

HB

307

(FILE 1)

<TARGET><BILL>HB 307</BILL><SUBJECT>HB 307 (FILE
1)</SUBJECT><COMM>HFIN27</COMM></TARGET>

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
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550 West 7th Avenue #1700
Anchorage, Alaska 99501
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Governor Sean Parnell
STATE OF ALASKA

January 30, 2012

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

Dear Speaker Chenault,

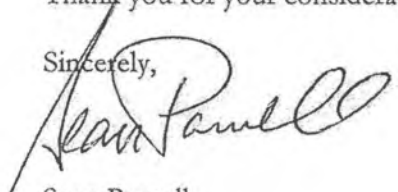
Under the authority of Article III, Section 18, of the Alaska Constitution, I am transmitting a bill relating to supplemental appropriations for the State's operating and capital budgets for Fiscal Year 2012 (FY 2012).

The supplemental budget reflects increases in delivering State services and programs that were not anticipated when the FY 2012 budget was brought forward for consideration during the 2011 legislative session. The operating supplemental request includes formula cost increases, fire suppression, disaster relief, and agency operations totaling \$38.9 million, of which \$30.4 are general funds. The supplemental also contains \$38.0 million in one-time funding for two specific settlements that resolve outstanding litigation.

The FY 2012 capital supplemental request totals \$20.4 million, of which \$10.1 are general funds, and includes emergency repairs to roads and bridges, and repairs to Alaska Marine Highway vessels necessary to meet required U.S. Coast Guard certifications.

Thank you for your consideration of this bill.

Sincerely,


Sean Parnell
Governor

AMENDMENTS

FY2012 Supplemental Bill Amendment

OFFERED IN: The House and Senate Finance Committees

TO: Supplemental Appropriations

OFFERED BY:

ADD: A new section as follows:

*** Sec. X. DEPARTMENT OF LAW. The sum of \$358,197.54 is appropriated from the general fund to the Department of Law, civil division, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2012.**

FY2012 Additional Settlements as of 3-28-2012

Case Name	Description	Date	Amount	Interest	Total	EIN
Redoubt v. SOA	Settlement related to RFP dispute.	1/12/2012	\$67,417.00	\$0.00	\$67,417.00	
Giordano v. SOA	Settlement related to Fair Hearing decision availability to the public.	3/16/2012	\$26,000.00	\$0.00	\$26,000.00	
Sea Hawk Seafoods v. SOA	Judgment related to untimely raising of the affirmative defense of sovereign immunity.	3/22/2012	\$260,920.35	\$3,860.19	<u>\$264,780.54</u>	
					\$358,197.54	

MAR 15 2012

DEPT. OF LAW
ADMIN. SERVICES

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

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

PART ONE

1. **Case Name:** Redoubt Development LLC vs. Division of Administrative Services
2. **Case Number:** OAH No. 08-0637-PRO
3. **Judge/Justices:** Administrative Law Judge Christopher Kennedy
4. **Date Settlement Agreement Signed:** January 12, 2012
5. **Did the date of the cause of action accrue on or after August 7, 1997?** yes
6. **Amount to be paid:** \$67,417.00
7. **Interest Rate:** N/A **Effective Date:**
8. **Requested hourly rate and total compensation of attorneys to be paid:** N/A
9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:**
N/A
10. **Payable to:** Redoubt Development, LLC
11. **EIN:** Submit separately or **SSN:** Submit separately
12. **Send check to:** above address Departmental contact: _____

Departmental attorney contact:

Departmental Approval:

Rachel M. Fitter
Signature

[Signature]
Deputy Attorney General

269-5231
Telephone Number

2/13/12
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

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

Case Name: Redoubt Development LLC vs. Division of Administrative Services

Case No.: OAH No. 08-0637-PRO / Superior Court Case No. 3AN-09-5095 CI

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

This case is a protest appeal arising from a 2009 Request for Proposals (RFP) for lease space for the Department of Labor and Workforce Development, Division of Vocational Rehabilitation. The protest, Redoubt Development, was the second ranked offeror and protested the Division's practice of rounding price points. The Division of General Services prevailed in the matter before the Office of Administrative Hearings. Redoubt filed an administrative appeal to the Superior Court where Judge Frank Pfiffner overturned the Administrative Law Judge's decision and ordered the Division to pay Redoubt its reasonable proposal preparation costs. The parties then entered into a mediated settlement agreement as to what proposal preparation costs were reasonable.

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

Redoubt's protest appeal arose out of the Division of General Services' established, but unpublished, practice of rounding price points when scoring lease proposals. This resulted in a tie in overall point totals, and a notice of intent to award to DeBarr, the intervenor, whose offer contained the lowest price. If no rounding had occurred, the Appellant would have received 35.195 points for price and a total score of 82.595 points, compared to 82.4 points for DeBarr, LLC. The division maintained that it acted reasonably, impartially, and did not commit an "arithmetic error." Redoubt argued that the process of rounding should have been set forth in the RFP. Because it was not, it should not have occurred.

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

The state prevailed before the office of administrative hearings but lost on appeal.

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

The Division of General Services successfully challenged

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

Under the procurement code, the only damages that may be awarded to a successful protestor are its reasonable bid preparation costs. That is the item that that state has been ordered to pay in this case.

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

The agency has revised its RFP forms to identify when rounding is used.

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

See above.

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

None.

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

None.

Attorney completing form:

Rachel Witty
Assistant Attorney General
Title

Date:

2/27/12
269-5281
Phone Number

SETTLEMENT AGREEMENT AND MUTUAL RELEASES

This Settlement Agreement and Mutual Release (Agreement) is made this ___ day of January, 2012, by and between Redoubt Development, LLC ("Redoubt") and the State of Alaska, Department of Administration, Division of General Services ("State of Alaska").

RECITALS

WHEREAS, certain disputes have arisen between Redoubt and the State of Alaska, (hereinafter referred to as the "parties"), relating to RFP No. 2009-0700-8059 for lease space for the Department of Labor and Workforce Development, Division of Rehabilitation Services (the "RFP");

WHEREAS, as a result of these disputes, Redoubt filed a protest with the procurement officer which resulted first in a protest appeal to the Office of Administrative Hearings, and ultimately, in an administrative appeal to the State of Alaska Superior Court in which the judge ordered the State to pay Redoubt its reasonable proposal preparation costs (the "Claim");

WHEREAS, the parties engaged in a mediation on December 13, 2011 to determine an amount of reasonable proposal preparation costs, with Administrative Law Judge Chris Kennedy acting as mediator;

WHEREAS, as a result of the December 13, 2011 mediation, the parties agreed to settle their dispute and to permanently and fully resolve and compromise all claims, rights, and actions, whether arising in contract, tort, statute, or regulation, between and among the parties.

AGREEMENTS

NOW THEREFORE, for good and valuable consideration, including the mutual covenants herein contained, it is agreed as follows:

1. Effective upon receipt of the payment in paragraph 4 below, Redoubt and its affiliates, subsidiaries, owners, parent, partners, directors, officers, associates, employees, agents, contractors, representatives, lawyers, predecessors in interest, successors in interest, and assigns, whether past or present, and all persons acting by, through, under or in concert with any or all of them, hereby releases and fully and forever discharges the State of Alaska and any of its agents or employees of and from any and all claims, demands, suits, liabilities, causes of action, judgments, settlements, losses, damages, expenses, costs and penalties of every kind and nature whatsoever, which they now have or may hereafter have, whether now known or hereafter discovered, whether

fixed or contingent, whether suspected or unsuspected, and whether foreseen or unforeseen, and which arise out of or relate in any way to the subject matter of the Claim. The claims released by Redoubt by operation of the foregoing release include, but are not limited to, the following: (i) any and all claims that may be based upon or connected in any manner with any of the matters referred to or encompassed in the protest or appeal filed by Redoubt relating to relating to RFP No. 2009-0700-8059; (ii) any and all claims for costs and/or attorney's fees related to the Claim; and (iii) any other injury, loss or damage allegedly sustained by Redoubt which in any way relates to or arises from any of the foregoing matters in subsections (i), or (ii).

2. With respect to the foregoing release, the parties hereby acknowledge that they are aware that they or their attorneys may hereafter discover claims, facts, damages or injuries based upon, relating to or arising out of the subject matter of the Released Claims in addition to or different from those which they now know or believe to exist, but that it is nevertheless their intention to hereby fully, finally and forever settle and release all of the claims known or unknown, suspected or unsuspected, which each has against the other based upon, relating to, or arising out of the subject matter of the Released Claims. In furtherance of such intention, the release of claims herein given shall be and remain in effect as a full and complete general release notwithstanding the discovery or existence of any additional or different claims, facts, damages or injuries. The parties are aware of the decision in the case of *Witt v. Watkins*, 579 P.2d 106.5 (Alaska 1978). The parties expressly waive and relinquish any and all rights and benefits which they may have under, or which may be conferred upon them by, the holding in *Witt v. Watkins* or any other similar case law decision, statute or other legal authority law of the State of Alaska, of any other state or territory of the United States, of the United States, or of any foreign country, to the fullest extent that they may lawfully waive such rights or benefits pertaining to the subject matter of the Released Claims.

3. The parties are aware of the decisions in the cases of *Young v. State*, 455 P.2d 889 (Alaska 1969) and *Totem Marine Tug & Barge, Inc. v. Alyeska Pipeline Service Co.*, 584 P.2d 15 (Alaska 1978), and any protections of the holdings therein relevant to the present case are hereby waived and relinquished. It is the true intent and desire of Redoubt and the State of Alaska to fully release all individuals, firms, corporations or other business entities related to Redoubt and the State of Alaska who may in any way have been connected with any claims released herein as fully as though they were specifically listed and named herein. The parties acknowledge their freedom of choice and understand that they do not need to consent to the terms of this Agreement, and further acknowledge the availability of other reasonable alternatives and adequate remedies, but have nonetheless freely, voluntarily, and intentionally chosen not to pursue the same for the purpose of making a full, final, and complete compromise of the claims released herein.

4. The State of Alaska shall pay Redoubt the sum of sixty-seven thousand four hundred seventeen dollars and no cents (\$67,417.00) within thirty days after the effective date of the supplemental budget bill containing an appropriation for the purpose of paying this settlement.

5. Redoubt agrees to dismiss with prejudice its claim against the State of Alaska, OAH No. 08-0637-PRO, within ten (10) days after receipt of the payment specified in Paragraph 4, with each party to bear its own attorney's fees, costs and expenses incurred in connection with the Claim, other than the amounts already paid by the State in connection with the administrative appeal to superior court.

6. Except to the extent necessary to enforce the terms and conditions of this Agreement, Redoubt and the State of Alaska hereby covenant and agree not to sue, commence, aid, prosecute, or cause to be commenced or prosecuted, any legal action, lawsuit or other proceeding against the other with respect to any of the Released Claims.

7. The parties agree that Redoubt's claim against the State of Alaska, OAH No. 08-0637-PRO shall remain in Alternative Dispute Resolution status and shall be stayed until the date of adjournment of the 27th Legislature, second regular session. If no appropriation to pay this settlement has been approved by both houses of the Legislature by that date, the releases herein shall not become effective and the stay shall be dissolved.

8. Redoubt hereby represents, warrants and covenants to the State of Alaska that it has not assigned, transferred, conveyed, or purported to assign, transfer or convey, and will not in the future assign or transfer to any person, firm, entity, corporation or organization whatsoever, any claim, demand, obligation, cause of action, right or damages in any way related to any of the released claims, and that no person, firm, entity or corporation has any lien, claim or interest in any of the released claims. Additionally, Redoubt represents that no other person, firm, entity or corporation has the right to enforce or otherwise sue for damages, injunctive relief or recovery under any of Redoubt's released claims.

9. Redoubt and the State of Alaska each individually represents, warrants and agrees that it has the full right and authority to enter into this Agreement, and to provide the covenants set forth in this Agreement, and that the party or representative executing this Agreement has the full right and authority to commit and bind such party according to the provisions hereof.

10. This Agreement shall be binding upon and inure to the benefit of the parties hereto and their predecessors, successors, heirs, assigns and representatives. This Agreement represents the compromise of disputed claims.

11. Redoubt and the State of Alaska each shall bear all attorney's fees and costs arising from the actions of their own counsel in connection with the drafting and negotiation of this Agreement.

12. It is expressly understood and agreed that the terms hereof are contractual and not merely recitals and that the agreements herein contained and the consideration transferred is to compromise disputed claims, to avoid litigation, and to buy peace. No consideration given shall be construed to establish damages or as an admission of liability or wrongdoing on the part of any party hereto to the other, all liability or wrongdoing being expressly denied.

14. This Agreement constitutes the entire agreement between Redoubt and the State of Alaska relating to the settlement of the Claim. No statements, communications, letters or other agreements, whether written or verbal, relating to this settlement shall have any force or effect unless embodied in this Agreement.

15. This Agreement shall be governed by and construed in accordance with the laws of the State of Alaska. Any action arising out of this Agreement shall be brought and maintained in the Superior Court for the State of Alaska, Third Judicial District at Anchorage.

16. This Agreement may be executed in multiple counterparts by each of the parties hereto, including by facsimile, each of which shall be deemed an original agreement, and all of which shall constitute one agreement, notwithstanding that all of the parties are not signatories to the original or the same counterpart, to be effective as of the day and year first above written. A facsimile signature received from any party hereto shall be treated as an original for purposes of finalizing the Agreement.

IN WITNESS WHEREOF, the parties have duly executed this Agreement as set forth below, intending to be legally bound by the terms and conditions of this Agreement.

Dated: 1/12/12

State of Alaska,
Department of Administration
Division of General Services

By: Vern Jones

Dated: 1/9/12

Redoubt Development, LLC

By: [Signature]

Approved as to form:

RICHARD SVOBODNY
ACTING ATTORNEY GENERAL

By: Rachel E. Willy
Rachel E. Willy
Assistant Attorney General

By: James Smalin
James Smalin
Counsel for Redoubt

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

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

PART ONE

1. **Case Name:** *James Giordano v. Bill Hogan, in his official capacity as Commissioner of Dep't of Health and Social Services, and Elizabeth Vazquez, in her official capacity as Manager of the Office of Hearings and Appeals.*
 2. **Case Number:** 3AN-08-11411 CI
 3. **Judge/Justices:** Sen Tan, Superior Court Judge
 4. **Date Judgment entered:** Settlement agreement signed on March 16, 2012. Judgment not yet entered.
 5. **Did the date of the cause of action accrue on or after August 7, 1997?** Yes.
 6. **Amount to be paid:** \$26,000.00
 7. **Interest Rate:** ϕ **Effective Date:** July 1, 2012
 8. **Requested hourly rate and total compensation of attorneys to be paid:** n a
 9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:** n a
 10. **Payable to:** Alaska Legal Services Corporation
 11. **EIN:** Submit separately **or** **SSN:** Submit separately
 12. **Send check to:** ___ above address **Departmental contact:** X
- Departmental attorney contact: *Brenda B. Page* Departmental Approval: *[Signature]*
Brenda B. Page, Assistant Att'y General Deputy Attorney General
Telephone Number: _____ Date: 3-16-12

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

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

Case Name: *James Giordano v. Bill Hogan, in his official capacity as Commissioner of the Department of Health and Social Services, and Elizabeth Vazquez, in her official capacity as Supervisor of the Office of Hearings and Appeals.*

Case No.: 3AN-08-11411 CI

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

The plaintiff, James Giordano, filed this lawsuit in October 2008, claiming that the defendants had violated 7 AAC 49.240 by failing to insure that the Fair Hearing decisions issued by the Office of Hearings and Appeals were available to the public. Mr. Giordano also claimed that the Office of Hearings and Appeals was engaged in improper and potentially *ex parte* relations with the Department of Law.

After several years of litigation, the defendants entered into a settlement with Mr. Giordano agreeing that the defendants, unless a court otherwise orders, will insure that all Fair Hearing decisions will remain available to the public in a timely fashion from their date of issuance, subject to the duty to redact privileged or confidential information from the decisions, as 7 AAC 49.240 provides. The defendants also agreed to pay Mr. Giordano's counsel, Alaska Legal Services Corporation, \$26,000 in complete payment of Mr. Giordano's and ALSC's claims, including claims for costs and attorney fees.

The agreement is contingent upon Executive Order No. 116 taking effect, under which the State of Alaska's Fair Hearing functions would transfer from the Department of Health and Social Services to the Office of Administrative Hearings in the Department of Administration.

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

There were no unusual issues of State policy or law involved in this case.

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

This case was resolved by a settlement agreement between the parties, with no admission of liability on the part of the defendants.

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

Each party is responsible for its own fees and costs as part of the settlement.

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

There was no admission of liability in this case. The source of potential liability was the manner in which Fair Hearing decisions were made available to the public.

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

The Office of Hearings and Appeals now has the ability to redact privileged and confidential information contained in the opinions in a timely fashion after the date of their issuance.

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

Same as above.

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

No.

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

No changes are recommended.

Attorney completing form:

Date:

Brenda B. Page

Senior Assistant Attorney General
Title

(907) 269-6612
Phone Number

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

JAMES GIORDANO,)	
)	
Plaintiff,)	
)	
v.)	
)	
BILL HOGAN, in his official capacity as)	
Commissioner of the Department of Health)	
and Social Services, and ELIZABETH)	
VASQUEZ in her official capacity as)	
Supervisor of the Office of)	
Hearings and Appeals,)	
)	
Defendants.)	Case No. 3AN-08-11411 CI

SETTLEMENT AGREEMENT AND ORDER

James Giordano filed this lawsuit claiming that the defendants had violated 7 AAC 49.240 by failing to insure that the Fair Hearing decisions issued by the Office of Hearings and Appeals were available to the public. Mr. Giordano also claimed that the Office of Hearings and Appeals was engaged in improper and potentially *ex parte* relations with the Department of Law.

The defendants denied and continue to deny all of Mr. Giordano's claims.

The parties now wish to settle this case.

The parties now agree that defendants, unless a court otherwise orders, will insure that all Fair Hearing decisions will remain available to the public in a timely fashion from their date of issuance, subject to the duty to redact privileged or confidential information from the decisions, as 7 AAC 49.240 provides.

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

1
2 The State of Alaska will pay Mr. Giordano's counsel, Alaska Legal Services
3 Corporation, twenty-six thousand and 00/100ths dollars (\$26,000.00), in complete payment of
4 Mr. Giordano's and ALSC's claims, including claims for costs and attorney fees, in this case.
5 The settlement amount includes any sanctions awarded against the defendants in this case.
6 This case will recommence if ALSC does not receive the settlement payment by July 1, 2012.

7 In return, and upon payment of the settlement amount, Mr. Giordano will dismiss this
8 case with prejudice and will release all claims that he has or could have asserted in this case
9 against the defendants, the State of Alaska, the Department of Health and Social Services, any
10 current or former Commissioner of Health and Social Services, or their current or former
11 agencies, officers, employees, agents, representatives, or insurers.
12

13 This agreement is contingent upon Executive Order No. 116 taking effect. If Executive
14 Order No. 116 does not take effect, this settlement agreement is void and this case will
15 recommence. Executive Order No. 116 is currently set to take effect on July 1, 2012. Under
16 Executive Order No. 116, the State of Alaska's Fair Hearing functions would transfer from the
17 Department of Health and Social Services to the Office of Administrative Hearings in the
18 Department of Administration.

19 The parties acknowledge that this settlement is the compromise of disputed claims. The
20 parties acknowledge that the State of Alaska's payment of the settlement amount does not
21 constitute an admission of liability by the defendants, and that the defendants expressly deny
22 that they are liable for anything.

23 The parties acknowledge that they have had sufficient time and opportunity to consult
24 with their attorneys about this agreement. The parties acknowledge that this agreement was not
25 secured under duress or in haste. The parties acknowledge that they have had the opportunity
26

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

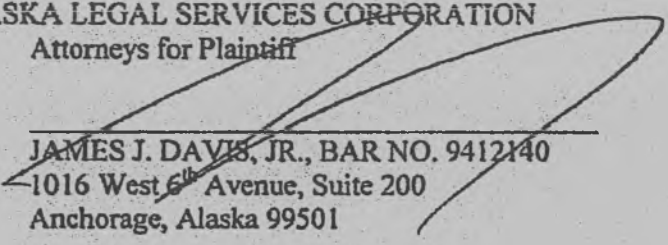
1
2 to review the Alaska Supreme Court's decisions in the cases of *Witt v. Watkins*, 579 P.2d 1065
3 (Alaska 1978), and *Young v. State*, 455 P.2d 889 (Alaska 1969), and waive the protection of
4 those decisions.

5 The parties acknowledge that no promise or agreement not expressed in this agreement
6 has been made by anyone to them and that this agreement contains the entire agreement
7 between the parties to the agreement.

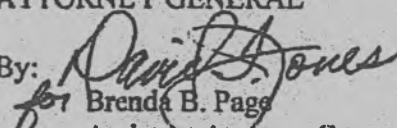
8 The parties acknowledge that this agreement will be binding upon them and their heirs,
9 executors, administrators, legal representatives, successors, and assigns.

10 This agreement will be interpreted under, and governed by the laws of the State of
11 Alaska.

12
13 DATED: 2/14/12 2012. ALASKA LEGAL SERVICES CORPORATION
Attorneys for Plaintiff


JAMES J. DAVIS, JR., BAR NO. 9412140
1016 West 6th Avenue, Suite 200
Anchorage, Alaska 99501

17 DATED this 15th day of March, 2012.

18 MICHAEL C. GERAGHTY
ATTORNEY GENERAL
19
20 By: 
for Brenda B. Page
Assistant Attorney General
Alaska Bar No. 0303007

22 IT IS SO ORDERED.

23 DATED: _____, 2012.

24
25 _____
26 Judge Sen K. Tan

Attachment to Part I

The question of to whom the fee award should be paid will turn on proper resolution of another issue. The Attorney General's office has been served with a writ of execution seeking to garnish the money in the anticipated appropriation paying the Sea Hawk judgment, towards satisfying another judgment for \$822,196.58 which Sea Hawk itself owes to the City of Valdez, in case no. 3VA-07-14CL. This writ presents several novel legal issues; it appears that no one has tried before to garnish a legislative appropriation to pay off a judgment. Since paying the appropriated money directly to Sea Hawk could potentially expose the State to liability to the City, and paying the appropriated money towards the City's judgment could potentially leave Sea Hawk's judgment against the State unsatisfied, the Attorney General's office has concluded that the safest course for the State to follow is filing an interpleader to lodge the money with the court, and let the court determine how the money should be paid after Sea Hawk and the City each have presented their arguments.

JUDGMENT/SETTLEMENT FUNDING REQUEST QUESTIONNAIRE

PART TWO

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

Case Name: Sea Hawk Seafoods Inc. v. State

Case No.: 3AN-95-3500CI

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

Valdez Fisheries Development Association (VFDA) owed the State Division of Investments ~\$7,000,000 in loans as of July 1997, at which point Sea Hawk Seafoods prevailed in a lawsuit and obtained a judgment against VFDA for about \$2,000,000. Fearing that Sea Hawk's collection efforts would impair the collateral securing the State's loans, the State called the VFDA loans, shortly thereafter issuing VFDA a new loan to try to keep it in business. Sea Hawk filed a petition in October 1997 against VFDA and the State, alleging that the arrangement had been a fraudulent conveyance. The DoI answer raised sovereign immunity as to Sea Hawk's claims for punitive damages, but not as to Sea Hawk's claims for declaratory, injunctive and reconveyance relief. Sea Hawk subsequently moved to amend its petition to seek compensatory damages, which the State opposed. State proceedings were stayed when VFDA filed for bankruptcy in February 1998. VFDA reached a settlement in the bankruptcy case with Sea Hawk in March 1999. Although the State thought this settlement waived Sea Hawk's claims against the State as well as VFDA, Sea Hawk reasserted its fraudulent conveyance claims against the State in state court in April 1999. Sea Hawk and the State litigated for several years, over whether the settlement had released the State, and initially over whether that issue should be resolved by the state or federal courts. Eventually the Ninth Circuit ruled in 2006 that the federal courts lacked jurisdiction, and the settlement issue went back to state court. While briefing the settlement issue, the State raised sovereign immunity as to all Sea Hawk's claims in July 2007, arguing that its earlier incomplete answer could not waive sovereign immunity because only the legislature could do so. The superior court dismissed the case. Sea Hawk's appeal led to *Sea Hawk v. State*, 215 P.3d 333 (Alaska 2009), holding that the State could waive its sovereign immunity through inadvertent omission of that defense from an answer under Rule 8(c), but that the State could raise the defense belatedly if the superior court found on remand that the prejudice to the opposing party could be cured. On remand, Judge Tan eventually ruled that future prejudice to Sea Hawk was cured by Sea Hawk's filing of a subsequent case against the individual state employees (*Sea Hawk v. Massey et al.*, 3AN-09-6534CI), and that past prejudice to Sea Hawk could be cured by an award of full attorney's fees. Sea Hawk claimed \$1.25 million in fees, which the State contested. Eventually the superior court awarded \$260,920.35

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

The major issue policy issue, whether sovereign immunity could be waived by Assistant Attorney General inaction rather than solely by legislative enactment, was resolved by the 2009 opinion. The State put substantial effort and expense in trying, unsuccessfully, to avoid that result. Lesser policy issues were entailed in the State's efforts to show that the settlement had released Sea Hawk's claims, an argument Judge Tan ultimately rejected, and in the State's efforts to defend against the fraudulent conveyance claim itself on the merits, which ultimately was not resolved in this case, but may be resolved in the separate case *Sea Hawk v. Massey et al.*

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

The state was ultimately able to get the underlying case dismissed on sovereign immunity grounds.

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

Yes First, by getting the case dismissed on sovereign immunity grounds, we were able to avoid the potential for exposure on the fraudulent conveyance claim, as to which Sea Hawk was claiming damages of approximately \$2 million. Secondly, we vigorously opposed Sea Hawk's claim that \$1.25 million in costs and fees would be necessary to cure the prejudice from the untimely assertion of sovereign immunity, reducing that to the \$261,000 awarded by the court.

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

Although the underlying claim was grounded in the fraudulent conveyance claim, Sea Hawk recovered nothing on that claim. The source of the \$260,000 the State will be paying is essentially the omission of a complete sovereign immunity defense as to all claims in the answer the State filed in October 1997.

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

The Department's current practice is to assert sovereign immunity defense in all lawsuits seeking damages from the state, except as such suits may be allowed under specific statutory immunity-waiving provisions. The Department's Civil Division Manual was amended to note the *Sea Hawk* opinion and the need to avoid inadvertent waivers of sovereign immunity. The liability arising in *Seahawk* results from factual circumstances that are somewhat unique and therefore the likelihood of such circumstances being repeated is not high.

7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from

publication by statute, privilege, or right to privacy, indicate what the corrective action was.

See response to #6.

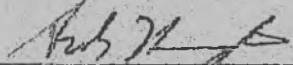
8. Any recommendations concerning cases of this type in the future?

No

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

Not at this time.

Attorney completing form:



Andy Harrington
Assistant Attorney General

Date:

3/23/2012

Telephone 451-2914

Judgment Interest Calculation
(Using 3.75% per Annum)

	Month	Day	Year
1. Date of Judgment:	2	22	2012
2. Amount of Judgment:	260,920.35		
3. Estimated/Actual Date of Payment:	7	15	2012

Calculation for

a. Judgment Amt:	260,920.35
b. Days interest:	144
c. Interest Factor:	0.01479
c. Interest Amount:	3,860.19

Total Due:	264,780.54

2/22/2012

7/15/2012 144

Daily % 0.000102740

Total %	0.014794521	260,920.35
	Int	3,860.19

		264,780.54

SPREADSHEET

FY2012 SUPPLEMENTAL REQUESTS

Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds	
1	1	2	10	Administration	Office of Public Advocacy	Operational Costs for Caseload Increases Projections are based upon actual expenditures for the first half of FY2012 and comparisons to prior year expenditures. In FY2011, OPA received a supplemental in the amount of \$900.0. The impact of this request is being considered for a FY2013 budget amendment.	800.0	0.0	0.0	0.0	1004 General Fund	800.0
2	1	2	11	Administration	Public Defender Agency	Operational Costs for Caseload Increases In FY2011 the agency experienced a budget shortfall of \$300.0 which was covered by a supplemental. Projections are based upon actual expenditures for the first half of FY2012 and comparisons to prior year expenditures. The impact of this request is being considered for a FY2013 budget amendment.	1,000.0	0.0	0.0	0.0	1004 General Fund	1,000.0
3	1	2	17	Commerce	Alaska Industrial Development and Export Authority	Increased Costs for Financing Tools Increased costs for developing tools for financing major economic development infrastructure (industrial roads and ports) to support natural resource development in Alaska. This is a one-time item.	0.0	0.0	150.0	0.0	1102 AIDEA Receipts	150.0
4	1	2	21	Commerce	Corporations, Business and Professional Licensing	Support for Board and Commission Members This increase provides funding support for volunteer boards and commissions members to stay current on issues, trends and policies impacting their professions and to maintain quality licensing standards. A \$244.6 increment is in the FY2013 Governor's budget.	0.0	244.6	0.0	0.0	1156 Receipt Supported Services	244.6
5	1	2	21	Commerce	Corporations, Business and Professional Licensing	Business Licensing and Corporations Indirect Costs Increase general fund program receipts to correctly charge indirect costs related to the Business Licensing and Corporations program. A \$250.0 increment is in the FY2013 Governor's budget.	0.0	250.0	0.0	0.0	1005 General Fund Program Receipts	250.0
6	1	2	21	Commerce	Corporations, Business and Professional Licensing	Adjustment for Licensing Fees Fund source change from professional licensing receipts (receipt supported services) to the general fund to reimburse the professions for historical indirect cost overpayments that were associated with the Business License and Corporations programs. This is a one-time fund change.	3,439.8	(3,439.8)	0.0	0.0	1004 General Fund 1156 Receipt Supported Services	0.0
7	1	2	21	Commerce	Corporations, Business and Professional Licensing	Implementation of Audit Recommendations Increase receipt supported services to address audit findings on cost allocations to division programs and for remediation of the investigations system. This is a one-time item.	0.0	250.0	0.0	0.0	1156 Receipt Supported Services	250.0
8	1	2	27	Corrections	Inmate Transportation	Increased Inmate Transportation Costs The Department of Corrections has experienced an increase in costs within the Inmate Transportation Unit due to in-state and out-of-state prisoner transports associated with population management. The average daily in-state offender population from July 1, 2011 through December 31, 2011 was 3,851 with an additional 1,050 offenders housed out-of-state. The maximum capacity of the in-state institutions is 3,840. The average daily population continually exceeds the maximum capacity creating the need for offenders to be transported between facilities in order to manage the inmate population. This is a one-time item.	867.4	0.0	0.0	0.0	1004 General Fund	867.4
9	1	2	28	Corrections	Community Jails	Community Jails Funding Additional funding is necessary to cover operating costs of the 15 community jails based on financial reports provided to the Department of Corrections (DOC). The DOC is currently evaluating the costs and revising the methodology for funding community jails for consideration as a FY2013 budget amendment.	600.0	0.0	0.0	0.0	1004 General Fund	600.0

FY2012 SUPPLEMENTAL REQUESTS

PG #	Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds	
10	10	1	2	33	Education and Early Development	Student and School Achievement	Comprehensive System of Student Assessments Contractual Costs This additional funding is needed to accommodate the negotiated contract for the Comprehensive System of Student Assessments. The FY2013 Governor's budget includes an additional \$750.0 for modified contract terms.	1,000.0	0.0	0.0	0.0	1004 General Fund	1,000.0
13	11	1	3	7	Health and Social Services	Medical Assistance Administration	Continued Work on Health Information Portability and Accountability Act (HIPAA) Version 5010 Project Additional authority for federally mandated implementation of version 5010 medical care transactions and code sets. This is a one-time item.	80.0	0.0	0.0	720.0	1003 General Fund Match 1002 Federal Receipts	800.0
14	12	1	3	9	Health and Social Services	McLaughlin Youth Center	Increased Medical Costs for Juvenile Justice System Youth Statutorily required medical services for youth within the Juvenile Justice facilities - will be reallocated via revised programs throughout the DJJ facilities. This is a one-time item.	627.5	0.0	0.0	0.0	1004 General Fund	627.5
15	13	1	3	11	Health and Social Services	Alaska Temporary Assistance Program	ARRA Emergency Funding for Temporary Assistance for Needy Families (TANF) Program Revenues made available due to an increase in the Alaska TANF caseload. The division plans to invest these TANF emergency funds in work and job readiness activities and opportunities for engagement in work activities. This is a one-time item.	0.0	0.0	0.0	1,100.6	1212 Federal ARRA	1,100.6
17	14	1	3	12	Health and Social Services	Adult Public Assistance	Adult Public Assistance Caseload Growth Increased program enrollment, particularly in the disabled and blind category - tied to the dramatic growth in the Alaska senior population. A \$6,075.0 increment is included in the FY2013 Governor's budget.	2,600.0	0.0	0.0	0.0	1004 General Fund	2,600.0
8	15	1	3	13	Health and Social Services	Energy Assistance Program	Low Income Home Energy Assistance Program (LIHEAP) and Alaska Affordable Heating Program for the State Based on projected needs. The impact of this supplemental request is being considered for a FY2013 budget amendment.	928.7	0.0	0.0	0.0	1004 General Fund	928.7
19	16	1	3	13	Health and Social Services	Energy Assistance Program	Low Income Home Energy Assistance Program (LIHEAP) and Alaska Affordable Heating Program for Tribes Based on projected needs. The impact of this supplemental request is being considered for a FY2013 budget amendment.	1,691.6	0.0	0.0	0.0	1004 General Fund	1,691.6
20	17	1	3	15	Health and Social Services	Women, Children and Family Health	Increase in Demand for Clinics for Newborn Screening Greater volume of screenings provided will generate additional general fund program receipts. The impact of this supplemental request is being considered for a FY2013 budget amendment.	0.0	350.0	0.0	0.0	1005 General Fund Program Receipts	350.0
21	18	1	3	16	Health and Social Services	Chronic Disease Prevention/Health Promotion	Reinstate American Recovery and Reinvestment Act (ARRA) Authority - Tobacco, Obesity and Diabetes Programs Restore FY2012 federal authority for this program, which was deleted earlier due to an indication that federal revenues would be withdrawn. Funding has been extended through FY2012. This is a one-time item.	0.0	0.0	0.0	140.0	1212 Federal ARRA	140.0
22	19	1	3	18	Health and Social Services	Epidemiology	Reinstate American Recovery and Reinvestment Act (ARRA) Authority - Health Assessment and Children's Immunizations Restore FY2012 federal authority for this program, which was deleted earlier due to an indication that federal revenues would be withdrawn. Funding has been extended through FY2012. This is a one-time item.	0.0	0.0	0.0	30.0	1212 Federal ARRA	30.0
23	20	1	3	20	Health and Social Services	Senior and Disabilities Services Administration	Third Party Review of Home and Community Based Medicaid Waiver Denials Increased federal authority for review of eligibility decisions that remove clients from waived services, based on a recent one-time federal grant for review of all denials. This is a one-time item.	0.0	0.0	0.0	250.0	1002 Federal Receipts	250.0

FY2012 SUPPLEMENTAL REQUESTS

Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds	
21	1	3	26	Labor	Workers' Compensation Benefits Guaranty Fund	Increase Workers' Compensation Benefits Guaranty Fund Authority due to Increased Legal Costs An increase in Workers' Compensation Benefit Guaranty Fund authorization is required to support the component's legal representation provided by the Department of Law. The recent legal decision, Charles West v. State of Alaska, Benefit Guaranty Fund (Decision No. 145, January 20, 2011), has resulted in an increase in the number of claims requiring legal representation for the Fund. The impact of this supplemental request is being considered for a FY2013 budget amendment.	0.0	168.0	0.0	0.0	1203 Workers' Compensation Benefits Guaranty Fund	168.0
22	1	3	29	Labor	Alaska Vocational Technical Center	Replace Unrealized Program Receipts This fund source change replaces unrealizable general fund program receipts with general funds to support increased operating expenses for existing programs. AVTEC's expenses have grown considerably due to the higher cost of goods and services. This \$250.0 fund change is included in the FY2013 Governor's budget.	250.0	(250.0)	0.0	0.0	1004 General Fund 1005 General Fund Program Receipts	0.0
23	1	4	4	Law	Oil, Gas and Mining	Oil and Gas Outside Counsel Increased litigation costs for oil and gas outside counsel attributable to three types of cases: tariff proceedings; Trans Alaska Pipeline System (TAPS) property tax proceedings; and oil and gas royalty issues. An increment of \$6,150.0 is included in the FY2013 Governor's budget and is based on anticipated caseload.	3,116.0	0.0	0.0	0.0	1004 General Fund	3,116.0
24	1	4	5	Law	Transportation Section	Fast Ferry Litigation In FY2011, the Department had \$200,000 appropriated for the fast ferry litigation. Last year's activity however exceeded the \$200,000 and the department covered \$19,789 while the Department of Transportation paid an additional \$109,480. Total expenditures associated with the fast ferry lawsuit to date are \$569,955 (including \$21,605 from FY2010). In FY2012 YTD, \$219,081 has been expended and it is anticipated to ramp up because outside counsel has been obtained and discovery activity will pick up. An increment of \$600.0 is included in the FY2013 Governor's budget.	600.0	0.0	0.0	0.0	1004 General Fund	600.0
25	1	4	10	Military and Veterans Affairs	Office of the Commissioner	Base Realignment and Closure Commission Impact Department of Defense Secretary Leon Panetta has announced that the plan to cut nearly \$500 billion in the next 10 years from the Department of Defense budget will impact all 50 states and a Base Realignment and Closure Commission (BRAC) will be requested of Congress to address facility reductions as soon as possible. The U.S. military's presence in Alaska represents 10% of the state's economy. The Alaska Military Force Advocacy and Structure Team (AMFAST) recommends the State of Alaska hire an experienced consulting group to address ideas proposed by the next BRAC. This request will promote and sustain Alaska's current military facilities and force structure. The impact of this request is being considered for a FY2013 budget amendment.	300.0	0.0	0.0	0.0	1004 General Fund	300.0
26	1	4	11	Military and Veterans Affairs	Army Guard Facilities Maintenance	State Match Requirement Change at Kodiak, Ketchikan, and Kenai Armories The federal/state funding ratios for army operations in Kodiak, Ketchikan, and Kenai have changed due to federal regulations regarding funding and armory use. The impact of this request is being considered for a FY2013 budget amendment.	97.3	0.0	0.0	(97.3)	1003 General Fund Match 1002 Federal Receipts	0.0
27	1	4	11	Military and Veterans Affairs	Army Guard Facilities Maintenance	Bethel Armory Operations Operating funds for the new Bethel Armory starting December 2011. The impact of this request is being considered for a FY2013 budget amendment.	94.6	0.0	0.0	0.0	1004 General Fund	94.6

FY2012 SUPPLEMENTAL REQUESTS

	Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds
76 # 33	28	1	4	12	Military and Veterans Affairs	Air Guard Facilities Maintenance Eielson Air Force Base Electrical Usage Calculation Correction Eielson Air Force Base discovered an error in the method used to calculate the Alaska Air National Guard electrical usage for the 168th Wing. Funding is requested for the increase to the annual cost of electricity. The impact of this request is being considered for a FY2013 budget amendment.	26.3	0.0	0.0	78.8	1003 General Fund Match 1002 Federal Receipts	105.1
34	29	1	4	13	Military and Veterans Affairs	Veterans' Services Reduce Unrealizable Federal Funds The U.S. Department of Veterans' Affairs (VA) no longer distributes federal funding to administer the State Approving Agency (SAA) grant for Veterans' Educational Programs (GI Bill). This change is reflected in the FY2013 Governor's budget.	0.0	0.0	0.0	(95.8)	1002 Federal Receipts	(95.8)
35	30	1	4	13	Military and Veterans Affairs	Veterans' Services State Approving Agency Program Continuation The U.S. Department of Veterans' Affairs (VA) no longer distributes federal funding to administer the State Approving Agency (SAA) grant for Veterans' Educational Programs (GI Bill). This change is reflected in the FY2013 Governor's budget.	95.8	0.0	0.0	0.0	1004 General Fund	95.8
36	31	1	4	13	Military and Veterans Affairs	Veterans' Services Interior Alaska Veterans Cemetery Position A vacant position will be transferred to the Veteran's Services Office to provide additional project planning and coordination. The impact of this request is being considered for a FY2013 budget amendment.	41.3	0.0	0.0	0.0	1004 General Fund	41.3
37	32	1	4	18	Natural Resources	Project Management and Permitting Wishbone Hill Coal Project Rapid Health Impact Assessment A Rapid Health Impact Assessment will be conducted in conjunction with the permit renewal process. This is a one-time item.	39.2	0.0	0.0	0.0	1004 General Fund	39.2
38	33	1	4	21	Natural Resources	Mining, Land and Water Dam Safety Review - Red Dog Mine The Dam Safety and Construction Unit (Dam Safety) is expecting to receive a large statutory designated program receipt (SDPR) in an application fee required under 11 AAC 93.171 for the construction and modification of dams for the expansion of the tailings storage facility at the Red Dog Mine in northwest Alaska. The impact of this request is being considered for a FY2013 budget amendment.	0.0	0.0	66.5	0.0	1108 Statutory Designated Program Receipts	66.5
39	34	1	4	21	Natural Resources	Mining, Land and Water Offshore Lease Sales at Nome This request provides funding for securing a monitoring contractor for offshore lease sales at Nome to be trained and in place when the ice goes out at Nome (early to mid-June 2012). This is reflected in the FY2013 Governor's request.	0.0	18.6	0.0	0.0	1005 General Fund Program Receipts	18.6
42	35	1	4	23	Natural Resources	Fire Suppression Activity FY2012 Fire Suppression Activity This is a preliminary estimate of supplemental needs for spring firefighting and costs of initial attack of wildland fires through June 30, 2012.	4,892.5	0.0	0.0	0.0	1004 General Fund	4,892.5
76 46	36	1	4	28	Public Safety	AST Detachments 24-Hour Dispatch and Prisoner Transport Services in the City of Kotzebue The Department of Public Safety currently contracts with the City of Kotzebue to provide 24-hour dispatch services and for local transport of prisoners to and from court. The city has historically provided these services to the state at no cost and is no longer willing to do that. These services are required and there are no practicable alternatives for the Department of Public Safety. The impact of this supplemental request is being considered for a FY2013 budget amendment.	75.0	0.0	0.0	0.0	1004 General Fund	75.0

FY2012 SUPPLEMENTAL REQUESTS

PG #	Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds
47	37	1	4	28	Public Safety	AST Detachments City of Kotzebue Jail Closure Transportation Costs Temporary funding is necessary for prisoner transport between Kotzebue and Nome during closure of the Kotzebue jail. This assumes the jail re-opens on or about February 1, 2012. Amounts are based on December, 2011 actual costs of \$47.0, with an increase in January assuming some transition into the jail re-opening. Personal services costs are only for overtime, not for already budgeted personal services costs. This is a one-time item.	106.0	0.0	0.0	0.0	1004 General Fund	106.0
48	38	1	4	28	Public Safety	AST Detachments Replace Federal Pass Through Funds from Alaska Highway Safety Office The Alaska Bureau of Highway Patrol will no longer receive federal funds for non-DUI related traffic enforcement. In order to maintain traffic enforcement to include non-DUI specific activity, such as impaired driving, youth drivers, aggressive driving and speeding, and seat belt enforcement, supplemental funding is necessary as the current budget cannot absorb these costs. Additional federal funding reductions are anticipated for DUI-related traffic enforcement starting in FY2014. The impact of this supplemental request is being considered for a FY2013 budget amendment.	1,900.0	0.0	0.0	0.0	1004 General Fund	1,900.0
49	39	1	4	30	Public Safety	Alaska Criminal Records and ID Maintain Current Level of Services The Criminal Records and Identification Bureau (R&I) does not have adequate general funds in the FY2012 operating budget to maintain current services without taking cost containment measures that will impact public services and the timely availability of law enforcement information. The impact of this request is being considered for a FY2013 budget amendment.	200.0	0.0	0.0	0.0	1004 General Fund	200.0
50	40	1	5	7	Revenue	Tax Division Litigation Support for Corporate Income Tax Litigation expenses are anticipated to generate a budget shortfall in the first part of FY2012. The Department is involved in two cases requiring expert witnesses that were unanticipated. The funds for the expert witnesses will be paid through an reimbursable service agreement to the Department of Law. This is a one-time item.	150.0	0.0	0.0	0.0	1004 General Fund	150.0
51	41	1	5	8	Revenue	Treasury Division Investment Management of Power Cost Equalization Endowment Fund The investment management costs for the Power Cost Equalization Endowment Fund (PCE) have increased due to a \$400 million deposit made in FY2011. The amount requested will cover the costs for the remainder of FY2012. An increment of \$80.4 is included in the FY2013 Governor's budget.	0.0	58.0	0.0	0.0	1169 Power Cost Equalization Endowment	58.0
52	42	1	5	13	Transportation and Public Facilities	State Equipment Fleet Credit Card Fuel Program Authorization to cover projected increases in expenditures related to the credit card fuel program. A \$1,110.0 increase is included in the FY2013 Governor's budget.	0.0	0.0	850.0	0.0	1026 Highway Working Capital Fund	850.0
53	43	1	5	15	Transportation and Public Facilities	Central Region Facilities Snow Removal Costs Due to an early and heavy snow season, Central Region Facilities has exhausted the snow removal budget in November and December. Also, additional snow hauling services have been incurred within the Tudor Complex. There is no longer adequate space to stockpile snow, so all snow must be hauled to the contractor's snow dump throughout the winter. This is a one-time item.	85.0	0.0	0.0	0.0	1004 General Fund	85.0
54	44	1	5	16	Transportation and Public Facilities	Central Highways and Aviation New Insurance Requirements for Rural Airport Maintenance Contracts A recent change in how rural contractors were covered under the State's accident umbrella. All airport maintenance contracts are now required to be insured. An increment of \$356.3 is included in the FY2013 Governor's budget.	102.4	0.0	0.0	0.0	1004 General Fund	102.4

FY2012 SUPPLEMENTAL REQUESTS

	Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds
56	45	1	5 16	Transportation and Public Facilities	Central Highways and Aviation	Anchorage Snow Removal Costs Snowfall in the Anchorage area this year is significantly higher than considered normal for the area. The recent heavy snowstorms and near record snow accumulation in November and December has resulted in unanticipated hauling costs to remove excess snow plowed from the roads onto the shoulders and sidewalk areas. This is a one-time item.	200.0	0.0	0.0	0.0	1004 General Fund	200.0
56	46	1	5 17	Transportation and Public Facilities	Northern Highways and Aviation	New Insurance Requirements for Rural Airport Maintenance Contracts A recent change in how rural contractors were covered under the State's accident umbrella. All airport maintenance contracts are now required to be insured. An increment of \$423.6 is included in the FY2013 Governor's budget.	120.1	0.0	0.0	0.0	1004 General Fund	120.1
57	47	1	5 18	Transportation and Public Facilities	Southeast Highways and Aviation	Winter Commodities - Sand and Ice Control Chemicals High snowfall and cold temperatures throughout Southeast Region in November and December have required heavier than normal sand and ice control chemical use to keep highways and airports safe. Due to stock depletion, large quantities of ice control chemicals were reordered in mid-winter. This is a one-time item.	257.0	0.0	0.0	0.0	1004 General Fund	257.0
58	48	1	5 19	Transportation and Public Facilities	Whittier Access and Tunnel	Whittier Tunnel Reduced Revenue Toll Collections The majority of Whittier Access and Tunnel's funding is based on revenue collections from tunnel tolls. Reduced travel through the tunnel and reduced cruise ship dockings has resulted in a decrease in toll collections. In addition to increased costs, toll revenues have declined over the past few years due to economic conditions, reduced cruise ship dockings, and increased fuel prices. An increment of \$192.9 is included in the Governor's FY2013 budget.	229.8	0.0	0.0	0.0	1004 General Fund	229.8
59	49	1	5 21	Transportation and Public Facilities	Anchorage Airport Facilities	Utilities and Building Maintenance for Kulis Air National Guard Base In September 2011, the Anchorage Airport acquired the management of the Kulis Air National Guard Base property back from the U.S. Department of Defense. Building maintenance and property upkeep is now the responsibility of the Anchorage Airport. An increment of \$750.0 (IARF) is included in the Governor's FY2013 budget.	0.0	0.0	625.0	0.0	1027 International Airport Revenue Fund	625.0
60	50	1	5 22	Transportation and Public Facilities	AIA Field and Equipment Maintenance	Purchase De-icing Chemicals In FY2011, the cost per ton of urea increased from \$342 per ton to \$719 per ton. Also, the airport has commissioned a third new tank for potassium acetate in order to mitigate continuing supply shortages. An increment of \$1,634.5 has been included in FY2013 Governor's budget.	0.0	0.0	1,634.5	0.0	1027 International Airport Revenue Fund	1,634.5
61	51	1	5 22	Transportation and Public Facilities	AIA Field and Equipment Maintenance	Property Maintenance for Kulis Air National Guard Base In September 2011, the Anchorage Airport acquired the management of the Kulis Air National Guard Base property back from the U.S. Department of Defense. The acquisition includes approximately 130 acres of land, sidewalks, parking lots and access roads which are now the responsibility of the Anchorage Airport. An increment of \$450.0 (IARF) is included in the Governor's FY2013 budget.	0.0	0.0	375.0	0.0	1027 International Airport Revenue Fund	375.0
62	52	1	5 28	University of Alaska	Anchorage Campus	Federal Receipt Authority for Pell Grants Additional federal receipt authority is needed to accommodate the increases in Pell grant activity. A related FY2013 budget amendment is also being considered.	0.0	0.0	0.0	5,000.0	1002 Federal Receipts	5,000.0
	53	2	5 29	Funding Summary - Operating Numbers		Sets out the funding by agency for the appropriations in Section 1.	26,613.3	(2,350.6)	3,701.0	7,126.3		35,090.0

FY2012 SUPPLEMENTAL REQUESTS

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63	3	7	32	Commerce	Capital	Inter-Island Ferry Authority Named recipient grant to maintain transportation service between Ketchikan and Prince of Wales Island for the rest of FY2012.	250.0	0.0	0.0	0.0	1004 General Fund	250.0
64	3	8	7	Corrections	Capital	Bethel - Yukon-Kuskokwim Correctional Center Dorm Renovation Project This project is necessary to replace capital funding that was redirected from other projects to address an emergency with overcrowding at Yukon-Kuskokwim Correctional Center (YKCC). The YKCC Dorm Renovation Project adds 28 additional bunks, increasing the offender housing capacity to 193.	1,284.5	0.0	0.0	0.0	1004 General Fund	1,284.5
66	3	8	13	Military and Veterans Affairs	Capital	Move and Renovate STARBASE Building Active Air Force has a building they are willing to donate to the STARBASE program if it is moved from its current location.	195.0	0.0	0.0	0.0	1004 General Fund	195.0
67	3	8	18	Natural Resources	Capital	Exxon Valdez Oil Spill - Parcel Purchase on Kenai River Mile 11 Purchase 52 acres on the Kenai River located at River Mile 11 to provide public access and a safe boat launch.	0.0	0.0	1,100.0	0.0	1012 EVOSS	1,100.0
69	3	8	20	Natural Resources	Capital	Whittier Landslide-Tsunami Hazard Analysis A large bedrock fracture above the north shore of the Passage Canal fiord near Whittier has been identified. Funds will be used to determine, as soon as possible, the extent and potential instability of the steep slope opposite Whittier along Passage Canal. Work will begin as soon as snow and weather conditions permit.	150.0	0.0	0.0	0.0	1004 General Fund	150.0
71	3	8	25	Transportation and Public Facilities	Capital	Alaska Marine Highway System - Cordova Dock Emergency Repairs The existing float system of the Cordova Dock needed emergency repairs in the fall of 2011.	1,200.0	0.0	0.0	0.0	1004 General Fund	1,200.0
73	3	8	27	Transportation and Public Facilities	Capital	Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation Vessel and terminal overhaul and rehabilitation is primarily used to meet and maintain United States Coast Guard requirements and obtain Certificates of Inspection (COI) necessary to operate the vessels. Total spending this year is slightly higher than previous years due to the one-time \$1.2M propeller shaft strut replacement work required by the Malaspina in order to clear a pending CG-835 No-Sail order which was about to expire.	5,455.0	0.0	0.0	0.0	1004 General Fund	5,455.0
75	3	8	30	Transportation and Public Facilities	Capital	Chugiak - Pedestrian Safety Improvements This project will provide funding to mitigate hazardous pedestrian walkway conditions in Chugiak.	250.0	0.0	0.0	0.0	1004 General Fund	250.0
76	3	8	32	Transportation and Public Facilities	Capital	Petersburg - Dry (Un-Heated) Storage Building Replacement During a high wind event in September of 2011, the antiquated dry storage shed sustained damages that have rendered the building unusable. The building was condemned by the Petersburg Maintenance and Operations Foreman and subsequently razed. The funding requested is to replace the structure with a new 60 x 40 square foot building.	400.0	0.0	0.0	0.0	1004 General Fund	201.1
77	3	9	4	Transportation and Public Facilities	Capital	Emergency Repairs - Appropriation Level	201.1	0.0	0.0	0.0	1004 General Fund	201.1
78	3	9	5	Transportation and Public Facilities	Capital	Dyea Road Washout Emergency Repair On August 28, 2009 the Alaska DOT Maintenance Foreman at the Skagway Station alerted the department of erosion problems occurring along our Dyea Road adjacent to Taiya River. The area has been repaired several times over the years including this past year.	25.8	0.0	0.0	0.0	1004 General Fund	25.8

FY2012 SUPPLEMENTAL REQUESTS

	Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds
76 79	65	3	9	7	Transportation and Public Facilities	Capital Haines Highway Milepost 19 - 23 Rock Slide Emergency Repairs On September 6, 2011 a rock slide deposited approximately 15,000 yards of rock and debris on the Haines Highway at mile post (MP) 19. The heavy rains on September 6 also caused a smaller rock slide at MP 23 of the Haines Highway.	150.3	0.0	0.0	0.0	1004 General Fund	150.3
80	66	3	9	9	Transportation and Public Facilities	Capital Takotna - Road Repair Funding requested is for costs associated with repair work that was performed on the Sterling-Takotna-Ophir Highway, mile post (MP) 35.5 to MP 36.5. The roadway embankment was in poor condition and did not allow for necessary supplies to be delivered to local communities, necessitating the repair of the embankment immediately.	25.0	0.0	0.0	0.0	1004 General Fund	25.0
31	67	3	9	10	Transportation and Public Facilities	Capital Airport Improvement Program - Appropriation Level	0.0	0.0	0.0	6,900.0	1002 Federal Receipts	6,900.0
32	68	3	9	11	Transportation and Public Facilities	Capital Nome - Runway 10-28 Rehabilitation This project will rehabilitate, repave and repaint the settled area on the main runway of the Nome Airport. Repair of the settled area has become a high priority safety concern. The project will advertise for construction bids in April 2012 with a schedule for completion by fall of 2012.	0.0	0.0	0.0	3,900.0	1002 Federal Receipts	3,900.0
83	69	3	9	12	Transportation and Public Facilities	Capital Unalaska - Runway Safety Area and Pavement Rehabilitation This project will construct a runway safety area, runway extension, airport lighting and drainage improvements, other minor repairs, and address poor pavement conditions at the Unalaska Airport. In order to utilize the upcoming construction season and not have to wait another 12 months, authorization is needed before July 1.	0.0	0.0	0.0	3,000.0	1002 Federal Receipts	3,000.0
84	70	3	9	14	Transportation and Public Facilities	Capital Surface Transportation Program - Appropriation Level	0.0	0.0	0.0	2,990.0	1002 Federal Receipts	2,990.0
35	71		9	15	Transportation and Public Facilities	Capital Anchorage Metropolitan Area Transportation Solutions (AMATS) - Glenn Highway Trail Rehabilitation This project will resurface the existing Glenn Highway trail between Muldoon Road and North Birchwood Loop, construct a wayside at milepost (MP) 8.6, pave existing parking area at the westbound weigh station, replace the existing pedestrian bridge over Ship Creek (bridge #1402), construct minor realignment of the pathway at the Muldoon Interchange, and upgrade any curb ramps not meeting ADA guidelines. In order to utilize the upcoming construction season and not have to wait another 12 months, authorization is needed before July 1.	0.0	0.0	0.0	2,340.0	1002 Federal Receipts	2,340.0
36	72	3	9	18	Transportation and Public Facilities	Capital Seward Highway - Recreational Improvements This project will relocate and improve recreational vehicle (RV) facilities in Alaska State Parks along the Seward Highway in conjunction with Seward Highway improvement projects. In order to utilize the upcoming construction season and not have to wait another 12 months, authorization is needed before July 1.	0.0	0.0	0.0	650.0	1002 Federal Receipts	650.0
	73	4	9	20	Funding Summary - Capital Numbers Sets out the funding by agency for the appropriations in Section 3.		9,385.6	0.0	1,100.0	9,890.0		20,375.6
	74	5	10	7	Fund Source Summary Sets out funding by funding source for appropriations made in Sections 1 and 3		35,998.9	(2,350.6)	4,801.0	17,016.3		55,465.6
37	75	6(a)	12	1	Commerce	Capital Reappropriate the unexpended and unobligated balance of the appropriation made in sec. 4, ch. 5, FSSLA 2011, page 128, lines 29 - 32, estimated to be \$500,000, to the Alaska Energy Authority for the Battle Creek Diversion Project.	0.0	0.0	0.0	0.0		0.0

FY2012 SUPPLEMENTAL REQUESTS

	Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds
88	76	6(b)	12 7	Commerce	Capital	Reappropriate the unexpended and unobligated balance of the appropriation made in sec. 78(c), ch. 1, SSSLA 2002, page 132, lines 2 - 5, as amended by sec. 69, ch. 29, SLA 2008, page 225, lines 24 - 29, estimated to be \$8,965,000, to the Alaska Energy Authority and allocated in the following amounts: (1) \$1,000,000 for a Railbelt-wide detailed transmission line plan; (2) the balance, estimated to be \$7,965,000, for the upgrade and extension of the Anchorage to Fairbanks power transmission line intertie to a southern terminus in the Point MacKenzie area.	0.0	0.0	0.0	0.0		0.0
90	77	6(c)	12 17	Commerce	Capital	Reappropriate the unexpended and unobligated balance of the appropriation made in sec. 39(a)(4), ch. 15, SLA 2009, page 80, line 6 to new entities to replace Coastal Resource Service Area (CRSA) grantees that no longer exist for federally approved Coastal Impact Assistance Program grants.	0.0	0.0	0.0	0.0		0.0
91	78	7	13 3	Corrections	Capital	Reappropriate the unexpended and unobligated balance, not to exceed \$100,000, of the appropriation made in sec. 1, ch. 5, FSSLA 2011, page 79, lines 16-18 for the Combined Hiland Mountain Correctional Center land transfer.	0.0	0.0	0.0	0.0		
92	79	8	13 8	Education and Early Development	Commissioner's Office	Judgments and Settlements Settlement between Department of Education and Citizens for the Educational Advancement of Alaska's Children (CEAAC), related to the state's education system for the fiscal years ending June 30, 2012 through June 30, 2017.	18,000.0	0.0	0.0	0.0	1004 General Fund	18,000.0
93	80	9(a)	13 14	Law	Deputy Attorney General's Office	Judgments and Settlements Actual judgment and settlement costs received as of January 30, 2012	20,770.8	0.0	0.0	0.0	1004 General Fund	20,770.8
	81	9(b)	13 18	Law	Deputy Attorney General's Office	Judgments and Settlements Actual judgment and settlement costs incurred in the fiscal year ending June 30, 2012 but not included in the previous subsection.	0.0	0.0	0.0	0.0	1004 General Fund	0.0
94-1	82	10(a)	13 23	Military and Veterans Affairs	Army Guard Facilities Maintenance	Scope Change: Section 13, ch. 29, SLA 2008, page 151, lines 27-28 <u>Anchorage Armory Roof Replacement and G-Wing Preparation</u>	0.0	0.0	0.0	0.0	1003 General Fund Match (380.5) 1004 General Fund 380.5	0.0
94-2	83	10(b)	13 30	Military and Veterans Affairs	Army Guard Facilities Maintenance	Amend: Section 1, ch. 5, FSSLA 2011, page 88, line 21 State Match Requirement Change for Federal Energy Projects The federal/state funding ratios for armory operations in Kodiak, Ketchikan, and Kenai have changed due to federal regulations regarding funding and armory use.	7.5	0.0	0.0	(7.5)	1003 General Fund Match 1002 Federal Receipts	0.0
94-4	84	10(c)	14 4	Military and Veterans Affairs	Army Guard Facilities Maintenance	Amend: Section 4, ch. 43, SLA 2010, page 12 line 27 State Match Requirement Change for Deferred Maintenance Projects in Kodiak, Ketchikan, and Kenai The federal/state funding ratios for armory operations in Kodiak, Ketchikan, and Kenai have changed due to federal regulations regarding funding and armory use.	737.5	0.0	0.0	(737.5)	1003 General Fund Match 1002 Federal Receipts	0.0
94-5	85	11	14 9	Natural Resources	Gas Pipeline Project	Extend the lapse date for permitting and application processing related to the state gas pipeline right-of-way work related to bringing North Slope natural gas to market, made in Section 22(c), ch. 14, SLA 2009, as amended by sec. 11(c), ch. 1, FSSLA 2011, from June 30, 2012 to June 30, 2013.	0.0	0.0	0.0	0.0		0.0

FY2012 SUPPLEMENTAL REQUESTS

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94-6

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	Bill Sec.	Bill Page	Bill Line	Department	Component or Capital	Description of Supplemental Need	Unrestricted General Funds	Designated General Funds	Other Funds	Federal Funds	Fund Source	Total Funds
86	12	14	12	State Debt and Other Obligations	International Airports Revenue Bonds	Amend: Section 32(q), ch. 3, FSSLA 2011 This allows the Alaska International Airport System to restructure debt payments to include additional passenger facility charge (PFC) revenue and the International Airports Construction Fund.	0.0	0.0	0.0	0.0	1027 Int Airports Revenue Fund (13,500.0) 1112 Int Airports Construction Fund 10,000.0 1179 Passenger Facility Charges 3,500.0	0.0
87	13	14	27	Fund Capitalization	Disaster Relief Fund	Supplemental Disaster Funding Current disasters are expected to exhaust the available general funds in the Disaster Relief Fund. In addition to fall and winter storms, traditionally there are springs floods that have been eligible for expenditures from the Disaster Relief Fund. The impact of this supplemental request is being considered for a FY2013 budget amendment.	3,000.0	0.0	0.0	0.0	1004 General Fund	3,000.0
88	14	14	29	Ratifications (see below)		(See below)						0.0
89	15	15	9	Budget Reserve Fund		The unobligated balance of the operating general fund at the close of business on June 30, 2012, is appropriated to the Budget Reserve Fund.						0.0
90	16(a)	15	12	Lapse of Appropriations		The appropriations made by secs. 6, 7, and 10 of this Act are for capital projects and lapse under AS 37.25.020.						0.0
91	16(b)	15	14	Lapse of Appropriations		The appropriations made by secs. 13 and 15 of this Act are for the capitalization of funds and do not lapse.						
92	17	15	16	Retroactivity		Section 14(b) of this Act is retroactive to June 30, 2011.						0.0
93	18	15	17	Effective Date		This Act take effect April 15, 2012						
94	Total of Supplemental Requests						78,514.7	(2,350.6)	4,801.0	16,271.3		97,236.4
95												
96	IFICATIONS					AR and AR Name						
97	14(a)	14	29	Natural Resources	Fire Suppression Activity	AR 37313-11 Fire General Fund	36,388.9					36,388.9
98	14(b)(1)	15	7	Public Safety	Statewide Facility Maintenance	AR 47410-11 Statewide Facility Maintenance	152.1					152.1
99	14(b)(2)	15	8	Public Safety	Laboratory Services	AR 47892-11 Crime Lab Toxicology Unbudgeted RSA	2.2					2.2

SECTION 1

OPERATING

Change Record Detail with Description

Department of Administration

Scenario: FY2012 Supplemental (9721)
 Component: Office of Public Advocacy (43)
 RDU: Legal and Advocacy Services (11)
 Title: Operational Costs for Caseload Increases

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	800.0	0.0	0.0	800.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		800.0										

The Office of Public Advocacy (OPA) is requesting a supplemental in the amount of \$800.0 general funds. Increasing caseloads resulting in higher costs indicate a need for additional funding to meet FY2012 obligations. Projections are based upon actual expenditures for the first half of FY2012 and comparisons to prior year expenditures. In FY2011, OPA received a supplemental in the amount of \$900.0.

In FY2011 OPA experienced an overall 3.85% caseload increase, in addition to the 24% increase over the past two years in case assignments. In certain geographic areas and with certain case types, caseload increases were particularly acute. Statistically in FY2011, there was a 17.3% increase in parental representation (56% over two years). The Mat-Su Borough experienced a 25.5% increase in child protection cases (59.8% over two years). This case growth has strained the agency's child advocacy and parental representation services in that area.

Additionally, in FY2011, the agency experienced a 7.0% increase in its guardianship caseload and is projecting additional increases in the future. For FY2011, there was an increase of 13.7% in court visitor assignments (OPA is appointed as the court visitor in every guardianship and conservatorship matter and cannot decline appointment in these cases). In the past two years, the number of conflict criminal cases from the Public Defender is up 35%. Staff and contract respondent representation (cases assigned to contractors due to internal conflicts of interest) for OPA increased by 16% and overall respondent representation cases (contractor and staff) increased 14%. Many of these cases carried forward into FY2012.

This increase is necessary to ensure that OPA meets its performance results of ensuring that public guardian clients receive all of the services that OPA is statutorily obligated to provide, including benefits and shelter; that children's best interests are represented at all stages of Child-in-Need of Aid proceedings, and that OPA may continue to efficiently handle conflict cases from the Public Defender Agency.

The impact of this supplemental request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Administration

Scenario: FY2012 Supplemental (9721)
Component: Public Defender Agency (1631)
RDU: Legal and Advocacy Services (11)
Title: Operational Costs for Caseload Increases

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	1,000.0	400.0	25.0	530.0	0.0	45.0	0.0	0.0	0	0	0
1004 Gen Fund	1,000.0											

In FY2011 there was a \$300.0 budget shortfall, which was received as a supplemental appropriation. A budget shortfall for FY2012 of approximately \$1,000.0 is anticipated, which is broken down in the following categories:

- Personal services: \$400.0
- Lease improvements: \$175.0
- Lease cost and chargeback increases: \$150.0
- Variable litigation expenses: \$230.0
- Computer replacement: \$45.0

The anticipated personal services shortfall results from a budgeted vacancy rate of 5.73% and a predicted vacancy rate of 2.73%. This includes a one-time \$125.0 for Kotzebue office new lease remodel and \$50.0 for other anticipated but unbudgeted maintenance upgrades. Variable litigation costs \$230.0 include travel, expert witness, discovery, archiving, transcription, and contract attorney costs. Contract attorney expenses will be applied to the backlog in appellate matters. This accounts for the majority of the anticipated shortfall in variable litigation expenses; there are also modest increases for all other categories combined which have been essentially flat for FY2009-FY2011. Unbudgeted computer replacement cost are expected to be \$45.0

The impact of this supplemental request is being considered for a FY2013 budget amendment.

Change Record Detail with Description

Department of Commerce, Community, and Economic Development

Scenario: FY2012 Supplemental (9721)

Component: Alaska Industrial Development and Export Authority (1234)

RDU: Alaska Industrial Development and Export Authority (125)

Title: Increased Costs for Financing Tools

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0
1102 AIDEA Rcp	150.0											

Alaska Industrial Development and Export Authority (AIDEA) is requesting supplemental funding for the increased cost of developing financing tools for major economic development infrastructure (industrial roads and ports) to support natural resource development in Alaska. Both the Administration and Legislature have placed a high priority on providing support for such projects where appropriate in order to create jobs and diversify the economy. AIDEA is requesting these additional funds to cover the contractual costs of identifying and developing new financing tools to finance intermodal transportation systems and large infrastructure projects. These efforts are focused on reducing total project costs in order to make these vital resource development projects feasible.

These funds will allow AIDEA to complete the project in the current fiscal year.

This request is a one-time item.

Change Record Detail with Description

Department of Commerce, Community, and Economic Development

Scenario: FY2012 Supplemental (9721)

Component: Corporations, Business and Professional Licensing (2360)

RDU: Corporations, Business and Professional Licensing (117)

Title: Support for Board and Commission Members

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	244.6	0.0	244.6	0.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs	244.6											

This supplemental request will allow Professional Boards and Commissions to achieve the goal of staying current on issues and trends impacting their profession. Licensing statutes require boards to maintain standards for entry and continuance of qualified professionals that serve the public. Board members volunteer their time and talents in service to Alaskans and their professions. Necessary to fulfillment of each board's mission is staying abreast of issues, trends, and policies important to the continuance of quality licensing standards. Board members gain access to today's information affecting their professions through national associations and conferences dedicated to the advancement of these professions.

Attendance at these meetings is important if Alaska is to maintain licensing programs current with today's national trends and standards. It is also important for Alaska's board members to engage in the association's national dialogue as not all trends, rules, and model legislation coming from these associations fit Alaska. Board members receive valuable information as well as give valuable input into emerging professional issues that can only be delivered through actual attendance and participation.

Estimated FY2012 travel costs are \$551.0; the current FY2012 authorization is \$306.4. Without this supplemental, the division will be unable to approve the Boards' and Commissions' travel requests.

Professional licensing fees are designed to support activities of the board and cover the costs of licensing professionals. Each board determines the activities, travel and training necessary to effectively conduct their work.

A \$244.6 increment is in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Commerce, Community, and Economic Development

Scenario: FY2012 Supplemental (9721)

Component: Corporations, Business and Professional Licensing (2360)

RDU: Corporations, Business and Professional Licensing (117)

Title: Business Licensing and Corporations Indirect Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm	250.0											

This request will correct an audit finding regarding indirect cost recovery. Under historical practices, the Professional Licensing program has covered the indirect costs associated with the Business Licensing and Corporations program. This transaction provides authority for these costs to be covered by the appropriate program and funding source. If this increment is not approved then the Business License and Corporations program will not have sufficient authorization to pay their costs.

An increment is in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Commerce, Community, and Economic Development

Scenario: FY2012 Supplemental (9721)

Component: Corporations, Business and Professional Licensing (2360)

RDU: Corporations, Business and Professional Licensing (117)

Title: Adjustment for Licensing Fees

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		3,439.8										
1156 Rcpt Svcs		-3,439.8										

Fund source change from professional licensing receipts (receipt supported services) to the general fund, to reimburse the professions for historical indirect cost overpayments that were associated with the Business License and Corporations programs.

If this increment is not approved, then the professions will have a lower revenue balance than should have been credited to them and this will ultimately increase future fee levels.

This is a one-time item.

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Change Record Detail with Description

Department of Commerce, Community, and Economic Development

Scenario: FY2012 Supplemental (9721)

Component: Corporations, Business and Professional Licensing (2360)

RDU: Corporations, Business and Professional Licensing (117)

Title: Implementation of Audit Recommendations

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
1156 Rcpt Svcs	250.0											

This supplemental request is needed for Corporations, Business and Professional Licensing to address audit findings on cost allocations to division programs and for remediation of the investigations system. Some of the audit findings to be addressed include cost of service plan to allocate amongst the division's programs, develop fee methodology and remediation of investigation system.

This is a one-time item.

Change Record Detail with Description

Department of Corrections

Scenario: FY2012 Supplemental (9721)
Component: Inmate Transportation (1015)
RDU: Population Management (550)
Title: Increased Inmate Transportation Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	867.4	429.4	0.0	438.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		867.4										

The Department of Corrections has experienced an increase in costs within the Inmate Transportation Unit due to in-state and out-of-state prisoner transports associated with population management. The average daily in-state offender population from July 1, 2011 through December 31, 2011 was 3,851 with an additional 1,050 offenders housed out-of-state. The maximum capacity of the in-state institutions is 3,840. The average daily population continually exceeds the maximum capacity, creating the need for offenders to be transported between facilities in order to manage the inmate population.

\$429.4 will meet the personal services costs for Correctional Officers assigned to prisoner transports. This amount is based on current FY2012 expenditures to date of \$737.2 and an additional \$784.0 projected expenditures for a total of \$1,521.2, leaving a shortfall within personal services of \$429.4.

\$160.0 will meet additional out-of-state transport in FY2012 for offenders being housed at the Hudson Correctional Facility in Hudson, Colorado. Additional transport is needed because the department had to change from the regular practice of sending offenders with long sentences to sending inmates with less than one year to serve out-of-state as well, due to the increased in-state offender population.

\$278.0 will meet other projected in-state transportation costs of offenders between institutional facilities for population management. This is based on the current population transportation needs.

With the opening of Goose Creek Correctional Center, this increase in inmate transportation costs should not be an issue in FY2013.

This is a one-time item.

Change Record Detail with Description
Department of Corrections

Scenario: FY2012 Supplemental (9721)
 Component: Community Jails (2035)
 RDU: Population Management (550)
 Title: Community Jails Funding

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	600.0	0.0	0.0	600.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	600.0											

Additional funding is needed to cover the State's projected costs for operating the 15 community jails. The Department of Corrections (DOC) received financial reports from the communities and determined the original estimates for FY2012 were not sufficient. DOC allocated funding based on reported financial data and each community was funded at approximately 95.7% of their costs to operate.

This request funds the remaining 4.3% needed for FY2012. DOC is analyzing financial data from the community jails and evaluating a methodology to simplify and adequately cover the 15 community jails participating in the program.

The impact of this request is being considered for a FY2013 budget amendment.

HISTORY:

DOC received a two-year appropriation of \$45.0 through the FY2008 supplemental process to fund a community jails cost allocation analysis in an effort to promote funding equity among communities where their jail holds an offender who violated state law. This process follows the recommendations of a FY2007 legislative audit.

After an unsuccessful cost allocation analysis performed under a professional services contract in FY2009, DOC tasked its new internal auditor with a full-scale analysis of the community jail program and developing an equitable funding methodology for participating communities. At this time, DOC has identified the various types of activities and costs associated with operating the community jails. DOC has analyzed the total costs related to the last three fiscal years to determine annual fiscal year costs expended by the communities to operate the community jail and is working on a cost allocation methodology in response to the audit recommendations.

Numbers Only

Change Record Detail with Description
Department of Education and Early Development

Scenario: FY2012 Supplemental (9721)

Component: Student and School Achievement (2796)

RDU: Teaching and Learning Support (56)

Title: Comprehensive System of Student Assessments Contractual Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT PPT NP		
	Suppl	1,000.0	0.0	0.0	1,000.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	1,000.0											

Change Record Detail with Description
Department of Education and Early Development

Scenario: FY2012 Supplemental (9721)

Component: Student and School Achievement (2796)

RDU: Teaching and Learning Support (56)

Title: Comprehensive System of Student Assessments Contractual Costs

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP

The Teaching and Learning Support, Student and School Achievement component is projecting a \$1.0 million shortfall due to the increasing cost of the Comprehensive System of Student Assessments (CSSA). The Department of Education and Early Development (DEED) does not receive annual budget increases to cover these costs and must clearly articulate the need during the budget development process within the context of competing priorities for funding.

The largest contractor supporting the High School Graduation Qualifying Examination (HSGQE) and the Standards Based Assessments negotiated in good faith to provide the necessary services to the state to maintain the CSSA. Assessment cost projections included increases of approximately \$250.0 per year and the request for an increase needed to be included in each annual budget cycle to maintain the system. FY2012 is the second year in which DEED did not receive additional resources for this specific requirement. (\$500.0)

FY2012 is also the first year for the execution of the World-Class Instructional Design and Assessment (WIDA) Consortium Memorandum of Understanding (MOU) to develop Pre-Kindergarten-12 English Language Proficiency Standards for English Language Learners and implement the standards based assessment for this subset. The WIDA Consortium, which is a multi-state coalition of state departments of education, provides Alaska with a research based system which would cost the state much more if the system were developed from scratch, and commercial off the shelf products are not available for this type of program. Alaska has one of the highest percentages of English Language Learners (ELL) among states. For grade 4 reading, Alaska's ELL percentage of 13% places it among the top ten states for ELL percentages and slightly above the national average of 11%. For grade 8, Alaska's ELL percentage of 10% ties it with New Mexico and Nevada; only California, with an ELL percentage of 17%, ranks higher for eighth grade. During the FY2012 budget development cycle, the cost of this system was not built into the budget request. (\$488.0)

Using FY2010 as the base year and considering all test contracts, the overall costs of the assessments has increased by \$1.1 million for the current fiscal year. Both state and federal funding has remained flat over the same time frame for the assessments. With austerity measures implemented such as leaving eight positions vacant, the most recent personal services projections verify a shortfall of over \$1.0 million for FY2012. The department has taken further action by reducing the scope of work in the primary contract to assist in the effort to find savings this year but the impact of the reduction in services will not significantly reduce the supplemental need.

As articulated in the Moore v. State decision and order, the State must meet the requirements of providing an education system to satisfy the Alaska constitutional mandate. Aside from funding, the basic constitutional floor of meeting this requirement includes standards and assessments. Without a valid, reliable and legally defensible assessment system, the State will not be able to meet the basic requirements of the constitutional floor. In terms of results based budgeting, the CSSA is at the core of measuring the success of the State's education system.

The FY2013 Governor's budget includes increased funding of \$750.0 for modified contractual support for the CSSA function of the state's education system.

Numbers Only

Change Record Detail with Description
Department of Education and Early Development

Scenario: FY2012 Supplemental (9721)

Component: Student and School Achievement (2796)

RDU: Teaching and Learning Support (56)

Title: Comprehensive System of Student Assessments Contractual Costs

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)

Component: Medical Assistance Administration (242)

RDU: Health Care Services (485)

Title: Continued Work on Health Insurance Portability and Accountability Act (HIPAA) Version 5010 Project

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	800.0	0.0	0.0	800.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	720.0											
1003 G/F Match	80.0											

Initial FY2012 funding of \$8,600.0 for the Health Insurance Portability and Accountability Act (HIPAA) version 5010 transactions and code sets project is not sufficient to meet implementation deadlines mandated by the Centers for Medicare and Medicaid (CMS). Year-to-date expenditures are \$3,674.1 and projected FY2012 expenditures are \$5,725.9, leaving an \$800.0 projected shortfall.

The \$800.0 shortfall occurred because insufficient funding was requested for the initial capital appropriation. Funds are needed to ensure continued work on the HIPAA 5010 project to meet targeted implementation deadlines.

This is a one-time item.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)
Component: McLaughlin Youth Center (264)
RDU: Juvenile Justice (319)
Title: Increased Medical Costs for Juvenile Justice System Youth

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	627.5	0.0	0.0	251.3	0.0	0.0	376.2	0.0	0	0	0
1004 Gen Fund		627.5										

The Division is statutorily required to provide necessary medical services to clients who are housed in Juvenile Justice facilities (AS 47.12.150, AS 47.14.020). This request is to pay for anticipated medical costs above and beyond the budgeted amount in several of our youth facility components. Projecting potential necessary medical service costs is challenging as the needs vary from year to year and are dependent on the clients' needs.

If the Division does not receive supplemental funding, funding from other programs (probation services, community programs, or youth courts) will have to be redirected because of the statutory requirement to provide these medical services. The Division is working with other agencies and the department's medical authority to see if we can realize cost savings in future years by receiving preferred rates for services and finding ways to reduce the cost for pharmaceuticals.

These funds are being requested in the McLaughlin Youth Center component, but it is anticipated that actual funds received will be allocated as follows, via revised programs:

- McLaughlin Youth Center - \$450.0
- Mat-Su Youth Facility - \$36.0
- Kenai Peninsula Youth Facility - \$16.0
- Fairbanks Youth Facility - \$63.0
- Bethel Youth Facility - \$38.5
- Ketchikan Regional Youth Facility - \$24.0

Total - \$627.5

This is projected to be a one-time item.

Change Record Detail with Description

Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)

Component: Alaska Temporary Assistance Program (220)

RDU: Public Assistance (73)

Title: ARRA Emergency Funding for Temporary Assistance for the Needy Families (TANF) Program

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	1,100.6	0.0	0.0	0.0	0.0	0.0	1,100.6	0.0	0	0	0
1212 Fed ARRA	1,100.6											

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)
Component: Alaska Temporary Assistance Program (220)
RDU: Public Assistance (73)
Title: ARRA Emergency Funding for Temporary Assistance for the Needy Families (TANF) Program

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP

The Division of Public Assistance (DPA) component is requesting \$1,100.6 federal Economic Stimulus (ARRA) funds for the Alaska Temporary Assistance Program (ATAP), or Alaska's Temporary Assistance for Needy Families (TANF) program. There is no state match requirement.

The American Recovery Reinvestment Act of 2009 (ARRA) established the Emergency Contingent Fund for State TANF programs. These federal Emergency Funds are available to states that have experienced an increase in their TANF caseloads and expenditures for basic assistance in FFY2009 or FFY2010. TANF Emergency Funds are intended to build on and renew the principles of work and responsibility that are the basis for welfare reform, by providing resources to support work and families during this difficult economic period. Uses of the Emergency Funds are limited to allowable activities and services, and benefits that fall under the purposes of TANF.

This is a new request for FY2012. ARRA funds for ATAP were previously considered and appropriated by the Legislative Budget and Audit Committee (LB&A) in June 2010.

DPA had previously applied for TANF Emergency Contingency funds and Alaska qualified. As a result of the increase in the number of families receiving assistance in FY2010, Alaska has received additional federal revenues which require additional ARRA authority. These funds will be utilized in the close out quarter of FFY2011, which is the quarter ending 12/31/11 -- 4th quarter of state FY2012.

Authority to receive the TANF Emergency Funds was not included in the FY2012 Governor's budget because until recently, the exact award amount Alaska would receive based on the increase in ATAP expenditures was unknown. The amount of TANF funding a state may qualify to receive is determined by comparing each quarter of expenditures in FFY2009 and FFY2010 to the same quarter in either of two base years, FFY2007 or FFY2008. The number of families receiving ATAP began to increase in FY2009, the first increase in the caseload since the program began in July 1997. In FY2010, the number of families receiving ATAP increased overall by approximately 5% compared to FY2009.

Approval of this federal authorization will allow the division to provide increased services and supports to families in FY2012. The division plans to invest these TANF Emergency funds in work and job readiness activities and opportunities for engagement in work activities. Particular efforts will be focused on families with two parents who must participate in work activities at a higher level in order to meet federal work requirements of the TANF block grant. The Emergency Funds allow the division to preserve "base" TANF Block Grant funds that would otherwise be spent for work services. Increased services that promote improved work participation by this group of families will help the Alaska avoid federal financial penalties. If this request is delayed or denied, DPA will not be able to invest additional federal funding available during the difficult economic period to enhance services and supports that help TANF-eligible Alaskans become self-supporting and reduce their need for public assistance benefits.

This is a one-time request.

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)
 Component: Adult Public Assistance (222)
 RDU: Public Assistance (73)
 Title: Adult Public Assistance Caseload Growth

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	2,600.0	0.0	0.0	0.0	0.0	0.0	2,600.0	0.0	0	0	0
1004 Gen Fund		2,600.0										

Enrollment in the Adult Public Assistance Program (APA) is increasing, particularly in the Aid to the Disabled & Blind category. This growth is similar to that experienced by the Supplemental Security Income (SSI) program in Alaska. Both the APA and SSI programs have seen a 4% increase in the recipients who are disabled or blind. Based on demographic trends for Alaska, it is anticipated that the senior population will also increase in coming years and as a result, expenditures for the program are expected to continue to increase. Overall, the number of individuals served by the program is expected to rise by over 5% a year. Current funding levels are inadequate to meet projected FY2012 expenditures. The division requests a \$2,600.0 general fund supplemental appropriation in order to meet enrollment growth.

If this supplemental is not funded, the Adult Public Assistance Program will not be able to provide benefits to the full population meeting the eligibility requirements for the program. Without increased funds, some needy elderly, blind, and disabled persons will not receive benefits.

A \$6,075.0 increment is included in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)

Component: Energy Assistance Program (226)

RDU: Public Assistance (73)

Title: Low Income Home Energy Assistance Program (LIHEAP) and Alaska Affordable Heating Program for the State

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	928.7	0.0	0.0	0.0	0.0	0.0	928.7	0.0	0	0	0

1004 Gen Fund 928.7

FY2012 authority - \$6,190.8 federal LIHEAP award
 \$4,627.0 GF contingency for LIHEAP
 \$2,983.45 Alaska Affordable Heating Program GF
 \$1,314.8 federal carryover from last quarter of FFY2011
 \$4,450.5 additional federal award
 \$19,566.5 TOTAL revenue

FY2012 projected need based on projected Alaska Affordable Heating Program (\$1,960.6), LIHEAP (\$18,534.6) -- \$20,495.2

FY2012 projected supplemental = \$20,495.2 projected need - \$19,566.5 projected revenue = \$928.7 supplemental request

A FY2013 budget amendment is being considered.

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)

Component: Energy Assistance Program (226)

RDU: Public Assistance (73)

Title: Low Income Home Energy Assistance Program (LIHEAP) and Alaska Affordable Heating Program for Tribes

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	1,691.6	0.0	0.0	0.0	0.0	0.0	1,691.6	0.0	0	0	0

1004 Gen Fund 1,691.6

FY2012 authority - \$4,148.2 federal LIHEAP award to Tribes + Cook Inlet Tribal Corporation
 \$3,373.0 GF contingency for LIHEAP
 \$2,043.5 Alaska Affordable Heating Program GF
 \$9,564.7 TOTAL revenue

FY2012 projected need based on projected Alaska Affordable Heating Program (\$2,043.5), Tribe Transfers (\$5,064.6), LIHEAP to Tribes (\$4,148.2) -- \$11,256.3

FY2012 projected supplemental = \$11,256.3 projected need - \$9,564.7 projected revenue = \$1,691.6 supplemental request

A FY2013 budget amendment is being considered.

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)
Component: Women, Children and Family Health (2788)
RDU: Public Health (502)
Title: Increased Demand for Newborn Screening

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	350.0	0.0	0.0	350.0	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm	350.0											

Due to increasing demand for specialty clinics - specifically the procedures involved in the screening of newborns - the Women, Children and Family Health component requests a revenue increase in general fund program receipts (GFPR). Word is spreading and more families are taking advantage of the program.

Specialty clinics ensure access to care for families with children with special health needs from across the state. These specialty clinics include newborn hearing and autism screening, genetics, metabolic genetics, and cleft lip/palate.

Women, Children and Family Health component has \$850.0 in GFPR authority in FY2012; they have already collected over \$600.0 and are only half way through the fiscal year. This supplemental request will allow Women, Children and Family Health to maximize the revenue generated by these clinics.

A FY2013 budget amendment is being considered.

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)

Component: Chronic Disease Prevention and Health Promotion (2818)

RDU: Public Health (502)

Title: Reinstate American Recovery and Reinvestment Act (ARRA) Authority, Tobacco, Obesity and Diabetes Programs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	140.0	0.0	0.0	140.0	0.0	0.0	0.0	0.0	0	0	0

1212 Fed ARRA 140.0

As part of the FY2012 budget process, the Division of Public Health requested a decrement to American Recovery and Reinvestment Act (ARRA) revenue authority due to the expected federal withdrawal of this funding in the Chronic Disease Prevention and Health Promotion (CDPHP) component. However, the federal government then decided to restore the funding through FY2012 only, leaving the component without the revenue authority to collect the federal funding.

CDPHP needs this supplemental authority in order to maximize the collection of this federal revenue related to tobacco, obesity and diabetes programs.

This is a one-time item.

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)
 Component: Epidemiology (296)
 RDU: Public Health (502)

Title: Reinstate American Recovery and Reinvestment Act (ARRA) Authority, Health Assessments and Children's Immunizations

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	30.0	0.0	0.0	30.0	0.0	0.0	0.0	0.0	0	0	0
1212 Fed ARRA		30.0										

As part of the FY2012 budget process, the Division of Public Health requested a decrement to American Recovery and Reinvestment Act (ARRA) revenue authority due to the expected federal withdrawal of this funding in the Epidemiology (EPI) component. However, the federal government then decided to restore the funding through FY2012 only, leaving the component without the revenue authority to collect the federal funding.

EPI needs this supplemental authority in order to maximize the collection of this federal revenue, related to health assessments and children's immunizations.

This is a one-time item.

Change Record Detail with Description
Department of Health and Social Services

Scenario: FY2012 Supplemental (9721)

Component: Senior and Disabilities Services Administration (2663)

RDU: Senior and Disabilities Services (487)

Title: Third Party Review of Home and Community Based Medicaid Waiver Denials

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	250.0	0.0	0.0	250.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	250.0											

The Division of Senior and Disabilities Services requests \$250.0 in federal receipt authority for use in the review of eligibility decisions that remove recipients from one of the four Centers for Medicare and Medicaid Services (CMS) approved waivers that the division operates. The waiver programs provide services in communities and in lieu of care in an institution. The four waivers are: The Adults with Physical Disabilities waiver; Child with Complex Medical Conditions waiver; Intellectual and Developmental Disabilities waiver; and the Older Alaskans waiver.

Eligibility for waiver programs requires the applicant have an assessment and meet a required level of care (LOC). Making timely eligibility decisions and removing recipients from services when they are determined to no longer meet LOC eligibility requirements is one of the assurances that the state has made with CMS and is required under AS 47.07.045. In FY2012 the Division was granted a one-time federal award to contract with an independent qualified health care professional to conduct a third party review of decisions made to remove recipients from services when they no longer meet eligibility qualifications. This contract is funded with 100% federal funds. SDS does not have sufficient federal receipt authority within its existing funding levels to cover the additional federal award and anticipates the need for an additional \$250,0 in federal receipt authority.

Failure to fund this request will require the Division to reduce the number of Level of Care denials reviewed in FY2012 46%, from 350 to approximately 190.

This is a one-time item.

Change Record Detail with Description
Department of Labor and Workforce Development

Scenario: FY2012 Supplemental (9721)

Component: Workers' Compensation Benefits Guaranty Fund (2820)

RDU: Workers' Compensation (112)

Title: Increase Workers' Compensation Benefits Guaranty Fund Authority due to Increased Legal Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	168.0	0.0	0.0	168.0	0.0	0.0	0.0	0.0	0	0	0
1203 WCBG Fur		168.0										

An increase in Workers' Compensation Benefit Guaranty Fund authorization is required to support the component's legal representation provided by the Department of Law. The recent legal decision, Charles West v State of Alaska, Benefit Guaranty Fund (Decision No. 145, January 20, 2011), has resulted in an increase in the number of claims requiring legal representation for the Fund. Prior to 2011, it was the Fund's position that it was not required to pay the legal costs of an injured worker's attorney. Accordingly, it was rare that an attorney would be involved in a claim involving the Fund. In West, the Workers' Compensation Appeals Commission ruled that the Fund must pay legal costs of the injured worker. As a result of the West decision, the Fund has experienced a dramatic increase in the number of claims filed by attorneys. Once an attorney becomes involved in a case the Fund seeks legal representation from the Department of Law. Bringing claimant attorneys into the claim mix has dramatically increased the Fund's liability exposure, necessitating adequate legal representation by the Fund.

The impact of this supplemental request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Labor and Workforce Development

Scenario: FY2012 Supplemental (9721)

Component: Alaska Vocational Technical Center (2686)

RDU: Alaska Vocational Technical Center (578)

Title: Replace Unrealized Program Receipts

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	250.0											
1005 GF/Prgm	-250.0											

This request replaces unrealizable general fund program receipts with unrestricted general funds to support increased operating expenses for existing programs in Alaska Vocational Technical Education Center (AVTEC). AVTEC's expenses have grown considerably due to the higher cost of goods and services.

Increased costs include: personal services, costs of metals and gasses for welding programs, the cost of food to serve more than 300,000 meals annually to resident students, utility and fuel increases, as well as the cost of consumable supplies and equipment to support training activities. Despite AVTEC management's successful efforts to generate other funds through negotiating reimbursable service agreements, soliciting donations, and securing federal and other grants, AVTEC has been unable to keep up with the rising costs of doing business to maintain high quality and relevant technical training to support Alaska's employers.

If this request is not approved, AVTEC will be unable to continue existing program offerings and there will be less Alaskans qualified to meet industry demand.

This \$250.0 fund change is included in the FY2013 Governor's budget.

Change Record Detail with Description
 Department of Law

Scenario: FY2012 Supplemental (9721)
 Component: Oil, Gas and Mining (2091)
 RDU: Civil Division (35)
 Title: Oil and Gas Outside Counsel

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	3,116.0	0.0	0.0	3,116.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	3,116.0											

Change Record Detail with Description

Department of Law

Scenario: FY2012 Supplemental (9721)
Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)
Title: Oil and Gas Outside Counsel

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP

The Oil, Gas and Mining section requests supplemental funding to continue services of outside counsel. The majority of the additional funding request is attributable to three types of cases:

Tariff Proceedings: Strategic Reconfigurations - \$6,300.0
 TAPS Property Tax Proceedings - \$1,056.0 (\$1,206.0 less \$150.0 funded by DNR)
 Oil & Gas Royalty Issues - \$1,250.0

With the above three cases and other costs estimated to be \$810.0, the total projected expenditures for oil and gas outside counsel is \$9,416.0. With an operating budget of \$5,000.0 and \$1,300.0 available in capital funding, for a total budget of \$6,300.0, the division is anticipating a \$3,116.0 shortfall for FY2012. The budget for FY2013 includes \$6,150.0 for anticipated caseload based on what the department knows today.

Each of the three major cases is discussed in more detail below:

Strategic Reconfigurations (Projected FY2012 costs - \$6,300.0): Increased litigation costs related to the state's objection to inclusion of imprudently incurred strategic reconfiguration costs in the Trans-Alaska Pipeline System (TAPS) tariff is the biggest driver of the shortfall. The litigation arises from protests that the state filed from 2005 through the current tariff. In 2003, the TAPS owners approved the Strategic Reconfiguration Project, an 18-month, \$250 million capital construction project to replace and update certain TAPS facilities. More than eight years later, the project is still not complete. Estimates for the cost of completion exceed \$800 million, over three times the original budget.

This case was bi-furcated into an initial eight-week hearing which began October 31, 2011 and with scheduled breaks, is likely to end around the middle of January 2012. The second phase, estimated to last an additional four to five weeks, has not yet been scheduled but it is believed that it will start sometime in July 2012. The increase in the state's litigation cost is due, in part, to the length and location of the hearings. The Federal Energy Regulatory Commission and the Regulatory Commission of Alaska decided to break up the consolidated eight-week hearing between Anchorage and Washington D.C. The hearings were held first in Anchorage for three weeks in November, then moved to Washington D.C. for another three weeks in December, and will conclude in January with an additional week or two in Washington D.C.

The hearings and all pre- and post-hearing deadlines are set by Orders by the FERC and RCA administrative law judges. The schedule lengthened primarily due to the Owners' expansion of their defense case -- last year's budget estimate was based on the Owners' representations at that time that they would call 12 witnesses, but they filed testimony of 19 witnesses, who are primarily independent expert witnesses. The state needed to retain two additional expert witnesses and call an additional fact witness to respond to the Owners' additional witnesses. Unlike the economic issues that are the standard fare of tariff rate litigation, this prudence case relied on unique and costly engineering expert testimony in the areas of pipeline design, project scheduling, and industry standards for capital investment.

Change Record Detail with Description

Department of Law

Scenario: FY2012 Supplemental (9721)
Component: Oil, Gas and Mining (2091)
RDU: Civil Division (35)
Title: Oil and Gas Outside Counsel

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP

TAPS property tax proceedings (Projected FY2012 costs - \$1,206.0 less \$150.0 funded from DNR): The division had projected expenses for the TAPS Property Tax trial to be comparable to FY2011 but two things changed since the initial projection. First, the Department of Revenue (DOR) did not enter into an RSA for expert witness fees. Further conversations with DOR will be occurring to determine if additional funding might be available. Any changes would offset the amount of the supplemental. Second, costs to maintain the database increased substantially due to the large number of documents received in production and generated by the parties in motion practice (to give an idea of the scale, the judge just issued over 500 Court orders in the case). An additional \$1,000.0 is needed in FY2012 to prepare for a scheduled nine-week trial de novo this fall regarding the TAPS property values for 2007-2009. At issue in this litigation was DOR property tax valuations of the TAPS for tax years 2007, 2008, and 2009 in the amounts of \$4.6 billion, \$6 billion and \$9 billion, respectively. The judge determined that the values were \$8.941 billion, \$9.644 billion, and \$9.249 billion, respectively, significantly higher than the \$1 billion range urged by the TAPS Owners and significantly lower than the \$14 billion range urged by the Municipalities.

Oil and gas royalty issues (Projected FY2012 costs - \$1,250.0): There are several reasons why costs for royalty and leasing cases have increased since our estimate of the FY2012 budget last year. First, the department has received substantial funding via Reimbursable Services Agreements (RSAs) with the Department of Natural Resources (DNR) in past budget years to hire expert witnesses and contract counsel in litigation and adjusted anticipated needs accordingly. The RSA from DNR this year is significantly smaller. Further conversations with DNR will be occurring to determine if additional funding might be available. Any changes would offset the amount of the supplemental. Second, although contract counsel costs related to settlement discussions in the Point Thomson litigation were included, the settlement negotiations have intensified and become much more complex and drawn out than originally anticipated.

A \$6,150.0 request is included in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Law

Scenario: FY2012 Supplemental (9721)
 Component: Transportation Section (2214)
 RDU: Civil Division (35)
 Title: Fast Ferry Litigation

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	600.0	0.0	0.0	600.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	600.0											

History:

In 2001, the State executed a \$68M contract with Derecktor Shipyards for the design and construction of two fast vehicle ferries (FVFs). The manufacturer of the engines that Derecktor installed, MTU, represented that the State could expect 100,000 service hours from each of the eight diesel engines (four per vessel) that powered the ferries. Contrary to what was warranted, the engines have suffered aggressive internal degradation and will not likely last much beyond 15,000 hours/engine. The State contends that Derecktor and MTU have contractual/warranty obligations to the State that require effective engine repair or replacement, while Derecktor and MTU believe improper maintenance by the State is to blame for the premature engine failures. The State has filed a breach of contract suit against both Derecktor and MTU and is requesting that Derecktor and MTU honor their obligations by either retrofitting or replacing the engines, or by paying money damages.

Case Status:

A three week jury trial is scheduled for September 2012. Three weeks is likely inadequate, and the parties will be asking the judge for one to two additional weeks. In the meantime, discovery is ongoing. The parties have already exchanged close to 100,000 pages of documents, and will begin depositions shortly. Over 40 depositions are currently planned, and that number is likely to increase. The witnesses are scattered throughout the country, so travel expenses will be incurred. Also, the preliminary injunction motion filed by the State, seeking to force the defendants to begin manufacturing new engines, remains pending. The State has asked for an evidentiary hearing on the motion, but that request has not yet been granted. Given the extremely heavy workload, the State recently retained outside counsel to assist the Attorney General's Office in handling the case.

Funding:

In FY2011, the department had \$200,000 appropriated for the fast ferry litigation. FY2011 activity however exceeded the \$200,000 and the department covered \$19,789 while the Department of Transportation paid an additional \$109,480. Total expenditures associated with the fast ferry lawsuit to date are \$569,955 (including \$21,605 from FY2010). In FY2012 YTD, \$219,081 has been expended and it is anticipated to ramp up because outside counsel has been obtained and discovery activity will pick up.

A \$600.0 increase is included in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Military and Veterans Affairs

Scenario: FY2012 Supplemental (9721)
Component: Office of the Commissioner (414)
RDU: Military & Veterans Affairs (530)
Title: Base Realignment and Closure Commission Impact

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	300.0	0.0	0.0	300.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		300.0										

Department of Defense Secretary Leon Panetta has announced that the plan to cut nearly \$500 billion in the next 10 years from the Department of Defense budget will impact all 50 states and a Base Realignment and Closure Commission (BRAC) will be requested of Congress to address facility reductions as soon as possible.

The U.S. military's presence in Alaska represents 10% of the state's economy. The Alaska Military Force Advocacy and Structure Team (AMFAST) recommends the State of Alaska hire an experienced consulting group to address ideas proposed by the next BRAC. This request will promote and sustain Alaska's current military facilities and force structure.

The impact of this request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Military and Veterans Affairs

Scenario: FY2012 Supplemental (9721)

Component: Army Guard Facilities Maintenance (415)

RDU: Military & Veterans Affairs (530)

Title: State Match Requirement Change at Kodiak, Ketchikan, and Kenai Armories

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts	-97.3											
1003 G/F Match	97.3											

The federal/state funding ratios for armory operations in Kodiak, Ketchikan, and Kenai have changed due to federal regulations regarding funding and armory use. This request provides funding to fulfill the required state match for operating these three armories.

The match ratio depends on the type of work being done, the military status of the facility, and the information available at the time of submission. FY2010 facilities projects were budgeted at 100% federal, FY2010 deferred maintenance projects were budgeted at 75/25, and FY2012 Energy projects were 75/25. DMVA has received federal notice that all work and operations at the armories in Kenai, Kodiak, and Ketchikan are now a 50/50 split because of the change in military status of the buildings from a federal Scout Readiness Center to a State Armory. This change of status was driven by the transformation of the Alaska Army National Guard from the Scout mission to a Battlefield Surveillance Brigade. This change of status reduced the federal support to State owned armories. 50% support is the normal amount of support provided across the nation.

The impact of this request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Military and Veterans Affairs

Scenario: FY2012 Supplemental (9721)
Component: Army Guard Facilities Maintenance (415)
RDU: Military & Veterans Affairs (530)
Title: Bethel Armory Operations

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	94.6	0.0	0.0	94.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	94.6											

This request is to provide operating funds for the new Bethel Armory. Operating expenses at the Armory began December 2011. It was expected that operating costs for the new Bethel Armory would be covered by decommissioning the old Bethel Armory; however the date the building will be removed from DMVA inventory is yet to be determined. The department is going through the steps of decommissioning the Armory and the property owner is taking steps in preparing for the ownership transfer (building inspections, etc.). This process is taking longer than anticipated.

General funds will cover operating costs until deployed troops return October 2012. At that time, pending final closeout and acceptance of the new Bethel Armory by the federal government, the funding split will be 50% federal funds and 50% general fund match. Federal funding splits are determined based on use and function of Army Guard facilities. This request is for six months of operating costs.

The impact of this request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Military and Veterans Affairs

Scenario: FY2012 Supplemental (9721)
 Component: Air Guard Facilities Maintenance (416)
 RDU: Military & Veterans Affairs (530)
 Title: Eielson Air Force Base Electrical Usage Calculation Correction

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	105.1	0.0	0.0	105.1	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		78.8										
1003 G/F Match		26.3										

Eielson Air Force Base discovered an error in the method used to calculate the Alaska Air National Guard electrical usage for the 168th Wing. The cost of electricity at this location is expected to increase by \$105.1 for October through June of FY2012 (three quarters), with a funding split of 25% state and 75% federal. DMVA budgeted for utility increases in FY2012 related to Alaska Air National Guard operations on Joint Base Elmendorf Richardson; however, Eielson Air Force Base utility increases were unanticipated.

The impact of this request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Military and Veterans Affairs

Scenario: FY2012 Supplemental (9721)
Component: Veterans' Services (421)
RDU: Military & Veterans Affairs (530)
Title: Reduce Unrealizable Federal Funds

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	-95.8	-80.8	0.0	-15.0	0.0	0.0	0.0	0.0	0	0	0
1002 Fed Rcpts		-95.8										

The U.S. Department of Veterans' Affairs (VA) no longer distributes federal funding to administer the State Approving Agency (SAA) grant for Veterans' Educational Programs (GI Bill). This change record is for the decrement in Federal Receipts that are being lost from the State Educational Approving Officer Contract Receipts budgeted in Office of Veterans' Services.

This change is reflected in the FY2013 Governor's budget.

Change Record Detail with Description

Department of Military and Veterans Affairs

Scenario: FY2012 Supplemental (9721)

Component: Veterans' Services (421)

RDU: Military & Veterans Affairs (530)

Title: State Approving Agency Program Continuation

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	95.8	80.8	0.0	15.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		95.8										

The U.S. Department of Veterans' Affairs (VA) no longer distributes federal funding to administer the State Approving Agency (SAA) grant for Veterans' Educational Programs (GI Bill). This request is for general fund receipts to replace federal receipts for the State Educational Approving Officer Contract budgeted in the Office of Veterans Services. This will allow the State of Alaska to continue providing critical education support to Alaska veterans and their families during major changes to the GI Bill program and also continue the goal of assisting all veterans to receive earned federal benefits.

This change is reflected in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Military and Veterans Affairs

Scenario: FY2012 Supplemental (9721)
 Component: Veterans' Services (421)
 RDU: Military & Veterans Affairs (530)
 Title: Interior Alaska Veterans Cemetery Position

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	41.3	41.3	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	41.3											

Vacant position 09-0204 is being transferred from Air Guard Facilities Maintenance to the Office of Veteran's Services' for Interior Alaska Veterans Cemetery Administration. This position was federally funded. However, federal funding is not available for this position in the Office of Veterans Services.

DMVA has a critical need for the position now to provide additional project planning and coordination. The cemetery design needs to be implemented by July, at which time construction is to begin. The Department is at risk of losing these funds if the project does not meet the July timeline. For development and implementation, the Department has received \$5 million in federal authority, \$750.0 in general fund match, and \$250.0 in general fund, and is planning to receive a minimum of an additional \$2 million in federal authority in FY2013.

The Department has identified a critical need for a higher level of decision making and program coordination than was originally planned with the Project Assistant. Once the cemetery design and construction is complete, DMVA will still need the Program Coordinator to manage cemetery operations, help facilitate outreach efforts, provide additional interface between the State of Alaska and all veteran community leaders on the new U.S. Department of Veterans Affairs (VA) benefits, and assist the state Veterans Affairs Administrator in the administration of the Alaska Woman Veterans program, outreach services to children of deployed forces, Stand Downs in Anchorage and Fairbanks, and the VA's effort to end Veteran Homelessness by 2014.

The impact of this request is being considered for a FY2013 budget amendment.

Change Record Detail with Description

Department of Natural Resources

Scenario: FY2012 Supplemental (9721)

Component: Office of Project Management & Permitting (2733)

RDU: Administration and Support (600)

Title: Wishbone Hill Coal Project Rapid Health Impact Assessment

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	39.2	0.0	0.0	39.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		39.2										

The Wishbone Hill Coal Project is a proposed small surface coal mine on state land near Sutton in the Matanuska Valley. The project proponent, Usibelli Coal Mine Inc. (UCM), is exploring options to develop the project to produce about a half million tons of coal for export to Japan. A permit to mine for the project was issued to Idemitsu Kosan in 1991, but the project was not developed at that time, in part due to the lawsuit regarding the Mental Health Land Trust. Since then, the permit to mine has been renewed three times, and ownership of the project has been transferred to Cook Inlet Region, Incorporated (CIRI) and then to UCM.

There has been an increase in the number of residences near the site and an increase in recreational use of the area since the issuance of the 1991 permit to mine. UCM has requested renewal of the permit to mine and residents and environmental groups have raised concerns about: allowing the development of a mine so close to population centers; coal dust from the operation and truck traffic; potential affects to Moose Creek; ground water pollution; blasting; and effects on traditional tribal uses. The Chickaloon Village Traditional Council has made multiple requests that a health impact assessment (HIA) be conducted on the project and the state agencies agreed that a Rapid Health Impact Assessment should be conducted in conjunction with the permit renewal process.

This request would provide the necessary funding for contractual services under the supervision of the HIA program within the Department of Health and Social Services, to complete the Rapid Health Impact Assessment for the Wishbone Hill Coal Project.

This is a one-time item.

Change Record Detail with Description
Department of Natural Resources

Scenario: FY2012 Supplemental (9721)
Component: Mining, Land & Water (3002)
RDU: Land and Water Resources (602)
Title: Dam Safety Review - Red Dog Mine

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	66.5	0.0	0.0	66.5	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig		66.5										

The Dam Safety and Construction Unit (Dam Safety) is expecting to receive a large statutory designated program receipt (SDPR) in an application fee required under 11 AAC 93.171 for the construction and modification of dams for the expansion of the tailings storage facility at the Red Dog Mine in northwest Alaska. Based on estimated design and construction costs, the total fee from Teck Alaska Inc. is calculated according to 11 AAC 05.010(a)(8)(J) as \$171,651. The fee will be utilized to provide regulatory oversight of the design and construction over a period of three to five years.

AS 46.17.020 allows the Department to retain engineering consultants to assist in the performance of its duties under the respective statutes and regulations. In order to conduct timely and competent reviews of complex application submittals for such a large project, Dam Safety must utilize this provision of the statute to retain qualified consultants under existing term contracts with the department.

A supplemental budget authorization in the amount of \$66.5 is required in FY2012 to fund contractual support for this large project. This will allow Dam Safety to secure a contractor to conduct initial review of project and application submittals. Failure to review applications in a timely manner could lead to delays in issuing requisite permits that could result in violations of regulations by the applicant or shut down of the mine. Failure to conduct a competent review could contribute or lead to failure of critical systems that could threaten life or property downstream of the dams.

Dam Safety anticipates additional authority in the amount of \$80.0 SDPR will be required through a CIP in the FY2013 budget for a contractor to complete review of application submittals for this large project.

The impact of this request is being considered for a FY2013 budget amendment.

Numbers Only

Change Record Detail with Description
Department of Natural Resources

Scenario: FY2012 Supplemental (9721)
Component: Mining, Land & Water (3002)
RDU: Land and Water Resources (602)
Title: Offshore Lease Sales at Nome

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	18.6	0.0	0.0	18.6	0.0	0.0	0.0	0.0	0	0	0
1005 GF/Prgm	18.6											

Change Record Detail with Description

Department of Natural Resources

Scenario: FY2012 Supplemental (9721)
Component: Mining, Land & Water (3002)
RDU: Land and Water Resources (602)
Title: Offshore Lease Sales at Nome

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP

This request provides funding for securing a monitoring contractor to be trained and in place when the ice goes out at Nome (early to mid-June 2012).

With the increasing price of gold in recent years, interest in suction dredging for gold in the Nome offshore has gone up commensurately. Prior to 2011 there were seven active mining leases in the Nome offshore area. In addition, there was the East Nome Beach Public Mining Area which was open to the public for small-scale suction dredging. During the 2010 mining season there were three incidents for which the Nome Police were called. In 2011 the Division of Mining Land and Water (DMLW) opened a second public mining area and held an offshore mineral lease sale in September. Eighty-four lease tracts were sold at the auction. These leases will be active in the 2012 mining season.

Due to the 2010 incidents involving police, the DMLW decided that in 2011 a permit would be required to dredge in the public mining areas. This new requirement was intended to give the Division better control over activity in the public mining areas. In 2011 the DMLW issued 61 permits for suction dredging in the Nome offshore. A majority of these permits were for dredging in the public mining areas, while others operated on existing leases. As many as 35 dredges were observed operating offshore at the same time. In 2011 there was at least one incident for which the Nome police were called. The City of Nome has registered complaints that the state is not adequately monitoring mining activities associated with the public mining area and leases.

In 2012 the offshore dredging activity is expected to become even more frenzied. The DMLW has no personnel in Nome, but there is a great need for someone to oversee dredging activity and report back to staff in Anchorage and Fairbanks. The monitoring contractor would watch for incidents of aggressive or unsafe behavior, advise miners of best mining practices and the requirements of their permits, and help resolve disputes regarding the location of operators relative to lease boundaries. The ice at Nome generally goes out about the middle of June. At that time dredgers begin to get into the water, and by the first of July the mining season is in full swing. If the DMLW only begins to hire and prepare a monitoring person for Nome in early July, the best that could be accomplished would be to have that person on site sometime in mid to late August, halfway through the mining season. The 2012 supplemental funding would enable the DMLW to hire a contractor ahead of the beginning of dredging and provide approximately two weeks of training before the individual began work in Nome. The contractor would begin work in Nome in mid-June. Funding would pay for travel, contractor's salary, and boat expenses. If the contractor does not live in Nome, lodging and per diem expenses would also be incurred.

Most of the work will be offshore, so a boat rental will be essential for the monitoring.

The contractor will be in regular, near daily contact with DMLW staff in Anchorage. DMLW staff will manage problems that are beyond the contractor's ability or authority. Both the contractor and DMLW staff will request aid from the Nome Police or State Troopers if necessary.

An increment is included in the FY2013 Governor's budget.

Numbers Only

Change Record Detail with Description
Department of Natural Resources

Scenario: FY2012 Supplemental (9721)
Component: Mining, Land & Water (3002)
RDU: Land and Water Resources (602)
Title: Offshore Lease Sales at Nome

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP

Numbers Only

Change Record Detail with Description

Department of Natural Resources

Scenario: FY2012 Supplemental (9721)

Component: Fire Suppression Activity (2706)

RDU: Statewide Fire Suppression Program (140)

Title: FY2012 Fire Suppression Activity

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	4,892.5	0.0	0.0	4,892.5	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	4,892.5											

Change Record Detail with Description

Department of Natural Resources

Scenario: FY2012 Supplemental (9721)
Component: Fire Suppression Activity (2706)
RDU: Statewide Fire Suppression Program (140)
Title: FY2012 Fire Suppression Activity

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT PPT NP
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This request provides the preliminary estimate of supplemental needs for spring firefighting and costs of initial attack of wildland fires through June 30, 2012.

Wildland Fire Suppression AS 41.15.010 - 41.15.170
 FY2012 Supplemental Funding Request: \$4,892.5

The initial FY2012 general fund appropriation for the Fire Suppression component was \$6,663.3. (SLA 2011, Ch 3, Sec 1, Pg. 31, Ln 25). Remaining funding in the component is insufficient to meet the state's statutory obligation to provide wildland fire protection on state, municipal, and private lands. As of January 9, 2012 more than \$1,600.0 of the \$1,800.0 balance of the component is owed to the BLM for their services and protection of lands which the state is responsible to pay. Now, with the normally warmest months of the year ahead, the component needs supplemental funding for its anticipated spring and early summer firefighting needs.

This request is being processed as a supplemental to meet the fire suppression needs of basic initial attack firefighting. The request does not include costs for large project fires. Neither does the request include extended attack fires, which are fires that escape initial attack and require staffing with crews and aircraft for a short duration beyond an initial one to two day period. If large project fires occur, on state or private land for which the state will be responsible to pay, then Governor-signed Declarations of Disaster Emergencies will be prepared at that time.

2011 Fire Season Situation

Three large fires having impact on local communities were the Moose Mountain and Hastings Fires (Fairbanks) and East Volkmar Fire (Delta) started in FY2011, but work continued into the latter part of the season in FY2012 with mop-up, monitoring, fireline rehabilitation, and administrative close-out. Staff continued to work the interior of the fire perimeter of the Hastings Fire, mopping flare-ups that occurred after perimeter containment and after team demobilization from the fire. Through the remainder of the summer, fire dozer line was "rehabilitated" by covering trenches created from ice exposure and ice melt where the dozers had constructed firelines, patrols and aerial surveillance were conducted to monitor the fire, the warehouse backhauled and refurbished supplies and equipment, and final fire mapping and reporting occurred.

As we progressed later in the season (into July/August/September) much of the fire activity was in the urban interface areas, with the driest condition occurring from mid-August through mid-September -- a period not normally noted for significant wildland fire activity. This required continued initial attack support from both firefighters and aviation resources.

The 2011 Alaska fire season finished with 515 fires for 293,018 acres. Although total acres burned was less than the ten year average, the number of fires was in line with the average season reflecting successful initial attack by firefighters.

The unusually warm and dry early season contributed to multiple human- and lightning-caused fires, and Critical and Full protection of several became challenges. The mobilization of Lower 48 and Canadian resources to supplement Alaska resources also contributed

Change Record Detail with Description
 Department of Natural Resources

Scenario: FY2012 Supplemental (9721)
Component: Fire Suppression Activity (2706)
RDU: Statewide Fire Suppression Program (140)
Title: FY2012 Fire Suppression Activity

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP

to suppression efforts. The Division's Fire Program continues to face the challenges of providing suppression response for longer and more challenging fire seasons, an expanding wildland urban interface, increasing service and supply costs, and additional State owned acres through Federal land conveyances.

Supplemental Need

Final closeout of CY2011/FY2012 preliminary bills is under way as the State exchanges costs with federal cooperators (USFS & BLM) and then applies ownership percentage responsibilities. In August 2011, at the time of FY2011 closeout for Alaska, cooperators (BLM, USFS, Northwest Compact states and Canadian provinces) provided estimates of their support to Alaska. Since that time, the cooperators have completed their fiscal years and Alaska has \$2 million more than originally estimated payable to the cooperators. Final fire reports, fire perimeter mapping and acreage calculations will define the actual cross-billing exchange amounts. At this juncture, estimated closeout costs of the CY2011 season are noted below, followed by the estimates of CY2012 initial attack firefighting costs through June 30, 2012.

1. CY2011 Closeout Costs

- Actual expended or obligated to date, December 28, 2011 - \$4,702.8
- Obligation adjustment to federal cooperators - \$1,848.0
- Warehouse stores replenishment - \$80.0
- Shortfall, Div. of Finance overtime conversion comp leave pool - \$50.0
- Pending adjustment, receivable from federal cooperators - (\$800.0)

2. CY2012/FY2012 Spring and FY-End Estimates

- Early fire season returns - \$620.0
- Preposition for fire danger, including retardant aircraft, fixed and rotor wing aircraft, smokejumpers & overhead - \$500.0
- Initial attack firefighting:
 - March, 2011 - \$30.0
 - April 1 - 15, 2011 @ \$5.0/day - \$75.0
 - April 16 - 30, 2011 @ \$15.0/day - \$225.0
 - May 1- 15, 2011 @ \$25.0/day - \$375.0
 - May 16 - 31, 2011 @ \$50.0/day - \$800.0
 - June 1- 30, 2011 @ \$85.0/day - \$2,550.0
- Cost of fires on state land, BLM protection - \$500.0
- Subtotal, estimated costs FY2012 - \$11,555.8

3. Less FY2012 authorization - (\$6,663.3)

Numbers Only

Change Record Detail with Description
Department of Natural Resources

Scenario: FY2012 Supplemental (9721)
Component: Fire Suppression Activity (2706)
RDU: Statewide Fire Suppression Program (140)
Title: FY2012 Fire Suppression Activity

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions PFT PPT NP
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Change Record Detail with Description

Department of Public Safety

Scenario: FY2012 Supplemental (9721)

Component: Alaska State Trooper Detachments (2325)

RDU: Alaska State Troopers (160)

Title: 24-Hour Dispatch and Prisoner Transport Services in the City of Kotzebue

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	75.0	0.0	0.0	75.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		75.0										

The Department of Public Safety currently contracts with the City of Kotzebue to provide 24-hour dispatch services and for local transport of prisoners to and from court. The city has historically provided these services to the state at no cost and is no longer willing to do that. These services are required and there are no practicable alternatives for the Department of Public Safety.

The impact of this supplemental request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Public Safety

Scenario: FY2012 Supplemental (9721)

Component: Alaska State Trooper Detachments (2325)

RDU: Alaska State Troopers (160)

Title: City of Kotzebue Jail Closure Prisoner Transportation Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	106.0	13.6	91.2	1.2	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		106.0										

Temporary funding is necessary for prisoner transport between Kotzebue and Nome during closure of the Kotzebue jail. This assumes the jail re-opens on or about February 1, 2012. Amounts are based on December, 2011 actual costs of \$47.0, with an increase in January assuming some transition into the jail re-opening. Personal services costs are only for overtime, not for already budgeted personal services costs.

This is a one-time increment.

Change Record Detail with Description

Department of Public Safety

Scenario: FY2012 Supplemental (9721)

Component: Alaska State Trooper Detachments (2325)

RDU: Alaska State Troopers (160)

Title: Replace Federal Pass Through Funds from Alaska Highway Safety Office

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	1,900.0	1,377.7	57.5	462.5	2.3	0.0	0.0	0.0	0	0	0
1004 Gen Fund		1,900.0										

The Alaska Bureau of Highway Patrol (ABHP) has operated with funds provided by the Department of Transportation and Public Facilities, Alaska Highway Safety Office (AHSO) through a reimbursable services agreement (RSA). These are grant funds AHSO receives from the National Highway Traffic Safety Administration (NHTSA). During the summer of 2011, NHTSA informed both the AHSO and the ABHP that NHTSA funds could not be used to reimburse ABHP for non-DUI related traffic enforcement activity. In order for ABHP to continue to provide a similar level of traffic enforcement services, the department is requesting additional general funds for FY2012. Additional federal funding reductions are anticipated for DUI-related traffic enforcement beginning in FY2014.

The costs included in this request are for personal services (it is estimated that 50% of BHP members are doing traffic enforcement which is not reimbursable); travel for traffic related statewide enforcement, court appearances, and training; contractual services such as towing/impound fees and medical evaluations for people who have been arrested for non-DUI offenses; and many other patrol related operating costs.

The impact of this request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Public Safety

Scenario: FY2012 Supplemental (9721)
Component: Alaska Criminal Records and Identification (1190)
RDU: Statewide Support (165)
Title: Maintain Current Level of Services

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	200.0	100.0	25.0	50.0	25.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	200.0											

The Criminal Records and Identification Bureau (R&I) does not have adequate general funds in the FY2012 operating budget to maintain current services without taking cost containment measures that will impact public services and the timely availability of law enforcement information. In both FY2010 and FY2011, the program had funds made available from other areas in the department despite holding positions vacant.

This shortfall exists primarily because of two factors: 1) A classification study by the Department of Administration in 2009 resulted in a significant cost increase as a result of positions being reclassified to higher ranges, and 2) restricted receipts (federal funds, program receipts, and interagency receipts) have been collected at far less than the authorized amounts since FY2007, with actual revenue collections ranging from 55% to 62% of the authorized amount. The program has no reason to believe there will be any significant increase in total revenue collections in the foreseeable future.

Without this additional funding, the program will be forced to hold positions vacant and other DPS programs will have to curtail their operations to ensure that funds are available for reallocation to the R&I component at fiscal year-end. Based on actual expenditures through December 31, 2011 and remaining projected costs for FY2012, the Statewide Support appropriation will not have funds available to transfer from other components.

The impact of this request is being considered for a FY2013 budget amendment.

Change Record Detail with Description
Department of Revenue

Scenario: FY2012 Supplemental (9721)
 Component: Tax Division (2476)
 RDU: Taxation and Treasury (510)
 Title: Litigation Support for Corporate Income Tax

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	150.0	0.0	0.0	150.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		150.0										

The Tax Division is requesting \$150.0 general fund for litigation expenses (including the costs of expert witnesses) for two corporate income tax cases that will go to trial in FY2012. Total tax revenue at issue is approximately \$56 million. The funds for the expert witnesses will be paid through a reimbursable service agreement to the Department of Law.

This is a one-time item.

Change Record Detail with Description

Department of Revenue

Scenario: FY2012 Supplemental (9721)

Component: Treasury Division (121)

RDU: Taxation and Treasury (510)

Title: Investment Management of Power Cost Equalization Endowment Fund

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	58.0	0.0	0.0	58.0	0.0	0.0	0.0	0.0	0	0	0
1169 PCE Endov		58.0										

The investment management costs for the Power Cost Equalization Endowment Fund (PCE) have increased due to a \$400 million deposit made in FY2011. The amount requested will cover the costs for the remainder of FY2012.

An increment of \$80.4 has been requested in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
 Component: State Equipment Fleet (2791)
 RDU: State Equipment Fleet (369)
 Title: Credit Card Fuel Program

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	850.0	0.0	0.0	0.0	850.0	0.0	0.0	0.0	0	0	0

1026 Hwy Capitl 850.0

This request is for \$850.0 in Highway Equipment Working Capital Funds (HEWCF) authorization to cover projected increases in costs related to the credit card fuel program.

State Equipment Fleet (SEF) currently maintains a contract with U.S. Bank to provide customers with a vehicle credit card to purchase fuel to operate the State's fleet. SEF pays these charges directly to the vendor and then bills the executive branch agencies through the monthly equipment bill.

The United States Energy Information Administration (EIA) projects that the average price of a gallon of unleaded gas will be \$3.64 in 2012 and \$3.96 for a gallon of diesel in the Lower 48 states. By extrapolating current fuel prices in Alaska, SEF is expecting an average of \$4.98 per gallon of unleaded and \$4.78 per gallon of diesel for FY2012. In order to meet our fuel credit card program obligations for the fiscal year, SEF is requesting an \$850.0 increase of authorization to cover the anticipated budget shortage. The authorization increase is without any anticipation of an increase in the number of gallons to be purchased.

The amount of fuel that is purchased by executive branch agencies is outside of SEF's control, so estimates are based on historical purchasing to determine our yearly allocation to cover fuel purchasing costs. Factors that affect the amount of fuel that is purchased throughout the state include construction projects, fire suppression activities, and patrol levels by the Department of Public Safety. Without additional authorization SEF will be unable to meet its obligations.

Since SEF provides services to all executive branch departments, the inability of the division to pay the credit card fuel program vendor will affect all aspects of the services provided by the state.

An increment of \$1,110.0 is included in the Governor's FY2013 budget.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
Component: Central Region Facilities (566)
RDU: Statewide Facility Maintenance and Operations (186)
Title: Snow Removal Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	85.0	0.0	0.0	85.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		85.0										

Due to an early and heavy snow season, Central Region Facilities has exhausted their snow removal budget in November and December. Typically, Central Region receives most of their snowfall in February and March and has no reserves to pay for these services. Also, additional snow hauling services have been incurred within the Tudor Complex. There is no longer adequate space to stock pile snow, so all snow must be hauled to the contractor's snow dump throughout the winter.

This increase will allow Central Region Facilities to maintain the current level of service and ensure that they achieve their end result to maintain state owned facilities to appropriate department standards.

This is a one-time item.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
Component: Central Region Highways and Aviation (564)
RDU: Highways and Aviation (408)
Title: New Insurance Requirements for Rural Airport Maintenance Contracts

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	102.4	0.0	0.0	102.4	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	102.4											

Historically, there has never been any requirement for insurances in the rural airport maintenance contracts, as the Division of Risk Management determined rural contractors were covered under the State's accident umbrella. A recent change of ideology has occurred, resulting in cost increases to the contracts. All airport maintenance contracts are now required to be insured. Insurance requirements for Rural Airport Contractors include: Commercial General Liability Insurance, Automobile Liability Insurance, and Workers' Compensation for those contractors with employees. The increase for FY2012 insurance is \$102.4 for all Central Region Airports.

A rate was established by Risk Management, in the amount of \$55.00 per every \$1,000.00 in contractual cost for statewide blanket liability insurance coverage.

Contracts were awarded prior to the rate set by Risk Management (Total contracts previously awarded \$226.5, which includes \$36.0 in insurance).

Central Region's FY2012 airport contract costs total \$1,433.0. Less previously awarded with insurance (\$226.5), resulting in a total contract cost requiring insurance of \$1,206.5.

Total contracts requiring insurance: \$1,206.5
 Rate of \$55.00 per every \$1,000.00 (\$1206.5 X \$55.00): \$66.4
 Contracts including insurance awarded prior to set rate: \$36.0

Total request: \$102.4

An increment of \$356.3 is included in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
 Component: Central Region Highways and Aviation (564)
 RDU: Highways and Aviation (408)
 Title: Anchorage Snow Removal Costs

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	200.0	0.0	0.0	200.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	200.0											

Snowfall in the Anchorage area this year is significantly higher than considered normal for the area. The recent heavy snowstorms and near record snow accumulation in November and December has resulted in unanticipated hauling costs to remove excess snow plowed from the roads onto the shoulders and sidewalk areas. Our current snow haul budget for FY2012 is \$255.0. To date, snow haul expenses for the month of November total \$130.8, and December totals \$83.7. Storms continue to hit the Anchorage area and snow hauls will be required, depleting the remaining budget balance before the end of January. An increase to the budget is required in order to perform snow haul activities for the remaining winter months. Assuming a moderate accumulation of snow for the rest of the winter, an additional need of \$200.0 is anticipated.

If the budget is not increased to cover this commitment, it will result in a system wide reduction in overall service levels for highways and airports.

This is a one time item.

55

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
Component: Northern Region Highways and Aviation (2068)
RDU: Highways and Aviation (408)
Title: New Insurance Requirements for Rural Airport Maintenance Contracts

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	120.1	0.0	0.0	120.1	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	120.1											

Historically, there has never been any requirement for insurances in the rural airport maintenance contracts as the Division of Risk Management determined rural contractors were covered under the State's accident umbrella. A recent change of ideology has occurred, resulting in cost increases to the contracts. All airport maintenance contracts are now required to be insured. Insurance requirements for Rural Airport Contractors include: Commercial General Liability Insurance, Automobile Liability Insurance, and Workers' Compensation for those contractors with employees. The increase for FY2012 insurance is \$120.1 for all Northern Region Airports.

A rate was established by Risk Management, in the amount of \$55.00 per every \$1,000.00 in contractual cost for statewide blanket liability insurance coverage.

Total contracts requiring insurance: \$2,184.4
 Rate of \$55.00 per every \$1,000.00 (\$2,184.4 X \$55.00): \$120.1

An increment of \$423.6 is included in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
Component: Southeast Region Highways and Aviation (603)
RDU: Highways and Aviation (408)
Title: Winter Commodities – Sand and Ice Control Chemicals

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	257.0	0.0	0.0	0.0	257.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	257.0											

High snowfall and cold temperatures throughout Southeast Region in November and December have required heavier than normal sand and ice control chemical use to keep highways and airports safe. Due to stock depletion, large quantities of ice control chemicals were reordered in mid-winter.

In addition to increased rate of use, prices for both sand and ice control chemicals continue to escalate. In FY2012 the sand contract prices increased between 18 – 57%, depending on final delivery destination. For example, Klawock sand delivered to two locations went from \$25.37 to \$40.00 per ton. Prices for the most heavily used chemicals also increased. Southeast Region Highways and Aviation has seen the cost for brine salt increase by 10% over FY2011 prices while the cost for urea increased by 16.62%, from \$746 per ton in FY2011 to \$870 per ton in FY2012.

Sand - \$57.0
 \$790.8 FY2012 Budget
 \$847.8 FY2012 Anticipated Expenditures
 \$ 57.0 FY2012 Projected Shortfall

Ice Control Chemicals – \$200.0
 \$ 885.6 FY2012 Budget
 \$1,085.6 FY2012 Anticipated Expenditures
 \$ 200.0 FY2012 Projected Shortfall

This is a one-time item.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
Component: Whittier Access and Tunnel (2510)
RDU: Highways and Aviation (408)
Title: Whittier Tunnel Reduced Revenue Toll Collections

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	229.8	0.0	0.0	229.8	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund		229.8										

Additional funding is needed for the operations of the Whittier tunnel toll facility. The majority of Whittier Access and Tunnel's funding is based on revenue collections from tunnel tolls. Reduced travel through the tunnel and reduced cruise ship dockings has resulted in a decrease in toll collections. In addition to increased costs, toll revenues have declined over the past few years due to economic conditions, reduced cruise ship dockings, and increased fuel prices. Cruise ship companies have reduced the number of dockings in Whittier from 56 in CY2007, to 50 in CY2008, to 45 in CY2009, to 34 in CY2010, to 28 in CY2011. An estimate for CY2012 brings an additional five (5) dockings which would bring a current cruise ship docking up to 33 annually. The Whittier Tunnel Manager estimates FY2012 toll receipts of \$1,721.1 to be generated, plus a carry forward of prior year receipts of \$30.0, less (\$207.5) which must be used for debt repayment to the Alaska Transportation Infrastructure Bank, leaving \$1,543.6 available to operate and maintain the tunnel and access area. Whittier authority consists of \$1,753.4 of budgeted toll receipts, and (\$20.0) which is restricted statutory designated program receipt (SDPR) authority, leaving a remaining shortfall of (\$229.8).

Without additional funding, the tunnel will not be able to maintain the current hours of operation. In addition, expenditures outside of contractual obligations would be affected. This would include equipment operator support for snow removal and general maintenance in and around the tunnel; causing a reduction to tunnel operating hours, and reducing services to the traveling public.

An increment of \$192.9 is included in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
Component: Anchorage Airport Facilities (2467)
RDU: Ted Stevens Anchorage International Airport (435)
Title: Utilities and Building Maintenance for Kulis Air National Guard Base

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	625.0	0.0	0.0	333.0	292.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		625.0										

In September 2011, the Anchorage Airport acquired the management of the Kulis Air National Guard Base property back from the U.S. Department of Defense. Building maintenance and property upkeep is now the responsibility of the Anchorage Airport.

This supplemental request is to add funding to support the cost of the utilities as well as the building maintenance. Utilities costs have been projected to be approximately \$300.0. Supplies for building maintenance (electrical, plumbing, etc.) have been projected to be approximately \$200.0.

An increment of \$750.0 is included in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
Component: Anchorage Airport Field and Equipment Maintenance (2470)
RDU: Ted Stevens Anchorage International Airport (435)
Title: Purchase De-icing Chemicals

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	1,634.5	0.0	0.0	0.0	1,634.5	0.0	0.0	0.0	0	0	0

1027 Int Airprt 1,634.5

The Federal Aviation Administration (FAA) Advisory Circulate No 150/5200-30C Subject: Airport Winter Safety and Operations specifically defines the approved de-icing chemicals for airports. Currently, this includes urea (solid de-icing chemical) and E-36 (potassium acetate, liquid de-icing chemical).

In FY2011, the cost per ton of urea increased from \$342 per ton to \$719 per ton. In the past the component has relied on transfers of authority from within the RDU to cover the shortfall. Transfers are no longer feasible.

Also, the airport has commissioned a new third tank for potassium acetate to mitigate the continual shortages. The tank holds 90,000 gallons. Current cost of this product is \$7.05 per gallon. Cost to fill the new tank is \$634,500.

The airport is requesting an FY2012 supplemental to ensure there is enough product to keep the runways and taxiways open and safe.

An increment of \$1,634.5 is included in the FY2013 Governor's budget.

Change Record Detail with Description
Department of Transportation/Public Facilities

Scenario: FY2012 Supplemental (9721)
Component: Anchorage Airport Field and Equipment Maintenance (2470)
RDU: Ted Stevens Anchorage International Airport (435)
Title: Property Maintenance for Kulis Air National Guard Base

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	375.0	0.0	0.0	208.0	167.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt		375.0										

In September 2011, the Anchorage Airport acquired the management of the Kulis Air National Guard Base property back from the U.S. Department of Defense. The acquisition includes approximately 130 acres of land, sidewalks, parking lots and access roads which are now the responsibility of the Anchorage Airport.

This supplemental is to add funding to support the cost of this property maintenance. Funding needed for snow plowing and mowing (access roads, parking lots, sidewalks for snow removal, lawns) is projected to be \$208.0. Supplies (gas, product to repair access roads, sidewalks, etc) are projected to cost \$167.0.

An increment of \$450.0 is included in the FY2013 Governor's budget.

Change Record Detail with Description

University of Alaska

Scenario: FY2012 Supplemental (9721)
Component: Anchorage Campus (753)
RDU: University of Alaska Anchorage (235)
Title: Federal Receipt Authority for Pell Grants

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	5,000.0	0.0	0.0	0.0	0.0	0.0	5,000.0	0.0	0	0	0
1002 Fed Rcpts	5,000.0											

This request for an additional \$5.0 million in FY2012 federal receipt authority is for the University of Alaska Anchorage Campus. The additional federal receipt authority is necessary to accommodate the increases in Pell grant activity. The federal Pell Grant Program provides need-based grants to low-income undergraduate and certain post-baccalaureate students to promote access to postsecondary education.

In FY2011, \$4.5 million in additional federal receipt authority was requested and received through the supplemental process. However, the University of Alaska Anchorage was still short \$3.8 million in federal receipt authority at the end of FY2011. To address this shortfall, authority was transferred from the statewide component and an additional \$870.0 was received through a year-end RPL.

In FY2012, \$4.5 million in federal receipt authority was appropriated for this increased Pell grant activity, in addition to the transfer of available authority from the community campuses to offset the federal activity in Anchorage.

Because the FY2011 level of federal activity is expected to continue, an additional \$5.0 million in federal receipt authority is needed for FY2012.

The impact of this request is being considered for a FY2013 budget amendment.

SECTION 3
CAPITAL

Inter-Island Ferry Authority

FY2012 Request: \$250,000
Reference No: 45874

AP/AL: Appropriation **Project Type:** Economic Assistance
Category: Transportation **Recipient:** Inter-Island Ferry Authority
Location: Southeast Alaska **House District:** Southeast Areawide (HD 1-5)
Impact House District: Southeast Areawide (HD 1-5) **Contact:** JoEllen Hanrahan
Estimated Project Dates: 04/15/2012 - 06/30/2016 **Contact Phone:** (907)465-2506

Brief Summary and Statement of Need:

Inter-Island Ferry Authority (IFA) provides daily service between Ketchikan and Prince of Wales Island (POW). Passenger revenue and other funds are insufficient to cover their projected cost for the remainder of FY2012. This transport link is a vital service to Southeast Alaska. IFA is continuing to refine their operations plan to maximize profits, reduce expenses and minimize reliance on state funds.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$250,000						\$250,000
Total:	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Ch 1, Sec. 4, SLA 2011, page 31, line 15 \$350,000 - Operation assistance
 Ch 15, Sec. 10, SLA 2009, page 58, line 12 \$1,500.0 - Operation assistance and northern route development assistance
 Ch 30, Sec. 1, SLA 2007, page 21, line 33 \$500.0 - Debt retirement and assistance
 Ch 82, Sec. 1, SLA 2003, page 15, line 7 \$200.0 - Startup cost

Bethel - Yukon-Kuskokwim Correctional Center Dormitory Renovation Project **FY2012 Request: \$1,284,550**
Reference No: 45608

AP/AL: Appropriation **Project Type:** Renovation and Remodeling

Category: Public Protection

Location: Southwest Alaska

House District: Southwest Areawide (HD 36-38)

Impact House District: Southwest Areawide (HD 36-38)

Contact: Leslie Houston

Estimated Project Dates: 04/15/2012 - 06/30/2015 **Contact Phone:** (907)465-3339

Brief Summary and Statement of Need:

This supplemental request is necessary to replace capital funding that was redirected from other projects to address an emergency with overcrowding at Yukon-Kuskokwim Correctional Center (YKCC). The YKCC Dormitory Renovation Project adds 28 additional bunks, increasing the offender housing capacity to 193.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$1,284,550						\$1,284,550
Total:	\$1,284,550	\$0	\$0	\$0	\$0	\$0	\$1,284,550

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

There is no prior funding for this project.

Project Description/Justification:

The YKCC has exceeded the maximum bed capacity due to increased inmate population--the average daily YKCC inmate population during FY2011 was 157; in FY2012, the average daily population in the 1st quarter was 165, and daily average population in the 2nd quarter was 156. The maximum capacity for this facility is 137. Offender counts continue to exceed maximum capacity for this institution and we anticipate the trend to continue.

This project will fund the department's plan to meet this offender population by:

- Reconfiguration and conversion of the gym recreation area into a general housing open dorm setting to accommodate 28 bunk-beds, increasing maximum capacity by 56 offenders (total 2 year temporary maximum capacity = 193).
- Adding/constructing urinals, toilets, sinks and showers to accommodate those housed in the gym to relieve building code issues. This also requires a revision to the potable water and wastewater sewage system which is already over-capacity by replacing sewer lift station and increasing water filtration system.

- Relocate existing laundry facility to new location subsequently increasing capacity.

This project will replace funds used from other priority projects:

\$216,372 - Ch. 29, Sec. 10, SLA 2008, Pg. 64, Ln. 11
\$109,000 - Ch. 29, Sec. 10, SLA 2008, Pg. 64, Ln. 4
\$149,178 - Ch. 29, Sec. 13, SLA 2008, Pg. 135, Ln. 15
\$465,000 - Ch. 15, Sec. 1, SLA 2009, Pg. 4, Ln. 6
\$345,000 - Ch. 43, Sec. 4, SLA 2010, Pg. 10, Ln. 26

Move and Renovate STARBASE Building

FY2012 Request: \$195,000
Reference No: 54916

AP/AL: Appropriation**Project Type:** Renewal and Replacement**Category:** Education**Location:** Joint Base Elmendorf - Richardson**House District:** Military (HD 18)**Impact House District:** Anchorage Areawide (HD 17-32)**Contact:** McHugh Pierre**Estimated Project Dates:** 04/15/2012 - 06/30/2013 **Contact Phone:** (907)428-6003**Brief Summary and Statement of Need:**

This request allows the Department of Military and Veterans Affairs (DMVA) to move and renovate the STARBASE program from the Alaska Military Youth Academy (AMYA) campus and co-locate it with its parent organization, the Alaska Air National Guard (ANG) on Joint Base Elmendorf Richardson (JBER). This FY2012 supplemental funding will allow DMVA to modify the facility to meet the STARBASE mission.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$195,000						\$195,000
Total:	\$195,000	\$0	\$0	\$0	\$0	\$0	\$195,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

This is a new request.

Project Description/Justification:

This request allows the Department of Military and Veterans Affairs (DMVA) to move the STARBASE program from the Alaska Military Youth Academy (AMYA) campus and co-locate it with its parent organization, the Alaska Air National Guard (ANG) on Joint Base Elmendorf Richardson (JBER). The active duty Air Force on JBER is providing and moving the building.

The building is currently owned by active duty Air Force. The Air Force needs the site cleared on which this building is located. They have offered to donate and move the building for DMVA use if the State acts now. This is a win-win situation as STARBASE has been operating out of the AMYA campus in a building that is needed by AMYA. This project frees up needed building space for AMYA use and allow STARBASE to have a facility located on the Air National Guard campus, its sponsoring agency. The building will need some renovations, such as storage, office, and classroom space to allow for specific program needs. If the department waits and asks for the funding in FY2013, DMVA risks losing the building or needing to ask for additional funds to move the building from an unknown location to which the building will be located.

**Exxon Valdez Oil Spill - Parcel Purchase on Kenai River
Mile 11**

**FY2012 Request: \$1,100,000
Reference No: AMD 54666**

AP/AL: Appropriation

Project Type: Parks / Recreation

Category: Natural Resources

House District: Kenai/Soldotna (HD 33)

Location: Kenai

Contact: Jean Davis

Impact House District: Kenai Areawide (HD 33-35)

Contact Phone: (907)465-2422

Estimated Project Dates: 04/15/2012 - 06/30/2016

Brief Summary and Statement of Need:

Civil settlement funds from the Exxon Valdez oil spill will be used to purchase approximately 52 acres on the Kenai River located at River Mile 11. The parcel would provide public access and a safe boat launch. The Exxon Valdez Oil Spill Trustee Council (EVOS) determined this parcel contributes to the restoration of resources and services injured by the Exxon Valdez oil spill. Acquisition of this parcel will enhance access to public lands, assist in resource management, and provide benefits to the local communities. This activity is consistent with Objective III of the Division of Parks and Outdoor Recreation's Ten-Year Strategic Plan, to pursue new state park lands and access to meet current and future demand.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
EVOSS	\$1,100,000						\$1,100,000
Total:	\$1,100,000	\$0	\$0	\$0	\$0	\$0	\$1,100,000

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

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Project Development:	1,100,000	0
Ongoing Operating:	0	0
One-Time Startup:	0	
Totals:	1,100,000	0

Additional Information / Prior Funding History:

No prior funding history.

Project Description/Justification:

The small parcel that has been approved for purchase with settlement funds by the Trustee Council is a 52 acre parcel (known as the Poore parcel) located at Kenai River Mile 11. If acquired the Poore parcel will provide public access to a safe boat launch on the lower river where the recreational, fishing, hunting and subsistence activities have the greatest concentration. The Division of Parks and Outdoor Recreation will manage the parcel.

The acquisition of this parcel is intended to promote natural recovery of spill-injured resources and services by removing the threat of additional development impacts, while providing recreational, sportfishing, and subsistence access to a popular location. The small parcel process was revised and reaffirmed by the Trustee Council in August 2005 and is currently open and accepting nominations from willing sellers. The small parcel process considers parcels less than 1,000 acres in areas injured by the Exxon Valdez oil spill (EVOS), and evaluates their anticipated benefit to resources and services such as recreation, tourism, sportfishing, subsistence and commercial fishing. The small parcel program also considers the unique benefits that small parcels can provide in relation to the

surrounding environment, management units, and local communities. From the State's perspective, the small parcel program has, in addition to benefiting EVOS injured resources and service, provided unique benefits and opportunities to facilitate public access, addressed resource management issues, and provided benefits to local communities.

To ensure fairness and due diligence on the part of the state and federal governments, the small parcel program pays no more than fair market value for parcels acquired, as determined by an EVOS adopted appraisal process. All parcels are appraised by a contract appraiser adhering to the Uniform Standards of Professional Appraisal Practice (USPAP) as adopted by the Appraisal Standards Board of the Appraisal Foundation and the Uniform Appraisal Standards for Federal Land Acquisitions (UASFLA). In addition, the EVOS appraisal process requires an independent review of the appraisal. This is done via contract to ensure objectivity.

Habitat protection has been a major component of the *Exxon Valdez* oil spill restoration process since its inception. The concept of habitat protection enjoyed strong public support during the development of the Environmental Impact Statement and resulting Restoration Plan. Habitat protection is consistent with the terms of the settlement with Exxon and the Memorandum of Agreement that defines how the three State and three Federal trustees will administer settlement funds. Trustee Council and congressional action in 1999 established a research and restoration sub-account and a habitat sub-account from which funds for this acquisition will be drawn. No general funds will be used.

Should these funds not be authorized, the acquisitions will likely not go forward. Landowners will find other interested buyers and these opportunities to address access issues along the Kenai River will be lost. The public's ability to access parklands using traditional access routes diminishes as communities and populations grow and expand. Taking steps to address access issues now will likely be more cost effective as settlement funds are available now and land continues to appreciate.

Acquisition of these parcels is not estimated to increase annual ongoing operating or maintenance costs. All parcels are located adjacent to state owned lands and will be managed consistent with and in concert with the adjacent state lands.

Project support is generally locally based for the small parcel program. In addition conservation minded organizations such as The Conservation Fund and The Nature Conservancy, as well as other hunting and fishing interest groups are supportive of projects providing additional access to and opportunities to enjoy state lands and resources.

Specific Spending Detail:

LINE ITEM	DOLLAR AMOUNT	DESCRIPTION (text)
Capital Outlay	\$ 1,100,000	Parcel acquisition

Whittier Landslide - Tsunami Hazard Analysis

FY2012 Request: \$150,000
Reference No: 54895

AP/AL: Appropriation
Category: Natural Resources
Location: Whittier
Impact House District: Chugach State Park (HD 32)
Estimated Project Dates: 04/15/2012 - 06/30/2013

Project Type: Life / Health / Safety
House District: Chugach State Park (HD 32)
Contact: Jean Davis
Contact Phone: (907)465-2422

Brief Summary and Statement of Need:

This supplemental request is for the support of airborne Light Detection and Ranging (LiDar) and field geologic work. During summer 2011, Alaska Division of Geological and Geophysical Surveys (DGGs) scientists identified a large bedrock fracture above the north shore of the Passage Canal fjord near Whittier.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$150,000						\$150,000
Total:	\$150,000	\$0	\$0	\$0	\$0	\$0	\$150,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

No prior funding history.

Project Description/Justification:

Steep slopes and dense vegetation prohibit a comprehensive field survey of the fracture. Light Detection and Ranging (LiDar), a high-precision optical remote sensing technology, has the ability to detect subtle topographic features beneath the vegetation canopy. Aerial LiDar acquisition along the north side of Passage Canal, followed by field verification and geologic analysis of the rock slope, would provide important data for tracing the fracture, delineating the detached block, and assessing potential instability of a larger area of the slope. Re-modeling the resulting tsunami on the basis of these data would provide a more reliable estimate of the maximum wave inundation at Whittier.

Funds will be used to determine, as soon as possible, the extent and potential instability of the steep slope opposite Whittier along Passage Canal. The requested funding would support airborne LiDar data collection as soon as snow and weather conditions permit in 2012, followed by geologic field work during the summer 2012 field season, subsequent analysis of the data, and preparation of maps and a report by spring 2013. Additionally, the requested funding could leverage federal matching funds from the U.S. Geological Survey's STATEMAP program. The combined funding would, at no additional cost to the State, expand the project to include detailed (1:63,360-scale) geologic mapping and hazard analysis of the entire southern quarter of the Seward D-5 quadrangle. The map area would extend from the Portage Glacier visitor center on the west to past Shotgun Cove

on the east, including the Whittier access road and railroad tunnel areas where slope instability has been a problem in recent years, and proposed road extension to planned residential subdivisions in the Shotgun Cove area. In addition to analysis of the landslide, tsunami, and other hazards, the report and maps would provide valuable geologic information for land-use planning and facilities design in this critical all-weather port community. Following scientific peer review, results of this project will be shared immediately with the City of Whittier, the state Division of Homeland Security and Emergency Management, Alaska Railroad, and appropriate legislators.

If this project is not funded, the State of Alaska, City of Whittier, Alaska Railroad, and other affected parties will not know the true extent and severity of the potential landslide and tsunami hazard, and will be unable to adequately plan and prepare for the possible consequences.

Why is this Project Needed Now?:

The fracture is mostly obscured by dense vegetation and is only barely visible from the air, mostly in areas of snow-avalanche scars. Consequently, field observations of the extent and depth of the fracture, and thus the total extent and thickness of the potential slide block, are limited and inconclusive. Initial tsunami-wave modeling based on hypothetical failure of the bedrock slope below the fracture and resulting seawater displacement suggest that the tsunami wave would reach Whittier in approximately 1.5 minutes and reach a height of 1.5 m (5 feet) in the Whittier harbor, which could damage boats and injure people in the harbor but would likely not pose serious risks elsewhere in the community. However, until the entire rock slope on the northwest side of Passage Canal is evaluated, the potential for larger tsunami-generating landslides, triggered most likely by one or more earthquakes, remains unknown.

Specific Spending Detail:

Personal services	\$ 53,000	One new long-term non-perm Geologist IV position to serve as project manager.
Travel	23,000	Commercial travel, helicopter support, and local transportation
Services	64,000	Airborne LiDar survey, laboratory analyses
Supplies & equipment	10,000	GIS equipment, software licenses, field and office supplies
TOTAL	\$ 150,000	

Alaska Marine Highway System - Cordova Dock Emergency Repairs **FY2012 Request:** \$1,200,000
Reference No: 54195

AP/AL: Appropriation **Project Type:** Renewal and Replacement
Category: Transportation
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** Michael A. Neussl
Estimated Project Dates: 04/15/2012 - 06/30/2016 **Contact Phone:** (907)465-6977

Brief Summary and Statement of Need:

The existing float system of the Cordova Dock needed emergency repairs in the fall of 2011. The necessary repairs were made to keep the dock operational and mitigate any potential hazards. This funding would reimburse the department for the costs already incurred to make emergency repairs to the Cordova Dock.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$1,200,000						\$1,200,000
Total:	\$1,200,000	\$0	\$0	\$0	\$0	\$0	\$1,200,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

None

Project Description/Justification:

Because of the imminent danger of the existing float system of the Cordova dock, the cost to fix the float system was funded out of the department's Alaska Marine Highway System (AMHS) Deferred Maintenance allocation. The department is requesting that these funds be reimbursed.

The existing float system had two failed float connector joints near the center region of the float system on both the seaward and shoreward sides of the float system. The existing float connectors nearly completely failed, which resulted in penetrations of the float walls below the waterline and water leakage into four of the float units. The failure of these connectors was analogous to a load supporting beam that had a crack, which caused a significant loss of structural capacity at the mid-span. Further structural deterioration of the float connectors would eventually result in the entire float system coming apart.

The float system currently supports an extensive network of structural steel platform framing that is affixed to the deck of the floats. This framing supports vehicle loads which access the stern berth. The framing members are also integrated into the vehicle access platform for the side berth. Should the underlying floats begin to come apart, the overlying platforms will not be properly supported or braced and will also experience separation and resulting structural failure. In essence, the integrity of

the float connections is essential to maintain the foundation for the overlying platforms. Further deterioration would result in the complete closure of the terminal.

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Alaska Marine Highway System - Vessel and Terminal Overhaul and Rehabilitation

FY2012 Request: \$5,455,000
Reference No: 30624

AP/AL: Appropriation

Project Type: Renewal and Replacement

Category: Transportation

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Michael A. Neussl

Estimated Project Dates: 04/15/2012 - 06/30/2016

Contact Phone: (907)465-6977

Brief Summary and Statement of Need:

The Vessel and Terminal Overhaul and Rehabilitation appropriation is primarily used to meet and maintain United States Coast Guard requirements and obtain Certificates of Inspection (COI) necessary to operate the vessels. This appropriation is also used to maintain the standards of Ferry Terminals and required Passenger Services to keep AMHS functional. This FY2012 Supplemental request adds \$5.4 million. Total spending in FY2012 is slightly higher than previous years due to the one-time \$1.2M propeller shaft strut replacement work required by the Malaspina in order to clear a pending CG-835 No-Sail order which is about to expire.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$5,455,000						\$5,455,000
Total:	\$5,455,000	\$0	\$0	\$0	\$0	\$0	\$5,455,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

\$4,000,000 Ch 1 FSSLA 2011 Sec 14 pg 36 ln 25; \$8,000,000 Ch 5 SSLA 2011 Sec 1 pg 99 ln 21; \$12,000,000 Ch 43 SLA 2010 Sec 1 pg 3 ln 19, Sec 7 pg 35 ln 27; \$6,702,100 Ch 15 SLA 2009 Sec 1 pg 21 ln 17, Sec 10 pg 59 ln 3; \$9,900,000 Ch 29 SLA 2008 Sec 13 pg 158 ln 17; \$15,388,500 Ch 30 SLA 2007 Sec 1 pg 78 ln 14, Sec 20 pg 151 ln 3; FY2007 - \$6,000,000; FY2006 - \$5,000,000; FY2005 - \$4,063,000; FY2004 - \$4,900,300; FY2003 - \$5,000,000; FY2002 - \$4,239,365; FY2001 - \$4,200,000; FY2000 - \$4,390,600;

Project Description/Justification:

The Alaska Marine Highway System requires annual maintenance and overhaul on vessels and at terminals, particularly on components or systems where failures will impact service in the short term. Overhaul work consists of inspection, repair, and maintenance that cannot be performed while the vessels are operating. An overhaul period of approximately six weeks is set aside every year during which each ship is in dry-dock and the scheduled work is accomplished. This work is performed in Alaskan shipyards unless it is made part of a Federal Highway Administration project competitively awarded to an out-of-state shipyard. In performing overhaul work, the Alaska Marine Highway System must meet the inspection requirements and standards of safety and seaworthiness of two agencies, the United States Coast Guard (USCG) and the appropriate classification society (American Bureau of Shipping (ABS) for all steel vessels or Det Norske Veritas (DNV) for the

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

**FY2012 Request: \$5,455,000
Reference No: 30624**

aluminum FVF vessels). None of this work is discretionary. At the end of the overhaul period, the vessel must pass a demanding USCG inspection to obtain their COI. This certificate is mandatory to continue operating for the following year. Additionally, the ongoing upkeep of terminals and shipboard passenger service items due to wear and tear is necessary to ensure AMHS projects a professional appearance to the traveling public.

This project contributes to the Department's Mission by reducing injuries, facilities and property damage and by improving the mobility of people and goods.

Chugiak - Pedestrian Safety Improvements

FY2012 Request: \$250,000
Reference No: 54934

AP/AL: Appropriation
Category: Transportation
Location: Chugiak

Project Type: Construction
House District: Chugiak/Southern Mat-Su (HD 16)

Impact House District: Chugiak/Southern Mat-Su (HD 16)

Contact: Pat Kemp
Contact Phone: (907)465-3911

Estimated Project Dates: 04/15/2012 - 06/30/2016

Brief Summary and Statement of Need:

This project will examine the non-motorized needs in the Chugiak area between the intersection of Old Glenn Highway and Voyles to the Mirror Lake school. The current situation is difficult for these users because the right-of-way is extremely narrow and lacks shoulders or other space to accommodate these users. A long term solution likely requires new right-of-way acquisition, along with the possible relocation of businesses and residences. Utility modifications may also be necessary. A reconnaissance of possible solutions and their costs will be developed and some preliminary engineering to the extent funds permit.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$250,000						\$250,000
Total:	\$250,000	\$0	\$0	\$0	\$0	\$0	\$250,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Project Description/Justification:

The work funded by this appropriation will address identifying the true right-of-way, location of all utilities, businesses and other private property and need for utility relocation.

This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Petersburg - Dry (Un-Heated) Storage Building Replacement

FY2012 Request: \$400,000
Reference No: 34658

AP/AL: Appropriation
Category: Transportation
Location: Petersburg

Project Type: Renewal and Replacement

House District: Sitka/Wrangell/Petersburg (HD 2)

Impact House District: Sitka/Wrangell/Petersburg (HD 2)

Contact: Pat Kemp

Estimated Project Dates: 04/15/2012 - 06/30/2016 **Contact Phone:** (907)465-3900

Brief Summary and Statement of Need:

During a high wind event in September of 2011, the antiquated dry storage shed sustained damages that have rendered the building unusable. The building was condemned by the Petersburg Maintenance and Operations Foreman and subsequently razed. The supplemental funding requested is to replace the structure with a new 60 x 40 square foot building. The supplies that were stored in the shed have been removed and placed in temporary winter storage, which consists of two 40 foot generator vans from Northland Services. A supplemental request is required to allow for the design and construction of the Petersburg Dry Storage building during the calendar year 2012 summer construction season.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$400,000						\$400,000
Total:	\$400,000	\$0	\$0	\$0	\$0	\$0	\$400,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

No prior funding history.

Emergency Repairs

FY2012 Request: \$201,050
Reference No: 49629

AP/AL: Appropriation with Allocations

Project Type: Construction

Category: Transportation

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Pat Kemp

Estimated Project Dates: 04/15/2012 - 06/30/2016

Contact Phone: (907)465-3900

Brief Summary and Statement of Need:

Requests to fund emergency repairs.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$201,050						\$201,050
Total:	\$201,050	\$0	\$0	\$0	\$0	\$0	\$201,050

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Ch 5, Sec 13, FSSLA 2011, page 155, line 13 \$1,586,700

Dyea Road Washout Emergency Repair

FY2012 Request: \$25,800
Reference No: 49029

AP/AL: Allocation
Category: Transportation
Location: Skagway

Project Type: Construction
House District: Cordova/Southeast Islands
 (HD 5)

Impact House District: Cordova/Southeast Islands
 (HD 5) **Contact:** Pat Kemp

Estimated Project Dates: 04/15/2012 - 06/30/2016 **Contact Phone:** (907)465-3900

Appropriation: Emergency Repairs

Brief Summary and Statement of Need:

On August 28, 2009 the Alaska Department of Transportation & Public Facilities Maintenance Foreman at the Skagway Station alerted the department of erosion problems occurring along the Dyea Road adjacent to Taiya River. There are reported to be about 30 residents living beyond the erosion area. The roadway in this area is very narrow with a rock wall on one side and the Taiya River on the other. The area has been repaired several times over the years. The erosion caused several areas of the roadway to become very narrow and a major safety issue to the traveling public. Emergency erosion work was completed in the fall of 2011 for a cost of \$25,800.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$25,800						\$25,800
Total:	\$25,800	\$0	\$0	\$0	\$0	\$0	\$25,800

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

\$101,561 - Ch 43, Sec 1, SLA 2010, page 5, line 13

Project Description/Justification:

Initial work during 2009 was completed at Milepost 3.5 in a timely fashion, just prior to winter weather setting in for a total cost of \$101,561.

Additional erosion mitigation work at Milepost 6.5 was completed in 2011 for a total cost of \$25,800.

Haines Highway Milepost 19 - 23 Rock Slide Emergency Repairs **FY2012 Request:** \$150,250
Reference No: 48805

AP/AL: Allocation **Project Type:** Construction
Category: Transportation **House District:** Cordova/Southeast Islands (HD 5)
Location: Haines **Contact:** Pat Kemp

Impact House District: Cordova/Southeast Islands (HD 5) **Contact Phone:** (907)465-3900
Estimated Project Dates: 04/15/2012 - 06/30/2016
Appropriation: Emergency Repairs

Brief Summary and Statement of Need:

On September 6, 2011 a rock slide deposited approximately 15,000 yards of rock and debris on the Haines Highway at mile post (MP) 19. The heavy rains on September 6 also caused a smaller rock slide at MP 23 of the Haines Highway. Approximately 5,000 yards of rock and debris was deposited into the right of way and one lane of the highway. This funding would reimburse the department for costs incurred during the emergency repairs done on the Haines Highway during this incident.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$150,250						\$150,250
Total:	\$150,250	\$0	\$0	\$0	\$0	\$0	\$150,250

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Haines Highway MP 19 Emergency Funding \$89,700 - Ch 5, Sec 13, SLA 2011, page 155, line 14; \$80,000 - Ch 43, Sec 1, SLA 2010, page 5, line 21

Project Description/Justification:

On September 6, 2011 a rock slide deposited approximately 15,000 yards of rock and debris on the Haines Highway at Mile Post (MP) 19. This portion of the highway crosses an alluvial fan and is a location of perennial slides. The Southeast Region Maintenance Crew was able to re-open the highway to traffic and has cleaned the debris from the right of way, culverts and spillways and re-established sumps and diversion berms.

The heavy rains on September 6 also caused a smaller rock slide at MP 23 of the Haines Highway. Approximately 5,000 yards of rock and debris was deposited into the right of way and one lane of the highway. The Southeast Region Maintenance crew also performed emergency repairs and debris removal from the right of way from this section of highway.

Takotna - Road Repair

FY2012 Request: \$25,000
Reference No: 54599

AP/AL: Allocation
Category: Transportation
Location: Takotna

Project Type: Construction
House District: Interior Villages (HD 6)
Contact: Pat Kemp
Contact Phone: (907)465-3900

Impact House District: Interior Villages (HD 6)
Estimated Project Dates: 04/15/2012 - 06/30/2016
Appropriation: Emergency Repairs

Brief Summary and Statement of Need:

The funding requested is for costs associated with repair work that was performed on the Sterling-Takotna-Ophir Highway, mile post (MP) 35.5 to MP 36.5. The roadway embankment was in poor condition and did not allow for necessary supplies to be delivered to local communities, necessitating the repair of the embankment immediately. This funding would reimburse the department for costs incurred during the emergency repairs done on the Sterling-Takotna-Ophir Highway during this incident.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund	\$25,000						\$25,000
Total:	\$25,000	\$0	\$0	\$0	\$0	\$0	\$25,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

No prior funding history.

Project Description/Justification:

Approximately one mile of the Sterling-Takotna-Ophir Highway, MP 35.5 to MP 36.5, road embankment was saturated with water, creating an impassible, muddy condition for vehicles delivering supplies to local communities and businesses. Delivery of fuel to these communities was urgent. A contract was established to perform basic repairs to the roadway, including placement of a geotextile over the roadway and 18 inches to 24 inches of gravel. Approximately 8,000 cubic yards of gravel was placed on the roadway. State forces also participated in repair of the roadway, however, reimbursement for these costs are not included in this request. Reimbursement for contracted services is requested.

Airport Improvement Program

FY2012 Request: \$6,900,000
Reference No: 7470

AP/AL: Appropriation with Allocations

Project Type: Construction

Category: Transportation

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Steve Hatter

Estimated Project Dates: 04/15/2012 - 06/30/2018

Contact Phone: (907)269-0730

Brief Summary and Statement of Need:

Federal airport improvements as outlined in the Airport Improvement Program and the International Airports Program. Supplemental authorization is being requested in order to put these projects out to bid this spring and take advantage of the calendar year 2012 summer construction season. Without this supplemental authorization, contract awards would take place after July 1, which would force construction to wait until the summer of calendar year 2013 to begin.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts	\$6,900,000						\$6,900,000
Total:	\$6,900,000	\$0	\$0	\$0	\$0	\$0	\$6,900,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

\$339,509,799 - Ch 5 FSSLA 2011 Pg 103 Ln 7; \$267,940,500 - Ch 43 SLA 2010 Sec 1 pg 39 ln 13; \$362,126,491- Ch 15 SLA 2009 Sec 1 pg 23 ln 9; \$327,418,555 - Ch 29 SLA 2008 Sec 4 pg 7 ln 21, Sec 13 pg 161 ln 33; \$193,283,481 - Ch 30 SLA 2007 Sec 4 pg 105 ln 27, Sec 20(a)(b) pg 148 ln 25,27, Sec(c) pg 149 ln 1; \$341,857,101 - Ch 82 SLA 2006 Sec 1 pg 88 ln 32; \$488,150,111 - Ch 3 SLA 2005 Sec 1 pg 69 ln 11, Sec 32 pg 114 ln 31; \$234,841,788 - FY2005; \$331,877,778 - FY2004.

Project Description/Justification:

This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Nome - Runway 10-28 Rehabilitation

FY2012 Request: \$3,900,000
Reference No: 39135

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Nome

House District: Bering Straits (HD 39)

Impact House District: Bering Straits (HD 39)

Contact: Steve Hatter

Estimated Project Dates: 04/15/2012 - 06/30/2018

Contact Phone: (907)269-0730

Appropriation: Airport Improvement Program

Brief Summary and Statement of Need:

This project will rehabilitate, repave and repaint the settled area on the main runway of the Nome airport. Repair of the settled area has become a high priority safety concern. The project will advertise for construction bids in April 2012 with a schedule for completion by fall of 2012. The project was evaluated by the Aviation Project Evaluation Board on December 12, 2011 for inclusion in the 2012 Aviation Program, and subsequently approved by the Federal Aviation Administration.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts	\$3,900,000						\$3,900,000
Total:	\$3,900,000	\$0	\$0	\$0	\$0	\$0	\$3,900,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

No prior funding history.

Project Description/Justification:

Runway 10/28 has experienced differential settlement which has accelerated in the past year and become a safety issue. The current condition of this section of runway is very poor and poses a danger to aircraft and passengers.

Unalaska - Runway Safety Area and Pavement Rehabilitation

FY2012 Request: \$3,000,000
Reference No: 33196

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Unalaska

House District: Bristol Bay/Aleutians (HD 37)

Impact House District: Bristol Bay/Aleutians (HD 37)

Contact: Steve Hatter

Estimated Project Dates: 04/15/2012 - 06/30/2018 **Contact Phone: (907)269-0730**

Appropriation: Airport Improvement Program

Brief Summary and Statement of Need:

This project will construct a runway safety area, runway extension, airport lighting and drainage improvements, other minor repairs, and address poor pavement conditions at the Unalaska Airport. A supplemental request is necessary to advertise and award the construction contract this spring. Should the contract be awarded after July 1, it would delay completion of this safety enhancement project until the summer construction season of calendar year 2013. Including this project in the FY2012 supplemental request allows the project to be constructed in the summer construction season of calendar year 2012.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts	\$3,000,000						\$3,000,000
Total:	\$3,000,000	\$0	\$0	\$0	\$0	\$0	\$3,000,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

\$25,700,000 - Ch 5, Sec 1, FSSLA 2011, page 109, line 3.

Project Description/Justification:

The Federal Aviation mandates that Runway Safety Areas at all certificated airports be improved by 2015. The Unalaska Airport is an important certificated airport with over 20,000 annual operations. This project will address the longitudinal runway safety area at the airport, as well as the runway pavement condition. The current Pavement Condition Index (PCI) for the Unalaska runway is between 10 and 24, well within the reconstruct range.

This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Surface Transportation Program

FY2012 Request: \$2,990,000
Reference No: 32610

AP/AL: Appropriation with Allocations
Category: Transportation

Project Type: Construction

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: Pat Kemp

Estimated Project Dates: 04/15/2012 - 06/30/2018

Contact Phone: (907)465-3900

Brief Summary and Statement of Need:

Federal surface transportation improvements as outlined in the Statewide Transportation Improvement Program (STIP), the Transportation Equity Act for the 21st Century (TEA-21), and annual federal appropriations acts. Supplemental authorization is being requested in order to put these projects out to bid this spring and take advantage of the calendar year 2012 summer construction season. Without this supplemental authorization, contract awards would take place after July 1, which would force construction to wait until the summer of calendar year 2013 to begin.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts	\$2,990,000						\$2,990,000
Total:	\$2,990,000	\$0	\$0	\$0	\$0	\$0	\$2,990,000

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

\$482,635,000 - Ch 5 FSSLA 2011 Pg 109 Ln 8; \$537,350,240 - Ch 43 SLA 2010 Sec 7 pg 43 ln 25;
 \$385,677,600 - Ch 15 SLA 2009 Sec 1 pg 29 ln 32, Sec 7 pg 51 ln 19, Sec 10 pg 60 ln 13;
 \$258,990,150 - Ch 29 SLA 2008 Sec 4 pg 8 ln 22, Sec 13 pg 166 ln 24, Sec 66 pg 224 ln 5;
 \$332,845,300 - Ch 30 SLA 2007 Sec 4 pg 110 ln 15; \$337,095,200 - FY2007; \$382,329,700 -
 FY2006; \$411,223,800 - FY2005; \$339,962,600 - FY2004

Project Description/Justification:

This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

**Anchorage Metropolitan Area Transportation Solutions
(AMATS) - Glenn Highway Trail Rehabilitation**

**FY2012 Request: \$2,340,000
Reference No: 40394**

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Anchorage Areawide

House District: Anchorage Areawide (HD 17-32)

Impact House District: Anchorage Areawide (HD 17-32)

Contact: Pat Kemp

Estimated Project Dates: 04/15/2012 - 06/30/2018 **Contact Phone:** (907)465-3900

Appropriation: Surface Transportation Program

Brief Summary and Statement of Need:

This project will resurface the existing Glenn Highway trail between Muldoon Road and North Birchwood Loop, construct a wayside at milepost (MP) 8.6, pave existing parking area at the westbound weigh station, replace the existing pedestrian bridge over Ship Creek (bridge #1402), construct minor realignment of the pathway at the Muldoon Interchange, and upgrade any curb ramps not meeting ADA guidelines. A supplemental request is necessary to allow advertising of the contract at the end of the winter. Should the contract be awarded after July 1, it would delay completion of this safety project until the summer construction season of calendar year 2013.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts	\$2,340,000						\$2,340,000
Total:	\$2,340,000	\$0	\$0	\$0	\$0	\$0	\$2,340,000

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
9% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Ch 3, Sec. 1, SLA 2005, page 78, lines 5-8 - \$2,700,000.

Project Description/Justification:

This deteriorating stretch of pathway is in need of repaving to eliminate cracking, and general pavement degradation.

This project contributes to the Department's Mission by reducing injuries, fatalities and property damage and by improving the mobility of people and goods.

Seward Highway - Recreational Improvements

FY2012 Request: \$650,000
Reference No: 40580

AP/AL: Allocation

Project Type: Construction

Category: Transportation

Location: Kenai Areawide

House District: Kenai Areawide (HD 33-35)

Impact House District: Kenai Areawide (HD 33-35)

Contact: Pat Kemp

Estimated Project Dates: 04/15/2012 - 06/30/2018

Contact Phone: (907)465-3900

Appropriation: Surface Transportation Program

Brief Summary and Statement of Need:

This project will relocate and improve recreational vehicle (RV) facilities in Alaska State Parks along the Seward Highway in conjunction with Seward Highway improvement projects. Highway upgrade projects are phased over several years and will impact existing Alaska State Park facilities. The highway upgrades include construction of rock quarries, separated pathways, and passing lanes in Chugach State Park, resulting in the relocation of various park facilities. A supplemental request is necessary to advertise and award the construction contract this spring. Should the contract be awarded after July 1, it would delay completion of this safety project until the summer construction season of calendar year 2013.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts	\$650,000						\$650,000
Total:	\$650,000	\$0	\$0	\$0	\$0	\$0	\$650,000

<input checked="" type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input checked="" type="checkbox"/> Phased - underway	<input type="checkbox"/> On-Going
9% = Minimum State Match % Required		<input type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Ch 3, Sec. 1, SLA 2005, page 87, lines 12-14 - \$2,000,000.

Project Description/Justification:

The 2012 construction project includes improved RV circulation and parking at the Bird Creek Campground and relocation of park day-use facilities that, after constructed, will eliminate one driveway approach on the Seward Highway increasing safety for vehicles traveling in the Seward Highway Safety Corridor as well as park users.

**SECTIONS
6 & 7
REAPPROPRI-
ATIONS**

**Reapprop to Alaska Energy Authority for Battle Creek
Diversion Project**

**FY2012 Request: \$0
Reference No: 52537**

AP/AL: Appropriation

Project Type: Energy

Category: Development

Location: Homer

House District: Homer/Seward (HD 35)

Impact House District: Kenai Areawide (HD 33-35)

Contact: Jo Ellen Hanrahan

Estimated Project Dates: 04/15/2012 - 06/30/2016

Contact Phone: (907)465-2506

Brief Summary and Statement of Need:

The unexpended and unobligated balance of the appropriation made in sec. 4, ch 5, FSSLA 2011, page 128, lines 29-32 (Chugach Electric Association, Inc. – Battle Creek Diversion Project - \$500,000), estimated to be \$500,000, is reappropriated to the Department of Commerce, Community and Economic Development, Alaska Energy Authority for the Battle Creek Diversion Project.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Renew Ener							\$0
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Sec. 4, ch 5, FSSLA 2011, page 128, line 29

Chugach Electric Association Inc. - Battle Creek Diversion Project (HD 33-35) \$500,000 (AKSAS AR 52093)

Project Description/Justification:

The intent of the Battle Creek Diversion Project is to continue with the feasibility study of constructing a diversion structure on Battle Creek to increase water flow into Bradley Lake resulting in increased power production from the dam. The sum of \$500,000 was appropriated from Alaska Energy Authority's (AEA) Renewable Energy Grant Fund as a contribution to the project.

Chugach Electric Association (CEA), one of the Bradley Lake Project Management Committee (BPMC) members, applied for the project grant on behalf of the BPMC to match the BPMC members' contribution of \$500,000 to the project. CEA has been advised by its auditors that it should not be the grantee on behalf of the committee.

The change in project grantee does not change the original intent of the appropriation.

Reapprop to Alaska Energy Authority for Railbelt-wide Detailed Transmission Line Plan and Extension of Intertie to Point MacKenzie **FY2012 Request: \$0**
Reference No: 52527

AP/AL: Appropriation **Project Type:** Energy
Category: Development **House District:** Fairbanks Areawide (HD 7-11)
Location: Fairbanks Areawide **Contact:** Sara Fisher-Goad
Impact House District: Fairbanks Areawide (HD 7-11)
Estimated Project Dates: 04/15/2012 - 06/30/2016 **Contact Phone:** (907)771-3000

Brief Summary and Statement of Need:

The unexpended and unobligated balance of the appropriation made in sec. 78(c), ch. 1, SSSLA 2002, page 132, lines 2 – 5 (Alaska Energy Authority, upgrade and extend the Anchorage to Fairbanks power transmission line intertie to Teeland substation - \$20,300,000), as amended in sec. 69, ch. 29, SLA 2008, page 225, lines 24 – 29, estimated to be \$8,965,000, is re-appropriated as follows:

- (1) \$1,000,000 for a Railbelt- wide detailed transmission line plan;
- (2) the balance, estimated to be \$7,965,000, for the upgrade and extension of the Anchorage to Fairbanks power transmission line intertie to a southern terminus in the MacKenzie Point Area.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Rail Enrgy							\$0
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Sec 78, Ch 1, SLA 2002, page 132, lines 2-5 \$20,300,000 (AKSAS AR 32674-12)
 \$10,000,000 reappropriated for Alaska intertie Static VAR compensators and tower upgrade and repair Ch 29, Sec 69, SLA 2008, page 225, lines 24-29 (AKSAS AR 04712-13)

Project Description/Justification:

Up to \$1 million is needed to accomplish a Railbelt-wide detailed transmission plan. The detailed transmission plan is critical to determining where new transmission should be constructed and the best route to extend the Alaska intertie. The original appropriation provided funds to extend the intertie to the Teeland substation; however, during initial scoping and review of route selection

**Reappropriation to Alaska Energy Authority for Railbelt-wide
Detailed Transmission Line Plan and Extension of Intertie
to Point MacKenzie**

**FY2012 Request:
Reference No:**

**\$0
52527**

alternatives the Alaska Energy Authority (AEA), in conjunction with the railbelt utilities, determined that this was not the optimal southern terminus for the extension.

There have been several new developments since these funds were originally appropriated including \$10 million being reappropriated to repair the intertie. AEA has published a Railbelt Integrated Resource Plan that did not address the detailed transmission needs of the region, but sets the framework for the additional needed studies. Several new regional generation sources are being pursued : Fire Island Wind, Eva Creek Wind and the design and licensing of the Susitna-Watana hydroelectric project.

Subject to the results of the detailed transmission plan, the unexpended and unobligated balance of this reappropriation would extend the Alaska intertie to the optimal southern terminus identified in the transmission study.

The Alaska intertie is a key and critical part of the Railbelt transmission system, and is the major component that allows the Railbelt utilities to remain interconnected. The extension of the Alaska intertie will strengthen the transmission connection from MacKenzie Point to the Douglas Substation (on the Hatcher Pass Road near Willow) assist in the movement of Bradley Lake Hydro energy north to Fairbanks, ensure increased capacity and reliability of power transmission in South-central Alaska, and will provide greater flexibility for dispatching generation resources for region-wide ratepayer benefit.

Reapprop for Coastal Impact Assistance Program

FY2012 Request:

\$0

Reference No:

54486

AP/AL: Appropriation
Category: Development
Location: Statewide
Impact House District: Statewide (HD 1-40)
Estimated Project Dates: 07/01/2012 - 06/30/2017

Project Type: Equipment / Commodities
House District: Statewide (HD 1-40)
Contact: Jo Ellen Hanrahan
Contact Phone: (907)465-2506

Brief Summary and Statement of Need:

In FY2010 the Department of Commerce, Community, and Economic Development was appropriated \$5.8 million in federal authorization for the federal Coastal Impact Assistance Program (CIAP). Four Coastal Resource Service Areas (CRSA), established under the Alaska Coastal Management Program (ACMP) were named to administer the federal grants under CIAP. With the sunset of the ACMP, the CRSA entities no longer exist. The four CRSAs have identified and recommended a total of eight new entities to administer the federally approved CIAP projects.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts							\$0
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Sec 39, ch 15, SLA 2009, page 80, lines 6 - 25 Coastal Impact Assistance Program

Project Description/Justification:

The unexpended and unobligated balance of the appropriation made in sec. 39(a)(4), ch. 15, SLA 2009, page 80, lines 6 - 22, estimated to be \$4,796,355, is reappropriated to the Department of Commerce, Community, and Economic Development and allocated in the following amounts:

RECIPIENT	AMOUNT
Yukon Kuskokwim Coastal Association	\$2,533,006
City of Unalaska	\$984,395
Bering Straits Coastal Association	\$900,468
Bristol Bay Native Association	\$200,027
Nushagak-Mulchatna/Wood-Tikchik Land Trust	\$83,002
University of Alaska Fairbanks Bristol Bay Campus	\$29,617
University of Alaska Fairbanks Center for Research Services	\$15,067
Alaska Department of Natural Resources, Parks Division	\$12,074
Faces of Hope Community Services	\$26,625
City of New Stuyahok	\$12,074

Reapprop to Combined Hiland Mountain Correctional Center Land Transfer

FY2012 Request: \$0
Reference No: 48960

AP/AL: Appropriation

Project Type: Renewal and Replacement

Category: Public Protection

Location: Eagle River (Eagle River)

House District: Eagle River (HD 17)

Impact House District: Anchorage Areawide (HD 17-32)

Contact: Leslie Houston

Estimated Project Dates: 04/15/2012 - 06/30/2016 **Contact Phone:** (907)465-3339

Brief Summary and Statement of Need:

The unexpended and unobligated balance, not to exceed \$100,000, of the appropriation made in sec. 1, ch. 5, FSSLA 2011, page 79, lines 16-18 (Dept. of Corrections, Seward - Spring Creek Correctional Center Seward Land Transfer - \$250,000) is reappropriated to the Department of Corrections for the Combined Hiland Mountain Correctional Center Land Transfer.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Gen Fund							\$0
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

\$250,000 Ch 5, sec 1, FSSLA 2011, page 79, line 16

Project Description/Justification:

In FY2012, Department of Corrections (DOC) received a capital appropriation of \$250,000 for the Spring Creek Correctional Center (SCCC) Seward Land Transfer. The Department of Natural Resources (DNR) is responsible for the surveys and plats required in order to complete the transfer. The original request included estimated costs for legal services (\$70,000), Environmental assessment (\$200,000), and DNR services (\$160,000). It has since been determined that estimated costs for legal services and environmental assessment are no longer needed and \$150,000 to DNR is sufficient to complete the transfer.

The remaining balance of \$100,000 will be used to support another land transfer at the Hiland Mountain Correctional Center (HMCC) in Eagle River. Recreational users have begun to encroach upon the preferred vegetation buffer surrounding the HMCC recreational yard. DOC is concerned for the safety of the recreational users as well as the potential for contraband to enter the facility by being thrown over the fence into the recreational yard. DOC, DNR, and the Municipality of Anchorage are working together to transfer lands between the parties so the recreational users can enjoy the trail and DOC can protect its interests.

**SECTIONS
8 & 9
JUDGMENTS
&
SETTLEMENTS**

Change Record Detail with Description
Special Appropriations

Scenario: FY2012 Supplemental (9721)
Component: Judgments, Claims and Settlements (3008)
RDU: Special Appropriations (565)
Title: Moore v. State Settlement

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	18,000.0	0.0	0.0	0.0	0.0	0.0	18,000.0	0.0	0	0	0
1004 Gen Fund	18,000.0											

DEPARTMENT OF EDUCATION. The sum of \$18,000,000 is appropriated from the general fund to the Department of Education and Early Development for the purpose of paying a legal settlement entered into between the State and the plaintiffs in Moore v. State, Case No. 3, related to the state's education system for fiscal years ending June 30, 2012, June 30, 2013, June 30, 2014, June 30, 2015, June 30, 2016, and June 30, 2017.

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Change Record Detail with Description
Special Appropriations

Scenario: FY2012 Supplemental (9721)
Component: Judgments, Claims and Settlements (3008)
RDU: Special Appropriations (565)
Title: Judgments and Settlements

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	20,770.8	0.0	0.0	20,770.8	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	20,770.8											

DEPARTMENT OF LAW. (a) The sum of \$20,770,772 is appropriated from the general fund to the Department of Law, civil section, deputy attorney general's office, for the purpose of paying judgments and settlements against the state for the fiscal year ending June 30, 2012.

- Zaugg & LaCroix v. SOA - \$14,000.0
- Native Village of Tanana v. SOA - \$111,828.37
- American Booksellers Foundation for Free Expression v. SOA - \$135,106.85
- Bult Ito, et al v. SOA, University of Alaska (Optional Retirement Plan - "ORP") - \$20,000,000.00
- Public Safety Employees Association v. SOA - \$9,835.99
- Kasayulie v. SOA - \$500,000.00

FY2012 Judgments & Claims - General Funds

Case Name	Description	Date	Amount	Interest	Total
Zaugg & LaCroix v. SOA	Settlement award for case involving ADF&G polices related to aquatic farming.	5/9/2011	\$14,000.00	\$0.00	\$14,000.00
Native Village of Tanana v. SOA	Award of attorney fees and costs in this dispute involving tribal court proceedings involving Indian children.	7/13/2011	\$108,225.79	\$3,602.58	\$111,828.37
American booksellers foundation	Award of attorney fees and expenses.	10/21/2011	\$135,000.00	\$106.85	\$135,106.85
Bult-Ito, et al v. SOA, University of Alaska ("ORP")			\$20,000,000.00		\$20,000,000.00
PSEA v. SOA	Award of attorney fees and costs in arbitration award.	1/13/2010 8/11/2011 8/16/2011	\$7,458.40 \$1,500.00 \$203.85	\$622.21 \$45.46 \$6.07	\$8,080.61 \$1,545.46 \$209.92
Kasayulie v. SOA			\$500,000.00		\$500,000.00
Total					\$20,770,771.21

Department of Law
Judgments and Settlements

Backup

(Not Numbered)

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

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

PART ONE

1. Case Name: Gary Zaugg and Stephen LaCroix v. State of Alaska, Dept. of Fish & Game

2. Case Number: 1KE-07-148 CI

3. Judge/Justices: William B. Carey

4. Date Judgment entered: No judgment entered; the case was settled on May 5, 2011 and the Order for Dismissal was signed on May 10, 2011 (see attached Settlement Agreement and Stipulation and Order for Dismissal).

5. Did the date of the cause of action accrue on or after August 7, 1997? Yes

6. Amount to be paid: \$14,000.00

7. Interest Rate: \$0 Effective Date:

8. Requested hourly rate and total compensation of attorneys to be paid: \$0

9. Court approved/ordered hourly rate and total compensation of attorneys to be paid: \$0

10. Payable to: Trust Account of the Law Office of Bruce B. Weyhrauch, LLC, 114 S. Franklin St., Suite 200, Juneau, AK 99801

11. EIN: Submit separately or SSN: Submit separately

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

Departmental attorney contact:

Departmental Approval:

Vanessa M. Samantia
Signature

[Signature]
Deputy Attorney General

465-8242
Telephone Number

5-22-11
Date

RECEIVED

MAY 24 2011

DEPT. OF LAW
ADMIN. SERVICES

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

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

Case Name: Gary Zaugg and Stephen LaCroix v. State of Alaska, Dept. of Fish & Game

Case No.: 1KE-07-148 CI

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

On March 28, 2007, Gary Zaugg and Stephen LaCroix filed a complaint in State Superior Court in Juneau 1) challenging various ADF&G policies, regulations, and statutes relating to aquatic farming and the harvest of wild geoducks, and 2) seeking damages resulting from the 2005 emergency order commercial geoduck dive fishery, which was partially conducted on plaintiffs' aquatic farm sites. On April 2, 2008, the parties stipulated to stay the proceedings for the purpose of attempting to negotiate a settlement of this and another related case. The stay was extended several times.

On May 5, 2011, the parties agreed to settle the case by the State paying \$14,000.00 to the plaintiffs, Zaugg and LaCroix. The parties agreed to stipulate to dismissal of this case, with prejudice, except Count 11, which is dismissed without prejudice, each side to bear its own costs and attorney fees.

2. Describe issues of State policy or law involved in this case, if they are relevant to and resulted in substantial effort and expense for the department to bring or defend this case. There was some lack of clarity regarding the validity of some ADF&G policies, regulations, and statutes governing the permitting and regulation of aquatic farm sites containing wild geoducks. There was also some lack of clarity regarding the rights of aquatic farmers to harvest and sell wild geoducks found on their farmsites. The State has exerted substantial effort to defend this case by engaging in discovery and filing a motion for partial summary judgment.

3. Did the State prevail on any issues? If so, describe. No party prevailed in the litigation; the case was settled without entry of judgment.

4. Did we challenge plaintiffs' request for costs and fees or in other ways seek to reduce the costs to the State? If so, describe to what extent we were successful. The settlement did not include costs or fees; the parties agreed that each side would bear its own costs and fees.

5. **What was the source of the State's liability in this case?** Allegations that the state wrongfully conducted a commercial geoduck dive fishery on plaintiffs' aquatic farm sites.

6. **What, if any, preventative action has been taken by the involved agency to prevent or reduce the potential for such liability in the future?** None, but the emergency order commercial geoduck fishery in 2005 was a one-time occurrence to remove commercially-significant amounts of wild geoducks from permitted farm sites. A new statute clarifies that aquatic farm operation permits can not be issued for sites containing significant amounts of wild geoducks. Also, new and amended regulations now clarify some of the other issues raised in plaintiffs' complaint.

7. **If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from publication by statute, privilege, or right to privacy, indicate what the corrective action was.** No corrective action was required.

8. **Any recommendations concerning cases of this type in the future?** No.

9. **Any recommendations for changes in statutes, regulations or policy? Cite any applicable statutes or regulations.** Statutes and/or regulations could be clarified as to whether wild geoducks can be transformed to aquatic farm product by exertion of positive control via culture and/or cultivation. AS 16.40.100(e); AS 16.40.199; 5 AAC 41.250(a)(1); 5 AAC 41.240(a)(5)(A); 5 AAC 41.250(a)(10); 5 AAC 41.400(6).

Attorney completing form:

Vanessa M. Lamantia _____

Assistant Attorney General _____
Title

Date:

May 18, 2011 _____

465-8242 _____
Phone Number

SETTLEMENT AGREEMENT

The two parties to this agreement are (1) Gary Zaugg and Stephen LaCroix ("Zaugg and LaCroix"), represented by their counsel, the Law Office of Bruce B. Weyhrauch, LLC, and (2) the State of Alaska, Alaska Department of Fish and Game, through the Attorney General's Office (the State).

WHEREAS Zaugg and LaCroix have filed an appeal of the Decision on Appeal of Modifications to Permits DFG 02-01-AF-SE and DFG 02-03-AF-SE dated January 6, 2005, in the superior court in Ketchikan encaptioned *Gary Zaugg & Stephen LaCroix v. the State of Alaska, Alaska Department of Fish and Game*, Case No. 1KE-05-45 CI; and

WHEREAS the State disagrees with the allegations in the appeal, and the parties have fully briefed their positions in superior court; and

WHEREAS Zaugg and LaCroix have filed a complaint in the superior court in Ketchikan encaptioned *Gary Zaugg and Stephen LaCroix v. the State of Alaska, Alaska Department of Fish and Game*, Case No. 1KE-07-148 CI challenging various policies, regulations, and statutes, and for damages allegedly resulting from the 2005 Commercial Geoduck Dive Fishery; and

WHEREAS the State disagrees with the allegations in the complaint and has filed a motion for partial summary judgment on the damages claim; and

WHEREAS the parties agree that compromise and settlement of these disputed claims and causes of action would be in the best interests of the parties;

NOW THEREFORE the parties agree to the following:

1. The State will pay \$14,000.00 [FOURTEEN THOUSAND DOLLARS AND NO CENTS] to reimburse Zaugg and LaCroix for any and all actual or potential damages to any aquatic farm site owned or controlled by plaintiffs directly or indirectly related to the 2005 Commercial Geoduck Dive Fishery or any claim that was brought or could have been brought in Case No. 1KE-07-148 CI. Payment of the amount

set forth in this paragraph shall be to the trust account of the Law Office of Bruce B. Weyhrauch, LLC.

2. The parties will stipulate through counsel to dismissal of the lawsuits, Case No. 1KE-05-45 CI and 1KE-07-148 CI, with prejudice (except Count 11 of 1KE-07-148 CI, which is dismissed without prejudice), each party to bear their own costs and fees.

3. Zaugg and LaCroix hereby agree to release the State, its employees, agents, or contractors from any and all civil liability related directly or indirectly to the 2005 Commercial Geoduck Dive Fishery or any claim that was brought or could have been brought in Case No. 1KE-07-148 CI.

4. Any of the claims raised in Case No. 1KE-05-45 CI or 1KE-07-148 CI may be asserted as defenses by either Zaugg and LaCroix in a criminal case filed by the State of Alaska against either of them related to the harvest or sale of geoducks from aquatic farm sites.

LAW OFFICE OF BRUCE B.
WEYHRAUCH, LLC

DATED: May 5, 2011

By: Bruce Weyhrauch
Bruce B. Weyhrauch
Attorneys for Zaugg and LaCroix
Alaska Bar No. 8706057

JOHN J. BURNS
ATTORNEY GENERAL

DATED: May 5, 2011

By: Vanessa M. Lamantia
Vanessa M. Lamantia
Assistant Attorney General
Alaska Bar No. 0311066

1
2 IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
3 FIRST JUDICIAL DISTRICT AT KETCHIKAN

4 GARY ZAUGG and STEPHEN LaCROIX,)

5 Plaintiffs,)

6 v.)

7 STATE OF ALASKA,)
8 DEPARTMENT OF FISH AND GAME,)

9 Defendant.)
10

FILED in the Trial Courts
State of Alaska First District
at Ketchikan

MAY 09 2011

Clerk of the Trial Courts

By _____ Deputy

Case No. 1KE-07-148 CI

11 STIPULATION AND ORDER FOR DISMISSAL

12 Pursuant to Civil Rule 41(a)(1)[b], the parties hereby stipulate that the
13 above-captioned matter be dismissed with prejudice, except Count 11, which is
14 dismissed without prejudice, each side to bear its own costs and fees. The parties
15 certify that they have submitted the information required under AS 09.68.130 and Civil
16 Rule 41(a)(3).

17 LAW OFFICE OF BRUCE B.
18 WEYHRAUCH, LLC

19 DATED: May 5, 2011

20 By: Bruce B. Weyhrauch

21 Bruce B. Weyhrauch
22 Attorneys for Plaintiffs
23 Alaska Bar No. 8706057

24 JOHN J. BURNS
25 ATTORNEY GENERAL

26 DATED: May 5, 2011

By: Vanessa M. Lamantia

Vanessa M. Lamantia
Assistant Attorney General
Alaska Bar No. 0311066

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IN THE SUPERIOR COURT FOR THE STATE OF ALASKA
FIRST JUDICIAL DISTRICT AT KETCHIKAN MAY 12 2011

GARY ZAUGG and STEPHEN LaCROIX,)
)
 Plaintiffs,)
)
 v.)
)
 STATE OF ALASKA,)
 DEPARTMENT OF FISH AND GAME,)
)
 Defendant.)

ATTORNEY GENERALS OFFICE
FILED in the Trial Courts
State of Alaska First District
at Ketchikan

MAY 10 2011

Clerk of the Trial Courts

By _____ Deputy

Case No. 1KE-07-148 CI

ORDER FOR DISMISSAL

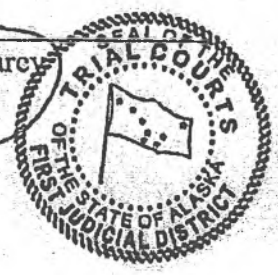
Pursuant to the parties' stipulation,

IT IS ORDERED that the above-captioned matter is dismissed with
prejudice, except Count 11, which is dismissed without prejudice.

DATED this 10 day of May, 2011.

W. B. Carver

Honorable William B. Carver
Superior Court Judge



CERTIFICATION
Copies Distributed
Date 5-10-11
To V. Lamanha
B. Mearns
By [Signature]

ATTORNEY GENERAL, STATE OF ALASKA
DIMOND COURTHOUSE
P.O. BOX 110300, JUNEAU, ALASKA 99811
PHONE: 465-3800

MAY 09 2011

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

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

PART ONE

1. Case Name: State of Alaska v. Native Village of Tanana

2. Case Number: 3AN-04-12194 CI

3. Judge/Justices: The Honorable Sen K. Tan

4. Date Judgment entered: July 13, 2011

5. Did the date of the cause of action accrue on or after August 7, 1997? Yes.

6. Amount to be paid: \$108,225.79

7. Interest Rate: 3.75% ✓ Effective Date: July 13, 2011 ✓

8. Requested hourly rate and total compensation of attorneys to be paid:

Total compensation: \$271,618.75, plus \$866.29 of costs

Attorney	Hours	Hourly Rate	Full Fee Amount
Heather Kendall-Miller	501.85	\$300.00	\$150,555.00
Mark Regan	231.00	\$300.00	\$69,300.00
Andy Harrington	116.50	\$300.00	\$34,950.00
Natalie Landreth	40.35	\$225.00	\$9,078.75
Lloyd Miller	22.10	\$350.00	\$7,735.00
Total	911.80		\$271,618.75

RECEIVED
JUL 21 2011
DEPT. OF LAW
ADMIN. SERVICES

9. Court approved/ordered hourly rate and total compensation of attorneys to be paid:

Total compensation: \$107,359.50 (40% of \$268,398.75), plus \$866.29 of costs

Attorney	Hours	Hourly Rate	Full Fee Amount
Heather Kendall-Miller	501.85	\$300.00	\$150,555.00
Mark Regan	226.00	\$300.00	\$67,800.00
Andy Harrington	116.25	\$300.00	\$34,875.00
Natalie Landreth	40.35	\$225.00	\$9,078.75
Lloyd Miller	17.40	\$350.00	\$6,090.00
Total	901.85		\$268,398.75

10. Payable to: Native American Rights Fund
801 B St, Ste 401
Anchorage, AK 99501

11. EIN: Submit separately or SSN: Submit separately

12. Send check to: X above address

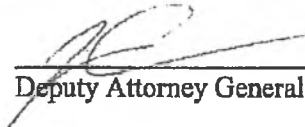
Departmental contact: _____

Departmental attorney contact:

Departmental Approval:



Signature



Deputy Attorney General

907-269-5100
Telephone Number

07-18-2011
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

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

Case Name: *State of Alaska v. Native Village of Tanana*

Case No.: ~~3AN-04-12194 CI~~

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

The State issued an Attorney General's Opinion in 2004 concluding that tribes do not have authority to initiate children's proceedings involving Indian children in tribal court. The Attorney General's Office concluded that tribes can only have cases transferred to tribal court via transfer from state court proceedings, 25 U.S.C. 1911(b). This legal opinion was challenged in court.

The court entered judgment on August 26, 2008, but reserved the issue of attorney's fees until after appeal. The case was decided by the Alaska Supreme Court in March, 2011. The plaintiffs moved for attorney's fees. The court's judgment on attorney's fees was entered on July 13, 2011.

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

The policy issues involved include the scope and intent of the federal Indian Child Welfare Act, and the scope and breadth of off-reservation tribal authority.

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

The State did not prevail on any issues at the superior court level. Before the Alaska Supreme Court, the State prevailed in limiting the scope of the superior court's order. The Alaska Supreme Court affirmed tribal authority to initiate children's proceedings involving Indian children in tribal court, but suggested that many factors could limit or restrict that

authority depending on the facts of each case. In reaching that conclusion, the Alaska Supreme Court reversed its prior P.L. 280 rulings which had held that the State has exclusive jurisdiction in Indian country in 25 U.S.C. § 1911(a) proceedings.

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

The State successfully challenged the Native American Rights Fund's request for nearly \$280,000 in attorney's fees. The State challenged some specific time entries, as well as challenging the request for a full fees award. The superior court agreed that full compensation was not warranted. Instead of \$272,618.75 of attorney's fees, the court ultimately awarded 40% of the total adjusted fees. The State owes \$107,359.50 of attorney's fees plus \$866.29 of costs for a total of \$108,225.79.

5. What was the source of the State's liability in this case? The State issued an Attorney General's Opinion which was held to be incorrect.

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

The State is working directly with tribes and tribal advocates to change State practices. The State is revising its Office of Children's Services Policies and Procedures. The State is also working on new draft Child In Need of Aid Court Rules. The Bureau of Vital Statistics is examining how it responds to various kinds of tribal court orders.

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

OCS policies and procedures will ultimately be modified as a result of joint state-tribal workgroup efforts. However, specific protective action has not been taken. BVS may change its practices with respect to when, and under what circumstances, it will recognize tribal court orders. At this time, BVS does not anticipate recommending statutory or regulatory changes.

8. Any recommendations concerning cases of this type in the future? No.

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

The *Tanana* decision is itself an order to change State policy. The primary topic involved is a federal statute, ICWA, and particular changes to state statute or regulations are not necessary. However, in the State's discretion, the Alaska Legislature could consider drafting

legislation to recognize tribal court orders in cases such as adoptions or paternity actions. *See* AS 18.50.160, AS 18.50.210 & .220.

Attorney completing form:

Date:

Peter Putzier

July 19, 2011

Assistant Attorney General
Title

(907) 269-5100
Phone Number

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

NATIVE VILLAGE OF TANANA, *et al.*,)
)
Plaintiffs,)
vs.)
)
STATE OF ALASKA, *et al.*,)
)
Defendants.)
_____) Case No. 3AN-04-12194CI

ORDER

Pending before the court is plaintiffs' Motion for Attorney's fees. As originally filed, plaintiffs sought full fees under AS 09.60.010(c)(1), as well as under Civil Rule 82. The issue of full fees under AS 09.60.010(c)(1) was also briefed to the Alaska Supreme Court. The Alaska Supreme Court has since denied the application, and that issue has been withdrawn from this court's consideration. Thus, the only issue before the court is the award of fees under Civil Rule 82.

Plaintiffs contend they expended \$271,678.75 in attorney's fees and costs of \$866.29. In their opening brief, plaintiffs requested enhanced fees under Civil Rule 82(b)(3) addressing each of the factors individually.

The State in response argues that Civil Rule 82 presumptive fees of 20% in the amount of \$54,323.75 should be awarded. The State argues that none of the factors under Civil Rule 82(b)(3) apply. In addition, the State argues that the hourly rate for Heather Kendall Miller, Andrew Harrington and Mark Regan should be reduced to \$275 per hour. They

also argue that plaintiffs' decision not to include time billed by Eric Johnson, as his billing records have been lost, and a further reduction of 60 hours are not evidence of reasonableness. In addition the State contends that the joint billings of four senior attorneys are not reasonable.

Lastly, defendants take exception to certain specific time entries, arguing they should be disallowed.

This court will first decide what amount of fees is reasonable before ~~addressing whether the percentage of fees should be enhanced pursuant~~ to Civil Rule 82(b)(3).

Regarding the reasonableness of the hourly fees of \$300 for Heather Kendall Miller, Andrew Harrington, and Mark Regan, this court finds the rate reasonable. Having reviewed the resumes of the attorneys, and having considered the affidavit of Mr. Davis, this court finds that \$300 is a very reasonable hourly rate for Ms. Kendall Miller, Mr. Harrington, and Mr. Regan. These are highly experienced attorneys with impressive credentials on par with senior partners at well-regarded law firms. The fact that they chose a career in public service does not detract from their market value. The State has not provided any evidence to the contrary, other than Ms. Kendall Miller had billed \$275 in the past. Like many attorneys, upward adjustments to hourly rates occur on a regular basis and Ms. Kendall Miller should not be locked into her past billing rate.

Next, the lost time for Eric Johnson (estimated at 30 hours), as well as the elimination of 60 hours does show some evidence that plaintiffs have discounted time they determined was difficult to verify, and time they did not feel was warranted. The elimination of 90 hours of time at \$300 per hour adds up to \$27,000. This is about 10% of plaintiffs' total billing. It is not just the actual dollar amount that is important as a measure of reasonableness, but also the way plaintiffs chose to present their claim for fees.

~~The State also appears to assert that it was unreasonable to~~ involve the efforts of four senior attorneys in the project, since as individuals they had over 40 reported Alaska Supreme Court decisions. It appears to be the State's contention that any one individual attorney could have done the work, and as a result there was some duplication of efforts. There is some merit to the State's contention that perhaps fewer attorneys would have sufficed, but this court is disinclined to decide that the collaborative effort of the attorneys in this case was not warranted. This is an unusual case of first impression on a difficult issue. Certainly the efforts of all the attorneys added value to the final product.

Lastly, the State points out about eleven hours of work they claim were not related to this case. In their reply, plaintiffs provided little further explanation on the issue, other than there were companion cases and the strategy between the cases was a necessary component of this litigation. It appears that some of the time was expended after this case

was already fully briefed and some of the time was for intervention in a separate case. Thus, \$3,220 is deducted from \$271,618.75, for a sum of \$268,398.75.

The remaining issue is whether this court should depart from the Civil Rule 82 presumptive 20%. Before proceeding with the analysis, it is important to note that this court is making a determination solely under Civil Rule 82, and not as a determination of whether plaintiffs are public interest litigants.

Until recently the Alaska Supreme Court specified four criteria for determining public interest litigant status. *Fairbanks North Star Borough v. Interior Cabaret, Hotel, Restaurant and Retailers Association*, 137 P.3d 289, 291 (Alaska 2006). However, that was supplanted by AS 09.60.010(c) and (d), which created a simplified test. Under AS 09.60.010(c)(1), in "a civil action or appeal concerning the establishment, protection, or enforcement of a right under the United States Constitution, or the Constitution of the State of Alaska," the court shall award "full reasonable attorney's fees and costs to a claimant."

Under AS 09.60.010(d)(2) "the court shall make an award only if the claimant did not have sufficient economic incentive to bring suit, regardless of the constitutional claims involved."

In *State v. Village of Nunapitchuk*, 136 P.3d 389, 406 (Alaska 2007), the court held that "HB 145 does not modify Rule 82." To "determine the Rule 82 Award, the trial court had to (1) determine the

compensable value of the services the attorneys rendered the class, and (2) apply Rule 82 to the amount calculated in Step 1 to decide how much . . . should" be paid. *Municipality of Anchorage v. Gentile*, 922 P.2d 248, 264 (Alaska 1996).

Applying Civil Rule 82(b)(3), the following factors are the ones that favor plaintiffs: the complexity of the case and the relationship between the amount of work performed and the significance of the matter at stake.

~~The complexity of the case really speaks for itself.~~ Given this court's decision and the Alaska Supreme Court's decision, there is little doubt that the legal issue was one of first impression in Alaska. There have been other related cases, but none directly on point, thus interpreting the law was difficult and fraught with ambiguity. Indeed the Attorneys General for different administrations took different positions on the issue. Further, in terms of application of Indian Law from other jurisdictions and from the Federal Court, Alaska is unique, given the Alaska Native Claims Settlement Act. There was little guidance from other jurisdictions from which precedents could be gleaned and relied upon. Even though there was no trial and the case was resolved as a matter of law on dispositive motions, it took seven years of litigation for the Alaska Supreme Court to rule on the merits. There is no question that this is a complex case.

There was certainly a significant amount of work performed in this case, but the matter at stake is of great significance. Here, a distinction is drawn between public interest litigation and a case of great significance. They are not synonymous. There are many cases of public interest that do not establish new legal doctrine or extend present legal doctrine. But it also does not mean that a case of great significance cannot have a public interest component. Indeed, many landmark cases by their nature impact and influence the public good.

At the heart of this case is tribal sovereignty, the inherent jurisdiction of a tribe over its members and its children's welfare. It is also about the rule of law and self-governance of a sovereign. It is about a tribe's relationship with the State of Alaska. These are central issues to a democracy. If not a landmark case, then at the least it is an important and significant case in Alaska jurisprudence. It is a case where the Alaska Supreme Court took great lengths to discuss and decide the parameters of tribal jurisdiction. Although not all questions have been answered, the most important ones providing the framework for tribal jurisdiction have been addressed.

This court has already found that the hourly rates of the attorneys were reasonable and there were efforts to minimize the fees. It is true that many senior attorneys were called to assist in the litigation, but as discussed, given the complexity of the case, the number of attorneys used was reasonable.

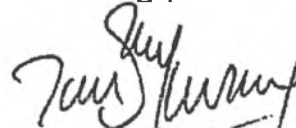
The claims and defenses pursued by each side were reasonable, and there was no vexatious or bad faith conduct by either party. It is true that the Attorney General's Office may have taken contrary positions, but when the law is unsettled, independent minds can in good faith disagree. This underscores the importance and significance of the case.

The last three factors set out in Civil Rule 82(b)(3) do not apply here.

~~Upon consideration, some upward adjustment is warranted, but~~
not up to 100%. Two factors weigh in favor of increasing the percentage. The remaining factors either do not apply or do not weigh in favor of reducing the award. With regard to the attorney time, billing, and rates, this court finds that the attorney billings are reasonable for a case of this magnitude, thus those factors are neutral, neither favoring an upward or downward adjustment. Taking into consideration all of the factors, a 20% upward adjustment is warranted.

Plaintiffs are awarded 40% of their actual fees in the amount of \$107,359.50 and costs of \$866.29 for a total of \$108,225.79.

Dated this 13 day of July 2011 at Anchorage, Alaska.



Sen. K. Tan
Superior Court Judge



I certify that on 7.13.11
a copy of the original was personally
handed to each of the following:
M. Lucas J. Kendall-Miller
P. Putzier-Ago
Secretary/Deputy Clerk

Department of Law

JAN - 6 2012

DEPT. OF LAW
ADMIN. SERVICES

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

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

PART ONE

1. **Case Name:** *American Booksellers Foundation for Free Expression, et al. v. Burns*
2. **Case Number:** *3:10-CV-00193-RRB*
3. **Judge/Justices:** *Beistline*
4. **Date Judgment entered:** *10/21/2011 (order and judgment granting attorney fees)*
7/11/2011 (judgment in favor of plaintiffs)
5. **Did the date of the cause of action accrue on or after August 7, 1997?** *Yes*
6. **Amount to be paid:** *\$135,000*
7. **Interest Rate:** *by statute* **Effective Date:** *10/21/11*
8. **Requested hourly rate and total compensation of attorneys to be paid:** *Plaintiffs requested hourly rates ranging from \$175 to \$600 for a total amount of \$179,609.29.*
9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:** *This was a negotiated settlement for a total amount of \$135,000.*
10. **Payable to:**

*SNR Denton US LLP, as attorneys
Attn: Michael A. Bamberger
1221 Ave. of the Americas, 23rd fl.
New York, NY 10020*
11. **EIN:** *Submit separately* **or** **SSN:** *Submit separately*

12. Send check to: X above address

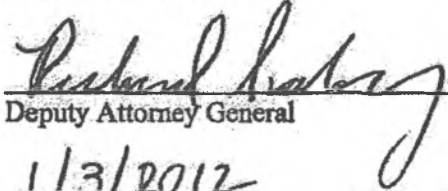
Departmental contact: _____

Departmental attorney contact:

Departmental Approval:



Manika R. Athens



Deputy Attorney General

907-269-6326

Telephone Number

1/3/2012
Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

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

12. Case Name: *American Booksellers Foundation for Free Expression, et al. v. Burns*

Case No.: 3:10-CV-00193-RRB

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

The plaintiffs filed their complaint in September of 2010 alleging that AS 11.61.128, including prior to and as amended by SB 222, violated the First, Fifth, Fourteenth Amendments and the Commerce Clause of the United States Constitution. Plaintiffs moved for a preliminary injunction and it was granted. Plaintiffs then moved for summary judgment. The State also moved for summary judgment and for questions of law to be certified to the Alaska Supreme Court. The court granted the motion to certify questions of law to the Alaska Supreme Court, but the Alaska Supreme Court declined to answer the questions of law. The court then granted the plaintiffs' motion for summary judgment, agreeing that AS 11.61.128 violated the First Amendment.

The plaintiffs moved for attorney fees. The State opposed the amount requested. A negotiated agreement for attorney fees was then reached.

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

AS 11.61.128 was designed to prohibit adults from distributing pornographic material to children, either in person or online. There is not another statute that directly deals with this type of behavior.

3. Did the State prevail on any issues? If so, describe. No.

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

Yes, the State objected to the requested hourly rates for many of the attorneys, the amount of hours billed and the amount of expenses submitted. In the negotiated settlement, the State was successful in reducing the amount of attorney fees awarded by \$44,609.29.

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

42 U.S.C. § 1983

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

Because the statute is no longer in effect, no action was taken.

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

See No. 6.

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


No.

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

Distribution of pornography to children should be criminal, and a more narrow statute should be enacted.

Attorney completing form:

Date:


Marika Athens
Assistant Attorney General
269-6326

November 8, 2011

UNITED STATES DISTRICT COURT
DISTRICT OF ALASKA

AMERICAN BOOKSELLERS FOUNDATION FOR
FREE EXPRESSION, et al.

Plaintiffs,

v.

JOHN BURNS, in his official capacity as ATTORNEY
GENERAL OF THE STATE OF ALASKA,

Defendant.

Civil No. 3:10-cv-00193-RRB

**ORDER AND JUDGMENT
GRANTING ATTORNEYS' FEES AND EXPENSES**

This matter is before the Court on a joint motion to grant fees and expenses under 42 U.S.C. § 1988. The Court grants the Motion and awards plaintiffs the stipulated amount of \$135,000.

IT IS SO ADJUDGED, ORDERED AND DECREED.

DATED at Anchorage, Alaska this 21 day of October, 2011.

151 RRB

Hon. Ralph R. Beistline
United States District Court Judge

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

(Please Type)

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

PART ONE

1. **Case Name:** Bult Ito v. State, University of Alaska
2. **Case Number:** 3AN-09-7875 CI
3. **Judge/Justices:** Judge Sen Tan
4. **Date Judgment entered:** Settlement reached through mediation on 10/7/2011; After class notice, a reasonable period for class objections, and a fairness hearing, final court approval anticipated 2/21/2012
5. **Did the date of the cause of action accrue on or after August 7, 1997?** Yes
6. **Amount to be paid:** \$20,000,000
7. **Interest Rate:** N/A **Effective Date:** N/A
8. **Requested hourly rate and total compensation of attorneys to be paid:** N/A
9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:** Attorney's fees in the amount of \$1,818,181 and litigation costs in the amount of \$336,329 are included in the \$20,000,000 lump sum; final court approval anticipated by 2/21/2012
10. **Payable to:** \$17,845,491 to the University of Alaska to disburse to the individual retirement accounts of each of the 690 class members. (The Plaintiffs retained an actuary, Alan Stonewall, to calculate each Class Member's share of the Settlement Proceeds. The allocation and applicable formula is attached as Exhibit B to the Settlement Agreement.)

\$1,818,181 to JERMAIN DUNNAGAN & OWENS, 300 A Street, Suite 300, Anchorage, AK 99503

\$336,328 to JERMAIN DUNNAGAN & OWENS in Trust for United Academics – AAUP/AFT
Local 4996, 300 A Street, Suite 300, Anchorage, AK 99503

11. EIN: Submit separately or SSN: Submit separately

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

Departmental attorney contact:

Departmental Approval:

Jessica L. Srader
Neil Slotnick

Jessica L. Srader
Signature

Deputy Attorney General

465-6713
Telephone Number

Date

Department of Law

JUDGMENT/SETTLEMENT FUNDING REQUEST
QUESTIONNAIRE

PART TWO

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

Case Name: *Bult Ito v. State, University of Alaska*

Case No.: 3AN-09-7875 CI

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

The State and the University of Alaska are co-defendants in this class action lawsuit, referred to as the "ORP litigation." The class here includes 690 University professors and high level executives who became members of the University's optional retirement plan (ORP) between 1990 and 2005.¹ The ORP differs from the State's two primary retirement systems, PERS and TRS in that it is a defined contribution plan (offering employer payments monthly into individual retirement accounts) versus a defined benefit plan (offering a sum certain in retirement pension).

ORP's employer contribution rate, by statute, is the amount set by the University's Board of Regents. But instead of setting a specific amount or percentage for employer contributions (as typically done in defined contribution plans), the University's Board of Regents tied the ORP employer contribution rate to the three year average of the TRS defined benefit plan's employer contribution rate: "The Employer plan contributions shall be equal to the three year moving average of the rates (including the current and preceding two years rates) in effect for participating employers in the State of Alaska Teachers Retirement System."

Because the employer contribution rate under ORP is tied to the employer contribution rate for TRS, the class claims that legislation passed in 2007 (HB 95) and 2008 (SB 125)—which was aimed at tackling the TRS unfunded liability and stabilizing the TRS employer contribution rates—unconstitutionally, diminished the class members' retirement benefits. Through HB 95, the legislature appropriated money directly to TRS to pay the unfunded liability for all TRS participating employers for the 2008 budget year. And in 2008, with SB 125, the State took a long range perspective to stabilize TRS employer contributions at the greater of 12.56% or

¹ Like PERS and TRS, ORP is multi-tiered. The class members here are all members of the ORP Tier I.

normal cost, with the state assuming the annual cost of the TRS unfunded liability as projected by the State's actuaries. This direct funding to TRS lowered the TRS employer contribution rate, which otherwise could rise as high as 40-50 percent. This action effectively set the ORP rate at 12.56 percent.

The class claimed that the legislative action diminished their accrued retirement benefits because they had a right under their contract with the University to expect that the TRS employer rate would be based on the employer's cost to fund TRS without legislative involvement. The class also raised allegations potentially supporting a violation of the covenant of good faith and fair dealing in that the University had actively sought to have the TRS rate capped, which arguably would have denied the class members the benefit of their bargain.

Following a two-day mediation, the State and the University reached an agreement with the plaintiffs in the class action lawsuit. The parties agreed to the following:

- Subject to appropriation, the State/University will pay \$18,181,819 to the ORP members, to be distributed to each individual class member's individual ORP retirement account on an actuarial basis. Prior to distribution of this amount to the Class, these settlement proceeds shall be used, in part, to reimburse United Academics - AAUP/AFT Local 4996 ("United Academics") for all actual litigation expenses it incurred in connection with this matter, in the amount of Three Hundred Thirty-Six Thousand Three Hundred Twenty-Eight Dollars (\$336,328).
- Subject to appropriation, the State/University will pay \$1,818,181 to class counsel in full satisfaction of any claim they or the class may have against the State or University for costs and attorneys' fees incurred in connection with class counsel's representation of the class in this matter.
- The ORP Tier I plan will be amended to set the employer contribution rate at a 14 percent fixed rate.
- The ORP Tier I employer contribution rate will no longer be tied to TRS.
- No more than 25 members of the class may opt out of the class settlement; otherwise, the University/State may terminate the agreement. And the case will proceed to trial.
- The lump sum payment will be reduced by money attributable to members who opt out of the class. To the extent that any class member elects to opt-out of the class, that class member's share of the settlement proceeds shall be deducted from the lump sum payment or refunded to the State.

The State agreed to request funding for the total lump sum settlement amount (i.e. \$20,000,000) through the Department of Law's Judgments and Settlements bill. Nevertheless, the University is responsible for half of the lump sum payment and agrees that it must stand with the Department in legislative hearings to explain the case and settlement.

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

Under Article XII, section 7 of the Alaska Constitution: "Membership in employee retirement systems of the State or its political subdivisions shall constitute a contractual relationship. Accrued benefits of these systems shall not be diminished or impaired." The retirement cases in Alaska are very protective of the rights of retirement participants. And how the court will interpret "accrued benefits" protected by article XII, section 7, in the context of a defined contribution retirement plan, like ORP, is not clear.

Assuming worst case scenario (i.e. the class prevails on every point), the potential downside risk in this case is high: plaintiff's actuary expert estimated the plaintiffs' damages at \$200-300 million in present value.

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

No, the State and the University filed motions to dismiss on January 22, 2010. On October 26, 2010, Judge Sen Tan denied those motions. On September 29, 2011, the State filed a second dispositive motion. That motion was held in abeyance pending approval of the parties' settlement.

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

Yes, the class attempted to negotiate attorney's fees in addition to any lump sum settlement. Ultimately, the class carved out attorney's fees and costs from the lump sum payment.

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

Under Article XII, section 7 of the Alaska Constitution, the ORP members have a contractual right to their retirement benefits which cannot be diminished or otherwise impaired without a corresponding offset: "Membership in employee retirement systems of the State or its political subdivisions shall constitute a contractual relationship. Accrued benefits of these systems shall not be diminished or impaired." The retirement cases in Alaska are very protective of the rights of retirement participants. The right to "accrued benefits" protected by article XII, section 7 vests upon commencement of employment and enrollment in the retirement plan—not when the employee is eligible to receive available benefits.² This right includes any additional retirement benefits offered during employment until retirement.³ Any diminishment or

² *Hammond v. Hoffbeck*, 627 P.2d 1052, 1056-67 (Alaska 1981).

³ *Sheffield v. Alaska Public Employees' Association, Inc.*, 732 P.2d 1083, 1085 (Alaska 1987).

impairment of an employee's vested right to benefits is "constitutionally infirm" unless it is offset by comparable advantages.⁴

In addition, because the University and the legislature knew that the retirement program of state employees would be diminished when they took action, the class suggested that these actions constituted a violation of the covenant of good faith and fair dealing.

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

The University amended the ORP plan to set the employer contribution rate to a 12 percent fixed rate for eligible University employees first hired on or after July 1, 2005. The new tier is not linked to the TRS employer contribution rate.

In addition, the settlement agreement reached by the parties permanently modifies the ORP Tier I to set the employer contribution rate to a 14 percent fixed rate for class members.

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

See Response to # 6.

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

None.

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

None.

Attorney completing form:

Jessica L. Srader
Jessica L. Srader
Assistant Attorney General

Date:

12/1/2011

Phone Number: 465-6713

⁴ *Sheffield*, 732 P.2d at 1085; *Hoffbeck*, 627 P.2d at 1059.

Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

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

PART ONE

1. **Case Name:** *State of Alaska v. Public Safety Employees Association*
2. **Case Number:** Supreme Court Case No. S-13782, Superior Court Case No. 3AN-08-06897
CI
3. **Judge/Justices:** Supreme Court Justices Carpeneti (Chief Justice), Fabe, and Winfree;
Superior Court Judges Craig Stowers and Sen-Tan
4. **Date Judgment entered:** Supreme Court Judgment for \$1500.00 (attorneys' fees) entered on August 11, 2011, and for \$203.85 (costs) entered on August 16, 2011; Superior Court Judgment for \$7,458.40 (\$6,448.00 in fees, \$1,010.40 in costs) entered on January 13, 2010.
5. **Did the date of the cause of action accrue on or after August 7, 1997?** Yes.
6. **Amount to be paid:** \$9,162.25
7. **Interest Rate:** 3.5% **Effective Date:** 1/13/2010 for \$7,458.40
8/11/2011 for \$1,500.00
8/16/2011 for \$203.85
8. **Requested hourly rate and total compensation of attorneys to be paid:** Total compensation for attorneys' fees is \$7,948.00. The attorneys' hourly rates at Superior Court were \$250/hr and \$210/hr, for a total of \$6,448.00. The Alaska Supreme Court awarded attorneys' fees of \$1,500, without assessing an hourly rate.
9. **Court approved/ordered hourly rate and total compensation of attorneys to be paid:** Same as above.
10. **Payable to:** Simpson, Tillinghast & Sorensen
11. **EIN:** Submit separately or **SSN:** Submit separately

The Alaska Supreme Court issued its decision on July 29, 2011, ruling against the State and upholding the arbitration award. The Court concluded that it is Alaska's policy to maintain an honest police force and that it is against public policy for a police officer to lie. The Court, however, enforced the arbitration award reinstating this dishonest Trooper based on its conclusion that he committed a relatively minor act of dishonesty. The Court also concluded that, because the applicable collective bargaining agreement did not define "just cause," the arbitrator did not commit gross error by using a just cause standard different than the Alaska standard previously defined by the Alaska Supreme Court. The Court ordered the State to pay \$1,500.00 in attorneys' fees and \$203.85 in costs for the appeal.

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

This case is one of a series of arbitration decisions reinstating law enforcement officers who had been terminated for dishonesty or egregious misconduct. The State sought to have the courts vacate these reinstatements based on the important public policy interest in maintaining an honest and trustworthy police force in the State of Alaska.

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

The Alaska Supreme Court recognized for the first time a public policy exception to the traditional deference given to arbitration decisions.

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

The State did not challenge PSEA's request for costs and fees.

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

The arbitrator found that there was no just cause to terminate this employee based on his conclusion that the State had been lenient in the past to officers who engaged in similar misconduct and because the State had allowed this officer to continue on active duty and gave him an acceptable performance evaluation during the investigation into his alleged misconduct.

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

Troopers who face allegations of dishonesty now are immediately removed from active service during investigation into the allegations. The Troopers have reviewed and updated the relevant policies and procedures.

7. If the information is available to you, has the agency involved taken any corrective action as a result of this case? If the information is not protected from

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

1 STATE OF ALASKA,

2 Plaintiff,

3 v.

4 PUBLIC SAFETY EMPLOYEES
ASSOCIATION,

5 Defendant.

Case No. 3AN-08-06897 CI

6 **FINAL JUDGMENT**

7 The State of Alaska has moved for summary judgment seeking to vacate the
8 arbitration decision and award of Arbitrator Thomas Angelo (such decision and award
9 being collectively referred to herein as the "Angelo Award"). The Public Safety
10 Employees Association ("PSEA") opposed the motion. Oral argument was granted
11 and the parties were heard on June 3, 2009.

12 This Court, having considered the parties' briefs and oral arguments, hereby
13 denies the State of Alaska's motion to vacate the Angelo Award and, pursuant to Civil
14 Rule 56(c), grants summary judgment to PSEA, there being no genuine issue of
15 material facts and PSEA being entitled to judgment as a matter of law. The Angelo
16 Award is hereby confirmed.

17 This Court accordingly enters judgment in favor of PSEA in this action.

18 IT IS FURTHER ORDERED AND ADJUDGED that the State of Alaska shall
19 implement and comply with the terms and conditions of the Angelo Award and
20 reinstate the Grievant therein to his former employment. Grievant shall be reinstated
21 as of the date of Arbitrator Angelo's decision and is entitled to all back pay and all
benefits from that date forward.

22 IT IS FURTHER ORDERED AND ADJUDGED that this action be dismissed with
23 prejudice, and that PSEA shall recover from and have judgment against the State of
24 Alaska as follows:

TPSON, TILLINGHAST, & SORENSEN
One Seafarers Plaza, Suite 300
Juneau, Alaska 99801
(907) 586-1400 Fax: (907) 586-3065

DEC 14 2009

Order Regarding Fees and Costs

State of Alaska v. Public Safety Employees Association

Supreme Court No. S-13782

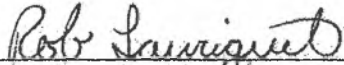
Trial Court No. 3AN-08-06897CI

Date of Order: 7/29/2011

Under Appellate Rules 508(e) and (f)(1), attorney's fees of \$1,500 are awarded to the appellee. On or before 8/11/2011, the appellee shall serve and file with this court an itemized and verified bill of costs.

Entered at the direction of an individual justice.

Clerk of the Supreme Court



Rob Lauriguet, Deputy Clerk

cc: Trial Court Appeals Clerk

Distribution:

Brenda Page
Attorney General's Office
1031 W 4th Ave Ste 200
Anchorage AK 99501

Stephen F. Sorensen
Simpson Tillinghast & Sorensen PC
One Sealaska Plaza, Ste 300
Juneau AK 99801

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Department of Law

JUDGMENTS/CLAIMS/SETTLEMENTS FOR PAYMENT

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

PART ONE

- 1. Case Name: *Kasayulie v. State*
- 2. Case Number: 3AN-97-3782 CI
- 3. Judge/Justices: Reese / Ridner
- 4. Date Judgment entered: Settlement, October 2011.
- 5. Did the date of the cause of action accrue on or after August 7, 1997? No

6. Amount to be paid:
 7. Interest Rate: Effective Date:

Requested hourly rate and total compensation of attorneys to be paid:

Jermaine Dunnagan & Owen Fees & Costs:	\$529,662.55
Middleton & Timme Fees & Costs:	<u>\$352,008.84</u>
	\$881,671.39*
Less Court Ordered State reimbursed fees:	<u><206,245.53>**</u>
TOTAL	\$675,425.86

*Hourly rates: through 2004 = \$150/\$185, 2004-06 = \$155/\$185, 2007-08 = \$200; 2010/11 = \$200/\$225
 **Reimbursed at Court approved rates of \$190/hr. & \$160/hr. (Land Trust).

9. Court approved/ordered hourly rate and total compensation of attorneys to be paid:
 Not to exceed \$500,000.00 pursuant to the terms of the Consent Decree and Settlement Agreement.

10. Payable to: Jermain Dunnagan & Owens, in trust for CEAAC

11. EIN: Submit separately or SSN: Submit separately

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

Departmental attorney contact: Neil Slotnick Departmental Approval: Jim Cantor

Signature

Deputy Attorney General

65-4149
Telephone Number

Date

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

State lost on issues involving public interest.

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

State has implemented a formula for funding rural school construction.

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

State has implemented a formula for funding rural school construction. State is working to resolve issues regarding trust fund.

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

Yes. The state response in Moore demonstrated a better way to deal with constitutional issues in education.

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

No - already done

Attorney completing form:

Neil Slotnick

Ass't Att'y Gen'l

Title

Date:

Jan 25, 2021

465-4149

Phone Number

1
2 3. The defendant is the State of Alaska.

3 4. The original complaint in this action was filed on May 20, 1997.
4 It alleged that, at the time this lawsuit was filed, many of the physical facilities within
5 plaintiff school districts were in dire need of replacement and/or major maintenance,
6 exhibiting widespread deterioration, physical dangers, structural deficiencies,
7 inability to satisfy relevant code requirements, and a lack of sufficient
8 instructional space.

9
10 5. The complaint further alleged that plaintiff school districts had
11 neither taxable real property nor legal authority to raise capital funds through a local
12 capital tax levy or bond issue. Plaintiffs asserted that most municipal school districts,
13 which had bonding capacity sufficient to raise capital funds, had access to state funding
14 for capital projects through the state's debt reimbursement program under
15 AS 14.11.100. Plaintiffs further asserted that, by the time this lawsuit was filed,
16 there existed widespread disparities between facilities in plaintiff school districts and
17 those in districts with the ability to pass local bond issues to raise the necessary capital
18 for facilities funding, major maintenance and renovation.

19
20 6. In a second amended complaint filed on May 20, 1998,
21 the Plaintiffs added allegations regarding the public school land trust,
22 including allegations that the inadequate funding of school district plaintiffs was a
23 breach of the State's trust obligations.

24
25 7. In 1999, both parties filed Motions for Summary Judgment on
26 both issues.

1 proposed valuation process would be high, and the Court had ruled that under trust law,
2 this cost would be paid out of trust money. Moreover, as the parties studied the
3 preliminary data, it became clear that little or no educational gains would be achieved
4 from having a full appraisal. At the same time, the State had approved general
5 obligation bonds for construction of multiple rural school facilities in plaintiff
6 school districts. Accordingly, the parties slowed their work on the valuation, and began
7 in earnest to discuss settlement.
8

9
10 13. In 2010, the Legislature, in response in part to the Court's order
11 regarding perceived constitutional violations relating to the funding of rural school
12 construction, passed SB 237, which established a formula under statute (AS 14.11.025
13 and AS 14.11.030) for money to be available each year for funding of school
14 construction in Regional Educational Attendance Areas. The formula was based on a
15 percentage of the debt funding to urban schools under AS 14.11.100(a), and the
16 sponsor of the bill estimated that the formula would result in enough money to fund one
17 new school per year. The legislation provided that the statutes would become effective
18 in 2012. The adoption of these statutes paved the way for settlement of this case.
19

20 14. The parties have reached agreement to settle and dismiss this case
21 by providing for the funding, over a four year period, of the five rural school
22 construction projects that are ranked as the highest priority school construction projects
23 on the Department of Education and Early Development's construction list. The parties
24 recognize, however, that they cannot bind future legislatures, and that the Governor
25 must retain discretion for the introduction and vetoing of legislation in future years.
26

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

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CONSENT DECREE

1. The State will include in the Governor's proposed capital appropriations budget bill for FY2013 the following two school construction projects:

(a) Emmonak K-12 school renovation/addition; appropriation to be effective July 1, 2012. (Amount of appropriation to be determined by DEED's November 2011 FY2013 Capital Improvement Project process; for reference, the cost of this project from DEED's November 2010 list was \$39,251,867).

(b) Kivalina K-12 school renovation/addition; appropriation to be effective July 1, 2012. (Amount of appropriation to be determined by the Department of Education and Early Development's November 2011 FY2013 Capital Improvement Project process; for reference, the cost of this project from DEED's FY2012 list was \$14,724,714). However, if the Legislature declines to fund, or places contingencies on the Kivalina school project because of concerns about erosion or viability of the school site, the lack of funding or contingencies will have no effect on the settlement, and cannot be used by plaintiffs to reopen this litigation.

2. Subject to the Governor's discretion, the State will include in the Governor's proposed capital appropriations budget bill for FY2014 the following school construction project:

(a) Koliganek K-12 school replacement; appropriation to be effective July 1, 2013. (Amount of appropriation to be determined by DEED's November 2012 CIP process; cost of this project from DEED's November 2010 list was \$23,067,360).

1
2 (a) Will provide the State with a copy of all valuation work done by their
3 experts, and will cooperate with the State to present land valuation information to the
4 Court; however, plaintiffs will not be obligated to actively participate in any further or
5 future land valuation efforts undertaken by the State; and

6 (b) Will not oppose efforts by the State to complete the valuation of
7 the public school trust lands; and

8 (c) Will not oppose the formal removal from public school trust status of
9 any land received by the State after July 1, 1978, including 906(b) ANILCA lands and
10 approximately 2,800 acres otherwise conveyed by the federal government.
11

12 6. The Department of Law will include in the judgment bill
13 introduced in the FY2013 session an appropriation for payment of plaintiffs' full
14 reasonable attorney's fees, not to exceed \$500,000. Plaintiffs will provide an
15 accounting of fees no later than September 1, 2011, and will cooperate to ensure that
16 the fees are compensable and were not previously paid under an earlier award by
17 the Court.
18

19 7. The parties shall stipulate to dismissal with prejudice of all of the
20 claims raised by plaintiffs in this matter, to be effective on the effective date of the
21 legislation providing for appropriations for the school construction projects described
22 in paragraph (1) of this Consent Decree. As described in paragraph (1)(b), however,
23 the dismissal will become effective even in the event the legislature decides to not fund,
24 or to place contingencies on, the Kivalina school project because of concerns about
25 erosion or viability of the Kivalina school site. Notwithstanding this dismissal,
26

DEPARTMENT OF LAW
OFFICE OF THE ATTORNEY GENERAL
ANCHORAGE BRANCH
1031 W. FOURTH AVENUE, SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 269-5100

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Date

Ruth Heckman
Plaintiff

Date

Rob Picou, Superintendent
Bering Strait School District
Plaintiff

Date

Karen Ladegard, Superintendent
Iditarod Area School District
Plaintiff

Date

Steve Pine, Superintendent
Kashunamiut School District
Plaintiff

Date

Gary Baldwin, Superintendent
Lower Kuskokwim School District
Plaintiff

Date

John Lamont, Superintendent
Lower Yukon School District
Plaintiff

Date

Howard Diamond, Superintendent
Yupit Schools
Plaintiff

SECTIONS

10-13

Scope Change: Anchorage Armory Roof Replacement and G-Wing Preparation **FY2012 Request: \$0**
Reference No: 45205

AP/AL: Appropriation **Project Type: Deferred Maintenance**

Category: Public Protection

Location: Joint Base Elmendorf - Richardson

House District: Military (HD 18)

Impact House District: Anchorage Areawide (HD 17-32)

Contact: McHugh Pierre

Estimated Project Dates: 04/15/2012 - 06/30/2013 **Contact Phone: (907)428-6003**

Brief Summary and Statement of Need:

A scope change is requested on an existing \$4 million appropriation titled "Anchorage Armory Roof Replacement" to expand the language to allow the Department of Military and Veterans Affairs to provide needed site preparation for the G-Wing at the same facility.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
G/F Match	\$-380,500						\$-380,500
Gen Fund	\$380,500						\$380,500
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Original appropriation: SLA 2008 Chapter 29 (SB221), Section 13, Page 151, Line 27.

Project Description/Justification:

The original appropriation provided funding for a life cycle replacement of the Anchorage Armory roof. \$4,000,000 was appropriated for the project and included a 50% general fund match (GFM) requirement. The project was completed in FY2011 under budget. There is remaining authorization of \$380,500 in general fund match.

The requested language change expands the title from "Anchorage Armory Roof Replacement" to "Anchorage Armory Roof Replacement and G-Wing Preparation". This project will provide for site preparation work associated with Anchorage Armory expansion at Camp Denali. Site prep work may include but is not limited to land clearing, construction access road development, sidewalk and asphalt demolition, communications tower and utility relocation. The department wishes to amend the funding source from general fund match to general fund.

Federal Energy Projects

FY2012 Request: \$0
Reference No: 50957

AP/AL: Appropriation with Allocations

Project Type: Energy

Category: Public Protection

Location: Statewide

House District: Statewide (HD 1-40)

Impact House District: Statewide (HD 1-40)

Contact: McHugh Pierre

Estimated Project Dates: 04/15/2012 - 06/30/2016

Contact Phone: (907)428-6003

Brief Summary and Statement of Need:

This request will provide additional matching funding for federal energy projects at Kenai, Ketchikan, and Kodiak. The federal funding ratio has changed due to federal regulations regarding funding and armory use. The total request for the federal energy projects remains \$490,000. The funding split is amended to from \$10,000 general funds and \$480,000 federal funds to \$17,500 general funds and \$472,500 federal funds.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts	\$-7,500						\$-7,500
G/F Match	\$7,500						\$7,500
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Original appropriation and allocations: Chapter 5, Section 1, FSSLA 2011 (SB46), page 88, line 21 - page 89, line 4

Project Description/Justification:

The federal funding ratio for armory maintenance and renovation has changed due to federal regulations regarding funding and armory use. Three projects appropriated in Chapter 5 FSSLA 2011 now require additional state match.

The project scope and total project costs remain the same.

Allocations Affected	General Fund Match	Federal Funds
Kenai Replace Exterior Lights with LEDs	2.5	(2.5)
Ketchikan Replace Exterior Lights with LEDs	2.5	(2.5)
Kodiak Replace Exterior Lights with LEDs	2.5	(2.5)

Deferred Maintenance Projects

FY2012 Request: \$0
Reference No: 49583

AP/AL: Appropriation with Allocations **Project Type:** Deferred Maintenance
Category: Public Protection
Location: Statewide **House District:** Statewide (HD 1-40)
Impact House District: Statewide (HD 1-40) **Contact:** McHugh Pierre
Estimated Project Dates: 04/15/2012 - 06/30/2014 **Contact Phone:** (907)428-6003

Brief Summary and Statement of Need:

Funding is requested to provide the required match for the Kodiak, Ketchikan, and Kenai projects from the FY2010 Deferred Maintenance Supplemental Request. The project description/justification of the individual allocations within this appropriation request for Deferred Maintenance Projects is amended. These projects repair state facilities to improve the life of state assets. This total request remains \$10,300,000. The funding split is amended to \$4,712,500 General Funds and \$5,587,500 Federal Funds.

Funding:	FY2012	FY2013	FY2014	FY2015	FY2016	FY2017	Total
Fed Rcpts	\$-737,500						\$-737,500
G/F Match	\$737,500						\$737,500
Total:	\$0	\$0	\$0	\$0	\$0	\$0	\$0

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

Operating & Maintenance Costs:

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

Additional Information / Prior Funding History:

Original appropriation and allocations: Original allocation: Ch 43, Sec. 4, SLA 2010 (SB 230), page 12, line 27 - page 13, line 6

Project Description/Justification:

Due to the state to federal funding ratio change, the amount of state match for some projects has increased from 25% state/75% federal to 50% state/50% federal.

Allocations Affected	General Fund Match	Federal Funds
Armory Facilities Deferred Maintenance	200.0	(200.0)
Army Guard Facilities Projects Match Funding	537.5	(537.5)

Change Record Detail with Description
Department of Natural Resources

Scenario: FY2012 Supplemental (9721)
Component: Gas Pipeline Project Office (2947)
RDU: Administration and Support (600)
Title: Extend Lapse Date for Gas Pipeline Permitting Ch. 1 FSSLA2011

Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
									PFT	PPT	NP
Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

The Department of Natural Resources (DNR) requests approval to extend the lapse date to June 30,2013 for the remaining general funds balance (estimated to be \$1,177.3) for Gas Pipeline Permit (AR 37998).

Appropriation History:
Original appropriation: SLA2004 ch.159 Sec 24 page 82 line 6 Lapse: June 30, 2009
Reappropriated for the same purpose:SLA2009 ch. 14 Sec 12 page 18 lines 6-12
Lapse date: SLA2009 ch. 14 Sec 22 page 30 line 10 Lapse: June 20, 2011
Lapse extensions:
FSSLA2010 ch. 1 Sec11 page 36 line 2 Lapse: June 30, 2012

The intent of the appropriation is to fund the permitting and application processes related to gasline right-of-way work needed to bring North Slope natural gas to market. Industry will pay for much of the permitting and application processing. However, there is demand for work which will not be reimbursed by private industry.

- Costs which are not covered through reimbursement by non-state agencies include:
- Legal counsel on a variety of items such as contaminated sites, authorities and responsibilities, opinions on actions taken by the state and general analysis of federal law as it relates to the DNR leasing process.
 - Analysis of material site demands for infrastructure development at all stages of construction.
 - Identification of infrastructure sites for construction and operations.
 - Training staff on issues relating to project adjudication which include, but are not limited to engineering, environmental issues, and construction and operation of a pipeline.
 - Contracting of independent engineering services to advise DNR to protect state interests.
 - Field studies which expand the scope of work on an existing study and serve to maximize the benefit for the participating agency.
 - General administrative costs.
 - In-state and out-of-state travel to gather information relating to pipeline construction.
 - Technical analysis of specific engineering issues in the early project stages.

This work will require the use of the remaining balance of the appropriation. It is expected that these funds will be expended or obligated by June 30, 2013. To date, \$2,005.8 has been encumbered to support the continuing light detection and range data collection project along potential gas pipeline right of ways. This data will serve multiple purposes, but are primarily being collected to (1) evaluate active faulting, slope instability, thaw settlement, erosion, and other engineering constraints along the proposed pipeline routes and (2) provide a base layer for the state-federal GIS database that will be used to evaluate permit applications and-construction plans.

945

Change Record Detail with Description
Debt Service

Scenario: FY2012 Supplemental (9721)
 Component: International Airport Revenue Bonds (2284)
 RDU: Debt Service (251)
 Title: Fund Source Changes for FY2012 Alaska International Airport System Debt Service Payments

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1027 Int Airprt	-13,500.0											
1112 IntAptCons	10,000.0											
1179 PFC	3,500.0											

The Alaska International Airport System (AIAS) requests fund source changes relating to FY2012 International Airport debt service in order to increase the amount of Passenger Facility Charges (PFC) currently approved, and to use a portion of existing AIAS Construction Funds for FY2012 debt service payments. As with previous supplemental requests in years' past, this request utilizes amounts deemed by AIAS as surplus and available in order to help minimize the amount of revenue needed to be collected from airport customers while meeting debt service coverage ratios required under the bond resolution rate covenant.

The AIAS proposes increasing the use of PFC previously collected under the provisions of an Federal Aviation Administration PFC application for the payment of FY2012 annual debt service in the amount of an additional \$3.5 million and Construction Funds in the amount of \$10.0 million in order to help ensure FY2012 debt service covenants are met without raising rates and fees to AIAS customers in excess of the increased landing fee revision implemented November 1, 2011.

The use of these particular funds in lieu of the International Airports Revenue Fund also allows the AIAS to provide debt service payments from funds on hand, net of the additional 25% debt service coverage which would otherwise be required to be collected through current fiscal year operating revenue rate and fee increases to AIAS customers.

These appropriation changes will allow AIAS to meet the technical requirements of their bond' resolution rate covenant while also minimizing the need for rate and fee changes to customers. Both are required to meet fiscal obligations and maintain fiscal integrity.

94-6

94-6

Change Record Detail with Description
Fund Capitalization

Scenario: FY2012 Supplemental (9721)
Component: Disaster Relief Fund (2497)
RDU: Fund Capitalization (OpSys) (608)
Title: Supplemental Disaster Funding

	Trans Type	Totals	Personal Services	Travel	Services	Commodities	Capital Outlay	Grants, Benefits	Miscellaneous	Positions		
										PFT	PPT	NP
	Suppl	3,000.0	0.0	0.0	0.0	0.0	0.0	3,000.0	0.0	0	0	0
1004 Gen Fund		3,000.0										

Current disasters are expected to exhaust the available general funds in the Disaster Relief Fund. In addition to fall and winter storms, traditionally there are springs floods that have been eligible for expenditures from the Disaster Relief Fund.

The impact of this supplemental request is being considered for a FY2013 budget amendment.

94-7

SECTION 14
RATIFICA-
TIONS



MEMORANDUM
Department of Natural Resources

STATE OF ALASKA
Support Services Division

TO: Karen Rehfeld
Director, OMB

DATE: January 12, 2012

TELEPHONE: 465-2422

FROM: Jeanmarie Davis *Davis*
Division Director

SUBJECT: FY11 Ratification
Fire Suppression

The Department of Natural Resources requests a ratification item be included in the SLA 12 legislation for Fire Suppression Activity. The ratification amount is \$36,688,900, for FY11 general fund authorization posted and expended in the Statewide Fire Suppression RDU, Fire Suppression Activity component.

The authorization to expend was obtained through the Declaration of a Disaster Emergency process, during the time period after the regular FY11 supplemental process by the legislature. A copy of the disaster declaration is attached, along with an AKSAS management report verifying the authorization and expenditure amounts.

FY11 GF FUNDING HISTORY for AR 37313 Fire Suppression Activity General Fund:

\$6,663,300	Original GF Authorization
\$9,894,700	Chapter 1 FSSLA 2011 Supplemental
<u>(\$220,000)</u>	Transferred to Fire Preparedness for Early Fire Season implementation
\$16,338,000	Total Authorization approved by the Legislature
<u>\$53,026,900</u>	Posted Fire Activity GF Authorization including Disaster funding
<u>\$36,688,900</u>	Ratification Needed

STATE CAPITOL
PO Box 110001
Juneau, Alaska 99811-0001
907-465-3500
fax: 907-465-3532



550 West 7th Avenue #1700
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fax 907-269-7463
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Governor@Alaska.Gov

Governor Sean Parnell
STATE OF ALASKA

June 2, 2011

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

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

Re: Fire Disaster Declaration

Dear President Stevens and Speaker Chenault,

It has been the practice of the Executive Branch for several years to use the disaster declaration process to obtain additional authorization to cover fire suppression costs. The original Fiscal Year 2011 appropriation of \$6,663,300 in general funds and \$3,460,400 in federal receipts, plus the supplemental appropriation of \$9,984,700 for fire suppression activity has been fully obligated.

Due to increased fire suppression activities, the amount of additional disaster relief (above budgeted general fund) needed through June 30, 2011, is estimated to be \$26,908,900 in general funds. Through this Disaster Declaration, authorization will be made available to cover these costs. Any additional needed authorization of federal funds is available through language found in Section 19(a) of Chapter 41 SLA 2010.

As this Disaster Declaration is due to fire, a special session to authorize the general funds is not necessary. A ratification request will be submitted in the next legislative session to fund continued fire suppression operations.

Regards,

A handwritten signature in cursive script that reads "Sean Parnell".

Sean Parnell
Governor

Enclosure

cc: The Honorable Lyman Hoffman, Co-Chair, Finance Committee, Alaska State Senate
The Honorable Bert Stedman, Co-Chair, Finance Committee, Alaska State Senate
The Honorable Bill Thomas, Co-Chair, Finance Committee, Alaska House of Representative
The Honorable Bill Stoltze, Co-Chair, Finance Committee, Alaska House of Representatives

FY 2011 Fire Activity Component
Fire Suppression and Situation
June 1, 2011

The first half of the fiscal year began in what became part of the second largest fire season in terms of number of fires in the last decade. Many large fires, such as the Tolkat fire which began early in the season, continued to burn well into August, 2010. 1,250,247.5 million acres burned in the 2010 season with 334,858.3 acres burning and 173 new fires between July 1 and August 31, FY11.

Fire season began quickly again this 2011 spring and has been continuous since. By the last week of May 2010, the Division of Forestry (DOF) had suppression responsibility for 193 fires. In addition, there were eight fires within AFS responsibility which had burned on State land.

A slow and cool, but dry spring at the start of May was followed by a rapid transition to well above normal temperatures during the third week of the month. The Interior experienced very little precipitation with Fairbanks showing the third driest May on record and the only precipitation across the northern two-thirds of the state from scattered to isolated showers and thunderstorms. Weather conditions for the final two weeks of May have been record breaking warm, dry, and windy. These conditions have been statewide with Red Flag Warnings being issued by the National Weather Service for strong winds and low humidity in most areas of the State's suppression responsibility lands.

These weather conditions have resulted in vegetation that is extremely burnable. Vegetation has not fully greened up and, therefore, there is a high component of dead vegetation (leaves, grass, etc) and the plants have not yet begun to pull moisture from the ground and increase the plants' moisture levels. These factors have lead to a difficult firefighting situation. Fire starts, which under normal spring weather conditions would be successfully caught at initial attack, have grown large and exhibited extreme fire behavior. Fire starts, across the state, have been calculated to reach 100 acres within one hour of ignition. The fire response across the state, due to the large protection area responsibility, can often take 30 minutes or more. Fire managers have been less successful in extinguishing these fires in the first day which would be more typical of spring fires. Therefore, managers have increased the firefighting response to each initial action including additional firefighters, additional helicopters, and an earlier response with retardant and fixed-wing aircraft. This increased response has been statewide and has resulted in the need to move in-state firefighting resources around and to move firefighting resources from the Lower 48 and from Canada.

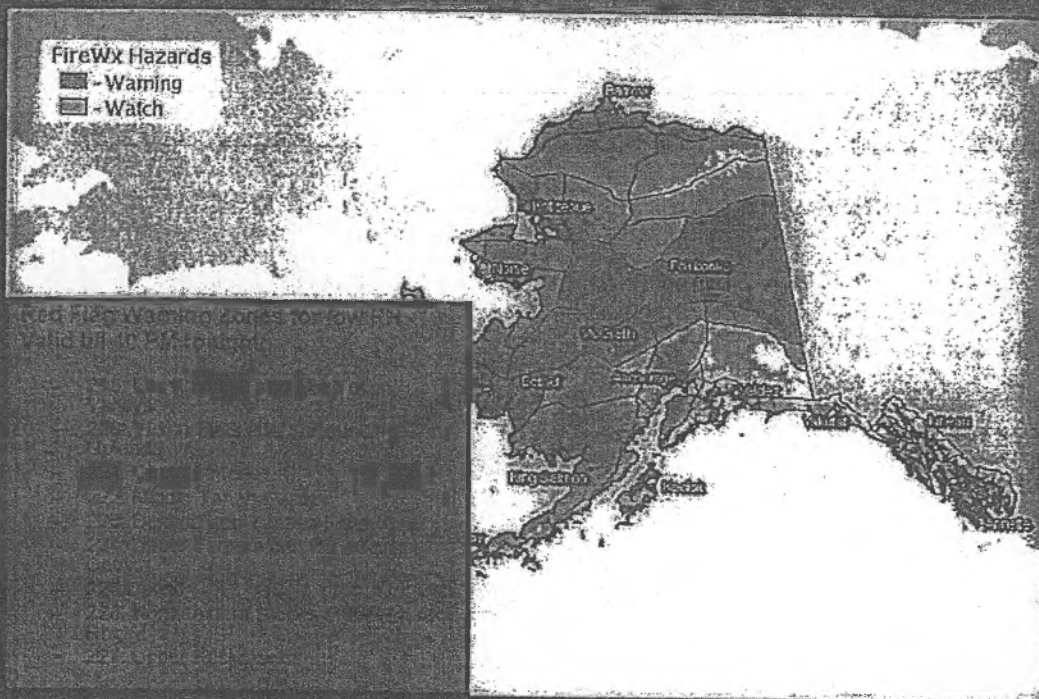
Despite these increased initial responses, the burning conditions have resulted in several unsuccessful initial actions. Each of these fires have grown large and have required additional firefighting resources. Each of these extended attack fires have required from 30 to 250 personnel with dedicated helicopters for firefighting resource movement and water delivery.

The weather forecast for the first week of June does show lower temperatures and more chance of rain in southwest Alaska. However, June 1st is normally considered the beginning of the statewide Alaska fire season, lightning becomes increasingly more prevalent, temperatures increase, humidity decreases, and precipitation is minimal with typically less than 1.5 inches in the Interior. The Seasonal Forecast for Area Burned for Interior Alaska, produced by the Alaska Center for Climate Assessment and Policy, has forecast 1,522,000 acres burned during the 2011 fire season which will place this year, again, into the high fire season category (http://www.snap.uaf.edu/fire_prediction_tool/).

Pre-Declaration Fire Weather

Red Flag Warnings for May 27, 2011

Fire Weather Briefing May 27, 2011



Maximum temperature and relative humidity for May 27 & 28, 2011

SELECTION INPUT RD: 10046 N SOURCE RD: STATUS: TRANS CODES:
 CERT RD: AUTH RD: SSI:

TRANSACTION CODE, NAME AND DESCRIPTIONS	BATCH/SEQUENCE	DOCUMENT	RD CODES	DATE	TIME	TERMINAL	RSN
520-50 BUDGETS- ORG SUP RPG	AA2434319 0001	10/31-1-5117	INPUT 10046	08/30/11	12:10:08	X5N7	07886
			SOURCE 10046	08/30/11	20:09:23:77		
FY2011 INCREASE GF AUHTORIZATION GF FIRE DISASTER DECLARATION # 3	FPC COA	TRANS AMOUNT	CERT 10064	08/30/11	13:19:56	X3KX	STATUS
AR 37313	P 11	0.00	AUTH 01400	08/30/11	17:05:29	X57V	-----
			AUTH 01510	08/30/11	17:10:37	X57V	A
			AUTH	00/00/00	00:00:00		
			LAST 10046	08/30/11	12:10:08	X5N7	

MONTH BGT
 SUP

DOC ACT LINE	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMRTR	PT	OPEN	ITEM	LIQN	IEAX	DESCRIPTION
001 001	1,400,000.00	11	10310130			73000	11							
002 002	1,400,000.00-	11	10310130			68515	11							

DOC ACT LINE	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMRTR	PT	MO	OPEN	ITEM	LIQN	COA	DESCRIPTION	SRCE
001 001	1,400,000.00	11	10310130		73136014	73000	11		06	14				11		UD
001 001	1,400,000.00-	11	90011100			35700	11		01	14				11		EX
002 002	1,400,000.00-	11	10310130		73136014	68515	11		06	14				11		UD
002 002	1,400,000.00	11	90011100			35900	11		01	14				11		EX

ASAB3000-03 RRN: 0242162
 RSN: 07834 CPD: 06/23/11

DISTRB RD: 10046-D01

STATE OF ALASKA
 STATEWIDE ACCOUNTING SYSTEM
 FINANCIAL TRANSACTION REGISTER

PAGE: 1
 DATE: 06/23/11

SELECTION INPUT RD: 10046 N SOURCE RD: STATUS: TRANS CODES:
 CERT RD: AUTH RD: SSI:

TRANSACTION CODE, NAME AND DESCRIPTIONS	BATCH/SEQUENCE	DOCUMENT	RD CODES	DATE	TIME	TERMINAL	RSN
520-50 BUDGETS- ORG SUP RPG	AA2410961 0001	10/31-1-5108	INPUT 10046	06/23/11	12:45:00	X55N	07834
			SOURCE 10046	06/23/11	23:03:26:60		
FY2011 INCREASE GF AUTHORIZATION	FPC COA	TRANS AMOUNT	CERT 10066	06/23/11	13:26:01	X4P5	STATUS
GF DISASTER DECLARATION 2ND TRANSACTION	C 11	0.00	AUTH 01400	06/23/11	16:45:37	X2AQ	-----
AR 37313			AUTH 01510	06/23/11	16:50:45	X2AQ	'A
			AUTH	00/00/00	00:00:00		
			LAST 10046	06/23/11	12:45:00	X55N	

MONTH BGT

 SUP

DOC	ACT	LINE	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMRTR	PT	OPEN	ITEM	LIQN	IEAX	DESCRIPTION
001		001	380,000.00	11	10310130			72000	11							
002		002	7,000,000.00	11	10310130			73000	11							
003		003	1,000,000.00	11	10310130			74000	11							
004		004	8,380,000.00-	11	10310130			68515	11							

DOC	ACT	LINE	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMRTR	PT	MO	OPEN	ITEM	LIQN	COA	DESCRIPTION	SRCE
001		001	380,000.00	11	10310130		73136014	72000	11		06	12				11		UD
001		001	380,000.00-	11	90011100			35700	11		01	12				11		EX
002		002	7,000,000.00	11	10310130		73136014	73000	11		06	12				11		UD
002		002	7,000,000.00-	11	90011100			35700	11		01	12				11		EX
003		003	1,000,000.00	11	10310130		73136014	74000	11		06	12				11		UD
003		003	1,000,000.00-	11	90011100			35700	11		01	12				11		EX
004		004	8,380,000.00-	11	10310130		73136014	68515	11		06	12				11		UD
004		004	8,380,000.00	11	90011100			35900	11		01	12				11		EX

TOTAL NUMBER OF TRANSACTIONS PROCESSED : 1
 TOTAL DOLLAR AMOUNT OF PROCESSED TRANSACTIONS : 0.00



STATE OF ALASKA Department of Public Safety MEMORANDUM



To: Kym Mauseth, Senior Budget Analyst

Date: January 24, 2012

From: Dan Spencer, DPS Admin. Svcs. Director

Telephone: 465-5488

Subject: Ratifications

The Department of Public Safety is requesting a ratification for Appropriation 47892-11 "RS2503026 Crime Lab" as a result of a revenue shortfall. (Reimbursable Service Agreement number in the state accounting system is actually 2503206.)

Public Safety's reimbursable service agreement's billing for the month of July was reduced by the Department of Transportation and Public Facilities in the amount of \$1,013.97 with no explanation attached to the billing in the reimbursable service agreement folder. Also, Public Safety's reimbursable service agreement billing for the month of August was reduced by the Department of Public Safety in the amount of \$1,213.84 from the total of the ALDER report for the period's expenditures with no explanation in the reimbursable service agreement's folder. All staff with historical knowledge of these billings are no longer with the Department of Public Safety; therefore, a more definitive explanation cannot be provided. The Department of Public Safety is requesting a ratification in the amount of \$2,227.81.

Legislation Authorizing Budget:

SB75; Chapter 15 SLA 09; Sec. 1; Page 23; Line 3-4

3	Highway Safety Grants	5,500,000
4	Program (HD 1-40)	

INQ-AR: APPROPRIATION INQUIRY

01/24/2012

APPROPRIATION NUMBER 47892 ACTIVE? YES CREATING RSN 07791
COA YEAR 2012 DATE START 10/01/2009 UPDATE RSN 07989
ORIG YEAR 2010 FUNCTION CODE: P - PUBLIC PROTECTION
TERM YEAR 2011

DESCRIPTION SHORT: RS2503026 CRIME LAB
DESCRIPTION LONG: RS2503026 CRIM LAB TOXICOLOGY
DOT/PF REQUESTING; LAB SVCS SERVICING
UNBUDGETED CIP

BUDGET TYPE: CAPITAL
SESSION LAW REFERENCE: RS2503026
LOGICAL LEVEL NUMBER: 50 - APPROPRIATIONS
NEXT HIGHER LEVEL APPN: 46499 (2015) - UNBUDGETED CIP RSA'S
REPORTS TO APPN PGM:
REPORTS TO APPN ORG:
CONTROL TYPE: T BGT FUND: 11100 - GENERAL FUND
REVENUE RECOGNITION? YES SPENDING APPROPRIATION? YES
BUDGETING APPROPRIATION? YES CROSS STRUCTURE CNTRLS? YES
PHYSICAL LEVEL: 6 SEQUENCE: BEG 26832 END 26832
FOR NEXT APPROPRIATION ENTER==> NUMBER COA YEAR TERM YEAR
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
CONT QUIT BASE LWRLV BAL XSTRC PFKYS ATHRD TANAB HELP

INQ-TR: TANAB AND UNOBLIGATED BALANCE CALCULATIONS
CY: 2012 APPN: 47892 (2011) - RS2503026 CRIME LAB

01/24/2012

Table with 3 columns: Description, AVAILABLE BALANCE, UNOBLIGATED BALANCE. Rows include NET CONTINUING EXPENDITURE AUTHORIZATION, NET CONTINUING RESTRICTED REVENUE ESTIMATE, LESS: ALLOWABLE RECEIPTS, ACTUAL EXPENDED, ENCUMBRANCES, NET BALANCE, TOLERANCE ADJUSTMENT, TOLERANCE ADJUSTED NET, AVAILABLE BALANCE.

FOR NEXT APPROPRIATION ENTER==> NUMBER TERM YEAR
Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
CONT QUIT EXATH NETRR RCPTS ENC ADJUST LAPSE XSTRC PFKYS NXTLL HELP

INDENTED STRUCTURE: 2012 APPROPRIATIONS 01/24/2012 PAGE: 1
 47892-11 RS2503026 CRIME LAB TO LOWEST LEVEL
 ENTITY DESCRIPTION PL LL RPTS TO SEQ RANGE A FTBSRX

 1 47892-11 RS2503026 CRIME LAB 6 50 46499-15 26832 26832 Y PTBSRX

ENTER SELECTION==> OR==> NUMBER COA YR TERM YR LEV LIMIT
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 CONT QUIT PG1 DTAIL TANAB XSTRC PFKYS HELP

ITD ESTIMATES & ACTUALS THRU MO 18 RRN:0168079 RSN:07963 12/16/2011
 APPROPRIATION EXPENDITURES BY ACCOUNT HISTORICAL
 47892-11 RS2503026 CRIME LAB ORIG:10 APPROPRIATIONS (T B S R) FN:11100
 COA:2011

ENTITY NUMBER - DESCRIPTION	ITD 18 ESTIMATES	ITD 18 ACTUALS
S** 70000 TOTAL EXPENDITURES	98,250.00	89,281.11
S** 70009 TOT EXPS-PRECLOSING	98,250.00	89,281.11
S** 70008 OPERATING ACCT TOTAL	98,250.00	89,281.11
S** 70200 GROUP CTRL - OTHER	98,250.00	89,281.11
S** 70201 GC-OTHER-NONGRANT	98,250.00	89,281.11
S** 72000 TRAVEL	15,750.00	10,876.22
S** 73000 SERVICES	82,500.00	78,404.89

FOR NEXT SECTION ENTER==> NUMBER YEAR LEVEL LIMIT
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 CONT QUIT RR PFKYS HELP

ITD ESTIMATES & ACTUALS THRU MO 18 RRN:0168079 RSN:07963 12/16/2011
 APPROPRIATION RESTRICTED REVENUES BY ACCOUNT HISTORICAL
 47892-11 RS2503026 CRIME LAB ORIG:10 APPROPRIATIONS (T B S R) FN:11100
 COA:2011 ITD 18 ITD 18
 ENTITY NUMBER - DESCRIPTION ESTIMATES ACTUALS

ENTITY NUMBER - DESCRIPTION	ESTIMATES	ACTUALS
S** 50000 TOT RESTRICTD REVENU	98,250.00-	87,053.30-
S** 50006 REST REVS-PRECLOSING	98,250.00-	87,053.30-
S** 50007 OPERATING REST REVS	98,250.00-	87,053.30-
S** 59000 INTERGOVERNMENTAL	98,250.00-	87,053.30-
S** 51200 CAP IMPROV PROJ REC	98,250.00-	87,053.30-

FOR NEXT SECTION ENTER==> NUMBER _____ YEAR _____ LEVEL LIMIT _____
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 CONT QUIT RR PFKYS HELP

INQ-CC: AUTOCODER - CC LISTING COA YEAR 2011 01/24/2012

APPROPRIATION 2011 47892 RS2503026 CRIME LAB FUND
 ORGANIZATION PROG

SY	CC	DESCRIPTION	SY	CC	DESCRIPTION
1	10	12869002 RS2503206 CRIME LAB			
2	11	12869002 RS2503206 CRIME LAB			

FOR CC DETAIL ENTER SELECTION==> **END**
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 CONT QUIT PG1 PFKYS HELP

COA Yr	2011
Number	47892
Name	RS2503026 CRIME LAB
Term Year	2011
Logical Level	99

Appropriation Indented Name	AR Logical Level	Rpts to AR Num	Rpts to AR Term Yr	AR Bgt Character	AR Bgt Fund	AR Actv Ind	AR Function Code	AR Total Ctrl Ind	AR Dgl Ind	AR Spending Ind	AR Rev Recog Ind	AR Account Ctrl Ind	AR Orig Yr	AR Term Yr
47892-11 RS2503026 CRIME LAB	50	46499	2015	C	11100	Y	P	T	Y	Y	Y	Y	2010	2011

Record Count: 1



STATE OF ALASKA Department of Public Safety MEMORANDUM



To: Kym Mauseth, Senior Budget Analyst

Date: January 24, 2012

From: Dan Spencer, DPS Admin. Svcs. Director

Telephone: 465-5488

Subject: Ratifications

The Department of Public Safety is requesting a ratification for Appropriation 47410-11 "Statewide Facility Maintenance" as a result of a revenue shortfall.

In order to record facilities maintenance expenditures, the Department of Public Safety incurs the expenditures in the program appropriations. At year end, an analysis is performed identifying expenditures that are for statewide facilities maintenance and a journal entry is performed recording the expenditures and revenues into the facilities maintenance appropriation (leaving the original expenditure in the program appropriation). Since interagency receipts are removed at the fund level when the Comprehensive Annual Financial Reports are compiled by the Division of Finance, this double counting of expenditures does not misrepresent the financial statements. During Fiscal Year 2011, due to new staff in both the budget and finance offices at Public Safety, only the expenditures were successfully charged to the facility maintenance appropriation. The previously written procedures have been found and it has been added to our year round calendar to be performed. We were instructed by the Division of Legislative Audit that a ratification is required in order to zero this appropriation; therefore, DPS is requesting a ratification in the amount of \$152,084.72.

Legislation Authorizing Budget:
HB108; Chapter 3 FSSLA 11; Sec. 1; Page 34; Line 21-23

21	Statewide Facility	608,800	608,800
22	Maintenance		
23	Facility Maintenance	608,800	

INQ-AR: APPROPRIATION INQUIRY

01/24/2012

APPROPRIATION NUMBER 47410 ACTIVE? YES CREATING RSN 07791
 COA YEAR 2012 DATE START 07/01/2010 UPDATE RSN 07989
 ORIG YEAR 2011 FUNCTION CODE: P - PUBLIC PROTECTION
 TERM YEAR 2011
 DESCRIPTION SHORT: STWIDE FACILITY MNT
 DESCRIPTION LONG: STATEWIDE FACILITY MAINTENANCE
 100% TANAB TO ALLOW AJ OF FACILITIES
 MAINT EXP & I/A REV INTO FAC. MAINT COMP
 BUDGET TYPE: OPERATING
 SESSION LAW REFERENCE: 1004103907
 LOGICAL LEVEL NUMBER: 50 - APPROPRIATIONS
 NEXT HIGHER LEVEL APPN: 46500 (2011) - CHAPTER 41 SLA 2010
 REPORTS TO APPN PGM:
 REPORTS TO APPN ORG:
 CONTROL TYPE: T BGT FUND: 11100 - GENERAL FUND
 REVENUE RECOGNITION? YES SPENDING APPROPRIATION? YES
 BUDGETING APPROPRIATION? YES CROSS STRUCTURE CNTRLS? YES
 PHYSICAL LEVEL: 8 SEQUENCE: BEG 18505 END 18505
 FOR NEXT APPROPRIATION ENTER==> NUMBER COA YEAR TERM YEAR
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
 CONT QUIT BASE LWRLV BAL XSTRC PFKYS ATHRD TANAB HELP

INQ-TR: TANAB AND UNOBLIGATED BALANCE CALCULATIONS
 CY: 2012 APPN: 47410 (2011) - STWIDE FACILITY MNT

01/24/2012

	AVAILABLE BALANCE	UNOBLIGATED BALANCE
NET CONTINUING EXPENDITURE		
AUTHORIZATION(PF2)	152084.72	152084.72
NET CONTINUING RESTRICTED		
REVENUE ESTIMATE(PF3)	-152084.72	
LESS: ALLOWABLE RECEIPTS (PF4)		
ACTUAL EXPENDED	152084.72	152084.72
ENCUMBRANCES(PF5)	N/A	
	-----	-----
NET BALANCE	-152084.72	
TOLERANCE ADJUSTMENT(PF6)	38021.18	=====

TOLERANCE ADJUSTED NET		
AVAILABLE BALANCE	-114063.54	
	=====	

FOR NEXT APPROPRIATION ENTER==> NUMBER TERM YEAR
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
 CONT QUIT EXATH NETRR RCPTS ENC ADJST LAPSE XSTRC PFKYS NXTLL HELP

INDENTED STRUCTURE: 2012 APPROPRIATIONS

01/24/2012 PAGE: 1

47410-11 STWIDE FACILITY MNT TO LOWEST LEVEL

ENTITY	DESCRIPTION	PL	LL	RPTS TO	SEQ	RANGE A	FTBSRX
1 47410-11	STWIDE FACILITY MNT	8	50	46500-11	18505	18505	Y PTBSRX

ENTER SELECTION==> OR==> NUMBER COA YR TERM YR LEV LIMIT
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 CONT QUIT PG1 DTAIL TANAB XSTRC PFKYS HELP

ITD ESTIMATES & ACTUALS THRU MO 18 RRN:0168079 RSN:07963 12/16/2011
 APPROPRIATION EXPENDITURES BY ACCOUNT HISTORICAL
 47410-11 STWIDE FACILITY MNT ORIG:11 APPROPRIATIONS (T B S R) FN:11100
 COA:2011 ITD 18 ITD 18

ENTITY NUMBER - DESCRIPTION	ESTIMATES	ACTUALS
S** 70000 TOTAL EXPENDITURES	608,800.00	152,084.72
S** 70009 TOT EXPS-PRECLOSING	608,800.00	152,084.72
S** 70008 OPERATING ACCT TOTAL	608,800.00	152,084.72
S** 70100 GROUP CTRL-PER SER	.00	79,995.78
S** 71000 PERSONAL SERVICES	.00	79,995.78
S** 70200 GROUP CTRL - OTHER	608,800.00	72,088.94
S** 70201 GC-OTHER-NONGRANT	608,800.00	72,088.94
S** 72000 TRAVEL	.00	11,507.40
S** 73000 SERVICES	551,000.00	25,445.41
S** 74000 COMMODITIES	57,800.00	35,136.13

FOR NEXT SECTION ENTER==> NUMBER YEAR LEVEL LIMIT
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10---PF11---PF12---
 CONT QUIT RR PFKYS HELP

ITD ESTIMATES & ACTUALS THRU MO 18 RRN:0168079 RSN:07963 12/16/2011
 APPROPRIATION RESTRICTED REVENUES BY ACCOUNT HISTORICAL
 47410-11 STWIDE FACILITY MNT ORIG:11 APPROPRIATIONS (T B S R) FN:11100
 COA:2011

ENTITY NUMBER - DESCRIPTION	ITD 18 ESTIMATES	ITD 18 ACTUALS
S** 50000 TOT RESTRICTD REVENU	608,800.00-	.00
S** 50006 REST REVS-PRECLOSING	608,800.00-	.00
S** 50007 OPERATING REST REVS	608,800.00-	.00
S** 59000 INTERGOVERNMENTAL	608,800.00-	.00
S** 51015 INTERAGENCY RECEIPTS	608,800.00-	.00

FOR NEXT SECTION ENTER==> NUMBER _____ YEAR _____ LEVEL LIMIT _____
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
 CONT QUIT RR PFKYS HELP

INQ-CC: AUTOCODER - CC LISTING COA YEAR 2011 01/24/2012

APPROPRIATION 2011 47410 STWIDE FACILITY MNT FUND
 ORGANIZATION PROG

SY	CC	DESCRIPTION	SY	CC	DESCRIPTION
1	11	12000111 FACILITIES MAINTENCE			

FOR CC DETAIL ENTER SELECTION==> _____ **END**
 Enter-PF1---PF2---PF3---PF4---PF5---PF6---PF7---PF8---PF9---PF10--PF11--PF12---
 CONT QUIT PG1 PFKYS HELP

COA Yr	2011
Number	47410
Name	STWIDE FACILITY MNT
Term Year	2011
Logical Level	99

Appropriation Indented Name	AR Logical Level	Rpts to AR Num	Rpts to AR Term Yr	AR Bgt Character	AR Bgt Fund	AR Actv Ind	AR Function Code	AR Total Ctrl Ind	AR Bgt Ind	AR Spending Ind	AR Rev Recog Ind	AR Account Ctrl Ind	AR Orig Yr	AR Term Yr
47410-11 STWIDE FACILITY MNT	50	46500	2011	O	11100	Y	P	T	Y	Y	Y	Y	2011	2011

Record Count: 1