,134.4	1,742.1	7,929.8	
330	Department of Commerce, Community and Economic Development															Governor's Amendments Accepted					125.0	500.0	-	(500.0)	125.0	
331																Subcommittee's Additions					900.0	-	-	-	-	
332	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information									Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.					Fund Code			7,513.7							4	3			756.9	296.4	5,134.4	1,742.1	7,929.8	
339	6	Community Assistance & Economic Development	Office of Economic Development	Delete Funding and Position Related to sunset of HB 33 (Regulations Affecting Small Businesses)		1004	Gen Fund		(90.1)						1	-1	-1			(90.1)	-	-	-	(90.1)	
340	7	Revenue Sharing	National Forest Receipts	Revise National Forest Receipts authorization to reflect the amount of anticipated revenue		1002	Fed Rcpts		1,400.0						1	0	0			-	-	-	1,400.0	1,400.0	
341	8	Alaska Industrial Development and Export Authority	Alaska Industrial Development and Export Authority	Additional interagency receipt authority for unbudgeted RSA from AEA for AEA personal services		1007	I/A Rcpts		2,314.1						1	0	0			-	-	2,314.1	-	2,314.1	
342	9	Alaska Industrial Development and Export Authority	Alaska Industrial Development and Export Authority	Increase ARDOR Funding by 10% (from $720.8 to $792.9)	Because this funding is RSA'd to OED for the ARDORs program, the subcommittee requests that the House Finance committee decrement $792.9 of AIDEA receipts as part of the budget clarification project amendment (see item #5)	1102	AIDEA Rcpt		72.1						1	0	0			-	-	72.1	-	72.1	
343	10	Alaska Industrial Development and Export Authority	Alaska Industrial Development and Export Authority	Increase for implementation of Strategic Plan for identification and evaluation of new projects and opportunities		1102	AIDEA Rcpt		100.0						1	0	0			-	-	100.0	-	100.0	
344	11	Alaska Energy Authority	Alaska Energy Authority Rural Energy Operations	Additional CIP for budgeted RSA to AIDEA for personal services		1061	CIP Rcpts		2,314.1						1	0	0			-	-	2,314.1	-	2,314.1	
345	12	Alaska Energy Authority	Alaska Energy Authority Power Cost Equalization	Additional PCE Endowment earnings supplant GF required for FY2011	LANGUAGE Language is addressed in Full Finance	1004	Gen Fund		(2,780.9)							0	0			-	-	-	-	-	
346						1169	PCE Endow		2,780.9							0	0			-	-	-	-	-	
347	13	Alaska Energy Authority	Alaska Energy Authority Power Cost Equalization	Full funding for Power Cost Equalization based on revised cost projections	LANGUAGE Language is addressed in Full Finance	1004	Gen Fund		(1,360.0)							0	0			-	-	-	-	-	
348	14	Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute	Increase the State of Alaska contribution for seafood marketing		1004	Gen Fund		1,000.0						0.5	0	0			500.0	-	-	-	500.0	
349	15	Banking and Securities	Banking and Securities	Increase to perform statutorily required examinations for annual accreditation of financial institutions		1156	Rcpt Svcs		164.0						1	0	0			-	164.0	-	-	164.0	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE					
326																				(Shaded Cells are NOT Equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328												Total Subcommittee Changes						OTI? Or Intent?		1,781.9	796.4	5,134.4	1,242.1	8,054.8	
329																	Governor's Original Request Accepted			756.9	296.4	5,134.4	1,742.1	7,929.8	
330	Department of Commerce, Community and Economic Development																Governor's Amendments Accepted			125.0	500.0	-	(500.0)	125.0	
331																	Subcommittee's Additions			900.0	-	-	-	-	
332	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information									Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			7,513.7			4	3			756.9	296.4	5,134.4	1,742.1	7,929.8	
350	16	Banking and Securities	Banking and Securities	Delete funding for HB162 Mortgage Lending Implementation		1156		Rcpt Svcs	(10.0)						1	0	0			-	(10.0)	-	-	(10.0)	
351	17	Banking and Securities	Banking and Securities	Reduce excess federal authorization from the Rural Alaska Financial Education Grant Program .		1002		Fed Rcpts	(250.0)						1	0	0			-	-	-	(250.0)	(250.0)	
352	18	Community Development Quota Program	Community Development Quota Program	Delete excess authorization for CDQ program no longer administered by the State		1156		Rcpt Svcs	(57.6)						1	0	0			-	(57.6)	-	-	(57.6)	
353	19	Insurance Operations	Insurance Operations	Provide statutorily required notification to licensees and consumer protection		1156		Rcpt Svcs	200.0						1	0	0			-	200.0	-	-	200.0	
354	20	Corporations, Business and Professional Licensing	Corporations, Business and Professional Licensing	LFD: Replace one-time funding for Prescription Database approved in FY09 and approved as one-time funding in FY10		1002		Fed Rcpts	400.0						1	0	0			-	-	-	400.0	400.0	
355	21	Regulatory Commission of Alaska	Regulatory Commission of Alaska	Funding to provide the Power Cost Equalization rate determination		1007		I/A Rcpts	140.0						1	0	0			-	-	140.0	-	140.0	
356	22	Regulatory Commission of Alaska	Regulatory Commission of Alaska	ARRA State Electricity Regulations Assistance Program Increase		1212		Stimulus09	192.1						1	2	2			-	-	-	192.1	192.1	
357	23	Serve Alaska	Serve Alaska	Americorps federal American Recovery and Reinvestment Act (ARRA) funding SLA2009 CH17 P2 L19	Carry forward will be incorporated in a language lapse extension section in Full Finance.	1212		Stimulus09	200.0							0	0			-	-	-	-	-	
358																									
359	Governor's Amendments (Does not include the Dec 15th request)									Fund Code			250.0			0	0			125.0	500.0		(500.0)	125.0	
360	1	Community Assistance & Economic Development	Office of Economic Development	AMD: Governor Priority for Economic Development Outreach	This funding accepted on a one-time only basis, so the subcommittee can review the restructuring of the Office of Economic Development.	1004		Gen Fund	250.0						0.5	0	0			125.0	-	-	-	125.0	
361	2	Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute	AMD: Fund Source Change to Replace Reduced Federal Receipts with Receipt Supported Services		1002		Fed Rcpts	(500.0)						1	0	0			-	-	-	(500.0)	(500.0)	
362						1156		Rcpt Svcs	500.0						1	0	0			-	500.0	-	-	500.0	
363																									
364	Other Subcommittee Actions									Fund Code			900.0			0	0			900.0	0	0	0	0	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)					
326																									
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTP? Or Intent?		1,781.9	796.4	5,134.4	1,242.1	8,054.8	
329																	Governor's Original Request Accepted			756.9	296.4	5,134.4	1,742.1	7,929.8	
330	Department of Commerce, Community and Economic Development																Governor's Amendments Accepted			125.0	500.0	-	(500.0)	125.0	
331																	Subcommittee's Additions			900.0	-	-	-	-	
332		#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			7,513.7			4	3			756.9	296.4	5,134.4	1,742.1	7,929.8	
365		1	Corporations, Business & Professional Licensing	Corporations, Business & Professional Licensing	Revise Conditional Language	Due to the Budget Clarification Project, carrying forward Business License and Corporations revenue is no longer necessary. The Subcommittee removed this authorization from the Budget. (See attached Wordage report)														-	-	-	-	-	
366		4	Community Assistance & Economic Development	Community Advocacy	Alaska Legal Services grant					1004	Gen Fund		150.0							150.0	-	-	-	150.0	
367		5	Community Assistance & Economic Development	Community and Regional Affairs	Grant to Illisagvik for workforce development programs					1004	Gen Fund		500.0							500.0	-	-	-	500.0	
388		5	Alaska Energy Authority	Alternative Energy & Efficiency	Small-scale nuclear power feasibility research grant					1004	Gen Fund		250.0							250.0	-	-	-	250.0	

ALASKA STATE SENATE

SENATOR JOE THOMAS, CHAIR
SENATOR BETTYE DAVIS
SENATOR HOLLIS FRENCH

DEPARTMENT OF
LABOR & WORKFORCE DEVELOPMENT
SENATE FINANCE SUBCOMMITTEE

MEMO

Date: March 17, 2010

To: Senator Lyman Hoffman, Co-Chair
Senate Finance Committee

From: Senator Joe Thomas, Chair
Senator Bettye Davis
Senator Hollis French

Re: DOLWD FY11 Operating Budget – Subcommittee Report

Dept. of Labor & Workforce Development

The Senate Finance Subcommittee for the Department of Labor & Workforce Development submits an operating budget to the full Senate Finance Committee for FY11 as follows:

	FY10 Mgt Pln	FY11 Adj Base	Governor	Senate Subcom	House-Amds
Unrestricted GF	29,705.3	25,874.9	29,214.1	29,214.1	28,246.6
Designated GF	33,962.0	33,978.9	33,886.2	33,886.2	33,886.2
Other	26,370.2	26,400.5	26,620.5	26,620.5	26,620.5
Federal Funds	104,704.9	87,679.8	101,371.0	101,171.0	101,171.0
Total	**194,742.4**	**173,934.1**	**191,091.8**	**190,891.8**	**189,924.3**

Position Changes in DOLWD:

	FY10 Mgt Pln	FY11 Adj Base	Governor	Senate Subcom	House-Amds
PFTs	836	846	847	847	847
PPTs	129	117	117	117	117
Temps	29	20	22	22	22

January – May: State Capitol – Juneau, Alaska 99801 – (907) 465-2327 – 1 (800) 336-7383 – Fax (907) 465-5241
June – December: 1292 Sadler Way Ste 203 – Fairbanks, Alaska 99701 – (907) 456-8161 – Fax (907) 456-8163
Senator.Joe.Thomas@legis.state.ak.us

ALASKA STATE SENATE

SENATOR JOE THOMAS, CHAIR
SENATOR BETTYE DAVIS
SENATOR HOLLIS FRENCH

DEPARTMENT OF
LABOR & WORKFORCE DEVELOPMENT
SENATE FINANCE SUBCOMMITTEE

Budget Action:

The Senate Subcommittee recommends adopting the governor's budget recommendations for the Department of Labor and Workforce Development in FY11. The request is an austerity budget that allows the department to remain focused on critical workforce development initiatives while taking full advantage of federal revenue streams and maximizing outreach statewide.

- Differences from House Finance
  - $47.5 UGF for expanding training services. Department identified this as a priority, and requested a corresponding decrement to free up funding.
  - $750.0 Stimulus funds for labor market information improvement project. Sen. Subcommittee accepts the Governor's request for one-time funding but, because the funding is multi-year, we are not requiring the deletion of the PCNs.
  - $85.0 UGF for workforce development and education. Department identified this as a priority, and requested a corresponding decrement to free up funding.
  - $585.0 UGF for support of training and apprenticeships. Department identified this as a priority, and requested a corresponding decrement to free up funding.
  - $250.0 UGF for Construction Academy Training. Deletion of $250.0, coupled with an expected $400.0 decrease in federal funds would cripple the delivery of training in rural Alaska.
  - $83.6 ($41.8 federal receipts and $41.8 receipt supported services) for a grant writer for AVTEC in Seward. Lack of a trained grant writer has impacted federal funding to AVTEC in the past, and the department estimates that $3-5 million in grant funding may be available.

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ALASKA STATE SENATE

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SENATOR HOLLIS FRENCH

DEPARTMENT OF
LABOR & WORKFORCE DEVELOPMENT
SENATE FINANCE SUBCOMMITTEE

The subcommittee adopts the Legislative Finance Division reports attached.

1. Agency Totals – FY 2011 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (All Funds) – Senate Structure
4. Transaction Comparison – Senate Structure (Between ADJ Base and Sen Subcom)
5. Transaction Comparison – Senate Structure (Between GovAmds and Sen Subcom)
6. Transaction Comparison – Senate Structure (Between Hse and Sen Subcom)
7. Wordage Report – FY 2011 Operating Budget, Senate Structure
8. Senate Subcommittee Structure Changes for the Department of Labor
9. Legislative Intent Language regarding recipients of Alaska Technical and Vocational Education Program Account Funding

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June – December: 1292 Sadler Way Ste 203 – Fairbanks, Alaska 99701 – (907) 456-8161 – Fax (907) 456-8163
Senator.Joe.Thomas@legis.state.ak.us

Department of Labor and Workforce Development
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Governor	Senate Subcom	House-Amds	FY10 Mgt Pln to Senate		Adj Base to Senate Subcommittee		Governor to Senate Subcommittee	
Unrestricted GF	29,705.3	25,874.9	29,214.1	29,214.1	28,246.6	(491.2)	-1.7%	3,339.2	12.9%	-	0.0%
Designated GF	33,962.0	33,978.9	33,886.2	33,886.2	33,886.2	(75.8)	-0.2%	(92.7)	-0.3%	-	0.0%
Other	26,370.2	26,400.5	26,620.5	26,620.5	26,620.5	250.3	0.9%	220.0	0.8%	-	0.0%
Federal Funds	104,704.9	87,679.8	101,371.0	101,171.0	101,171.0	(3,533.9)	-3.4%	13,491.2	15.4%	(200.0)	-0.2%
Total	**194,742.4**	**173,934.1**	**191,091.8**	**190,891.8**	**189,924.3**	**(3,850.6)**	**-2.0%**	**16,957.7**	**9.7%**	**(200.0)**	**-0.1%**
Check (Enter #s from LFD reports)	194,742.4	173,934.1	191,091.8	190,891.8	189,924.3						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	63,667.3	59,853.8	63,100.3	63,100.3	62,132.8	(567.0)	-0.9%	3,246.5	5.4%	-	0.0%
Other	26,370.2	26,400.5	26,620.5	26,620.5	26,620.5	250.3	0.9%	220.0	0.8%	-	0.0%
Federal	104,704.9	87,679.8	101,371.0	101,171.0	101,171.0	(3,533.9)	-3.4%	13,491.2	15.4%	(200.0)	-0.2%
Positions (Enter position counts from LFD reports)											
PFTs	836	846	847	847	847	11.0	1.3%	1.0	0.1%	-	0.0%
PPTs	129	117	117	117	117	(12.0)	-9.3%	-	0.0%	-	0.0%
Temps	29	20	22	22	22	(7.0)	-24.1%	2.0	10.0%	-	0.0%
Total Positions	**994**	**983**	**986**	**986**	**986**						
Position Check (Should equal zero)				-							

Prepared by:	Joe Hardenbrook
Date:	17-Mar-10
Time	18:00
Status:	FINAL

Department of Labor and Workforce Development

													SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
													Unrestricted GF	Designated GF	Other State Funds	Federal	Total
													Total Subcommittee Changes				
												OTP or Item?	3,339.2	(92.7)	220.0	13,491.2	16,957.7
													Governor's Original Request Accepted				
													3,339.2	1,657.3	220.0	5,291.2	10,507.7
													Governor's Amendments Accepted				
													-	(1,750.0)	-	8,200.0	6,450.0
													Subcommittee's Additions				
													-	-	-	-	-
	#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.					Fund Code		16,310.4		3	3		3,339.2	1,657.3	220.0	5,291.2	10,507.7
	1	Commissioner and Administrative Services	Data Processing	Increase Federal Authorization for Unemployment Insurance Activities		1002	Fed Rcpts	750.0	1	0	0		-	-	-	750.0	750.0
	2	Commissioner and Administrative Services	Labor Market Information	Expand Training Services for Employment Data and Training Guide. A companion dec is requested in Emplmt & Trng Svs		1004	Gen Fund	47.5	1	0	0		47.5	-	-	-	47.5
	3	Commissioner and Administrative Services	Labor Market Information	Add One-Time ARRA Federal Authorization for a State Labor Market Information Improvement Project		1212	Stimulus09	750.0	1	2	2		-	-	-	750.0	750.0
	4	Workers' Compensation and Safety	Workers' Compensation	Restructure Workers' Comp Claims Process in Response to AK Supreme Court Decision & Upgrade 2 Investigator Positions		1157	Wrkrs Safe	85.5	1	0	0		-	85.5	-	-	85.5
	5	Workforce Development	Employment and Training Services	Federal Reed Act Funding will replace this GF. A companion increment is requested in the Workforce Investment Board comp		1004	Gen Fund	(85.0)	1	0	0		(85.0)	-	-	-	(85.0)

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE					
326																				(Shaded Cells are NOT Equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTP Or Intent?		3,339.2	(92.7)	220.0	13,491.2	16,957.7	
329																	Governor's Original Request Accepted			3,339.2	1,657.3	220.0	5,291.2	10,507.7	
330	Department of Labor and Workforce Development																Governor's Amendments Accepted			-	(1,750.0)	-	8,200.0	6,450.0	
331																	Subcommittee's Additions			-	-	-	-	-	
332		#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			16,310.4			3	3			3,339.2	1,657.3	220.0	5,291.2	10,507.7	
339		6	Workforce Development	Employment and Training Services	Federal Reed Act Funding will replace this GF. A companion increment is requested in the Labor Mkt Training Component					1004	Gen Fund		(47.5)		1	0	0			(47.5)	-	-	-	(47.5)	
340		7	Workforce Development	Employment and Training Services	Federal Reed Act Funding will replace this GF. A companion increment is requested in Business Services					1004	Gen Fund		(585.0)		1	0	0			(585.0)	-	-	-	(585.0)	
341		8	Workforce Development	Employment and Training Services	Add Federal Reed Act Authorization that Offsets Reduction to General Federal Authorization					1002	Fed Rcpts		948.3		1	0	0			-	-	-	948.3	948.3	
342		9	Workforce Development	Employment and Training Services	Decrement of General Funds in Employment and Training Services					1004	Gen Fund		(230.8)		1	0	0			(230.8)	-	-	-	(230.8)	
343		10	Workforce Development	Employment and Training Services	Add One-Time Carry Forward ARRA Federal Authorization for Employment and Re-Employment Services	Carry forward will be addressed in lapse extension LANGUAGE in Full Finance				1212	Stimulus09		1,750.0			0	0			-	-	-	-	-	
344		11	Workforce Development	Unemployment Insurance	Increase Federal Authorization to Align with Anticipated Grant Receipts					1002	Fed Rcpts		2,450.0		1	0	0			-	-	-	2,450.0	2,450.0	
345		12	Workforce Development	Unemployment Insurance	Add One-Time Carry Forward ARRA Federal Authorization for the Unemployment Insurance Program Enhancements	Carry forward will be addressed in lapse extension LANGUAGE in Full Finance				1212	Stimulus09		764.6			0	0			-	-	-	-	-	
346		13	Workforce Development	Unemployment Insurance	Add One-Time ARRA Federal Authorization for the Unemployment Insurance Program Development & Improvements					1212	Stimulus09		351.1		1	0	0			-	-	-	351.1	351.1	
347		14	Workforce Development	Adult Basic Education	Provide increased instruction for adult learners transitioning into apprenticeships and vocational education programs					1007	I/A Rcpts		250.0		1	0	0			-	-	250.0	-	250.0	
348		15	Workforce Development	Workforce Investment Board	Funding to support Workforce Development Activities. A companion decrement is included in the Employment & Trng Svcs comp					1004	Gen Fund		85.0		1	0	0			85.0	-	-	-	85.0	
349		16	Workforce Development	Business Services	Funds to support training and apprenticeships. A companion decrement was requested in Employ & Training Svcs					1004	Gen Fund		585.0		1	0	0			585.0	-	-	-	585.0	

Department of Labor and Workforce Development

																			SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
									Total Subcommittee Changes								OTP Or Interim?		3,339.2	(92.7)	220.0	13,491.2	16,957.7
									Governor's Original Request Accepted										3,339.2	1,657.3	220.0	5,291.2	10,507.7
									Governor's Amendments Accepted										-	(1,750.0)	-	8,200.0	6,450.0
									Subcommittee's Additions										-	-	-	-	-
	#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.								Fund Code		16,310.4				3	3			3,339.2	1,657.3	220.0	5,291.2	10,507.7
	17	Workforce Development	Business Services	Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees					1002	Fed Rcpts	0.6			1	0	0			-	-	-	0.6	0.6
									1212	Stimulus09	(0.6)			1	0	0			-	-	-	(0.6)	(0.6)
	18	Workforce Development	Business Services	Increase State Training and Employment Program Authorization to Provide Additional Training Opportunities to Alaskans					1054	STEP	1,089.9			1	0	0			-	1,089.9	-	-	1,089.9
	19	Workforce Development	Business Services	Add One-Time Carry Forward ARRA Federal Authorization for Workforce Training	Carry forward will be addressed in lapse extension LANGUAGE in Full Finance				1212	Stimulus09	2,778.1				0	0			-	-	-	-	-
	20	Workforce Development	Kotzebue Technical Center Operations Grant	Increase Alaska Technical Vocational Education Program Authorization to Align with Available Revenue					1151	VoTech Ed	86.1			1	0	0			-	86.1	-	-	86.1
	21	Workforce Development	Southwest Alaska Vocational and Education Center Operations Grant	Increase Alaska Technical Vocational Education Program Authorization to Align with Available Revenue					1151	VoTech Ed	28.7			1	0	0			-	28.7	-	-	28.7
	22	Workforce Development	Yuut Elitnaurviat, Inc. People's Learning Center Operations Grant	Increase Alaska Technical Vocational Education Program Authorization to Align with Available Revenue					1151	VoTech Ed	86.1			1	0	0			-	86.1	-	-	86.1
	23	Workforce Development	Northwest Alaska Career and Technical Center	Increase Alaska Technical Vocational Education Program Authorization to Align with Available Revenue					1151	VoTech Ed	28.7			1	0	0			-	28.7	-	-	28.7
	24	Workforce Development	Delta Career Advancement Center	Increase Alaska Technical Vocational Education Program Authorization to Align with Available Revenue					1151	VoTech Ed	28.7			1	0	0			-	28.7	-	-	28.7
	25	Workforce Development	New Frontier Vocational Technical Center	Increase Alaska Technical Vocational Education Program Authorization to Align with Available Revenue					1151	VoTech Ed	19.2			1	0	0			-	19.2	-	-	19.2
	26	Workforce Development	Construction Academy Training	Add General Funds to Continue Alaska Construction Academy Training					1004	Gen Fund	3,500.0			1	0	0			3,500.0	-	-	-	3,500.0

Department of Labor and Workforce Development

																			SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
									Total Subcommittee Changes								OTI? Or Intent?		3,339.2	(92.7)	220.0	13,491.2	16,957.7
									Governor's Original Request Accepted										3,339.2	1,657.3	220.0	5,291.2	10,507.7
									Governor's Amendments Accepted										-	(1,750.0)	-	8,200.0	6,450.0
									Subcommittee's Additions										-	-	-	-	-
	#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.									Fund Code		16,310.4				3	3			3,339.2	1,657.3	220.0	5,291.2	10,507.7
	27	Vocational Rehabilitation	Client Services	Delete Interagency Receipt Authorization no Longer Needed					1007	I/A Rcpts	(30.0)			1	0	0			-	-	(30.0)	-	(30.0)
	28	Vocational Rehabilitation	Client Services	Add One-Time Carry Forward ARRA Federal Authorization for Employment Services to Disabled Alaskans	Carry forward will be addressed in lapse extension LANGUAGE in Full Finance				1212	Stimulus09	460.0				0	0			-	-	-	-	-
	29	Vocational Rehabilitation	Independent Living Rehabilitation	Increase General Funds to Support Blind Services in Rural Communities					1004	Gen Fund	70.0			1	0	0			70.0	-	-	-	70.0
	30	Vocational Rehabilitation	Independent Living Rehabilitation	Add One-Time Carry Forward ARRA Federal Authorization for Employment Services to Disabled Alaskans	Carry forward will be addressed in lapse extension LANGUAGE in Full Finance				1212	Stimulus09	50.0				0	0			-	-	-	-	-
	31	Alaska Vocational Technical Center	Alaska Vocational Technical Center	Add 1 Full Time Grants Administrator Position (PCN 07-#014) to Pursue Non-General Funds to Support Operations					1002	Fed Rcpts	41.8			1	1	1			-	-	-	41.8	41.8
									1156	Rcpt Svcs	41.8			1	0	0			-	41.8	-	-	41.8
	32	Alaska Vocational Technical Center	Alaska Vocational Technical Center	Increase Alaska Technical Vocational Education Program Authorization to Align with Available Revenue					1151	VoTech Ed	162.6			1	0	0			-	162.6	-	-	162.6
Governor's Amendments (Does not include Dec 15th request)									Fund Code		6,650.0				0	0			-	(1,750.0)	-	8,200.0	6,450.0
	1	Workforce Development	Employment and Training Services	AMD: Decrease Training and Building Fund Authorization to Align with Anticipated Receipts					1049	Trng Bldg	(250.0)			1	0	0			-	(250.0)	-	-	(250.0)
	2	Workforce Development	Unemployment Insurance	AMD: Increase Federal Authorization to Align with Anticipated Grant Receipts					1002	Fed Rcpts	4,000.0			1	0	0			-	-	-	4,000.0	4,000.0
	3	Workforce Development	Unemployment Insurance	AMD: Add One-Time ARRA Federal Authorization for Unemployment Insurance Program Development and Improvements					1212	Stimulus09	600.0			1	0	0			-	-	-	600.0	600.0
	4	Workforce Development	Business Services	AMD: Add One-Time ARRA Federal Authorization for Alaska Energy Sector Partnership Grant					1212	Stimulus09	3,600.0			1	0	0			-	-	-	3,600.0	3,600.0
	5	Workforce Development	Business Services	AMD: Decrease State Training and Employment Program Authorization to Align with Planned Expenditures					1054	STEP	(1,500.0)			1	0	0			-	(1,500.0)	-	-	(1,500.0)

Department of Labor and Workforce Development

																			SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
									Total Subcommittee Changes								OTI? Or Intent?		3,339.2	(92.7)	220.0	13,491.2	16,957.7
									Governor's Original Request Accepted										3,339.2	1,657.3	220.0	5,291.2	10,507.7
									Governor's Amendments Accepted										-	(1,750.0)	-	8,200.0	6,450.0
									Subcommittee's Additions										-	-	-	-	-
	#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.								Fund Code		16,310.4				3	3			3,339.2	1,657.3	220.0	5,291.2	10,507.7
375	6	Vocational Rehabilitation	Client Services	AMD: Add One-Time Carry Forward ARRA Federal Authorization for Employment Services to Disabled Alaskans	There was an error in the Governor's amendment submission. This is really carryforward and will be addressed in lapse extension LANGUAGE in Full Finance				1002	Fed Rcpts	200.0				0	0			-	-	-	0	0
376																							
377	Other Subcommittee Actions								Fund Code		0				0	0			0	0	0	0	0
378	1	Workers' Compensation and Safety	All allocations	Budget Structure change	Labor's budget structure does not match the appropriation structure. This brings the appropriations and allocations in line with most of Labor's RDUs and components. (See attachment)						-			1		0			-	-	-	-	-
379	2	Workforce Development	All allocations	Budget Structure change	Labor's budget structure does not match the appropriation structure. This brings the appropriations and allocations in line with most of Labor's RDUs and components. (See attachment)						-			1		0			-	-	-	-	-
380	3	Department of Labor	Department of Labor	Intent Language	Senate Subcommittee included intent language that the Department and the AWIB assist recipients of TVEP funding in applying for federal grants. (See attached report)						-			1		0			-	-	-	-	-
381	3	Alaska Vocational Technical Center	Alaska Vocational Technical Center	Wordage change	This language ensures that contributions received by AVTEC are available for use by AVTEC. (See attached report)						-			1		0			-	-	-	-	-

Egan

Senate Finance Subcommittee

Sen. Dennis Egan
Subcommittee Chair

Subcommittee Members
Sen. Joe Paskvan
Sen. Fred Dyson

Alaska Court System

The Senate Finance Budget Subcommittee for the Alaska Court System submits an Operating Budget to the Senate Finance Committee for FY 11 as follows:

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amends
Unrestricted GF	87,211.3	89,963.4	95,315.8	90,902.2	93,024.9
Designated GF	-	-	-	-	517.3
Other	1,481.3	506.0	1,561.3	1,561.3	1,686.3
Federal Funds	1,675.6	1,675.6	1,675.6	1,675.6	1,675.6
Total	**90,368.2**	**92,145.0**	**98,552.7**	**94,139.1**	**96,904.1**
Positions					
PFTs	737	737	763	740	737
PPTs	47	47	47	46	47
Temps	22	22	22	22	22
Total Positions	**806**	**806**	**832**	**808**	**806**

The Subcommittee held five meetings with the court system and took the following actions:

Budget Action

The subcommittee accepted the Governor's amended proposal with the following adjustments:

- Denied requests in the appellate courts for workstations & furniture, and a staff attorney position upgrade.
- Denied a request for $278.0 to take control of the Nome federal building that houses the Nome court and other offices. The subcommittee notes a 2008 appropriation to begin work on a Nome State Office Building, and encourages the courts to pursue space therein.
- Reduced a request for $1,365.7 and 18 positions in Trial Courts to $400.0. This continues the legislature's multi-year phased approach to funding the 'No Dark Courtrooms' initiative. The Court System will use the funds to fill existing vacant positions.
- Approved $28.0 to upgrade a part-time position in Craig to full time. In the governor's request this upgrade was combined with $66.0 for a part time magistrate trainer, which was denied.
- Denied a request for $1,483.2 to implement a new geographic pay differential study. Court employees deserve this pay, but should receive it concurrently with other state employees.

- Denied $250.0 for computer replacements. The Court system should husband computing resources carefully.
- Reduced a request for $174.7 to increase pro-tem pay for retired judges to $50.0. When combined with internal savings the court system plans from Juneau courts, a significant increase should be possible.
- Denied a request for $499.1 to eliminate the vacancy savings requirement for judicial officers in trial courts. The trial courts have approximately 115 judicial officers statewide, and are capable of carrying the current vacancy factor.
- Denied a request for $125.0 to expand the custody mediation program.
- Denied a request for $125.0 to cover increased transcription costs for the Public Defender Agency, Department of Law, and Office of Public Advocacy. Please note the recommendation below.
- Reduced a request for $526.4 and six positions in administration and support to $119.0 and one position for the Multi-Agency Justice Integration Consortium.
- Refined the Judicial Council's request for funding to staff a Child Protection Commission by reallocating the funding among line items.

Recommendations

The subcommittee recommends the Senate Finance Committee aggregate all therapeutic courts funding in the court system's therapeutic courts allocation.

The subcommittee also recommends the Senate Finance Committee cover the cost of transcripts provided to state agencies in the appropriate agency budget, and give the court system receipt authority to bill for the service it provides.

Attached Reports (numbers only)

1. Agency Totals – FY 11 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd+ and Senate Subcom)
6. Wordage Report – FY 11 Operating Budget – Senate Structure
7. Transaction Comparison (House-Amds and Senate Subcom)

Respectfully submitted,

Senator Dennis Egan
Senate Subcommittee Chair
March 18th, 2010

Alaska Court System

All Dollars in Thousands

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend	Senate Subcom	House - Amends	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Governor to Senate Subcommittee	
Unrestricted GF	87,211.3	89,963.4	95,315.8	90,902.2	93,024.9	3,690.9	4.2%	938.8	1.0%	(4,413.6)	-4.6%
Designated GF	-	-	-	-	517.3	-	#DIV/0!	-	#DIV/0!	-	#DIV/0!
Other	1,481.3	506.0	1,561.3	1,561.3	1,686.3	80.0	5.4%	1,055.3	208.6%	-	0.0%
Federal Funds	1,675.6	1,675.6	1,675.6	1,675.6	1,675.6	-	0.0%	-	0.0%	-	0.0%
Total	**90,368.2**	**92,145.0**	**98,552.7**	**94,139.1**	**96,904.1**	**3,770.9**	**4.2%**	**1,994.1**	**2.2%**	**(4,413.6)**	**-4.5%**
Check (Enter #s from LFD reports)	90,368.2	92,145.0	98,552.7	94,139.1	96,904.1						
Should equal zero	-	-	-	-	-						

Prepared by:	Jesse Kiehl
Date:	3/17/2010
Time	14:00:00
Status:	Draft

Funding Summary

General Funds Total	87,211.3	89,963.4	95,315.8	90,902.2		3,690.9	4.2%	(4,413.6)	-4.6%	938.8	1.0%
Other	1,481.3	506.0	1,561.3	1,561.3		80.0	5.4%	-	0.0%	1,055.3	208.6%
Federal	1,675.6	1,675.6	1,675.6	1,675.6		-	0.0%	-	0.0%	-	0.0%

Positions (Enter position counts from LFD reports)

PFTs	737	737	763	740	737	3.0	0.4%	(23.0)	-3.0%	3.0	0.4%
PPTs	47	47	47	46	47	(1.0)	-2.1%	(1.0)	-2.1%	(1.0)	-2.1%
Temps	22	22	22	22	22	-	0.0%	-	0.0%	-	0.0%
Total Positions	**806**	**806**	**832**	**808**	**806**						
Position Check (Should equal zero)				-							

Alaska Court System

Total Subcommittee Changes	OTI? Or Item?	SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request) Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Original Request Accepted		938.8	-	1,055.3	-	1,994.1
Governor's Amendments Accepted		[redacted]	-	1,055.3	-	1,994.1
Subcommittee's Additions		-	-	-	-	-
		-	-	-	-	-

#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Item?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					**Fund Code**		**6,407.7**		**26**	**2**		**938.8**	-	**1,055.3**	-	**1,994.1**
1	Alaska Court System	Appellate Courts	Court of Appeals Staff Attorney	Personal services requests are subject to strict scrutiny.	1004	Gen Fund	20.9	0	0	0		[redacted]	-	-	-	[redacted]
2	Alaska Court System	Appellate Courts	Travel for Juneau-Based Chief Justice	The Chief Justice has constitutional duties to administer the court system.	1004	Gen Fund	9.4	1	0	0		9.4	-	-	-	9.4
3	Alaska Court System	Appellate Courts	Elimination of Vacancy Savings Requirement for Judicial Positions	Appellate Courts have very few judicial officers and low turnover is expected.	1004	Gen Fund	75.2	1	0	0		75.2	-	-	-	75.2
4	Alaska Court System	Appellate Courts	Workstations, Office Equipment, and Replacement Furniture	Not a high priority.	1004	Gen Fund	67.8	0	0	0		[redacted]	-	-	-	[redacted]
5	Alaska Court System	Trial Courts	Assume ownership of Nome court facility from Feds	The federal facility has deferred maintenance issues. A Nome State Office Building is preferred.	1004	Gen Fund	278.8	0	0	0		[redacted]	-	-	-	[redacted]
6	Alaska Court System	Trial Courts	Fully fund No Dark Courtrooms statewide initiative to ensure adequate staffing for court proceedings	Continue phased funding. The Court System should use existing vacant positions	1004	Gen Fund	1,365.7	0.2929	18	[redacted]		400.0	-	-	-	400.0
7	Alaska Court System	Trial Courts	New Positions to Improve Services in Craig (First District) and Anchorage (Third District)	Personal services requests are subject to strict scrutiny. The Craig court has seen a significant, sustained increase in felony filings.	1004	Gen Fund	94.0	0.298	1	[redacted]		28.0	-	-	-	28.0

Alaska Court System

																							SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)				
																							Unrestricted GF	Designated GF	Other State Funds	Federal	Total
																		Total Subcommittee Changes				OTI? Or Intent?	938.8	-	1,055.3	-	1,994.1
																		Governor's Original Request Accepted					938.8	-	1,055.3	-	1,994.1
																		Governor's Amendments Accepted					-	-	-	-	-
																		Subcommittee's Additions					-	-	-	-	-
	#	Appropriation	Allocation	Description	Subcommittee Notes			Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs		Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	Governor's Increments, Decrements, and Fund Changes.							Fund Code		6,407.7				26	2		938.8	-	1,055.3	-	1,994.1
	8	Alaska Court System	Trial Courts	Update Geographic Differential for Non-Judicial Employees for Parity with SU and GGU contracts	Court employees should receive funding concurrently with all other state employees.			1004	Gen Fund	1,483.2			0	0	0		[redacted]	-	-	-	[redacted]
	9	Alaska Court System	Trial Courts	Telephone and Teleconferencing Services Due to an Increase in Rates for Instate Calls (No More Prepaid Calling Cards)	Essential cost of running the system			1004	Gen Fund	98.0			1	0	0		98.0	-	-	-	98.0
	10	Alaska Court System	Trial Courts	Life Cycle Replacement of Computer Systems	Base funding is adequate.			1004	Gen Fund	250.0			0	0	0		[redacted]	-	-	-	[redacted]
	11	Alaska Court System	Trial Courts	Pro Tem Pay Increase ($30 per hour to $75 per hour) for Retired Judges Providing Court Coverage	Phased approach to this equity issue.			1004	Gen Fund	174.7			0.286	0	0		[redacted]	-	-	-	[redacted]
	12	Alaska Court System	Trial Courts	Language Interpreter Center Support for Training and Provision of Qualified Interpreters	This is a cost-efficient approach to providing essential services.			1004	Gen Fund	25.0			1	0	0		25.0	-	-	-	25.0
	13	Alaska Court System	Trial Courts	Galena and Chevak Leased Space Increases	Additional space is justified.			1004	Gen Fund	99.2			1	0	0		99.2	-	-	-	99.2
	14	Alaska Court System	Trial Courts	Increased Funding for Family Law Self-Help Center (FLSHC)	FLSHC promotes efficient operation of the court system and access to justice for families who can't afford an attorney.			1007	I/A Rcpts	100.0			1	1	1		-	-	100.0	-	100.0
	15	Alaska Court System	Trial Courts	Elimination of Vacancy Savings Requirement for Judicial Positions	The legislature has already reduced judicial vacancy underfunding in Trial Courts to a manageable level.			1004	Gen Fund	499.1			0	0	0		[redacted]	-	-	-	[redacted]
	16	Alaska Court System	Trial Courts	Increase for Custody Mediation Program due to Increase in Referrals and Limited Federal Grant Funds	While admirable, the program is not of high enough priority to justify GF for expansion.			1004	Gen Fund	125.0			0	0	0		[redacted]	-	-	-	[redacted]
	17	Alaska Court System	Trial Courts	Transcripts Costs for Criminal Proceedings due to Increased Case Loads and Inconsistencies with Federal Court Rates	Recommend full committee reduce GF by $297.0, adding $422.0 I/A. Recommend adding $44.2 to Law, $185.7 to OPA, & $194.1 to PD.			1004	Gen Fund	125.0			0	0	0		[redacted]	-	-	-	[redacted]
	18	Alaska Court System	Administration and Support	New Positions to Improve Services in Administration	Funding approved for MAJIC position. Other personal services requests are subject to strict scrutiny.			1004	Gen Fund	526.4			0.226	6	[redacted]		[redacted]	-	-	-	[redacted]
	19	Alaska Court System	Therapeutic Courts	MH Trust: Dis Justice - Grant 1938.02 Treatment funding for therapeutic court participants	Therapeutic Courts are a high priority.			1092	MHTAAR	500.0			1	0	0		-	-	500.0	-	500.0
	20	Alaska Court System	Therapeutic Courts	MH Trust: Dis Justice - Grant 1934.02 Fairbanks Juvenile Therapeutic Court	Therapeutic Courts are a high priority.			1092	MHTAAR	245.9			1	0	0		-	-	245.9	-	245.9

[redacted] [redacted] [redacted]

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE (Shaded Cells are NOT Equal to the Governor's Budget Request)					
326																									
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTI? Or Intent?		938.8	-	1,055.3	-	1,994.1	
329										Governor's Original Request Accepted										[redacted]938.8]	-	1,055.3	-	1,994.1	
330	Alaska Court System									Governor's Amendments Accepted										-	-	-	-	-	
331										Subcommittee's Additions										-	-	-	-	-	
332	#	Appropriation	Allocation	Description		Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			6,407.7			26	2			938.8	-	1,055.3	-	1,994.1	
354	21	Alaska Court System	Therapeutic Courts	MH Trust: Dis Justice - Grant 1935.02 Mental Health Court Expansion-targeted communities		Therapeutic Courts are a high priority.				1092		MHTAAR	204.4		1	0	0			-	-	204.4	-	204.4	
355	22	Alaska Court System	Therapeutic Courts	MH Trust: Dis Justice - Grant 567.05 Access to timely neuropsychiatric evaluations		Therapeutic Court services are a high priority.				1092		MHTAAR	5.0		1	0	0			-	-	5.0	-	5.0	
356	23	Commission on Judicial Conduct	Commission on Judicial	Vacancy Underfunding at 0%		A two person agency cannot justifiably carry a vacancy factor.				1004		Gen Fund	10.0		1	0	0			10.0	-	-	-	10.0	
357	24	Judicial Council	Judicial Council	Child Protection Commission Staffing		Justified.				1004		Gen Fund	25.0		1	0	0			25.0	-	-	-	25.0	

Senate Finance Subcommittee

Sen. Dennis Egan
Subcommittee Chair

Subcommittee Members
Sen. Gary Stevens
Sen. Bettye Davis
Sen. Linda Menard
Sen. Kevin Meyer

Department of Education & Early Development

The Senate Finance Budget Subcommittee for the Department of Education & Early Development submits an Operating Budget to the Senate Finance Committee for FY 11 as follows:

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend+	Senate Subcom	House - Amds
Unrestricted GF	55,618.3	53,447.4	55,892.3	56,492.3	56,672.3
Designated GF	14,478.3	14,478.3	12,279.6	12,279.6	12,279.6
Other	20,785.8	20,786.5	22,546.1	22,546.1	22,546.1
Federal Funds	293,373.6	214,960.3	215,030.3	215,030.3	215,030.3
Total	**384,256.0**	**303,672.5**	**305,748.3**	**306,348.3**	**306,528.3**
Positions					
PFTs	332	330	334	334	334
PPTs	15	13	13	13	13
Temps	3	3	3	3	3
Total Positions	**350**	**346**	**350**	**350**	**350**

The Subcommittee held four meetings with the department and took the following actions:

Budget Action

Accepted the Governors amended proposal with the following adjustments:

- Deferred carryforward authorization for American Recovery and Reinvestment Act funds to the full Finance Committee.

- Created a new allocation in Teaching and Learning Support for the "State System of Support." This allocation contains resources the state dedicates to helping low-performing districts and those districts failing to make Adequate Yearly Progress.

- Transferred the funds ($508.4 GF) and positions (3PFT) appropriated as a result of SB 285 in the 25th Legislature, along with $824.2 appropriated in FY 10 out of Executive Administration into the new allocation.
- Granted $291.7 and three positions requested by the governor to hire content specialists in reading, writing, and mathematics, but placed the funds and positions in the new allocation.

- Added $600.0 to the grants line in Early Learning Coordination for the department to allocate between Best Beginnings and the Parents as Teachers program. The subcommittee recommends the following intent language:

  It is the intent of the legislature that this funding be granted by the Department in the manner the Department determines will most effectively enhance pre-kindergarten educational development to: Best Beginnings for its early education, partnership grant and Imagination Library efforts; and/or to existing providers of Parents as Teachers pre-kindergarten efforts.

Attached Reports (numbers only)

1. Agency Totals – FY 11 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd+ and Senate Subcom)
6. Wordage Report – FY 11 Operating Budget – Senate Structure
7. Transaction Comparison (House-Amds and Senate Subcom)

Respectfully submitted,

Senator Dennis Egan
Senate Subcommittee Chair
March 17th, 2010

Department of Education and Early Development
All Dollars in Thousands
(Numbers Only)

	FY10 Mgt Pln	FY11 Adj Base	Gov Amend+	Senate Subcom	House - Amds	FY10 Mgt Pln to Senate Subcommittee		Adj Base to Senate Subcommittee		Gov Amend to Senate Subcommittee	
Unrestricted GF	55,618.3	53,447.4	55,892.3	56,492.3	56,672.3	874.0	1.6%	3,044.9	5.7%	600.0	1.1%
Designated GF	14,478.3	14,478.3	12,279.6	12,279.6	12,279.6	(2,198.7)	-15.2%	(2,198.7)	-15.2%	-	0.0%
Other	20,785.8	20,786.5	22,546.1	22,546.1	22,546.1	1,760.3	8.5%	1,759.6	8.5%	-	0.0%
Federal Funds	293,373.6	214,960.3	215,030.3	215,030.3	215,030.3	(78,343.3)	-26.7%	70.0	0.0%	-	0.0%
Total	**384,256.0**	**303,672.5**	**305,748.3**	**306,348.3**	**306,528.3**	**(77,907.7)**	**-20.3%**	**2,675.8**	**0.9%**	**600.0**	**0.2%**
Check (Enter #s from LFD reports)	384,256.0	303,672.5	305,748.3	306,348.3	306,528.3						
Should equal zero	-	-	-	-	-						
Funding Summary											
General Funds Total	70,096.6	67,925.7	68,171.9	68,771.9	68,951.9	(1,324.7)	-1.9%	846.2	1.2%	600.0	0.9%
Other	20,785.8	20,786.5	22,546.1	22,546.1	22,546.1	1,760.3	8.5%	1,759.6	8.5%	-	0.0%
Federal	293,373.6	214,960.3	215,030.3	215,030.3	215,030.3	(78,343.3)	-26.7%	70.0	0.0%	-	0.0%
Positions (Enter position counts from LFD reports)											
PFTs	332	330	334	334	334	2.0	0.6%	4.0	1.2%	-	0.0%
PPTs	15	13	13	13	13	(2.0)	-13.3%	-	0.0%	-	0.0%
Temps	3	3	3	3	3	-	0.0%	-	0.0%	-	0.0%
Total Positions	**350**	**346**	**350**	**350**	**350**						
Position Check (Should equal zero)				-							

Prepared by:	Jesse Kiehl
Date:	3/17/2010
Time	12:15 p.m.
Status:	FINAL

Department of Education and Early Development

Total Subcommittee Changes	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
	3,044.9	(2,198.7)	1,759.6	70.0	2,675.8
Governor's Original Request Accepted	2,083.2	(2,198.7)	359.6	70.0	314.1
Governor's Amendments Accepted	70.0	-	1,400.0	-	1,470.0
Subcommittee's Additions	891.7	-	-	-	891.7

#	Appropriation	Allocation	Description	Subcommittee Notes	Funding Information			Funding Multiplier	Gov PCNs	Sen PCNs	OTI? Or Intent?	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Governor's Increments, Decrements, and Fund Changes.					**Fund Code**		**64,955.8**		**4**	**4**		**2,083.2**	**(2,198.7)**	**359.6**	**70.0**	**314.1**
1	K-12 Support	Foundation Program	Age-4 Pre-K Program	Sustained funding allows Pre-K partners to plan ahead and improve student outcomes.	1004	Gen Fund	2,000.0	1	0	0		2,000.0	-	-	-	2,000.0
2	K-12 Support	Foundation Program	Public School Trust Fund Decrement	Technical/accounting transaction	1066	Pub School	(2,237.0)	1	0	0		-	(2,237.0)	-	-	(2,237.0)
3	K-12 Support	Special Schools	School for the Deaf Pupil Transportation Services from Mat-Su	Mandatory expense	1004	Gen Fund	180.0	1	0	0		180.0	-	-	-	180.0
4	K-12 Support	Special Schools	Adjustment to Special Education Service Agency (SESA) Calculation	Technical/accounting transaction	1004	Gen Fund	(4.5)	1	0	0		(4.5)	-	-	-	(4.5)
5	K-12 Support	Alaska Challenge Youth Academy	Alaska Challenge Youth Academy - Formula Decrease	Temporary enrollment decline and increased federal funding. This decrement is unlikely to be sustainable.	1004	Gen Fund	(602.3)	1	0	0		(602.3)	-	-	-	(602.3)
6	Education Support Services	Executive Administration	Add 3 PFT Content Specialists for Math, Science, and Reading	See structure change	1004	Gen Fund	291.7	0	3	0		[redacted]	-	-	-	[redacted]
7	Education Support Services	Administrative Services	Interagency Receipt Authority To Support Procurement Officer	No increased appropriation.	1007	I/A Rcpts	93.0	1	0	0		-	-	93.0	-	93.0
8	Teaching and Learning Support	Student and School Achievement	Alaska Technical and Vocational Education Program Funding (TVEP)	Vocational ed funding increased due to prior legislative action.	1151	VoTech Ed	38.3	1	0	0		-	38.3	-	-	38.3
9	Teaching and Learning Support	Student and School Achievement	Title IID ARRA Funding SLA2009 Ch17 Sec1 P2Ln25 (Lapses 6/30/2010)	Carryforward will be addressed in lapse extension LANGUAGE in Full Finance	1212	Stimulus09	3,000.0	0	0	0		-	-	-	[redacted]	[redacted]
10	Teaching and Learning Support	Student and School Achievement	Title 1-A ARRA Funding SLA2009 Ch17 Sec1 P2Ln25 (Lapses 6/30/2010)	Carryforward will be addressed in lapse extension LANGUAGE in Full Finance	1212	Stimulus09	34,100.0	0	0	0		-	-	-	[redacted]	[redacted]

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE					
326																				(Shaded Cells are NOT Equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328										Total Subcommittee Changes								OTI? Or Intent?		3,044.9	(2,198.7)	1,759.6	70.0	2,675.8	
329										Governor's Original Request Accepted										2,083.2	(2,198.7)	359.6	70.0	314.1	
330	Department of Education and Early Development									Governor's Amendments Accepted										70.0	-	1,400.0	-	1,470.0	
331										Subcommittee's Additions										891.7	-	-	-	891.7	
332		#	Appropriation	Allocation	Description	Subcommittee Notes				Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs			Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's Increments, Decrements, and Fund Changes.									Fund Code			64,955.8			4	4			2,083.2	(2,198.7)	359.6	70.0	314.1	
344		11	Teaching and Learning Support	Student and School Achievement	MH Trust: Gov Cncl - Grant 180.06 AK Autism Resource Ctr/Ctr for Training, Resources & Parent Support	High priority program		1092	MHTAAR	212.0		1	0	0		-	-	212.0	-	212.0	
345		12	Teaching and Learning Support	Student and School Achievement	McKinney-Vento ARRA Funding SLA2009 Ch17 Sec1 P2Ln25 (Lapses 6/30/2010)	Carryforward will be addressed in lapse extension LANGUAGE in Full Finance		1212	Stimulus09	200.0		0	0	0		-	-	-	[redacted]	[redacted]	
346		13	Teaching and Learning Support	Student and School Achievement	IDEA Part B ARRA Funding SLA2009 Ch17 Sec1 P2Ln25 (Lapses 6/30/2010)	Carryforward will be addressed in lapse extension LANGUAGE in Full Finance		1212	Stimulus09	27,000.0		0	0	0		-	-	-	[redacted]	[redacted]	
347		14	Teaching and Learning Support	Child Nutrition	National School Lunch Program ARRA Funding SLA2009 Ch17 Sec1 P2Ln27 (Lapses 6/30/2010)	Carryforward will be addressed in lapse extension LANGUAGE in Full Finance		1212	Stimulus09	50.0		0	0	0		-	-	-	[redacted]	[redacted]	
348		15	Teaching and Learning Support	Early Learning Coordination	Best Beginnings One-Time Item - Imagination Library Initiative and Development of Local Early Childhood Councils			1004	Gen Fund	200.0		1	0	0		200.0	-	-	-	200.0	
349		16	Commissions and Boards	Alaska State Council on the Arts	National Endowment for the Arts Grant Award Increase	Federal funding without additional match.		1002	Fed Rcpts	70.0		1	0	0		-	-	-	70.0	70.0	
350		17	Mt. Edgecumbe Boarding School	Mt. Edgecumbe Boarding School	Add 1 PFT Music Teacher and Interagency Receipt Funding	No increased appropriation.		1007	I/A Rcpts	54.6		1	1	1		-	-	54.6	-	54.6	
351		18	Alaska Postsecondary Education Commission	WWAMI Medical Education	Contractual Increase for WWAMI Program Expansion	Final year of implementing legislative action.		1004	Gen Fund	310.0		1	0	0		310.0	-	-	-	310.0	
352																									
353	Governor's Amendments (Does not include the Dec 15th request)									Fund Code			1,470.0			0	0			70.0	-	1,400.0	-	1,470.0	
354		1	Teaching and Learning Support	Student and School Achievement	AMD: To Mt. Edgecumbe Boarding School for Technical Adjustment Aligning and Accurately Allocating SDPR Authority	Technical/accounting transaction		1108	Stat Desig	(170.0)		1	0	0		-	-	(170.0)	-	(170.0)	
355		2	Mt. Edgecumbe Boarding School	Mt. Edgecumbe Boarding School	AMD: Line Item Transfer to Align and Accurately Allocate General Fund Authority	Technical/accounting transaction		0		-		1	0	0		-	-	-	-	-	
356		3	Mt. Edgecumbe Boarding School	Mt. Edgecumbe Boarding School	AMD: From Student and School Achievement for Technical Adjustment Aligning and Accurately Allocating SDPR Authority	Technical/accounting transaction		1108	Stat Desig	170.0		1	0	0		-	-	170.0	-	170.0	
357		4	Mt. Edgecumbe Boarding School	Mt. Edgecumbe Boarding School	AMD: Technical Adjustment to Align and Accurately Allocate Interagency Receipt Authority	Technical/accounting transaction		1007	I/A Rcpts	1,400.0		1	0	0		-	-	1,400.0	-	1,400.0	
358		5	State Facilities Maintenance	EED State Facilities Rent	AMD: Additional Funding for Increased Alaska State Council on the Arts Lease Costs	Lease cost is justified.		1004	Gen Fund	70.0		1	0	0		70.0	-	-	-	70.0	

	A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S	T	U	V	W	X	Y
325																				SUBCOMMITTEE					
326																				(Shaded Cells are NOT Equal to the Governor's Budget Request)					
327																				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
328												Total Subcommittee Changes								3,044.9	(2,198.7)	1,759.6	70.0	2,675.8	
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330	Department of Education and Early Development											Governor's Amendments Accepted							OTI? Or Intent?	70.0	-	1,400.0	-	1,470.0	
331												Subcommittee's Additions								891.7	-	-	-	891.7	
332	#	Appropriation	Allocation	Description		Subcommittee Notes			Funding Information					Funding Multiplier	Gov PCNs	Sen PCNs				Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
333	Governor's increments, Decrements, and Fund Changes.								Fund Code				64,955.8		4	4				2,083.2	(2,198.7)	359.6	70.0	314.1	
359																									
360	Other Subcommittee Actions								Fund Code				891.7		0	3				891.7	-	-	3	891.7	
361	1	Teaching and Learning Support	State System of Support	Structure change -- Add NEW ALLOCATION within the Teaching and Learning Support Appropriation									-		1	0				-	-	-	-	-	
362	2	Education Support Services	Executive Administration	Transfer out funding/positions for district interventions/ support to new allocation State System of Support within Teaching and Learning Support Appropriation		Transfer out $508.4 GF for ongoing expenses and 3 PFTs associated with the fiscal note for SB 285 (Ch. 70, SLA08) and transfer $824.2 GF of FY10 base funding for contract special services aimed at district/school improvement in Math, Science, Arts, IT, Culture and Social Studies, as well as funding to implement school improvement plans and district interventions on a statewide basis. (related to Item 3 - Other Subcommittee Action)			1004	Gen Fund	(1,332.6)		1		-3			(1,332.6)	-	-	-	(1,332.6)	
363	3	Teaching and Learning Support	State System of Support	Transfer in funding/positions for district interventions/ support from Executive Administration within the Education Support Services Appropriation		Transfer in $1,332.6 total and 3 PFTs from Executive Administration (related to Item 2 - Other Subcommittee Action)			1004	Gen Fund	1,332.6		1		3			1,332.6	-	-	-	1,332.6	
364	4	Teaching and Learning Support	State System of Support	Add 3 PFT Content Specialists for Math, Science, and Reading					1004	Gen Fund	291.7		1		3			291.7	-	-	-	291.7	
365	5	Teaching and Learning Support	Early Learning Coordination	Additional Funding for Best Beginnings and/or to existing providers of Parents as Teachers pre-kindergarten efforts					1004	Gen Fund	600.0		1		0	0		600.0					600.0	

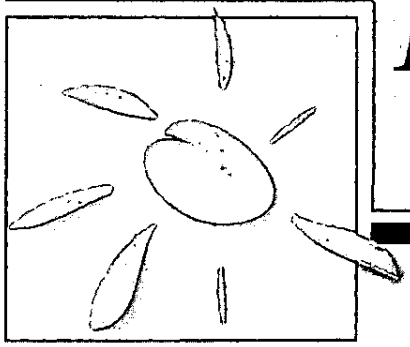
HB 300/302 PUBLIC TESTIMONY & HANDOUTS

<target><bill>HB 300</bill><subject>HB 300-302 PUBLIC TESTIMONY and HANDOUTS</subject><comm>SFIN26</comm></target>

Private, not-for-profit customer-centered clinics improving the lives of Alaskans

Community Health Centers

An Essential Resource for Alaskans



2010 edition

Community Health Centers

Deliver High Quality, Cost-Effective Access to Alaskans

WHAT IS A COMMUNITY HEALTH CENTER?

Governed by a Community Board

- 51% of board are patients
- Not-for-profit organizations
- Local governments or
- Tribal organizations

CHCs are open to all regardless of insurance status or ability to pay

- Offer sliding fee scale to those without coverage or with inadequate coverage
- Accept Medicare
- Accept Medicaid
- Accept private insurance

The CHC network in Alaska is statewide

- 26 CHCs
- 142 clinic delivery sites
- Over 81,000 patients
- 369,398 patient visits
- 978 clinic employees

CHCs have received the highest rating possible for cost effectiveness, quality, and efficiency at expectmore.gov by the U.S. Office of Management and Budget.

Health Value

- High quality care by highly qualified providers
- Positive health outcomes for individuals, communities and Alaska

Societal Value

- Open to all regardless of insurance status or ability to pay
- Health care homes for those who otherwise would not have one
- Individual responsibility fostered via case management and sliding fee scale
- Promote healthy and productive communities

Economic Value

- 41% lower medical costs for CHC patients compared to patients seen elsewhere, according to national studies
- 10-33% lower Medicaid expenditures estimated for patients who use CHCs as medical homes, according to studies in other states
- Reduced ER use for non-emergency care
- Alaska's CHCs generate $145 million annually in economic benefits

DID YOU KNOW?

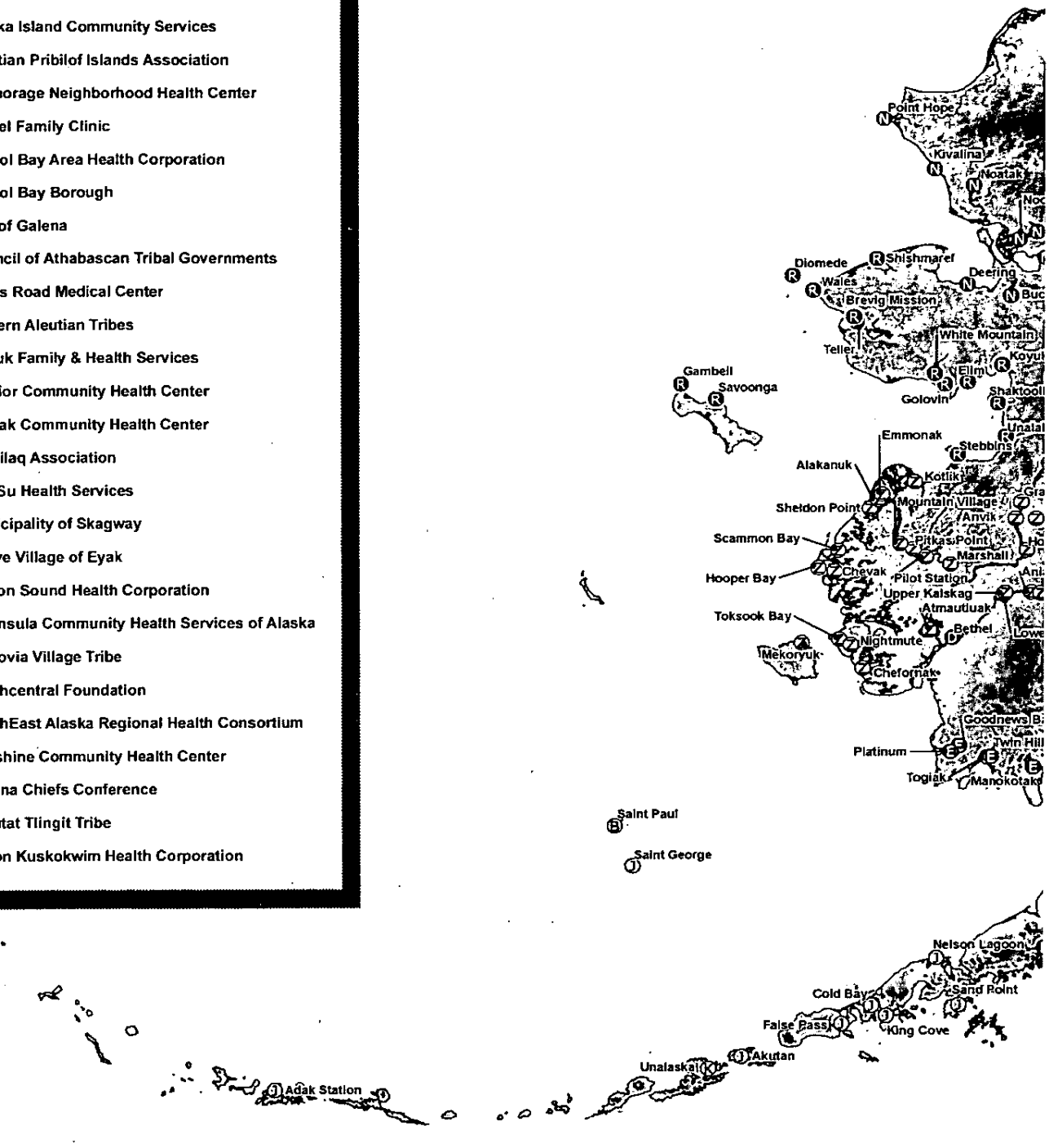
CHCs in Alaska served more than 81,200 patients in 2009

3479

CHC Delivery Sites in Alaska

LEGEND

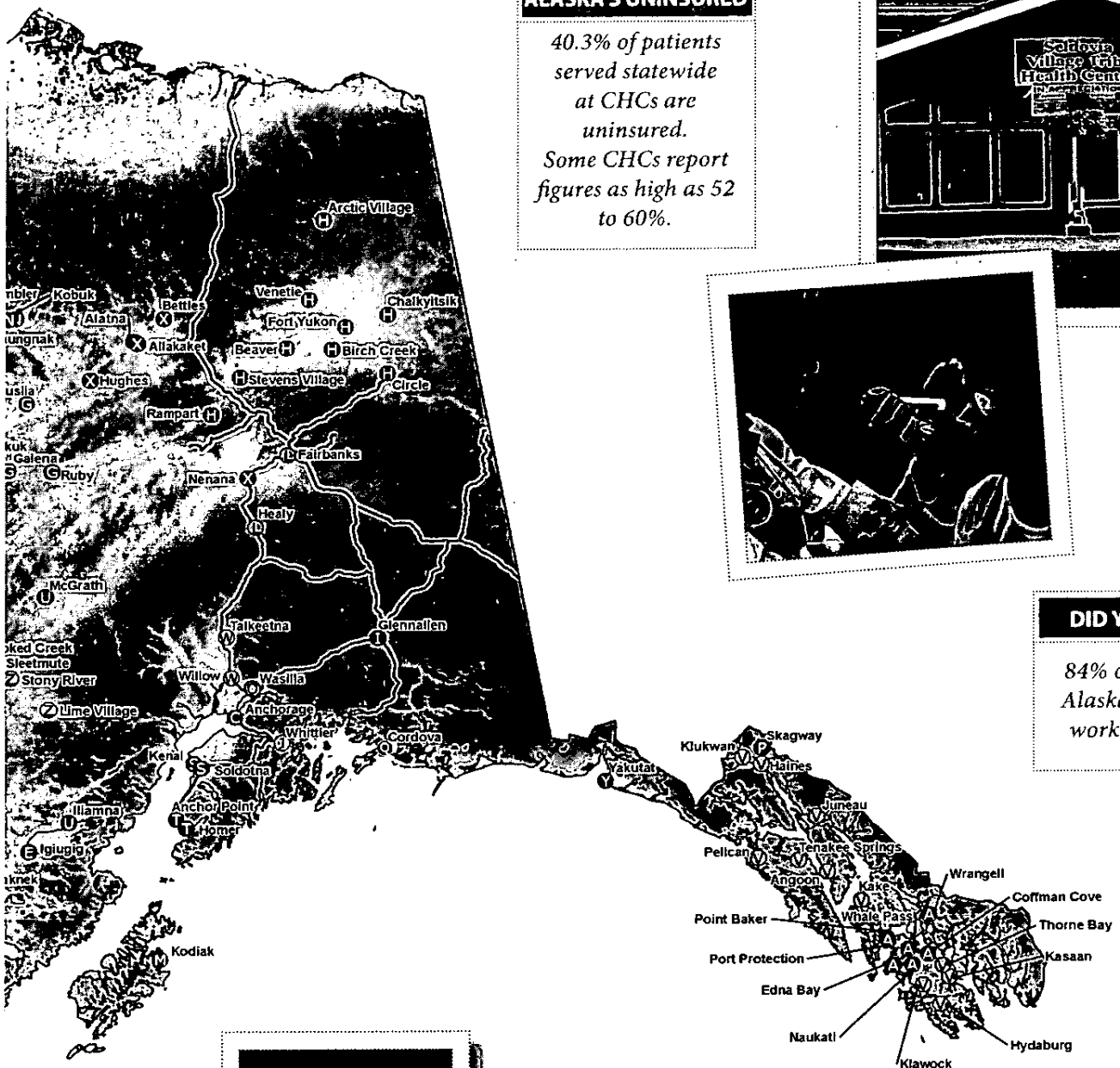
- (A) Alaska Island Community Services
- (B) Aleutian Pribilof Islands Association
- (C) Anchorage Neighborhood Health Center
- (D) Bethel Family Clinic
- (E) Bristol Bay Area Health Corporation
- (F) Bristol Bay Borough
- (G) City of Galena
- (H) Council of Athabascan Tribal Governments
- (I) Cross Road Medical Center
- (J) Eastern Aleutian Tribes
- (K) Iliuliuk Family & Health Services
- (L) Interior Community Health Center
- (M) Kodiak Community Health Center
- (N) Maniilaq Association
- (O) Mat-Su Health Services
- (P) Municipality of Skagway
- (Q) Native Village of Eyak
- (R) Norton Sound Health Corporation
- (S) Peninsula Community Health Services of Alaska
- (T) Seldovia Village Tribe
- (U) Southcentral Foundation
- (V) SouthEast Alaska Regional Health Consortium
- (W) Sunshine Community Health Center
- (X) Tanana Chiefs Conference
- (Y) Yakutat Tlingit Tribe
- (Z) Yukon Kuskokwim Health Corporation



Providing Primary Care Statewide

ALASKA'S UNINSURED

40.3% of patients served statewide at CHCs are uninsured. Some CHCs report figures as high as 52 to 60%.



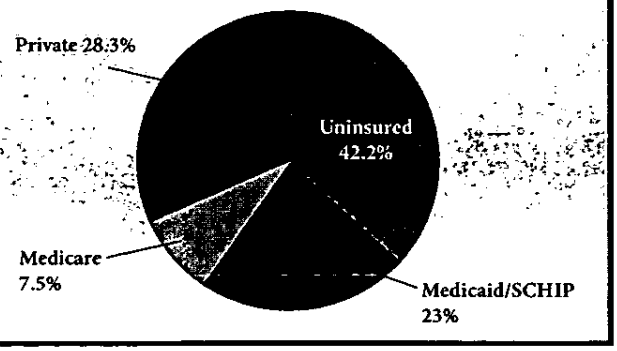
DID YOU KNOW?

84% of uninsured Alaskans are from working families

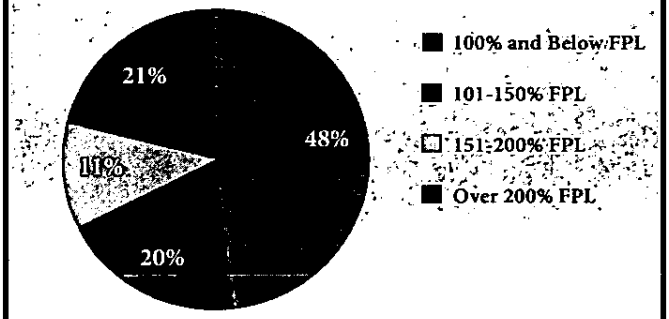
"Folks, I can't urge you enough to see these Health Centers in Alaska...they can be an answer to your prayers."
-Bill, Alaskan CHC patient

Serving People and Places the Market Doesn't Reach

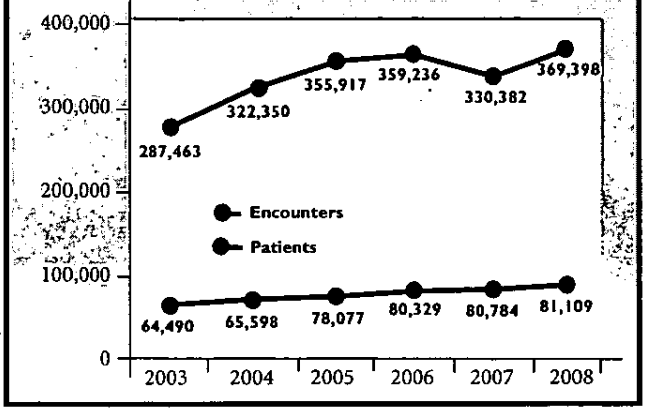
Most Alaska CHC Patients are Uninsured or Publicly Insured



CHC Patient Income as Percent of the Federal Poverty Level



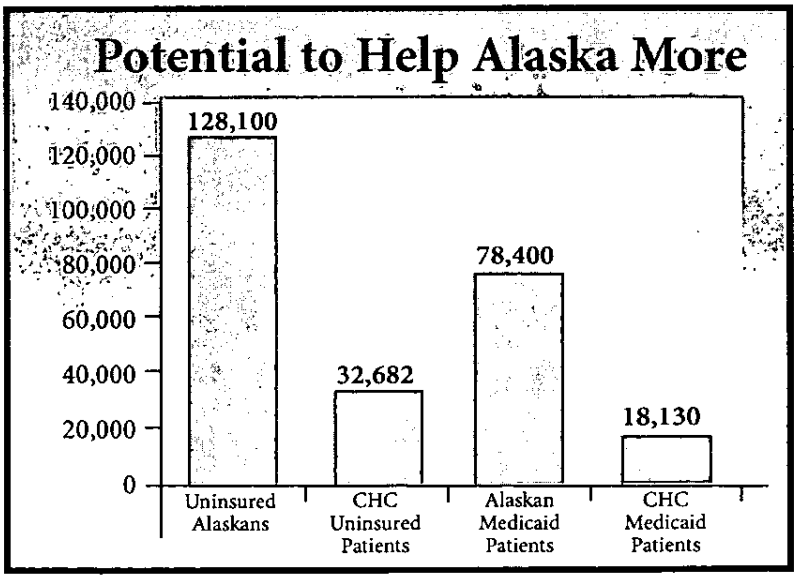
CHC Patients and Encounters



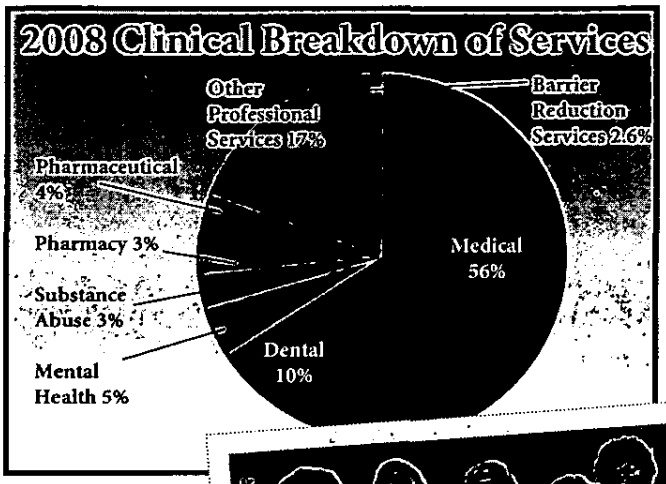
POSITIONED TO HELP

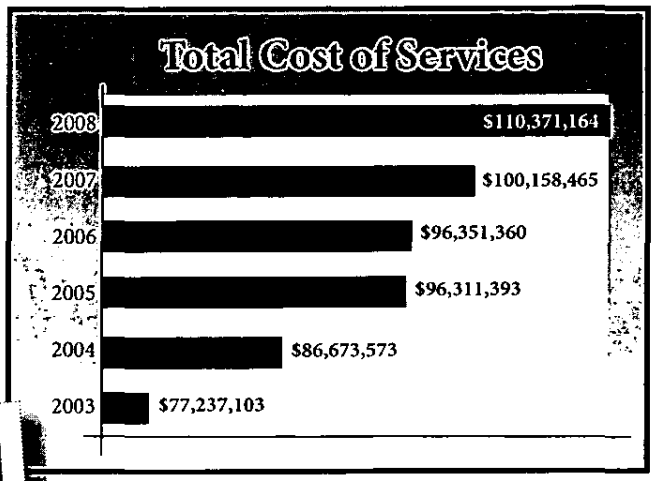
CHCs reach some of Alaska's uninsured, Medicaid and Medicare populations. With outreach and state support, they could serve even more.

Potential to Help Alaska More



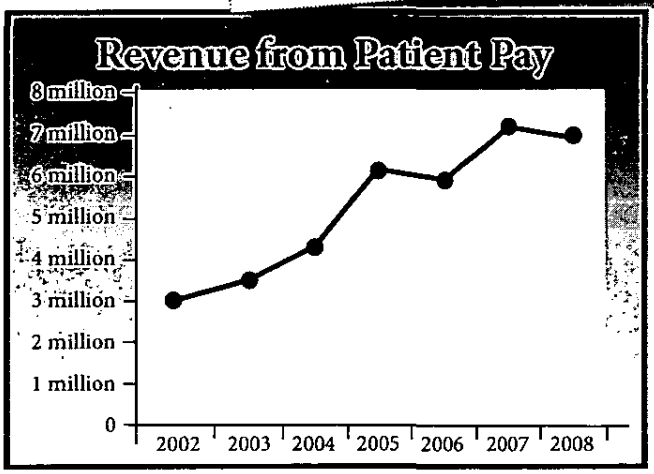
Changing Costs and Revenues

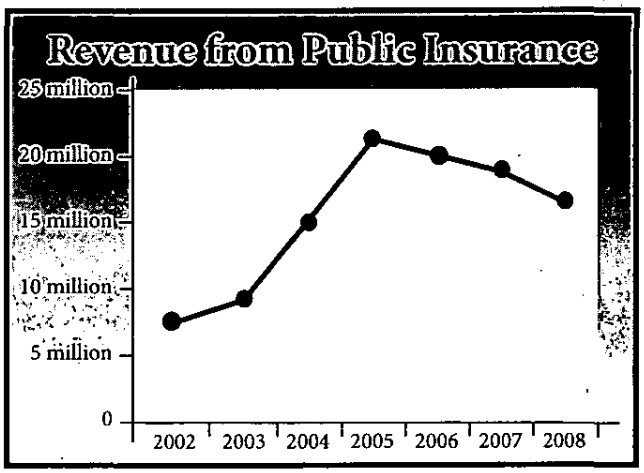


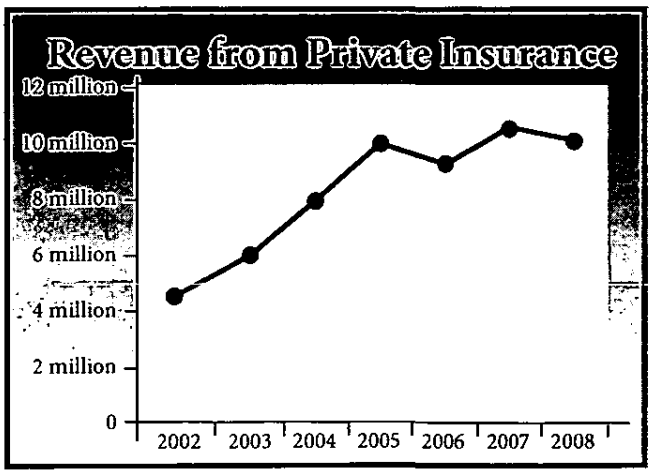


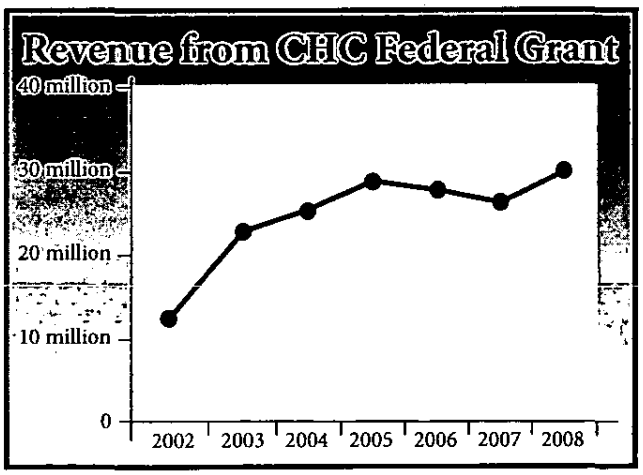
ECONOMICAL SENSE

CHCs are adept at stretching the dollar, thus delivering more care for less money.









CHCs are Patient-Centered / Customer-Centered Health Care Homes

GATEWAY TO BETTER HEALTH

Primary care is the affordable gateway to maintaining good health and achieving better health. CHCs are cost-effective, high quality primary care clinics or patient-centered "health care homes" offering comprehensive services to Alaskans.

The infrastructure of CHCs throughout Alaska (26 CHCs with 142 clinic sites) is positioned to improve the health outcomes of Alaska's residents to an even greater degree than has already occurred.

"I hope Alaska recognizes the valuable resource the CHCs are to communities and commit to supporting and strengthening this excellent source of primary care."

- Sonia Handforth-Kome, APCA Board President

How are CHCs Ideal "Health Care Homes"?

- ***Comprehensive Services:*** CHCs offer case management, preventive services, education, community outreach, and pharmacy services in addition to regular primary care which includes medical, dental, and behavioral health care
- ***Customer-Centered:*** The patient is encouraged, and expected, to play a central and responsible role working toward better health.
- ***Caring Providers:*** CHC providers are mission-oriented, working to improve the lives and communities they serve. They care about their patients and treat each as a unique and whole person.

Comprehensive Medical Care + **Comprehensive Dental Care** + **Comprehensive Behavioral Health Care** + **Quality Primary Care** = ***Cost-effective & Quality*** **Medical Care** + ***Cost-effective & Quality*** **Dental Care** + ***Cost-effective & Quality*** **Behavioral Health Care** = **CHCs are Ideal Patient-Centered Health Care Homes**

Why are CHCs so important to Alaska?

1. Access

- CHCs surmount financial, geographic, language, and cultural barriers to increase access to health care for underserved populations and areas, thus
- CHCs provide access to health care to all, including low-income working families, seniors, the disabled, the non-English speaking, veterans, uninsured and others who would otherwise not have access to care.

2. Cost*

- Medicaid patients seen at CHCs save Medicaid dollars
- Lowest total health care costs
  - Lowest cost per ambulatory visit
  - Lowest rate of hospital inpatient days
  - Lowest inpatient costs compared to Medicaid patients seen elsewhere
- 22% less likelihood of hospitalization for avoidable conditions
- 41% lower medical costs than patients seen elsewhere
- Reduction in unnecessary ER use saves high uncompensated care costs

3. Quality*

- Lower incidence of missed work days, chronic disease and disability in communities with a CHC
- High patient satisfaction
- Improved screening rates and outcomes, and reduced health disparities due to quality improvement initiatives

** According to national data*

Alaska Primary Care Association

Who we are

The Alaska Primary Care Association (APCA) is a not-for-profit membership organization founded in 1995 working to promote, expand and optimize primary care access for all Alaskans, including the underserved. The APCA members include safety net primary care providers, such as Community Health Centers (CHCs), rural health clinics, Native health corporations, community clinics, and others with a similar mission.

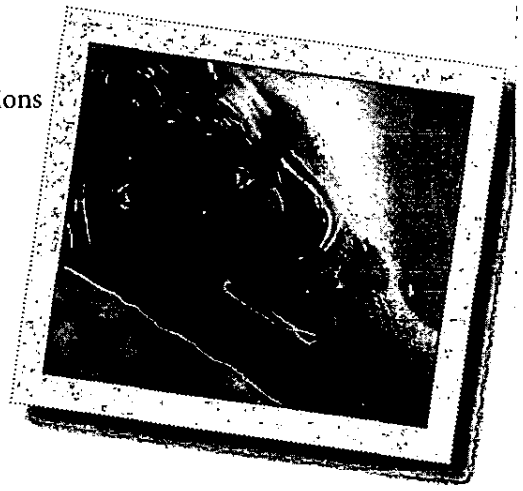
The APCA, with staff and contractors and an annual budget of $1.4 million, provides vital services and technical assistance to support members in offering quality, cost-effective care—so they can serve more patients for less. The APCA also assists communities in accessing grant and foundation funds for CHCs, providing support and technical assistance as they establish and grow.

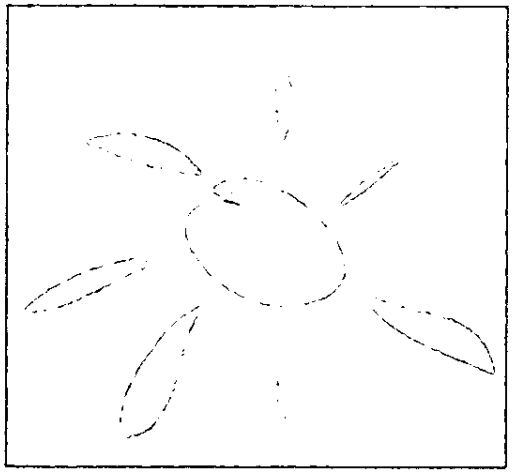
Member Services

APCA staff and contractors provide an extensive menu of services and assistance so that our members can establish and grow effective primary care practices. Numerous services are provided within each category listed below.

- Clinical Quality Support
- Emergency Preparedness
- Expanded Primary Care Access
- Group Purchasing
- Information Technology TA and Support - The Alaska Community Health Integrated Network (ACHIN) Network
- Practice Management
- Recruitment and Retention Support
- Primary Care Systems Development
- Quality Improvement
- Research and Data Gathering
- Resource Development and Diversification
- Advocacy, Legislative Affairs and Lobbying, State and Federal Government Relations
- Board and Community Development
- Grants Management, Finance and Accounting
- Human and Financial Resource Development, Diversification and Optimization
- Communication regarding relevant Primary Care information
- Outreach and Enrollment
- Peer Networks (CEO, CFO, Clinical, EP, HR, IT)
- Public Education and Marketing

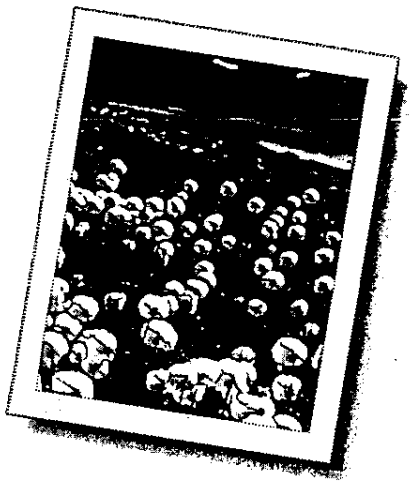
"Providing technical assistance and services to help safety net providers offer quality care to more patients for less"





ALASKA
PRIMARY CARE ASSOCIATION

Community Health Centers
An Essential Resource for Alaskans



2010 Alaska Primary Care Association Board of Directors

Sonia Handforth-Kome
Board President
CEO
Iliuliuk Family and Health Services
Unalaska, Alaska

Cheryl Kilgore
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Executive Director
Interior Community Health Center
Fairbanks, Alaska

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Health Center Clinical Director
Tanana Chiefs Conference
Fairbanks, Alaska

Marilyn Walsh Kasmar, RNC, MBA
Ex Officio
CEO
Alaska Primary Care Association
Anchorage, Alaska

Statistical and other data used in this brochure are from the Alaska Primary Care Association, the National Association of Community Health Centers, www.nachc.com/research and other state and national studies.

For specific references, resources or other information, contact Shelley Hughes, Government Affairs Director, 907-841-1634, Shelley@alaskapca.org, or Regan Mattingly, State Affairs Coordinator, 907-929-8115, Regan@alaskapca.org.

Alaska Primary Care Association, 903 West Northern Lights Blvd., Suite 200, Anchorage, Alaska 99503
Phone: 907.929.2722, Fax: 907.929.2734, info@alaskapca.org, www.alaskapca.org

Communities In Schools

HELPING KIDS STAY IN SCHOOL AND PREPARE FOR LIFE | Juneau

2204 Douglas Highway, Suite 100
Douglas, Alaska 99824
907-586-2806

The Honorable Senator Dennis Egan
State Capitol Room 510
Juneau, Alaska 99801-1182

March 8, 2010

RE: Funding for Communities In Schools Dropout Prevention

Dear Senator Egan:

I am writing to urge you to request $190,250 funding for three care coordinators at the three high schools and two at the two the two middle schools in Juneau.

Based on the data from our school district and the Department of Education and Early Development, the dropout situation here is extremely dire. Communities In Schools of Juneau currently has three half time care coordinators at three schools. There is one half time care coordinator at Juneau Douglas High School, another at Thunder Mountain High School, and a third at the Juneau Alternative High School, Yakoosge Daakahidi.

A care coordinator's responsibility is to be an advocate for at-risk students and their families, to navigate the various services within the school and the community at large, and to match up the students and families to the appropriate service. There is a myriad of reasons that a student would require the service of the care coordinator. Those include truancy, substance abuse, behavior problems, and an aberrant lack of academic success.

Evidence shows that students who have received individual attention and needed services have far greater chances for success. It has been our experience with care coordination work, that students to whom the service was provided have shown marked improvement in attendance and schoolwork, and consequently remained in school or graduated. Most of the students that come to the coordinator's attention are those with truancy problems, but there are substantial amounts that are referred because of substance abuse and behavior problems. Studies have shown that truancy is often the first sign of trouble in a student's life. Truancy has also been found to be a gateway to many other problems such as drugs, pregnancy, and crimes.

Since the Communities In Schools Juneau care coordinator program went into effect in 2005, it has served over 500 students ranging from pre-kindergarten through twelfth grade. The majority of students that were served were in high school. Out of all those students, less than 10% of students eventually dropped out. So, the CIS motto of "A Personal One-On-One Relationship with a Caring Adult" is truly a recipe for success. All we need is more resources to continue to support our students and not abandon them because of lack of funding.

I can assure you that funding this requested amount would be an investment that will pay off many fold in future savings in other budgets like those of the Department of Corrections and Health and Social Services.

Thank you for your consideration, and hopefully, your active support, of this request.

Sincerely,

Elsa Froehlich Demeksa
Executive Director
Communities In Schools Juneau

BUDGET

Care coordination refers to the activities carried out by the employee to assist students remain in school and succeed. Care coordination is a relationship-building process that includes provision of information to students and their families, and coordination among multiple service providers in the community. Under this proposal, the care coordinator would be located in three high schools and two middle schools to support students and their families that are dealing with issues of truancy, behavior substance abuse or lack of academic success, navigate through a program of positive change agreed to with the school.

The care coordinator works under the supervision of the executive director of Communities In Schools of Juneau (CIS of Juneau) in and is responsible for the day to day duties of the CIS of Juneau program in the school.

The care coordinator is responsible for regular communication with the truancy tracker, school counselors and the school administrator assigned to the position. Further responsibilities include updating and maintaining student case files and writing of monthly reports to the executive director.

The person serving in this position will be an employee of Communities In Schools of Juneau.

Budget for the 5 Positions for School Year

5 Care Coordinator at 37.5 hrs per week ($20. Per Hour) X 9 months =	$135,000.
Benefits	20,250.
Administrative Support	35,000

Total	**190,250.**

About Communities In Schools

Communities In Schools is the nation's largest dropout prevention organization. The mission of Communities In Schools is to champion the connection of needed community resources with schools to help young people successfully learn, stay in school and prepare for life.

By bringing caring adults into the schools to address children's unmet needs, CIS provides the link between educators and the community. The result: teachers are free to teach, and students – many in jeopardy of dropping out – have the opportunity to focus on learning.

For 30 years, Communities In Schools has worked to ensure that every child has access to the "Five Basics":

* A one-on-one relationship with a caring adult
* A safe place to learn and grow
* A healthy start and a healthy future
* A marketable skill to use upon graduation

* A chance to give back to peers and community

Care Coordination Goals

To help each student develop the life-skills needed to navigate and strengthen the connections between the school day, family and community.

To work closely with the school staff, community agencies, parents/families, and the students to assure coordination of the community's services for the benefit of the students and their families.

To serve as a liaison between the CIS program and the school principal and between the CIS program.

To establish and maintain harmonious, effective working relationships with the principal and all other school personnel.

To coordinate and monitor the creation and implementation of individualized student/ family plans for each student enrolled in CIS and maintain updated, current student files.

To monitor all CIS-referred education, health, and human services received by students and their families and to ensure that they are delivered in a personal, accountable and coordinated manner.

Schools Served 2008-2009

Juneau-Douglas High School, Yaakoosge Daakahidi Alternative High School, Thunder Mountain High School, Gastineau Elementary.

Hours

37.5 hours, typically five days a week during school hours

In School Supervision

Assistant Principals refer students and maintain communication with care coordinators.

Any issue with the Care Coordinator is referred to the CIS Executive Director.

Once a week care coordinators meet to submit their data for the week and review case files. Data is kept in the CIS online system (by student number).

CIS will share monthly data reports on students served with the school district. Funders will be provided progress reports on a monthly basis.

CIS Supervision

Daily: Email or phone consultation

Bi-weekly: Executive Director approves caseworker's time sheets every two weeks.

Monthly: Written reports go to the Executive Director once a month. All CIS staff meet once a month.

Hiring/Training/Background Check

CIS will hire, train and conduct background checks.

Qualifications

Bachelor's Degree in a related social services or education field with a focus on children is desirable but not required (experience in the field can substitute for formal training.)

SWAMC
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org
Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

March 25, 2010

Senator Lyman Hoffman, Co-Chair
Senate Finance Committee

Senator Bert Stedman, Co-Chair
Senate Finance Committee

Dear Senators,

I am writing to support $614,000 for Marine Advisory Program funding in the operating budget. I am Executive Director of the Southwest Alaska Municipal Conference (SWAMC), an Alaska Regional Development Organization. We represent the coastal regions of Kodiak, Lake & Peninsula Borough, Bristol Bay Borough, the Aleutians and Pribilof Islands. As you can see, this area makes up a lot of the state's coastline and produces both billions of pounds of seafood volume and hundreds of millions of dollars in seafood landings annually. In fact:

- 25-30% of the *U.S. domestic seafood catch* is caught in Southwest Alaska.
- Thousands of people are employed in the fishing industry throughout Southwest Alaska. The impacts of these wages are felt throughout the region, state, and to several Lower 48 states as well.
- The region is home to the largest red salmon run in the world in Bristol Bay.
- Year after year, three of the nation's top twelve ports in terms of fish landings reside in Southwest Alaska: Dutch Harbor/Unalaska, Kodiak and Naknek.

SWAMC cannot overstate its support for the Marine Advisory Program and what it means to our coastal communities lucky enough to have an agent. Over the years we've worked with agents in Unalaska, Dillingham, and Bethel, along with staff in Anchorage, Kodiak and Juneau, on a variety of projects including: small business fishing operations, tourism/birding, aquaculture assessments, seafood marketing, and education/awareness of our oceans, among other things. I am heading out to Unalaska tomorrow morning to attend the 3rd Western Alaska Interdisciplinary Science Conference, which will concentrate on marine resources research, energy, and Native/traditional knowledge of our coastal communities and its elders.

The Marine Advisory Program works with the youth and adults of our coastal communities on expanding educational opportunities, building workforce capacity and enhancing participation by local residents in the public process. In many coastal communities, MAP agents are the face of the University of Alaska and link residents to University resources and relevant research. This last component, to me, is critical.

The Alaska Journal of Commerce recently ran a story saying that Alaska's fishing jobs are on the decline, a lot of that due to changes in management/regulatory structures. Whatever the cause, I know we all still want our young fishermen to come up through the ranks to own boats; to own permits; and to reside in Alaska's uniquely vibrant fishing communities. We can think of it like this: every small boat operation out there represents a small business in Alaska, and oftentimes a family business. Not coincidentally, MAP recognizes this, and they host a *number* of events to grow Alaska's future leaders in seafood and marine science careers. The work these folks do is truly outstanding.

Again, the Marine Advisory Program is one area where SWAMC's diverse membership *can* wholeheartedly agree on, and it would be a shame to see these positions lose their place in our coastal communities.

Thank you for the opportunity to testify.

Sincerely,
SOUTHWEST ALASKA MUNICIPAL CONFERENCE

Executive Director

Doniece Gott

From: John DeRuyter [JDeRuyter@hopecounselingcenter.org]
Sent: Thursday, March 25, 2010 1:53 PM
To: Senate Finance Committee
Subject: Support funding Alaska Predoctoral Internship Consortium

I'm Dr. John DeRuyter, Training Director for the Alaska Predoctoral Internship Consortium. I ask that you would support continuance of this funding for the consortium as it is before the committee. The importance of the development and establishment of AK-PIC as a training entity in Alaska is difficult to overstate. AK-PIC has accepted its first cohort of interns and are starting their training in Alaska in July. The funding requested will be used to provide travel to and support of face to face intensive training requirements consistent with APA accreditation guidelines.

Making high quality Psychology internship training available in Alaska is the single most important aspect of insuring a steady supply of well trained licensed psychologists to serve the mental health needs of our rural population. It is important to note that Ak-PIC is already an established entity. The MOU's have been signed and the interns have been selected. Your support of this effort through your funding, continues work that began several years ago and is now coming to fruition. We are thrilled with the progress that has been made and strongly encourage you to help us develop high level mental health providers to serve Alaskans.

Thank you,

Dr. John DeRuyter
Alaska Predoctoral Internship Consortium
P.O. Box 73511
Fairbanks Alaska 99707
907-451-8208

Doniece Gott

From: LIO Cordova
Sent: Thursday, March 25, 2010 2:14 PM
To: Senate Finance Committee
Subject: FW: Community Health Center Budget - Support Funding Request

Please see the forwarded message for the Senate Finance Committee below.

Michelle Hahn O'Leary
Information Officer
Cordova Legislative Information Office
907-424-5461 Fax 907-424-5462

From: Dan McDaniel [mailto:dmcdaniel@nveyak.org]
Sent: Thursday, March 25, 2010 2:04 PM
To: LIO Cordova
Subject: Fwd: Community Health Center Budget - Support Funding Request

Dan McDaniel, Project Intern
NVE/The Alternative Transportation Planning Project
110 Nicholoff Way
P. O. Box 1388
Cordova, Ak 99574
Ph: (907) 424-7738
Ex: 240
Cell: (907) 429-3344
Fax: (907) 424-7739

Hello Michelle; foward to correct address.
----- Original Message -----

Hello Michelle; please pass along the following message to the Senate Finance Committee regarding the $2 million request to be added to the Community Health Center Program budget.

- Dear Senate Finance Committee: I am addressing this note to you on behalf of Kerin Kelly, the administrator for the Ilanka Health Center, a clinic facility which provides health care to the Native Village of Eyak and the community of Cordova, Alaska. The figures recently provided by Kerin indicate that if the requested funding of $2 million were approved for the Community Health Centers Program, Alaskans would benefit in many positive ways to include simultaneously promoting cost effectiveness. Considering the number of patient visits per year and the area locations in which these services are provided, this may be just what our Alaska communities need. I for one, support increased state funding for health care in Alaska towns and hope that you too will see the benefits of this plan to Alaska's people and the State of Alaska.

Thank you for the opportunity to comment and provide my support for the Community Health Center Program.

Dan McDaniel
Ilanka Community Wellness Advisory Committee
Quality Assurance

Cross Road Medical Center
Alaska Primary Care Association
Senate Finance Committee Testimony

Date: Wednesday, March 24, 2010

Time: 10:00 am

Goal:
The Goal of this testimony is to provide our Alaska Senate Finance Committee with a focal point of need that warrants the justification of budgetary support for quality, affordable and accessible health care to the residents of the Copper River Basin.

Applicant Organization:
Cross Road Medical Center (CRMC) and its North Country Clinic also located in the Valdez-Cordova Census Area on Prince William Sound, in South-Central Alaska, with a targeted population of approximately 3,300 people, serves an area the size of the State of Ohio. CRMC is the primary care provider for this area of Alaska. The next closest health care providers are in Valdez and Anchorage, 120 and 190 miles away, respectively. 39.3% of area residents have incomes below poverty compared to 23% in Alaska and 21% for the U.S. The Clinic has been providing services as CRMC and previously as Faith Hospital for over 50 years. CRMC provides comprehensive, high quality, culturally appropriate care for the residents of the Copper River Basin region who could not otherwise access such services or meet their primary medical care needs.

Population Being Served:
The census area has a population of just over 10,200, with population growth of only 2% each year. There are approximately an equal number of males (50%) to females in this area; and fewer elderly than is typically seen (6%), because it is difficult to live in Alaska. Residents of this area are predominantly Caucasian (71%), with the balance almost completely Alaska Natives (23%). The Native population continues to climb as one moves both north and west of the Valdez-Cordova area, until the most northern and western areas of Alaska are predominantly Native.

The leading causes of death in the Valdez-Cordova area are the same in names as most other places in the country, with cancers, heart disease and stroke and lower respiratory disease occurring most frequently. The numbers of deaths due to homicide and suicide, relative to the state and U.S., are telltale signs of the pervasive levels of depression, alcohol consumption and drug use in the area. It is also noteworthy that the death rates for unintentional injury and motor vehicle accidents are substantially higher than the state and U.S. This is due primarily to the robust outdoor nature of life in Alaska and because the motor vehicle accidents include recreational vehicles, such as snowmobiles and all terrain vehicles.

Strategic Planning:

The Alaska Primary Care Association (APCA) has identified the Copper River Basin as an area with significant need, and as a place in which the community health center model is effective in providing and expanding access to primary care. The Copper River Native Association and the Denali Commission also see a need for additional services in this area. CRMC is also aware of the profound need in the Copper River Basin. As we have expanded services over the years to include school nursing, home visits, and NP care at Mt. Sanford, services have expanded at the clinic with the addition of a mental health and substance abuse counselor. The current facility is no longer adequate in size or condition. Currently, we have six exam rooms and four observation beds. We need at least 10 exam rooms. CRMC has unsuccessfully been seeking capital improvement grants to build a new facility. Among the many needs of CRMC, the waiting area is cramped and the staff work areas are overcrowded because of lack of space.

CRMC Goals:
We have a highly qualified team of staff providing care at two sites in Glennallen and Gakona, Alaska. This staffing approach meets community needs. The staff includes a 1.0 FTE DO; 2.0 Mid-level providers; 8.42 nurses and clinical support staff; 1.0 Case Manager; 1.5 FTE Pharmacist; and 1.0 FTE mental health/substance abuse specialists. Our goals are focused on:

1. increasing access,
2. expanding our breadth of service,
3. expanding services in the community,
4. improve quality of care through professional care and technology
5. decreasing health disparities,
6. developing partnerships that improve safety-net care in frontier Alaska,
7. improving recruitment and retention, which is critical to smooth operations and continuity of care for patients, which reduces recruitment costs, and which builds institutional knowledge and experience for the betterment of the organization.

Justification:
Though highly motivated in our approach to providing access to health care for the residents within our service area, CRMC's facility structure and equipments has over the years been subject to adverse climatic conditions, dilapidation, and depreciation of equipments. With funding constraints, CRMC has been unable to provide newer and more technologically advanced equipments to aid in patient care services, communications, facilities management, and staff support. With a modest amount of $307,692 being requested from the APCA's Board of Directors and Legislative Affairs Committee to assist in our capital infrastructure needs, it should be noted that only funding for vital equipments and projects are included in this consideration.

Faithfully Submitted,

Susan E. Sura
Interim, Chief Executive Officer
Cross Road Medical Center
P O Box 5
Glennallen, AK 99588

Explanation of $2 Million Direct Patient Care Request for the Community Health Center Program

Statement of Intent: The purpose of the request for $2 million for the reinstatement of the Community Health Centers Program (CHCP) in FY 2011 is to increase direct patient care at Alaska's 26 Community Health Centers (CHCs) operating 142 CHC clinics throughout Alaska. The intent of the funding is to help increase direct services and 1) increase health care access, 2) improve quality of care and health outcomes, 3) promote cost-effectiveness, and 4) promote overall savings to the health care system in Alaska.

Budget Item: The CHCP was funded one-time at $1 million in FY 2009. The request for the $2 million line item in FY 2011 is to be routed and administered via the Health Planning & Systems Development section as it was in FY 2009: DHSS / Division of Health Care Services / Health Planning & Systems Development / Primary Care Office / Community Health Centers Program.

Method of Distribution: Competitive grant application

Eligible Organizations: The 26 CHCs / "Section 330" clinics operating 142 CHC clinic sites will be eligible to apply. (During FY 2009, there were 21 successful CHC applicants.)

Primary Care: Applicants are required to identify strategies to support the program goal of increasing direct services to patients. Funds are to be used to increase patient direct-service capacity, not general organizational capacity. The 2008 Legislature stipulated that the FY 2009 funds were to "be made available for direct services provided by primary care community health centers operating as federal 330 facilities through a competitive grant process under 7 AAC 78."

Activities Supported: Applicants are to select strategies that fit the needs of their own catchment areas. In FY 2009, a wide range of strategies were submitted.

Applicant	Strategy-1	Strategy-2
Alaska Island Comm Srv	Dental equipment thus referrals	Physician recruitment
Aleutian/Pribilof Island Assoc	Locum coverage during fish season	Diabetes lifestyle & dietician
Anch Neighborhood Hlth Ctr	Case management for prevention	Dental care for seniors
Bethel Family Health Center	Well early-child visits to villages	
Bristol Bay Area Health Corp	ID for Cervical Cx screening in villages	
Council of Athabascan Tr. Gvt	BH Aide & DHAT services	
Cross Road Medical Ctr	Mobile HC to bush via 2 partial FTE	
Dahl Memorial Hlth Ctr	Dental equipment thus referrals	
Eastern Aleutian Tribes	Recruit dentist & re-activate dentistry	
Iliuliuk Family & Hlth Srv	Outreach & Preventive Care	
Interior Community Health Ctr	Preventive Medicine strategy	
Kodiak Island Hlth Care Found	Outreach & Preventive Care	
Mat-Su Health Services	Outsource diagnostic lab & imaging	
Native Village of Eyak (Ilanka)	Sigmoidoscope buy	Pay re-location costs
Peninsula Comm Hlth Srv	PC-BH service integration coordination	Vocational ed for SMI
SEARHC	Ultra-sound purchase; set-up/maintn	Ultra-sound leasing
Southcentral Foundation	EMS pilot project at Lake Illiamna	
Sunshine CH (Talkeetna)	Child Dental Pilot Program	Dev Transport pilot proj.
Tanana Chiefs Conference	Women's Health Screening	
Yakutat Tlingit Tribe	Purchase equipment for dental operatory	
YKHC (YK-Delta)	Breast & Cervical Screen in Village	

For more information, contact Shelley Hughes, Alaska Primary Care Association, at 907-841-1643 or Shelley@alaskapca.org.

Alaska's Community Health Centers – Direct Patient Care FY 2011 Operating Request

Alaska's Community Health Centers (CHCs) are requesting $2 million to help provide primary care, direct patient care, to Alaskans seeking medical, dental and behavioral health treatment at one of the 142 local CHC clinics.

State assistance is needed to ensure access to health care to the underserved population, to continue screening, early detection, diagnosis, treatment, and care coordination which promotes cost-effectiveness and overall savings to the health care system by addressing medical, dental and behavioral health conditions *before* they become more acute and expensive to treat.

Our goal is to treat more Alaskans, at a lower cost to the state and at a lower cost to individual Alaskans. In 2008 CHCs treated 81,109 Alaskans, during 369,398 medical, dental and behavioral health visits. In rural areas, without these facilities, clients would need to travel to urban areas to receive basic primary care services. Reducing unnecessary medivacs and medical travel is a primary function of CHCs in rural regions. Reducing non-emergent care in emergency rooms and reducing overall hospitalizations is a function of CHCs in both rural and urban areas.

In 2008 CHCs treated 18,700 Medicaid patients, but with additional funding could treat more of the 79,000 Medicaid patients statewide. The state processes 300 new Medicaid travel authorizations a day, most from villages to regional hubs – Anchorage, Bethel, Fairbanks, Juneau – 98% are authorized, consuming about 8% of the state's $1 billion Medicaid budget. If CHCs had the capacity to treat more of these patients, fewer of them would have to travel.

We propose a $2 million general grant, to be distributed by the Department of Health and Social Services, Division of Health Care Services, Health Planning and Systems Development Section, through a competitive grant process. All 26 "Section 330" clinics will be eligible. This is an efficient, proven process as demonstrated in the successful FY09 one-time $1 million CHC grant program. **The request translates to about $25 per patient.**

Issues Facing CHCs

Recruitment and Staffing

It is expensive to hire and keep doctors and other health care professionals to work in Alaska. During 2005-2006, Alaska's CHCs spent $1,021,435 simply filling vacant positions. CHCs are forced to compete with facilities outside that can offer incentives to attract health care providers not available to us here in Alaska. Some provider categories suffer from a 30% vacancy rate.

Energy Costs

Energy costs have increased rapidly over the past few years. Statewide, the average heating fuel and gasoline price is near $6.00 per gallon, with prices much higher in rural areas. These skyrocketing costs have pressured some clinics to reduce their services to compensate for the increase in energy prices.

Shipping Costs

Costs to ship medical supplies and equipment to Alaska are increasing rapidly, particularly in rural areas. Some of these costs have been partially subsidized by the USPS bypass mail system, however, in 2009, USPS increased the rates of bypass mail to rural Alaska by 12-17%, which has increased the cost of doing business for Alaska's rural CHCs.

Accountability

Community Health Centers are private non-profit businesses that leverage grants to help provide health care services to their clients, which tend to be underinsured. CHCs report annually to the Uniform Data System. Quality of care indicators, health outcomes and disparities, provider utilization, patient demographics and financial data are accounted for in this nationally standardized report.

For more information, contact Shelley Hughes with the Alaska Primary Care Association at 907-841-1634.

My name is Andi Story and I am a 6 year member of the Juneau school board, recently re-elected to a third term.

The Juneau School Board wants to take this opportunity to thank you for the recent multi-year foundation formula increases for education. It provides budget clarity and consistency that is needed for effective budget planning. It is an excellent use of state resources, investing in Alaska's future, our kids learning.

In addition, the Legislature's financial support for the PERS/TRS unfunded pension liability, is instrumental in saving district's from deep budget cuts in services to students. Thank you.

I am testifiying in support of continued funding of the recommendations of the Joint Legislative Task Force in this bill. These were well thought out recommendations and addressed aspects of education funding that are comprehensive in scope; an increase in the BSA; an increase to the intensive needs factor for special education students and an increase in the geographic cost differentials that exist in our state. Juneau appreciates the geographic costs differentials as the cost of living is high here and we were able to adjust our compensation package to employees to reflect that.

The Juneau Board takes our budget work seriously. We want to be accountable for every dollar. The Board is budgeting within our means. We have made cuts. We are not able to do all that we want for kids and are evaluating and prioritizing programs.

Each year the School Board, according to Juneau's City Charter, needs to submit a balanced budget, to the Assembly by March 31st for the following school year. The Juneau Board approved our budget for next year last week. We used the financial numbers from this bill, that is not yet approved by this body.

It is crucial that school boards know the legislature's intent for funding for schools in advance. Speaking from experience, this helps schools be efficient and accountable. School Boards and staff do not have to do several budget scenarios which is a drain on time, resources, and morale of Boards, staff, parents and students, as all are concerned

about services for next year. Forward Funding by the Legislature is leadership that is appreciated. It helps school board members in providing sustainable programs with high targets for students. HB 317 on Forward Funding for FY 12 continue this practice, it feels like great teamwork between elected school board members and the legislature.

The Board also advocates for investing in effective, quality, early childhood education programs, please consider expanding the preschool pilot and closely monitoring it's effectiveness. The achievement gap does not start in public schools. The students come to school with the gap in place. Most school districts spend $1,800 to $3,400 per child per year on students who need remediation. Catch- up growth in public schools is very expensive and historically unsuccessful. Investing in early learning is five to ten times less expensive from birth to age five than in grades k – 5. *

Please continue to invest in kids.

Thank you for your time,
Andi Story
Juneau School Board member
907 789 4929
*Delivering on the Promise of the 95% Reading and Math Goals by Lynn Fielding, Nancy Kerr, and Paul Rosier, 2004.

From: Becky Sawyer [rebecca.sawyer@sbcglobal.net]
Sent: Monday, March 22, 2010 4:40 PM
To: Sen. Lyman Hoffman; Sen. Bert Stedman; Sen. Johnny Ellis; Sen. Gary Stevens
Subject: Support specific increases for Region 2 Alaska Refuges

Dear Community Leaders,

First, thanks for taking the time to read this email.

I'm writing to ask you to allot $127,770 for the South Central Alaska Refuges at the Alaska Department of Fish and Game. This money should be used to:
1. hire a technician to help maintain the refuges during the busy seasons at $40,770 2. provide funds to maintain the refuge - eg installing informational and instructive signs, cleaning up trash, improving access, etc ($85,000)

It is important to maintain what we already have. Replacing diverse environments - such as the refuge lands - is much harder than preserving them. These refuges are a large part of why I came to Alaska in the first place - I left California to come up here and study large-animal ecology at UAA. Please help keep these lands and valuable species protected for generations to come.

Thanks for your time!

Sincerely,
Becky Sawyer
PO Box 220196
Anchorage, AK
99522-0196

Joe Hardenbrook

From: loisk@starband.net
Sent: Wednesday, March 24, 2010 12:00 PM
To: Sen. John Coghill
Cc: Sen. Joe Paskvan; Sen. Joe Thomas; Sen. Albert Kookesh; Rep. Tammie Wilson; Rep. Mike Kelly; Representative_David_Guttenburg@legis.state.ak.us; Rep. Scott Kawasaki; Rep. Jay Ramras; Rep. John Harris; Representative_Woodie_Salmon@legis.state.us
Subject: Alaska Legal Services Corporation - Thank You

To All Whom it may concern:

We wish to express our appreciation for the funds that were provided for grants to Alaska Legal Services.

We, perhaps as others, have procrastinated in regards to 'setting our affairs in order,' i.e. Wills, Health Care Directives, Power of Attorney, etc. Not being 'independently wealthy,' we had to eat our humble pie, and ask for assistance to take care of these important items.

We were treated very well, and want to say thank you very much to all involved, from the Receptionists to our witnesses; Darcy, Nick, Mark, Notary Angie, and last but certainly not least, very importantly, Miss Dorothy Heim, Supervisor, for Alaska Legal Services, in the Faibanks Office, who assisted us and graciously helped us understand each and every step and decision.

Thank you again, for the funds provided thru grants to assist us and others for which we shall always be grateful.

It has always been my husbands dream to come to Alaska, we are proud to say we have now been here 30 years and looking forward to becoming Pioneers of this great State. We have lived in our cabin for 25 yrs., and grateful for funds/grants provided for electricity in 2006.

Most sincerely,

Ed and Lois Kincaid
(907) 389-2324

Louise Smith
PO Box 84765

Fairbanks 99708-4765,

I support funding for the Alaska Summer Research Academy (ASRA) in the Senate UAF budget. ASRA has provided a high-quality, positive educational experience for my daughter in engineering and science. As a result of ASRA she is seriously considering UAF as the starting point of her college education.

Joe Hardenbrook

From: Don Pendergrast [don_pendergrast@yahoo.com]
Sent: Tuesday, March 23, 2010 3:33 PM
To: Sen. Lyman Hoffman; Sen. Bert Stedman; Sen. Dennis Egan; Sen. Johnny Ellis; Sen. Charlie Huggins; Sen. Donny Olson; Sen. Joe Thomas
Subject: Please support the Alaska Summer Research Academy

Dear members of the Senate Finance Committee,

My son Asa is now a freshman at UAF; he's studying electrical engineering and will eventually become a productive member of our Alaska society (none to soon for his parents). One critical element in Asa's formative years was his attendance at the Alaska Summer Research Academy (ASRA). Not only did he get to do fun and cool stuff but it introduced him in a positive way to what college life would be like.

ASRA was a great recruiting tool for UAF, and it helped and continues to help set his direction in higher education. This is a great program who's benefits are both immediate and long lasting. We want to meet the future with Grown In Alaska scholars, teachers, engineers, and scientists. ASRA is a critical element in preparing a good future for our state. Please support the general fund allocation of $75,000 for ASRA.

Thank you,

Don Pendergrast
1358 Spring Glade Road
Fairbanks, AK 99709-6892
907-479-2964

Joe Hardenbrook

From: Dawn Grossmann [degrossmann@gmail.com]
Sent: Tuesday, March 23, 2010 4:58 PM
To: Sen. Joe Thomas
Subject: SERVE ALASKA gentle reminder

Hello Senator Thomas,

Thank you for taking the time to listen to us when we were in Juneau discussing Serve Alaska's budget. The Edward M. Kennedy Serve America Act has ushered in a new era for Community Service and Serve Alaska is ready to move forward in this exciting time. In order for Alaska to be included in this our state has to step up with the small additional amount required to fully fund the Commission.

Since 2005, Serve Alaska (formally Alaska State Community Service Commission) has leveraged over $13 million to the state in the form of Federal AmeriCorps and Learn and Serve grants. Less than 10% of the $13 million has been used utilized by Serve Alaska for training and administration of these programs, with the majority of the funds going directly to the nonprofits and communities that AmeriCorps serves. During this time, the State has matched less than $500,000.

Since 2001, Serve Alaska's staffing has not increased, and the State's matching obligation has never been fully met. Since 2007, the three staff members have increased Serve Alaska's portfolio from three sub grantees with six programs to six sub grantees with thirteen programs. Staff capacity is at maximum right now, and without an additional staff person, the State's portfolio cannot be increased to leverage more federal receipts.

Serve Alaska needs the $125,000 increment (with a $125,000 federal match) that was added in the House to be reinstated in the Senate budget. These funds from the State of Alaska will leverage a total of $250,000 in an Administrative grant. With this grant, Serve Alaska can access an additional $1.4 million in federal funds. Without our full state match, the National Corporation for Community Service has indicated we will not be able to get any additional AmeriCorps funding.

Serve Alaska is already working with grantees to develop enhanced programs, which would be supported by the available $1.4 million. RurAL CAP would offer middle school mentoring in 10 rural communities, SAGA would develop a Veteran's Corps to serve returning Alaskan veterans, and THREAD would offer an early childhood parent mentoring program. Serve Alaska is excited about the possibility of these new programs, but is unsure of current capacity to properly guide and support these new programs.

Below is a list of Serve Alaska's 2009 AmeriCorps and Learn and Serve Communities.

Sincerely,

Your browser may not support display of this image.<https://mail.google.com/mail/?name=d33be9805ff33117.jpg&attid=0.1&disp=vahi&view=att&th=1278d74625a3de2a>

Dawn Grossmann, Chairman

Serve Alaska, State Service Commission

Akiak
Aleknagik
Anchorage
Chevak
Chuathbaluk
Cooper Landing
Craig Ranger District
Eagle River
Eklutna
Elim
Fairbanks
Fort Wainwright
Haines
Hooper Bay
Juneau
Kalskag
Kasigluk
Kasilof
Kenai
Ketchikan Ranger District
Nanokotak
Naukati
Nenana
New Stuyahok
Nikolski
Nome
Nondalton
North Pole
Palmer
Petersburg
Port Alexander
Seward
Shaktoolik
Sitka
Sterling
Tanacross
Tazlina
Tetlin
Togiak
Twin Hills
Venetie
Wasilla
Wrangell
Wrangell Ranger District
Yakutat

Joe Hardenbrook

From: nossis4@gci.net
Sent: Tuesday, March 23, 2010 3:45 PM
To: Sen. Joe Thomas
Subject: ASRA support

Senator Thomas-

Both of my children have attended the Academic Summer Research Academy at UAF multiple years. It has not only opened their eyes to a bigger world and given them an avenue to question and explore, it has also given them an opportunity to check out UAF and based on that experience my son is now a sophomore at UAF. This camp is a huge leg up to the best and brightest students in Alaska. They are seldom suffieciently challenged in a public school classroom and ASRA gives them a chance to achieve and learn with no ceiling. I cannot stress enough how much my children have grown and benefited from the ASRA program. Please give your support to this valuable program.

Thank you for your time and consideration.

Susan Hood Sisson
nossis4@gci.net

Joe Hardenbrook

From: Joe Russo [joerusso@gci.net]
Sent: Tuesday, March 23, 2010 2:31 PM
To: Sen. Lyman Hoffman
Cc: Sen. Bert Stedman; Sen. Dennis Egan; Sen. Johnny Ellis; Sen. Charlie Huggins; Sen. Donny Olson; Sen. Joe Thomas
Subject: Alaska Summer Research Academy (ASRA)

Dear Senate Finance Committee:

I am in full support of funding for the Alaska Summer Research Academy in the Senate UAF budget. My son attended three ASRA remote field sessions in 2006, 2007 and 2008 which provided an invaluable experience to him. ASRA expanded his knowledge of Alaska and exposed him to three distinct fields of study that he would have never had an opportunity to experience without this incredible summer academy.

Sincerely,

Joe Russo
PO Box 80794
Fairbanks, AK 99708

Residence: 21.6 mile Chena Hot Springs Road

_____ Information from ESET NOD32 Antivirus, version of virus signature database 4969 (20100323)

The message was checked by ESET NOD32 Antivirus.

http://www.eset.com

3510

Mary Verhoef
3767 Studio Rd

Fairbanks 99709,
mary.verhoef@gmail.com

I am asking for funding support for the Alaska Summer Research Academy. This is a unique and exceptionally well-run educational opportunity for teens. ASRA is highly effective promoting science enthusiasm and career path interest, and is open for Alaska students statewide. Please generously fund ASRA in this budget.

Cynthia Steiner
2148 Nottingham Dr

Fairbanks 99709-6518,
cksteiner@alaska.edu
907-450-8612

Please support the general fund allocation of $75,000 for the Alaska Summer Research Academy (ASRA)in the Senate UAF budget. ASRA has had a profound impact on my daughter. Many ASRA graduates, like my daughter, have been inspired to pursue the sciences in the University setting.

Joe Hardenbrook

From: Jeff Wheaton [jeff.wheaton@ideafamilies.org]
Sent: Tuesday, March 23, 2010 7:00 PM
To: Sen. Joe Thomas
Subject: Serve AK Senate Increment - Jeff Wheaton - Anchorage

Dear Senator Thomas:

I serve as a commissioner on the Serve Alaska Commission and am writing you in reference to the Serve Alaska increment that was not funded in the Senate version of the Operating Budget. This additional (requested) $125,000 would allow Serve Alaska to leverage $1.4 million in federal funds, primarily to add more programs such as Nine Star Enterprises, RurAL CAP, SAGA (Southeast Alaska Guidance Association), Joel's Place in Fairbanks, Sitka AmeriCorps and the Learn and Serve programs across the state which help engage students in community service. Part of the additional federal funds will allow us veteran outreach assistance. As part of Serve Alaska's 2008 State Service Plan, we are also committed to placing a priority on programs that address statewide needs such as developing young Alaskans, and meeting the needs of rural Alaska and Alaskan's various social challenges. Last year AmeriCorps members in Alaska completed projects that directly benefited over 300,000 people through more than 14,000 hours of service. Most of these members are Alaskans and served in dozens of (primarily) rural communities scattered across our state.

I will not be able to testify tomorrow during the public testimony on the Senate budget. I also serve as a commissioner on the Governor's Council on the Homeless and will be in-flight to Seattle Wednesday afternoon with a group of other Alaskans to spend a couple of days with officials there educating ourselves on their innovative approaches with the homeless. However, I deeply appreciate your support of the Serve Alaska increment!

I know you are extremely busy this time of year, but please allow yourself 5 minutes to browse our website (http://www.commerce.state.ak.us/serve/home.htm). I believe you will understand why we are requesting these additional funds.

Sincerely,

Jeff Wheaton
Anchorage
Educator
IDEA Program
(907) 351-5322

Joe Hardenbrook

From: Samantha Kirstein [skirstein@fairbanksfoodbank.org]
Sent: Tuesday, March 23, 2010 2:37 PM
To: Sen. Joe Thomas; Sen. Joe Paskvan; Senator_John_Coghill@legis.state.ak
Subject: Teleconference, tomorrow, Wednesday, 1:30, Borough Match Grant

As a recipient of $50,000 of the local Borough Match Grant, I would like to make a comment but may not be available to come to the scheduled teleconference. The Governor's budget proposed flat funding and the House concurred @ $1,485,300. The Senate Health and Social Services Finance Sub-committee increased the amount by $250,000 to $1,735,300. I ask you to accept the Senate Finance Sub-committee recommendations and seek full Senate Finance committee funding as recommended. Though I see that Senator Thomas is the only one of the Senate Finance Committee members from Fairbanks who will vote on this increase, I am hopeful that when the issue comes to each of you, you will vote for the increase for the 3 communities of Anchorage, Wasilla and Fairbanks health and social services agencies. As you can imagine, health and social services agencies in these communities are impacted by the economy. This has been a vital link and encouragement to the local health and social services agencies in these communities for 20+ years. Last night I sat through the "scoring" of submitted proposals and it was sad to think that not all the agencies who applied would be funded and the safety net of services during this economic slow time has holes in it. More people are asking for community services, and we are all trained to serve the people who need these community services, and we as local nonprofits work on a shoestring. We always have been worth the investment, and now more than ever. Thank you for considering this request.

"No one of us is as smart as all of us working together"

Samantha Castle Kirstein, Executive Director
Fairbanks Community Food Bank
725 26th Avenue
Fairbanks, Alaska 99701
907-456-7267
donate on-line: www.fairbanksfoodbank.org

From: Samantha Kirstein [skirstein@fairbanksfoodbank.org]
Sent: Tuesday, March 23, 2010 2:47 PM
To: Sen. Lyman Hoffman
Subject: Human Services Community Match Grant, teleconference tomorrow, 1:45

As a recipient of $50,000 of the local Borough Match Grant, I would like to make a comment but may not be available to come to the scheduled teleconference. The Governor's budget proposed flat funding and the House concurred @ $1,485,300. The Senate Health and Social Services Finance Sub-committee increased the amount by $250,000 to $1,735,300. I ask you to accept the Senate Finance Sub-committee recommendations and seek full Senate Finance committee funding as recommended. As you can imagine, health and social services agencies in these affected communities (Fairbanks, Anchorage, Wasilla) are impacted by the economy. This has been a vital link and encouragement to the local health and social services agencies in these communities for 20+ years. Last night I sat through the "scoring" of submitted proposals and it was sad to think that not all the agencies who applied would be funded and the safety net of services during this economic slow time has holes in it. More people are asking for community services, and we are all trained to serve the people who need these community services, and we as local nonprofits work on a shoestring. We always have been worth the investment, and now more than ever. Thank you for considering this request.

"No one of us is as smart as all of us working together"

Samantha Castle Kirstein, Executive Director
Fairbanks Community Food Bank
725 26th Avenue
Fairbanks, Alaska 99701
907-456-7267
donate on-line: www.fairbanksfoodbank.org

Untitled

DATE: Wednesday, March 24, 2010
TO: Members of the Senate Finance Committee
FROM: Carone Cobden, Fairbanks Alaska
RE: Please support ASRA funding

I respectfully ask that you consider funding the $75,000 budget request for the Alaska Summer Research Academny at the University of Alaska Fairbanks. This relatively modest request will go a long way in funding a wonderful, high quality program that inspires the interest of students all over the state (and nation) in the field of science.

Two of my children have attended ASRA and have benefited from it tremendously. The hard working faculty and staff of this program give tirelessly and care deeply about sharing their knowledge and love of the sciences.

The program is also a fabulous way to attract potential students to UAF, which is more important now then ever before.

Please don't cut this item from the budget. The staff and faculty of ASRA have dedicated many years to providing a quality science program to Alaska's youth and it needs your support now more than ever before.

Thanks very much for your time.

1281 Overhill Dr.
Fairbanks AK 99709
(907) 374-0597

March 24, 2010

Senate Finance Co-Chair Senator Hoffman,
Senate Finance Co-Chair Senator Stedman,
Senate Finance Committee Members,

RE: Funding Request for Community Health Centers of Alaska

I'm Doris Robbins, a 45 year Alaska resident, now living in Fairbanks, Alaska. I moved to Fairbanks in 2004, after retiring from my work in Juneau, so that I could be near my grandchildren.

Having been told that I would have no difficulty finding any variety of primary physicians when I moved here I was not prepared for being turned down for an appointment for care. That was during another year of big wild fire and I was facing going to the emergency room with an asthma attack because I could not get an appointment with the physician who treated respiratory ailments. Later, calling during an attack, obviously wheezing and frantically saying I was told I would have no problem getting care in Fairbanks with all the clinics available, I had to make a scene to get an appointment.

That was my introduction to the problems of many, particularly elderly, in this area. I was 61 and looking for a new physician. I realized then that soon to be 65, Medicare age, I must rush to line up someone who would see me for basic care. Community Health Centers play that role for many Alaskans every day, not just in Fairbanks but in the remote areas of Alaska. They are available when no one else will see a patient, use a sliding fee scale based on ability to pay, and never turning anyone away.

The services that Community Health Centers provide saves lives. They avoid costly drains on State coffers by catching illness early and keeping people some from falling onto the Medicaid rolls. They stretch their funds by supplementing Primary Care Physicians with Physicians Assistants and Nurse Practitioners.

I first learned of these centers when I was a commercial fisherwoman in the 1970s and ran into trouble. There, in a little fishing community, was a Community Health Center coming to my aide with no questions before treating me. I received treatment, paid a small sum, and went on my way without having to leave the fishing area.

As much as we now rely on them for care, even in population centers, Alaska needs to provide the assistance they request at this time. States, other than Alaska, routinely pitch in funding for Community Health Centers. Even with the economy as it is, 38 states were continuing to supplement funding in the 2008 tally.

Please provide the requested funds to keep these centers functioning well to serve Alaska.

Thank you!

Doris Robbins
drobbins@gci.net

1281 Overhill Dr.
Fairbanks AK 99709
(907) 374-0597

March 24, 2010

Senate Finance Co-Chair Senator Hoffman,
Senate Finance Co-Chair Senator Stedman,
Senate Finance Committee Members,

RE: Funding Request for Community Health Centers of Alaska

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Please provide the requested funds to keep these centers functioning well to serve Alaska.

Thank you!

Doris Robbins
drobbins@gci.net

From: Louise_Smith@fws.gov
Sent: Wednesday, March 24, 2010 11:13 AM
To: Sen. Lyman Hoffman
Subject: ASRA Funding

Dear Senator Hoffman -

I am writing in support of funding for the Alaska Summer Research Academy (ASRA) in the Senate UAF budget. ASRA is an extremely popular program, providing unique educational experiences for students, ages 12-18 yrs. Each year the program receives many more applications from throughout the country than they are able to place.

ASRA has provided an affordable means for my daughter to expand her educational horizons while remaining in Alaska – working closely with other students and professors from throughout the State, the lower 48, and foreign countries. She has maintained contact with her previous ASRA professors from MIT and UAF and most importantly expanded her horizons with regard to her future plans. This year hopefully she will meld her previous 2 years of ASRA experience in an advanced Marine Biology/under-water ROV module at Kasitsna Bay near Homer. She realizes she can accomplish just about anything she puts her heart into – *and she is seriously considering UAF as the starting point of her college education* – all as a result of her experiences in the ASRA program at UAF. This truly is education as it is meant to be.

Please retain the funding for ASRA currently allocated in the UAF budget.

Thank you,

Louise Smith
P.O. Box 84765
Fairbanks, Alaska 99708
(907) 479-4609

From: Don Pendergrast [don_pendergrast@yahoo.com]
Sent: Tuesday, March 23, 2010 3:33 PM
To: Sen. Lyman Hoffman; Sen. Bert Stedman; Sen. Dennis Egan; Sen. Johnny Ellis; Sen. Charlie Huggins; Sen. Donny Olson; Sen. Joe Thomas
Subject: Please support the Alaska Summer Research Academy

Dear members of the Senate Finance Committee,

My son Asa is now a freshman at UAF; he's studying electrical engineering and will eventually become a productive member of our Alaska society (none to soon for his parents). One critical element in Asa's formative years was his attendance at the Alaska Summer Research Academy (ASRA). Not only did he get to do fun and cool stuff but it introduced him in a positive way to what college life would be like.

ASRA was a great recruiting tool for UAF, and it helped and continues to help set his direction in higher education. This is a great program who's benefits are both immediate and long lasting. We want to meet the future with Grown In Alaska scholars, teachers, engineers, and scientists. ASRA is a critical element in preparing a good future for our state. Please support the general fund allocation of $75,000 for ASRA.

Thank you,

Don Pendergrast
1358 Spring Glade Road
Fairbanks, AK 99709-6892
907-479-2964

From: Laura Pierre
Sent: Wednesday, March 24, 2010 5:14 PM
To: Sen. Lyman Hoffman; Rep. Bob Herron
Cc: Irene Lampe; Sandy Burd
Subject: FW: Bethel OCS improvements

Rep. Dahlstrom asked me to pass on the below update.

Laura Pierre
Chief of Staff
Office of Rep. Nancy Dahlstrom
House Rules, Rm. 216
P. 907.465.3783
F. 907.465.2293
Laura_Pierre@legis.state.ak.us

From: Elgee, Alison M (HSS) [mailto:alison.elgee@alaska.gov]
Sent: Wednesday, March 24, 2010 11:36 AM
To: Rep. Nancy Dahlstrom
Cc: Hogan, William H (HSS); Sandoval, Tammy K (HSS)
Subject: Bethel OCS improvements

The Commissioner asked that I provide you a quick update on the status of our Bethel OCS operations improvements.

Increased Bandwidth was ordered for Bethel the week of March 15th. Expedited install dates are estimated at the second week of April. In addition, acceleration testing has demonstrated significant speed improvements. The production application acceleration environment design is currently underway and the procurement and implementation of the final design is estimated to occur within the next 60 days. Finally, the wide-area network improvements are being tested. Upon completion of the testing, equipment will be ordered for installation. This should be completed prior to the end of the current fiscal year. Each of these steps will provide improvement to ORCA performance in the Bethel region.

We are also in the process of finalizing the positions for management of the Bethel operations as a new region for OCS. Four positions are being created. OMB approval is in place and the Division of Personnel is being asked to expedite classification so that recruitment can be officially begun. Meanwhile, Director Sandoval is working to acquaint possible applicants with the new position needs in Bethel to try to assure a good candidate pool once the positions are available for appointment.

If you have additional questions, please don't hesitate to ask.

From: uaafac@alaska.net
Sent: Wednesday, March 24, 2010 8:07 PM
To: Sen. Lyman Hoffman
Subject: Public Testimony on UA Budget

Dear Members of the Senate Finance Committee

Since my work schedule did not allow me the opportunity to present public testimony today between 2:30PM and 3:15 pm in Anchorage, I hope you receive my comments by email.

First I want to thank the Senate Finance Committee for supporting the University of Alaska. The proposed senate budget is an improvement over the UA budget passed by the House.

While I certainly appreciate the proposed increases in the UA budget, I have to point out that the proposed budget does not cover all of the university's fixed costs for compensation and for utilities. I am also not sure if the operational costs for the new Integrated Science Building at UAA are covered by the proposed budget. If they are not, then it is critical to include them.

I am also concerned about the intent language in the proposed budget that establishes a goal for unrestricted general funds to move toward a cap of 125 percent of actual University Receipts for the most recently closed fiscal year.
This goal is not good news since it represents a decline in state support of the university. The ratio should not be lowered or defined by intent language. The
125 percent ratio is arbitrary and not policy driven. It limits the university's ability to respond to the state's needs. It will force an increase in student tuition, fees, and other charges making the university less affordable.

To end my remarks, I want to express my appreciation for the Senate's support of the university and I hope that this support can be extended by covering all of the university's fixed costs and by eliminating the intent language regarding the 125 percent.

Thank you

Steve Rollins
12840 Lupine Rd
Anchorage, AK 99517

Dear Committee Members...I have already sent you each individual email copies of this message, but for purposes of your meeting today am sending this long to you directly. I have been attempting to have some of our PhD students come to the LIO to testify but have learned most are giving presentations in class this afternoon during this time frame. I will attempt to get away from the clinic here to join you but am not sure I can get a student...though they are quite willing to do so. First let me and my colleagues here at the Alaska Family Medicine Residency thank you for your support of our residency and for your support in funding the Alaska Psychology Internship Consortium. The shortage of health care providers in Alaska extends far beyond Family Medicine. Shortages in Psychiatry and Psychology are critically low. In Primary Care, though we have a significant focus upon acute care, the majority of our work is with Chronic Health Conditions, e.g., Heart Disease, COPD, Diabetes, Cancer, Obesity, Substance Dependencies to name a few. All these conditions necessitate the creation of viable interdisciplinary teams of care providers to promote behavioral change. The much referred to Medical Family Home begs for these alignments and collaboration. The Alaska Family Medicine Residency has demonstrated the ability to not only train Family doctors but to retain them in Alaska. It is imperative we do the same in the field of psychology where the shortages have been equally severe. We must have viable sites ready, waiting, and appropriately accredited for the graduates of our Universities PhD programs. The Residency is currently a supporter and participant in the evolving AK-PIC. The physicians here can attest to how valuable it is on a daily basis to be working hand in hand with these caring counselors. Our hope is to not only provide viable training for the Universities PhD candidates in Psychology but a felt sense of home and an ongoing comfortable spirit of collaboration and partnership that students will carry into their professional lives here in Alaska. We are looking forward to the challenge of obtaining APA accreditation for Alaska's Consortium and also our first PhD student this year. Your support will allow us the communicative network and set of educational and interpersonal activities demanded by that accrediting organization. This fiscal support is critical and we thank you for all of your efforts. Sincerely, Ray Pastorino

Ray Pastorino, PhD, JD

Clinical Psychologist-Humanities

Alaska Family Medicine Residency

1201 E. 36th Avenue

Anchorage, Ak 99508

907-273-9334

Cell - 907-351-9787

Fax - 907-561-4806

Planned Parenthood®
of the Great Northwest

March 24, 2010

Senate Finance Committee

Dear Senate Finance Members:

I am writing today regarding the decrement that was passed in the Senate Finance Health and Social Services sub-committee regarding the removal of funding for medically necessary abortion services from the Department of Health and Social Services Budget. As members of the committee may know, July 27 2001 the Alaska Supreme Court ordered the Department and the State of Alaska to pay for these services. Quoting from the opinion, "This selective denial of medical benefits violates Alaska's constitutional guarantee of equal protection. " This conclusion is supported by many cases across the US. The court went on to say that "The State, having undertaken to provide health care to poor Alaskans, must adhere to neutral criteria in distributing that care. It may not deny medically necessary services to eligible individuals based on criteria unrelated to the purposes of the public health care program." By removing the funding from the budget this puts the department in the position of either 1. Violate the law by not providing these services or 2. Cut other important health care programs to pay for these services. Neither of these options is ideal, the first one will result in costly lawsuits for the state and the second will compromise the important work of the department.
Ideally we would be implementing comprehensive family planning services to ensure that less women face this decision. However, the State of Alaska has not made prevention a priority so I respectfully ask the committee to re-instate the funding that is the legal right of women in Alaska.

Best Regards,

Clover Simon, MSW
Planned Parenthood of the Great Northwest
VP of Alaska
4050 Lake Otis Pkwy Suite 205
Anchorage AK 99508
907.770.9705 (office)
907.240.7449 (cell)

From: Michael Sobocinski [msobocin@yahoo.com]
Sent: Wednesday, March 24, 2010 10:49 AM
To: Sen. Lyman Hoffman
Subject: Foster care funding

Categories: Green Category

Dear Sen. Hoffman:

As a psychologist who has worked extensively with children and adolescents who are considered to be at high-risk for poor outcomes as they move into young adult roles, I have been heartened by the current legislation addressing the needs of youth transitioning out of foster care.

We have increasingly good evidence to believe that supporting transition-age youth pays off both in terms of their ability to assume productive roles within the community, as well as economically in terms of less reliance upon public supports and increased participation in the job market.

Most youth and young adults can rely upon material as well as social and emotional support as they make the extended transition into adulthood. This is often not the case for youth who have been raised by the state. However, when these youth are offered services that are individualized, community-based, and involve caring relationships with adult mentors and professionals, their ability to move successfully into employment, complete their high school educations and pursue post- secondary programs, reduce their involvement in the legal system, and secure and maintain safe and stable housing are all greatly improved.

I am writing to request that you include in your funding the money that was originally targeting the hiring of two additional independent living skills staff at OCS, as well as the money to support the development of a mentoring program for these foster care youth. I believe that both of these aspects of the legislation are key to leveraging our efforts with this vulnerable population.

One of the main obstacles to providing effective services and supports to former foster care youth is the unmanageable caseloads that the Independent Living Specialists currently carry. Unless they are able to engage foster youth in a personal relationship, the necessary follow-through with services and supports is unlikely, and this is ultimately dependent upon a caseload size that is "doable."

The provision of caring adult mentoring relationships has also been shown consistently to make a difference in the lives of at-risk youth. Supporting a competitive grant program effort that identifies, trains, and provides ongoing support and supervision to adult mentors is necessary in order to harness the goodwill and positive motivations that are present in many adults in the community. Understanding the needs of former foster care youth can at times challenge many well-meaning adults, and cause them to back away from opportunities to engage these youth.

Thank you very much for the opportunity to address this most important piece of legislation currently being considered by the Senate Finance Committee. Your efforts can have a very significant positive impact on the lives of many former foster youth.

My best,

Mike Sobocinski

Denise Liccioli

From: Elsa Demeksa [elle@gci.net]
Sent: Thursday, March 25, 2010 2:14 AM
To: Denise Liccioli
Subject: Communities In Schools Budget Request
Attachments: letter to legislatur#1A42F6(2).doc; Care Coordinator Proposal to Legislature 2010(2).docx

Hi Denise:

It was nice running into you last night as I never see you except at airports. Thank you for being willing to consider this request. The program really keeps kids in school. We are currently serving about 135 kids with just two part time care coordinators. We could make a huge difference if we had full time people in all three high schools and the two middle schools. Of course we would gretefully accept anything we can get. Thank you for any help you can give us.

Elsa

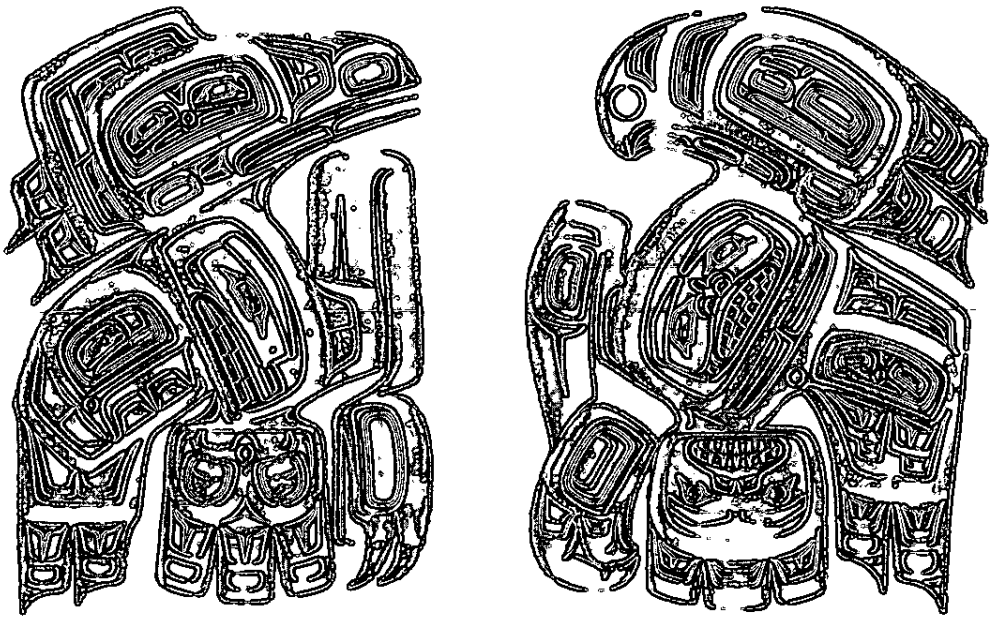
Elsa told me last night that she was disappointed that she could not testify during the time slot for Juneau. I told her ~~[illegible]~~ if she'd send me her comments I would pass them along to the Co-chair. When I saw what she sent, I replied and included Jesse, to say that in order to include something new, it would take an amendment and asked if she already had requested one of Sen Elton. So just passing along what I know.

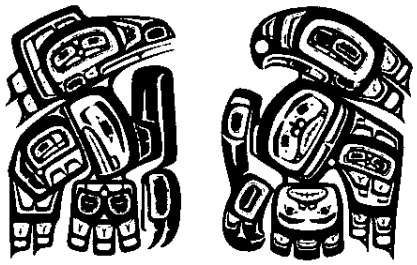
Denise
3/25

3526

CENTRAL COUNCIL

Tlingit & Haida Indian Tribes of Alaska





Juneau Alaska Native Youth Suicide Prevention Coalition

Participant E-mail and Phone List

CCTHITA

William Martin; 907-957-1895; Main #5861432, bmartin@ccthita.org
Francine Eddy-Jones; 463-7162 fjones@ccthita.org
Melissa Kookesh; 463-7103, mkookesh@ccthita.org
Jeri Museth; jmuseth@ccthita.org 463-7336
Deena LaRue, dlarue@ccthita.org
Mischa Plunlett, mplunkett@ccthita.org
Desiree Duncan; dduncan@ccthita.org
Kevein Skeek; kskeek@ccthita.org 209-8522
Raeanne Holmes, rholmes@ccthita.org
Ashli Colon acolon@ccthita.org

ANS and ANB

Micalyne Kunz-Mcghee, Grand Camp President ANS,
500-2703, mickey@gci.blackberry.com
Willard Jackson, Grand Camp President ANB, kliewaan@yahoo.com ,617-3376
Ray Dennis Jr. ANB First Grand Vice President, yeilhitlkoot@msn.com 766-3993
Selina Everson; 907-364-3132, selina@gci.net
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Juneau's Alaska Native Youth Suicide Prevention Coalition

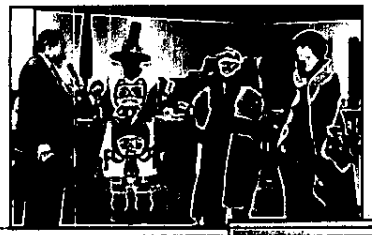
Addressing Issues Negatively Impacting Alaska Native Youth

Central Council President Bill Martin refers to Alaska Native youth as our most precious and valuable resource. It fills him with joy to see so many blossom and thrive in today's world, while still embracing our Alaska Native culture and ways. On the other hand, he sadly notes too many Alaska Native youth face very difficult life challenges which can greatly interfere with their ability to reach their potential, hopes and dreams.

This past September, President Martin met with Dr. Brendan Kiernan, Chair of the Juneau Community Suicide Prevention Task Force, to discuss the disturbing findings school and community counselors discovered after screening all students at Yaakoosgé Daakahídi High School for depression and/or potential suicide utilizing the nationally acclaimed "Signs of Suicide" program. A very high percentage of Alaska Native students reported symptoms of major depression in the last six months, and/or suicidal ideation, plans and/or attempts in the last year. Through follow-up interviews these students also reported daily struggles of teen pregnancy, parenting their own children, substance abuse, homelessness, and the stress that comes with economic, educational, employment and/or family difficulties. Upon hearing these results, President Martin acted quickly and asked Dr. Kiernan to help him organize a coalition to address suicide prevention as well as other contributing factors negatively impacting our high-risk Alaska Native youth in Juneau.

President Martin and Dr. Kiernan called on Juneau's Alaska Native leaders, elders, community members, youth, Central Council, SEARHC, U.S. Senators Begich and Murkowski, U.S. Representative Young, Alaska State Senator Egan and State Representative Munoz, the Department of Health and Social Services, Alaska Mental Health Trust, Alaska Mental Health Board, Advisory Board on Alcoholism and Drug Abuse, Sealaska, Juneau School District, Catholic Community Services, Juneau Youth Services, AWARE, Office of Children's Services, Department of Juvenile Justice, NCADD, and others to come together to address and help resolve these issues.

President Martin was very pleased with the overwhelming response and mutual concern and support from those who attended the October 26 and November 20, 2009 meetings. All agreed on the need to work together to share perspectives, insights, ideas, knowledge and most importantly strategies, solutions, resources, and energies, in order to collaboratively address the complex issues facing high-risk Alaska Native youth in Juneau. The State of Alaska is very enthusiastic about the work of the coalition and would like to see the coalition develop a "community-based model of prevention and intervention for high-risk Alaska Native youth" to be used throughout Southeast and Alaska.



Top: President Martin speaks to clan leaders and Juneau-Douglas High School sophomore Colton Welch, who was appointed Youth Representative on the T&H Suicide Intervention/Prevention Team.

Right: Colton Welch shares his personal story regarding suicide.

President Martin notes, not only will Alaska Native youth in Juneau benefit from a "Comprehensive Community-based Prevention and Intervention Plan," youth throughout the State will benefit from the commitment and coordination that an effective community plan can demonstrate when they truly come together to make significant changes, and implement well coordinated, culturally appropriate, intervention strategies for our high-risk Alaska Native youth.

In a powerful and moving three-hour meeting on January 15, coalition and youth members were taken in by the ceremony, stories, wisdom, knowledge and advice shared by clan leaders. The next coalition meeting will be held at Alaska Native Brotherhood Hall on February 17, 2010.

Chief Nang Jingwas Potlatch

Submitted By: Corrine Garza

A potlatch was held November 14, 2009 in Skidegate, Haida Gwaii, B.C. to install Russ Jones as Chief *Nang Jingwas* of the *Naa S'agaas Xaaydagnay Skidegate Gidins*. Russ, who is a Tlingit and Haida member, succeeds Dempsey Collinson as the Chief of their Skidegate Haida clan.

Russ Jones dances the robe

His wife Dolly Garza, *Sgang gwaay*, wove a Raven's Tail robe for the potlatch. Chief *Iljuwas*, Reno Russ and Delores Churchill named the robe "The Tide Has Changed" at the potlatch.

The new Chief danced the robe to a full house and faced the four sacred directions to acknowledge and respect all of the witnesses.

Chief Nang Jingwas

Norman Jackson of Ketchikan carved his headdress. Skidegate Haida carver Clayton Gladstone, whose great grandmother came from Kasaan, Alaska, carved his eagle-wusco talking stick.

Above: Russ Jones and Dolly Garza

Left: Raven's Tail Robe by Dolly Garza

For more information or clarification, contact Dolly Garza at 250.559.8838 or by email at d.garza@att.net.

Floyd Kookesh Appointed Subsistence & Sustainable Development Coordinator

Floyd Kookesh

President Bill Martin recently appointed Floyd Kookesh, a tribal member and lifelong Alaska Native resident, to Subsistence & Sustainable Development Coordinator.

Floyd is a self-employed charter boat operator who has raised his family living a subsistence lifestyle in Angoon. He has served on the Southeast Regional Advisory Council on Subsistence since 1999, and takes pride in the fact that public service for the betterment of all is a value he holds as honorable and worthy of sacrifice. His past public service experience includes serving as Mayor of Angoon, Advisory School Board Member, and Chairman of the Angoon Indian Education Program.

"Subsistence rights is an ongoing issue for the Tribe and a top priority of my administration," said President Martin. "I am confident in Kookesh's abilities. His knowledge and experience in the subsistence arena will serve well in advocating important issues for the Tribe."

"Subsistence rights continue to be threatened in Alaska, with dual management between State and Federal jurisdictions, regulations continue to be made that affect us daily," said Kookesh. "I plan to focus on expanding the subsistence program and strengthening our rights under Central Council. Now that the Federal Review is beginning its next phase, it's important that we be at the table to ensure our needs and rights are protected."

Floyd began his new job on January 6, and his office is located at 9097 Glacier Highway. Please join us in welcoming him.

Nikki Morris
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My name is Nikki Morris. I am the Family Services Coordinator at the Association for the Education of Young Children, SE Alaska, part of the statewide Child Care Resource & Referral Network, **thread**. I assist parents across the region, helping them find quality regulated child care. I want to extend my thanks to you for the recent increase to the Child Care Assistance Reimbursement Rates that became effective March 1, 2010. More help, however, is needed for Alaska's working families. I am here on their behalf asking you to support an increase in the family eligibility rate for Child Care Assistance to 85% of the state median income. This will help families stay at work and also provide quality care for their children. The eligibility rate has not been adjusted since 2002. Child care is expensive but not all working families can access support. The Local administrator for PASS II/III Child Care Assistance in Juneau told me that on average, five families per month are turned away because they are over the income threshold and cannot qualify for assistance. Though over income, these families struggle to make ends meet.

Consider, what difference $60 a month would make in your life. For Ms. Foster, a client I have worked with since 2005, when her pay increased by $60 a month it meant that she no longer qualified for Child Care Assistance and Denali KidCare. Ms. Foster, a single mother with two children, makes $18 an hour. After taxes she pays for her essentials: rent, transportation, child care, and utilities. With the few hundred dollars left she decides which of the remaining bills will go unpaid so she can provide food for her children. Her oldest child has special needs. When she qualified for Child Care Assistance, this included funding for her child care provider to offer an enhanced program to meet her child's needs. Now, because she no longer qualifies for Child Care Assistance she brings her children to an unregulated provider who does not have any support for working with children who have special needs. In a recent conversation, Ms. Foster shared that she knows that she could work much less and get more support for her family if she quit her job. Ms. Foster is proud to be a contributing community member and chooses to keep her job and hope for better days.

It is for Ms. Foster, and other working families like hers that I ask you to support an increase to the family eligibility rate to 85% of the state median income. This increase will allow more children from lower and middle income homes the opportunity to access regulated and higher quality child care programs and will enable more families to stay at work.

Thank you.

Chairman Hoffman and Stedman, and members of the committee:

I am Peter Froehlich, a retired Juneau District Court Judge and a member of the Partners for Progress Advisory Bd. In the late 90's, I helped establish the Juneau Wellness Court, and presided over it, until my retirement in 2005. I am here to speak in favor of the $200K budget increment to Partners for therapeutic court support. This increment is essential now, since Federal grants are no longer available for a program that has been part of ongoing state court operations for 11 years.

I want to make just two basic points:

First, this is a tough program that really does change addictive behavior. Therapeutic courts are both corrective and preventive. Crime and public costs that would have occurred, without the program, are avoided. The two colored data sheets included in my submission for the record, confirm cost savings and crime reduction. Therapeutic courts both protect the public, and save state dollars.

Secondly, state partnership with a non-profit is essential to making therapeutic courts work. The Court System has asked us to emphasize the value of the Partner's program in meeting therapeutic court needs, because the courts either would be ineligible for funding or unable to fully respond. The combination of courts and non-profits is what makes therapeutic courts effective nationwide. As former national "drug czar", General Barry McCaffery says in the USA Today article also in my submission, "public-private partnerships are critical to the success and future of drug courts".

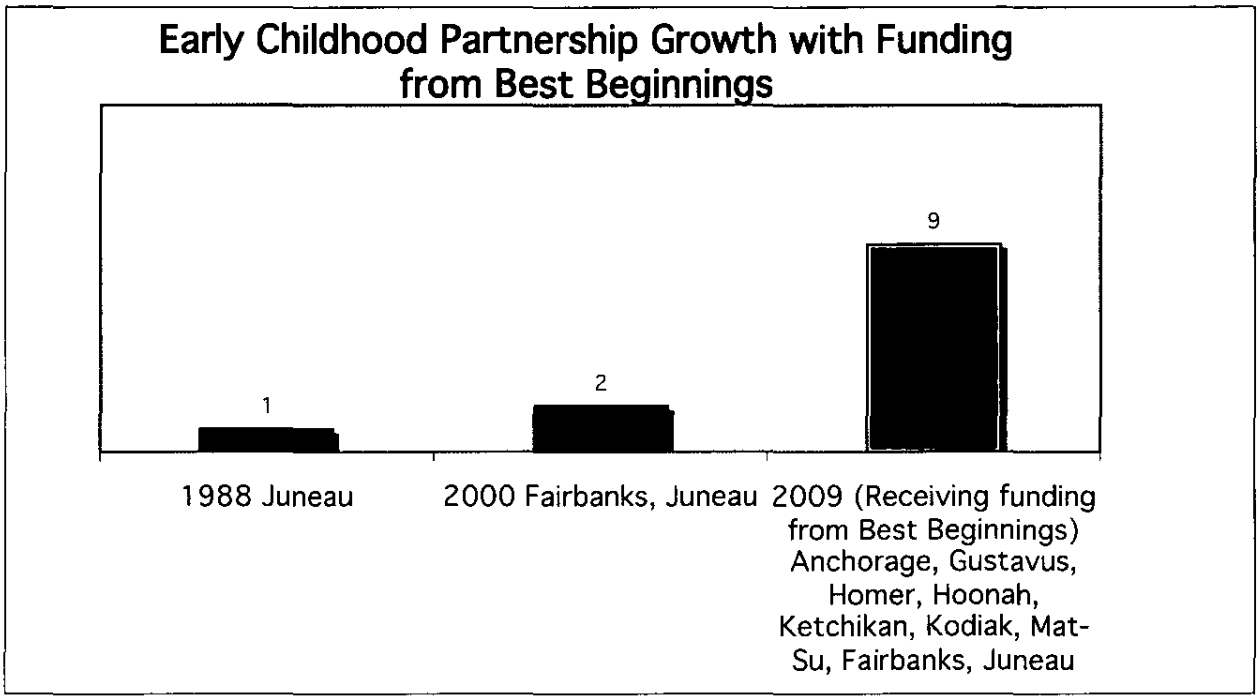
In conclusion, for 11 years now, Partners for Progress has been making a huge difference in our ongoing battle against alcohol and other drugs. I urge you to provide the funding necessary for us to continue.

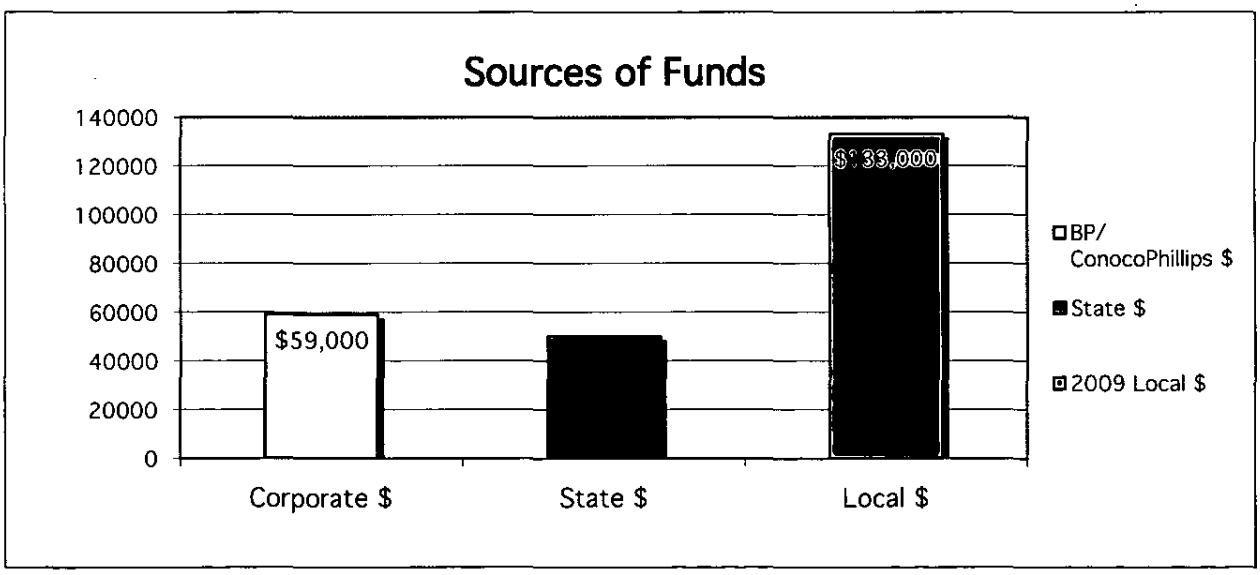
Thanks for your consideration. I know you'll hear more on this, as the day goes on. I want to turn it over briefly to JoAnne Lockwood, a graduate of our Juneau Therapeutic Court. Again, thank you for your time.

BEST BEGINNINGS

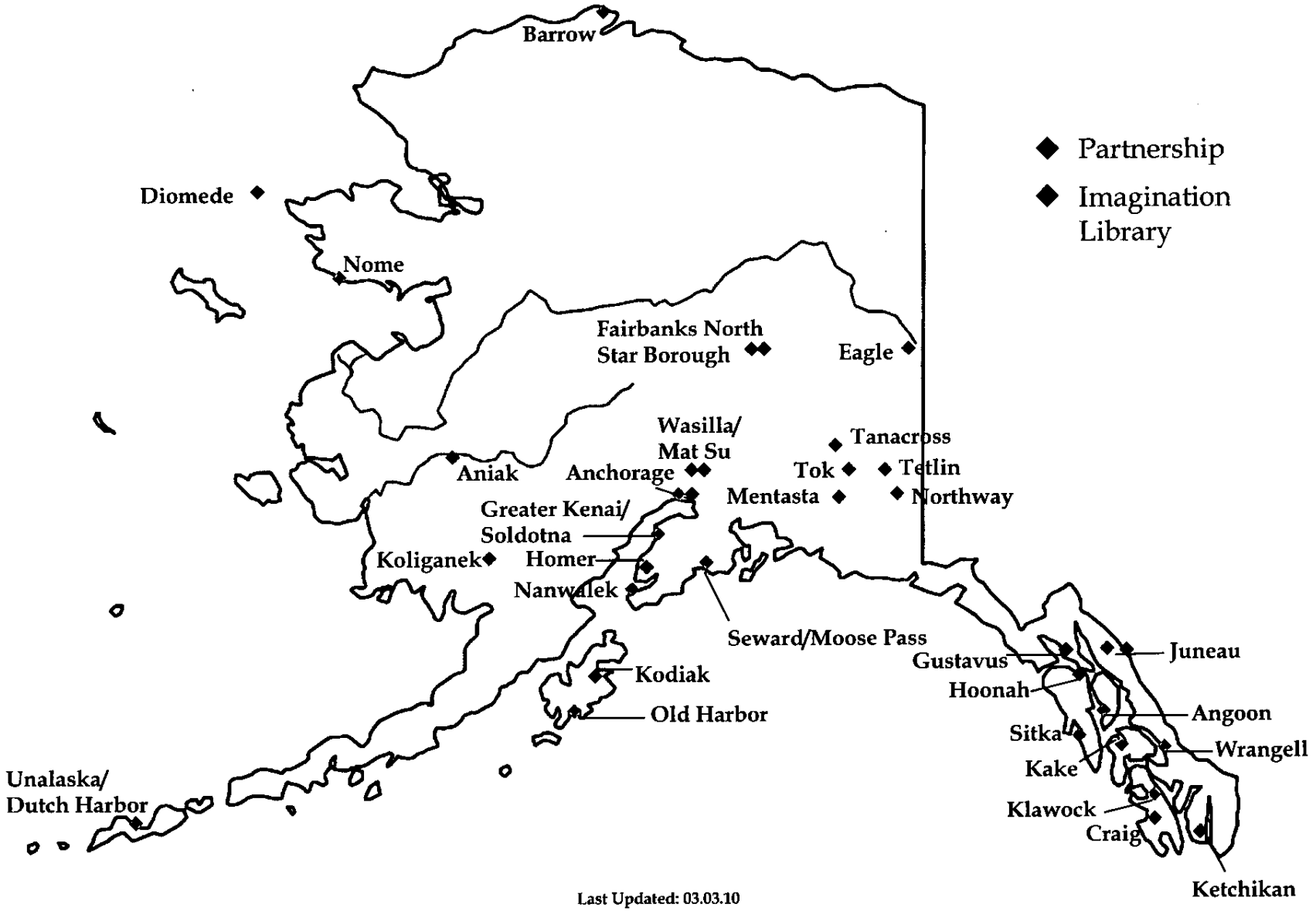
Alaska's Early Childhood Investment

BEST BEGINNINGS EARLY CHILDHOOD PARTNERSHIPS





Early Childhood Partnerships & Imagination Libraries in Alaska



Last Updated: 03.03.10

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TESTIMONY FOR SENATE
FINANCE COMMITTEE

Wednesday March 24 9:00 AM

For AMERICAN HEART ASSOCIATION
and Alaskan children and Families
support $475,000 addition to Childhood Obesity
Prevention Initiative

George W. Brown M.D

Heart Disease and Stroke. You're the Cure.

American Heart Association. | American Stroke Association.
Learn and Live.

FACTS
With a Very Heavy Heart
Obesity and Cardiovascular Disease (CVD)

OVERVIEW

Once primarily seen as a behavioral and environmental problem, obesity is now viewed as a complex disorder and a major health risk factor linked to increased CVD, cancer, diabetes, and early death.

And more than just a contributing factor, obesity by itself increases the risk of heart disease. Framingham Heart Study researchers found that obese individuals had an incredible 104% increase in the risk of developing heart failure compared to non-overweight individuals.[1] Those with abdominal obesity are at particularly high risk. An obese person who has a stroke has longer hospital stays and a lower chance of being discharged home.[2]

OBESITY AS AN EPIDEMIC

The news is not good. The U.S. is now in the grips of a full-blown obesity epidemic. The prevalence of those who are obese has risen to 33.9%.[3] In 2008, adult obesity rates rose in 37 states, and in more than half of our states, obesity rates exceed 25 percent of all adults.[4] According to the WHO, the number of overweight and obese people world-wide is set to increase to 2-3 billion by 2015 if current trends continue.[3]

These rates bode poorly for health outcomes. A 2003 study showed that by age 40, a non-smoking obese woman loses 7.1 years of life expectancy and a non-smoking obese man loses 5.8 years.[5] Severely obese individuals lose 8-10 years of life expectancy, which is comparable to the effects of smoking.[6] Of greatest concern, the obesity epidemic is spreading to our children at an alarming rate.[3] Nearly 10 million children and adolescents ages 6-19 are considered overweight.[3] Sadly, one study has shown that obese children's arteries resemble those of a middle-aged adult.[7] Over-weight adolescents have an overwhelming chance of becoming obese adults and they are being sentenced to an early future of CVD and disability.[8]

THE COSTS OF OBESITY

Beyond the toll in human suffering and death, obesity and its associated diseases have a steep price tag. Obesity is a significant factor driving health care spending, accounting for an estimated 12 percent of growth in recent years.[9] By one estimate, the annual cost of overweight and obesity is $117 billion per year.[10] The number of children who take medication for chronic diseases has jumped dramatically since 2002, another contributing factor to rising health care costs.[11] Obese Medicare recipients nearly doubled between 1987 and 2002 and the cost of treating them almost tripled.[12] Left alone, the situation will only worsen with America's public health, economy and productivity suffering.

WHY ARE AMERICANS OBESE?

AMERICANS OVEREAT AND ARE SEDENTARY

- USDA data indicate that between 1970 and 2003, the amount of calories people ate jumped from 2,234 to 2,757 calories per day. Total per capita consumption of added fats and oils rose by 63%. Annual corn sweetener consumption increased to 79 pounds in 2003, up 400% from 1970.[13]
- Of all U.S. deaths from major chronic disease, 23% are linked to sedentary lifestyles. The bottom line: $5.6 billion in heart disease costs could be saved if one-tenth of Americans began a regular walking program.[14]

CHILDREN ARE NOT LEARNING HOW TO MAKE HEALTHY CHOICES

- Only 27% of schools require health education in grade 6, 10% in grade 9, and 2% in grade 12.[15]
- Children are not eating the recommended servings of fruits and vegetables each day. Only 2 percent of children in any age or sex subgroup

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consumed five or more servings per day of vegetables and fruit consumption averages 1.3 servings/day for children ages 9-14.[3]

- Between 1977-78 and 2000-01, milk consumption decreased by 39% in children age 6-11, while consumption of carbonated soda rose 137%.[16]
- Only 3.8% of elementary schools, 7.9% of middle schools and 2.1% of high schools provide daily physical education or its equivalent for the entire school year. Twenty-two percent of schools do not require students to take any physical education at all.[17]
- Physically active transport to and from school has declined; only one third of trips to school ≤1 mile and <3% of trips ≤2 miles are made by walking or biking. Even recess has been reduced or eliminated in some elementary schools.[18] 61.5% of children ages 9-13 do not participate in any organized physical activity during their non-school hours.[3]
- Simple, small changes in behavior such as walking an additional 2000 steps/day and eliminating 100 kcal/day from the diet, can lead to lower BMI in families.[19]

WORKSITE WELLNESS HELPS

Employer spending on health promotion and chronic disease prevention is a good investment. Programs have achieved a savings ranging from $3-$15 for each dollar invested and these savings are realized within the first 12-18 months.[20] The return on investment comes through reduced sick leave, absenteeism, a reduction in health care costs, and an average reduction in workers compensation and disability management claims costs.

AHA ADVOCATES

The American Heart Association has a goal of halting the annual rate of increase in obesity and overweight by 2010. To help achieve that goal, the AHA advocates for passage of legislation that increases physical activity and improves the health status of all Americans. This legislation includes:

- Fitness Integrated with Teaching Kids Act to increase quality physical and health education in schools.
- Child Nutrition Promotion and School Lunch Protection Act to update nutritional standards for foods consumed in the school environment.
- Healthy Workforce Act to increase physical activity opportunities in the workplace.
- A resolution promoting National Worksite Wellness Week (H. Con. Res. 450)
- Demonstration projects that test new strategies for reducing overweight and obesity among children and adults.

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SFY11 Childhood Obesity Prevention Increment

Chronic illnesses such as diabetes, high blood pressure, stroke, and cancer are among the leading causes of premature mortality in the state of Alaska. Obesity is one of the main drivers of these conditions, costing Alaskans years and quality of life as well as dollars.

- $477 million is spent annually in Alaska to treat medical conditions associated with overweight and obesity exceeding the cost of tobacco-related medical costs of $380 million.
- $33.7 million was spent on Alaska Medicaid recipients with an obesity diagnosis in SFY09; $5.8 million of this was spent on obese Alaskans under the age of 18.
- In SFY09, the average (mean) Medicaid payment for an Alaskan diagnosed as obese or morbidly obese ($18,128 per Medicaid recipient) was more than twice that of the average Medicaid client ($8,588 per Medicaid recipient).
- $8-9 million is spent annually to treat medical condition associated with overweight and obesity for State of Alaska employees alone.
- This is surely an underestimate of the true economic costs of obesity, as obesity also contributes to reduced life-expectancy, lost productivity and reduced earning potential, each of which has significant economic ramifications beyond just direct medical costs.

- In the Anchorage School District study, of the students who were overweight or obese during the 1998-1999 school year, 75% were still above a normal weight in 2007-2008 school year.

- Obesity, diet and physical inactivity account for an estimated 365,000 deaths in the US annually, second to only tobacco-related deaths.
- 40% of obese children already have at least two cardiovascular risk factors such as high blood pressure or high blood cholesterol.
- Compared to normal weight peers, obese youth have higher risk of developing type 2 diabetes, asthma, obstructive sleep apnea, orthopedic problems, nonalcoholic fatty liver disease, depression, and low self-esteem.

- In Alaska, obese youth are significantly less likely to report receiving mostly A's and B's.
- Research shows an association between obesity and lower academic abilities, lower teacher ratings of social-emotional well being, and increased absenteeism.

- 66% of Alaska adults are overweight or obese.
- There has been a 1% annual increase in adult overweight and obesity since 1991 when prevalence was below 50%.
- 27% of Alaska high school youth are overweight or obese.
- 40% of children ages 2 to 5 enrolled in the Women Infants and Children (WIC) program are overweight or obese.

SFY11 Childhood Obesity Prevention Increment

What will $475,000 fund?

The requested appropriation will fund the implementation of evidence-based obesity prevention strategies identified by the Centers for Disease Control and Prevention (CDC) through the mechanisms listed below. Since adult physical activity and nutrition behaviors are established during childhood, the Alaska Obesity Prevention and Control Program believes a childhood obesity prevention initiative would have the greatest impact. The components of this initiative include the following:

Fund community-based staff in two communities to develop and sustain coalitions focused on improving the local nutrition and physical activity environment for children. Communities would be selected through a competitive application process.

Provide training to professionals who work with Alaska's children to learn the most recent evidence-based strategies to prevent and reduce obesity.

Maintain systematic collection, analysis, evaluation and reporting of obesity prevalence and related physical activity and nutrition behaviors. Provide needed technical assistance, training, and analysis to a volunteer grantee school district so they can assess and track the extent of overweight among their student population. Program evaluation is essential to determine progress and better target limited resources.

Internal capacity for obesity prevention and control within a state health department is essential for program sustainability, efficacy, and efficiency. Funding will support two FTE at the state level, whose efforts will complement the staff currently funded through American Recovery and Reinvestment Act (ARRA) to facilitate the Alaska Food Policy Council and assist in the adoption of the proposed Alaska Standards for Physical Education. State staff will plan strategic efforts, provide strong leadership, provide good fiscal management and accountability of community grants. Additionally the state staff will provide technical assistance and training for the community grantees, the public, and for professional development of partners.

Doug Wessen, Ed.S
300 W 9th St.
Juneau, AK 99801

My name is Doug Wessen and I live in Juneau, Alaska. I am a retired school psychologist who retired from the Juneau School District in May of 2008. I was a founding member of the Juneau Fetal Alcohol Diagnostic Clinic and served as the psychologist on the multi-disciplinary team from September 2004 until my retirement in 2008.

Today I would like to thank the committee for the additional funding provided for FASD services and parent navigators. By providing this additional funding families will be better served.

Providing treatment for women who are pregnant is a tremendous intervention in preventing FASD disorders. It is through this help, providing prevention and compassion that we as legislators, citizens, educators and service providers take an action that can make a child's life better. This in turn makes our state, communities and families and better place

Negotiating the various agencies when families make a brave and difficulty decision to have a child seen at the Diagnostic Clinics for possible fetal alcohol exposure can be overwhelming. Without the assistance of parent navigators most families become lost in the process of getting the required information. After a diagnosis parents need help in coordinating services for their children, and sometimes much need support given by the parent navigators.

Parent Navigators and Case Managers help families with children or adults with FASD disorders effectively receive services that will no doubt become overwhelming. A case manager or parent navigator works with a family much as a legislative aide would track a bill to make sure it makes it through the various committee and hearing to make effective public policy. For a family or a adult with a Fetal Alcohol Spectrum Disorder trying to figure this out on their own will easily become an exercise in frustration that leads to failure. Coordinating services within the community, school, mental health and medical needs and at time through the court system provides a guide to help the person succeed. In this way we provide the best care and services possible making the net a tighter weave so that these persons can succeed.

"What if there were a new program that saved $7 for every dollar spent, reduced death and destruction on our highways, helped prevent fetal alcohol syndrome in babies and healed broken families? Well... I invite you to visit one of Alaska's therapeutic courts!"
Judge Jim Wanamaker (retired), Wellness Court Founder

SAVING THROUGH COST AVOIDANCE

Therapeutic courts generate huge cost savings, and these cost savings are immediate and ongoing.

- **Consider...** Without the Anchorage Wellness Court 76 people would be spending **at least** year in jail. At the current cost of $46,000 a year, those **76 people currently in the therapeutic court would be costing the state about $3,500,000 per year for jail**. This is jail cost alone and does not include costs of police, court costs, and costs to their families, nor does it consider the fact that, absent therapeutic court, these 76 would be highly likely to re-offend after release from jail, and to repeat the costly cycle several times during their lives.

Cost avoided - $3,500,000 per year at minimum

- **Consider...** In a 12-month period during 2007-08, four healthy babies, **without Fetal Alcohol Syndrome (FAS),** were born to women in the Anchorage Wellness Court. Each woman had a history of severe alcohol addiction before entering the therapeutic court and had a high likelihood of producing a FAS child were it not for the therapeutic court-ordered treatment program. According to current statistics a FAS child typically costs the public $3.1 million over the course of a lifetime.

Cost avoided – over $12 million for 4 women

- **Consider...** In 2009, at the request of the Legislature, the UAA's Alaska's Institute of Social and Economic Research (ISER) studied a group of programs for their potential to reduce the cost of crime. ISER reported that therapeutic courts are among the programs that ...

Save from 2 to 7 times what they cost.

- **Consider ...** the intangible benefits **to families, employers and community.**
In the words of a Wellness Court graduate, "I got sober in the beginning for me, because I had to stay out of jail. Then it changed because I liked the effects on my kids and me. Then I did it because I wanted to live. And those healthy feelings continue to become positive actions as I contribute and participate at my kid's schools, with their sports, at our church, in my job, in my business."

Cost avoided - incalculable

MUNICIPALITY OF ANCHORAGE

Office of the Mayor

Phone: 907-343-7100
FAX: 907-343-7180

Mayor Dan Sullivan

Co-Chairs and Members of the Senate and House Finance Committees
Alaska State Legislature
129 4th Street State Capitol, Room 3
Juneau, Alaska 99801-1182

Dear Finance Committee Co-Chairs and Members:

Partners for Progress is requesting operational budget funding to continue therapeutic court support services. The program benefits the Anchorage Municipal Wellness Court by making it possible for indigent participants to obtain temporary housing and basic needs assistance that is essential for them to comply with court orders to gain employment and become self-sufficient. Partners' therapeutic groups are an essential part of the court-ordered therapeutic court treatment program. Statewide training benefits all of Alaska's therapeutic court teams, including the Anchorage Wellness Court.

Recent data compiled by the Institute of Social and Economic Research shows that Alaska's therapeutic courts have been rigorously evaluated and that they save the public as much as $7.00 for every $1.00 invested. Wellness Court is a powerful means of reducing DUI crime. Of the 229 offenders who exited the Anchorage Wellness Court in a four year period (offenders who had been selected for the program because of their record of repeat DUIs and other addiction-based crime), only 16 (7 percent) have been subsequently charged with an alcohol related traffic offense.

The Municipality of Anchorage greatly benefits from the work done by Partners for Progress. To continue this important program, legislative support for operating budget funds are necessary to sustain their therapeutic court support services. Thank you for consideration.

Sincerely,

Dan Sullivan
Mayor

CITY OF FAIRBANKS

Terry Strle, Mayor

800 CUSHMAN STREET
FAIRBANKS, ALASKA 99701-4615
OFFICE: 907-459-6793
FAX: 907-459-6787
tmstrle@ci.fairbanks.ak.us

February 1, 2010

Alaska State Legislature
120 4th Street, State Capitol, Rm. 3
Juneau, Alaska 99801-1182

Re: In Support of Partners for Progress

Dear Legislators:

Partners for Progress has been a valuable supporter of the Fairbanks Wellness Court, providing services essential to the success of participants working to overcome their addiction and achieve law-abiding and self-sufficient lives. Through training programs, alumni group assistance and many other means, Partners has been a strong contributor to the success of the Fairbanks Wellness Court.

By supporting our Wellness Court, Partners for Progress helps reduce repeat DUI crime in our community, saving both lives and public costs. Partners' program of Therapeutic Court Support Services is very important for the health and safety of the Fairbanks community as well as for other Alaskan communities.

I strongly support Partners for Progress's request for an appropriation of $265,000 to continue to provide statewide Therapeutic Court Support Services in the FY11 operating budget.

Sincerely,

Terry Strle

Mayor Terry Strle

16021 Elizabeth St.
Anchorage, Alaska 99516

March 9, 2009

Honorable Senator Donald Olson
Juneau, Alaska

Dear Senator,

Please support the increase in funding request for the Therapeutic Court Support Services through Partners for Progress in Anchorage, Alaska. The Partners group has been an integral part in my sobriety these last 6 years. From the first time I was brought to court upon entering the Therapeutic Court program, they have been there, without fail. Since graduating from Wellness Court in 2005, Partners has been a constant support entity through our successful Anchorage Alumni Group. I do not believe we would be as successful in our sobriety without Partners. I have almost 6 years sobriety now, many friends and family members from my region, the Nome area have also gotten sober, some having completed the Wellness Court Program also. All utilize the support services of Partners for Progress.

I have gotten to know quite a few people from my home town in this program and have developed wonderful, sober, relationships with them. As a Wellness Court Graduate Group, our Alumni meet twice a month, inviting Therapeutic Court participants to share our accomplishments, struggles and most important, to share our sobriety with one another. Many of us utilize support systems in our community such as church and AA, but the Alumni Group is our lifeline. It is what we have in common, it is our connection to each other that is so crucial to long term, continued sobriety.

Sobriety has allowed us to become so much more than we ever dreamed. We give back to our communities by supporting and promoting sobriety wherever we go. We are very involved with the Anchorage Therapeutic Courts, attending regularly and mentoring participants through the system. Many of us have careers now relating to substance abuse counseling, working for Native Non-Profits providing services, and working with Tribes to develop Alcohol and Juvenile Justice Programs.

Another family member, just this week, has asked for my help in getting sober. They are willing to move to Anchorage and enter a long term program. This is an opportunity to save another life. Please help me by supporting Partners, so I can help another family member become healthy and sober.

If I can answer any questions or help with this extremely important cause in any way, please don't hesitate to call on me. Thank you for your support and all of your hard work on behalf of our region and our wonderful state.

Sincerely,

Doreen Schenkenberger

Doreen Buffas (Schenkenberger)
Shareholder, BSNC

dschenk@gci.net

William Perry
Assistant District Attorney, 3rd Judicial District
11921 Palmer Wasilla Highway, Suite 100
Palmer, Alaska 99645

February 1, 2010

Alaska State Legislature
120 4th Street, State Capitol, Rm. 3
Juneau, Alaska 99801-1182

Dear Legislators:

As a prosecutor in the Palmer Courthouse, I want to express my support for funding to continue Partners for Progress's court support services.

The organization's Drivers Compliance Program makes a valuable contribution to the efficiency of the judicial system in the Matanuska-Susitna Valley. Through an agreement with the District Attorney, suitable cases of persons charged with drivers' license-related misdemeanors are referred to Partners for Progress's experienced contractor who assists them in becoming licensed drivers..

The program benefits the court system and the community by reducing the high rate of recidivism by people with this type of case. Often individuals with Driving While License Suspended (DWLS) or similar convictions have a difficult time. A conviction comes with an additional suspension of the license and extends the time for which more expensive SR22 insurance is required, making it challenging to get licensed again. Many people with license-related charges go through the court system over and over for the same type of misdemeanor.

The Drivers Compliance Program Coordinator solves the problem upfront by helping misdemeanants obtain a license without a conviction. This reduces the caseload for the courts and attorneys and allows the judicial system to focus on more serious offenders. The program also benefits the public by reducing the number of uninsured, unlicensed drivers on the road.

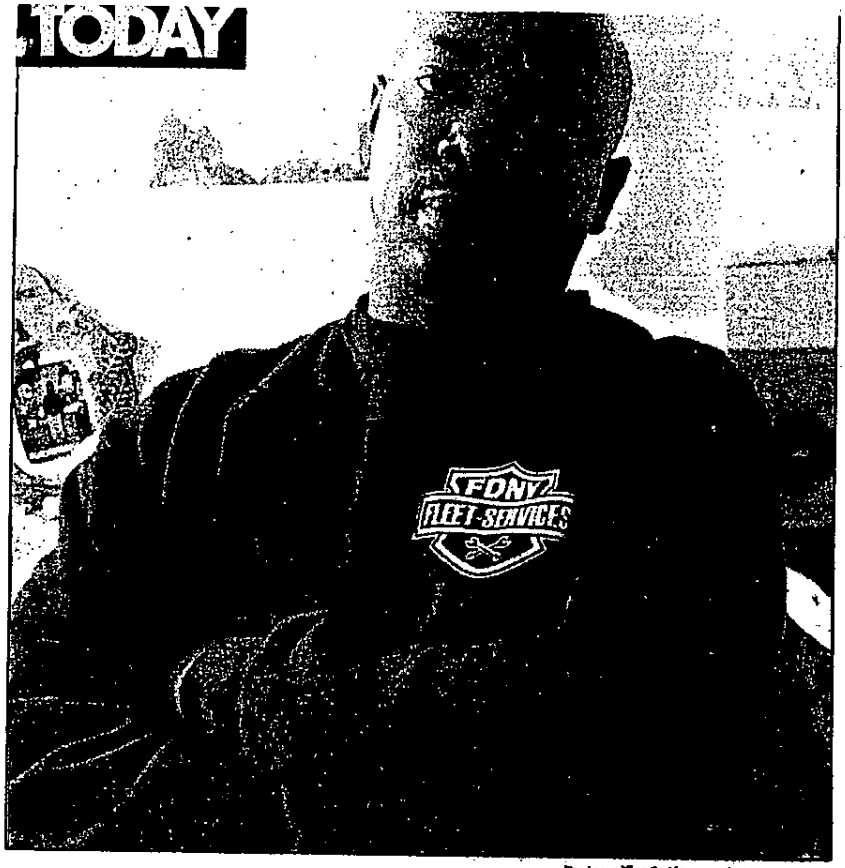
I understand Partners for Progress is requesting $265,000 to fund their ongoing services statewide. On the basis of my experience with their Drivers' Compliance Program in Palmer, they have my full support.

Sincerely,

W. Michael Perry

Assistant District Attorney

TODAY



By Jennifer S. Altman, for USA TODAY

Choose success: After drug court helped Damon Fuseyamore kick his crack habit, he became a mechanic for the New York Fire Department.

Expand drug courts through public-private partnerships

When I took office as the U.S. "drug czar" in 1996, 12 drug courts existed. Today, this country supports 2,016 drug courts. This exponential increase is an enormous achievement by local, state and federal authorities. Drug courts work ("Drug courts offer offenders alternatives," News, Dec. 21).

By combining law enforcement with drug treatment programs for those in the criminal justice system, drug courts provide the best solution for non-violent offenders.

Nobody wants to be a drug addict. Addiction leads to a life of abject misery. Congress has invested in drug courts but not enough to serve millions of Americans who will keep committing crimes unless, through drug courts, they are directed toward long-term treatment and are forced to be accountable for their actions.

Our progress is impressive, but it must not stall. Our goal must be a funded drug court in every county across America in the coming 10 years.

The philanthropic and private sectors must partner with local government to take drug courts to scale. Public-private partnerships are critical to the success and future of drug courts, which are the best hope for breaking the cycle of addiction and crime.

Every dollar spent on drug courts saves as much as $10 when compared to the high cost of incarceration. But what price can you put on getting a person — a father, a mother, a son, a daughter, an adolescent — off drugs and into recovery?

Barry R. McCaffrey, retired general
Former Director
Office of National Drug
Control Policy
Arlington, Va.

TODAY

Boost accountability in U.S. drug courts

Our nation's former drug czar, retired general Barry McCaffrey, wants a concerted effort to increase drug courts ("Expand drug courts through public-private partnerships," Letters, Jan. 3).

Managed by judges and requiring frequent court appearances, drug courts are proven to reduce crime and drug abuse and save taxpayers considerable money. Unfortunately, there are not enough to go around, and increasing their numbers makes excellent sense.

Other advocates, such as Margaret Dooley-Sammuli of the think tank Drug Policy Alliance, would prefer a very different strategy. She writes that states should follow California's example and institute Proposition 36, a law that allows first- and second-time non-violent drug offenders to be treated instead of being incarcerated ("Follow California's lead," Letters, Jan. 3). But Proposition 36 prevents judges from holding offenders accountable for continuing to use drugs or flaunting their treatment obligations. Rather than repeat this failed approach, we must learn from drug courts that an essential element of effective treatment is learning to be accountable for one's misbehavior.

It is time to take drug courts to scale by increasing their numbers, enhancing their capacity and spreading their philosophy of combining treatment with accountability for all offenders.

Douglas B. Marlowe, chief
Science, Policy & Law
National Association of
Drug Court Professionals
Alexandria, Va.

IMPROVING PUBLIC PROTECTION

The Alaska Judicial System reports that 66% of offenders who are sentenced and imprisoned under the traditional system re-offend and are re-incarcerated within three years of their release from prison. In contrast, **about two-thirds** of the graduates of therapeutic courts for drug and alcohol addiction **have not re-offended. "Graduates of Alaska's therapeutic were rearrested and re-convicted far less frequently than comparable offenders who went through traditional incarceration."**[1]

Over 90% of Alaska's prisoners are eventually released. Each new crime means new public harm and public costs. Therapeutic courts protect the public by intervening in the cycle of crime and incarceration to prevent criminal offenses in the future.

****

Recent information provided to the Alaska Highway Safety Office shows that therapeutic courts are especially effective in reducing substance-related vehicular incidents (primarily **DUIs**).[2]

Anchorage Wellness Court (data for 5 years)
Number of participants who exited program (10/04 –10/09): **298**
Percent subsequently charged with substance-related vehicular incidents: **8%**

Bethel Therapeutic Court (data for 5 years)
Number of participants who exited program (10/04– 10/09): **74**
Percent subsequently charged with substance related vehicular incidents: **18%**

Juneau Therapeutic Court (data for 4 years and 3 months)
Number of participants who exited program (7/05 – 10/09): **45**
Percent subsequently charged with substance-related vehicular incidents: **(less than 1%)**

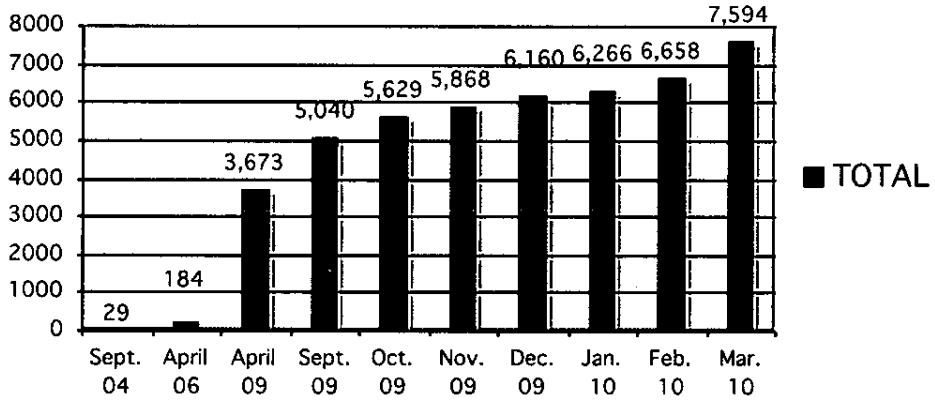
Ketchikan Therapeutic Court (data for 4 years and 5 months)
Number of participants who exited the program (5/01 – 10/09): **23**
Percent subsequently charged with substance-related vehicular incidents: **(1%)**

Fairbanks Wellness Court (data for 2 years and 2 months)
Number of participants who exited the program (9/07 – 10/09): **15**
Percent subsequently charged with substance-related vehicular incidents: **(less than 1%)**

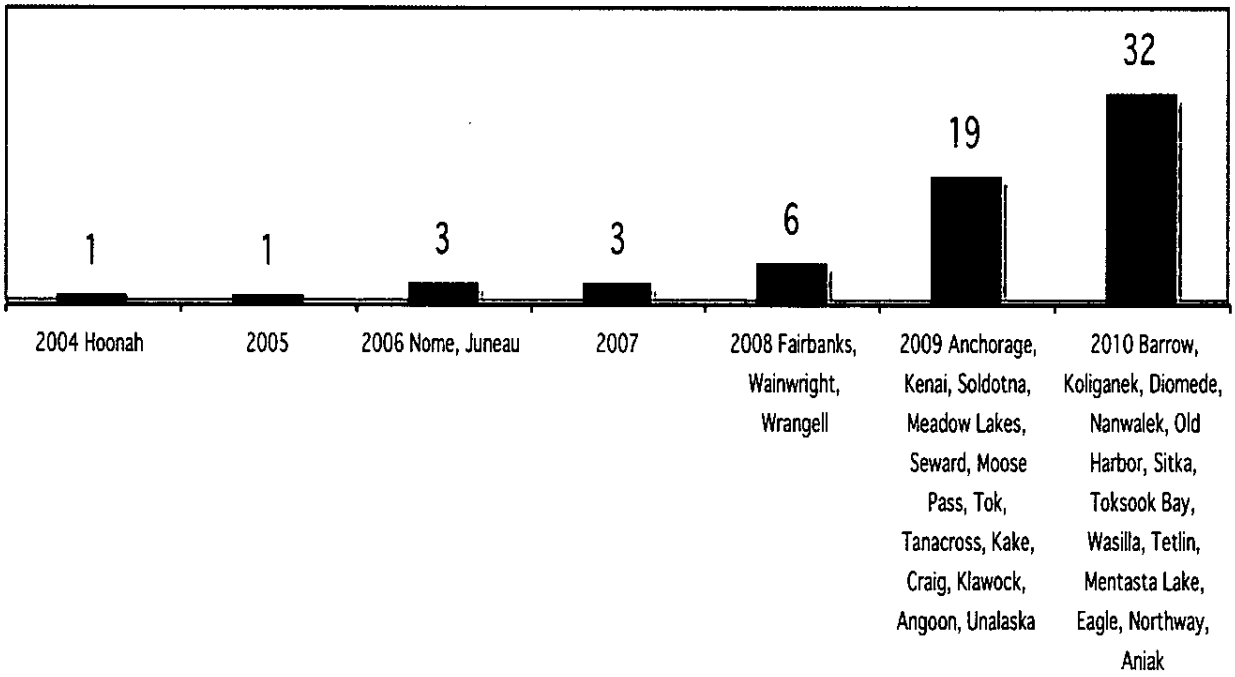
[1] Alaska Judicial Council, "Recidivism in Alaska's Felony Therapeutic Courts," February 2007 and "Criminal Recidivism in Alaska," January 2007.
[2] Alaska Court System, "Annual Evaluation", report to the Alaska Highway Safety Office, Nov. 6, 2009

Imagination Library Enrollments (# of Children)

Affiliate	Apr 09	Sept 09	Oct 09	Nov 09	Dec 09	Jan 10	Feb 10	Mar 10
Anchorage		834	1,105	1,304	1,514	1,600	1,818	2,340
Fairbanks	2,738	2,824	2,951	2,962	2,986	2,974	2,957	2,942
Juneau	800	977	1,003	1,000	1,024	1,029	1,038	1,056
Kenai		--	106	105	104	120	213	198
Koliganek								17
Kuskokwim								31
Mat-Su		44	70	82	88	88	166	502
Nome	135	160	160	158	171	174	171	184
Old Harbor							15	15
Seward		112	145	165	175	175	176	181
Tok		54	51	55	61	65	65	92
Unalaska		35	38	37	37	41	39	36
Total	**3,673**	**5,040**	**5,629**	**5,868**	**6,160**	**6,266**	**6,658**	**7,594**



Communities Adding Imagination Libraries



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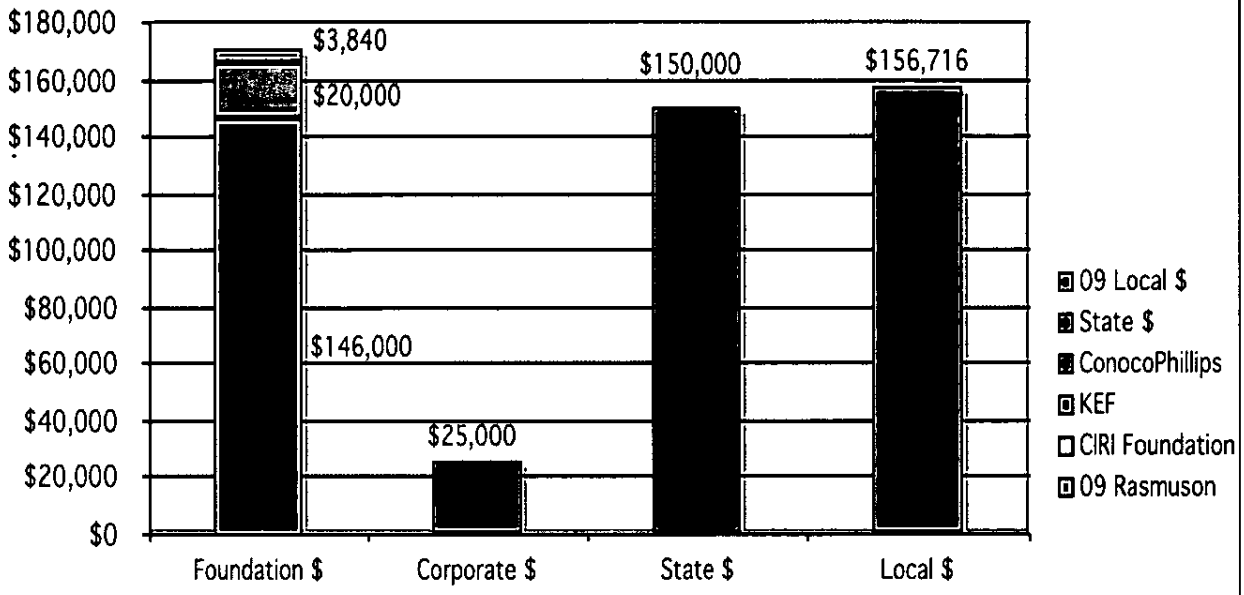
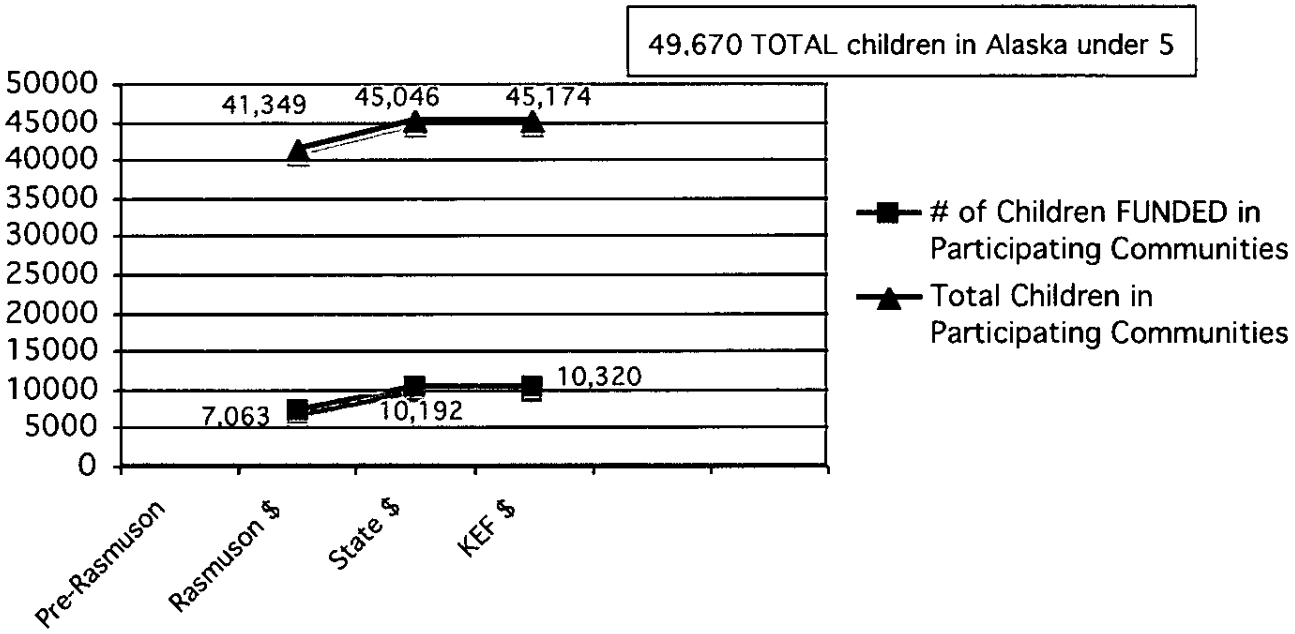
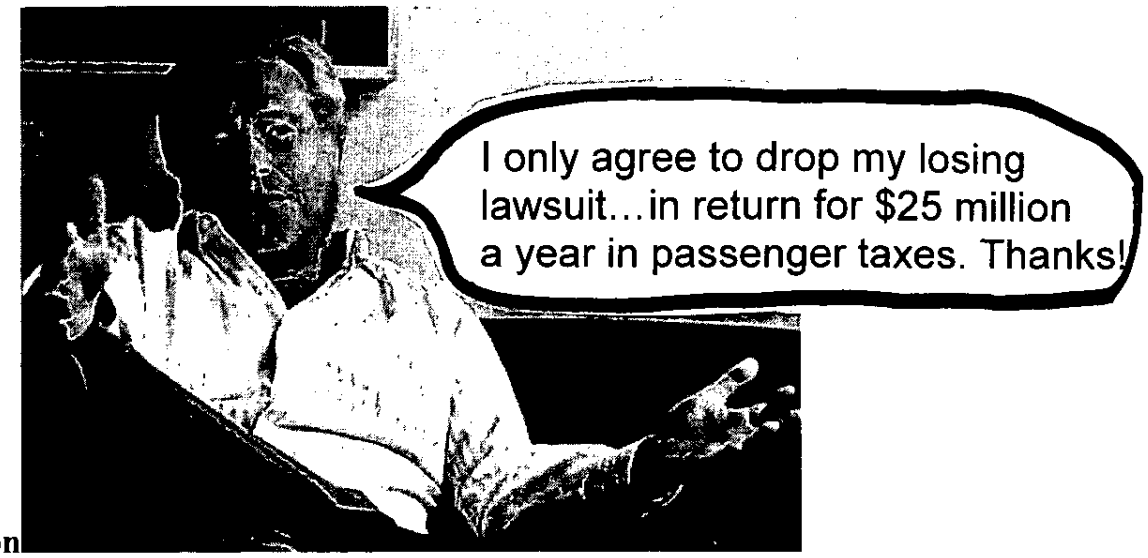
SOURCES OF FUNDS & DOLLARS LEVERAGED



NUMBERS OF CHILDREN FUNDED vs TOTAL CHILDREN





Micky Arison

NET WORTH : $4.5 Billion
Owner: Carnival, Princess and Holland America Cruise Lines
Miami Heat Basketball Team

FROM : SEATRADE INSIDER - MIAMI

Arison: Alaska tax-cut proposal 'a great first step' 3/23/2010

Micky Arison, CEO of Carnival Cruise Line, called Alaska Gov. Sean Parnell's proposal to cut the head tax by 25% 'a great first step in turning around the situation in Alaska and very encouraging. If approved by lawmakers for the 2010 season, **the tax cut may be passed along this year to customers in the form of an on-board credit' *, Arison told analysts today**. However, a lower head tax will not affect pricing in Alaska this summer, and it will take time for the state's cruise business to recover, Arison added. Because of the industry's long lead time, recovery could stretch beyond the period it took for cruise demand to falter following the 2006 citizens' ballot initiative that instituted the head tax and a raft of other levies and regulations. **Voters and backers of the initiative 'have no skin in the game and no understanding of our business,' Arison said.** When nothing happened for a year or two after the legislation, many said the industry was bluffing by warning higher costs would hurt sales. The cruise business is down by 140,000 berths, or about 17%, in Alaska this year. 2011 deployments are already set. But recovery constitutes more than a return of capacity, Arison said. 'Our cruise-tour business has been really highly impacted, too.' The Carnival chairman is hopeful the governor's proposal will pass but would not be pinned to analyst questions about potential future moves. **The only thing the cruise industry has agreed to do in exchange is drop its lawsuit against the state, Arison said.** He voiced his appreciation to Parnell for devoting the time to travel to Miami last week and learn about the industry. **'It's the first time I've ever met a governor of Alaska,' Arison said.** The Carnival chief noted the industry also learned about some 'political realities' of Alaska thanks to the visit.
***An "on-board credit" means distributing 2010 Alaska taxes as drink chips.**

Carnival soars past 1stQ outlook as pricing rebounds

March 23, 2010

Buoyed by a stronger than expected rebound in pricing, Carnival Cruises turned in a 22-cent per share profit in the first quarter, well ahead of Wall Street's 14-cent per share consensus. **The company also said booking volumes are up, fueling price increases, especially in the summer season. Carnival owner and CEO Micky Arison described the sales season as 'robust.'**

Carnival earned a first quarter profit of $175m on revenues of $3.1bn, compared to the year-ago profit of $260m, or 33 cents per share, on revenues of $2.9 bn.

Results in the recent quarter were stronger than the company's December guidance thanks to better than expected net revenue yields and lower than expected unit costs. The first quarter included a previously announced 5-cent gain from the sale of P&O Cruises' Artemis. **'We were very encouraged by our results as pricing continued to rebound off last year's lows and we returned to top line revenue growth after a challenging 2009,' Arison said. During the quarter, the booking environment continued to improve for Carnival's North American brands and stronger than expected pricing** was achieved on close-in bookings, he said. Arison added that significant cost savings continue to be realized worldwide, though the strength of its performance was masked by rising fuel prices, to the tune of 22 cents per share compared to the prior year. **Carnival said that since the start of the calendar year, booking volumes for the remaining three quarters are running ahead of the prior year with prices significantly higher than 2009's discounted levels. *** At this time, cumulative advance bookings for the remainder of the year are in line with last year at higher prices. **Arison noted, 'We have enjoyed a very robust sales season, setting booking records during the quarter. These 'wave season' bookings were fueled by attractive pricing in the marketplace and pent-up demand from those who postponed vacations last year.' As a result, he said pricing continues to increase, particularly for the peak summer season.** Carnival expects revenue yields for the remaining three quarters of the year to increase approximately 3% to 4% in constant dollars compared to last year. 'Vacationers should **take advantage of the current low rates now as prices are going up,'**

***Cruise ticket prices to Alaska are up 21% in 2010 compared to 2009**

For further information on cruise pricing and fair Alaska taxes, contact:

Chip Thoma, President Responsible Cruising in Alaska 586-2117

Responsible Cruising in Alaska

TO: (S) Finance Sub-Committee on Commerce
FR: Chip Thoma. President, RCA CT
RE: **Alaska Travel Industry Association (ATIA) Funding**
DATE: February 9, 2010

Senators - The subcommittee meets today and Thursday Feb. 11 on the operating budget for the Department of Commerce, Community and Economic Development. One increment is the Department's relationship with the Alaska Travel Industry Association (ATIA). ATIA received $9 million dollars from the state GF in FY10, as the only "Qualified Trade Association" that advertises for travelers to Alaska. This state GF outlay should be more closely scrutinized.

What was previously a 50% ATIA - 50% state GF match in 2006 has now been replaced by a 25% ATIA -75% state share. The ATIA reported $2.7 in Marketing Income raised from their members last year, while the state contributed $9 million GF; a total $11.7 ATIA budget for FY10. Much of this funding goes to produce and purchase Alaska travel ads for cable TV networks and regional markets.

Two major groups travel to Alaska : 1 million cruise passengers, and 600,000 by air, also known as 'independent travelers.' Many travel marketing questions can be asked before considering a ATIA funding level for FY11:

- How many **air** tourists actually travel to Alaska as a direct result of ATIA advertising? Can that be verified? And by whom?
- How much did ATIA spend per tourist to convince them to travel here in 2009? Is it over $100 per tourist?
- What level of ATIA emphasis and funding should go to **independent travelers;** those who fly here, rent cars and hotel rooms, eat in restaurants, and spend 5 times more daily than cruise visitors? More than 50% of total funding? 75%?
- Why did only the independent, air-traveler numbers decline in 2009?
- Who gets the millions in yearly advertising dollars that ATIA buys? Are these sole- source contracts for TV, radio and print ads?
- What media firm now schedules and buys the cable TV ads, and what is their history of travel marketing success? What are they paid by ATIA?
- How many yearly responses does ATIA get from these various media buys? What percentage comes from each media type - TV, radio & print?

After a review of ATIA materials, I have a few comments on expenditures that may elicit more questions by the Finance sub-committee:

The cruise lines claim to spend $70 million dollars a year in advertising for Alaska cruises. They do an excellent job, and we know for certain that 1 million cruise passengers traveled to Alaska on their full ships in 2008 and 2009. The basic marketing expenditure is $70 per cruise ship passenger.

ATIA claims 85,000 visitors visit Alaska each year from their efforts, based on their 'conversion factor' estimate of 16% of the 534,000 directly contacted by ATIA each year. However, there is no certainty (like the number of Alaska cruise or air passengers), that those 85,000 projected ATIA visitors actually visited Alaska last summer. In fact, 2009 Railbelt visitor numbers for air travelers were down 10-15%, and in all related sectors; cars, hotels and purchases. ATIA lost ground and 2009 numbers, a big failure with this top-priority Alaska travel group.

ATIA also employs a "future conversion factor," 34% of those directly contacted from year 1. ATIA claims in 4 future, subsequent years another 97,000 travel north, inspired by that first year of ATIA direct contact. This appears to be creative-accounting nonsense, as conversion / multiplier rates do not appear quantifiable by any standard measure. Such "trickle-down advertising" is hopeful speculation at best. To achieve the math, ATIA is contacting the same folks, over and over, and adding big percentages of visitors each year. That is obviously not the case. Something is very wrong with ATIA's visitor numbers and calculations.

The ATIA visitor estimates and conversion percentages are calculated by their own survey and poll results, available in 2008 reports on-line at the ATIA web-site. From reading those, the ATIA conversion numbers are often based on 300 airport interviews a year of Alaska travelers, conducted and analyzed by the GMA Research Corp. of Bellevue, Washington, an ATIA contractor. Other ATIA visitor reports are completed by the McDowell Group.

Questionable Lobbying Activities

I understand there are actually three income streams for the ATIA. One is the $9 million state share, another $2.7 million in ATIA Marketing Income, and the third is called Association Income. This latter category is not reviewed by the Legislature, yet represents a significant amount - over $550,000 - most raised from ATIA membership dues, along with interest and dividend income. This Association Income is separate and in addition to reported Marketing Income.

ATIA Association Income is used to hire lobbyists in Juneau and for municipal activities with other groups, notably the Alaska Cruise Association (ACA). In past years, the ATIA and ACA have coordinated their state lobby and community efforts. This 2009 summer they both co-sponsored three state Tourism Summits. These had the agenda to:

- Oppose the one-halibut limit on guided sport fishing, a major cruise ship excursion that pays large monetary commissions to the cruise lines;
- Oppose the state cruise passenger tax, which pays for cruise-related capital projects in 12 ports throughout the state;
- Criticize the legislature for "hoarding" cruise tax monies, which was never the case; and
- Support cruise lines and the ACA filing a federal lawsuit against the state cruise passenger tax, which did occur in September, 2009.

I find it disingenuous that a group can work so closely with the Miami cruise industry, oppose state cruise taxes and regulations, promote hysterical Tourism Summits, then request continued funding and even a dedicated, corporate tax-credit. The ATIA is cruise-centric for monetary reasons, They should focus instead on independent travelers that visit the Bush and Railbelt by air and rental cars; very desired tourists who spend more documented revenue than others..

Because ATIA is a state-subsidized entity, it is important they come before Finance committees each year to disclose their expenses, report their success, and request a proper funding level. Alaskans expect this of all such entities that receive more than 50% state funding – and ATIA is no exception.

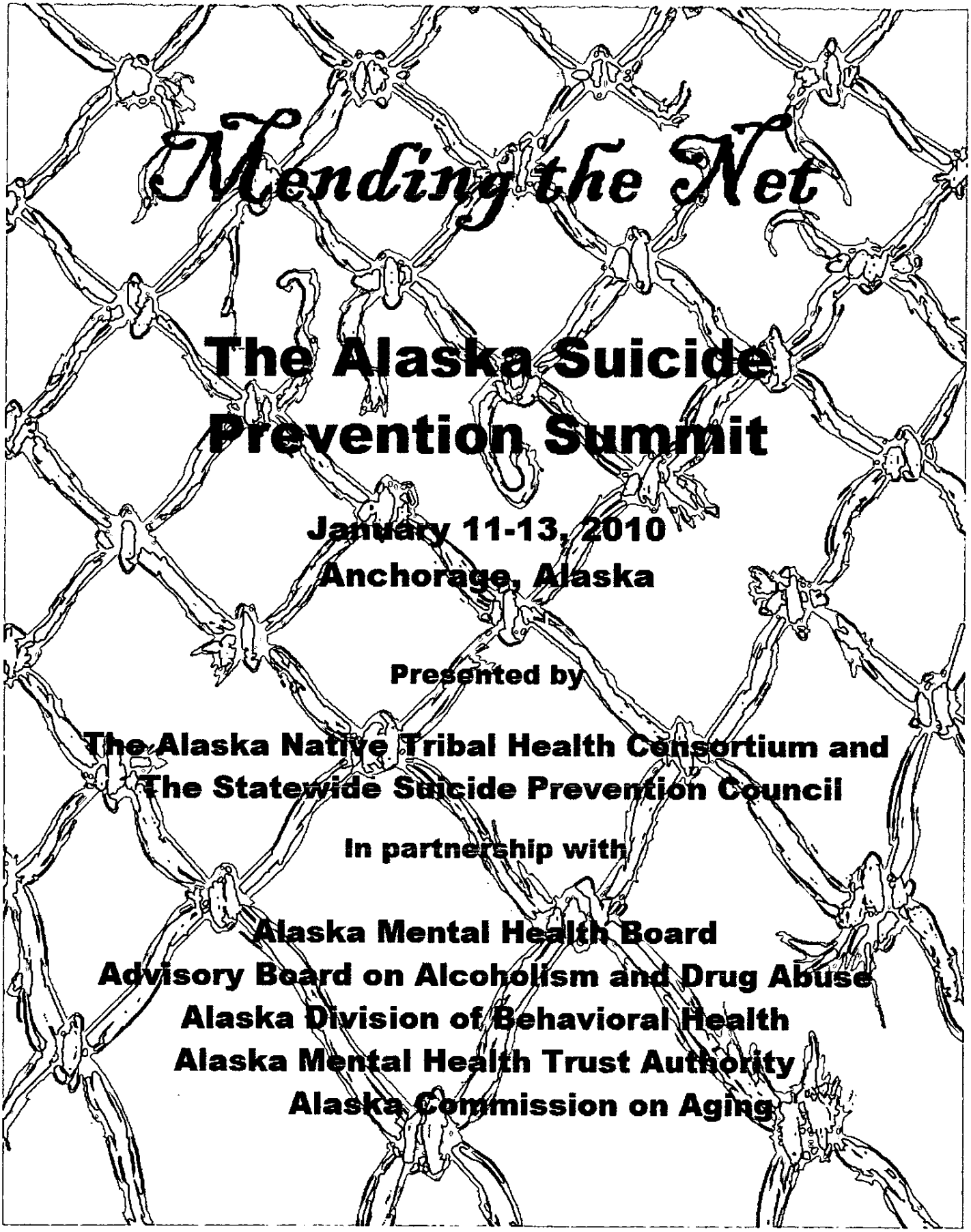
ATIA Association Income should not be "off-the-books" for legislative review. That half-million income stream is available to ATIA for questionable lobbying activities in Juneau and throughout the state. Additionally, ATIA has its own PAC for political contributions, and should not have one as a state-subsidized group. ATIA should also submit to a Legislative Finance audit of their activities and funding sources since 2007. Thus far there has been little legislative review.

The ATIA wants you to compare their marketing efforts to those of Hawaii, the other 'long-distance' US travel destination. However, the state Hawaiian Tourism Authority guides Hawaii's sole industry and income – there is no comparison.

Until these funding, lobby and audit issues are resolved, please return the ATIA budget to 2007 levels; a 50-50% match of ATIA and state GF funds.

Thank you for your consideration of these comments. Chip Thoma

RCA - Box 21884 Juneau, AK 99802 (907) 586-2117 chipt@alaska.net



Mending the Net

The Alaska Suicide Prevention Summit

January 11-13, 2010
Anchorage, Alaska

Presented by

The Alaska Native Tribal Health Consortium and
The Statewide Suicide Prevention Council

In partnership with

Alaska Mental Health Board
Advisory Board on Alcoholism and Drug Abuse
Alaska Division of Behavioral Health
Alaska Mental Health Trust Authority
Alaska Commission on Aging

My name is Sherri Wes and I live in Juneau. I am the mother of an 18-year-old daughter, Brooke, who I adopted when she was 13. When I adopted Brooke I knew she had multiple diagnoses, but it was not until she received the diagnoses of having an FASD that everything began to make sense.

The first time I spoke to Brooke over the phone I hung up crying because I just knew she was meant to be my daughter. Brooke is a charming, caring young adult. She has a way of soothing babies and loves to help the elderly. She looks absolutely normal, and until you know her well she seems that way too. However, every day is a struggle for her. She has a totally non-logical mind and she is stuck in a logical world.

When Brooke moved in with me it was obvious that her mind did not work like other children her age. It was as if her brain was made of Swiss cheese – there seemed to be gaps and holes in it. Despite my training in special education and trauma therapy, I just could not figure out how all the pieces that worked and those that did not work fit together into a pattern.

It was not until she was diagnosed last year by the Juneau FASD clinic that all the pieces finally fit. My daughter's biological mother drank when she was pregnant. Basically all the holes in Brooke's Swiss cheese brain were caused by the fact that the alcohol had damaged her brain. The symptoms of this damage are many and include:

a lack of self-motivation, an inability to organize thoughts or physical space, an inability to plan ahead or set priorities, impulsiveness, poor judgment, she cannot generalize, she is unable to see cause and effect, she has learning disabilities, she cannot handle money, she has difficulties with concepts of time, she is hyperactive, has memory deficits, immature social behavior, and she is excessively friendly even to strangers. ALL of these make her extremely vulnerable and open to victimization.

Currently, despite all these disabilities, I have been fighting to get her **any** services because like many adults with an FASD she "falls through the cracks". Even though in important areas she functions below those receiving services for developmental disabilities her IQ is too high to receive services. With the structure and support I provide for her she is able to function but she would be totally unable to live independently without that high level of support.

I have seen Brooke totally exhausted at the end of a day from trying to navigate in our alien world. She simply cannot do it on her own. She most likely will never be able to without extensive supports. The damage to her brain is permanent.

I love my daughter more than I thought I could ever love anyone, and I fear for her future. I want to thank all of you for the additional funding added to the budget for services for those with an FASD. I want to thank you not just because these services could be so important to Brooke in helping her live an independent life in the community, but also because the children with an FASD that follow Brooke will not have to struggle the way she has.

Brooke also wants to thank you, which is why she is allowing me to tell her story.

Sherri Wes • 4875 Steelhead St • Juneau, AK 99801 • (907) 523-5255 • hope.sww@gmail.com

Please feel free to contact me at any time in the future. I would love to discuss in more detail the difficulties that those with an FASD and their families face, including the lack of supportive housing for adults with an FASD.

Sincerely,

Sherri Wes

Sherri Wes • 4875 Steelhead St • Juneau, AK 99801 • (907) 523-5255 • hope.sww@gmail.com

Teens With FASD: What Makes Them Tick?

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The teen years are difficult for most families, for the teens as well as the parents. Caught between the innocence of childhood and the accountability of responsible adulthood, teens want to be independent and desire to be treated like grown ups but are far from being in control of their behavior, much less their lives. Having raised three teenagers, I can personally attest to the myriad challenges that parents of teens face. Having raised my son John with Fetal Alcohol Syndrome (FAS) through infancy, childhood, and the teenage years, I can proudly say I have earned my "Ph E" (Parent having experience) in FAS. I have witnessed more tantrums, outbursts, impulsivity, hyperactivity, and inappropriate social behaviors than I care to remember, and they were most challenging during John's teen years. I found myself often asking "Why does he *do* this?" Of course, I constantly reminded myself that he has FAS, but I really wanted to understand the difficult behaviors in an effort to help him and everyone else survive those difficult years.

Parents of teens with Fetal Alcohol Spectrum Disorders (FASD) sometimes feel like they are living with an explosive bundle of emotions that may go off at any moment. Sometimes it is hard to predict their behavior, and even more difficult to understand it. Some describe the teen years as a return to the "terrible twos" and for parents of teens with FASD, the challenges are even greater (Streissguth, 1997). One of the key strategies I have discovered to successfully parenting a teenager with FASD is to understand how the brain functions, both in healthy individuals and in those affected prenatally by alcohol. During the teen years, the brain is undergoing tremendous transformation. Let's look at what research shows us about the development of the teenage brain in general and the function (or dysfunction) of the brains of children and teens with FASD.

There is a pruning of brain cells that takes place during the last trimester of pregnancy, and again during puberty and the teen years. Prenatal alcohol can kill brain cells and may have a significant effect on this pruning process. (Gogtay et al., 2004) In healthy individuals, the pruning process during pregnancy causes a loss of brain cells and during adolescence a loss of brain cell connections that results in 15% less gray matter of the brain (Wallis, 2004).

How do we know this? Scientists use sophisticated electronic instruments to look at the brain and how it works. An MRI (magnetic resonance imaging) is a laboratory tool that shows brain structure. An FMRI (functional magnetic resonance imaging) measures and maps brain function (Wikipedia, 2004). It is helpful to understand the connection between the brain and behavior and to examine recent findings from researchers who use brain imaging and other methods to discover how the brain works.

Executive Functions: The concept of executive functioning refers to deliberate actions that require the ability to hold and manipulate information (working memory) and to focus on one task at a time (attention). The term generally refers to cognitive functions of our brain used in planning ahead and guiding our behavior to efficiently and effective achieve a goal. The prefrontal cortex part of our brain controls these executive functions, which include self-motivation, organization of thoughts, ability to plan ahead, setting priorities, suppression of impulses, decision-making and judgment, and the ability to weigh the consequences of our actions (Chun, 1999). Executive functioning is impacted by the pruning process in adolescence (Wallis, 2004). For teens with FASD, the impact of brain-cell pruning is even greater, as prenatal alcohol exposure causes impairment of the executive functions. In fact, individuals exposed to alcohol prenatally who have mild physical symptoms have similar deficits of executive functioning when compared to children with full Fetal Alcohol Syndrome (Kodituwakku et al., 1995).

Memory: A New York cab driver, who has to remember locations and streets and directions, is likely to have an MRI that shows an unusually large hippocampus, a brain structure involved in memory (Wallis, 2004). The hippocampus is one of the areas of the brain that is affected by prenatal exposure to alcohol. My son John's short term memory is so impaired that he may lose an important thought if he is required to wait to express it for longer than two minutes. This results in constant interruptions when he has the frequent need to tell me something important. And it means that he may forget a task within minutes of a simple assignment. He also forgets rules and the consequences that may result in the infraction of those rules. He requires constant cues to perform daily tasks such as taking medication or saying "excuse me" prior to an interruption.

Social Cues: Being able to read other people's facial expressions is a skill that uses the amygdala and the frontal lobes (Baird et al., 1999), both areas of the brain that are vulnerable to damage from

prenatal alcohol exposure (Mattson & Riley, 2001). Someone with FASD may confuse an expression of fear as anger or hostility. This could lead to inappropriate reactions that could result in negative consequences. If John engages an attractive store clerk in friendly conversation and she responds with a smile, he may misinterpret this as flirtation or romantic interest. Because John is not good at reading social cues, he must have someone responsible with him at all times in social situations.

Risk Taking: A person who is immature or young is likely to engage in risky decision making and high-risk behavior when with other immature or young people. A person whose decision-making skills are already impaired by prenatal alcohol exposure may be even more likely to engage in risky decision making, even in adulthood (Streissguth, 1997). John does not seem to be capable of weighing the pros and cons of making a decision, and frequently miscalculates his odds of having a successful outcome because of thinking "maybe this time I won't get caught" or "maybe this time it will work out okay." John's risky decision-making behavior could result in harm to himself or others, such as injury, assault, arrest, abuse, or death.

Behavioral Difficulties: The behavior problems observed in children who are prenatally exposed to alcohol are related to deficient skills in both the cognitive and emotion-based executive functions (Mattson et al., 1999). It is becoming increasingly apparent through recent research that deficits in social behavior are related to prenatal alcohol exposure (Kelly et al., 2000). Because of difficulties with social behaviors, many families that have children with FASD find they must give up social outings such as family reunions or church picnics because the challenges of monitoring the child or teen take away any pleasure to be derived from attending social functions. Even getting away for an evening or a weekend without the children is difficult, as there is a shortage of respite providers who are trained and willing to care for children or teens with FASD.

Attachment Disorders: Parents of children with FASD report that they have difficulty with healthy bonding and attachment. The children seem to form social attachments quickly, and break them just as easily. They tend to be inappropriately friendly and do not have a good sense of "stranger danger." It has been assumed in the field of social sciences that attachment disorders result primarily from poor parenting and lack of proper bonding in the early months of a child's life outside the womb (Bowlby, 1980; Rutter & O'Connor, 1999). However, deficits in attachment behavior are seen in both alcohol-exposed humans and animals, suggesting that these changes are primarily the result of the prenatal exposure to alcohol rather than maternal behavior (Kelly et al., 2000). It took many years for John and I to form a health parent-child bond, in spite of his growing up from infancy in our nurturing, stable family. John will bond quickly and easily to an interesting stranger, although the attachment is superficial. This places John at risk of becoming involved in unhealthy relationships or being drawn into high-risk groups.

The human brain is not fully mature until age 25 (Wallis, 2004). This is about the age that parents report that they begin to see their adult children with FASD settle down and reach their emotional and social potential. Parents of typical teens are advised to provide structure, help with organizing their time and scheduling, monitor their social relationships, and guide them through decision making. Parents of teens with FASD know that these strategies are even more crucial in helping their children safely make it to adulthood, and throughout their lifetime.

It is critical to understand the neurological aspects of FASD in order to implement effective strategies. Because of the nature of FASD and the brain damage caused by prenatal exposure to alcohol, many affected individuals have such difficulty controlling their impulses and have such poor judgment, that most will require close supervision or at least frequent monitoring well past their teen years. Having come to a reasonable understanding of the behaviors observed in teens with FASD, parents must then come to terms with the possibility of facing a period of never-ending adolescence. The "terrible teens" could last into the "terrible twenties." That prospect would strike terror in the heart of any parent. However, I have discovered, as have other parents of teens with FASD, that sometime before the age of 30 our young adult children seem to mellow out emotionally and socially. Their cognitive abilities may not improve with age, but their emotional behavior and social skills appear to finally become tolerable and this allows them to engage in social and employment relationships with limited success. Their ultimate success will be fragile and will depend on continued guidance and close monitoring that might require a one-on-one mentor or job coach and the presence of an "external brain" in social situations. An "external brain" is a concept coined first by FASD expert Sterling Clarren and later made popular by FASD speaker Susan Doctor.

In adulthood. prenatal alcohol exposure is related to high risk situations such as getting into trouble with the law, exhibiting inappropriate sexual behavior, having clinical depression, suicide ideation and attempt, and inability to properly care for children (Streissguth et al., 1996). These findings suggest

that there may be fundamental problems related to alcohol exposure in the social domain of brain function (Kelly et al., 2000). Because I am acutely aware of these secondary high-risk situations, I have made great efforts to ensure that John is protected from the painful consequences that befall most adults with FASD.

Another key to successfully navigating through the teen years to adulthood for individuals with FASD is *their* having a good understanding of how and why their brain functions as it does and accepting the reality of life with FASD. This has helped my son and many other young adults with FASD to accept the presence of an "external brain" in their lives. This measure will ensure their health and safety in a world that can be full of risks for people who have normal adult appearance and intelligence but have child-level decision-making capacity.

It would be prudent to add a third key of understanding, which is the accepting attitude of others in the community, including extended family members, neighbors, teachers, medical professionals, care providers, and others who might have an opportunity to interact with the teen or young adult who has FASD. As author Dian Smith (1991) wrote, "Parents' accepting attitudes can help children learn to be open and tolerant. Parents can explain unfamiliar behavior or physical handicaps and show children that the appropriate response to differences should be interest rather than revulsion." If those who learn about FASD take an interest in understanding alcohol-affected individuals, and help children and others to understand and accept the unusual and sometimes inappropriate behaviors of those who might be affected by alcohol exposure, the community will become a FASD-friendly environment for John and others like him.

As I take a bow for successfully navigating John from his "terrible twos" through his "terrible teen" years, I realize that I have used well all three of these keys. I educated myself about the neurological aspects of FASD, I helped John understand his own behavior, and I have enlightened every person in John's life who would listen about the nature of his disability. Now that he has emerged from the teen years and is more than halfway through his twenties, he is a mellow, well-mannered, relatively mature young man. In one week he will be moving out of the family home into an apartment he has chosen, to live with a roommate who is a friend of his, to be cared for by agency-hired individuals who will be trained by me in FASD issues. I have finally figured out what makes teenagers with FASD tick, but my task is not done. I will continue to help John survive his adult years by training his new caregivers and I will continue to assist parents and professionals who care for children and adults with FASD through articles, workshops, and web projects.

One project I will pursue is an educational program for teens and young adults with FASD to help them understand themselves in hopes of their finding the same satisfying success that John and I now enjoy. I don't know where the project will end, but I know when it began – with the publication of a chapter I wrote entitled "Broken Beaks and Wobbly Wings" (Kleinfeld, 2000). I'll share my final words from that piece. "We might not be able to strengthen those wings, but we can strengthen the safety nets, and we can encourage our young to fly tandem, with mentors and coaches, who can accompany them as they discover all that life's expansive horizons have to offer."

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Fasstar Enterprises

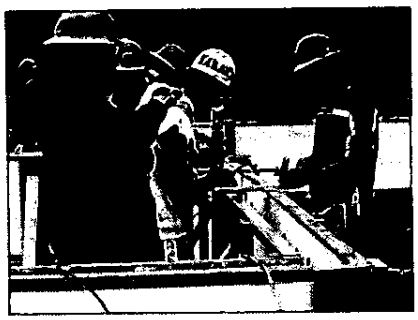
FAS Community Resource Center

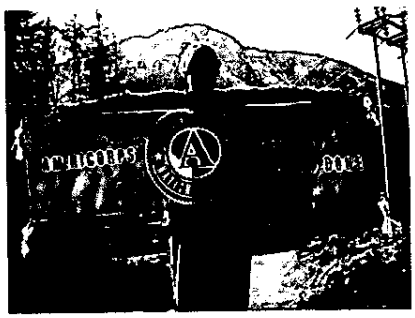
Public Testimony to Senate Finance Committee supporting the Serve Alaska Commission: 3/24/10

I am the Executive Director and Founder of SAGA, a 25-year-old non-profit. I am here on my own time and want to ask your support for AmeriCorps and the Serve Alaska Commission. SAGA was Alaska's first AmeriCorps program in 1994, and since then we have had 1,500 young adults, ages 16-25, complete terms of National Service through our Serve Alaska Youth Corps, Alaska Service Corps, and Young Alaskans Building Affordable Housing. Our recruitment efforts target young Alaskans from rural communities to be AmeriCorps Members who spend 3-9 months providing service that improves lives, lands, and communities in Alaska (SAGA's mission). They come from Barrow to Metlakatla, and Little Diomede to Eagle. Two hundred and forty of them have constructed 14 affordable homes, 2 in Fairbanks, 5 in Sitka, and 7 in Juneau for Native Housing Authorities – while earning their GEDs or HS Diplomas. Others serve in teams to improve our public lands and to complete vital public safety projects – while learning valuable life and leadership skills. Our AmeriCorps Members receive a monthly living stipend, health insurance, and an education award of up to $5,000. Ninety percent of them transition from the program into employment, education or training programs, or full time service (including military).

We are currently piloting a weatherization program with an AmeriCorps crew in partnership with THRHA and RurAL CAP to make homes more energy efficient and prepare young people for construction and green job opportunities. We are also working with the Veterans Green Jobs Alliance to start a Veterans Green Corps program in Alaska in 2011. Both these programs require expanding AmeriCorps in Alaska which largely depends on a fully funded Serve Alaska Commission that can support the expansion efforts.

Through its programs, the Serve Alaska Commission has a unique ability to provide a high return on the state's investment. SAGA alone receives $650,000 each year from the Commission. We in turn leverage an additional $650,000 from public and private sources, and as a result complete $2 million worth of service projects with our AmeriCorps Members that directly benefit over $300,000 Alaskans. That is a better than 4 to1 return on the dollar. I hope you will consider the commission's request of $125,000 -- the return on that investment through improved lives, lands, and communities – priceless.



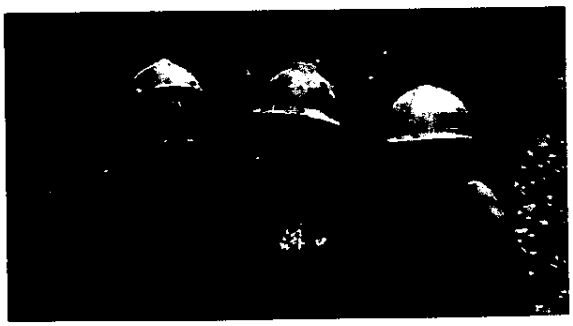


Thank you for your consideration.

Respectfully,

Joe Parrish

Joe Parrish



My name is Emily Coate and I teach parenting classes at the Juneau Family Health and Birth center in collaboration with Tlingit and Haida Central Council and AEYC. Since September, 76 parents have participated in the classes and with each series, the numbers grow. With more families living further from extended family there is a greater need now more than ever to provide parents with support and techniques to raise healthy, happy children. I am asking you to fund Best Beginnings to help us work together to implement Parents as Teachers in Juneau. This mentoring program would further support the parents in our community through education and individualized attention so that they can raise the future generation of Alaskans to the best of their abilities.

Thank you

Emily A. Coate

Central Council
Tlingit and Haida
Indian Tribes of Alaska

CENTRAL COUNCIL
tlingit and haida indian tribes of alaska
ANDREW P. HOPE BUILDING
320 West Willoughby Avenue • Suite 300
Juneau, Alaska 99801-1726

Juneau Alaska Native Youth Suicide Prevention Coalition

Grant Administrator: Alaska State Department of Health and Social Services, Division of Behavioral Health, Prevention and Early Intervention

Grantee: Central Council of the Tlingit and Haida Indian Tribes of Alaska

Fiscal Year: July 1, 2010 - June 30, 2011

BUDGET REQUEST

3566 TEL. 907-586-1432 www.ccthita.org TOLL FREE 800-344-1432

Budget Request

Budget Category	FTE	Grant	Total	ON-SITE (INDIRECT COSTS)	OFF-SITE (INDIRECT COSTS
Personnel Services					
Administrative Assistant	.5	$15,484	$15,484	$15,484	
Alaska Native Youth Counselor for YDAHS	.5	$25,000	$25,000		$25,000
Fringe Benefits @ 30%		$12,145	$12,145	$4,645	$7,500
Travel					
"Healing Our Community", Peacemaking Circle, from Kake. 2 People, 4 trips (Air/Hotel/Per Diem)		$3,912	$3,912		$3,912
AK Substance Abuse Coordinator; 4 trips to Juneau (Air/Hotel/ Daily)		$2,400	$2,400		$2,400
Facility Expenses, Site Rental		$3,000	$3,000	$1,500	$1,500
Supplies / Printing		$6,500	$6,500	$6,500	
Professional Services					
Technical Strategic Planning Manual with Data Analysis		$9,000	$ 9,000		$9,000
Coordinator Salary; Contract with Juneau School District		$50,400	$50,400		$50,400
Fringe Benefits @ 16%		$9,600	$9,600		$9,600
Community Evaluation White Bison Inc.		$2,000	$2,000		$2,000
2 Days Training "Coalition as Clans" with White Bison Inc.		$15,000	$15,000		$15,000
Printing and Advertising Prevention Materials		$12,000	$12,000		$12,000
Direct Costs		166,441	166,441	$28,129	$138,312
Indirect Costs On-Site 32.85%				$9,240	
Indirect Costs Off-Site 15.89%					$21,977
				DIRECT COSTS SUBTOTAL:	$166,441
				INDIRECT COSTS:	$31,218
				PROJECT TOTAL:	**$197,659**

Signature

3/2/10
Date

End Page
of Central
Coucil Packet
Tlinget & Haida

HB 300/302 CONFER-ENCE COMMITTEE

<target><bill>HB 300</bill><subject>HB 300-302 CONFERENCE COMMITTEE</subject><comm>SFIN26</comm></target>

UNIFORM RULES

RULE 42. CONFERENCE AND FREE CONFERENCE COMMITTEES.

(a) If one house refuses to concur in the amendments of the other it so notifies the amending house and requests that it recede from its amendments. The vote on receding from amendments is taken by the calling of the roll and the recording of the yeas and nays in the journal. A house recedes from its amendments only by a majority vote of the full membership of the house. If the house refuses to recede, the presiding officer of each house appoints three members to sit as a Conference Committee. The committee meets when mutually agreeable to its members. If the committee reaches agreement on previously adopted amendments to a bill adopted by either house, the committee then submits an identical report to each house. The report is not subject to amendment in either house. If the report is adopted by each house the bill is enrolled, signed, and transmitted to the governor. If the members of the Conference Committee cannot agree on amendments, or if on or both houses refuses to adopt the committee report, the Conference Committee submits an identical written report to each house listing the specific points of disagreement for which the committee requests powers of free conference. The presiding officer of each house may then give limited powers of free conference only on the specific points listed. If the members of a Conference Committee with limited powers of free conference cannot agree on amendments, or one or both houses refuses to adopt the committee report, it is then in order to appoint a Free Conference Committee. A member who served on a Conference Committee or a Conference Committee with limited powers of free conference may not be appointed to a subsequent Conference Committee or Free Conference Committee concerning the same measure. The vote on adoption of a conference committee report is taken by the calling of the roll and the recording of the yeas and nays in the journal. Adoption requires a majority vote of the full membership of each house.

(b) A Free Conference Committee is appointed in the same manner as a Conference Committee and may suggest in its report any new amendments clearly germane to the question. When a majority of the membership of the committee from each house agrees on amendments, the amendments are attached to the bill and reported back to each house in an identical report. The report is not subject to amendment in either house. If the report is adopted in each house, the bill is then ordered enrolled by its house of origin. If the members of a Free Conference Committee fail to agree on amendments or one or both houses refuses to adopt the free conference report, a second Free Conference Committee may be appointed, but no member of the first committee may be reappointed. A free conference report on a measure other than an appropriation bill may not be voted on by the house until at least 24 hours after the report is duplicated and delivered to the chief clerk or secretary of the house for distribution to each member. The chief clerk or secretary shall certify the time of delivery of the report for recording in the journal. The vote on adoption of a free conference committee report is taken by the calling of the roll and the recording of the yeas and nays in the journal. Adoption requires a majority vote of the full membership of each house.

(c) A Conference Committee with limited powers of free conference or a Free Conference Committee may not include in its report on an appropriation bill an item which was not included in a version of that appropriation bill adopted in third reading by a house and the amount appropriated by an item may not exceed the higher amount appropriated by that item in a version of the bill adopted in third reading by a house. An item in an appropriation bill includes a line item, an allocation, and an appropriation. The report on an appropriation bill of a Conference Committee, a Conference Committee with limited powers of free conference, or a Free Conference Committee may not be voted on by the house until at least 24 hours after the report is duplicated and delivered to the chief clerk or secretary of the house for distribution to each member. The chief clerk or secretary shall certify the time of delivery of the report for recording in the journal.

(d) Notwithstanding the provisions of (c) of this rule, a Free Conference Committee may consider and include in its report on an appropriation bill appropriations as requested by attached fiscal notes on new legislation and resolutions that have been passed by both houses.

(e) A Conference Committee, a Conference Committee with limited powers of free conference, or a Free Conference Committee may not adopt a report that requires a change in the title of a bill other than a clerical or technical change.

Alaska State Senate

Conference Committee
HB 300/HB 302

Official Business

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

April 7, 2010

The Honorable Gary Stevens
President
Alaska State Senate
Juneau, Alaska

The Honorable Mike Chenault
Speaker
House of Representatives
Juneau, Alaska

Dear Mr. President and Mr. Speaker:

The Conference Committee considering:

CSHB 300(FIN)
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

CSHB 302(FIN)
"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

and

Senate CS for CSHB 300(FIN) am S
"An Act making appropriations for the operating and loan program expenses of state government, for certain programs, and to capitalize funds; and providing for an effective date."

Senate CS for CSHB 302(FIN)
"An Act making appropriations for the operating and capital expenses of the state's integrated comprehensive mental health program; and providing for an effective date."

respectfully requests limited powers of free conference on the appropriations and language that are not identical in House and Senate versions of HB 300 and in House and Senate versions of HB 302.

HOUSE MEMBERS:

Rep. Hawker

Rep. Stoltze

Rep. Gara

SENATE MEMBERS:

Sen. Hoffman

Sen. Stedman

Sen. Thomas

3572

HB300 and HB302 LANGUAGE SECTIONS NOT SUBJECT TO CONFERENCE		
HB 300		
House	**Senate**	**Description**
4	4	Findings
6	6	Legislative Intent - FY11 amounts appropriated are full amounts for FY11
7	7	Costs of Job Reclassifications
9	9	Alaska Aerospace Corporation
10	10	Alaska Housing Finance Corporation
11	11	Alaska Permanent Fund Corporation
12	12	Alaska Industrial Development and Export Authority
13	13	Department of Administration
14(a)-(g)	14(a)-(g)	Department of Commerce, Community, and Economic Development
16(a)-(b)	15(a)-(b)	Department of Health and Social Services
17	16	Department of Labor and Workforce Development
18	17	Department of Military and Veterans' Affairs
19(a)-(c)	18(a)-(c)	Department of Natural Resources
21	19	Department of Public Safety
22	20	Department of Revenue
23(c)&(d)	21(c)&(e)	Office of the Governor
24	22	University of Alaska
25	23	Bond Claims
26	24	Federal and Other Program Receipts
27(a)-(o)	25(a)-(o)	Fund Transfers
28	26	Fund Capitalization
29	27	Retained Fees and Bankcard Service Fees
30	28	Retirement System Funding
31(a)(1-5) & (b)&(c)	29(a)(1-5) & (b)&(c)	Salary and Benefit Adjustments
32	30	Shared Taxes and Fees
33	31	State Debt and Other Obligations
34	32	Budget Reserve Fund
35	33	Constitutional Budget Reserve Fund - Cashflow loans to the General Fund
36(a)(b)&(d)	34(a)(b)&(d)	Lapse Extension of Appropriations
38	36	Retroactivity
HB 302		
House	**Senate**	**Description**
7	7	Purpose
8	8	Nongeneral Fund Receipts
9 (a)(1)-(5) & 9(b)-(d)	9 (a)(1)-(5) & 9(b)-(d)	Salary and Benefit Adjustments
10	10	Effective Date

FY11 Fiscal Notes - Conference Committee

April 17, 2010

				Grand Totals	58,423.4	4,348.1	2,148.2	64,919.7	40.0
					FY11 CC				POS
Bill	Short Title	Agency	Appropriation	Allocation	GF	FED	OTHER	TOTAL	FY11
HB 20	FISHERIES LOANS:ENERGY EFFICIENCY/AMOUNT	DCCED	Investments	Investments	88.6	-	-	88.6	1
HB 36	INITIATIVES: CONTRIBUTIONS/ PROCEDURES	DOA	AK Public Offices Commission	AK Public Offices Commission	60.2	-	-	60.2	1
HB 52	POST-TRIAL JUROR COUNSELING	COURTS	Alaska Court System	Trial Courts	15.0	-	-	15.0	
HB 69	EARLY CHILDHOOD ED: PARENTS AS TEACHERS	DEED	Teaching and Learning Support	Early Learning Coordination	4,124.4	-	-	4,124.4	1
HB 70	ALASKA GROWN AGRICULTURAL PRODUCTS	DNR	Resource Development	Agricultural Development	181.1	-	-	181.1	2
HB 126	EXTEND/RESUME STATE CUSTODY OF CHILDREN	H&SS	Children's Services	Foster Care Base Rate	186.8	37.2	-	224.0	
HB 126	EXTEND/RESUME STATE CUSTODY OF CHILDREN	H&SS	Children's Services	Foster Care Special Needs	38.8	2.2	-	41.0	
HB 126	EXTEND/RESUME STATE CUSTODY OF CHILDREN	H&SS	Children's Services	Children's Services Management	130.7	73.5	-	204.2	
HB 226	NAMING VETERANS' WAY IN MAT-SU	DOT&PF	Highways, Aviation and Facilities	Central Region Highways and Aviation	8.5	-	-	8.5	
HB 314	WORKERS' COMPENSATION	DLWD	Workers' Compensation	Workers' Compensation	75.0	-	-	75.0	
HB 315	PUBLIC ACCOUNTING	DCCED	Corp, Bus & Profess Licensing	Corp, Bus & Profess Licensing	134.2	-	-	134.2	1
HB 363	AIDEA MEMBERSHIP	DCCED	AIDEA	AIDEA	-	-	22.8	22.8	
HB 369	IN-STATE PIPELINE/ MANAGER/TEAM	DOR	Alaska Housing Finance Corporation	Alaska Housing Finance Corporation Operations	15,640.6	-	-	15,640.6	7
HB 369	IN-STATE PIPELINE/ MANAGER/TEAM	OOG	Executive Operations	Executive Office	350.7	-	-	350.7	2
HB 421	PUBLIC EMPLOYEE SALARIES	LEG	Various	Various	741.8	-	-	741.8	
HB 421	PUBLIC EMPLOYEE SALARIES	COURTS	Various	Various	1,346.0	-	-	1,346.0	
HB 421	PUBLIC EMPLOYEE SALARIES	EXEC. ALL	Various	Various	2,212.1	390.0	1,580.2	4,182.3	
HB 424	G.O. BONDS:EDUC./LIBRARY/RESEARCH FACIL.	DOR	Taxation and Treasury	Treasury	10.0	-	-	10.0	
HCR 22	ALASKA NORTHERN WATERS TASK FORCE	LEG	Legislative Council	Council and Subcommittees	150.0	-	-	150.0	
SB 4	COASTAL MANAGEMENT PROGRAM	DNR	Resource Development	Alaska Coastal and Ocean Management	165.0	-	-	165.0	
SB 4	COASTAL MANAGEMENT PROGRAM	DEC	Administration	Office of the Commissioner		-	118.7	118.7	1
SB 13	MEDICAL ASSISTANCE ELIGIBILITY	H&SS	Public Assistance	Public Assistance Field Services	58.2	109.2	-	167.4	2
SB 13	MEDICAL ASSISTANCE ELIGIBILITY	H&SS	Medicaid Services	Behavioral Health Medicaid Services	161.3	305.7	-	467.0	
SB 13	MEDICAL ASSISTANCE ELIGIBILITY	H&SS	Medicaid Services	Health Care Medicaid Services	693.3	1,592.7	-	2,286.0	
SB 24	LOUIS MILLER BRIDGE	DOT&PF	Highways, Aviation and Facilities	Southeast Region Highways and Aviation	4.0	-	-	4.0	
SB 25	RICHARD DEWEY DUVALL FERRY TERMINAL	DOT&PF	Highways, Aviation and Facilities	Southeast Region Highways and Aviation	1.2	-	-	1.2	
SB 32	MEDICAID:HOME/COMMUNITY BASED SERVICES	H&SS	Health Care Services	Rate Review	182.2	182.3	-	364.5	3

FY11 Fiscal Notes - Conference Committee

April 17, 2010

				Grand Totals	58,423.4	4,348.1	2,148.2	64,919.7	40.0
					FY11 CC				POS
Bill	Short Title	Agency	Appropriation	Allocation	GF	FED	OTHER	TOTAL	FY11
SB 139	INCENTIVES FOR CERTAIN MEDICAL PROVIDERS	H&SS	Health Care Services	Medical Assistance Administration	2,847.3	-	-	2,847.3	1
SB 171	PERMANENT FUND DIVIDEND FOR DECEASED	DOR	Taxation and Treasury	Permanent Fund Dividend Division	132.5	-	-	132.5	1
SB 172	ALASKA HEALTH CARE COMMISSION	H&SS	Departmental Support Services	Office of the Commissioner	335.0	165.0	-	500.0	2
SB 174	SCHOLARSHIPS: AK SCHOLARS/GRANTS/EXCHANGE	DEED	Alaska Postsecondary Education Commission	Program Administration & Operations	11,700.1	-	-	11,700.1	
SB 174	SCHOLARSHIPS: AK SCHOLARS/GRANTS/EXCHANGE	UOA	Statewide Programs and Services	Statewide Services	7,732.2	-	-	7,732.2	
SB 199	MEDICAID COVERAGE FOR DENTURES	H&SS	Medicaid Services	Adult Preventative Dental Medicaid Services	308.5	626.5	-	935.0	
SB 199	MEDICAID COVERAGE FOR DENTURES	H&SS	Health Care Services	Medical Assistance Administration	61.5	86.4	-	147.9	1
SB 213	FUNDING FOR SCHOOL MEALS	DEED	K-12 Support	Foundation Program	2,046.6	-	-	2,046.6	
SB 217	AHFC: VET. BONDS/BLDG	DOR	Alaska Housing Finance Corporation	Alaska Housing Finance Corporation Operations	-	-	150.0	150.0	
SB 219	TRAUMATIC BRAIN INJURY:PROGRAM/MEDICAID	H&SS	Medicaid Services	Senior and Disability Medicaid Services	494.6	777.4	-	1,272.0	
SB 220	ENERGY EFFICIENCY/ ALTERNATIVE ENERGY	DOT&PF	Design, Engineering and Construction	Statewide Public Facilities	418.2	-	-	418.2	2
SB 220	ENERGY EFFICIENCY/ ALTERNATIVE ENERGY	DCCED	Alaska Energy Authority	Rural Energy Operations	390.3	-	-	390.3	
SB 220	ENERGY EFFICIENCY/ ALTERNATIVE ENERGY	DCCED	AIDEA	AIDEA	-	-	276.5	276.5	3
SB 221	LEGIS. TASK FORCE ON HIGHER ED/CAREERS	LEG	Legislative Operating Budget	Legislative Operating Budget	92.0	-	-	92.0	
SB 221	LEGIS. TASK FORCE ON HIGHER ED/CAREERS	DEED	Teaching and Learning Support	Student and School Achievement	100.0	-	-	100.0	1
SB 221	LEGIS. TASK FORCE ON HIGHER ED/CAREERS	DEED	Alaska Postsecondary Education Commission	Program Administration & Operations	650.0	-	-	650.0	
SB 222	SEX OFFENSES; OFFENDER REGIS.; SENTENCING	DPS	Statewide Support	Alaska Criminal Records and ID	123.5	-	-	123.5	1
SB 224	POSTSECONDARY SCHOLARSHIPS	DEED	Alaska Postsecondary Education Commission	Program Administration & Operations	3,000.0	-	-	3,000.0	
SB 246	INCREASING NUMBER OF SUPERIOR CT JUDGES	COURTS	Alaska Court System	Trial Courts	499.1	-	-	499.1	4
SB 264	COMMERCIAL FISHING & AGRICULTURE BANK	DCCED	Banking and Securities	Banking and Securities	10.6	-	-	10.6	
SB 269	ECON. STIMULUS BONDS: REALLOCATION/WAIVER	DOR	Alaska Municipal Bond Bank Authority	Alaska Municipal Bond Bank Authority Operations	80.0	-	-	80.0	
SB 279	MORTGAGE LENDING	DCCED	Banking and Securities	Banking and Securities	131.0	-	-	131.0	1
SB 284	CAMPAIGN EXPENDITURES	DOA	Alaska Public Offices Commission	Alaska Public Offices Commission	131.2	-	-	131.2	1
SB 292	PAWNBROKERS	DCCED	Corp, Bus & Profess Licensing	Corp, Bus & Profess Licensing	38.0	-	-	38.0	1
SB 305	SEPARATE OIL & GAS PRODUCTION TAX	DOR	Taxation and Treasury	Tax Division	330.0	-	-	330.0	
SB 312	VESSEL PASSENGER TAX	DCCED	Community Assistance & Economic Development	Office of Economic Development	10.0	-	-	10.0	
SJR 21	CONST. AM: INCREASE NUMBER OF LEGISLATORS	OOG	Elections	Elections	1.5	-	-	1.5	

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Oil and Gas

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				0.0	2,630.3			15,867.5					9,367.5	
1	House section 20(a) appropriates $2,630,250 for the purposes listed in items 4 - 10. Items 3 and 11 were not funded by the House. **These language appropriations are shown in the House column of items 4 - 10.**			0.0							House items 1 and 2 could be considered as duplicating Senate items 4 - 10	s	0.0	
2	House section 20(c) appropriates $5,787,250 for the purposes listed in items 4 - 9, contingent on a precedent agreement for shipping natural gas on a North Slope gas pipeline. **Because the appropriations are contingent on an unpredictable event, the amount of the appropriations is reported as zero.**			0.0							House items 1 and 2 could be considered as duplicating Senate items 4 - 10	s	0.0	
3	Office of the Governor: Executive Operations	AK Resources Marketing and Development	IncOTI: In-State Natural Gas Pipeline Development	0.0				6,500.0	1004	Gen Fund		h	0.0	
4	Law: Civil Division	Oil, Gas and Mining	IncOTI: Gas Pipeline Outside Counsel &		750.0	1004	Gen Fund	2,500.0	1004	Gen Fund		s	2,500.0	
5	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity	1,945.4	432.0	1004	Gen Fund	1,440.0	1004	Gen Fund	Senate adds 4 PFT positions	s	1,440.0	(150.0)
6	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) Implementation		690.0	1004	Gen Fund	2,300.0	1004	Gen Fund		s	2,300.0	
7	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) Outreach		143.3	1004	Gen Fund	477.5	1004	Gen Fund		s	477.5	(100.0)
8	DOR: Administration and Support	Natural Gas Commercialization	IncOTI: Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms		415.0	1004	Gen Fund	1,500.0	1004	Gen Fund		s	1,500.0	
9	DOR: Taxation and Treasury	Tax Division	IncOTI: Alaska Gasline Inducement Act Information Reporting System		150.0	1004	Gen Fund	300.0	1004	Gen Fund		s	300.0	(50.0)
10	DOR: Administration and Support	Natural Gas Commercialization	IncOTI: Audit of Alaska Gasline Inducement Act Reimbursement Fund		50.0	1004	Gen Fund	50.0	1004	Gen Fund		s	50.0	
11	DOR: Taxation and Treasury	Tax Division	Inc: Petroleum Commercial Analyst Positions for Gasline and Production Tax Analysis					800.0	1004	Gen Fund	Senate adds 4 PFT positions CC: reduce 2 PFT positions	s	800.0	(400.0)

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Department of Administration

H or S

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				51,712.6	600.0			853.1					853.1	
1	Centralized Administrative Services	E-Travel	Inc: Projected Travel Cost	2,940.7	600.0	1007	I/A Rcpts	550.0	1007	I/A Rcpts		s	550.0	
2	Enterprise Technology Services	Alaska Land Mobile Radio	FndChg: ALMR Fund Source Change from GF to GF/Program Receipts	1,300.0	(150.0) 150.0	1004 1005	Gen Fund GF/Prgm					h h	(150.0) 150.0	
3	Enterprise Technology Services	Alaska Land Mobile Radio	Intent **House** It is the intent of the legislature that the Department work with the entities participating in ALMR to negotiate a cost share agreement. This agreement shall be implemented in the second half of the fiscal year. **Senate** None									h	0.0	
4	Public Communications Services	Public Broadcasting - Radio	Inc: Additional Funds for Radio Station Operating Grants	2,869.9				250.0	1004	Gen Fund		s	250.0	
5	Legal and Advocacy Services	Therapeutic Courts Support Services	Inc: Consolidation of Therapeutic Courts from DOA/Therapeutic Courts Support Services to Courts. Replace GF with I/A.		65.0	1007	I/A Rcpts				Senate transaction is correct	s	0.0	
6	Legal and Advocacy Services	Therapeutic Courts Support Services	ATrOut: Consolidation of Therapeutic Courts from DOA/Therapeutic Courts Support Services to Courts	65.0	(65.0)	1004	Gen Fund	(65.0)	1004	Gen Fund	Nearly identical transactions–pick Senate	s	(65.0)	
7	Legal and Advocacy Services	Office of Public Advocacy	FndChg: Correct Unrealizable Fund Sources in the Health Insurance increases for Noncovered Employees	22,240.3	3.8 (3.8)	1004 1007	Gen Fund I/A Rcpts					h h	3.8 (3.8)	
8	Legal and Advocacy Services	Office of Public Advocacy	Inc: Transcription Costs for Grand Jury Proceedings					53.8	1004	Gen Fund	**Senate:** Courts will bill DOA for Grand Jury transcripts	s	53.8	
9	Legal and Advocacy Services	Public Defender Agency	Inc: Transcription Costs for Grand Jury Proceedings	22,296.7				64.3	1004	Gen Fund	**Senate:** Courts will bill DOA for Grand Jury transcripts	s	64.3	

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Department of Commerce, Community and Economic Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				74,174.0	2,630.1			7,817.1					2,880.1	
1	Community Assistance & Economic Development	Community and Regional Affairs	Inc: Grant to Ilisagvik College for workforce development programs	10,911.6	700.0	1004	Gen Fund	500.0	1004	Gen Fund		h	700.0	(1000)
2	Community Assistance & Economic Development	Community and Regional Affairs	Inc: Increase funding for the Alaska Legal Services Corporation					150.0	1004	Gen Fund		H or S	0.0	
3	Community Assistance & Economic Development	Community and Regional Affairs	Lang: Grant to the Bering Sea Fishermen's Association to continue AYK Sustainable Salmon Initiative research in FY11					800.0	1004	Gen Fund	The Senate bill apporopriates an $800.0 grant to the BSFA as one-time operating grant (See sec. 14(h)).	H or S	0.0	
4	Community Assistance & Economic Development	Community and Regional Affairs	Lang: Sen Floor Amend: Grant to ATIA to promote tourism in Alaska in FY11					5,000.0	1004	Gen Fund	The Senate bill appropriates a one-time grant to ATIA (See sec. 14(i)).	H or S	0.0	
5	Community Assistance & Economic Development	Office of Economic Development	Funding for Governor Priority for Economic Development Outreach	3,238.9	125.0	1004	Gen Fund	125.0	1004	Gen Fund	House is one-time funding Senate is on-going funding	h	125.0	
6	Alaska Industrial Development and Export Authority	Alaska Industrial Development and Export Authority	Inc: Increase for implementation of Strategic Plan for identification and evaluation of new projects and opportunities	10,447.0	100.0	1102	AIDEA Rcpt	100.0	1102	AIDEA Rcpt	House is on-going funding Senate is one-time funding	s	100.0	
7	Alaska Energy Authority	Statewide Project Development, Alternative Energy and Efficiency	Inc: Small-scale nuclear power feasibility research grant	1,057.7				250.0	1004	Gen Fund	S-OTI	s	250.0	
8	Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute	Inc: Increase the State of Alaska contribution for seafood marketing	18,680.3	1,000.0	1004	Gen Fund	500.0	1004	Gen Fund		h	1,000.0	
9	Insurance Operations	Insurance Operations	Inc: Provide statutorily required notification to licensees and consumer protection	6,804.6	200.0	1156	Rcpt Svcs	200.0	1156	Rcpt Svcs	House is one-time funding Senate is on-going funding	h	200.0	
10	Corporations, Business and Professional Licensing	Corporations, Business and Professional Licensing	IncOTI: Add temporary investigator for Big Game Commercial Services Board to comply with Transporter license requirements	10,935.1	63.0	1156	Rcpt Svcs				House is one-time funding and adds 1 temp position	h	63.0	
11	Regulatory Commission of Alaska	Regulatory Commission of Alaska	Inc: ARRA State Electricity Regulations Assistance Program Increase	8,539.2	192.1	1212	Stimulus09	192.1	1212	Stimulus09	House is one-time funding Senate is on-going funding House & Senate add 2 temp positions	h	192.1	
12	Serve Alaska	Serve Alaska	Inc: Increase funding to match available federal funds and increase administrative capacity	3,559.6	125.0 125.0	1002 1003	Fed Rcpts G/F Match				House adds 1 PFT position	h h	125.0 125.0	

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Department of Corrections

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				187,820.0	(197.4)			(45.0)					(45.0)	
1	Population Management	Statewide Probation and Parole	ATrOut: Consolidation of Therapeutic Courts from DOC/Probation & Parole to Courts. Replace GF with I/A.	13,299.1	(45.0)	1004	Gen Fund	(45.0)	1004	Gen Fund	House transaction has incorrect description - select Senate.	s	(45.0)	
2	Population Management	Statewide Probation and Parole	Inc: Consolidation of Therapeutic Courts from DOC/Probation & Parole to Courts. Replace GF with I/A.		45.0	1007	I/A Rcpts				House transaction is not part of interdepartmental agreement to consolidate - select Senate.	s	0.0	
3	Inmate Health Care		Intent **House** None **Senate** It is the intent of the legislature that the Department of Corrections develop and implement cost containment strategies regarding the provision of health care, and that the Department report results of their efforts to the legislature by January 31, 2011.									s	0.0	
TRAVEL - The House reduced GF travel by 10%. The Senate did not accept the House reductions. See items 4-33 below														
4	Administration and Support	Office of the Commissioner	Dec: Reduce general fund travel line item by 10 percent.	1,276.2	(7.7)	1004	Gen Fund					s	0.0	
5	Administration and Support	Administrative Services	Dec: Reduce general fund travel line item by 10 percent.	2,701.4	(2.3)	1004	Gen Fund					s	0.0	
6	Administration and Support	Information Technology MIS	Dec: Reduce general fund travel line item by 10 percent.	1,998.1	(2.9)	1004	Gen Fund					s	0.0	
7	Population Management	Correctional Academy	Dec: Reduce general fund travel line item by 10 percent.	968.4	(13.2)	1004	Gen Fund					s	0.0	
8	Population Management	Prison System Expansion	Dec: Reduce general fund travel line item by 10 percent.	499.5	(1.5)	1004	Gen Fund					s	0.0	
9	Population Management	Classification and Furlough	Dec: Reduce general fund travel line item by 10 percent.	1,161.5	(0.1)	1004	Gen Fund					s	0.0	
10	Population Management	Out-of-State Contractual	Dec: Reduce general fund travel line item by 10 percent.	21,854.5	(11.6)	1004	Gen Fund					s	0.0	

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

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Indicates structure change

Department of Corrections

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
11	Population Management	Institution Director's Office	Dec: Reduce general fund travel line item by 10 percent.	1,502.7	(3.6)	1004	Gen Fund					s	0.0	
12	Population Management	Prison Employment Program	Dec: Reduce general fund travel line item by 10 percent.	2,280.9	(4.7)	1005	GF/Prgm					s	0.0	
13	Population Management	Inmate Transportation	Dec: Reduce general fund travel line item by 10 percent.	2,106.6	(33.0)	1004	Gen Fund					s	0.0	
14	Population Management	Point of Arrest	Dec: Reduce general fund travel line item by 10 percent.	565.6	(63.1)	1004	Gen Fund					s	0.0	
15	Population Management	Anchorage Correctional Complex	Dec: Reduce general fund travel line item by 10 percent.	23,183.8	(0.2)	1004	Gen Fund					s	0.0	
16	Population Management	Anvil Mountain Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	4,890.5	(2.6)	1004	Gen Fund					s	0.0	
17	Population Management	Combined Hiland Mountain Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	9,678.8	(0.1)	1004	Gen Fund					s	0.0	
18	Population Management	Fairbanks Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	8,882.1	(2.8)	1004	Gen Fund					s	0.0	
19	Population Management	Ketchikan Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	3,660.8	(1.7)	1004	Gen Fund					s	0.0	
20	Population Management	Lemon Creek Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	7,611.4	(2.7)	1004	Gen Fund					s	0.0	
21	Population Management	Palmer Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	11,511.8	(0.4)	1004	Gen Fund					s	0.0	
22	Population Management	Spring Creek Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	18,046.7	(4.4)	1004	Gen Fund					s	0.0	
23	Population Management	Wildwood Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	12,411.6	(1.5)	1004	Gen Fund					s	0.0	
24	Population Management	Yukon-Kuskokwim Correctional Center	Dec: Reduce general fund travel line item by 10 percent.	5,283.9	(1.4)	1004	Gen Fund					s	0.0	

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Department of Corrections

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
25	Population Management	Point MacKenzie Correctional Farm	Dec: Reduce general fund travel line item by 10 percent.	3,497.3	(0.1)	1004	Gen Fund					s	0.0	
26	Population Management	Probation and Parole Director's Office	Dec: Reduce general fund travel line item by 10 percent.	738.8	(2.2)	1004	Gen Fund					s	0.0	
27	Population Management	Statewide Probation and Parole	Dec: Reduce general fund travel line item by 10 percent.		(18.9)	1004	Gen Fund					s	0.0	
28	Population Management	Parole Board	Dec: Reduce general fund travel line item by 10 percent.	784.8	(7.1)	1004	Gen Fund					s	0.0	
29	Inmate Health Care	Behavioral Health Care	Dec: Reduce general fund travel line item by 10 percent.	7,232.0	(0.2) (1.0)	1004 1037	Gen Fund GF/MH					s s	0.0 0.0	
30	Inmate Health Care	Physical Health Care	Dec: Reduce general fund travel line item by 10 percent.	27,584.3	(3.8)	1004	Gen Fund					s	0.0	
31	Offender Habilitation	Education Programs	Dec: Reduce general fund travel line item by 10 percent.	662.6	(0.7)	1004	Gen Fund					s	0.0	
32	Offender Habilitation	Substance Abuse Treatment Program	Dec: Reduce general fund travel line item by 10 percent.	2,516.8	(0.3) (0.6)	1004 1037	Gen Fund GF/MH					s s	0.0 0.0	
33	Offender Habilitation	Sex Offender Management Program	Dec: Reduce general fund travel line item by 10 percent.	2,726.6	(1.0)	1004	Gen Fund					s	0.0	

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Department of Education and Early Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				1,122,766.2	3,563.3			2,664.3					3,604.3	
1	K-12 Support	Foundation Program	IncOTI/ Inc: Age-4 Pre-K Program	1,086,638.4	2,000.0	1004	Gen Fund	2,000.0	1004	Gen Fund	The House transaction is an IncOTI; the Senate adds base funding	h	2,000.0	
2	K-12 Support	Foundation Program	Lang: After operating costs, 50% of reimbursement for Medicaid school based claims goes to K-12, reducing transfer from the Public Education Fund					2,664.4 (2,664.4)	1188 1004	Fed Unrstr Gen Fund	Accepting Senate adopts Sec. 15(c)(3) See item 35 on HSS sheet--do not select here	S S	2,664.4 (2,664.4)	
3	K-12 Support		Conditional Language **House** None **Senate** A school district may not receive state education aid for K-12 support appropriated under sec. 1 of this Act and distributed by the Department of Education and Early Development under AS 14.17 if the school district (1) has a policy refusing to allow recruiters for any branch of the United States military, Reserve Officers' Training Corps, Central Intelligence Agency, or Federal Bureau of Investigation to contact students on a school campus if the school district allows college, vocational school, or other job recruiters on a campus to contact students; (2) refuses to allow the Boy Scouts of America to use school facilities for meetings or contact with students if the school makes the facility available to other nonschool groups in the community; or (3) has a policy of refusing to have an in-school Reserve Officers' Training Corps program or a Junior Reserve Officers' Training Corps program.									s	0.0	
4	Education Support Services	Executive Administration	IncOTI: Add 3 PFT Content Specialists for Math, Science, and Reading	2,441.5	291.7	1004	Gen Fund	291.7	1004	Gen Fund	House funding is one-time; Senate funding goes in the FY12 base	s	291.7	
5	Education Support Services	Executive Administration	Intent **House** It is the intent of the legislature that the Department provide additional information on the use and implementation of funding for the three new content specialists for math, science, and reading added to the budget in FY11. **Senate** None									h	0.0	

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Department of Education and Early Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
6	Education Support Services	Executive Administration	TrOut: Transfer out funding/positions for district interventions/support to new allocation State System of Support					(1,332.6)	1004	Gen Fund	Items 6 and 9 are a TRIN/TROUT pair moving funding and three PFT positions to a new allocation in Teaching and Learning Support. **Selection for item 6 also applies to item 9**	s	(1,332.6)	
7	Teaching and Learning Support	Student and School Achievement	Lang: Alaska Native Science & Engineering Program (ANSEP)		960.0	1004	Gen Fund				Senate adds $1.2 million for ANSEP to the University of Alaska, Anchorage Campus Selection for UA item 2 applies to DOE item 7 and determines status of section 15 of the House bill Delete language--put in section 1	h	960.0	
8	Teaching and Learning Support	Student and School Achievement	Inc: Health & Personal Safety Prevention Coordinator					200.0	1004	Gen Fund	See item 2 on DVSA sheet--do not select here	H or S	0.0	
9	Teaching and Learning Support	State System of Support	TrIn: Transfer out funding/positions for district interventions/support to new allocation State System of Support					1,332.6	1004	Gen Fund	Items 6 and 9 are a TRIN/TROUT pair moving funding and three PFT positions to a new allocation in Teaching and Learning Support. **Selection for item 6 also applies to item 9**	s	1,332.6	
10	Teaching and Learning Support	State System of Support	Inc: Add 3 PFT Content Specialists for Math, Science, and Reading								Senate moves funding and three PFT positions from Executive Administration to a new allocation in Teaching and Learning Support.	s	0.0	
11	Teaching and Learning Support	Early Learning Coordination	incOTI: Best Beginnings One-Time Item - Imagination Library Initiative and Development of Local Early Childhood Councils	8,833.7	380.0	1004	Gen Fund	200.0	1004	Gen Fund		h	380.0	
	TRAVEL	Items 12 - 25 are all related to travel reductions. The House reduced general fund travel by ten percent. The Senate reduced the Executive Administration allocation travel by one-half of the Senate CS and held all other allocations harmless.												
12	Teaching and Learning Support	Student and School Achievement	Dec: Reduce general fund travel line item by 10 percent.		(2.5) (0.1)	1004 1037	Gen Fund GF/MH					s s	0.0 0.0	

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Department of Education and Early Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
13	Education Support Services	Executive Administration	Dec: Reduce general fund travel line item by 10 percent.		(14.9)	1004	Gen Fund					s	0.0	
14	Education Support Services	Executive Administration	Dec: Reduce general fund travel line item					(27.4)	1004	Gen Fund		s	(27.4)	
15	Education Support Services	Administrative Services	Dec: Reduce general fund travel line item by 10 percent.	1,385.6	(0.2)	1004	Gen Fund					s	0.0	
16	Education Support Services	Information Services	Dec: Reduce general fund travel line item by 10 percent.	658.4	(0.5)	1004	Gen Fund					s	0.0	
17	Education Support Services	School Finance & Facilities	Dec: Reduce general fund travel line item by 10 percent.	2,297.4	(6.2)	1004	Gen Fund					s	0.0	
18	Teaching and Learning Support	Teacher Certification	Dec: Reduce general fund travel line item by 10 percent.	701.3	(0.6)	1005	GF/Prgm					s	0.0	
19	Teaching and Learning Support	Early Learning Coordination	Dec: Reduce general fund travel line item by 10 percent.		(2.7)	1004	Gen Fund					s	0.0	
20	Commissions and Boards	Professional Teaching Practices Commission	Dec: Reduce general fund travel line item by 10 percent.	275.5	(1.6)	1004	Gen Fund					s	0.0	
21	Commissions and Boards	Alaska State Council on the Arts	Dec: Reduce general fund travel line item by 10 percent.	1,675.9	(1.5)	1003	G/F Match					s	0.0	
22	Mt. Edgecumbe Boarding School	Mt. Edgecumbe Boarding School	Dec: Reduce general fund travel line item by 10 percent.	9,022.6	(28.4) (0.4)	1004 1005	Gen Fund GF/Prgm					s s	0.0 0.0	
23	Alaska Library and Museums	Library Operations	Dec: Reduce general fund travel line item by 10 percent.	5,841.5	(4.5)	1004	Gen Fund					s	0.0	
24	Alaska Library and Museums	Archives	Dec: Reduce general fund travel line item by 10 percent.	1,115.5	(1.5)	1004	Gen Fund					s	0.0	
25	Alaska Library and Museums	Museum Operations	Dec: Reduce general fund travel line item by 10 percent.	1,878.9	(2.3) (0.5)	1004 1005	Gen Fund GF/Prgm					s s	0.0 0.0	

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Department of Environmental Conservation

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				20,948.5	490.4			640.4					740.8	
1	Department of Environmental Conservation **House** It is the intent of the Alaska Legislature that the Department of Environmental Conservation work closely with molluscan shellfish producers to explore methods of lowering the cost to the public and private sectors of certifying the water quality of shellfish harvest areas. DEC will report on its progress to the Legislature during deliberations over the FY 2012 operating budget. **Senate** None		Intent									h	0.0	
2	Environmental Health	Food Safety & Sanitation	Inc: Add Environmental Health Technician and Related Costs in Support of Permit and Inspection of New Shellfish Farms	4,044.5	100.4	1004	Gen Fund				House adds one PFT position Selecting House on item 2 and Senate on item 3 would result in an appropriation exceeding the amount in both versions of the bill	h	100.4	
3	Environmental Health	Food Safety & Sanitation	Inc: Add One Environmental Health Officer and Related Costs to Focus on Retail Food Establishment Safety Inspections					100.4	1004	Gen Fund	Senate adds one PFT position Selecting House on item 2 and Senate on item 3 would result in an appropriation exceeding the amount in both versions of the bill	s	100.4	
4	Environmental Health	Air Quality	Inc: Federal Environmental Protection Agency Permitting Requirements	9,295.3				150.0	1004	Gen Fund	Senate adds one PFT position	s	150.0	
5	Spill Prevention and Response **House** None **Senate** It is the intent of the legislature that the Department of Environmental Conservation return to the Legislature by the first day of the 27th Legislature with a proposal to make the Spill Prevention and Response fund sustainable. *[through an increased surcharge rate and/or a surcharge for non-taxable barrels of oil transported in the state.]*		Intent								CC: Modify intent	s	0.0	
6	Water **House** None **Senate** It is the intent of the legislature that the Department of Environmental Conservation and the Department of Labor & Workforce Development collaborate to develop a workforce development plan to train Alaskans for jobs as Ocean Rangers.	Water Quality	Intent									s	0.0	

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Department of Environmental Conservation

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
7	Water	Water Quality	Intent									s	0.0	
	House None **Senate** It is the intent of the legislature that the Departments of Environmental Conservation, Fish and Game, and Natural Resources work together to develop a plan to remove fish waste from the Kenai and Kasilof Rivers dipnet fishery and maintain a safe and attractive riverfront. It is also the intent of the legislature that measures to address sanitation or habitat concerns shall not reduce or restrict opportunities for the public to access and participate in these fisheries.													
8	Water	Facility Construction	IncOTI/ Inc: Federal Resources for Public Water Systems Operator Certification and Training	7,608.7	240.0	1002	Fed Rcpts	240.0	1002	Fed Rcpts	The House transaction is an IncOTI. Both transactions add one PFT position.	s	240.0	
9	Water	Facility Construction	IncOTI/ Inc: Federal Resources for Remote Maintenance Worker Program		112.5	1002	Fed Rcpts	112.5	1002	Fed Rcpts	The House transaction is an IncOTI	s	112.5	
					37.5	1003	G/F Match	37.5	1003	G/F Match		s	37.5	

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Department of Fish and Game

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				126,284.5	2,682.8			5,191.0					5,191.0	
1	Commercial Fisheries	Southeast Region Fisheries Management	Inc: Southeast Region Stock Assessments, Monitoring, and Other Projects	7,474.8				600.0	1004	Gen Fund		S	600.0	
2	Commercial Fisheries	Central Region Fisheries Management	Inc: Salmon Research and Management Projects	8,275.8				105.4	1004	Gen Fund	Senate adds 1 PFT position	S	105.4	
3	Commercial Fisheries	AYK Region Fisheries Management	Inc: Salmon Research and Management Projects for the AYK Region	6,046.8				205.0	1004	Gen Fund	Senate adds 1 PPT position	S	205.0	
4	Commercial Fisheries	AYK Region Fisheries Management	Inc: Fishery Biologists II and IV for Salmon Research and Management Projects for the AYK Region					175.0	1004	Gen Fund	Senate adds 2 PFT positions	S	175.0	
5	Commercial Fisheries	Commercial Fisheries Special Projects	Inc: 3/18 AMD: Increase federal authority to support a coded wire tag project and a stock composition estimation project	21,555.4				318.4	1002	Fed Rcpts		S	318.4	
6	Sport Fisheries	Sport Fisheries	Inc: Transfer Susitna Fish Passage Restoration & Alexander Creek Invasive Pike Control projects from Com Fish Central Region	47,531.7				342.6	1004	Gen Fund		S	342.6	
7	Wildlife Conservation	Wildlife Conservation	Inc: Federal Authority for Wildlife Population Assessment and Species Research	28,247.1	2,700.0	1002	Fed Rcpts	3,100.0	1002	Fed Rcpts		S	3,100.0	
8	Administration and Support	Fish and Game Boards and Advisory Committees	Dec: Reduce general fund travel line item by 10 percent.	1,636.7	(17.2)	1004	Gen Fund					S	0.0	
9	Administration and Support	Fish and Game Boards and Advisory Committees	Inc: Add a F&G Regional Regulatory Program Assistant position in Bethel to coordinate local fish and game advisory committees					84.6	1004	Gen Fund	Senate adds 1 PPT position	S	84.6	
10	Administration and Support	State Subsistence	Inc: Yukon Chinook Salmon Disaster Research	5,516.2				260.0	1004	Gen Fund	CC: OTI	S	260.0	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				1,101,288.8	2,976.3			2,023.9					211.9	
1	Department of Health and Social Services	Department	Intent **House** It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program. **Senate** None.								The Senate selection is correct, it removes duplicate wordage contained in the House bill	s	0.0	
2	Behavioral Health	AK Fetal Alcohol Syndrome Program	Inc: MH Trust: AK MH/Alc Bd-FASD Treatment Svcs in Juneau, Kenai, Sitka, and Bethel be expanded	1,697.1	228.6	1037	GF/MH	400.0	1037	GF/MH		s	400.0	(100.0)
3	Behavioral Health	Alcohol Safety Action Program (ASAP)	ATrOut: Transfer Alcohol Safety Action's portion of Therapeutic Courts to Court System's new Therapeutic Court appropriation	3,640.0	(319.6) (67.3)	1004 1180	Gen Fund A/D T&P Fd	(317.3) (138.0) (67.3)	1004 1092 1180	Gen Fund MHTAAR A/D T&P Fd	The Senate transaction is correct.	s s s	(317.3) (138.0) (67.3)	
4	Behavioral Health	Alcohol Safety Action Program (ASAP)	Inc: Add Interagency Receipts to replace transferred funding to Court System's new Therapeutic Court appropriation		254.7	1007	I/A Rcpts	390.4	1007	I/A Rcpts	The Senate transaction is correct.	s	390.4	
5	Behavioral Health	Alcohol Safety Action Program (ASAP)	Inc: Increase Partners for Progress funding to support Therapeutic Courts (funds will be transferred from Courts)					200.0	1007	I/A Rcpts	Refer to Courts item 21	s	200.0	
6	Behavioral Health	Behavioral Health Grants	Intent **House** None. **Senate** It is the intent of the legislature that $375,000 of this appropriation be used to fund Soteria-Alaska, Inc., which is a home-like, healing environment for Alaskan adults who are newly diagnosed with mental illness.								Refer to item 7	s	0.0	
7	Behavioral Health	Behavioral Health Grants	Inc: Funding for Soteria House, a healing alternative for adults newly diagnosed with mental illness	32,810.0				375.0	1037	GF/MH		s	375.0	(100.0)
8	Behavioral Health	Behavioral Health Grants	Inc: Funding to Clear Waiting List for Methadone Clinics in Anchorage and Fairbanks					160.0	1004	Gen Fund		s	160.0	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
9	Behavioral Health	Behavioral Health Grants	Inc: Family Wellness Warriors Initiative					400.0	1004	Gen Fund	See item 3 on DVSA sheet--do not select here	H or S	0.0	
10	Behavioral Health	Behavioral Health Grants	Inc: Trauma-Informed Training for Behavioral Health Providers					200.0	1004	Gen Fund	See item 4 on DVSA sheet--do not select here	H or S	0.0	
11	Behavioral Health	Behavioral Health Administration	Inc: MH Trust Workforce Dev - PhD Internship Consortium (AK-PIC)	10,696.9				100.0	1037	GF/MH		s	100.0	
12	Behavioral Health	Behavioral Health Administration	Inc: MH Trust: BTKH - Grant 2465.01 Tribal/rural system development		100.0	1037	GF/MH	200.0	1037	GF/MH		h	100.0	
13	Behavioral Health	Community Action Prevention & Intervention Grants	Inc: Multi-disciplinary Rural Community Pilot Project	5,330.2				1,350.0	1004	Gen Fund	See item 5 on DVSA sheet--do not select here	H or S	0.0	
14	Behavioral Health	Rural Services and Suicide Prevention	Inc: Funding for suicide response and postvention resources	2,921.6				200.0	1180	A/D T&P Fd		s	200.0	
15	Behavioral Health	Rural Services and Suicide Prevention	Inc: Training and technical assistance funding					80.0	1180	A/D T&P Fd		h	0.0	
16	Behavioral Health	Services for Severely Emotionally Disturbed Youth	Inc: MH Trust: BTKH -Grant 1392.03 Community Behavioral Health Centers Outpatient & Emergency Residential Services & Training	13,894.2	250.0	1037	GF/MH	500.0	1037	GF/MH		s	500.0	
17	Behavioral Health	Services for Severely Emotionally Disturbed Youth	Inc: MH Trust: BTKH - Grant 2466.01 Transitional Aged Youth		75.0	1037	GF/MH	100.0	1037	GF/MH		s	100.0	
18	Behavioral Health	Services for Severely Emotionally Disturbed Youth	Inc: MH Trust: BTKH - Individualized Services		300.0	1037	GF/MH	400.0	1037	GF/MH		s	400.0	
19	Behavioral Health	Alaska Psychiatric Institute	Inc: MH Trust Workforce Dev - API Psychiatry Residency Training	29,968.9				300.0	1037	GF/MH	OTI	s	300.0	(200.0)

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
20	Children's Services	Family Preservation	Intent **House** It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below: $200,000: Competitive grant to non-profit agencies to match volunteer mentors statewide with foster youth and youth coming out of care for ages of 16 ½ through 21. OCS shall identify the youth to be served, and coordinate with the grantee that recruits, screens and trains the volunteer mentors. **Senate** None.									Refer to item 21	h	0.0	
21	Children's Services	Family Preservation	Inc: Mentorship Program to match volunteer mentors statewide with foster youth and youth coming out of care		200.0	1004	Gen Fund					h	200.0	
22	Children's Services	Family Preservation	Inc: MH Trust: BTKH - 1926.02 Foster Parent & Parent Recruitment training & support	14,649.6	112.5	1037	GF/MH	150.0	1037	GF/MH		s	150.0	
23	Children's Services	Family Preservation	Inc: Funding and staff for the Independent Living Program to assist youth with work, school, job training, and life skills.		160.5	1004	Gen Fund				House adds 2 PFT positions	h	160.5	
24	Children's Services	Family Preservation	Inc: Children's Advocacy Center Expansion					40.0	1004	Gen Fund	See item 6 on DVSA sheet--do not select here	H or S	0.0	
25	Children's Services	Foster Care Special Needs	Intent **House** It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below: The Health and Social Services House subcommittee approved One-Time funding in the amount of $50,000 for transportation of foster youth. This amendment would place $50,000 of general funds in the base budget. It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below: $30,000: These funds shall be used to permit foster youth who move between placements to stay, when in the youth's best interest, in their original school for the remainder of the school term. These funds shall not be used for those "homeless" youth already being provided school stability services under the Federal McKinney-Vento Act. **Senate** It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below: $80,000: These funds shall be used to permit foster youth who move between placements to stay, when in the youth's best interest, in their original school for the remainder of the school term. These funds shall not be used for those "homeless" youth already being provided school stability services under the Federal McKinney-Vento Act.									Refer to item 26	s	0.0	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
26	Children's Services	Foster Care Special Needs	Inc: Permit Foster youth who move between placements to stay in their original school for the remainder of the school term.		80.0	1004	Gen Fund	80.0	1004	Gen Fund	The Senate selection combines two similar House transactions ($30.0 + $50.0) into one ($80.0). Both the Senate and the House transactions appropriate funding for the cost of transporting foster youth who move between placements to stay in their original school for the remainder of the school term, when it is youth's best interest (see number 25 for associated intent).	s	80.0	
27	Children's Services	Infant Learning Program Grants	Inc: Early Childhood Mental Health Program funding					175.0	1037	GF/MH		h	0.0	
28	Juvenile Justice **House** None. **Senate** It is the intent of the legislature that $115,000 of this appropriation and one PFT position for Probation Services be used to review the Aggression Replacement Training program, and provide program oversight and quality assurance.	Probation Services	Intent								Refer to item 29	h	0.0	
29	Juvenile Justice	Probation Services	Inc: Juvenile Justice Evidence Based Program funding	13,671.3				115.0	1004	Gen Fund	The Senate adds one PFT position.	h	0.0	
30	Juvenile Justice	Youth Courts	Inc: Funding to offset increased operating expenses and a decrease in federal funding	847.9				150.0	1004	Gen Fund		s	150.0	
31	Public Health	Chronic Disease Prevention and Health Promotion	Inc: Maintain Funding for Childhood Obesity Prevention Program	11,925.8	475.0	1004	Gen Fund					h	475.0	(100.0)
32	Senior and Disabilities Services	Senior and Disabilities Services Administration	IncOTI: MH Trust: Brain Injury - 2468.01 Traumatic Brain Injury Service Coordination	15,593.0	150.0	1092	MHTAAR	250.0	1092	MHTAAR	Both transactions are IncOTIs.	s	250.0	
33	Senior and Disabilities Services	Community Developmental Disabilities Grants	Inc: Intensive support and intervention services for AMHT beneficiaries at risk of institutionalization	14,651.8				162.5	1004	Gen Fund		h	0.0	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
34	Departmental Support Services		Intent **House** None **Senate** It is the intent of the legislature that the Department explain the Medicaid school based claim program to all school districts in Alaska and encourage them to participate in the program.									s	0.0	
35	Departmental Support Services	Medicaid School Based Administrative Claims	Dec: Federal reimbursement for claims should not be classified as regular federal receipts: delete them	5,543.8				(5,543.8)	1002	Fed Rcpts	The Senate selection removes $5,543.8 in restricted federal funds and appropriates the funding in the same amount with *unrestricted* federal funds **(The selection here makes a consistent selection for items 35, 36 and 37; item 2 in the DOE sheet ; and item 1 in the Fund Transfer sheet).**	s	(5,543.8)	
36	Departmental Support Services	Medicaid School Based Administrative Claims	Lang: A portion of federal reimbursement is retained by the program for operating costs					215.0	1188	Fed Unrstr	The Senate selection appropriates $215.0 of unrestricted federal funds in language for program operating costs in the Medicaid School Based Admin. **(Need a consistent selection for items 35, 36 and 37; item 2 in the DOE sheet ; and item 1 in the Fund Transfer sheet).**	s	215.0	
37	Departmental Support Services	Medicaid School Based Administrative Claims	Lang: 50% of federal reimbursement is retained by the program for distribution to participating school districts					2,664.4	1188	Fed Unrstr	The Senate selection appropriates an estimated $2,664.4 to school districts participating in the Medicaid School Based Admin. **(Need a consistent selection for items 35, 36 and 37; item 2 in the DOE sheet ; and item 1 in the Fund Transfer sheet).**	s	2,664.4	
38	Departmental Support Services	Information Technology Services	Inc: Fund GF at 50% of Request for Cost Increases for Software Maintenance, Systems and Eligibility Information Sys Billings	15,993.2	250.0	1004	Gen Fund					h	250.0	
39	Departmental Support Services	Information Technology Services	Inc: Replace unrealizable federal and inter-agency receipts due to the loss of Medicaid School Based Claims funding		487.5	1004	Gen Fund	512.5	1004	Gen Fund		h	487.5	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
40	Human Services Community Matching Grant	Human Services Community Matching Grant	Inc: Grant funding for the Human Services Community Matching Grant program	1,485.3				250.0	1004	Gen Fund		H or S	0.0	
41	Medicaid Services	Behavioral Health Medicaid Services	Intent								Refer to Item 42	h	0.0	
	House None. **Senate** It is the intent of the legislature that $553,500 of this appropriation be used to fund an increase in level V residential treatment reimbursement rates for part of the fiscal year when the department has completed its cost/rate review, and/or as a means of avoiding closure of level V facilities who haven't had a rate increase in nearly 5 years. The department should complete its rate/cost review and report back to the legislature by January 31, 2011 on the need for level V rate increases.													
42	Medicaid Services	Behavioral Health Medicaid Services	Inc: BTKH level V treatment bed funding	160,016.9				338.3	1002	Fed Rcpts		s	338.3	
								215.2	1003	G/F Match		s	215.2	
43	Medicaid Services	Health Care Medicaid Services	Dec: The amount paid from general funds for abortions not qualifying for federal Medicaid payments in calendar year 2009	745,951.3				(615.9)	1004	Gen Fund		s	(615.9)	
44	Medicaid Services	Health Care Medicaid Services	Inc: Adjust Medicaid projections and split difference between Governor's Amended request and legislative recommendations		146.5	1002	Fed Rcpts	(1,072.8)	1002	Fed Rcpts		s	(1,072.8)	
					75.4	1003	G/F Match	(767.1)	1003	G/F Match		s	(767.1)	
					17.5	1212	Stimulus09	(127.2)	1212	Stimulus09		s	(127.2)	

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Department of Labor and Workforce Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				60,612.1	5,173.5			6,141.0					6,093.5	
1	Department of Labor and Workforce Development		Intent **House** None **Senate** It is the intent of the legislature that the Alaska Department of Labor and Workforce Development and the Alaska Workforce Investment Board, to include the One-Stop Job Centers, assist the recipients of Alaska Technical & Vocational Education Program Account funding to apply for a United States Department of Labor community-based job training grant. Participation should include assistance in analyzing the need for training and education in the local area and identifying high growth industries, making referrals to the program, and identifying additional resources participants may be able to access through the one-stop network.									s	0.0	
2	Commissioner and Administrative Services	Labor Market Information	Inc: Expand Training Services for Employment Data and Training Guide. A companion dec is requested in Emplmt & Trng Svs	5,327.7				47.5	1004	Gen Fund		h	0.0	
3	Commissioner and Administrative Services	Labor Market Information	IncOTI: Add One-Time ARRA Federal Authorization for a State Labor Market Information Improvement Project		750.0	1212	Stimulus09	750.0	1212	Stimulus09	House transaction specifies that pcns will be removed in FY12. H and S add 2 Temp pcns.	h	750.0	
4	Business Partnerships	Workforce Investment Board	Inc: Funding to support Workforce Development Activities. A companion decrement is included in the Employment & Trng Svcs comp	851.1				85.0	1004	Gen Fund		s	85.0	
5	Business Partnerships	Business Services	Inc: Funds to support training and apprenticeships. A companion decrement was requested in Employment & Training Svcs	40,096.8				585.0	1004	Gen Fund		s	585.0	
6	Business Partnerships	Business Services	Inc: Increase State Training and Employment Program Authorization to Provide Additional Training Opportunities to Alaskans		1,089.9	1054	STEP	1,089.9	1054	STEP	House funding is one-time. Senate funding is on-going.	h	1,089.9	
7	Business Partnerships	Construction Academy Training	Add General Funds to Continue Alaska Construction Academy Training	3,250.0	3,250.0	1004	Gen Fund	3,500.0	1004	Gen Fund	House funding is one-time. Senate funding is on-going.	s	3,500.0	(250.0)
8	Alaska Vocational Technical Center	Alaska Vocational Technical Center	Inc: Add 1 Full Time Grants Administrator Position (PCN 07-#014) to Pursue Non-General Funds to Support Operations	11,086.5	41.8	1002	Fed Rcpts	41.8	1002	Fed Rcpts	House funding is one-time. Senate funding is on-going.	s	41.8	
					41.8	1156	Rcpt Svcs	41.8	1156	Rcpt Svcs	H & S add 1 PFT position.	s	41.8	

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Indicates structure change

Department of Law

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				40,522.9	1,854.2			3,944.8					1,444.8	
1	Criminal Division	First Judicial District	Dec: Reduce general fund travel line item by 10 percent.	1,894.7	(7.9)	1004	Gen Fund	(3.1)	1004	Gen Fund		s	(3.1)	
2	Criminal Division	Second Judicial District	Dec: Reduce general fund travel line item by 10 percent.	1,558.2	(4.2)	1004	Gen Fund	(1.7)	1004	Gen Fund		s	(1.7)	
3	Criminal Division	Third Judicial District: Anchorage	Dec: Reduce general fund travel line item by 10 percent.	7,329.5	(15.1)	1004	Gen Fund	(3.2)	1004	Gen Fund		s	(3.2)	
4	Criminal Division	Third Judicial District: Outside Anchorage	Dec: Reduce general fund travel line item by 10 percent.	5,333.8	(16.2)	1004	Gen Fund	(8.2)	1004	Gen Fund		s	(8.2)	
5	Criminal Division	Fourth Judicial District	Dec: Reduce general fund travel line item by 10 percent.	5,507.4	(13.6)	1004	Gen Fund	(2.0)	1004	Gen Fund		s	(2.0)	
6	Criminal Division	Criminal Justice Litigation	Dec: Reduce general fund travel line item by 10 percent.	2,531.1	(19.0)	1004	Gen Fund	(5.4)	1004	Gen Fund		s	(5.4)	
7	Criminal Division	Criminal Appeals/Special Litigation	Dec: Reduce general fund travel line item by 10 percent.		(0.5)	1003	G/F Match					s	0.0	
					(9.9)	1004	Gen Fund	(2.6)	1004	Gen Fund		s	(2.6)	
8	Criminal Division	Criminal Justice Litigation	Inc: Transcription Costs for Grand Jury Proceedings					30.4	1004	Gen Fund	**Senate**: Courts will bill Law for Grand Jury transcripts	s	30.4	
9	Criminal Division	Criminal Appeals/Special Litigation	Replace Rural Prosecution/One-Time Federal Earmarks: Sexual Assault/Domestic Violence with GF		500.0	1002	Fed Rcpts	400.0	1002	Fed Rcpts	House federal funding is a one-time item; Senate adds funding to base	h	500.0	
					540.6	1004	Gen Fund	640.6	1004	Gen Fund		h	540.6	
10	Civil Division	Child Protection	Inc: Kenai Child Protection Caseload Attorney	5,167.0	150.0	1004	Gen Fund	200.0	1004	Gen Fund	H & S add 1 PFT position	s	200.0	
11	Civil Division	Oil, Gas and Mining	Lang: Gas Pipeline Outside Counsel & Experts	8,832.6	750.0	1004	Gen Fund				See item 4 on Oil & Gas sheet--do not select here	H or S	0.0	
12	Civil Division	Oil, Gas and Mining	IncOTI: Gas Pipeline Outside Counsel & Experts					2,500.0	1004	Gen Fund	See item 4 on Oil & Gas sheet--do not select here	H or S	0.0	
13	Civil Division	Transportation Section	IncOTI: 3/18 AMD: Fairweather and Chenega propulsion systems litigation	2,368.6				200.0	1004	Gen Fund		s	200.0	

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Department of Natural Resources

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				37,453.4	1,265.3			4,603.6					136.1	
1	Resource Development	Oil & Gas Development	MisAdj/Multi Year: FY11 interest Earnings on a $6.6 million bond for the Redoubt Unit in Cook Inlet: for purposes of the bond (FY11-14)	13,739.7				(250.0) 250.0	1005 1217	GF/Prgm NGF Earn	The Senate transactions identify the correct fund code	s s	(250.0) 250.0	
2	Resource Development	Gas Pipeline Implementation	Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity	1,945.4	432.0	1004	Gen Fund	1,440.0	1004	Gen Fund	See item 5 on Oil & Gas sheet--do not select here	H or S	0.0	
3	Resource Development	Gas Pipeline Implementation	Alaska Gas Inducement Act (AGIA) Implementation		690.0	1004	Gen Fund	2,300.0	1004	Gen Fund	See item 6 on Oil & Gas sheet--do not select here	H or S	0.0	
4	Resource Development	Gas Pipeline Implementation	Alaska Gas Inducement Act (AGIA) Outreach		143.3	1004	Gen Fund	477.5	1004	Gen Fund	See item 7 on Oil & Gas sheet--do not select here	H or S	0.0	
5	Resource Development	Claims, Permits & Leases	Inc: Additional Capacity for Resource Development Projects	10,810.4				250.0	1004	Gen Fund	Senate adds 2 PFT positions	h	0.0	
6	Resource Development	Land Sales & Municipal Entitlements	PosAdj: Add Staff and Funding to Improve Land Sales Projects and Sales								The Senate adds one PFT position	h	0.0	
7	Resource Development	Geological Development	FndChg: Alaska Volcano Observatory	8,427.2				(300.0) 300.0	1002 1004	Fed Rcpts Gen Fund		h h	0.0 0.0	
8	Resource Development	Agricultural Development	Intent **House** None **Senate** It is the intent of legislature that the Department of Corrections purchase agricultural products directly from Alaskan Farmers whenever practical.									s	0.0	
9	Resource Development	Agricultural Development	Inc: Plant Health and Phytosanitary Certification	2,103.3				121.5	1004	Gen Fund	Senate adds 1 PFT position	s	121.5	
10	Resource Development	Trustee Council Projects	Inc: EVOS Trustee Council Personal Services Adjustment	427.4				14.6	1018	EVOS Trust		s	14.6	

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Department of Public Safety

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				13,780.5	0.0			1,010.0					200.0	
1	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: Victims' Services	13,780.5				200.0	1004	Gen Fund		S	200.0	
2	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Victimization Study, Evaluation, and Planning Grants					350.0	1004	Gen Fund	See item 7 on DVSA sheet--do not select here	H or S	0.0	
3	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	IncOTI: DVSA Prevention Initiative - Batterer's Intervention Evaluation and Investigation of Evidence Based Practice.					100.0	1004	Gen Fund	See item 8 on DVSA sheet--do not select here	H or S	0.0	
4	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Universal Public Education Marketing Campaign					300.0	1004	Gen Fund	See item 9 on DVSA sheet--do not select here	H or S	0.0	
5	Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Pro-Bono Attorney Clearinghouse					60.0	1004	Gen Fund	See item 10 on DVSA sheet--do not select here	H or S	0.0	

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Department of Revenue

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				146,908.9	1,862.9			4,383.5					1,660.4	
1	Taxation and Treasury	Tax Division	FndChg: Budget Clarification Project;--Cigarette testing program receipts	13,892.5				35.8	1005	GF/Prgm	Senate is correct	s	35.8	
								(35.8)	1156	Rcpt Svcs		s	(35.8)	
2	Taxation and Treasury	Permanent Fund Dividend Division	Inc: AMD: New Annual Fee for Vital Statistics Records	7,818.5				25.0	1050	PFD Fund		h	0.0	
3	Child Support Services	Child Support Services Division	Funding source adjustment due to declining receipts and ARRA stimulus lapsing	24,126.5	421.1	1002	Fed Rcpts	421.1	1002	Fed Rcpts	Choose House for IncOTI and Senate for base increment	h	421.1	
					826.8	1003	G/F Match	826.8	1003	G/F Match		h	826.8	
4	Child Support Services	Child Support Services Division	Transfer to GF Match eliminating reliance on declining receipts		5,448.7	1003	G/F Match	5,448.7	1003	G/F Match		h	5,448.7	
					505.3	1004	Gen Fund	505.3	1004	Gen Fund	Identical action in House and Senate. House made adjustment during Budget Clarification adjustments; Senate made adjustment in Subcommittee.	h	505.3	
					(5,954.0)	1156	Rcpt Svcs	(5,954.0)	1156	Rcpt Svcs		h	(5,954.0)	
5	Alaska Mental Health Trust Authority	Long Term Care Ombudsman Office	IncOTI: MH Trust - Long Term Care Ombudsman Office Investigator	534.2				91.5	1037	GF/MH	Senate adds 1 PFT position One-time funding	s	91.5	
6	Alaska Housing Finance Corporation	AHFC Operations	Inc: Statewide Data Communication bandwidth requirement increase	90,505.8				26.6	1103	AHFC Rcpts		h	0.0	
7	Alaska Permanent Fund Corporation	APFC Operations	Inc: State support charge back cost increases with the Departments of Revenue and Administration	10,031.4				21.5	1105	PF Gross		h	0.0	
8	Alaska Permanent Fund Corporation	APFC Operations	Inc: New investment risk management information and analytical services					321.0	1105	PF Gross		s	321.0	(150.0)
9	APFC Custody and Management Fees	APFC Custody and Management Fees	House created a separate appropriation								House creates separate appropriation. Senate keeps the funding in an allocation under the APFC appropriation	h	0.0	
10	Taxation and Treasury	Tax Division	Alaska Gasline Inducement Act Information Reporting System		150.0	1004	Gen Fund	300.0	1004	Gen Fund	See item 9 on Oil & Gas sheet--do not select here	H or S	0.0	
11	Taxation and Treasury	Tax Division	Inc: Petroleum Commercial Analyst Positions for Gasline and Production Tax Analysis					800.0	1004	Gen Fund	See item 11 on Oil & Gas sheet--do not select here	H or S	0.0	

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Department of Revenue

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
12	Administration and Support	Natural Gas Commercialization	Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms		415.0	1004	Gen Fund	1,500.0	1004	Gen Fund	See item 8 on Oil & Gas sheet--do not select here	H or S	0.0	
13	Administration and Support	Natural Gas Commercialization	Audit of Alaska Gasline Inducement Act Reimbursement Fund		50.0	1004	Gen Fund	50.0	1004	Gen Fund	See item 10 on Oil & Gas sheet--do not select here	H or S	0.0	

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Department of Transportation & Public Facilities

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				278,903.8	3,283.0			3,762.7					3,458.4	
1	Administration and Support	Statewide Administrative Services	Inc: Increased services in Capital Budget tracking, analysis, and reporting	4,827.0				129.3	1004	Gen Fund	Senate adds 1 PFT position	H or S	0.0	
2	Administration and Support	Statewide Aviation	Inc: Increased Travel for Inspections, Property Management and Training	2,973.8	20.0	1156	Rcpt Svcs				Selection on item 2 determines selection on item 3	s	0.0	
3	Administration and Support	Statewide Aviation	FndChg: Budget Clarification Project - Rural Airport Leasing/ User Fee Revenue		2,262.5 (2,262.5)	1005 1156	GF/Prgm Rcpt Svcs	2,242.5 (2,242.5)	1005 1156	GF/Prgm Rcpt Svcs	Selection on item 2 determines selection on item 3	s s	2,242.5 (2,242.5)	
4	Highways, Aviation and Facilities	Central Region Highways and Aviation	Inc: Oversight of Street Sweeping and Permit Compliance - Environmental Protection Agency (EPA)	51,113.7	188.0	1004	Gen Fund				House adds 2 PFT positions	H or S	0.0	
5	Highways, Aviation and Facilities	Central Region Highways and Aviation	Inc: Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs		1,525.0	1004	Gen Fund	2,233.4	1004	Gen Fund		s	2,233.4	
6	Highways, Aviation and Facilities	Central Region Highways and Aviation	Inc: Bridge Crew (Inspection and Repair) Training and Commodities		20.0	1004	Gen Fund					s	0.0	
7	Highways, Aviation and Facilities	Northern Region Highways and Aviation	Inc: Federal Highway Administration Americans with Disabilities Act Compliance Requirements	66,727.8	305.0	1004	Gen Fund				House adds 2 PFT positions	s	0.0	
8	Highways, Aviation and Facilities	Southeast Region Highways and Aviation	Dec: Commodities reduction due to mild winter	15,714.9	(25.0)	1004	Gen Fund					h	(25.0)	
s	Marine Highway System	Marine Vessel Operations	Inc: Satellite Communications Contract - Ship to Shore Communications	124,000.2	 750.0	 1076	 Marine Hwy	525.0 225.0	1004 1076	Gen Fund Marine Hwy		s s	525.0 225.0	
10	Marine Highway System	Marine Vessel Operations	TrOut: Transfer base fuel budget to separate allocation - 9,997,000 gallons @ $1.29/ gallon					(9,040.0) (3,874.4)	1004 1076	Gen Fund Marine Hwy	Selection on item 10 determines selection on item 11	s s	(9,040.0) (3,874.4)	
11	Marine Highway System	Marine Vessel Fuel	TrIn: Transfer base fuel budget to separate allocation - 9,997,000 gallons @ $1.29/ gallon					9,040.0 3,874.4	1004 1076	Gen Fund Marine Hwy	Selection on item 10 determines selection on item 11	s s	9,040.0 3,874.4	
12	Marine Highway System	Marine Engineering	Inc: Marine Highway Planner position	3,112.6				105.0 45.0	1004 1076	Gen Fund Marine Hwy	Senate adds 1 PFT position	H or S H or S	0.0 0.0	

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Department of Transportation & Public Facilities

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
13	Marine Highway System	Reservations and Marketing	FndChg: Fund source change to compensate for over budgeting of Vehicle Rental Tax	3,136.2				267.1	1004	Gen Fund		s	267.1	
					381.6	1076	Marine Hwy	114.5	1076	Marine Hwy		s	114.5	
					(381.6)	1200	VehRntlTax	(381.6)	1200	VehRntlTax		s	(381.6)	
14	Marine Highway System	Marine Shore Operations	Inc: Bellingham Terminal Facilities Lease Increase - Annualize	7,297.6				350.0	1004	Gen Fund		s	350.0	
					500.0	1076	Marine Hwy	150.0	1076	Marine Hwy		s	150.0	
15	Marine Highway System	Marine Shore Operations	Intent									s	0.0	

House
It is the intent of the legislature that the Alaska Marine Highway System go out for competitive bid for services needed for the southern most terminus of the Alaska Marine Highway System. AMHS shall seek proposals for required terminal infrastructure located between Seattle, Washington and Bellingham Washington. During this period AMHS will continue to deliver service to Bellingham under the existing contract that became effective in October of 2009.

Senate
None.

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University of Alaska

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				848,382.5	0.0			2,300.0					1,100.0	
1	HOUSE structure - 1 appropriation: University of Alaska SENATE structure - 7 appropriations	23 allocations 23 allocations	The House maintains a single appropriation for the University of Alaska. The Senate split the single appropriation for the University of Alaska into seven, continuing the FY10 structure as follows: (1) Budget Reductions/Additions; (2) Statewide Programs & Services; (3) University of Alaska Anchorage; (4) Small Business Development Center; (5) University of Alaska Fairbanks; (6) University of Alaska Community Campuses; (7) University of Alaska Southeast									s	0.0	
2	University of Alaska	Anchorage Campus	Inc: Alaska Native Science & Engineering Program (ANSEP)					1,200.0	1004	Gen Fund	House adds 960.0 for ANSEP to DEED **Selection for UA item 2 applies to DOE item 7 and determines status of section 15 of the House bill**	h	0.0	
3	University of Alaska	Anchorage Campus	Inc: Anchorage Fixed Cost Priorities					314.2	1004	Gen Fund	OTI	s	314.2	
4	University of Alaska	Fairbanks Campus	Inc: Marine Advisory Program					300.0	1004	Gen Fund		s	300.0	
5	University of Alaska	Fairbanks Campus	Inc: Alaska Summer Research					75.0	1004	Gen Fund	OTI	s	75.0	
6	University of Alaska	Fairbanks Campus	Inc: Individual Technology Based Math and Summer Bridge Program					150.0	1004	Gen Fund	OTI	s	150.0	
7	University of Alaska	College of Rural and Community Development	Inc: Community Campus Lease Cost Increases					58.6	1004	Gen Fund		s	58.6	
8	University of Alaska	Cooperative Extension Service	Inc: Community Campus Lease Cost Increases					202.2	1004	Gen Fund		s	202.2	

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University of Alaska

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
9	University of Alaska		Intent **House** ***It is the intent of the legislature that the University of Alaska's FY12 budget request for unrestricted general funds not exceed 129 percent of actual University Receipts for FY10.*** It is the intent of the legislature that future requests by the University of Alaska for unrestricted general funds move toward a long-term goal of 125 percent of actual University Receipts for the most recently closed fiscal year. **Senate** It is the intent of the legislature that future requests by the University of Alaska for Unrestricted General Funds move toward a long-term goal of 125 percent of actual University Receipts for the most recently closed fiscal year.								House sets a specific target for the ratio of unrestricted GF to University Receipts for the FY12 budget request. Senate deleted the specific target because the ratio of 129 was recalculated based on a corrected definition of University Receipts. The FY11 ratio of unrestricted GF to University Receipts is 130.5	H	0.0	
	Items 10 - 52 are associated with the transfer of 3% Federal Receipts, Unrestricted GF, and University Receipts from all appropriations (except the Small Business Development Center) into the Budget Reductions/Additions - Systemwide appropriation to provide program funding flexibility under the Senate's seven-appropriation scenario. The total transferred is $22.5 million. This is a net zero change in the overall budget.													
10	University of Alaska	Budget Reductions/Additions - Systemwide	Intent **House** None **Senate** It is the intent of the legislature that the University provide a report to the legislature by February 1, 2011 that specifies the amount of money transferred from and to each allocation in reference to the 3% transfer of federal receipts, unrestricted general funds, and university receipts into the Budget Reductions/Additions - Systemwide appropriation.								Selection for item 10 applies to items 10 through 52	S	0.0	
11	University of Alaska	Budget Reductions/Additions - Systemwide	TrIn: Transfer 3% from Statewide Services	17,491.6				35.5 440.0 12.1 423.8	1002 1004 1037 1048	Fed Rcpts Gen Fund GF/MH Univ Rcpt			35.5 440.0 12.1 423.8	
12	University of Alaska	Budget Reductions/Additions - Systemwide	TrIn: Transfer 3% from Office of Info Technology					11.3 317.3 190.3	1002 1004 1048	Fed Rcpts Gen Fund Univ Rcpt			11.3 317.3 190.3	
13	University of Alaska	Budget Reductions/Additions - Systemwide	TrIn: Transfer 3% from Fairbanks Campus					385.7 12.9 3,214.1 2,537.3	1002 1003 1004 1048	Fed Rcpts G/F Match Gen Fund Univ Rcpt			385.7 12.9 3,214.1 2,537.3	

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University of Alaska

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
14	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Chukchi Campus					24.0	1002	Fed Rcpts			24.0	
								28.1	1004	Gen Fund			28.1	
								9.2	1048	Univ Rcpt			9.2	
15	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Cooperative Extension Service					91.9	1002	Fed Rcpts			91.9	
								39.1	1003	G/F Match			39.1	
								81.7	1004	Gen Fund			81.7	
								35.7	1048	Univ Rcpt			35.7	
16	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Kuskokwim Campus					42.4	1002	Fed Rcpts			42.4	
								86.0	1004	Gen Fund			86.0	
								50.0	1048	Univ Rcpt			50.0	
17	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Northwest Campus					25.2	1002	Fed Rcpts			25.2	
								51.0	1004	Gen Fund			51.0	
								8.3	1048	Univ Rcpt			8.3	
18	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Fairbanks Organized Research					2,225.7	1002	Fed Rcpts			2,225.7	
								90.0	1003	G/F Match			90.0	
								569.7	1004	Gen Fund			569.7	
								1,034.3	1048	Univ Rcpt			1,034.3	
19	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Anchorage Campus					658.8	1002	Fed Rcpts			658.8	
								0.5	1003	G/F Match			0.5	
								3,094.4	1004	Gen Fund			3,094.4	
								6.0	1037	GF/MH			6.0	
								2,991.3	1048	Univ Rcpt			2,991.3	
20	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Kenai Peninsula College					12.2	1002	Fed Rcpts			12.2	
								193.7	1004	Gen Fund			193.7	
								127.6	1048	Univ Rcpt			127.6	
21	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Kodiak College					8.1	1002	Fed Rcpts			8.1	
								81.8	1004	Gen Fund			81.8	
								28.6	1048	Univ Rcpt			28.6	

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University of Alaska

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
22	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Matanuska-Susitna College					7.5	1002	Fed Rcpts			7.5	
								129.2	1004	Gen Fund			129.2	
								128.3	1048	Univ Rcpt			128.3	
23	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Prince Wm Sound Comm College					10.9	1002	Fed Rcpts			10.9	
								93.1	1004	Gen Fund			93.1	
								88.9	1048	Univ Rcpt			88.9	
24	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Juneau Campus					114.8	1002	Fed Rcpts			114.8	
								0.5	1003	G/F Match			0.5	
								645.3	1004	Gen Fund			645.3	
								459.7	1048	Univ Rcpt			459.7	
25	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Sitka Campus					35.4	1002	Fed Rcpts			35.4	
								90.2	1004	Gen Fund			90.2	
								86.7	1048	Univ Rcpt			86.7	
26	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Ketchikan Campus					9.9	1002	Fed Rcpts			9.9	
								72.8	1004	Gen Fund			72.8	
								51.5	1048	Univ Rcpt			51.5	
27	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from College of Rural & Comm Dev					45.5	1002	Fed Rcpts			45.5	
								164.3	1004	Gen Fund			164.3	
								165.2	1048	Univ Rcpt			165.2	
28	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Bristol Bay Campus					42.0	1002	Fed Rcpts			42.0	
								40.7	1004	Gen Fund			40.7	
								19.4	1048	Univ Rcpt			19.4	
29	University of Alaska	Budget Reductions/Additions - Systemwide	Trin: Transfer 3% from Interior-Aleutians Campus					71.8	1002	Fed Rcpts			71.8	
								51.9	1004	Gen Fund			51.9	
								26.2	1048	Univ Rcpt			26.2	

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Indicates language
Indicates structure change

University of Alaska

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
30	University of Alaska	Budget Reductions/Additions - Systemwide	TrIn: Transfer 3% from Tanana Valley Campus					20.6	1002	Fed Rcpts			20.6	
								174.8	1004	Gen Fund			174.8	
								166.3	1048	Univ Rcpt			166.3	
31	University of Alaska	Budget Reductions/Additions - Systemwide	TrIn: Transfer 3% from Systemwide Education/Outreach					50.0	1002	Fed Rcpts			50.0	
								52.3	1004	Gen Fund			52.3	
								139.8	1048	Univ Rcpt			139.8	
32	University of Alaska	Statewide Services	TrOut: Transfer 3% to Systemwide Reductions/Additions	36,672.2				(35.5)	1002	Fed Rcpts			(35.5)	
								(440.0)	1004	Gen Fund			(440.0)	
								(12.1)	1037	GF/MH			(12.1)	
								(423.8)	1048	Univ Rcpt			(423.8)	
33	University of Alaska	Office of Information Technology	TrOut: Transfer 3% to Systemwide Reductions/Additions	19,327.5				(11.3)	1002	Fed Rcpts			(11.3)	
								(317.3)	1004	Gen Fund			(317.3)	
								(190.3)	1048	Univ Rcpt			(190.3)	
34	University of Alaska	Systemwide Education and Outreach	TrOut: Transfer 3% to Systemwide Reductions/Additions	10,967.8				(50.0)	1002	Fed Rcpts			(50.0)	
								(52.3)	1004	Gen Fund			(52.3)	
								(139.8)	1048	Univ Rcpt			(139.8)	
35	University of Alaska	Anchorage Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	246,310.6				(658.8)	1002	Fed Rcpts			(658.8)	
								(0.5)	1003	G/F Match			(0.5)	
								(3,094.4)	1004	Gen Fund			(3,094.4)	
								(6.0)	1037	GF/MH			(6.0)	
								(2,991.3)	1048	Univ Rcpt			(2,991.3)	
36	University of Alaska	Kenai Peninsula College	TrOut: Transfer 3% to Systemwide Reductions/Additions	11,672.6				(12.2)	1002	Fed Rcpts			(12.2)	
								(193.7)	1004	Gen Fund			(193.7)	
								(127.6)	1048	Univ Rcpt			(127.6)	
37	University of Alaska	Kodiak College	TrOut: Transfer 3% to Systemwide Reductions/Additions	4,287.2				(8.1)	1002	Fed Rcpts			(8.1)	
								(81.8)	1004	Gen Fund			(81.8)	
								(28.6)	1048	Univ Rcpt			(28.6)	
38	University of Alaska	Matanuska-Susitna College	TrOut: Transfer 3% to Systemwide Reductions/Additions	9,151.7				(7.5)	1002	Fed Rcpts			(7.5)	
								(129.2)	1004	Gen Fund			(129.2)	
								(128.3)	1048	Univ Rcpt			(128.3)	

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University of Alaska

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
39	University of Alaska	Prince William Sound Community College	TrOut: Transfer 3% to Systemwide Reductions/Additions	7,072.8				(10.9)	1002	Fed Rcpts			(10.9)	
								(93.1)	1004	Gen Fund			(93.1)	
								(88.9)	1048	Univ Rcpt			(88.9)	
40	University of Alaska	Fairbanks Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	236,307.7				(385.7)	1002	Fed Rcpts			(385.7)	
								(12.9)	1003	G/F Match			(12.9)	
								(3,214.1)	1004	Gen Fund			(3,214.1)	
								(2,537.3)	1048	Univ Rcpt			(2,537.3)	
41	University of Alaska	Fairbanks Organized Research	TrOut: Transfer 3% to Systemwide Reductions/Additions	139,130.8				(2,225.7)	1002	Fed Rcpts			(2,225.7)	
								(90.0)	1003	G/F Match			(90.0)	
								(569.7)	1004	Gen Fund			(569.7)	
								(1,034.3)	1048	Univ Rcpt			(1,034.3)	
42	University of Alaska	Bristol Bay Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	3,621.4				(42.0)	1002	Fed Rcpts			(42.0)	
								(40.7)	1004	Gen Fund			(40.7)	
								(19.4)	1048	Univ Rcpt			(19.4)	
43	University of Alaska	Chukchi Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	2,047.4				(24.0)	1002	Fed Rcpts			(24.0)	
								(28.1)	1004	Gen Fund			(28.1)	
								(9.2)	1048	Univ Rcpt			(9.2)	
44	University of Alaska	College of Rural and Community Development	TrOut: Transfer 3% to Systemwide Reductions/Additions	13,515.4				(45.5)	1002	Fed Rcpts			(45.5)	
								(164.3)	1004	Gen Fund			(164.3)	
								(165.2)	1048	Univ Rcpt			(165.2)	
45	University of Alaska	Interior-Aleutians Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	5,139.0				(71.8)	1002	Fed Rcpts			(71.8)	
								(51.9)	1004	Gen Fund			(51.9)	
								(26.2)	1048	Univ Rcpt			(26.2)	
46	University of Alaska	Kuskokwim Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	6,177.3				(42.4)	1002	Fed Rcpts			(42.4)	
								(86.0)	1004	Gen Fund			(86.0)	
								(50.0)	1048	Univ Rcpt			(50.0)	
47	University of Alaska	Northwest Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	2,909.8				(25.2)	1002	Fed Rcpts			(25.2)	
								(51.0)	1004	Gen Fund			(51.0)	
								(8.3)	1048	Univ Rcpt			(8.3)	

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University of Alaska

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
48	University of Alaska	Tanana Valley Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	12,691.8				(20.6)	1002	Fed Rcpts			(20.6)	
								(174.8)	1004	Gen Fund			(174.8)	
								(166.3)	1048	Univ Rcpt			(166.3)	
49	University of Alaska	Cooperative Extension Service	TrOut: Transfer 3% to Systemwide Reductions/Additions	8,681.6				(91.9)	1002	Fed Rcpts			(91.9)	
								(39.1)	1003	G/F Match			(39.1)	
								(81.7)	1004	Gen Fund			(81.7)	
								(35.7)	1048	Univ Rcpt			(35.7)	
50	University of Alaska	Juneau Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	42,854.8				(114.8)	1002	Fed Rcpts			(114.8)	
								(0.5)	1003	G/F Match			(0.5)	
								(645.3)	1004	Gen Fund			(645.3)	
								(459.7)	1048	Univ Rcpt			(459.7)	
51	University of Alaska	Ketchikan Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	4,971.1				(9.9)	1002	Fed Rcpts			(9.9)	
								(72.8)	1004	Gen Fund			(72.8)	
								(51.5)	1048	Univ Rcpt			(51.5)	
52	University of Alaska	Sitka Campus	TrOut: Transfer 3% to Systemwide Reductions/Additions	7,380.4				(35.4)	1002	Fed Rcpts			(35.4)	
								(90.2)	1004	Gen Fund			(90.2)	
								(86.7)	1048	Univ Rcpt			(86.7)	

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Alaska Court System

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				96,732.2	1,350.0			1,471.9					2,127.9	
1	Alaska Court System	Appellate Courts	Inc: Travel for Juneau-Based Chief Justice	6,505.0				9.4	1004	Gen Fund		s	9.4	
2	Alaska Court System	Appellate Courts	Inc: Elimination of Vacancy Savings Requirement for Judicial Positions					75.2	1004	Gen Fund		s	75.2	
3	Alaska Court System	Appellate Courts	IncOTI: Workstations, Office Equipment, and Replacement Furniture		50.0	1004	Gen Fund					h	50.0	
4	Alaska Court System	Appellate Courts	Dec: Reduce general fund travel line item by 10 percent.		(14.0)	1004	Gen Fund					s	0.0	
5	Alaska Court System	Trial Courts	Inc: Expand Deputy Clerk II Position to Improve Services in Craig (First District)	74,822.4				28.0	1004	Gen Fund	Senate adds 1 PFT position (expanded from PPT)	s	28.0	
6	Alaska Court System	Trial Courts	Inc: Update Geographic Differential for Non-Judicial Employees for Parity with SU and GGU contracts		400.0	1004	Gen Fund					h	400.0	
7	Alaska Court System	Trial Courts	IncOTI: Life Cycle Replacement of Computer Systems		100.0	1004	Gen Fund				CC: remove OTI	h	100.0	
8	Alaska Court System	Trial Courts	Inc: Language Interpreter Center Support for Training and Provision of Qualified Interpreters					25.0	1004	Gen Fund		s	25.0	
9	Alaska Court System	Trial Courts	Inc: Galena and Chevak Leased Space Increases					99.2	1004	Gen Fund		s	99.2	
10	Alaska Court System	Trial Courts	Inc: Increased Funding for Family Law Self-Help Center (FLSHC)		100.0	1007	I/A Rcpts	100.0	1007	I/A Rcpts	Senate adds 1 PFT position that was not accepted in House	s	100.0	
11	Alaska Court System	Trial Courts	Inc: Elimination of Vacancy Savings Requirement for Judicial Positions		250.0	1004	Gen Fund					h	250.0	
12	Alaska Court System	Trial Courts	Inc: Transcripts Costs for Criminal Proceedings due to Increased Case Loads and Inconsistencies with Federal Court Rates		125.0	1007	I/A Rcpts	148.5	1007	I/A Rcpts		s	148.5	
13	Alaska Court System	Trial Courts	Dec: Reduce general fund travel line item by 10 percent.		(141.5) (0.4)	1004 1037	Gen Fund GF/MH					s s.	0.0 0.0	

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Alaska Court System

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
14	Alaska Court System	Trial Courts	Intent **House** None **Senate** It is the intent of the legislature that the FY12 budget will appropriate all transcription funding to the agencies that order those transcripts from the Alaska Court System.									s	0.0	
15	Alaska Court System	Administration and Support	Inc: New Position for MAJIC (Multi-Agency Justice Integration Consortium) to Improve Services in Administration	9,721.7				119.0	1004	Gen Fund	Senate adds 1 PFT position	h	0.0	
16	Alaska Court System	Administration and Support	Dec: Reduce general fund travel line item by 10 percent.		(10.1)	1004	Gen Fund					s	0.0	
17	Therapeutic Courts	Therapeutic Courts	ATrIn: Consolidation of Therapeutic Courts from DOA/Thera. Courts Support Services to Courts. Replace GF with I/A.	4,248.4	65.0	1004	Gen Fund	65.0	1004	Gen Fund	House transaction has incorrect description - pick Senate.	s	65.0	
18	Therapeutic Courts	Therapeutic Courts	ATrIn: Consolidation of Therapeutic Courts from DOC/Probation & Parole to Courts. Replace GF with I/A.		45.0	1004	Gen Fund	45.0	1004	Gen Fund	House transaction has incorrect description - pick Senate.	s	45.0	
19	Therapeutic Courts	Therapeutic Courts	ATrIn: Transfer Alcohol Safety Action's portion of Therapeutic Courts to Court System's new Therapeutic Court appropriation		319.6 67.3	1004 1180	Gen Fund A/D T&P Fd	317.3 138.0 67.3	1004 1092 1180	Gen Fund MHTAAR A/D T&P Fd	Therapeutic Courts corrected distribution - pick Senate.	s s s	317.3 138.0 67.3	
20	Therapeutic Courts	Therapeutic Courts	Dec: Reduce general fund travel line item by 10 percent.		(0.3) (0.4)	1004 1037	Gen Fund GF/MH					s s	0.0 0.0	
21	Therapeutic Courts	Therapeutic Courts	Inc: Increase Partners for Progress funding to support Therapeutic Courts (funds will be transferred to H&SS/ASAP)					200.0	1004	Gen Fund	Refer to HSS item 5 This increment is not a net zero transfer associated with consolidation of therapeutic courts	s	200.0	
22	Therapeutic Courts	Therapeutic Courts	PosAdj: Recognize the Bethel Case Coordinator as a PFT (previously off-budget and classified as a "limited duration" position)								S adds 1 PFT position	s	0.0	

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Alaska Court System

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
23	Alaska Court System	Therapeutic Courts	Intent									h	0.0	
	House It is the intent of the legislature that contracts to purchase services associated with therapeutic courts be based loosely on the amounts transferred from other agencies into this appropriation. Contractual agreements should be for amounts determined by the Court System to be in the best interest of operating therapeutic courts in an efficient and effective manner. **Senate** It is the intent of the legislature that the Court System contract to purchase services associated with therapeutic courts in amounts it determines are in the best interest of operating therapeutic courts efficiently and effectively. Contract amounts should stem from the amounts transferred from other agencies into this appropriation.													
24	Commission on Judicial Conduct	Commission on Judicial Conduct	Inc: Vacancy Underfunding at 0%	364.5				10.0	1004	Gen Fund		s	10.0	
25	Commission on Judicial Conduct	Commission on Judicial Conduct	Dec: Reduce general fund travel line item by 10 percent.		(2.4)	1004	Gen Fund					s	0.0	
26	Judicial Council	Judicial Council	Inc: Child Protection Commission Staffing	1,070.2				25.0	1004	Gen Fund		h	0.0	
27	Judicial Council	Judicial Council	Dec: Reduce general fund travel line item by 10 percent.		(2.8)	1004	Gen Fund					s	0.0	

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Alaska Legislature

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				12,482.3	0.0			11.6					11.6	
1	Budget and Audit Committee	Committee Expenses	TrOut: Move travel reduction from Salaries and Allowances to LB&A	5,879.4				(196.5)	1004	Gen Fund		s	(196.5)	
2	Legislative Council	Salaries and Allowances	TrIn: Move travel reduction from Salaries and Allowances to LB&A	6,388.4				196.5	1004	Gen Fund		s	196.5	
3	Legislative Council	Select Committee on Ethics	Inc: Budget change for Secretary from casual to seasonal: 6 months to 7.2 months	214.5				11.6	1004	Gen Fund	Senate adds 1 PPT position	s	11.6	
4	Legislative Council	Select Committee on Ethics	Intent									s	0.0	

House
It is the intent of the legislature that no salary increments will be made for the position of Administrator in the Select Committee on Ethics until the Legislative Council has reviewed and revised the position's minimum employee qualifications to include an appropriate level of formal legal education and proficiency in the interpretation and application of statute.

Senate
None

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Domestic Violence/Sexual Assault

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL					3,000.0			3,000.0					0.0	
1	Office of the Governor: Executive Operations	Executive Office	Lang: Planning, development and execution of prevention and intervention strategies regarding Sexual Assault		3,000.0	1004	Gen Fund				House item 1 duplicates Senate items 2 - 10. Pick either House on item 1 or Senate on other items.	H or S	0.0	
2	Teaching and Learning Support	Student and School Achievement	Inc: Health & Personal Safety Prevention Coordinator					200.0	1004	Gen Fund	Senate adds one PFT position	H or S	0.0	
3	Health and Social Services: Behavioral Health	Behavioral Health Grants	Inc: Family Wellness Warriors Initiative					400.0	1004	Gen Fund		H or S	0.0	
4	Health and Social Services: Behavioral Health	Behavioral Health Grants	Inc: Trauma-Informed Training for Behavioral Health Providers					200.0	1004	Gen Fund		H or S	0.0	
5	Health and Social Services: Behavioral Health	Community Action Prevention & Intervention Grants	Inc: Multi-disciplinary Rural Community Pilot Project					1,350.0	1004	Gen Fund		H or S	0.0	
6	Health and Social Services: Children's	Family Preservation	Inc: Children's Advocacy Center Expansion					40.0	1004	Gen Fund		H or S	0.0	
7	DPS: Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Victimization Study, Evaluation, and Planning Grants					350.0	1004	Gen Fund		H or S	0.0	
8	DPS: Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	IncOTI: DVSA Prevention Initiative - Batterer's Intervention Evaluation and Investigation of Evidence Based Practice.					100.0	1004	Gen Fund	One-time funding	H or S	0.0	
9	DPS: Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Universal Public Education Marketing Campaign					300.0	1004	Gen Fund		H or S	0.0	
10	DPS: Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Pro-Bono Attorney Clearinghouse					60.0	1004	Gen Fund		H or S	0.0	

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Oil and Gas

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				0.0	2,630.3			15,867.5					0.0	
1	House section 20(a) appropriates $2,630,250 for the purposes listed in items 4 - 10. Items 3 and 11 were not funded by the House. **These language appropriations are shown in the House column of items 4 - 10.**			0.0							House items 1 and 2 could be considered as duplicating Senate items 4 - 10	H or S	0.0	
2	House section 20(c) appropriates $5,787,250 for the purposes listed in items 4 - 9, contingent on a precedent agreement for shipping natural gas on a North Slope gas pipeline. **Because the appropriations are contingent on an unpredictable event, the amount of the appropriations is reported as zero.**			0.0							House items 1 and 2 could be considered as duplicating Senate items 4 - 10	H or S	0.0	
3	Office of the Governor: Executive Operations	AK Resources Marketing and Development	IncOTI: In-State Natural Gas Pipeline Development	0.0				6,500.0	1004	Gen Fund		H or S	0.0	
4	Law: Civil Division	Oil, Gas and Mining	IncOTI: Gas Pipeline Outside Counsel &		750.0	1004	Gen Fund	2,500.0	1004	Gen Fund		H or S	0.0	
5	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity	1,945.4	432.0	1004	Gen Fund	1,440.0	1004	Gen Fund	Senate adds 4 PFT positions	H or S	0.0	
6	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) Implementation		690.0	1004	Gen Fund	2,300.0	1004	Gen Fund		H or S	0.0	
7	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) Outreach		143.3	1004	Gen Fund	477.5	1004	Gen Fund		H or S	0.0	
8	DOR: Administration and Support	Natural Gas Commercialization	IncOTI: Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms		415.0	1004	Gen Fund	1,500.0	1004	Gen Fund		H or S	0.0	
9	DOR: Taxation and Treasury	Tax Division	IncOTI: Alaska Gasline Inducement Act Information Reporting System		150.0	1004	Gen Fund	300.0	1004	Gen Fund		H or S	0.0	
10	DOR: Administration and Support	Natural Gas Commercialization	IncOTI: Audit of Alaska Gasline Inducement Act Reimbursement Fund		50.0	1004	Gen Fund	50.0	1004	Gen Fund		H or S	0.0	
11	DOR: Taxation and Treasury	Tax Division	Inc: Petroleum Commercial Analyst Positions for Gasline and Production Tax Analysis					800.0	1004	Gen Fund	Senate adds 4 PFT positions	H or S	0.0	

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Fund Transfers

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				0.0	0.0			2,664.4					0.0	
1	Designated Savings	Public Education Fund (Savings)	MisAdj: After operating costs, 50% of reimbursement for Medicaid school based claims goes to k-12, reducing the amount transferred from the PEF	13,995.8				2,664.4	1004	Gen Fund	House and Senate appropriated identical amounts to the PEF. Senate language uses federal reimbursement for Medicaid school based claims to increase federal receipts distributed by the foundation formula to school districts. This reduces the transfer from the PEF to K-12, thereby increasing the amount saved in the PEF. **Accepting the Senate transaction for this item and for HSS items 35, 36 and 37 accepts Section 15(c) of the Senate bill** **(Need a consistent selection for items 35, 36 and 37; item 2 in the DOE sheet ; and item 1 in the XFR sheet).** **See item 35 on HSS sheet--do not select here**	S	2,664.4	

MENTAL HEALTH CAPITAL BUDGET ITEMS (HB 302) SUBJECT TO CONFERENCE						
Item #	**Department**	**Description**	**Fund Source**	**House MH**	**Senate MH**	**Chairman's Recommendation**
1	Health & Social Services	MH Deferred Maintenance and Accessibility Improvements	**Total**	**0.0**	**500.0**	S
			1037 GF/MH (UGF)	0.0	500.0	
2	Health & Social Services	MH Home Modification and Upgrades to Retain Housing	**Total**	**1,050.0**	**0.0**	
			1037 GF/MH (UGF)	500.0	0.0	H
			1092 MHTAAR (Other)	300.0	0.0	H
			1139 AHFC Div (UGF)	250.0	0.0	H
3	Health & Social Services	MH Housing-Pre-development, Anchorage Assets Building	**Total**	**500.0**	**0.0**	
			1037 GF/MH (UGF)	500.0	0.0	H
4	Natural Resources	Mental Health Trust Land Facilities Maintenance	**Total**	**350.0**	**0.0**	
			1092 MHTAAR (Other)	350.0	0.0	H
5	Revenue	MH AHFC Beneficiary and Special Needs Housing	**Total**	**1,750.0**	**0.0**	
			1139 AHFC Div (UGF)	1,750.0	0.0	H
6	Revenue	MH AHFC Homeless Assistance Program	**Total**	**10,000.0**	**0.0**	
			1002 Fed Rcpts (Fed)	2,000.0	0.0	H
			1037 GF/MH (UGF)	500.0	0.0	H
			1092 MHTAAR (Other)	1,150.0	0.0	H
			1139 AHFC Div (UGF)	3,350.0	0.0	H
			1140 AIDEA Div (UGF)	3,000.0	0.0	H
7	Transportation/Public Facilities	MH Coordinated Transportation and Vehicles	**Total**	**1,050.0**	**0.0**	
			1037 GF/MH (UGF)	800.0	0.0	H
			1092 MHTAAR (Other)	250.0	0.0	H
			TOTAL	**14,700.0**	**500.0**	

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Department of Commerce, Community and Economic Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				74,174.0	2,630.1			7,817.1					8,630.1	
1	Community Assistance & Economic Development	Community and Regional Affairs	Inc: Grant to Ilisagvik College for workforce development programs	10,911.6	700.0	1004	Gen Fund	500.0	1004	Gen Fund		h	700.0	(1000)
2	Community Assistance & Economic Development	Community and Regional Affairs	Inc: Increase funding for the Alaska Legal Services Corporation					150.0	1004	Gen Fund		s	150.0	
3	Community Assistance & Economic Development	Community and Regional Affairs	Lang: Grant to the Bering Sea Fishermen's Association to continue AYK Sustainable Salmon Initiative research in FY11					800.0	1004	Gen Fund	The Senate bill appropriates an $800.0 grant to the BSFA as one-time operating grant (See sec. 14(h)).	s	800.0	
4	Community Assistance & Economic Development	Community and Regional Affairs	Lang: Sen Floor Amend: Grant to ATIA to promote tourism in Alaska in FY11					5,000.0	1004	Gen Fund	The Senate bill appropriates a one-time grant to ATIA (See sec. 14(i)).	s	5,000.0	
5	Community Assistance & Economic Development	Office of Economic Development	Funding for Governor Priority for Economic Development Outreach	3,238.9	125.0	1004	Gen Fund	125.0	1004	Gen Fund	House is one-time funding Senate is on-going funding	h	125.0	
6	Alaska Industrial Development and Export Authority	Alaska Industrial Development and Export Authority	Inc: Increase for implementation of Strategic Plan for identification and evaluation of new projects and opportunities	10,447.0	100.0	1102	AIDEA Rcpt	100.0	1102	AIDEA Rcpt	House is on-going funding Senate is one-time funding	s	100.0	
7	Alaska Energy Authority	Statewide Project Development, Alternative Energy and Efficiency	Inc: Small-scale nuclear power feasibility research grant	1,057.7				250.0	1004	Gen Fund		s	250.0	
8	Alaska Seafood Marketing Institute	Alaska Seafood Marketing Institute	Inc: Increase the State of Alaska contribution for seafood marketing	18,680.3	1,000.0	1004	Gen Fund	500.0	1004	Gen Fund		h	1,000.0	
9	Insurance Operations	Insurance Operations	Inc: Provide statutorily required notification to licensees and consumer protection	6,804.6	200.0	1156	Rcpt Svcs	200.0	1156	Rcpt Svcs	House is one-time funding Senate is on-going funding	h	200.0	
10	Corporations, Business and Professional Licensing	Corporations, Business and Professional Licensing	IncOTI: Add temporary investigator for Big Game Commercial Services Board to comply with Transporter license requirements	10,935.1	63.0	1156	Rcpt Svcs				House is one-time funding and adds 1 temp position	h	63.0	
11	Regulatory Commission of Alaska	Regulatory Commission of Alaska	Inc: ARRA State Electricity Regulations Assistance Program Increase	8,539.2	192.1	1212	Stimulus09	192.1	1212	Stimulus09	House is one-time funding Senate is on-going funding House & Senate add 2 temp positions	h	192.1	
12	Serve Alaska	Serve Alaska	Inc: Increase funding to match available federal funds and increase administrative capacity	3,559.6	125.0 125.0	1002 1003	Fed Rcpts G/F Match				House adds 1 PFT position	h h	125.0 125.0	

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Department of Education and Early Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				1,122,766.2	3,563.3			2,664.3					3,604.3	
1	K-12 Support	Foundation Program	IncOTI/ Inc: Age-4 Pre-K Program	1,086,638.4	2,000.0	1004	Gen Fund	2,000.0	1004	Gen Fund	The House transaction is an IncOTI; the Senate adds base funding	h	2,000.0	
2	K-12 Support	Foundation Program	Lang: After operating costs, 50% of reimbursement for Medicaid school based claims goes to K-12, reducing transfer from the Public Education Fund					2,664.4 (2,664.4)	1188 1004	Fed Unrstr Gen Fund	Accepting Senate adopts Sec. 15(c)(3) See item 35 on HSS sheet--do not select here	[redacted]	2,664.4 (2,664.4)	
3	K-12 Support		Conditional Language									s	0.0	
	House None **Senate** A school district may not receive state education aid for K-12 support appropriated under sec. 1 of this Act and distributed by the Department of Education and Early Development under AS 14.17 if the school district (1) has a policy refusing to allow recruiters for any branch of the United States military, Reserve Officers' Training Corps, Central Intelligence Agency, or Federal Bureau of Investigation to contact students on a school campus if the school district allows college, vocational school, or other job recruiters on a campus to contact students; (2) refuses to allow the Boy Scouts of America to use school facilities for meetings or contact with students if the school makes the facility available to other nonschool groups in the community; or (3) has a policy of refusing to have an in-school Reserve Officers' Training Corps program or a Junior Reserve Officers' Training Corps program. *Add the following:* **It is the intent of the legislature that up to $7,000,000 of the amount appropriated from the Public School Trust Fund (AS 37.14.110) for public school programs may be used to address issues raised in Moore v. Alaska (Case # 3AN-04-9756 CI). Those issues include curriculum design, professional training and retention, pre-kindergarten and other intensive early learning, and remediation plans for individual students. Affected school districts include Yupiit, Lower Yukon, Yukon Flats, Yukon-Koyukuk, and Northwest Arctic.**											s	0.0	
4	Education Support Services	Executive Administration	IncOTI: Add 3 PFT Content Specialists for Math, Science, and Reading	2,441.5	291.7	1004	Gen Fund	291.7	1004	Gen Fund	House funding is one-time; Senate funding goes in the FY12 base	s	291.7	
5	Education Support Services	Executive Administration	Intent									h	0.0	
	House It is the intent of the legislature that the Department provide additional information on the use and implementation of funding for the three new content specialists for math, science, and reading added to the budget in FY11. **Senate** None													

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Department of Education and Early Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
6	Education Support Services	Executive Administration	TrOut: Transfer out funding/positions for district interventions/support to new allocation State System of Support					(1,332.6)	1004	Gen Fund	Items 6 and 9 are a TRIN/TROUT pair moving funding and three PFT positions to a new allocation in Teaching and Learning Support. **Selection for item 6 also applies to item 9**	s	(1,332.6)	
7	Teaching and Learning Support	Student and School Achievement	Lang: Alaska Native Science & Engineering Program (ANSEP)		960.0	1004	Gen Fund				Senate adds $1.2 million for ANSEP to the University of Alaska, Anchorage Campus Selection for UA item 2 applies to DOE item 7 and determines status of section 15 of the House bill Delete language--put in section 1	h	960.0	
8	Teaching and Learning Support	Student and School Achievement	Inc: Health & Personal Safety Prevention Coordinator					200.0	1004	Gen Fund	See item 2 on DVSA sheet--do not select here	h	0.0	
9	Teaching and Learning Support	State System of Support	TrIn: Transfer out funding/positions for district interventions/support to new allocation State System of Support					1,332.6	1004	Gen Fund	Items 6 and 9 are a TRIN/TROUT pair moving funding and three PFT positions to a new allocation in Teaching and Learning Support. **Selection for item 6 also applies to item 9**	s	1,332.6	
10	Teaching and Learning Support	State System of Support	Inc: Add 3 PFT Content Specialists for Math, Science, and Reading								Senate moves funding and three PFT positions from Executive Administration to a new allocation in Teaching and Learning Support.	s	0.0	
11	Teaching and Learning Support	Early Learning Coordination	IncOTI: Best Beginnings One-Time Item - Imagination Library Initiative and Development of Local Early Childhood Councils	8,833.7	380.0	1004	Gen Fund	200.0	1004	Gen Fund		h	380.0	
TRAVEL		Items 12 - 25 are all related to travel reductions. The House reduced general fund travel by ten percent. The Senate reduced the Executive Administration allocation travel by one-half of the Senate CS and held all other allocations harmless.												
12	Teaching and Learning Support	Student and School Achievement	Dec: Reduce general fund travel line item by 10 percent.		(2.5) (0.1)	1004 1037	Gen Fund GF/MH					s s	0.0 0.0	
13	Education Support Services	Executive Administration	Dec: Reduce general fund travel line item by 10 percent.		(14.9)	1004	Gen Fund					s	0.0	

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Department of Education and Early Development

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
14	Education Support Services	Executive Administration	Dec: Reduce general fund travel line item					(27.4)	1004	Gen Fund		s	(27.4)	
15	Education Support Services	Administrative Services	Dec: Reduce general fund travel line item by 10 percent.	1,385.6	(0.2)	1004	Gen Fund					s	0.0	
16	Education Support Services	Information Services	Dec: Reduce general fund travel line item by 10 percent.	658.4	(0.5)	1004	Gen Fund					s	0.0	
17	Education Support Services	School Finance & Facilities	Dec: Reduce general fund travel line item by 10 percent.	2,297.4	(6.2)	1004	Gen Fund					s	0.0	
18	Teaching and Learning Support	Teacher Certification	Dec: Reduce general fund travel line item by 10 percent.	701.3	(0.6)	1005	GF/Prgm					s	0.0	
19	Teaching and Learning Support	Early Learning Coordination	Dec: Reduce general fund travel line item by 10 percent.		(2.7)	1004	Gen Fund					s	0.0	
20	Commissions and Boards	Professional Teaching Practices Commission	Dec: Reduce general fund travel line item by 10 percent.	275.5	(1.6)	1004	Gen Fund					s	0.0	
21	Commissions and Boards	Alaska State Council on the Arts	Dec: Reduce general fund travel line item by 10 percent.	1,675.9	(1.5)	1003	G/F Match					s	0.0	
22	Mt. Edgecumbe Boarding School	Mt. Edgecumbe Boarding School	Dec: Reduce general fund travel line item by 10 percent.	9,022.6	(28.4) (0.4)	1004 1005	Gen Fund GF/Prgm					s s	0.0 0.0	
23	Alaska Library and Museums	Library Operations	Dec: Reduce general fund travel line item by 10 percent.	5,841.5	(4.5)	1004	Gen Fund					s	0.0	
24	Alaska Library and Museums	Archives	Dec: Reduce general fund travel line item by 10 percent.	1,115.5	(1.5)	1004	Gen Fund					s	0.0	
25	Alaska Library and Museums	Museum Operations	Dec: Reduce general fund travel line item by 10 percent.	1,878.9	(2.3) (0.5)	1004 1005	Gen Fund GF/Prgm					s s	0.0 0.0	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				1,101,288.8	2,976.3			2,023.9					461.9	
1	Department of Health and Social Services	Department	Intent **House** It is the intent of the legislature that the Department of Health and Social Services continue and enhance its efforts to reduce fraud by both providers and beneficiaries of the Medicaid program. **Senate** None.								The Senate selection is correct, it removes duplicate wordage contained in the House bill	s	0.0	
2	Behavioral Health	AK Fetal Alcohol Syndrome Program	Inc: MH Trust: AK MH/Alc Bd-FASD Treatment Svcs in Juneau, Kenai, Sitka, and Bethel be expanded	1,697.1	228.6	1037	GF/MH	400.0	1037	GF/MH		s	400.0	(100.0)
3	Behavioral Health	Alcohol Safety Action Program (ASAP)	ATrOut: Transfer Alcohol Safety Action's portion of Therapeutic Courts to Court System's new Therapeutic Court appropriation	3,640.0	(319.6) (67.3)	1004 1180	Gen Fund A/D T&P Fd	(317.3) (138.0) (67.3)	1004 1092 1180	Gen Fund MHTAAR A/D T&P Fd	The Senate transaction is correct.	s s s	(317.3) (138.0) (67.3)	
4	Behavioral Health	Alcohol Safety Action Program (ASAP)	Inc: Add Interagency Receipts to replace transferred funding to Court System's new Therapeutic Court appropriation		254.7	1007	I/A Rcpts	390.4	1007	I/A Rcpts	The Senate transaction is correct.	s	390.4	
5	Behavioral Health	Alcohol Safety Action Program (ASAP)	Inc: Increase Partners for Progress funding to support Therapeutic Courts (funds will be transferred from Courts)					200.0	1007	I/A Rcpts	Refer to Courts item 21	s	200.0	
6	Behavioral Health	Behavioral Health Grants	Intent **House** None. **Senate** It is the intent of the legislature that $375,000 of this appropriation be used to fund Soteria-Alaska, Inc., which is a home-like, healing environment for Alaskan adults who are newly diagnosed with mental illness.								Refer to item 7	s	0.0	
7	Behavioral Health	Behavioral Health Grants	Inc: Funding for Soteria House, a healing alternative for adults newly diagnosed with mental illness	32,810.0				375.0	1037	GF/MH		s	375.0	(100.0)
8	Behavioral Health	Behavioral Health Grants	Inc: Funding to Clear Waiting List for Methadone Clinics in Anchorage and Fairbanks					160.0	1004	Gen Fund		s	160.0	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
9	Behavioral Health	Behavioral Health Grants	Inc: Family Wellness Warriors Initiative					400.0	1004	Gen Fund	See item 3 on DVSA sheet--do not select here	h	0.0	
10	Behavioral Health	Behavioral Health Grants	Inc: Trauma-Informed Training for Behavioral Health Providers					200.0	1004	Gen Fund	See item 4 on DVSA sheet--do not select here	h	0.0	
11	Behavioral Health	Behavioral Health Administration	Inc: MH Trust Workforce Dev - PhD Internship Consortium (AK-PIC)	10,696.9				100.0	1037	GF/MH		s	100.0	
12	Behavioral Health	Behavioral Health Administration	Inc: MH Trust: BTKH - Grant 2465.01 Tribal/rural system development		100.0	1037	GF/MH	200.0	1037	GF/MH		h	100.0	
13	Behavioral Health	Community Action Prevention & Intervention Grants	Inc: Multi-disciplinary Rural Community Pilot Project	5,330.2				1,350.0	1004	Gen Fund	See item 5 on DVSA sheet--do not select here	h	0.0	
14	Behavioral Health	Rural Services and Suicide Prevention	Inc: Funding for suicide response and postvention resources	2,921.6				200.0	1180	A/D T&P Fd		s	200.0	
15	Behavioral Health	Rural Services and Suicide Prevention	Inc: Training and technical assistance funding					80.0	1180	A/D T&P Fd		h	0.0	
16	Behavioral Health	Services for Severely Emotionally Disturbed Youth	Inc: MH Trust: BTKH -Grant 1392.03 Community Behavioral Health Centers Outpatient & Emergency Residential Services & Trainino	13,894.2	250.0	1037	GF/MH	500.0	1037	GF/MH		s	500.0	
17	Behavioral Health	Services for Severely Emotionally Disturbed Youth	Inc: MH Trust: BTKH - Grant 2466.01 Transitional Aged Youth		75.0	1037	GF/MH	100.0	1037	GF/MH		s	100.0	
18	Behavioral Health	Services for Severely Emotionally Disturbed Youth	Inc: MH Trust: BTKH - Individualized Services		300.0	1037	GF/MH	400.0	1037	GF/MH		s	400.0	
19	Behavioral Health	Alaska Psychiatric Institute	Inc: MH Trust Workforce Dev - API Psychiatry Residency Training	29,968.9				300.0	1037	GF/MH	OTI	s	300.0	(200.0)

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
20	Children's Services	Family Preservation	Intent								Refer to item 21	h	0.0	
	House It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below: $200,000: Competitive grant to non-profit agencies to match volunteer mentors statewide with foster youth and youth coming out of care for ages of 16 ½ through 21. OCS shall identify the youth to be served, and coordinate with the grantee that recruits, screens and trains the volunteer mentors. **Senate** None.													
21	Children's Services	Family Preservation	Inc: Mentorship Program to match volunteer mentors statewide with foster youth and youth coming out of care		200.0	1004	Gen Fund					h	200.0	
22	Children's Services	Family Preservation	Inc: MH Trust: BTKH - 1926.02 Foster Parent & Parent Recruitment training & support	14,649.6	112.5	1037	GF/MH	150.0	1037	GF/MH		s	150.0	
23	Children's Services	Family Preservation	Inc: Funding and staff for the Independent Living Program to assist youth with work, school, job training, and life skills.		160.5	1004	Gen Fund				House adds 2 PFT positions	h	160.5	
24	Children's Services	Family Preservation	Inc: Children's Advocacy Center Expansion					40.0	1004	Gen Fund	See item 6 on DVSA sheet--do not select here	h	0.0	
25	Children's Services	Foster Care Special Needs	Intent								Refer to item 26	s	0.0	
	House It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below: The Health and Social Services House subcommittee approved One-Time funding in the amount of $50,000 for transportation of foster youth. This amendment would place $50,000 of general funds in the base budget. It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below: $30,000: These funds shall be used to permit foster youth who move between placements to stay, when in the youth's best interest, in their original school for the remainder of the school term. These funds shall not be used for those "homeless" youth already being provided school stability services under the Federal McKinney-Vento Act. **Senate** It is the intent of the legislature that the Office of Children's Services shall effectively use these funds to address the stated foster youth stability and success goals stated below: $80,000: These funds shall be used to permit foster youth who move between placements to stay, when in the youth's best interest, in their original school for the remainder of the school term. These funds shall not be used for those "homeless" youth already being provided school stability services under the Federal McKinney-Vento Act.													

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
26	Children's Services	Foster Care Special Needs	Inc: Permit Foster youth who move between placements to stay in their original school for the remainder of the school term.		80.0	1004	Gen Fund	80.0	1004	Gen Fund	The Senate selection combines two similar House transactions ($30.0 + $50.0) into one ($80.0). Both the Senate and the House transactions appropriate funding for the cost of transporting foster youth who move between placements to stay in their original school for the remainder of the school term, when it is youth's best interest (see number 25 for associated intent).	s	80.0	
27	Children's Services	Infant Learning Program Grants	Inc: Early Childhood Mental Health Program funding					175.0	1037	GF/MH		h	0.0	
28	Juvenile Justice	Probation Services	Intent **House** None. **Senate** It is the intent of the legislature that $115,000 of this appropriation and one PFT position for Probation Services be used to review the Aggression Replacement Training program, and provide program oversight and quality assurance.								Refer to item 29	h	0.0	
29	Juvenile Justice	Probation Services	Inc: Juvenile Justice Evidence Based Program funding	13,671.3				115.0	1004	Gen Fund	The Senate adds one PFT position.	h	0.0	
30	Juvenile Justice	Youth Courts	Inc: Funding to offset increased operating expenses and a decrease in federal funding	847.9				150.0	1004	Gen Fund		s	150.0	
31	Public Health	Chronic Disease Prevention and Health Promotion	Inc: Maintain Funding for Childhood Obesity Prevention Program	11,925.8	475.0	1004	Gen Fund					h	475.0	(100.0)
32	Senior and Disabilities Services	Senior and Disabilities Services Administration	IncOTI: MH Trust: Brain Injury - 2468.01 Traumatic Brain Injury Service Coordination	15,593.0	150.0	1092	MHTAAR	250.0	1092	MHTAAR	Both transactions are IncOTIs.	s	250.0	
33	Senior and Disabilities Services	Community Developmental Disabilities Grants	Inc: Intensive support and intervention services for AMHT beneficiaries at risk of institutionalization	14,651.8				162.5	1004	Gen Fund		h	0.0	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
34	Departmental Support Services		Intent **House** None **Senate** It is the intent of the legislature that the Department explain the Medicaid school based claim program to all school districts in Alaska and encourage them to participate in the program.									s	0.0	
35	Departmental Support Services	Medicaid School Based Administrative Claims	Dec: Federal reimbursement for claims should not be classified as regular federal receipts: delete them	5,543.8				(5,543.8)	1002	Fed Rcpts	The Senate selection removes $5,543.8 in restricted federal funds and appropriates the funding in the same amount with *unrestricted* federal funds **(The selection here makes a consistent selection for items 35, 36 and 37; item 2 in the DOE sheet ; and item 1 in the Fund Transfer sheet).**	s	(5,543.8)	
36	Departmental Support Services	Medicaid School Based Administrative Claims	Lang: A portion of federal reimbursement is retained by the program for operating costs					215.0	1188	Fed Unrstr	The Senate selection appropriates $215.0 of unrestricted federal funds in language for program operating costs in the Medicaid School Based Admin. **(Need a consistent selection for items 35, 36 and 37; item 2 in the DOE sheet ; and item 1 in the Fund Transfer sheet).**	[redacted]	215.0	
37	Departmental Support Services	Medicaid School Based Administrative Claims	Lang: 50% of federal reimbursement is retained by the program for distribution to participating school districts					2,664.4	1188	Fed Unrstr	The Senate selection appropriates an estimated $2,664.4 to school districts participating in the Medicaid School Based Admin. **(Need a consistent selection for items 35, 36 and 37; item 2 in the DOE sheet ; and item 1 in the Fund Transfer sheet).**	[redacted]	2,664.4	
38	Departmental Support Services	Information Technology Services	Inc: Fund GF at 50% of Request for Cost Increases for Software Maintenance, Systems and Eligibility Information Sys Billings	15,993.2	250.0	1004	Gen Fund					h	250.0	
39	Departmental Support Services	Information Technology Services	Inc: Replace unrealizable federal and inter-agency receipts due to the loss of Medicaid School Based Claims funding		487.5	1004	Gen Fund	512.5	1004	Gen Fund		h	487.5	

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Department of Health and Social Services

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
40	Human Services Community Matching Grant	Human Services Community Matching Grant	Inc: Grant funding for the Human Services Community Matching Grant program	1,485.3				250.0	1004	Gen Fund	CC: this is an OTI	s	250.0	(50.0)
41	Medicaid Services	Behavioral Health Medicaid Services	Intent **House** None. **Senate** It is the intent of the legislature that $553,500 of this appropriation be used to fund an increase in level V residential treatment reimbursement rates for part of the fiscal year when the department has completed its cost/rate review, and/or as a means of avoiding closure of level V facilities who haven't had a rate increase in nearly 5 years. The department should complete its rate/cost review and report back to the legislature by January 31, 2011 on the need for level V rate increases.								Refer to item 42	h	0.0	
42	Medicaid Services	Behavioral Health Medicaid Services	Inc: BTKH level V treatment bed funding	160,016.9				338.3 215.2	1002 1003	Fed Rcpts G/F Match		s s	338.3 215.2	
43	Medicaid Services	Health Care Medicaid Services	Dec: The amount paid from general funds for abortions not qualifying for federal Medicaid payments in calendar year 2009	745,951.3				(615.9)	1004	Gen Fund		s	(615.9)	
44	Medicaid Services	Health Care Medicaid Services	Inc: Adjust Medicaid projections and split difference between Governor's Amended request and legislative recommendations		146.5 75.4 17.5	1002 1003 1212	Fed Rcpts G/F Match Stimulus09	(1,072.8) (767.1) (127.2)	1002 1003 1212	Fed Rcpts G/F Match Stimulus09		s s s	(1,072.8) (767.1) (127.2)	

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Department of Transportation & Public Facilities

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				278,903.8	3,283.0			3,762.7					3,925.7	
1	Administration and Support	Statewide Administrative Services	Inc: Increased services in Capital Budget tracking, analysis, and reporting	4,827.0				129.3	1004	Gen Fund	Senate adds 1 PFT position	s	129.3	
2	Administration and Support	Statewide Aviation	Inc: Increased Travel for Inspections, Property Management and Training	2,973.8	20.0	1156	Rcpt Svcs				Selection on item 2 determines selection on item 3	s	0.0	
3	Administration and Support	Statewide Aviation	FndChg: Budget Clarification Project - Rural Airport Leasing/ User Fee Revenue		2,262.5	1005	GF/Prgm	2,242.5	1005	GF/Prgm	Selection on item 2 determines selection on item 3	s	2,242.5	
					(2,262.5)	1156	Rcpt Svcs	(2,242.5)	1156	Rcpt Svcs		s	(2,242.5)	
4	Highways, Aviation and Facilities	Central Region Highways and Aviation	Inc: Oversight of Street Sweeping and Permit Compliance - Environmental Protection Agency (EPA)	51,113.7	188.0	1004	Gen Fund				House adds 2 PFT positions	h	188.0	
5	Highways, Aviation and Facilities	Central Region Highways and Aviation	Inc: Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs		1,525.0	1004	Gen Fund	2,233.4	1004	Gen Fund		s	2,233.4	
6	Highways, Aviation and Facilities	Central Region Highways and Aviation	Inc: Bridge Crew (Inspection and Repair) Training and Commodities		20.0	1004	Gen Fund					s	0.0	
7	Highways, Aviation and Facilities	Northern Region Highways and Aviation	Inc: Federal Highway Administration Americans with Disabilities Act Compliance Requirements	66,727.8	305.0	1004	Gen Fund				House adds 2 PFT positions	s	0.0	
8	Highways, Aviation and Facilities	Southeast Region Highways and Aviation	Dec: Commodities reduction due to mild winter	15,714.9	(25.0)	1004	Gen Fund					h	(25.0)	
s	Marine Highway System	Marine Vessel Operations	Inc: Satellite Communications Contract - Ship to Shore Communications	124,000.2				525.0	1004	Gen Fund		s	525.0	
					750.0	1076	Marine Hwy	225.0	1076	Marine Hwy		s	225.0	
10	Marine Highway System	Marine Vessel Operations	TrOut: Transfer base fuel budget to separate allocation - 9,997,000 gallons @ $1.29/ gallon					(9,040.0)	1004	Gen Fund	Selection on item 10 determines selection on item 11	s	(9,040.0)	
								(3,874.4)	1076	Marine Hwy		s	(3,874.4)	
11	Marine Highway System	Marine Vessel Fuel	TrIn: Transfer base fuel budget to separate allocation - 9,997,000 gallons @ $1.29/ gallon					9,040.0	1004	Gen Fund	Selection on item 10 determines selection on item 11	s	9,040.0	
								3,874.4	1076	Marine Hwy		s	3,874.4	
12	Marine Highway System	Marine Engineering	Inc: Marine Highway Planner position	3,112.6				105.0	1004	Gen Fund	Senate adds 1 PFT position	s	105.0	
								45.0	1076	Marine Hwy		s	45.0	

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Department of Transportation & Public Facilities

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
13	Marine Highway System	Reservations and Marketing	FndChg: Fund source change to compensate for over budgeting of Vehicle Rental Tax	3,136.2				267.1	1004	Gen Fund		s	267.1	
					381.6	1076	Marine Hwy	114.5	1076	Marine Hwy		s	114.5	
					(381.6)	1200	VehRntlTax	(381.6)	1200	VehRntlTax		s	(381.6)	
14	Marine Highway System	Marine Shore Operations	Inc: Bellingham Terminal Facilities Lease Increase - Annualize	7,297.6				350.0	1004	Gen Fund		s	350.0	
					500.0	1076	Marine Hwy	150.0	1076	Marine Hwy		s	150.0	
15	Marine Highway System	Marine Shore Operations	Intent									s	0.0	
	House It is the intent of the legislature that the Alaska Marine Highway System go out for competitive bid for services needed for the southern most terminus of the Alaska Marine Highway System. AMHS shall seek proposals for required terminal infrastructure located between Seattle, Washington and Bellingham Washington. During this period AMHS will continue to deliver service to Bellingham under the existing contract that became effective in October of 2009. **Senate** None.													

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Domestic Violence/Sexual Assault

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL					3,000.0			3,000.0					3,000.0	
1	Office of the Governor: Executive Operations	Executive Office	Lang: Planning, development and execution of prevention and intervention strategies regarding Sexual Assault		3,000.0	1004	Gen Fund				House item 1 duplicates Senate items 2 - 10. Pick either House on item 1 or Senate on other items.	h	3,000.0	
2	Teaching and Learning Support	Student and School Achievement	Inc: Health & Personal Safety Prevention Coordinator					200.0	1004	Gen Fund	Senate adds one PFT position	h	0.0	
3	Health and Social Services: Behavioral Health	Behavioral Health Grants	Inc: Family Wellness Warriors Initiative					400.0	1004	Gen Fund		h	0.0	
4	Health and Social Services: Behavioral Health	Behavioral Health Grants	Inc: Trauma-Informed Training for Behavioral Health Providers					200.0	1004	Gen Fund		h	0.0	
5	Health and Social Services: Behavioral Health	Community Action Prevention & Intervention Grants	Inc: Multi-disciplinary Rural Community Pilot Project					1,350.0	1004	Gen Fund		h	0.0	
6	Health and Social Services: Children's	Family Preservation	Inc: Children's Advocacy Center Expansion					40.0	1004	Gen Fund		h	0.0	
7	DPS: Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Victimization Study, Evaluation, and Planning Grants					350.0	1004	Gen Fund		h	0.0	
8	DPS: Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	IncOTI: DVSA Prevention Initiative - Batterer's Intervention Evaluation and Investigation of Evidence Based Practice.					100.0	1004	Gen Fund	One-time funding	h	0.0	
9	DPS: Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Universal Public Education Marketing Campaign					300.0	1004	Gen Fund		h	0.0	
10	DPS: Council on Domestic Violence and Sexual Assault	Council on Domestic Violence and Sexual Assault	Inc: DVSA Prevention Initiative - Pro-Bono Attorney Clearinghouse					60.0	1004	Gen Fund		h	0.0	

3630

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Oil and Gas

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				0.0	2,630.3			15,867.5					8,567.5	
1	House section 20(a) appropriates $2,630,250 for the purposes listed in items 4 - 10. Items 3 and 11 were not funded by the House. **These language appropriations are shown in the House column of items 4 - 10.**			0.0							House items 1 and 2 could be considered as duplicating Senate items 4 - 10	s	0.0	
2	House section 20(c) appropriates $5,787,250 for the purposes listed in items 4 - 9, contingent on a precedent agreement for shipping natural gas on a North Slope gas pipeline. **Because the appropriations are contingent on an unpredictable event, the amount of the appropriations is reported as zero.**			0.0							House items 1 and 2 could be considered as duplicating Senate items 4 - 10	s	0.0	
3	Office of the Governor: Executive Operations	AK Resources Marketing and Development	IncOTI: In-State Natural Gas Pipeline Development	0.0				6,500.0	1004	Gen Fund		H or S	0.0	
4	Law: Civil Division	Oil, Gas and Mining	IncOTI: Gas Pipeline Outside Counsel &		750.0	1004	Gen Fund	2,500.0	1004	Gen Fund		s	2,500.0	
5	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity	1,945.4	432.0	1004	Gen Fund	1,440.0	1004	Gen Fund	Senate adds 4 PFT positions	s	1,440.0	(150.0)
6	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) Implementation		690.0	1004	Gen Fund	2,300.0	1004	Gen Fund		s	2,300.0	
7	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) Outreach		143.3	1004	Gen Fund	477.5	1004	Gen Fund		s	477.5	(100.0)
8	DOR: Administration and Support	Natural Gas Commercialization	IncOTI: Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms		415.0	1004	Gen Fund	1,500.0	1004	Gen Fund		s	1,500.0	
9	DOR: Taxation and Treasury	Tax Division	IncOTI: Alaska Gasline Inducement Act Information Reporting System		150.0	1004	Gen Fund	300.0	1004	Gen Fund		s	300.0	(50.0)
10	DOR: Administration and Support	Natural Gas Commercialization	IncOTI: Audit of Alaska Gasline Inducement Act Reimbursement Fund		50.0	1004	Gen Fund	50.0	1004	Gen Fund		s	50.0	
11	DOR: Taxation and Treasury	Tax Division	Inc: Petroleum Commercial Analyst Positions for Gasline and Production Tax Analysis					800.0	1004	Gen Fund	Senate adds 4 PFT positions	H or S	0.0	

Conference Committee Motion Sheet

FY2011 Operating and Mental Health Budget

Indicates language
Indicates structure change

Oil and Gas

Number	Appropriation	Allocation	Description	CCBaseH	House Change	Fund Code	Fund Source	Sen-LabK Change	Fund Code	Fund Source	Notes	Version Adopted	Action	Revision
TOTAL				0.0	2,630.3			15,867.5					9,367.5	
1	House section 20(a) appropriates $2,630,250 for the purposes listed in items 4 - 10. Items 3 and 11 were not funded by the House. **These language appropriations are shown in the House column of items 4 - 10.**			0.0							House items 1 and 2 could be considered as duplicating Senate items 4 - 10	s	0.0	
2	House section 20(c) appropriates $5,787,250 for the purposes listed in items 4 - 9, contingent on a precedent agreement for shipping natural gas on a North Slope gas pipeline. **Because the appropriations are contingent on an unpredictable event, the amount of the appropriations is reported as zero.**			0.0							House items 1 and 2 could be considered as duplicating Senate items 4 - 10	s	0.0	
3	Office of the Governor: Executive Operations	AK Resources Marketing and Development	IncOTI: In-State Natural Gas Pipeline Development	0.0				6,500.0	1004	Gen Fund		h	0.0	
4	Law: Civil Division	Oil, Gas and Mining	IncOTI: Gas Pipeline Outside Counsel &		750.0	1004	Gen Fund	2,500.0	1004	Gen Fund		s	2,500.0	
5	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) - Professional and Support Staff for Capacity	1,945.4	432.0	1004	Gen Fund	1,440.0	1004	Gen Fund	Senate adds 4 PFT positions	s	1,440.0	(150.0)
6	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) Implementation		690.0	1004	Gen Fund	2,300.0	1004	Gen Fund		s	2,300.0	
7	DNR: Resource Development	Gas Pipeline Implementation	IncOTI: Alaska Gas Inducement Act (AGIA) Outreach		143.3	1004	Gen Fund	477.5	1004	Gen Fund		s	477.5	(100.0)
8	DOR: Administration and Support	Natural Gas Commercialization	IncOTI: Fiscal Systems Analysis to Support Negotiations of Gasline Fiscal Terms		415.0	1004	Gen Fund	1,500.0	1004	Gen Fund		s	1,500.0	
9	DOR: Taxation and Treasury	Tax Division	IncOTI: Alaska Gasline Inducement Act Information Reporting System		150.0	1004	Gen Fund	300.0	1004	Gen Fund		s	300.0	(50.0)
10	DOR: Administration and Support	Natural Gas Commercialization	IncOTI: Audit of Alaska Gasline Inducement Act Reimbursement Fund		50.0	1004	Gen Fund	50.0	1004	Gen Fund		s	50.0	
11	DOR: Taxation and Treasury	Tax Division	Inc: Petroleum Commercial Analyst Positions for Gasline and Production Tax Analysis					800.0	1004	Gen Fund	Senate adds 4 PFT positions CC: reduce 2 PFT positions	s	800.0	(400.0)

House and Senate Versions of HB 302
LANGUAGE SUBJECT TO CONFERENCE

Item 13—Mental Health Language (HB 302)

House

Senate

Added the following collective bargaining agreements to Section 9(a) of Salary and Benefit Adjustments language:

(6) Public Employees Local 71, for the labor, trades, and crafts unit; and
(7) Teachers' Education Association of Mt. Edgecumbe.

Modify the Senate language in section 9 as shown below. ***Acceptance of additional subsections 8, 9 and 10 indicates acceptance of additional transactions in section 1 that provide funding to implement the agreements. Those transactions affect multiple allocations in multiple agencies and are summarized in the attached report dated April 15, 2010.***

* **Sec. 9.** SALARY AND BENEFIT ADJUSTMENTS. (a)

(6) Public Employees Local 71, for the labor, trades, and crafts unit; [AND]
(7) Teachers' Education Association of Mt. Edgecumbe;
(8) Alaska Public Employees Association, for the confidential unit;
(9) Alaska Public Employees Association, for the supervisory unit; and
(10) Alaska State Employees Association, for the general government unit.

House and Senate Versions of HB 300
LANGUAGE SUBJECT TO CONFERENCE
Revised April 16, 2010

Item 14

House

* Sec. 37. NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 10(d), **11**, 12(b), 27, 28, and 30 of this Act are for the capitalization of funds and do not lapse.

Senate

* Sec. 35. NONLAPSE OF APPROPRIATIONS. The appropriations made by secs. 10(d), **11(b), 11(c)**, 12(b), 25, 26, and 28 of this Act are for the capitalization of funds and do not lapse.

HB

306

<target><bill>HB 306</bill><subject>HB
306</subject><comm>SFIN26</comm></target>

Alaska Legislature
House Special Committee on Energy

Rep. Charisse Millett
State Capitol, Room 412
Juneau, AK 99801
Phone (907) 465-3879
Fax (907) 465-2069
Rep_Charisse_Millett@legis.state.ak.us

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Date: 2/5/10
Version: 26-LS1049\W

Sponsor Statement – HB 306

"An act creating a state energy policy"

Creating a state energy policy is one of the first steps to meeting the state's energy current and future needs. A comprehensive energy policy in statute will serve as a blueprint for future generations of Alaskans.

The House Special Committee on Energy Co-chairs Rep. Bryce Edgmon, D-Dillingham and Rep. Charisse Millett, R-Anchorage used a unique method to draft the bill - they didn't write it.

Instead, they assembled a diverse group of Alaskans with decades of experience in energy policy to come together and write what they believed would make a good energy policy for Alaska.

Sixteen respected Alaskans participated in The House Energy Stakeholders Group:

Gwen Holdmann, Alaska Center for Energy & Power
Robert Venables, Southeast Conference
Scott Goldsmith, ISER
Jason Brune, Resource Development Council
John Davies, Alaska Cold Climate Housing Research Center
Ralph Anderson, Bristol Bay Native Association
Bill Popp, Anchorage Economic Development Council
Bob Pawlowski, Denali Commission
Denali Daniels, Denali Commission
Caitlin Higgins, Alaska Conservation Alliance
Stacy Schubert, Municipality of Anchorage
Kathie Wasserman, Alaska Municipal League
Marilyn Leland, Alaska Power Authority

Meera Kohler, Alaska Village Electric Cooperative
Ron Miller, Energy Consultant
Chris Rose, Renewable Energy Alaska Project

The result of their hard work is House Bill 306. The draft energy policy carries five core fundamental principles to guide the state moving forward:

- Promote energy efficiency and conservation
- Promote development of renewable and non-renewable energy resources
- Promote economic development through cost-effective, long-term sources of energy for communities statewide
- Support energy research, education, and workforce development
- Support coordination of governmental functions, which promotes streamlining of regulatory processes and overall coordination of efforts by all levels of government

If passed, Alaska will join many other states in having a statewide energy policy on the books.

Prepared by Jeff Turner, Staff to Rep. Charisse Millett on 2/5/10

Alaska Legislature
House Special Committee on Energy

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Summary of Changes - CS for House Bill 306 (ENE)

1) Page 1, Line 14 – following "projects" inserted "the state remain a leader in petroleum and natural gas production and become leader in renewable energy development;"

2) Page 2, Line 24 - following "export" inserted: "of power that is surplus to the needs of Alaska communities"

3) Page 3, Line 5 - following "programs": inserted "that will help create jobs for Alaskans and"

Summary of Changes - CS for House Bill 306 (RES)

1) Page 1, Line 15: after "in" added "and alternative"

2) Page 2, Line 13: Removed "establish" and replaced it with "encourage."

3) Page 2, Line 27: after "nonrenewable" inserted "and alternative"

4) Page 3, Line 4: Inserted "(E) promoting energy efficiency utilized for transportation."

Summary of Changes – Senate CS for House Bill 306 (RES)

1) Page 1, Line 8: following "renewable" inserted "and alternative"

2) Page 1, Line 15: following "renewable" inserted "and"

3) Page 2, Line 22: following "renewable" inserted "and alternative"

4) Page 3, Line 11: following "of" inserted "alternative and"

5) Page 3, Line 22: following "renewable" inserted "and alternative"

Prepared by Jeff Turner, Staff to Rep. Charisse Millett on 4/10/10

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/12/10

Finance Committee considered CS FOR HOUSE BILL NO. 306(RES)

HB 306 STATE ENERGY POLICY

"An Act declaring a state energy policy."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** HB 306 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[X] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
HFIVE	2/2			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	EGAN	✓			
	Olson			✓	
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

Adopt

26-LS1049\N
Kane
4/14/10

SENATE CS FOR CS FOR HOUSE BILL NO. 306(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE SPECIAL COMMITTEE ON ENERGY

A BILL

FOR AN ACT ENTITLED

"An Act declaring a state energy policy."

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

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

LEGISLATIVE INTENT. It is the intent of the legislature that

(1) the state achieve a 15 percent increase in energy efficiency on a per capita basis between 2010 and 2020;

(2) the state receive 50 percent of its electric generation from renewable and alternative energy sources by 2025;

(3) the state work to ensure a reliable in-state gas supply for residents of the state;

(4) the power project fund (AS 42.45.010) serve as the main source of state assistance for energy projects;

(5) the state remain a leader in petroleum and natural gas production and become a leader in renewable and alternative energy development.

New Text Underlined *[DELETED TEXT BRACKETED]*

* **Sec. 2.** AS 44.99 is amended by adding a new section to read:

Sec. 44.99.115. Declaration of state energy policy. The State of Alaska recognizes that the state's economic prosperity is dependent on available, reliable, and affordable residential, commercial, and industrial energy to supply the state's electric, heating, and transportation needs. The state also recognizes that worldwide supply and demand for fossil fuels and concerns about global climate change will affect the price of fossil fuels consumed by Alaskans and exported from the state to other markets. In establishing a state energy policy, the state further recognizes the immense diversity of the state's geography, cultures, and resource availability. Therefore, it is the policy of the state to

(1) institute a comprehensive and coordinated approach to supporting energy efficiency and conservation by

(A) encouraging statewide energy efficiency codes for new and renovated residential, commercial, and public buildings;

(B) decreasing public building energy consumption through conservation measures and energy-efficient technologies; and

(C) initiating and supporting a program to educate state residents on the benefits of energy efficiency and conservation, including dissemination of information on state and federal programs that reward energy efficiency;

(2) encourage economic development by

(A) promoting the development of renewable and alternative energy resources, including geothermal, wind, solar, hydroelectric, hydrokinetic, tidal, and biomass energy, for use by Alaskans;

(B) promoting the development, transport, and efficient use of nonrenewable and alternative energy resources, including natural gas, coal, oil, gas hydrates, heavy oil, and nuclear energy, for use by Alaskans and for export;

(C) working to identify and assist with development of the most cost-effective, long-term sources of energy for each community statewide;

(D) creating and maintaining a state fiscal regime that encourages private sector development of the state's energy resources;

(E) promoting the efficiency of energy used for transportation;

(3) support energy research, education, and workforce development by investing in

(A) training and education programs that will help create jobs for Alaskans and that address energy conservation, efficiency, and availability, including programs that address workforce development and workforce transition; and

(B) applied energy research and development of alternative and emerging technologies, including university programs, to achieve reductions in state energy costs and stimulate industry investment in the state;

(4) coordinate governmental functions

(A) by reviewing and streamlining regulatory processes and balancing the economic costs of review with the level of regulation necessary to protect the public interest;

(B) using one office or agency, as may be specified by law, to serve as a clearinghouse in managing the state's energy-related functions to avoid fragmentation and duplication and to increase effectiveness;

(C) by actively collaborating with federal agencies to achieve the state's energy goals and to meet emissions, renewable and alternative energy, and energy production targets.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 306(ENE)
(H) Publish Date: 2/5/2010

HB306
Title: An act declaring a state energy policy
Sponsor: (H) Energy
Requester:

Dept. Affected:
RDU
Component
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Adam Berg
Division: House Energy Committee Staff
Approved by:

Phone 465-4451
Date/Time
Date 2/2/2010

(Revised 11/6/2009 OMB)

3642

Energy Policy for Alaska

Presented by:
Chris Rose, Renewable Energy Alaska Project
Bill Popp, Anchorage Economic Development Corporation

The House Energy Committee
January 26, 2010

The Stakeholder Advisory Panel

- Rep. Bryce Edgmon & Rep. Charisse Millett, House Energy Committee Co-Chairs
- Adam Berg, Jeff Turner & Larry Persily, Legislative Staff
- Gwen Holdmann, Alaska Center for Energy & Power
- Robert Venables, Southeast Conference
- Scott Goldsmith, ISER
- Jason Brune, RDC
- John Davies, Alaska Cold Climate Housing Research Center
- Ralph Andersen, Bristol Bay Native Association
- Bill Popp, AEDC
- Bob Pawlowski, Denali Commission
- Denali Daniels, Denali Commission
- Caitlin Higgins, Alaska Conservation Alliance
- Stacy Schubert, Municipality of Anchorage
- Marilyn Leland, Alaska Power Authority
- Meera Kohler, Alaska Village Electric Cooperative
- Ron Miller, Energy Consultant
- Chris Rose, REAP
- Kathy Wasserman, AML

The Purpose

- To develop a statewide energy policy as the basis for a long-term vision to address Alaska's energy challenges and opportunities
- Through adopted policy, align state government in a unified set of strategic goals for the State of Alaska
- Lead to the development of a comprehensive energy plan to achieve the strategic goals of the State of Alaska

The Key Steps

1. Establish the Energy Policy
2. Develop Strategic Goals
3. Create the Plan to Achieve the Goals
4. Implement Programs and Projects

Principles Guiding the Process

- The future success of Alaska's statewide economy is tied to available, reliable, and affordable energy for:
  - Residential users
  - Commercial users
  - Industrial users
- Worldwide supply and demand for fossil fuels and concerns about global climate change will affect the price of fossil fuels in the future

The Starting Point of the Policy

- Tri-Borough Commission Energy Policy
  - Matanuska-Susitna Borough Mayor Curt Menard
  - Municipality of Anchorage Mayor Mark Begich
  - Kenai Peninsula Borough Mayor John Williams
- Established a diverse 13 member task force to develop proposed energy policy in October, 2007
- Adopted Southcentral region energy policy proposal February 7, 2008

- **The House Energy Policy Stakeholders Advisory Panel agreed that many of the principles in this policy could be applied statewide**

The Fundamentals of the Policy

- Promotes energy efficiency and conservation
- Promotes development of renewable and non-renewable energy resources
- Promotes economic development through cost-effective, long-term sources of energy for communities statewide
- Supports energy research, education, and workforce development
- Supports coordination of governmental functions and promotes streamlining of regulatory processes, avoiding duplication of effort, and overall coordination of effort by all levels of government

The Key Steps Going Forward

1. Establish the Energy Policy
2. Develop Strategic Goals
3. Adopt the Plans to Achieve the Goals
4. Implement Programs and Projects

Thank You!

Robert L. Beans
PO Box 2645
Palmer, Alaska 99645
Home: (907) 746-2733
Cell: (907) 355-5088
Email: rlbeans@gmail.com

March 11, 2010

Re: State Energy Policy

Honorable State Senators and Representatives,

I am a lifelong Alaskan, and I am in favor of the creation of a State Energy Policy. It is much needed and long overdue. Because of our unique geography and the fact that most of our utilities are not interconnected, Alaska does not fit comfortable into many federal energy programs. Consequently, it is imperative that our State-level energy structure be as efficient as possible. The creation of an office or agency to be a clearinghouse and to manage the state's diverse energy-related functions will not only be a cost saving measure that addresses any fragmentation and duplication of efforts; but it is a common-sense approach to facilitate the efficiencies needed for economic development and quality of life for Alaskans.

I do not speak for or on behalf of any organization, but I have seen how a well thought-out, synergetic stakeholder approach to issues reaps maximum benefits. One only needs to look at the current situation in regards to the Rural Sanitation issue and the creation of the Power Cost Equalization Endowment Fund addressed under the Knowles Administration. An identical approach to the energy-related issues will achieve the same affect for Alaskans no matter where they chose to live in our State. I express appreciation to each of you for your Leadership, personal commitment and Statesmanship on this issue. Quyana Cakenaq

Sincerely,

Robert L. Beans

HB 314

<target><bill>HB 314</bill><subject>HB 314</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

REP. KURT OLSON
Chairman
State Capitol, Room 17
Juneau, AK 99801-1182
(907) 465-2693 FAX 465-3835

Rep Mark Neuman, V-Chair
Rep. Bob Lynn
Rep. Lindsey Holmes
Rep. Mike Chenault
Rep. Tammie Wilson
Rep. Bob Buch

Sponsor Statement

Committee Substitute for House Bill 314 (FIN)

"An Act relating to fees and charges for medical treatment or services, civil damages and penalties as they relate to workers' compensation; and providing for an effective date."

At the time of passage in 2005 of the revisions to the workers' compensation system, it was contemplated that the interested stakeholders, including the Workers' Compensation Legislative Task Force and the Medical Services Review Committee, would propose legislation acceptable to the various stakeholders before August 1, 2007. This proposal was to replace the repealed Usual, Customary and Reasonable (UCR) methodology for setting maximum fees for medical treatment and services under the Alaska Workers' Compensation Act. A replacement was not proposed and the repeal would have resulted in fees for medical treatment and services in workers' compensation matters going uncapped until such time as the law was changed to remedy the situation.

There have been two previous extensions to the workers' compensation schedule of fees for medical treatment and services in place since 2004 with adjustments made based on the Medical Component of the Consumer Price Index. The existing extension will expire on December 31, 2010. HB 314 proposes a full fee schedule again be established which would include the procedure codes that have been developed since the 2004 schedule was adopted as well as category II and III codes. The fee schedule would be constructed on the same basis as prior schedules using statistically credible data

The bill also clarifies that making false statements related to benefits or engaging in deceptive behaviors may be prosecuted under AS 11 – Criminal Law.

I urge your support of this bill.

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

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

Rep Mark Neuman, V-Chair
Rep. Bob Lynn
Rep. Lindsey Holmes
Rep. Mike Chenault
Rep. Tammie Wilson
Rep. Bob Buch

Sectional Analysis

Committee Substitute for House Bill 314 (FIN)

"An Act relating to fees and charges for medical treatment or services, civil damages, and penalties as they relate to workers' compensation; and providing for an effective date."

This is a summary only. Note that this sectional analysis should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Amends AS 23.30.097(a) to provide that after December 31, 2010, the fee may not exceed the usual, customary and reasonable charges in a fee schedule adopted by the board which must include the most recent Current Procedural Terminology codes maintained by the American Medical Association for category I, II and III medical services and the Health Care Procedure Coding System for medical supplies, injections, emergency transportations and other medically related services. The fee schedule must reflect the cost in the geographical area where services are provided and is set at the 90th percentile.

Section 2. Amends AS 23.30.250(a) to clarify that the behaviors outlined are workers' compensation fraud which may be prosecuted under AS 11 (criminal law).

Section 3. Amends AS 23.30.250 (c) clarifies that in addition to criminal penalties, a violation of this chapter may result in civil liability with an award of three times the amount of compensatory damages and reasonable attorney fees.

Section 4. Provides for an immediate effective date under AS 01.10.070(c)

Table 1. Workers' compensation premium rate ranking

2008 ranking	2006 ranking	State	Index rate	Percent of study median	Effective date
1	1	Alaska	3.97	176%	January 1, 2008
2	5	Montana	3.50	155%	July 1, 2007
3	12	Ohio	3.32	147%	July 1, 2007
4	7	Vermont	3.14	139%	April 1, 2007
5	8	Maine	3.04	135%	January 1, 2008
7	3	Delaware	2.96	131%	December 1, 2007
7	4	Kentucky	2.96	131%	October 1, 2007
8	9	Alabama	2.90	129%	March 1, 2007
9	13	Oklahoma	2.89	128%	8/1/07 State Fund, 1/1/08 Private
10	21	Illinois	2.79	124%	January 1, 2008
11	11	Louisiana	2.76	122%	October 1, 2007
12	25	South Carolina	2.74	121%	May 7, 2007
13	2	California	2.72	121%	January 1, 2008
14	19	New Hampshire	2.70	120%	January 1, 2008
15	18	Pennsylvania	2.68	119%	April 1, 2007
16	23	New Jersey	2.66	118%	January 1, 2008
17	17	Texas	2.61	116%	January 1, 2008
18	30	Nevada	2.58	115%	March 1, 2007
19	10	New York	2.55	113%	October 1, 2007
20	14	Connecticut	2.46	109%	January 1, 2008
21	26	Tennessee	2.44	108%	July 1, 2007
22	37	North Carolina	2.43	108%	April 1, 2007
24	21	Minnesota	2.33	103%	January 1, 2008
24	32	Mississippi	2.33	103%	March 1, 2007
25	41	Georgia	2.29	102%	August 3, 2007
26	22	Rhode Island	2.26	100%	February 1, 2007
28	6	Florida	2.20	98%	January 1, 2008
28	25	Missouri	2.20	97%	January 1, 2008
29	16	District of Columbia	2.16	96%	November 1, 2007
32	27	New Mexico	2.15	95%	January 1, 2008
32	39	Michigan	2.15	95%	January 1, 2007
32	33	Nebraska	2.15	95%	February 1, 2007
34	35	Wisconsin	2.12	94%	October 1, 2007
34	32	Idaho	2.12	94%	January 1, 2008
36	15	Hawaii	2.08	92%	January 1, 2008
36	44	South Dakota	2.08	92%	July 1, 2007
37	29	Wyoming	2.06	91%	January 1, 2008
38	37	Washington	1.98	88%	January 1, 2008
39	**42**	**OREGON**	**1.88**	**83%**	**January 1, 2008**
41	34	West Virginia	1.86	83%	July 1, 2007
41	45	Iowa	1.86	82%	January 1, 2008
42	43	Kansas	1.77	78%	January 1, 2008
43	29	Colorado	1.76	78%	January 1, 2008
44	40	Maryland	1.72	76%	January 1, 2008
45	46	Arizona	1.67	74%	January 1, 2008
46	38	Utah	1.63	72%	December 1, 2007
47	48	Arkansas	1.61	71%	January 1, 2008
48	49	Virginia	1.43	63%	April 1, 2007
49	47	Massachusetts	1.39	62%	September 1, 2007
50	50	Indiana	1.23	55%	January 1, 2008
51	51	North Dakota	1.08	48%	July 1, 2007

Source: Research and Analysis Section, Information Management Division, Oregon Department of Consumer and Business Services (10/2008)

3656

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR Ellis

TO: CSHB 314 (FIN)

Page 2, line 24 through page 3, line 10:

Delete all material

Renumber sections accordingly

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **HB 314**
() Publish Date:

Identifier (file name): HB314-DOLWD-WC-01-28-10
Dept. Affected: Labor and Workforce Development
Title: Workers' Compensation
RDU: Workers' Compensation
Component: Workers' Compensation
Sponsor: House Labor & Commerce
Requester: House Labor & Commerce
Component Number: 344

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual	75.0		75.0	75.0	75.0	75.0	75.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**75.0**	**0.0**	**75.0**	**75.0**	**75.0**	**75.0**	**75.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1157 Worker Safety Account	75.0		75.0	75.0	75.0	75.0	75.0
TOTAL	**75.0**	**0.0**	**75.0**	**75.0**	**75.0**	**75.0**	**75.0**

Estimate of any current year (FY2010) cost: None

POSITIONS

Full-time							
Part-time							
Temporary							

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

Anticipated costs are based on estimated contractual charges for a vendor to produce a workers' compensation medical fee schedule for the State of Alaska.

Prepared by: Trena Heikes, Director
Phone 465-6045
Division: Workers' Compensation
Date/Time 1/28/10 3:47 PM
Approved by: Click Bishop, Commissioner
Date 1/28/10
Agency: Department of Labor and Workforce Development

(Revised 11/6/2009 OMB)

3658

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 314
() Publish Date:

Identifier (file name): HB314-Law-Crim-01-29-10
Dept. Affected: Law
Title: An Act relating to workers' compensation
RDU: Criminal
Component: Criminal Justice Litigation
Sponsor: Labor & Commerce
Requester: Labor & Commerce
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill amends the existing statutes to provide that a person commits the crime of unsworn falsification in the first degree if the person submits a false written or recorded statement that the person does not believe to be true in an application for worker compensation benefits. This bill provides that the fee or other charge for medical treatment or service under the Workers' Compensation Act provided on or after December 31, 2010 may not exceed fees established by the board and include recent category I and category II codes published by the American Medical Association. The department does not anticipate any significant fiscal impact.

Prepared by: Eileen Donahue, Division Operations Manager
Phone (907)465-5427
Division: Administrative Services Division
Date/Time 1/29/10 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 1/29/2010

(Revised 10/13/2009 OMB)

3659

HB 314
Summary of Changes
Version \A to Version \E (FIN)

During hearings in House Judiciary, HB 314 was amended.

Amendment \A.3 deleted Section 1 of the bill. Because of this, the title was changed.

AS 23.30.250(a) was amended to make offenses listed in 250(a) workers' compensation fraud. Workers' compensation fraud and may be punishable under certain sections of AS 11.

In Section 2 of the bill, the new subsection (D) was amended include category III charges as well as medical supplies, injections, emergency transportation and other medically related services. It also added a provision that the costs must reflect the cost in the geographical area where the services are provided and is at the 90th percentile.

During a hearing in House Finance, HB 314 was amended.

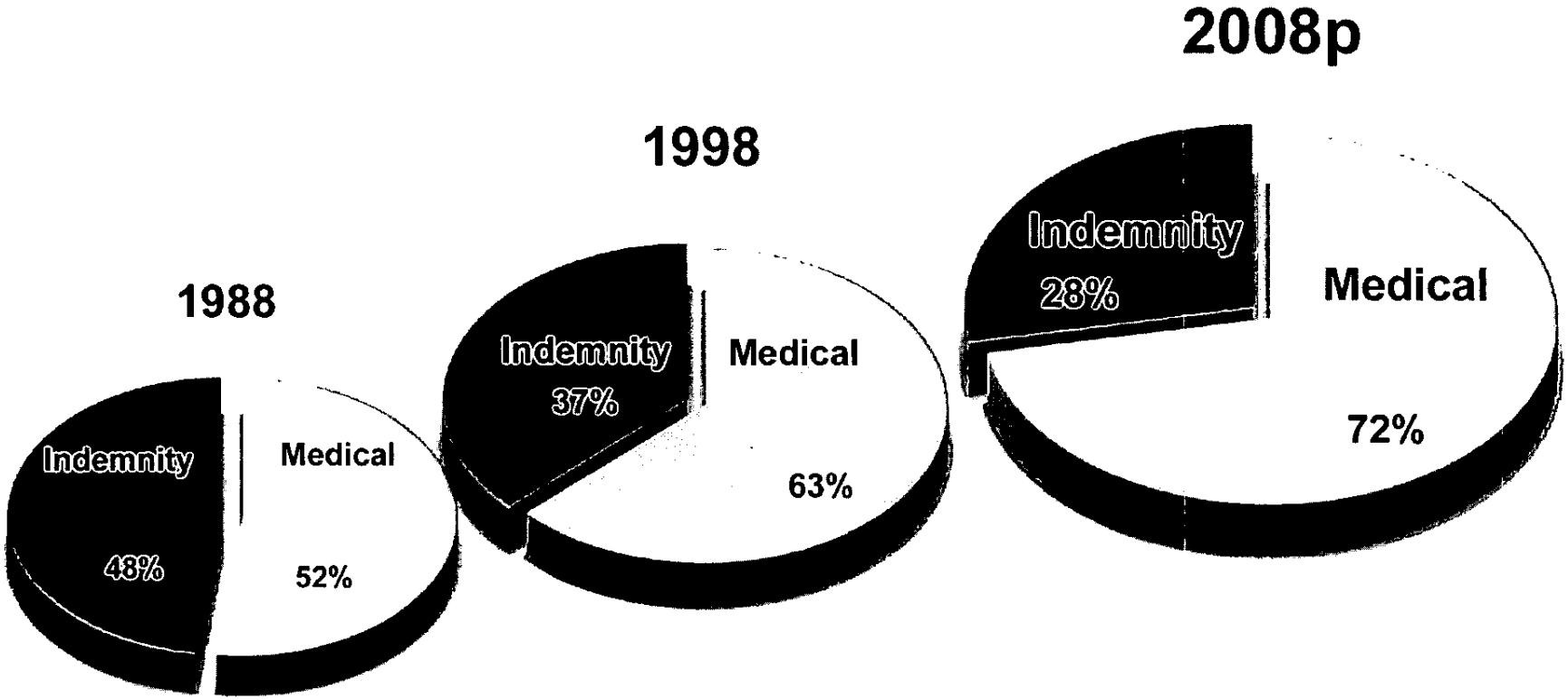
Amendment R.1 was adopted.

Amendment R.1 deleted "investigations" from the title of the bill and clarifies language regarding specific statutory citations for prosecution by simply listing that a person may be prosecuted under AS 11, without noting the specific sections of AS 11.

Conceptual amendment 2 clarified AS 23.30.250(c) regarding the civil penalties a person is liable for when violating this chapter.

Workers Compensation Benefit Split in Alaska

All Claims—Alaska



2008p: Preliminary based on data valued as of 12/31/2008
1988, 1998: Based on data through 12/31/2007, developed to ultimate
Based on the states where NCCI provides ratemaking services, including state funds
Excludes high deductible policies

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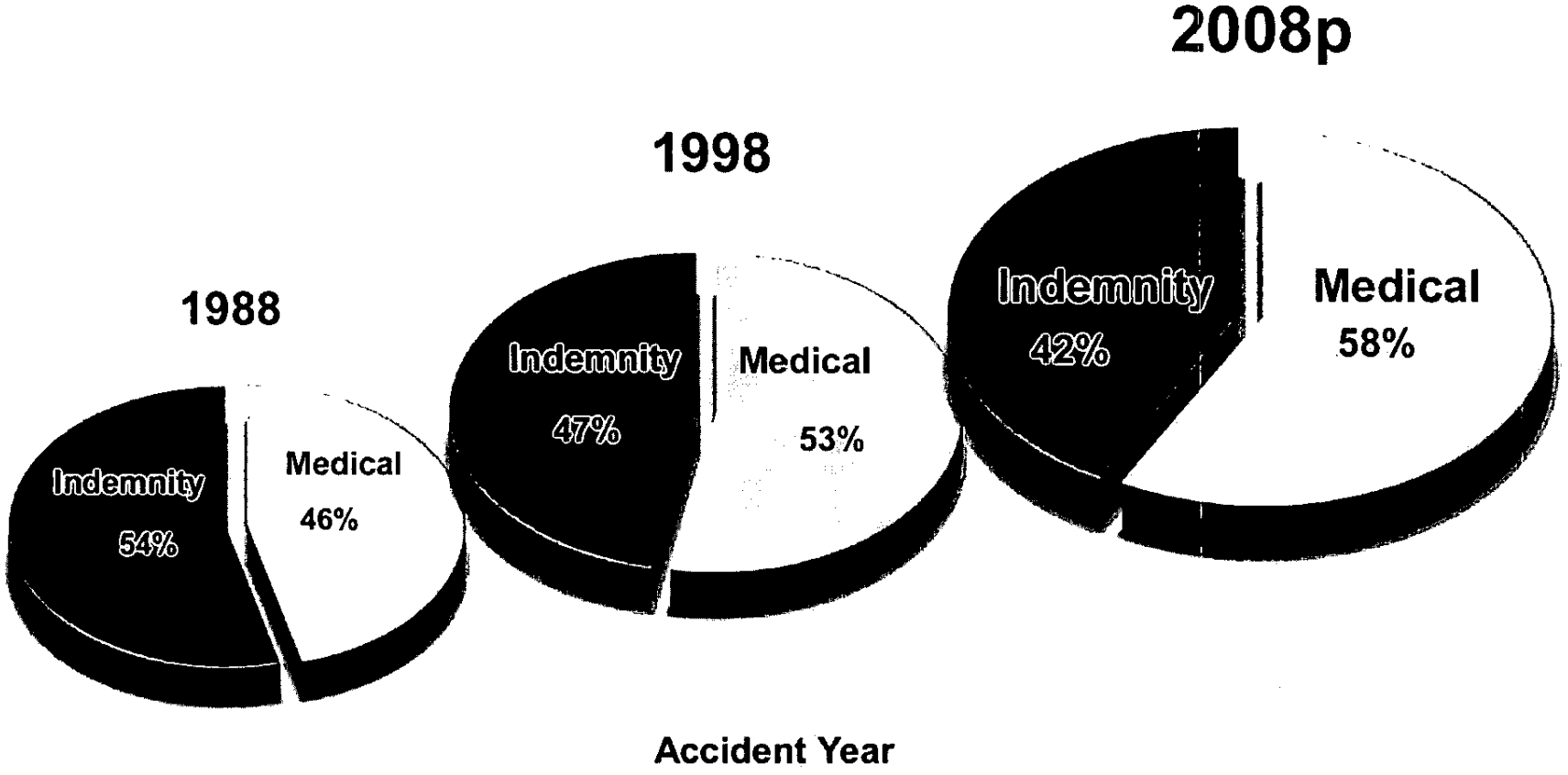
Workers Compensation Medical Losses Are More Than Half of Total Losses

All Claims—NCCI States



2008p: Preliminary based on data valued as of 12/31/2008
1988, 1998: Based on data through 12/31/2007, developed to ultimate
Based on the states where NCCI provides ratemaking services, including state funds
Excludes high deductible policies

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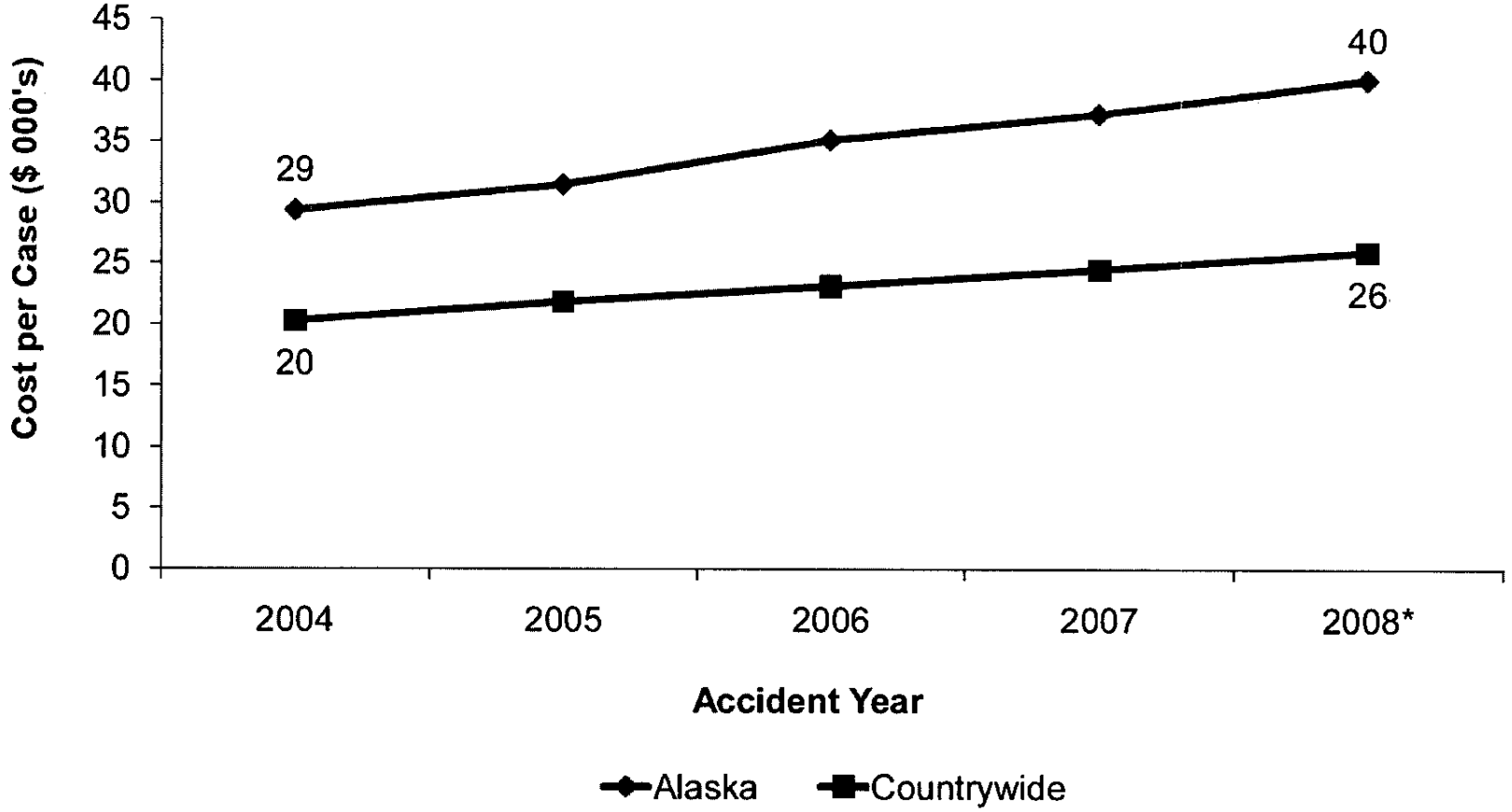
Alaska Medical Average Cost per Case vs. Countrywide



* Countrywide figure is preliminary
Source: NCCI financial data valued as of 12/31/08

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HB 315

<target><bill>HB 315</bill><subject>HB 315</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Chair, Labor and Commerce
- Member: Rules, Resources

Session: January – April
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835

Interim: May – December
145 Main Street Loop, Ste 221
Kenai, AK 99611
Phone: 907-283-2690
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Official Business

Sponsor Statement

HB 315 – Public Accounting

Today's businesses often have locations in multiple states and compliance responsibilities in multiple jurisdictions. Forty-five states recognize this fact and allow Certified Public Accountants (CPAs) the mobility necessary to operate in such a climate. Alaska does not. Certified Public Accountants licensed and located in another state are barred from serving clients in Alaska without obtaining a license and registering with the Alaska State Board of Public Accountancy.

House Bill 315 would change this fact, updating Alaska's uniform accountancy statues to allow for CPA mobility. Mobility is the ability of a licensee to gain a practice privilege outside his principle place of business without additional licensing or fees. It allows licensed CPAs and CPA firms to practice across state jurisdictions with greater ease and is key to keeping Alaska's CPAs and CPA firms nationally competitive.

In addition to allowing for greater mobility, HB 315 alters the ownership requirements for public accounting firms. The accounting profession consists of more than just CPAs, non-CPA professionals often provide vital services for accounting firms. While these non-accountants enhance the firm's ability to serve their clients, Alaska law bars them from having any ownership in a CPA firm. Under current state law, public accounting firms can only be owned by CPAs. Alaska is one of only five states with such stringent requirements; most states allow non-CPAs to own a minority interest. House Bill 315 brings Alaska into line with the vast majority of states which allow non CPAs to have minority ownership in CPA firms. Such a change puts Alaskan CPA firms on equal footing with those firms practicing in Alaska under out-of- state permits.

Passage of HB 315 will allow consumers to receive timely services from CPAs best suited for the job, regardless of location and without the hindrance of filings, forms, and increased costs that currently typify the system. The bill will ensure that CPA firms in the state are able to provide the best services to their clients and remain competitive with non-Alaskan firms operating in the state under out-of-state permits.

I respectfully ask for your consideration of this bill and look forward to hearing your questions and concerns.

Email: Representative_Kurt_Olson@legis.state.ak.us

SENATE FINANCE COMMITTEE REPORT

DATE: 3/2/10

FURTHER: Rules

DATE TURNED IN TO OFFICE: 4/14/10

Finance Committee considered HOUSE BILL NO. 315

HB 315 PUBLIC ACCOUNTING

"An Act relating to public accounting; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** HB 315 (F, N)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** SCS/CS- Forthcoming ( )

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
CED	4/13	✓			2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SCS for HB 315
() Publish Date:

Identifier (file name)HB315SCS(FIN)-CED-CBPL-4-13-10
Dept. Affected: DCCED
Title: Board of Public Accountancy Secretary
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: House Labor and Commerce
Requester: Senate Finance Committee
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	111.7		111.7	111.7	111.7	111.7	111.7
Travel	7.5		7.5	7.5	7.5	7.5	7.5
Contractual	4.0		4.0	4.0	4.0	4.0	4.0
Supplies	1.0		1.0	1.0	1.0	1.0	1.0
Equipment	10.0						
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**134.2**		**124.2**	**124.2**	**124.2**	**124.2**	**124.2**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other RSS (1156)	134.2		124.2	124.2	124.2	124.2	124.2
TOTAL	**134.2**		**124.2**	**124.2**	**124.2**	**124.2**	**124.2**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time		1	1	1	1	1	1
Part-time							
Temporary							

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

This bill amends the public accounting statutes to provide for out-of-state exemption and practice privleges in Alaska.

HB 315 also establishes an executive Secretary position for the Alaska Board of Public Accountancy.

The funding source for this position is Receipt Supported Services through licensing fees paid by CPAs under the self-sufficiency statute of AS 08.01.065.

A detailed explanation of the cost is attached.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 4/13/10 11:52 AM
Approved by: Emil Notti, Commissioner
Date 4/13/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

3667

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. SCS for HB 315

ANALYSIS CONTINUATION

Personal Services		**$111,739.00**
Provides for an Executive Secretary in the partially exempt service, full-time position, Range 23		
Travel		**$ 7,500.00**
Provides for 4 Board Meetings @ $1,000 per meeting, except in Juneau	$3,000.00	
Provides for Out-of-State travel @ $1,500.00 x 3	$4,500.00	
Contractual		**$ 4,000.00**
Basic annual chargeback costs per employee (mailroom, communications, computer access, inter-departmental support costs)		
Commodities		**$ 1,000.00**
Basic annual desk top supplies		
Equipment (one-time costs)		**$ 10,000.00**
- Office furniture	$5,000.00	
- Computer	$4,000.00	
- Telephone	$1,000.00	
Total Position Cost:		**$134,239.00**

Under the self-sufficiency statute of AS 08.01.065, regulatory programs are required to pay the cost of regulation through licensing fees. The funding source in establishing this position is Receipt Supported Services funded entirely from licensing fees.

The above represent an estimate in establishing a new Executive Secretary position. Costs passed on to licensees will be based on acutal expenses at the first renewal once the position is authorized. The impact to licensing fees will be shared among the total number of licensees when the position is established.

It is anticipated that through coordination with NASBA (Nat'l Association of State Boards of Accountancy) the Executive Secretary will administratively affect changes in the licensing process that will ultimately result in efficiencies and cost savings to the overall program.

Adopted
4/14/10

26-LS1380\R.1
Bannister
4/13/10

AMENDMENT 1

OFFERED IN THE SENATE BY SENATOR EGAN

TO: SCS HB 315(FIN), Draft Version "R"

Page 9, line 29, following "renewal":

Insert ", except that the length of a renewal for an out-of-state permit may not exceed four years"

Page 10, line 12, following "privilege":

Insert "shall"

Page 12, line 11:

Delete "**the other** [THIS]"

Insert "this **or the other**"

3669

adopted n/o 4-13-10

26-LS1380\R
Bannister
4/12/10

SENATE CS FOR HOUSE BILL NO. 315(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE LABOR AND COMMERCE COMMITTEE

A BILL

FOR AN ACT ENTITLED

"An Act relating to public accounting; and providing for an effective date."

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

*** Section 1.** AS 08.04.020(b) is amended to read:

(b) Except for public members, an individual may not be appointed unless the individual holds a current license. Public members may not be employed by a person holding a license, permit, **out-of-state exemption,** or practice privilege under this chapter. Notwithstanding AS 08.01.025, an accountant who does not hold a license under this chapter and is not engaged in the practice of public accounting in violation of this chapter is eligible for appointment as a public member under this section.

*** Sec. 2.** AS 08.04 is amended by adding a new section to read:

Sec. 08.04.055. Executive secretary of board. (a) The department, in consultation with the board, shall employ a certified public accountant or person who has other accounting experience satisfactory to the board and who is not a member of the board to serve as executive secretary of the board.

(b) The executive secretary shall perform duties as prescribed by the board.

*** Sec. 3.** AS 08.04.070 is amended by adding a new subsection to read:

(h) The board shall define by regulation the qualifications and duties of the executive secretary and delegate authority to the executive secretary as necessary to conduct board business.

*** Sec. 4.** AS 08.04.075 is amended to read:

Sec. 08.04.075. Substantial equivalency. **The** [UPON REQUEST OF AN APPLICANT FOR A PRACTICE PRIVILEGE UNDER AS 08.04.420(a), OR ON THE BOARD'S OWN MOTION, THE] board shall determine whether the **education, examination, and experience** qualifications of another state or **an individual** [THE APPLICANT] are substantially equivalent to the national standard or to another standard established by the board to protect the public interest. The board may adopt by regulation the qualifications established by a nationally recognized professional organization for accountants as the national standard or for another standard established by the board to protect the public interest. The board may accept the determination of a nationally recognized professional organization for accountants **or adopt another standard as to** [OF] whether the qualifications of the other state or **an individual** [THE APPLICANT] are substantially equivalent to the national standard. **When ascertaining substantial equivalency under this chapter, the order in which education, examination, or experience requirements were attained shall be disregarded** [OR TO ANOTHER STANDARD ESTABLISHED BY THE BOARD TO PROTECT THE PUBLIC INTEREST].

*** Sec. 5.** AS 08.04.100 is amended to read:

Sec. 08.04.100. Certificate granted. The certificate of "Certified Public Accountant" shall be granted by the board to any person who meets the requirements of AS 08.04.110 - 08.04.130. The holder of a certificate issued under this section is not authorized to engage in the practice of public accounting in the state unless the holder also has a current license **or** [,] permit, **or an out-of-state exemption** or practice privilege [ISSUED UNDER THIS CHAPTER].

*** Sec. 6.** AS 08.04.200 is amended to read:

Sec. 08.04.200. Use of title "certified public accountant" by individual. An individual who has a license from the board as a certified public accountant or holds a

practice privilege [OR AN OUT-OF-STATE PERMIT UNDER AS 08.04.420] shall be known as a certified public accountant and may use the abbreviation "CPA."

*** Sec. 7.** AS 08.04.240(a) is repealed and reenacted to read:

(a) The board shall grant a permit to engage in the practice of public accounting as a partnership to a partnership that applies to the board as a partnership of certified public accountants if the partnership meets the following requirements:

(1) more than one-half of the ownership of the partnership belongs to certified public accountants of this or another state in good standing;

(2) an individual who is a certified public accountant or has a practice privilege, who is responsible for supervising attest functions or compilation services in the partnership, and who signs or authorizes another person to sign an accountant's report on financial statements on behalf of the partnership meets the competency requirements established by the board under AS 08.04.423;

(3) an individual who signs or authorizes another person to sign an accountant's report on financial statements on behalf of the partnership meets the competency requirements established by the board under AS 08.04.423; and

(4) each partner who is personally engaged in this state in the practice of public accounting as a member of that partnership and whose principal place of business is in this state is a certified public accountant of this state in good standing.

*** Sec. 8.** AS 08.04.240(b) is repealed and reenacted to read:

(b) The board shall grant a permit to engage in the practice of public accounting as a corporation to a corporation organized for the practice of public accounting that applies to the board as a corporation of certified public accountants if the corporation meets the following requirements:

(1) the sole purpose and business of the corporation is to furnish to the public services not inconsistent with this chapter or the regulations adopted under it by the board; however, the corporation may invest its funds in a manner not incompatible with the practice of public accounting;

(2) at least a simple majority of the shares of the corporation are owned by certified public accountants of this or another state in good standing and the principal officer of the corporation and any officer having authority over the practice

of public accounting by the corporation is a certified public accountant of this or another state in good standing;

(3) an individual who is a certified public accountant or has a practice privilege, who is responsible for supervising attest functions or compilation services in the corporation, and who signs or authorizes another person to sign an accountant's report on financial statements on behalf of the corporation meets the competency requirements established by the board under AS 08.04.423;

(4) an individual who signs or authorizes another person to sign an accountant's report on financial statements on behalf of the corporation meets the competency requirements established by the board under AS 08.04.423;

(5) each shareholder or director personally engaged in this state in the practice of public accounting and whose principal place of business is located in this state is a certified public accountant of this state in good standing;

(6) to facilitate compliance with the provisions of this section relating to the ownership of stock, there is a written agreement binding the corporation or the qualified shareholders to purchase shares offered for sale by, or not under the ownership or effective control of, a qualified shareholder and binding a holder not a qualified shareholder to sell these shares to the corporation or the qualified shareholders; the agreement must be noticed on each certificate of corporate stock; the corporation may purchase any amount of its stock for this purpose, notwithstanding any impairment of capital, so long as one share remains outstanding; and

(7) the corporation is in compliance with those other regulations pertaining to corporations practicing public accounting in this state that the board may adopt.

*** Sec. 9.** AS 08.04.240(c) is amended to read:

(c) Application for a permit under this section shall be made upon the affidavit of a general partner, member, or shareholder who is a certified public accountant of this state in good standing **or an individual with a practice privilege**. The board shall, in each case, determine whether the applicant is eligible for a permit under this section. A partnership, limited liability company, corporation, or other legal entity that is issued a permit under this section may use the words "certified public accountants"

or the abbreviation "CPAs" in connection with the name of the partnership, limited liability company, corporation, or other legal entity. The board shall be notified within one month after the admission or withdrawal of a partner, member, or shareholder from a partnership, limited liability company, corporation, or other legal entity issued a permit under this section.

*** Sec. 10.** AS 08.04.240(d) is repealed and reenacted to read:

(d) The board shall grant a permit to engage in the practice of public accounting as a limited liability company to a limited liability company engaged in this state in the practice of public accounting that applies to the board as a limited liability company of certified public accountants if

(1) the sole purpose and the sole business of the company are to furnish to the public services that are consistent with this chapter or the regulations adopted under this chapter, except that the company may invest its money in a manner that is compatible with the practice of public accounting;

(2) more than one-half of the ownership of the limited liability company belongs to certified public accountants of this or another state in good standing;

(3) an individual who is a certified public accountant or has a practice privilege, who is responsible for supervising attest functions or compilation services in the company, and who signs or authorizes another person to sign an accountant's report on financial statements on behalf of the company meets the competency requirements established by the board under AS 08.04.423;

(4) an individual who signs or authorizes another person to sign an accountant's report on financial statements on behalf of the company meets the competency requirements established by the board under AS 08.04.423; and

(5) each member personally engaged in this state in the practice of public accounting and whose principal place of business is located in this state is a certified public accountant of this state in good standing.

*** Sec. 11.** AS 08.04.240(g) is amended to read:

(g) The board shall renew a permit granted under (a), (b), (d), or (e) of this section or a renewal issued under this subsection if

(1) the permittee maintains all of the licensee's offices **that are located in this state** as required by AS 08.04.360 - 08.04.380;

(2) each individual who is required by (a), (b), (d), or (e) of this section to be a certified public accountant **of this state** complies with the continuing education requirements of AS 08.04.425 and the quality review requirements of AS 08.04.426; and

(3) the permittee complies with the requirements of this chapter, **including the competency requirement of (a)(2) and (3), (b)(3) and (4), and (d)(3) and (4) of this section**.

*** Sec. 12.** AS 08.04.240 is amended by adding new subsections to read:

(i) For the purposes of issuing a permit under this section, a partnership, limited liability company, corporation, or other legal entity may include owners who are not certified public accountants if

(1) the partnership, corporation, limited liability company, or other legal entity designates a certified public accountant or an individual with practice privileges to be responsible for the proper registration of the entity and identifies the certified public accountant or individual to the board;

(2) all of the owners of the partnership, corporation, limited liability company, or other legal entity who are not certified public accountants are active individual participants in the partnership, corporation, limited liability company, or other legal entity, or in an entity affiliated with the partnership, corporation, limited liability company, or other legal entity; and

(3) the partnership, corporation, limited liability company, or other legal entity complies with the other requirements that the board may adopt by regulation to protect the public interest as described under AS 08.04.005.

(j) If the ownership of a partnership, limited liability company, corporation, or other legal entity, after it has received or renewed a permit, does not comply with (i) of this section, the partnership, limited liability company, corporation, or other legal entity shall take corrective action to comply with (i) of this section within a reasonable time after the noncompliance begins. The board shall establish by regulation the criteria to determine what is a reasonable time and may base the regulation on national

standards.

*** Sec. 13.** AS 08.04.370 is amended to read:

Sec. 08.04.370. Use of title "certified public accountant" by office of <u>legal entity</u> [ORGANIZATION]. The title "certified public accountant" or the abbreviation "CPA" may not be used in connection with an office of **<u>a legal entity</u>** [AN ORGANIZATION] holding a permit **<u>or an out-of-state exemption</u>** [UNDER AS 08.04.240 OR 08.04.420(c)] unless the supervision requirement of AS 08.04.360 is satisfied.

*** Sec. 14.** AS 08.04.380 is amended to read:

Sec. 08.04.380. Waiver of requirements. The board may waive the requirements of **<u>AS 08.04.240(a)(4), (b)(5), and (d)(5),</u>** [AS 08.04.240(a)(3), (b)(4), AND (d)(4), AND] 08.04.360, and 08.04.370 if

(1) the community has a population of 2,000 or less; and

(2) the individual, partnership, corporation, limited liability company, or other legal entity that opens or maintains the office maintains another office in the state that meets the requirements outlined in AS 08.04.360 and 08.04.370.

*** Sec. 15.** AS 08.04.420 is repealed and reenacted to read:

Sec. 08.04.420. Practice privileges. (a) Except as limited by (b) of this section, an individual who does not have a license in this state, but who is licensed to practice public accounting in another state and whose principal place of business for the practice of public accounting is in the other state may engage in the practice of public accounting in this state under a practice privilege if the state in which the individual is licensed to practice public accounting

(1) requires as a condition of licensure that an individual

(A) have at least 150 semester hours of college education, including a baccalaureate or higher degree conferred by a college or university;

(B) achieve a passing grade on the Uniform Certified Public Accountant Examination; and

(C) possess at least one year of experience, which includes providing any type of service or advice involving the use of accounting, attest, compilation, management advisory, financial advisory, tax, or consulting

skills; the experience may be obtained through practice with the government, industry, colleges, universities, or the public; or

(2) does not require as a condition of licensure that an individual satisfy the requirements of (1) of this subsection but the individual's qualifications are substantially equivalent to the requirements of (1) of this subsection; however, for the purposes of this paragraph, the education of an individual who holds a valid license to practice public accounting that is issued by another state before January 1, 2013, and who passes the Uniform Certified Public Accountant Examination before January 1, 2013, is exempt from the education requirement identified in (1)(A) of this subsection.

(b) Unless the individual is a sole practitioner, if an individual who engages in the practice of public accounting under a practice privilege under (a) of this section performs designated functions for a client whose home office is in this state, the individual may only provide the designated functions through a legal entity that has a permit.

(c) An individual who may engage in the practice of public accounting in this state under (a) or (b) of this section is not required to provide a notice to the board, to pay a fee to the board, or to submit documentation to the board in order to engage in the practice of public accounting in this state. The person may engage in the practice of public accounting by mail, by telephone, by electronic means, or in person.

* **Sec. 16.** AS 08.04 is amended by adding new sections to read:

Sec. 08.04.421. Out-of-state permits and exemptions. (a) A legal entity that does not have an office in this state, that is authorized to practice public accounting in another state, and that performs designated functions for a client whose home office is located in this state may not engage in the practice of public accounting in this state unless the legal entity has an out-of-state permit. To obtain an out-of-state permit, the legal entity shall submit to the board

(1) a written notice on a form provided by the board;

(2) the fee required by the board;

(3) verification of the current authorization of the legal entity to practice public accounting in the other state; and

(4) verification that the legal entity participates in a quality review

program comparable to the program required of entities registered under AS 08.04.426.

(b) A legal entity that performs designated services but not designated functions for a client whose home office is located in this state may engage in the practice of public accounting in this state under an out-of-state exemption if the legal entity

(1) does not have an office in this state;

(2) is authorized to practice public accounting in another state;

(3) performs the designated services through an individual with a practice privilege; and

(4) participates in a quality review program comparable to the program required under AS 08.04.426.

(c) A legal entity that does not have an office in this state, is authorized to practice public accounting in another state, and does not perform designated functions or designated services for a client whose home office is located in this state may engage in the practice of public accounting in this state under an out-of-state exemption if the services that the legal entity performs within the practice of public accounting are performed

(1) through an individual who has a practice privilege; and

(2) only to the extent that the legal entity can lawfully perform the services in the state where the individual with a practice privilege has the individual's principal place of business.

(d) If the board denies an out-of-state permit to a legal entity under (a) of this section, the board shall provide notice of the denial to the legal entity.

(e) Notwithstanding AS 08.01.100(b), the board shall establish by regulation the period for which an out-of-state permit authorized by (a) of this section is valid. However, the initial term of an out-of-state permit may not exceed three years. The board may renew an out-of-state permit and shall establish by regulation the terms for and length of a renewal.

(f) A legal entity who may engage in the practice of public accounting under an out-of-state exemption is not required to provide a notice to the board, pay a fee to

the board, or submit documentation to the board. The person may engage in the practice of public accounting by mail, by telephone, by electronic means, or in person.

(g) In this section, "designated service" means

(1) a review of a financial statement, if the performance of the review is established by the Statements on Standards for Accounting and Review Services; or

(2) a compilation service.

Sec. 08.04.422. Conditions of practice privileges, out-of-state permits, and out-of-state exemptions. An individual with a practice privilege who engages in the practice of public accounting in the state under the practice privilege, a legal entity with a permit or exemption under AS 08.04.421 who engages in the practice of public accounting in this state under the permit or exemption, and a legal entity that hires an individual with a practice privilege

(1) consent to the personal and subject matter jurisdiction and disciplinary authority of the board;

(2) agree to comply with this chapter, including the regulations adopted by the board;

(3) agree that the individual or legal entity will stop offering to engage or engaging in the practice of public accounting, whether individually or and on behalf of a legal entity, if the license from the state of the individual's or legal entity's principal place of business becomes invalid; and

(4) consent to the appointment of the state board that issued the individual's license as the individual's or legal entity's agent for service of process in a court action or in another proceeding against the individual or legal entity that arises out of a transaction or an operation connected with or incidental to the individual's or legal entity's engagement in the practice of public accounting.

*** Sec. 17.** AS 08.04.440 is amended to read:

Sec. 08.04.440. Effect of failure to obtain license or [,] permit [, OR PRACTICE PRIVILEGE]. Failure of an individual, partnership, limited liability company, corporation, or other legal entity to apply for **a** [THE] required license **or** [,] permit [, OR PRACTICE PRIVILEGE] or to pay **a** [THE] required fee within (1) three years from the expiration date of the license **or** [,] permit [, OR PRACTICE

PRIVILEGE] last obtained or renewed, or (2) three years from the date the person was granted a license or permit as a public accountant valid under AS 08.04.661 deprives the individual, partnership, limited liability company, corporation, or other legal entity of the right to a license **or** [,] permit [, OR PRACTICE PRIVILEGE] or renewal of a license **or** [,] permit [, OR PRACTICE PRIVILEGE] unless the board determines that the failure is excusable. In case of excusable failure, the fee for a license **or** [,] permit [, OR PRACTICE PRIVILEGE] or renewal of a license **or** [,] permit [, OR PRACTICE PRIVILEGE] under this section may not exceed three times one year's portion of the fee that would have otherwise been required for the license, permit, [OR PRACTICE PRIVILEGE,] or renewal.

*** Sec. 18.** AS 08.04.450 is amended to read:

Sec. 08.04.450. Revocation or suspension of license, practice privilege, [OR] permit, or out-of-state exemption. In addition to its powers under AS 08.01.075, the board may revoke, suspend, or refuse to renew a license, practice privilege, [OR] permit, **or out-of-state exemption,** or may censure a holder of a license, practice privilege, [OR] permit, **or out-of-state exemption,** for

(1) fraud or deceit in obtaining a license [, PRACTICE PRIVILEGE,] or permit required by this chapter;

(2) dishonesty or gross negligence in the practice of public accounting, or other acts discreditable to the accounting profession;

(3) violation of a provision of AS 08.04.500 - 08.04.610 **or failure to take corrective action to comply with AS 08.04.240(i) within the time allowed under AS 08.04.240(j)**;

(4) violation of a rule of professional conduct or other regulation adopted by the board;

(5) conviction of a felony under the laws of any state or of the United States;

(6) conviction of any crime, an essential element of which is dishonesty or fraud, under the laws of any state or of the United States;

(7) cancellation, revocation, suspension, or refusal to renew authority to practice as a certified public accountant or public accountant in any other state for

any cause other than failure to pay a required fee;

(8) suspension or revocation of the right to practice before any state or federal agency;

(9) failure to satisfy the continuing education requirements prescribed by the board under AS 08.04.425, except as conditioned, relaxed, or suspended by the board under AS 08.04.425(c) and (d);

(10) failure to satisfactorily complete the supervision required by AS 08.04.423 or a quality review requirement under AS 08.04.426; or

(11) committing an act in another state for which the holder of the license, practice privilege, [OR] permit**, or out-of-state exemption** would be subject to discipline in **the other** [THIS] state.

*** Sec. 19.** AS 08.04.450 is amended by adding a new subsection to read:

(b) The board shall investigate a complaint made by the board of accountancy, or other regulatory body for the practice of accounting, of another state.

*** Sec. 20.** AS 08.04.490 is amended to read:

Sec. 08.04.490. Reinstatement. Upon application in writing and after a hearing, the board may issue a new license or **allow a** practice privilege to an individual whose license or practice privilege has been revoked, or may issue a new permit to a person whose permit has been revoked, or may modify the suspension of or may reissue any license, practice privilege, or permit to practice public accounting that has been revoked or suspended.

*** Sec. 21.** AS 08.04.495 is amended to read:

Sec. 08.04.495. Fees. The **department** [DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT] shall set fees under AS 08.01.065 for examinations, reexaminations, permits, licenses, and practice privileges.

*** Sec. 22.** AS 08.04.500(b) is amended to read:

(b) This section does not prohibit an individual in good standing in any state**, including an individual acting as a sole practitioner in the individual's home state,** holding a practice privilege under AS 08.04.420 from using the title "certified public accountant [.]" **or another title allowed under (a) of this section.**

* **Sec. 23.** AS 08.04.505 is amended to read:

Sec. 08.04.505. Issuance of reports. Only a person who holds a valid license, practice privilege, [OR] permit**, or out-of-state exemption** [ISSUED UNDER THIS CHAPTER] may issue a report on financial statements of another person or governmental unit. This restriction does not apply to

(1) an officer, partner, member, or employee of a sole proprietorship, partnership, corporation, limited liability company, or other legal entity affixing that person's signature to a statement or report in reference to the financial affairs of the sole proprietorship, partnership, corporation, limited liability company, or other legal entity with wording designating the position, title, or office that the person holds in the sole proprietorship, partnership, corporation, limited liability company, or other legal entity;

(2) an act of a public official or employee in the performance of official duties;

(3) the performance by persons of other services involving the use of accounting skills, including the preparation of tax returns, management advisory services, and the preparation of financial statements without the issuance of reports on them.

* **Sec. 24.** AS 08.04.510 is amended to read:

Sec. 08.04.510. Partnership, limited liability company, corporation, or other legal entity posing as a certified public accountant. (a) A partnership, limited liability company, corporation, or other **legal** entity may not assume or use the title or designation "certified public accountant" or the abbreviation "CPA" or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that it is composed of certified public accountants, unless the partnership, limited liability company, corporation, or other **legal** entity holds a permit **or an out-of-state exemption** and is engaging in the practice of public accounting under the name on its permit, and its offices in this state for the practice of public accounting are maintained as required by AS 08.04.360 - 08.04.380.

(b) A partnership, limited liability company, corporation, or other **legal** entity consisting of certified public accountants in good standing in any state, that does not

have a permit as a partnership, limited liability company, corporation, or other legal entity consisting of certified public accountants under AS 08.04.240 but holds a permit **under AS 08.04.421 or out-of-state exemption** [UNDER AS 08.04.420], may use the title or designation "certified public accountants [.]" **or another title permitted under (a) of this section.**

* **Sec. 25.** AS 08.04.520 is amended to read:

Sec. 08.04.520. Individual posing as public accountant. An individual may not assume or use the title or designation "public accountant" or the abbreviation "PA" or other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the individual is a public accountant, unless the individual holds a current license **or** [,] practice privilege [, OR PERMIT] and the individual's offices in this state for the practice of public accounting are maintained as required by AS 08.04.360 - 08.04.380.

* **Sec. 26.** AS 08.04.530 is amended to read:

Sec. 08.04.530. Partnership, limited liability company, or corporation posing as public accountant. A partnership, limited liability company, or corporation may not assume or use the designation "public accountant" or the abbreviation "PA" or any other title, designation, word, letter, abbreviation, sign, card, or device tending to indicate that the partnership, limited liability company, or corporation is composed of public accountants, unless the partnership, limited liability company, or corporation holds a current permit **or out-of-state exemption,** and**, if it has a permit,** is practicing under the name on its permit, and its office in this state for the practice of public accounting is maintained as required by AS 08.04.360 - 08.04.380.

* **Sec. 27.** AS 08.04.540 is amended to read:

Sec. 08.04.540. Use of deceptive title or abbreviation. An individual, partnership, limited liability company, corporation, or other **legal** entity may not assume or use the title or designation "certified accountant," "chartered accountant," "enrolled accountant," "licensed accountant," "registered accountant," or any other title or designation likely to be confused with "certified public accountant" or "public accountant," or any of the abbreviations "C," "EA," "LA," "RA," or similar abbreviations likely to be confused with "CPA" or "PA" except that "EA" may be used

to the extent that it relates to the term "enrolled agent" as defined by the federal Internal Revenue Service; however, an individual, partnership, limited liability company, corporation, or other legal entity holding a current license **or permit or an out-of-state exemption** [, PERMIT UNDER AS 08.04.240,] or practice privilege, and whose offices in this state for the practice of public accounting, **if any,** are maintained as required by AS 08.04.360 - 08.04.380 may hold out to the public as an accountant or auditor.

*** Sec. 28.** AS 08.04.560 is amended to read:

Sec. 08.04.560. Individual may not assume title. An individual may not sign or affix any name or any trade or assumed name used by that individual to any accounting or financial statement or opinion or report on any accounting or financial statement with any wording indicating that the person is a certified public accountant or public accountant or with any wording indicating that the person has expert knowledge in accounting or auditing, unless the individual holds a current license or practice privilege and the individual's offices in this state, **if any,** for the practice of public accounting are maintained as required by AS 08.04.360 - 08.04.380.

*** Sec. 29.** AS 08.04.580 is amended to read:

Sec. 08.04.580. Partnership posing as accountants or auditors. A person may not sign or affix a partnership name to any accounting or financial statement or opinion or report on any accounting or financial statement with any wording indicating that it is a partnership composed of certified public accountants or public accountants or with any wording indicating that the partnership has expert knowledge in accounting or auditing unless the partnership holds a current permit and is practicing under the name on its permit, and its offices in this state for the practice of public accounting are maintained as required by AS 08.04.360 - 08.04.380**, or unless the partnership holds an out-of-state exemption**.

*** Sec. 30.** AS 08.04.590 is amended to read:

Sec. 08.04.590. Use of title with corporate name. A person may not sign or affix a corporate name to any accounting or financial statement or opinion or report on any accounting or financial statement with any wording indicating that it is a corporation composed of certified public accountants or public accountants or with

any wording indicating that the corporation has expert knowledge in accounting or auditing unless the corporation holds a current permit, it is practicing under the name on the permit, and its offices in this state for the practice of public accounting are maintained as required by AS 08.04.360 - 08.04.380, **or unless the corporation holds an out-of-state exemption**.

*** Sec. 31.** AS 08.04.595 is amended to read:

Sec. 08.04.595. Use of title with limited liability company name. A person may not sign or affix a limited liability company name to an accounting or financial statement or opinion or report on an accounting or financial statement with wording indicating that the person is a limited liability company composed of certified public accountants or public accountants or with wording indicating that the company has expert knowledge in accounting or auditing unless the company holds a current permit, it is practicing under the name on the permit, and its offices in this state for the practice of public accounting are maintained as required by AS 08.04.360 - 08.04.380, **or unless the limited liability company holds an out-of-state exemption**.

*** Sec. 32.** AS 08.04.598 is amended to read:

Sec. 08.04.598. Use of title with name of other legal entity. A person may not sign or affix the name of **a legal** [AN] entity to an accounting or financial statement or opinion or report on an accounting or financial statement with wording indicating that the person is a legal entity composed of certified public accountants or public accountants or with wording indicating that the **legal** entity has expert knowledge in accounting or auditing unless the **legal** entity holds a current permit, it is practicing under the name on the permit, and its offices in this state for the practice of public accounting are maintained as required by AS 08.04.360 - 08.04.380, **or unless the legal entity holds an out-of-state exemption**.

*** Sec. 33.** AS 08.04.600 is amended to read:

Sec. 08.04.600. Disclosure of lack of license or permit. An individual, partnership, limited liability company, corporation, or other entity that does not hold a current license, a current practice privilege, [OR] a current permit, **or a current out-of-state exemption,** may not hold out to the public as a certified public accountant or public accountant by use of such words or abbreviations on any sign, card, letterhead,

or in any advertisement or directory, without indicating that the individual, partnership, limited liability company, corporation, or other entity does not hold a current license, a current practice privilege, or a current permit. This section does not prohibit

(1) an officer, employee, partner, member, or principal of an organization from self-description through the position, title, or office that the person holds in the organization;

(2) an act of a public official or public employee in the performance of that individual's duties; or

(3) a person from maintaining a bookkeeping or tax service.

*** Sec. 34.** AS 08.04.610 is amended to read:

Sec. 08.04.610. Deceptive use of title or designation by partnership, limited liability company, corporation, or other legal entity. A person may not assume or use the title or designation "certified public accountant" or "public accountant" or an abbreviation of them, in conjunction with a name indicating or implying that there is a partnership, limited liability company, corporation, or other entity, or in conjunction with the designation "and Company," "and Co.," "L.L.C.," "LLC," "Ltd.," or any similar designation unless there is a bona fide partnership, limited liability company, corporation, [OR] other legal entity holding a permit issued under that name**, or a current out-of-state exemption**. However, a sole proprietor or partnership lawfully using the title or designation "certified public accountant" or "public accountant" or an abbreviation of them in conjunction with such names or designation on April 26, 1960, may continue to do so if the person or partnership otherwise complies with this chapter.

*** Sec. 35.** AS 08.04.620 is amended to read:

Sec. 08.04.620. Exceptions. This chapter does not prohibit

(1) an individual who does not hold a current license or practice privilege from serving as an employee of or as an assistant to an individual, partnership, limited liability company, corporation, or other legal entity holding a current license, a current practice privilege, [OR] a current permit**, or a current out-of-state exemption** so long as the employee or assistant does not use the employee's

or the assistant's name in connection with an accounting or financial statement;

(2) an individual who holds a valid license or equivalent authorization in another state from indicating that the individual is entitled to use the title "certified public accountant," but the individual may not indicate that services are available to the public unless the individual holds a current license or practice privilege issued under this chapter;

(3) a holder of a certificate, license, or degree from a foreign country that constitutes a recognized qualification for the practice of public accounting in that country from indicating that the person holds the certificate, license, or degree, but the person may not indicate that the person's services are available to the public unless the person holds a current license, practice privilege, [OR] permit**, or out-of-state exemption** [ISSUED] under this chapter.

*** Sec. 36.** AS 08.04.662(a) is amended to read:

(a) A license holder, a permit holder, a practice privilege holder, **an out-of-state exemption holder,** or a partner, an officer, a shareholder, a member, or an employee of a license holder, a permit holder, **an out-of-state exemption holder,** or a practice privilege holder, may not reveal information communicated to the license holder, permit holder, **out-of-state exemption holder,** or practice privilege holder by a client about a matter concerning which the client has employed the license holder, permit holder, **out-of-state exemption holder,** or practice privilege holder in a professional capacity. This section does not apply to

(1) information required to be disclosed by the standards of the public accounting profession in reporting on the examination of financial statements;

(2) the release of information the client has authorized the license holder, permit holder, **out-of-state exemption holder,** or practice privilege holder to reveal;

(3) information revealed as part of the discovery of evidence related to a court or administrative proceeding or introduced in evidence in a court or administrative proceeding;

(4) information revealed in ethical investigations conducted by private professional organizations; or

(5) information revealed in the course of a quality review under AS 08.04.426.

*** Sec. 37.** AS 08.04.680(1) is repealed and reenacted to read:

(1) "attest function" means

(A) an audit or other engagement, if the performance of the audit or other engagement is established by the Statements on Auditing Standards;

(B) a review of a financial statement, if the performance of the review is established by the Statements on Standards for Accounting and Review Services;

(C) an examination of prospective financial information, if the performance of the examination is established by the Statements on Standards for Attestation Engagements; or

(D) an engagement, if the performance of the engagement is established by the Auditing Standards of the Public Company Accounting Oversight Board;

*** Sec. 38.** AS 08.04.680(9) is amended to read:

(9) "permit" means a permit issued under **AS 08.04.240 or 08.04.421(a)** [AS 08.04.240 OR 08.04.420];

*** Sec. 39.** AS 08.04.680(12) is repealed and reenacted to read:

(12) "principal place of business" means the office location designated by an individual for the purposes of substantial equivalency and reciprocity;

*** Sec. 40.** AS 08.04.680(14) is amended to read:

(14) "report," when used with reference to financial statements, means an opinion, report, or other form of language that states or implies assurance as to the reliability of financial statements and that also includes or is accompanied by a statement or implication that the person issuing it has special knowledge or competency in accounting or auditing; a statement or implication of special knowledge or competence may arise from use by the issuer of the report of names or titles indicating that the issuer is a certified public accountant or auditor, or from the language of the report itself; except as provided in this paragraph, "report" includes

any form of language that disclaims an opinion when the form of the language is conventionally understood to imply a positive assurance as to the reliability of the financial statements referred to or special competence on the part of the person issuing the language; and "report" includes any other form of language that is conventionally understood to imply such assurance or such special knowledge or competence; "report" does not include

(A) a compilation of financial statement language that does not express or imply assurance or special knowledge or competence; or

(B) the following disclaimer language when used by **a person without a license, a practice privilege, or an out-of-state exemption** [NONLICENSEES] in connection with financial statements:

(i) "I (we) have prepared the accompanying (financial statements) of (name of entity) as of (time period) for the (period) then ended. This presentation is limited to preparing, in the form of financial statements, information that is the representation of management (owners).."; or

(ii) "I (we) have not audited or reviewed the accompanying financial statements and, accordingly, do not express an opinion or any other form of assurance on them.";

*** Sec. 41.** AS 08.04.680 is amended by adding new paragraphs to read:

(16) "compilation service" means a service that

(A) is performed as established by the Statements on Standards for Accounting and Review Services; and

(B) presents, in the form of financial statements, information that is the representation of management, but does not express an assurance on the statements;

(17) "department" means the Department of Commerce, Community, and Economic Development;

(18) "designated function" means

(A) an audit or other engagement, if the performance of the audit or other engagement is established by the Statements on Auditing

Standards;

(B) an examination of prospective financial information, if the performance of the examination is established by the Statements on Standards for Attestation Engagements; or

(C) an engagement, if the performance of the engagement is established by the Auditing Standards of the Public Company Accounting Oversight Board;

(19) "home office" means the location specified by the client as the address to which an attest function service or a compilation service is directed;

(20) "out-of-state exemption" means the exemption provided under AS 08.04.421(b) or (c).

*** Sec. 42.** AS 08.04.085 is repealed.

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

TRANSITIONAL PROVISION: REGULATIONS. The Board of Public Accountancy created under AS 08.04.010 may proceed to adopt regulations necessary to implement this Act. The regulations take effect under AS 44.62 (Administrative Procedure Act), but not before the effective date of secs. 1 - 42 of this Act.

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

TRANSITIONAL PROVISION: EFFECT ON CURRENT PERMITTEES AND PRACTICE PRIVILEGE HOLDERS. (a) On and after January 1, 2011, a person who holds a permit or practice privilege on January 1, 2011, may continue to engage in the practice of public accounting under the permit or practice privilege until the permit or practice privilege expires normally under AS 08.04, as AS 08.04 existed before January 1, 2011, but shall otherwise comply with AS 08.04, as amended by this Act.

(b) In this section,

(1) "permit" means a permit issued under AS 08.04.240, as that section existed before January 1, 2011, or AS 08.04.420, as that section existed before January 1, 2011;

(2) "practice of public accounting" has the meaning given in AS 08.04.680;

(3) "practice privilege" means a practice privilege authorized under

AS 08.04.420, as that section existed before January 1, 2011.

*** Sec. 45.** Section 43 of this Act takes effect immediately under AS 01.10.070(c).

*** Sec. 46.** Except as provided in sec. 45 of this Act, this Act takes effect January 1, 2011.

ALASKA STATE LEGISLATURE

REPRESENTATIVE KURT OLSON

- Chair, Labor and Commerce
- Member: Rules, Resources

Session: January – April
State Capitol
Juneau, AK 99801-1182
Phone: 907-465-2693
Fax: 907-465-3835

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145 Main Street Loop, Ste 221
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Official Business

March 2, 2010

Senator Bert Stedman, Co-Chair
Senate Finance Committee
Room 516, State Capitol
Juneau, Alaska 99801

At your earliest convenience, I respectfully request the scheduling of House Bill 315, "An Act relating to public accounting; and providing for an effective date".

House Bill 315 updates Alaska's uniform accountancy standards in two major ways. First, it provides for Certified Public Accountant (CPA) mobility, allowing licensed CPAs and CPA firms to practice across state jurisdictions. Second, the legislation alters the stringent ownership requirements for CPA firms in the state, allowing non-CPAs to have minority ownership of CPA firms. Finally, HB 315 enhances the ability of the Alaska State Board of Public Accountancy to protect the public interest.

These changes would bring Alaska's accountancy standards in line with the vast majority of states. Passage of this legislation is key to keeping Alaska's CPAs and CPA firms nationally competitive, and I urge your consideration of this bill.

Please do not hesitate to contact my staff, Jennifer Senette, at 465-4530 with any questions or concerns about this legislation. I look forward to hearing from you and discussing this bill in further detail.

Thank you for your consideration.

Representative Kurt Olson
District 33

Email: Representative_Kurt_Olson@legis.state.ak.us

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
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MEMORANDUM February 3, 2010

SUBJECT: Sectional summary of HB 315 relating to public accounting (Work Order No. 26-LS1380\A)

TO: Representative Kurt Olson
Attn: Jennifer Senette

FROM: Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Amends AS 08.04.020(b) of the section dealing with the appointment and qualifications of members of the Board of Public Accountancy to reflect the new out-of-state exemption category added by the bill.

Section 2. Amends AS 08.04.075 (substantial equivalency) to require the board to determine whether the education, examination, and experience qualifications of another state or an individual are substantially equivalent to the national standard or to a board-established standard. Replaces "applicant" with "individual." Directs that the order in which the education, examination, or experience requirements were attained be disregarded.

Section 3. Amends AS 08.04.100 (certificates) to add the out-of-state exemption added by the bill.

Section 4. Amends AS 08.04.200 (use of CPA title by individual) to cover individuals with licenses or practice privileges.

Section 5. Rewrites AS 08.04.240(a). Directs the board to grant a permit to engage in the practice of public accounting to a partnership if the partnership applies and meets the listed requirements.

Section 6. Rewrites AS 08.04.240(b). Directs the board to grant a permit to engage in the practice of public accounting to a corporation that is organized for the practice of public accounting, if the corporation applies and meets the listed requirements.

Section 7. Amends AS 08.04.240(c) to add an individual with a practice privilege to the individuals who may make an affidavit necessary for a permit application under the section.

Section 8. Rewrites AS 08.04.240(d). Directs the board to grant a permit to engage in the practice of public accounting to a limited liability company engaged in the state in the practice of public accounting, if the company applies and meets the listed requirements.

Section 9. Amends AS 08.04.240(g). In the subsection that indicates when the board must renew a permit or a renewal, amends the requirements for renewal to limit the office maintenance requirement to offices located in this state, to limit certain continuing education and quality review requirements to individuals required to be CPAs of this state, and to specify some of the requirements that must be complied with.

Section 10. Adds new subsections to AS 08.04.240.
Sec. 08.04.240(i) indicates, with regard to permit issuance under the section, under what conditions a partnership, limited liability company, corporation, or other legal entity may include owners who are not certified public accountants.

Sec. 08.04.240(j) directs a legal entity that does not comply with (i) after it has received or renewed a permit to take corrective action within a reasonable time. Directs the board to determine what is a "reasonable time."

Section 11. Amends AS 08.04.370 (use of CPA title by legal entity). In this section, which indicates when "certified public accountant" may be used by persons who are not individuals, substitutes "legal entity" for "organization" and covers holders of a permit or out-of-state exemption unless the supervision requirement of AS 08.04.360 is satisfied.

Section 12. Changes the cross references at the beginning of AS 08.04.380 (waiver of requirements) to reflect the rewriting of AS 08.04.240.

Section 13. Rewrites AS 08.04.420 so that it just covers practice privileges. Indicates when an individual who is licensed in another state but not licensed in this state may engage in the practice of public accounting in this state under a practice privilege. If the individual is not a sole practitioner, restricts how the individual may provide certain services. Indicates that an individual who may practice under a practice privilege is not required to provide a notice, a fee, or documentation to the board.

Section 14. Adds two new sections, sec. 08.04.421 and 08.04.422.
Sec. 08.04.421(a). Addresses out-of-state permits and exemptions. Prohibits a legal entity that does not have an office in this state, that is authorized to practice public accounting in another state, and that performs designated functions for a client whose home office is located in this state from engaging in the practice of public accounting in this state without an out-of-state permit. Describes what a legal entity must submit to the board to obtain the out-of-state permit.

Sec. 08.04.421(b). Allows a legal entity that performs designated services but not designated functions for a client whose home office is located in this state to engage in the practice of public accounting in this state under an out-of-state exemption if the legal entity meets certain requirements.

Sec. 08.04.421(c). Allows a legal entity that does not have an office in this state, that is authorized to practice public accounting in another state, and that does not perform designated functions or designated services for a client whose home office is located in this state to engage in the practice of public accounting in this state under an out-of-state exemption if the performance of the services meets certain requirements.

Sec. 08.04.421(d). Requires the board to give notice of the denial of an out-of-state permit under (a) to the applying legal entity.

Sec. 08.04.421(e). Requires the board to establish by regulation the period for which an out-of-state permit under (a) is valid, but the initial term may not exceed three years. Allows the board to renew an out-of-state permit and to set by regulation renewal terms and length.

Sec. 08.04.421(f). States that a legal entity who may operate under an out-of-state exemption is not required to provide a notice, a fee, or documentation to the board. Allows the person to practice by mail, by telephone, by electronic means, or in person.

Sec. 08.04.421(g). Defines "designated service" for the section.

Sec. 08.04.422 (conditions of practice privileges, out-of-state permits, and out-of-state exemptions). Indicates that persons with practice privileges, out-of-state permits, or out-of-state exemptions and legal entities that hire individuals with practice privileges consent to the jurisdiction and disciplinary authority of the board, agree to comply with AS 08.04, agree to stop engaging in the practice of public accounting if the license from the state of the person's principal place of business becomes invalid, and consent to the state board that issued the individual's license being the person's agent for the service of process.

Section 15. Amends AS 08.04.440 (effect of failure to obtain license or permit). Deletes practice privileges from the coverage of the section.

Section 16. Amends AS 08.04.450 (revocation, suspension, or refusal to renew). Adds out-of-state exemptions to the section. Deletes practice privileges from (1). In (3), adds a failure to take corrective action regarding ownership as a basis for board action. In (11), with regard to the reference state for discipline, changes to the state where the act was committed.

Section 17. Adds a new subsection to AS 08.04.450. Directs the board to investigate a complaint made by the accountancy regulatory body of another state.

Section 18. Makes a technical change to AS 08.04.490 (reinstatement).

Section 19. Amends AS 08.04.500(b) (individuals posing as CPAs). Clarifies that the subsection covers a sole practitioner acting as a sole practitioner in the individual's home state. Expands the subsection to cover other titles allowed under (a) of the section.

Section 20. Amends AS 08.04.505 (issuance of reports), to cover persons holding out-of-state exemptions.

Section 21. Amends AS 08.04.510 (legal entities posing as CPAs). Makes technical change to "legal entity" throughout. In (a), adds legal entities holding out-of-state exemptions to the coverage of the section. Amends (b) to cover legal entities holding permits under AS 08.04.421 or out-of-state exemptions. Expands (b) to cover other titles allowed under (a) of the section.

Section 22. Amends AS 08.04.520 (individual posing as public accountant). Removes permits (not applicable to individuals).

Section 23. Amends AS 08.04.530 (partnership, limited liability company, or corporation posing as public accountant). Adds holders of out-of-state exemptions to the coverage of the section and makes a related drafting change.

Section 24. Amends AS 08.04.540 (use of deceptive title or abbreviation). Makes a change to "legal entity" in the provision prohibiting the use of deceptive titles or abbreviations. Allows persons with licenses, permits, out-of-state exemptions, or practice privileges to hold themselves out as accountants or auditors under certain conditions.

Section 25. Clarifies that AS 08.04.560 (individual assumption of title) does not require that the individual have an office in this state.

Section 26. Amends AS 08.04.580 (partnership posing as accountants or auditors) to add a partnership that holds an out-of-state exemption to the persons who are not subject to the prohibitions in the section.

Section 27. Amends AS 08.04.590 (use of title with corporate name) to add a partnership that holds an out-of-state exemption to the persons who are not subject to the prohibitions in the section.

Section 28. Amends AS 08.04.595 (limited liability company use of title) to add a limited liability company that holds an out-of-state exemption to the persons who are not subject to the prohibitions in the section.

Section 29. Amends AS 08.04.598 (other legal entity's use of title). Makes change to "legal entity." Adds a person who holds an out-of-state exemption to the persons who are not subject to the prohibition in the section.

Section 30. Amends AS 08.04.600 (disclosure of lack of license or permit) to add out-of-state exemption holders to the list of persons who are not subject to the prohibitions in the section.

Section 31. Amends AS 08.04.610 (deceptive use of title or designation) to make the shift to the term, "legal entity." Amends to add persons who hold out-of-state exemptions to the persons who are not subject to the section's prohibition.

Section 32. Amends AS 08.04.620 (exceptions) to add, in paragraph (1), persons holding out-of-state exemptions to the persons for whom an individual without a license or practice privilege may work under certain conditions. In paragraph (3), adds an out-of-state exemption to the list of state approvals that would allow certain persons holding certificates, licenses, or degrees from a foreign country to satisfy the requirements for indicating that their public accounting services are available to the public.

Section 33. Amends AS 08.04.662(a) (confidential communications) to cover persons who hold out-of-state exemptions.

Section 34. Amends AS 08.04.680(1) to rewrite the definition of the term, "attest function," for the chapter.

Section 35. Amends AS 08.04.680(9). Changes the cross references in the definition of "permit" to reflect changes made in the bill.

Section 36. Rewrites AS 08.04.680(12) to change the definition of "principal place of business."

Section 37. Amends AS 08.04.680(14) to change an exception from the definition of "report."

Section 38. Amends AS 08.04.680 to add definitions of "compilation service," "designated function," "home office," and "out-of-state exemption" for the chapter.

Section 39. Repeals AS 08.04.085 (regulations regarding attest functions).

Section 40. Provides transitional provisions authorizing the Board of Public Accountancy to adopt regulations to implement the bill.

Section 41. Provides transitional provisions to indicate the effect of the bill on current permittees and practice privilege holders.

Section 42. Gives sec. 40 an immediate effective date.

Section 43. Makes the bill, except sec. 40, effective January 1, 2011.

If I may be of further assistance, please advise.

TLB:ljw
10-056.ljw

Mobility for CPAs
Frequently Asked Questions

What is mobility?

- Practice mobility for CPAs is the ability of a licensee to gain a practice privilege outside of their home state without getting an additional license in another state where they will be serving a client.

Why is mobility important to CPAs and businesses in your state?

- Because the electronic age makes conducting business across state borders an everyday occurrence, there is a critical need for states to adopt a uniform mobility system that will allow licensed CPAs to provide services across state lines without unnecessary burdens that do not protect the public interest.

What is being done to correct the current system?

- Prior to this initiative, each state had its own rules, regulations and requirements to allow out-of-state CPAs to provide services in that state, resulting in a patchwork system that was inefficient and increasingly difficult to navigate.
- The American Institute of Certified Public Accountants (AICPA) and the National Association of State Boards of Accountancy (NASBA) analyzed the system for gaining practice privileges across state lines and concluded it simply was not working.
- The AICPA along with NASBA have been working with the state boards of accountancy and the state CPA societies across the country to gain a uniform interstate mobility provision through the Uniform Accountancy Act since 2007. Since that date over half of the states have enacted a uniform provision.

What is the solution?

- Uniform adoption of the substantial equivalency provision included in the *Uniform Accountancy Act* (the model bill for CPA regulation written and endorsed jointly by AICPA and NASBA) will create a system similar to the nation's driver license that will provide CPAs with mobility while retaining and strengthening state boards' ability to protect the public interest.

Why is a uniform mobility provision important in your state and to other states across the country?

- Compliance and enforcement of the existing system was almost impossible, with multiple, cumbersome processes and disparities in requirements. Business realities, including an increase in interstate commerce and virtual technologies require a uniform system that allows fluid practice across state lines.
- Implementation of a uniform provision would allow consumers to receive timely services from the CPA best suited to the job, regardless of location, without the hindrances of unnecessary filings, forms and increased costs that do not protect the public interest.
- Businesses today are often located in multiple states and have compliance responsibilities in multiple jurisdictions and a uniform process will give CPAs the flexibility to better serve these clients.
- This initiative is only successful if it is passed in all states. It is the "good neighbor theory" we all have to do it for one another.

How will State Boards of Accountancy regulate CPAs operating in their state if mobility provisions are adopted?

- State Boards of Accountancy will gain automatic jurisdiction over all CPAs practicing in their state, enabling states to discipline out-of-state licenses, whether they are registered or licensed in the state.
- The substantial equivalency provision of the Uniform Accountancy Act was written jointly by NASBA and AICPA, and is strongly supported by both organizations as the best path to a uniform mobility system with enhanced public protection.

Are states taking action to implement mobility legislation?

- Over 40 states have adopted a CPA mobility provision.

For More Information:

- **http://www.aicpa.org/Legislative+Activities+and+State+Licensing+Issues/Mobility+and+State+Licensing+Issues/.**

Is your state addressing the mobility issue for CPAs?

- Nearly all remaining jurisdictions have indicated there support of moving towards mobility in the 2010.
- Please contact your state CPA society for additional information or AICPA's State Regulation and Legislation team:

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Updated May 11, 2009
AICPA State Regulation and Legislation Team

Alaska Society of Certified Public Accountants
Resolution 2-1-2010

WHEREAS, mobility of the certified public accountant's license provides for mobility between the 54 licensing jurisdictions in the United States of America, its territories and possessions, and serves to protect the public interest by providing a process for disciplinary procedures across the jurisdictions, and

WHEREAS, providing for simple majority firm ownership of CPA firms aligns firm-ownership requirements with the national standard set forth in the Uniform Accountancy Act and enhances fair competitive advantage between firms licensed within and outside of Alaska,

THEREFORE BE IT RESOLVED, that the Board of the Alaska Society of Certified Public Accountants supports SB 227 and HB 315.

SUMMARY OF STATE ACTIVITY on CPA MOBILITY
Updated June 2009

State	Enacted	Effective
Alabama	May 2009	October 2009
Alaska	Legislation anticipated in 2010	
Arizona	June 2008	September 2008
Arkansas	February 2009	July 2009
California	Legislation Anticipated in 2010	
Colorado	May 2008	August 2008
Commonwealth of Northern Marianas		
Connecticut	May 2008	May 2008
District of Columbia		
Delaware	August 2008	August 2008
Florida	May 2009	July 2009
Georgia*		July 2009
Guam		
Hawaii	Legislation anticipated in 2010	
Idaho	March 2008	July 2008
Illinois	August 2007	January 2008
Indiana	May 2007	July 2007
Iowa	April 2008	July 2009
Kansas	March 2009	November 2009
Kentucky	April 2008	July 2008
Louisiana	December 2007	December 2007
Maine	June 2007	September 2007
Maryland	May 2008	October 2008
Massachusetts	HB 80	Legislation Pending
Michigan	June 2008	June 2008
Minnesota	April 2008	April 2008
Mississippi	March 2008	July 2009
Missouri	2008	2008

AICPA State Regulation and Legislation Team

SUMMARY OF STATE ACTIVITY on CPA MOBILITY
Updated May 2009

State	Enacted	Effective
Montana	April 2009	October 2009
Nebraska	February 2009	September 2010
Nevada	April 2009	July 2009
New Hampshire	HB 256	
New Jersey	July 2008	July 2009
New Mexico	February 2008	May 2008
New York		
North Carolina	SB 647/HB 911	Legislation Pending
North Dakota	April 2008	August 2009
Ohio	1961	1961
Oklahoma	April 2009	April 2009
Oregon	SB 867	Awaiting Governor Signature
Pennsylvania		September 2008
Puerto Rico		
Rhode Island	July 2007	July 2007
South Carolina	June 2008	June 2008
South Dakota	March 2009	July 2009
Tennessee	April 2007	April 2007
Texas	June 2007	June 2007
Utah	March 2008	May 2008
Vermont	May 2009	July 2009
Virginia	January 1999	July 1999
Virgin Islands		
Washington	March 2008	June 2008
West Virginia	March 2008	June 2008
Wisconsin	April 2006	April 2006
Wyoming	March 2009	July 2009

Currently Georgia and Pennsylvania law grants mobility privileges only for CPAs from states that have passed mobility.

Currently in Effect 29
Effective at a Future Date 15
TOTAL 44

SUMMARY OF STATE ACTIVITY on CPA MOBILITY
Updated May 2009

AICPA State Regulation and Legislation Team

3704

Mobility and State Licensing Issues

- Mobility Update
- Summary of State Activity on CPA Mobility
- Mobility Legislation Frequently Asked Questions
- Mobility Reference Materials
- Uniform Accountancy Act
- State Licensing Issues
- Mobility Implemenation
- Articles

There is significant momentum across the country to enact a uniform practice mobility system for certified public accountants (CPAs) and CPA firms. A majority of states are in the process of considering this concept. View an overview of the activity.

Practice mobility for CPAs is the ability of a licensee to gain a practice privilege outside of his or her home jurisdiction without obtaining an additional license in another state where he or she will be serving a client or an employer.

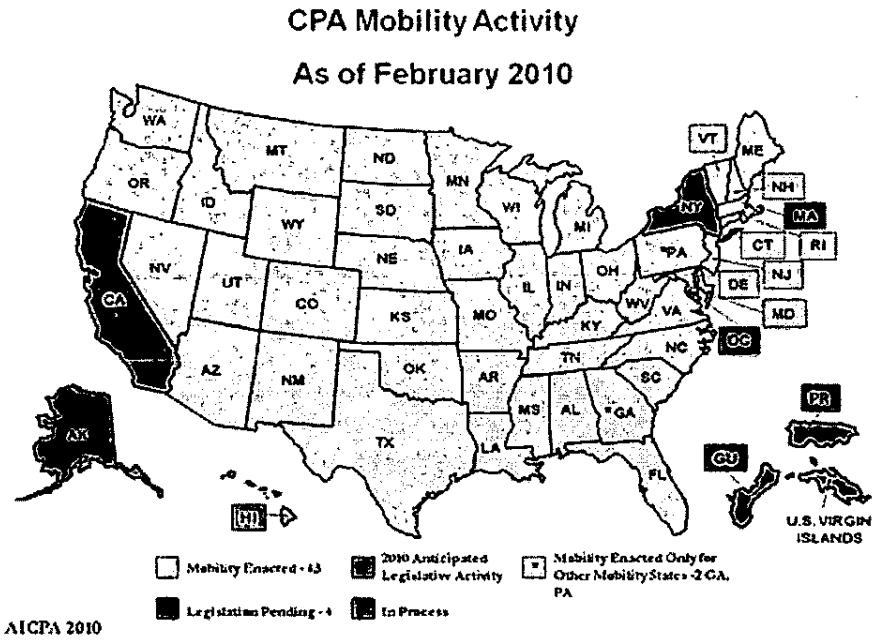
Because the electronic age makes conducting business across state borders an everyday occurrence, a *national effort* is underway to adopt a uniform system that will allow licensed CPAs the ability to provide services across state lines without being subject to unnecessary burdens that do not protect the public interest.

This uniform approach is endorsed by the AICPA and the National Association of State Boards of Accountancy (NASBA), the national organization of state boards of accountancy, through a provision in the AICPA/NASBA Uniform Accountancy Act (UAA) – Fifth Edition. The provision specifically allows for interstate practice by CPAs whose home jurisdiction or who individually meets the UAA licensure standard.

This provision provides the right balance of trust and public protection. Removing notification is being coupled with automatic jurisdiction. By removing boundaries to practice in the U.S., CPAs will be able to more readily serve individuals and businesses in need of their expertise. At the same time, the state board of accountancy's ability to discipline under the provision is enhanced and is based on the CPA and the CPA firm's performance of public accounting services, either physically, electronically or otherwise within a state, rather than restricting the board's authority to only those holding a state's license.

Prior to 2007, when this national effort was undertaken, four states had already eliminated notification and added automatic consent to enforcement (Ohio, Missouri, Virginia, and Wisconsin). In both Ohio and Virginia, states that have the longest history with this concept, there is no documented lapse in public protection.

Mobility Update
As of February 2010



Mobility Reference Materials

- For information about licensing requirements in other states, you can access the accountancy statutes and regulations directly from most states' board of accountancy Web sites. Find information about a specific state (simply locate the state on the map to link to the board of accountancy Web site in that state).
- For information about states that have enacted mobility, an additional clickable map is available to view individual state mobility implementation.

  Mobility Implementation FAQs

State Licensing Issues
For questions concerning the "Mobility Initiative" or any other legislative information please contact the following AICPA staff members:

Sheri Bango Cavaney - Vice President, Practice Mobility & State Regulatory & Legislative Affairs

Ann Pallasch - Manager, Mobility & State Regulation & Legislation

Aaron Castelo - Senior Manager, State Legislation

Suzanne Jolicoeur - Manager, State Regulatory Outreach

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HB

319

<target><bill>HB 319</bill><subject>HB 319</subject><comm>SFIN26</comm></target>

Representative Mike Hawker
Alaska State Legislature

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Portage
Whittier
Sunrise
Hope

House Bill 319
Sponsor Statement
Version: CS HB 319 (FIN)

"An Act relating to firearms."

In Alaska, anyone who is 21 years of age or older and legally allowed to own a firearm is allowed to carry it concealed without a permit. However, there are still people who obtain Alaska Concealed Handgun Permits (ACHP) for other reasons, including reciprocity with other states. In the past few years, a few glitches in the permit system have come to light.

House Bill 319 makes the following changes to the statutes regarding an ACHP permit:

- Clarifies that a permit does not have to be surrendered when it expires or when a permit holder moves out of the state;
- clarifies that an expired permit can be displayed, as long as the permit holder is not claiming that it is a valid permit;
- requires the Department of Public Safety to mail a notice to the permit holder at least 90 days prior to the expiration of a permit; and
- allows the Department of Public Safety to use electronic applications and post the regulations and statutes on its website, instead of providing paper copies.

HB 319 also requires the chief law enforcement officer (CLEO) in Alaska jurisdictions to complete, in a timely manner, the required certification on an application to the Bureau of Alcohol Tobacco, Firearms and Explosives (BATFE) for approval to transfer a firearm registered under the National Firearms Act (NFA) of 1934 to a person who is qualified under state law to possess the firearm.

The CLEO certification is a mandatory step in the BATFE transfer process and unjustified delays in processing or refusal to cooperate compromise Second Amendment rights.

House Bill 319 makes commonsense changes to our ACHP statutes and ensures that NFA firearms transfers are not inappropriately obstructed.

Staff Contact: Juli Lucky 465-4949
REVISED 3/30/10
Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

Representative Mike Hawker
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House District 32:
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Anchorage
Rainbow
Indian
Bird
Girdwood
Portage
Whittier
Sunrise
Hope

House Bill 319
"An Act relating to firearms."
Summary of Changes

The House Judiciary Committee made the following change:

Page 1, line 4, following "The department shall":
DELETED "provide a permittee with"
INSERTED "mail the permittee a"

The House Finance Committee made the following changes:

Added sections 1 and 2, which allow the Department of Public Safety to use electronic applications for Alaska Concealed Handgun Permits and post the regulations and statutes on its website, instead of providing paper copies.

Delayed the effective date of the section 3 (f), which requires the Department of Public Safety to send a notice to a permittee 90 days prior to their permit's expiration. This will allow the department to plan for these changes as part of the current update of their APSIN system, which will negate any fiscal impact of this legislation.

Rep.Mike.Hawker@legis.state.ak.us • http://www.akrepublicans.org/hawker/

HB 319
Background Information
Prepared by Representative Mike Hawker's Office

Section 3 of House Bill 319 requires the local law enforcement certification section of a Bureau of Alcohol, Tobacco, Firearms and Explosives (BATFE) firearm transfer application to be completed by the appropriate law enforcement officer within 30 days of submission by a person who is legally qualified to own the firearm. Attached is a copy of the BATFE firearm transfer application, also known as a "Form 4." Section 17 (highlighted on page 2 of the attached form) is the local law enforcement certification section that would have to be completed.

2/3/2010 9:11 AM

SENATE FINANCE COMMITTEE REPORT

DATE: 3/30/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 319(FIN)

HB 319 FIREARMS

"An Act relating to firearms; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DPS	2/17/10			V	3
LAW	2/4/10			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Kelly	✓			
	Olson			✓	
	Ellis	X			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

3712

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 319(JUD)
(H) Publish Date: 2/12/10

Identifier (file name): HB319-LAW-CRIM-02-04-10
Dept. Affected: Law
Title: An Act relating to firearms
RDU: CRIMINAL
Component: Criminal Justice Litigation
Sponsor: Representative(s) Hawker, Chenault, Johnson, Dahlstrom, Neuman, Harris, Kelly, Gatto
Requester: Judiciary
Component Number: 2202

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill amends the statute relating to hand gun permits requiring Department of Public Safety to mail a notice to a permittee at least 90 days before expiration of the permit. The bill clarifies that a permittee is not required to return or surrender a permit upon expiration and a permittee may not represent an expired permit as valid unless the holder has submitted a timely renewal form. A permittee may not renew a permit if the permittee is not a resident of the state at time of renewal. This bill provides that the chief law enforcement officer in Alaska jurisdictions to execute within 30 days federal firearms forms required for the transfer of a firearm.

Enactment of the bill is not anticipated to fiscally impact the Department of Law.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 2/4/10 12:00 AM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 2/4/2010

(Revised 11/6/2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHB 319(FIN)
(H) Publish Date: 2/19/10

Identifier (file name): CSHB319-DPS-R&I-02-16-10
Title "An Act relating to firearms"
Sponsor Representative Hawker
Requester House Finance Committee

Dept. Affected: Public Safety
RDU Statewide Support
Component Records & Identification
Component Number 1190

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This proposed legislation will require the Department of Public Safety (DPS) to provide written notice of expiration via first class mail to concealed handgun permit holders at least 90 days before the expiration of their permit.

A permit is not required to carry a concealed handgun in Alaska but DPS makes them available to citizens of Alaska. Because the permit is not required in Alaska, some permit holders forget to renew their permits before the expiration date resulting in higher fees for the permit holder.

A concealed handgun permit is valid for five years from the date of issue. Prior to 10/07/2009, the permit renewal date was based on the date the permit was originally issued. (cont.)

Prepared by: Dave Schade — Phone (907) 269-0202
Division Statewide Services — Date/Time 2/17/10 11:05 AM
Approved by: Joe Masters — Date 2/17/2010
Commissioner

FISCAL NOTE #3

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 319(FIN)

ANALYSIS CONTINUATION

During the 2009 legislative session, HB 201 was passed which provides that permits issued/renewed on or after 10/07/2009 shall expire on the permittee's birthdate in the fifth year following issuance/renewal. HB 201 was a direct effort to assist permit holders with remembering to renew their concealed handgun permit by synchronizing their permit expiration date with their birthdate. The legislation proposed under Section 1 of HB 319 furthers this effort.

Records for concealed handgun permit holders are maintained in the concealed handgun permit (CHP) database which sends information to the Alaska Public Safety Information Network (APSIN). Programming changes to both the CHP database and APSIN will be required to systematically identify those permits expiring within 90 days and to automatically generate, print, and save notices of expiration and to update the CHP database to display the date the letter was generated. Automating the notification process will ensure all permit holders receive timely notice of expiration of their permit as this legislation proposes.

The programming changes will be implemented during the process of the APSIN redesign and upgrades. Section 1 (e) of the bill has an effective date of July 1, 2012, thus allowing time for the redesign to be in place.

The cost of one software license at $899. Based on an average of 1,535 renewal notices per year, the cost of supplies (paper, envelopes, and postage) is estimated to be $900 per year. The cost of the license and supplies will be absorbed within the departments budget.

OMB No. 1140-0014 (10/31/2007)

U.S. Department of Justice
Bureau of Alcohol, Tobacco, Firearms and Explosives

Application for Tax Paid Transfer and Registration of Firearm

ATF Control Number

2a. Transferee's Name and Address *(Including tradename, if any) (See instruction 2)*

2b. County

3a. Transferor's Name and Address *(Including trade name, if any) (Executors: see instruction 2k)*

3b. Transferor's Telephone Number and Area Code

3c. If Applicable: Decedent's Name, Address, and Date of Death

Submit in Duplicate to:
National Firearms Act Branch
Bureau of Alcohol, Tobacco, Firearms and Explosives, P.O. Box 73201
Chicago, Il 60673-7201

1. Type of Transfer *(Check one)*
☐ $5 ☐ $200
Submit with your application a check or money order for the appropriate amount made payable to the Bureau of Alcohol, Tobacco, Firearms and Explosives. Upon approval of this application, this office will acquire, affix and cancel the required "National Firearms Act" stamp for you. *(See instructions 2h, 2i and 3.)*

3d. Number, Street, City, State and Zip Code of Residence *(or Firearms Business Premises)* if Different from Item 3a.

The above-named and undersigned transferor hereby makes application as required by Section 5812 of the National Firearms Act to transfer and register the firearm described below to the transferee.

4. Description of Firearm *(Complete items a through h)*

a. Name and Address of Manufacturer and/or Importer of Firearm	b. Type of Firearm *(See instruction 1c)*	c. Caliber, Gauge or Size *(Specify)*	d. Model		
			Length *(Inches)*	e. Of Barrel:	f. Overall:
			g. Serial Number		

h. Additional Description or Data Appearing on Firearm *(Attach additional sheet if necessary)*

5. Transferee's Federal Firearms License *(If any)* *(Give complete 15-digit number) (See instruction 2b)*				6. Transferee's Special (Occupational) Tax Status *(If any)*	
First 6 digits	2 digits	2 digits	5 digits	a. Employer Identification Number	b. Class
7. Transferor's Federal Firearms License *(If any)* *(Give complete 15-digit number) (See instruction 2b)*				8. Transferor's Special (Occupational) Tax Status *(If any)*	
First 6 digits	2 digits	2 digits	5 digits	a. Employer Identification Number	b. Class

Under Penalties of Perjury, I Declare that I have examined this application, and to the best of my knowledge and belief it is true, correct and complete, and that the transfer of the described firearm to the transferee and receipt and possession of it by the transferee are not prohibited by the provisions of Chapter 44, Title 18, United States Code; Chapter 53, Title 26, United States Code; or Title VII of the Omnibus Crime Control and Safe Streets Act, as amended; or any provisions of State or local law.

9. Consent to Disclosure of Information to Transferee *(See instruction 8).* I **Do** or **Do Not** *(Circle one)* Authorize ATF to Provide Information Relating to this Application to the Above-Named Transferee.

10. Signature of Transferor *(or authorized official)*	11. Name and Title of Authorized Official *(Print or type)*	12. Date

The Space Below is for the use of the Bureau of Alcohol, Tobacco, Firearms and Explosives

By authority of the Director, This Application has been Examined, and the Transfer and Registration of the Firearm Described herein and the Interstate Movement of that Firearm, when Applicable, to the Transferee are:

Stamp Denomination

☐ Approved *(with the following conditions, if any)*

☐ Disapproved *(For the following reasons)*

Signature of Authorized ATF Official

Date

ATF Form 4 (5320.4)
Revised November 2004

3716

Transferee Information

The following questions must be answered by any transferee who is **not** a Federal firearms licensee or government agency. The transferee shall give full details on a separate sheet for all "YES" answers. *(See instruction 2d)*

13. Are You:	Yes	No	14. Have You:	Yes	No
a. Charged by information or under indictment in any court for a crime punishable by imprisonment for a term exceeding one year?			a. Been convicted in any court of a crime for which the judge could have imprisoned you for more than one year, even if the judge actually gave you a shorter sentence?		
b. A **fugitive** from justice?					
c. An alien who is **illegally** or unlawfully in the United States?			b. Been discharged from the armed forces under **dishonorable** conditions?		
d. Under 21 years of age?			c. Been adjudicated mentally defective or been committed to a mental institution?		
e. An unlawful user of or addicted to, marijuana, or any depressant, stimulant, or narcotic drug, or any other controlled substance?			d. Renounced your United States citizenship?		
f. Subject to a court order restraining you from harassing, stalking or threatening an intimate partner or child of such partner?			e. Been convicted in any court of a misdemeanor crime of domestic violence? This includes any misdemeanor conviction involving the use or attempted use of physical force committed by a current or former spouse, parent, or guardian of the victim, or by a person with a similar relationship with the victim.		

15. Transferee's Certification *(See instruction 2e)*

I, _____, have a reasonable necessity to
(Name of Transferee)
possess the machinegun, short-barreled rifle, short-barreled shotgun, or destructive device described on this application for the following reason(s) _____

_____

and my possession of the device or weapon would be consistent with public safety (18 U.S.C. 922(b) (4) and 27 CFR 478.98).

UNDER PENALTIES OF PERJURY, I declare that I have examined this application and the documents submitted in support thereof, and to the best of my knowledge and belief it is true, correct and complete.

_____ _____
(Signature of Transferee) *(Date)*

16. Photograph

Affix
Recent Photograph Here
(A...

Law Enforcement Certification Section

17. Law Enforcement Certification *(See instruction 2e)*

I certify that I am the chief law enforcement officer of the organization named below having jurisdiction in the area of residence of

_____. I have no information indicating that the transferee will use the firearm or device
(Name of Transferee)
described on this application for other than lawful purposes. I have no information that the receipt or possession of the firearm or device described in item 4 would be place the transferee in violation of State or local law.

_____ _____
(Signature and Title of Chief Law Enforcement Officer) *(Date)*

_____
(Organization and Street Address)

_____
(County) *(Telephone Number)*

Important Information for Currently Registered Firearms

If this registration document evidences the current registration of the firearm described on it, please note the following information.

Estate Procedures: For procedures regarding the transfer of firearms in an estate resulting from the death of the registrant identified in item 2a, the executor should contact the NFA Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226.

Change of Address: Unless currently licensed under the Gun Control Act, the registrant shall notify the NFA Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226, in writing, of any change to the address in Item 2a.

Change of Description: The registrant shall notify the NFA Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226, in writing, of any change to the description of the firearm in Item 4.

Interstate Movement: If the firearm identified in item 4 is a machinegun, short-barreled rifle, short-barreled shotgun, or destructive device, the registrant may be required by 18 U.S.C. § 922(a)(4) to obtain permission from ATF prior to any transportation in interstate or foreign commerce.

Restrictions on Possession: Any restriction *(see approval block on face of form)* on the possession of the firearm identified in item 4 continues with the further transfer of the firearm.

Persons Prohibited from Possessing Firearms: If the registrant becomes prohibited by 18 U.S.C. § 922 from possessing a firearm, the registrant shall notify the NFA Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226, in writing, immediately upon becoming prohibited for guidance on the disposal of the firearm.

Proof of Registration: This approved application is the registrant's proof of registration and it shall be made available to any ATF officer upon request.

Instructions

1. **Definitions**

   a. **National Firearms Act (NFA).** Title 26, United States Code, Chapter 53. The implementing regulations are found in Title 27, Code of Federal Regulations, Part 479.

   b. **Gun Control Act (GCA).** Title 18, United States Code, Chapter 44. The implementing regulations are found in Title 27, Code of Federal Regulations, Part 478.

   c. **Firearm.** The term "firearm" means: (1) a shotgun having a barrel or barrels of less than 18 inches in length; (2) a weapon made from a shotgun if such weapon as modified has an overall length of less than 26 inches or a barrel or barrels of less than 18 inches in length; (3) a rifle having a barrel or barrels of less than 16 inches in length; (4) a weapon made from a rifle if such weapon as modified has an overall length of less than 26 inches or a barrel or barrels of less than 16 inches in length; (5) any other weapon as defined in 18 U.S.C. § 5845(e); (6) a machinegun; (7) a muffler or silencer for any firearm whether or not such firearm is included within this definition; and (8) a destructive device.

   d. **Person.** The term "person" means a partnership, company, association, trust, estate, or corporation, as well as a natural person.

   e. **Employer Identification Number (EIN).** Required of taxpayer filing special (occupational) tax returns under 27 CFR § 479.35.

   f. **SPECIAL (OCCUPATIONAL) TAX.** Required by the NFA to be paid by a Federal firearms licensee engaged in the business of manufacturing (Class 2), importing (Class 1), or dealing (Class 3) in NFA firearms.

   g. **Federal Firearms License.** A license issued under the provisions of the GCA to manufacture, import or deal in firearms.

   h. **ATF Officer.** An officer or employee of the Bureau of Alcohol, Tobacco, Firearms and Explosives (ATF) authorized to perform any function relating to the administration of the NFA.

   i. **Transfer.** Selling, assigning, pledging, leasing, loaning, giving away, or otherwise disposing of a firearm.

   j. **Transferor.** The registered owner of a firearm who is applying to transfer it.

   k. **Transferee.** The person acquiring the firearm.

   l. **Misdemeanor Crime of Domestic Violence.** A crime that is a misdemeanor under Federal or State law and has, as an element, the use or attempted use of physical force, or the threatened use of a deadly weapon, committed by a current or former spouse, parent, or guardian of the victim, by a person with whom the victim shares a child in common, by a person who is co-habiting with or has cohabited with the victim as a spouse, parent, or guardian. The term includes all misdemeanors that involve the use or attempted use of physical force *(e.g., simple assault, assault and battery)*, if the offense is committed by one of the defined parties. The person is NOT considered to have been convicted of such crime unless the person was represented by a lawyer or gave up the right to a lawyer, and, if the person was entitled to a jury trial, was tried by a jury or gave up the right to a jury trial.

2. **Preparation of Application**

   a. **Authority.** As provided by 26 U.S.C. §§ 5811 and 5812, any person seeking to transfer a firearm tax paid must complete, in duplicate, an application on this form for each firearm. The transferor must furnish all the information called for on this application form.

   b. **Federal Firearms Licensees.** If the transferor or transferee is licensed under the GCA, the name, trade name *(if any)*, and address shall be identified on the ATF Form 4 as they appear on the license. If item 6 is completed, the entity identified must be the same as the entity identified in item 5. For example, **if item 5 identified a sole proprietor, item 6 cannot identify a corporation.** This also applies for the completion of items 7 and 8.

   c. **Transferee Qualifications.** If the transferee is an individual and not licensed under the GCA, the questions in items 13 and 14 must be answered.

   d. **Transferee Certification.** Item 15 must be completed by the transferee if:

      (1) the firearm to be transferred is a machinegun, short-barreled rifle, short-barreled shotgun, or destructive device;
      (2) the transferor is licensed under the GCA to deal in such device or firearm; and
      (3) the transferee is not licensed under the GCA to deal in such device or firearm.

   e. **Law Enforcement Certification.** Item 17 must be completed for an individual transferee, unless the transferee is licensed as a manufacturer, importer, or dealer under the GCA and is a special *(occupational)* taxpayer under the NFA at the time of the submission of the application for transfer. The chief law enforcement officer is considered to be the Chief of Police for the transferee's city or town of residence; the Sheriff for the transferee's county of residence; the Head of the State Police for the transferee's State of residence; a State or local district attorney or prosecutor having jurisdiction in the transferee's area of residence; or another person whose certification is acceptable to the Director, Bureau of Alcohol, Tobacco, Firearms and Explosives. If someone has specific delegated authority to sign on behalf of the Chief of Police, Sheriff, etc., this fact must be noted by printing the Chief's, Sheriff's, or other authorized official's name and title, followed by the word "by" and the full signature and title of the delegated person. The certificate must be dated no more than one year prior to the date of receipt of the application.

   f. **Photographs and Fingerprints.** An individual transferee, except if licensed as a manufacturer, importer, or dealer under the GCA, must (1) attach to Item 16, a 2 inch x 2 inch photograph of the frontal view of the transferee taken within 6 months prior to the date of the application and (2) attach two properly completed FBI Forms FD-258 *(Fingerprint Card with blue lines)* to the application. The fingerprints must be clear for accurate classification and taken by someone properly equipped to take them.

   g. **Signatures.** All signatures required on ATF Form 4 must be original in ink on both copies.

   h. **Remittance.** A check or money order, made payable to the Bureau of Alcohol, Tobacco, Firearms and Explosives, in the amount for the appropriate rate of tax *(see instruction 2i)* must be submitted with the ATF Form 4. Do not send cash.

   i. **Rate of Tax.** The tax on the transfer of any NFA firearm is $200.00, except that the tax is $5.00 on the transfer of a firearm classified as "any other weapon."

   j. **Photocopies, Computer Generated Versions, or Downloaded Version from ATF Website.** The ATF Form 4 may be photocopied, computer-generated *(as long as it is in the same format and contains all required information)*, or downloaded from the ATF website *(www.atf.gov)*. Please note the instructions on the website.

   k. **Estates.** If the firearm is being transferred from an estate, item 3a shall reflect: the executor's name, title *(executor (or executrix, administrator, administratrix)* of the estate of *(name))*, and the executor's address. Item 3c shall reflect the address of the decedent and the date of death. *(see the ATF Internet website at **www.atf.gov** for additional information about transfers from estates.)*

   l. **Submission.** All requested informtion must be entered in blue or black ink and must be legible. Send both copies of the ATF Form 4 and attachments to the address located in the upper right hand corner on the face side of the ATF Form 4. The return of the application or sending it to any other address will only delay the processing.

   m. **State or Local Permit.** If a State or local permit or license is required for the transferee prior to acquisition of the firearm, a copy of the permit must be included with the application.

3. **Approval of Application.** Upon approval of an application, the NFA Branch will affix the appropriate NFA transfer tax stamp, cancel it, and return the approved copy with the stamp affixed to the transferor for delivery with the firearm to the transferee. Since the approval of the application effectuates registration of the firearm to the transferee, the physical transfer of the firearm must be completed immediately; however, the transferor must not transfer the firearm until the application has been approved and received. If the physical transfer of the firearm cannot be completed immediately, the transferor must contact the NFA Branch with the specifics.

4. **Withdrawal of Application.** The transferor may withdraw an application prior to approval subsequent to a written request. The NFA Branch will arrange for a refund of the taxpaid.

5. **Cancellation of Approved Application.** The transferor may cancel an approved application only if the physical transfer of the firearm has not been completed. The transferor must return the approved application with the tax stamp affixed with a written request for cancellation, citing the need and that the physical transfer of the firearm did not take place. The NFA Branch will arrange for a refund of the tax paid.

6. **Disapproval of Application.** If the application is disapproved, the NFA Branch will note the reason for disapproval on the application and return one copy of the ATF Form 4 to the transferor. The NFA Branch will arrange for a refund of the tax paid.

7. **Reasons for Disapproval.** 26 U.S.C. § 5812 provides that applications shall be denied if the transfer, receipt, or possession of the firearm would place the transferee in violation of law.

   a. **State or Local Law.** If State or local law prohibits the receipt or possession of the firearm being transferred, the application will be disapproved.

   b. **Persons Prohibited from Receiving a Firearm.** The application will be disapproved if the transferee is a person prohibited from receiving a firearm by 18 U.S.C. § 922(g), which provides that it shall be unlawful for any person—

   (1) who has been convicted in any court of a crime punishable by imprisonment for a term exceeding one year;
   (2) who is a fugitive from justice;
   (3) who is an unlawful user of or addicted to any controlled substance;
   (4) who has been adjudicated as a mental defective or who has been committed to a mental institution;
   (5) who, being an alien, is illegally or unlawfully in the United States or except as provided in 18 U.S.C. 922(y)(2), has been admitted to the United States under a non-immigrant visa *(as that term is defined in 8 U.S.C. 1101(a)(26))*;
   (6) who has been discharged from the Armed Forces under dishonorable conditions;
   (7) who, having been a citizen of the United States, has renounced his citizenship;
   (8) who is subject to a court order that—

   (A) was issued after a hearing of which such person received actual notice, and at which such person had an opportunity to participate;
   (B) restrains such person from harassing, stalking, or threatening an intimate partner of such person or child of such intimate partner or person, or engaging in other conduct that would place an intimate partner in reasonable fear of bodily injury to the partner or child; and
   (C) (I) includes a finding that such person represents a credible threat to the physical safety of such intimate partner or child; or (II) by its terms explicitly prohibits the use, attempted use, or threatened use of physical force against such intimate partner or child that would reasonably be expected to cause bodily injury, or

   (9) who has been convicted in any court of a crime of domestic violence; to ship or transport in interstate or foreign commerce, or possess in or affecting commerce, any firearm or ammunition; or to receive any firearm or ammunition which has been shipped or transported in interstate or foreign commerce.

8. **Status Inquiries and Questions.** Information relating to the NFA and other firearms laws is available at the ATF Internet website at **www.atf.gov**. Any inquiry relating to the status of an application to transfer an NFA firearm or about procedures in general should be directed to the NFA Branch at (202) 927-8330. Please be aware that any dissemination by ATF of information relating to the application to register an NFA firearm must conform with the restrictions in 26 U.S.C. § 6103. The opportunity provided in item 8 to authorize ATF to disclose information is intended to enable ATF to respond to inquiries by the transferee regarding the application. The failure to complete item 8 will be considered a declination of authorization to release the information.

9. **Penalties.** Any person who violates or fails to comply with any of the requirements of the NFA shall, upon conviction, be fined not more than $10,000 or be imprisoned for not more than 10 years, or both. Any firearm involved in a violation of the NFA shall be subject to seizure and forfeiture. It is unlawful for any person to make or cause the making of a false entry on any application or record required by the NFA knowing such entry to be false.

10. **Compliance with the Gun Control Act.** All provisions of the GCA must also be complied with, including the recordkeeping requirements for licensees and the retention of ATF Form 4473 (5300.9) by licensees for dispositions to non-licensees.

Privacy Act Information

The following information is provided pursuant to Section 3 of the Privacy Act of 1974 (5 U.S.C. § 552(e)(3)):

1. **Authority.** Solicitation of this information is made pursuant to the National Firearms Act (26 U.S.C. § 5812). Disclosure of this information by the applicant is mandatory for transfer of an NFA firearm, unless the transfer is otherwise exempt from tax.

2. **Purpose.** To insure payment of the tax imposed by 26 U.S.C. § 5811; to insure that the transfer would not be in violation of law; and to effect registration of the firearm.

3. **Routine Uses.** The information will be used by ATF to make the determinations set forth in paragraph 2. In addition, to effect registration of the firearm, information as to the identification of the firearm, date of registration, and the identification and address of person entitled to possess the firearm will be entered into the National Firearms Registration and Transfer Record. No information obtained from an application, registration, or records required to be submitted by a natural person in order to comply with any provision of the National Firearms Act or regulations issued thereunder, shall, except in connection with prosecution or other action for furnishing false information, be used, directly or indirectly, as evidence against that person in any criminal proceeding with respect to a violation of law occurring prior to or concurrently with the filing of the application. The information from this application may only be disclosed to Federal authorities for purposes of prosecution for violation of the National Firearms Act.

4. **Effects of not Supplying Information Requested.** Failure to supply complete information will delay processing and may cause denial of the application.

Paperwork Reduction Act Notice

This information request is in accordance with the Paperwork Reduction Act of 1995. The information your provide is used in applying to transfer serviceable firearms taxpaid to persons other than special taxpayers qualified to deal in NFA firearms or government entities. Data is used to identify transferor, transferee, and firearm, and to ensure legality for transfer under Federal, State and local laws. The furnishing of this information is mandatory. *(26 U.S.C. § 5812)*

The estimated average burden associated with this collection of information is 4 hour(s) per respondent or recordkeeper, depending on individual circum-stances. Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be addressed to Reports Management Officer, Document Services Branch, Bureau of Alcohol, Tobacco, Firearms and Explosives, Washington, DC 20226.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

HB 319
Sectional Analysis
Version CS HB 319 (FIN)

Prepared by Representative Mike Hawker's Office

Section 1: Allows the Department of Public Safety to use an electronic application for an Alaska Concealed Handgun Permit and to post the laws and regulations on its website, instead of providing a paper copy.

Section 2: Allows the Department of Public Safety to use an electronic application to renew an Alaska Concealed Handgun Permit.

Section 3: Adds two new sections to AS 18.65.725 (Alaska Concealed Handgun Permit renewal):

(e) Clarifies that a person does not become ineligible to hold a permit and does not need to surrender the permit if he or she ceases to be a resident of the state. Alaska residency is still a requirement to obtain or renew a permit.

(f) Requires the department to send, via first class mail to the permittee, a notice that their permit is expiring. The notice must be sent at least 90 days prior to the permit expiration, which is the beginning of the renewal period.

Section 4: Clarifies that a person can display an expired permit, but cannot represent it as valid, and that an expired permit does not need to be surrendered to the department.

Section 5: Requires the local law enforcement certification section of a Bureau of Alcohol, Tobacco, Firearms and Explosives firearm transfer application to be executed by the appropriate law enforcement officer within 30 days of submission by a person who is legally qualified to own the firearm.

Section 6: Delayed effective date for section 3 (f).

3720

HB

326

<target><bill>HB 326</bill><subject>HB 326</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/30/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 326(FIN)

HB 326 SUPPLEMENTAL/OTHER APPROPRIATIONS

"An Act making supplemental appropriations and other appropriations; amending appropriations; repealing appropriations; making appropriations to capitalize funds; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	EGAN	✓			
	ELLIS	X			
	OLSON	X			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FY10 Supplemental Bill--HB326

Shade Indicates Change from Governor's Request

Governor to House

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	(1,928.5)	-	175.0	81.4	(1,672.1)
Operating	(3,603.5)	-	175.0	81.4	(3,347.1)
Transfers	1,850.0	(175.0)	-	-	1,675.0

Governor's Request

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	1,625,665.9	93.7	2,927.2	55,600.9	1,684,287.7
Operating	106,887.3	93.7	2,848.2	55,600.9	165,430.1
Transfers	1,518,603.6	175.0	79.0	-	1,518,857.6

House

	Unrestricted GF	Designated GF	Other State Funds	Federal	Total
Total	1,623,737.4	93.7	3,102.2	55,682.3	1,682,615.6
Operating	103,283.8	93.7	3,023.2	55,682.3	162,083.0
Transfers	1,520,453.6	-	79.0	-	1,520,532.6

	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier	Governor's Request Unrestricted GF	Governor's Request Designated GF	Governor's Request Other State Funds	Governor's Request Federal	Governor's Request Total	House Unrestricted GF	House Designated GF	House Other State Funds	House Federal	House Total
							107,062.3	93.7	2,848.2	55,600.9	165,605.1	103,283.8	93.7	3,023.2	55,682.3	162,083.0
325	1-Feb	1	Administration	Office of Administrative Hearings	Tax appeal case cost increase - 27 open cases as of January 2010, driving a need to keep all Administrative Law Judge positions filled.	1	85.0	-	-	-	85.0	85.0	-	-	-	85.0
326	1-Feb	1	Administration	Elected Public Officers Retirement System Benefits	Elected Public Officers' Retirement System - total of 38 members (retirees and survivors) - increased costs due to mandatory benefit increases based on the salaries of the position from which a member retired.	1	250.0	-	-	-	250.0	250.0	-	-	-	250.0
327	18-Mar	1	Administration	Office of Public Advocacy	Increased operating costs - During FY 2010, OPA has experienced a significant spike in case assignments throughout the state. In the first two quarters of this fiscal year, the agency has seen a 21% increase in case assignments over the same time period in FY 2009. The most notable areas of increase are as follows: criminal defense representation, 47%; child advocacy representation in Child in Need of Aid (CINA) cases, 20%; parental representation in CINA cases, 30%. This amounts to 869 more new cases than over the same time period last year. Due to unexpectedly high growth in the guardianship caseload of 13.6% in FY 2009, the agency added a public guardian position during this fiscal year. Also during FY 2010, to meet the needs of abused and neglected children in the Yukon-Kuskokwim Delta, the agency is issuing a contract for additional guardian ad litem services due to an 18.5% increase in CINA cases during FY 2009. **3/19: GovAMD decrease of $315.0**	1	550.0	-	-	-	550.0	550.0	-	-	-	550.0
328	18-Mar	1	Administration	Office of Public Advocacy	Supplemental authorization is needed to accept and spend federal grant funds for the Court Appointed Special Advocate (CASA) program, awarded to the Office of Public Advocacy after the end of the last legislative session. **3/19: GovAMD increase of $17.0.**	1	-	-	-	44.6	44.6	-	-	-	44.6	44.6

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
329	1-Feb	1	Administration	Public Defender Agency	Increased operating costs - The PD has experienced significant increases in caseloads throughout the state in all types of cases in the first and second quarters of FY2010 as compared to the same period in FY2009. All cases statewide are up approximately 10%, felonies are up 15%, and misdemeanors are up 11%. Anchorage felonies are up 16% and misdemeanors are up 8%. Northern Region cases are up 25%, felonies are up 37%, and misdemeanors are up 30%. Overall that means there are 1,000 more new cases assigned already this year than for the same period last year.	1		800.0	-	-	-	800.0		800.0	-	-	-	800.0	
330	1-Feb	1	Administration	Motor Vehicles	Federally mandated programming improvements to the National Motor Vehicle Information System - funded via a Department of Justice grant.	1		-	-	-	100.0	100.0		-	-	-	100.0	100.0	
331	1-Feb	1	Administration	Motor Vehicles	Purchase of current technology, digital driver's license printers to replace outdated and increasingly irreparable 2004-purchased printers.	1		-	-	-	191.8	191.8		-	-	-	191.8	191.8	
332	1-Feb	1	Commerce, Community & Econ Dev	Insurance Operations	Print, mail and legal costs have increased $300.0 in two years. The division is statutorily required to provide notification of changes in rules, regulations and policies to occupational licensees. The tremendous increase in licensees over the last several years has brought with it increased need for legal counsel. This increase will allow the Division of Insurance to provide basic core functions necessary to ensure a level of consumer protection.	1		-	77.1	-	-	77.1		-	77.1	-	-	77.1	
333	1-Feb	1	Corrections	Institution Director's Office	Coverage of projected shortfalls in 24-hour facilities - fuel and utility costs, and commodities (inmate food, clothing, bedding, institutional cleaning supplies, etc.)	1		2,409.6	-	-	-	2,409.6		2,409.6	-	-	-	2,409.6	
334	1-Feb	1	Corrections	Wildwood Correctional Center	Operating costs, Wildwood Correctional Center 32-bed prefabricated offender housing unit - opening February 2010 - covers partial-year costs for filling six existing vacant positions.	1		494.4	-	-	-	494.4		494.4	-	-	-	494.4	
335	1-Feb	1	Corrections	Physical Health Care	The Department of Corrections is obligated to deliver essential medical care to incarcerated offenders. The department is requesting a supplemental of $4,650.1 for increased inmate health care costs that includes fees-for-service and Inmate Health Care staff cost overages due to overtime for 24-hour medical coverage. There has been a dramatic increase in catastrophic cases in FY2010, as well as increases in general medical costs.	1		4,650.1	-	-	-	4,650.1		4,650.1	-	-	-	4,650.1	
336	1-Feb	1	Education & Early Dev	Special Schools	Pupil transportation services from Mat-Su to the Alaska School for the Deaf, housed in the Russian Jack Elementary, Hanshew Middle School and East High School of the Anchorage area. **Moved from language to numbers section.**	1		180.0	-	-	-	180.0		180.0	-	-	-	180.0	
337	1-Feb	1	Environmental Conservation	Laboratory Services	Coverage of lab maintenance and service contract shortfalls, in lieu of elimination of 4-5 filled positions - an action which would seriously compromise public health and result in the likely shutdown of the State Lab within a year.	0.5		260.0	-	-	-	260.0		130.0	-	-	-	130.0	

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321																			
322								Governor's Request						House					
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,052.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
336	1-Feb	1	Fish and Game	Wildlife Conservation Special Projects	Decrease excess EVOS authority and increase Statutory Designated Program Receipts (SDPR) authority by $150.0 to a) accept two grants from the National Fish and Wildlife Foundation (NFWF) during the spring of 2009 to support the following research projects: Dall Sheep ecology within northern Alaska, and Reduce conflicts between Grizzly bears and old development within northern Alaska; and b) work with the Matanuska-Susitna Borough to complete some restroom improvements at Reflections Lake in the Palmer Hay Flats. EVOS funding is being reduced as the Harlequin Duck research by the division was not funded by the EVOS Trustee Council for new work during FY10.	1		-	-	(150.0)	-	(150.0)		-	-	(150.0)	-	(150.0)	
339	1-Feb	1	Fish and Game	Wildlife Conservation Special Projects		1		-	-	150.0	-	150.0		-	-	150.0	-	150.0	
340	17-Feb	1	Fish and Game	Habitat	The Division of Habitat is seeking an FY2010 federal fund supplemental for remediation of a petroleum diesel spill that occurred in Helmet Creek on Adak Island on January 11, 2010. The additional authority will allow the division to accept national Pollution Funds Center funds from the U.S. Coast Guard and the Department of Commerce for natural Resource Damage Assessment (NRDA) work associated with this spill.	1		-	-	-	100.0	100.0		-	-	-	100.0	100.0	
341	22-Mar	1	Fish and Game	Central Region	Kasilof River Smolt Outmigration counts & the Big Lake Smolt outmigration count projects	1		-	-	-				75.0	-	-	-	75.0	
342	1-Feb	1	Governor	Elections	Offset increased operating costs - coverage of costs for two filed petitions, Dept. Law legal fees for the Nick case, printing and supply purchases specific to the on-election-year, additional election worker training costs, increased postage and printing costs, and annual maintenance of optical scan units.	1		477.0	-	-	-	477.0		477.0	-	-	-	477.0	
343	1-Feb	1	Health & Social Services	Children's Services Management	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		165.0	-	-	-	165.0		165.0	-	-	-	165.0	
344	1-Feb	1	Health & Social Services	Front Line Social Workers	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		955.3	-	-	-	955.3		955.3	-	-	-	955.3	
345	1-Feb	1	Health & Social Services	Health Facilities Survey	Funding to cover shortfall, operating costs - provision of mandated state and federal oversight of state health facilities' licenses - renewal, denial, suspension or revocation as needed - to promote safe and adequate treatment of individuals in state facilities.	1		396.1	-	-	-	396.1		396.1	-	-	-	396.1	
346	1-Feb	1	Health & Social Services	Health Planning and Infrastructure	Funding to replace loss of federal revenues - to cover provision of health care data and policy analysis related to access to services, health insurance coverage, utilization of services, health workforce and industry analysis - and management of the statutorily required Comprehensive Integrated Mental Health Plan.	1		575.0	-	-	-	575.0		575.0	-	-	-	575.0	
347	1-Feb	1	Health & Social Services	McLaughlin Youth Center	Funding to cover projected shortfall, mandated client medical services costs - supplemental to be redistributed among four Division of Juvenile Justice facilities.	1		136.0	-	-	-	136.0		136.0	-	-	-	136.0	
348	1-Feb	1	Health & Social Services	McLaughlin Youth Center	Funding to cover projected personal services shortfall due to higher than anticipated premium pay costs.	1		130.6	-	-	-	130.6		130.6	-	-	-	130.6	
349	1-Feb	1	Health & Social Services	Probation Services	Funding to cover projected personal services shortfall due to an actual vacancy factor lower than budgeted, and need to cover a loss of SDPR revenues funding one position only through 12/31/09.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	

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321								Governor's Request						House					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323								107,062.3	93.7	2,648.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
350	1-Feb	1	Health & Social Services	Energy Assistance Program	Increased federal authority to accept an increase in federal Low Income Home Energy Assistance Program revenues, as announced by the National Energy Assistance Director's Association.	1		-	-	-	2,300.0	2,300.0		-	-	-	2,300.0	2,300.0	
351	1-Feb	1	Health & Social Services	Women, Children and Family Health	Replace unrealizable interagency receipts for Medicaid School Based Claims, without which the division will be unable to meet program operating costs.	1		347.8	-	-	-	347.8		347.8	-	-	-	347.8	
352	1-Feb	1	Health & Social Services	State Medical Examiner	Unanticipated costs due to caseload increase - will cover one additional autopsy technician, one medical transcriptionist, and increased costs for body transport.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	
353	1-Feb	1	Health & Social Services	General Relief/Temporary Assisted Living	Additional funding to meet projected increase in both number of clients and service costs within the General Relief program - FY2010 actuals are 15% above those of FY2009 - applicant eligibility review and other cost containment measures in place.	1		3,800.0	-	-	-	3,800.0		3,800.0	-	-	-	3,800.0	
354	1-Feb	1	Health & Social Services	Senior and Disabilities Services Administration	Costs associated with compliance with the Centers for Medicaid and Medicare Services' approved Corrective Action Plan - personal service costs for necessary nonpermanent positions, travel costs connected to conducting assessments under Medicaid Waivers, and modification of the management information system.	1		-	-	-	590.0	590.0		-	-	-	590.0	590.0	
355	1-Feb	1				1		590.0	-	-	-	590.0		590.0	-	-	-	590.0	
356	1-Feb	1				1		295.0	-	-	-	295.0		295.0	-	-	-	295.0	
357	25-Mar	1	Health & Social Services	Admin Support Services	Replace unrealizable interagency receipts for unallowable costs under federally funded RSAs within the department, to stabilize funding for centralized Administrative Support Services. **3/25: Amended**	1		700.0	-	-	-	700.0		700.0	-	-	-	700.0	
358	25-Mar	1	Health & Social Services	Information Technology Services	Funding to replace uncollectible federal revenues and cover increased personal service costs for this centralized function - unfunded costs would otherwise either be passed to divisions, resulting in a displacement of core program services, or IT staffing and workload would have to be significantly cut. **3/25: Amended**	1		1,050.0	-	-	-	1,050.0		1,050.0	-	-	-	1,050.0	
359	1-Feb	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	3,492.2	3,492.2		-	-	-	3,492.2	3,492.2	
360	15-Mar	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan.1, 2010 - June 30, 2010. **3/19: GovAMD increase of $937.9**	1		-	-	-	1,824.0	1,824.0		-	-	-	1,824.0	1,824.0	
361	15-Mar	1	Health & Social Services	Behavioral Health Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan.1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $937.9**	1		3,228.9	-	-	-	3,228.9		3,228.9	-	-	-	3,228.9	
362	15-Mar	1	Health & Social Services	Children's Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan.1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $78.5**	1		(78.5)	-	-	-	(78.5)		(78.5)	-	-	-	(78.5)	
363	15-Mar	1	Health & Social Services	Children's Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan.1, 2010 - June 30, 2010. **3/19: GovAMD increase of $78.5**	1			-	-	78.5	78.5		-	-	-	78.5	78.5	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
364	19-Mar	1	Health & Social Services	Children's Medicaid Services	In analyzing year to date expenditures, the department has identified surplus general fund in the Children's Medicaid Services component. This Medicaid service is primarily for behavioral residential services that are being expended as part of the Bring the Kids Home effort, however the expansion is occurring at a slower pace than had been anticipated when the FY10 budget was developed. **3/19: GovAMD decrease of $2,200.0**	1		(2,200.0)	-	-		(2,200.0)		(2,200.0)	-	-	-	(2,200.0)	
385	15-Mar	1	Health & Social Services	Adult Preventative Dental Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $37.6**	1		(37.6)	-	-	-	(37.6)		(37.6)	-	-	-	(37.6)	
386	15-Mar	1	Health & Social Services	Adult Preventative Dental Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $37.6**	1			-	-	37.6	37.6		-	-	-	37.6	37.6	
387	5-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to retroactive FMAP increase related to Medicare Part D Clawback repayments to CMS.	1			-	-	-			(7,500.0)	-	-	-	(7,500.0)	
368	1-Feb	1	Health & Social Services	Health Care Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	29,823.3	29,823.3		-	-	-	29,823.3	29,823.3	
369	15-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $3,493.7**	1		-	-	-	10,990.1	10,990.1		-	-	-	10,990.1	10,990.1	
370	15-Mar	1	Health & Social Services	Health Care Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD decrease of $3,493.7**	1		29,802.9	-	-	-	29,802.9		29,802.9	-	-	-	29,802.9	
371	1-Feb	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid growth - 17% enrollment expansion from October 2008 to December 2009 compounded by growth in utilization of Medicaid services by those enrolled - exceeding projections used to construct the original FY2010 Governor's Request.	1		-	-	-	1,043.2	1,043.2		-	-	-	1,043.2	1,043.2	
372	15-Mar	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $2,551.1**	1		-	-	-	4,564.7	4,564.7		-	-	-	4,564.7	4,564.7	
373	15-Mar	1	Health & Social Services	Senior and Disabilities Medicaid Services	Medicaid GF savings due to increased unemployment rate in Alaska, resulting in an increase in ARRA funding related to Medicaid. The increased FMAP rate will apply to the period of Jan 1, 2010 - June 30, 2010. **3/19: GovAMD increase of $2,551.1**	1		3,601.3	-	-	-	3,601.3		3,601.3	-	-	-	3,601.3	
374	1-Feb	1	Law	Deputy Attorney General's Office	Legal analysis and litigation on items not budgeted - Cruise ship study, Kaltag Supreme Court appeal, PERL bankruptcy, and others	1		964.2	-	-	-	964.2		884.0	-	-	-	884.0	

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323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
375		1	Law	Civil Division Oil, Gas & Mining	Law reports a lapsing balance of $1.6 million that can be reappropriated.	1		-	-	-	-	-		(884.0)	-	-	-	(884.0)	
376	25-Mar	1	Natural Resources	Gas Pipeline Implementation	The unanticipated agreement between TransCanada Corporation and ExxonMobil to work together to progress the Alaska Gasline Inducement Act (AGIA) Gas Pipeline Project has accelerated the pace of the project. There is currently not enough funding in the FY10 budget to fully fund the four positions in the office. With the faster pace of the project, due diligence contractual requirements have increased, meaning more travel. There may be increased need to represent the state's interest in Washington, D.C., as well as other locations. Competitive Benchmark Study - Competitive benchmarking will allow the state to better understand market and supply changes that have occurred since the AGIA finding that might affect the economic viability of the gasline. There is increased need for additional field work and other small contractual studies needed to ensure the state has the most up-to date and accurate data. **3/25: Amended**	1		537.8	-	-	-	537.8		537.8	-	-	-	537.8	
377	1-Feb	1	Natural Resources	Large Project Permitting	Completion of Environmental Impact Statements associated with proposed Outer Continental Shelf oil and gas leasing and exploration activities.	1		85.0	-	-	-	85.0		85.0	-	-	-	85.0	
378	1-Feb	1	Natural Resources	Fire Suppression Activity	The funding included in the FY2010 budget of $6,712.5 for wildland fire suppression is a "placeholder" amount based on historical cost (SLA 2009, Ch 12, Sec 1, Pg. 34, Ln 7). The amount proved to be insufficient to address the heavy fire activity during the summer of 2009. On July 22, 2009, the Governor signed a Declaration of a Disaster Emergency to authorize the use of additional funds to continue fire suppression operations and activities. New declarations are issued every 30 days. The total of the those declarations for FY2010in excess of the FY2010 authorized budget is $35,371,400.	1		35,371.4	-	-	-	35,371.4		35,371.4	-	-	-	35,371.4	
379	19-Mar	1	Public Safety	Special Projects	Continue cold case investigations and illegal drug and alcohol enforcement. **3/19: GovAMD decrease of $369.5, removing entire original request of $369.5.**	1		-	-	-	-	-		-	-	-	-	-	
380	1-Feb	1	Public Safety	Prisoner Transportation	Funding to cover projected shortfall in prisoner transportation costs - airline ticket and private charter costs, baggage fees, out-of-state extradition fees and state travel office fees - based on straight-line projection for the year from the past 6.5 months.	1		300.0	-	-	-	300.0		300.0	-	-	-	300.0	
381	1-Feb	1	Revenue	Treasury Division	Establish partial-year funding and new state investment officer position, coinciding with a state investment strategy change to support an internal effort to begin active management of other public market investments. Approval of this request and related funding in the Alaska Retirement Management Board (ARMB) component will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.	1		-	-	50.0	-	50.0		-	-	50.0	-	50.0	
382	1-Feb	1	Revenue	Alaska Retirement Management Board	Increases funding in the Alaska Retirement Management Board (ARMB) component to fund one new investment officer position requested by the Treasury Division. Approval of the new Investment Officer position and funding will enable the department to reduce external investment manager fees in the ARMB Custody and Management Fee component.	1		-	-	8.8	-	8.8		-	-	8.8	-	8.8	

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321								Governor's Request						House					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
383	1-Feb	1				1		-	-	28.3	-	28.3		-	-	28.3	-	28.3	
384	1-Feb	1				1		-	-	12.5	-	12.5		-	-	12.5	-	12.5	
385	1-Feb	1				1		-	-	0.3	-	0.3		-	-	0.3	-	0.3	
386	1-Feb	1				1		-	-	0.1	-	0.1		-	-	0.1	-	0.1	
387	1-Feb	1	Revenue	Alaska Retirement Management Board Custody and Management Fees	Reduced authorization is requested to reflect a decline in management fees resulting from a reduction in actively managed large cap publicly traded stocks as well as a decrease in management fees resulting from manager terminations due to organizational and performance issues and renegotiated contracts at a lower rate. The request represents the potential savings to the State by establishing and funding a new in-house Investment Officer in the Treasury Division to make asset allocation decisions rather than contracting with external managers.	1		-	-	(584.6)	-	(584.6)		-	-	(584.6)	-	(584.6)	
388	1-Feb	1						-	-	(256.3)	-	(256.3)		-	-	(256.3)	-	(256.3)	
389	1-Feb	1						-	-	(7.1)	-	(7.1)		-	-	(7.1)	-	(7.1)	
390	1-Feb	1						-	-	(2.0)	-	(2.0)		-	-	(2.0)	-	(2.0)	
391	1-Feb	1	Revenue	Permanent Fund Dividend Division	Postage and printing costs for an unanticipated and necessary additional public outreach about the change from hard copy PFD applications to the web version. During this transitional year, however, the division has encountered the need for additional public notification and outreach about the changes that had not initially been anticipated.	1		-	94.1	-	-	94.1		-	94.1	-	-	94.1	
392	1-Feb	1	Revenue	Child Support Services Division	One-time fund source change from Receipt Supported Services to federal incentive receipt authority. The Child Support Services Division (CSSD) earned additional federal incentive receipts in FFY2008 for meeting or exceeding federal performance standards. The division received notification on December 17, 2009 that additional FFY08 incentive dollars had been earned.	1		-	-	-	217.7	217.7		-	-	-	217.7	217.7	
393	1-Feb	1						-	(217.7)	-	-	(217.7)		-	(217.7)	-	-	(217.7)	
394	1-Feb	1	Revenue	Administrative Services	The Department of Revenue's servers crashed on 9/20/2009, affecting the Permanent Fund Dividend Application Information System (DAIS), the Tax Division's systems, and State Treasury systems. The need to bring all systems back online was critical. As a result, the department entered into an emergency agreement with Microsoft to provide problem resolution services and assist in bringing the systems back online.	1		60.1	-	-	-	60.1		60.1	-	-	-	60.1	
395	1-Feb	1	Revenue	Administrative Services	The Department of Revenue maintains significant server and database infrastructures that include the Permanent Fund Dividend Division, the Tax Division, and the State Treasury Division. These systems use Microsoft Windows Server, SQL production and test databases VMware, and two NetApp storage filers in Juneau and Anchorage. In order for the department to provide the appropriate level of reliability and operational support, these systems need best practices defined and implemented for security, change control, documentation, backups, disaster recovery and planning. This request is to fund the following two contracts: Disaster Recovery and Security Procedures Backup Support - $70.0 Windows Server, SQL Server, and Help Desk Support - $30.0	0		100.0	-	-	-	100.0		[redacted]	-	-	-	[redacted]	

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321								Governor's Request						House					
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323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,062.3	93.7	2,848.2	55,690.9	165,695.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
396	1-Feb	1	Transportation	Central Region Support Services	Legal Costs Related to Nikishka Beach Road Case The Department of Transportation and Public Facilities (DOT&PF) contends that Offshore Systems Kenai (OSK) is illegally engaged in the obstruction, control and closure of public access to and through Nikishka Beach Road which is a public road owned and operated by DOT&PF. OSK has established a guard shack and gate to prevent access to the road and beach in response to U.S. Coast Guard requirements that they secure and protect OSK's facility from trespass, vandalism, theft, etc. The case began in late FY08 and a trial has taken place; however the Judge has still not issued a ruling on the trial. We have incurred $45.5 in legal costs through December 2009. If a "Notice of Appeal" is not filed, the estimated amount needed for the Department of Law to complete post trial work is approximately $15.0 for a total of $60.5 in FY10.	0		60.5	-	-	-	60.5		0	-	-	-	0	
397	19-Mar	1	Transportation	Central Region Support Services	Central Region Support Services is requesting $240.0 GF supplemental funding for additional costs related to the Environmental Protection Agency's (EPA) enforcement action against the Department of Transportation and Public Facilities. Sec 28(e), Ch 11 SLA 08 P105 L29 (SB256), as amended by Section 14(k) of Ch 14 SLA 09 P22 L14 (HB113), provided $500.0 as a multi-year operating appropriation for defense costs related to EPA's allegations of multiple violations of the Clean Water Act. The unspent amount of $173.9 carried into FY10. Projected expenses for FY10 are $413.9, leaving a shortfall of approximately $240.0 primarily for Department of Law expenses. The Department anticipates that negotiations will continue, however, it is unknown at this time when a settlement may be reached. If a settlement cannot be reached, pre-trial motions will be taken to move the case forward to trial which increase costs substantially. Additional funding will be needed if the case goes to trial. **3/19: GovAMD increase of $240.0**	1		240.0	-	-	-	240.0		240.0	-	-	-	240.0	
398	1-Feb	1	Transportation	Program Development	Road Weather Information System (RWIS) Maintenance Costs State funding will provide the resources to conduct critical maintenance work on the Department's Road Weather Information System (RWIS) program. The funding is necessary to maintain the RWIS software, equipment and a network of forty-nine (49) environmental sensor stations (ESS) strategically located along the highway system. Each ESS provides weather sensor data (temperature, wind speed, wind direction, relative humidity, pavement and sub-surface temperatures) and camera images. RWIS maintenance activities are not eligible for federal dollars and without adequate funding there is a potential risk of the entire RWIS network becoming inoperable.	0.57142857†		175.0	-	-	-	175.0		100.0	-	-	-	100.0	

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323																			
324								107,052.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
399	25-Mar	1	Transportation	Statewide Design and Engineering Services	Clean Water Act Compliance The department's actions, or inactions, resulting from repair work in response to the flooding on the Kenai Peninsula in 2002 and storm water violations involving Department of Transportation and Public Facilities contractors on three Central region projects in 2005 and 2006, resulted in non-compliance allegations by federal agencies. Under the current schedule of proposed settlement terms, the department will be required to meet compliance requirements by mid June 2010. In order to meet these requirements, the department requests $553.0 in general funds for storm water staff training, annual reporting requirement and related costs, and a civil penalty. **3/25: Amendment increase of $256.5**	1		553.0	-	-	-	553.0		553.0	-	-	-	553.0	
400	1-Feb	1	Transportation -	State Equipment Fleet	Increased Operational Costs for Parts, Commodities, Services, and Fuel Purchases Travel - Travel is required to support the repairs and preventative maintenance programs for vehicles and equipment at rural airports and highways. Due to the unprecedented increase in fuel costs, airfares throughout the state were increased, having a direct impact on maintaining existing services. Services - Costs continue stay at higher levels than currently reflected in the component's budget for the shipment of freight such as parts, commodities, vehicles and equipment, the mission of the program is seriously impacted. Additional costs for vendor repairs are also being passed along to the State by the contractors. Commodities - Fuel costs and necessary consumables paid by the State Equipment Fleet and billed to the corresponding executive branch agencies have increased substantially since FY07. An increase in budget authority is required based on the projected use of these services through historical data. Parts and other commodities used by the State have also increased in cost	1		-	-	2,706.7	-	2,706.7		-	-	2,706.7	-	2,706.7	
401	1-Feb	1	Transportation	Northern Region Facilities	Galena Maintenance Facility Operating and Maintenance Costs The FY09 operating budget contained a $110.0 increment to maintain a maintenance building at Galena that was transferred to the Department from the U.S. Air Force. That funding level was based upon completion of some aggressive cost savings measures which would be accomplished as part of a capital project for energy improvements. The project is scheduled for completion in the summer of 2010. FY10 estimated expenditures are $209.9, leaving a projected shortfall of $99.9.	1		99.9	-	-	-	99.9		99.9	-	-	-	99.9	
402	25-Mar	1	Transportation -	Central Region Highways and Aviation	Enforcement of Clean Water Act - Environmental Protection Agency (EPA) Street Sweeping and Permit Compliance Costs Additional funding is required to meet the minimum requirements of the Environmental Protection Agency (EPA) Municipal Separate Storm Sewer System (MS4) Permit. The MS4 permit will go into effect on February 1, 2010. The EPA's MS4 permit increases the street sweeping requirements that are above and beyond the current MS4 permit, monitoring various aspects of the permit and reporting to EPA with regards to the permit. The FY2011 Governor's budget request includes $1,682.0 for these new ongoing requirements. **3/25: Amended** **3/19: GovAMD increase of $432.0**	1		1,038.1	-	-	-	1,038.1		1,038.1	-	-	-	1,038.1	

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321								Governor's Request						House					
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323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
403	25-Mar	1	Transportation	Northern Region Highways and Aviation	Legal Costs for Material Site Lawsuits Due to ongoing lawsuits filed by one of the regional native corporations for alleged infringement on their land and rights of way, we have incurred excessive costs again this year for Department of Law attorneys. None of the three lawsuits filed have yet gone to court so the total cost is unknown. Additional funding for $150.0 is based on the amount expended to date for attorneys and expert witnesses. 3/25: Amended	1		150.0	-	-	-	150.0		150.0	-	-	-	150.0	
404	1-Feb	1	Transportation	Southeast Region Highways and Aviation	Transportation Security Agency Requirements - Door Lock System and Fingerprint Machine To continue to meet Transportation Security Agency requirements a new security access door lock system needs to be installed for the Sitka Airport Terminal. The control system for these doors is outdated and has become unreliable. A replacement system is estimated to cost $30.0. Transportation Security Administration regulations require the Department to fingerprint all badge holders at our certificated airports. The existing fingerprint machine is out of date and has become unreliable. A new machine is estimated to cost $14.9.	1		44.9	-	-	-	44.9		44.9	-	-	-	44.9	
405	1-Feb	1	Transportation	Whittier Access and Tunnel	Bid Protest Costs for Whittier Tunnel Operations Contract A bidder protested the award of a contract for operation of the Whittier Tunnel Toll Facility. This resulted in unplanned attorney and hearing officer costs which will continue until a settlement is reached. The Department of Law has billed $12.0 for attorney services through November 2009, and we estimate $8.0 of additional legal fees for the remainder of FY10. The Department of Administration has billed $11.7 for a hearing officer; we anticipate needing approximately $18.3 ($3.0 on average) for additional mediation services through June. It is unknown whether there will be additional expenses associated with this litigation such as potential settlement costs.	1		50.0	-	-	-	50.0		50.0	-	-	-	50.0	
406	1-Feb	1	Transportation	Whittier Access and Tunnel	Increased Operating Costs and Reduced Toll Revenue at the Whittier Tunnel Additional funding is necessary to fund the operation of the Whittier Tunnel Toll Facility for the remainder of FY10. Additional costs were incurred for cable repair, railroad crossing fees, increased State Equipment Fleet equipment replacement fees, CPI adjustments for the current contract, and additional roadway maintenance work leading up to the tunnel. In addition to increased costs, toll revenues have declined due to economic conditions, reduced cruise ship dockings, and gasoline prices.	1		385.0	-	-	-	385.0		385.0	-	-	-	385.0	
407	1-Feb	1	Alaska Court System	Administration and Support	Appropriation of a settlement the State received on a claim for prepaid phone card long distance charges.	1		35.5	-	-	-	35.5		35.5	-	-	-	35.5	
408	26-Mar	1	Statewide	Statewide	The appropriations made in this section are contingent on ratification of the collective bargaining agreement by the membership of the Public Employees Local 71, for the labor, trades and crafts.	1		2,563.2	-		-	2,563.2		2,563.2	-	-	-	2,563.2	
409	26-Mar	1				1		-	140.2		-	140.2		-	140.2	-	-	140.2	
410	26-Mar	1				1		-	-	891.5	-	891.5		-	-	891.5	-	891.5	
411	26-Mar	1				1		-	-		73.5	73.5		-	-	-	73.5	73.5	
412	1-Feb	2			Sets out the funding by agency for the appropriations in Section 1.														

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321								Governor's Request						House					
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323								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
413	26-Mar	4	Administration	Office of the Commissioner	The sum of $12,770 is appropriated from the general fund to the Department of Administration, office of the commissioner, as a lump sum payment to the union directed health trust, to implement the terms of the collective bargaining agreement for the Teachers' Education Association of Mt. Edgecumbe, for the fiscal year ending June 30, 2010.	1		12.8	-	-	-	12.8		12.8	-	-	-	12.8	
414	22-Mar	99	Community, Commerce and Economic Development	Community & Regional Affairs	Grant to the World Trade Center to fund events occurring in FY10 and FY11	1			-	-	-			250.0	-	-	-	250.0	
415	22-Mar	99	Community, Commerce and Economic Development	Community & Regional Affairs	Grant to the World Trade Center to fund events occurring in FY10 and FY11	1			-	-	-			(250.0)	-	-	-	(250.0)	
416	1-Feb	5	Corrections	Correctional Academy	Funding to implement the interest arbitration decision dated March 19, 2009, establishing monetary terms of the collective bargaining agreement with the Alaska Correctional Officers Association, for the fiscal year ending June 30, 2010	1		9.0	-	-	-	9.0		9.0	-	-	-	9.0	
417	1-Feb	5	Corrections	Inmate Transportation		1		23.8	-	-	-	23.8		23.8	-	-	-	23.8	
418	1-Feb	5	Corrections	Anchorage Correctional Complex		1		-	-	-	32.7	32.7		-	-	-	32.7	32.7	
419	1-Feb	5	Corrections	Anchorage Correctional Complex		1		436.9	-	-	-	436.9		436.9	-	-	-	436.9	
420	1-Feb	5	Corrections	Anvil Mountain Correctional Center		1		97.6	-	-	-	97.6		97.6	-	-	-	97.6	
421	1-Feb	5	Corrections	Combined Hiland Mountain Correctional Center		1		205.6	-	-	-	205.6		205.6	-	-	-	205.6	
422	1-Feb	5	Corrections	Fairbanks Correctional Center		1		277.0	-	-	-	277.0		277.0	-	-	-	277.0	
423	1-Feb	5	Corrections	Ketchikan Correctional Center		1		175.7	-	-	-	175.7		175.7	-	-	-	175.7	
424	1-Feb	5	Corrections	Lemon Creek Correctional Center		1		156.7	-	-	-	156.7		156.7	-	-	-	156.7	
425	1-Feb	5	Corrections	Matanuska-Susitna Correctional Center		1		88.1	-	-	-	88.1		88.1	-	-	-	88.1	
426	1-Feb	5	Corrections	Palmer Correctional Center		1		230.9	-	-	-	230.9		230.9	-	-	-	230.9	
427	1-Feb	5	Corrections	Spring Creek Correctional Center		1		1,205.0	-	-	-	1,205.0		1,205.0	-	-	-	1,205.0	
428	1-Feb	5	Corrections	Wildwood Correctional Center		1		235.7	-	-	-	235.7		235.7	-	-	-	235.7	
429	1-Feb	5	Corrections	Yukon-Kuskokwim Correctional Center		1		103.8	-	-	-	103.8		103.8	-	-	-	103.8	
430	1-Feb	5	Corrections	Point MacKenzie Correctional Farm		1		56.5	-	-	-	56.5		56.5	-	-	-	56.5	

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431	1-Feb	5	Corrections	Institution Director's Office		1			-	-	-			7,046.2	-	-	-	7,046.2	
432	1-Feb	5	Corrections	Institution Director's Office		1			-	-	-			-	-	-	81.4	81.4	
433	1-Feb	6	Health & Social Services	Probation Services	Miscellaneous claim to pay outstanding FY2004 medical bills for a minor in the custody of the Division of Juvenile Justice that received medical treatment from the Central Peninsula Hospital.	1		0.2	-	-	-	0.2		0.2	-	-	-	0.2	
434	1-Feb	7	Labor & Workforce Dev	Workforce Investment Board	Amend language - the unexpended/unobligated balance from Sec 1, Ch 27, SLA 2008, page 17, line 4 (Branch-wide Oil & Gas Development) is appropriated to Workforce Investment Board for continued work in FY2010. **No new money--reappropriation**	0		85.0	-	-	-	85.0		-	-	-	-	-	
435	25-Mar	8	Law	Deputy Attorney General's Office	Total actual judgments and settlements finalized as of 3/25/2010. **3/25: Amendment increas of $35.1** **3/19: GovAMD increase of $1,158.0**	1		1,459.7	-	-	-	1,459.7		1,459.7	-	-	-	1,459.7	
436	19-Mar	9	Natural Resources	Claims permits and leases	The Kasilof Beach and Personal use fishery is lacking funding for contractual services for dumpsters and portapotties for this upcoming season. **Multi-year appropriation** **(June 15 - August 7th)**	1			-	-	-			40.0	-	-	-	40.0	
437	1-Feb	10	Public Safety	Special Projects	Authority for receipt of additional ARRA federal funding to augment personal services costs of a forensic examiner, provide training to investigators in combating Internet crimes, and purchase computer forensic equipment. **Multi-year FY10 and FY11**	1		-	-	-	97.0	97.0		-	-	-	97.0	97.0	
438	1-Feb	12	Fund Capitalization	Disaster Relief Fund	Disaster relief funding - Kodiak Island flood, Pelican water system failure, Seward storm surge - plus fund replenishment in preparation for providing immediate assistance during spring floods and storms.	1		5,000.0	-	-	-	5,000.0		5,000.0	-	-	-	5,000.0	
439	22-Mar	13	Natural Resources	Agriculture Revolving Loan Program Administration	Amend *Sec. 18(b), Ch 30, SLA07, P148, L16 (FY07-FY10). "The sum of $600,000 is appropriated from the general fund to the Department of Natural resources for assistance to the Creamery Corporation, dba Matanuska Maid Dairy." Re-appropriate to the Agr Revolving Loan Program Admin	1				-	-			(600.0)	-	-	-	(600.0)	
440	17-Feb	9	Natural Resources	Oil & Gas Development Cook Inlet Reclamation Bond	Amend *Sec. 11. Department of Natural Resources, to add a new subsection (c) as follows: (c) The interest earned in fiscal year 2010, estimated to be $175,000, on the reclamation bond posted by Cook Inlet Energy for operation of an oil production platform in Cook Inlet under lease with the Department of Natural Resources and on deposit in the general fund, is appropriated from the general fund to the Department of Natural Resources for the purposes of the bond for the fiscal year ending June 30, 2010.	1		175.0	-	-	-	175.0		-	-	175.0	-	175.0	
441	1-Feb	15			Amends Section 22(b), ch. 12, SLA 2009 to include the Department of Law statutory authority for receipt of restitutions on juvenile cases.	1													

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321								Governor's Request						House					
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323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
442	1-Feb	16	Debt Service	International Airport Revenue Bonds	Alaska International Airport System Debt Defeasance Implement recommendations by the State's bond counsel to minimize the amount of revenue needed to be collected from airport customers and to meet debt service coverage ratios required under the bond resolution rate covenant. This request will allow the International Airport System to meet the technical requirements of the bond resolution rate covenant while also minimizing the amount of revenue needed from rates and fees.	1		-	-	(10,000.0)	-	(10,000.0)		-	-	(10,000.0)	-	(10,000.0)	
443	1-Feb	16				1		-	-	10,000.0	-	10,000.0		-	-	10,000.0	-	10,000.0	
444	25-Mar	17	Salary and Benefits Adjustments	Labor, Trades and Crafts	The supplemental budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for Public Employees Local 71 for the labor, trades, crafts unit for the fiscal year ending June 30, 2010.	1													
445	22-Mar	18			Adds language to sweep excess general funds into the SBR.	1													
446	1-Feb	19(c)	Revenue	Treasury Division	Fund Source Change for Constitutional Budget Reserve Fund Investment Management Section 27(c), ch. 12, SLA 2009, is amended to read: (c) The sum of $1,673,000 is appropriated from the general fund [budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska)] to the Department of Revenue, treasury division, for operating costs related to management of the budget reserve fund for the fiscal year ending June 30, 2010.	1		(1,673.0)	-	-	-	(1,673.0)		(1,673.0)	-	-	-	(1,673.0)	
447	1-Feb	19(c)				1		1,673.0	-	-	-	1,673.0		1,673.0	-	-	-	1,673.0	
448		19(b)			Adds language to access the budget reserve fund (AS 37.05.540) to balance the FY2010 budget, if necessary.	1													
449	1-Feb	19(e)			Section 43(c), ch. 15, SLA 2009 is repealed. That section reads: (c) The amount calculated to be available for appropriation under art. IX, sec. 17(b), Constitution of the State of Alaska, for fiscal year 2010 is appropriated under art. IX, sec. 17(b), Constitution of the State of Alaska, from the budget reserve fund to the general fund. The administration is proposing to repay in full the amount owed to the constitutional budget reserve fund in FY2010, and does not want to draw any amount from the fund. Current calculations indicate the above section is not necessary.	1													
450		20			Section 43(c), ch. 15, SLA 2009, is repealed.	1													
451		21			Lapse Provisions	1													
452		22			Retroactivity-Section 7 of this Act is retroactive to June 30, 2009.	1													
453		23			This Act takes effect April 18, 2010.	1													
454	25-Mar	11(a)	Transportation	Marine Highway System	Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY10	1		-	-	-	-	-		(650.0)	-	-	-	(650.0)	
455	25-Mar	11(a)	Transportation	Marine Highway System	Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY10	1		-	-	-	-	-		650.0	-	-	-	650.0	
456	25-Mar	11(b)	Transportation	Marine Highway System	Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY11	1		-	-	-	-	-		(3,600.0)	-	-	-	(3,600.0)	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								**Governor's Request**						**House**					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
457	25-Mar	11(b)	Transportation	Marine Highway System	Excess fuel trigger allocation reappropriated for additional service to the Aleutian Chain in FY11	1		-	-	-	-	-		3,600.0	-	-	-	3,600.0	
458	25-Mar	11(c)	Transportation	Marine Highway System	Projected excess fuel trigger allocation.	1		-	-	-	-	-		(1,250.0)	-	-	-	(1,250.0)	
459	1-Feb	99			Extend lapse date from 2/28/2010 to 6/30/2010 for SLA 2009 Ch 14, Sec. 19 - $8,289.0 for the development of an in-state natural gas pipeline - so that development work may continue.	0								0	0	0	0	0	
460																			
461																			
462																			
463	**Fund Transfers**							**Governor's Request**						**House Finance Committee**					
464	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
465								1,518,603.6	-	79.0	-	1,518,682.6		1,520,453.6	-	79.0	-	1,520,532.6	
466	1-Feb	13(a)	Fund Transfers	Public Education Fund (Savings)	Fully capitalize the Public Education Fund for the projected FY2011 need for Foundation Formula $1,053,147.4 and Pupil Transportation $63,839.2.	1		1,116,986.6	-	-	-	1,116,986.6		1,116,986.6	-	-	-	1,116,986.6	
467	1-Feb	18	Fund Transfers	Constitutional Budget Reserve Fund	Full Repayment of the Constitutional Budget Reserve The amount necessary for full repayment of the amounts owed the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska), as of June 30, 2010, estimated to be $401,617,000, is appropriated from the general fund to the budget reserve fund (art. IX, sec. 17, Constitution of the State of Alaska).	1		401,617.0	-	-	-	401,617.0		401,617.0	-	-	-	401,617.0	
468	22-Mar	13(c)	Natural Resources	Agriculture Revolving Loan Program Administration	Amend *Sec. 18(b), Ch. 30, SLA07, P148, L16 (FY07-FY10) , "The sum of $600,000 is appropriated from the general fund to the Department of Natural resources for assistance to the Creamery Corporation, dba Matanuska Maid Dairy." Re-appropriate to the Agr Revolving Loan Program Admin	1								600.0	-	-	-	600.0	
469	1-Feb	13(b)	Fund Transfers	Small Business Economic Development Revolving Loan Fund	Match for federal EDA funds transferred from the Kenai Peninsula Economic Development District - transfer $79.0 from Revolving Fund to Small Business Economic development Loan Fund - allows for receipt of $231.3 EDA federal grant funds.	1		-	-	79.0	-	79.0		-	-	79.0	-	79.0	
470	25-Mar	11	Fund Transfers	Marine Highway System Fund	Projected excess fuel trigger allocation.	1		-	-	-	-	-		1,250.0	-	-	-	(1,250.0)	
471																			
472																			
473																			
474	**Ratifications**							**Governor's Request**						**House Finance Committee**					
475	Date	Sec	Appropriation	Allocation		Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
476								18,062,507.8	-	-	-	18,062,507.8		18,062.4	-	-	-	18,062.4	
477	1-Feb	14(a)	Natural Resources	Fire Suppression Activity	AR 37313-09 Fire General Fund	1		10,297,678.2	-	-	-	10,297,678.2		10,297.7	-	-	-	10,297.7	
478	1-Feb	14(b)	Commerce, Community and Economic Development	Alaska Energy Authority Owned Facilities	AR 29605-08 Alaska Energy Authority Owned Facilities	1		13.0	-	-	-	13.0		-	-	-	-	-	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House					
322	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
323																			
324								107,062.3	93.7	2,848.2	55,690.9	165,695.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
479	1-Feb	14(b)	Education and Early Development	Student and School Achievement	AR 17722-07 Student and School Achievement	1		293.1	-	-	-	293.1		0.3	-	-	-	0.3	
480	1-Feb	14(b)	Health and Social Services	Unbudgeted RSA	AR 22708-03 DAS DMA Unbudgeted RSA for Staff Support	1		140.4	-	-	-	140.4		0.1	-	-	-	0.1	
481	1-Feb	14(b)	Health and Social Services	Unbudgeted RSA	AR 22730-09 Alaska Commission on Aging Unbudgeted RSA	1		11.0	-	-	-	11.0		-	-	-	-	-	
482	1-Feb	14(b)	Health and Social Services	Unbudgeted RSA	22736-03 DFYS DMA Unbudgeted RSA	1		0.3	-	-	-	0.3		-	-	-	-	-	
483	1-Feb	14(b)	Health and Social Services	Unbudgeted RSA	AR 22791-08 Alaska Rural EMS Optimization Project Unbudgeted RSA	1		259.5	-	-	-	259.5		0.3	-	-	-	0.3	
484	1-Feb	14(b)	Health and Social Services	Behavioral Health Administration	AR 23125-05 Behavioral Health Administration	1		5,482.8	-	-	-	5,482.8		5.5	-	-	-	5.5	
485	1-Feb	14(b)	Health and Social Services	Health Planning and Infrastructure	AR 23932-08 Health Planning and Infrastructure	1		633.8	-	-	-	633.8		0.6	-	-	-	0.6	
486	1-Feb	14(b)	Health and Social Services	Information Technology Services	AR 23934-06 Information Technology Services	1		4.9	-	-	-	4.9		-	-	-	-	-	
487	1-Feb	14(b)	Health and Social Services	Epidemiology	AR 23610-05 Epidemiology	1		295,357.0	-	-	-	295,357.0		295.4	-	-	-	295.4	
488	1-Feb	14(b)	Health and Social Services	Certification and Licensing	AR 23608-05 Certification and Licensing	1		31,701.5	-	-	-	31,701.5		31.7	-	-	-	31.7	
489	1-Feb	14(b)	Health and Social Services	Medicaid State Programs	AR 23315-04 Medicaid State Programs	1		1,380,444.0	-	-	-	1,380,444.0		1,380.4	-	-	-	1,380.4	
490	1-Feb	14(b)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-05 Medicaid School Based Administrative Claims	1		221,280.0	-	-	-	221,280.0		221.3	-	-	-	221.3	
491	1-Feb	14(b)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-06 Medicaid School Based Administrative Claims	1		2,283,323.0	-	-	-	2,283,323.0		2,283.3	-	-	-	2,283.3	
492	1-Feb	14(b)	Health and Social Services	Medicaid School Based Administrative Claims	AR 23928-07 Medicaid School Based Administrative Claims	1		3,060,691.0	-	-	-	3,060,691.0		3,060.7	-	-	-	3,060.7	
493	17-Feb	14(b)	Public Safety		AR 47545-09 AST Detachments Unbudgeted RSAs	1		7,192.3	-	-	-	7,192.3		7.2	-	-	-	7.2	
494	1-Feb	14(b)	Alaska Court System	RSA	AR 76560-08 Domestic Violence VAWA RSA	1		322.5	-	-	-	322.5		0.3	-	-	-	0.3	
495	1-Feb	14(c)	Corrections	Anchorage Correctional Complex	AR 50662-05 Anchorage Correctional Complex	1		409,334.2	-	-	-	409,334.2		409.3	-	-	-	409.3	
496	1-Feb	14(c)	Corrections	Probation And Parole Director's Office	AR 50760-07 Probation And Parole Director's Office	1		2,661.2	-	-	-	2,661.2		2.7	-	-	-	2.7	
497	1-Feb	14(c)	Education and Early Development	Program Administration	AR 18005-04 Program Administration	1		22,694.5	-	-	-	22,694.5		22.7	-	-	-	22.7	
498	1-Feb	14(c)	Labor and Workforce Development	Employment Services	AR 28500-02 Employment Services	1		39.4	-	-	-	39.4		-	-	-	-	-	
499	1-Feb	14(c)	Labor and Workforce Development	Labor Market Information	AR 28190-05 Labor Market Information	1		291.0	-	-	-	291.0		0.3	-	-	-	0.3	
500	1-Feb	14(c)	Labor and Workforce Development	Independent Living Rehabilitation	AR 28230-03 Independent Living Rehabilitation	1		649.5	-	-	-	649.5		0.6	-	-	-	0.6	
501	1-Feb	14(c)	Labor and Workforce Development	Unemployment Insurance	AR 28510-04 Unemployment Insurance	1		442.9	-	-	-	442.9		0.4	-	-	-	0.4	
502	1-Feb	14(c)	Labor and Workforce Development	Unemployment Insurance	AR 28510-05 Unemployment Insurance	1		14,592.6	-	-	-	14,592.6		14.6	-	-	-	14.6	
503	1-Feb	14(c)	Labor and Workforce Development	Unemployment Insurance	AR 28510-07 Unemployment Insurance	1		3,592.2	-	-	-	3,592.2		3.6	-	-	-	3.6	

	B	D	E	F	G	K	L	M	N	O	P	Q	R	S	T	U	V	W	X
321								Governor's Request						House					
322																			
323	Date	Sec	Appropriation	Allocation	Description	Funding Multiplier		Unrestricted GF	Designated GF	Other State Funds	Federal	Total		Unrestricted GF	Designated GF	Other State Funds	Federal	Total	
324								107,062.3	93.7	2,848.2	55,600.9	165,605.1		103,283.8	93.7	3,023.2	55,682.3	162,083.0	
504	17-Feb	14(c)	Labor and Workforce Development	Unemployment Insurance	AR 28510-07 Unemployment Insurance	1		(3,592.2)	-	-	-	(3,592.2)		(3.6)	-	-	-	(3.6)	
505	1-Feb	14(c)	Labor and Workforce Development	Unemployment Insurance	AR 28510-08 Unemployment Insurance	1		150.0	-	-	-	150.0		0.2	-	-	-	0.2	
506	17-Feb	14(c)	Labor and Workforce Development	Unemployment Insurance	AR 28510-08 Unemployment Insurance	1		(150.0)	-	-	-	(150.0)		(0.2)	-	-	-	(0.2)	
507	1-Feb	14(c)	Labor and Workforce Development	Capital	AR 27790-08 North Pacific Fisheries Disaster – Aid RSA	1		4,400.0	-	-	-	4,400.0		4.4	-	-	-	4.4	
508	1-Feb	14(c)	Revenue	Long Term Care Ombudsman Office	AR 15530-07 Long Term Care Ombudsman Office	1		7,004.2	-	-	-	7,004.2		7.0	-	-	-	7.0	
509	1-Feb	14(c)	Transportation and Public Facilities	Capital	61686-10 Federal Transit Administration Grants	1		2.2	-	-	-	2.2		-	-	-	-	-	
510	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 58096-10 Cooperative Reimbursable Projects	1		29.7	-	-	-	29.7		-	-	-	-	-	
511	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 58622-11 Cooperative Reimbursable Projects	1		0.4	-	-	-	0.4		-	-	-	-	-	
512	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 58662-11 Federal Transit Administration Grants	1		0.7	-	-	-	0.7		-	-	-	-	-	
513	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 59198-11 Alaska Marine Highway: Terminal – Alaska Marine Highway System Headquarters Building, Grounds, and Renovation	1		0.2	-	-	-	0.2		-	-	-	-	-	
514	1-Feb	14(c)	Transportation and Public Facilities	Capital	58630-10 Alaska Mobility Coalition	1		0.1	-	-	-	0.1		-	-	-	-	-	
515	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 60252-10 Cooperative Reimbursable Projects	1		0.9	-	-	-	0.9		-	-	-	-	-	
516	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 61219-12 Federal Transit Administration Grants	1		0.2	-	-	-	0.2		-	-	-	-	-	
517	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 61009-10 Federal Transit Administration Grants	1		14,254.0	-	-	-	14,254.0		14.3	-	-	-	14.3	
518	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 61812-10 Coffman Cove/Wrangell/Petersburg Ferry and Ferry Facilities	1		0.2	-	-	-	0.2		-	-	-	-	-	
519	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 63203-10 Surface Transportation Preconstruction	1		0.1	-	-	-	0.1		-	-	-	-	-	
520	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 61613-10 Federal Transit Administration Grants	1		2.0	-	-	-	2.0		-	-	-	-	-	
521	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 61961-10 Statewide: Various Airports Runway and Heliport Lighting	1		205.1	-	-	-	205.1		0.2	-	-	-	0.2	
522	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 62139-10 Alaska Marine Highway: Prince William Sound Fast Vehicle Ferry	1		1.2	-	-	-	1.2		-	-	-	-	-	
523	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 62598-10 Kodiak: Relief Lane Reconstruction	1		1,063.0	-	-	-	1,063.0		1.1	-	-	-	1.1	
524	1-Feb	14(c)	Transportation and Public Facilities	Capital	AR 62656-10 Cooperative Reimbursable Projects	1		-	-	-	-	-		-	-	-	-	-	

HB

334

<target><bill>HB 334</bill><subject>HB
334</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/26/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 334(RLS)

HB 334 MILITARY DEPLOYMENT AND CHILD CUSTODY

"An Act establishing child custody, modification, and visitation standards for a military parent; and amending Rules 77 and 99, Alaska Rules of Civil Procedure."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
COR CRT	2/16			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson			X	
	Ellis	✓			
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

3740

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 334(MLV)
(H) Publish Date: 2/24/10

Identifier (file name):
Title: Military Deployment and Child Custody
Sponsor: Representative Thomas
Requester:

Dept. Affected: Alaska Court System
RDU: Trial Courts
Component:
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

House Bill 334 changes some of the provisions that govern child custody in cases where a parent is a service member who is or recently has been deployed. Two provisions have the potential to impact the court system. The first is the right to a custody hearing within 10 days after a service member requests the hearing after returning from deployment. Courts already frequently set these hearings on an expedited basis and this change will probably not have a significant impact on current practices. However, should a significant number of heaings be sought soon after the return of a large number of deployed service members, this may create scheduling problems.

The second possible impact involves internet testimony when a deployed parent wishes to participate in a custody hearing. The court can currently use this technology in the courts most likely to hear these cases (Anchorage, Faribanks and Palmer). Any associated costs are likely to be minor and can be absorbed without the need for additional funding.

Prepared by: Doug Wooliver, Administrative Attorney — Phone 907-463-4750
Division: Alaska Court System — Date/Time 2-16-10 @ 12:00 pm
Approved by: Doug Wooliver for Christine Johnson, Administrative Director — Date 2/16/2010
Alaska Court System

(Revised 10/13/2009 OMB)

3741

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 334(MLV)
(H) Publish Date: 2/24/10

Identifier (file name):
Title: Military Deployment and Child Custody
Sponsor: Representative Thomas
Requester:

Dept. Affected: Alaska Court System
RDU: Trial Courts
Component:
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

House Bill 334 changes some of the provisions that govern child custody in cases where a parent is a service member who is or recently has been deployed. Two provisions have the potential to impact the court system. The first is the right to a custody hearing within 10 days after a service member requests the hearing after returning from deployment. Courts already frequently set these hearings on an expedited basis and this change will probably not have a significant impact on current practices. However, should a significant number of heaings be sought soon after the return of a large number of deployed service members, this may create scheduling problems.

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Prepared by: Doug Wooliver, Administrative Attorney — Phone 907-463-4750
Division: Alaska Court System — Date/Time 2-16-10 @ 12:00 pm
Approved by: Doug Wooliver for Christine Johnson, Administrative Director — Date 2/16/2010
Alaska Court System

(Revised 10/13/2009 OMB)

3742

REPRESENTATIVE BILL THOMAS
ALASKA STATE LEGISLATURE DISTRICT 5
e-mail: Representative.Bill.Thomas@legis.state.ak.us
webpage: www.akrepublicans.org/thomas/

State Capitol
Juneau AK, 99801-1182
907-465-3732
888-461-3732
FAX 907-465-2652

Sectional
HB 334
"An Act establishing child custody, modification, and visitation standards for a military parent; and amending Rule 99, Alaska Rules of Civil Procedure."

Section 1: AS 25.20 adds a new section:

Sec. 25.20.095. Custody and visitation proceedings involving a military parent.
(a) Military service cannot be a factor in granting or denying a petition for custody or visitation.

(b) – (e) Upon receiving deployment orders a military parent shall receive an expedited hearing and the parent can delegate visitation rights to a family member if doing so is within a child's best interests. Any petition for custody or visitation will be given the same protections as afforded under the SCRA. Additionally, rights or protections regarding custody or visitation can only be waived writing

(f) A court order entered under this section must require
(1) a child be made reasonably available during periods of leave
(2) the facilitation of written and electronic contact between the deployed parent and the child, preferably electronic contact with a video image
(3) the deployed parent provide timely leave information

(g) Factors in determining a child's best interests. Cross reference to AS 25.24.150(c) and AS 25.24.150(g)

(h) Definition of "deployment," "family member," and "military service"

Section 2: AS 25.20.110 is amended by adding new subsection to read:

(d) Except as provided in (e) – (h) military service cannot be a factor in finding a change of circumstances on a motion to modify child custody or visitation

(e) A court may provide for a temporary modification of a custody or visitation order to make reasonable accommodation for a deployment. The temporary order must include provisions for
(1) custody or visitation during periods of leave if doing so is within the child's best interests.
(2) termination of the temporary order within 10 days of notification of the deployed parent's ability to resume custody if doing so is within the child's best interests. The non-deployed parent shall bear the burden of proof.

(3) a hearing if a child of a deployed parent moved out of state and the non-deployed parent files a motion that alleges that resumption of the permanent custody order will result in immediate danger of irreparable harm to the child or that the presumption under AS 25.24.150(g) exists
(4) delegation of the deployed parent's visitation rights to a family member if doing so is within the child's best interests.
(5) immediate notification from the non-deployed parent of a change of address or contact information.

(f) A court shall expedite a hearing to modify custody or visitation on a motion made by a parent who is subject to deployment.

(g) Factors in determining a child's best interests. Cross reference to AS 25.24.150(c) and AS 25.24.150(g)

(h) Definition of "deployment," "family member," and "military service." Cross reference to AS 25.20.095

Section 3: AS 25.24.150 is amended by adding new subsection to read:

(l) Except as provided in AS 25.20.095 and 25.20.110 military service cannot be a factor in determining the best interest of the child under (c) of this section.

Section 4: The uncodified law of the State of Alaska is amended by adding a new section to read:

(a) Authorization for Telephonic, Video, or Internet Participation.
The court shall allow video or Internet testimony if the hearing or deposition involves the custody or visitation of a child of a parent who is deployed, as that term is defined in AS 25.20.095, at the request of the deployed parent.

REPRESENTATIVE BILL THOMAS
ALASKA STATE LEGISLATURE DISTRICT 5
e-mail: Representative.Bill.Thomas@legis.state.ak.us
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Explanation of Differences Between SB 210(JUD) and HB 334 (RLS)

Page 1, Lines 6-9

Language added to HB 334 which clarifies that one of the purposes of the bill is to ensure that the deployed parent is afforded the maximum opportunity to have contact with his/her child during the period of deployment.

Page 2, Line 10

HB 334 deletes the reference to "an additional 10 days' notice" as it is inconsistent with the intent of the bill to expedite hearings for deploying parents.

Page 2, Lines 13-14

HB 334 adds language that a parent may waive their rights in writing or on the record during a court proceeding.

Page 2, Line 19

HB 334 requires "each parent," not just the nondeployed parent, to facilitate contact between the other parent.

Page 3, Line 18

HB 334 inserts a definition of "parent" that includes the legal guardian of a child.

Page 4, Line 31

HB 334 references the definition of "parent" that is mentioned above.

Page 5, Lines 20-25

HB 334 has an indirect court rule amendment due to the requirement for an expedited hearing if a deploying parent requests one. The court rule being amended is Rule 77.

Page 5, Lines 26-31 and Page 6, Lines 1-2

HB 334 has a conditional effect. The sections of the bill pertaining to the change to Rule 77 will not take effect unless they receive to 2/3 vote of each body of the legislature.

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Sponsor Statement HB 334

"An Act establishing child custody, modification, and visitation standards for a military parent who is deployed; and amending Rule 99, Alaska Rules of Civil Procedure."

For nearly a decade, the War on Terror has required Alaska to frequently deploy our active military, reserve, and National Guard troops. This high deployment tempo is putting even more pressure on our already strained military families. Children who are already in unusual circumstances due to their parents' military careers are being put in the situation of having to deal with a deployed parent. It is no wonder that the divorce rate for members in the military has been steadily rising for the past decade.

However, while the travesty of divorce is hard enough on all members of a family, the court system is also finding it difficult to balance the issues of deployment with child custody issues. A deploying family member now must fight a battle on two fronts, the one in the Middle East, and the one at home. HB 334 ensures that the court system has clear directive as to how it should deal with a deploying military member if they should find themselves in the midst of a child custody battle. It affords them the right to an expedited hearing so that matters can be taken care of before deployment, if necessary, and it also allows the member to delegate their visitation rights to another family member in order for the child to maintain all familial connections. Most importantly, HB 334 requires that a court ***not*** consider deployment when determining child custody. Our men and women are sacrificing enough for our country, their military service should not be a reason in itself for them to lose custody of their children.

In 2009, because of the potential for conflict with current states child custody laws, congress deemed military child custody to be the responsibility of individual states.

HB 334 includes the following items and restrictions:

- A definition of a military absence.
- Assurance that military duties cannot be considered when determining child custody.
- Allowance of expedited hearings with restrictions.
- The right to delegate visitation to another family member.
- Allowance of electronic testimony.
- Limitations on temporary custody orders.

In recognizing that the federal government should not legislate a Military Child Custody statute, that Alaska has many service-members, that the United States military currently has a high rate of deployment, and that military divorce rates continue to rise, now is a good time for the Alaska Legislature to address military child custody.

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Sectional

HB 334

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SECRETARY OF DEFENSE
1000 DEFENSE PENTAGON
WASHINGTON, DC 20301-1000

OFFICE OF THE GOVERNOR
JUNEAU

NOV 23 2009

NOV 16 2009

The Honorable Sean Parnell
Governor of Alaska
State Capitol
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

I am writing to you about a matter that is of critical concern to me - the support of our Service members and their families in child custody disputes. I am deeply committed to preventing any inequitable treatment our deployed soldiers, sailors, airmen, and Marines may face in child custody disputes as a result of their service to the Nation.

I ask that you consider how your state can address the special difficulties facing military parents who must balance the demands of military service with the equally compelling demands of parenthood. These demands are often felt most acutely when military members must deploy and either lose visitation time or face challenges to existing custody orders by a parent to whom the military member is not married.

To date, thirty states have passed laws that address some aspect of the difficulties facing parents who must temporarily give up custody of their children or who must forgo visitation when called to take up the burdens of the nation. One possible legislative response could include the presumption that the prior custody agreement be restored upon the military member's return from deployment. Another legislative response could be to allow a parent with visitation rights the ability to delegate those rights to a third party during the deployment. I note that Alaska has not passed legislation to address military and visitation issues.

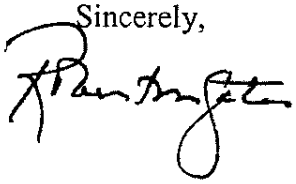
The Department recognizes the complexities of such cases and the difficulties in balancing the interests of the Service member against the best interests of the child. The Department also believes that the States are in the best position to balance the needs of both within the context of existing domestic relations laws.

Because of the potential impact this could have on the full spectrum of our

military families, I am writing you directly to let you know that we stand ready to assist you with any additional information that you may need to address this issue. Mr. Ed Kringer, my staff contact, can provide a more detailed description about how other states have approached this issue. Your staff can contact him at 703-602-4949, ext. 114, or at ed.kringer@osd.mil.

Thank you for all you do for our Service members and their families. Helping them with this extremely important family concern would provide a great service to our men and women in uniform, as well as to your State and the nation as a whole.

Sincerely,



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Sean Parnell, GOVERNOR

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DEPARTMENT OF MILITARY AND VETERANS AFFAIRS

OFFICE OF THE COMMISSIONER

February 26, 2010

Rep. Bill Thomas:

Members of the United States Armed Forces train very hard to meet the high standards we set as a nation for excellence. These standards are important to protect the lives of each individual member, but also to protect the fellow Soldiers, Airmen, Marines, and Seamen who go into battle together.

The members of the Armed Forces need to be focused on the mission they are about to execute and not have any distracters that could jeopardize the safety of the team or success of the mission. The number one distraction for deployed military members is family concerns. There is a loop-hole in Alaska Statute that allows child custody hearings to take place while a military member is deployed. This must be stopped.

I fully support the efforts of the Rep. Bill Thomas and the Veterans Caucus to correct this problem by sponsoring House Bill 334. Please protect the troops by allowing them to focus on the mission while deployed. Passing this bill will improve morale and allow families to deal with issues in person between deployments.

Sincerely,

Thomas H. Katkus

Brigadier General Thomas H. Katkus
Commissioner

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NO RESOLUTION PRESENTED HEREIN REPRESENTS THE POLICY OF THE ASSOCIATION UNTIL IT SHALL HAVE BEEN APPROVED BY THE HOUSE OF DELEGATES. INFORMATIONAL REPORTS, COMMENTS AND SUPPORTING DATA ARE NOT APPROVED BY THE HOUSE IN ITS VOTING AND REPRESENT ONLY THE VIEWS OF THE SECTION OR COMMITTEE SUBMITTING THEM.

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AMERICAN BAR ASSOCIATION

SECTION OF FAMILY LAW
STANDING COMMITTEE ON LEGAL ASSISTANCE FOR MILITARY PERSONNEL
STANDING COMMITTEE ON LEGAL AID AND INDIGENT DEFENDANTS

REPORT TO THE HOUSE OF DELEGATES

RECOMMENDATION

RESOLVED, That the American Bar Association opposes the enactment of federal legislation that would:

(a) create federal-question jurisdiction in child custody cases, including cases involving servicemember-parents;

(b) dictate case outcomes or impose evidentiary burdens in state child-custody matters involving servicemember-parents;

(c) co-opt the discretionary authority of state courts, in cases involving servicemember-parents, to determine the best interests of the child and award custody accordingly; and

(d) pre-empt the growing body of state laws that comprehensively address servicemember domestic relations matters, including child custody.

FURTHER RESOLVED, That the American Bar Association urges states to enact legislation prohibiting denial of child custody to a servicemember based solely on absence due to military deployment.

REPORT

We Americans owe many things to those who disproportionately bear the burden of national sacrifice, but bad law is not one of them. Today as always, the American Bar Association is as resolutely committed to the legal rights of American military members as it is to those of America's children. Yet there can be no Solomon-like splitting of interests when it comes to legislation that, in the name of deployed servicemembers' parental rights, would create a federal child custody law that usurps the historic primacy of the states in domestic relations law and relegates the best interests of the child to a secondary consideration in custody disputes.

Such legislation was kept out of the Fiscal Year 2009 National Defense Authorization Act at the eleventh hour. Similar measures had been introduced in prior sessions of Congress, and there is every reason to believe that this measure will keep resurfacing until either passed, or finally dispatched after a full vetting. Should such a measure re-surface, the ABA urges Congress to reject in its entirety this unsound incursion into the realm of the states, however well-intentioned its proponents, with the understanding that the rights of servicemembers and their children are best served within the existing framework of state laws and court-integrated social services, and the formidable procedural protections already built into the federal Servicemembers Civil Relief Act (SCRA).

The Recent Legislation

The latest iteration of the opposed legislation, section 4510 of H.R. 5658, 110th Congress, would have amended 50 U.S.C. App. § 521, the SCRA, by adding language dictating outcomes in child custody cases, where a servicemember parent had legal custody of the child at the time the parent was deployed to a contingency operation such as Iraq or Afghanistan. The bill would have compelled courts to restore custody of the child to the servicemember parent upon his or her return home post-deployment, unless it could be demonstrated by "clear and convincing evidence" that it was not in the child's best interest to have custody restored to the returning servicemember parent. The bill also would have prohibited a court, in deciding the child's interests, from considering how a servicemember's extended absence due to deployment may have affected those interests. The bill further would have prohibited change in child custody while a servicemember was deployed, through modification of a child custody arrangement that existed at the time of deployment, absent clear and convincing evidence that the change was in the child's best interests.

The Threat to Existing, Effective Legal Mechanisms

On its face, the proposition that an American servicemember must not lose custody of his or her child by virtue of service to our country in distant danger zones seems unassailable. On the other hand, is it ever reasonable to suggest that a court, in deciding a child's best interest, be prohibited from even considering how a parent's prolonged military deployment, *among other factors*, might affect the child's-best-interests analysis? The reality is that conflicting interests within separated families do not lend themselves to inflexible legal prescriptions. Such matters must be

decided on a case-by-case basis, always focusing on the best interest of the child as the primary factor.

Wielding the club of a federal child-custody law that pre-ordains pro-servicemember outcomes in these cases would compromise the generally-accepted "best interests of the child" standard governing custody decisions.

A. Creating a Federal Law of Child Custody for These Servicemember-Parent Cases Would Invade the Province of State Courts and Disrupt Existing, Effective Legal Frameworks for Resolving Child Custody Disputes.

Child Custody Is Not a Federal Question.

The opposed legislation would create a new substantive legal interest in restored child-custody rights, under the SCRA. It would thus create federal-question jurisdiction over covered child custody cases, forcing federal judges to venture into the *terra incognita* of child custody jurisprudence when a covered case is originally filed in federal court pursuant to 28 U.S.C. §1331 or removed to federal court pursuant to 28 U.S.C. §1446.

Such an outcome would run counter to a long and unbroken history of federal deference to state courts on subject matters not expressly reserved to federal judicial authority. In particular, federal courts have not entertained claims addressing child custody or visitation, or other "adjustments to family status." *See Ankenbrandt v. Richards and Kessler*, 504 U.S. 689 (1992); *Thompson v. Thompson*, 798 F.2d 1547 (9th Cir. 1986), aff'd 484 U.S. 174 (1988); Cole *v. Cole*, 693 F.2d 1083 (4th Cir. 1980); *Doe v. Doe*, 660 F.2d 101 (4th Cir. 1981). In *Ankenbrandt*, the Supreme Court observed:

> Issuance of [custody] decrees . . . not infrequently involves retention of jurisdiction by the court and deployment of social workers to monitor compliance. As a matter of judicial economy, state courts are more eminently suited to work of this type than are federal courts, which lack the close association with state and local government organizations dedicated to handling that arise out of conflicts over divorce, alimony, and child custody decrees. Moreover, as a matter of judicial expertise, it makes far more sense to retain the rule that federal courts lack power to issue these types of decrees because of the special proficiency developed by state tribunals of the past century and a half. 504 U.S. at 703-04.

The same reasoning must guide Congress in consideration of the next bill purporting to create a federal law of child custody.

Such Legislation Would Tie the Hands of Judges.

Whether these matters are decided in federal or state court, the opposed legislation would tie the hands of judges by mandating a particular result in favor of the servicemember parent returning from deployment. It would mandate automatic restoration of custody to the returning parent, provided that he or she had custody of the child at the time of deployment. In forcing that decision, the opposed rule would bar a court from even considering the effect of prolonged parental absence, due to deployment, on the child's best interests. The court would have no discretion in these custody decisions, absent a showing by "clear and convincing" evidence that the child should not resume residence with that parent.

Even where it could be proven by a preponderance of the evidence that the child's best interests lay with a grant of custody to the other parent, the court would be forced to restore the child to the custody of the returning servicemember, unless the more stringent "clear and convincing" threshold could be met.

The States Are Making Rapid Progress in Addressing These Matters.

The states have moved rapidly and responsibly to address the extraordinarily complex set of family law and other legal issues confronting this generation of servicemembers and their families, of whom so much has been demanded. Nine states have enacted legislation squarely addressing the child custody circumstances at issue in the opposed legislation: Arizona, California, Kansas, Kentucky, Louisiana, Michigan, Mississippi, North Carolina and Virginia. More than 20 states have adopted legislation acknowledging the potentially competing interests of the child and custodial servicemember and seeking to balance those interests within the framework of the individual states family service systems. These recent state statutes provide, or will provide, broad protections of family member interests, addressing not only restoration of custody but representation of the servicemember's interests in state proceedings and incorporation of mental health and other state support services.

The typical emergent state statute goes much further than the opposed federal bill in protecting servicemembers' interests. For example, it provides for electronic testimony by deployed servicemembers and expedited dockets for those wishing to organize their affairs in advance of deployment.

Importantly, many of the new comprehensive state laws, unlike the proposed federal legislation, also address child-visitation for servicemembers who do *not* have custody. Most active-duty servicemembers who have minor children are not custodial parents. Department of Defense regulations generally prohibit first-term single parents from having legal custody of a minor child. Moreover, the military lifestyle often compels the servicemember parent to relinquish custody to the non-servicemember parent.

These state-law solutions, tailored to and consonant with particular state social service systems and the broad array of servicemember parental interests, represent by far the better and more effective remedy.

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The U.S. Department of Defense strongly opposes the type of legislation at issue -- the department has urged in its position statement on point:

> The progress with which the states have embraced the military-specific issues has been phenomenal and shows no indication of waning. Five military custody bills became law in just the first six months of 2008. It would be a mistake to intrude on the significant protections and creativity demonstrated by the states.

The opposed bill would do substantial damage to this significant new line of state-based protections, as federal law would be pre-emptive on the burden of proof question and, in a radical and unprecedented departure from the long history of state dominion over family relations disputes, would mandate custody-dispute outcomes from afar without due consideration of the child's best interests. It must be recognized that, at the end of the day, the creative servicemember-parent protections offered by the new and growing array of state statutes are significantly stronger than those contained in this misguided proposal.

B. This Legislation Would Undermine and Misuse The Servicemembers Civil Relief Act.

The opposed bill would compromise the purpose and effect of the SCRA by converting it into a results-driven hammer for forcing particular outcomes in child custody cases. Such a misuse of this far-reaching legal shield for American servicemembers and their families would destroy its procedural focus, as it applies to courts and litigation, with its provisions for issuing automatic stays, vacating default judgments and appointing counsel for servicemembers.

As the Department of Defense noted in its opposition:

> The SCRA . . . currently provides powerful rights to mobilized custodial caregivers. A number of high-visibility custody cases have resulted in custody decisions adverse to deployed servicemembers; however, in many of these cases the basic and generally easily met prerequisites for automatic 90-day stays under the SCRA were not followed. In other cases, judges simply ignored the SCRA. This indicates a problem of a lack of education about the effect and use of the SCRA rather than a problem with its substantive limitations.

The opposed initiative would also introduce a real risk of dilution of important protections already found in the SCRA, by creating the possibility of a legal inference that those protections *only* apply to the particular child custody circumstances addressed by the bill, (i.e., the custody rights of servicemembers who had custody pre-deployment and are returning from deployment.)

The Department of Defense also points out that passage of the proposal could leave "other types of domestic cases vulnerable to arguments that the failure to explicitly address them indicates a legislative intent to exclude them" from SCRA procedural protections."

The SCRA, as it is written, provides clear protections for civil litigants in uniform, including deployed servicemembers in child custody matters, and it means what it says. Doubt as to the scope and reach of this seminal statute's array of servicemember protections must not be legislatively introduced, where no such doubt currently exists.

Damage to the purpose and function of this pre-eminent servicemember-protection statute was a primary consideration of an original sponsoring entity of the instant resolution, the Standing Committee on Legal Assistance for Military Personnel (LAMP), in its decision to strongly oppose the legislative proposal at issue here. LAMP exists to serve and support American servicemembers and their families. While on its face the offending legislation purports to support servicemember parents, the LAMP Committee has concluded that this support is largely illusory, as the bill would do irreparable harm to state-law-based servicemember protections, which are rapidly improving, and upset the well-established legal-social framework for managing child custody cases affecting military and civilian families alike.

C. The Best Interests of the Child Standard Must be Preserved in Custody Cases.

The opposed bill would compromise the best interest of the child standard in custody decisions. To be sure, in fairness to those who leave home to answer their country's call to arms, the mere fact of deployment of a custodial caregiver, standing alone, cannot constitute legal grounds for depriving a servicemember parent of custody. But the proposal in question veers off to the opposite extreme, making restoration of pre-deployment custody *automatic* and relegating the child's interests to a secondary consideration, unless it can be shown by "clear and convincing" evidence that restoring custody to that servicemember-parent would be against the child's best interests. In the murky world of most family relationships, proving anything to a "clear and convincing" certainty is a tall order indeed. The proposed standard thus would turn on its head the generally-accepted "best interests" standard, a deviation that would represent a dangerous precedent that ultimately serves no one's interests, including those of servicemembers or their families.

Additional Considerations

The proposal is also unworkable to the extent that it would only create custody rights in cases involving the actual deployment of a servicemember to a "contingency operation," which means a designated conflict zone such as Iraq or Afghanistan. As the Department of Defense noted, this introduces

> another arbitrarily created distinction between those involved in a contingency operation and those who must be absent from their child for other military-directed reasons. Why should the deployment of a servicemember in support of a humanitarian operation, as opposed to a peacekeeping operation, be forced to operate under different laws and perhaps different courts? Few other provisions of the SCRA turn on such arbitrarily imposed distinctions.

Likewise, no protections would be afforded servicemembers who are called up to replace those mobilized and who take their places, yet are not on a humanitarian mission, and those who face military absence due to the nature of the mission – an "unaccompanied tour." There is no reason why these members of the military should face disparate treatment.

On a separate point, all of the service branches (Army, Navy, Air Force, Coast Guard and Marine Corps) have been developing new Family Care Plan instructions designed to encourage servicemembers to create explicit plans for the handling of child custody issues and other family matters in the event of deployment. Going forward, the revised Family Care Plan instructions, once completed by all the services, should prevent a number of these custody disputes from arising, further obviating a statutory fix that would be far worse than the problem.

Respectfully submitted by:

Anita M. Ventrelli, Chair, Section of Family Law
Donald J. Guter, Chair, Standing Committee on Legal Assistance for Military Personnel

February 2009

GENERAL INFORMATION FORM

Submitting Entities: ABA Section of Family Law
ABA Standing Committee on Legal Assistance for Military Personnel

Submitted By: Anita M. Ventrelli, Chair, Section of Family Law
Donald J. Guter, Chair, Standing Committee on Legal Assistance for Military Personnel

1. Summary of Recommendation(s).

The Section of Family Law and the Standing Committee on Legal Assistance for Military Personnel (LAMP) of the American Bar Association recommend to the ABA House of Delegates that the ABA urge Congress to oppose any federal legislation that would create a new federal law of child custody controlling resolution of child-custody disputes involving the custodial rights of servicemember-parents. They recommend opposition to such legislation to the extent that it would: create federal-question jurisdiction over these child custody cases; threaten existing procedural protections for American servicemembers found in the Servicemembers Civil Relief Act; co-opt the growing body of state laws that comprehensively address the domestic relations interests of servicemembers; and legislatively dictate outcomes and evidentiary burdens in child-custody cases, while compromising the best-interests-of-the-child standard.

2. Approval by Submitting Entity.

This Recommendation was approved by the Council of the Section of Family Law on October 2, 2008 and by the LAMP Committee on November 14, 2008.

3. Has this or a similar recommendation been submitted to the ABA House of Delegates or Board of Governors previously?

No

4. What existing Association policies are relevant to this recommendation and how would they be affected by its adoption?

This Recommendation is consistent with the American Bar Association's 1984 policy urging the legal profession to direct attention to issues affecting children, including the preservation of children's legal rights; the 1995 policy urging respect of the rights of all children in the United States; and the 1993 policy urging amendment of the former Soldiers' and Sailors' Civil Relief Act to clarify and modernize the Act's protections of American servicemembers.

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5. What urgency exists which requires action at this meeting of the House?
The latest iteration of the opposed legislation was introduced as part of the Fiscal Year 2009 National Defense Authorization Act. Only at the eleventh hour was this bill, along with other bills amending the Servicemembers Civil Relief Act, purged from the Defense Authorization Act. Congressional staff and observers who closely follow this subject expect the bill to be reintroduced in 2009. Action by the House at this time is necessary to have an influence on Senate and Congressional action.

6. Status of Legislation. (If applicable.)

The opposed bill, section 4510 of H.R. 5658, would have amended 50 U.S.C. App. § 521, the Servicemembers Civil Relief Act. It was introduced in the 110th Congress in 2008. It was not adopted as part of the final FY 2009 National Defense Authorization Act. It is not a currently pending bill, but is expected to be reintroduced.

7. Cost to the Association. (Both direct and indirect costs.)

None.

8. Disclosure of Interest. (If applicable.)

None.

9. Referrals. (List entities to which the recommendation has been referred, the date of referral and the response of each entity if known.)
The Resolution and Report were distributed to the following ABA entities on Nov. 13, 2008, with the request for their co-sponsorship:
Standing Committee on Armed Forces Law,
Standing Committee on Legal Aid and Indigent Defense (SLCAID),
Section of Litigation,
Center for Children and the Law,
General Practice, Solo, and Small Firm Division (Military Committee),
Government and Public Sector Lawyers Division,
Judicial Division,
Section of Individual Rights and Responsibilities, and
Young Lawyers Division.

Government and Public Sector Lawyers Division is reviewing the recommendation; SLCAID will vote on co-sponsorship on Nov. 22, 2008.

10. Contact Persons. (Prior to the meeting. Please include name, address, telephone number and email address.)

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11. Contact Persons. (Who will present the report to the House. Please include email address and cell phone number.)

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EXECUTIVE SUMMARY

1. Summary of the Recommendation

The Recommendation calls for the American Bar Association to urge Congress to oppose legislation that would create a federal law of child custody controlling state custody cases involving servicemember-parents. The Recommendation urges that the legislation be stopped because it would dictate court outcomes in child custody cases, even where the child's best interests do not support that outcome; create federal-question jurisdiction over child custody cases, long the province of state courts; impose federally-mandated evidentiary burdens on state courts; co-opt the growing body of state laws that comprehensively and appropriately address domestic relations matters affecting servicemembers; and cast doubt on existing servicemember protections found in the Servicemembers Civil Relief Act (SCRA), 50 U.S.C. App. §§ 501-596.

2. Summary of the Issue that the Resolution Addresses

The issue arises from strong concern among child advocates, military legal assistance experts and others that the opposed legislation would inappropriately employ federal fiat to invade the province of the states by dictating court outcomes in child custody cases affecting deployed servicemembers. The opposed legislation provides that deployed servicemembers who had child custody at the time of their deployment would automatically have that custody restored upon their return, irrespective of other considerations affecting the best interests of the child. The opposed legislation would provide that custody could be denied to the returning servicemember in such a case only by a showing of "clear and convincing" evidence that it was not in the child's best interests. The opposed legislation improperly creates federal substantive law and evidentiary rules for custody determinations historically left to state courts. The opposed legislation would misuse the Servicemembers Civil Relief Act, the source of important procedural protections for servicemembers in litigation, to dictate substantive outcomes in custody cases. The legislation would cast doubt of the ample and adequate servicemember protections already found in the SCRA. The opposed legislation would create federal-question jurisdiction over these child custody cases, a role federal courts are ill-equipped to fulfill. The opposed legislation would pre-empt the emerging body of state laws that comprehensively and organically address servicemember domestic relations interests. The essence of the issue is that the opposed legislation is not in the interest of children or servicemembers.

3. Please Explain How the Proposed Policy Position will Address the Issue

The Proposed Policy would influence the United States Senate and the House of Representatives to oppose the legislation and thereby remove the threat to the interests of children and servicemembers posed thereby.

4. Summary of Minority Views

We are aware of no minority views within the ABA.

3762

http://timesargus.com/article/20100120/NEWS01/1200341/1002/NEWS01

For deployed Vermont military, help with child custody

By **Peter Hirschfeld** Vermont Press Bureau - Published: January 20, 2010

MONTPELIER – For military parents deployed to war zones overseas, the toughest battle can often be the child-custody dispute awaiting them back home.

The call to duty, family-law experts told Vermont lawmakers on Tuesday, can be used in court against military parents who split custody of their children with a former spouse or partner. And the impacts, they said, can exacerbate the intense emotional trauma that long deployments inflict on troops and their children.

"We don't have a lot of horror stories here, but boy are they out there in the rest of the country," said Patricia Benelli, a family-law attorney from Chester. "And we're trying to avoid them here."

Lt. Col. Ellen Abbott, a judge-advocate general in the Vermont National Guard, said she had to assist a Vermont soldier who returned from a long deployment to Iraq only to find that his ex-partner had been granted full custody of their child in his absence. It took months of court proceedings and $23,000 in legal fees, Abbott said, for the man to regain custody of his child.

"It was a very difficult thing for this soldier to go through," Abbott said. "Had we had something in place to provide protections to him, it might have made things easier."

Lawmakers this session will consider a bill that supporters say would provide those protections by addressing the legal pitfalls into which at least some military parents fall. Without such reforms, Benelli said, the state risks "penalizing people in the military for serving their country."

Rep. Maxine Grad, a Waitsfield Democrat and vice-chairwoman of the House Judiciary Committee, introduced the legislation, which now has 88 co-sponsors. With more than 5,000 Vermonters serving as active members of the military, including 1,500 headed for Afghanistan next month, she said it's incumbent upon the state to protect the parental rights of servicemen and women.

When deployment orders come through, Abbott said, many military parents "are afraid to go to court because they're going to take their children away."

Indeed, legal experts said Tuesday, a military deployment can be construed by family-court judges as the "real, substantial and unanticipated change" required by Vermont statutes to amend child-custody arrangements.

Proposed legislation would prevent judges from using deployment-related separation as the sole reason for changing custody or visitation orders.

"I think this bill provides the framework to give assurances to military parents that they won't lose contact with their children either before, during or after their deployment," Abbott said.

The bill would also ensure that parents forced to cede custody or visitation during a deployment could appoint a friend or family member to assume those rights on their behalf. The measure is needed, lawyers said Tuesday, to ensure a continued bond with members of the deployed parent's family.

The legislation additionally ensures contact rights for deployed parents wishing to correspond with their children via telephone, e-mail or Web cameras. Abbott, who herself has been deployed to Iraq, said contact with children is important to sustaining soldiers' morale.

"Being over there I can tell you soldiers live for contact with their children," Abbott said. "We also have soldiers who are devastated when they get no response from their children – none whatsoever. It degrades their ability to focus on the mission and that's what we need – the ability to focus on the mission so they can come back."

The bill would also force family courts to make deployment-related custody hearings priority cases, and allow deployed soldiers to participate in those hearings via phone.

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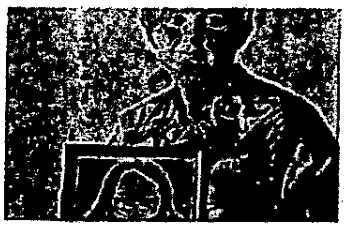
Deployed Troops Battle for Custody

Associated Press | May 07, 2007



She had raised her daughter for six years following the divorce, handled the shuttling to soccer practice and cheerleading, made sure schoolwork was done. Hardly a day went by when the two weren't together. Then Lt. Eva Crouch was mobilized with the Kentucky National Guard, and Sara went to stay with Dad.

A year and a half later, her assignment up, Crouch pulled into her driveway with one thing in mind - bringing home the little girl who shared her smile and blue eyes. She dialed her ex and said she'd be there the next day to pick Sara up, but his response sent her reeling.

"Not without a court order you won't."

Within a month, a judge would decide that Sara should stay with her dad. It was, he said, in "the best interests of the child."

What happened? Crouch was the legal residential caretaker; this was only supposed to be temporary. What had changed? She wasn't a drug addict, or an alcoholic, or an abusive mother.

Her only misstep, it seems, was answering the call to serve her country.

Crouch and an unknown number of others among the 140,000-plus single parents in uniform fight a war on two fronts: For the nation they are sworn to defend, and for the children they are losing because of that duty.

Alert: Tell your public officials how you feel about this issue.

A federal law called the Servicemembers Civil Relief Act is meant to protect them by staying civil court actions and administrative proceedings during military activation. They can't be evicted. Creditors can't seize their property. Civilian health benefits, if suspended during deployment, must be reinstated.

Understanding Military Legal Matters

And yet servicemembers' children can be - and are being - taken from them after they are deployed.

Some family court judges say that determining what's best for a child in a custody case is simply not comparable to deciding civil property disputes and the like; they have ruled that family law trumps the federal law protecting servicemembers. And so, in many cases when a soldier deploys, the ex-spouse seeks custody, and temporary changes become

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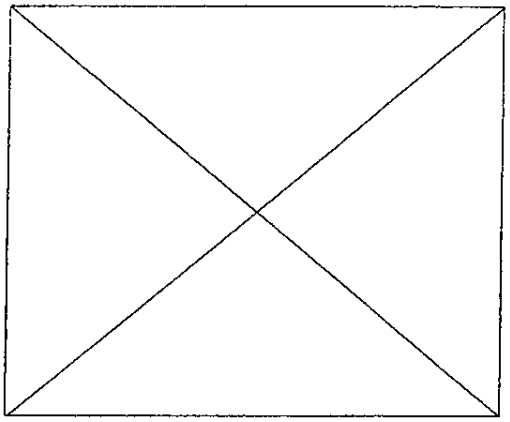

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lasting.

Even some supporters of the federal law say it should be changed - that soldiers should be assured that they can regain custody of children after they return.

"Now, they've got a great argument when Johnny comes marching home that the child should remain where they are, even though it was a temporary order," says Lt. Col. Steve Elliott, a judge advocate with the Oklahoma National Guard, referring to non-deployed parents.

Military mothers and fathers, meanwhile, speak of birthdays missed. Bonds, once strong, weakened. Returning from duty not to joyful reunions but to endless hearings.

They are people like Marine Cpl. Levi Bradley, helping to fight the insurgency in Fallujah, Iraq, at the same time he battles for custody of his son in a Kansas family court.

Like Sgt. Mike Grantham of the Iowa National Guard, whose two kids lived with him until he was mobilized to train troops after 9/11.

Like Army Reserve Capt. Brad Carlson, fighting for custody of his American-born children in a foreign land after his marriage crumbled while he was deployed to the Middle East and his European wife refused to return to the States.

And like Eva Crouch, who spent two years and some $25,000 pushing her case through the Kentucky courts.

"I'd have spent a million," she says. "My child was my life ... I go serve my country, and I come back and have to go through hell and high water."

In the midst of World War II, back in 1943, the U.S. Supreme Court held that the soldiers' relief law should be "liberally construed to protect those who have been obliged to drop their own affairs to take up the burdens of the nation."

Shielding soldiers, after all, would allow them "to devote their entire energy" to the nation's defense, as the law itself states.

But in child custody cases, the opposite often happens.

"The minute these guys are getting deployed, the other parent is going, `I can do whatever I want now,'" says Jean Ann Uvodich, an attorney who represented Bradley. "If you have an ex who wants to take advantage, they can and will. The obstacle is that the judge needs to respect the law."

Bradley had already joined the Marines, and his young wife, Amber, was a junior in high school when their son Tyler came along in September 2003. With Bradley in training, Amber and the baby lived with Bradley's mother, Starleen, in Ottawa, Kan.

When the marriage fell apart two years later, Bradley filed for divorce and Amber signed a parenting plan granting him sole custody of Tyler and agreeing that the boy would live with Starleen while Bradley was on duty.

In August 2005, Bradley deployed to Iraq. A month later, Amber sought to void the agreement and obtain residential custody of Tyler. She didn't fully understand what she had signed, she said later.

Bradley learned of the petition in Fallujah, after calling his mom's house one night to say hello to his son. He was infuriated.

He worked during the day as a mechanic with the 8th Communications Battalion, then headed back to the barracks and, because of the time difference, waited until midnight to call his mother to hear the latest from court.

"My mind wasn't where it was supposed to be," he says. And the distraction cost him. One day he rolled a Humvee he was test-driving. Though he wasn't injured, Bradley was reprimanded.

Uvodich sought a stay under the Servicemembers Civil Relief Act, which provides for a minimum 90-day delay in proceedings upon application by an active duty service member. She argued that Bradley had a right to be present to testify.

But the judge refused to postpone the case, saying he didn't believe it was subject to the federal law because "this Court has a continuing obligation to consider what's in the best interest of the child," court records show.

After a November 2005 hearing, the judge awarded temporary physical custody to Amber. Last summer, that order was made permanent.

Bradley, now 22, is stationed at Camp Lejeune, N.C., awaiting his second deployment to Iraq later this year. He gets to Kansas on leave for about two weeks every six months, and sees Tyler for four days at a time.

"I fought the best I could," he says. "The act states: Everything will be put on hold until I'm able to get back. It doesn't happen. I found out the hard way."

Deployment News and Resources

Oregon Circuit Court Judge Dale Koch, president of the National Council of Juvenile and Family Court Judges, said that as state court judges, those deciding custody cases are obligated to follow their family codes - and "in most states there is language that says the primary interest is the best interest of the child."

"We recognize the competing interests," he says. "You don't want to penalize a parent because they've served their country. On the other hand ... you don't want to penalize the child."

But what does "best interest" really mean? Koch mentions factors such as stability and considering who has been the child's main emotional provider, parameters that conflict directly with military service. So how do you balance those things against upholding a deployed parent's civil rights? When, too, should a temporary change mean just that?

Iowa Guardsman Mike Grantham thought he was serving the best interests of his children when he arranged for his son and daughter to stay with his mother before reporting for duty in August 2002. She lived a few blocks from the kids' school in Clarksville, Iowa, and he figured, "There wouldn't be much disruption."

He had raised Brianna and Jeremy since his 2000 divorce, when ex-wife Tammara turned physical custody over to him.

After mobilizing, Grantham was served with a custody petition from Tammara, delivered to his unit's armory. His lawyer tried twice to request a stay under the federal law. His commanding officer even wrote a letter stating that Grantham's battalion was charged with protecting U.S. facilities deemed national security interests and that his case would cause the entire command structure "to refocus away from the military mission."

The trial judge nevertheless held hearings without Grantham and

temporarily placed the children with Tammara. A year later, though Grantham had returned from duty, the judge made Tammara the primary physical custodian.

An appeals court later sided with Grantham, saying: "A soldier, who answered our Nation's call to defend, lost physical care of his children ... offending our intrinsic sense of right and wrong."

But the Iowa Supreme Court disagreed, saying Tammara was "presently the most effective parent."

Now, Grantham says, his visitation rights mirror those that his ex-wife once had: every other weekend, Wednesdays, and certain holidays - Father's Day, for example.

"There ain't nothing you can do," he says. "Being deployed, you lose your armor."

Military and family law experts don't know how big the problem is, but 5.4 percent of active duty members - more than 74,000 - are single parents, the Department of Defense reports. More than 68,000 Guard and reserve members are also single parents.

Divorce among military men and women also has risen some in recent years, with more than 23,000 enlisted members and officers divorcing in 2005.

Army reservist Brad Carlson lived in Phoenix with his wife, Bianca, and three kids when he volunteered to deploy to Kuwait in 2003. His wife and children were spending that summer with her parents in Luxembourg and expected to remain there until he returned from duty.

A year later, after his wife indicated she wanted to end the marriage and remain in Luxembourg, Carlson filed for divorce in an Arizona court, seeking custody of Dirk, Sven and Phoebe, all American citizens.

The Arizona court dismissed the custody case after Bianca's lawyer argued that jurisdiction belonged in Luxembourg because the children had resided there for at least six months.

Again citing the Servicemembers Act, Carlson's attorney argued that the time the kids spent in Luxembourg shouldn't count toward residency because it came during Carlson's deployment.

A Luxembourg court awarded custody to Bianca, and the kids remain there to this day.

They call him "Bradley" now, he says, instead of "Daddy." They converse in German in stilted long-distance phone calls that provide few precious minutes for a father to absorb missed moments - soccer games, kindergarten, birthdays. On Dirk's 9th, Carlson stood beneath a rainbow-colored birthday banner and had a friend take a digital photo of him holding a sign: "Happy 9th Birthday Dirk!"

Tears fill his eyes when it hits him: "That's how I celebrate."

"I feel really betrayed," Carlson says. "To be able to send me into harm's way ... and my own country can't protect my child custody rights. Why aren't they looking out for me, when I'm looking out for the country?"

The solution, some say, lies in amending the federal law to specify that it does apply in custody cases, and to spell out that jurisdiction should rest with the state where the child resided before a soldier deployed.

Some states aren't waiting for congressional action.

In 2005, California enacted a law saying a parent's absence due to military activation cannot be used to justify permanent changes in custody or visitation. Michigan and Kentucky followed suit, requiring that temporary changes made because of deployment revert back to the original agreement once deployment ends.

Similar legislation has been proposed in Arizona, Florida, Oklahoma, Texas and North Carolina.

"These men and women need to know that when we deploy them, they don't have to worry about being ambushed in our family law court system," says Michael Robinson, a lobbyist who helped write the California and Michigan laws. "The insurgents are doing enough ambushing over there. The only difference between what's occurring there and here is ... it's an emotional bomb."

Crouch knows that all too well.

When she was mobilized back in 2003, Crouch considered having her mother come live in her Frankfort, Ky., home to care for 9-year-old Sara. But her ex-husband, Charles, wanted Sara with him, and Crouch agreed.

"You have to promise me you won't try anything funny," Crouch told him.

He promised.

They drew up a temporary order, moved Sara's belongings 2 1/2 hours east to her dad's place near Ashland, and Crouch headed out - to Iraq, she thought, although she wound up stateside at Fort Knox, providing personnel support to units shipping out.

The fortunate assignment allowed her to visit Sara most weekends, but no one ever brought up the idea of making the temporary situation permanent until Crouch returned.

"Right up until the day I came home there was every indication that I was picking her up," she says.

Charles Crouch says that's true, and acknowledges their agreement was supposed to be temporary. But when the time came for Sara to return to her mom, Charles says his daughter expressed a desire to stay with him. She liked her school, had made new friends.

"I had no intention of trying to talk her into staying or anything," he says. "All I wanted was what was best for my daughter."

Eva Crouch helped fight for the new Kentucky law. Last year, the state Supreme Court cited it in overturning the trial judge's decision granting custody to Charles.

Last September, she got Sara back.

Crouch knows she's one of the lucky few whose cases have happy endings. She's remarried now, and expecting another baby this August. But with 18 years in the military, she knows she could be mobilized again after she gives birth. One thing is clear to her now: Serving her country isn't worth losing her daughter.

"I can't leave my child again - regardless of whether or not I know when I come home, she comes home.

"Still," she says, "I can't."

More Deployment News

HB

342

<target><bill>HB 342</bill><subject>HB
342</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/11/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 342

HB 342 EXTEND BOARD OF REAL ESTATE APPRAISERS

"An Act extending the termination date of the Board of Certified Real Estate Appraisers; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	2/19	✓			1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	EGA	✓			
	Olson	✓		✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 342
(H) Publish Date: 2/26/10

Identifier (file name):HB342-CED-CBPL-2-18-10
Dept. Affected: DCCED
Title: Extend Board of Real Estate Appraisers
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Representative T. Wilson
Requester: House Labor & Commerce Committee
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	42.4	42.4	42.4	42.4	42.4	0.0
Travel	0.0	6.1	6.1	6.1	6.1	6.1	0.0
Contractual	0.0	50.6	50.6	50.6	50.6	50.6	0.0
Supplies	0.0	0.6	0.6	0.6	0.6	0.6	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	99.7	99.7	99.7	99.7	99.7	0.0
TOTAL	**0.0**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

HB 342 extends the Board of Real Estate Appraisers to June 30, 2014. In accordance with AS 08.03.020 funding extends one year following the termination date allowing the Board to conclude its affairs. The FY2011 funding is included in the Operating Budget request and costs shown are an average of direct costs for a biennial licensing period.

Travel expenses represent transportation and per diem for the 5 member board and 1 staff to meet at least 2 times each year in accordance with AS 08.01.070.

The program is required to cover costs with licensing fees under AS 08.01.065, and revenue generated by board fees are anticipated to cover its full operating costs. New funds are not required to implement this bill.

Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 2/18/2010 10:50AM
Approved by: Emil Notti, Commissioner
Date 2/19/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

3771

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 342
(H) Publish Date: 2/26/10

Identifier (file name): HB342-CED-CBPL-2-18-10
Dept. Affected: DCCED
Title: Extend Board of Real Estate Appraisers
RDU: Corp, Bus, & Prof Licensing (117)
Component: Corp, Bus, & Prof Licensing
Sponsor: Representative T. Wilson
Requester: House Labor & Commerce Committee
Component Number: 2360

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	0.0	42.4	42.4	42.4	42.4	42.4	0.0
Travel	0.0	6.1	6.1	6.1	6.1	6.1	0.0
Contractual	0.0	50.6	50.6	50.6	50.6	50.6	0.0
Supplies	0.0	0.6	0.6	0.6	0.6	0.6	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (1156)		**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other: RSS (1156)	0.0	99.7	99.7	99.7	99.7	99.7	0.0
TOTAL	**0.0**	**99.7**	**99.7**	**99.7**	**99.7**	**99.7**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

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Prepared by: Jennifer Strickler, Division Operations Manager
Phone (907) 465-2144
Division: Corporations, Business & Professional Licensing
Date/Time 2/18/2010 10:50AM
Approved by: Emil Notti, Commissioner
Date 2/19/2010
Commerce, Community, and Economic Development

(Revised 11/6/2009 OMB)

3772

Alaska State Legislature
House of Representatives

Interim
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Representative Tammie Wilson

Sponsor Statement
House Bill 342

An Act extending the termination date of the Board of Certified Real Estate Appraisers; and providing for an effective date.

HB 342 extends the termination date of the Board of Certified Real Estate Appraisers (BCREA). Per AS 08.03.010(c)(20), the board will sunset on June 30, 2010. HB 342 extends this date by four years, to June 30, 2014.

The BCREA is comprised of a five member board to establish: (1) examination specifications for certification as a real estate appraiser; (2) rules of professional conduct to establish and maintain a high standard of integrity in the real estate appraisal profession; and (3) regulations necessary to carry out the purposes of the statutes.

The conclusion of the Legislative Audit is a recommendation to extend the BCREA's termination date by four years. (Report Digest #08-20064-10)

I would appreciate your support for this bill.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

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December 7, 2009

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 and Title 44 of the Alaska Statutes (sunset legislation), we have reviewed the activities of the Board of Certified Real Estate Appraisers (BCREA) and the attached report is submitted for your review.

DEPARTMENT OF COMMERCE, COMMUNITY
AND ECOMONIC DEVELOPMENT
BOARD OF CERTIFIED REAL ESTATE APPRAISERS

October 30, 2009

08-20064-10

This audit was conducted as required by AS 44.66.050 and under the authority of AS 24.20.271(1). If not extended by the legislature, BCREA is required to terminate on June 30, 2010. Under AS 08.03.020, the board will have a one-year period to administratively conclude its affairs.

In our opinion, BCREA should continue to regulate the appraiser profession. The board is serving the public interest by promoting the competence and integrity of those who provide services to the public as certified general and residential appraisers. We recommend BCREA's termination date be extended to June 30, 2014.

The audit was conducted in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives. Fieldwork procedures utilized in the course of developing the findings and recommendations presented in this report are discussed in the Objectives, Scope, and Methodology.

Pat Davidson

Pat Davidson, CPA
Legislative Auditor

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OBJECTIVES, SCOPE, AND METHODOLOGY

In accordance with Titles 24 and 44 of the Alaska Statutes, we have reviewed the activities of the Board of Certified Real Estate Appraisers (BCREA) to determine if the termination date for the board should be extended. As required by AS 44.66.050(a), the legislative committee of reference shall consider this report as part of the oversight process in determining if BCREA should be reestablished. Currently, AS 08.03.010(c)(20) specifies that BCREA will terminate on June 30, 2010. If legislature does not extend the termination date for the board, BCREA will have one year from that date to conclude its administrative operations.

Objectives

The three central, interrelated objectives of our report are:

1. To determine if the board's termination date should be extended.
2. To determine if the board is operating in the public interest.
3. To determine if the board has exercised appropriate regulatory oversight of real estate appraisers.

The assessment of BCREA's operations and performance was based on criteria set out in AS 44.66.050(c). Criteria set out in this statute relate to the determination of a demonstrated public need for the board.

Scope and Methodology

The major areas of our review were board proceedings, licensing, complaint investigations, and duplication of efforts. During the course of our examination we reviewed and evaluated the following:

- Applicable statutes and regulations to identify board duties and responsibilities and board member composition and qualifications. We also identified additions, deletions and changes to BCREA statutes and regulations.

- Files and documentation related to individuals certified as appraisers, including those who have been issued a courtesy license to practice within Alaska, to ensure appraisers were certified in accordance with regulatory requirements. We also reviewed documentation to evaluate compliance with continuing education requirements.

- Board meeting minutes, budget documents, and annual reports related to or issued by BCREA to gain an understanding of board proceedings and activities.

- Public notice documentation to ascertain whether public notice for BCREA meetings and proposed regulation changes were published as required by statute.

- Complaints related to certified appraisers or appraiser applicants to gain an understanding of the nature of complaints and timeliness of the investigative process. Complaints filed with the following organizations were reviewed: the Department of Commerce, Community and Economic Development's Division of Corporations, Business and Professional Licensing; the Human Rights Commission; the Office of the Ombudsman; the Office of Victims' Rights; and the Federal Equal Employment Opportunity Commission.

- Correspondence with the Appraisal Subcommittee, a national organization that monitors the regulation and oversight of real estate appraisers, to better understand BCREA's compliance with federal law and to determine the current status of prior findings.

- Newspaper articles pertinent to the appraiser industry to understand industry challenges.

Additionally, we conducted interviews with staff within the Division of Corporations, Business and Professional Licensing; BCREA board members and Appraisal Subcommittee staff.

ORGANIZATION AND FUNCTION

Board of Certified Real Estate Appraisers (BCREA)

Alaska Statute 08.87.010 establishes BCREA as a five member board with four of the five members made up of the following: a certified general real estate appraiser, a certified residential real estate appraiser, a mortgage banking executive, and a person from the general public. The fifth board position is undesignated in statute and is commonly referred to as the "at large" position.

Alaska Statute 08.87.020 defines the board's authority, purpose, and scope of work. Under this statute BCREA establishes the following: (1) examination specifications for certification as a real estate appraiser; (2) rules of professional conduct to establish and maintain a high standard of integrity in the real estate appraisal profession; and (3) regulations necessary to carry out the purposes of the statutes.

BCREA certifies general real estate appraisers, residential real estate appraisers, and institutional appraisers.[1] The board also registers appraiser trainees and issues courtesy licenses to real estate appraisers who are certified or licensed in other states but are temporarily practicing in Alaska.

BOARD OF CERTIFIED REAL ESTATE APPRAISERS
(As of June 30, 2009)

Steve MacSwain, General Real Estate Appraiser
— Chair

Gene Shaffer, Residential Real Estate Appraiser
—Vice Chair

William Larick, General Real Estate Appraiser

April Moore, Public Member

Richard Olmstead, Mortgage Banking Executive

Qualifications for certification as a general and residential real estate appraiser include education related to real estate appraisal, experience in real property appraisal, and passing an examination endorsed by the board. The qualifications for receiving an institutional appraisal certificate specify that the applicant be a full-time employee of a financial institution with offices in Alaska, and that the applicant meets education and testing requirements. The requirement to become a registered trainee includes 75 hours of instruction in courses related to real estate appraisal theory or practices from an organization approved by the board.

[1]While BCREA has the authority to certify institutional appraisers, as of the date of this report, no individuals have applied for this certification.

Real estate appraisal certificates are renewed in the odd numbered fiscal years. In order to renew their certification, certified appraisers must complete a renewal application, provide evidence of continuing education, and remit a license fee. Individuals certified or licensed as appraisers in other jurisdictions can obtain a courtesy license to conduct appraisals in Alaska. Such licenses are issued for a single appraisal assignment, and individuals are limited to only one courtesy license every twelve months.

The Department of Commerce, Community and Economic Development (DCCED)

Alaska Statute 08.01.065 mandates that DCCED adopt regulations to establish the amount and manner of payment of application fees, examination fees, license fees, registration fees, permit fees, investigation fees, and all other fees as appropriate for the occupations covered by the statute.

DCCED's Division of Corporations, Business, and Professional Licensing provides administrative and investigative assistance to BCREA. This includes functions such as collecting fees, maintaining files, receiving and issuing application forms, and publishing notices of examinations and meetings.

Alaska Statute 08.01.087 empowers DCCED with the authority to act on its own initiative or in response to a complaint. The division may:

1. Conduct an investigation if it appears a person is engaged in, or is about to engage in, a prohibited professional practice.
2. Bring an action in superior court to enjoin the act.
3. Examine the books and records of an individual.
4. Issue subpoenas for the attendance of witnesses and records.

BACKGROUND INFORMATION

An appraisal is a decision-making tool used to facilitate a real estate transaction. The primary role of appraisals in the loan underwriting process is to provide evidence that the collateral value of the property is sufficient to avoid losses on loans if the borrower was unable to repay the loan. Consumers often mistakenly assume that appraisals are intended to validate the purchase price of the property in question. In a loan transaction, the lender rather than the borrower engages the appraiser. This process usually occurs after the borrower has agreed to purchase the property. The primary intent of federal statutory appraisal reforms was to protect the federal deposit insurance funds – and by extension, mortgage lenders – from avoidable losses.

In 1986, the House Committee on Government Operations issued a report concluding that faulty and fraudulent appraisals contributed significantly to the losses that the federal government incurred during the savings and loan "*crisis*."[2] In response to the *crisis*, Congress passed the 1989 Financial Institutions Reform, Recovery, and Enforcement Act (FIRREA). Congress set out provisions in Title XI of FIRREA that were intended to ensure federally related transactions had appraisals that were (1) performed by real estate appraisers who met minimum qualification criteria, and (2) conducted in compliance with uniform standards.[3]

Title XI established a complex oversight structure for real estate appraisals and appraisers. The oversight structure involves private, federal, and state entities (shown in the table below).

TITLE XI REGULATORY OVERSIGHT STRUCTURE AND ENTITIES

PRIVATE	FEDERAL	STATE OF ALASKA
Appraisal Foundation ▸ Appraisal Standards Board ▸ Appraisal Qualifications Board	**Appraisal Subcommittee**	**Board of Certified Real Estate Appraisers**
	Federal Financial Regulators ▸ Federal Reserve System ▸ Federal Deposit Insurance Corporation ▸ Office of the Comptroller of the Currency ▸ Office of Thrift Supervision ▸ National Credit Union Administration	

[2] *Impact of Appraisal Problems on Real Estate Lending, Mortgage Insurance, and Investment in the Secondary Market*, H.Rep. 99–891 at 4–6 (Sept. 25, 1986), House Committee on Government Operations, 99th Congress, 2nd session.

[3] U.S. Code 3331 - 3351, Title XI, Financial Institutions Reform, Recovery, and Enforcement Act of 1989.

The Appraisal Foundation

The Appraisal Foundation, a nonprofit educational organization composed of groups from the real estate industry, provides the organizational framework for the Appraisal Standards Board (ASB) and the Appraiser Qualifications Board (AQB) to carry out their responsibilities related to Title XI. The Appraisal Foundation was founded in 1987 by eight leading professional appraisal organizations in the United States to foster professionalism in real estate appraising. ASB and AQB establish minimum standards for developing and reporting an appraisal and the minimum criteria for certifying appraisers in connection with federally related transactions.

ASB is responsible for setting appraisal standards and is composed of six appraisers who are appointed for three-year terms by the Appraisal Foundation's board of trustees. ASB's minimum standards for appraisals are contained in the Uniform Standards of Professional Appraisal Practice. Under Title XI, these minimum standards apply to all federally related transactions. The standards cover the steps appraisers must take in developing appraisals and information the appraisal report must contain.

AQB is composed of five appraisers who are appointed for three-year terms by the Appraisal Foundation's board of trustees and establishes the minimum education, experience, and examination requirements for state certified real estate. Additionally, AQB performs a number of ancillary duties related to real property and personal property appraiser qualifications. The AQB's criteria covers four categories of appraisers: certified general, certified residential, licensed, and trainee. Each appraiser category contains specific education, experience, examination, and continuing education requirements.

The Appraisal Subcommittee

The Appraisal Subcommittee (ASC) was established by U.S. law as the principal federal agency responsible for monitoring the activities of the real estate appraisal industry oversight structure. ASC is responsible for:

- Monitoring and reviewing the practices, procedures, activities, and organizational structure of the Appraisal Foundation – including making grants in amounts that it deems appropriate to the Appraisal Foundation to help defray costs associated with its Title XI activities;

- Monitoring the requirements established by the states, territories, and the District of Columbia as well as monitoring their appraiser regulatory agencies for the certification and licensing of appraisers;

- Monitoring the requirements established by the federal financial institution regulators regarding appraisal standards for federally related transactions and determinations of

which federally related transactions will require the services of state licensed or state certified appraisers;

- Maintaining a national registry of state licensed and state certified appraisers who may perform appraisals in connection with federally related transactions; and

- Transmitting an annual report to Congress regarding the activities of ASC during the preceding year.

ASC has six board members and nine staff members. The respective board members are composed of the head of the Department of Housing and Urban Development's Federal Housing Administration and the heads of the following five financial institution regulatory agencies:

1. Board of Governors of the Federal Reserve System;
2. Federal Deposit Insurance Corporation;
3. Office of the Comptroller of the Currency;
4. Office of Thrift Supervision; and
5. National Credit Union Administration.

State Oversight – the Board of Certified Real Estate Appraisers (BCREA)

Under Title XI, states may establish their own agencies to certify and license appraisers. In 1990, the Alaska State Legislature created BCREA in response to the 1989 FIRREA. Although BCREA is responsible for the certification of appraisers, ASC has a role in ensuring Alaska's qualifications satisfy Title XI objectives. Federal agencies and federal financial institutions may not accept appraisals from BCREA certified appraisers if the subcommittee issues a written finding that:

- BCREA has failed to recognize and enforce the standards, requirements, and procedures of Title XI;
- BCREA does not have enough authority to carry out its functions under Title XI; or
- BCREA does not make decisions on appraisal standards and qualifications or supervise appraiser practices in a method that carries out the purposes of Title XI.[4]

Additionally, BCREA is required to provide ASC with the names of those appraisers who become certified or licensed in accordance with Title XI.

[4]12 USC § 3347(a), (b) (2000).

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REPORT CONCLUSIONS

The Board of Certified Real Estate Appraisers (BCREA) has been given the responsibility in AS 08.87.020 to:

> *(1) Establish the examination specifications for certification as a general real estate appraiser, as a residential real estate appraiser, and as an institution appraiser; (2) adopt rules of professional conduct to establish and maintain a high standard of integrity in the profession; and, (3) adopt regulations necessary to carry out the purpose of [the appraiser statutes]...*

The use of state certified real estate appraisers will be a continuing requirement for Alaska's financial institutions to qualify for federal deposit insurance and to participate in selling mortgage loans to federal government-sponsored enterprises.[5] Failure to maintain a real estate appraiser certification program that meets federal requirements could cause the financial institutions – and by extension, the citizens of the State – to lose the opportunity to participate in a number of federally sponsored real estate loan programs and lose the ability to obtain federal deposit insurance. In this context, we recommend that the legislature extend BCREA's termination date to June 30, 2014.

In accordance with AS 08.03.010(c)(20), BCREA is scheduled for termination on June 30, 2010. If no action is taken by the legislature, the board will have one year in which to administratively conclude its affairs. We recommend the board's termination date be extended for four years, to June 30, 2014. The recommended termination date is half of the eight-year maximum allowed in statute to recognize that the Department of Commerce, Community, and Economic Development (DCCED) and the board failed to address findings issued by the Appraisal Subcommittee[6] (ASC). Except for this deficiency, the board is operating effectively and should continue to regulate the appraiser profession.

The ASC review of BCREA and DCCED concluded that improvements were needed.

In August 2007, BCREA was the subject of an ASC review. ASC identified two concerns that needed to be addressed in order to come into substantial compliance with Title XI of the 1989 Financial Institutions Reform, Recovery, and Enforcement Act. DCCED and BCREA have satisfactorily addressed the concerns except for the following:

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[5]Government-sponsored enterprises include such entities as the Federal Home Loan Mortgage Corporation (generally referred to as "Freddie Mac") and the Federal National Mortgage Association (generally referred to as "Fannie Mae").

[6]ASC was established by U.S. law as the principal federal agency responsible for monitoring the activities of the other components of the real estate appraisal industry oversight structure including state appraiser certifying/licensing boards.

DCCED and the board failed to ensure that applicants for appraiser credentials met Appraiser Qualifications Board's[7] (AQB) experience and education criteria. Specifically, DCCED and BCREA

1. Failed to ensure that two of 42 certified applicants met AQB's minimum time period requirements during which experience must be earned.

2. Failed to ensure that one of 42 applicants for certification met AQB's minimum experience hour requirements.

This deficiency is discussed in Recommendation No. 1.

[7]AQB establishes the minimum education, experience, and examination requirements for state certified real estate appraisers

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The Board of Certified Real Estate Appraisers (BCREA) and the Department of Commerce, Community, and Economic Development (DCCED) should take timely corrective action in response to Appraisal Subcommittee (ASC) findings.

ASC conducted a monitoring inspection of Alaska's real estate appraiser regulatory program in 2007. As part of the assessment, ASC reviewed 42 applications for certification. Of the 42 applications reviewed, three certificates (seven percent) were issued to applicants that failed to meet Appraiser Qualifications Board's (AQB) experience or education criteria. The inspection cited an inadequate application review process as the reason for the deficiencies. ASC directed DCCED and the board to contact the improperly certified appraisers and request further documentation. If the appraisers continue to fail to meet requirements, DCCED and the board were directed to downgrade the certification credentials within 90 days. DCCED and BCREA must resolve the finding in order to come into compliance with the Title XI of the 1989 Financial Institutions Reform, Recovery, and Enforcement Act, as amended.

DCCED's Division of Corporations, Business and Professional Licensing sent out letters to the three applicants notifying them of the deficiency detected through the ASC review. The division requested each appraiser submit additional documentation showing the appraisers met certification requirements. Only one of the three appraisers responded. BCREA failed to downgrade certification credentials for the two appraisers still out of compliance. Until proper documentation is submitted, the two appraisers affected are not qualified to practice as certified appraisers in accordance with federal law.

As discussed under the Background Information section of this audit, ASC is the entity responsible for monitoring the State certification process for compliance with federal law. Federal agencies and federal financial institutions may not accept appraisals from BCREA certified appraisers if ASC finds that:

- BCREA has failed to recognize and enforce the standards, requirements, and procedures of Title XI;
- BCREA does not have enough authority to carry out its functions under Title XI; or
- BCREA does not make decisions on appraisal standards and qualifications or supervise appraiser practices in a method that carries out the purposes of Title XI.

We recommend that the board and DCCED take timely corrective action in response to ASC findings – including the downgrade of certificates that do not meet AQB experience or education criteria.

Recommendation No. 2

The division's professional licensing administrative officer should take steps to improve administrative support.

Unqualified staff and a lack of documented procedures led to several deficiencies in division administrative support. Specifically:

- Seven of 11 BCREA meetings were not posted on the State's online public notice system. One meeting was not posted in either the online public notice system or the *Anchorage Daily News*.
- Support for the FY 05 and FY 06 fee analyses was not maintained.
- FY 06 and FY 07 annual reports contained errors in license statistics.
- Allocation rates for indirect costs were inaccurate for FY 05 through FY 08.
- Fines of $3,000 in FY 03 and $2,500 in FY 07 were inappropriately recorded as BCREA revenue.
- Indirect costs for the division were treated inconsistently between fiscal periods.

The division's professional licensing section is responsible for performing various administrative tasks to support board activities. Per AS 08.01.050, duties include collecting and recording fees; maintaining records and files; compiling and maintaining a current register of licensees; arranging for printing and advertising; and providing inspection, enforcement, and investigative services to occupational boards. The division is also responsible for annually reviewing fee levels of the occupational boards to determine whether the regulatory costs of an occupation are approximately equal to fee collections for that occupation. Alaska Statute 08.01.070 requires BCREA to submit an annual performance report to DCCED stating the board's accomplishments, activities, and needs. Professional licensing's policy is to produce a single annual report incorporating both board and division information requirements.

The deficiencies in administrative support were caused by a key administrative staff member that was unqualified and untrained for the position. This was further exacerbated by a lack of accounting and reporting procedures. Staff turnover caused the oversight in posting public notices.

Inadequate administrative support hampers BCREA's ability to fulfill its responsibilities and may provide policymakers with misleading information. Failure to publish notice of public meetings violates statute and may keep interested persons from providing valuable input into

the regulation process. We recommend professional licensing's administrative officer take steps to improve administrative support.

Recommendation No. 3

BCREA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

In FY 05 and FY 06, the board position of mortgage banker was vacant for over nine months. In FY 08, the board position of residential appraiser was vacant for over seven months. Vacancies were due to a lack of applicants.

Alaska Statute 08.87.010 requires BCREA be composed of five members. Four of the five members must consist of the following: a certified general real estate appraiser; a certified residential real estate appraiser; an executive in a mortgage banking entity, and a member of the general public. BCREA cannot fully serve its purpose or the public interest with extended vacancies in board positions. Full representation provides balance and prevents undue bias toward the profession being regulated.

We recommend that BCREA and staff within the Office of the Governor work together to increase the number of qualified applicants available for appointments to the board to ensure full representation.

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ANALYSIS OF PUBLIC NEED

The following analyses of board activities relate to the public need factors defined in AS 44.66.050(c). These analyses are not intended to be comprehensive but to address those areas we were able to cover within the scope of our review.

Determine the extent to which the board, commission, or program has operated in the public interest.

As reflected in the Background Information section of this report, the impetus for establishing the Board of Certified Real Estate Appraisers (BCREA) was the federal law passed by Congress responding to the savings and loan crisis of the 1980s. Accordingly, most of the regulatory and statutory requirements that BCREA responds to is set by organizations and entities established by, or affiliated with, the federal government. As part of that federal oversight, the board's regulations and activities are periodically reviewed by the federal Appraisal Subcommittee (ASC).

ASC reported two findings in their 2007 review of BCREA's activities. To date, BCREA and the Department of Commerce, Community, and Economic Development (DCCED) have adequately addressed only one of the two findings (discussed in Recommendation No. 1). Except for this deficiency, the board adequately served the public by certifying applicants that comply with requirements; amending regulations to improve regulation of the profession; maintaining on its website a list of approved, denied, and expired initial certification courses; and enforcing certification statutes and regulations.

Determine the extent to which the operation of the board, commission, or agency program has been impeded or enhanced by existing statutes, procedures, and practices that it has adopted, and any other matter, including budgetary, resource, and personnel matters.

The board's revenue is from certification, licensing, and renewal fees. Renewals are conducted on a biennial basis with fees due during odd-numbered fiscal years. This creates a two-year cycle in the board's revenues, with the board receiving most of it revenues during odd-numbered fiscal years. We reviewed the internal records of DCCED's Division of Corporations, Business and Professional Licensing and compiled a summary schedule of BCREA revenues and expenditures. We did not audit this information, but present the summary schedule on the following page for general information purposes.

Alaska Statute 08.01.065(c) requires *"...that the total amount of fees collected for an occupation approximately equals the actual regulatory costs for the occupation."* As shown in the summary schedule, BCREA operated at a deficit in FY 06 due to the costs associated with two investigations and related legal proceedings. BCREA fees were increased in FY 07 from $550 to $1,050 to ensure revenues covered the cost of the investigations. This led to a

large surplus of $85,500 at the end of FY 08. Fees were again dramatically reduced from $1,050 to $300 in FY 09 to reduce the surplus.

State of Alaska
Board of Certified Real Estate Appraisers
Schedule of Revenues and Expenditures
FY 03 - FY 09
(Unaudited)

	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09
Revenue	$119,200	$40,400	$116,500	$24,100	$200,000	$98,300	$85,200
Direct Expenses:							
Personal Services	20,000	26,100	33,300	46,100	42,600	32,100	49,700
Travel	1,000	1,400	1,800	5,700	3,800	5,100	7,000
Contractual	7,100	5,300	25,600	70,700	12,100	71,500	29,600
Supplies	200	0	100	100	400	1,000	100
Total Direct Expenses	28,300	32,800	60,800	122,600	58,900	109,700	86,400
Indirect Expenses	8,600	10,500	10,300	7,200	15,000	13,900	15,700
Total Expenses	36,900	43,300	71,100	129,800	73,900	123,600	102,100
Annual Surplus (Deficit)	82,300	(2,900)	45,400	(105,700)	126,100	(25,300)	(16,900)
Beginning Cumulative:							
Surplus (Deficit)	(34,400)	47,900	45,000	90,400	(15,300)	110,800	85,500
Ending Cumulative:							
Surplus (Deficit)	$47,900	$45,000	$90,400	($15,300)	$110,800	$85,500	$68,600

Determine the extent to which the board, commission, or agency has recommended statutory changes that are generally of benefit to the public interest.

The board continues to promote changes to statutes and regulations as deemed necessary to better regulate the profession. The most significant change during FY 03 through FY 09 was the amendment to 12 AAC 70.115 – Education Requirements for Real Estate Appraiser Certification. This amendment was promulgated by the Appraiser Qualifications Board (AQB). The effect of the change is to significantly raise the education requirements for certification beginning January 1, 2008.

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Determine the extent to which the board, commission, or agency has encouraged interested persons to report to it concerning the effect of its regulations and decisions on the effectiveness of service, economy of service, and availability of service that it has provided.

Board meeting dates, times and locations are required by statute to be posted on the State's online public notice system. The board also publishes meeting dates in the *Anchorage Daily News*. Public notice was not posted to the online notification system for seven of the 11 BCREA board meetings from FY 03 through FY 09 (discussed in Recommendation No. 2). Public participation was encouraged by the board and a public comment period was set aside in the agenda for every regular board meeting. During FY 04 through FY 09, interested persons offered comments at five board meetings.

Determine the extent to which the board, commission, or agency has encouraged public participation in the making of its regulations and decisions.

Notice of proposed regulation changes were posted on the State's online public notice system and in the *Anchorage Daily News*. Detailed instructions for submitting public comment were included in the posting. The board reviewed and considered public comment before adopting new regulations.

Determine the efficiency with which public inquiries or complaints regarding the activities of the board, commission, or agency filed with it, with the department to which a board or commission is administratively assigned, or with the office of victims' rights or the office of the ombudsman have been processed and resolved.

During the period FY 04 through February of FY 09, the division's investigative unit investigated 22 complaints and 51 cases related to appraisers or appraiser applicants. Of the 22 complaints, nine were not in violation; five were resolved through the licensing application process; seven were re-opened as cases; and one complaint was incomplete.

Of the 51 cases opened, six remained open as of February FY 09. Of the closed cases, twenty-two resulted in licensing action, 13 resulted in no action, four were closed with an advisement letter, and the remaining six cases were closed for other reasons such as compliance or referral to another agency. In general, we found the complaints and cases were investigated appropriately and in a reasonable amount of time.

There were no BCREA complaints filed with the Office of Victim's Rights, Human Rights Commission or the State's Office of the Ombudsman.

Determine the extent to which a board or commission that regulates entry into an occupation or profession has presented qualified applicants to serve the public.

From FY 03 through FY 09, the board approved and certified 195 new appraisers and issued 170 courtesy licenses. We found no instances where the board issued a certificate or license to an unqualified candidate, nor did we find an instance where a qualified candidate was denied certification or licensure. The 2007 ASC review found three instances where appraisers were certified but had not met AQB's experience and education criteria (discussed in Recommendation No. 1).

The table below summarizes the number of new certificates issued each year for the period FY 03 through FY 09.

Types of Certificates	Newly Issued Certificates (Exclusive of Renewals)							Total Certificates as of June 30, 2009
	FY 03	FY 04	FY 05	FY 06	FY 07	FY 08	FY 09	
General	5	7	7	11	11	13	5	97
Residential	4	10	8	10	15	26	4	117
Trainee	13	6	7	20	6	3	4	7
Courtesy	16	18	26	24	31	33	22	22

Determine the extent to which state personnel practices, including affirmative action requirements, have been complied with by the board, commission, or agency to its own activities and the area of activity or interest.

We found no evidence that the board did not comply with state personnel practices, including affirmative action.

Determine the extent to which statutory, regulatory, budgeting, or other changes are necessary to enable the agency, board, or commission to better serve the interests of the public and to comply with the factors enumerated in this subsection.

Compliance with federal regulations is critical to the board's success in serving the public interest. ASC identified instances of noncompliance that have not been adequately addressed by division staff or BCREA (discussed in Recommendation No. 1).

As discussed in Recommendation No. 2, administrative support provided by the division's professional licensing section was not accurate, comprehensive or consistent. The administrative staff should provide the necessary and required information so that the board can perform its functions and serve the interest of the public effectively and efficiently.

As discussed in Recommendation No. 3, BCREA and staff within the Office of the Governor should work to increase the pool of qualified applicants available for board appointments to ensure full representation.

Determine the extent to which the board, commission, or agency has effectively attained its objectives and purposes and the efficiency with which the board, commission, or agency has operated.

Except for deficiencies already discussed, BCREA successfully met its goals and objectives in an efficient manner.

Determine the extent to which the board, commission, or agency duplicates the activities of another governmental agency or the private sector.

National appraiser organizations work in positive conjunction with the board. The most prominent organization is the Appraisal Institute (AI). AI awards appraisers with professional designations which require adherence to AI's code of ethics, continuing education, and work experience requirements. AI is also the main provider of education courses. We found AI enhances rather than duplicates BCREA efforts. We also found that BCREA's activities are not duplicated by another government agency or the private sector.

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STATE OF ALASKA

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LEGISLATIVE AUDIT

December 30, 2009

Ms. Kristin Dolquist, CPA
Audit Manager
Division of Legislative Audit
P.O. Box 113300
Juneau, AK 99811-3300

Dear Ms. Dolquist,

This letter is in response to your October 30, 2009 "CONFIDENTIAL" preliminary audit report on the Board of Certified Real Estate Appraisers (BCREA).

The Office of the Governor concurs with recommendation number three which states, "BCREA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation." A board functions most effectively with full representation. Currently, the board is operating with full membership, and we are currently recruiting applicants for consideration for terms beginning March 1, 2010. I am committed to assisting the Governor in making a timely appointment to allow the board to function productively.

If you need additional information, please contact me at 907-465-3934.

Sincerely,

Jason Hooley
Director
Boards and Commissions

cc: Michael Nizich, Chief of Staff, Office of the Governor

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3797

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

RECEIVED
1/7/2010

Ms. Pat Davidson
Legislative Auditor
Division of Legislative Audit
Legislative Budget and Audit Committee
P.O. Box 113300
Juneau, Alaska 99811-3300

Re: Preliminary Audit, Board of Certified Real Estate Appraisers

Dear Ms. Davidson:

Thank you for the opportunity to comment on your Preliminary Audit findings concerning the Board of Certified Real Estate Appraisers.

Recommendation No. 1

The Board of Certified Real Estate Appraisers (BCREA) and the Department of Commerce, Community, and Economic Development (DCCED) should take timely corrective action in response to Appraisal Subcommittee (ASC) findings.

The department concurs with your recommendation. Although the authority to take appropriate action against a licensee resides with the board, the department concurs that it lacked in assertiveness to stay on top of the findings of the ASC; and to constantly remind the board of the need to take appropriate action. The department will discuss the ASC findings with the board and help to seek immediate resolution of the issues.

Recommendation No. 2

The division's professional licensing administrative officer should take steps to improve administrative support.

As we have stated on many occasions, we could not agree more. The division has undergone a number of changes in key management positions and is now optimistic about improvements being made to its internal cost-accounting system and documentation of procedures.

Unfortunately, the current incumbents are also faced with clean up of the accounting inaccuracies created by former employees in recent past years. We are confident that progress is being made to clean up the inaccuracies and to reestablish credibility of the division's cost-accounting system. Procedures for accounting for revenues and expenditures and preparation of financial reports did exist before it went awry. Correcting past errors has been a priority since current and future financial analysis is dependent on using correct data.

Recommendation No. 3

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

STATE OF ALASKA
DEPARTMENT OF
COMMERCE
COMMUNITY AND
ECONOMIC DEVELOPMENT
Office of the Commissioner

Sean Parnell, Governor
Emil Notti, Commissioner

BCREA and staff within the Office of the Governor should work together to increase the pool of qualified applicants available for board appointments to ensure full representation.

The department agrees with the recommendation.

The department concurs with the extension of the BCREA to June 30, 2014. Thank you for the opportunity to comment on your recommendations.

Sincerely,

Emil Notti
Commissioner

P.O. Box 110800, Juneau, Alaska 99811-0800
Telephone: (907) 465-2500 Fax: (907) 465-5442 Text Telephone: (907) 465-5437
Email: questions@commerce.state.ak.us Website: http://www.commerce.state.ak.us/

HB

344

<target><bill>HB 344</bill><subject>HB
344</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/8/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/13/10

Finance Committee considered CS FOR HOUSE BILL NO. 344(FIN)

HB 344 SALMON PRODUCT DEVELOP. TAX CREDIT

"An Act relating to the salmon product development tax credit; and providing for an effective date by amending an effective date in sec. 7, ch. 57, SLA 2003, as amended by sec. 4, ch. 3, SLA 2006, and by sec. 4, ch. 8, SLA 2008."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/2/10			v	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas	✓			
	Egan	✓			
	Olson			✓	
	Ellis			✓	
CO-CHAIR		✓			
CO-CHAIR		✓			

3801

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 344(FIN)
(H) Publish Date: 4/6/10

Identifier (file name): CSHB344(FIN)-REV-TAX-04-02-10
Dept. Affected: Revenue
Title: Salmon Product Development Tax Credit
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Representative Thomas
Requester: House Finance Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**(2,400.0)**	**(2,400.0)**

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

See Attached.

Prepared by: Tim Cottongim, Revenue Audit Supervisor/Tim Harper, Economist III — Phone (907) 465-3695
Division: Tax Division — Date/Time 04-02-10; 8:36am
Approved by: Ginger Blaisdell, Director — Date 04-02-10; 8:46am
Administrative Services Division

(Revised 11/6/2009 OMB)

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 344(FIN)

ANALYSIS CONTINUATION

Bill Language:

This bill extends the existing Salmon Product Development (SPD) tax credit for investment in processing equipment used to produce value-added salmon products by four years through 2015. This bill also adds ice making machines to the list of qualified investments eligible for an SPD tax credit.. The SPD tax credit provisions under AS 43.75.035 authorize taxpayers to claim a credit against their fisheries business tax liability for 50% of qualified investment in new value-added salmon processing equipment and ice making machines. Credits may be applied up to 50% of the Fisheries Business Tax liability on salmon processed in Alaska in the year generated and the three subsequent years.

Revenues:

Although it is difficult to determine the number of taxpayers who would take advantage of this tax credit, the DOR would expect reduced Fisheries Business Tax collections in the years added. The department would expect the Fisheries Business Tax to decrease by $2.4 million for each additional year the credit is extended.

Expenditures:

The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed, since the DOR is already performing these duties.

REPRESENTATIVE BILL THOMAS
ALASKA STATE LEGISLATURE DISTRICT 5
e-mail: Representative.Bill.Thomas@legis.state.ak.us
webpage: www.akrepublicans.org/thomas/

State Capitol
Juneau AK, 99801-1182
907-465-3732
888-461-3732
FAX 907-465-2652

Sponsor Statement
HB 344

An Act Relating to the Salmon Product Development Tax Credit

House Bill 344 extends the deadline for salmon processors in Alaska to receive a salmon product development tax credit. The program allows applicants to claim a credit on their annual fisheries business tax for 50% of the purchase costs of eligible equipment. Credits received may not exceed 50% of a taxpayer's annual tax liability. Under current law, processors can claim the credit for the property first placed into service by December 31, 2011. This bill would extend the program's sunset date to December 31, 2015, allowing processors ample time to continue their long-range investment planning.

The salmon product development tax credit was a key recommendation of the Joint Legislative Salmon Industry Task Force. First enacted in 2003, the credit was part of an effort by Alaska's elected leaders and the fishing industry to develop innovative value-added salmon products. Since then it has stimulated some important changes in Alaska's commercial fishing industry. New processing equipment eligible for the tax credit enables businesses to offer a more diverse complement of Alaska salmon products which helps increase overall customer acceptance. Modern equipment also helps increase efficiency of processing operations and improves output, resulting in improved quality. Increased investment in Alaskan equipment encourages in-state processing of our salmon resource which is critical to job creation and retention in fishing communities.

The House Fisheries and Finance Committees added ice machines to the list of investments that qualify for the tax credit. Having a top quality base product delivered to processors is a prerequisite to further value adding processing of salmon.

Alaska's salmon industry is beginning to recover from years of low values caused by competition from fish farming, the recent economic depression, changes in the marketplace, and increasing labor and energy costs. Extending the tax credit beyond its current sunset date of December 31, 2011 will allow the industry to continue the progress that is being made in developing and producing salmon products that will keep Alaska's fisheries competitive in world markets. The state should continue to support one of our most important basic industries by extending the salmon product development tax credit through passage of HB 344.

Prepared by Department of Revenue - Tax Division

Salmon Product Development Credit Expenditures

Qualified Expenditures

Description
Brining equipment
Curing equipment
Fillet lines
Fillet machines
Blast freezers
Glazers
Ikura packaging machines
Pin bone machines
Plate freezers
Pop-top canning equipment
Roe drying machines
Roe rubbing machines
Roe seperators
Roe vibrating machines
Roe washers
Skinning machines
Smokehouses
Vacuum packaging machines

HFIN Version adds Ice Machines as a Qualified Expenditure

Non-Qualified Expenditures

Description
Bag blowers
Banding machines
Building construction
Deck cranes
Dock pilings
Dolly carts
Equipment maintenance
Equipment overhauling
Equipment retooling/retrofitting[1]
Fish hooks
Fish pumps
Fish washing equipment
Fishing vessels
Freezer baskets
Freezer carts
Freezer rolling racks
Grinders
Gutting machines
Heading machines
Ice machines
Knife sharpeners
Knives
Labeling machines
Loading ramps
Net pens
Pallet jacks
Pocket conveyors
Retooling
Scales
Sealing machines
Spare parts
Standard canning equipment
Ordinary freezers
Strapping machines
Stun/bleed systems
Tables
Tape machines
Tools
Tote dumpers
Totes

[1]Except pop-top canning systems

2/17/2010

Figure 3 - Revenue Collections Detail

Listed in order of total amount of revenue collected

TAX TYPE	FY 2009	FY 2008	FY 2007
FISHERIES BUSINESS			
Established			
Shore-based	$30,223,448	$24,865,940	$21,838,661
Floating	6,809,487	5,769,466	4,461,717
Cannery	5,069,742	5,218,570	3,603,230
Developing			
Shore-based	48,357	54,486	4,040
Floating	249	802	2,523
Total Tax	42,151,283	35,909,264	29,910,171
Prepayments	3,523,354	3,694,083	5,546,512
Penalties and Interest	311,942	504,207	169,178
License Fees	13,500	13,975	14,725
Less Credits			
Winn Brindle	(192,792)	(177,228)	(167,000)
Alaska Education	(450,000)	(450,000)	(300,000)
Salmon Product Development	(3,121,697)	(4,501,973)	415,745
Total Receipts	**42,235,590**	**34,992,328**	**35,589,331**
Fisheries Business Tax Shared			
Direct to Municipalities	(21,304,498)	(18,268,399)	(16,079,365)
DCCED* Municipal Allocation	(1,635,638)	(1,920,635)	(1,530,472)
Amount Retained by State	**$19,295,454**	**$14,803,294**	**$17,979,494**
ALCOHOLIC BEVERAGES			
Liquor	$18,609,636	$18,719,422	$17,323,104
Beer	12,971,806	13,317,219	13,063,186
Wine	5,512,824	5,140,482	4,852,715
Beer qualifying for reduced tax rate	914,888	801,127	797,543
Penalties, Interest and Refunds	487,207	186,950	1,916
Total Receipts	**$38,496,361**	**$38,165,200**	**$36,038,464**
Amount transferred to Alcohol and Other Drug Abuse Treatment and Prevention Fund	(18,968,874)	(19,080,505)	(18,018,504)
Amount Retained in General Fund	**$19,527,487**	**$19,084,695**	**$18,019,960**

* Department of Commerce, Community and Economic Development

4 Nickerson, Suite 400, Seattle, WA 98109
P.O. Box 31179, Seattle, WA 98103-1179
PHONE (206)726-9900 FAX (206)726-1667
www.northpacificseafoods.com

North Pacific SEAFOODS

February 13, 2010

Chairman Bryce Edgmon
Members of the House Fisheries Committee
State Capitol
Juneau, AK 99811-1182.

RE: HB 344, Salmon Tax Credit

Dear Chairman Edgmon and Members of the House Fisheries Committee:

North Pacific Seafoods would like to express our support for the passage of HB 344, renewing the Salmon Product Development Tax Credit. The current program has allowed the industry to keep pace on Alaska salmon products in the quickly changing domestic and world markets. The extension of this program will continue the momentum and success Alaska salmon products have enjoyed in the global markets.

North Pacific Seafoods started in Alaska in the canned salmon processing business. Today we own and operate four (4) shore based seafood processing plants that the largest portion is Salmon, though we also process crab, halibut, black cod, Pollock, Pacific cod, flat fish, rockfish and dive products. Our facilities are located in the coastal areas of Sitka, Kodiak, Pederson Point (Naknek) and Togiak. With the changing market demands, North Pacific Seafoods has converted from salmon canning to a 100% fresh and frozen processor of Alaska salmon and other seafood items.

North Pacific Seafoods continues to invest in our facilities each year. With the briskly increasing costs of energy, freight, labor and insurance, an increasing amount of our capital improvement funds have been diverted to address these issues that would normally be invested into product improvements. We have been utilizing the Salmon Tax Credit each year to improve our product development in salmon fillets and salmon caviar. We plan to continue to invest in salmon product development and the Salmon Tax Credit will allow us to invest at an accelerated level as long as this program continues.

We thank you for the continued support through the passage of the extension to the Salmon Product Development Tax Credit program.

Sincerely,

Jeffrey Backlund
Vice President

Alaska Pacific Seafoods
627 Shelikof Ave
Kodiak, Alaska 99615
(907) 486-3234
(907) 486-5164

Pederson Point
P.O. Box 99
Naknek, Alaska 99633
(907) 246-4461
(907) 246-6651

Sitka Sound Seafoods
329 Katlian Street
Sitka, Alaska 99835
(907) 747-6662
(907) 747-6268

Togiak Fisheries
P.O. Box 30
Togiak, Alaska 99678
(907) 493-5331
(907) 493-5131

PETER PAN SEAFOODS, INC.

THE TENTH FLOOR
2200 SIXTH AVENUE
SEATTLE, WA 98121-1820
206.728.6000
OPERATION FAX 206.441.9090
SALES FAX 206.728.1855

February 16, 2010

Representative Bryce Edgmon, Chair
House Special Committee on Fisheries
State Capitol
Juneau, Alaska 99801-1182

Dear Representative Edgmon and Members of the House Fisheries Committee:

It is my pleasure to introduce Peter Pan Seafoods, Inc. We were incorporated in 1950 as the successor to P.E. Harris Co., which began canning salmon in Alaska in 1912. Peter Pan Seafoods processes and sells various types of Alaskan seafood products. All of our raw seafood is purchased from independent fishermen participating in fisheries throughout Alaska. Our production facilities include: King Cove, Port Moller, Dillingham, and Valdez. Salmon products account for the largest portion of our sales; other major product lines include crab, halibut, cod, Pollock and black cod. Our products are sold primarily to wholesalers and distributors throughout the world.

Peter Pan Seafoods is writing to express strong support for **Bill HB344, Extension of the Salmon Product Development Tax Credit** and to request that this important legislation be moved from the House Fisheries Committee as soon as possible. This bill simply extends for 3 more years an existing program that is proving very successful for the Alaskan salmon industry. We hope to continue the momentum and progress this program has afforded us in keeping our Alaskan salmon products competitive in the domestic and world markets.

We have been able to utilize the salmon tax credit at each of our Alaska production facilities. Both King Cove and Dillingham have added value added salmon fillet and ikura roe lines. In Port Moller, we expanded our value added salmon fillet operation; and in Valdez we added value added salmon fillet production, skinless boneless canned salmon and ikura roe. The progress we have achieved by adding and developing the value added salmon products in such a relatively short time is due to the Salmon Tax Credit.

The ever increasing costs of energy, labor, packaging and insurance are diverting the funds that could otherwise be invested into these sorts of improvements. It is imperative to our industry and Peter Pan Seafoods in particular that the salmon tax credit continue for another 3 years. There is more to be achieved in the development of the salmon value added program to ensure Alaska salmon products keep pace with evolving world markets. We urge the committee to take quick action in support of **HB344, Extension of the Salmon Product Development Tax Credit**.

Thank you and the Committee for your timely consideration of this issue.

Respectfully,

Barry D. Collier

Barry D. Collier
President and CEO
Peter Pan Seafoods, Inc.

PSPA

PACIFIC SEAFOOD PROCESSORS ASSOCIATION
Est. 1914

February 12, 2010

Representative Bryce Edgmon, Chair
House Special Committee on Fisheries
State Capitol
Juneau, AK 99801-1182

RE: Support for HB 344
Extension of the Salmon Product Development Tax Credit

Dear Representative Edgmon and Members of the House Fisheries Committee:

On behalf of the Pacific Seafood Processors Association, a trade association of seafood processing companies with operations in many communities throughout Alaska, I am writing to express strong support for HB 344, and to request that this important legislation be moved from the House Fisheries Committee as soon as possible.

The legislature constructed the existing Salmon Product Development Tax Credit program tightly to accomplish very specific goals. It is proving to be very successful in accomplishing its intended purpose of encouraging and enabling Alaska salmon processors to develop and produce value-added salmon products in Alaska. This, in turn, is helping Alaska's salmon industry keep pace with evolving consumer demands and keep Alaska salmon competitive on world markets. It is a program that essentially pays for itself by increasing the value and marketability of Alaska salmon.

The attached 1-page document briefly describes some of the improvements that have been made with the help of this program. Many of the new product forms developed and improvements and expansions made in recent years would not have happened, or would have been significantly delayed, without the incentive and assistance provided by the tax credit program. The attached page also describes ways our member companies anticipate utilizing the tax credit program in upcoming years if it is extended.

Alaska's seafood industry, operating in remote areas of Alaska, is dealing with extremely high energy costs, the worldwide economic downturn, and other enormous challenges. Yet, the industry's future, and the future economic benefits Alaska's fisheries provide to fishermen, communities, and the state, depend on continued progress in developing and expanding value-added product forms and capacity. Extension of the Salmon Product Development Tax Credit Program will play an important role in maintaining the continued development and competitiveness of the Alaska salmon industry.

Extending this very effective program makes good sense for Alaska. We urge quick scheduling and passage of HB344.

Thank you very much for your consideration.

Sincerely,

Mary McDowell

Mary McDowell, Vice President

Attachment

222 Seward Street, Suite 200
Juneau, AK 99801
Phone (907) 586-6366
Fax (907) 586-4618
www.pspafish.net

Past use of the Salmon Product Development Tax Credit

The Salmon Product Development Tax Credit Program has been very effective in advancing the goal of increasing in-state value-added processing. The credit has enabled and encouraged seafood companies to make investments in equipment that they would otherwise have had to delay or forego. In many cases, the credit has enabled companies to begin producing value-added product forms they had not previously produced.

Since enactment of the program, PSPA member companies have purchased and put into production a wide variety of value-adding equipment, such as:

- skinless/boneless fillet equipment
- roe separating equipment
- smoking equipment
- equipment to produce boneless/skinless salmon in pop-top ("easy-open") cans
- equipment to produce sockeye ikura
- equipment for packaging ikura in vacuumed sealed packages

The credit has enabled companies to increase capacity of pounds purchased from fisherman and improve quality by adding fillet lines and investing in coolers, blast freezers, and upgrading and increasing freezer capacity.

Anticipated future use of the tax credit

Continuation of the Salmon Product Development Tax Credit would be extremely helpful in maintaining the momentum of the expansion of in-state, value-added processing, and allow companies to plan for future capital investment in their salmon operations around the state and keep Alaska salmon competitive in evolving world markets.

Customers continually want more user-friendly products. The salmon fillet market, for example, has grown tremendously in the last few years and the market has not shown any signs of over supply. It takes some risk and a few years for companies to assess how their investments in value-added processing are paying off and then additional time to gear up and gather financial resources to make additional investments. A tax credit that makes such investments feasible in a shorter timeframe benefits Alaska harvesters, processors, communities, and the state.

If this tax credit program remains available, our member companies anticipate utilizing it in upcoming years for such things as additional filleting equipment; salmon sausage equipment; salmon oil refining equipment; equipment for producing skinless/boneless products; freezing capacity upgrades and increases, portioning equipment, vacuum packing equipment, and salmon roe processing equipment.

222 Seward Street, Suite 200
Juneau, AK 99801
Phone (907) 586-6366
Fax (907) 586-4618
www.pspafish.net

HB

345

<target><bill>HB 345</bill><subject>HB
345</subject><comm>SFIN26</comm></target>

Chair, Judiciary
Chair, Economic Development,
Trade & Tourism
Energy
Military & Veteran Affairs
Joint Armed Services
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature
House of Representatives

in Session
itol, Room 118
aska 99801-1182
465- 3004
07) 465-2070
(877) 465-3004

Representative Jay Ramras
District 10

Sponsor Statement
HB 345 Sam Schuyler Memorial Bridge

HB 345 gives the name the "Sam Schuyler Memorial Bridge" to a bridge that will be built at mile post 308 on the Dalton Highway. Sam Schuyler was a well loved and respected Alaska Department of Transportation and Public Facilities (DOT&PF) employee who spent his entire career working along the Dalton Highway. Sam began his career with DOT&PF as a heavy equipment operator at the Jim River Maintenance Station, milepost 135 of the Dalton Highway.

Sam immediately exhibited a spirited tenacity that set him apart from his peers. This trait caused Sam's career to rise rapidly. He was promoted to Foreman of the Jim River Maintenance Station and from there he quickly became the Dalton District Roving Foreman. In this position, Sam frequented every mile of the Dalton Highway and he was personally involved in the everyday functions of each maintenance camp.

Throughout Sam's storied career, he routinely placed the needs of friends and coworkers ahead of his own. He based his leadership on the principle "lead by example." Sam never asked an employee to take on a job he would not do himself. His men knew him well and respected him immensely.

Sam was dedicated to the Dalton Highway, often personally overseeing a project to ensure that the job was completed on time and within budget. This dedication is reflected in Sam's favorite saying, "**Get 'er Done**!" This often-used phrase, coupled with another favorite saying, "**Can Do**!" earned Sam the respect of other maintenance workers and the respect of the famous Dalton Highway truckers.

Sam's work ethic and his heartfelt commitment to improving the Dalton Highway are appreciated by travelers who drive this road today. He left the Dalton Highway in a much better condition than he found it.

Sam's life ended unexpectedly on January 1, 2007. He was still a DOT&PF employee when he passed away.

Representative_Jay_Ramras@legis.state.ak.us

SENATE FINANCE COMMITTEE REPORT

DATE: 3/2/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/28/10

Finance Committee considered HOUSE BILL NO. 345

HB 345 SAM SCHUYLER MEMORIAL BRIDGE

"An Act designating the bridge to be built on the Dalton Highway at approximately mile post 308 as the Sam Schuyler Memorial Bridge."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DOT	2/22			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	~~Egan~~	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 345
(H) Publish Date: 2/24/10

Identifier (file name): HB345-DOT-NRF-2-22-10
Title: Sam Schuyler Memorial Bridge
Sponsor: Rep. Ramras
Requester: H TRA

Dept. Affected: DOT&PF
RDU: Statewide Facilities M&O
Component: Northern Region Facilities
Component Number: 2069

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The cost of the signs for this bridge are a budgeted part of the construction of the bridge.

Prepared by: Mary Siroky, Legislative Liaison — Phone 465-4772
Division: Department of Transportation and Public Facilities — Date/Time 2/22/2010 11:45AM
Approved by: Frank Richards, Deputy Commissioner — Date 2/22/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

Sam Schuyler Memorial Bridge
HB 345 and SB 280
OVERVIEW

Location:

Dalton Highway, MP 314
Oksrukuyik Creek
New bridge, replacing a culvert
Length is 122'x 36' wide

Sam Schuyler

- 23 years with DOT, 6/4/1984 through 1/1/2007
  - Started as a heavy equipment operator at the Jim River Maintenance Station
  - Promoted to manager at Jim River.
- Accomplished equipment operator
- Respected leader
- Dedicated to the Dalton Hwy.

"Sam was well-liked and friendly. He made the workplace enjoyable; he always had a smile on his face and he would give the shirt off his back or the bunny boots off his feet to help a friend or stranger in need."

STATE OF ALASKA

Sean Parnell, Governor

Department of Transportation and Public Facilities
Northern Region, Regional Director

2301 Peger Road
Fairbanks, AK 99709
Phone: (907) 451-2210
Fax: (907) 451-2333
TDD: (907) 451-2363

February 18, 2010

We, the employees of DOT&PF Northern Region Maintenance & Operations, support the dedication of the Sam Schuyler Bridge on the Dalton Highway.

Sam was an integral part of our staff for 23 years; he is missed personally and professionally. During his entire career with DOT&PF, Sam worked the length of the Dalton Highway. He knew every part of the highway, tackling some of the worst weather conditions in Northern Region, and in the world, on a regular basis. Countless times during Sam's career he left the warmth and comfort of the Maintenance Station to head out in whiteout conditions to rescue a stranded trucker or motorist.

Sam was well-liked and friendly. He was a strong leader and an excellent equipment operator. Sam made the workplace enjoyable; he always had a smile on his face and he would give the shirt off his back or the bunny boots off his feet to help a friend or stranger in need. Sam was a genuinely good person.

Sincerely,

Angel Montalvo
Arleen Burgess
Barry Wilson
Bert Harold
Brian Goss
Bruce Garey
Chris Niedorf
Dan Moody
Danny Cazac
Danny Stevens
David King
Dennis Lindeman
Donald Adkins
Donnie Hensley
Dwight Stuller
Glenn Chandler
Glenn Hollett
James jennings
Jimmy Fairchild
John Ming
Keith Gaudin
Keith Pomeroy
Kenton Bear
Kevin Glynn
Lance Benson
Laurie Parra
Leroy Gabriel
Linda Colang
Paula Sue Webber
Paula Webber
Reid Bahnson
Robert Antesberger
Robert Blake
Steven Meirrieotto
Timothy Ryan
Tim Fickus
Todd Schallock
William Bunch
Jason Carson

CITY OF NORTH POLE

"Where the Spirit of Christmas Lives Year Round"

125 Snowman Lane • North Pole, Alaska 99705-7708
E-mail: mayor@northpolealaska.com • Website: www.northpolealaska.com

City Hall
907-488-2281
Fax: 907-488-3002

Mayor
907-488-8584

City Clerk
907-488-8583

Police Department
907-488-6902

Fire Department
907-488-2232

Utilities
907-488-6111

Director of City Services
907-488-8593

Finance
907-488-8594

February 2, 2010

To Whom It May Concern:

Sam Schuyler was a valued Alaskan from North Pole, Alaska. He worked for the State of Alaska, spending 23 years with the Department of Transportation & Public Facilities on the Dalton Highway. .The highlight of Sam's well-deserving esteem came from his thorough and detailed handling of everything he undertook. If Sam committed to do something, it was as good as done. Not only would he get it done, but he would accomplish the task to the highest measure, and be depended on for future follow-through.

In a world where people often appear to achieve glory only for themselves, it would be wonderful to have more people like Sam Schuyler. He took pride in his work, committed himself to doing an excellent job, but did not seek personal gain nor did he have selfish motives.

I am proud to support the naming of the "Sam Schuyler Memorial Bridge" on the Dalton Highway. It is fitting recognition of a man who dedicated his life's work to improve the Dalton Highway.

Sincerely,

Douglas W. Isaacson, Mayor

State of Alaska
House Bill 345
Senate Bill 280

February 18, 2010

To whom it may concern:

As a seventeen year employee of the great state of Alaska, I write you today to request recognition be given to a dear friend of mine. It is the feeling of myself and many of my fellow truck drivers of the Dalton Highway that the new bridge to be put in at mile 314 over Ox Bow Creek (bill #345 in the house, bill #280 in the Senate) should be named to memorialize Sam Schuyler (known to his good friends as Kubalack). Unfortunately Sam's life was cut short in January of 2007 which was a shame, for all the good he did in life.

Not only was he a driving force behind keeping the Dalton Highway running smoothly. He was also known to have a heart nearly as large as the massive area he was in charge of. Sam was well known for being the guy to call when you were stuck on the side of the road in a blow. He was also quick to volunteer as a Santa Clause or give his home as a place of refuge whenever the need would arise. The loss of Sam Schuyler was truly a loss to the DOT as well. A state employee for 24 years and foreman of the Dalton for 18, life just hasn't been the same since our loss of Sam.

In a state full of nameless bridges over Gold Creeks, Bear Creeks and Sheep Creeks, a "Sam Schuyler memorial bridge" crossing over Ox Bow Creek just seem the right thing to do.

Thank you for your time and consideration on this matter

Terry Gabriel

Terry Gabriel

Alaska Trucking Association, Inc.
3443 Minnesota Drive · Anchorage, Alaska 99503 · Phone (907) 276-1149 · Fax (907) 274-1946
www.aktrucks.org
The authoritative voice of the trucking industry in Alaska

February 19, 2010

Sent as email attachment

Representative Peggy Wilson
Chair
House Transportation Committee
Alaska State House of Representatives
Juneau, AK 99801

Re: HB 345 Sam Schuyler
Memorial Bridge

Dear Chair Wilson,

The Alaska Trucking Association wishes to convey its' support for this bill. Mr. Schuyler played an important role in the continued maintenance of the Dalton Highway. His entire career at the Alaska Department of Transportation and Public Facilities was spent working along the Dalton Highway.

We believe it is fitting and appropriate for a bridge to be named after this man who spent his career helping to create a safer workplace for our drivers.

Thank you for your consideration.

Sincerely,

Aves Thompson
Executive Director

cc: Representative Craig Johnson
Representative Kyle Johansen
Representative Cathy Munoz
Representative Tammi Wilson
Representative Max Gruenberg
Representative Pete Petersen
Representative Jay Ramras

If you got it, a truck brought it...

Alaska Trucking Companies employees in favor of naming the Ox Bow Creek Bridge after Samuel Schuyler:

1. Adam FENDER
2. [redacted] Sarah Belway
3. Wayne Lindquist
4. Rudolph Shorty
5. Edward Taylor Edward Taylor
6. Bruce Kelps
7. William Goff
8. Jeffrey Sonntag
9. MARTIN FALEY
10. Marcus Lucas Lambert
11. Joanna King
12. Rodney King
13. DUSTIN PAULSON
14. Dale Lynge
15. Joe Zimmerman
16. K. Thiel
17. DANIEL L GORRED
18.
19. Michael C Cowthrop Michael C Cowthrop.
20.
21.
22.
23.
24. Josh Dinwiddie
25.
26.
27.
28.
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33.
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35.
36.
37.
38.

HB 354

<target><bill>HB 354</bill><subject>HB 354</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

Interim:
600 East Railroad Avenue
Wasilla, Alaska 99654
Phone (907) 373-1842
Fax: (907) 373-4729

Session:
State Capitol Building
Juneau, Alaska 99801-1182
Phone: (907) 465-2186
Fax: (907) 465-3818

REPRESENTATIVE WES KELLER
DISTRICT 14

Sponsor Statement
HB 354

"An Act relating to eligibility for loans from the Alaska capstone avionics revolving loan fund."

In 2008 the Alaska Legislature commissioned the Capstone Avionics Loan Program. It was designed to provide access to a new generation of avionics for Alaskan aircraft owners and operators. The impetus for the program was an FAA pilot program that confirmed the substantial value and effectiveness of the technology. The results of the pilot program revealed a 47 percent decrease in accident rates in the trial area, and the FAA estimates that full implementation will result in 33 percent fewer fatalities statewide.

HB 354 is being proffered to amend existing statute in order to carry out the mission and original intent of the Capstone Avionics Program more effectively. As initially conceived, the program was intended to provide loans that would allow in-state operators and carriers to upgrade their avionics. However, there is an unforeseen gap in eligibility standards precluding significant portions of the target market from participation. Because the threshold for eligibility is predicated upon ownership of aircraft, an operator or carrier that chooses to lease its aircraft or fleet is deemed ineligible to access the program. This bill seeks to redress this deficiency by allowing for maximal participation. HB 354 is being offered only as an improvement to the Capstone Avionics Program because we believe it is in the interest of public safety, especially as it pertains to flights in and out of rural Alaska. Thanks for your consideration!

E-Mail: Representative_Wes_Keller@legis.state.ak.us
Call Juneau Toll free: (800) 468-2186
Website: www.akrepublicans.org/keller/

SENATE FINANCE COMMITTEE REPORT

DATE: 4/10/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 354

HB 354 AK CAPSTONE AVIONICS REVOLVING LOAN FUND

"An Act relating to eligibility for loans from the Alaska capstone avionics revolving loan fund."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
CED	3/1/10			✓	1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Egan	✓			
	Olson	✓			
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 354
(H) Publish Date: 3/10/10

Identifier (file name): HB354-CED-INV-3-1-10
Dept. Affected: DCCED
Title: AK CAPSTONE AVIONICS REVOLVING LOAN FUND
RDU: 122
Component: Investments
Sponsor: Representative Keller
Requester: House Labor & Commerce
Component Number: 383

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1140 AIDEA Dividend							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Micro Loan Revolving Loan Program							
TOTAL	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

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

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

This legislation amends the Alaska Capstone Avionics Revolving Loan Fund program to allow a lessee of an aircraft that logs a substantial percentage of flight hours in the state to qualify to apply for loans to purchase Capstone Avionics equipment.

The Department of Commerce, Community, and Economic Development anticipates that this will result in a few additional loan requests but that the fiscal impact will be minimal.

Prepared by: Greg Winegar, Director — Phone 465-2510
Division: Division of Investments — Date/Time 3/1/10 12:00 AM
Approved by: Emil Notti, Commissioner — Date 3/1/2010
Department of Commerce, Community, and Economic Development

(Revised 9/10/2008 OMB)

3824

Fees

- $50 application fee. (non-refundable.)
- Closing costs include aircraft title search and FAA recording fee.

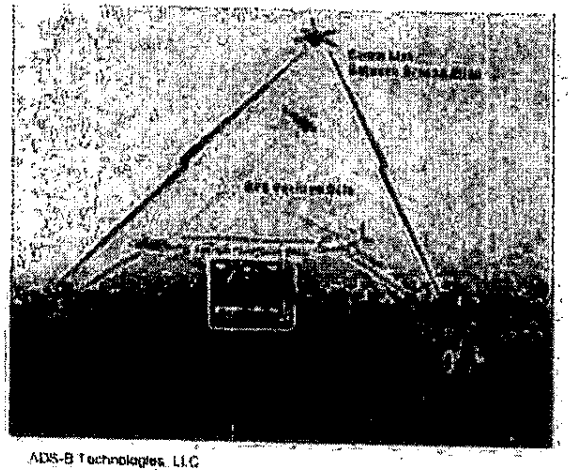
Eligible Equipment

(1) Universal Access Transceiver (UAT), Automatic Dependent Surveillance - Broadcast (ADS-B) Data Link;

(2) GPS/WAAS navigation equipment;

(3) A moving map multifunction display (MFD); or

(4) Other equipment as determined by the department in consultation with the Department of Transportation and Public Facilities.



ADS-B Technologies, LLC

Alaska Capstone Avionics Loan Program

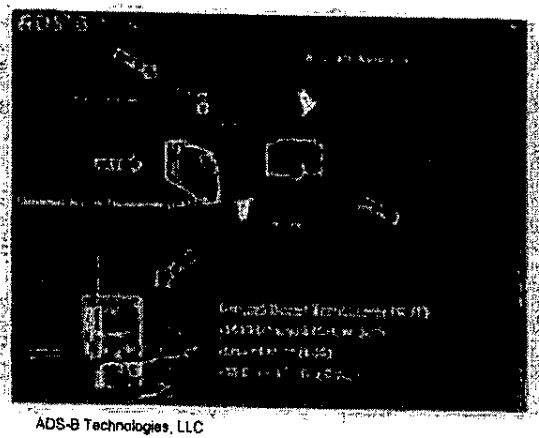
AS 44.33.660 - AS 44.33.665
3 AAC 75.010 - 3 AAC 75.900

Contact Information

Office Hours:
Monday - Friday
7:30am - 5:00pm

Juneau Office:
P.O. Box 34159
Juneau, Alaska 99803-4159
Telephone: (907) 465-2510
Fax: (907) 465-2103

Anchorage Office:
550 W. 7th Avenue Ste. 1650
Anchorage, Alaska 99501-3568
Telephone: (907) 269-8150
Fax: (907) 269-8147



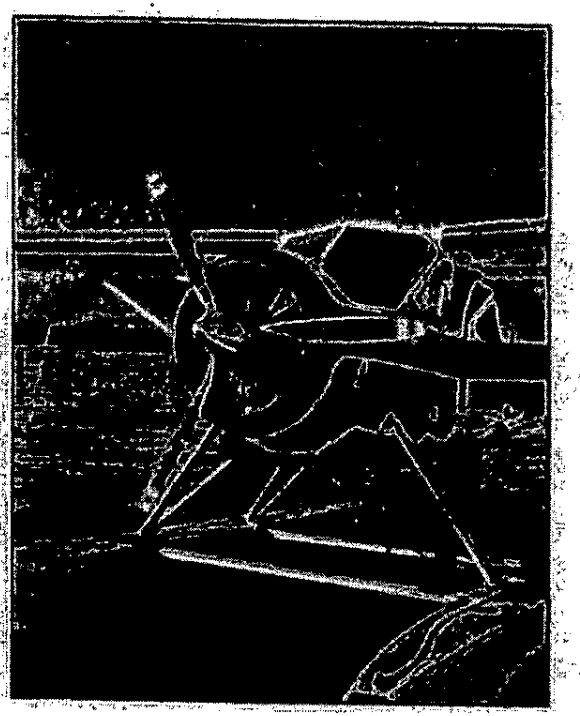
ADS-B Technologies, LLC

The Alaska Division of Investments, Department of Commerce, Community, and Economic Development complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact the Alaska Division of Investments at (907) 465-2510 or TDD (907) 465-5437 to make any necessary arrangements.

This publication is a summary of the Alaska Capstone Avionics Loan Program and is not intended to create any rights enforceable by law. For further clarification, please refer to Alaska Statutes and Alaska Administrative Code.

Alaska Capstone Avionics

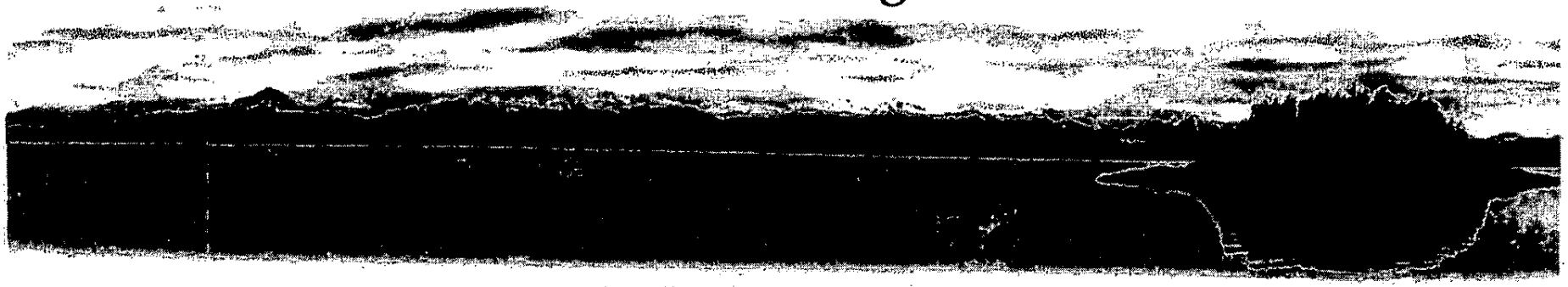
Loan Program



Alaska Division of Investments
Department of Commerce, Community, and Economic Development

1-800-478-LOAN
investments@alaska.gov
www.commerce.alaska.gov/investments

Alaska Capstone Avionics Loan Program



Goal

To provide long-term, low interest loans for purchase and installation of Capstone avionics equipment for aircraft that operate substantially in Alaska.

General Requirements

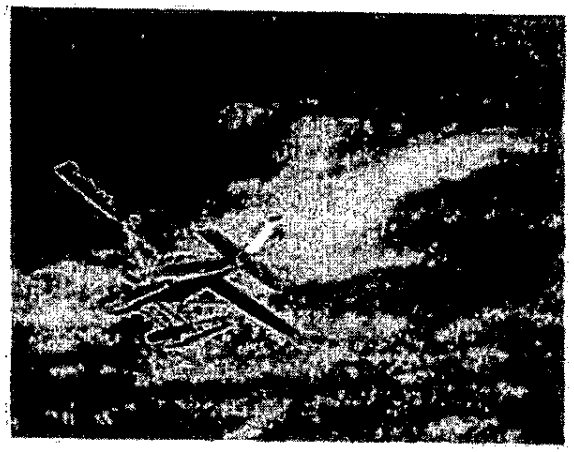
- Aircraft being upgraded must be owned by applicant
- Aircraft being upgraded must be substantially operated in Alaska
- All aircraft must at a minimum, be equipped with a Universal Access Transceiver (UAT) Automatic Dependent Surveillance - Broadcast data link system.
- Proof of substantial flight hours in Alaska, by declaration, certifying that at least 51% of aircraft flight hours were in Alaska.
- Copy of airworthiness certificate and aircraft registration with application.

Program Requirements

- **PURCHASE** - Loans are available for the purchase and installation of Alaska Capstone Avionics equipment on aircraft that are utilized in Alaska. Equipment that is purchased and installed no more than 120 days before receipt of the application may also be eligible.
- **REFINANCING** – Refinancing of debt is not allowed under this program.
- **COLLATERAL** – The Alaska Division of Investments will require:
  (1) a priority lien on the Capstone equipment being financed; and
  (2) a lien on the aircraft.

Terms & Conditions

- Interest rate will be fixed at 4.0%.
- Maximum loan term is 10-years.
- Maximum loan amount is 80% of the cost.
- Borrower is responsible to pay all direct costs incurred in processing an application including the cost of obtaining an aircraft title report and any recording fees.



February 24, 2010

Representative Wes Keller
State Capitol, Room 13
Juneau, Alaska 99801-1182

Dear Representative Keller;

Throughout the course of its history, Peninsula Airways has focused on our responsibility for the safety of every passenger that boards our airplanes. We were early adopters of GPS technology in the 90s, we were one of the first 5 Shield members of the Medallion foundation, and we were active in the first testing of the Capstone system in southwest Alaska. We have recently been working with industry teams to push forward the next wave of navigation equipment designed to enhance air travel safety in Alaska.

Part of the effort to enhance safety is built around the Capstone Loan program that provides low interest loans to early adopters of ADS-B and WAAS technology. To fully appreciate the benefits of this program, Peninsula Airways is requesting that the loan program be expanded to include a lessee of an aircraft, not just the actual owner, as the majority of our larger aircraft are operated under long-term lease agreements. Support of HB354 would show a commitment to improving aviation safety in Alaska and your faithfulness to the economic stability of our vital air transportation system.

Sincerely,

Bryan Carricaburu
VP/Director of Operations
Peninsula Airways, Inc.

ALASKA

Re: HB 354

To Whom It May Concern:

Era Alaska represents the largest group of Alaskan owned and operated air carriers in the state of Alaska. We provide an essential network of daily scheduled operations to over 100 communities in the state. Era Alaska operates a variety of aircraft throughout our state;

18	**Cessna Caravan**
19	**Cessna 207**
10	**PA-31-350 Chieftain**
4	**Cessna 406**
11	**Beechcraft 1900C airliner**
3	**Beechcraft 1900D airliner**
4	**DeHaviland Dash 8-100 series aircraft**

We have invested heavily in equipping over 90% of our fleet with Capstone avionics suites. Most of the aircraft in the fleet are leased by the airline from a wholly owned leasing company and by its very nature, under current definition, may be prohibited from using the existing loan program sponsored by the State.

The next generation WAAS upgrade to the Capstone suite is absolutely essential to enhancing the safety of our operations and will benefit over 650,000 passengers each year in our system.

Era Alaska and its' affiliated carriers fully support Representative Keller's HB354.

Please feel free to contact me if you have any questions or I can provide further input.

Sincerely,

Bob Hajdukovich

CEO, Era Alaska

Frontier Flying Service, Inc.
Era Aviation, Inc.
Hageland Aviation Services, Inc.
Arctic Circle Air Service, Inc.

Era Aviation
6160 Carl Brady Drive
Anchorage, Alaska
99502

February 24, 2010

Re: HB 354

To Whom It May Concern:

Era Aviation has proudly participated in the *Alaska Capstone Avionics Loan Program* as administered by the State of Alaska Department of Commerce, Community, and Economic Development. I believe Era was the first commercial (airline) applicant to successfully navigate the loan process through final loan disbursement. The availability of the Capstone Avionics Loan Program was instrumental in Era Aviation's decision to pursue installation of Next Generation avionics for our Bombardier Dash 8-103/106 aircraft. Our new UNS1-Lw FMS/GPS/WAAS navigation receivers represent the most modern technology available anywhere. Use of this new technology will provide our scheduled airline passengers and charter customers with an unsurpassed level of safety and efficiency in use of the US National Airspace System.

Era Aviation has an aggressive avionics upgrade program, in conjunction with using Capstone Avionics Loan Program disbursements, to equip our entire Dash 8 fleet. Unfortunately, a provision of the Loan Program is that the loan may only be submitted by the *'owner'* of the aircraft. Most large aircraft are typically leased by the commercial airline through other corporate ownership entities. This existing restriction may unintentionally and unreasonably exclude many large aircraft operated within the State of Alaska from qualifying for a loan from the Capstone Avionics Loan Program. In fact, we are apprehensive that one of our existing Dash 8 aircraft which Era leases from another corporate entity, may fail to fully qualify in actual practice, for the same loan program benefits as the other, identical Dash 8 aircraft which are owned exclusively by Era Aviation.

It is for this reason and the associated goal of promoting higher standards of safety within our Alaskan aviation community that **Era Aviation fully endorses Representative Keller's HB354**, which if passed in its present form would amend the Alaska Capstone Avionics Loan Program to include operators of leased aircraft to obtain loans under that Program. We look forward to the assistance of the Alaska Legislature in helping promote greater use of this important Program.

Please advise if you have any further suggestions or comments regarding this issue.

Sincerely,

Jeff Sharp
VP, Operations
Era Aviation
(jsharp@flyera.com or 907-266-8373)

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Government Industry

0 Comments

Alaska's Capstone Program

Air Safety Week, May 22, 2006

Capstone is a joint effort by the FAA Alaskan Region and the aviation industry in the state to improve aviation safety and efficiency, essentially by installing the latest in avionics technology in participating aircraft.

Phase one of Capstone is in the southwest Yukon-Kuskokwin delta region, a non-radar area limited to visual flight rules, has provided:

* Weather information directly to the cockpit in general aviation flights.

* Automated weather systems that enable commercial operators to make GPS approaches at certain airports.

* GPS non-precision instrument approach procedures for 10 additional remote village airports.

* A data link network allowing participating pilots to see surrounding air traffic on a cockpit display.

* An interface with existing radar tracking to provide "radar like" services to participating aircraft.

* Ground infrastructure deployment for weather observation, data link communications, surveillance, and flight information services.

Participating aircraft receive:

* An instrument flight rules (IFR)-certified GPS navigation receiver.

* An ADS-B transmitter/receiver.

* A multi-function color display with traffic/terrain advisories.

* Traffic Information Surface Broadcast (TIS-B) with radar traffic information.

* Terrain database

* Flight information data depicting airports and related flight safety information.

In phase two, which is already under way, Capstone is moving into the southeast Alaska around the capital, Juneau, which FAA says is "more environmentally challenged area of the state."

Source: FAA Alaskan Region

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Advanced Search alaskas capstone prograr in free and premium articles Search

AVIONICS magazine

Saturday, March 1, 2003

Capstone: Heating Up in Alaska

David Jensen

With a new avionics package approved, an IFR infrastructure being established and a study indicating it delivers safety benefits, the Capstone program in Alaska appears to be on a fast track. Does it represent the FAA at its best?

"This is the FAA at its best," asserts Gordon Pratt, president of Chelton Flight Systems, commenting on the Federal Aviation Administration's Capstone program in Alaska. "It shows the agency as being progressive-oriented."

Pratt may be accused of being biased with his praise, having been awarded in February 2002 the FAA contract to provide the avionics package for Capstone Phase II. But the program's steady progress, plus the findings of a recently released study of Capstone's impact on air safety in Alaska, supports Pratt's view.

Capstone is a proving ground for such new technologies as satellite navigation, broadcast weather and flight information, required navigation performance (RNP), automatic dependent surveillance-broadcast (ADS-B) and on-board synthetic vision display, among others. It is being conducted appropriately in Alaska, where air transportation is essential, as less than 10 percent of the state is accessible by road. The venue also is appropriate because Alaska's mountainous landscape, unpredictable weather and dearth of ground-based navaids have contributed to a sorry air safety record. For example, one controlled flight into terrain (CFIT) accident occurs on average every nine days in the state. And, from 1992 to 1994, Alaska's crash rate for air taxi and general aviation aircraft was 2.5 times higher than the U.S. average, according to the *FAA Statistical Handbook of Aviation, 1997.*

However, an analysis titled "Capstone Phase I Interim Safety Study, 2000/2001," conducted by the University of Alaska Anchorage and Mitre Corp.'s Center for Advanced Aviation Systems Design (CAASD), indicates that progress is being made to make air travel in Alaska safer. (More on the study later.) Mitre CAASD has been working on Capstone since it began, establishing technical specifications, developing architecture for the program's infrastructure, and designing systems integration, as well as conducting tests and evaluations.

New Avionics

The Capstone program entered its first phase in 1998, in southwest Alaska's Yukon-Kuskokwim Delta region, where Bethel serves as an aviation center. The program's second phase, launched in 2001, is centered in Juneau and conducted in the southeast Alaska region.

In February the Chelton avionics package for Capstone Phase II was to be approved to provide three-dimensional navigation. The wide area augmentation system (WAAS)/GPS receiver achieved certification under the TSO 145/146 standard, and the display system was approved under various TSOs for a primary flight display (PFD). With the TSO 145/146 certified receiver (see sidebar, page 20), pilots in the Capstone program can use GPS as a sole means of navigation.

The avionics for Capstone Phase II operations comprise the following:

- Navigation and primary flight displays;
- AAS/GPS receiver;
- Attitude heading reference system (AHRS);
- Air data computer;
- Integrated master caution warning system, which monitors aircraft performance, altitude, airspeed, fuel, area traffic and terrain; and
- Terrain awareness warning system (TAWS).

The Chelton system can include one to four liquid crystal displays, according to Pratt. "Operators in Phase II don't have to take the full suite," adds Worth Kirkman, lead engineer with Mitre CAASD. "Many may take the navigation display, but not take the primary flight display."

The Chelton sytem can provide pilots with both synthetic vision, for a forward-looking 3-D image drawn from the TAWS data base, and highway-in-the-sky (HITS) imagery, using data from the WAAS/GPS receiver and air data computer. Both graphic features can be shown independently, or one can be overlaid on the other–a capability that may be particularly beneficial when a pilot negotiates an approach to an airport in a mountainous area.

The map display for Capstone Phase II avionics will show marked improvement over the one developed for the Phase I package, which is "a kind of moving map, with a relative notion of the aircraft's relationship to terrain," says Kirkman. The Phase II map provides a "shaded image of the terrain...comparable to a TAWS display," he adds.

The Chelton package was to be certified in perhaps the most advanced Cessna 172RG. The University of Alaska owns the aircraft, and Anchorage-based Northern Lights Avionics Inc. installed a Chelton system that includes two LCDs, a PFD and a navigation display. "The system was designed for cabin-class aircraft," says Pratt. "But the STC covers all aircraft, from Piper Cubs to Citation jets."

Chelton was to have made an initial delivery of 15 systems for the Capstone program by late January. About a half dozen operators each will equip initially one or two of their aircraft with the new avionics. Two Part 135 operators–LAB, in Juneau, and Harris Aviation, in Sitka–are to receive the first systems for installation.

Pratt claims the Capstone package is being delivered to other customers, as well. They include a Hillsboro, Ore., completion center for installation on a Raytheon Beech King Air; FR Aviation Ltd. in the UK, for installation in about 100 military helicopters; and the U.S. Air Force and U.S. Drug Enforcement Administration (DEA), for OV-10 Broncos assigned to carry out night crop spraying in the narcotics producing regions of Colombia. "We also have an agreement with Aero Commercial Aircraft Group to provide the system as a factory option," Pratt adds.

New Infrastructure

While Alaskan aircraft are being equipped for Capstone Phase II, FAA and Mitre CAASD are busy establishing a complementary instrument flight rule (IFR) infrastructure in southeast Alaska. Currently, the infrastructure includes a thin scattering of ground-based navaids, largely VORs and NDBs, which require line of sight to successfully transmit signals. In mountainous Alaska, this often means limiting route altitudes for IFR flight to as high as 9,000 feet. Communications, too, is limited in southeast Alaska.

However, FAA plans to add VHF ground stations in the region, according to Jim Cieplak, principal systems engineer with Mitre CAASD. "And we are going to take advantage of WAAS and GPS to define our route structure."

"We expect the new routes to be published by the end of March," says Cieplak.

Referring to Victor 440, an IFR route through southeast Alaska, Cieplak adds that "aircraft normally would have to fly at 9,000 feet, using two VORs located in Sitka and Yakutat. But with WAAS/GPS, they can fly as low as 2,000 feet."

Rather than receiving positioning data from the ground, Capstone Phase II-equipped aircraft will receive the data from GPS satellites, with corrections derived from a WAAS geostationary satellite positioned over the Pacific Ocean Region (POR). The WAAS satellite receives the corrections from the west coast WAAS master station in Palmdale, Calif., which processes data from three ground stations in Alaska–in Anchorage, Juneau and Cold Bay. Capstone officials plan to complete the initial low-level IFR route structure in May 2003.

Special FAR for GPS

A proposed Special FAR (federal aviation regulation) to permit IFR operations using GPS was issued for a 30-day public comment period, beginning in mid-January. The Special FAR"will allow us to use GPS for area navigation in Alaska," says Cieplak. "It will mean that aircraft operating in the region won't need a backup system to GPS. The commercial aircraft will be the exception in that they must have two GPS systems."

The Special FAR permits the use of GPS for lateral navigation (LNAV). "The WAAS/GPS receiver can provide both LNAV and VNAV [vertical navigation], but the TERPS [terminal instrument procedures] for GPS-VNAV haven't been finalized," Pratt reports. "We expect that to be done in 2004.

"When the TERPS are completed, the WAAS/GPS receiver will provide precision approach capability comparable to a [Category I] ILS," he adds. Pratt claims that WAAS/GPS receivers approved for both LNAV and VNAV will allow instrument approaches when conditions present a minimum 250-foot ceiling and half-mile visibility at unlighted airports and 250-foot ceiling and a quarter-mile visibility at lighted airports. "Initially, we will use baro [barometric] VNAV for non-precision approaches," says Pratt, of the Capstone Phase II-equipped aircraft.

In addition to the new low-level IFR routes, Capstone officials also plan to create special WAAS approach/departure procedures at three airports that now allow only VFR operations. These will be established for Haines, Gustavus and Hoonah, all common destinations for Part 135 operators flying from Juneau.

"These destinations are in rocky areas with a lot of weather and near glaciers, which produce fog," says Cieplak. "The minimums at the three airports will be in the range of 800 to 1,200 feet [ceiling] and two to five miles visibility."

At Juneau, Capstone officials plan to achieve 850-foot/two-mile minimums using WAAS/GPS, a considerable improvement over the current 2,120-foot ceiling and four-mile visibility minimums. This reduces the decision altitude at Juneau by more than 1,200 feet," says Cieplak. (Using RNP, Alaska Airlines has been able to reduce the minimums at Juneau to 724 feet and one mile.)

The Mitre CAASD engineer says the Capstone program "will move next to develop WAAS approaches in the Ketchikan/Petersburg area [south of Juneau] and then, eventually, will proceed throughout the state." Alaska has about 285 airports, and only 91 have published instrument approach procedures.

On top of on-board equipment and an IFR infrastructure, preparation for Capstone Phase II also requires considerable training. "All of these factors have to come together," says Cieplak.

He adds that the new Capstone Phase II equipment and procedures produce a large learning curve. "We're not just teaching the pilots, but we're also teaching FAA officials, so they can be up on the technology and specifications."

The Capstone office and University of Alaska are developing a training program for Capstone Phase II. A beta training class was being conducted early this year, and its approval for pilot instruction was expected this month.

Safety Study

FAA established the Capstone program to improve air travel safety in Alaska, and results from the University of Alaska-Mitre CAASD study give preliminary evidence that the agency is achieving its goal. Although it is too soon to say exactly how beneficial Capstone will be (the study is ongoing), the "Capstone Phase I Interim Safety Study, 2000/2001" indicates that the program contributes to an improved safety record.

To form a baseline, the University of Alaska Anchorage's Institute of Social and Economic Research (ISER) first analyzed the accidents in Yukon-Kuskokwim Delta region prior to the Capstone program, from 1990 to 1999. Researchers "looked at the accidents and found that if the new technology had been installed on all aircraft in the test region during the 1990s, it might have...prevented one in seven accidents and nearly 50 percent of the fatal accidents," according to the study.

ISER subsequently compiled the following preliminary results from Capstone's "phase-in period," 2000 to 2001:

- Capstone equipped aircraft operated by commuter and air-taxi operators were in seven accidents, while non-equipped aircraft were in 12 accidents. Researchers caution, however, that it is premature to "assess whether this is a systematic change that will continue, or just the result of chance variation."
- Of the seven Capstone-equipped aircraft that had accidents, "only one was of the type that the new technology should have prevented." It was a CFIT accident, and the National Transportation Safety Board (NTSB) "found that the pilot had disabled the avionics feature that might have helped him avoid the crash."
- Only one Capstone-equipped aircraft was in a fatal crash. The accident, which took place on takeoff in clear weather, was "not a type of accident that Capstone was designed to address."

While three of the accidents involving non-equipped aircraft resulted from poor runway conditions, no Capstone-equipped aircraft were in such accidents. Researchers admit they "did not anticipate that Capstone avionics could reduce runway-related accidents." Nevertheless, they discovered from interviews with pilots that, with Capstone avionics, the pilots could "identify other planes that have just landed at a particular airport and then get in touch with the pilots of those planes and find out runway conditions."

As the number of airports in southwest Alaska with instrument approaches increased from three to 13, the number of IFR-certified commercial aircraft operating in the area rose from eight to 22 "and will likely continue to increase."

Positive Feedback

From interviews with pilots and operators in the Yukon-Kuskokwim Valley region, researchers unearthed further positive feedback. They found that nearly half of the 106 pilots surveyed believed the Capstone Project made flying "much safer," and most of the remaining pilots said it "improved safety somewhat." And they found that operators who were reluctant to take part in the program in 1999 and 2000 have since asked to be included.

But problems also were reported. About 15 percent of the pilots complained of "more time spent using avionics instead of looking at where the plane is going and of more aircraft flying close together, because they are all using Capstone's GPS to fly in a straight line between villages." In addition, pilots noted that, in the winter, when wearing heavy gloves, they found it more difficult to operate the Capstone Phase I avionics' buttons and knobs.

The surveyed pilots also warned that the Capstone Phase I avionics require considerable training and that, so far, pilot training with the equipment lacks a quality standard. "Learning to use the GPS takes time," the study states.

"Also, the equipment has so many functions–weather, traffic, flight planning–that pilots can't master them all in one training session."

Still, ISER researchers recommend that the Capstone program continue and that Alaskan operators be encouraged to participate. "The Capstone program won't see its full benefits unless pilots and operators support it and use all its capabilities," ISER researchers state. For more on the ISER study, visit www.alaska.faa.gov/capstone/docs/docs/htm.

TSO 145/146 WAAS/GPS Receiver

What must a wide area augmentation system (WAAS)/GPS receiver do to achieve the TSO 145/146 standard? Jim Cieplak, Mitre CAASD's principal systems engineer, lists the receiver's performance requirements in four scenarios:

- Receive an instrument flight rule (IFR) WAAS signal.
- If the WAAS signal is not available, the system must automatically revert to a fault-detection and exclusion (FDE) mode (like an "advanced RAIM [receiver autonomous integrity monitoring] mode," according to Cieplak). This mode detects faulty GPS satellites and excludes them from the navigational solution.
- If not enough satellites are in view for FDE, the system must automatically enter normal RAIM mode and give the pilot a RAIM flag, if navigation is unsure.
- With no GPS signal, the system must automatically enter an automated VFR (visual flight rules) dead-reckoning mode, which, with the Chelton avionics package, is done with the attitude heading reference system (AHRS).

Print This Window | Close Window

Alaska Capstone Avionics Loan Program

General Requirements

- Aircraft being upgraded must be owned by applicant.
- Aircraft being upgraded must be substantially operated in Alaska.
- Applicant must sign a declaration certifying that the aircraft being upgraded has flown at least 51% of its flight hours in Alaska over the last 12 months.
- Applicant must provide a copy of the airworthiness certificate and aircraft registration.
- All aircraft must at a minimum, be equipped with a Automatic Dependent Surveillance - Broadcast (ABS-B) data link system or sign an intent to equip loan agreement allowing up to 36-months from date of Promissory Note to equip aircraft with ADS-B

Program Requirements

- Purchases - Loans may be made to purchase and install eligible Capstone avionics equipment in aircraft that are substantially operated in Alaska. Avionics to be financed cannot have been purchased and installed more than 120 days prior to the date that a loan application is received by the Alaska Division of Investments
- Collateral - Loans will be secured by a priority lien on the Capstone avionics being financed and by a lien on the aircraft receiving the improvements
- Refinancing - Refinancing existing debt is not allowed.

Eligible Avionics Equipment

- Automatic Dependent Surveillance - Broadcast (ADS-B) Data Link.
- GPS/WAAS navigation equipment;
- A moving map multifunction display (MFD); or
- Other equipment as determined by the Department of Commerce, Community, and Economic Development in consultation with the Department of Transportation and Public Facilities

Terms and Conditions

- Interest rate will be fixed at 4.0%.
- Maximum loan term is 10-years.
- Maximum loan amount is 80% of the cost.
- Borrower is responsible to pay all direct costs incurred in processing an application including the cost of obtaining an aircraft title report and any recording fees.

Fees

- Application fee of $50.00
- Closing costs include aircraft title search and FAA recording fee

Additional Information

- Alaska Statute
- Regulations

Alaska Capstone Avionics Loan Application

The following Alaska Capstone Avionics Loan Application pages are in PDF format. You will need the Adobe Reader in order to view/print them. Acrobat Reader is distributed freely and available for download from Adobe®

Loan Application

The Alaska Division of Investments, Department of Commerce, Community, and Economic Development complies with Title II of the Americans with Disabilities Act of 1990. This publication is available in alternative communication formats upon request. Please contact the Division of Investments at (907)465-2510 or TDD (907)465-5437 to make any necessary arrangements.

Quick Links...

- Alaska Capstone Avionics Loan Program
- Community Quota Entity (CQE)
- Commercial Fishing
- Small Business Economic Development
- Rural Development Initiative Fund
- Fisheries Enhancement

Of Interest...

- Fisheries Enhancement Revolving Loan Fund Program Overview
- Interest Rates
- IFQs for Sale
- Permits for Sale
- Real Estate for Sale
- Vessels for Sale
- Auto Pay Program
- 'TEL' Payment Program
- Staff Photos
- Comments
- Related Sites

Toll Free 1-800-478-5626 within Alaska
Juneau Office - 3032 Vintage Blvd. - PO Box 34159 - Juneau, AK 99803-4159 - (907)465-2510 - Fax (907)465-2103 - TDD (907)465-4410
Anchorage Office - 550 W. 7th Ave. Suite 1650 - Anchorage, AK 99501-3568 - (907)269-8150 - Fax (907)269-8147
Having trouble with this site or just have some general question? Click here to email the Webmaster

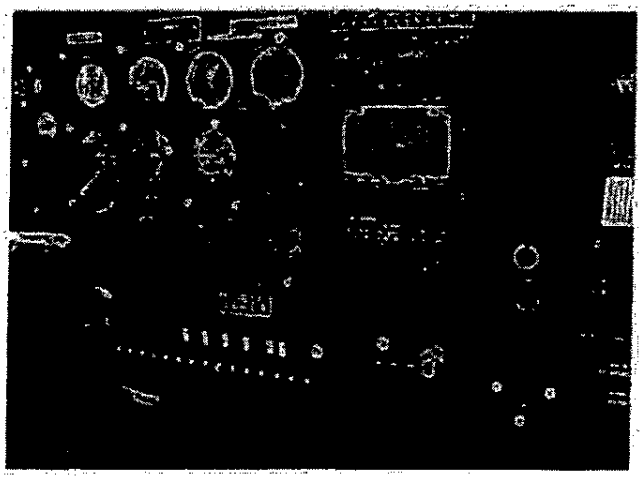
Capstone Program in Alaska

Why is the FAA NextGen (Capstone) program important?

Alaska experiences the highest aviation accident rate in the nation. The hazards of bad weather, rough terrain, and absence of radar coverage all contribute to the high Alaska accident rate. Congress funded a research and development program called Capstone in southwest and southeast Alaska that created a technology system to improve flight safety and community access in rural Alaska. Capstone demonstrated a 47% reduction in the aviation accident rate, and was so successful that FAA decided to implement the technology nationwide; which is now called Next Generation or NextGen

What is the FAA NextGen (Capstone) program?

Capstone is a cooperative effort by the FAA, Alaska aviation industry, and State of Alaska to improve aviation safety and community access by using a suite of new technologies that provides better flight information to pilots. Capstone equipped airplanes have a "moving map" video display screen, as can be seen in the picture below, which shows the pilot his own location relative to terrain, weather,

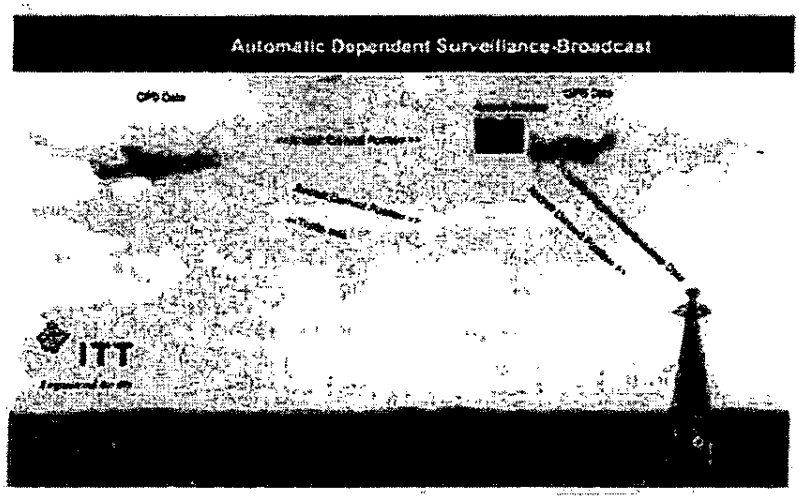


orientation, and other aircraft in the vicinity. Furthermore FAA Air Traffic Control simultaneously receives the aircraft position from a transponder, which greatly enhances communication with and between pilots. The Capstone system provides a Global Positioning System (GPS) instrument approach landing system, automated weather reporting, and communications providing pilots better information and demonstrably improving aviation safety.

Also in the event of an aircraft accident Capstone lets Air Traffic Control know the precise location of a downed aircraft. This allows rescue workers to know exactly where they should go to locate the aircraft, greatly improving the chances of a successful rescue effort in remote locations while substantially reducing search and rescue costs. Capstone provides all players in the aviation system much more and better information improving safety and rural community access for the flying public

Rural Aviation Links

- Home
- Aviation Leasing
- Frequently Asked Questions
- Statewide Aviation Staff
- Public Airports in Alaska
- Rural Airport Documents
- Statewide Aviation Links
- Alaska Airport Photos



The simple graphic above shows how the Capstone system works. The integrated Capstone system technologies include ground based transmitters, communications equipment, transponders, Global Positioning System (GPS) navigation, surveillance, and weather reporting. FAA calls the system "Automatic Dependent Surveillance-Broadcast" (ADS-B), and is managed by their Surveillance and Broadcast Services program office. Air traffic controllers will begin using the "NextGeneration" technology in the Gulf of Mexico in December 2009

What is the FAA implementation plan?

FAA plans to implement Capstone nationally setting geographic priorities based on FAA's evaluation of where they would get the most benefit for their investment. FAA's analysis places Alaska near the bottom of the implementation list even though the Capstone program was developed in Alaska by Alaskans. However, FAA signed an agreement with the Alaska aviation industry to accelerate Capstone implementation in Alaska based on the number of aircraft that would install the Capstone avionics equipment. FAA views this approach as reducing their risk and improving Alaska's Capstone benefit/cost ratio. Full implementation would occur when the Alaska aviation industry achieves avionics equipage in the aircraft that fly 90% of the total flight hours flown in Alaska, or 4,091 aircraft

The *Capstone Statewide Plan* calls for a five-year "stair-step" approach where the FAA agreed to install and maintain Capstone ground and satellite infrastructure as specific number of Alaska aircraft install Capstone equipment. If the Alaska aviation industry fails to meet the equipment installation levels, FAA could reallocate the funding to a different geographic area of the U.S.

Why should the State of Alaska participate?

The Capstone program is an initiative to improve safety and rural access for the flying public in Alaska. The maximum benefits from the system will be realized by Alaskans when the maximum number of aircraft is equipped with Capstone avionics, which enables pilots to see and be seen on the Capstone system. Full avionics equipage will reduce the chance of mid-air collisions and accidents related to terrain or weather problems. Search and rescue costs will be reduced significantly. Rural access to medevac services will be greatly improved. The Capstone system serves public's best interest by improving public safety

What's happening with Capstone in Alaska?

FAA will fully deploy Capstone infrastructure statewide if Alaska is able to achieve avionics equipage in at least 4,091 aircraft. While Alaskans created and are "early adopters" of Capstone technology, the main challenge is how to pay for avionics in each aircraft. Governor Palin spoke at the 2008 Alaska Aviation Trade Show at the FedEx Hanger about the importance of the Capstone program to aviation safety in Alaska. Governor Palin signed Senate Bill 249, which created the Alaska Capstone Avionics Revolving Loan Fund, a low-interest loan program to help aircraft owners purchase and equip Capstone electronics in Alaska based aircraft. The Division of Investments in the Alaska Department of Commerce, Community, and Economic Development administers the program. Terms of the loan program include no more than 10 years, interest rate not less than 4%, up to 80% of the purchase price, and collateralization for the loans. The loan program began July 1, 2008

The State of Alaska approved $125,000 in capital funding in the FY 2009 budget to equip seven aircraft with Capstone electronics. This includes equipping four IFR and three VFR aircraft in the Division of Wildlife Conservation, Alaska Department of Fish & Game

Additionally the state made a grant of $30,000 to the Alaska Air Carriers Association to help promote the Capstone Avionics Revolving Loan Fund to aircraft owners

The Alaska Capstone Program was started as a research and development program to improve safety and increase medical evacuation access in rural Alaska. Now the Alaska Capstone program is run by the FAA Surveillance Broadcast Services (SBS) Western Service Area office

NextGen in the media

Senator Mark Begich wrote recently about Capstone, now known as NextGen, in the publication *The Hill*. Begich said it "is the comprehensive initiative to modernize the nation's air traffic control (ATC) system from outdated ground-based radar to a more accurate satellite tracking system. NextGen also incorporates other technologies, which will increase efficiency in our skies and provide air traffic controllers and pilots with better communications and awareness of weather and surroundings." read more>>

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Article 08. ALASKA CAPSTONE AVIONICS REVOLVING LOAN FUND

Sec. 44.33.650. Declaration of policy.

It is the policy of the state, under AS 44.33.650 - 44.33.690, to increase the safety of air carrier, air taxi, and general aviation intrastate air transportation in the state by providing low interest loans to qualified applicants for the purpose of purchasing and installing capstone avionics equipment.

Sec. 44.33.655. Alaska capstone avionics revolving loan fund.

(a) There is created in the Department of Commerce, Community, and Economic Development a revolving loan fund to be known as the Alaska capstone avionics revolving loan fund to carry out the purposes of AS 44.33.650 - 44.33.690.

(b) The Alaska capstone avionics revolving loan fund consists of the following:

(1) money appropriated to, transferred to, or received by gift, devise, bequest, or donation to the fund;

(2) principal and interest payments or other income earned on loans or investments of the fund;

(3) money chargeable to principal or interest that is collected through liquidation by foreclosure or other process on loans made under AS 44.33.650 - 44.33.690.

(c) Money in the fund may be used by the legislature to make appropriations for costs of administering AS 44.33.650 - 44.33.690.

Sec. 44.33.660. Powers and duties of the department.

The department may

(1) make loans to eligible applicants under AS 44.33.665 for the purchase and installation of capstone avionics equipment;

(2) receive, take, hold, and administer any appropriation, gift, grant, bequest, devise, or donation of money for the fund;

(3) establish amortization plans for repayment of loans, including extensions of the terms of loans;

(4) allow an assumption of a loan if the applicant meets the requirements established under this section;

(5) establish the rate of interest for loans consistent with law;

(6) charge and collect fees for services provided under AS 44.33.650 - 44.33.690;

(7) adopt regulations under AS 44.62 necessary to carry out the provisions of AS 44.33.650 - 44.33.690, including regulations to establish reasonable fees for services provided; and

(8) designate agents and delegate powers as necessary to the agents.

Sec. 44.33.665. Eligibility.

(a) For an applicant to be eligible for a loan under AS 44.33.650 - 44.33.690, the applicant must be the owner of an aircraft that logs a substantial percentage of flight hours in the state as determined by the department. For purposes of this subsection, an applicant may be an individual, corporation, partnership, limited liability corporation, limited liability partnership, limited liability company, joint venture, or nonfederal governmental entity.

(b) After consultation with the Department of Transportation and Public Facilities, the Department of Commerce, Community, and Economic Development shall establish by regulation the standards for capstone avionics equipment eligible for loans.

Sec. 44.33.670. Limitations on loans.

A loan established under AS 44.33.650 - 44.33.690

(1) may not exceed a term of 10 years, except for extensions under AS 44.33.660;

(2) may not bear interest less than four percent per year;

(3) must be secured by collateral acceptable to the department; and

(4) may not exceed 80 percent of the cost of the eligible capstone avionics equipment purchased with proceeds of the loan.

Sec. 44.33.675. Special account established.

(a) There is established as a special account within the Alaska capstone avionics revolving loan fund the foreclosure expense account.

(b) The department may expend money credited to the foreclosure expense account when necessary to protect the state's security interest in collateral on loans granted under AS 44.33.665 or to defray expenses incurred during foreclosure proceedings after a default by an obligor.

Sec. 44.33.680. Disposal of property acquired by default or foreclosure.

The department shall dispose of property acquired through default or foreclosure of a loan made under AS 44.33.650 - 44.33.690. Disposal must be made in a manner that serves the best interest of the state and may include the amortization of payments over a term of years.

Sec. 44.33.690. Definitions.

In AS 44.33.650 - 44.33.690,

(1) "capstone avionics equipment"

(A) means aviation navigation performance and safety technological equipment eligible for financing through the capstone program;

(B) includes global positioning system-based avionics equipment and data link communications suites;

(2) "capstone program" means a technology-focused aviation program administered by the Federal Aviation Administration in this state;

(3) "department" means the Department of Commerce, Community, and Economic Development.

HB

357

<target><bill>HB 357</bill><subject>HB
357</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/14/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/10

Finance Committee considered CS FOR HOUSE BILL NO. 357(FIN)

HB 357 AK RAILROAD CORP. LAND SALES

"An Act relating to the sale of land owned by the Alaska Railroad that is not necessary for railroad purposes."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[X] adopt H _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/23		✓		1

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Ellis	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

3844

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 357(TRA)
(H) Publish Date: 3/24/10

Identifier (file name): HB357-CED-ARR-3-23-10
Dept. Affected: DCCED
Title: Alaska Railroad Corporation Land Sales
RDU
Component: Alaska Railroad Corporation
Sponsor: Representative Stoltze
Requester: House Transportation Committee
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The fiscal impact of this legislation to the Alaska Railroad Corporation is indeterminate.

HB 357 would authorize the Alaska Railroad to sell land that is not needed for railroad purposes, subject to legislative approval, if the ARRC Board finds that the sale of the land is in the best interest of the state. Current law already allows the railroad to propose the sale of rail land subject to legislative approval. The incremental cost to sell rail land including appraisals, staff time, and other professional fees would likely be passed on to the buyer.
(Continued)

Prepared by: Wendy Lindskoog
Phone 265-2498
Division: Alaska Railroad Corporation
Date/Time 3/23/10 12:00 AM
Approved by: Emil Notti, Commissioner
Date 3/23/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

FISCAL NOTE #1

STATE OF ALASKA **BILL NO.** CSHB 357(TRA)
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

Current lease revenue streams average an 8% annual return on the fair market value of ARRC land. If ARRC were to sell this land, it would be hard-pressed to find a comparable investment that would provide such a return with a similar risk profile. As an extreme hypothetical, if ARRC were to sell its holdings in the Ship Creek area of Anchorage, roughly $6 million of annual lease revenues would be immediately removed from the corporation's budgets. If the corresponding funds received for the sales were used to purchase investments with a similar risk profile, at today's investment returns, ARRC could stand to lose over $4 million annually when compared to the foregone lease revenues. This could have a material impact on the corporation as it tries to maintain infrastructure, fully fund benefit plans, and provide the required match for federal grant funds, among other items.

ARRC believes the real fiscal impact of selling the non-operating land we currently lease to third parties would result in the loss of a consistent, predictable annual revenue stream to ARRC.

Another potential fiscal impact relates to ARRC's ability to use financial leverage to accomplish its capital plans. Currently, ARRC has approximately $11 million in outstanding loans secured by lease revenues from corporation lands. Material changes to the lease streams could concern existing lenders, violate covenants, and/or most certainly impact ARRC's future ability to use debt .

Because the potential volume of lands to be sold and the timing thereof is unknown at this point, the fiscal note is indeterminate.

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

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State Capitol 515
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State Capitol, Juneau, Alaska 99801-1182

Letter of Intent

for

House Bill 357

"It is the intent of House Bill 357, "An Act relating to the sale of land owned by the Alaska Railroad that is not needed for railroad purposes," to not impact any outstanding Federal issue which has not been resolved in regards to railroad lands, easements, or rights-of-way. It is not the intent of this legislation to impede, damage, or disrupt any ongoing claims, issues, or cases involving the Alaska Railroad Corporation and governmental, tribal, or private sector disputes."

ALASKA STATE LEGISLATURE

Co-Chair:
House Finance Committee

Chair:
House Finance Subcommittees for;
Department of Public Safety
Department of Law

Member:
Legislative Council
Legislative Budget & Audit (alt)

Session:
Alaska State Capitol, Rm 515
Juneau, AK 99801-1182
Phone: (907) 465-4958
Fax: (907) 465-4928

District:
600 E. Railroad Ave.
Wasilla, AK 99654

BILL STOLTZE
STATE REPRESENTATIVE
Representative_Bill_Stoltze@legis.state.ak.us

HB 357

Alaska Railroad Non-Essential Land Sale

"An Act relating to the sale of land owned by the Alaska Railroad that is not needed for railroad purposes."

To spur economic development throughout the state, House Bill 357 adds a fourth clause to the existing language governing how the Alaska Railroad Corporation may dispose of land. House Bill 357 will enable the railroad to sell land that is not needed for essential railroad purposes. This bill does not ask for any irresponsible disposal of land, as the sale must be initiated by the board of directors on two conditions. The first condition is that the land is not essential to railroad operations, and the second condition is that the sale is in the best interest of the state of Alaska.

As support has shown, current leaseholders are very unhappy with the inability to purchase their leased properties from the railroad. In general real estate dealings, private purchases are made in mutually beneficial sales. House Bill 357 encourages these sales after determination by the board of directors of the railroad looks at each sale with the overall benefit to the state of Alaska as the key driver. Not only will the private sector benefit from this addition to state law, the railroad will also have increased ability to make decisions regarding their overall real estate portfolio.

The sale and relationship of private and public lands are vital to the economic growth of the state of Alaska. I ask for your consideration and support of House Bill 357 to promote Alaskan growth through the diversification of land ownership, increasing the tax base of the state, and encouraging responsible development of Alaskan land.

Support

Name	Business/Organization
Harvey Dougherty	Alaska Crate & Pallet
Brad Cherrier	BKC Alaska LLC
Mark Sprano	Alaska Marble & Granite Inc.
Marguerite Kremer	TaskKlock, Inc.
Mark Stearns	Alaskan Wood Moudling Inc.
Ken McCarty	
Thomas Tonkin	
Erik Brubaker	
Bohuslav Fiala	
Brandon Wallace	Wholesale Distributors of Alaska, Inc.
Karen Paulson Perham	Alaska Flor-Wall, Inc.
Richard Faulkner	Steelfab
Janet Faulkner	Steelfab
Paul Reid	Sagaya Corporation
Mike Hammer	Statewide Door & Glass
Robert Carlson	Wholesale Distributors of Alaska, Inc.
Paul Laird	The Alliance
Randy Arendell	AT&T?
Mary Silvey	Fairbanks Sand & Gravel
Greg Wakefield	AAA Moving & Storage
Jerry Hendriks	Puget Sound Pipe and Supply Co.
Joe Beedle	Northrim Bank
Bruce Morgan	Sampson Steel Company Inc.
Phillip Oates & Willard Dunham	City of Seward
Richard Dawson	Dawson Development
Don Callahan	ICE Alaska
Lester Lunceford	City of Whittier

Opposition

Name	Business/Organization
Mark Kulstad	

THE CITY OF WHITTIER

Gateway to Western Prince William Sound

P.O. Box 608 • Whittier, Alaska 99693 • (907) 472-2327 • Fax (907) 472-2404

Honorable Bill Stoltze, Chairman
House Finance Committee
State Capitol, 5th Floor
Juneau, AK 99801

April 2, 2010

Re: House Bill 357

Dear Representative Stoltze,

On behalf of the City of Whittier, I am writing to express our support for House Bill 357 which would allow the Alaska Railroad to dispose of land that they own which is not essential to the operations of the railroad. From our perspective, we believe that private ownership over public ownership is best for economic development within the City of Whittier and throughout Alaska.

As you are probably aware, the Alaska Railroad is a major landholder within the City of Whittier and we are familiar with the complaints associated with the railroad's leasing practices. Likewise, we are aware of the constraints that businesses and individuals find in obtaining loans on leased property.

Given that HB 357 is permissive and does not require the railroad to dispose of land, we find it difficult to understand how or why anyone could oppose this measure. In closing, we would like to take this opportunity to thank the legislature in recognizing the need to get more public lands into private ownership and urge the passage of this bill.

Thank you for your time and consideration.

Sincerely,

Lester Lunceford,
Mayor

Please visit our new website:
www.whittieralaska.gov

STEELFAB
ALASKA'S STEEL SOURCE

2132 RAILROAD AVE.
ANCHORAGE, AK 99501
FAX 907 276-3448
TEL 907 276-4303

March 16, 2010

Representative Bill Stoltze
House of Representatives
State of Alaska
Juneau, Alaska

Dear Representative Stoltze,

You have my most sincere gratitude for introducing House Bill 357, regarding making state lands available to Railroad leaseholders for purchase at fair market value. It is a straightforward bill with far-reaching and greatly beneficial consequences to businesses throughout Alaska, from Seward to Fairbanks.

Your bill will encourage many Alaska businesses to make capital improvements that will bring pride to communities throughout the Rail Belt, solidify and increase municipal tax bases, and more than likely create new jobs.

HB 357, and the action it encourages, is something that is long overdue. Your recognition that the Federal/State Railroad transfer's provision of allowing railroad leaseholders to purchase any non-operational lands after 10 years time shows a readily-available business acumen on your part. HB 357 provides a vehicle that makes it clear that the transfer's provision is a clear-cut matter that should happen as a matter of course.

Thank you, Representative Stoltze. Your introduction and support of HB 357 refreshes my belief in common-sense government.

Sincerely,

Richard Faulkner
STEELFAB President
Alaska Railroad Leaseholders Assoc. (ARRLA) Board President

cc: Governor Sean Parnell, House Transportation Chairwoman Peggy Wilson

THE ALLIANCE

...for responsible development of Alaska's Oil, Gas & Mineral Resources

646 West Fourth Ave., Suite 200 * Anchorage, AK 99501 * Phone (907) 563-2226 * Fax (907) 561-8870

March 12, 2010

Representative Peggy Wilson, Chairperson
House Transportation Committee
State Capitol, 4th Floor
Juneau, Alaska 99801

Dear Representative Wilson,

The Alaska Support Industry Alliance, a trade association representing companies that provide goods and services to Alaska's oil, gas and mining industries, supports House Bill 357. By authorizing (but not requiring) the Alaska Railroad to sell land that's not needed for railroad purposes from its real estate portfolio, Rep. Stoltze's legislation would promote private land ownership within the state and stimulate new private sector investment. It also has the potential to increase the tax bases of communities along the Railbelt and generate cash for the railroad.

HB 357 is pro-business and private sector, pro-investment, pro-Alaska Railroad and pro-jobs. We endorse and urge its passage. Thank you.

Sincerely,

Paul Laird

Paul Laird
General Manager

c: Rep. Bill Stoltze

Richard R. Dawson
POBox 93054
Anchorage, Alaska 99509
907 243 1262

3/17/2001

SENT VIA FAX 465-3175

Rep Peggy Wilson, Chairperson
State House Transportation Committee
State Capitol
Juneau, AK 99801

Dear Rep Wilson:

Recently I have been made aware of House Bill 357.
HB 357 would allow the Alaska Railroad to sell lands not needed for their transportation operations.
It would allow the transfer of government owned lands to the private sector.

Passage of HB 357 would create private ownership of properties that have not been maintained by either the ARR (no need) or by the leaseholders (why invest?).

This would be good for EVERYONE.

Please help remedy this problem by supporting HB 357.

Sincerely,

RRD

HB 357 sponsor *Rep. Bill Stoltze (907/465-4928)*

Date: March 10, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, 4th Floor
Juneau, AK 99801
Fax:: 907-465-3175

Dear Chair Wilson,

I am writing in opposition of House Bill 357, which is currently in your committee. As a Real Estate professional I can see why business owners may wish to own rather than lease. As a resident of the State of Alaska I don't see the "*giving the railroad the authority to dispose of non-strategic land within their real estate portfolio creates the logical first step of putting more government-owned lands in the private sector,*" is in Mine or the States best interest.

I am closely aware that the Real Estate department of the Alaska Railroad, operates for profit, and strives to get the highest rate of return, on value, for their owned real estate. Well managed long term leases will, and do provide a greater rate of return to me and the State than selling off performing asset, not to mention, selling those assets in a depressed real estate environment.

Any favorable vote on this bill will only serve the interests of a few business owners rather than the majority of residents of the State of Alaska.

This legislation does not represent good financial stewardship of mine and the States performing real estate assets.

Respectfully,

Mark S. Kulstad
Commercial Real Estate Agent and Broker 907-223-8135

CITY OF SEWARD
P.O. BOX 167
SEWARD, ALASKA 99664-0167

· Main Office (907) 224-4050
· Police (907) 224-3338
· Harbor (907) 224-3138
· Fire (907) 224-3445
· City Clerk (907) 224-4046
· Community Development (907) 224-4049
· Utilities (907) 224-4050
· Fax (907) 224-4038

March 15, 2010

The Honorable Bill Stoltze
Co-Chairman House Finance
State Capitol, Juneau, Alaska 99801-1182

Re: Support for HB 357

Dear Representative Stoltze,

This is a letter of support from the City of Seward for HB 357 as currently written. The City recognizes the value of allowing the Alaska Railroad Corporation to sell rail land that is not necessary for essential railroad purposes when such a sale is in the best interest of the State of Alaska. HB 357 also protects the rights of persons having a leasehold interest in the land by giving them notice of a pending sale and the right of first refusal.

Please feel free to contact the City Manager or Mayor of Seward if you need additional information concerning support of the City of Seward for HB 357.

Sincerely,

Phillip E. Oates, DBA
City Manager

Willard E. Dunham
Mayor

Ben Mulligan

From:	Don and Carol Callahan [caltec@mosquitonet.com]
Sent:	Sunday, March 14, 2010 8:43 PM
To:	Rep. Tammie Wilson
Cc:	Rep. Bill Stoltze; Rep. David Guttenberg; Rep. Jay Ramras; Rep. Mike Kelly; Rep. Scott Kawasaki; Rep. Tammie Wilson; Rep. Woodie Salmon; Sen. Joe Paskvan; Sen. John Coghill; Sen. Joe Thomas; ICE AK dick Brickley; Jo Swarner; publicrelations@icealaska.com; Bartos, Hank; Jewelz Nutter; Phillips, John; Cox, Wally; bwgatewood@ci.fairbanks.ak.us; croberts@ci.fairbanks.ak.us; eebratcher@ci.fairbanks.ak.us; jcleworth@ci.fairbanks.ak.us; jseberhart@ci.fairbanks.ak.us; vstiver@ci.fairbanks.ak.us; tmstrle@ci.fairbanks.ak.us; gsattley@co.fairbanks.ak.us; hbartos@co.fairbanks.ak.us; jblanchard@co.fairbanks.ak.us; kbrown@co.fairbanks.ak.us; mmusick@co.fairbanks.ak.us; nwinters@co.fairbanks.ak.us; nhoward@co.fairbanks.ak.us; tbeck@co.fairbanks.ak.us; mwant@co.fairbanks.ak.us; mayor@co.fairbanks.ak.us; Mayor@NorthPoleAlaska.com
Subject:	FW: ARR REALIGNMENT IMPEDIMENT PLANS and ICE ALASKA

Dear Tammie,

In our meeting with the ARR and DOT in Fairbanks on February 12th , the first ever that got together the two major players in addressing the move of the dangerous, polluting, traffic impeding, hazmat threatening railroad out of the core living and business areas of Fairbanks and North Pole, I made the statement that stopped dead the tedious conversations at the table about the true cost of the EIS by stating that **if the EIS cost 2 million or 10 million, the EIS for this project needs to be done, and needs to be done now**.

To spend time second guessing the cost estimate is irrelevant. I stand by that statement, and any dissertation by the railroad, is again a presentation of a ploy to not proceed with this critical project for the future to Fairbanks. It would be ludicrous at this time for the legislature to fund 10 million dollars for this EIS project. I stand by funding 1 million for the North Pole EA as requested by Mayor Doug Isaacson, and 1 million dollars for the EIS for the Fairbanks project, the realignment from 3 Mile west to the Sheep Creek terminus. If additional monies are needed, they can be requested in another session of the legislature, and if at that time the legislature does not feel that this project is worthwhile they can refuse to fund it. And again, I state that the Fairbanks North Star Borough should be the controlling agency for this EIS contract, not the ARR.

Do we also get our say at the meeting on Tuesday?

Being a volunteer community concerned group, the RS and D group, we have no funds or ability to jaunt to Juneau on the government's dollar. We would have to do it on our own nickel, and if fuel prices get any higher we won't even have that.

I appreciate your concern and activities for your Fairbanks and North Pole constituents.

More importantly right now is that the legislature, before the end of this session, stop the ARR's goal to destroy ICE ALASKA. After 3 plus years of dealing with them that is the only way I see it.

Dick Brickley, chairman of ICE ALASKA received a transmittal from Senator Joe Paskvan's office giving the ARR's view of the ICE ALASKA lease-permit history. It seems from my discussions with a number of volunteers that have been working at the ice park for years that that history presentation is incorrect.

Sincerely,

Don Callahan

907-388-1658

From: Tammie Wilson [mailto:tammie.k.wilson@gmail.com]
Sent: Sunday, March 14, 2010 3:47 PM
To: caltec@mosquitonet.com
Subject: Re: FW: SAVE THE ICE ALASKA PARK

Dear Don,

I am meeting with the railroad on Tuesday. They have agreed to do a presentation for the House Transportation committee concerning the projects for the interior.
They are also going to bring a breakdown of the phases for the Southern bypass and why it will cost $10 million for the EIS. If you would like a copy of the information
I will be happy to get it to you.

A reminder that some of the Interior Delegation will be having a joint constituent meeting on Saturday, March 20, 1:00 pm at Pioneer Park Auditorium.

Sincerely,
Tammie

On Fri, Mar 12, 2010 at 7:24 AM, Rep. Tammie Wilson <Representative_Tammie_Wilson@legis.state.ak.us> wrote:

From: Don and Carol Callahan[SMTP:CALTEC@MOSQUITONET.COM]
Sent: Friday, March 12, 2010 6:23:26 AM
To: 'Don and Carol Callahan'; Rep. David Guttenberg; Rep. Jay Ramras;
Rep. Mike Kelly; Rep. Scott Kawasaki; Rep. Tammie Wilson;
Rep. Woodie Salmon; Sen. Joe Paskvan; Sen. Joe Thomas; Sen. John Coghill
Cc: O'grady, Andy; McCauley, Becky; Thomas, Bob; ARR Dick Brickley;
Lowell, Don; Bartos, Hank; Jewelz Nutter; Phillips, John;
Gambradella, Lisa; therriault@yahoo.com; Swerman, Sid; Cox, Wally
Subject: RE: SAVE THE ICE ALASKA PARK
Auto forwarded by a Rule

Members of the legislature

The lack of cooperation of the ARR, who are the managers of the State land that ICE ALASKA calls home, has been discussed all through our extremely successful World Championships event this year. We did not bring our plight of our endeavors with the ARR to the public at the beginning of this year's activities because Dick Brickley, ICE ALASKA board chairman, felt that it would put a negative pale on everything we were doing, and that the huge responses that we have received from national and international media would be greatly damaged.

I think that was an excellent decision.

Now the people of this community are being asked to support our exceptional efforts to market Fairbanks, North Pole, the Interior and the whole State of Alaska. The response has been overwhelming. Not one person has refused to recognize our plight and support us.

In FOUR DAYS (4) we have had 2100 people sign petitions supporting Borough Resolution 2010-10, linked below.

http://co.fairbanks.ak.us/Meetings/resolutions/2010/r2010-10.pdf

I include a picture of the pile of these petitions taken last night on Dick Brickley's conference table at ICE ALASKA. There will soon be 1000s more.

Is it apparent that this community wants ICE ALASKA to continue to thrive and grow on the present site we have worked so hard to develop, a site that was a garbage dump before ICE ALASKA took occupancy. Certainly the legislatures' lawyers can draft the documents to transfer the State lands to the FNSB and save ICE ALASKA before the onerous lease with the ARR expires and we disassemble the ice park facilities.

I can't help but note that the O.K Lumber site now is no longer an asset to the community or a source of income to the State under the ARR management.

Sincerely, for a better Fairbanks

Don Callahan,

and ALL OF THE VOLUNTEERS (500) at ICE ALASKA

Ben Mulligan

From: housemajority_email@housemajority.org
Sent: Friday, February 26, 2010 5:51 PM
To: Rep. Bill Stoltze
Subject: HB 357

+----------+
DO NOT REPLY DIRECTLY TO THIS EMAIL: your reply will go to enews@housemajority.org To correspond with the author Hit 'Reply' or 'Forward'.
Then change the TO: address to dishnet@gci.net If suspected Spam please forward to: support@housemajority.org
+----------+

From: dishnet@gci.net

As an ARR leaseholder I will support your efforts in HB 375

~ Tom Favero
Zip Code: 99701-2702

+----------+
DO NOT REPLY DIRECTLY TO THIS EMAIL: your reply will go to enews@housemajority.org To correspond with the author Hit 'Reply' or 'Forward'.
Then change the TO: address to dishnet@gci.net If suspected Spam please forward to: support@housemajority.org
+----------+

Ben Mulligan

From: Bonne' Woldstad [b_woldstad@hotmail.com]
Sent: Monday, March 15, 2010 5:34 PM
To: johnsonp@akrr.com; lindskoogw@akrr.com
Subject: HB 357

Can you tell me what effect if any HB 357 would have on our issue of return of the easement upon relocation of the line?

also
under 42.40.400

Sec. 42.40.400 Vacation of easements. The corporation may vacate an easement acquired under this chapter by executing and filing a deed in the appropriate recording district. If the easement was acquired by the corporation under 45 U.S.C. 1201-1214 (Alaska Railroad Transfer Act of 1982), the state shall acquire the easement for use in conformity with those laws.

since the sections 1208 and 1209 have been repealed, and the State now has "ownership" of the line
Can you tell me if, or why not this section of Statute--would allow for the vacation of the easement and return of our property.

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ALASKA'S 1ST AISC CERTIFIED FABRICATION FACILITY

3-15-2010

Rep Peggy Wilson, Chairperson
State House Transportation Committee
State Capitol
Juneau, AK 99801

Re; Benefits of HB 357

Dear Rep Wilson -

I currently lease 2 separate parcels of State of Alaska property from the Alaska Railroad located on Post Road in Anchorage. This I-2 industrial area is an eyesore and has not been developed for over 30 years for one reason; no one will invest in this commercial real estate because they cannot own the land that they would build on.

The entire Post Road area is lined with lease properties that are a shambles, and will remain a shambles until the current rules change. I don't believe the State of Alaska should be in the real estate business hampering the development of my leasehold?

I would LOVE to invest in my current lease holding, I would inject 4 million dollars into a NICE I-2 commercial building at our location within 2 years of owning the land. Without owning it, I will invest nothing beyond necessities.

HB 357; gives the state money, gives the state jobs, gives the state a better tax base, and gives the state an upscale business environment. Best of all it takes away NOTHING as the areas given up will only be designated as "non-essential to railroad use". In our case, the Alaska Railroad REMOVED THE RAIL ROAD TRACKS THAT USED TO BE DIRECTLY BEHIND MY BUILDING! They have no reason to own the land and stop development.

Please help remedy this problem by supporting HB 357 by Representative Stoltze.

Respectfully,

Bruce R Morgan & Robin M Childs LLC.
1848 Post Road
Anchorage, Alaska 99501

Sampson Steel Company Inc
1848 N. Post Road, Anchorage Alaska 99501
Phone (907) 561-5626 Fax (907) 561-5625
Email; Bruce.Sampson@acsalaska.net or
on the web at Sampsonsteelco.com

CITY OF SEWARD
P.O. BOX 167
SEWARD, ALASKA 99664-0167

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· Police (907) 224-3338
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· Fire (907) 224-3445
· City Clerk (907) 224-4046
· Community Development (907) 224-4049
· Utilities (907) 224-4050
· Fax (907) 224-4038

March 15, 2010

The Honorable Bill Stoltze
Co-Chairman House Finance
State Capitol, Juneau, Alaska 99801-1182

Re: Support for HB 357

Dear Representative Stoltze,

This is a letter of support from the City of Seward for HB 357 as currently written. The City recognizes the value of allowing the Alaska Railroad Corporation to sell rail land that is not necessary for essential railroad purposes when such a sale is in the best interest of the State of Alaska. HB 357 also protects the rights of persons having a leasehold interest in the land by giving them notice of a pending sale and the right of first refusal.

Please feel free to contact the City Manager or Mayor of Seward if you need additional information concerning support of the City of Seward for HB 357.

Sincerely,

Phillip E. Oates, DBA
City Manager

Willard E. Dunham
Mayor

Northrim Bank
Customer First Service

Joe Beedle
President

March 15, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, Room 406
Juneau, AK 99801
Sent Via Fax 907-465-3175

Regarding HB 357 – Sale of Alaska Railroad Land

Madam Chair Wilson,

I write today in support of HB357 as an individual, as a bank president and as someone with prior experience as an officer in a State entity that benefits significantly from sale of non-essential real property.

While individuals and enterprises may invest in leasehold estate property, and banks may take assignments of leasehold for security, such development or lending usually results in less than the highest and best use of the property or results in less long term care of or maximum improvement to the property. Given a choice at market rents, investors and lenders will usually chose to develop land that is owned outright or 'fee simple.' Such greater 'real' improvements tend to increase production, employment, tax revenues and 'quiet enjoyment' by the successor owner.

Typical prudent investors that own real estate will analyze the potential appreciation of the real property and then compare and contrast the potential leasehold earnings against a permanent financial investment for a prudent long-term hold. If the land would not appreciate at 5-8% compounded and a permanent investment could foreseeable exceed that return, and the property is non-essential to the owner, it is quantitatively prudent to convert the long term land asset into a long term investment for greater gain to the owner (State/AK Railroad). Exchanging one long term asset for another long term asset of greater flexibility and potential financial leverage is considered a prudent and beneficial decision.

During my service as VP Finance at the University of Alaska, a land grant university, I witnessed and prudently oversaw the sale of non-essential/non-educational land and the investment of cash proceeds into the UA Land Grant trust fund wherein the principal was inflation proofed and the earnings, subject to legislative appropriation and regent/trustee dedication, were used to advance the needs of the university. The land was typically developed for constructive use, which added to production, employment and 'quiet enjoyment' while improving the local tax base if located in a municipality.

In summary, I believe that affording the Alaska Railroad this flexible tool will benefit all stakeholders and I encourage your support and passage of the legislation.

Sincerely,

Joe Beedle, President

3111 C Street • P.O. Box 241489
Anchorage, Alaska 99524-1489
(907) 562-0062
Fax (907) 562-1758 Member FDIC

PUGET SOUND PIPE AND SUPPLY CO.
2120 Spar Avenue, Anchorage, Alaska 99501
PHONE (907)277-7473 FAX(907)277-9565 E-mail: jerryhendriks@aol.com

March 15, 2010

Honorable Peggy Wilson, Chairwoman
Alaska State House of Representatives
Transportation committee
State Capitol
Juneau, Alaska 99801

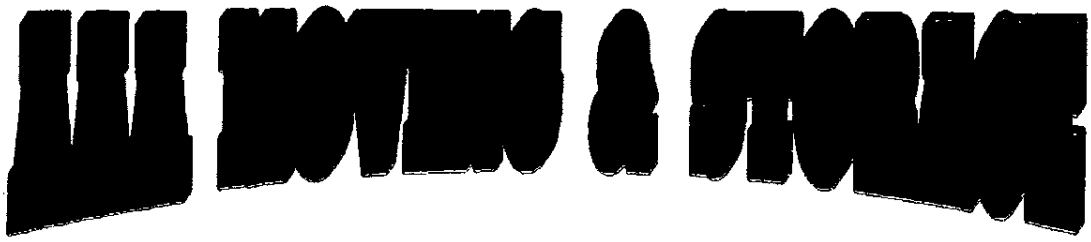
Dear Chairwoman Wilson,

I am writing in support of House Bill 357, which would allow the sale or disposition of the non-essential railroad lands. I believe that the passage of this legislation has merit on several levels:

1. As a tax payer of lands owned in the MOA, I would like to see more land become privately owned, less Federal and State owned land.
2. As a land owner on the South side of Ship Creek, We have improved the land we own and thereby pay additional taxes to the local government.
3. If I were a lease holder on the North side of Ship Creek, I would have little incentive to improve the property, as it not only increases my taxes, but greatly increases my lease expense. The end result is the properties on the South side of Ship Creek are newer and in better condition than those properties on the North side of Ship Creek.
4. Increased investment in private lands leads to a healthier private industry, thereby creating additional jobs in a prime Anchorage industrial area. Many of the building on the North side need to be replaced or remodeled. Ownership of the land would allow the owner to make this investment, without the negative impact of increased lease expense.
5. Please consider supporting HB 357. The entire Alaska Rain Belt will appreciate your committee's favorable consideration of this important House bill.

Jerry Hendriks

Vice President Alaska Operations



March 8, 2010

Rep. Bill Stoltze
House Transportation Committee
AK State House of Representatives
State Capirol
Juneau, AK 99801

RE: House Bill 357- Sale of Railroad Lease Land

Dear Representative Stoltze:

I am writing in support of this legislation.

As the owner of Alaska's largest Moving and Storage Company, I feel that it is in the best interest of the State of Alaska and local governments to have commercial property in the hands of private citizens.

As a leaseholder we have no rights to develop our properties or sell without improvements without approval of the railroad, which they often withhold without reason. This reduces economic activity and business development which reduces employment and government revenue.

I believe that a successful business environment is predicated on the ability of business to invest and own property and land and I thank you for your support of this legislation.

Sincerely,

Greg Wakefield,
CEO

Corporate Headquarters
717 E. Ship Creek Avenue
Anchorage, Alaska 99501
Phone: (907) 276-3506
Fax: (907) 258-3986

Washington Branch
5655 8th Street East, Suite 200
Fife, Washington 98424
Phone: (253) 588-9555
Fax: (253) 588-9406

Kodiak Branch
11590 Rezanof West
Kodiak, Alaska 99615
Phone: (907) 487-2140
Fax: (907) 487-4999

Fairbanks Branch
1900 Livengood
Fairbanks, Alaska 99701
Phone: (907) 451-0282
Fax: (907) 452-5233

Juneau Branch
P.O. Box 34361
Juneau, Alaska 99801
Phone: (907) 780-4374
Fax: (907) 780-4521

March 10, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State House of Representatives
State Capitol, Room 406
Juneau AK 99801

Via fax: (907) 465-3175

RE: HB 357

Dear Chairwoman,

As a former leaseholder with the ARRC, I support this bill. My understanding is that when these lands were transferred to the State, the intention was that such lands would be sold to private parties. Under that belief, at least some former leaseholders that I have known expanded their facilities. Several years ago, a commission formed to research long-term plans for the State also recommended that these lands be sold.

Besides original intent, it is my belief that these lands are not developed to their potential because there is always the threat of ARRC takeover at the end of the lease. I realize this is standard leasehold practice, but the ARRC is statutorily prohibited from selling its land. This was enough incentive for me not to further improve my property.

The ability and flexibility to maximize these properties will be of benefit to the communities as well in expanding the revenue capacity of the lands and value of tax base.

Sincerely,

Mary W. Silvey

Mary W. Silvey
PO Box 71350
Fairbanks AK 99707

Cc: Bill Stoltze via fax: (907) 465-4928
Cc: Peter Macksey via email: pmacksey@steelfabak.com

HB357 re ARRC leases Mar 2009

Mar 10 10 05:35p Fbks Sand Grvl (907)452-2356 p.1

March 12, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, 4th Floor
Juneau, Alaska 99801

RE: HB 357

Dear Representative Wilson,

I recently learned about House Bill 357, and I am writing in support of this measure.

I work for a Fairbanks based company, that has been in business, since 1974, which Is located on railroad-leased land. In fact, all the businesses around us, are located on Railroad-leased land. The land we are based on, is not used for railroad operations and Never will be.

This legislation would allow for the sale of these properties. In AT&S case and the others around us. This would be an asset, to the companies, to own the land there business is located on.

With your help, lets do the right thing and pass this bill.

Thank you,
Randy Arendell
AT&S Inc.
1883 Fox Ave.
Fairbanks, Alaska 99701

6 March, 2010

Hon. Peggy Wilson
Chair, House Transportation Committee
State Capital, Room 406
Juneau, Alaska 99801

Dear Representative Wilson;

I am writing in support of House Bill 357, which would allow the sale or disposition of non essential railroad lands. I give these reasons for this solution:

There is a lot of land controlled by the Alaska Railroad. The State land on Commercial Drive was sold to tenants years ago.

It would probably lead to larger operations being located in the Railroad area.

I have leased from the Alaska Railroad since the end of 1975. In the last few years, the City of Anchorage has been charging taxes on the value of the Alaska Railroad leases. Nobody seems to know if the lease value is reduced as the years left on the lease are reduced. As my lease has left time remaining, the taxes have gone up considerably.

I think if the property was owned by companies or individuals, tenants would be in a better position to expand, get loans, etc. The Railroad has a lot of fine people working there, and I don't have anything against anyone.

Thanks for your efforts,

Sincerely,
Harvey Dougherty
Alaska Crate & Pallet
3405 Vassar Drive
Anchorage, Alaska 99508 CC: Bill Stoltze

BKC Alaska LLC
114 E 3rd Avenue Ste 211
Anchorage, AK 99501
Phone 907.222.1800
Fax 907.222.1802

March 3, 2017

Honorable Peggy Wilson, Chairwoman
Alaska State House of Representatives
Transportation Committee
State Capitol
Juneau, AK 99801

Dear Chairwoman Wilson:

I urge your endorsement and support of HB 357. Our family has leased a small parcel of railroad property since the late 50's. On many occasions over the years we have tried unsuccessfully to purchase this parcel. We operate a small business and could never justify the improvements we need as we do not own the land.

More recently the Municipality of Anchorage in conjunction with railroad officials has forced railroad lease holders to pay property taxes on land that they do not own. We are in full support of this legislation and hope it will pass during the current session.

Thank you for your support.

Brent Cherrier

Mar 03 10 08:25a

Pamalyn Duvall

From: Mark Sprano [marksprano@gmail.com]
Sent: Wednesday, March 03, 2010 3:27 PM
To: Pamalyn Duvall
Cc: ashleyreed@gci.net; rfaulkner@steelfabak.com
Subject: House Bill 357

Date March 1, 2010

Honorable Peggy Wilson, Chair

House Transportation Committee

State Capitol, 4th Floor

Juneau, AK 99801

Dear Chair Wilson,

I am writing in support of House Bill 357, which is currently in your committee. I believe this legislation deserves the attention and support of the legislature because of its positive implications for the economy of our state.

First and foremost, giving the railroad the authority to dispose of non-strategic land within their real estate portfolio creates the logical first step of putting more government-owned lands in the private sector. By doing so, you will significantly increase the economic climate for more investment, create new and more jobs, and expand the local tax base of our communities along the railbelt.

A move like this will allow the RR to make sound and rationale decisions about their real estate portfolio for the betterment of their operations as well as for their communities and leaseholders.

This legislation is pro-business, pro-jobs, pro-private sector and deserves the attention and passage of

the Alaska State Legislature. Thank you for your consideration.

Regards

Mark Sprano

--
Mark Sprano

Alaska Marble & Granite Inc.
1115 Whitney Rd.
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907 277-7625

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tkinfo@taskklock.com

March 3, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

Please support HB 357 currently in your committee. This legislation will help Alaskan businesses by placing public lands into private use. Alaska has more public lands than any other state and this legislation will allow these lands to generate tax revenue and strengthen the bottom line of the private sector. This legislation is the type of real and tangible support that the State can provide to help diversify the economy. This legislation is one that provides benefits without harming the ARRC. The Rail Road will continue to receive revenue from the invested proceeds of these land sales and it puts the land into private hands for the benefit of Alaskans.

Thank you for your consideration,

Marguerite C Kremer

Timekeeping
made ATM-simple

Ken McCarty
11441 Lower Sunny Cr.
Eagle River, AK 99577

March 2, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

Please actively support HB 357 as this will be tangible and visible support of small business interests in Alaska. This legislation will help put public lands into private ownership and will lead to increased investment and job growth. This will allow the ARRC to concentrate on their primary activity and still maintain the revenue stream that they currently have from their real estate operations. It also is revenue neutral which is probably a rare situation in these economic times. This seems like a situation where both parties benefit and I strongly urge you to give it the attention that it deserves.

Thank you,

Ken McCarty

Cc: Honorable Bill Stoltze

Thomas Tonkin
2005 Misty Meadows
Anchorage, AK 99502

March 4, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I would like to ask for your support of HB 357 that is currently under consideration in your committee. I have been employed by a company for the last sixteen years that leases property from the ARRC. My employer faces numerous uncertainties and challenges as do most small businessmen. As an example the ARRC has increased the land lease payment cost from $780.00 per month in 2001 to $2,990.00 per month currently. The current rate approaches an almost four fold increase in just 9 years. These dramatic increases place strain on already stretched finances and reduce the available funds to expand the business and increase wages.
From my reading of this legislation it seems like and excellent opportunity to place privately used property into the ownership of those entities that use and occupy these properties. The ARRC will still receive an income stream from the investment income from the proceeds of the sale and the users will reap the benefits and predictability of land ownership. This appears to be a situation that benefits both the private sector as well as the public interest.

Thank you for your consideration,

Thomas Tonkin

Erik Brubaker
P.O. Box 876432
Wasilla, AK 99687

March 3, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

House Bill 357 that has been introduced by Rep. Stoltze, would support private sector businesses that are currently lease holders with the ARRC. As you are aware a large proportion of land in Alaska is held by the public including those lands that are leased by the Railroad to businesses along the rail belt region. Most railroad leased land has no direct impact on the day to day operational activities of the Railroad. The Railroad by virtue of these leases exerts control and creates uncertainty for the long term health of the leaseholders. This legislation if enacted, would provide the leaseholders a secure future and give them the flexibility to invest for the future. It also allows the Railroad continued revenue for their train operations and lets them focus on their primary reason for existence.

Respectfully, Erik Brubaker

Erik Brubaker

cc: Honorable Bill Stoltze

Bohuslav Fiala
167 Ocean Park Dr.
Anchorage, AK 99515

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I am writing to ask your support of HB 357 currently under consideration in your committee. This bill, if enacted, will have a positive impact on Alaska's economic future by securing the economic future of current ARRC leaseholders.
This legislation will give the railroad the authority to sell their non-strategic land within their real estate portfolio and puts public lands into private ownership. This will significantly increase economic climate for more investment, create new jobs and ensure existing ones, and expand the local tax base all along the rail belt.
This legislation does all this and is revenue neutral. The railroad will continue the revenue stream that it currently enjoys while businesses can secure their future through land ownership. This legislation is pro business, pro jobs and pro private sector business and it allows the ARRC to concentrate on their primary mission of operating our railroad.

Respectively,

Bohuslav Fiala

Cc: Honorable Bill Stoltze

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3/2/2010

Honorable Peggy Wilson, Chairwoman

Alaska State House of Representatives

Transportation Committee

Juneau, AK 99801

Dear Chairwoman Wilson,

I sincerely request the support and endorsement of HB 357. This bill deals with the sale and the redistribution of ownership of unessential railroad land.

This legislation, if passed, would allow the railroad to sell lands that are in surplus to their transportation operations. This in turn would allow the businesses and other interested parties to procure the land that they already have financial interests and investments in. By doing so, the Railroad would not be infringing upon the directives of their board, or the welfare of the public. If the private entrepreneurs/corporations are allowed to own the land that they have established their respective enterprises on, they are thus more likely to further invest in said enterprises and strengthen our local community by remaining where they are. Investments will then lead to more jobs and revenue for the community/state as well.

Nearly all the land in the state of Alaska is government owned (just about 98%). By allowing the railroad to sell the extra land to these business owners, it would grant the private business sector more strength and revenue.

Please consider this bill and all that I have stated as it is crucial for the development and preservation of the private business sector as well as the continuing stability of our local communities.

Sincerely,

Brandon Wallace

Brandon Wallace

Alaska Flor-Wall, Inc.

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March 2, 2010

Honorable Bill Stoltze

RE: HB 357

Dear Representative Stoltze,

We recently learned about House Bill 357 and we are writing to say Thank You for sponsoring this bill.

We have leased our property from the Alaska Railroad since 1965. We would not even consider doing any improvements due to the uncertainties of our lease. There has only been one new business on our street within the last 10 years and it failed. There are many lots available but no one wants to develop them because of the lease agreement. The railroad does not use or need these lots for railroad purposes. It is a shame to have properties sitting vacant and leased land buildings needing repair. The lands have become an eyesore to the community.

Please let us know if there is more we can do to help this bill.

Again, thanks so much.l. If you have any questions, please email me at kjperham@gci.net.

Thank you,

ALASKA FLOR-WALL, INC.

Karen A. Paulson Perham
President

February 25, 2010

Honorable Peggy Wilson, Chairwoman
House Transportation Committee
Alaska State House of Representatives
Juneau, AK 99801

Dear Representative Wilson,

Here's the key to the simplicity of HB 357: it just starts the process that was set-up over 25 years ago when the Federal government transferred ownership to Alaska. Part of that Federal transfer specified that state-owned, non-operational railroad lands could be purchased at fair market value after 10 years. HB 357 just specifies that it's alright to begin the process.

HB 357 will allow business owners like me, who has leased state land through the Alaska Railroad Corporation, the opportunity to purchase land that I have improved upon for over 25 years (I have made over $8 million in capital improvements to my business site). I have paid taxes on this land, too, even though I do not own the land. I have done this in order to build my steel fabricating business to be the top steel fabricator in Alaska, with the largest capacity and capabilities in the state. The reason? I want to make sure that other Alaska industries can get their steel needs met in Alaska, without going outside the state.

Under current lease conditions, if I would close or move my business, all the capital improvements would belong to the ARRC. Frankly, I have always found this very bothersome. I look around me, at other leaseholders, and I am sure that if they were able to own the land they are sitting on that they would make major improvements, which would equate to higher property values, greater civic pride and beautification, and a stronger tax base for Rail Belt communities.

Help us eliminate serfdom from the Rail Belt. Please give HB 357 your most earnest consideration, Representative Wilson. HB 357 is a simple bill crafted to treat leaseholders who desire to buy their property as equally as those who wish to continue to lease. Private property owners in Alaska are a rare breed: only 2 percent of Alaska land is in private ownership. Please give us a chance to help remedy this inequality.

Sincerely,

Richard Faulkner
President

February 25, 2010

STEELFAB
ALASKA
ANCHORAGE

Honorable Peggy Wilson, Chairwoman
House Transportation Committee
Alaska State House of Representatives
Juneau, AK 99801

Dear Chairwoman Wilson,

I am writing to ask you to give HB 357 your committee's fullest deliberation. It is a bill that will right a major inequity for my business and for many other businesses in Alaska's Rail Belt.

Currently we have to make and pay for many capital and property improvements, ourselves. (We were required to pay for a new water line on property we did not own.) We "inherited "our lease when we bought this business, over 25 years ago. The lease has proved to be the only regret I have about owning this business. It is a bitter pill to know that while you are improving your business to the highest standards, that those improvements may end up belonging to another owner.

Alaska depends on private enterprise to keep building new jobs more than any other segment of our economy. This is especially important during these tough economic times. A business that could have the opportunity of owning its land would also have the confidence to make additional capital improvements and expansions. This will provide huge benefits to local communities.

Rather than continuing to lock up more land from private ownership, let a shaft of light and hope shine down on the many businesses who struggle daily to be competitive. After all, it was set out in the original Federal transfer of lands as a fair and equitable procedure. The Alaska Railroad Corp has done nothing but drag its heels on this process, and I think HB 357 will give everyone the green light to proceed with a process that should have started 20 years ago. I really believe HB 357 is a fair and equal way to start this important adjustment.

Sincerely,

Janet Faulkner
Vice President

RECEIVED
MAR 02 2010

February 25, 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska State House of Transportation
State Capitol, 4th Floor
Juneau, Alaska 99801

Re: House Bill 357

Dear Representative Wilson,

I am writing to you in support of House Bill 357. As an Alaska Railroad Leaseholder myself, I know first hand the difficulties and restraints associated with dealing with the railroad. While my lease, primarily because of its location, will probably not be one of the parcels of land ever put up for sale or disposition; nonetheless, as a businessman I know of many parcels that are not strategic to the railroad and where the community's commerce would likely improve substantially if these parcels were sold and in private hands. One of Alaska's biggest problems is that too much land is owned by the government, both federal and state.

Putting railroad lands that are not necessary to their operation or strategic purpose in the hands of the private sector would increase business Capital investment, thus creating more jobs and a stronger local tax base. I know of many leaseholders unwilling to further invest in their businesses because of the uncertainty of their leases and the perceived difficulties in dealing with the railroad and their real estate office.

Again, in the strongest terms possible, I urge swift passage of house bill 357. Furthermore, I would like to compliment Representative Bill Stoltze for having the business acumen and determination to address an important issue to the rail belt region and its commerce.

Sincerely,

Paul L. Reid

cc: Representative Bill Stoltze

sagaya corporation
2525 blueberry road suite 106 anchorage, alaska 99503
tel 907 563-0220 fax 907 563-0240

STATEWIDE DOOR & GLASS
221 East Ship Creek Avenue Anchorage, Alaska 99501
Phone: (907) -562-2074 Fax: (907) -562-1803

3/2/2010

Honorable Peggy Wilson
Chairperson, Transportation Committee
Alaska House of Representatives

Dear Representative Wilson,

My name is Mike Hammer. I am the owner of Statewide Door & Glass. I do commercial glass service and new installations for projects throughout Alaska. I currently employ 25 – employees year round. I purchased my current building in 1999. It sits on Railroad leased land, located on Ship Creek Avenue. This street was originally named Warehouse Avenue until about 10 years ago. The name of the street was changed by the Railroad Corporation to make it appear that the area was not used for industrial, manufacturing, or storage purposes. There are currently at least 10 – businesses on this street that that still do this kind of work to make a living. They have all been here longer than me.

Over the past 10 – years, some businesses have had their leases expire. When this happens, the Railroad has refused to renew them. As a result, the owner is currently required to demolish the building and have the debris hauled off to the landfill at the owner's expense unless the Railroad wants the building. Then, they will waive the demo requirement and take over the building. I have been told that my lease will not be renewed if I continue to operate as a glass shop. By doing this, the Railroad will eventually own all of the buildings or get rid of them. The goal is to turn this area into a tourist shopping and retail area.

The Railroad Corporation has allowed 3 – new buildings to be built since I have been here. The Comfort Inn Hotel, The Ulu Factory, and The Bridge Restaurant. They were allowed to be built because they fit into the future model of what the Railroad would like to see happen in this area. The problem is that this area is not attracting any investment as the Railroad Corporation expected.
The Bridge Restaurant went out of business two years ago. The building has been for sale ever since and is still empty. There is an empty lot next to mine that has been advertized as a great location for a new Condominium project. There has been no interest. The Ulu factory had to invest in a shuttle bus to get people from downtown to come see their store. There are many other empty lots for sale.

As I see it, the Alaska Railroad Corporation has become a real estate holding company who still likes to play with trains! The federal government GAVE this land to Alaska so it could be used for transportation and building infrastructure, not to build shopping malls and coffee stands for tourists that will sit empty eight months of the year.

I would like to be able to purchase the land that my building sits on. I would like to continue to employ people who live and work in Alaska all year long. Having to start over again in another building because my lease will not be renewed may put me out of business. Please do what you can to help myself and others in my position so that we can stay where we are and continue to employ Alaskans.
Please support House Bill #357.

Sincerely, Mike Hamman

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March 1 2010

Honorable Peggy Wilson, Chair
House Transportation Committee
State Capitol, Room 406
Juneau, AK 99801

Dear Representative Wilson.

Your committee is in charge of reviewing House Bill 357, which deals with allowing the Alaska Railroad Corporation to dispose/sell non-essential real estate. This legislation warrants the body's attention and passage.

HB 357 is an astutely crafted vehicle that will allow the Railroad to sell land that is not essential to their transportation system. By doing so, the private sector will be able to more easily attract needed capital, and be insured that they have the freedom to direct, expand and upgrade their businesses as they wish and receive full benefit of any capital improvements.

Passing this legislation is a commitment to economic development and belief in the private sector. Please support HB 357.

Sincerely,

Robert Carlson Jr
President

Alaskan Wood Moulding Inc.
1115 Whitney Rd.
Anchorage AK 99501
Ph: 907-563-9724. Fax: 907-563-9725

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I am writing in support of House Bill 357. This bill is long overdue and if passed will have a positive impact on commerce, our economy and our local community's tax base(s). For the communities surrounding the rail belt, this legislation will probably be the largest positive impact on the economy and creation of jobs.

Alaska's economy is restricted because of the amount of land under government ownership and control. This legislation is a positive step in getting land from under government ownership into the hands of the private sector. With that will come greater investment and more jobs.
On a separate note, I saw on the news a legislative proposal that would charge the Alaska Railroad with the responsibility of developing a small diameter gas pipeline, often referred to by Alaskans as a bullet line. From my perspective, this is a terrible and short-sighted proposal that does not contemplate the railroad's ability to waste money. Their direct managerial involvement will almost certainly include a tariff that would be unaffordable to most Alaskans.

In conclusion, I want to take this opportunity to extend my thanks and appreciation to Representative Stoltze who authored this bill. Without his business sense and leadership, we would most likely continue operating under the existing, archaic structure of governmental ownership. Please support passage of HB 357.

Respectfully,

Mark Stearns

Alaskan Wood Moulding Inc.
1115 Whitney Rd.
Anchorage AK 99501
Ph: 907-563-9724, Fax: 907-563-9725

Honorable Peggy Wilson, Chair
House Transportation Committee
Alaska House of Representatives
State Capitol, Room 406
Juneau, AK 99801

RE: HOUSE BILL 357

Dear Chair Wilson,

I would like to urge your support of HB 357, which is currently under review by your committee. This legislation is important to Alaska businesses and would help diversify and strengthen the private sector.
As you know, the vast majority of land in Alaska is held by various public entities, which limits opportunities for the private sector. HB 357 is a reasonable vehicle for current land users to have the ability to purchase the property that they currently lease from the ARRC. The ability to own both the land and the improvements on these properties vastly increases the bottom line health of business and opens lines of credit that can be utilized to expand and grow. This legislation is a win/ win opportunity for the ARRC to continue to generate revenue from the proceeds of the proposed land sale while Alaskan businesses gain the financial leverage to continue to create jobs.

Respectfully,

Mark Stearns

Cc: Honorable Bill Stoltze

HB

363

<target><bill>HB 363</bill><subject>HB
363</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/18/10

Finance Committee considered CS FOR HOUSE BILL NO. 363(FIN)

HB 363 AIDEA MEMBERSHIP

"An Act relating to the membership of the Alaska Industrial Development and Export Authority."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	3/24	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Ellis	✓			
	Olson			✓	
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 363(L&C)
(H) Publish Date: 4/8/10

Identifier (file name): HB363CS(L&C)-CED-AIDEA-3-24-10
Dept. Affected: DCCED
Title: AIDEA Membership
RDU: AIDEA
Component: AIDEA operations
Sponsor: Community and Regional Affairs
Requester: House Finance Committee
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	3.0		3.0	3.0	3.0	3.0	3.0
Travel	19.8		19.8	19.8	19.8	19.8	19.8
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**22.8**	**0.0**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Corp Receipts	22.8		22.8	22.8	22.8	22.8	22.8
TOTAL	**22.8**	**0.0**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill changes the AIDEA board membership from the Commissioner of Revenue and the Commissioner of Commerce Community and Economic Development and one other commissioner (currently the Commissioner of Transportation) and 2 public members to the Commissioners of Revenue and Commerce Community and Economic Development and five public members each of whom have with expertise in private sector business and possesses demonstrated leadership skills.

Public members of the authority receive $100 compensation for each day spent on official business of AIDEA and may be reimbursed for actual and necessary expenses at the same rate paid to members of state boards under AS 39.20.180. Two additional public members has an estimated increased costs of 10 official business days * 3 members * (100) = 3,000 for compensation ; (600 + 60) * 10 *3 for travel and per diem = $19,800.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations
Phone 907-771-3012
Division: Alaska Industrial Development and Export Authority
Date/Time 3/24/10 12:00 AM
Approved by: Emil Notti, Commissioner
Date 3/24/2010
Commerce, Community and Economic Development

(Revised 11/6/2009 OMB)

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
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Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

Sponsor Statement

CS House Bill 363 (FIN), AIDEA BOARD MEMBERSHIP

The Alaska Industrial Development and Export Authority (AIDEA) is a public corporation established by the Legislature with the purpose of promoting, developing, and advancing the general prosperity and economic welfare of the people of Alaska. It is a billion dollar corporation, with assets split in thirds between investments, loans, and development projects.

Currently state law mandates the five-member board consist of the Commissioner of Revenue, the Commissioner of Commerce, Community, and Economic Development, another department head appointed by the Governor (currently the ADOT commissioner), and two public members also appointed by the Governor.

HB 363 changes the makeup of the board of directors of AIDEA to:

- Commissioner of Revenue
- Commissioner of Commerce, Community, and Economic Development
- Five private sector members with expertise in private sector business and demonstrated leadership skills

The goal of the restructure is to put private-sector strategic leadership at the helm of the state's development financing corporation. This will enable AIDEA to engage proactively in the development projects that should occur in the state of Alaska. In addition, the expansion to a 7-member board will allow AIDEA to form subcommittees and to represent a broader spectrum of industries and regions of Alaska.

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
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Phone: (907) 465-4942
Fax: (907) 465-4589
Rep_Bob_Herron@legis.state.ak.us

HB 363, AIDEA BOARD MEMBERSHIP

Changes from HB 363 to CS House Bill 363 (FIN)

P.1, lines 6-12: intent language added for the Board to be as broadly representative of Alaska's diverse regions as practicable and likewise broadly representative of the industries most important to Alaska.

P. 2, lines 1-6: the board of directors of AIDEA consists of:

- Commissioner of Revenue
- Commissioner of Commerce, Community, and Economic Development
- Five public members

(The original bill: Commissioner of Revenue and four public members)

P. 2, line 6-8
The public members must have expertise in private sector business **or industry, or both.**

P. 2, line 18, after "serve"
Inserted: "at the pleasure of the governor for"

BRIEFING PAPER:
ECONOMIC DEVELOPMENT
IN STATE GOVERNMENT

A review of economic development configuration in Alaska's agencies, models from other states, and potential changes to Alaska's economic development system

---

Alaska's Department of Commerce, Community and Economic Development includes both **Economic Development** and **Community Development** functions. The department's mission is to "promote a healthy economy, strong communities, and protect consumers in Alaska."

The difference between economic development and community development is not always well-understood. To establish a shared understanding of these terms, the following definition is presented:

> Community development is capacity building; economic development is wealth creation.
>
> --Robert Shively, *Economic Development for Small Communities*

To go further, community development often refers to projects that create infrastructure and community capacity. Public works projects, schools, bridges, libraries, community centers and parks… these are community development projects. Economic development projects, on the other hand, would be the construction of a new clinic by a group of private physicians, or the expansion of a metal fabrication shop by a business owner. Community development and economic development are deeply intertwined, because economic development—and the private investors, owners, and entrepreneurs who lead the way—also requires community infrastructure, either to support their businesses or to enable a lifestyle that makes them want to live and stay in a community. At their cores, both community development and economic development are about resilience, the ability of a community or economy to respond to both opportunities and threats, to adapt to change. But the two functions are quite different, *and the appropriate activities and roles for government in economic development are much different than in community development.*

The purpose of this paper is to examine ***economic development*** activities in state government. While we recognize the interconnectedness of the two functions, the focus of this work is on resources within state government that support private sector investment in Alaska's economy.

Current Resources within State Government and the University System

Alaska's Office of Economic Development (OED), within DCCED

- The mission of OED, as described in the FY10 Governor's Operating budget, is to "Advance successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment opportunities for Alaska."

- Alaska's OED currently has a division head, plus 11 employees in five sub-programs, many of which can be tied to one or more functions in Alaska Statute.
    - The Alaska Film Office (3 employees, one of whom is shared with Tourism) (AS 44.33.231, Film Office)
    - Business Development (2 employees, one of whom is a forest products specialist) (AS 44.33.900 Alaska Forest Products Research and Marketing Program)
    - Office of Fisheries (1) (AS 44.33.065, Regional Seafood Development Associations)
    - Office of Mineral Development (2) (AS 44.33.431, Alaska Minerals Commission)
    - Tourism Program (4, one of whom is shared with Film) (AS 44.33.119, Alaska Division of Tourism)

Alaska Industrial Development and Export Authority (AIDEA), within DCCED

- The mission of AIDEA, as described in the FY10 Governor's Operating budget, is "to provide means of financing to promote economic growth and diversification in Alaska."
- AIDEA's board of directors consists of five individuals
    - The Commissioner of Revenue
    - The Commissioner of Commerce, Community, and Economic Development
    - One other person appointed by the executive branch
    - Two public members appointed by the governor
- AIDEA's economic development programs have approximately 30 staff assigned to it, with 30 who are professional staff (estimate from AIDEA staff, October 2009)
    - AIDEA is a "public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce, Community and Economic Development, but with separate and independent legal existence," under AS 44.88.010—44.88.159
    - AIDEA has a number of loan participation, revolving loan, and bond programs
    - AIDEA has ownership stakes in several major projects
- AIDEA also is home to another agency, Alaska Energy Authority (AEA) which currently has a community development mission
    - Though the agencies are separate, they share employees and resources

Alaska Division of Investments (DOI), within DCCED

- DOI's "primary responsibility is to administer and service twelve state loan programs under the Department of Commerce, Community, and Economic Development. These programs were primarily designed to promote economic development through direct state lending in industries that are not adequately serviced by the private sector."
- DOI typically interfaces with individual lenders and small businesses (in contrast to AIDEA, which handles significant industrial investments)
- DOI has 44 FTE employees (FY2010 budget)
- Loan programs authorized in statute are not comprehensive across range of Alaska industry

Non-Governmental Economic Development Organizations in Alaska

ARDORs

- Alaska Regional Development Organizations (ARDORs) are established under 44.33.895 (Alaska regional economic assistance program) and is subject to regulations at 3 AAC 57.010-900.
    - Under the statute the department can provide grants of up to $100,000 annually to match funds from non-state sources.

- The state's contributions to the ARDOR under this program are $50,000 annually. With the addition of an ARDOR in the last two years, the state's total contribution has increased, but organizations still receive the same amount. (Annual funding since 1992 is flat at $620,000; except for increase of $57,000 starting in FY09 with addition of twelfth ARDOR)
- According to the website of OED, ARDORs are intended to
  - *enable communities to pool their limited resources, and work together on economic development issues;*
  - *develop partnerships among public, private and other organizations,*
  - *offer a technical, nonpartisan capacity to develop and implement an economic development strategy,*
  - *often have extensive experience with federal/State programs, and*
  - *provide needed technical assistance via direct links with local citizens.*
- With large service regions and limited funding, some ARDORs have very difficult times attracting experienced staff to run economic development programs
  - Some conversations have been had to establish system-wide capacity-building fund for the ARDORs so that staff of the ARDORs can take advantage of professional development opportunities despite limited budgets

Additional Regional Economic Development Groups

- Regional/local groups also exist, such as Juneau Economic Development Council, Fairbanks Economic Development Corporation, Alaska Village Initiatives.
  - These have more local focus

University Economic Development Resources and Coordination with State Resources

The University of Alaska has several economic development programs doing technical assistance, training, etc.

- **Center for Economic Development, at the Institute of Social and Economic Research, UAA**
  - One of 52 university centers nationally designated by Economic Development Administration
  - Works at level of *municipalities, large non-profits, service-providing for profits (such as Alaska Native Corporations)*
    - 2008 Annual Report includes list of clients: http://ced.uaa.alaska.edu/publications/2008AnnualReport.pdf
  - According to their website, CED "leverages the resources of the university system to support economic development in Alaska, providing technical assistance in the form of information, data, and know-how in evaluating, shaping and implementing specific projects and programs that promote economic development across the state." (http://ced.uaa.alaska.edu)
  - Supported by fee for service in most cases, in order to support program delivery costs; some budget also from State
  - CED helps with local and regional planning, feasibility analysis, strategic planning (organizational and community) financial analysis, market and economic research
  - Recently, CED began coordinating accredited certification courses for the International Economic Development Council, to certify IECD economic development professionals
    - NB: Currently, there is not a single certified economic development professional working in Alaska

- **Small Business Development Centers**
  - Works at level of small, individual entrepreneurs
  - Provide free- and low-cost consulting to small business and micro-enterprise
  - Funded by US Small Business Administration with matching funds from state.
  - Provides consulting services and low-cost educational programs to entrepreneurs
  - Program's "business advisors" are certified through the Alaska SBDC's professional Certification program
  - Has a rural outreach program

How are Other State Governments Doing Economic Development?

Several states are recognized for their innovation in economic development within state government. Some of these are profiled below.

The states profiled below were selected because of their recognition as successful models, or commonalities with Alaska (rural Western). This report profiles North Dakota, Wyoming, Indiana, and Kentucky, which are all recognized for their economic development programs, as well as Oregon, which shares some similarities with Alaska as a Western state with large rural areas. All of these states have advisory and/or policy bodies that primarily comprise private sector leaders.

NB: Descriptions below reference "primary" or "basic" industries. These are industries that bring new dollars into a state's economy. Oftentimes these are because the business outputs are produced for markets outside the state. In some cases federal government programs, which bring dollars into state economies, can also be seen as contributing to the primary/basic sectors. This differs from support sector businesses, which provide services within the state. Primary/basic businesses are the economic pumps for an economy.

North Dakota www.business.nd.gov

- Economic Development & Finance is a division within a department that also houses Tourism and Community Development
  - Tourism is separate because development approach differs significantly from standard "primary/basic" sector activities.
- North Dakota has an Economic Development Foundation, a private foundation established by the Legislature, to provide guidance and private-sector oversight of state economic development efforts. It maintains a strategic plan for economic development.
  - 23 "business leaders," meet quarterly
  - has the ability to raise private funding to support state efforts
- Division heads are professional positions, not appointed
- Majority of staff at Economic Development and Finance Division are certified economic development professionals through the IEDC
- Primary function of division is to work with businesses to identify the state programs and resources that will help them establish, grow, or retain in North Dakota; deal structuring (not technical assistance, which is pointed to university, SBDCs, etc.)
- North Dakota has a development bank, the Bank of North Dakota, which manages nearly all of the state's loan and investment programs, with very few exceptions
- Department ***only works on inquiries/investments that are in the Basic sector of the economy*** (Basic industries bring new money into the economy from out of state, while secondary industries provide services to support the basic industries)

- Web presence: North Dakota has http://www.business.nd.gov/, which is a user-friendly portal to information necessary to do business in North Dakota
- 17 staff for ED&F, including 2 finance people to run loan programs outside the Bank of North Dakota

Wyoming www.wyomingbusiness.org

- Wyoming Business Council is the economic development group in state government
    - It has a corporate structure, incorporates private business practices, regional offices
    - Has a Board of Directors and CEO, though it is within state government
        - Board members are successful business owners from Wyoming
        - Board members appointed by Governor; CEO hired by Board
        - Employees of agency are at-will
        - Board does "business plan" for department
    - Staff of 53 for WBC, plus 19 for Tourism
        - 7-8 administrative staff, all other work on economic development and management of community grant programs
    - History of the WBC: http://www.wyomingbusiness.org/about/history.aspx
    - Enabling Legislation: Wyoming Statutes 9-12-101 through 9-12-804 (http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title9/T9CH12.htm)
    - WBC focuses on basic industries, with few exceptions in rural areas where basic service infrastructure (grocery stores) do not exist
        - Industries have to produce something sold outside the region to get WBC attention.
    - WBC works closely with university programs, including SBDCs, Intellectual property, incubators, etc.

Kentucky www.thinkkentucky.com

- Primary state agency for economic development is the Cabinet for Economic Development, which is governed by the Kentucky Economic Development Partnership Board
- Kentucky Economic Development Partnership Board
    - Enabled in 1992 by HB 89.
        - Thirteen members representing each of eight congressional districts and different industries, plus secretaries from four cabinets (Econ. Development, Finance and Administration, Environmental and Public Protection, and Tourism), plus Governor
        - Cabinet includes
            - Office of Secretary
            - Department for Business Development
                - "Responsible for coordinating the recruitment and attraction of new companies that will enhance the overall viability of the state's economy, as well as assisting and encouraging job retention and creation by working with existing Kentucky business. The Department partners with outside agencies and communities to conduct workshops, community assessments, and business surveys to support local development efforts"
            - Department of Financial Incentives
            - Department of Commercialization and Innovation

- "Responsible for developing and implementing a strategy to create, attract, and assist knowledge-based companies to Kentucky."

Indiana www.in.gov/iedc

- Primary state group for economic development is the Indiana Economic Development Corporation
  - Created in February 2005 to replace the former Department of Commerce
  - Has a board of 12, including governor and 11 private industry participants
  - According to IEDC website, "The IEDC is focused exclusively on economic development and has incorporated all state entities with economic development responsibilities into its organizational structure."

Oregon www.oregon4biz.com

- Economic development is a division within the Oregon Business Development Department, which also houses community development functions
  - About 25% of department budget goes to economic development
- Economic development overseen by the Oregon Business Development Commission, which is statutorily authorized, and consists of seven private sector individuals (not agency) appointed by the Governor
  - Entity sets policy direction for agency activity
- Department head is appointed, but division heads are professional staff
- 13 people working in field around Oregon, plus five people specializing in international development
- No certification/training requirements specific to department; some perhaps specific to positions, particularly for international development people
- Primary role of business development division is deal structuring, pulling state resources together to support creation or retention of jobs
- Staff only work on primary (basic) sector industries, refer others to university, SBDCs, other partners

Points to Consider about Alaska's Current System

- State government's oversight and/or policy direction from private sector is currently limited to two of five seats on the board of AIDEA.
  - There is no private sector input built into OED or DOI
  - Without private sector input it may be difficult to align state programs across divisions with real needs in Alaska economy
- Incentive programs in Alaska Statute are limited
  - New Business Incentive Program (DCCED), established under 45.81.010, is not funded
  - Film Incentive office supported by two staff at OED (DCCED)
  - Exploration Incentive Credits (DNR)
  - AGIA (DNR)
  - Various AIDEA Programs
- Economic Development functions are distributed between several divisions and/or offices, including:
  - Division on Investments (Greg Winegar, Division Director)
  - Office of Economic Development (Joe Austerman, Director)
  - Alaska Industrial Development and Export Authority (Ted Leonard, Executive Director)

- Economic development staffing in these offices are about 15% of total DCCED personnel
  - Viewed alone they are 8%, 2%, and 6% respectively
  - May have difficulty getting strategic focus within larger mission of department
- No certified economic developers currently working in state (compares to other states where professional certification is common among economic development staffers)
  - University's Center for Economic Development has started offering training modules several times per year (the standard for these courses is multi-day intensives) for certification through the International Economic Development Council
    - This is a relatively new service
    - Department estimates cost in training to reach certification goals, before travel and lost work time, is $3,400 per person
  - Currently there are no practicing certified economic development professionals working in Alaska (in state government or out of state government)
- State government's interaction with University resources may be inefficient; economic development resources may be "siloed"
  - Do OED and AIDEA have regular practice of directing inquiries to existing University resources?
  - Do agencies and universities work closely to avoid duplicating tools and services?
  - What gaps should agencies fill that are not natural to the University?
- State government, through OED, is currently focused on a small set of industries
  - Focus may be broadened to allow room for additional industries/ideas
- Alaska state government does not maintain a web presence focused on attracting or retaining business
  - For contrast, see Oregon, http://www.oregon4biz.com/, found in two clicks from the State of OR homepage); North Dakota, http://www.business.nd.gov; Kentucky http://www.thinkkentucky.com/

Possible Areas of Discussion for Legislature

1. Restructuring economic development functions within state government under alternate models such as public/private partnerships, corporate structures, strengthened divisions, or others.
2. Consideration of creation of a non-governmental (private sector) policy group at head of state economic development. Depending on departmental structure the advisory entity could be modeled on corporate, foundation, policy, or other board structures
3. Establishment or reestablishment of incentive programs to support economic development programs
4. Budgeting for ARDOR programs
5. Budgeting for University programs that support small business development
6. Oversight hearings prior to and within the budget process to assess focus and resources of state offices with economic development missions
7. Establishment of additional loan programs to support small business economic development

Additional Resources

- Alaska Economic Development Programs, prepared by Office of Economic Development
  - Document attached to this transmission
  - Note: This matrix does not differentiate between Economic Development and Community Development programs (see definition on Page 1). True "economic development" programs are fewer than one dozen.
- Department and subunit missions: Office of Management and Budget
  - See http://gov.state.ak.us/omb/results/agencies.php#10 for missions related to DCCED and its divisions
- Alaska SourceLink www.aksourcelink.com. A web portal hosted by the university that provides information on all economic development support resources in the state

AIDEA

Boards & Commissions Factsheets

Industrial Development / Export

Board: Alaska Industrial Development and Export Authority (AIDEA)
Board identification number: 050

Department: DEPARTMENT OF COMMERCE COMMUNITY AND ECONOMIC DEV

Authority: AS 44.88.030

Status: Active

Sunset date:

Requirements: Financial Disclosure

Prohibitions: None

Term: 2 years

Description: 5 members - 3 appointed by Governor: 2 public members, and 1 head of a principal department of the Executive Branch or designee; plus the commissioners of the Department of Revenue and the Department of Commerce, Community, and Economic Development or their respective designees; members elect chair.

Function: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska; to relieve problems of unemployment, and to create additional employment, by providing various means of financing and by facilitating the financing of industrial, manufacturing, power transmission intertie, export and business enterprises and other facilities within the state through loan participation and loan guarantee programs, as well as owning specific facilities that create basic sector employment and enhance economic development in the state.

Chair: Members select.

Special facts: Public corporation; has ability to own and operate public use facilities which advance goals of Authority; quorum-majority; minutes of each meeting to Governor/Legislative Budget and Audit.

Compensation: Standard Travel and Per Diem. Public members receive $100 per day plus travel and lodging.

Meetings: 12 meetings per year.

For further information contact:
Mr. Ted Leonard
Executive Director
Alaska Industrial Development and Export Authority
813 West Northern Lights Boulevard
Anchorage, AK 99503
Phone: (907) 269-3050, FAX: (907) 269-3044

Industrial Development / Export Roster

Go to the Industrial Development / Export Home page

We appreciate your interest in boards and commissions. For further information contact the boards and commissions staff at (907) 465-3500 or at **boards@alaska.gov**.

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Board of Directors

§ Statutes
§ Regulations
§ By-Laws
§ Policies
§ FAQs
§ Related Links

>> Board of Directors

AIDEA 2010 Board Meeting Schedule

Wed. March 17, 2010

*meetings will be held on Wednesdays at 10:30 a.m. unless otherwise indicated**

Wed. April 28, 2010
Wed. May 26, 2010
Wed. June 23, 2010
Wed. August 11, 2010
Wed. September 22, 2010
Wed. October 20, 2010
**Friday December 3, 2010*

NOTE: These dates and times are subject to change or cancellation. Please check back frequently for updated information. Meetings are held at the Authority's offices at 813 West Northern Lights Blvd. unless otherwise stated. If you have any questions, please contact Brenda Fuglestad at (907) 771-3008.

AIDEA Board Meeting Minutes Archive

AIDEA and AEA share a five-member Board.

Mr. Patrick Galvin
Commissioner
Department of Revenue
Appointed: 12/4/2006
Elected Chair: 11/10/2008

Member. Chair.
Commissioner, Alaska Department of Revenue. was appointed Commissioner of the Department of Revenue by Governor Sarah Palin effective December 4, 2006. Before his appointment he served as a Petroleum Land Manager for the Alaska Department of Natural Resources, Division of Oil and Gas. His responsibilities included managing the oil and gas leasing and licensing programs, lease administration, and oil and gas permitting for the division. His education background includes a Bachelor's degree in Visual Arts and Quantitative Economics from the University of California, San Diego, a Law Degree from the University of San Diego, and an MBA from San Diego State University. Prior to his position at DNR, Mr. Galvin served as Director of the Division of Governmental Coordination, overseeing the Alaska Coastal Management Program. Previously, Mr. Galvin was a private practice attorney focusing on municipal, corporate, and tribal law.

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Juneau, Alaska 99811-0400
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patrick.galvin@alaska.gov

Designee for Commissioner Galvin is
Deputy Commissioner for Treasury Jerry Burnett

Mr. Michael T. Felix
(Public Member)
Appointed: 06/25/2009
Expires: 06/30/2010

Member.
Mr. Felix was appointed to the Board on May 29, 2009. Since February 2002, Mike Felix has served as president of AT&T Alascom, a wholly-owned subsidiary of AT&T, Inc. He has almost 35 years experience in various areas of the telecom and high-tech industries, having held several senior management and board positions in public and private companies. He began his career in 1975 at Tampa Electric Company, where he served in various management and engineering roles. In 1982, he was one of the founding employees at what is today Sprint – where he held several technical and management leadership positions. From 1992 to 2001, Mr. Felix served as CEO or COO of several venture capital-backed startups in the telecom and software space. From 1989 to 2001, he also served on the boards of four start-up companies, and three private schools.

Mike is a graduate of the University of South Florida with a B.S. in Electrical Engineering. He and his wife, Bethany, currently reside in Anchorage, Alaska and have three adult children. Mr. Felix currently serves on the University of Alaska Foundation Board, the board of Commonwealth North, the Foraker Group Governing Board, and as an Honorary Commander for the 3rd Wing of the US Air Force at Elmendorf AFB

505 East Bluff Drive
Anchorage AK 99501
907-264-7659
mfelix@alascom.att.com

Mr. Emil Notti
Commissioner
Department of Commerce, Community and Economic Development
Appointed: 12/13/2006

Member.
Commissioner, Department of Commerce, Community and Economic Development, Governor Palin appointed Emil Notti as Commissioner on December 13, 2006. Mr. Notti is an engineer, prominent Alaska Native leader and Alaska public servant.

He graduated from Northrop University with a dual degree in aeronautical and electrical engineering. His extensive background includes first president of the Alaska Federation of Natives during which he was an instrumental player in establishing the state's Native corporations; past president of Doyon Limited; former Commissioner of the Department of Community and Regional Affairs under Governor Sheffield; 30-year board member with the National Bank of Alaska; and Veteran of the United States Navy.

Born in Koyukuk, Notti holds an Honorary Doctorate degree from Alaska Methodist University

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Mr. Leo von Scheben, P.E., L.S., M.B.A.
Commissioner
Department of

Member.
Commissioner, Leo von Scheben, 65, is a registered professional engineer and land surveyor who has lived in Alaska since 1963. He received his B.S. degree in Industrial Engineering from the University of Florida in Gainesville, a B.S. degree in Civil Engineering from Bradley University in Peoria, Illinois, and a MBA from the University of Alaska Anchorage. He was one of the four founding partners of an architectural, engineering, land surveying and planning firm with offices in Alaska and the Pacific Northwest.

He has represented the Society of American Military Engineers on the Anchorage Post Industrial Liaison Committee, member of the 2006 S.A.M.E. Executive Group and Commissioner to the Alaska Private Industry Council. He was voted Alumni of the Year by Bradley University.

Transportation and Public Facilities
Appointed: 01/12/2007
Reappointed: 05/29/2009
Expires: 06/30/2011

He belongs to the American Society of Civil Engineers and the Alaska Society of Professional Land Surveyors.

Von Scheben was featured in "How to Form a Successful Design/Build Alliance" in the January 2006 edition of the Professional Services Management Journal PSMJ).

3132 Channel Drive
Juneau, Alaska 99801-7898
(907) 465-3900
Fax: (907) 586-8365
leo.vonscheben@alaska.gov

Mr. John R. Winther
(Public Member)
Appointed: 07/01/2003
Appointed Vice-Chair 8/23/2007
Reappointed: 09/21/2007
Expires: 06/30/2009
Reappointed: 05/29/2009
Expires: 06/30/2011

Member. Vice-Chair.
Mr. Winther was appointed to the Board of Directors on July 1, 2003. He was born in Fairbanks and raised in both Fairbanks and Juneau. He is a lifelong Alaskan who graduated from Lathrop High School and has resided in Petersburg since 1972. John has been in the commercial fishing business for 39 years, owning his own business for 35 of those years. He is currently the managing partner of Prowler Fisheries, based in Petersburg, Alaska, and also owns a crab vessel that fishes the Bering Sea. He is the founder and chairman of Winstar Petroleum; an Alaskan owned independent oil company with acreage on the North Slope. John served as director of Icicle Seafoods from 1980-1992 and also served on the North Pacific Fisheries Management Council from 1983-1989.

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AIDEA's Response to Representative Herron's Office Inquiries Regarding HB 363

1. Comment on advantages and disadvantages of the proposed board make-up:

The advantage of the board composition set out in HB 363 is that AIDEA would have more private sector and industry input into its decision making processes. Moreover, new public members can bring their expertise and business and industry experience to bear when asked to approve a particular loan, authorize the expenditure of funds, or approve the issuance of a bond to finance development. This input makes for better decision making. AIDEA's own solution to gaining more business and industry input as set forth in its Strategic Plan is to setup two new committees of business and industry experts (Business and Technical) to advise the board and management on policy and project investment decisions. An alternative to the advisory board concept would be to add more public members to the Board and then have the full board to appoint subcommittees to explore new policies and work with management on issues and then report back to the board. Either alternative would create a vehicle for creating better public-private partnerships which is the goal set forth in AIDEA's Strategic Plan.

The disadvantage of the board composition as set forth in HB 363 is that its one commissioner configuration would mean that board would lose needed expertise in state economic and infrastructure development. While AIDEA agrees that it is important to the board to have the expertise and experience of the Commissioner of Revenue on the board for his or her experience in finance and investment, AIDEA's mission is broader than these two areas. AIDEA is an economic development finance authority and needs to have a cabinet level officer with knowledge of state economic development policies and directions such as the Commissioner of Commerce, Community and Economic Development.

2. What are the advantages of private sector membership on a board of this nature:

As noted above, the advantage of having private board members on a public economic development finance authority's board is to bring private sector expertise and experience to AIDEA's decision making process. AIDEA makes loans, serves as a conduit for revenue bonds, and finances large scale development projects. It, therefore, can benefit in making its investment and development decisions by utilizing the expertise of knowledgeable business people and industry experts who have a broad base of experience.

It is also important that state sponsored economic development be, in essence, a public/private partnership. Best practices of economic development agencies throughout the United States are to include both public and private persons into the economic development decision process. Some of the best known models for economic development agencies make use of this public/private partnership concept, such as Kentucky's Economic Development Cabinet and the Indiana Development Corporation.

3. What kinds of private sector member qualifications best serve the board:

The best private sector members on an economic development finance corporation, such as AIDEA, are ones that have a broad range of business experience and who understand the role of state funded economic development. This usually will mean persons who have worked with commercial and business development financing, bank financing, commercial real estate development, and local or state sponsored economic development programs in their business careers. An understanding of the various methods of financing projects, as well as a knowledge of Alaska local government and boroughs is also desirable. Board members who have a wide range of experience in natural resource extraction, logistics, energy, tourism and other targeted sectors listed in AIDEA's strategic plan would provide guidance and sound decision making to support AIDEA's missions and measures.

4. Talk about what kinds of decisions the Board makes:

The board is responsible for the governance of the corporation and must approve of and vote on all major loans in which AIDEA participates, as well as approve of all investments in projects financed directly or by the use of bonds. Equally important is that the board is responsible for deciding when and how to divest of currently owned projects and at what price and terms. The board also makes the decisions on how large a reserve AIDEA should have and has to approve all litigation and court settlements.

In corporate governance terms, the AIDEA board hires the executive director to run the day-to-day operations of the Authority, but any organic decisions (i.e. those that could affect the financial position of the corporation or affect its future performance) must have board approval.

As noted above, the AIDEA board runs the agency. While management may make recommendations on these matters, it is the board which must vote to approve them and who has the right to modify or deny proposals put forward by management. The board also establishes all major policies such as AIDEA's recent Strategic Plan. The Board is responsible for adopting regulations used in the operation of all the major programs of the authority.

5. Right now the fishing and high tech/communications industries are represented through the private sector members of the AIDEA board. How would you like to see the board diversified if there were two more private members:

AIDEA currently has two very knowledgeable well-rounded private sector board members with a broad range of business experience and management skills. If more such members were added, AIDEA would suggest that persons be chosen who have financial management experience, commercial and investment banking experience, commercial development experience, financial analyst experience, legal experience, economic development experience or infrastructure experience.

Additionally, board members should probably have experience with local governments, regional development organizations, chambers of commerce and other local economic development stakeholders. It would be desirable to have board members who have experience in natural resource extraction, logistics, energy, tourism and other targeted sectors listed in the Strategic Plan.

6a. Why is there a joint AIDEA/AEA board:

AEA and AIDEA have a shared board because this is mandated by statute.

6b. Any advantages or disadvantages of this:

There is value in having members shared between the AEA and AIDEA boards. AIDEA has bonding authority, which can be utilized to provide financing for large-scale AEA initiatives. AEA alternatively can analyze for AIDEA whether an energy-related development project is feasible. Another example of fruitful agency coordination is that recently AIDEA and AEA submitted a joint application to the Federal Department of Energy which makes use of each authority's expertise.

The main challenge is in finding board members that have the experience and working knowledge in both economic development and energy related fields. Additionally, the AEA board needs to be conversant with AEA's grant programs, as well as with federal Department of Energy funding programs.

SWAMC
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org
Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

March 16, 2010

Representative Kurt Olson, Chair
House Labor & Commerce Committee

Re: Support of HB 363

Dear Representative Olson,

Please accept this letter of support for House Bill 363, which would rearrange the composition of the AIDEA/AEA board membership. Most successful economic development initiatives occur because of strong public/private partnerships, and one of the keys to this success lies in valuable private sector input.

Passage of HB 363 would increase the number of AIDEA's public board members from two to four, with the possibility of a fifth public member currently in the bill's amendment. Raising this level of private sector involvement would lead to more fruitful and informed discussions about current economic conditions and desires among the business community.

AIDEA is meant to promote and advance economic growth and diversification in the state of Alaska. True economic development is best served by private investment and public knowledge and innovation. By changing the board composition to more accurately reflect this sentiment, the state's economic development organization can have a more direct line to industry needs and private sector capacity.

I would urge you to consider the value of HB 363 and what it could mean for the State of Alaska's role in economic development.

Regards,
SOUTHWEST ALASKA MUNICIPAL CONFERENCE

Andy Varner
Executive Director

Southeast Conference

March 16, 2010

Representative Kurt Olson, Chair
House Labor & Commerce Committee
Alaska State Capitol Building
Juneau, Alaska 99801

RE: HB363 "An Act relation to the membership of the Alaska Industrial Development and Export Authority.

Southeast Conference strongly supports House Bill 363. The private sector is the backbone of Alaska's economy. The State economic development process has historically had little private sector input. This legislation will allow flexibility within the makeup of AIDEA to incorporate more private sector participation in State economic development decisions.

Southeast Conference is a private membership organization that works to advance the collective interests of the people, communities, and businesses of Southeast Alaska. It is the Alaska Regional Development Organization (ARDOR), Federal Economic Development District (EDD), and USDA Resource Conservation and Development (RC&D) Council for the region. The Conference's Mission is to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska.

Please adopt HB363 for the future of our communities and our state.

On Behalf of the Board of Directors,

Shelly Wright

Shelly Wright
Executive Director

P.O. Box 21989 612 W. Willoughby Avenue, Suite B, Juneau Alaska 99802
(907) 523-4353 (907) 463-5670 Fax info@seconference.org
www.seconference.org

3908

The Entrepreneurs and Mentors Network Inc.
Mentors empowering Entrepreneurs

Colin V. Palmer
Executive Director
(907)-862-5160
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Allan R Johnston
Chief Encouragement Officer
(907) 727-1187
allanrjohnston@yahoo.com

March16th, 2010

Re: House Bill 363 AIDEA Board

Representative Kurt Olson, Chair
House Labor & Commerce Committee
Juneau, Alaska

Dear Representative Olson,

Please accept this letter of support for HB 363. I believe that AIDEA needs to become more proactive in evaluating and implementing new programs to nurture innovation and entrepreneurship in Alaska. We are the only state that doesn't have an organized Angel Investor network. We are one of only a few states that doesn't have a Small Business Investment Corporation, a business incubator or a business accelerator. Including more private sector experts with been-there-done-that experience will significantly enhance AIDEA's opportunity in identifying our financial infrastructure problems and addressing our needs.

If the Milken Risk Capital and Entrepreneurial Infrastructure Composite Index were considered a reasonable proxy of our Aspiration Index, which I believe that it does, then Alaskans are in last place nationally in dreaming dreams for our own destiny. AIDEA should be a more important and relevant player in addressing this problem. If we do not see our last place standing as a problem then there is no solution. I believe a more private sector oriented AIDEA Board would be more effective in diversifying the Alaska economy and empowering innovative entrepreneurs.

Respectfully,

Allan R. Johnston
Chief Encouragement Officer
The Entrepreneurs and Mentors Network Inc

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State Technology and Science Index

Enduring Lessons for the Intangible Economy
June 2008

Risk Capital and Entrepreneurial Infrastructure Composite Index

This measures the stock of capable entrepreneurs and risk capital available to support the conversion of research into commercially viable technology products and services. Eleven indicators are included in this Composite Index, listed at the bottom of this page. Click on an indicator to see further data comparisons at the individual indicator level.

Select a Composite | Select a State

2006			2004			2002		
State	Rank	Average Score	State	Rank	Average Score	State	Rank	Average Score
Nebraska	44	38.60	Alabama	44	30.22	Alaska	44	29.33
Montana	45	38.57	Iowa	45	28.67	Kentucky	45	27.56
North Dakota	46	36.25	Montana	46	27.56	Wyoming	46	27.33
Iowa	47	34.22	Alaska	47	24.67	Arkansas	47	18.44
West Virginia	48	32.18	Kentucky	48	23.78	West Virginia	48	18.00
Mississippi	49	30.40	Mississippi	49	22.22	South Dakota	49	15.33
Alaska	50	21.71	North Dakota	50	16.22	North Dakota	50	9.78

Average Annual SBIC Funds Disbursed per $1,000 of GSP

Increase in Number of Companies Receiving VC Investment

IPO Proceeds as Percent of GSP

Number of Business Incubators per 10,000 Business Establishments

Number of Business Starts per 100,000 People

Number of Companies Receiving VC Investment per 10,000 Business Establishments

Patents Issued per 100,000 People

Total Venture Capital Investment Growth

VC Investment in Clean Technology per $1,000 of GSP

VC Investment in Nanotechnology per $1,000 of GSP

Venture Capital Investment as Percent of GSP

http://www.milkeninstitute.org/tech/tech.taf?sub=rcic

P.O. Box 244821, Anchorage, Alaska 99524-4821
Enabling mentors to empower entrepreneurs
www.teamak.com

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 363(L&C)
(H) Publish Date: 4/8/10

Identifier (file name):HB363CS(L&C)-CED-AIDEA-3-24-10
Dept. Affected: DCCED
Title: AIDEA Membership
RDU: AIDEA
Component: AIDEA operations
Sponsor: Community and Regional Affairs
Requester: House Finance Committee
Component Number: 1234

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	3.0		3.0	3.0	3.0	3.0	3.0
Travel	19.8		19.8	19.8	19.8	19.8	19.8
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**22.8**	**0.0**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Corp Receipts	22.8		22.8	22.8	22.8	22.8	22.8
TOTAL	**22.8**	**0.0**	**22.8**	**22.8**	**22.8**	**22.8**	**22.8**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This bill changes the AIDEA board membership from the Commissioner of Revenue and the Commissioner of Commerce Community and Economic Development and one other commissioner (currently the Commissioner of Transportation) and 2 public members to the Commissioners of Revenue and Commerce Communiity and Economic Development and five public members each of whom have with expertise in private sector business and possesses demonstrated leadership skills.

Public members of the authority receive $100 compensation for each day spent on official business of AIDEA and may be reimbursed for actual and necessary expenses at the same rate paid to members of state boards under AS 39.20.180. Two additional public members has an estimated increased costs of 10 official business days * 3 members * (100) = 3,000 for compensation ; (600 + 60) * 10 *3 for travel and per diem = $19,800.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations
Phone 907-771-3012
Division: Alaska Industrial Development and Export Authority
Date/Time 3/24/10 12:00 AM
Approved by: Emil Notti, Commissioner
Commerce, Community and Economic Development
Date 3/24/2010

(Revised 11/6/2009 OMB)

3911

BRIEFING PAPER:
ECONOMIC DEVELOPMENT
IN STATE GOVERNMENT

A review of economic development configuration in Alaska's agencies, models from other states, and potential changes to Alaska's economic development system

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Alaska's Department of Commerce, Community and Economic Development includes both **Economic Development** and **Community Development** functions. The department's mission is to "promote a healthy economy, strong communities, and protect consumers in Alaska."

The difference between economic development and community development is not always well-understood. To establish a shared understanding of these terms, the following definition is presented:

> Community development is capacity building; economic development is wealth creation.
>
> --Robert Shively, *Economic Development for Small Communities*

To go further, community development often refers to projects that create infrastructure and community capacity. Public works projects, schools, bridges, libraries, community centers and parks… these are community development projects. Economic development projects, on the other hand, would be the construction of a new clinic by a group of private physicians, or the expansion of a metal fabrication shop by a business owner. Community development and economic development are deeply intertwined, because economic development—and the private investors, owners, and entrepreneurs who lead the way—also requires community infrastructure, either to support their businesses or to enable a lifestyle that makes them want to live and stay in a community. At their cores, both community development and economic development are about resilience, the ability of a community or economy to respond to both opportunities and threats, to adapt to change. But the two functions are quite different, *and the appropriate activities and roles for government in economic development are much different than in community development.*

The purpose of this paper is to examine ***economic development*** activities in state government. While we recognize the interconnectedness of the two functions, the focus of this work is on resources within state government that support private sector investment in Alaska's economy.

Current Resources within State Government and the University System

Alaska's Office of Economic Development (OED), within DCCED

- The mission of OED, as described in the FY10 Governor's Operating budget, is to "Advance successful tourism, film, fisheries, forest products, minerals, and small business assistance programs in order to increase economic activity in Alaska and create new employment opportunities for Alaska."

- Alaska's OED currently has a division head, plus 11 employees in five sub-programs, many of which can be tied to one or more functions in Alaska Statute.
    - The Alaska Film Office (3 employees, one of whom is shared with Tourism) (AS 44.33.231, Film Office)
    - Business Development (2 employees, one of whom is a forest products specialist) (AS 44.33.900 Alaska Forest Products Research and Marketing Program)
    - Office of Fisheries (1) (AS 44.33.065, Regional Seafood Development Associations)
    - Office of Mineral Development (2) (AS 44.33.431, Alaska Minerals Commission)
    - Tourism Program (4, one of whom is shared with Film) (AS 44.33.119, Alaska Division of Tourism)

Alaska Industrial Development and Export Authority (AIDEA), within DCCED

- The mission of AIDEA, as described in the FY10 Governor's Operating budget, is "to provide means of financing to promote economic growth and diversification in Alaska."
- AIDEA's board of directors consists of five individuals
    - The Commissioner of Revenue
    - The Commissioner of Commerce, Community, and Economic Development
    - One other person appointed by the executive branch
    - Two public members appointed by the governor
- AIDEA's economic development programs have approximately 30 staff assigned to it, with 30 who are professional staff (estimate from AIDEA staff, October 2009)
    - AIDEA is a "public corporation of the state and a body corporate and politic constituting a political subdivision within the Department of Commerce, Community and Economic Development, but with separate and independent legal existence," under AS 44.88.010—44.88.159
    - AIDEA has a number of loan participation, revolving loan, and bond programs
    - AIDEA has ownership stakes in several major projects
- AIDEA also is home to another agency, Alaska Energy Authority (AEA) which currently has a community development mission
    - Though the agencies are separate, they share employees and resources

Alaska Division of Investments (DOI), within DCCED

- DOI's "primary responsibility is to administer and service twelve state loan programs under the Department of Commerce, Community, and Economic Development. These programs were primarily designed to promote economic development through direct state lending in industries that are not adequately serviced by the private sector."
- DOI typically interfaces with individual lenders and small businesses (in contrast to AIDEA, which handles significant industrial investments)
- DOI has 44 FTE employees (FY2010 budget)
- Loan programs authorized in statute are not comprehensive across range of Alaska industry

Non-Governmental Economic Development Organizations in Alaska

ARDORs

- Alaska Regional Development Organizations (ARDORs) are established under 44.33.895 (Alaska regional economic assistance program) and is subject to regulations at 3 AAC 57.010-900.
    - Under the statute the department can provide grants of up to $100,000 annually to match funds from non-state sources.

- The state's contributions to the ARDOR under this program are $50,000 annually. With the addition of an ARDOR in the last two years, the state's total contribution has increased, but organizations still receive the same amount. (Annual funding since 1992 is flat at $620,000; except for increase of $57,000 starting in FY09 with addition of twelfth ARDOR)
- According to the website of OED, ARDORs are intended to
  - *enable communities to pool their limited resources, and work together on economic development issues;*
  - *develop partnerships among public, private and other organizations,*
  - *offer a technical, nonpartisan capacity to develop and implement an economic development strategy,*
  - *often have extensive experience with federal/State programs, and*
  - *provide needed technical assistance via direct links with local citizens.*
- With large service regions and limited funding, some ARDORs have very difficult times attracting experienced staff to run economic development programs
  - Some conversations have been had to establish system-wide capacity-building fund for the ARDORs so that staff of the ARDORs can take advantage of professional development opportunities despite limited budgets

Additional Regional Economic Development Groups

- Regional/local groups also exist, such as Juneau Economic Development Council, Fairbanks Economic Development Corporation, Alaska Village Initiatives.
  - These have more local focus

University Economic Development Resources and Coordination with State Resources

The University of Alaska has several economic development programs doing technical assistance, training, etc.

- **Center for Economic Development, at the Institute of Social and Economic Research, UAA**
  - One of 52 university centers nationally designated by Economic Development Administration
  - Works at level of *municipalities, large non-profits, service-providing for profits (such as Alaska Native Corporations)*
    - 2008 Annual Report includes list of clients: http://ced.uaa.alaska.edu/publications/2008AnnualReport.pdf
  - According to their website, CED "leverages the resources of the university system to support economic development in Alaska, providing technical assistance in the form of information, data, and know-how in evaluating, shaping and implementing specific projects and programs that promote economic development across the state." (http://ced.uaa.alaska.edu)
  - Supported by fee for service in most cases, in order to support program delivery costs; some budget also from State
  - CED helps with local and regional planning, feasibility analysis, strategic planning (organizational and community) financial analysis, market and economic research
  - Recently, CED began coordinating accredited certification courses for the International Economic Development Council, to certify IECD economic development professionals
    - NB: Currently, there is not a single certified economic development professional working in Alaska

- **Small Business Development Centers**
  - Works at level of small, individual entrepreneurs
  - Provide free- and low-cost consulting to small business and micro-enterprise
  - Funded by US Small Business Administration with matching funds from state.
  - Provides consulting services and low-cost educational programs to entrepreneurs
  - Program's "business advisors" are certified through the Alaska SBDC's professional Certification program
  - Has a rural outreach program

How are Other State Governments Doing Economic Development?

Several states are recognized for their innovation in economic development within state government. Some of these are profiled below.

The states profiled below were selected because of their recognition as successful models, or commonalities with Alaska (rural Western). This report profiles North Dakota, Wyoming, Indiana, and Kentucky, which are all recognized for their economic development programs, as well as Oregon, which shares some similarities with Alaska as a Western state with large rural areas. All of these states have advisory and/or policy bodies that primarily comprise private sector leaders.

NB: Descriptions below reference "primary" or "basic" industries. These are industries that bring new dollars into a state's economy. Oftentimes these are because the business outputs are produced for markets outside the state. In some cases federal government programs, which bring dollars into state economies, can also be seen as contributing to the primary/basic sectors. This differs from support sector businesses, which provide services within the state. Primary/basic businesses are the economic pumps for an economy.

North Dakota www.business.nd.gov

- Economic Development & Finance is a division within a department that also houses Tourism and Community Development
  - Tourism is separate because development approach differs significantly from standard "primary/basic" sector activities.
- North Dakota has an Economic Development Foundation, a private foundation established by the Legislature, to provide guidance and private-sector oversight of state economic development efforts. It maintains a strategic plan for economic development.
  - 23 "business leaders," meet quarterly
  - has the ability to raise private funding to support state efforts
- Division heads are professional positions, not appointed
- Majority of staff at Economic Development and Finance Division are certified economic development professionals through the IEDC
- Primary function of division is to work with businesses to identify the state programs and resources that will help them establish, grow, or retain in North Dakota; deal structuring (not technical assistance, which is pointed to university, SBDCs, etc.)
- North Dakota has a development bank, the Bank of North Dakota, which manages nearly all of the state's loan and investment programs, with very few exceptions
- Department ***only works on inquiries/investments that are in the Basic sector of the economy*** (Basic industries bring new money into the economy from out of state, while secondary industries provide services to support the basic industries)

- Web presence: North Dakota has http://www.business.nd.gov/, which is a user-friendly portal to information necessary to do business in North Dakota
- 17 staff for ED&F, including 2 finance people to run loan programs outside the Bank of North Dakota

Wyoming www.wyomingbusiness.org

- Wyoming Business Council is the economic development group in state government
  - It has a corporate structure, incorporates private business practices, regional offices
  - Has a Board of Directors and CEO, though it is within state government
    - Board members are successful business owners from Wyoming
    - Board members appointed by Governor; CEO hired by Board
    - Employees of agency are at-will
    - Board does "business plan" for department
  - Staff of 53 for WBC, plus 19 for Tourism
    - 7-8 administrative staff, all other work on economic development and management of community grant programs
  - History of the WBC: http://www.wyomingbusiness.org/about/history.aspx
  - Enabling Legislation: Wyoming Statutes 9-12-101 through 9-12-804 (http://legisweb.state.wy.us/statutes/statutes.aspx?file=titles/Title9/T9CH12.htm)
  - WBC focuses on basic industries, with few exceptions in rural areas where basic service infrastructure (grocery stores) do not exist
    - Industries have to produce something sold outside the region to get WBC attention.
  - WBC works closely with university programs, including SBDCs, Intellectual property, incubators, etc.

Kentucky www.thinkkentucky.com

- Primary state agency for economic development is the Cabinet for Economic Development, which is governed by the Kentucky Economic Development Partnership Board
- Kentucky Economic Development Partnership Board
  - Enabled in 1992 by HB 89.
    - Thirteen members representing each of eight congressional districts and different industries, plus secretaries from four cabinets (Econ. Development, Finance and Administration, Environmental and Public Protection, and Tourism), plus Governor
    - Cabinet includes
      - Office of Secretary
      - Department for Business Development
        - "Responsible for coordinating the recruitment and attraction of new companies that will enhance the overall viability of the state's economy, as well as assisting and encouraging job retention and creation by working with existing Kentucky business. The Department partners with outside agencies and communities to conduct workshops, community assessments, and business surveys to support local development efforts"
      - Department of Financial Incentives
      - Department of Commercialization and Innovation

- "Responsible for developing and implementing a strategy to create, attract, and assist knowledge-based companies to Kentucky."

Indiana www.in.gov/iedc

- Primary state group for economic development is the Indiana Economic Development Corporation
  - Created in February 2005 to replace the former Department of Commerce
  - Has a board of 12, including governor and 11 private industry participants
  - According to IEDC website, "The IEDC is focused exclusively on economic development and has incorporated all state entities with economic development responsibilities into its organizational structure."

Oregon www.oregon4biz.com

- Economic development is a division within the Oregon Business Development Department, which also houses community development functions
  - About 25% of department budget goes to economic development
- Economic development overseen by the Oregon Business Development Commission, which is statutorily authorized, and consists of seven private sector individuals (not agency) appointed by the Governor
  - Entity sets policy direction for agency activity
- Department head is appointed, but division heads are professional staff
- 13 people working in field around Oregon, plus five people specializing in international development
- No certification/training requirements specific to department; some perhaps specific to positions, particularly for international development people
- Primary role of business development division is deal structuring, pulling state resources together to support creation or retention of jobs
- Staff only work on primary (basic) sector industries, refer others to university, SBDCs, other partners

Points to Consider about Alaska's Current System

- State government's oversight and/or policy direction from private sector is currently limited to two of five seats on the board of AIDEA.
  - There is no private sector input built into OED or DOI
  - Without private sector input it may be difficult to align state programs across divisions with real needs in Alaska economy
- Incentive programs in Alaska Statute are limited
  - New Business Incentive Program (DCCED), established under 45.81.010, is not funded
  - Film Incentive office supported by two staff at OED (DCCED)
  - Exploration Incentive Credits (DNR)
  - AGIA (DNR)
  - Various AIDEA Programs
- Economic Development functions are distributed between several divisions and/or offices, including:
  - Division on Investments (Greg Winegar, Division Director)
  - Office of Economic Development (Joe Austerman, Director)
  - Alaska Industrial Development and Export Authority (Ted Leonard, Executive Director)

- Economic development staffing in these offices are about 15% of total DCCED personnel
  - Viewed alone they are 8%, 2%, and 6% respectively
  - May have difficulty getting strategic focus within larger mission of department
- No certified economic developers currently working in state (compares to other states where professional certification is common among economic development staffers)
  - University's Center for Economic Development has started offering training modules several times per year (the standard for these courses is multi-day intensives) for certification through the International Economic Development Council
    - This is a relatively new service
    - Department estimates cost in training to reach certification goals, before travel and lost work time, is $3,400 per person
  - Currently there are no practicing certified economic development professionals working in Alaska (in state government or out of state government)
- State government's interaction with University resources may be inefficient; economic development resources may be "siloed"
  - Do OED and AIDEA have regular practice of directing inquiries to existing University resources?
  - Do agencies and universities work closely to avoid duplicating tools and services?
  - What gaps should agencies fill that are not natural to the University?
- State government, through OED, is currently focused on a small set of industries
  - Focus may be broadened to allow room for additional industries/ideas
- Alaska state government does not maintain a web presence focused on attracting or retaining business
  - For contrast, see Oregon, http://www.oregon4biz.com/, found in two clicks from the State of OR homepage); North Dakota, http://www.business.nd.gov; Kentucky http://www.thinkkentucky.com/

Possible Areas of Discussion for Legislature

1. Restructuring economic development functions within state government under alternate models such as public/private partnerships, corporate structures, strengthened divisions, or others.
2. Consideration of creation of a non-governmental (private sector) policy group at head of state economic development. Depending on departmental structure the advisory entity could be modeled on corporate, foundation, policy, or other board structures
3. Establishment or reestablishment of incentive programs to support economic development programs
4. Budgeting for ARDOR programs
5. Budgeting for University programs that support small business development
6. Oversight hearings prior to and within the budget process to assess focus and resources of state offices with economic development missions
7. Establishment of additional loan programs to support small business economic development

Additional Resources

- Alaska Economic Development Programs, prepared by Office of Economic Development
  - Document attached to this transmission
  - Note: This matrix does not differentiate between Economic Development and Community Development programs (see definition on Page 1). True "economic development" programs are fewer than one dozen.
- Department and subunit missions: Office of Management and Budget
  - See http://gov.state.ak.us/omb/results/agencies.php#10 for missions related to DCCED and its divisions
- Alaska SourceLink www.aksourcelink.com. A web portal hosted by the university that provides information on all economic development support resources in the state

AIDEA

Boards & Commissions Factsheets

Industrial Development / Export

Board: Alaska Industrial Development and Export Authority (AIDEA)
Board identification number: 050

Department: DEPARTMENT OF COMMERCE COMMUNITY AND ECONOMIC DEV

Authority: AS 44.88.030

Status: Active

Sunset date:

Requirements: Financial Disclosure

Prohibitions: None

Term: 2 years

Description: 5 members - 3 appointed by Governor: 2 public members, and 1 head of a principal department of the Executive Branch or designee; plus the commissioners of the Department of Revenue and the Department of Commerce, Community, and Economic Development or their respective designees; members elect chair.

Function: To promote, develop, and advance the general prosperity and economic welfare of the people of Alaska; to relieve problems of unemployment, and to create additional employment, by providing various means of financing and by facilitating the financing of industrial, manufacturing, power transmission intertie, export and business enterprises and other facilities within the state through loan participation and loan guarantee programs, as well as owning specific facilities that create basic sector employment and enhance economic development in the state.

Chair: Members select.

Special facts: Public corporation; has ability to own and operate public use facilities which advance goals of Authority; quorum-majority; minutes of each meeting to Governor/Legislative Budget and Audit.

Compensation: Standard Travel and Per Diem. Public members receive $100 per day plus travel and lodging.

Meetings: 12 meetings per year.

For further information contact:
Mr. Ted Leonard
Executive Director
Alaska Industrial Development and Export Authority
813 West Northern Lights Boulevard
Anchorage, AK 99503
Phone: (907) 269-3050, FAX: (907) 269-3044

Industrial Development / Export Roster

Go to the Industrial Development / Export Home page

We appreciate your interest in boards and commissions. For further information contact the boards and commissions staff at (907) 465-3500 or at **boards@alaska.gov**.

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Board of Directors

- § Statutes
- § Regulations
- § By-Laws
- § Policies
- § FAQs
- § Related Links

AIDEA 2010 Board Meeting Schedule

Wed. March 17, 2010

*meetings will be held on Wednesdays at 10:30 a.m. unless otherwise indicated**

Wed. April 28, 2010
Wed. May 26, 2010
Wed. June 23, 2010
Wed. August 11, 2010
Wed. September 22, 2010
Wed. October 20, 2010
**Friday December 3, 2010*

NOTE: These dates and times are subject to change or cancellation. Please check back frequently for updated information. Meetings are held at the Authority's offices at 813 West Northern Lights Blvd. unless otherwise stated. If you have any questions, please contact Brenda Fuglestad at (907) 771-3008.

AIDEA Board Meeting Minutes Archive

AIDEA and AEA share a five-member Board.

Mr. Patrick Galvin
Commissioner
Department of Revenue
Appointed: 12/4/2006
Elected Chair: 11/10/2008

Member. Chair.
Commissioner, Alaska Department of Revenue. was appointed Commissioner of the Department of Revenue by Governor Sarah Palin effective December 4, 2006. Before his appointment he served as a Petroleum Land Manager for the Alaska Department of Natural Resources, Division of Oil and Gas. His responsibilities included managing the oil and gas leasing and licensing programs, lease administration, and oil and gas permitting for the division. His education background includes a Bachelor's degree in Visual Arts and Quantitative Economics from the University of California, San Diego, a Law Degree from the University of San Diego, and an MBA from San Diego State University. Prior to his position at DNR, Mr. Galvin served as Director of the Division of Governmental Coordination, overseeing the Alaska Coastal Management Program. Previously, Mr. Galvin was a private practice attorney focusing on municipal, corporate, and tribal law.

P.O. Box 110400
Juneau, Alaska 99811-0400
907-465-2300
(fax) 907-465-2389
patrick.galvin@alaska.gov

Designee for Commissioner Galvin is
Deputy Commissioner for Treasury Jerry Burnett

Mr. Michael T. Felix
(Public Member)
Appointed: 06/25/2009
Expires: 06/30/2010

Member.
Mr. Felix was appointed to the Board on May 29, 2009. Since February 2002, Mike Felix has served as president of AT&T Alascom, a wholly-owned subsidiary of AT&T, Inc. He has almost 35 years experience in various areas of the telecom and high-tech industries, having held several senior management and board positions in public and private companies. He began his career in 1975 at Tampa Electric Company, where he served in various management and engineering roles. In 1982, he was one of the founding employees at what is today Sprint – where he held several technical and management leadership positions. From 1992 to 2001, Mr. Felix served as CEO or COO of several venture capital-backed startups in the telecom and software space. From 1989 to 2001, he also served on the boards of four start-up companies, and three private schools.

Mike is a graduate of the University of South Florida with a B.S. in Electrical Engineering. He and his wife, Bethany, currently reside in Anchorage, Alaska and have three adult children. Mr. Felix currently serves on the University of Alaska Foundation Board, the board of Commonwealth North, the Foraker Group Governing Board, and as an Honorary Commander for the 3rd Wing of the US Air Force at Elmendorf AFB

505 East Bluff Drive
Anchorage AK 99501
907-264-7659
mfelix@alascom.att.com

Mr. Emil Notti
Commissioner
Department of Commerce, Community and Economic Development
Appointed: 12/13/2006

Member.
Commissioner, Department of Commerce, Community and Economic Development, Governor Palin appointed Emil Notti as Commissioner on December 13, 2006. Mr. Notti is an engineer, prominent Alaska Native leader and Alaska public servant.

He graduated from Northrop University with a dual degree in aeronautical and electrical engineering. His extensive background includes first president of the Alaska Federation of Natives during which he was an instrumental player in establishing the state's Native corporations; past president of Doyon Limited; former Commissioner of the Department of Community and Regional Affairs under Governor Sheffield; 30-year board member with the National Bank of Alaska; and Veteran of the United States Navy.

Born in Koyukuk, Notti holds an Honorary Doctorate degree from Alaska Methodist University

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Juneau, AK 99811-0800
9th Floor State Office Building
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Fax: (907) 465-5442
emil.notti@alaska.gov

Mr. Leo von Scheben, P.E., L.S., M.B.A.
Commissioner
Department of

Member.
Commissioner, Leo von Scheben, 65, is a registered professional engineer and land surveyor who has lived in Alaska since 1963. He received his B.S. degree in Industrial Engineering from the University of Florida in Gainesville, a B.S. degree in Civil Engineering from Bradley University in Peoria, Illinois, and a MBA from the University of Alaska Anchorage. He was one of the four founding partners of an architectural, engineering, land surveying and planning firm with offices in Alaska and the Pacific Northwest.

He has represented the Society of American Military Engineers on the Anchorage Post Industrial Liaison Committee, member of the 2006 S.A.M.E. Executive Group and Commissioner to the Alaska Private Industry Council. He was voted Alumni of the Year by Bradley University.

Transportation and Public Facilities
Appointed: 01/12/2007
Reappointed: 05/29/2009
Expires: 06/30/2011

He belongs to the American Society of Civil Engineers and the Alaska Society of Professional Land Surveyors.

Von Scheben was featured in "How to Form a Successful Design/Build Alliance" in the January 2006 edition of the Professional Services Management Journal PSMJ).

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leo.vonscheben@alaska.gov

Mr. John R. Winther
(Public Member)
Appointed: 07/01/2003
Appointed Vice-Chair 8/23/2007
Reappointed: 09/21/2007
Expires: 06/30/2009
Reappointed: 05/29/2009
Expires: 06/30/2011

Member. Vice-Chair.
Mr. Winther was appointed to the Board of Directors on July 1, 2003. He was born in Fairbanks and raised in both Fairbanks and Juneau. He is a lifelong Alaskan who graduated from Lathrop High School and has resided in Petersburg since 1972. John has been in the commercial fishing business for 39 years, owning his own business for 35 of those years. He is currently the managing partner of Prowler Fisheries, based in Petersburg, Alaska, and also owns a crab vessel that fishes the Bering Sea. He is the founder and chairman of Winstar Petroleum; an Alaskan owned independent oil company with acreage on the North Slope. John served as director of Icicle Seafoods from 1980-1992 and also served on the North Pacific Fisheries Management Council from 1983-1989.

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AIDEA's Response to Representative Herron's Office Inquiries Regarding HB 363

1. Comment on advantages and disadvantages of the proposed board make-up:

The advantage of the board composition set out in HB 363 is that AIDEA would have more private sector and industry input into its decision making processes. Moreover, new public members can bring their expertise and business and industry experience to bear when asked to approve a particular loan, authorize the expenditure of funds, or approve the issuance of a bond to finance development. This input makes for better decision making. AIDEA's own solution to gaining more business and industry input as set forth in its Strategic Plan is to setup two new committees of business and industry experts (Business and Technical) to advise the board and management on policy and project investment decisions. An alternative to the advisory board concept would be to add more public members to the Board and then have the full board to appoint subcommittees to explore new policies and work with management on issues and then report back to the board. Either alternative would create a vehicle for creating better public-private partnerships which is the goal set forth in AIDEA's Strategic Plan.

The disadvantage of the board composition as set forth in HB 363 is that its one commissioner configuration would mean that board would lose needed expertise in state economic and infrastructure development. While AIDEA agrees that it is important to the board to have the expertise and experience of the Commissioner of Revenue on the board for his or her experience in finance and investment, AIDEA's mission is broader than these two areas. AIDEA is an economic development finance authority and needs to have a cabinet level officer with knowledge of state economic development policies and directions such as the Commissioner of Commerce, Community and Economic Development.

2. What are the advantages of private sector membership on a board of this nature:

As noted above, the advantage of having private board members on a public economic development finance authority's board is to bring private sector expertise and experience to AIDEA's decision making process. AIDEA makes loans, serves as a conduit for revenue bonds, and finances large scale development projects. It, therefore, can benefit in making its investment and development decisions by utilizing the expertise of knowledgeable business people and industry experts who have a broad base of experience.

It is also important that state sponsored economic development be, in essence, a public/private partnership. Best practices of economic development agencies throughout the United States are to include both public and private persons into the economic development decision process. Some of the best known models for economic development agencies make use of this public/private partnership concept, such as Kentucky's Economic Development Cabinet and the Indiana Development Corporation.

3. What kinds of private sector member qualifications best serve the board:

The best private sector members on an economic development finance corporation, such as AIDEA, are ones that have a broad range of business experience and who understand the role of state funded economic development. This usually will mean persons who have worked with commercial and business development financing, bank financing, commercial real estate development, and local or state sponsored economic development programs in their business careers. An understanding of the various methods of financing projects, as well as a knowledge of Alaska local government and boroughs is also desirable. Board members who have a wide range of experience in natural resource extraction, logistics, energy, tourism and other targeted sectors listed in AIDEA's strategic plan would provide guidance and sound decision making to support AIDEA's missions and measures.

4. Talk about what kinds of decisions the Board makes:

The board is responsible for the governance of the corporation and must approve of and vote on all major loans in which AIDEA participates, as well as approve of all investments in projects financed directly or by the use of bonds. Equally important is that the board is responsible for deciding when and how to divest of currently owned projects and at what price and terms. The board also makes the decisions on how large a reserve AIDEA should have and has to approve all litigation and court settlements.

In corporate governance terms, the AIDEA board hires the executive director to run the day-to-day operations of the Authority, but any organic decisions (i.e. those that could affect the financial position of the corporation or affect its future performance) must have board approval.

As noted above, the AIDEA board runs the agency. While management may make recommendations on these matters, it is the board which must vote to approve them and who has the right to modify or deny proposals put forward by management. The board also establishes all major policies such as AIDEA's recent Strategic Plan. The Board is responsible for adopting regulations used in the operation of all the major programs of the authority.

5. Right now the fishing and high tech/communications industries are represented through the private sector members of the AIDEA board. How would you like to see the board diversified if there were two more private members:

AIDEA currently has two very knowledgeable well-rounded private sector board members with a broad range of business experience and management skills. If more such members were added, AIDEA would suggest that persons be chosen who have financial management experience, commercial and investment banking experience, commercial development experience, financial analyst experience, legal experience, economic development experience or infrastructure experience.

Additionally, board members should probably have experience with local governments, regional development organizations, chambers of commerce and other local economic development stakeholders. It would be desirable to have board members who have experience in natural resource extraction, logistics, energy, tourism and other targeted sectors listed in the Strategic Plan.

6a. Why is there a joint AIDEA/AEA board:

AEA and AIDEA have a shared board because this is mandated by statute.

6b. Any advantages or disadvantages of this:

There is value in having members shared between the AEA and AIDEA boards. AIDEA has bonding authority, which can be utilized to provide financing for large-scale AEA initiatives. AEA alternatively can analyze for AIDEA whether an energy-related development project is feasible. Another example of fruitful agency coordination is that recently AIDEA and AEA submitted a joint application to the Federal Department of Energy which makes use of each authority's expertise.

The main challenge is in finding board members that have the experience and working knowledge in both economic development and energy related fields. Additionally, the AEA board needs to be conversant with AEA's grant programs, as well as with federal Department of Energy funding programs.

SWAMC
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org
Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

March 16, 2010

Representative Kurt Olson, Chair
House Labor & Commerce Committee

Re: Support of HB 363

Dear Representative Olson,

Please accept this letter of support for House Bill 363, which would rearrange the composition of the AIDEA/AEA board membership. Most successful economic development initiatives occur because of strong public/private partnerships, and one of the keys to this success lies in valuable private sector input.

Passage of HB 363 would increase the number of AIDEA's public board members from two to four, with the possibility of a fifth public member currently in the bill's amendment. Raising this level of private sector involvement would lead to more fruitful and informed discussions about current economic conditions and desires among the business community.

AIDEA is meant to promote and advance economic growth and diversification in the state of Alaska. True economic development is best served by private investment and public knowledge and innovation. By changing the board composition to more accurately reflect this sentiment, the state's economic development organization can have a more direct line to industry needs and private sector capacity.

I would urge you to consider the value of HB 363 and what it could mean for the State of Alaska's role in economic development.

Regards,
SOUTHWEST ALASKA MUNICIPAL CONFERENCE

Andy Varner
Executive Director

Southeast Conference

March 16, 2010

Representative Kurt Olson, Chair
House Labor & Commerce Committee
Alaska State Capitol Building
Juneau, Alaska 99801

RE: HB363 "An Act relation to the membership of the Alaska Industrial Development and Export Authority.

Southeast Conference strongly supports House Bill 363. The private sector is the backbone of Alaska's economy. The State economic development process has historically had little private sector input. This legislation will allow flexibility within the makeup of AIDEA to incorporate more private sector participation in State economic development decisions.

Southeast Conference is a private membership organization that works to advance the collective interests of the people, communities, and businesses of Southeast Alaska. It is the Alaska Regional Development Organization (ARDOR), Federal Economic Development District (EDD), and USDA Resource Conservation and Development (RC&D) Council for the region. The Conference's Mission is to help develop strong economies, healthy communities, and a quality environment in Southeast Alaska.

Please adopt HB363 for the future of our communities and our state.

On Behalf of the Board of Directors,

Shelly Wright

Shelly Wright
Executive Director

P.O. Box 21989 612 W. Willoughby Avenue, Suite B, Juneau Alaska 99802
(907) 523-4353 (907) 463-5670 Fax info@seconference.org
www.seconference.org

3928

The Entrepreneurs and Mentors Network Inc.
Mentors empowering Entrepreneurs

Colin V. Palmer
Executive Director
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colinvpalmer@yahoo.com

Allan R Johnston
Chief Encouragement Officer
(907) 727-1187
allanrjohnston@yahoo.com

March16th, 2010

Re: House Bill 363 AIDEA Board

Representative Kurt Olson, Chair
House Labor & Commerce Committee
Juneau, Alaska

Dear Representative Olson,

Please accept this letter of support for HB 363. I believe that AIDEA needs to become more proactive in evaluating and implementing new programs to nurture innovation and entrepreneurship in Alaska. We are the only state that doesn't have an organized Angel Investor network. We are one of only a few states that doesn't have a Small Business Investment Corporation, a business incubator or a business accelerator. Including more private sector experts with been-there-done-that experience will significantly enhance AIDEA's opportunity in identifying our financial infrastructure problems and addressing our needs.

If the Milken Risk Capital and Entrepreneurial Infrastructure Composite Index were considered a reasonable proxy of our Aspiration Index, which I believe that it does, then Alaskans are in last place nationally in dreaming dreams for our own destiny. AIDEA should be a more important and relevant player in addressing this problem. If we do not see our last place standing as a problem then there is no solution. I believe a more private sector oriented AIDEA Board would be more effective in diversifying the Alaska economy and empowering innovative entrepreneurs.

Respectfully,

Allan R. Johnston
Chief Encouragement Officer
The Entrepreneurs and Mentors Network Inc

The Entrepreneurs and Mentors Network Inc.

Mentors empowering Entrepreneurs

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Executive Director

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State Technology and Science Index

Enduring Lessons for the Intangible Economy
June 2008

Risk Capital and Entrepreneurial Infrastructure Composite Index

This measures the stock of capable entrepreneurs and risk capital available to support the conversion of research into commercially viable technology products and services. Eleven indicators are included in this Composite Index, listed at the bottom of this page. Click on an indicator to see further data comparisons at the individual indicator level.

Select a Composite | Select a State

2006			2004			2002		
State	Rank	Average Score	State	Rank	Average Score	State	Rank	Average Score
Nebraska	44	38.60	Alabama	44	30.22	Alaska	44	29.33
Montana	45	38.57	Iowa	45	28.67	Kentucky	45	27.56
North Dakota	46	36.25	Montana	46	27.56	Wyoming	46	27.33
Iowa	47	34.22	Alaska	47	24.67	Arkansas	47	18.44
West Virginia	48	32.18	Kentucky	48	23.78	West Virginia	48	18.00
Mississippi	49	30.40	Mississippi	49	22.22	South Dakota	49	15.33
Alaska	50	21.71	North Dakota	50	16.22	North Dakota	50	9.78

Average Annual SBIC Funds Disbursed per $1,000 of GSP

Increase in Number of Companies Receiving VC Investment

IPO Proceeds as Percent of GSP

Number of Business Incubators per 10,000 Business Establishments

Number of Business Starts per 100,000 People

Number of Companies Receiving VC Investment per 10,000 Business Establishments

Patents Issued per 100,000 People

Total Venture Capital Investment Growth

VC Investment in Clean Technology per $1,000 of GSP

VC Investment in Nanotechnology per $1,000 of GSP

Venture Capital Investment as Percent of GSP

http://www.milkeninstitute.org/tech/tech.taf?sub=rcic

P.O. Box 244821, Anchorage, Alaska 99524-4821
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HB

365

<target><bill>HB 365</bill><subject>HB
365</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/12/10

Finance Committee considered HOUSE BILL NO. 365

HB 365 FISH PROCESSOR FEES, LICENSES, RECORDS

"An Act relating to sharing records regarding fish purchased by fish processors with certain federal agencies, to requirements to obtain and maintain a fisheries business license, and to payment of industry fees required of fish processors; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[X] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DFG	3/5			✓	1
REV	3/8			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins			X	
	Thomas			✓	
	EGAN				
	GLSON			—	
	ELLIS			✓	
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 365
(H) Publish Date: 3/17/10

Identifier (file name): HB365-REV-TAX-03-08-10
Dept. Affected: Revenue
Title: Fish Processor Fees, Licenses, Records
RDU: Taxation and Treasury
Component: Tax Division
Sponsor: Representative Millett
Requester: (H) Fish Special Committee
Component Number: 2476

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

See Attached.

Prepared by: Tim Cottongim, Revenue Audit Supervisor
Phone (907) 465-3695
Division: Tax Division
Date/Time 03-08-10; 3:24pm
Approved by: Ginger Blaisdell, Director
Date 03-08-10; 4:41pm
Administrative Services Division

(Revised 11/6/2009 OMB)

3933

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. HB 365

ANALYSIS CONTINUATION

Bill Language:

This bill authorizes the department to withhold issuing a fisheries business license to applicants that fail to pay industry fees levied by NMFS under a fishing capacity reduction program.

Revenues:

The provisions of this bill will have no impact on tax collections.

Expenditures:

The provisions of this bill could be implemented with existing state resources. No additional personnel or resources would be needed.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 365
(H) Publish Date: 3/17/10

Identifier (file name): HB365-DFG-CFEC-03-05-10
Dept. Affected: Fish and Game
Title: An Act relating to sharing records regarding fish purchased by
RDU: Comm Fisheries Entry Commission
Component: Comm Fisheries Entry Commission
Sponsor: Representative(s) MILLETT, P. Wilson, Munoz
Requester: House Fisheries Committee
Component Number: 471

Expenditures/Revenues (Thousands of Dollars)

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

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

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

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

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

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

Prepared by: Shirley Penrose, Administrative Officer
Phone 907-790-6960
Division: Commercial Fisheries Entry Commission
Date/Time 3/5/10 7:17 AM
Approved by: Frank M. Homan, Chairman
Date 3/5/2010
Comercial Fisheries Entry Commission

(Revised 10/13/2009 OMB)

3935

Representative Charisse Millett

Session
State Capitol Building, Room 412
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Anchorage LIO
716 W 4th Ave., Room 630
Anchorage, AK 99501
Phone (907) 269-0222
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House Bill 365 – Fish Processor Fees, Licenses, and Records

Version 26-LS1413/A, February 3, 2010
STAFF: Genevieve Wojtusik, 465-4937

SPONSOR STATEMENT

HB 365 will enable fisheries that have elected to pursue a capacity reduction (permit buyback) program to have the legal mechanism in place to ensure proper accounting of the transactions involved. The steps taken by this bill are procedural in nature.

Policy regarding capacity reduction through self- imposed fee collections have already been made in both state and federal statute. While allowing the National Oceanic & Atmospheric Administration (NOAA) and the National Marine Fishery Service (NMFS) access to fish ticket data held by the state to monitor loan repayments, this bill puts the final pieces together so that fishermen can decide on their participation based on a complete program.

Fleet capacity reduction programs are mechanisms that allow for stabilization of effort within a fishery. They are intended to ensure the long-term economic sustainability of the fishery by addressing the problem of over-capitalization. Based on the pilot program, 80% of permits bought back were non-resident. Alaska's legal framework for these programs ensures that they are:

FISHERY SPECIFIC - by requiring an affirmative vote of the registered and licensed permit-holding fishermen in the fishery in question. This process is spelled out in AS 43.76.230-270, statutes that were generated by the Joint Legislative Salmon Industry Task Force in 2002. The concept behind that legislation was that each fishery in Alaska has its own specific set of economic

factors, and therefore the participants should have the right of group self-determination in legally meeting the challenges of their fishery. This legislation will not affect any fishery that does not meet the previously established guidelines for capacity reduction.

SELF-FUNDED - In the case of the Southeast Alaska Purse Seine fishery, for example, the fishermen will have to agree to a self-assessment of 3% on each sale of fish they catch to cover the costs of the program.

VOLUNTARY - only fishermen who choose to sell their permits may do so. There is no effort to force any fishermen out of the fishery.

HB 365 does not affect any of the previously enacted pieces of the program. It simply enables the federal NMFS and the state Commercial Fisheries Entry Commission (CFEC) to share required information from the fish tickets (receipts for fish delivery transactions) in order to monitor loan repayments. It also requires processors to remit the fees to NMFS, using the same method as is already in practice for remission of the Alaska Salmon Enhancement Tax.

This legislation takes care of the final procedural hurdles to enable permit capacity reduction programs to go forward in any fishery that chooses to pursue that option and passes the other strict statutory requirements.

House Bill 365 is supported by the Southeast Seiners' Association, the United Fishermen of Alaska, and the Alaska Commercial Fishery Entry Commission.

Representative Charisse Millett

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Juneau, AK 99801
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SECTIONAL ANALYSIS

House Bill 365 – Fish Processors Fees, Licenses, and Records

Version 26-LS1514\A, February 23, 2010
STAFF: Genevieve Wojtusik, 465-4937

SECTION 1: Amends AS 16.05.815(a) by adding to the list of information items which may be released by the Department of Fish & Game and by the Alaska Commercial Fisheries Entry Commission. It adds fish ticket information, records, and reports of the total value purchased by each fisherman, buyer, or processor, and makes it available to the National Marine Fisheries Service. This strengthens the NMFS position as loan guarantor of the fleet reduction loan program.

SECTION 2: Amends AS 43.75.020(a) by adding a subsection which provides that an applicant for a fishery business license agrees to pay the 3% fee levied under the fleet reduction program.

SECTION 3: Amends AS 43.75.020(b) by adding final administrative determinations of the National Marine Fisheries Service to the list of judgments or determinations which, if not received by the Department, will not prevent the issuance of a fishery business license to an applicant.

SECTION 4: Provides for an immediate effective date.

MEMORANDUM OF UNDERSTANDING

The Southeast Revitalization Association ("SRA") has entered into the following understanding with the undersigned seafood companies:

1. AS 16.40.250 allows permit holders in a salmon fishery to form non-profit associations for the purpose of promoting consolidation or reductions in the number of limited entry permits in a fishery for which the Commercial Fisheries Entry Commission ("CFEC") has issued limited entry permits.

2. The SRA is a duly qualified salmon fishery association under AS 16.40.250 and was organized for the express purpose of developing and implementing a consolidation plan for the Southeast purse seine salmon fishery.

3. Congress under Public Law 108-447, section 209 of the Consolidated Appropriations Act of 2005 amended the Magnuson-Stevens Act ("MSA") making the SRA eligible under a federal buyback loan program established under the U.S. Department of Commerce and administered through the National Marine Fisheries Service ("NMFS").

4. The SRA has developed a draft consolidation or fishing capacity reduction plan ("plan") for the fishery and has submitted that draft plan for approval by the Secretary of Commerce and then NMFS publication of rules to implement the plan.

5. The undersigned seafood companies have expressed concerns that the plan may unnecessarily result in the purchase and relinquishment of too many permits. This occurrence could result in too few fishermen and vessels operating and the potential to reduce the amount of salmon that could be purchased from fishermen by these companies.

6. To address these concerns, the SRA will revise the plan now under NMFS review to provide the following:

   The SRA will amend the plan to provide that under no circumstances will the SRA accept a bid that upon final implementation of the plan could result in fewer than 260 permits remaining in the fishery.

7. The NMFS has indicated it will consent to the proposed plan amendment to limit the number of permits that can be purchased and ultimately relinquished. However, it voiced a cautionary note that the plan is subject

to further review by legal counsel, the Office of Financial Management and Budget and others, which could cause further changes to the plan, including deletion of the proposed limit on the minimum number of permits that would remain in the fishery.

8. The SRA will maintain the position that limiting the number of permits to be purchased and relinquished under the amended plan to 260 is wholly consistent with the MSA, Section 312(b)(2) requirement to achieve the maximum sustained reduction in fishing capacity at the least cost.

9. The undersigned seafood companies agree to support passage of SB 255 and HB 365, as introduced, under the condition that the attached Letter of Intent, or a mutually acceptable revised version of it, is adopted and passed with the legislation by the Alaska Legislature

Southeast Revitalization Assoc.
Rob Zuanich, Manager

3-30-10
Date

Ocean Beauty Seafoods
Mark Palmer, President

3/31/10
Date

Trident Seafoods
Joe Plesha, Chief Legal Officer

3/29/10
Date

Attachment: Legislative Letter of Intent for HB365 / SB255

STATE OF ALASKA
COMMERCIAL FISHERIES ENTRY COMMISSION

SEAN PARNELL, GOVERNOR

8800 GLACIER HWY, #109
P.O. Box 110302
JUNEAU, AK 99811-0302

(907) 789-6150 Licensing Calls
(907) 789-6160 Other Business
(907) 789-6170 FAX
(907) 789-6180 BBS

INTERNET: www.cfec.state.ak.us

March 2, 2010

Representative Charisse Millett
Alaska House of Representatives
State Capitol, Room 412
Juneau, AK 99801-1182

Re: HB 365, Fish Processor Fees, Licenses, and Records

Dear Representative Millett:

Thank you for the opportunity to respond to your inquiry regarding HB 365, Fish Processor Fees, Licenses, and Records.

HB 365 is a continuation of a program established by the Alaska State Legislature in 2002 allowing Salmon Fishery Associations (AS 16.40.250) formed by fishermen for the purpose of promoting fleet consolidation and capacity reduction. That legislation (HB 286-2002) encourages the Commissioner of the Alaska Department of Fish and Game to assist fishermen in the formation of these associations among the various Alaska salmon fisheries. In 2006, the Alaska State Legislature modified AS 16.43.330 through HB 484 to allow reimbursement to Salmon Fishery Associations in the unlikely event the State of Alaska, through the Commercial Fisheries Entry Commission, issued more limited entry permits into a salmon fishery that has an outstanding loan for fleet consolidation and capacity reduction.

HB 365 is simply an accounting procedure modification to make the program operate more efficiently and allow the lender to monitor the capacity reduction loan repayment. It does not change the program established in 2002 in any way.

The Southeast Revitalization Association (SRA), the fishermen's association formed by the SE Alaska Salmon Purse Seine fleet under the 2002 legislation, is close to receiving federal funding in the form of a loan through the National Marine Fisheries Service (NMFS) to carry out the purposes of the Salmon Fishery Association legislation. NMFS will provide a long term loan to SRA to be paid back by Southeast salmon seine fishermen from future salmon harvests. NMFS requires a mechanism to be able to monitor the loan payback. HB 365 provides that mechanism.

HB 365 will allow NMFS access to confidential state records and reports through an exception to AS 16. 05. 815 (a) (Confidential nature of certain reports and records). This is not an unusual request since a dozen other exceptions have been granted in statute, including NMFS but for purposes of fishery management and enforcement. This legislation is necessary since it is the State of Alaska that maintains the fish ticket harvest data and fish processor annual reports. This exception will provide

assurance to NMFS that they are receiving the proper repayment of their loan. Similarly a requirement is added to AS 43.75.020(a), the Alaska Fisheries Business License, that the applicant in addition to other conditions, agrees to pay the fee assessment collected from the Southeast seine fleet to NMFS.

The original legislation in 2002 was supported by the Alaska fishing community and had overwhelming legislative support in both the House and Senate, as did the 2006 modification. This support stemmed from the fact that the program was initiated by fishermen for fishermen, it is a voluntary program (no one will be forced to sell their limited entry permit), the program requires a majority vote of all the fishermen to implement the loan agreement, the fishery association will have access to federal funds through the Magnuson-Stevens Fishery Conservation and Management Act, there is little State expense or administration, the State maintains all its responsibility to manage its fisheries in the future should conservation or economic conditions change, and the program has had a history of legislative support.

We have been pleased to work with the SRA on the establishment of their association and the success of their pilot program in 2008 which resulted in the buyback of 35 limited entry permits in the SE Alaska salmon purse seine fishery.

With the passage of HB 365 we look forward to a continuous working relationship with SRA and the Alaska fishing community.

Thank you for the opportunity to provide these comments.

Sincerely,

Frank Homan, Chairman
Peter Froehlich, Commissioner
Bruce Twomley, Commissioner

2/2010

CAPACITY REDUCTION PROGRAM FOR THE SOUTHEAST ALASKA PURSE SEINE SALMON FISHERY

By Southeast Revitalization Association

SUMMARY: State and federal legislation authorized this fishing capacity reduction program for the Southeast Alaska purse seine salmon fishery. The program will reduce fishing capacity by permanently relinquishing permits, promote economic efficiency, improve flexibility in the conservation and management of the fishery and obtain the maximum reduction in permits at the least cost.

The program is voluntary and only permit holders of the fishery are eligible to participate. Participating permit holders must abide by the terms and conditions of the program set forth in the Bid Agreement and, if their bid is accepted, a Relinquishment Contract ("Contract") with the Southeast Revitalization Association (SRA) and the Alaska Commercial Fisheries Entry Commission (CFEC). The aggregate of all Bid Agreements and Contracts signed by permit holders whose bids are accepted, will together with supporting rationale, constitute the Reduction Plan ("Plan") to be submitted to the Secretary of Commerce ("Secretary") for approval. Permit holders participating in the program will receive up to $23.5 million in exchange for relinquishing permits.

To obtain the maximum capacity reduction at the least cost, SRA will use reverse auction procedures to rank and determine which bids to accept. If bids are accepted, the SRA will accept the bid with the lowest dollar amount and successively accept each additional bid with the next lowest dollar amount until it either elects not to accept a bid, there are no more bids to accept, or acceptance of the last bid with the next lowest dollar amount would cause the total cost to exceed $23.5 million. The SRA may conduct one or more separate auctions before determining whether the number of bids it elects to accept is sufficient to submit a Plan.

Following SRA submission of the Plan and approval by the Secretary, National Marine Fisheries Service ("NMFS") will conduct a referendum to determine the willingness of the permit holders to repay a fishing capacity reduction loan ("loan") to finance the Plan. A majority vote of all permit holders in favor would bind all permit holders. NMFS will issue a $23.5 million, 40-year loan to be repaid by those permit holders who continue operations in the fishery after implementation of the Plan.

In the event the aggregate amount of all accepted bids is less than $23.5 million, the remaining loan funds would be available for reduction payments as part of a later SRA submitted Plan, subject to approval by the Secretary, and after a successful referendum by the permit holders.

1. **Statutory Background**: The authority for the SRA to conduct the program is Alaska Statute 16.40.250. The program was established under the Consolidated Appropriations Act of 2005 (Act) authorizing the (NMFS) to establish up to a $50 million loan to finance the program and appropriated $500,000 for the cost of the loan. That law was subsequently amended by Section 121 of the Magnuson-Stevens (MSA) Reauthorization Act of 2006 (Public Law 109-447) reducing the loan amount to no more than $25 million and clarifying the respective roles of NMFS and SRA relative to development and implementation of the program. The sum of $235,000 was later appropriated for the cost of guaranteeing the loan amount. The authority for making the loan is sections 1111 and 1112 of the Merchant Marine Act, 1936. NMFS will implement the industry fee system to repay the loan under section 312(d)(2) of the MSA.

2. ***Purpose***. The program will reduce fishing capacity by permanently relinquishing permits, promote economic efficiencies, improve flexibility in the conservation and management off the fishery and obtain the maximum reduction in permits at the least cost by establishing reverse auction bidding procedures under the Plan.

3. ***Definitions.*** Unless otherwise defined, the following terms have the following meanings for the purpose of this program.

Acceptance means SRA acceptance of a bid.

Act means section 209 of Title II of Division B of Public Law 108-447 as amended by section 121 of Public Law 109-447.

Bid means a bidder's irrevocable offer under the Bid Agreement to relinquish a permit.

Bid Agreement means the form identifying the eligible bidder, procedures for the completion and submission of a bid; requirements upon acceptance of a bid and resulting relinquishment of the permit, and any other necessary implementation.

Bid Amount means the dollar amount of each bid by which SRA determines in what order to rank and potentially accept bids.

Final Plan means the aggregate of all Bid Agreements, Commercial Fisheries Entry Commission ("CFEC") documents, Relinquishment Contracts, and supporting documents and rationale; submitted to the Secretary for approval.

Conditional Notice means the CFEC form that any permit holder must sign and agree to abide upon submission of a Bid Agreement.

Conditional Relinquishment means the CFEC form that any permit holder agreeing to relinquish a permit must sign and agree to abide by upon SRA acceptance of the bid.

Fishery means the commercial taking of salmon with purse gear within the Southeast Alaska administrative area as defined under Title 5 Alaska Administrative Code Section 33.100.

Permit means a valid entry permit issued by CFEC to operate in the fishery.

Permit Holder means an individual at the time of bidding is the holder of record of a permit.

Relinquishment Contract means the contract that any permit holder agreeing to relinquish a permit pursuant to Alaska Statute (A.S. 16.43.150(i) must sign and agree to abide by upon acceptance of the bid, and before payment of the bid amount.

Secretary means the Secretary of Commerce or a designee.

Southeast Revitalization Association (SRA) is a qualified fishery association authorized to develop and implement this capacity reduction program under Alaska Statute 16.40.250 and federal law.

4. Eligibility and Application of permit holders

(a) Notification. A copy of the Bid Agreement, CFEC Conditional Notice and Conditional Relinquishment forms, and the Contract shall be mailed to each permit holder.

(b) Application. Any permit holder may apply to participate in the program, by submitting a fully completed and executed, Bid Agreement, including the necessary CFEC forms and the Contract.

5. **Withdrawal:** By submitting a completed and executed Bid Agreement, the person makes an irrevocable offer to relinquish a permit. No person, once having submitted the Bid Agreement, is entitled to withdraw or in any way amend the Bid Agreement.

6. Bid—(i) Binding agreement. A submitted Bid Agreement shall be an irrevocable offer to relinquish the permit for the bid amount, contingent on such offer being accepted by SRA. A bid that is submitted by the permit holder, but is not accepted by SRA, shall be deemed terminated and both the permit holder and SRA shall have no further obligation with respect to Bid Agreement.

***(ii)* Bid Content**. The submitted Bid Agreement shall include the following information: name, address, telephone number and (if available) electronic mail address of the submitting permit holder; permit number and whether any authorized party holds a security interest in the permit.

(iii) ***Bid submission.*** Any permit holder may submit a Bid Agreement. If a permit holder holds a second permit, such permit holder may, but is not required to submit a Bid Agreement for such second permit. Each application must be submitted to the SRA, c/o Elgee, Rehfeld, Mertz, LLC, Professional Plaza Building B, 9309 Glacier Highway, Suite B-200, Juneau, AK 99801.

(iv) **Validity of Bid.** SRA in consultation with CFEC shall examine each Bid Agreement for consistency and the necessary elements. SRA shall notify the permit holder if the Bid Agreement is non-conforming. In such cases, the permit holder may submit a revised, conforming Bid Agreement if within the prescribed period.

7. Warranty. By submitting a Bid Agreement, the permit holder warrants and represents that the permit holder has read and understands the terms of the Bid Agreement, Contract, CFEC forms, and has had the opportunity to seek independent legal counsel regarding such documents and the consequences of submitting the Bid Agreement.

8. Bids—(i) Ranking. *The* SRA shall rank bids by using a reverse auction in which the SRA ranks the bid with the lowest dollar amount and successively ranks each additional bid with the next lowest dollar amount until there are no more bids or the ranking of the next lowest bid would cause the total program cost to exceed $23.5 million.

(ii) Acceptance and Post-acceptance transfers. Upon expiration of the bid closing date the SRA will determine whether the number of ranked bids it is willing to accept is sufficient to achieve a substantive reduction in harvest capacity and increased economic efficiencies for those permit holders remaining in the fishery. If the SRA makes such a determination and thereafter accepts bids, SRA will send *CFEC* the Conditional Notice form restricting transfer of the permit to any person whose bid was accepted.

9. Submission of Plan, including repayment. The aggregate of all Bid Agreements, the CFEC forms and Contracts will, together with supporting documents and rationale, constitute the Plan to be submitted to NMFS for final approval on behalf of the Secretary. The Plan shall identify as the proposed capacity reduction, the permits identified in the Bid Agreements.

10. **Selection of fishing capacity to be removed by Plan.** The fishing capacity removed under the Plan will be the permits voluntarily offered by permit holders and accepted by SRA up to an aggregate amount of $23.5 million.

11. Approval of the Plan. The criteria for NMFS, on behalf of the Secretary, to approve any Plan must include a finding by the Administrator of NMFS that the Plan is consistent with the Act and MSA, and that it will result in the maximum reduction in permits and fishing capacity at the least cost and in the minimum amount of time.

12. Referendum. NMFS will conduct a referendum to determine the permit holder's willingness to repay a fishing capacity reduction loan to purchase the permits identified in the Plan. A successful referendum by a majority of the permit holders will bind all parties and complete the reduction process.

13. Reduction Payments. Within 60 days of a successful referendum and CFEC receipt of the Contract, SRA through the Secretary will tender the accepted bid amount.

14. Later Pan The SRA may accept a total number of bids in an aggregate amount less than $23.5 million. If this occurs, any remaining funds would be available for reduction payments as part of a later Plan.

15. Reduction Loan —(i) Term. As authorized by the Act, the capacity Reduction Loan ("Loan") shall be amortized over a forty (40) year term. The Loan's original principal amount may not exceed $23.5 million, but may be less if the ultimate reduction cost is less. NMFS has promulgated framework regulations generally applicable to all fishing capacity reduction programs and the Loan shall be subject to the provisions of these regulations.

16. Loan Repayment Permit holders operating in the fishery shall be obligated to pay the fee in accordance with the regulations. Permit holders acknowledge that in the event payments made under the Plan are insufficient to pay the actual Loan, the term of the repayment shall be extended by NMFS until the Loan is paid in full.

(i) Interest. The Loan's interest rate will be the U.S. Treasury's cost of borrowing equivalent maturity funds plus 2 percent. NMFS will determine the Loan's initial interest rate when NMFS borrows from the U.S. Treasury the funds with which to disburse the reduction payments. The initial interest rate will change to a final interest rate at the end of the Federal fiscal year in which NMFS borrows the money from the U.S. Treasury. The final interest rate will be 2 percent plus a weighted average, throughout the fiscal year, of the U.S. Treasury's cost of borrowing equivalent maturity funds. The final interest rate will be fixed, and will not vary over the remainder of the reduction loan's 40-year term. The Loan will be subject to a level debt amortization. There is no prepayment penalty.

(ii) **Fees**. The Loan shall be repaid by fees collected from the remaining permit holders operating in the fishery.

(A) The fee will be expressed as a percentage of the ex-vessel price of all salmon harvested and landed in the fishery. For example, if the fee is 3% and the ex-vessel weighted average round price is $0.50, then the fee per pound of salmon will equal to $0.015 per pound.

(B) Fees must be assessed and collected on all salmon harvested in the fishery. Although the fee could be up to 3 percent of the ex-vessel price of all post-reduction landings, the fee will be less than 3 percent if NMFS projects that a lesser rate can amortize the Loan over the 40-year term.

(C) It is possible that the fishery may not open during some years. Consequently, the fishery will not produce fee revenue with which to service the Loan during these years. However, interest will continue to accrue on the principal balance. When this happens, if the fee is not already at the maximum 3 percent, NMFS will increase the fee to the maximum 3 percent, apply all subsequent fee revenue first to the payment of accrued interest, and continue the maximum fee rates until the principal and interest payments become current. Once all principal and interest payments are current, NMFS will make a determination about adjusting the fee rate.

(D) **Collection.** The permit holder or the person who purchases and processes the salmon landed in the fishery shall be responsible for collecting and submitting the fees to NMFS.

(E) **Record keeping and Reporting**. The permit holder or the person who purchases and processes the salmon landed in the fishery shall be responsible for compliance with the applicable record keeping and reporting requirements.

17. Enforcement/Specific Performance. The parties to the Contract have agreed that the opportunity to develop and submit a capacity reduction program for the fishery under the terms of the Act is both unique and finite. The failure of a permit holder whose bid was accepted to perform the obligations under the Contract will result in irreparable damage to the SRA and the permit holders upon submittal of the Plan to the Secretary for approval. Accordingly, the parties to the Contract expressly acknowledge that money damages are an inadequate means of redress and agree that upon failure of the permit holder to fulfill his obligations under the Contract that specific performance of those obligations may be obtained by suit in equity brought by the SRA in any court of competent jurisdiction without obligation to arbitrate such action.

8/2008

SOUTHEAST REVITALIZATION ASSOCIATION

FLEET CONSOLIDATION PROGRAM FOR THE SOUTHEAST ALASKA PURSE SEINE SALMON FISHERY

SUMMARY:

The Southeast Revitalization Association ("SRA") a qualified fishery association under Alaska state law, established and implemented a fleet consolidation program for the Southeast Alaska purse seine salmon fishery.[1] The program utilized a reverse auction system to achieve the greatest consolidation or permit reduction with the available $2,872,746 in federal grant funding[2]. The program allowed for the purchase and relinquishment of 35 permits or 8.4% of all permits at an average cost of $82,020.

STATUTORY AND REGULATORY AUTHORITY:

The statutory authority for SRA to conduct the program is Alaska Statute ("AS") 16.40.250. The program was financed through Pacific Coast Salmon Recovery Fund (PCSRF) dollars designated to SRA under the Consolidated Appropriations Act of 2006 (P.L. 109-108) and related Commerce, Justice, State Conference Report. The authority for relinquishing limited entry fishing permits is AS 16.43.150(1).

RATIONALE:

The Alaska Legislature enacted legislation in 1973 establishing a system for limiting the number of individuals participating in commercial salmon fisheries. The Commercial Fisheries Entry Commission ("CFEC") was also created to implement and administer the "limited entry" system. CFEC determined that 415 was the optimal number of permits (and vessels) for the fishery. For the period 1992-2001 an average of 364 or almost 90% of the permits were fished each

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[1] A potential second and separate consolidation program has also been enacted for the fishery. Under this program permit holders would receive up to a $23.5 million in exchange for relinquishing permits. Following submission of a consolidation plan by SRA and approval by the Secretary of Commerce, the National Marine Fisheries Service (NMFS) would conduct a referendum to determine the willingness of permit holders remaining in the fishery to repay the loan to effect the second program. A majority vote of all permit holders in favor would bind all remaining permit holders to repay the loan. NMFS would issue a 40-year loan and establish a fee system for repayment of the loan not to exceed three percent (3.0%) of the ex-vessel of all salmon harvested in the fishery.

[2] Initially, the SRA was scheduled to receive an additional $1 million in PCSRF grant funding. Unfortunately, the State of Alaska and ADF&G reallocated the dollars to Southeast salmon processors to promote canned pink salmon sales.

year. By 2003 participation had fallen to only 210 and in 2007 active participation was no greater than 230.

The dramatic decline was not attributable to resource depletion or excessive vessel capacity, but rather to the dramatic reduction in ex-vessel salmon prices caused by competition from imported farm salmon[3]. Historically, 83% of the Southeast seine harvest is pink salmon. In 1988 the ex-vessel price of pink salmon reached $.88 per pound and then dropped precipitously. For the period 1992-2001 the average price fell to only $.19 per pound. The 2002 price plummeted to $.10 and in 2003 to a mere $.08. Ex-vessel prices rebounded slightly in 2007, but are still far below levels necessary to ensure an economically viable fishery.

The fall in salmon prices, higher operating costs and related consolidation in the processing sector, triggered a call for commensurate consolidation in the Southeast seine fleet. This was a difficult decision. However, it was almost universally recognized that if everyone stays in the fishery, no one will be profitable and the fishery will continue to teeter on economic collapse. Responding to this need, the Legislature under AS 16.40.250 authorized the formation of qualified salmon fishery associations for the purpose of reducing or consolidating a salmon fishery for which CFEC has issued limited entry permits.

GOALS:

The program sought to 1) reduce fishing capacity by permanently revoking a substantial number of permits, 2) promote economic efficiency, 3) improve flexibility in the conservation and management of the fishery and 4) obtain the maximum reduction in permits at the least cost.

DESIGN:

The program was voluntary and all permit holders of the fishery were eligible to participate. To maximize consolidation, the SRA designed a consolidation plan utilizing reverse auction bidding procedures. The SRA then consulted with CFEC to establish program requirements relating to notification, bidding procedures, method of payment and administration. The SRA mailed the consolidation plan to all permit holders on April 7, 2008 and published notice of the plan in various Southeast newspapers.

[3] In 1992 imports of farmed salmon began to seriously impact the U.S. market and ex-vessel prices paid Alaska salmon fishermen. Encouraged by U.S. free trade policy, these imports ultimately flooded the U.S. and then Japanese markets. Today farmed salmon accounts for over 70% of the worldwide market while Alaska salmon accounts for less than 15% of the market.

ADMINISTRATION:

The program was administered by the SRA Manager and Board of Directors. The SRA also utilized the services of the Southeast Alaska Seiners Association ("SEAS") and the Purse Seine Vessel Owners Association ("PSVOA"). Program administration was conducted consistent with the Statement of Work filed with the Alaska Department of Fish & Game ("ADF&G") as part of the PCSRF grant process. The SRA retained the CPA firm of Elgee, Rehfeld, Mertz, LLC, in Juneau, Alaska to receive and log bid applications. The SRA Manager processed the accepted bids and handled the logistics of permit purchasers and ultimate relinquishment of permits by CFEC. Decisions regarding the maximum purchase price and acceptance of a bid were made by the SRA Board. Legal consultation was provided by PSVOA and CFEC.

ADMINISTRATIVE COSTS:

The ADF&G Statement of Work proposed that the SRA receive $42,500 to administer the program. [4] However, upon the withdrawal of bids and subsequent acceptance of higher bids the SRA elected to forego all administrative fees and expenses to maximize the number of permits purchased.

IMPLEMENTATION:

Licenses Available:
The number of permits eligible for 2008 renewal was 415.

Number of Bids Submitted and Accepted:
82 bids were submitted for the cumulative amount of $9,642,994. Individual bid amounts ranged from $44,000 to $700,000. The SRA Board initially accepted 35 bids for a cumulative amount of $2,798,115. Certain accepted bidders later withdrew their bid and upon withdrawal the SRA Board selected the next highest bid amount. The SRA ultimately purchased 35 permits, but for the increased cumulative amount of $2,870,355[5]. The accepted bid amounts ranged from $55,000 to $94,950.

Number of Permits Relinquished:
The program purchased a total of 35 permits or 8.4 % of all permits. These permits were then relinquished and revoked by CFEC pursuant to the terms and conditions of a "Relinquishment Contract" executed by the accepted bidders.

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[4] ADF&G received $86,183 to administer its portion of the program.

[5] The PCSRF is a reimbursement only grant program. That is, SRA was first required to expend funds before seeking reimbursement. To initiate the program, the SRA borrowed $1.4 million from the Seine Vessels' Reserve, a for profit affiliate of PSVOA. This loan was made without interest and was subsequently repaid.

Identification of Accepted Bidders:
An alphabetical list of the 35 bidders, including the permit number and state of residency follows:

Last	First	Residency[6]	Permit #
Ancich, Jr.	Peter	CA	S01A57650E
Anderson	Norman	WA	S01A55309W
Babich	Randall	WA	S01A57232I
Bozanich	Tony	WA	S01A58439
Burdett-Gross	Jared	AK	S01A56465W
Buttle	Teddy	WA	S01A61889
Cresswell	Bruce	WA	S01A55420U
Dontos	Larry	WA	S01A56486K
Engblom	Larry	WA	S01A56841Q
Gilbert	Daniel	WA	S01A58994O
Hanson	Audrey	WA	S01A58949M
Hisaw	Edmond	WA	S01A60531E
Hooper	George	WA	S01A57908F
Jacobs	Mary	AK	S01A60278P
Janovich	Doris	WA	S01A61603C
Kjarstad	Arnie	WA	587693
Krigbaum	Gilbert L.	WA	S01A56694P
Kyle	James	WA	S01A5922OX
Lovrovich	Pauline	WA	S01A57227W
Lovrovich	Tom	WA	S01A58181U
Manos	William	CA	S01A61626A
Maricich	Roy	WA	S01A55069I
McVicker	Lee Ann	AK	S01A59504X
Meiners Jr.	Herman M.	AK	S01A639855
Menten	Erik	WA	S01A57486J
Quarterman	Robert	WA	S01A58864M
Ranniger	Royce	AK	S01A58341V
Riggs	Darrell	AK	S01A58413V
Schonberg	Paul	WA	S01A61461M
Stager	Frederick	AK	S01A56039N
Stroup	Rex	WA	S01A65976L
Vitalich	Janet	WA	S01A61538Z
Wartman	Sharon	WA	S01A55040
Wells	Douglas	WA	S01A55235M
Weynands	Mark	WA	S01A57229H

[6] Eighty percent (80%) of the accepted bidders (and permits relinquished) were held by non-Alaskan residents.

REVENUE & EXPENDITURES

The following is a summary of SRA program revenue and expenditures as of August 1, 2008:

SRA BALANCE SHEET

REVENUE		
PCSRF GRANT FUNDS	$	2,872,746
PSVOS/SEAS LOAN[7]		11,714
TOTAL		**2,884,460**
EXPENDITURES		
PERMIT PURCHASES	$	2,870,355
ELGEE REHFELD MERTZ		3,447
PUBLICATIONS[8]		1,789
SMS, INC[9]		3,423
EXPRESS MAIL		630
TRAVEL		3,966
PHONE		485
BANK FEES		365
TOTAL		**2,884,460**

[7] PSVOA and SEAS jointly loaned the SRA this amount to allow the entire grant to be applied toward the purchase of permits.

[8] The SRA published notice of the program in the Juneau Empire, Sitka Sentinel, Petersburg Pilot, Wrangell Sentinel and Ketchikan Daily

[9] SRA contracted with SMS, Inc, a for profit affiliate of PSVOA, to coordinate mailings to permit holders and payments to accepted bidders.

WWWBITP-A State of Alaska 2010-01-14
Commercial Fisheries Entry Commission
Basic Information Table
S 01A SALMON, PURSE SEINE, SOUTHEAST

Year		Residency	Permanent Permits Renewed	Interim Permits Issued	Total Permits Issued/ Renewed	Total Permits Fished	Total Pounds	Average Pounds	Total Gross Earnings	Average Gross Earnings	Average Permit Price
2008	*	Resident	187	0	187	113	41,115,902	363,858	$21,058,568	$186,359	
		Nonresident	193	0	193	99	40,262,245	406,689	$19,927,471	$201,288	
		Year Totals	380	0	380	212	81,378,147	383,859	$40,986,039	$193,330	$67,800
2007		Resident	198	0	198	121	95,024,646	785,328	$24,632,323	$203,573	
		Nonresident	217	0	217	116	90,244,723	777,972	$25,013,727	$215,636	
		Year Totals	415	0	415	237	185,269,369	781,727	$49,646,050	$209,477	$59,700
2006		Resident	198	0	198	125	53,037,973	424,304	$14,582,833	$116,663	
		Nonresident	216	0	216	105	43,038,415	409,890	$12,953,195	$123,364	
		Year Totals	414	0	414	230	96,076,388	417,723	$27,536,028	$119,722	$52,900
2005		Resident	193	0	193	119	121,367,012	1019891	$18,534,431	$155,752	
		Nonresident	222	0	222	113	105,326,313	932,091	$17,539,218	$155,214	
		Year Totals	415	0	415	232	226,693,325	977,126	$36,073,649	$155,490	$41,800
2004		Resident	185	0	185	109	109,121,597	1001116	$16,277,145	$149,332	
		Nonresident	229	0	229	100	97,968,963	979,690	$15,395,307	$153,953	
		Year Totals	414	0	414	209	207,090,560	990,864	$31,672,452	$151,543	$32,100
2003		Resident	184	0	184	115	107,652,418	936,108	$13,197,585	$114,762	
		Nonresident	231	1	232	120	104,489,485	870,746	$13,508,155	$112,568	
		Year Totals	415	1	416	235	212,141,903	902,732	$26,705,739	$113,641	$32,800
2002		Resident	187	0	187	128	78,142,583	610,489	$9,276,587	$72,473	
		Nonresident	227	1	228	145	93,196,668	642,736	$10,967,583	$75,639	
		Year Totals	414	1	415	273	171,339,251	627,616	$20,244,170	$74,154	$22,800
2001		Resident	188	0	188	148	111,933,441	756,307	$21,623,106	$146,102	
		Nonresident	226	1	227	197	139,215,120	706,676	$27,119,695	$137,663	
		Year Totals	414	1	415	345	251,148,561	727,967	$48,742,800	$141,283	$34,700
2000		Resident	189	0	189	161	64,590,834	401,185	$17,173,538	$106,668	
		Nonresident	226	1	227	195	76,721,153	393,442	$20,887,226	$107,114	
		Year Totals	415	1	416	356	141,311,987	396,944	$38,060,764	$106,912	$39,300
1999		Resident	191	0	191	165	132,746,677	804,525	$25,130,026	$152,303	
		Nonresident	224	1	225	194	163,070,469	840,569	$31,272,063	$161,196	
		Year Totals	415	1	416	359	295,817,146	824,003	$56,402,089	$157,109	$40,400
1998		Resident	189	0	189	163	97,935,311	600,830	$19,213,605	$117,875	
		Nonresident	226	1	227	214	123,567,242	577,417	$26,296,141	$122,879	
		Year Totals	415	1	416	377	221,502,553	587,540	$45,509,746	$120,716	$49,500
1997		Resident	188	0	188	160	78,644,528	491,528	$18,773,766	$117,336	
		Nonresident	227	1	228	191	78,917,546	413,181	$22,040,231	$115,394	
		Year Totals	415	1	416	351	157,562,074	448,895	$40,813,997	$116,279	$50,000
1996		Resident	183	0	183	154	115,404,055	749,377	$16,994,911	$110,357	
		Nonresident	233	1	234	203	163,201,719	803,949	$25,818,543	$127,185	
		Year Totals	416	1	417	357	278,605,774	780,408	$42,813,455	$119,926	$61,200
1995		Resident	182	0	182	169	79,102,923	468,065	$22,438,129	$132,770	
		Nonresident	235	1	236	204	118,879,852	582,744	$33,368,683	$163,572	
		Year Totals	417	1	418	373	197,982,775	530,785	$55,806,812	$149,616	$75,900
1994		Resident	180	0	180	168	94,774,661	564,135	$25,321,902	$150,726	
		Nonresident	237	1	238	222	122,538,557	551,975	$35,842,665	$161,453	

WWWBITP-A State of Alaska 2010-01-14
Commercial Fisheries Entry Commission
Basic Information Table
S 01A SALMON, PURSE SEINE, SOUTHEAST

Year		Residency	Permanent Permits Renewed	Interim Permits Issued	Total Permits Issued/ Renewed	Total Permits Fished	Total Pounds	Average Pounds	Total Gross Earnings	Average Gross Earnings	Average Permit Price
		Year Totals	417	1	418	390	217,313,218	557,213	$61,164,567	$156,832	$73,600
1993		Resident	178	0	178	167	85,239,895	510,419	$21,806,922	$130,580	
		Nonresident	239	2	241	215	118,444,777	550,906	$31,087,396	$144,593	
		Year Totals	417	2	419	382	203,684,672	533,206	$52,894,318	$138,467	$79,600
1992		Resident	181	1	182	158	59,626,323	377,382	$21,785,271	$137,881	
		Nonresident	236	2	238	196	74,440,329	379,798	$29,269,611	$149,335	
		Year Totals	417	3	420	354	134,066,652	378,719	$51,054,882	$144,223	$65,000
1991		Resident	181	1	182	169	78,326,334	463,469	$15,171,332	$89,771	
		Nonresident	236	2	238	214	104,975,063	490,538	$20,899,772	$97,662	
		Year Totals	417	3	420	383	183,301,397	478,594	$36,071,105	$94,180	$92,700
1990		Resident	183	1	184	164	45,178,677	275,480	$18,582,464	$113,308	
		Nonresident	234	2	236	196	61,548,061	314,021	$26,239,039	$133,873	
		Year Totals	417	3	420	360	106,726,738	296,463	$44,821,503	$124,504	$110,563
1989		Resident	182	1	183	168	83,438,346	496,657	$37,818,947	$225,113	
		Nonresident	234	3	237	197	115,360,380	585,586	$53,422,114	$271,178	
		Year Totals	416	4	420	365	198,798,726	544,654	$91,241,060	$249,976	$79,267
1988		Resident	184	1	185	173	22,379,852	129,363	$23,603,598	$136,437	
		Nonresident	232	3	235	221	26,522,341	120,011	$29,710,776	$134,438	
		Year Totals	416	4	420	394	48,902,193	124,117	$53,314,374	$135,316	$65,833
1987		Resident	182	1	183	165	18,158,827	110,053	$10,621,316	$64,372	
		Nonresident	234	3	237	216	20,925,297	96,876	$12,118,213	$56,103	
		Year Totals	416	4	420	381	39,084,124	102,583	$22,739,529	$59,684	$40,832
1986		Resident	184	1	185	158	68,638,440	434,421	$21,548,318	$136,382	
		Nonresident	232	3	235	210	102,408,682	487,660	$32,345,497	$154,026	
		Year Totals	416	4	420	368	171,047,122	464,802	$53,893,815	$146,451	$36,059
1985		Resident	184	1	185	165	80,530,322	488,063	$23,322,047	$141,346	
		Nonresident	232	3	235	203	93,375,832	459,979	$28,696,887	$141,364	
		Year Totals	416	4	420	368	173,906,154	472,571	$52,018,934	$141,356	$37,907
1984		Resident	188	2	190	168	44,554,659	265,206	$15,051,777	$89,594	
		Nonresident	229	4	233	215	59,775,376	278,025	$19,948,289	$92,783	
		Year Totals	417	6	423	383	104,330,035	272,402	$35,000,066	$91,384	$40,884
1983		Resident	187	1	188	157	49,761,844	316,954	$13,684,595	$87,163	
		Nonresident	229	4	233	181	69,210,905	382,381	$19,607,699	$108,330	
		Year Totals	416	5	421	338	118,972,749	351,990	$33,292,294	$98,498	$38,531
1982		Resident	186	2	188	159	41,063,358	258,260	$12,591,892	$79,194	
		Nonresident	228	5	233	211	46,112,250	218,541	$15,555,878	$73,725	
		Year Totals	414	7	421	370	87,175,608	235,610	$28,147,770	$76,075	$40,636
1981		Resident	194	1	195	175	38,819,364	221,825	$18,017,116	$102,955	
		Nonresident	220	3	223	189	40,267,166	213,054	$18,769,228	$99,308	
		Year Totals	414	4	418	364	79,086,530	217,271	$36,786,344	$101,061	$43,333
1980		Resident	193	1	194	163	29,593,745	181,557	$14,228,239	$87,290	
		Nonresident	221	3	224	172	32,608,378	189,584	$15,259,747	$88,719	
		Year Totals	414	4	418	335	62,202,123	185,678	$29,487,986	$88,024	$45,000
1979		Resident	189	2	191	160	23,417,245	146,358	$10,440,835	$65,255	

WWWBITP-A State of Alaska 2010-01-14
Commercial Fisheries Entry Commission
Basic Information Table
S 01A SALMON, PURSE SEINE, SOUTHEAST

Year		Residency	Permanent Permits Renewed	Interim Permits Issued	Total Permits Issued/ Renewed	Total Permits Fished	Total Pounds	Average Pounds	Total Gross Earnings	Average Gross Earnings	Average Permit Price
		Nonresident	224	3	227	159	19,126,818	120,294	$9,191,935	$57,811	
		Year Totals	413	5	418	319	42,544,063	133,367	$19,632,769	$61,545	$49,500
1978		Resident	193	2	195	170	30,840,986	181,418	$12,516,752	$73,628	
		Nonresident	220	5	225	206	37,563,079	182,345	$15,147,894	$73,533	
		Year Totals	413	7	420	376	68,404,065	181,926	$27,664,646	$73,576	$40,000
1977		Resident	196	2	198	159	34,095,906	214,440	$13,231,509	$83,217	
		Nonresident	215	1	216	166	29,755,899	179,252	$11,297,251	$68,056	
		Year Totals	411	3	414	325	63,851,805	196,467	$24,528,760	$75,473	.
1976		Resident	202	2	204	144	12,646,703	87,824	$5,463,056	$37,938	
		Nonresident	207	7	214	136	13,236,853	97,330	$5,601,198	$41,185	
		Year Totals	409	9	418	280	25,883,556	92,441	$11,064,253	$39,515	.
1975		Resident	198	34	232	159	10,281,573	64,664	$3,484,050	$21,912	
		Nonresident	200	45	245	128	7,227,447	56,464	$2,563,854	$20,030	
		Year Totals	398	79	477	287	17,509,020	61,007	$6,047,904	$21,073	.

Notes:

A "*" following the year field indicates data are preliminary.
Selected data fields are represented by "." when fewer than four people participated in a fishery.
Selected data fields are represented by "0" when no activity has occurred in a fishery (i.e.,closure).
Gross earnings are estimated using an average annual ex-vessel price per area, species, and gear type.
These data are aggregated by type of permit fished, and thus contain both targeted and incidentally landed species.
Data includes only commercial catch landed on valid permits.
Data associated with test fishing, illegal landings, derbies, educational permits, or unmatchable permits are excluded.

Average Permit Price Notes:
--- indicates that there were no monetary transfers for this fishery.
... indicates confidential information because fewer than four surveys exist.

(3) rearing and sale of ornamental finfish for aquariums or ornamental ponds provided that the fish are not reared in or released into water of the state.

(c) In this section "ornamental finfish" means fish commonly known as "tropical fish," "aquarium fish," or "goldfish," that are imported, cultured, or sold in the state customarily for viewing in aquaria or for raising in artificial systems, and not customarily used for sport fishing or human consumption purposes. (§ 2 ch 91 SLA 1990)

Cross references. — For legislative findings in connection with the enactment of this section, see § 1, ch. 91, SLA 1990 in the Temporary and Special Acts.

Article 4. Fishery Associations.

Section
240. Regional dive fishery development associations
250. Salmon fishery associations

Sec. 16.40.240. Regional dive fishery development associations. (a) The commissioner shall assist in and encourage the formation of qualified regional dive fishery development associations for the purpose of developing dive fisheries in administrative areas of the state in which dive fisheries exist. A regional dive fishery development association is qualified if the commissioner determines that the regional association

(1) is incorporated as a nonprofit corporation under AS 10.20;

(2) represents commercial fishermen who participate in each dive fishery in the region; and

(3) possesses a board of directors that

(A) is representative of commercial dive fishermen who fish in each of the significant commercial dive fishing areas in the administrative area;

(B) has a member who is representative of fish processors who process dive fishery resources in the administrative area; and

(C) has a member who is representative of municipalities in the administrative area.

(b) In this section, "administrative area" has the meaning given in AS 43.76.210. (§ 1 ch 90 SLA 1997)

Sec. 16.40.250. Salmon fishery associations. The commissioner may assist in and encourage the formation of qualified salmon fishery associations for the purpose of promoting the consolidation of the fishing fleet in a salmon fishery for which the Alaska Commercial Fisheries Entry Commission has issued commercial fishing entry permits under AS 16.43. A salmon fishery association is qualified if the commissioner determines that the regional association

(1) is incorporated as a nonprofit corporation under AS 10.20;

(2) is comprised of interim-use permit and entry permit holders in the salmon fishery for which the association is established; and

(3) has a board of directors that is comprised of interim-use permit and entry permit holders in the salmon fishery. (§ 1 ch 134 SLA 2002)

Cross references. — For reimbursement of expenses of fleet reduction programs, see AS 16.43.330(c).

Article 5. Sport Fishing Services.

Section
260. Sport fishing operator license
270. Sport fishing guide license
280. Reports
290. Penalty
299. Definitions

ffective dates. — Sec
ics this article effectiv

Sec. 16.40.260. Sp
nnual sport fishing
(1) holds a current
shermen;
(2) presents proof s
r marine protection a
he person and the per
least $100,000 for each
(3) pays the license
(4) satisfies all add
Fisheries.
(b) A person may not
sport fishing operator li
this section.
(c) A person who hold
sport fishing guide ser
current sport fishing gui
(d) A person who holds
sport fishing guide servi
sport fishing guide licens
(e) A person who holds
of a violation of AS 16.05
including regulations rel
guide who is employed by
(§ 6 ch 70 SLA 2004)

Delayed repeal. — Under §
this section is repealed January

Sec. 16.40.270. Sport
annual sport fishing guide
(1) is a citizen of the U
(2) is certified in first ai
(3) holds a license to c
Guard if the person operat
the license is required by t
guide provides fishing gui
(4) holds a current spor
(5) pays the license fee
(6) satisfies all additio
Fisheries.
(b) A natural person m
guide combined license
operator license under A
section and pays the licen
(c) A person may not pr
(1) holds a current spo
(2) holds a current spo
holds a current sport fish

SOUTHEAST REVITALIZATION ASSOCIATION
410 CALHOUN AVENUE, SUITE 206
JUNEAU, ALASKA 99801
PHONE (907) 523-3004

BOARD OF DIRECTORS
Dan Castle **Dean Haltiner**
Tom Manos **David Street**
Jim Bacon **John Barry**
Bud Marrese

March 5, 2010

Rep. Bryce Edgmon, Chairman
House Fisheries Committee
Alaska House of Representatives
Capitol Room 416
Juneau, AK 99801

RE: HB 365, Fish Processors Fees, Licenses, and Records
Hearing Date: Tuesday, March 9, 2010

Dear Chairman Edgmon:

The Southeast Revitalization Association ("SRA") is a qualified fishery association under AS 16.40.250 and was established for the express purpose of designing and implementing a fleet consolidation program for the Southeast purse seine salmon fishery for which the Commercial Fisheries Entry Commission ("CFEC") has issued limited entry permits.

The SRA consolidation program, if ultimately approved by the affected permit holders, will be funded in large part by a federal loan authorized under the Magnuson-Stevens Fishery Conservation and Management Act and administered by the National Marine Fisheries Service ("NMFS"). Permit holders remaining in the fishery will repay the loan through imposition of a fee based on the ex-vessel price of all salmon harvested in the fishery. The fee will be collected by the first buyer of the salmon and then transmitted to NMFS.

To ensure that the fee is collected and transmitted in a timely fashion, NMFS needs access to fish ticket harvest data and fish buyer annual reports maintained by the State of Alaska. These records, subject to a variety of exceptions, are confidential under AS 16.05.815. HB 365 would allow NMFS access to these state records by creating another exception. HB 365 would also require the buyers of salmon to certify the collection and transmittal of fees as a condition to renewal of their annual fisheries business license.

Passage of HB 365 is not only a condition precedent to the actual funding of the loan by NMFS, but also serves two important compliance considerations to ensure an even playing field for both fishermen and processors:

1. Assures the fisherman/permit holder paying the fee that all monies collected by the buyer are being transmitted to NMFS for repayment of the loan.

2. Assures the processor/buyer of the salmon that all other buyers are also collecting and transmitting the fee.

The SRA strongly supports SB 365 and respectively requests prompt passage by your committee.

Sincerely,

Rob Zuanich
Manager

Petersburg Vessel Owners Association

PO Box 232
Petersburg, AK 99833
Phone & Fax: 907.772.9323
pvoa@gci.net • www.pvoaonline.org

March 10, 2010

The Honorable Lesil McGuire & Bill Wielechowski
Co-Chairs, Senate Resources Committee
Alaska State Capitol
Juneau, AK 99801-1182
Via email: Senator_Lesil_McGuire@legis.state.ak.us
Senator_Bill_Wielechowski@legis.state.ak.us

RE: SUPPORT SB 255, FINALIZE SOUTHEAST ALASKA SEINE BUYBACK

Dear Senators McGuire and Wielechowski,

The Petersburg Vessel Owners Association (PVOA) is a diverse group of 100 commercial fishermen and businesses operating primarily in Southeast Alaska. Our members provide millions of meals to the public annually by participating in a variety of fisheries statewide. Most PVOA members are salmon harvesters, and are also active sport, personal use, and subsistence fishermen who depend on sustainable and conservative management of Alaska's fishing resources to ensure healthy fisheries for the future.

PVOA supports the work of Southeast Alaska Seiners (SEAS) and both HB 365 and SB 255 which will provide the necessary vehicle to specify the route and parameters of the National Marine Fisheries Service (NMFS) loan that fishermen will repay with a 3% assessment. Passage of HB 365 will allow a vote to support that commitment to the assessment as well as support of the program.

Petersburg is one of the top ports in Alaska and the Nation for both pounds landed (#6 in Alaska, #26 in the Nation) and dollar value of landings (#7 in Alaska, #26 in the Nation) due in large part to salmon landings. The Southeast Alaska Seine fleet is a vital component of Petersburg's socio-economic well being.

In 2009, there were approximately 70 southeast seine permits actively fished out of Petersburg (Petersburg listed as the mailing address). Each permit and vessel employs four crewmembers who contribute to the local economy and rely on income provided by salmon fishing. Fishing vessels, support businesses, and fishing families are sustained by salmon revenues that are essential to coastal economies. While Petersburg is the most

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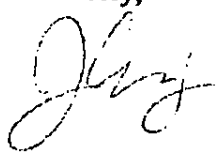
active commercial fishing port in Southeast Alaska, not one of active permits will be extinguished in a mandatory manner as a result of SB 255.

Thank you for your time and attention to this important matter. If we can provide further information or answer any questions as you finalize the Southeast Alaska seine buyback, please feel free to contact us.

Sincerely,



Julianne Curry
Director

UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

March 4, 2010

Senator Lesil McGuire, Co-Chair
Senator Bill Wielechowski, Co-Chair
Senate Resources Committee
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: Support for SB255

Dear Senators,

The United Fishermen of Alaska (UFA) supports passage of SB255/HB365.

The bill, while extremely timely and important to certain of our members, is nothing but a "housekeeping" bill that is needed as the last piece of work to finish off the SE fleet consolidation program for SEAS but will also set up a precedence and framework for any similar effort in the state of Alaska conducted at a later date. This legislation allows NMFS to confirm fish ticket/processor data to confirm that the assessment collected to pay back the federal government for the loan is correctly determined and allow for enforcement of those that don't pay the assessment. NMFS only has access to data for a specific fishery that has a federal loan program and not access to all salmon harvest data.

When UFA embraced the Legislative Salmon Task Force in 2001, we recognized that different regions require different solutions. Some groups wanted status quo. Other groups wanted market-oriented solutions. Others wanted to restructure their fishery, or basically re-limit limited entry. We want to acknowledge that many, probably most, of our state waters groups do not support a fleet consolidation program for their own region.

But when the Legislature embarked upon the Legislative Salmon Task Force, this was one of the major solutions that came out for each region to choose from. HB286, authored in 2002 by Drew Scalzi, was one of the resulting pieces of legislation. One of our groups, the Southeast Alaska Seiners Association (SEAS) chose to follow up on this and has already "permanently retired" around 20% of their consolidation target in 2008 with $3 million in NMFS grants that were authorized by the Alaska State Legislature.

Another piece of the pie here is HB484, passed in 2006 by the Alaska State Legislature that mandates a solution in the event of an "optimum number determination" in a court of law that causes retired permits to become reissued. HB484 allows that the Legislature "may" send the resulting funds back to the fleet consolidators, hence relieving fishermen of the uncertainty resulting from the "optimum number" issue.

In the case of SE seine fishery, the active fleet size has not exceeded the buydown goal of the buyback program since 2002. So this fleet consolidation is very unlikely to cost a single job or boat. The 3% assessment that these guys are paying is just an insurance policy for the fishermen (and processors) that there won't be a new "group" or company that will bring in some of the currently unused and dormant 140 permits. In fact there will be at least several dozen permits remaining on poor years and likely a dozen or so remaining even on good years.

UFA supports swift passage of this legislation, which is the wrap-up of the Legislative task force bill HB286 from 2002. It is now 2010 and it seems fitting that the Alaska State Legislature would be willing and able to support a "housekeeping" bill that brings to fruition a bill (nearly unanimous in passage in both the House and Senate) that was brought forth as a result of the Alaska State Legislative Task Force.

Thank you for your consideration of this legislation for one of our group members.

Sincerely

Mark Vinsel
Executive Director

Cc:
Senator Donald Olson
Senator Dennis Egan

From: Tom Manos <manostom@gmail.com>
Date: March 11, 2010 9:59:08 AM AKST
To: Representative_Mike_Hawker@legis.state.ak.us
Subject: HB 365

Dear Representative Hawker

Myself and my family are longtime residents of Girdwood. I am writing to urge your support for HB365. I have purse seined in Southeast Alaska since 1976 and an still seining in Alaska. Fishing is and has been my primary income source, In 2009, my oldest son, Andrew ,who is graduating from UAA this year, purchased and restored a 58 foot seiner with my help and a loan from the Alaska Division of Investments . He had a successful season last year in his first year operating his own vessel. We both currently hold Southeast Alaska Seine Permits and Area M seine permits . My youngest son Julian is currently enrolled at University of San Diego after graduating from South High . In addition to an academic scholarship from USD, Julian pays for the majority of his education from his income as a crew member on my vessel. With my wife Jody that makes four voters in your district that rely on Alaska salmon seining . This bill is important to my family for our livelihood and it comes at zero cost to the State of Alaska.

I have been involved in this buyback program since 2003. I was elected to the the Seine Vessel Revitalization Board whose purpose has been to design this program. If you have any concerns or question regarding supporting this Bill I welcome the opportunity to discuss it further.

Thank You
Tom Manos

Contact: Thomas Manos
PO Box 749
Girdwood Alaska 99587

email: manostom@gmail.com
Phone 907 830 5150

March 17, 2010

The Honorable Lesil McGuire & Bill Wielechowski
Co-Chairs, Senate Resources Committee
Alaska State Capitol
Juneau, AK 99801-1182

RE: SUPPORT SB 255, FINALIZE SOUTHEAST ALASKA SEINE BUYBACK

Dear Representatives McGuire and Wielechowski,

I am writing on behalf of Cordova District Fishermen United (CDFU), a member organization representing over 300 commercial fishermen in Prince William Sound, including 60 seine fishermen, to request your support of SB255.

CDFU is in alliance with the Southeast Alaska Seiners (SEAS) on this bill, and believes the passage of both HB 365 and SB 255 will provide a relatively simple solution in specifying the route and parameters of the National Marine Fisheries Service (NMFS) loan that fishermen will repay with a 3% assessment.

While not directly related to present seine activity in Prince William Sound, the adoption of SB255 will provide a solid framework for any group within the State looking into practical solutions to stabilize their fishery.

We trust that you will see the merits in supporting this bill.

Sincerely,

Rochelle van den Broek
Executive Director

March 17, 2010

The Honorable Craig Johnson & Mark Neuman
Co-Chairs, House Resources Committee
Alaska State Capitol
Juneau, AK 99801-1182

RE: SUPPORT HB365, FINALIZE SOUTHEAST ALASKA SEINE BUYBACK

Dear Representatives Johnson and Neuman,

I am writing on behalf of Cordova District Fishermen United (CDFU), a member organization representing over 300 commercial fishermen in Prince William Sound, including 60 seine fishermen, to request your support of HB365.

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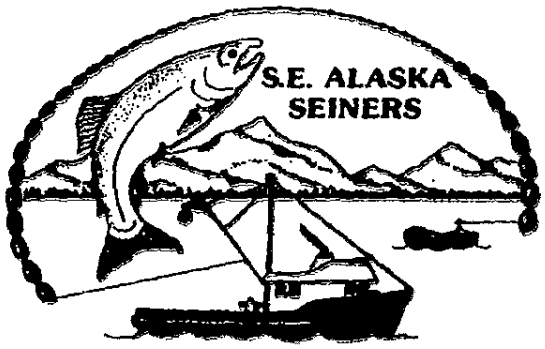
While not directly related to present seine activity in Prince William Sound, the adoption of HB365 will provide a solid framework for any group within the State looking into practical solutions to stabilize their fishery.

We trust that you will see the merits in supporting this bill.

Sincerely,

Rochelle van den Broek
Executive Director



2 March 2010

The Honorable Lesil McGuire and Bill Wielechowski
Co-Chairs, Senate Resources Committee
Butrovich 205
Alaska State Capitol
Juneau, AK 99801-1182

Dear Senators McGuire and Wielechowski:

The Southeast Alaska Seiners Association (SEAS) fully supports SB 255 and would appreciate the opportunity to express such support before your Committee.

SEAS is a trade association of 127 member skippers (of 5 crew), who purse seine for salmon in Southeast Alaska, predominantly with 58 foot vessels. SEAS also has nearly 60 business members who support the fleet, consisting primarily of processors, fuel docks, grocery stores and marine suppliers, contractors, electronic suppliers, mechanics, shipyards and outfitters.

SB 255 Background

SEAS worked with the Congressional delegation to secure a $3 million grant that was spent in 2008, after being authorized to do so by the Alaska State Legislature, to retire 35 permits, or approximately 22% of our target permit reduction. The first part of our fleet consolidation was done under the supervision of the Commercial Fisheries Entry Commission (CFEC), the program was run by Elgee, Rehfeld, CPAs and we advertised throughout Southeast Alaska for a reverse auction. **These are the first ever Alaska state limited entry salmon permits retired under such a program.**

After the further repurchase of around 120-125 permits we expect to get to the 255-260 range of permits remaining available to fish. This time the fishermen are paying and the financing source is a National Marine Fisheries Service (NMFS) loan that fishermen will repay with a 3% assessment. A couple weeks into the 2010 legislative session the main NMFS Financial Services Division personnel came to Juneau to meet with the CFEC leadership as well as the state of Alaska in

PO Box 23081, Juneau, AK 99802 ◊ 907-463-5030 ◊ Fax: 907-463-5083

order to prepare a bill that would work as the basic "closing document" on our loan.

SB 255 is exactly phrased and intently written with at least a dozen basic drafts prior to introduction. There is no fiscal note and should there be any concern to processors about extra paperwork, the processor can apply for compensation from the assessment. We do not believe at this time that the financial burden of adding a box to the fish ticket will cause any undue financial concern as this is already done in many Boroughs (such as Bristol Bay) and by enhancement taxation as well in the same section of the fish ticket.

This bill is the vehicle that specifies the route and parameters of this assessment and is necessary because this is not only Alaska's first, but it is likely that this is the first state water's fishery that has ever received a NMFS restructuring loan for fleet consolidation. According to NMFS, this bill cannot be changed in any fashion whatsoever - or our $20 million loan for Alaskan fishermen will fail.

When Southeast Alaska was rolled into the state's limited entry program in 1974, there was a **larger than average number of non-resident licenses due to the close proximity to Puget Sound and the Boldt Decision**, while not made until that very year, as well as the first shot at limited entry in 1969, made for a larger fleet than existed in the decade(s) prior to limited entry.

One other compelling reason seiners have sought out fleet consolidation is due to the amount of historical and traditional fishing area currently not available to access by the seine fleet. The Icy Strait corridor of about 100 miles of fishing shoreline was closed nearly simultaneously to the initiation of limited entry. Then in 1985, the 75 mile shoreline of Noyes Island and Dall Island outside of Prince of Wales Island was closed for most of the July fishery and has remained mostly closed by Treaty since then during the month of July. The fleet was bottled up in long line-ups (*boats idling their engines while waiting for hours for the opportunity to set the net and catch fish*) for much of the season save for the peak of some of our better runs. Certainly fuel savings and energy implications were there, but this was not our impetus.

Consequent to the major price crash in 1991 (12 cents per pound for pinks) after the introduction of Russian pink salmon into the Western world, another major price crash in 1996 (7-8 cents) and then again in 2002 (7-8 cents), SEAS decided to get rolling on a major fleet consolidation program. By 2003 and 2004 the fleet had been cut to around 225 boats from 360-375 during the prior decade. Most of these boats and crews no longer fishing were non-residents. **The fleet is a stable 225 average now with as little as 205 permits operated on poorer seasons while 240 is our high in recent years.**

With over 80% of the permits bought back in the first round having been owned by non-residents, the fleet has become even more 'Alaskan'. This trend is expected to continue in the next round, thereby resulting in strong and financially viable fishing families within Alaska.

☼ PO Box 23081, Juneau, AK 99802 ☼ 907-463-5030 ☼ Fax: 907-463-5083 ☼

SB 255 is an important bill because it is the final hurdle to clear in order to facilitate the NMFS Federal loan program so that it will work with Alaskan limited entry fisheries. While it is not a big bill, it is a huge bill for our members and is a necessary step towards stabilizing, modernizing, and maintaining our fishery here in Southeast Alaska.

Sincerely

Dan Castle
SEAS President

☼ PO Box 23081, Juneau, AK 99802 ☼ 907-463-5030 ☼ Fax: 907-463-5083 ☼

Southeast Alaska Fishermen's Alliance
9369 North Douglas Highway
Juneau, AK 99801
Phone 907-586-6652
Fax 907-523-1168 Website: http://www.seafa.org E-mail: seafa@gci.net

March 8, 2010

Senate Resources
Senator Lesil McGuire, Chair
Alaska State Legislature; State Capitol, Room 205
Juneau, AK 99801

Senator McGuire, Chair and Committee Members

RE: Support SB 255

Southeast Alaska Fishermen's Alliance (SEAFA) supports HB 365/SB 255. This is legislation that simply allows NMFS to confirm that all the assessment collected from the fishermen by the Processors for a buyback program using federal loan programs has been collected and paid to the federal government and allows for enforcement against those who have not paid.

This legislation would not allow NMFS to collect information for programs that don't have a federal buy-back assessment. This legislation would allow this tool to be used in the future if another buyback with federal funds occurs. The other thing we would point out is that any buyback program has been created occurred by a vote of the fleet.

We support the legislation as a housekeeping measure to correct an oversight to the legislation previously passed to set up associations to conduct buy-back programs.

Southeast Alaska Fishermen's Alliance is a multi-gear/multi-species non-profit membership organization representing our members involved in the salmon, crab, shrimp and longline fisheries of Southeast Alaska. We represent salmon gillnet, seine and troll fishermen.

Sincerely,

Kathy Hansen, Executive Director

HB

369

<target><bill>HB 369</bill><subject>HB
369</subject><comm>SFIN26</comm></target>

Alaska State Legislature

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REPRESENTATIVE MIKE CHENAULT
SPEAKER OF THE HOUSE
SPONSOR STATEMENT

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL 369 (RES)

"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project coordinator, the Joint In-State Gasline Development Team; requiring the development of an in-state natural gas pipeline plan, to be delivered to the legislature by July 1, 2011, that provides for a natural gas pipeline that is operational by December 31, 2015; directing the Joint In-State Gasline Development Team to assume responsibilities under sec. 19, ch. 14, SLA 2009; requiring expedited review and action by state agencies or entities relating to the in-state natural gas pipeline project; clarifying the purpose of the Alaska Natural Gas Authority; relating to definitions of certain terms that relate to a project that may be developed by the Alaska Natural Gas Development Authority; authorizing the Alaska Natural Gas Development Authority to issue bonds for energy projects; and providing for an effective date."

Senate Committee Substitute for Committee Substitute for House Bill 369 (RES) was introduced as an effort to expedite the process for an in-state natural gas pipeline. The in-state gasline has been a topic of discussion in the Legislature and the Administration for a number of years. Currently, there are two separate state entities, the Alaska Natural Gas Development Authority and the in-state gasline coordinator, working on a project. House Bill 369 combines these two entities along with the Department of Transportation and Public Facilities, the Alaska Railroad Corporation and the Alaska Housing Finance Corporation to create a Joint In-state Gasline Development Team within the Alaska Housing Finance Corporation. The Development Team is to ensure that a project plan is developed by July 1, 2011 with gas flowing by the end of 2015. It is my hope the Development Team will be able to focus the state's efforts in putting a project plan together and leverage the best ideas and data to get a gasline built.

The Department of Transportation and Public Facilities and the Alaska Railroad Corporation were included as members of the team due primarily to their having existing rights of way which could speed up any permitting process that may need to be undertaken. The Alaska Railroad Corporation also has bonding ability which could be an answer to financing a gasline. The addition of the executive director of the Alaska Housing Finance Corporation is to help develop a financing plan and guide the process for the in-state gasline project plan. The executive director of AHFC will chair the Development Team.

Representative_Mike_Chenault@legis.state.ak.us

The Development Team will cover all aspects of the line's development and are to select the most economically sound route that will deliver gas to Alaskans, plan permitting and design by using existing rights of way and take any action necessary to get a project plan in place by July 1 of next year. Additional duties of the Joint Development Gasline Development Team are also spelled out within the legislation.

The bill provides for an expedited review and action process and the sharing of information that may already have been accumulated or completed. The bill also requires that state agencies or entities cooperate with and give priority to requests for information from the Development Team.

The bill also includes many of the sections that were found in House Bill 44 which was incorporated into HB 369 in Senate Resources. These newly incorporated sections preauthorize the Alaska Natural Gas Development Authority to issue up to $250 million in bonds for energy related projects. Other incorporated sections expand ANGDA's authority to provide natural gas from sources anywhere within the state to markets within Alaska allowing the authority to broadly serve Alaskans and Alaskan markets. Approval from the Legislative Budget and Audit Committee must be received before ANGDA can issue any bonds.

Alaska State Legislature

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REPRESENTATIVE MIKE CHENAULT
SPEAKER OF THE HOUSE

SECTIONAL ANALYSIS

SENATE COMMITTEE SUBSTITUTE FOR COMMITTEE SUBSTITUTE FOR HOUSE BILL 369 (RES)

(Changes incorporated into the Senate Resources version are highlighted and in bold)

"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project ***coordinator****, the Joint In-State Gasline Development Team; requiring the development of an in-state natural gas pipeline plan, to be delivered to the legislature by July 1, 2011, that provides for a* ***natural gas pipeline*** *that is operational by December 31, 2015; directing the Joint In-State Gasline Development Team to assume responsibilities under sec. 19, ch. 14, SLA 2009; requiring expedited review and action by state agencies or entities relating to the in-state natural gas pipeline project;* ***clarifying the purpose of the Alaska Natural Gas Authority; relating to definitions of certain terms that relate to a project that may be developed by the Alaska Natural Gas Development Authority; authorizing the Alaska Natural Gas Development Authority to issue bonds for energy projects;*** *and providing for an effective date."*

Section 1: Adds a new section to uncodified law. Legislative Findings and Purpose.

Section 2: Adds a new subsection to the bill by amending AS 18.56.086, Creation of subsidiaries. Allows AHFC to create a subsidiary within the corporation to plan, construct and finance an in-state gasline or to aid in planning, construction or financing of an in-state gasline. Exempts the subsidiary from Title 36, Public Contracts and AS 36.30.015 (d) and (f), Executive branch agencies.

Section 3: Adds a new subsection to AS 36.30.850(b), Application of this chapter. Adds a subsidiary of AHFC created under Section 2 of this bill to the list of those agencies or entities of which AS 36 does not apply.

Section 4: Adds a new chapter, Chapter 34: In-State Natural Gas Pipeline, to AS 38, Public Land.

Sec. 38.34.010. In-state gasline project coordinator. (a) Creates the position of in-state gasline project **coordinator** within the Governor's Office. This position will continue until one year after commercial operation of the in-state natural gas pipeline begins. (b) The Governor appoints

Representative_Mike_Chenault@legis.state.ak.us

3974

an individual to the position of an in-state gasline **coordinator** and may be removed at the Governor's discretion. (c) Describes the duties of the in-state gasline project **coordinator who is responsible for collaborating with other state agencies or entities to coordinate and facilitate the provisions of section 4 of this bill**.

Sec. 38.34.020. Expedited review and action by state agencies or entities. (a) States that any state agency or entity conducting and taking action relating to the in-state gasline shall be expedited. (b) A state agency or entity may not include in any project certificate, right of way, permit or other authorization issued to a licensee a term or condition that is not required by law if the in-state project **coordinator** determines the term or condition would prevent or impair the expeditious construction and operation or expansion of the in-state gasline. (c) A state agency or entity may not, unless required by law, amend or abrogate any certificate, right of way, permit or other authorization issued to a licensee if the project **coordinator** determines the action would prevent or impair the expeditious construction and operation or expansion of the in-state gasline.

Sec. 38.34.030. Joint In-state Gasline Development Team. (a) Establishes the Joint In-state Gasline Development Team in the **Alaska Housing Finance Corporation**. The team consists of the commissioner of the Department of Transportation and Public Facilities or designee, the **chair of the board of directors** of the Alaska Railroad Corporation or the **chair's** designee, the chief executive officer of the Alaska Natural Gas Development Authority, the in-state gasline project **coordinator** and the executive director of the Alaska Housing Finance Corporation. (b) Names the Alaska Housing Finance Corporation's executive director as chair. (c) Allows the development team to hire staff, enter into contracts and exercise other powers to carry out its functions. **The development team is to separately account for expenditures and submit a quarterly report of expenditures to the legislature. The development team is too also submit monthly reports to the legislature on the progress of the in-state gasline project.**

Sec. 38.34.040. Duties of the Development Team. (a) **Produce** a project plan for the development of an in-state gasline and that the project plan is completed and delivered to the legislature by July 1, 2011. The project plan must specify and document how an in-state gasline can be designed, financed, constructed and made operational by December 31, 2015. (b) The Joint In-State Gasline Development Team is to assume all executive authority over and managerial responsibility for all activities enumerated under sec. 19, ch. 14, SLA 2009, including work previously completed, work in process, and work for which money has been encumbered but that is not completed on the effective date of this subsection. (c) Describes specific plans that are to be included within the project plan for an in-state gasline that will serve Fairbanks, the Southcentral region of the state, and other communities whenever practicable, connecting with or enhancing the existing gas pipeline system, and reaching to tidewater. (d) The development team's work product is to include an analysis of alternative possible routes and select a route that is consistent with the following requirements: (1) is the most economical, (2) will provide gas to residents at a reasonable cost, (3) allows for connecting lines to serve industrial, residential and utility customers along the entire route and in other regions of the state that can be served at commercially feasible rates, (4) uses state land and existing state highway and railroad rights of way to the maximum extent feasible, (5) uses existing highway and railroad bridges, gravel pits equipment yards and maintenance facilities and other existing facilities and resources to the maximum extent feasible. (e) With the intent that any project-related assets acquired or

developed be available for transfer or sale to the entity best able to complete the project, the development team is to: (1) prepare plans and designs necessary for the construction of the in-state gasline; (2) coordinate with entities qualified to build, own and operate the gasline; (3) identify, apply for and obtain rights-of-way and other permits for the project route; (4) work with other entities to promote gas supply and purchase contracts required for the project to be commercially viable; (5) prepare cost estimates for project design, construction and operation to determine the project's feasibility and the projected cost of natural gas to consumers; (6) coordinate with and use, to the fullest extent, possible existing work by other state agencies and entities before contracting for new reports and research and analysis; (7) determine regulatory authority over the pipeline project and perform any necessary compliance requirements; (8) identify and apply for, or support extension of, existing permits for export of Alaska natural gas if that export improves project economics and will reduce the price of natural gas to in-state consumers. (f) Any rights to a gasline corridor obtained by a state agency under eminent domain may be transferred to a private entity. (g) Allows a state agency acquiring interest in land by eminent domain to grant a permit authorizing a private person to construct, manage and operate a gas pipeline on that land. (h) Describes the various aspects of the in-state gasline project the development team may consider. (i) States the development team is to take all action necessary to complete its responsibilities.

Sec. 38.34.050. Cooperation and access to information. (a) States the development team may have access to a state agency's or entity's information to include confidential information that may relate to the in-state gasline or prove useful in planning, design, construction or operation of the gasline. Confidential information received by the development team shall be kept confidential. (b) All state agencies are to cooperate and give priority to requests for information from the Development Team. The Development Team is to avoid duplicating studies, plans, and designs that have already been produced or otherwise obtained by state entities. **(c) DNR is to grant AHFC a right of way lease under AS 38.35 (Right of Way Leasing Act) for the gasline transportation corridor if: (1) the corporation submits a right of way application under AS 38.35.050 (Applications for right of way leases); (2) the lease application is made the subject of notice and other reasonable and appropriate publication requirements under AS 38.35.070 (Notice of application); and the corporation agrees to be bound by the right of way lease covenants set out in AS 38.35.120 (Covenants required to be included in the lease). (d) A right of way lease granted under (c) of this section is subject to AS 38.05 (Alaska Land Act) except the best interest findings requirements of AS 38.05 and the permit requirements of AS 38.05.850 (Permits) do not apply to a lease made under this section.**

Sec. 38.34.060. Conflicts of interest. (a) If a member of the development team acquires, owns or controls a direct or indirect interest in property, an organization or business that might be affected by the in-state gasline project or other matters under consideration by the development team shall immediately disclose the interest to the development team. This disclosure is part of the public record and shall be included in the minutes of the first meeting of the development team held after the disclosure. (b) Members of the development team are subject to AS 39.50 (Public Official Disclosure) and AS 39.52 (Alaska Executive Branch Ethics Act).

Sec. 38.34.099. Definitions. Defines the in-state natural gas pipeline and the North Slope.

Section 5: Amends AS 39.25.110, Exempt service. Adds the in-state gasline project **coordinator** to the exempt service list.

(Sections 6, 7, 8, 9 and 11 are taken from HB 44)

Section 6: Amends AS 41.41.010(a), Establishment of the authority. Adds language clarifying that ANGDA may bring natural gas from other regions of the state and not just the North Slope. Also clarifies that gas may be delivered to markets within the state and may include more than one pipeline project.

Section 7: Amends AS 41.41.010(d), Establishment of the authority. Expands the acquisition of natural gas to include other regions of the state to include the Alaska outer continental shelf and may be delivered to markets within the state.

Section 8: Amends AS 41.41.990(3), Definitions. Amends the definition of project to include other regions of the state to a market in the state or be available to markets within the state.

Section 9: Adds a new paragraph to AS 41.41.990 describing the North Slope to mean that part of the state that lies north of 68 degrees North latitude to include the Brooks Range foothills.

Section 10: New section to uncodified law, Transitional Provisions. (a) The development team shall: (1) seek letters of intent from buyers and sellers of natural gas to ship gas using the facilities of the project by February 15, 2011, and define the project parameters that would allow the project to be commercially viable; (2) seek letters of interest from private pipeline construction and operating companies to develop the project and should be initiated between November 15, 2010 and completed by March 15, 2011; (3) prepare and submit to the Governor and the presiding officer of each body of the legislature any initial legislation necessary to advance the project by December 15, 2010; (4) prepare and submit a report to the governor and the presiding officers of each body of the legislature at the dates established in 1 through 3 of this subsection. (b) The parties having responsibility for contracts, permits and acquisition applications and studies in progress on the effective date of this act initiated or entered into by the Governor or state agencies shall transfer these obligations and initiatives may not be unreasonably delayed and IF AHFC forms a subsidiary, these obligations and initiatives shall be transferred to the subsidiary.

Section 11: New section to uncodified law. Gives pre-authorization to the Alaska Natural Gas Development Authority to issue up to $250 million in bonds in order to acquire a gas supply, develop the Cook Inlet and Fairbanks markets, and plan, permit and design gas transmission systems to mitigate gas shortfalls, the impact on consumers and the economy of high cost energy and ensure energy sufficiency for Alaskans. ANGDA must receive approval from the Legislative Budget and Audit Committee prior to issuing any bonds.

Section 12: Immediate effective date.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 369(FIN) am

HB 369 IN-STATE PIPELINE/ MANAGER/TEAM

"An Act relating to an in-state natural gas pipeline, the office of in-state gasline project manager, and the Joint In-State Gasline Development Team; requiring the development of an in-state natural gas pipeline plan, to be delivered to the legislature by July 1, 2011, that provides for a gasline that is operational by December 31, 2015; directing the Joint In-State Gasline Development Team to assume responsibilities under sec. 19, ch. 14, SLA 2009; requiring expedited review and action by state agencies or entities relating to the in-state natural gas pipeline project; and providing for an effective date."

and recommends:

[ ] be **replaced** with [X] **SCS** or [ ] **CS** CSHB 369 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[X] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/17	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
GOV	4/10	✓			4

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	✓			
	Thomas	✓			
	Egan	✓			
	Olson				✓
	Ellis	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: SCS CSHB 369(RES)
(S) Publish Date: 4/13/10

Identifier (file name): SCS CSHB 369(RES)-OOG-EO-4-10-10
Dept. Affected: OOG
Title "An Act relating to an in-state natural gas pipeline, the office of the in-state gasline project coordinator, ..."
RDU Executive Operations
Component Executive Office
Sponsor Reps. Chenault, Ramras, Olson, Johnson, Austerman, etc.
Requester (S) Resources
Component Number 6

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	229.7	229.7	232.1	239.5	242.0	250.2	250.2
Travel	35.0	35.0	35.0	35.0	35.0	35.0	35.0
Contractual	52.0	52.0	52.0	52.0	52.0	52.0	52.0
Supplies	18.0	18.0	18.0	18.0	18.0	18.0	18.0
Equipment	16.0	16.0					
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**350.7**	**350.7**	**337.1**	**344.5**	**347.0**	**355.2**	**355.2**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF	350.7	350.7	337.1	344.5	347.0	355.2	355.2
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**350.7**	**350.7**	**337.1**	**344.5**	**347.0**	**355.2**	**355.2**

Estimate of any current year (FY2010) cost: _____

POSITIONS							
Full-time	**2**	2	2	2	2	2	2
Part-time							
Temporary							

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

Fiscal impact consists of personal services for 2 staff: the in-state gasline coordinator Rg 26, project assistant Rg 15; and related travel, contractual and supplies costs for in-state natural gas pipeline office activities.

Prepared by: Linda Perez, Administrative Director
Phone 465-3876
Division Administrative Services
Date/Time 4/10/10 10:30 AM
Approved by: Linda Perez, Administrative Director
Date 4/10/2010
Office of the Governor

(Revised 11-6-2009 OMB)

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: SCSCSHB 369 (FIN)
() Publish Date:

Identifier (file name): SCCSHB369(FIN)-REV-AHFC-4-17-10
Dept. Affected: Revenue
Title "An Act relating to in-state natural gas pipeline,... .project manager/team"
RDU Alaska Housing Finance Corp.
Component Operations
Sponsor Representative Chenault
Requester Senate Finance Committee
Component Number 110

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	1,095.2		***	***	***	***	***
Travel	90.0		***	***	***	***	***
Contractual	14,342.1		***	***	***	***	***
Supplies	29.0		***	***	***	***	***
	84.3		***	***	***	***	***
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	15,640.6	0.0	***	***	***	***	***
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	15,640.6		***	***	***	***	***
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	15,640.6	0.0	***	***	***	***	***

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	7		***	***	***	***	***
Part-time							
Temporary							

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

Please see attached seven page analysis - includes breakdown for RSA to all agencies. The Alaska Housing Finance Corporation will be creating a subsidiary for the In-state Gas Pipeline Project team. In the fiscal note analysis, this unnamed subsidiary will be referred to as "AHFC." Fiscal impacts for FY12 and following years after an in-state gas pipeline plan is submitted to the legislature by July 1, 2011 is indeterminate.

Prepared by: Bryan Butcher, Director, Governmental Relations and Public Affairs
Phone 330-8445
Division Alaska Housing Finance Corporation
Date/Time 04-17-10; 7:34pm
Approved by: Ginger Blaisdell, Director
Date 04-17-10; 7:36pm
Administrative Services Division, Department of Revenue

3980

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SCS SCSHB 369 (RES)**
() Publish Date:

Identifier (file name): SCS CSHB369(RES)-REV-AHFC-4-14-10
Dept. Affected: Revenue

Title: "An Act relating to in-state natural gas pipeline,... ..project manager/team"
RDU: Alaska Housing Finance Corp.
Component: Operations

Sponsor: Representative Chennault
Requester: Senate Finance Committee
Component Number: 110

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	1,095.2		***	***	***	***	***
Travel	90.0		***	***	***	***	***
Contractual	20,042.1		***	***	***	***	***
Supplies	29.0		***	***	***	***	***
	84.3		***	***	***	***	***
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	21,340.6	0.0	***	***	***	***	***
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	21,340.6		***	***	***	***	***
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	21,340.6	0.0	***	***	***	***	***

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	7		***	***	***	***	***
Part-time							
Temporary							

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

Please see attached seven page analysis - includes breakdown for RSA to all agencies. The Alaska Housing Finance Corporation will be creating a subsidiary for the In-state Gas Pipeline Project team. In the fiscal note analysis, this unnamed subsidiary will be referred to as "AHFC." Fiscal impacts for FY12 and following years after an in-state gas pipeline plan is submitted to the legislature by July 1, 2011 is indeterminate.

Prepared by: Bryan Butcher, Director, Governmental Relations and Public Affairs — Phone 330-8445
Division: Alaska Housing Finance Corporation — Date/Time 04-14-10; 10:20pm
Approved by: Ginger Blaisdell, Director — Date 04-14-10; 11:25pm
Administrative Services Division, Department of Revenue

SCSCSHB 369 (RES) fiscal analysis:

Alaska Housing Finance Corporation FY11: 21,340.6.

To ensure that an in-state natural gas pipeline plan is delivered to the legislature by July 1, 2011 as set out in SCCSHB 369 (RES), the in-state gas line project team has identified general work products, materials, and a minimum staffing level needed to direct the work for the project team. The cost associated with contractual services to perform environmental work and support of permitting, cost of service analysis, continued refinement of pipeline engineering, and development and management of development plan in FY11 will be approximately $14,091 million. A cost of transportation estimate to provide pipeline and facility costs are scheduled to be completed by July 1, 2010, which will provide partial data for cost of service models. These costs will help determine commercial viability of a pipeline.

The additional $7.2496 million is for RSA monies to agencies duties outlined below.

The fiscal note has been changed from the Office of the Governor as the recipient to the Alaska Housing Finance Corporation (AHFC) as the recipient. Upon creation of a subsidiary corporation that will contain the Joint In-state Gasline Development Team, funds appropriated to AHFC shall be transferred to that subsidiary corporation.

FY12+: Indeterminate
The costs going forward for pipeline construction is indeterminate at this time, this fiscal note does not account for any activities that may occur after the in-state pipeline plan is submitted to the legislature by July 1, 2011.

Alaska Housing Finance Corporation:

PERSONAL SERVICES: 1,095.2 - increased to include 7 staff for first year as follows:

Project Manager Rg 26
Engineering Manager Rg 26
Commercial Manager Rg 26
Legislative Liaison/Public Outreach Officer Rg 23
Finance/budget analyst Rg 22
Schedule Coordinator Rg 21
Technical Writer Rg 19 (first year only)

TRAVEL: 90.0

CONTRACTUAL: Total 12,792.5

Contractual to include commercial analysis of downstream industrial opportunities, public outreach and information dissemination, and annual lease space for 7 staff during the first year. Second and subsequent fiscal year contractual costs are indeterminate.

4,800.0 for engineering data acquisition and refinement of engineering design. Gather detailed engineering geotechnical data to support permitting applications and to refine engineering, alignments, and cost. This will need to be done on a priority basis to support the project timeframes. Areas in particular need of additional data are Atigun Pass, Yukon River, and Denali Park, essentially to prove the feasibility of the construction methods and associated cost estimates. Optimization of the pipeline alignment in those areas, and several others, requires this data and engineering support.

2,900.0 for permitting. This line items addresses ongoing project management and support to the U.S. Army Corps of Engineers (USACE) EIS, expected early in 2011. Keeping this on track will require active support and timely resolution of issues.

An extensive collection of permits will be required for construction. While the EIS forms the basis of many of the Federal permits, the permit requirements of each agency still need to be met. A large number of state permits and agreements will also be required. Examples include stream crossings, air quality, cultural agreements, water withdrawals, and so on. Permitting will require re-engineering the pipeline to avoid sensitive areas and to reconcile ROW issues.

800.0 for right of way. There expects to be contracting for right of way delineation and acquisition. Substantial benefits from the FY10 efforts are expected, but considerable follow up will be needed. The difficult area around Denali Park will receive particular attention, as well as any right of way requirements on lands not managed by the State, the BLM, or ARRC.

750.0 for project risk/phasing analysis. Systematically revisit the engineering, construction methodology, cost estimates, and project phasing assumptions to optimize project cost and delivery. This will require considerable interaction with the commercial development group to further define and evaluate options.

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2,250.0 for commercial analysis and financing of downstream industrial opportunities.

500.0 for a Gas to Liquid (GTL) feasibility study.

500.0 for the preparation of a comprehensive financing plan that would be completed once cost estimates for the project are available. Contractual services will consist of Financial Advisors and legal counsel.

100.0 for public outreach, information dissemination, printing, advertising, postage.

79.2 first year office lease space – reduces to 75.3 for second and subsequent years.

SUPPLIES: 29.0 for staff and fast-track activities, reducing to 25.0 for second and subsequent years.

EQUIPMENT: 84.3 one-time office set up.

Alaska Housing Finance Corporation FY12 & Beyond: Contractual; Indeterminate
Fiscal responsibility for FY12 and beyond is indeterminate at this time. These costs may include preconstruction engineering, procurement of natural gas, potential application for extension of LNG export license, and other engineering and commercial activities that provide for a gasline that is operational by December 31, 2015. AHFC's ability to transfer the project to private investors is likewise unknown. If unsuccessful, AHFC may assume liability for a portion, or all of the construction costs. These costs will depend on what is determined and approved from the development plan, if anything, and could range from tens of millions to over 5 billion dollars, depending on the level of participation by AHFC.

Breakdown of RSAs to state agencies: 7,249.6 as follows:

DCCED FY11: 100.0

The Department Commerce, Community and Economic Development(DCCED) fiscal note reflects 100.0 for various expenses of the Alaska Railroad as a member of the joint pipeline team.

This funding supports right-of-way requests and related engineering and costs related to team participation.

DEC FY11: 121.1

The Department of Environmental Conservation (DEC) fiscal note reflects one new PCN, a project coordinator, to be located in the Office of the Commissioner to coordinate with the joint in-state pipeline development team in evaluation of necessary environmental permitting, environmental impact statement review, Alaska Coastal Zone Management Program coordination, as well as compliance and enforcement activities for an in-state natural gas pipeline.

Program Coordinator Rg 20

DOR FY11: 1,100.0

Personal Services 100.0
Travel **50.0**
Contractual **950.0**

Department of Revenue (ANGDA) working as part of the development team with experienced contractors and contractor firms to execute major elements of the assigned tasks.

1. Identify opportunities for delivering North Slope gas to rural & maritime Alaska
2. Identify and negotiate with potential gas suppliers and potential gas consumers
3. Develop pro-forma financials for the project
4. Develop a partnering agreement with a pipeline company
5. Provide a design, construction schedule, and cost estimate for an LNG plant

DOT FY11: 5,560.8 plus 367.7 for DNR State Pipeline Coordinators Office

The Department is a member of the joint pipeline development team and is the applicant for the right-of-way (ROW). A Engineer V will serve as the technical expert for the commissioner and as the technical lead for the Department's responsibilities. A ROW agent will coordinate the ROW portions of the plan, to assist in determining the

intricacies associated with potential routes, and will start initial coordination with utilities that are currently in the ROW. An environmental impact analysis manager will oversee and provide technical expertise for the environmental impacts and permits needed for activities in the department's ROW. Contractual costs include data acquisition, land appraisal and ROW consulting services.

Specific costs are for:

Personnel Services **418.7**
Engineer/Architect Rg 26
Right of Way Agent Rg 20
Environmental Impact Analysis Mgr. rg 21
Administrative Assistant I Rg 12

Travel **45.0**
Contractual **5,037.1**
Supplies **60.0**

ADDITIONAL CONTRACTUAL FOR DOT: 367.7

Needed for interagency funding to DNR State Pipeline Coordinators Office to be used by DNR as detailed below.

(DNR FY11): $367.7[1]

All State Pipeline Coordinator Office (SPCO) costs associated with the right-of-way permitting process, preparation of the Commissioner's Analysis, Proposed Decision and Action, construction oversight, and operational oversight are reimbursable pursuant to AS 38.35.140(b). Costs reflected in this fiscal note are reimbursable under AS38.35.140(b). Positions and efforts identified for SPCO work will utilize existing positions to the greatest extent possible.

FY2011 PERSONAL SERVICES COST - $200.3 total (for 12 months)

BREAKDOWN of DNR FY11 costs

(1) STATE PIPELINE COORDINATOR'S OFFICE
Positions in Anchorage; for preparing the project plan and analyses.

[1] The RSA for 367.7 to DOT will subsequently be an RSA to DNR.

- one State Pipeline Coordinator (SPC) (range 26) - total 1 month at $9.7/month = $9.7
- one Natural Resource Specialist (NRS) III (range 18)- total 3 months/yr at 7.31/month = $21.93
-one Natural Resource Manager (NRM) II (range 20) - total 1 month at $9.41/month = $9.41
- one Engineer IV (range 27) - total 3 months at 13.70/month = $41.1
- Administrative Support - total = $8.20
$90.34 for **FY 11 Total**

(2) OFFICE OF PROJECT MANAGEMENT AND PERMITTING
Position in Anchorage; for coordination of a project Health Impact Assessment.
- Natural Resource Specialist (NRS) III (range 18) - total = $10.0
$10.0 for **FY 11 Total**

(3) DIVISION OF COASTAL AND OCEAN MANAGEMENT
One position in Anchorage; for conducting the project Alaska Coastal Management Program process.
-one Natural Resource Specialist (NRS) III (range 18)-
total 1 month at 7.31/month = $7.31
$7.31 for FY 11 Total

(4) STATE HISTORIC PRESERVATION OFFICE
Position in Anchorage; for review and monitoring the cultural resource project program. - one Archeologist = $20.0
$20.0 for **FY 11 Total**

(5) DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS
Positions in Fairbanks; for management of geohazards project related studies and review of existing information.
- one Geologist IV (range 21) - total 4 months = $35.80
- one LTNP Geologist III (range 19) - total 4 months = $25.52
- one Graduate Intern - total 4 months = $11.32
$72.64 for **FY 11 Total**

(6) DIVISION OF MINING LAND & WATER

The costs to DMLW would include expenses during FY 11 for providing assistance during the development teams planning efforts and preapplication meetings

PERSONAL SERVICES COST - $86.4 total (for 12 months in FY11)

One Natural Resource Specialist (NRS) III (range 18) - total 12 months at $86.4/year for assistance with the planning effort and preparation for the authorization work in FY12.

TRAVEL, CONTRACTUAL, SUPPLIES - $11.0 total
Travel would be for planning and public meetings. $2.0 in FY11
Other contractual costs include $5.2 for office space, telephones, core service charges and related expenses for the new positions in FY11.

Supplies are budgeted at $3.8 for FY11, and includes one-time start-up costs for new computers and office equipment.

TRAVEL, CONTRACTUAL, SUPPLIES - $70.0 total for FY11

Travel, contractual, and supplies to support the duties of the development team in preparing the project plan and the Analyses necessary to prepare project applications, supporting documentation, and the preparation for an expedited state review of the proposed actions.

Other miscellaneous, contractual and supply costs include office space, telephones, core service charges and related expenses.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHB 369(RES)
(H) Publish Date: 3/11/10

Identifier (file name): HB369-DOT-SDES-2-26-10
Title: In-State Pipeline/Team/Committee
Sponsor: Rep. Chenault
Requester: H. RES

Dept. Affected: DOT&PF&PF
RDU: Design, Engineering and Construction
Component: Statewide Design & Engineer Services
Leased Facilities
Component Number: 2882, 2892

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	314.3		314.3	314.3	314.3		
Travel	45.0		45.0	45.0	45.0		
Contractual	47.1		49.6	49.6	49.6		
Supplies	45.0		10.0	10.0	10.0		
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**451.4**	**0.0**	**418.9**	**418.9**	**418.9**	**0.0**	**0.0**
CAPITAL EXPENDITURES	**1,000.0**		**1,000.0**	**1,000.0**			
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,451.1		1,418.9	1,418.9	418.9		
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**1,451.1**	**0.0**	**1,418.9**	**1,418.9**	**418.9**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time	**3.0**		3	3	3		
Part-time							
Temporary							

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

DOT&PF is a member of the Joint In-state Gasline Development Team and is tasked with determining status of current right-of way (ROW), expediting permits for use of the ROW and overseeing construction to insure compliance with federal and state permit requirements. It is anticipated DOT&PF will assist in determing the needs for and acquisition of additional ROW. An Engineer V position will serve as the technical expert for the Commissioner of DOT&PF, manage consultant activities and oversee regional staff who will be issuing permits and authorizations. An Environmental Impact Analysis Manager will oversee work done in the ROW to insure compliance with federal and state requirements, insure our processes provide for rapid permitting decisions and no delays in construction. An administrative assistant will assist with the day to day activities of the two professionals.

Prepared by: Mary Siroky, Legislative Liaison, Phone 465-4772
Division: Department of Transportation Date/Time 2/26/10 8:00 AM
Approved by: Frank Richards, Deputy Commissioner Date 2/26/2010
Department of Transportation and Public Facilities

(Revised 11/6/2009 OMB)

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STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHB 369(RES)

ANALYSIS CONTINUATION

DOT&PF estimates 30% of the pipeline may not be economically or efficiently located within the designated state ROW. Of that 30% it is estimated that 30% must be acquired by acquisitions with appraisals, surveys, condemnation authority, etc resulting in between 60 to 125 miles of ROW to be identified, appraised, negotiated, etc. For this fiscal note DOT&PF assumed, as a ROW owner, it makes sense for the DOT&PF to coordinate the contracts for these services and estimates a cost of $2,000.0. This does not include acquisition costs. DOT&PF has assumed that DNR will require surveys and applications for use of material sites estimates consulting services to be $1,000.0. The department anticipates the ROW and material site aquistiation costs are capital costs and will not be needed in the final year of construction.

Additional contractual costs are for annual cores service costs ($5.0) and annual lease space costs ($42.1) for these staff as our Anchorage offices are already overcrowded. In FY2012, contractual costs increase by $2.5 for annual maintenance costs for copier, printer, fax machines.

Supplies costs in FY2011 include the office start up expenses and supplies. Ongoing costs are $10.0 annually.

DOT&PF will budget the leased office space in a separate RDU (Administration and Support), Component (Leased Facilities - 2892) for centralized lease payments to DOA.

#2 DOT
No longer
applies - new REV
(AHFC) # FN
takes care of DOT's
items.

withdrawn
4/18/10

26-LS1527\M.3
Chenoweth
4/15/10

AMENDMENT (1)

OFFERED IN THE SENATE

By Senator Thomas

TO: SCS CSHB 369(RES)

Page 7, line 27:

Delete "and"

Following "state":

Insert ", and facilitating the project developer's commitment to negotiate, to the maximum extent permitted by law, before construction of the project begins, a project labor agreement; if, in consideration of complying with the project labor agreement, the development team determines that the project may be constructed by a private pipeline construction company or companies, the development team shall direct that this requirement be incorporated into any construction contract agreement as a binding commitment applicable to the corporation's contractors; for this purpose, "project labor agreement" means a comprehensive collective bargaining agreement between the project developer or, if construction is to be undertaken by one or more private pipeline construction companies, the project developer's contractor or contractors and the appropriate labor representatives to ensure expedited construction with labor stability for the project by qualified residents of the state"

3991

KENAI PENINSULA BOROUGH

Mayor's Office
144 N. Binkley • Soldotna, Alaska 99669
Toll-free within the Borough: 1-800-478-4441
PHONE: (907) 714-2150 • **FAX**: (907) 714-2377
www.borough.kenai.ak.us

March 11, 2010

Honorable Mike Chenault
Speaker, Alaska House of Representatives
State Capitol Room 208
Juneau, AK 99801

Dear Speaker Chenault:

I am pleased to offer my support of House Bill 369: An Act relating to an in-state natural gas pipeline.

The Kenai Peninsula Borough and the entire South Central region of Alaska has long relied on the natural gas production from the Cook Inlet basin to heat our homes, schools and businesses; generate electrical energy and employment of thousands of workers. As the Cook Inlet supply is dwindling, a new source of natural gas is paramount to our economic stability and prosperity. I believe an "in-state" gas line will accomplish that.

Many Alaskan's have become frustrated by the apparent lack of movement by our elected officials to head off the day when a reliable source of natural gas ceases to exist here; in my view HB 369 attempts to consolidate the multiple and individual efforts into one common direction and does so with measurable timeframes for action.

The Kenai Peninsula Borough supports the construction of a natural gas spur pipeline, or "bullet line", connecting the North Slope to Cook Inlet. This pipeline would address Alaskan economic concerns and long-term energy needs. The Kenai Peninsula Borough supports the efforts of the Alaska Natural Gas Development Authority (ANGDA) to develop a spur pipeline, to bring North Slope natural gas to Southcentral Alaska, specifically to the Nikiski area, which is an established hub in Cook Inlet.

The Kenai Peninsula Borough welcomes the opportunity to be included as part of the Joint In-state Gasline Development Team as described in HB 369. Please consider this letter as my firm support of House Bill 369.

Sincerely,

David R. Carey

David R. Carey
Mayor

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(23) sec. 100, ch. 2, FSSLA 1999, page 69, lines 29 - 30, and allocated on page 69, lines 31 - 32 (Department of Transportation and Public Facilities, National Highway System (NHS) state match - $22,602,059).

(b) The unexpended and unobligated balance, not to exceed $98,056, of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 140, lines 24 - 26 (Alaska Gateway, Dot Lake School mechanical upgrade - $1,087,118) is reappropriated to the Alaska capital income fund (AS 37.05.565).

(c) The unexpended and unobligated balance, not to exceed $54,753, of the appropriation made in sec. 60, ch. 3, FSSLA 2005, page 142, lines 13 - 14 (Southeast Island, Thorne Bay house access ramp - $141,415) is reappropriated to the Alaska capital income fund (AS 37.05.565).

* **Sec. 19.** NATURAL GAS PIPELINE. (a) The sum of $4,322,000 is appropriated from the Alaska capital income fund (AS 37.05.565) to the Office of the Governor for the development of an in-state natural gas pipeline.

(b) The unexpended and unobligated balance, estimated to be $2,700,000, of the appropriation made in sec. 8, ch. 1, 4SSLA 2008 (Department of Natural Resources, gas pipeline implementation - $5,500,000) is reappropriated to the Office of the Governor for the development of an in-state natural gas pipeline.

(c) For the appropriations made in (a) and (b) of this section, it is the intent of the legislature that

(1) the funds be used solely to plan, coordinate, and facilitate construction, ownership, and management of a natural gas pipeline serving Fairbanks, the Southcentral region of the state, and other communities wherever practicable, connecting with or enhancing the existing gas pipeline system, and reaching to tidewater;

(2) the funds be used for a full alternative analysis of possible routes;

(3) an economically feasible in-state pipeline and any connecting lines serve industrial, residential, and utility customers along the entire route, including any other regions of the state that could be served at commercially feasible rates;

(4) the Office of the Governor use the appropriations to

(A) coordinate with entities that could build, own, and operate the line;

(B) assist with preparing cost estimates for the project to determine its

economic feasibility and cost to consumers;

(C) apply for and obtain right-of-way permits for the project route, with the intent that the state would transfer the permits to, and receive compensation for the permits from, the entity best able to complete the project;

(D) work with other entities to promote the gas supply and gas purchase contracts that would be required for the project to be commercially viable;

(5) the coordination effort by the Office of the Governor use, to the fullest extent possible, any and all existing work by other state agencies before contracting for new reports, research, and analyses, and that the coordination effort by the Office of the Governor not expand beyond the scope of coordinating interests to build, own, and operate the gas pipeline;

(6) the Office of the Governor submit written monthly reports to the president of the senate, the speaker of the house of representatives, and all legislators, listing all current and future contracts executed for development of an in-state natural gas pipeline and specifying the scope of work and contract amount, a cumulative total monthly of all funds spent for development of an in-state natural gas pipeline, reporting progress to date on the project work plan, and presenting a work plan for each subsequent month.

* **Sec. 20.** FUND TRANSFER. An amount equal to 20 percent of the revenue collected under AS 43.55.011(g), not to exceed $60,000,000, is appropriated from the general fund to the community revenue sharing fund (AS 29.60.850).

* **Sec. 21.** CONTINGENCIES. (a) Sections 14(f) and 14(g) of this Act are contingent on ratification by the members of the respective collective bargaining unit of its collective bargaining agreement.

(b) Section 7(e) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 172 relating to the education loan fund.

(c) Section 11(b) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of SB 89 relating to retirement benefits for members of the Alaska Territorial Guard.

(d) Section 8(f) of this Act is contingent on passage by the Twenty-Sixth Alaska State Legislature in the First Regular Session and enactment into law of a version of HB 141

HB

412

<target><bill>HB 412</bill><subject>HB
412</subject><comm>SFIN26</comm></target>

STATE CAPITOL
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Juneau, Alaska 99811-0001
907-465-3500
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550 West 7th Avenue #1700
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Governor Sean Parnell
STATE OF ALASKA

February 25, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18 of the Alaska Constitution, I am transmitting a bill establishing the Alaska micro loan revolving fund; making loans for commercial purposes from the fund; and relating to the fund and loans.

In an effort to promote economic development in the state by helping small businesses access critically needed capital, a new loan program has been developed that is modeled after a program currently operated through the federal Small Business Administration (SBA). The SBA program, known as the micro loan program, provides small, short-term loans to small businesses. This federal program, however, is not currently available in the state because an intermediary lender is required and to date no lenders meeting the SBA's qualifications have been identified in the state.

This bill will create the Alaska micro loan revolving program in the Department of Commerce, Community, and Economic Development. The program will be set up as a revolving loan fund so that all earnings and loan payments will be retained by the fund for future loans. All operating expenses will also be paid from earnings of the fund.

An applicant for the loan must be a resident of the state of Alaska and provide a reasonable amount of money from other non-state sources for use on projects for which money from a loan will be used. Loans under this program may not exceed $35,000 to one person, or $70,000 to two or more persons. A loan under the program bears interest at the rate of prime plus one percentage point, but may not be less than six percent per year and not more than eight percent per year. The maximum term for a loan under this program will be six years; however, extensions may be granted. Finally, a loan must be secured by collateral acceptable to the commissioner of the Department of Commerce, Community, and Economic Development.

I urge your prompt and favorable action on this measure.

Sincerely,

Sean Parnell
Governor

Enclosure

Sectional Analysis of HB 412

Prepared by Greg Winegar
Alaska Division of Investments
(907) 465-2510

Alaska Microloan Revolving Fund

Summary: This bill creates the Alaska Microloan Revolving Fund (Fund) within the Department of Commerce, Community, and Economic Development (department). The purpose of the Fund is to help promote economic development in the state by helping small businesses access critically needed capital. The Fund will be set up as a revolving loan fund so that all earnings and loan payments would be retained by the Fund for future loans. All operating expenses would also be paid from earnings of the Fund.

Section 1 creates a new article in AS 44.33 titled "Alaska Microloan Revolving Fund".

AS 44.33.950 establishes the Fund as a revolving fund and describes the various components of the Fund. It also authorizes the legislature to make appropriations from the Fund to pay for administrative costs.

AS 44.33.955 describes the powers and duties of the department. It allows the department to make loans for working capital, equipment, construction or other commercial purposes. Additionally, it allows the department to receive money for the Fund; establish amortization plans for repayment of loans, including extensions of the terms of loans; allow assumptions; establish interest rates, charge and collect fees; adopt regulations and designate agents.

AS 44.33.960 establishes the eligibility requirements for applicants. The applicant must be a resident of the State and provide a reasonable amount of money from other nonstate sources for use on the project for which loan funds will be used. This section also stipulates the residency requirements. It states that an applicant must physically reside in the state and maintain a domicile in the state during the twelve consecutive months before the date of application. It goes on to state that an applicant may not have declared residency in another state or to have received a benefit based on residency from another state.

AS 44.33.965 sets out limitations on the loans. Loans may be made for up to $35,000 per person or, up to $70.000 to two or more persons. The loan term may not exceed six years and may not bear an interest exceeding the prime rate plus one percentage point; however, it may not be less than six percent per year and not more than eight percent per year. The loan must be secured by collateral acceptable to the commissioner and may not be made to a person who has a past due child support obligation.

AS 44.33.970 establishes a special account within the Fund called the "foreclosure expense account." The department may expend money from this account to protect the state's security position in loan collateral or to defray expenses incurred during foreclosure proceedings.

HB 412 Sectional Analysis **April 12, 2010**

AS 44.33.975 requires the department to dispose of property acquired through default or foreclosure in a manner that serves the best interest of the state. It also authorizes the department to finance the sale of property obtained through a foreclosure action.

AS 44.33.990 provides definitions for "commissioner" and "department."

Section 2 of the bill amends the uncodified law of the State of Alaska by adding a new section titled, "TRANSITION: REGULATIONS." This section authorizes the department to immediately proceed with the adoption of regulations necessary to implement the changes made in Section 2. It further stipulates that the regulations may not take effect before July1, 2010.

Section 3 stipulates that Section 3 of this Act takes effect immediately.

Section 4 states that except as provided in Section 4 of this Act, the Act takes effect on July 1, 2010.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1 ***CORRECTED***
Bill Version: HB 412
(H) Publish Date: 3/8/10

Identifier (file name): HB412-CED-INV-2-26-10
Dept. Affected: DCCED
Title: Microloan Revolving Fund
RDU: 122
Component: Investments
Sponsor: Rules Committee by Request of the Governor
Requester: House Labor and Commerce Committee
Component Number: 383

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	72.3		74.6	76.7	79.2	81.6	84.2
Travel	2.5		2.5	2.5	2.5	2.5	2.5
Contractual	0.0		0.0	0.0	0.0	0.0	0.0
Supplies	0.5		0.5	0.5	0.5	0.5	0.5
Equipment	2.4		0.1	0.1	0.1	1.1	0.6
Land & Structures							
Grants & Claims							
Misc (Fund capitalization)	3,500.0						
TOTAL OPERATING	**3,577.7**	**0.0**	**77.7**	**79.8**	**82.3**	**85.7**	**87.8**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES (Micro Loan)	**95.8**		**131.6**	**239.9**	**250.8**	**257.3**	**270.4**

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1140 AIDEA Dividend	3,577.7						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Micro Loan Revolving Loan Program		0.0	77.7	79.8	82.3	85.7	87.8
TOTAL	**3,577.7**	**0.0**	**77.7**	**79.8**	**82.3**	**85.7**	**87.8**

Estimate of any current year (FY2010) cost: 0.0

POSITIONS

Full-time	1.0	0.0	1.0	1.0	1.0	1.0	1.0
Part-time							
Temporary							

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

This new program would provide short term, low interest loans to Alaska small businesses to be used for typical business purposes such as working capital, purchasing machinery, equipment, and inventory, and leasehold improvements. The initial capitalization would be $3.577 million from the AIDEA dividend. The fund would be set up as a revolving fund so that all earnings and loan repayments would be retained by the fund for future loans. All operating expenses would also be paid from earnings of the fund. Projected operating expenses are for personal services for a Loan/Collection Officer, two trips to rural Alaska per year, initial set-up expenses (supplies and equipment) plus projected supplies and equipment use through 2016.

Increases to revenue have been projected through FY2016. We estimate that approximately 75 loans will be made in the first year and that 100 loans would be made in the second year for a total of $3.5 million in loan demand. Repayments to the fund and earnings retained by the fund would provide cash flow to make approximately 25 additional loans each year thereafter.

(Continued on page two.)

Prepared by: Greg Winegar, Director — Phone 465-2510
Division: Division of Investments — Date/Time 2/26/10 10:59 AM
Approved by: Emil Notti, Commissioner — Date 2/26/2010
Department of Commerce, Community, and Economic Development

ANALYSIS CONTINUATION

Earnings retained by the Micro Revolving Loan Fund would be comprised of interest repayments, fees collected and earnings on the daily cash balances.

The program would promote economic development through job creation by helping new and existing Alaska small businesses succeed. This is consistent with the departments' mission and the benefits to the state would be documented through job creation performance measures.

Capitalization of the Alaska Micro Loan Program is contingent upon the passage of legislation to sell the Alaska Energy Authority's Power Project Fund (AS 42.45.010) loan portfolio. The sale of the loan portfolio is expected to provide approximately $21 million to the power project fund to be used for future loans. If the legislation passes, the capital appropriation in section 8 of the FY 2011 capital bill (page 47, line 1-3) that capitalizes the Power Project Fund with AIDEA dividend will be reduced by $3.577 million.

CSHB 412 Explanations of Changes

There were 3 changes made to HB 412 in the House Finance Committee. Those were as follows:

1) The interest rate cap of 8% was removed on page 3, Line 26.
2) Residency requirements were tightened by inserting "in the previous 12 months" on page 3, line 17 following "in the state"
3) The legislative findings in section 1 were removed.

Alaska Micro Loan Program **DCCED/ Division of Investments**

Summary of Bill:
In an effort to promote economic development in Alaska by helping small businesses access critically needed capital to grow their businesses, the Alaska Division of Investments (ADI) has developed the framework for a new loan program that would be modeled after a program currently operated through the federal Small Business Administration (SBA). For the purposes of this discussion we have named the program the "Alaska Micro Loan Program" (AMLP). The SBA program is currently available in 46 states, however it is not available in Alaska. The reason the program is not available in Alaska is that an intermediary lender is required and to date no lenders that meet SBA's qualifications have an interest in pursuing this type of loan in the state.

AMPL Program Specifics

Eligibility:	*Alaska resident borrowers.*
Maximum Loan:	*$35,000.*
Maximum Term:	*6 years.*
Collateral:	*Sufficient to secure the loan.*
Equity:	*Borrower must have at least a 10% equity position.*
Capitalization:	*$3.5 million. The program would be set up as a Revolving Loan Fund so that all earnings and loan repayments would be retained by the fund for future loans. All operating expenses would also be paid from earnings of the fund.*
Fees:	*$100 application fee and a 1% origination fee to be paid at loan closing.*
Interest Rate:	*Prime plus one with a floor of 6%*
Operating Expenses:	*Approximately $77K per year. All operating expenses would be covered by income produced by the program.*

Other Comments:
The AMLP program would complement two existing small business loan programs currently administered by ADI, the Small Business Economic Development Revolving Loan Fund (SBEDRLF) and the Rural Development Initiative Fund (RDIF).

The SBEDRLF program involves federal money from the Economic Development Administration and is targeted at specific communities that have experienced economic hardship. The program has been primarily used for long term financing and requires that numerous federal requirements be met.

The RDIF program was created with state funds and is only available to small businesses located in communities of 5,000 or less if not connected by road or rail to Anchorage or Fairbanks or communities with populations of less than 2,000 if connected by road or rail to Anchorage or Fairbanks. The RDIF program has also primarily been used for long term financing.

On the other hand, the AMLP program would provide relatively short term, low interest loans to Alaska small businesses to be used for typical business purposes such as working capital, purchasing machinery, equipment, inventory and leasehold improvements. Loans would be available in all regions of the state and the application process would be relatively streamlined.

Bristol **B**ay **E**conomic **D**evelopment **C**orporation
P.O. Box 1464 • Dillingham, Alaska 99576 • (907) 842-4370 • Fax (907) 842-4336 • 1-800-478-4370

March 11, 2010

The Honorable Sean Parnell
Office of the Governor
P.O. Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell:

I am writing to thank you and urge your continued support for SB 302 and HB 412 – bills to create a microloan revolving loan fund. As you are no doubt aware from your experiences in rural Alaska, access to start up capital is a key initial component of starting new enterprises and creating jobs in Alaska. Residents of the Bristol Bay region are creative and enterprising and there is no lack of entrepreneurial spirit; however there is a huge lack of supporting capital. Our organization provides technical assistance to entrepreneurs with feasibility studies, business plans and funding searches. By far, the most challenging aspect of starting a small business in our region is a lack of capital; even when it involves a very small amount of money. Traditional sources of capital such as banks and other financial institutes are not viable sources of capital for small entrepreneurs in rural Alaska.

As with many other states, Alaska residents understand that supporting small business development is a key part of their overall economic development. However, Alaska is one of four states in the nation that does not have a microloan program and these bills would resolve that and fill an unmet need that would help small businesses and rural Alaska residents.

We urge your support and thank you in advance for your efforts.

Sincerely,

H. Robin Samuelsen
Chief Executive Officer

AEDC
Anchorage Economic
Development Corporation

Voting Members

Anand Vadapalli ACS
Bill O'Leary Alaska Railroad Corporation
Bob Lacher CH2M HILL
Brian Wenzel ConocoPhillips
Bruce Bustamante Princess Tours
Bruce Lamoureux Providence Alaska Medical Center
Chris Brown AT&T
Chris Stephens Bond Stephens & Johnson, inc
Claire Fitzpatrick BP Exploration Alaska, Inc
Connie Carter FedEx Express
Dale Pittman Exxon Mobil Corporation
David Hamilton Alaska USA Federal Credit Union
Dennis Mitchell Lynden International
Ed Herndon Chugach Alaska Corporation
Greg Kessler Totem Ocean Trailer Express
Greg Pearce GCI
Jeffrey Davis Premera Blue Cross Blue Shield of Alaska
Joseph Everhart Wells Fargo Bank N.A
Lon Wilson The Wilson Agency, LLC
Mark Liland Northern Air Cargo
Marla Wellington Continental Airlines
Michael Prozeralik kpb architects
Mike Devlin Evergreen Films, Inc
Pat Walsh Walsh|Sheppard
Peter Grunwaldt Premier Alaska Tours
Scott Hansen Carpenters Local 1281
Sophie Minich CIRI
Stephanie Holthaus Alta Air Logistics
Stewart Osgood DOWL HKM
Suzanne Cherot Birch, Horton, Bittner & Cherot
Tim Vig USKH, Inc.

Ex-Officio Members – Legislators

Rep. Craig Johnson Alaska State Legislature
Rep. Harry Crawford Alaska State Legislature
Sen. Johnny Ellis Alaska State Legislature
Sen. Lesil McGuire Alaska State Legislature

Ex-Officio Members – Municipality

Mayor Dan Sullivan Municipality of Anchorage
Assemb. Bill Starr Municipality of Anchorage
Assemb. Dan Coffey Municipality of Anchorage

Ex-Officio Members – Appointed by the Board

Brian Nerland KeyBank Alaska
Carol Comeau Anchorage School District
Chris Anderson AIDEA
Christine Klein Acting Airport Director, State of Alaska
Elisha Baker University of Alaska Anchorage
George Vakalis AWWU
Julie Saupe Anchorage Convention & Visitors Bureau
Larry Cash RIM Architects
Mary K. Hughes Past Chairman of the AEDC Board
Tennys Owens Artique, Ltd
Tony Izzo Anchorage Chamber of Commerce

March 10, 2009

The Honorable Governor Sean Parnell
State of Alaska
State Capitol
P.O. Box 110001
Juneau, AK 99811-0001

Re: SB302 and HB412 Alaska Micro Loan Program

Dear Governor Parnell:

I write to you today to offer the strong support of the Anchorage Economic Development Corporation for passage of legislation enacting the Alaska Micro Loan Program. The passage of this legislation, important to small businesses across Alaska, will provide a key source of needed capital that is vital to health and growth of our economy.

In reviewing the specifics of the legislation, it is apparent that this modest investment by the state of Alaska could yield significant benefits for communities in every region of the state. The sizes of the loans offered are quite modest, as are the corresponding fees and interest rates charged. The infusion of capital this program offers will help both existing businesses and start-up businesses to bridge short-term funding gaps, purchase new equipment, expand services and employ more Alaska citizens.

Thank you for introducing this important legislation. AEDC supports the passage of this legislation as an important step to grow and diversify the economy of Alaska.

Sincerely,

Bill Popp
President & CEO

510 L Street, Suite 603 • Anchorage, AK 99501 • (907) 258-3700 • www.AEDCweb.com

FAIRBANKS
Economic Development
CORPORATION

301 Cushman St., Suite 301, Fairbanks, AK 99701

March 2, 2010

Dear Governor Parnell,

We appreciate your continued interest in developing jobs and opportunity in Alaska. The recent legislation submitted by your office, Senate Bill 302 and House Bill 412, creating an Alaska microloan revolving fund is a good example of your continued efforts.

Here at the Fairbanks Economic Development Corporation we recognize the need for this legislation and offer our support as you move this legislation forward.

Thank you,

Jim Dodson
President & CEO
Fairbanks Economic Development Corporation

Phone: (907) 452-2185
1-888-476-FEDC
www.investfairbanks.com
Fax (907) 451-9534

SWAMC
Southwest Alaska Municipal Conference
3300 Arctic Boulevard, Suite 203 Anchorage, AK 99503 p: 907.562.7380 f: 907.562.0438 www.swamc.org
Alaska Peninsula
Aleutian Chain
Bristol Bay
Kodiak Island
Pribilof Islands

March 11, 2010

Governor Sean Parnell
State of Alaska
PO Box 110001
Juneau, AK 99811

Re: Support for SB 302 and HB 412

Dear Governor Parnell,

Thank you for submitting SB 302 and HB 412, two bills aimed at creating a microloan revolving fund for the State of Alaska. By introducing this legislation, you have proven your awareness that access to startup and working capital is a key component of starting new enterprises and creating jobs in Alaska.

In Southwest Alaska, a revolving loan fund could help boat owners or smaller fish processors with equipment purchases. It could assist bed and breakfast owners with upgrades to their homes and business. Or it could provide much-needed construction capital to mechanics, day care providers, and a host of other small business startups and entrepreneurs.

Alaska is one of four states in the nation that do not have a microloan program and these bills would resolve that and fill an unmet need that would help small businesses, which is why SWAMC supports them.

Again, thank you for introducing these bills. I hope they can help add to Alaska's efforts to support our small businesses and entrepreneurs.

Sincerely,
SOUTHWEST ALASKA MUNICIPAL CONFERENCE

Andy Varner

Executive Director

ALASKA
SBDC
ALASKA SMALL BUSINESS DEVELOPMENT CENTER

State Office
430 West 7th Avenue, Suite 110
Anchorage, AK 99501
tel 907.274.7232
fax 907.274.0565
www.aksbdc.org

March 4, 2010

Office of Governor Sean Parnell
Susan K. Bell
Special Staff Assistant
P.O. Box 110001
Juneau, AK 99811-0001

RE: SB302 & HB412

Dear Susan,

The Alaska Small Business Development Center (SBDC), with its 7 statewide locations, supports the governor's introduction of bills SB302 and HB412. As an organization that was initiated, nationwide, in the 80's by the U.S. Small Business Administration, we have helped Alaska businesses locate loan opportunities for almost 25 years.

Micro-lending is an opportunity for many small businesses who typically do not find the lending options with banks due to the small amount of their loan request. Many lending institutions prefer loan applications with values of $100,000 or more. The micro-lending bill that the governor has introduced will assist many small businesses move their operations to the next level.

In 2009, the Alaska SBDC assisted over 4,000 clients, by providing free and confidential one on one business counseling and low cost workshops. In addition to these services, we also have formal agreements in place to serve as Technical Assistance (TA) providers to many SBA loan recipients. This process requires loan recipients to have specific counseling and training based on their individual needs as a condition of the loan. These needs can run the gamut from business planning/development, marketing, to financial management, as well as many training opportunities.

The approval of the micro-lending bills will significantly impact and support many small businesses throughout Alaska, including the clients we assist in rural villages and communities through our Rural Outreach Program for Entrepreneurs (ROPE). We offer our support and look forward to many future business successes as a result of this initiative.

Sincerely,

Debi Fowler
Associate State Director
Alaska Small Business Development Center

King Crab Shack
JUNEAU, ALASKA

March 2, 2010

Office of the Governor
PO Box 110001
Juneau, AK 99811-0001

Dear Governor Parnell,

Thank you for introducing HB 412 & SB 302 – Microloan Revolving Fund. Please let me elaborate on what this would mean for me and my business.

I have an unusual situation that can be only be categorized as very "Alaskan". I am a small summer seasonal business. I buy strictly Alaskan king crab, Dungeness Crab & Opilio crab and try to support local vendors. I am going into my 5th year of business. I have approximately 10 employees over the course of the summer. I have finally achieved a decent net profit as of last year.

However, every year, I scramble with the banks to be able to purchase enough crab at reasonable rates, to get through my season. As with most fisheries, the Crab fishery is a cash business.

Here in lies the problem:

- I have to purchase my crab in October (during crab season) which is at the end of my season.
    - This causes hardship as I am trying to pay down my loans at the end of the season, pay sales & Federal taxes and save enough money to get through the winter.
    - I am having to pay interest and storage on crab for 6 months before I reopen

- My sales have increased each year by 60-78%. That is pretty exceptional for a down economy. However, that means my inventory needs to increase.
    - Because I can't get enough money up front to buy crab, the price of crab goes up. This can mean a difference of $7,000 - $15,000 in would be profits that just disappear.
    - This money could be used to buy down my loans with the bank & buy inventory.
    - This doesn't give the required equity position in my business because I'm on a "treadmill".

- Banks hesitate to loan on a perishable inventory. The most I have been able to get is 60% LTV ratio, (I have to provide 40%) on enough crab that only lasts me 6 weeks.
    - This makes coming up with 40% difficult because the above problems.
    - Banks want more collateral, but because I am currently banking with **FIVE** institutions, they all have 1st or 2nd position on everything I have. None of them are willing to take crab as full

collateral even though the price goes up, there is a market for it and it is the only thing I need money for.
    - If I get an unsecured loan, the interest rates are so high that once again, it negates the margin of profit.

- SBA & JEDC loans only tend to support start-up businesses. I have not been successful in applying for a line of credit for inventory, especially in the amount that I need and on a perishable product. (Approx $200,000). I have found that:
    - There is money for start ups. (Most of which fail)
    - Money for "bush" or rural areas or disadvantaged sector
    - Money for larger businesses that need $1m or more
    - Absolutely no help for businesses that only need money for inventory in the ($100-$500k range)

Even though I have proven over and over that I pay back my lines of credit or working capital loans, (to the tune of $150,000 each year) I scramble to get enough money to keep up with the increase in business.

While I also struggle with typical "Alaskan" hurdles such as the high cost of shipping, high costs of rent, and lack of cold storage, I have continued to be a staunch supporter of Alaska and Alaska products. I have chosen to take a smaller profit margin to keep my business in Alaska, but this is proving harder each year.

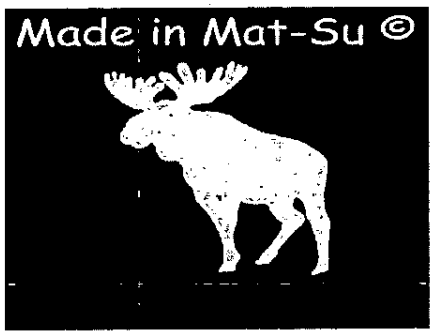
Granted I am a seasonal business that depends on the cruise ship sector, but I NEVER thought that being successful would present the obstacles it has. Businesses such as mine are in desperate need of way to get capital at a low cost for "unusual" situations to continue to stay in state and in business.

While I would like to see the dollar amount of the bill be higher, I support and applaud the idea of offering a low cost way for businesses to grow.

Thank you for your efforts.

Sincerely,

Tracy LaBarge, Owner
PO Box 21082
Juneau, AK 99802
907.723.2004



From: Made In Mat-Su Association
March 18, 2010
1100 E. Dan Street
Wasilla, Alaska 99654

To: The Honorable members of the 2010 Alaska State Legislature

The Made In Mat-Su Association lends the full support of its members and affillitates to SB302/HB 412. The Association supports the proposed Small Business Micro Loan program as the most important small business legislation in many years.

This bill when passed will create opportunities for Alaskan small businesses of all kinds to aquire needed funding for capital improvements, raw materials, inventory, marketing and a variety of other needs. This potential funding will allow small businesses to become more competative, more financially viable and thus allow for a greater share of the Alaska Market.

We ask for your consideration and support of this extremely important bill.

Thank You
Mike A. Borgford
Executive Director
Made In Mat-Su Association

CITY AND BOROUGH OF WRANGELL
INCORPORATED MAY 30, 2008

P.O. BOX 531 (907)-874-2381
Wrangell, AK 99929 FAX (907)-874-3952
www.wrangell.com

April 9, 2010

Honorable Senator Bert Stedman, Co-Chair Senate Finance Committee
Honorable Senator Lyman Hoffman, Co-Chair Senate Finance Committee

Re: SB302 An Act establishing the Alaska microloan revolving fund

Dear Honorable Senator Stedman and Honorable Senator Hoffman,

I am writing to offer support of SB302 introduced by Governor Parnell. Small businesses statewide have been dramatically impacted by the recession, but businesses in Wrangell were impacted long before, due to the loss of so many jobs directly or indirectly related to the disappearing timber industry.

Wrangell survives by the success and tenacity of our small businesses. Many individuals in Wrangell have turned hobbies into full time job opportunities, or into successful supplemental income ventures. However, because of our declining population and the seasonal ups and downs of fishing, tourism and timber, Wrangell is considered a "high risk" community from a lending standpoint. The proposed Micro-Lending program will enable small business to access needed credit for seasonal operations, expand operations when the opportunities present themselves, and provide necessary upgrades or retooling to keep up with the rapidly changing technologies needed to be competitive.

Wrangell Economic Development Committee fully supports the passage of this legislation as a critical step to grow our communities and diversify the economy of Alaska.

Sincerely,

Carol Rushmore

Carol Rushmore
Economic Development Director

To whom it may concern;

My name is Ted Ragains and I am young entrepreneur in Anchorage. The reason I am writing this letter is to inform all who will listen of the plight of small business owners across Alaska. As everyone knows we are in a recession, which has impacts for all businesses. I believe that small businesses have especially been impacted because of the limited credit available for business operation and expansion.

As a small business owner, I depend on credit to place orders for inventory, expansion, advertising and payroll during slow times. Availability of this credit has allowed many businesses to weather economic slow downs in the past and even to emerge stronger when the economy recovers. This recession is different; all forms of available credit have dried up, especially those for small businesses.

Let me give you some details about my situation. I started my first business as a senior project while working toward my Bachelors Degree in Marketing and Finance. My first business, Solara Skin and Laser Center, does all sorts of cosmetic procedures. Our services include laser treatments, Botox, Juvederm, and medical grade facials. Our lasers can get rid of unwanted hair, tattoos, sunspots, spider veins, rosacea and can also give you a mini face lift. Solara has been a great success for the last five years because we identified a niche in the marketplace and successfully capitalized on it.

Just twelve months ago my sister and I started Off the Rack, a men's clothing store that specializes in high-end clothing at a fraction of the price of department stores. In addition to selling new men's clothing we also will take gently used clothes on consignment. We are the only store in Alaska that is oriented exclusively to men's fashion clothing. The response to our store has been amazing and I am looking forward to growing as the buzz spreads.

Our two companies and our personal credit is excellent with the exception of having too much individual revolving credit which has been necessary for business operation. Our credit cards started cutting our credit limits to the exact amount that we had on the card. This was not only happening to cards that carried a balance from month to month but also cards that we paid in full every month. Cards that we had faithfully paid in full cut our available limits from $25,000 to $500. In one month we lost nearly $60,000 in available credit. In addition, the banks cut our working lines of credit to virtually nothing and the credit cards raised their rates by approximately 15% across the board on cards with or without a balance.

This has put small businesses like mine in a difficult position with many owners laying off employees or closing their doors altogether. We have gone to banks and have been told that we have great credit scores but our credit cards and lines of credit are all maxed. We have explained that the credit card companies and banks have lowered the limits to the exact amount that we have on the card but it doesn't seem to change anything.

With available credit being cut by half to three quarters of what we originally had. Interest rates are being changed without warning and banks are unwilling to extend credit to small businesses. We are left with no viable options for operating let alone expanding our businesses.

Small businesses are the backbone of the American economy providing nearly 60 percent of employment opportunities in the Country. I have spoken with many small businesses owners in Anchorage and with trade groups including the chamber of commerce and

have found that I am not alone in this difficulty. One colleague, who represents 450 small businesses in the municipality, said that she talks to business owners every day who say they are either going to have to do major layoffs, sell or go bankrupt because they can't order enough inventory to keep their doors open.

Alaska has weathered this financial crisis fairly well compared to the lower 48 but I fear that it may change if something is not done to free up a credit source for business owners. As small businesses we are people who have put everything on the line to succeed including our homes, retirement plans and land. It doesn't seem right that we are being punished for the irresponsible lending of the very banks and credit card companies who are now denying the responsible and credit worthy individuals and businesses access to the credit they need to stay afloat.

With oil being at higher than average rates Alaska is in a position that most of the other states are not. Alaska and Governor Parnell have a unique opportunity to help small business owners get access to a line of credit at a reasonable interest rate. This would keep the unemployment numbers down and keep very viable businesses afloat through the storm. The state can actually help small businesses while at the same time earning a respectful interest rate on the money lent.

I am asking the powers that be to act with urgency. Establish a fund for small businesses so that we can lock in interest rates for 3-4 years that would beat bank loans and credit cards (10%-12%). This would allow us to order the inventory that we need to operate, minimize layoffs, finish expansion efforts, and have a stable interest rate for business forecasting. In addition, the state would be making an interest rate that is enviable to most other options and certainly involves less risk than some of the other options. I can assure you that small business owners are tenacious and will fight to keep their businesses afloat. We just need to be given weapons to fight with.

Sincerely,

Ted Ragains

OFFICE OF THE GOVERNOR
JUNEAU, AK

MAR 22 2010

5408

LO
SB -FN1

March 12, 2010

Governor Sean Parnell
State of Alaska
P.O. Box 110001
Juneau, AK 99811-0001

Re: Support for SB 302 & HB 412 – Creating a Microloan Revolving Fund

Dear Governor Parnell:

Thank you for submitting Senate Bill 302 and House Bill 412 to create a Microloan Revolving Fund. As you clearly know, access to start-up capital is a key initial component of starting new enterprises and creating jobs in Alaska. Alaska is one of four states in the nation that do not have a microloan program and these bills would resolve that and fill an unmet need that would help small businesses. We strongly support these bills.

Yukon Delta Fisheries Development Association (YDFDA) is one of six Community Development Quota (CDQ) organizations that represent the communities of Alakanuk, Emmonak, Nunam Iqua, Kotlik, Mountain Village, and Grayling whose mission is to create income and employment opportunities for Yukon Delta residents.

Sincerely,

Ragnar O. Alstrom

Ragnar O. Alstrom
Executive Director

Yukon Delta Fisheries Development Association
Representing the Alaskan Communities of: ALAKANUK • EMMONAK • GRAYLING • KOTLIK • MOUNTAIN VILLAGE • NUNAM IQUA

4015

T 907.644.0326 • F 907.644.0327 • 1016 West Sixth Avenue, Suite 301 • Anchorage, AK 99501

City of Emmonak

P.O. Box 9, Emmonak, Alaska 99581
(907) 949-1227 • (907) 949-1249 • Fax (907) 949-1926
email: emkcity@unicom-alaska.com

Honorable Governor
Sean Parnell
P.O. Box 110001
Juneau, Alaska 99811-0001
3rd Floor State Capitol

Date: March 17, 2010

Dear Governor Parnell,

I am writing on behalf of the City of Emmonak, an area currently working toward development for our local organizations.

We strongly support SB 302 and HB 412- a bill creating a microloan revolving fund. Access to start up capitol is a key initial component of starting new enterprises and creating jobs in Alaska.

As you know, Alaska has been one of four states in the nation that do not have a microloan program and these bills would resolve that and fill an unmet need that would help small businesses, we believe the bill will greatly benefit our small businesses which is why we support them.

Sincerely,

Fortuna R. Manumik

Fortuna R. Manumik
City Clerk
City of Emmonak

Cc Donald Olson, Senator
Neal Foster, House Representative

HB

416

<target><bill>HB 416</bill><subject>HB
416</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/10

Finance Committee considered HOUSE BILL NO. 416

HB 416 PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS

"An Act adopting and relating to the Uniform Prudent Management of Institutional Funds Act; relating to the investment of money for charitable purposes by institutions, including governmental institutions; and relating to the University of Alaska."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LAW	4/2			✓	1
UA	3/26			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	THOMAS	✓			
	EGAN	✓			
	OLSON			✓	
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

4018

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 416
(H) Publish Date: 4/6/10

Identifier (file name): HB416-UA-Sysbra-03-26-10
Dept. Affected: University of Alaska
Title: PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS
RDU: University of Alaska
Component: Sysbra
Sponsor: Labor & Commerce
Requester: Representative Olson
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

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

ORIGINAL

Estimate of any current year (FY2010) cost: —

POSITIONS							
Full-time							
Part-time							
Temporary							

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

Passage of HB416 is not anticipated to have a measurable fiscal impact on the University of Alaska.

Prepared by: Alesia Kruckenberg
Phone 450-8426
Division: Statewide Budget, University of Alaska
Date/Time 03/26/2010;10:00am
Approved by: Michelle Rizk
Date 3/26/2010
AVP Statewide Budget, University of Alaska

(Revised 11/6/2009 OMB)

4019

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 416
(H) Publish Date: 4/6/10

Identifier (file name): HB416-LAW-CIV-04-02-10
Dept. Affected: Law
Title: An Act relating to the Uniform Prudent Management of Institutional Funds
RDU: Civil
Component: Commercial and Fair Business
Sponsor: Labor & Commerce
Requester: Labor & Commerce
Component Number: 2717

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This act revises the Uniform Management of Institutional Funds Act of 1972, bringing the law governing charitable institutions in line with modern investment and expenditure practice. Enactment of the bill is not anticipated to fiscally impact the Department of Law.

Prepared by: Eileen Donahue, Division Operations Manager
Phone 465-5427
Division: Administrative Services
Date/Time 4/2/10 2:00 PM
Approved by: Daniel S. Sullivan, Attorney General
Department of Law
Date 4/2/2010

(Revised 11/6/2009 OMB)

4020

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

SEAN PARNELL, GOVERNOR

LEGISLATION & REGULATIONS SECTION
P.O. BOX 110300
DIMOND COURT HOUSE, 6TH FLOOR
JUNEAU, ALASKA 99811-0300
PHONE: (907) 465-3600
FAX: (907) 465-2520

March 18, 2010

RECEIVED
MAR 18 2010

Honorable Kurt Olson, Chair
Labor and Commerce Committee
Alaska State Legislature
State Capitol, Room 24
Juneau, Alaska 99801-1182

Re: HB 416 -- Uniform Prudent Management of Institutional Funds Act

Dear Representative Olson:

The Alaska Uniform Law delegation met on March 8, 2010 and discussed the Uniform Prudent Management of Institutional Funds Act. HB 416 was introduced, which would enact the Uniform Prudent Management of Institutional Funds Act into state law. We believe that the bill would make important improvements to the law on management of institutional funds in this state by providing statutory guidelines for management, investment, and expenditures of endorsement funds held by charitable institutions. The bill is based on a Uniform Act that brings the law governing charitable institutions in line with modern investment and expenditure practices. About 45 states have enacted a version of the Uniform Act.

Sincerely,

DANIEL S. SULLIVAN
ATTORNEY GENERAL

By: Deborah E. Behr
Deborah E. Behr
Chief Assistant Attorney General

DEB:pav

cc: Senator Joe Paskvan, Alaska State Legislature
Jim Lynch, University of Alaska Fairbanks
Jerry Gallagher, Legislative Director, Office of the Governor
Randy Ruaro, Deputy Chief of Staff, Office of the Governor
Mike Ford, Legislative Liaison, Dept. of Law
Alaska Uniform Law Delegation

theforakergroup
Standing Beside Alaska's Nonprofits
161 Klevin Street, Suite 101
Anchorage, AK 99508
Phone; (907) 743-1200 Fax: (907) 276-5014

Foraker Group Governance Board
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Mark John
Jim Maley
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Ira Perman
Sammye Pokryfki
Jake Poole, Chair
Elizabeth Ripley
June Rogers
Jaclyn Sallee
Ivy Spohnholz
Wayne Stevens
Joy Steward
Saralyn Tabachnick
Deborah Vo

March 24, 2010

The Honorable Representative Kurt Olson, Chair
House Labor and Commerce Committee
Alaska State Capitol, Room # 24
Juneau, AK 99801

Dear Representative Olson:

Please allow me to thank the House Labor and Commerce Committee for your sponsorship of House Bill 416. It is a timely piece of legislation which replaces obsolete rules, and in doing so brings Alaska trust law into this century. But the real value The Foraker Group sees in this legislation is the ability to provide solid options and realistic opportunities for Alaska nonprofit institutions and the University of Alaska in pursuing long-term sustainability.

The Foraker Group is a statewide Management Support Organization established in 2000, with a straightforward mission: Assuring the success of Alaska's nonprofit organizations by helping them build their own sustainability. Foraker does this by providing high-quality, efficient, and cost-effective assistance to staff and boards of directors in three broad areas: shared/professional services, education and training, and organizational development. And more and more, we are also speaking out on behalf of Alaska's nonprofit sector – this is what leads us to submit a letter of support for House Bill 416. Last year we wrote in support of the companion bill SB 134.

We support House Bill 134 because the legislation can have positive impacts on Alaska nonprofits, as well as the University of Alaska. Simply stated, developing an Alaska version of the Uniform Prudent Management of Institutional Funds Act (UPMIFA) provides solid guidance to managers and investors of charitable funds and endowments. As they respond to the nation's economic crisis and build their sustainability, this kind of "best practice" is essential to nonprofit organizations of all kinds.

The best possible response to economic uncertainty is rooted in long-term sustainability. Alaska organizations of all shapes and sizes are responding to threats to sustainability in many ways, all in pursuit of important missions in their communities. Building a sustainable income stream and ensuring financial resilience is essential in Alaska's nonprofit sector – sustainable organizations are better positioned to meet their important missions, are more effective, more efficient and above all more self-reliant. They form the foundation of a strong Alaska economy, and healthy, productive Alaska communities.

The current economic crisis has proven to be especially troublesome for organizations that manage or rely on charitable funds and endowments. But it would be a mistake to portray the passage of HB 416 as a response to economic uncertainty. The "fixes" in HB 416 are not made in response to economic turmoil – the changes are warranted now, regardless of economic circumstances. It is all about being "good stewards" of the donated or endowed dollars of others – a task that becomes harder and harder in the face of growing economic turmoil.

Prudent stewardship is all the more difficult in a demanding digital age using antiquated and inadequate analog tools. The proposed legislation can provide the tools to meet that donor intent while at the same time help develop long-term sustainability.

We know the economy is in turmoil, and that turmoil is hitting all Alaska organizations – government, corporate entities, education, tribal, private foundations, the nonprofit sector, and the University of Alaska. The economic situation makes this legislation timely, but it is change that should come regardless.

Please feel free to contact Foraker Vice President Dr. Michael Walsh with any questions you might have. He can be reached via email at mwalsh@forakergroup.org

Sincerely,

Dennis D McMillian

Dennis McMillian, President
The Foraker Group

UPMIFA

uniform prudent management of institutional funds act

WHY STATES SHOULD ADOPT THE ACT

This 2006 Uniform Prudent Management of Institutional Funds Act replaces and updates the 1972 Uniform Management of Institutional Funds Act. Its rules govern investment of the funds of charitable organizations and total return expenditure of those funds. It establishes a prudent management investment regime derived from the Uniform Prudent Investor Act (which applies only to trusts) and a prudent total return expenditure based upon performance of the portfolio held by a charitable institution. It also provides for delegation of authority for investment to outside agents and reformation of donor restrictions (cy pres) on funds when these are so outdated that the original objective can no longer be honored.

States should adopt the Uniform Prudent Management of Institutional Funds Act:

1. To make sure that the best investment practices govern the actual investment of institutional funds.

2. To withdraw obsolete rules governing prudent total return expenditure and provide a modern rule of prudence consistent with the rules that govern investment.

3. To eliminate differences in investment and expenditure rules that apply to different types of nonprofit organizations. The same rules govern all under UPMIFA.

4. To encourage growth of institutional funds while eliminating investment risks that threaten principal.

5. To assure that there are adequate assets in any institutional fund to meet program needs.

6. To make the law governing institutional funds uniform in every state.

UPMIFA

uniform prudent management of institutional funds act

Uniform Law Commission

History of UPMIFA and UMIFA

At its annual meeting in July 2006, the National Conference of Commissioners on Uniform State Laws (NCCUSL) approved the Uniform Prudent Management of Institutional Funds Act (UPMIFA) and recommended it for enactment by the legislatures of the various states. UPMIFA is designed to replace the existing Uniform Management of Institutional Funds Act (UMIFA), which was approved by NCCUSL in 1972 and has since been enacted in 47 states. UMIFA was a pioneering statute, providing uniform and fundamental rules for the investment of funds held by charitable institutions and the expenditure of funds donated as "endowments" to those institutions. Those rules supported two general principles: 1) that assets would be invested prudently in diversified investments that sought growth as well as income, and 2) that appreciation of assets could prudently be spent for the purposes of any endowment fund held by a charitable institution. These two principles have been the twin lodestars of asset management for endowments since UMIFA became the law of the land in nearly all U.S. jurisdictions.

UPMIFA continues these fundamental principles as a needed upgrade of UMIFA. Both investment in assets and expenditure for charitable purposes have grown exponentially in the 35 years since UMIFA was drafted; asset management theory and practice have also advanced. UPMIFA, as an up-date and successor to UMIFA, establishes an even sounder and more unified basis for charitable fund management than UMIFA has done.

INVESTMENT

In 1972, UMIFA represented a revolutionary advance over prevailing practices which imposed upon endowments the limited investment opportunities available for managing trust assets – even endowments not organized as trusts. By stating the first prudent investor rule in statutory law, UMIFA allowed endowments to invest in any kind of assets, to pool endowment funds for investment purposes, and to delegate investment management to other persons (e.g., professional investment advisors), as long as the governing board of the charitable institution exercised ordinary business care and prudence in making these decisions. A range of factors guided the exercise of prudence.

UPMIFA incorporates the experience gained in the last 35 years under UMIFA by providing even stronger guidance for investment management and enumerating a more exact set of rules for investing in a prudent manner. It requires investment "in good faith and with the care an ordinarily prudent person in a like position would exercise under similar circumstances." It requires prudence in incurring investment costs, authorizing "only costs that are appropriate and reasonable." Factors to be considered in investing are expanded to include, for example, the effects of inflation. UPMIFA emphasizes that investment decisions must be made in relation to the overall resources of the institution and its charitable purposes. No investment decision may be made in isolation, but must be made in light of the fund's entire portfolio, and as a part of an investment strategy "having risk and return

objectives reasonably suited to the fund and to the institution." A charitable institution must diversify assets as an affirmative obligation unless "special circumstances" dictate otherwise. Assets must be reviewed within a reasonable time after they come into the possession of the institution in order to conform them to the investment strategy and objectives of the fund. Investment experts, whether in-house or hired for the purpose, are held to a standard of care consistent with that expertise.

UMIFA initiated the era of modern portfolio management for charitable institutions. UPMIFA provides the standards and guidelines that subsequent experience tells us are the most appropriate for the purpose. Charitable institutions will have more precise standards to guide them. Courts will have more precise standards with which to measure prudence in the event of a challenge. The result should be more money for programs supported by charitable funds, including endowments.

EXPENDITURE

UMIFA initiated the concept of total return expenditure of endowment assets for charitable program purposes, expressly permitting prudent expenditure of both appreciation and income and replacing the old trust law concept that only income (e.g., interest and dividends) could be spent. Thus, asset growth and income could be appropriated for program purposes, subject to the rule that a fund could not be spent below "historic dollar value."

UPMIFA builds upon UMIFA's rule on appreciation, but it eliminates the concept of "historic dollar value." UPMIFA, instead, provides better guidance on prudence and makes the need for a floor on spending unnecessary. UPMIFA states that the institution "may appropriate for expenditure or accumulate so much of an endowment fund as the institution determines to be prudent for the uses, benefits, purposes and duration for which the endowment fund is established." Seven criteria guide the institution in its yearly expenditure decisions: "1) duration and preservation of the endowment fund; 2) the purposes of the institution and the endowment fund; 3) general economic conditions; 4) effect of inflation or deflation; 5) the expected total return from income and the appreciation of investments; 6) other resources of the institution; and, 7) the investment policy of the institution." These standards mirror the standards that apply to investment decision-making, thus unifying both investment and expenditure decisions more concretely.

UPMIFA includes an optional provision that allows states to enact another kind of safeguard against excessive expenditure. If a state does not want to rely solely upon the rule of prudence provided in UPMIFA, the state may adopt a provision that creates a rebuttable presumption of imprudence if an institution expends an amount greater than seven percent of fair market value of a fund, calculated in an averaging formula over three years. While the seven percent rule is likely not to be necessary, it is available for those states that may be uncomfortable with the general standards.

RELEASE OR MODIFICATION OF RESTRICTIONS

UPMIFA recognizes and protects donor intent more broadly than UMIFA did, in part by providing a more comprehensive treatment of the modification of restrictions on charitable funds. Sometimes a restriction imposed by a donor becomes impracticable or wasteful or may impair the management of a fund. The donor may consent to release the restriction, if the donor is still alive and able to do so, but if the donor is not available the charity can ask

for court approval of a modification of the restriction. The trust law doctrines of cy pres (modifying a purpose restriction) and deviation (modifying a management restriction) probably already apply to charitable funds held by nonprofit corporations. UPMIFA makes this clear. Under UMIFA, the only option with respect to a restriction was release of the restriction. UPMIFA instead authorizes a modification that a court determines to be in accordance with the donor's probable intention. If the charity asks for court approval of a modification, the charity must notify the state's chief charitable regulator and the regulator may participate in the proceeding.

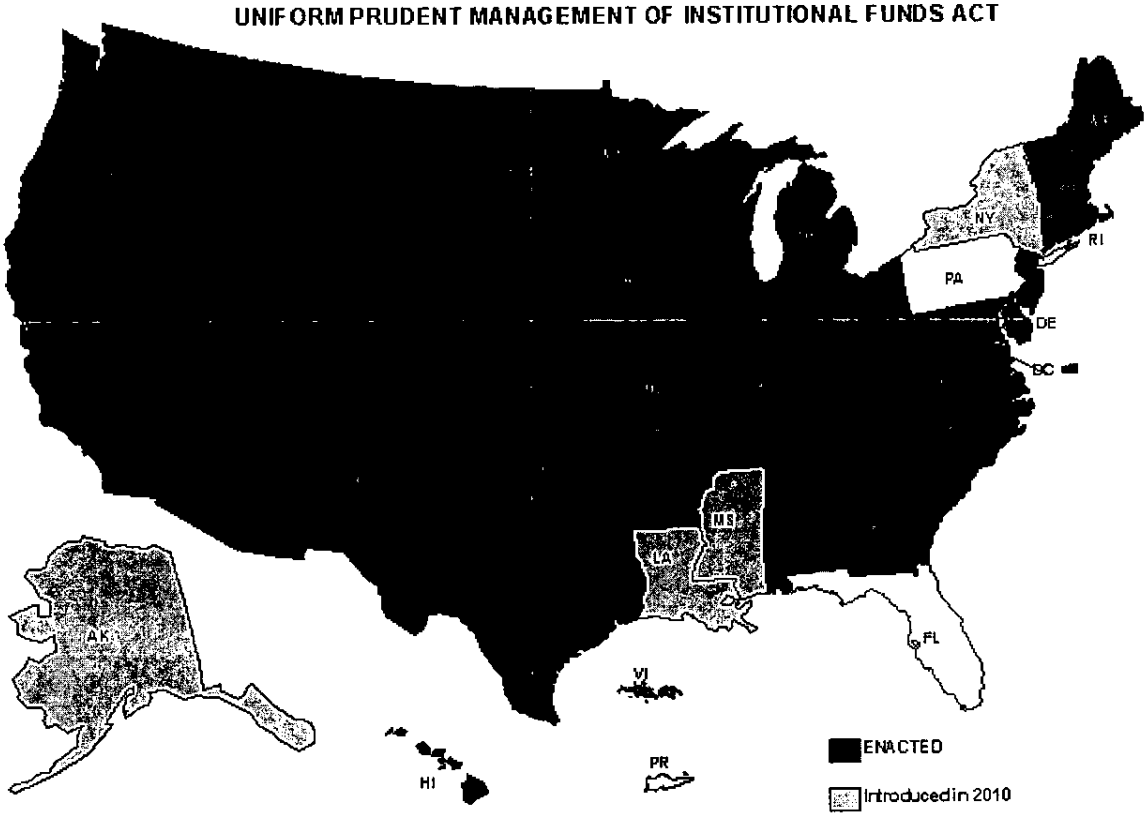
UPMIFA adds a new provision that allows a charity to modify a restriction on a small (less than $25,000) and old (over 20 years old) fund without going to court. If a restriction has become impracticable or wasteful, the charity may notify the state charitable regulator, wait 60 days, and then, unless the regulator objects, modify the restriction in a manner consistent with the charitable purposes expressed in any documents that were part of the original gift.

CONCLUSION

UPMIFA reflects and incorporates the 35 years of experience that has accumulated under the original UMIFA. Rather than changing institutional investment or expenditure practices, it brings them up to date and unifies them across a broad range of charitable funds. The better charitable institutions manage investments and prudently control expenditures, the more money they should have for program purposes.

©Uniform Prudent Management of Institutional Funds Act
111 N. Wabash Ave., Suite 1010
Chicago, Illinois 60602
tel: (312) 450-6600 | fax: (312) 450-6601 | e-mail: upmifa@nccusl.org

UNIFORM PRUDENT MANAGEMENT OF INSTITUTIONAL FUNDS ACT



April 5, 2010

ALASKA STATE LEGISLATURE
HOUSE LABOR & COMMERCE COMMITTEE

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

Rep Mark Neuman, V-Chair
Rep. Bob Lynn
Rep. Lindsey Holmes
Rep. Mike Chenault
Rep. Tammie Wilson
Rep. Bob Buch

Sponsor Statement

House Bill 416

" An Act adopting and relating to the Uniform Prudent Management of Institutional Funds Act; relating to the investment of money for charitable purposes by institutions, including governmental institutions; and relating to the University of Alaska"

House Bill 416 would allow the State of Alaska to adopt the Uniform Prudent Management of Institutional Funds Act (UPMIFA).

UPMIFA replaces obsolete rules and concepts of investment and management of endowments and charitable funds currently in use. It provides current, industry best practices guidelines, essential to proper management.

HB 416 is will help administrators fulfill their fiduciary responsibilities to the funds they manage. Clear definitions on prudent practices and applicable standards are laid out for administrators of charitable funds and endowments.

The UPMIFA will assist nonprofits and volunteer trustees to minimize exposure to disputes and legal challenges over issues related to currently unclear administrative rules and practices.

Traditional trust principles regarding the distribution of what might otherwise be considered the corpus differ from the UPMIFA. In conjunction with Financial Accounting Standards Board requirements, UPMIFA allows advances against future earnings to the extent such advances are prudent and consistent with the mission and purpose of the endowment.

At present, only 3 other states have not adopted or introduced UPMIFA legislation.

I urge your support of House Bill 416.

LEGAL SERVICES

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

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

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

MEMORANDUM March 22, 2010

SUBJECT: HB 416, a bill adopting and relating to the Uniform Prudent Management of Institutional Funds Act
(Work Order No. 26-LS1591\R)

TO: Representative Kurt Olson
Attn: Konrad Jackson

FROM: Theresa Bannister
Legislative Counsel

You have requested a sectional summary of the above-described bill. As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents.

Section 1. Adds a new chapter adopting the Uniform Prudent Management of Institutional Funds Act.

Sec. 13.70.010. Directs an institution, when managing and investing an institutional fund, to consider the institution's charitable purposes and the fund's purposes. Directs the responsible persons to comply with the duty of loyalty and to act in good faith and with the care an ordinarily prudent person would exercise in the circumstances. Gives directions regarding cost incurrence and fact verification regarding fund investment and management. Allows an institution to pool funds. Provides management and investment rules, including the factors to consider, appropriate investment property, and diversification.

Sec. 13.70.020. Allows an institution to appropriate or accumulate as much of an endowment fund that is prudent for the fund. Makes this subject to the donor's intent. Generally characterizes fund assets as donor-restricted until appropriated. Requires an institution to act in good faith and with the care an ordinarily prudent person would exercise in similar circumstances, and to consider, when relevant, certain listed factors. Requires a gift instrument to specifically state any limitation on appropriation or accumulation. Indicates what certain terms and words, including similar words, mean for an endowment fund.

Sec. 13.70.030. Allows an institution to delegate the management and investment of an endowment fund to an external agent if prudent. Makes this subject to certain exceptions. Directs the institution to act in good faith and with the care of an ordinarily prudent person in similar circumstances when performing certain listed acts. Describes the duty

the agent owes to the institution. Removes the liability of an institution that complies with (a) for the agent's acts. States that an agent for an institution subject to this state's laws is subject to this state's jurisdiction. Allows an institution to delegate to its own persons as authorized by other law.

Sec. 13.70.040. Allows an institution, under certain conditions, to release or change gift instrument restrictions. Allows a court to modify a gift instrument's restriction if it is impractical or wasteful or impairs the fund's management or investment, or if it will further the fund's purpose. Requires the institution to notify the attorney general of the court application. Requires a modification to be made, as far as possible, in accordance with the donor's intent. Allows a court to modify a fund's purpose or a restriction if unlawful, impractical, unachievable, or wasteful. Allows an institution to release or modify a restriction on the fund's management, investment, or purpose under certain conditions. Requires notification of the attorney general.

Sec. 13.70.050. Directs that compliance with this chapter be determined in light of the facts and circumstances existing at the time.

Sec. 13.70.060. Indicates how this chapter relates to the Electronic Signatures in Global and National Commerce Act.

Sec. 13.70.070. Indicates that another law or a governing instrument of an institution governs over this chapter when there is a conflict.

Sec. 13.70.080. Provides for uniformity of the application and construction of this chapter with other states' laws.

Sec. 13.70.090. Defines terms for the chapter.

Sec. 13.70.095. Gives the chapter a short title.

Section 2. Indicates how the new chapter and AS 37.10.071 apply to the management and investment of gifts, bequests, and endowments made to the University of Alaska.

Section 3. Indicates how the new chapter and AS 37.10.071 apply to the Board of Regents of the University of Alaska as the fiduciary of the university's endowment trust fund.

Section 4. Indicates that the chapter will apply to institutions and their decisions after its effective date.

If I may be of further assistance, please advise.

TLB:plm
10-162.plm

HB

421

<target><bill>HB 421</bill><subject>HB 421</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/16/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered HOUSE BILL NO. 421

HB 421 PUBLIC EMPLOYEE SALARIES

"An Act relating to the compensation of certain public officials, officers, and employees not covered by collective bargaining agreements; and providing for an effective date."

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CRT	4/7	✓			2
OMB	4/10	✓			3
LEG	4/14	✓			4

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Olson			✓	
	Ellis	X			
CO-CHAIR:		✓			
CO-CHAIR:					

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: HB 421
(H) Publish Date: 4/14/10

Identifier (file name): HB421-LEG-LEG-03-30-10
Dept. Affected: Legislature
Title "An Act relating to the compensation of certain public officials, officers, and employees not covered by collective..."
RDU All
Component All
Sponsor House Rules by Request of the Governor
Requester House Finance Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	741.8		1,503.4	2,285.4			
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**741.8**	**0.0**	**1,503.4**	**2,285.4**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE		(Thousands of Dollars)					
1002 Federal Receipts							
1003 GF Match							
1004 GF	741.8		1,503.4	2,285.4	0.0	0.0	0.0
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**741.8**	**0.0**	**1,503.4**	**2,285.4**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

This fiscal note reflects salary increases for non-covered Legislative Branch employees. Beginning in FY2011 salaries are increased by 2% and an additional 2% in FY2012, and another 2% in FY2013.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division Legislative Affairs Agency — Date/Time 4/14/10 1:02 PM
Approved by: Pamela Varni, Executive Director — Date 4/14/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

4034

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: HB 421
(H) Publish Date: 4/14/10

Identifier (file name):
Dept. Affected: Exec. Branch
Title: Public Employee Salaries
RDU
Component
Sponsor: Rules Committee
Requester: Governor
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	4,048.9		8,171.9	12,916.1	12,916.1	12,916.1	12,916.1
Travel							
Contractual	133.4		402.6	558.9	558.9	558.9	558.9
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**4,182.3**	**0.0**	**8,574.5**	**13,475.0**	**13,475.0**	**13,475.0**	**13,475.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							
FUND SOURCE			(Thousands of Dollars)				
1002 Federal Receipts	389.9		807.8	1,272.5	1,272.5	1,272.5	1,272.5
1003 GF Match							
1004 GF	1,903.2		3,897.9	6,082.6	6,082.6	6,082.6	6,082.6
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Funds	1,889.2		3,871.8	6,119.9	6,119.9	6,119.9	6,119.9
TOTAL	**4,182.3**	**0.0**	**8,577.5**	**13,475.0**	**13,475.0**	**13,475.0**	**13,475.0**

Estimate of any current year (FY2010) cost:

POSITIONS							
Full-time							
Part-time							
Temporary							

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

This reflects the salary increases for non-covered Executive Branch employees for FY11 - FY13. Beginning in FY11 salaries are increased by 2.0%, in FY12 an additional 2% and in FY13 an additional 2%.

All of the electronic transactions have been transmitted to the Legislative Finance Division. A report showing amounts per department for FY11 is attached.

Prepared by: Lena Simmons, Operating Budget Coordinator — Phone 465-4697
Division: Office of Management and Budget — Date/Time 4/10/10 5:50 PM
Approved by: Karen J. Rehfeld, Director — Date 4/10/10
Office of Management and Budget

(Revised 11/6/2009 OMB)

4035

Fiscal Note # 3

GF/Fed/Other Summary by Department

HB 421 and SB 310 Non-Union Public Employee Salaries

Scenario: FY2011 Sal Inc Noncovered 2% (8073)

Department	GF	Federal	Other	Total	PFT	PPT	NP	Total Positions
Department of Administration	447.9	0.0	85.3	533.2	0	0	0	0
Department of Commerce, Community, and Economic Development	109.2	89.8	293.0	492.0	0	0	0	0
Department of Corrections	52.8	0.0	0.0	52.8	0	0	0	0
Department of Education and Early Development	31.1	4.7	149.8	185.6	0	0	0	0
Department of Environmental Conservation	12.3	6.1	6.1	24.5	0	0	0	0
Department of Fish and Game	45.0	3.3	82.8	131.1	0	0	0	0
Office of the Governor	296.1	1.5	11.0	308.6	0	0	0	0
Department of Health and Social Services	104.9	51.8	118.4	275.1	0	0	0	0
Department of Labor and Workforce Development	21.3	11.6	35.1	68.0	0	0	0	0
Department of Law	506.3	2.2	235.3	743.8	0	0	0	0
Department of Military and Veterans Affairs	21.0	2.6	2.6	26.2	0	0	0	0
Department of Natural Resources	119.4	4.7	119.5	243.6	0	0	0	0
Department of Public Safety	28.6	0.0	4.0	32.6	0	0	0	0
Department of Revenue	79.3	211.6	653.6	944.5	0	0	0	0
Department of Transportation/Public Facilities	28.0	0.0	92.7	120.7	0	0	0	0
Total:	**1,903.2**	**389.9**	**1,889.2**	**4,182.3**	**0**	**0**	**0**	**0**

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: HB 421
(H) Publish Date: 4/14/2010

Identifier (file name):
Title: An act relating to compensation for certain...
Sponsor: Rules by Request
Requester:

Dept. Affected:
RDU: Alaska Court System
Component: Alaska Court System
Component Number:

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services	1,346.0	1,346.0	2,741.5	4,128.2	4,128.2	4,128.2	4,128.2
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**1,346.0**	**1,346.0**	**2,741.5**	**4,128.2**	**4,128.2**	**4,128.2**	**4,128.2**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	1,323.8	1,323.8	2,696.4	4,059.5	4,059.5	4,059.5	4,059.5
1005 GF/Program Receipts							
1037 GF/Mental Health	22.2	22.2	45.1	68.7	68.7	68.7	68.7
Other Interagency Receipts							
TOTAL	**1,346.0**	**1,346.0**	**2,741.5**	**4,128.2**	**4,128.2**	**4,128.2**	**4,128.2**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This fiscal note reflects salary increases for non-covered judicial branch employees. Beginning in FY2011 salaries are increased by 2% and an additional 2% in FY2012 and another 2% in FY2013. The FY11 amounts required for each entity are as follows: Appellate Courts - $114.8; Trial Courts - $1,045.7; Administration - $144.1; Therapeutic Courts - $22.2; Judicial Council - $14.7; Judicial Conduct - $4.5.

Prepared by: C. S. Christensen III, Deputy Administrative Director
Division: Alaska Court System
Approved by: C. S. Christensen III for Christine Johnson, Administrative Director
Alaska Court System

Phone 907-463-4736
Date/Time 4/7/10 at 1:00 P.M.
Date 4/7/2010

(Revised 10/13/2009 OMB)

4037

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532

550 West 7th Avenue #1700
Anchorage, Alaska 99501
907-269-7450
fax 907-269-7463
www.gov.alaska.gov
Governor@alaska.gov

Governor Sean Parnell
STATE OF ALASKA

March 25, 2010

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

Dear Speaker Chenault,

Under the authority of Art. III, Sec. 18, of the Alaska Constitution, I am transmitting a bill relating to State employees' compensation.

This bill will revise the salary schedule for State employees who are not covered by collective bargaining agreements. Specifically, the bill will provide for two percent increases in fiscal years 2011, 2012, and 2013. These increases are consistent with the State's parameters for negotiations with the labor unions that represent employees in collective bargaining units. The bill will cover employees in the executive, legislative, and judicial branches.

I urge your prompt and favorable action on this measure.

Sincerely,

Sean Parnell
Governor

Enclosure

4038

HOUSE BILL NO. 421

STATE OF ALASKA

SEAN PARNELL, GOVERNOR

DEPARTMENT OF ADMINISTRATION

P.O. BOX 110200
JUNEAU, ALASKA 99811-0200

ANNETTE KREITZER, COMMISSIONER

PHONE: (907) 465-2200
FAX: (907) 465-2135

April 15, 2010

The Honorable Bert Stedman
Alaska State Legislature
State Capitol, Room 516
Juneau, AK 99801-1182

Dear Senator Stedman:

House Bill 421 was passed by the House today, April 15, 2010 and is pending referral to the Senate and the Finance Committee for consideration. This bill addresses compensation for public employees who are not covered by collective bargaining agreements.

The Department of Administration has recently completed negotiations on five separate labor contracts with unions representing over 12,000 classified state employees. Reports of the monetary terms of these agreements have been transmitted to the President of the Senate and the Speaker of the House.

This bill would provide a similar increase to approximately 3,000 employees in the Executive (~1,700), Legislative (~500) and Judicial (~800) branches who are paid based on the statutory pay schedule found in AS 39.27.011. Specifically, the bill would increase the statutory pay schedule by 2% in each of the next three fiscal years, beginning on July 1, 2010 (FY11-12-13).

I respectfully request that upon referral, HB 421 be scheduled for hearing in the Senate Finance Committee as early as possible.

Thank you for your consideration of this request.

Sincerely,

Annette Kreitzer

GF/Fed/Other Summary by Department

HB 421 and SB 310 Nonunion Public Employee Salary

Scenario: FY2011 Sal Inc Noncovered 2% (8073)

Department	GF	Federal	Other	Total	PFT	PPT	NP	Total Positions
Department of Administration	447.9	0.0	85.3	533.2	0	0	0	0
Department of Commerce, Community, and Economic Development	109.2	89.8	293.0	492.0	0	0	0	0
Department of Corrections	52.8	0.0	0.0	52.8	0	0	0	0
Department of Education and Early Development	31.1	4.7	149.8	185.6	0	0	0	0
Department of Environmental Conservation	12.3	6.1	6.1	24.5	0	0	0	0
Department of Fish and Game	45.0	3.3	82.8	131.1	0	0	0	0
Office of the Governor	296.1	1.5	11.0	308.6	0	0	0	0
Department of Health and Social Services	104.9	51.8	118.4	275.1	0	0	0	0
Department of Labor and Workforce Development	21.3	11.6	35.1	68.0	0	0	0	0
Department of Law	506.3	2.2	235.3	743.8	0	0	0	0
Department of Military and Veterans Affairs	21.0	2.6	2.6	26.2	0	0	0	0
Department of Natural Resources	119.4	4.7	119.5	243.6	0	0	0	0
Department of Public Safety	28.6	0.0	4.0	32.6	0	0	0	0
Department of Revenue	79.3	211.6	653.6	944.5	0	0	0	0
Department of Transportation/Public Facilities	28.0	0.0	92.7	120.7	0	0	0	0
Total:	**1,903.2**	**389.9**	**1,889.2**	**4,182.3**	**0**	**0**	**0**	**0**

HB

424

<target><bill>HB 424</bill><subject>HB 424</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE
HOUSE FINANCE COMMITTEE

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

716 W. 4th Avenue
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600 E. Railroad Avenue
Wasilla, Alaska 99654

State Capitol, Juneau, Alaska 99801-1182

Sponsor Statement
for
Committee Substitute for
House Bill 424 (AM)

House Bill 424 allows Alaskans to vote on a general obligation bond package for statewide education and educational research facilities.

The proposal totals $397,200,000 for major K-12 and University of Alaska educational facilities around the state and would provide additional funding for Alaska's educational system. The proposal also funds a vocational center in Southeast Alaska.

House Bill 424 is similar to legislation that passed in 2002 which authorized $236,805,441 in general obligation bond authority for statewide educational facilities. That proposal was adopted by 59.6% of the voters at the November 2002 general election. This was the first general obligation bond vote for education projects since 1978. Since statehood, Alaskan voters have approved over ten general obligation bonding packages.

Using state general obligation bonds is the right step in addressing our educational infrastructure backlog by accelerating the completion of many statewide projects. The bonds will be sold utilizing the "Build America Bond" financing mechanism that Congress passed in the stimulus package in 2009. Under this mechanism, the federal government would cover up to 35% of the interest over the 20 year maturity of the bond.

If adopted, this proposal would be placed on the ballot at this November's general election.

SENATE FINANCE COMMITTEE REPORT

DATE: 4/13/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE BILL NO. 424(FIN) am

HB 424 G.O. BONDS FOR EDUCATION PROJECTS

"An Act providing for and relating to the issuance of general obligation bonds for the purpose of paying the cost of design and construction of library, education, and educational research facilities; and providing for an effective date."

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CSHB 424 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[X] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
REV	4/12	✓			

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Ellis	X			
	Olson			✓	
CO-CHAIR:	Hoffman	✓			
CO-CHAIR:	Stedman	✓			

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: CSHB424(FIN)(amH)
() Publish Date:

Identifier (file name): CSHB424(FIN)(amH)-REV-TRS-04-12-10
Dept. Affected: Revenue
Title: G.O. Bonds for Education Projects
RDU: Taxation & Treasury
Component: Treasury Division
Sponsor: House Finance Committee
Requester: House Rules Committee
Component Number: 121

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel							
Contractual							
Supplies							
Equipment							
Land & Structures							
miscellaneous	10.0	10.0	29,769.6	29,771.0	29,766.5	29,772.3	29,771.4
debt service							
TOTAL OPERATING	**10.0**	**10.0**	**29,769.6**	**29,771.0**	**29,766.5**	**29,772.3**	**29,771.4**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	10.0	10.0	29,769.6	29,771.0	29,766.5	29,772.3	29,771.4
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**10.0**	**10.0**	**29,769.6**	**29,771.0**	**29,766.5**	**29,772.3**	**29,771.4**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

The Bill authorizes Alaska's voters to consider up to $397.2 million in general obligation bonds. The bonds would carry the full faith and taxing authority of the State, and thereby achieve the lowest interest rate available. If the proposition were approved in November 2010 it is anticipated that bonds would be issued in early 2011, unless there are compelling financial reasons to sell the bonds more quickly. The current interest rate is very favorable with 20 year amortization debt for credits similar to Alaska achieving interest rates below 4% by using temporary programs like the Build America Bond program. Interest rate achieved will depend on market conditions at the time bonds are sold. For modeling purposes the Department used an assumed interest rate of 4.2% with a 20 year amortization, however in today's market debt service would be approximately $1 million lower per year. Miscellaneous costs include statutory requirements related to public notice and information dissemination prior to the election.

Prepared by: Deven Mitchell — Phone 465-3750
Division: Treasury — Date/Time 04-12-10; 4:15pm
Approved by: Ginger Blaisdell, Director — Date 04-12-10; 7:36pm
Administrative Services Division, Department of Revenue

(Revised 11/6/2009 OMB)

LEGISLATIVE RESEARCH SERVICES

Alaska State Legislature
Division of Legal and Research Services
State Capitol, Juneau, AK 99801

(907) 465-3991 phone
(907) 465-3908 fax
research@legis.state.ak.us

April 15, 2010

Memorandum
TO: Senator Joe Thomas
FROM: Patricia Young, Manager
RE: Election to Approve or Reject a State General Obligation Bond
LRS Report 10.243

You asked about elections for voters to approve or reject general obligation (GO) bonds. Specifically, you wished to know when would be the earliest that a GO bond question could be before Alaska voters.

The November 2010 general election would be the earliest opportunity for a GO bond question to be placed before voters unless a special election were held for the purpose. There are two options for special elections, either of which could get the question to voters before November, but both have significant drawbacks:

- The Legislature could call for a special election independent of either the primary or general election. Because this would not be a regularly scheduled election, the Division of Elections would first need to gain preclearance from the U.S. Department of Justice under the provisions of the Voting Rights Act of 1965 and amendments. Preclearance requires a *minimum* of 60 days. Division personnel would also need to marshal polling places and election workers—typically difficult during summer fishing seasons—as well as to print election materials and ballots. Printing and publishing materials on the election would not be possible until after preclearance. Realistically, a special election under this option would likely be unable to occur before the third week in July—about one month before the August primary—and would require an appropriation of nearly $1 million. An election in July would likely receive less attention and see fewer voters than does the fall general election.[1]

- Alternatively, the Legislature could designate the August primary as a special election for the purpose. August elections, however, typically have lower voter interest and lower turnout than elections in November.

We hope this information is helpful. Please let us know if you have questions or need additional information.

[1] Gail Fenumiai, director, Division of Elections, provided estimates on timing and cost. Ms. Fenumiai can be reached at 465.2644.

HB 424 Education GO Bonds							
				Senate	House Bill		
				SB230 CapBud	HB 424 GO Bonds		
Recipient	**Program**	**HD**	**Area**	**Bond Amount**	**Bond Amount**	**Change**	**Project**
Depart of Education	New School Constructi	39	Bering Straits	$ 46,500,000	$ 46,500,000	$0	Lower Yukon - Alakanuk K-12 School Replacement
Depart of Education	New School Constructi	38	Bethel	$ 49,900,000	$ 49,900,000	$0	Lower Kuskokwim - Kipnuk K-12 School Renovation/Addition
Depart of Education	New School Constructi	38	Bethel	$ 32,100,000	$ 32,100,000	$0	Lower Kuskokwim - Kwigillingok K-12 School Renovation/Addition
Depart of Education		99	Statewide/Sitka	$ 20,000,000	$ 20,000,000	$0	Mt. Edgecumbe High School Aquatic Facility
Depart of Education		80	Juneau Area	$ 20,000,000	$ 18,500,000	($1,500,000)	State Library, Archive and Museum Building
Depart of Fish & Game		36	Kodiak	$ 20,000,000	$ 20,000,000	$0	Near Island Research Facility
University of Alaska	UAA-CC	70	Mat-Su Areawide	$ 23,500,000	$ 23,500,000	$0	Mat-Su Campus: Valley Center for Art and Learning
University of Alaska	UAA	50	Anchorage Areawide	$ 80,000,000	$ 60,000,000	($20,000,000)	UAA Sports Arena
University of Alaska	UAF	60	Fairbanks Areawide	$ 88,000,000	$ 88,000,000	$0	UAF Life Sciences Classroom and Lab Facility
University of Alaska	Kenai Pac College	90	Kenai	$ -	$ 16,000,000	$16,000,000	Student Housing
University of Alaska	Kenai Pac College	90	Kenai	$ -	$ 14,500,000	$14,500,000	Career & Tech Center
University of Alaska	Prince William Sound (	12	Valdez	$ -	$ 5,000,000	$5,000,000	Campus Renovation & Renewal
DCCED: City of Klawock	VocEd Center	5	Klawock	$ -	$ 3,200,000	$3,200,000	Prince of Wales Vocational Education Center
				$ 380,000,000	$ 397,200,000	$17,200,000	Total
				Total By Agencies		**Change**	
				$ 168,500,000	$ 167,000,000	($1,500,000)	DEED
				$ 20,000,000	$ 20,000,000	$0	DF&G
				$ -	$ -	$0	Communities - Libraries
				$ -	$ 3,200,000	$3,200,000	Communities Other
				$ 191,500,000	$ 207,000,000	$15,500,000	University
				$ 380,000,000	$ 397,200,000	$17,200,000	Totals

Sample Bonding Proposition Ballot

State of Alaska

November 6, 1962

- Mark only with cross marks, "X" marks, checks, or plus signs. Marks must be inside the squares.
- Erasures and corrections shall invalidate the ballot.
- A mark in the square opposite the word "Yes" shall be recorded as a vote for the bond issue.
- A mark in the square opposite the word "No" shall be recorded as a vote against the bond issue.

Bonding Proposition No. 1
(Ch. 121, SLA 1962)

State General Obligation University of Alaska Construction Bonds
$5,950,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,950,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from the date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making necessary improvements to the academic and related facilities of the University of Alaska?

BONDS — YES ☐

BONDS — NO ☐

Bonding Proposition No. 2
(Ch. 122, SLA 1962)

State General Obligation School Construction Bonds
$5,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,000,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from the date of issue for the purpose of paying part or all the cost of acquiring, constructing, equipping, and improving certain elementary and secondary public schools within the state and as provided in the Capital Improvement Program for the state dated March 1962?

BONDS — YES ☐ 39,117

BONDS — NO ☐ 16,306

Bonding Proposition No. 3
(Ch. 123, SLA 1962)

State General Obligation Trunk Airport Construction Bonds
$4,175,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $4,175,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from the date of issue for the purpose of paying part or all of the cost of acquiring, constructing, and equipping trunk airports and acquiring, constructing, equipping, and making necessary capital improvements to existing trunk airports at Lower Yukon, Sand Point, Barrow, Sitka, and Savoonga?

BONDS — YES ☐

BONDS — NO ☐

Bonding Proposition No. 4
(Ch. 157, SLA 1962)

State General Obligation Vocational School Construction Bonds
$2,200,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $2,200,000 bearing interest not to exceed 6% per annum and maturing in not to exceed 30 years from the date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making necessary capital improvements to a vocational school to be located in the Kodiak-Aleutians Senate District?

BONDS — YES ☐

BONDS — NO ☐

4047

Instructions

LINES

NOTE: This is a sample only. Candidates' names will be rotated on the various voting machines.

G - your marks must be showing for gister
When finished voting, pull red lever
Open curtains
rested in writing in a person's name

GENERAL ELECTION STATE OF ALASKA

November 8, 1966

COLUMN 10

Name of CANDIDATE

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION No. 1

(Ch. 86, SLA 1966)

State General Obligation

Outdoor Recreation

Construction Bonds

$900,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $900,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 20 years from date of issue for the purpose of providing funds in addition to federal funds available for the payment of the cost of planning, acquiring, constructing, equipping and making other capital improvements to parks, campgrounds and other outdoor recreation facilities within the state?

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION No. 2

(Ch. 121, SLA 1966)

State General Obligation

School Construction Bonds

$2,285,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $2,285,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making other capital improvements to certain elementary and secondary public schools within the state?

For 50,532
Against 12,367

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION No. 3

(Ch. 134, SLA 1966)

State General Obligation

Energy Construction Bonds

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION
No. 4

(Ch. 185, SLA 1966)

State General Obligation

University Construction Bonds

$16,900,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $16,900,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making other capital improvements to buildings for the University of Alaska at various locations and for utilities, streets, parking facilities, and other capital improvements at the University of Alaska?

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION
No. 5

(Ch. 186, SLA 1966)

State General Obligation

Highway Construction Bonds

$10,500,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $10,500,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 20 years from date of issue for the purpose of providing funds for payment of the cost of designing, acquiring, and constructing highways and roads in the state?

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION
No. 6

(Ch. 187, SLA 1966)

State General Obligation

Airport Construction Bonds

$11,500,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $11,500,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 20 years from date of issue for the purpose of providing funds in addition to federal funds available to pay the cost of acquiring, constructing, equipping, and making other necessary capital improvements to certain trunk, secondary, and bush airports which are presently or will be owned or operated, or both, by the state or its political subdivisions?

BONDS Yes ☐

BONDS No ☐

BONDING PROPOSITION
No. 7

(Ch. 188, SLA 1966)

State General Obligation

Regional High School

Construction Bonds

$5,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,000,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making other capital improvements necessitated by the establishment of regional high schools at appropriate locations throughout the state?

49,007 For

14,084 Against

4050

Sample Bonding Proposition Ballot

State of Alaska

NOVEMBER 5, 1968

Fold Ballot to this Line

★ Mark only with cross marks, "X" marks, checks or plus signs. Marks must be inside or touching square.

★ Erasures and corrections shall invalidate only that part of the ballot in which they appear.

★ A mark in the square opposite the word "YES" shall be recorded as a vote for the bond issue.

★ A mark in the square opposite the word "NO" shall be recorded as a vote against the bond issue.

★ If you spoil your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

BONDING PROPOSITION NO. 1
(CH. 91, SLA 1968)

STATE GENERAL OBLIGATION
SOUTHCENTRAL PIONEERS'
HOME CONSTRUCTION BONDS

$2,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $2,000,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing and equipping a branch of the Alaska Pioneers' Home in the Southcentral area?

BONDS – YES ☐

BONDS – NO ☐

BONDING PROPOSITION NO. 2
(Ch. 142, SLA 1968)

STATE GENERAL OBLIGATION
HIGHWAY CONSTRUCTION BONDS

$11,200,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $11,200,000 bearing interest not to exceed six per cent

BONDING PROPOSITION NO. 5
(CH. 207, SLA 1968)

STATE GENERAL OBLIGATION
SCHOOL CONSTRUCTION BONDS

$10,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $10,000,000 bearing interest not to exceed six per cent per annum and maturing in not to exceed 30 years from date of issue for the purpose of paying part or all of the cost of acquiring, constructing, equipping, and making other capital improvements to certain elementary and secondary public schools within the state?

BONDS – YES ☐ 101,619

BONDS – NO ☐ 15,601

BONDING PROPOSITION NO. 6
(Ch. 224, SLA 1968)

STATE GENERAL OBLIGATION
UNIVERSITY CONSTRUCTION BONDS

$8,500,000

Official Bonding Proposition Ballot

No. 39743

STATE OF ALASKA

November 3, 1970

1 FOLD BALLOT TO THIS LINE

- Mark only with cross marks, "X" marks, checks or plus signs. Marks must be inside or touching square.
- Erasures and corrections shall invalidate only that part of the ballot in which they appear.
- A mark in the square opposite the word "YES" shall be recorded as a vote for the bond issue.
- A mark in the square opposite the word "NO" shall be recorded as a vote against the bond issue.
- If you spoil your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

BONDING PROPOSITION NO. 1 (CH. 170, SLA 1970)

State General Obligation School Construction Bonds $20,300,000

61,528

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $20,300,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping certain elementary and secondary public schools within the state?

BONDS — YES ☐

BONDS — NO 15,385 ☐

BONDING PROPOSITION NO. 2 (CH. 180, SLA 1970)

State General Obligation Alaska Remote Housing Construction Bonds $3,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $3,000,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping the Alaska Remote Housing Program?

BONDS — YES ☐

BONDS — NO ☐

BONDING PROPOSITION NO. 3 (CH. 181, SLA 1970)

State General Obligation Recreational Facilities Construction Bonds $2,300,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $2,300,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping state recreational facilities?

BONDS — YES ☐

BONDS — NO ☐

BONDING PROPOSITION NO. 4 (CH. 182, SLA 1970)

State General Obligation Highway Construction Bonds $29,200,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $29,200,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping highways and roads in the state?

BONDS — YES ☐

BONDS — NO ☐

BONDING PROPOSITION NO. 5 (CH. 183, SLA 1970)

State General Obligation Health and Welfare Correctional Facilities Construction Bonds $8,600,000

Shall the State of Alaska issue its general obligation bonds in the principal sum not to exceed $8,600,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping and making capital improvements to State Correctional buildings for use by the Department of Health and Welfare?

BONDS — YES ☐

BONDS — NO ☐

BONDING PROPOSITION NO. 6 (CH. 190, SLA 1970)

State General Obligation Health and Medical Facilities Construction Bonds $5,600,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,600,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping mental health facilities, health and child care centers, and to provide state matching funds for federal funds available under the Hill-Burton hospital construction program?

BONDS — YES ☐

BONDS — NO ☐

BONDING PROPOSITION NO. 7 (CH. 220, SLA 1970)

State General Obligation Water and Sewerage System Construction Bonds $11,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $11,000,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping water supply and sewerage systems?

BONDS — YES ☐

BONDS — NO ☐

BONDING PROPOSITION NO. 8 (CH. 221, SLA 1970)

State General Obligation Highway Maintenance Facilities Construction Bonds $5,500,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $5,500,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping highway maintenance facilities?

BONDS — YES ☐

BONDS — NO ☐

BONDING PROPOSITION NO. 9 (CH. 222, SLA 1970)

State General Obligation Airport Construction Bonds $10,000,000

Shall the State of Alaska issue its general obligation bonds in the principal sum of not to exceed $10,000,000 for the purpose of paying part or all of the cost of acquiring, constructing and equipping and making capital improvements to certain airports in the state?

BONDS — YES ☐

BONDS — NO ☐

4051

STATE OF ALASKA

LIEUTENANT GOVERNOR
JUNEAU

CERTIFICATE

I, H. A. BOUCHER, LIEUTENANT GOVERNOR OF THE STATE OF ALASKA, DO HEREBY CERTIFY THAT the following is a full, true and correct copy of the total vote count for the bond proposals appearing on the ballot in the November 7, 1972, General Election, in the State of Alaska, as shown by the official returns of the State Canvass as provided by AS 15.15.450 now on file in my office.

	YES	NO
Bond Proposition No. 1 (State Health and Medical Facilities Construction Bonds $3,500,000)	62,374	30,159
Bond Proposition No. 2 (State Highway Construction Bonds $10,000,000)	65,985	26,899
Bond Proposition No. 3 (State General Obligation Civic, Convention and Community Recreation Centers and All-Weather Sports Facilities Construction Bonds $11,500,000)	42,936	48,730
Bond Proposition No. 4 (University of Alaska Construction Bonds $18,000,000)	55,190	37,130
Bond Proposition No. 5 (State Airport Construction Bonds $24,000,000)	57,413	33,971
Bond Propsition No. 6 (State General Obligation State-Operated School Construction Bonds $16,000,000)	59,942	31,576
Bond Proposition No. 7 (State General Obligation Flood Control and Small Boat Harbor Bonds $20,000,000)	51,995	39,708
Bond Proposition No. 8 (State General Obligation Water Supply and Sewerage System Construction Bonds $33,000,000)	63,817	28,777

IN TESTIMONY WHEREOF, I have hereunto set my hand and affixed hereto the Seal of the State of Alaska, at Juneau, the Capital,

4052

SAMPLE BONDING PROPOSITION BALLOT

B

STATE OF ALASKA

November 5, 1974

FOLD BALLOT TO THIS LINE

- Mark only with cross marks, "X" marks, checks or plus signs. Marks must be inside or touching square.
- Erasures and corrections shall invalidate only that part of the ballot in which they appear.
- A mark in the square opposite the word "YES" shall be recorded as a vote for the bond issue.
- A mark in the square opposite the word "NO" shall be recorded as a vote against the bond issue.
- If you spoil your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

BONDING PROPOSITION NO. 1 (CH. 62 SLA 1974)
State General Obligation Fire Protection Facilities Bonds $2,700,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $2,700,000 for the purpose of paying the cost of constructing fire protection facilities?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 2 (CH. 86 SLA 1974)
State General Obligation Port Facilities Development Bonds $22,500,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $22,500,000 for the purpose of paying the cost of capital improvements for port facilities development projects?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 3 (CH. 116 SLA 1974)
State General Obligation 1974 Library Construction Bonds $7,900,000

Shall the State of Alaska issue its general obligation bonds in the principal [illegible] the cost of

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 8 (CH. 135 SLA 1974)
State General Obligation Pioneers' Homes Bonds $7,515,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $7,515,000 for the purpose of paying the cost of constructing and adding to Pioneers' Homes?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 9 (CH. 142 SLA 1974)
State General Obligation Rural School Construction Bonds $40,337,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $40,337,000 for the purpose of paying the cost of rural school construction?

59,327
BONDS - YES ☐
BONDS - NO ☐
35,507

BONDING PROPOSITION NO. 10 (CH. 144 SLA 1974)
State General Obligation University of Alaska Construction Bonds $39,523,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $39,523,000 for the purpose of paying the cost of capital improvements for the University of Alaska?

BONDS - YES ☐
BONDS - NO ☐

SAMPLE BONDIN(PROPOSITION BAL: T

STATE OF ALASKA
NOVEMBER 7, 1978

FOLD BALLOT TO THIS LINE — To Be Removed By Election Board

- Mark only with cross marks, "X" marks, checks or plus signs. Marks must be inside or touching square
- Erasures and corrections shall invalidate only that part of the ballot in which they appear.
- A mark in the square opposite the word "YES" shall be recorded as a vote for the bond issue.
- A mark in the square opposite the work "NO" shall be recorded as a vote against the bond issue
- If you spoil or mar your ballot, you may return it to the election judge and receive another ballot. Your spoiled ballot will be destroyed in your presence.

BONDING PROPOSITION NO. 1 (CH. 95 SLA 1978)

STATE GENERAL OBLIGATION EROSION AND FLOOD CONTROL, PORT FACILITIES DEVELOPMENT, AND SMALL BOAT LANDINGS AND HARBORS PROJECTS BONDS $33,290,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $33,290,000 for the purpose of paying the cost of erosion and flood control, port facilities development, and small boat landing and harbor projects?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 2 (CH. 96 SLA 1978)

STATE GENERAL OBLIGATION RECREATIONAL FACILITIES CONSTRUCTION BONDS $5,850,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $5,850,000 for the purpose of paying the cost of capital improvements to parks, waysides, trails, footpaths, and other recreational facilities?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 3 (CH. 122 SLA 1978)

STATE GENERAL OBLIGATION HEALTH FACILITIES AND SENIOR CITIZEN CENTERS AND PIONEERS' HOMES CONSTRUCTION BONDS $25,000,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $25,000,000 for the purpose of paying the cost of capital improvements for health facilities, senior citizen centers, and pioneers' homes?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 4 (CH. 137 SLA 1978)

STATE GENERAL OBLIGATION EDUCATIONAL FACILITIES CONSTRUCTION BONDS $33,656,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $33,656,000 for the purpose of paying the cost of capital improvements for the educational facilities for vocational education and the University of Alaska?

BONDS - YES ☐ 65,211
BONDS - NO ☐ 57,896

BONDING PROPOSITION NO. 5 (CH. 138 SLA 1978)

STATE GENERAL OBLIGATION HIGHWAY, FERRY, AIRPORT, LOCAL SERVICE ROADS AND TRAILS CONSTRUCTION, CONSTRUCTING AND EQUIPPING MAINTENANCE FACILITIES, AND PLANNING VARIOUS TRANSPORTATION PROJECTS BONDS $88,450,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $88,450,000 for the purpose of paying the cost of highway, ferry, airport, local service roads and trails construction, constructing and equipping maintenance facilities, and planning various transportation projects?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 6 (CH. 139 SLA 1978)

STATE GENERAL OBLIGATION CORRECTIONAL AND PUBLIC SAFETY FACILITIES CONSTRUCTION BONDS $30,504,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $30,504,000 for the purpose of paying the cost of capital improvements for correctional and public safety facilities?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 7 (CH. 140 SLA 1978)

STATE GENERAL OBLIGATION FISH FACILITIES CONSTRUCTION BONDS $26,965,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $26,965,000 for the purpose of paying the cost of capital improvements for fisheries management and development facilities?

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION NO. 8 (CH. 142 SLA 1978)

STATE GENERAL OBLIGATION ARMORIES AND NATIONAL GUARD FACILITIES CONSTRUCTION BONDS $3,645,000

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $3,645,000 for the purpose of paying the cost of capital improvements for construction of armories and National Guard

BONDS - YES ☐
BONDS - NO ☐

BONDING PROPOSITION G

EDUCATION FACILITIES, TEACHER HOUSING, LIBRARY FACILITIES AND UNIVERSITY OF ALASKA FACILITIES

(Chapter 121, Session Laws of Alaska 1980)

Providing for the issuance of general obligation bonds in the amount of $63,651,000 for the purpose of paying the cost of capital improvements for education facilities, teacher housing, library facilities, and University of Alaska facilities; providing for an effective date.

BALLOT QUESTION:

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $63,651,000 for the purpose of paying the cost of capital improvements for education, teacher housing, library, and University of Alaska facilities?

Bonds Yes ☐ 89,958
Bonds No ☐ 66,718

VOTE CAST BY MEMBERS OF THE 11TH STATE LEGISLATURE ON FINAL PASSAGE

Senate	(20 members):	Yeas 15	Nays 3	Absent or Not Voting 2
House	(40 members):	Yeas 28	Nays 2	Absent or Not Voting 10

LEGISLATIVE AFFAIRS AGENCY SUMMARY

This proposal, if approved, would provide for the issuance of general obligation bonds of the State in the amount of $63,651,000 to provide funds for the cost of construction of the following projects:

Project	Location	Amount
1. Library facilities	Statewide	**$ 500,000**
2. Teacher housing	Statewide	**$ 1,000,000**
3. University of Alaska facilities		**$ 37,270,000**
(A) University Center, Phase I	Juneau	3,500,000
(B) Sewer connection	Sitka Community College	75,000
(C) Marine Center — Phase I	Seward	1,000,000
(D) Library and classroom building	Matanuska-Susitna Community College	3,500,000
(E) Applied science building	Anchorage Community College	5,000,000
(F) Arts, theater, bookstore, and classroom building	Anchorage	5,200,000
(G) Purchase adult basic education building	Anchorage Community College	220,000
(H) Classroom, shop	Kenai	5,600,000
(I) Adult Learning Center	Kodiak Community College	2,300,000
(J) Rasmusson Library, Phase II	Fairbanks	8,500,000
(K) Central receiving	Fairbanks	1,300,000
(L) Utilities modification	Statewide	800,000
(M) Handicapped barrier removal	Statewide	275,000

BONDING PROPOSITION G (cont.)

4. Education facilities		**$24,881,000**
(A)	Southeast Island regional educational attendance area schools	856,000
(B)	Bartlett high school	1,500,000
(C)	Kodiak Island Borough schools	500,000
(D)	Lake-Peninsula regional educational attendance area schools	1,000,000
(E)	Southwest regional educational attendance area schools	2,072,000
(F)	Lower Kuskokwim regional educational attendance area schools	2,415,000
(G)	Saint Marys' school	2,000,000
(H)	Northwest regional educational attendance area vocational technical school	1,500,000
(I)	Bering Straits regional educational attendance area schools	1,934,000
(J)	Yukon/Koyukuk regional educational attendance area schools	500,000
(K)	Iditarod regional educational attendance area schools	900,000
(L)	Lower Yukon regional educational attendance area schools	750,000
(M)	Kuspuk regional educational attendance area schools	1,900,000
(N)	Chatham regional educational attendance area schools	1,251,000
(O)	Haines school	1,332,000
(P)	Karluk school	960,000
(Q)	Metlakatla school	2,000,000
(R)	Wrangell school	1,500,000
(S)	Holy Cross school	11,000

Amounts appropriated for specific projects listed in this act may be reappropriated among the projects by law.

11/5/02

Bonding Proposition C

133,348 For

90,386 Against

Educational and Museum Facilities

(Chapter 2, Second Special Session Laws of Alaska 2002)

Relating to the issuance of general obligation bonds for the purpose of paying the cost of design, construction, and major maintenance of educational and museum facilities; and providing for an effective date.

BALLOT QUESTION

State General Obligation Educational and Museum Facility, Design, Construction, and Major Maintenance Bonds — $236,805,441

Shall the State of Alaska issue its general obligation bonds in the principal amount of not more than $236,805,441 for the purpose of paying for the cost of design, construction, and major maintenance of educational and museum facilities?

BONDS YES ⬭

BONDS NO ⬭

VOTE CAST BY MEMBERS OF THE 22ND STATE LEGISLATURE ON FINAL PASSAGE

House: Yeas: 36 Nays: 2 Excused: 1 Absent: 1
Senate: Yeas: 20 Nays: 0 Excused: 0 Absent: 0

BONDING PROPOSITION SUMMARY
Prepared by the Legislative Affairs Agency

This would permit the sale of $236,805,441 in state bonds. The state bonds would be used to pay for capital projects.

$170,101,441 from the bonds would be used to pay for grants to school districts. The grants to school districts would be used to pay for school projects.

$61,704,000 from the bonds would be used to pay for projects at the University of Alaska.

$5,000,000 from the bonds would be used to pay for a grant. The grant would be used to pay for a project at the Anchorage Museum of History and Art.

STATEMENT OF SCOPE
This bond proposition, if approved, would provide for the issuance of general obligation bonds of the State in the amount of $236,805,441 to provide funds to pay the costs of the following programs or projects:

DEPARTMENT OF EDUCATION AND EARLY DEVELOPMENT. The amount of $170,101,441 would be allocated among the following projects subject to reallocation as provided by law:

	Project	Municipality or REAA Location	Amount
(1)	Tuluksak School improvement	Yupiit	$17,703,793
(2)	Akiak School improvement	Yupiit	$13,228,730
(3)	Akiachak School improvement	Yupiit	$19,099,094
(4)	Scammon Bay replacement school	Lower Yukon	$17,029,762
(5)	Teller K-12 remodel/addition	Bering Strait	$ 9,426,570
(6)	Hooper Bay addition/renovation	Lower Yukon	$24,423,467
(7)	Circle School replacement	Yukon Flats	$ 4,068,521
(8)	Naukati School replacement	Southeast Island	$ 4,018,031

Bonding Proposition C

Educational and Museum Facilities

(Chapter 2, Second Special Session Laws of Alaska 2002)

	Project	Municipality or REAA Location	Amount
(9)	Sheldon Point (Nunam Iqua) school improvement	Lower Yukon	$ 728,549
(10)	White Mountain K-12 remodel/addition	Bering Strait	$ 1,138,767
(11)	Arctic Village addition/renovation	Yukon Flats	$ 679,162
(12)	Howard Valentine School improvement	Southeast Island	$ 340,170
(13)	New Stuyahok School improvement	Southwest Region	$ 2,009,178
(14)	Wendler Middle School building renovation, phase 2	Anchorage	$12,821,521
(15)	Hooper Bay structural repairs	Lower Yukon	$ 258,901
(16)	Gustavus gymnasium renovation	Chatham	$ 394,065
(17)	Glennallen Elementary School upgrade	Copper River	$ 927,069
(18)	Hoonah Elementary major maintenance	Hoonah City	$ 1,805,501
(19)	Akiak Elementary School repairs	Yupiit	$ 3,234
(20)	Angoon ADA access renovation	Chatham	$ 134,806
(21)	Glennallen High School gym renovation	Copper River	$ 152,709
(22)	Hydaburg School renovation	Hydaburg City	$ 5,822,106
(23)	Galena High School floor renovation	Galena	$ 154,841
(24)	Skagway roof replacement	Skagway City	$ 177,756
(25)	Nenana kitchen/cafeteria renovation	Nenana City	$ 324,287
(26)	Elicavicuar Elementary boiler replacement	St. Mary's	$ 161,346
(27)	Kaltag School renovation	Yukon-Koyukuk	$ 2,461,577
(28)	Tanana major maintenance	Tanana City	$ 2,606,707
(29)	Yakutat High School gymnasium structural repair	Yakutat Borough	$ 125,801
(30)	Klukwan mechanical system renovation	Chatham	$ 138,137
(31)	Chenega Bay major maintenance	Chugach	$ 10,520
(32)	Chalkyitsik sewage lagoon and water tank project	Yukon Flats	$ 156,249
(33)	Kake Middle School renovation	Kake City	$ 470,415
(34)	Elicavicuar Elementary tank farm upgrades	St. Mary's	$ 218,035
(35)	George Morgan Sr. High School sewage system replacement	Kuspuk	$ 452,647
(36)	Akiak High School access ramp	Yupiit	$ 29,821
(37)	Nenana vocational education building renovation	Nenana City	$ 494,205
(38)	Northway School structural upgrade	Alaska Gateway	$ 956,636
(39)	Tetlin sewer line project	Alaska Gateway	$ 77,081
(40)	Nenana ADA access	Nenana City	$ 173,195
(41)	District-wide structural repairs	Yukon-Koyukuk	$ 474,162
(42)	District-wide fuel tank upgrades	Yukon-Koyukuk	$ 5,066,932
(43)	Yakutat High School interior renovation	Yakutat Borough	$ 72,258
(44)	District-wide fuel tank upgrade	Chugach	$ 133,428
(45)	Tatitlek generator replacement	Chugach	$ 154,312
(46)	District-wide ADA code upgrades	Yukon-Koyukuk	$ 981,036
(47)	Elicavicuar Elementary gymnasium/cafeteria upgrade	St. Mary's	$ 339,567
(48)	Hoonah pool upgrades	Hoonah City	$ 171,092
(49)	Bethel Regional High School deferred maintenance	Lower Kuskokwim	$10,505,286
(50)	Fort Yukon High School gym sprinklers	Yukon Flats	$ 109,406
(51)	Nome-Beltz High School renovation	Nome	$ 2,691,000
(52)	Lower Kuskokwim School District asbestos abatement	District-wide	$ 4,000,000

Bonding Proposition C

Educational and Museum Facilities

(Chapter 2, Second Special Session Laws of Alaska 2002)

UNIVERSITY OF ALASKA. The amount of $61,704,000 is allocated for the following projects subject to reallocation as provided by law:

	Project	Location	Amount
(1)	BioScience class/laboratory, infrastructure design, buildout, and site development	Fairbanks	$21,500,000
(2)	Integrated science facility, Phase 1	Anchorage	$ 8,400,000
(3)	Lena Point fisheries laboratory	Juneau	$ 9,000,000
(4)	Prince William Sound building acquisition	Valdez	$ 1,500,000
(5)	Classroom expansion	Kenai	$ 850,000
(6)	Classroom completion	Sitka	$ 540,000
(7)	Classroom addition/land acquisition, Phase 1	Homer	$ 3,000,000
(8)	Biomedical facility addition	Anchorage	$ 4,750,000
(9)	West Ridge research addition	Fairbanks	$ 2,000,000
(10)	Paul/Ziegler classroom renovation	Ketchikan	$ 3,900,000
(11)	Prince William Sound classroom building renovation	Valdez	$ 835,000
(12)	Matanuska-Susitna classroom building renovation	Palmer	$ 650,000
(13)	Robertson classroom/parking lot renovations	Ketchikan	$ 385,000
(14)	Classroom building renovations	Kodiak	$ 500,000
(15)	Tanana Valley space renovation	Fairbanks	$ 2,000,000
(16)	Chukchi classroom building renovation	Kotzebue	$ 580,000
(17)	Interior/Aleutians classroom building renovation	Interior/Aleutians	$ 240,000
(18)	Northwest College classroom building renovation	Nome	$ 190,000
(19)	Kuskokwim College classroom building renovation	Bethel	$ 180,000
(20)	Bristol Bay Campus addition	Dillingham	$ 704,000

DEPARTMENT OF COMMUNITY AND ECONOMIC DEVELOPMENT. The amount of $5,000,000 would be allocated to the Department of Community and Economic Development to be awarded as a grant to the Municipality of Anchorage for renovation of the Anchorage Museum of History and Art.

HCR

2

<target><bill>HCR 2</bill><subject>HCR 2</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 3/30/09

FURTHER:

DATE TURNED IN TO OFFICE: 4/14/09

Finance Committee considered CS FOR HOUSE CONCURRENT RESOLUTION NO. 2(RES) am

HCR 2 IN-STATE GAS PIPELINE

Requesting the governor to provide energy security for all Alaskans first by pursuing development of a natural gas bullet pipeline from the North Slope to the Cook Inlet region; and requesting the governor to identify and negotiate where appropriate with one or more persons capable of producing natural gas from the Gubik area, and other areas on the North Slope if necessary, in sufficient quantities to support the energy needs of Alaskans and a bullet pipeline project.

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[X] adopt **previous** [X] **SCS** or [ ] **CS** CS HCR 2 (RES)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Olson			✓	
	Ellis				✓
CO-CHAIR:				✓	
CO-CHAIR:		✓			

4/14/09

Chair, Judiciary
Chair, Economic Development, Trade & Tourism
Energy
Military & Veteran Affairs
Joint Armed Services
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature
House of Representatives

While in Session
State Capitol, Room 118
Juneau, Alaska 99801-1182
(907) 465- 3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004

Representative Jay Ramras
District 10

Sponsor Statement for House Concurrent Resolution No. 2

Short Title: IN-STATE GAS PIPELINE **Contact: Margaret Dowling, 465-6841**

Purpose and Intent HCR 2:

The intent of House Concurrent Resolution No. 2 is to provide energy security for Alaskans. This resolution urges the Governor to take action that will facilitate development of a small natural gas pipeline, commonly referred to as the "bullet line." With completion of a large diameter gas line not expected until 2016 at the earliest, the bullet line, a smaller project that will be easier and quicker to complete, can bridge the gap in natural gas delivery and provide much needed natural gas to communities along its route between the North Slope and Cook Inlet. Because the gas will be extracted and delivered within the state, and for export, the cost of this resource to the ratepayers could be considerably less than the cost of other sources of fuel consumed by Alaska's residents today. Thus, the bullet line will provided certainty of supply and predictability of price for Alaskans along the bullet line route.

The Governor and key agencies in the executive branch are in a unique position to facilitate development of the bullet line. The executive branch has the authority and resources to locate companies or entities in Gubik or elsewhere in the North Slope that have significant quantities of natural gas and to negotiate contracts with those entities to guarantee commercially reasonable terms that will enhance economic viability of a bullet line. The time to act for energy certainty for all Alaskans is now.

Summary HCR 2:

- Requests that the Governor provide energy security for all Alaskans by taking action necessary to support the development of a natural gas pipeline that will deliver natural gas from the North Slope to Cook Inlet.

Representative_Jay_Ramras@legis.state.ak.us

- Requests that the Governor identify entities in Gubik or elsewhere on the North Slope that have sufficient quantities of natural gas to support a gas line.
- Requests that the Governor negotiate a commitment with the identified entity for gas production on commercially reasonable terms that would support the economic viability of the gas line.

Benefits HCR 2:

- Secures an adequate supply of affordable natural gas for residential and industrial consumers from the North Slope to Cook Inlet.
- Increases jobs, and local and state revenue.

Harry Noah, Director Alaska Mental Health Trust Lands Office functioning as governor's in-state gas line Coordinator

Representative_Jay_Ramras@legis.state.ak.us

Adopted
3/30/10

26-LS0264\M
Bullock
3/23/10

SENATE CS FOR CS FOR HOUSE CONCURRENT RESOLUTION NO. 2( )

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - SECOND SESSION

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES RAMRAS, Millett, Johnson, Chenault, Hawker, Dahlstrom, Neuman

SENATORS Therriault, McGuire, Meyer, Huggins, Stevens, Wagoner, Bunde

A RESOLUTION

Urging the Governor to commit to providing energy security for all Alaskans by supporting the in-state gas pipeline project and assisting the project in its efforts to secure needed permits, rights-of-way, engineering specifications, and other approvals necessary or desirable, to bundle the approvals for sale on the market to interested private sector pipeline companies, and in all other ways to act in due haste to move the in-state natural gas pipeline to a construction phase; urging the Governor to support the persons working on the in-state gas pipeline project in discussions with and obtaining of letters of intent from potential industrial users of natural gas, including the Agrium U.S., Inc., facility, the ConocoPhillips/Marathon facility, mining companies, and other businesses interested in value-added processing of petroleum gases transported in a natural gas pipeline from the North Slope or Brooks Range foothills for the purpose of providing jobs for Alaskans and ensuring the economic viability of the pipeline; urging the Governor to pursue the renewal of the license issued by the United States Department of Energy to export natural gas produced on the North Slope or in the

Brooks Range foothills that exceeds the needs and demands of Alaskans for affordable natural gas; urging the Governor to continue negotiations with one or more entities capable of producing and supplying natural gas from the North Slope or Brooks Range foothills to Southcentral and Interior Alaska on commercially reasonable terms and in sufficient quantities to support the energy needs of Alaskans and the economic viability of a pipeline; urging the Governor to expedite the permits necessary or desirable to construct and operate a gas-to-liquids facility at Point Mackenzie if a feasibility document shows that it is economically viable; and urging the Governor to take the actions requested in this resolution, as necessary and appropriate, immediately and with all reasonable speed and effort.

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

WHEREAS natural gas production in the Cook Inlet region of the state has suffered significant decline, resulting in the closure of the Agrium U.S., Inc., facility in Kenai and jeopardizing the supply of natural gas to consumers that rely on production from the Cook Inlet region; and

WHEREAS there are significant quantities of natural gas on the North Slope that could be produced if a means for economically delivering the product to market were available; and

WHEREAS the major gas pipeline project licensed by the state under AS 43.90 (Alaska Gasline Inducement Act) or a similar alternative project that offers five natural gas delivery points in the state is not expected to transport natural gas from the North Slope until after 2016; and

WHEREAS the people of the state need energy security and access to affordable natural gas as soon as possible; and

WHEREAS the demand for natural gas in the state is expected to increase steadily; and

WHEREAS farms cover more than 25,000 acres in five boroughs, and that acreage

has a value of approximately $22,700,000; and

WHEREAS more than 300 farmers reside in the Matanuska-Susitna Borough, and more than 130 farmers reside in the Fairbanks area; and

WHEREAS Alaska farms need fertilizer for crops, particularly in the form of urea for hay and grain crops; and

WHEREAS Agrium U.S., Inc., owns the only urea fertilizer plant in the state, and that plant was closed in 2007 because of the lack of reasonably priced natural gas for use as feedstock for the plant; the closure of the Agrium U.S., Inc., urea fertilizer plant resulted in a loss of approximately 250 jobs and a 400 percent increase in the cost of fertilizer for farmers in the state because of the costs of shipping in fertilizer from outside the state; and

WHEREAS a natural gas pipeline that delivers natural gas from the North Slope to the Cook Inlet region could provide necessary feedstock for the Agrium U.S., Inc., urea fertilizer plant, enabling the plant to reopen; and

WHEREAS the state has an interest in encouraging consumers to switch from liquid fossil fuels to less expensive and cleaner-burning natural gas, particularly in the Interior and other regions in the state struggling to comply with the fine particle air quality standard commonly known as PM 2.5, imposed by the United States Environmental Protection Agency under 42 U.S.C. 7401 - 7671q (Clean Air Act); and

WHEREAS the United States Energy Information Administration in the United States Department of Energy projects a growing international and domestic demand for Fischer-Tropsch fuels and Alaska is identified as an important domestic source of gas-to-liquids production; and

WHEREAS the United States Department of Energy export license granted to ConocoPhillips Alaska Natural Gas Corporation and Marathon Oil Company to export from the Kenai liquefied natural gas export facility near Kenai up to 99,000,000,000,000 British thermal units of liquefied natural gas, the equivalent of 98,100,000,000 cubic feet of natural gas, will expire March 31, 2011, and, if not renewed, the Kenai liquefied natural gas export facility may close after 2011; and

WHEREAS the collective demand for natural gas in the Interior and Southcentral is anticipated to expand from 200,000,000 cubic feet a day to approximately 700,000,000 cubic feet a day during the period 2010 to 2025, and, if no new natural gas is discovered in the Cook

Inlet region, the demand for natural gas in Southcentral alone will exceed production from the Cook Inlet region; and

WHEREAS renewing the natural gas export license so that natural gas may be exported from Alaska using natural gas transported from the North Slope will improve the economic viability of the in-state pipeline, protect jobs and key industries, address the potential lack of natural gas supply to industrial and consumer customers in the Interior and Southcentral, and enhance PM 2.5 compliance in the state; and

WHEREAS the state has made considerable progress on developing an in-state gas pipeline, as reflected in the Governor's Alaska in-state gas pipeline project coordinator's report, "Stand-Alone Gas Pipeline Project Description or Plan of Development," which includes preliminary designs and planning for pipeline facilities; route analysis for the in-state pipeline, pipeline specifications, and identification of material, equipment, and land acquisition needs; and

WHEREAS the Governor's Alaska in-state gas pipeline project coordinator suggests that construction of the in-state pipeline could begin by June 2012, with possible startup by 2016; and

WHEREAS, by 2018, declining oil flow through the Trans Alaska Pipeline System will seriously diminish state revenue, and the project licensed under AS 43.90 (Alaska Gasline Inducement Act) to deliver North Slope gas to the North American gas pipeline grid in Central Alberta is not expected to produce state revenue before 2020; and

WHEREAS the first open season for the project licensed under AS 43.90 (Alaska Gasline Inducement Act) will be conducted during the summer of 2010; and

WHEREAS, if the state receives conditional transportation commitments, those conditional transportation commitments will lack the value of firm commitments required by potential financiers and may not provide a strong platform with which to secure financing for the large-diameter pipeline; and

WHEREAS receipt of conditional commitments during open season will extend the period of time before Alaskans will know with certainty whether or not a large diameter pipeline will be able to secure financing and move forward to the construction phase; and

WHEREAS failing to move forward with the development of an in-state gas pipeline if only conditional commitments are received for the project licensed under AS 43.90 (Alaska

Gasline Inducement Act) would fail to provide Alaskans with gas supply certainty; and

WHEREAS it is in the best interest of all Alaskans to continue to move forward to the construction of an in-state natural gas pipeline and to designate a time certain to build that in-state gas pipeline;

BE IT RESOLVED that the Alaska State Legislature urges the governor to commit to providing energy security for all Alaskans by supporting the in-state gas pipeline project in its efforts to secure needed permits, rights-of-way, engineering specifications, and other approvals necessary or desirable; to bundle the approvals for sale on the market to interested private sector pipeline companies; and in all other ways to act in due haste to move the in-state natural gas pipeline to a construction phase; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Governor to support the persons working on the in-state gas pipeline project in discussions with and obtaining of letters of intent from potential industrial users of natural gas, including the Agrium U.S., Inc., facility, the ConocoPhillips/Marathon facility, mining companies, and other businesses interested in value-added processing of petroleum gases transported in a natural gas pipeline from the North Slope or Brooks Range foothills for the purpose of providing jobs for Alaskans and ensuring the economic viability of the pipeline; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Governor to pursue the renewal of the license issued by the United States Department of Energy to export natural gas produced on the North Slope or in the Brooks Range foothills that exceeds the needs and demands of Alaskans for affordable natural gas; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Governor to continue negotiations with one or more entities capable of producing and supplying natural gas from the North Slope or Brooks Range foothills to Southcentral and Interior Alaska on commercially reasonable terms and in sufficient quantities to support the energy needs of Alaskans and the economic viability of a pipeline; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Governor to expedite the permits necessary or desirable to construct and operate a gas-to-liquids facility at Point MacKenzie if a feasibility document shows that it is economically viable; and be it

FURTHER RESOLVED that the Alaska State Legislature urges the Governor to take the actions requested in this resolution, as necessary and appropriate, immediately and with all

reasonable speed and effort.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: **SCS CSHCR 2 (FIN)**
() Publish Date:

Identifier (file name):
Dept. Affected: All
Title HCR 2 IN-STATE GAS PIPELINE
RDU
Component
Sponsor Rep. Ramras
Requester Senate Finance Committee
Component Number

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

Prepared by: Senate Finance Committee
Co-Chair Bert Stedman/Co-Chair Lyman Hoffman
Phone 465-3873/465-4453
Date/Time

Approved by:
Date 3/29/2010

(Revised 11/6/2009 OMB)

4070

SENATE FINANCE COMMITTEE REPORT

DATE RETURNED: 4/15/09

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE CONCURRENT RESOLUTION NO. 2(RES) am

HCR 2 IN-STATE GAS PIPELINE

Requesting the governor to provide energy security for all Alaskans first by pursuing development of a natural gas bullet pipeline from the North Slope to the Cook Inlet region; and requesting the governor to identify and negotiate where appropriate with one or more persons capable of producing natural gas from the Gubik area, and other areas on the North Slope if necessary, in sufficient quantities to support the energy needs of Alaskans and a bullet pipeline project.

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CS HCR 2 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____ Letter of Intent

[ ] further referral to _____ Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[✓] New Title w/ SCR # N/A

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#
SFIN/all	3/29			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet	Zero	FN#

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	Egan	✓			
	Ellis	✓			
CO-CHAIR:	Hoffman	~			
CO-CHAIR:	Stevens	✓			

HCR

22

<target><bill>HCR 22</bill><subject>HCR 22</subject><comm>SFIN26</comm></target>

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
Fax (907) 465-2273
Rep_Cathy_Munoz@legis.state.ak.us

Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
Phone: (907) 465-4942
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Rep_Bob_Herron@legis.state.ak.us

Sponsor Statement
House Concurrent Resolution 22
Establishing the Alaska Northern Waters Task Force

House Concurrent Resolution 22 establishes the Alaska Northern Waters Task Force to facilitate regional coordination and State of Alaska leadership in the ongoing development of the United States' policies related to the opening of Arctic marine transportation routes, national security, and resource development. The task force will comprise Legislators from Northwestern Alaska, leaders from Arctic communities, and key federal agencies. Together, they will assess and facilitate the creation of a joint state and federal entity to coordinate United States and Alaska interests that result from the opening of Arctic waters.

Perennial ice in the circumpolar Arctic waters is reducing in size at a rate of nine percent per decade. Arctic nations such as Norway, Canada and Russia are proactively promoting and defending their interests in increasingly ice-free areas. As the only Arctic state in this nation, Alaska has a unique role and interest in the development and evolution of U.S. policy in its northernmost region.

The creation of the Alaska Northern Waters Task Force anticipates increased federal attention to navigation routes, resource development, military activity and commerce in the Arctic. HCR 22 foresees the future creation of a joint federal/state commission that guides interagency and inter-jurisdiction actions in

the Arctic. It provides an opportunity for Alaska's Legislature and Arctic communities to assume a proactive role in shaping such a body, and ensures that Alaska's unique interests are strongly represented.

In the execution of its responsibilities, the Alaska Northern Waters Task Force will hold hearings in the northern communities of Barrow, Nome and Kotzebue, as well as Anchorage. By meeting in these regions, the task force will be able to seek guidance and feedback from the residents of the regions most likely to experience impacts from increased activity in the Arctic.

The Alaska Northern Waters Task Force will deliver its findings to the Alaska Legislature in January 2012, including legislative proposals for consideration.

ALASKA STATE LEGISLATURE

House Community & Regional Affairs Committee

Rep. Cathy Muñoz, Co-Chair

State Capitol Building, Room 409
Juneau, Alaska 99801-1182
Phone (907) 465-3744
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Rep. Bob Herron, Co-Chair

State Capitol Building, Room 411
Juneau, Alaska 99801
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Rep_Bob_Herron@legis.state.ak.us

MEMORANDUM

Date: April 9, 2010

RE: Changes to House Concurrent Resolution 22, Northern Waters Task Force

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Changes from HCR 22 to CS HCR 22 (FIN):

- P. 2, line 20 of the CS: Merges the first two Resolves from the original bill for better readability.
- P. 2 line 21 of the CS: Changes the configuration of the Task Force from 11 to 9 members
  - 2 senators (not 1)
  - 2 reps (same)
  - 7 members appointed jointly (not 6)
    - 5 public, 3 of whom reside in coastal areas (i.e. 2 at-large) (not the 4 mayors)
    - 1 executive branch (same)
    - 1 federal (not 2)
- P. 3, line 1 of the CS: Clarifies that vacancy shall be filled in the manner of the original appointment
- P. 3, lines 4-5 of the CS: Provides that the legislators on the task force shall select a chair from amongst themselves, rather than the task force selecting a chair from among the entire legislature.
- P. 3, line 4 of the CS: Adds that the chair of the task force may assign staff to the task force.

4075

- P. 3, line 7 of the CS: Replaces municipal members with public members to conform with the changed task force configuration.

- P. 3, lines 13-14 of the original bill: Removes "FURTHER RESOLVED that the Bush Caucus chair may assign staff to provide support services for the task force; and be it".

- P. 3, lines 11-20 of the CS: Combines the two RESOLVED clauses before and after the one removed.

- P. 3, lines 19-20 of the CS: Adds "(4) conduct hearings in the Northern Region of the state to fulfill its purpose; and be it" (originally another FURTHER RESOLVED on p.3, lines 23-24 of the original bill.)

White House Interagency Climate Change Adaptation Task Force

In 2009, the White House Council on Environmental Quality (CEQ), the Office of Science and Technology Policy (OSTP), and the National Oceanic and Atmospheric Administration (NOAA) initiated the Interagency Climate Change Adaptation Task Force, which includes representatives from more than 20 Federal Agencies. When the President signed the Executive Order on Federal Leadership in Environmental, Energy, and Economic Performance, on October 5, 2009, he called on the Task Force to develop, within one year, Federal recommendations for adapting to climate change impacts both domestically and internationally.

Interim Progress Report

On March 16, 2010, the Task Force released an Interim Progress Report which outlines the Task Force's progress to date and recommends key components to include in a national strategy on climate change adaptation. These six components include:

1. Integration of Science into Adaptation Decisions and Policy
2. Communications and Capacity-building
3. Coordination and Collaboration
4. Prioritization
5. A Flexible Framework for Agencies
6. Evaluation

The Interim Progress Report is available for 60 days of public comment. Submit your comment here.

Workgroups

The Interagency Climate Change Adaptation Task Force formed workgroups to consider the capabilities of the Federal Government to respond to the impacts of climate change on various critical sectors, institutions, and agency mission responsibilities. Five initial workgroups began by reviewing existing policies, operations, procedures, and other tools that affect the Federal Government's response, and will suggest options for improving the government's capacity for adaptation to climate change. The five initial workgroups are focused on the following topics:

- **Agency Adaptation**: Develop recommendations on how agencies should plan and implement adaptation
- **Science Inputs to Policy**: Develop recommendations to couple the production of scientific and technical support to adaptation planning, prioritization, and resilience building within the USG, in the US, and internationally
- **Insurance**: Develop recommendations on opportunities for the United States Government to support insurance and adaptation issues
- **Water Resources Adaptation**: Develop recommendations on how Federal water management agencies should plan and implement adaptation actions related to climate impacts on water resources
- **International Resilience**: Develop recommendations on opportunities for the United States Government to support and lead international adaptation efforts

These workgroups have defined their scope and end products, and have begun initial analysis. Most workgroups have used stakeholder listening sessions to solicit feedback from various government and regional actors on adaptation issues within their respective issue area.

Listening Sessions

The five initial Interagency Climate Change Adaptation Task Force workgroups hosted twenty listening sessions with key stakeholders and experts. The listening sessions were designed to engage the expertise and recommendations of external organizations into the workgroup deliberations early in this review process.

Final Product

In October 2010, the Task Force will report to the President on the development of domestic and international dimensions of a U.S. approach to climate change adaptation and what Federal Agencies are doing to support this effort. The Task Force also will recommend additional aspects to consider in the development of a comprehensive national strategy.

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHCR 22(FIN)
(H) Publish Date: 4/9/10

Identifier (file name): CS HCR22 (FIN)-LEG-COU-4-9-10
Dept. Affected: Legislature
Title: Establishing and relating to the Alaska Northern Waters Task Force
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: House Community and Regional Affairs
Requester: House Finance Committee
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	140.0		70.0				
Contractual	10.0		5.0				
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.0**	**0.0**	**75.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	150.0		75.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**150.0**	**0.0**	**75.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

CS HCR22(FIN) establishes the Alaska Northern Waters Task Force in the Legislative Branch. The Task Force consists of eleven members composed of four Legislators, one member from the Executive Branch, and seven public members. It is anticipated that the Task Force will hold seven meetings in the first year and three meetings in the second year. Travel funding is included in this fiscal note and includes the cost for experts to attend the meetings. Meetings will be held in Barrow, Nome, Kotzebue, Unalaska and Anchorage at Legislative Information Offices or local government facilities at no rental cost to the Task Force. The Task Force Chair may assign their staff to support the Task Force. The Task Force will assess and facilitate the creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters; inform and incorporate local stakeholders input into the process, and identify and coordinate efforts of mutual concern for federal, state, and local agencies. Funding for professional services contracts is included in this fiscal note. Costs to teleconference meetings and print the proposals and reports due in January 2012 will be absorbed in the Legislative Affairs Agency Budget.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division: Legislative Affairs Agency
Date/Time 4/9/10 10:42 AM
Approved by: Pamela Varni, Executive Director
Date 4/9/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

4079

FISCAL NOTE #2

STATE OF ALASKA **BILL NO.** CSHCR 22(FIN)
2010 LEGISLATIVE SESSION

ANALYSIS CONTINUATION

7 meetings - all with travel
1 member of the Executive Branch - travel absorbed in Executive Branch budget
4 Legislators; 7 public members; 1 staff person, 4 experts

1 meeting	Airfare	247/day Per Diem			
Nome Meeting					
Nome Senator					
Bethel Senator	1062	494			
Kotzebue Legislator	427	494			
Nome Legislator					
Anchorage public member	568	494			
Fairbanks public member	986	494			
Barrow public member	1158	494			
Kotzebue public member	427	494			
Nome public member					
Anchorage Fed public member	568	494			
Kotzebue Staff person	427	494			
Anchorage Expert	568	494			
Anchorage Expert	568	494			
Washington, DC Expert	1450	988			
Washington, DC Expert	1450	988			
	9,659.00	6,916	16,575	1	16,575

3 meetings	Airfare	278/day Per Diem			
Anchorage Meeting					
Nome Legislator	568	556			
Bethel Legislator	494	556			
Kotzebue Legislator	568	556			
Nome Legislator	568	556			
Anchorage public member					
Fairbanks public member	418	556			
Barrow public member	709	556			
Kotzebue public member	568	556			
Nome public member	568	556			
Anchorage Fed public member					
Kotzebue Staff person	568	556			
Anchorage Expert					
Anchorage Expert					
Washington, DC Expert	1309	1112			
Washington, DC Expert	1309	1112			
	7,647	7,228	14,875	3	44,625

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHCR 22(FIN)

ANALYSIS CONTINUATION

1 meeting	Airfare	254/day Per Diem			
Barrow Meeting					
Nome Legislator	1160	508			
Bethel Legislator	1098	508			
Kotzebue Legislator	1290	508			
Nome Legislator	1160	508			
Anchorage public member	846	508			
Fairbanks public member	576	508			
Barrow Member					
Kotzebue Member	1290	508			
Nome Member	1160	508			
Anchorage Fed public member	846	508			
Kotzebue Staff person	1290	508			
Anchorage Expert	846	508			
Anchorage Expert	846	508			
Washington, DC Expert	1751	1016			
Washington, DC Expert	1751	1016			
	15,910	8,128	24,038	1	24,038

1 meeting	Airfare	282/day Per Diem			
Kotzebue					
Nome Legislator	427	564			
Bethel Legislator	878	564			
Kotzebue Legislator					
Nome Legislator	427	564			
Anchorage public member	568	564			
Fairbanks public member	986	564			
Barrow Member	1158	564			
Kotzebue Member					
Nome Member	427	564			
Anchorage Fed public member	568	564			
Kotzebue Staff person					
Anchorage Energy	568	564			
Anchorage Expert	568	564			
Washington, DC Expert	1670	1128			
Washington, DC Expert	1670	1128			
	9,915	7,896	17,811	1	17,811

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHCR 22(FIN)

ANALYSIS CONTINUATION

1 meeting	Airfare	207/day Per Diem			
Unalaska					
Nome Legislator	1298	414			
Bethel Legislator	1226	414			
Kotzebue Legislator	1298	414			
Nome Legislator	1298	414			
Anchorage public member	1038	414			
Fairbanks public member	1164	414			
Barrow Member	1345	414			
Kotzebue Member	1298	414			
Nome Member	1298	414			
Anchorage Federal member	1038	414			
Kotzebue Staff person	1298	414			
Anchorage Expert	1038	414			
Anchorage Expert	1038	414			
Washington, DC Expert	2344	828			
Washington, DC Expert	2344	828			
	20,363	7,038	27,401	1	27,401
Juneau Trip					
Nome public member	978	756			
Barrow public member	1216	756			
	2,194	1,512	3,706	1	3,706
D.C. Trip - 2 people					
Nome	1,447	900			
Kotzebue	1,444	900			
	2,891	1800	4,691	1	4,691
					138,847

SENATE FINANCE COMMITTEE REPORT

DATE: 4/11/10

FURTHER:

DATE TURNED
IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE CONCURRENT RESOLUTION NO. 22(FIN)

HCR 22 ALASKA NORTHERN WATERS TASK FORCE

Establishing and relating to the Alaska Northern Waters Task Force.

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title
_____
HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LEG	4/9	✓			2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins	X			
	Thomas	✓			
	EGAN	✓			
	OLSON	✓			
	ELLIS	✓			
CO-CHAIR:		✓			
CO-CHAIR:		✓			

4083

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHCR 22(FIN)
(H) Publish Date: 4/9/10

Identifier (file name): CS HCR22 (FIN)-LEG-COU-4-9-10
Title: Establishing and relating to the Alaska Northern Waters Task Force
Sponsor: House Community and Regional Affairs
Requester: House Finance Committee

Dept. Affected: Legislature
RDU: Legislative Council
Component: Council and Subcommittees
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
OPERATING EXPENDITURES	**FY 2011**	**FY 2011**	**FY 2012**	**FY 2013**	**FY 2014**	**FY 2015**	**FY 2016**
Personal Services							
Travel	140.0		70.0				
Contractual	10.0		5.0				
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	**150.0**	**0.0**	**75.0**	**0.0**	**0.0**	**0.0**	**0.0**
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ( )							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	150.0		75.0				
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	**150.0**	**0.0**	**75.0**	**0.0**	**0.0**	**0.0**	**0.0**

Estimate of any current year (FY2010) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

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

CS HCR22(FIN) establishes the Alaska Northern Waters Task Force in the Legislative Branch. The Task Force consists of eleven members composed of four Legislators, one member from the Executive Branch, and seven public members. It is anticipated that the Task Force will hold seven meetings in the first year and three meetings in the second year. Travel funding is included in this fiscal note and includes the cost for experts to attend the meetings. Meetings will be held in Barrow, Nome, Kotzebue, Unalaska and Anchorage at Legislative Information Offices or local government facilities at no rental cost to the Task Force. The Task Force Chair may assign their staff to support the Task Force. The Task Force will assess and facilitate the creation of a state and federal commission responsible for overseeing the development of state and federal northern ocean waters; inform and incorporate local stakeholders input into the process, and identify and coordinate efforts of mutual concern for federal, state, and local agencies. Funding for professional services contracts is included in this fiscal note. Costs to teleconference meetings and print the proposals and reports due in January 2012 will be absorbed in the Legislative Affairs Agency Budget.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 4/9/10 10:42 AM
Approved by: Pamela Varni, Executive Director — Date 4/9/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

4084

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHCR 22(FIN)

ANALYSIS CONTINUATION

7 meetings - all with travel
1 member of the Executive Branch - travel absorbed in Executive Branch budget
4 Legislators; 7 public members; 1 staff person, 4 experts

1 meeting	Airfare	247/day Per Diem			
Nome Meeting					
Nome Senator					
Bethel Senator	1062	494			
Kotzebue Legislator	427	494			
Nome Legislator					
Anchorage public member	568	494			
Fairbanks public member	986	494			
Barrow public member	1158	494			
Kotzebue public member	427	494			
Nome public member					
Anchorage Fed public member	568	494			
Kotzebue Staff person	427	494			
Anchorage Expert	568	494			
Anchorage Expert	568	494			
Washington, DC Expert	1450	988			
Washington, DC Expert	1450	988			
	9,659.00	6,916	16,575	1	16,575

3 meetings	Airfare	278/day Per Diem			
Anchorage Meeting					
Nome Legislator	568	556			
Bethel Legislator	494	556			
Kotzebue Legislator	568	556			
Nome Legislator	568	556			
Anchorage public member					
Fairbanks public member	418	556			
Barrow public member	709	556			
Kotzebue public member	568	556			
Nome public member	568	556			
Anchorage Fed public member					
Kotzebue Staff person	568	556			
Anchorage Expert					
Anchorage Expert					
Washington, DC Expert	1309	1112			
Washington, DC Expert	1309	1112			
	7,647	7,228	14,875	3	44,625

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHCR 22(FIN)

ANALYSIS CONTINUATION

1 meeting	Airfare	254/day Per Diem			
Barrow Meeting					
Nome Legislator	1160	508			
Bethel Legislator	1098	508			
Kotzebue Legislator	1290	508			
Nome Legislator	1160	508			
Anchorage public member	846	508			
Fairbanks public member	576	508			
Barrow Member					
Kotzebue Member	1290	508			
Nome Member	1160	508			
Anchorage Fed public member	846	508			
Kotzebue Staff person	1290	508			
Anchorage Expert	846	508			
Anchorage Expert	846	508			
Washington, DC Expert	1751	1016			
Washington, DC Expert	1751	1016			
	15,910	8,128	24,038	1	24,038

1 meeting	Airfare	282/day Per Diem			
Kotzebue					
Nome Legislator	427	564			
Bethel Legislator	878	564			
Kotzebue Legislator					
Nome Legislator	427	564			
Anchorage public member	568	564			
Fairbanks public member	986	564			
Barrow Member	1158	564			
Kotzebue Member					
Nome Member	427	564			
Anchorage Fed public member	568	564			
Kotzebue Staff person					
Anchorage Energy	568	564			
Anchorage Expert	568	564			
Washington, DC Expert	1670	1128			
Washington, DC Expert	1670	1128			
	9,915	7,896	17,811	1	17,811

FISCAL NOTE #2

STATE OF ALASKA
2010 LEGISLATIVE SESSION

BILL NO. CSHCR 22(FIN)

ANALYSIS CONTINUATION

1 meeting	Airfare	207/day Per Diem			
Unalaska					
Nome Legislator	1298	414			
Bethel Legislator	1226	414			
Kotzebue Legislator	1298	414			
Nome Legislator	1298	414			
Anchorage public member	1038	414			
Fairbanks public member	1164	414			
Barrow Member	1345	414			
Kotzebue Member	1298	414			
Nome Member	1298	414			
Anchorage Federal member	1038	414			
Kotzebue Staff person	1298	414			
Anchorage Expert	1038	414			
Anchorage Expert	1038	414			
Washington, DC Expert	2344	828			
Washington, DC Expert	2344	828			
	20,363	7,038	27,401	1	27,401
Juneau Trip					
Nome public member	978	756			
Barrow public member	1216	756			
	2,194	1,512	3,706	1	3,706
D.C. Trip - 2 people					
Nome	1,447	900			
Kotzebue	1,444	900			
	2,891	1800	4,691	1	4,691
					138,847

Melting ice could mean new riches

Jill Burke
Mar 1, 2010

"It's not a question of if but when."

That's what Mead Treadwell, chairman of the U.S. Arctic Research Commission, told a New York City crowd Monday about the prospect of a booming northwest passage.

Treadwell made the remarks during a moderated panel discussion, "Will the Bering Strait become the Panama Canal of the North?" hosted by the Council on Foreign Relations at Alaska House New York. (Alaska House is a nonprofit organization founded by Alaska Dispatch publisher Alice Rogoff to promote education about Alaska and its Native culture and foster economic development within the state.)

The day's discussion, which pulled together Alaska's congressional delegates, regional leaders and industry representatives, centered on the sense of urgency seemingly missing both in the state and nationwide for developing the infrastructure -- like deep water ports and international rules -- that will be needed to tap into a new hustling, bustling Bering Strait.

Two of the world's largest mining operations are above the Arctic Circle, including the Red Dog zinc mine in Alaska off the coast of Kivalina, according to Treadwell -- and the Arctic is poised to deliver even more resources. Minerals, fishing, oil and gas, exploration and science, and tourism all have northern footholds. Capturing opportunities related to those activities with the prospect of shorter shipping routes as ice recedes is something Americans need to be thinking about now, Treadwell said.

The challenge is building the infrastructure. Deep water ports are needed to accommodate large container ships and provide an anchor for the military presence that will need to increase to keep pace with a rise in offshore activity near the United States' northern coast.

Participants, including Rogoff, suggested that developing port infrastructure for Alaska's western coast, from Adak to Barrow, could be an economic boom as important to the state as the trans-Alaska oil pipeline, particularly when even a handful of new port jobs has the potential to pull villages teetering on the brink of economic failure into sustainability.

Alaska Sens. Lisa Murkowski, a Republican, and Mark Begich, a Democrat, attended the event and told participants they are aware of the critical role Alaska is poised to play in a changing Arctic environment. Murkowski is pushing for a Department of Defense and Homeland Security feasibility study for a deep water port off Alaska's shores.

"This study will determine whether it is in the strategic interest of the United States, as I believe it is, to build a port and where it might be located. A deep water port would not only serve our military and Coast Guard needs, but as we develop our offshore oil and gas reserves and see more shipping, tourism and vessel traffic in the Arctic, a deep water port could provide valuable support," Murkowski said.

A full transcript of the day's discussion will be posted online at the Council on Foreign Relations' Web site.

Contact Jill Burke at jill(at)alaskadispatch.com

http://www.alaskadispatch.com/news/news/4250-melting-ice-could-mean-new-riches

The Arctic Sounder

Published on March 18th, 2010

Opinion: Visit to New York, D.C. gets Arctic message across

By EDWARD ITTA

We Inupiaq like to say that the Arctic Ocean is our garden. It feeds us with its bounty of whales, seals, walrus, ugruk, fish and other subsistence foods. Our harvest is better in some years than in others. Weather, ice and ocean currents all affect the amount of "crops" we are able to feed to our families from year to year.

These are times of change for the ocean. Offshore oil and gas exploration is gearing up. We have seen plenty of evidence that climate change may cause dramatic shifts in the polar ice cap and in our weather. Receding ice could open up new shipping routes between Europe and Asia. We may see increased ocean traffic from commercial fishing boats and tourist ships.

What can we do about it? As mayor, I believe the borough should be engaged in the planning, monitoring, research and mitigation efforts that are being crafted right now as government agencies at all levels respond with a new sense of urgency to challenges and opportunities in the Arctic Ocean. That's why I spent the past week in New York and Washington, D.C. I joined Senators Begich and Murkowski in New York and the three of us made presentations on adapting to climate change in the Arctic to a group of policymakers, business people, scientists and journalists, who then participated in a roundtable discussion.

Policymakers are eager to hear our views, because they recognize that we have the most intimate knowledge of the Arctic and the most to lose if the ocean is not adequately protected. My message to them was that we don't want offshore development, but if it is going to happen, we insist on participating in decisions that will govern offshore activities and precautions. I showed them the Arctic policy principles adopted by ICC in 1984 as an example of longstanding Inuit leadership on protecting the polar region.

In Washington, I met with several of the highest officials in the Interior Department, including Interior Secretary Ken Salazar; his assistant secretary for Land and Minerals Management, Wilma Lewis; Liz Burnbaum, director of the Minerals Management Service (MMS); and Bob Abbey, director for BLM. I stressed that if the government is going to allow OCS activity, then it should set the bar very high when it comes to clean and cautious operations in the water.

I said that the shutdown requirement MMS wrote into Shell's Camden Bay permit is a good step in the right direction, since it gives that requirement the force of law for the first time. I argued for larger deferral areas around traditional Barter Island and Cross Island whaling areas, a moratorium on leasing new acreage, zero discharge of drilling wastes, a cumulative impacts analysis, and the need for better baseline science.

I invited Secretary Salazar to visit the North Slope this summer so he can get a first-hand look at some of the places that mean so much to our people. He agreed to pay us a visit in August.

At NOAA, I talked with two key officials about their efforts in preparing a new Environmental Impact Statement concerning the effects of oil and gas activities in the Arctic Ocean. Rather than the annual Incidental Harassment Authorizations (IHA) that are now issued, they are looking at doing five-year Incidental Take Authorizations. They believe it will build certainty and flexibility into their mitigation requirements, and I can see their point. I told them that we need more monitoring and study of the effects of noise on migrating whales. I discussed the Obama administration's new planning initiative for oceans and coastal areas with the head of the President's Council on Environmental Quality (CEQ). CEQ is spearheading the president's effort to deal with climate change. How this new ocean planning program will work is still something of a mystery, but it has a high priority in the administration. I focused on the need to be sensitive about traditional uses of the coastal and ocean areas and to make sure our voices are heard as these large-scale management programs are designed.

At the U.S. Fish and Wildlife Service, we discussed the ongoing management plan for Steller's eiders. I pointed out that our people are conservationists by nature and that education efforts about threatened species can be much more effective than hardball enforcement tactics. I thanked them for establishing a liaison position in Barrow (now held by Emma Huntsman) and said I look forward to better communication between the community and the agency.

Although I spent time with Senators Murkowski and Begich in New York, I was able to meet with each of them again in D.C. I also met with Congressman Young. In each case, I went over a range of issues that we can work on together, and I thanked them for legislation they sponsored in response to my eight-point OCS policy position.

All in all, it was a very productive week. If our voice is going to be heard in the halls of political power, it will be because we take our message to the decision makers and state our point clearly and forcefully. My staff and I will continue to engage with the agencies that shape the regulatory framework for North Slope activities of all kinds. In these challenging times,

these changing times, I want to make sure they can't forget our concerns as they plan the future in offices that are thousands of miles from the Arctic.

Edward Itta is mayor of the North Slope Borough.

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March 27, 2010

Northern Waters Commission

A Call to Action

China declares itself an Arctic nation. Building an icebreaker.

Canada renames the much sought-after Northwest Passage the "Canadian Northwest Passage."

Two new-built container ships cut the shipping time from East Asia to Rotterdam in half. Sea route across northern Russia. Icebreaker escorts not needed.

Norway seeks talks with Alaskans.

Canada – Alaska border dispute flares up.

Iceland envisions a transshipment role for itself.

Russia claims undersea territories and resources.

4091

Disclaimer.
This paper is NOT -- repeat NOT -- a treatise on global warming or explanations for it. This is a look at Alaska's potential role in new strategies and opportunities brought forward by receding sea ice in Northern Waters,

Discussion

Reports clearly indicate that the sea ice in Northern latitudes is receding.

No matter what the cause might be, what meaning does that fact have for Alaska and the United States?

Other nations and their governments are already hard at work on their own interests. Russian, Canada, Norway, Iceland and even our own Federal government are players.

These governments and their commercial partners are at the table. What should the State of Alaska and the Alaskan people be doing? We are not very active yet, but we should be.

How and when do we claim our place at the table? Or should we maintain a subordinate, quasi-colonial posture? Most are repulsed by the very thought of the latter.

The situation in Northern Waters could be summed up as follows.

The waters north and northwest of Alaska have strategic importance for at least these four reasons:

1. **Protection of routes of ocean transit.**
2. **Mineral and other resource rights, sub-surface and on-shore.**
3. **Territorial rights and claims by foreign governments.**
4. **Rights and welfare of local inhabitants.**

As governments, the interests listed above are shared by the Federal government and the State of Alaska.

Some independent Federal agencies are taking actions, and some bilateral or multilateral international forums exist. Not all these agencies are coordinating with one another.

Although these shared interests are critical, yet, as of now, there is no organized Federal-State mechanism for handling or even discussing these matters.

Fortunately, there is an approach that is time-proven and very successful.

Suggestion

1. Use the very successful Fishery Management Council model, on which Federal and State appointees sit, deliberate, form policy and approve actions.

2. Feds and State agree to form a **Northern Waters Commission** (working title).

3. A balanced membership is formed comprised of Federal and State of Alaska appointees.

The **Northern Waters Commission** would be the forum at which to discuss policy issues, such as those listed in the four strategic areas above.

Regular meetings would be held, just as with the North Pacific Fishery Management Council, in a balanced atmosphere, with advice and input from staff, local governments, public agencies and the public.

Initial discussions about the **Northern Waters Commission** have been held with members and staff of our Congressional delegation, members of the State Legislative and Executive branches, the US Arctic Research Commission, the Mayor of the North Slope Borough, and experienced members of the public.

There is universal acknowledgement of the general issues involved with receding sea ice, and there is a real interest in the course of action outlined above as a means of addressing those issues.

As further background, in New York City a March 1, 2010 conference was held at the Council on Foreign Relations on the general subject of the retreating sea ice in the North. Senators Murkowski and Begich both made statements there, as well as Mayor Edward Itta.

Many notables were at the conference including the Norwegian Ambassador to the United Nations; David Rockefeller Jr.; Theodore Roosevelt IV; Nome Mayor Denise Michels; Alaska State Representative Carl Gatto; Bering Straits Native Corporation executive Gail Schubert; Alaska Native Arts Foundation chair Alice Rogoff; US Arctic Research Commission chair Mead Treadwell; and former Alaska Commissioner of Commerce, Community and Economic Development Bill Noll.

There was also an evening reception on March 1st at the Alaska House New York on the same subject. Mead Treadwell, Alice Rogoff and Bill Noll shared the podium at the reception. Mead gave a great power point presentation, followed by a lively Q&A.

About 80 had attended the Council on Foreign Relations event. Follow up is expected. As one example, an officer from Norway's General Consulate requested bilateral talks with Alaskans on this general subject.

Here is a link to the text of the afternoon session at Council on Foreign Relations, including the remarks by Senator Murkowski, Senator Begich and Mayor Itta:
http://www.cfr.org/publication/21623/adapting_to_climate_change_in_the_arctic_coordinating_a_federal_state_and_private_sector_response.html?breadcrumb=%2Fbios%2F13363%2Fscott_g_borgerson

Here is a link to the evening session at Alaska House New York:
http://www.ustream.tv/recorded/5121092

So, the question is, what to do next?

Recommendation

The State of Alaska perform work to create a report that will be the basis for taking actions deemed prudent to protect the interests of Alaska and Alaskans and advance these interests in the face of the receding sea ice.

There are and will be opportunities for people and businesses. Will Alaska play the role of a colony or foil for Federal and international protagonists? Or will Alaska step into the breach and take its rightful place alongside the sovereign powers already working for their own ends?

Proposed Scope of Work

A. The current and recent commercial and recreational marine transits passing Alaska over the top across Russia and Canada. The nature of this shipping and its potential. The economics.

B. Estimated oil. gas and other minerals in Northern Waters and their value.

C. Territorial claims to sea, sub-sea or land areas and resources.

D. Current actions by the US Coast Guard and the US Navy. Port potentials.

E. Other commercial potential such as tug support, pilotage, and ice breakers.

F. Shoreside support needs and potential for commerce. Infrastructure.

G. Social and economic potentials for local residents, businesses and governments.

H. Federal agencies currently involved in any way. International forums.

I. Existing Federal laws and regulations, and those pending in Congress.

J. The Law of the Sea Treaty: situation report.

K. The North Pacific Fishery Management Council budget and funding source.

L. Public hearings in key Northern locations.

Respectfully submitted.

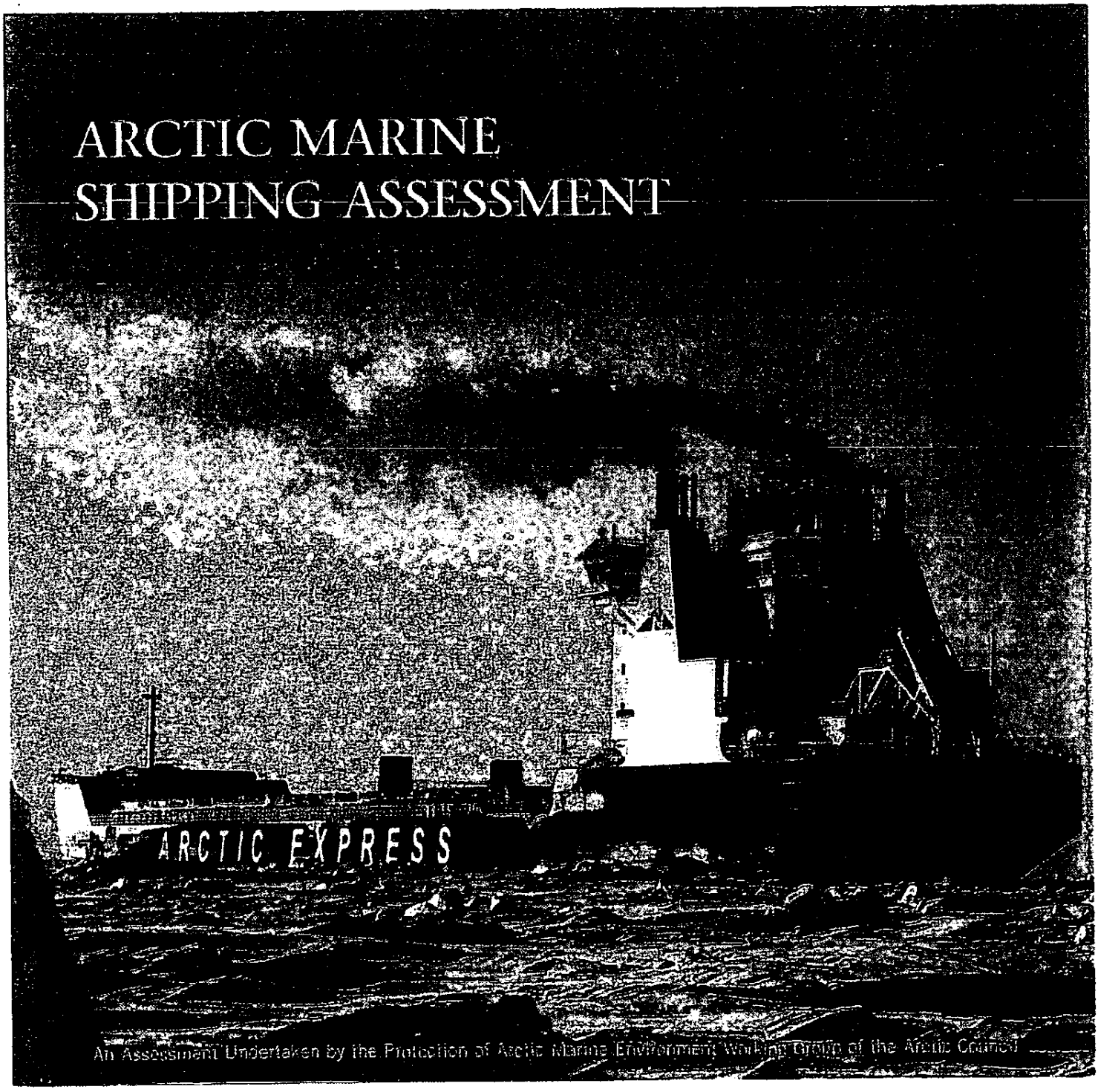
William C. (Bill) Noll, Owner

Former Mayor of Seward

Former Alaska Commissioner of Commerce, Community and Economic Development

Founding president, Seward Association for the Advancement of Marine Science, dba Alaska Sealife Center

ARCTIC MARINE SHIPPING ASSESSMENT



An Assessment Undertaken by the Protection of Arctic Marine Environment Working Group of the Arctic Council

4096

Scenarios on the Future of Arctic Marine Navigation in 2050

Arctic Marine Shipping Assessment (AMSA)

The Arctic Council – an intergovernmental forum that addresses environmental protection and sustainable development issues, as well as challenges faced by the Arctic governments and people – is conducting an assessment of current and future Arctic marine activity. The lead countries for AMSA are Canada, Finland and the United States with the Arctic Council's working group on Protection of the Arctic Marine Environment (PAME) responsible for the assessment. A key element of AMSA is the creation of a set of scenarios, or plausible futures, for Arctic marine navigation.

Scenario Framework

The high-level scenario summaries were created at two AMSA/PAME Scenarios Workshops held in San Francisco (April 2007) and Helsinki (July 2007). The workshops were designed and facilitated by Global Business Network of San Francisco. Through brainstorming, work in small groups and spirited plenary discussion, workshop participants collectively agreed that the two factors detailed below – Governance and Resources & Trade – are the most important and uncertain in shaping the future of Arctic marine navigation in mid-century. By crossing these two critical uncertainties, participants formed the scenario matrix illustrated to the right. This framework also allows the incorporation of many of the uncertainties explored at the workshops, while still creating four different scenario spaces that are plausible and relevant to the range of Arctic stakeholders. When completed, the scenario stories willbe posted on the PAME website, www.pame.is.

Governance

This uncertainty axis describes the degree of relative *Governance stability*, both within the Arctic region and internationally.

← **Less stability** implies shortfalls in legal structure and transparency, as well as a propensity for stakeholders to work on a more unilateral basis rather than by collaborating in a cooperative, international fashion.

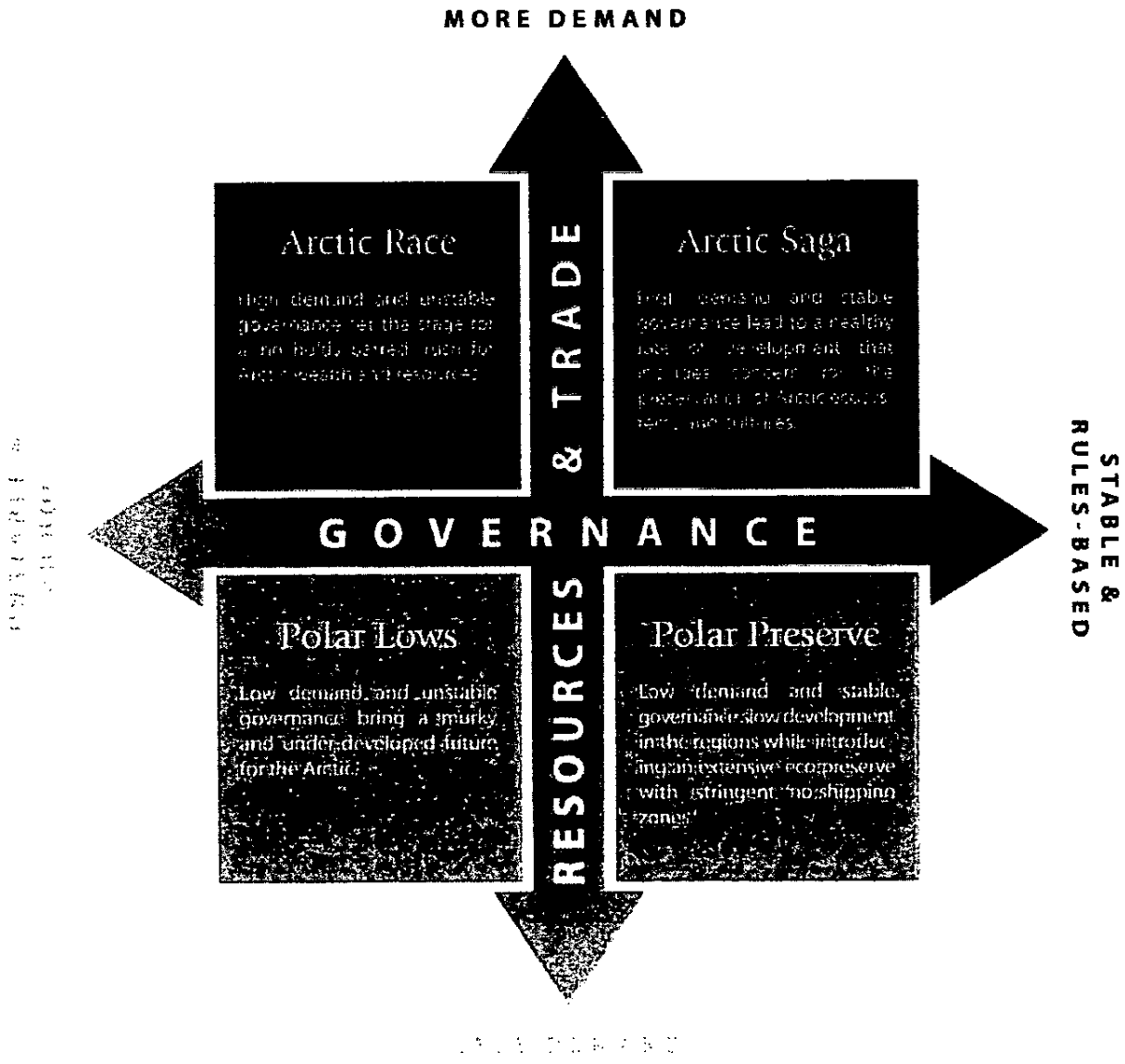
→ **More stability** implies not only efficiently operating legal and regulatory structures, but an international atmosphere more conducive to collaborative and cooperative development.

Resources & Trade

This uncertainty axis describes the level of demand for Arctic natural resources and trade. Framing this in a global context exposes the scenarios to a broader range of potential market developments, such as the rise of Asia or political instability in the Middle East.

↑ **More demand** implies exactly that – higher demand from more players and markets around the world – for natural resources and commerce in the Arctic.

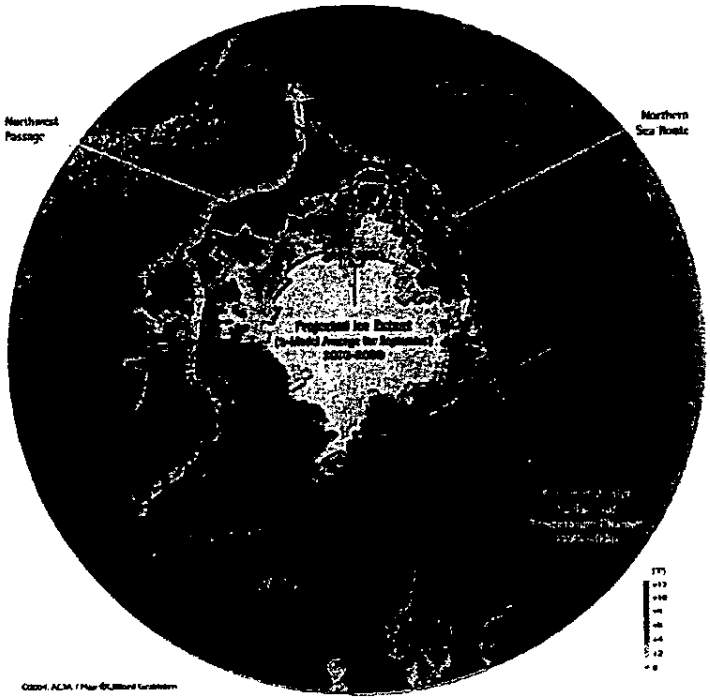
↓ **Less demand** is also straight forward, with fewer global players interested in utilizing Arctic commerce and natural resources.



Development of the AMSA scenarios is being facilitated by Global Business Network of San Francisco.
Support for this effort has been provided by: Aker Arctic Technology, BP Shipping, Finnish Ministry of Foreign Affairs, Institute of the North, Transport Canada, U.S. Arctic Research Commission, U.S. Department of State and U.S. National Oceanic & Atmospheric Administration.

Arctic Climate Impact Assessment Key Finding #6:

"Reduced sea ice is very likely to increase marine transport and access to resources."



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Senator Begich - Inuvikput Package

Introduced August 3, 2009, the *Inuvikput Package* consists of seven pieces of legislation:

S.1560 Arctic OCS Revenue Sharing Act - Alaska Natives who have subsisted on marine mammals and other arctic resources for thousands of years would bear the direct risks of increased commercial activity in their waters. This bill directs a portion of federal revenues from offshore oil and gas development - the same share Louisiana receives from drilling in the adjacent Gulf of Mexico - to the State of Alaska with a percentage of those funds directed to those most affected.

S.1561 Arctic Marine Shipping Assessment Implementation Act - As the polar icecap recedes, the Arctic region is increasingly accessible to shipping and tourism. This bill is designed to ensure safe and reliable maritime transportation in the Arctic and protect its waters. It would boost the nation's investment in needed infrastructure, including replacement of America's aging fleet of icebreakers and building new forward operating air bases for the Coast Guard to assert our national interest in the region.

S.1562 Arctic Science, Coordination and Integration Act - Numerous scientists and agencies conduct important and needed research into various aspects of the Arctic but concerns remain that these efforts are not well coordinated and leave gaps in our understanding of Arctic issues. This bill calls on the National Research Council to undertake a study toward a comprehensive strategy to coordinate Arctic research and make recommendations to Congress on a long-term Arctic Ocean research plan.

S.1563 Arctic Ambassador Act - Russia, Canada, Norway and other Arctic nations are represented at the ambassadorial level before the Arctic Council and U.S. interests would benefit from an enhanced diplomatic presence in Arctic matters. This bill is intended to strengthen U.S. representation before the Arctic Council and other international forums by appointment of a U.S. ambassador to the Arctic.

S.1564 Arctic Oil Spill Research and Recovery Act - Vast energy reserves are believed to lie beneath Arctic waters and it is vital that any development of such resources be conducted in a responsible manner that protects the environment upon which residents of the region depend. This bill directs the Secretary of Commerce to conduct research to improve oil spill prevention, response and recovery in Arctic conditions and requires the Coast Guard to assess and reduce risk from such development.

S.1565 Arctic Health Research Act - People of the Arctic suffer from increased rates of alcohol abuse, diabetes, high blood pressure, and death from injury and suicide. This act would initiate a study into the mental, behavioral and physical health problems in the Arctic, institute an Arctic health assessment program at the Centers for Disease Control and create an "Arctic desk" at the National Institute of Health that was called for in 1984 but has never been established.

S.1566 Arctic Climate Change Adaptation Act - Alaska villages and public infrastructure are already suffering from coastal erosion, flooding, permafrost melting and other impacts of climate change. This bill would help the State of Alaska, Alaska Native organizations, affected Arctic communities and the private sector adapt to the impacts of climate change and assist in dealing with habitat restoration, clean energy development and other economic development activities.

Keyword Search Go

United States Senator Lisa Murkowski

Monday March 01 2010

Murkowski Speaks at Arctic Policy Roundtable at New York Council on Foreign Relations

NEW YORK - U.S. Sen. Lisa Murkowski, R-Alaska, helped lead a discussion on U.S. Arctic policy at a roundtable forum today at the Council on Foreign Relations in New York City. Also participating in the discussion was U.S. Sen. Mark Begich, D-Alaska, a number of Arctic policy experts and several Alaskans, including Mayor Edward Itta of the North Slope Borough. Following is a text of Sen. Murkowski's remarks as prepared for delivery:

"Good afternoon. It is my distinct pleasure to be back at the Council on Foreign Relations today to discuss one of my favorite subjects, the Arctic. As all of us in this room are aware, the United States is an Arctic nation because of Alaska. But, what does it mean to be an Arctic nation? I believe that the Federal Government is just waking up to this reality and we are frantically trying to define exactly what that distinction means. In my view, being an Arctic nation means that the United States has certain obligations and responsibilities in the region to the land, the water and the people. And we all need to help our nation understand what those are.

"The pace of change in the Arctic demands that greater attention be focused on the region. The implications of the dynamic changing Arctic for the residents and important U.S. security, economic, environmental, and political interests, depend on it.

"One of those responsibilities I spoke of is to have the necessary infrastructure in the region. I recently introduced legislation that directs the Department of Defense and the Department of Homeland Security to study the feasibility, location and resource needs for an Arctic deep water port. This study will determine whether it is in the strategic interest of the United States, as I believe it is, to build a port and where it might be located. A deep water port would not only serve our military and Coast Guard needs, but as we develop our offshore oil and gas reserves and see more shipping, tourism and vessel traffic in the Arctic, a deep water port could provide valuable support. I will insure that the Navy and Coast Guard actively consult with the communities and leaders of the region, as well as the State of Alaska.

"As we all are keenly aware, while the Arctic is becoming more and more ice free in the summer months, Arctic ice is not going to completely disappear. One of the major challenges that we face is our aging ice breaker fleet. I was able to get an appropriation to refurbish the Polar Star last year, and the Coast Guard has embarked on a study to determine whether we need to rebuild or replace our aging polar class vessels, but no matter the result of the study, we must have the commitment of the Administration and Congress that ice breakers are a national priority. And I will do all I can to advocate that position.

"As you know, I am a strong proponent of ratification of the United Nations Convention on the Law of the Sea. The United States must ratify the treaty but we remain at a stalemate: the White House looks to the Senate to lead and the Senate waits for stronger support from the

Administration. As the only Arctic nation not a party to the treaty, failure to ratify continues to keep the United States at a disadvantage internationally and outside the process, without a seat at the table.

"Even though we are not a party to the Treaty, the United States is making progress on mapping our extended continental shelf. The results of Coast Guard ice breaker HEALY's hydrographic missions in the Arctic have been remarkable and I have supported this initiative with appropriations and legislation to authorize more funding. I was gratified to see the cooperation in the Beaufort between with the HEALY and the Canadian icebreaker the Louie St. Laurent. This is yet one example of international cooperation in the Arctic.

"While I was pleased that the United States released its long awaited Arctic Regional Policy in early 2009, implementation is still lagging. It may be necessary for Congress to step in and help move the process. While certain branches of the government, like the Navy and Coast Guard, are developing and implementing their portions of the policy, it is still not nearly to the degree I would like. Certainly other Arctic and non-Arctic nations are moving much more quickly to develop policies and support them, than we are.

"I believe we are at a very critical time in the Arctic. As many of us have identified, there are two paths we can go down in regards to international relations -- one is a path of competition and conflict, and the other is one of cooperation and diplomacy. This decision, and the direction it takes, will require vision and dynamic leadership, both at home and abroad. I believe the United States, as one of the most powerful Arctic nations, must step up and provide it.

"A changing Arctic brings risks and challenges to the environment and indigenous people of the region. But it also brings opportunity and awareness, and if we can work to identify and minimize the risks, and use the opportunities to better the lives of the people of the Arctic region, we can all prosper.

"Thank you and I look forward to a lively conversation this afternoon."

# # #

BOOKMARK PRINTER FRIENDLY

BROWSE BY: March 2010 GO

03/25/10 -
Murkowski Opposes Health Care Reconciliation Bill

03/24/10 -
Murkowski Meets with Coast Guard Commandant Nominee

03/24/10 -
Murkowski, Johnson Introduce Bill to Address and Reduce Fetal Alcohol Disorders

03/23/10 -

White House Interagency Ocean Policy Task Force

On June 12, 2009, President Obama sent a memorandum to the heads of executive departments and federal agencies establishing an Interagency Ocean Policy Task Force, led by the White House Council on Environmental Quality. The Task Force is charged with developing a recommendation for a national policy that ensures protection, maintenance, and restoration of oceans, our coasts and the Great Lakes. It will also recommend a framework for improved stewardship, and effective coastal and marine spatial planning.

The oceans, our coasts, and the Great Lakes provide jobs, food, energy resources, ecological services, recreation, and tourism opportunities, and play critical roles in our Nation's transportation, economy, and trade, as well as the global mobility of our Armed Forces and the maintenance of international peace and security," President Obama wrote in the memorandum. "We have a stewardship responsibility to maintain healthy, resilient, and sustainable oceans, coasts and Great Lakes resources for the benefit of this and future generations."

"The challenges our oceans, coasts, and Great Lakes are facing are complex, and to meet these challenges we must have the participation of a wide spectrum of views from within the federal government," said Nancy Sutley, Chair of the White House Council on Environmental Quality. "The Task Force has a wealth of opportunity to make our oceans, coasts and Great Lakes healthier - both environmentally and economically."

The recommendations and frameworks developed by the Task Force will be cost effective and improve coordination across federal agencies. The Chair will terminate the Task Force upon the completion of its duties.

The time period to submit comments to the Task Force has closed, but you can read comments from others. The Task Force's Interim Framework is open for comment through Friday, February 12, 2010.

Read the President's Proclamation on National Oceans Month

HJR 11

<target><bill>HJR 11</bill><subject>HJR 11</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 2/6/09

FURTHER:

DATE TURNED

IN TO OFFICE: _____

Finance Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 11(FIN)

HJR 11 PROJECTS FOR ECONOMIC STIMULUS PACKAGE

Relating to the federal stimulus package.

and recommends:

[X] be **replaced** with [X] **SCS** or [ ] **CS** CS HJR 11 (FIN)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[X] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LEG	2/9/09			✓	

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Huggins	✓			
	Thomas	✓			
CO-CHAIR:		✓			
CO-CHAIR:	Stoltzman	✓			

FISCAL NOTE

STATE OF ALASKA
2009 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHJR 11(FIN)
(H) Publish Date: 2/4/09

Identifier (file name):
Title: Relating to the federal stimulus package.
Sponsor: House Finance Committee
Requester: House Finance Committee

Dept. Affected: Legislature
RDU: Legislative Council
Component: Council and Subcommittees
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: *(Attach a separate page if necessary)*
This legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director — Phone 465-6626
Division: Legislative Affairs Agency — Date/Time 2/2/09 8:36 AM
Approved by: Pamela Varni, Executive Director — Date 2/2/2009
Legislative Affairs Agency

(Revised 9/10/2008 OMB)

4107

COMMITTEE COPY

Adopted 2/9/09

26-LS0463\P
Bannister
2/9/09

SENATE CS FOR CS FOR HOUSE JOINT RESOLUTION NO. 11(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SIXTH LEGISLATURE - FIRST SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): HOUSE FINANCE COMMITTEE

A RESOLUTION

Relating to the federal stimulus package.

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

WHEREAS the economy of the United States is experiencing a recession that is causing significant loss of employment and income for many American families; and

WHEREAS significant financial hardship is also occurring in Alaska and is exacerbated by the current price of oil and the continuing high cost of other types of energy; and

WHEREAS the loss of income in the state has made it difficult for many families in the state to afford the necessities of life, including fuel, food, and health care; and

WHEREAS the federal government is considering a stimulus package to alleviate the dire consequences of the nation's economic downturn; and

WHEREAS the proposed federal stimulus package emphasizes the need for each state to boost its local economies through the initiation of a wide range of projects, including projects involving transportation facilities, school construction, health care services, and energy resources, and these projects will temporarily provide employment to workers to help them and their families weather the current economic hardships; and

WHEREAS, to accomplish that purpose, the federal government is relying on existing formulas and grant programs to allocate funds to the states, and President Obama and the leadership of both parties in the United States Congress have indicated that specific projects will not be included in the economic stimulus package;

BE IT RESOLVED that the Alaska State Legislature desires a comprehensive federal stimulus package that allocates to Alaska the state's fair share of funding so that the citizens of all regions of the state will benefit and that includes a provision entitling Alaska to receive an outer continental shelf revenue share that is commensurate with the share provided for the gulf-producing states; and be it

FURTHER RESOLVED by the Alaska State Legislature that Alaska's participation in the federal stimulus package should recognize the breadth of the state's economy by stimulating a variety of the segments of the state's economy, including transportation, job training, energy, education, health care, nutrition, the environment, information technology, and other areas.

COPIES of this resolution shall be sent to the Honorable Barack Obama, President of the United States; and the Honorable Lisa Murkowski and the Honorable Mark Begich, U.S. Senators, and the Honorable Don Young, U.S. Representative, members of the Alaska delegation in Congress.

HJR

45

<target><bill>HJR 45</bill><subject>HJR 45</subject><comm>SFIN26</comm></target>

SENATE FINANCE COMMITTEE REPORT

DATE: 4/15/10

FURTHER:

DATE TURNED IN TO OFFICE: 4/17/10

Finance Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 45(FIN) am

HJR 45 OPPOSE FEDERAL CAP AND TRADE LEGISLATION

Urging the United States Congress not to enact Cap and Trade legislation.

and recommends:

[ ] be **replaced** with [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] adopt **previous** [ ] **SCS** or [ ] **CS** _____ (_____)

[ ] attached amendment(s)

[ ] adopt _____Letter of Intent

[ ] further referral to _____Committee

SENATE BILL:
[ ] Same Title
[ ] New Title

HOUSE BILL:
[ ] Same Title
[ ] Technical Title Change
[ ] New Title w/ SCR #_____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LEG	3/8/10			✓	2

[ ] **APPROPRIATION - no fiscal note**

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Huggins				
	Thomas	✓			
	EGAN			X	
	OLSON			✓	
CO-CHAIR:		✓			
CO-CHAIR:		✓			

4111

FISCAL NOTE

STATE OF ALASKA
2010 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHJR 45(FIN)
(H) Publish Date: 3/15/10

Identifier (file name): CS HJR 45(ENE)
Dept. Affected: Legislature
Title: Urging the United States Congress not to enact Cap and Trade legislation.
RDU: Legislative Council
Component: Council and Subcommittees
Sponsor: "Representatives Stoltze, Millett, Chenault, Dahlstrom..."
Requester: House Finance Committee
Component Number: 783

Expenditures/Revenues (Thousands of Dollars)

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2010) cost:

POSITIONS

Full-time							
Part-time							
Temporary							

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

This Legislation has zero fiscal impact on the Legislative Affairs Agency.

Prepared by: Karla Schofield, Deputy Director
Phone 465-6626
Division: Legislative Affairs Agency
Date/Time 3/8/10 1:32 PM
Approved by: Pamela Vami, Executive Director
Date 3/8/2010
Legislative Affairs Agency

(Revised 11/6/2009 OMB)

4112

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Governor Sean Parnell
STATE OF ALASKA

November 3, 2009

The Honorable Barbara Boxer
Chairman
Environment and Public Works Committee
United States Senate
112 Hart Senate Office Building
Washington, DC 20510

The Honorable James Inhofe
Ranking Member
Environment and Public Works Committee
United States Senate
453 Russell Senate Office Building
Washington, DC 20510

Re: Clean Energy Jobs and American Power Act (S. 1733)

Dear Chairman Boxer and Ranking Member Inhofe,

The State of Alaska wishes to comment on the Clean Energy Jobs and American Power Act (S. 1733). This legislation, which aims to drastically modify U.S. fossil fuel consumption, stimulate greater use of renewable energy resources, and address the challenges of climate change adaptation, involves some of the most important issues facing the State of Alaska.

Alaska supports the transition to lower-carbon and renewable energy. However, as a major exporter of carbon-based energy, producing approximately 13 percent of the nation's oil supply and receiving more than 80 percent of its unrestricted general fund revenues directly from oil and gas operations, the State cannot ignore the potential economic consequences of a "cap-and-trade" system. We are currently preparing analyses that assess the possible impacts of this legislation on State revenues, the economic viability of our oil refineries, and future construction of an Alaska natural gas pipeline. The State fears this act may disadvantage domestic fossil fuel producers and shift production overseas, resulting in lost revenues and jobs while reducing our nation's energy security.

While climate change legislation could pose economic threats to our state, Alaska is also primed to help lead a clean energy economy. In the Alaska natural gas pipeline, the State of Alaska offers a promising low-carbon energy option, which could provide a vital bridge to other clean energy alternatives. Alaska also holds vast renewable energy potential, from hydropower, to biomass, wind, geothermal, solar, and ocean power.

In the area of adaptation, Alaska is already facing a host of serious developments related to climate change. This includes addressing the impacts to critical infrastructure associated with accelerated coastal erosion, increased storm effects, sea ice retreat, and permafrost melt. Efforts to protect and relocate Alaskan communities are already underway and the State values the partnerships we have formed with many federal agencies and other entities. More resources, however, are needed along with a designated federal agency lead to coordinate the federal efforts.

Coupled with climate change impacts are opportunities, including the potential for increased marine access to Arctic waters and the resources they contain. The United States is slowly waking to the fact it is an Arctic nation and the importance of the Arctic in general. It is imperative that this legislation not foreclose possible opportunities in the Arctic.

Enclosed you will find the State's analysis of provisions in S. 1733. This document identifies key priorities for Alaska and a number of areas for improvement. Some of the items the State advocates for in this bill include:

- **Adequate funding for climate change adaptation:** the State supports sufficient funding to address Alaska's pressing adaptation needs on various fronts, including protecting critical and valuable infrastructure.

- **Measures to preserve domestic refineries:** Alaska calls for provisions aimed to protect Alaska's refineries, which are essential to our economy and cold weather fuel needs, as well as uniquely vulnerable to increased costs posed by cap-and-trade legislation.

- **Fair allocations for Alaska:** the State is concerned that the Environmental Protection Agency (EPA) has underestimated emissions in Alaska, based on estimates provided to Senator Feingold by EPA. This could disadvantage the state as a whole in the distribution of allowances.

- **Avoidance of unfunded mandates:** Alaska opposes burdensome and unrealistic unfunded mandates that may be created through new climate change programs.

- **Respect for states' rights:** the State supports the protection of states' rights and notably recognition of the State of Alaska's role as primary trustee over fish and wildlife.

- **Exclusion of problematic broad policy statements:** Alaska opposes broad policy statements that open the door to stricter enforceable regulations and future litigation.

- **Emphasis on domestic production:** the State supports expanding access and incentives for responsible domestic onshore and offshore oil and gas exploration as part of a strategy for creating a secure energy future.

- **Promotion of the natural gas pipeline:** the State seeks to promote the Alaska natural gas pipeline as a clean and reliable fuel source which would provide significant economic benefits for the nation, consistent with the Alaska Natural Gas Pipeline Act of 2004 (P.L. 108-324, 118 Stat. 1220).

- **Carbon capture and sequestration incentives:** Alaska supports the commercial deployment of carbon capture and sequestration (CCS) technologies, and in particular, sequestration as a result of Enhanced Oil Recovery (EOR) projects.

- **Program flexibility:** The State believes that effective mitigation and adaptation programs must acknowledge regional differences. Alaska has particular concerns regarding the proposed natural resources adaptation framework.

- **Focus on monitoring and research:** Alaska supports collaborations among federal, State, and other partners in monitoring and research that will lead to better decisions in the management of land and marine resources.

- **Exclusive role of climate change legislation:** We believe climate change legislation should be the sole instrument for addressing climate change mitigation, not the strained use of existing statutes such as the Endangered Species Act or the Clean Air Act.

We appreciate the opportunity to share our views and hope the committee will give them its fullest consideration.

Sincerely,

Sean Parnell
Governor

Enclosure

cc: The Honorable Lisa Murkowski, United States Senate
The Honorable Mark Begich, United States Senate
The Honorable Don Young, United States Congress
The Honorable Thomas Carper, Chairman, Subcommittee on Clean Air and Nuclear Safety
The Honorable David Vitter, Ranking Member, Subcommittee on Clean Air and Nuclear Safety
The Honorable Bernard Sanders, Chairman, Subcommittee on Green Jobs and the Economy
The Honorable Christopher Bond, Ranking Member, Subcommittee on Green Jobs and the Economy
The Honorable Frank Lautenberg, Chairman, Subcommittee on Superfund, Toxics, and Environmental Health
The Honorable Max Baucus, Chairman, Subcommittee on Transportation and Infrastructure
The Honorable George Voinovich, Ranking Member, Subcommittee on Transportation and Infrastructure
The Honorable Benjamin Cardin, Chairman, Subcommittee on Water and Wildlife
The Honorable Mike Crapo, Ranking Member, Subcommittee on Water and Wildlife

State of Alaska Comments on Clean Energy Jobs and American Power Act (S. 1733)
Senator Boxer's Chairman's Mark

INTRODUCTORY NOTES:

This document describes the positions of the State of Alaska on notable elements of Senator Barbara Boxer's Chairman's Mark of the Clean Energy Jobs and American Power Act (S. 1733), which was introduced by Senators John Kerry and Barbara Boxer. The Alaska Departments of Environmental Conservation, Fish and Game, Law, Natural Resources, Revenue, Transportation and Public Facilities, and the Governor's Washington, DC office contributed to the analysis of this bill.

While particular design elements of "cap-and-trade" legislation, like S. 1733 and the American Clean Energy and Security Act of 2009 (H.R. 2454), raise broad concerns about the economic interests of Alaska, this document focuses instead on specific provisions of S. 1733. The State is currently preparing separate analyses of the possible impacts of this legislation on State revenues, the economic viability of Alaska's oil refineries, and future construction of an Alaska natural gas pipeline.

In many ways, Alaska is ground zero for obvious and costly climate change impacts. Alaska is currently experiencing coastal erosion, increased storm effects, sea ice retreat and permafrost melt. The villages of Shishmaref, Kivalina, and Newtok have already begun relocation plans and the U.S. Army Corps of Engineers has identified over 160 additional rural Alaskan communities threatened by erosion.

The effects of climate change are expected to occur most rapidly and be most pronounced at higher latitudes. Thus, no discussion about climate change is complete without recognition of the issues facing the Arctic. Surprisingly, in the 925-page bill, offered as a U.S. response to climate change, the word "Arctic" appears only once.

The State of Alaska strongly encourages that the following key components be incorporated in any climate change legislation:

- Mitigation and adaptation strategies that account for regional differences and avoid a "top-down" approach, likely to produce inflexible and inefficient policy;
- avoidance of broad policy statements that open the door to stricter enforceable regulations and future litigation;
- an effort to spare states from burdensome and unrealistic unfunded mandates;
- emphasis on climate change legislation as the sole instrument for addressing climate change mitigation, rather than the strained use of existing statutes, such as the Endangered Species Act or the Clean Air Act;
- incentives for a diverse spectrum of clean energy alternatives;
- respect for states' rights, and notably recognition of a state's role as primary trustee over fish and wildlife;
- a focus on studying the Arctic climate and environment;
- appropriate funding for adaptation efforts in Alaska where there is a pressing need to respond on numerous fronts, including the protection of critical infrastructure;
- aid for consumers burdened by climate change-related regulations;
- provisions aimed to protect Alaska's refineries, which are essential to our economy and cold weather fuel needs, as well as uniquely vulnerable to increased costs posed by cap-and-trade legislation; and
- promotion of Alaska's natural gas pipeline as a clean, reliable, long-term fuel source.

In the remainder of this document, the State considers how S. 1733 addresses these and other priorities important to Alaska.

STATE POSITIONS AND ANALYSIS OF S. 1733:

Section 1. Short Title; Table of Contents

Findings. (Sec. 2)

- Alaska Natural Gas Pipeline Projects. The State supports the addition of a finding, that the completion of the Alaska Natural Gas Transportation Projects is vital to the country to provide a clean fuel alternative to coal and petroleum as a bridge to power generation that does not involve the combustion of fossil fuels. This finding would be consistent with the Alaska Natural Gas Pipeline Act of 2004 (P.L. 108-324, 118 Stat. 1220).

- Arctic Impacts. The State supports the addition of a finding that the impacts of climate change are expected to occur first and be most severe in the Arctic and in the higher latitudes, creating unique adaptation needs in these areas.

Division A – Authorizations for Pollution Reduction, Transition, and Adaptation

Title I – Greenhouse Gas Reduction Programs

Subtitle A – Clean Transportation

Greenhouse Gas Reductions through Transportation Efficiency; Transportation Greenhouse Gas Emission Reduction Program Grants. (Sec. 112-113)

- Funding. The State fears Section 112 would create a substantial unfunded mandate and shift resources away from Alaska's transportation priorities. S. 1733 would amend Title VIII of the Clean Air Act to require the EPA Administrator, in consultation with the Alaska Department of Transportation and Public Facilities (DOT), to establish national greenhouse gas (GHG) emission reduction goals. States and metropolitan planning organizations (MPOs) would, in turn, be required to develop targets consistent with the national goals. The State would need to perform extensive data gathering and modeling, compute baseline emissions, and develop new strategies and programs to meet their goals. Section 113, which outlines a grant program for transportation GHG reduction, does not clearly provide funding to states for planning. If Alaska is unable to secure sufficient funding, it would be forced to divert resources from other programs, such as transit and road improvements, in order to absorb the new costs. The State supports a funding mechanism that will ensure adequate assistance to states working to comply with this new mandate.

- Adequate Time Frame. The State has concerns about the time requirements for data production and analysis. Adequate time is necessary to produce data on local conditions. Default national data does not accurately reflect Alaska's environmental conditions and emissions. The State believes this legislation should contain provisions ensuring states have sufficient time to collect and incorporate local data.

The State also supports inclusion of a statutory process to extend State target deadlines should federal agencies fail to meet deadlines or should there be legal changes to models or methodologies. New standardized models and methods adopted may differ from those used to establish the 2005 emissions reduction baseline. If this is the case, analysis would be necessary to properly compare new results with the 2005 baseline. If EPA and DOT lag in making this adjustment, it will shorten the timeframe states have to meet their deadlines.

Furthermore, the State fears the timeline for new regulations in this section is not realistic. Regulations must be proposed within 12 months and promulgated within 18 months of enactment. Preparing regulations and completing the public process for adopting the regulations can take months under ideal circumstances. If the regulation process is not completed on schedule, states and MPOs would be left with insufficient time to achieve emission reduction targets.

- Authority. The State also questions whether states possess the requisite authority to carry out their new duties under this section. State transportation programs generally do not operate transit, rail, or intercity bus systems, control land use, or regulate the amount of driving or method of vehicular propulsion. This authority is traditionally reserved for local government planning and zoning departments. Yet it will be impossible to meet ambitious emissions targets without regulating these activities. Furthermore, Section 112 holds MPOs to a lesser standard than states, though MPO emission plans are central to meeting state targets.

- Public Health. The State also has reservations about use of the term "public health," which has certain connotations within the Clean Air Act. A provision may be necessary to ensure the term does not invoke actions related to the Clean Air Act Section 109(b)(1), which directs EPA to set ambient air quality standards to "protect the public health" and allow for an adequate margin of safety. Recent EPA actions have shown an increased propensity for moving beyond the agency's traditional authority.

- Surface Transportation. The State believes the language of this section should be clarified to describe "surface" transportation-related greenhouse gas emissions reduction targets in all cases. Further, the term "surface transportation-related" should be defined to specifically exclude maritime (except ferries), rail, and off-road vehicles.

- Lead Planning/Modeling Agency. The State supports establishing the U.S. Department of Transportation, not the EPA, as the lead agency regarding the development of transportation planning and modeling tools. S. 1733 does this.

- Vehicle Miles Traveled. The State is concerned by provisions creating goals for reduced "vehicle miles traveled." Construction of the natural gas pipeline may create large short-term increases in vehicle miles traveled, but will generate benefits that far outweigh these increases. The State supports an exception for large construction projects promoting clean energy.

- Clean Air Act Incorporation. Section 112 also raises concern because of its incorporation into the Clean Air Act. The provision could subject planning and activities to burdensome Clean Air Act statutes and regulations.

Subtitle F – Energy Efficiency and Renewable Energy

Renewable Energy. (Sec. 161)

- Grants for Renewable Resource Programs. The State supports the nation's transition to increased reliance on renewable energy. Alaska possesses vast renewable energy potential, including hydro, biomass, wind, geothermal, solar, and ocean power. S. 1733 authorizes EPA grants for projects that increase the quantity of energy that a state uses from renewable resources, with priority to applicants in states with a binding Renewable Portfolio Standard. The State approves of the provision's goal.

  The State, however, has concerns about the definition of "qualified hydropower," used in Section 102. It appears hydropower can be considered "qualified" in two ways. First, incremental gains or capacity additions to projects in place before 1988 are considered qualified hydropower. Second, energy produced from capacity added after 1988 to a dam that was originally in place for reasons other than power generation qualifies. This narrow definition would exclude large portions of existing hydropower, making it difficult for Alaska to meet a Renewable Portfolio Standard and compete for grants under Section 161, despite having an abundance of hydropower. The definition would also leave out new hydro projects. The State supports the expansion of the definition of "qualified hydropower."

Energy Efficiency in Building Codes. (Sec. 163)

- National Building Codes. The State opposes setting national energy efficiency building codes. S. 1733 would create national codes for residential and commercial buildings, in order to meet national energy efficiency targets. The EPA Administrator would publish an annual report on energy efficiency building code adoption and compliance by states. Though penalties for noncompliance are not defined in S. 1733, Alaska opposes the existence of national standards in this area. A federally mandated, universal energy code is a poor fit for a state with Alaska's vast size and varied conditions.

Subtitle H – Clean Energy and Natural Resources

Clean Energy and Accelerated Emission Reduction Programs. (Sec. 181)

- Clean Energy Incentives. The State supports Section 181, which rewards companies that switch from power sources with higher emissions than the 2007 power sector average to cleaner fuels, including natural gas, and Section 182, which would establish a new federal grant program encouraging investment in advanced natural gas technologies.

Title III – Transition and Adaptation

Part 1 – Domestic Adaptation

Subpart A – National Climate Change Adaptation Program

National Climate Change Adaptation Program. (Sec. 341)

- Existing Programs. The State supports the inclusion of language to clarify that the proposed National Climate Change Adaptation Program (NCCAF) will not replace existing federal programs already providing state and local governments and tribes with funds for projects that will assist in adaptation. The NCCAF should be a supplemental source of funding that prioritizes meeting urgent needs.

Climate Services. (Sec. 342)

- Coordination. The State believes a lack of specificity in the bill's natural resources adaptation strategy could hamper coordination and produce a duplication of efforts. In this section, the Department of Commerce (NOAA) is tasked with developing a National Climate Service. Section 365 creates a Natural Resources Climate Change Adaptation Panel, chaired by the Council for Environmental Quality. Section 367 establishes a National Climate Change and Wildlife Science Center. These provisions leave ambiguity as to how the bodies will interact. At the State level, federal agencies have competed for leadership and funds in the climate change arena. The vagueness in these provisions could produce a similar dynamic.

Subpart B – Public Health and Climate Change

National Strategic Action Plan; Advisory Board. (Sec. 353-354)

- Public Health. The State supports the inclusion of a section dedicated to addressing public health. However, the bill calls for development of a Health Impact Assessment. The requirement that Health Impact Assessments be conducted by the federal government within the National Environmental Policy Act (NEPA) process has produced challenges in Alaska. Additionally, no funding mechanism is provided to develop these assessments or the strategic plan called for by the bill. The section also lacks a mandate for State or Native representation on the Advisory Board.

Subpart C – Climate Change Safeguards for Natural Resources Conservation

Natural Resources Climate Change Adaptation Plan; Natural Resources Climate Change Adaptation Strategy; Natural Resources Adaptation Science and Information. (Sec. 365-367)

- Mission of Panel. The State believes the purpose of the Natural Resources Climate Change Adaptation Panel should be expanded to address other forms of adaptation, such as infrastructure. As introduced, the bill lacks a strategy for coordinating federal policy on climate change effects outside of the natural resources area.

Federal Natural Resource Agency Adaptation Plans; State Natural Resources Adaptation Plans. (Sec. 368-369)

- Flexibility. The State fears the natural resource adaptation framework in S. 1733, like that in H.R. 2454, is too top-down driven for success. The bill calls for each federal agency to develop a natural resource adaptation plan, with which subsequently-formed state plans must be consistent. Climate impacts, however, differ regionally and locally, requiring maximum flexibility. Development of a national plan will hamstring local identification and prioritization of issues and associated strategies to address them, stifle innovation, and prevent the local "buy-in" vital to effective implementation. A national focus also impedes the development of regional strategies.

  States should be allowed to negotiate cooperative natural resource agreements with the federal government on a state-by-state basis with maximum flexibility. In the face of significant intrusion by the federal government on a state's authority to regulate fish and game, states may reasonably prefer departing from the national strategy. If a state does so, however, it will be penalized through denial of funding under programs in this subtitle and potentially other federal programs. The scenario is counterproductive and could be alleviated with greater flexibility.

- Competing Interests. The State fears efforts to assist species in adapting to climate change and ocean acidification will require controlling human activities to reduce other stressors on these species. Large new conservation units may be carved out and human activities in migration corridors could be substantially limited. The bill does not state how the adaptation strategy and planning called for is to be reconciled with human population growth, resource development, commercial, and other human activities. With this approach, other competing interests of importance to the people of Alaska will be marginalized.

National Resources Climate Change Adaptation Account. (Sec. 370)

- Other Statutes. The State believes the bill should specifically de-link existing statutes, such as the Endangered Species Act (ESA), from the climate change policy process. The State opposes use of the ESA as a vehicle for carrying out climate change policy. Section 370 provides for an expansion of ESA programs, which, without further guidance, could result in significant increases in listings that provide little benefit to those species. The bill should include language affirming that climate change legislation is the appropriate instrument for responding to climate change and that ESA should retain its traditional role of conserving species most at risk.

- Corps of Engineers. The State also believes this section should be modified to explicitly grant the U.S. Army Corps of Engineers the authority to use Natural Resources Climate Change Adaptation Account funding for coastal erosion reduction projects and infrastructure adaptation.

- Funding Allocation. The State appreciates that, of the funds made available to states in this account, a portion (six percent) is set aside for coastal agencies. Coastal states will have unique adaptation needs. To ensure adequate funding where climate change impacts are most severe, though, the State advocates for a separate allocation for Arctic adaptation efforts.

National Wildlife Habitat and Corridors Information Program. (Sec. 371)

- State's Role. The State fears this section undermines the State's role as primary trustee over fish and wildlife. The proposed National Fish and Wildlife Habitat and Corridors Information Program centers around developing Geographic Information System (GIS) databases and maps to support decision-making in this area. The State approves of this approach. The stated purpose of the effort, however, is to allow the Secretary of the Interior to recommend how the information developed "may be incorporated" into relevant State and federal plans that affect fish and wildlife including land management plans, and the State Comprehensive Wildlife Conservation Strategies. Further, the Secretary is granted authority to "ensure that relevant State and federal plans that affect fish and wildlife (1) prevent unnecessary habitat fragmentation and disruption of corridors; (2) promote the landscape connectivity necessary to allow wildlife to move as necessary to meet biological needs, adjust to shifts in habitat, and adapt to climate change; and (3) minimize the impacts of energy, development, water, transportation, and transmission projects and other activities expected to impact habitat and corridors." The State is leery of this expansion of federal authority. To be successful, adaptation efforts must respect the primary roles and authorities of State fish and wildlife agencies in managing fish and wildlife and be built on this precept.

- Landscape Conservation Planning Programs. The relationship of this program to existing landscape conservation planning programs (such as the Landscape Conservation Cooperatives) should also be clarified.

Subpart D – Additional Climate Change Adaptation Programs

Coastal and Great Lakes State Adaptation Program. (Sec. 384)

- Funding Formula. The State approves of this program's focus on coastal states. By factoring in the proportion of shoreline miles, the formula also acknowledges that a state's amount of coastline is an important consideration in assessing adaptation needs. Once again, however, the State feels the formula should account for the unique needs experienced in the Arctic and high latitudes.

Division B – Pollution Reduction and Investment

Title I – Reducing Global Warming Pollution

Subtitle A – Reducing Global Warming Pollution

Reducing Global Warming Pollution. (Sec. 101)

"International Offset Credits." (Clean Air Act [CAA] Sec. 744)

- International Offsets. The State supports the inclusion of international offsets (the ability for companies to reduce emissions outside the U.S. and have it count towards domestic reductions). Like H.R. 2454, S. 1733 allows international offsets, though the portion of overall offsets comprised by international offsets is smaller in S. 1733 than in H.R. 2454.

Definitions. (Sec. 102)

"Definitions." (CAA Sec. 700)

- Alaska Refineries. Alaskans are uniquely dependant on in-state refineries for their fuel needs. Alaska has limited fuel storage and is located thousands of miles from the nearest non-Alaskan refinery. The state's refineries are particularly vulnerable to increased costs because they are relatively simple on the Nelson Complexity Index, meaning they operate at lower levels of economic efficiency than more sophisticated refineries which can extract more refined product from a barrel of crude oil. If Alaska's refineries are disadvantaged to the point of closing, it would likely produce a wide range of negative consequences across the state. These may include higher costs associated with importing fuel by tanker and building storage tanks in addition to increased economic burdens on Alaska's rural communities.

  The Chairman's Mark includes provisions granting small business refiners additional time to comply with the Pollution Reduction and Investment program and distributes additional allowances to small business and medium refineries. These provisions could help Alaska's refineries, but may not be sufficient to protect them from substantial costs.

  The State would support an exemption for certain domestic refineries to prevent regional market failures and promote the interest of regional energy security. One way of achieving this is through modifications to the definition of "covered entities" in the Clean Air Act. First, the language in S. 1733 could be amended to match the corresponding language in H.R. 2454, requiring that a stationary source producing petroleum products do so in "interstate commerce" to be covered under CAA Section 700(13)(B). Second, CAA Section 700(1)(F) subsection (viii) for "petroleum refining" could be removed. These modifications would exempt refineries, like those in Alaska, that sell virtually all of their saleable product in-state.

- Embedded Emissions, Direct Emissions, and Fossil Fuel Based Carbon Dioxide. The State supports adding definitions for Embedded Emissions, Direct Emissions, and Fossil Fuel Based Carbon Dioxide to clarify that natural gas produced at the wellhead or flowing through a pipeline will not be burdened with the requirement of emission allowances for the carbon dioxide that may one day be produced when the natural gas is burned.

- Natural Gas Liquids. The State seeks clarification on this section, which differs from H.R. 2454 in its definition of natural gas liquids as being "ready for commercial sale or use." This change raises concern given the value natural gas liquids bring in a major gas sale scenario.

Disposition of Allowances for Global Warming Pollution Reduction Program. (Sec. 111)

- Fair Allocation of Allowances. The State is very concerned about the disposition of allowances for Alaska under a cap-and-trade regime. An EPA memo provided to Senator Feingold indicated that the agency drastically underestimated emissions in Alaska. The document gave the false impression that Alaska would be sufficiently accommodated through the provision of free allowances under H.R. 2454. EPA's estimates for capped emissions in 2012 appear to have been based exclusively on Alaska's electric generation, primarily electricity generated for retail electricity sales, leaving out all facilities that generate their own power, such as oil and gas fields and some military bases. As a result, EPA estimated the state's emissions at three million tons per year (MMt/yr). For the same year, the State's models estimated capped emissions at 24.2 MMt/yr. This inaccuracy could substantially disadvantage Alaska in the distribution of allowances.

- Emission Allowances for Alaska Natural Gas Transportation Projects. The State supports specific free emission allowances for the operation of Alaska Natural Gas Transportation Projects. The 1,700 mile Alaska Gas Pipeline will be a source of substantial CO2 emissions, estimated to be between 20-50 percent of total Alaskan capped emissions.

"Electricity Consumers." (CAA Sec. 772)

- Regulatory Commission Approval. This section describes an allocation process for allowances to electric utilities with a requirement that applicants first seek approval from the Regulatory Commission of Alaska. This requirement could create a costly unfunded mandate for the State as regulatory proceedings have become contentious and expensive.

- Hydropower Projects. See discussion for section 161.

"Home Heating Oil and Propane Consumers." (CAA Sec. 774)

- Heating Oil Allocation. CAA Section 774 addresses allocations to states based on domestic oil and propane consumption and, as written, is unfavorable to Alaska. Free allowances for heating oil and propane would be allocated to the states based on each state's relative share of total domestic heating oil and propane consumption. Alaska consumes a significant amount of oil due to heating degree days and the prevalence of heating oil use across the state. Heating oil and propane, however, appear to be weighted equally. Thus, states like California and Texas that may consume more propane for barbecue grills and hot tubs than Alaska consumes heating oil, would receive larger shares. The State believes heating oil and propane should be separated for allocation purposes.

"Exchange of State-Issued Allowances." (CAA Sec. 777)

- State-Issued Emission Allowances. Although Alaska is only an observer of the Western Climate Initiative (WCI), it supports WCI's position that the work of the states should be integrated into a new climate regime, rather than completely preempted. This bill would integrate state efforts by exchanging regional allowances for federal allowances.

"Commercial Deployment of Carbon Capture and Sequestration Technologies." (CAA Sec. 780)

- CCS in High-Cost Locations. The State supports the commercial deployment of carbon capture and sequestration (CCS) technologies, and in particular, sequestration as a result of Enhanced Oil Recovery (EOR) projects. CCS is afforded special treatment through the "bonus allowance value," which is essentially a subsidy when compared to the value of purchased or freely distributed allowances.

  The State supports EOR activities in Alaska, especially on the North Slope. This activity produces multiple benefits. Sequestration of CO2 in a known, well-defined hydrocarbon reservoir and trap is inherently safer than in those that are less defined. Furthermore, increased production due to EOR will lengthen oil field life. Since a gas pipeline from the North Slope is economically dependent on the oil field facilities, increasing oil field life improves the economics of a gas pipeline. Gas, as a fuel source, is more environmentally friendly than other carbon fuel sources.

  The costs of CCS on the North Slope may still be prohibitive, however, even with a boost from these allowances and incentives through carbon costs. Costs have been found to be significantly higher for CCS on the North Slope than the averages published for the Lower 48, primarily due to the North Slope's location and weather. The State supports inclusion of provisions that account for greater expenses in high-cost locations in order to make CCS economically feasible in these areas.

Ensuring Real Reductions in Industrial Emissions. (Sec. 141)

"Definitions; Eligible Industrial Sectors." (CAA Sec. 762, 763)

- Foreign Competition for Domestic Refineries. These sections protect certain manufacturing industries from "off-shoring" and foreign competition, but specifically exclude domestic refineries. The State believes domestic refineries should be protected as well.

Title II – Program Allocations

State and Local Investment in Energy Efficiency and Renewable Energy. (Sec. 202)

- Allocation Formula. The allocation method in this section unfairly disadvantages Alaska. While 30 percent of the allowances are granted to states on an equal basis, 30 percent is allocated based on population and another 40 percent is allocated based on state energy consumption as a share of total domestic consumption. By these standards, Alaska would receive fewer allowances than almost any other state. This proposal is unfair to Alaska because the state has more heating degree days and thus Alaskans use more energy on average than residents of other states, costs are highest in rural Alaska where incomes are typically lowest, and switching to other fuel sources is not possible or cost effective in most cases for rural Alaskans. The State would support an increased percentage distributed equally among states, measuring energy consumption per capita rather than as a share of total consumption, or allocating some allowances based on energy costs as a share of per capita income using Census data.

- Indian Tribes. In addition, the State supports Section 202, which provides for the distribution of allowances to Indian tribes, which may benefit some rural areas of Alaska.

Additional Issues:

Domestic Production. The State believes S. 1733 should be modified to expand access and incentives for responsible domestic onshore and offshore oil and gas exploration and production. The U.S. Department of Energy's recent forecast for growth in the energy sectors shows demand for fossil energy continuing to increase in the nation, and to remain above 80 percent of the total portfolio of energy supply through 2030 and beyond. Therefore, it is clear that fossil fuels will be needed as a bridging fuel in the coming decades, and access to domestic production, and specifically clean-burning natural gas, is imperative. Increased domestic production, carbon mitigation, expanded development of renewables, and long-term nuclear energy planning is the only viable path to a secure energy future.

OMB Funding Criteria. The State believes the Office of Management and Budget should be tasked with developing common criteria federal agencies can use to prioritize funding to state and local governments and tribes for infrastructure and other projects addressing climate change vulnerabilities. Existing funding criteria may not be appropriate for this purpose. For example, in sparsely populated but more vulnerable areas like western Alaska, federal assistance may be withheld despite great vulnerability if the primary criterion for funding is the number of people or the dollar value of infrastructure at risk.

EPA Limitation Provision. S. 1733 does not include important language related to the Environmental Protection Agency that appeared in H.R. 2454. The House bill contains language preventing the EPA from requiring performance standards on stationary sources under the federal cap. The State feels limitation language like that in the House bill should be included in S. 1733 and that EPA officials should not set climate change policy.

Adaptation Priorities. The State has identified the following as high priorities and areas of need with respect to adaptation:

- Changing Risks. The State supports collaboration between the states, federal agencies, and academia to challenge traditional assumptions on weather and climate. This effort should focus on data collection and analysis, forecasting models, hydrology, flood plains and inundation, coastal and riverine erosion, critical infrastructure, and related topics.

- Community Profile. The State believes the initial focus and study on adaptation should be on Alaskan coastal and riverine communities. These communities are currently threatened due to climate change and cannot relocate without extreme disruption and costs.

- Evacuation Routes. The State seeks federal assistance in identifying, designing, constructing, and maintaining all-weather evacuation routes from endangered communities to safe havens from approaching storms.

- Safe Havens. The State seeks federal assistance in selecting and equipping safe havens near the endangered communities, with full consideration of the hydrology, geology, and current and more accurate digital mapping. These safe havens should be outfitted with sufficient housing, water and fuel sources, and communications capabilities.

- Shoreline Protection and Stabilization. The State supports a program of shoreline protection and stabilization and considers such projects as the most effective means of protecting against the sudden onslaught of storms.

- Science, Analysis, and Informed Decisions. The State calls for creating and sustaining a program of coordinated, collaborative scientific examination and study of the Arctic climate and environment.

- Other Key Areas. Alaska's needs will also encompass other key areas such as consequences to natural resources, national security, infrastructure, emergency response capacity, etc., resulting from climate change impacts due to diminishing Arctic sea ice and from ocean acidification.

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