

LEG. FINANCE - BILLS

1981 - 1982

1718

SB 754 - SB 769

1218

COMMITTEE REPORT
SENATE

4/6/82

FURTHER: None

Date: _____

Mr. President:

The Committee on FINANCE has had SB 754
health planning and development

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s).
- replace with CS for _____ same title
 new title
- and recommends _____
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

CHAIRMAN

COMMITTEE REPORT
SENATE

2/15/82

FURTHER: FINANCE

Date: 3-29-82

Mr. President: HEALTH, EDUCATION &
The Committee on SOCIAL SERVICES has had SB 754
health planning and development

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass [] do not pass
- [] do pass with attached amendments(s)
- replace with CS for SB 754 (HESS) same title
[] new title
- and recommends no my do pass
- [] AND attaches a "Letter of Intent" New Fiscal Note
- [] reports it back without recommendation
- [] referred to the _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]
[Signature]
[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]
 CHAIRMAN

Offered: 4/6/82
Referred: Finance

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 CS FOR SENATE BILL NO. 754 (HESS)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to health planning and development;
7 and providing for an effective date."

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

9 * Section 1. AS 18.07 is amended by adding new sections to read:

10 ARTICLE 3. REGIONAL HEALTH RESOURCES ORGANIZATIONS.

11 Sec. 18.07.112. HEALTH SERVICE AREAS. There are established three
12 health service areas in the state. The boundaries of the health service
13 areas are the boundaries of health service areas established in the
14 state under sec. 1511, P.L. 93-641, except that the municipality of
15 Anchorage is not included in a health service area.

16 Sec. 18.07.114. REGIONAL HEALTH RESOURCES ORGANIZATIONS. (a) The
17 commissioner shall by contract designate a regional health resources
18 organization for each health service area established by AS 18.07.112.

19 (b) An applicant for designation as a regional health resources
20 organization shall apply on a form prescribed by the commissioner. An
21 application shall include

22 (1) the applicant's proposed plan for the orderly assumption
23 and implementation of the duties of a regional health resources organi-
24 zation provided in AS 18.07.120;

25 (2) assurances satisfactory to the commissioner that the
26 applicant meets the eligibility requirements of AS 18.07.116 and is
27 qualified to perform or is performing the duties prescribed in AS 18.07.-
28 120; and

29 (3) a plan specifying how the applicant will select board

COMMITTEE COPY

1 members under AS 18.07.118.

2 (c) A contract under this section shall be for a period of four
3 years and is renewable. A contract may be terminated before its expira-
4 tion date

5 (1) by the regional health resources organization at a time
6 and with notice to the commissioner as the commissioner may by regula-
7 tion prescribe; or

8 (2) by the commissioner at a time and with notice to the
9 regional health resources organization as the commissioner may by regu-
10 lation prescribe, if the commissioner determines that the entity is not
11 complying with or effectively carrying out the provisions of the con-
12 tract.

13 Sec. 18.07.116. ELIGIBILITY FOR DESIGNATION. The commissioner may
14 designate as a regional health resources organization

15 (1) a nonprofit corporation incorporated under AS 10.20 for
16 the purpose of engaging in health planning and development functions; or

17 (2) a public regional planning body authorized by statute or
18 regulation to perform health planning functions and whose planning area
19 is identical to a health service area.

20 Sec. 18.07.118. BOARD OF DIRECTORS. (a) Each regional health
21 resources organization shall be governed by a board of directors.

22 (b) A board shall include

23 (1) a representative for each

24 (A) borough within the health service area;

25 (B) unified municipality within the health service area;

26 and

27 (C) regional nonprofit Native corporation established
28 within the health service area under the Alaska Native Claims
29 Settlement Act (43 U.S.C. 1601 - 1628); and

1 (2) members broadly and equitably representative of health
2 care consumers and providers in the organization's health service area.

3 Sec. 18.07.120. DUTIES. (a) A regional health resources organiza-
4 tion shall, within the boundaries of its health service area,

5 (1) assist communities in identifying and developing plans
6 for dealing with health problems of residents;

7 (2) provide direct technical assistance to communities for
8 implementing plans developed under (1) of this section;

9 (3) assist in the development and maintenance of programs for
10 the promotion of health and the prevention of disease and illness;

11 (4) assemble and analyze data relating to health matters and
12 coordinate data collection activities with state and local agencies,
13 regional Alaska Native corporations, and health organizations.

14 (b) A regional health resources organization shall

15 (1) in cooperation with the commissioner, review and provide
16 comments and recommendations on applications and proposals for grants
17 for local or state health service funds to be used in the organization's
18 health service area, and construction and expansion of health care
19 facilities and nursing homes in the organization's health service area;

20 (2) submit an annual report on its activities to the legis-
21 lature, the commissioner, and the residents of its health service area;

22 (3) perform other duties the commissioner may by contract
23 require.

24 (c) A regional health resources organization does not have authori-
25 ty over the Alaska Pioneers' Homes established under AS 47.25.010.

26 Sec. 18.07.122. GRANTS. (a) The commissioner shall make a grant
27 in each fiscal year to each regional health resources organization
28 designated under AS 18.07.114. A grant under this subsection shall

29 (1) be made on the conditions the commissioner determines are

COMMITTEE COPY

1 appropriate; and

2 (2) be available for obligation for a period not to exceed
3 the period for which the grantee is designated as a regional health
4 resources organization under AS 18.07.114.

5 (b) A grant under this section may be used by a regional health
6 resources organization

7 (1) for compensation of its personnel and the performance of
8 its duties;

9 (2) to make payments under contracts with other persons to
10 assist the regional health resources organization in the performance of
11 its functions; and

12 (3) to make grants to public and nonprofit private entities
13 and enter into contracts with individuals and public and nonprofit
14 private entities to assist them in planning and developing projects and
15 programs that the regional health resources organization determines are
16 necessary for the promotion of health and prevention of disease and
17 illness in its health service area.

18 (c) A grant or contract made under (b)(2) or (3) of this section
19 may not be used to pay the costs incurred by the grantee in the delivery
20 of health services or for the cost of construction or modernization of
21 medical facilities.

22 * Sec. 2. This Act takes effect October 1, 1982.
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Introduced: 2/15/82
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 754

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

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7 and providing for an effective date."

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16 commissioner shall by contract designate a regional health resources
17 organization for each health service area established by AS 18.07.112.

18 (b) An applicant for designation as a regional health resources
19 organization shall apply on a form prescribed by the commissioner. An
20 application shall include the applicant's proposed plan for the orderly
21 assumption and implementation of the duties of a regional health re-
22 sources organization provided in AS 18.07.120. An application shall
23 contain assurances satisfactory to the commissioner that the applicant
24 meets the eligibility requirements of AS 18.07.116 and is qualified to
25 perform or is performing the duties prescribed in AS 18.07.120.

26 (c) A contract under this section shall be for a period of four
27 years and is renewable. A contract may be terminated before its expira-
28 tion date

29 (1) by the regional health resources organization at a time

1 and with notice to the commissioner as the commissioner may by regulation
2 prescribe; or

3 (2) by the commissioner at a time and with notice to the
4 regional health resources organization as the commissioner may by regu-
5 lation prescribe, if the commissioner determines that the entity is not
6 complying with or effectively carrying out the provisions of the con-
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13 regulation to perform health planning functions and whose planning area
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16 resources organization shall be governed by a board of directors.

17 (b) A board shall include a representative for each

18 (1) borough within the health service area;

19 (2) unified municipality within the health service area; and

20 (3) nonprofit Native corporation established within the
21 health service area under the Alaska Native Claims Settlement Act
22 (43 U.S.C. 1601 - 1628).

23 Sec. 18.07.120. DUTIES. (a) A regional health resources organiza-
24 tion shall, within the boundaries of its health service area,

25 (1) assist communities in identifying and developing plans
26 for dealing with health problems of residents;

27 (2) provide direct technical assistance to communities for
28 implementing plans developed under (1) of this section;

29 (3) assist in the development and maintenance of programs for

1 the promotion of health and the prevention of disease and illness;

2 (4) assemble and analyze data relating to health matters and
3 coordinate data collection activities with state and local agencies,
4 regional Alaska Native corporations, and health organizations.

5 (b) A regional health resources organization shall

6 (1) in cooperation with the commissioner, review applications
7 and proposals from residents within the boundaries of its health service
8 area for

9 (A) grants for local or state health service funds; and

10 (B) new health care facilities and nursing homes;

11 (2) submit an annual report on its activities to the legis-
12 lature, the commissioner, and the residents of its health service area;

13 (3) perform other duties the commissioner may by contract
14 require.

15 (c) A regional health resources board does not have jurisdiction
16 over the Alaska Pioneers' Homes established under AS 47.25.010.

17 Sec. 18.07.122. GRANTS. (a) The commissioner shall make a grant
18 in each fiscal year to each regional health resources organization
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2 its functions; and

3 (3) to make grants to public and nonprofit private entities
4 and enter into contracts with individuals and public and nonprofit
5 private entities to assist them in planning and developing projects and
6 programs that the regional health resources organization determines are
7 necessary for the promotion of health and prevention of disease and
8 illness in its health service area.

9 (c) A grant or contract made under (b)(2) or (3) of this section
10 may not be used to pay the costs incurred by the grantee in the delivery
11 of health services or for the cost of construction or modernization of
12 medical facilities.

13 * Sec. 2. This Act takes effect October 1, 1982.
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COMMITTEE COPY

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. Senate Bill 754
 Title "An Act relating to health planning and development....."
 Requested by Health, Education & S.S. Committee Date 3-26-82

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services
 Program Category Affected State Health Planning & Development
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	\$300	\$600	\$1,050	\$1,208	\$1,389	\$1,597
TOTAL	\$300	\$600	\$1,050	\$1,208	\$1,389	\$1,597

FUNDING (Thousands of Dollars)

GENERAL FUND	\$300	\$600	\$1,050	\$1,208	\$1,389	\$1,597
FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Based on recent indications of limited federal funding for FY 83, only \$600,000 general fund monies, including the \$100,000 per each of the three health systems agencies currently provided as part of the Division of State Health Planning and Development budget request, would be needed. For FY 84, assuming no federal funds are available general fund support is projected at \$350,000 for each of the three agencies. An inflation factor of 15% was added for FY 85 and subsequent years.

IV. DATE March 26, 1982

PREPARED BY Phoebe A. Lindsey *mal*

AGENCY Div. State Health Planning & Development *JCC*

Original: Legislative Finance

PHONE 465-3037

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE BILL..... NO. 754..

By THE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

"An Act relating to health planning and development; and providing for an effective date."

Introduced in the Senate ..2/15/.., 19... 82

HISTORY IN THE SENATE

19	82	Read first time and referred to Committee on										
2	15	Health, Education & Social Services & Finance										
#	6	Reported back with <i>HESS</i> recommendation that <i>change</i> <i>w/CS & 3 do pass to Sen.</i>										
		Read second time and										
		Read third time and										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
Yeas	Yeas											
Nays	Nays											
Absent	Absent											
Excused	Excused											
		Reconsideration										
		<table border="0"> <tr> <td>PASS</td> <td>Effective Date</td> </tr> <tr> <td>Yeas</td> <td>Yeas</td> </tr> <tr> <td>Nays</td> <td>Nays</td> </tr> <tr> <td>Absent</td> <td>Absent</td> </tr> <tr> <td>Excused</td> <td>Excused</td> </tr> </table>	PASS	Effective Date	Yeas	Yeas	Nays	Nays	Absent	Absent	Excused	Excused
PASS	Effective Date											
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Excused	Excused											
		Reported correctly engrossed Signed by President Sen. to House										

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19		Read first time and referred to Committee on										
		Reported back with recommendation that										
		Read second time and										
		Read third time and										
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Absent	Absent											
Excused	Excused											
		Reported correctly engrossed Signed by Speaker returned to Senate										

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19		Received from House
		To enrolling
		Reported correctly enrolled
		Sent to Governor
	 by Governor
		Filed with Lt. Governor
		Chapter No.

ALL INFO ATTACHED - CS# 25-416182

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

STATEWIDE HEALTH COORDINATING COUNCIL

APR 12 1982

JAY S. HAMMOND, GOVERNOR

POUCH H 01A
JUNEAU, ALASKA 99811

April 7, 1982

Honorable Don Bennett
Co-Chairman, Senate Finance Committee
Alaska State Senate
Alaska State Legislature
Pouch V
Juneau, Alaska 99811

Dear Senator Bennett:

The Alaska Statewide Health Coordinating Council (SHCC), at its Executive Committee meeting in March, 1982, unanimously voted to continue its unqualified support of the regional health resources organizations concept in SB 754, an Act Related to Health Planning and Development.

In a vote at its November 1981 meeting, in testimony offered by the past SHCC Chairman at the Senate HESS Committee hearings on December 15, and again at its March meeting, the Council has fully endorsed the continuation of the regional health resource organizations. The organizations will continue to provide an opportunity for local citizen and community perspectives to be prioritized with a statewide outlook. Valuable resources at a regional level have been developed through the existing HSAs and need to be continued. Human resources, in the form of well-qualified, respected and knowledgeable professionals, as well as knowledgeable lay board members, have freely given thousands of hours to the goal of better health care for their fellow citizens.

The Council urges your support for SB 754 to maintain local and regional voices committed to the facilitation of the best health care possible for Alaska's citizens.

Sincerely,

Joe Cladouhos (by ACH)
Joe Cladouhos
Chairman

cc: Helen D. Beirne

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

I. REQUEST

Bill/Resolution No. CS Senate Bill 754
 Title "An Act relating to health planning and development....."
 Requested by Health, Education & S.S. Committee Date 4-14-82

II. FISCAL DETAIL

Agency Affected Department of Health & Social Services
 Program Category Affected State Health Planning & Development
 BRU, Program, Or Subprogram(s) Affected _____
 (Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-0-	-0-	-0-	-0-	-0-	-0-
200 TRAVEL	-0-	-0-	-0-	-0-	-0-	-0-
300 CONTRACTUAL	-0-	-0-	-0-	-0-	-0-	-0-
400 COMMODITIES	-0-	-0-	-0-	-0-	-0-	-0-
500 EQUIPMENT	-0-	-0-	-0-	-0-	-0-	-0-
600 LAND & STRUCTURES	-0-	-0-	-0-	-0-	-0-	-0-
700 GRANTS, CLAIMS, ETC.	\$300	\$600	\$1,050	\$1,208	\$1,389	\$1,597
TOTAL	\$300	\$600	\$1,050	\$1,208	\$1,389	\$1,597

FUNDING (Thousands of Dollars)

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FEDERAL FUNDS	-0-	-0-	-0-	-0-	-0-	-0-
OTHER (Specify Source)	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

POSITIONS

FULL TIME	-0-	-0-	-0-	-0-	-0-	-0-
PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
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III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Based on recent indications of limited federal funding for FY 83, only \$600,000 general fund monies, including the \$100,000 per each of the three health systems agencies currently provided as part of the Division of State Health Planning and Development budget request, would be needed. For FY 84, assuming no federal funds are available general fund support is projected at \$350,000 for each of the three agencies. An inflation factor of 15% was added for FY 85 and subsequent years.

IV. DATE April 14, 1982

PREPARED BY Phoebe A. Lindsey
 AGENCY Div. State Health Planning & Development
 PHONE 465-3037

Original: Legislative Finance

JCC

Position Paper

Committee Substitute for Senate Bill 754

For an Act entitled: "An Act relating to health planning and development; and providing for an effective date".

The Department continues to support efforts to maintain a regional perspective on health planning and development activities predicated upon the availability of additional general funds. A mechanism for assisting communities in identifying and developing plans for dealing with health problems of residents, to provide technical assistance to communities, to assist in the development and maintenance of programs for the promotion of health and the prevention of disease and illness and to assemble and analyze health related data is important to ensure access to quality health care for Alaskans. The review and special study capability afforded to the Department by the establishment of regional health resource organizations would facilitate the Department in carrying out its responsibilities.

The Committee Substitute for Senate Bill 754 has, for the most part, eliminated questions the Department had raised regarding board membership and a review role which provides recommendations and comments to the Department.

The alteration in Section 18.07.112, which now states that "the Municipality of Anchorage is not included in a health service area", may be subject to varying interpretations. It is the Department's hope that, for purposes of complete and thorough planning, the municipality could be considered as a regional health resource type organization and that planning and development efforts for and affecting the municipality could be integrated with planning and development efforts conducted within the three designated regional health resource organizations.

Recommended by:

Phoebe A. Lindsey

Phoebe A. Lindsey, Director
Division of State Health
Planning & Development

Date:

April 14, 1982

Approved by:

Helen D. Beirne

Helen D. Beirne, Commissioner
Department of Health
& Social Services

Date:

4-16-82

THE LEGISLATURE OF THE STATE OF ALASKA
TWELFTH LEGISLATURE

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Bill/Resolution No. Senate Bill 754
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 Requested by Health, Education & S.S. Committee Date 3-26-82

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PART TIME	-0-	-0-	-0-	-0-	-0-	-0-
TEMPORARY	-0-	-0-	-0-	-0-	-0-	-0-
	-0-	-0-	-0-	-0-	-0-	-0-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Based on recent indications of limited federal funding for FY 83, only \$600,000 general fund monies, including the \$100,000 per each of the three health systems agencies currently provided as part of the Division of State Health Planning and Development budget request, would be needed. For FY 84, assuming no federal funds are available general fund support is projected at \$350,000 for each of the three agencies. An inflation factor of 15% was added for FY 85 and subsequent years.

IV. DATE March 26, 1982

PREPARED BY Phoebe A. Lindsey
 AGENCY Div. State Health Planning & Development
 PHONE 465-3037

Original: Legislative Finance

JCC

Offered: 4/6/82
Referred: Finance

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2

CS FOR SENATE BILL NO. 754 (HESS)

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

TWELFTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act relating to health planning and development;
and providing for an effective date."

7

8

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

9

* Section 1. AS 18.07 is amended by adding new sections to read:

10

ARTICLE 3. REGIONAL HEALTH RESOURCES ORGANIZATIONS.

11

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Sec. 18.07.112. HEALTH SERVICE AREAS. There are established three health service areas in the state. The boundaries of the health service areas are the boundaries of health service areas established in the state under sec. 1511, P.L. 93-641, except that the municipality of Anchorage is not included in a health service area.

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Sec. 18.07.114. REGIONAL HEALTH RESOURCES ORGANIZATIONS. (a) The commissioner shall by contract designate a regional health resources organization for each health service area established by AS 18.07.112.

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(b) An applicant for designation as a regional health resources organization shall apply on a form prescribed by the commissioner. An application shall include

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(1) the applicant's proposed plan for the orderly assumption and implementation of the duties of a regional health resources organization provided in AS 18.07.120;

(2) assurances satisfactory to the commissioner that the applicant meets the eligibility requirements of AS 18.07.116 and is qualified to perform or is performing the duties prescribed in AS 18.07.120; and

(3) a plan specifying how the applicant will select board

1 members under AS 18.07.118.

2 (c) A contract under this section shall be for a period of four
3 years and is renewable. A contract may be terminated before its expira-
4 tion date

5 (1) by the regional health resources organization at a time
6 and with notice to the commissioner as the commissioner may by regula-
7 tion prescribe; or

8 (2) by the commissioner at a time and with notice to the
9 regional health resources organization as the commissioner may by regu-
10 lation prescribe, if the commissioner determines that the entity is not
11 complying with or effectively carrying out the provisions of the con-
12 tract.

13 Sec. 18.07.116. ELIGIBILITY FOR DESIGNATION. The commissioner may
14 designate as a regional health resources organization

15 (1) a nonprofit corporation incorporated under AS 10.20 for
16 the purpose of engaging in health planning and development functions; or

17 (2) a public regional planning body authorized by statute or
18 regulation to perform health planning functions and whose planning area
19 is identical to a health service area.

20 Sec. 18.07.118. BOARD OF DIRECTORS. (a) Each regional health
21 resources organization shall be governed by a board of directors.

22 (b) A board shall include

23 (1) a representative for each

24 (A) borough within the health service area;

25 (B) unified municipality within the health service area;

26 and

27 (C) regional nonprofit Native corporation established
28 within the health service area under the Alaska Native Claims
29 Settlement Act (43 U.S.C. 1601 - 1628); and

1 (2) members broadly and equitably representative of health
2 care consumers and providers in the organization's health service area.

3 Sec. 18.07.120. DUTIES. (a) A regional health resources organiza-
4 tion shall, within the boundaries of its health service area,

5 (1) assist communities in identifying and developing plans
6 for dealing with health problems of residents;

7 (2) provide direct technical assistance to communities for
8 implementing plans developed under (1) of this section;

9 (3) assist in the development and maintenance of programs for
10 the promotion of health and the prevention of disease and illness;

11 (4) assemble and analyze data relating to health matters and
12 coordinate data collection activities with state and local agencies,
13 regional Alaska Native corporations, and health organizations.

14 (b) A regional health resources organization shall

15 (1) in cooperation with the commissioner, review and provide
16 comments and recommendations on applications and proposals for grants
17 for local or state health service funds to be used in the organization's
18 health service area, and construction and expansion of health care
19 facilities and nursing homes in the organization's health service area;

20 (2) submit an annual report on its activities to the legis-
21 lature, the commissioner, and the residents of its health service area;

22 (3) perform other duties the commissioner may by contract
23 require.

24 (c) A regional health resources organization does not have authori-
25 ty over the Alaska Pioneers' Homes established under AS 47.25.010.

26 Sec. 18.07.122. GRANTS. (a) The commissioner shall make a grant
27 in each fiscal year to each regional health resources organization
28 designated under AS 18.07.114. A grant under this subsection shall

29 (1) be made on the conditions the commissioner determines are

1 appropriate; and

2 (2) be available for obligation for a period not to exceed
3 the period for which the grantee is designated as a regional health
4 resources organization under AS 18.07.114.

5 (b) A grant under this section may be used by a regional health
6 resources organization

7 (1) for compensation of its personnel and the performance of
8 its duties;

9 (2) to make payments under contracts with other persons to
10 assist the regional health resources organization in the performance of
11 its functions; and

12 (3) to make grants to public and nonprofit private entities
13 and enter into contracts with individuals and public and nonprofit
14 private entities to assist them in planning and developing projects and
15 programs that the regional health resources organization determines are
16 necessary for the promotion of health and prevention of disease and
17 illness in its health service area.

18 (c) A grant or contract made under (b)(2) or (3) of this section
19 may not be used to pay the costs incurred by the grantee in the delivery
20 of health services or for the cost of construction or modernization of
21 medical facilities.

22 * Sec. 2. This Act takes effect October 1, 1982.
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Introduced: 2/15/82
Referred: Health, Education &
Social Services and Finance

1 IN THE SENATE

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

2 SENATE BILL NO. 754

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to health planning and development;
7 and providing for an effective date."

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

9 * Section 1. AS 18.07 is amended by adding new sections to read:

10 ARTICLE 3. REGIONAL HEALTH RESOURCES ORGANIZATIONS.

11 Sec. 18.07.112. HEALTH SERVICE AREAS. There are established three
12 health service areas in the state. The boundaries of the health service
13 areas are the boundaries of health service areas established in the
14 state under sec. 1511, P.L. 93-641.

15 Sec. 18.07.114. REGIONAL HEALTH RESOURCES ORGANIZATIONS. (a) The
16 commissioner shall by contract designate a regional health resources
17 organization for each health service area established by AS 18.07.112.

18 (b) An applicant for designation as a regional health resources
19 organization shall apply on a form prescribed by the commissioner. An
20 application shall include the applicant's proposed plan for the orderly
21 assumption and implementation of the duties of a regional health re-
22 sources organization provided in AS 18.07.120. An application shall
23 contain assurances satisfactory to the commissioner that the applicant
24 meets the eligibility requirements of AS 18.07.116 and is qualified to
25 perform or is performing the duties prescribed in AS 18.07.120.

26 (c) A contract under this section shall be for a period of four
27 years and is renewable. A contract may be terminated before its expira-
28 tion date

29 (1) by the regional health resources organization at a time

1 and with notice to the commissioner as the commissioner may by regulation
2 prescribe; or

3 (2) by the commissioner at a time and with notice to the
4 regional health resources organization as the commissioner may by regu-
5 lation prescribe, if the commissioner determines that the entity is not
6 complying with or effectively carrying out the provisions of the con-
7 tract.

8 Sec. 18.07.116. ELIGIBILITY FOR DESIGNATION. The commissioner may
9 designate as a regional health resources organization

10 (1) a nonprofit corporaton incorporated under AS 10.20 for
11 the purpose of engaging in health planning and development functions; or

12 (2) a public regional planning body authorized by statute or
13 regulation to perform health planning functions and whose planning area
14 is identical to a health service area.

15 Sec. 18.07.118. BOARD OF DIRECTORS. (a) Each regional health
16 resources organization shall be governed by a board of directors.

17 (b) A board shall include a representative for each

18 (1) borough within the health service area;

19 (2) unified municipality within the health service area; and

20 (3) nonprofit Native corporation established within the
21 health service area under the Alaska Native Claims Settlement Act
22 (43 U.S.C. 1601 - 1628).

23 Sec. 18.07.120. DUTIES. (a) A regional health resources organiza-
24 tion shall, within the boundaries of its health service area,

25 (1) assist communities in identifying and developing plans
26 for dealing with health problems of residents;

27 (2) provide direct technical assistance to communities for
28 implementing plans developed under (1) of this section;

29 (3) assist in the development and maintenance of programs for

1 the promotion of health and the prevention of disease and illness;

2 (4) assemble and analyze data relating to health matters and
3 coordinate data collection activities with state and local agencies,
4 regional Alaska Native corporations, and health organizations.

5 (b) A regional health resources organization shall

6 (1) in cooperation with the commissioner, review applications
7 and proposals from residents within the boundaries of its health service
8 area for

9 (A) grants for local or state health service funds; and

10 (B) new health care facilities and nursing homes;

11 (2) submit an annual report on its activities to the legis-
12 lature, the commissioner, and the residents of its health service area;

13 (3) perform other duties the commissioner may by contract
14 require.

15 (c) A regional health resources board does not have jurisdiction
16 over the Alaska Pioneers' Homes established under AS 47.25.010.

17 Sec. 18.07.122. GRANTS. (a) The commissioner shall make a grant
18 in each fiscal year to each regional health resources organization
19 designated under AS 18.07.114. A grant under this subsection shall

20 (1) be made on the conditions the commissioner determines are
21 appropriate; and

22 (2) be available for obligation for a period not to exceed
23 the period for which the grantee is designated as a regional health
24 resources organization under AS 18.07.114.

25 (b) A grant under this section may be used by a regional health
26 resources organization

27 (1) for compensation of its personnel and the performance of
28 its duties;

29 (2) to make payments under contracts with other persons to

1 assist the regional health resources organization in the performance of
2 its functions; and

3 (3) to make grants to public and nonprofit private entities
4 and enter into contracts with individuals and public and nonprofit
5 private entities to assist them in planning and developing projects and
6 programs that the regional health resources organization determines are
7 necessary for the promotion of health and prevention of disease and
8 illness in its health service area.

9 (c) A grant or contract made under (b)(2) or (3) of this section
10 may not be used to pay the costs incurred by the grantee in the delivery
11 of health services or for the cost of construction or modernization of
12 medical facilities.

13 * Sec. 2. This Act takes effect October 1, 1982.

Funding Information
General Fund \$400,000
Other Funds -0-
\$400,000

Introduced: 2/15/82
Referred: Transportation and
Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 758

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for a
8 feasibility and reconnaissance study of a railroad from
9 the DeLong Mountain Mining District through the Seward
10 Peninsula Mining District to Nome; and providing for an
11 effective date."

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

13 * Section 1. The sum of \$400,000 is appropriated from the general fund
14 to the Department of Transportation and Public Facilities to contract for a
15 feasibility and reconnaissance study of a railroad from the DeLong Mountain
16 Mining District through the Seward Peninsula Mining District to Nome.

17 * Sec. 2. The unexpended and unobligated portion of the appropriation
18 made by this act lapses into the general fund June 30, 1984.

19 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

ALASKA STATE LEGISLATURE

TWELFTH Legislature SECOND Session

SENATE ...BILL..... NO. ..758..

By ...FERGUSON.....

"An Act making a special appropriation to the Department of Transportation and Public Facilities for a feasibility and reconnaissance study of a railroad from the Delong Mountain Mining District through the Seward Peninsula Mining District to Nome; and providing for an effective date."

Introduced in the Senate ...2/15/, 19. 82

HISTORY IN THE SENATE

19 92 Read first time and referred to Committee on

2 15 Transportation & Finance

4 28 Reported back with recommendation that

trans - Finance - TO Dir

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by President
Sent to House

SECRETARY OF THE SENATE

HISTORY IN THE HOUSE

19 Read first time and referred to Committee on

Reported back with recommendation that

Read second time and

Read third time and

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reconsideration

PASS Effective Date
Yeas Yeas
Nays Nays
Absent Absent
Excused Excused

Reported correctly engrossed
Signed by Speaker
Returned to Senate

CHIEF CLERK OF THE HOUSE

HISTORY IN THE SENATE

19 Received from House

To enrolling

Reported correctly enrolled

Sent to Governor

..... by Governor

Filed with Lt. Governor

Chapter No.

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution No. SB758 - Appropriation to DOTPF for study of
 Title railroad...Delong Mt. Mining Dist. thru Seward Mining District to Nome
 Requested by Senator Ferguson

II. FISCAL DETAIL

Agency Affected De^pt. of Transportation & Public Facilities

Program Category Affected Design & Construction

BRU, Program, Or Subprogram(s) Affected _____

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES						
200 TRAVEL						
300 CONTRACTUAL		400.0				
400 COMMODITIES						
500 EQUIPMENT						
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC.						

FUNDING (Thousands of Dollars)

GENERAL FUND		400.0				
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS

None

FULL TIME						
PART TIME						
TEMPORARY						

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

The feasibility and reconnaissance work would include identifying route possibilities and comparing alternatives in terms of costs, design standards, right-of-way problems, etc. Minimal soils work and aerial photography would be accomplished. Environmental considerations would be identified.

IV. DATE Feb. 22, 1982

PREPARED BY JB

AGENCY DOT/PF

Phone 465-3900

Original: Legislative Finance
 cc: Budget and Managemnt

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

Funding Information
General Fund \$400,000
Other Funds -0-
\$400,000

Introduced: 2/15/82
Referred: Transportation and
Finance

1 IN THE SENATE

BY FERGUSON

2 SENATE BILL NO. 758

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making a special appropriation to the Depart-
7 ment of Transportation and Public Facilities for a
8 feasibility and reconnaissance study of a railroad from
9 the DeLong Mountain Mining District through the Seward
10 Peninsula Mining District to Nome; and providing for an
11 effective date."

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

13 * Section 1. The sum of \$400,000 is appropriated from the general fund
14 to the Department of Transportation and Public Facilities to contract for a
15 feasibility and reconnaissance study of a railroad from the DeLong Mountain
16 Mining District through the Seward Peninsula Mining District to Nome.

17 * Sec. 2. The unexpended and unobligated portion of the appropriation
18 made by this act lapses into the general fund June 30, 1984.

19 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
20 070(c).

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COMMITTEE REPORT
HOUSE

(11)

FURTHER:

4/15/82

Date: 4-15-82

Mr. Speaker:

The Committee on FINANCE has had SB 760

"An Act relating to residential loans administered by regional Native housing authorities; and providing for an effective date."

under consideration and reports it back as follows:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 768 (RES) same title
 new title
- and recommends w/amendment
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

Robert P. Adams
CHAIRMAN

HOUSE JOURNAL

AMENDMENT

OFFERED IN THE HOUSE:

BY: FINANCE COMMITTEE

TO: HCS SB 768 (Res)

DELETE THE LANGUAGE ON PAGE 1, LINES 20 THROUGH 29 AND PAGE 2, LINES 1 & 2, AND INSERT THE FOLLOWING IN ITS PLACE:

"Sec. 45.92.030. POWERS AND DUTIES OF THE DEPARTMENT.

(a) The commissioner may

(1) designate agents and delegate powers necessary to implement this chapter;

(2) adopt regulations to implement this chapter;

(3) make and execute contracts and other instruments to implement this chapter;

(4) acquire real or personal property by purchase, transfer, or foreclosure when the acquisition is necessary to protect an interest in the fund.

(b) The commissioner shall

(1) require that a loan guaranteed by the fund be secured by collateral.

Original sponsor: Ray

Offered: 4/15/82
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 768 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for fishery product loan guarantees;
7 and providing for an effective date."

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

9 * Section 1. AS 45 is amended by adding a new chapter to read:

10 CHAPTER 92. FISHERY PRODUCT REVOLVING LOAN GUARANTEE FUND.

11 Sec. 45.92.010. ESTABLISHMENT OF FUND. The fishery product revolv-
12 ing loan guarantee fund is established in the Department of Revenue.

13 Sec. 45.92.020. FISHERY PRODUCT GUARANTEES. The department may
14 use money in the fund to guarantee a loan made to a fish processor with
15 facilities in Alaska to

16 (1) finance the purchase and processing of fishery products
17 from Alaska fisheries; or

18 (2) pay the costs associated with the recall of Alaska fishery
19 products processed in 1981.

20 Sec. 45.92.030. POWERS AND DUTIES OF THE DEPARTMENT. The commis-
21 sioner may

22 (1) designate agents and delegate powers necessary to imple-
23 ment this chapter;

24 (2) adopt regulations to implement this chapter;

25 (3) make and execute contracts and other instruments to
26 implement this chapter;

27 (4) require that a loan guaranteed by the fund be secured by
28 collateral;

29 (5) acquire real or personal property by purchase, transfer,

1 or foreclosure when the acquisition is necessary to protect an interest
2 of the fund.

3 Sec. 45.92.040. INVESTMENT OF THE FUND. Money in the fund that is
4 not being used for loan guarantees under this chapter shall be invested
5 as provided for the investment of state treasury surplus under AS 37.-
6 10.070. Income from investment shall be transferred to the general
7 fund.

8 Sec. 45.92.050. CONDITIONS OF LOAN GUARANTEES. (a) The depart-
9 ment may guarantee a loan under this chapter if

10 (1) the term of the loan does not exceed one year;

11 (2) the loan is secured by inventory or accounts receivable
12 of the fish processor, or by other collateral acceptable to the depart-
13 ment;

14 (3) the loan is originated with and serviced by the Alaska
15 Commercial Fishing and Agriculture Bank, or by a state or federally
16 chartered financial institution.

17 (b) The department may provide a guarantee from the fund for up to
18 50 percent of a loan, but may not guarantee more than \$10,000,000 per
19 borrower. Upon default by the borrower, the amount of the maximum lia-
20 bility of the fund for a loan guarantee under this chapter shall be the
21 percentage of the sum in default specified by the department in the
22 guarantee agreement.

23 Sec. 45.92.055. GUARANTEES OF LOANS OF ALASKA FINANCIAL INSTITU-
24 TIONS. Until July 1, 1982, not less than 20 percent of the money in the
25 fund shall be allocated for guarantees of loans

26 (1) originating with and serviced by the Commercial Fishing
27 and Agriculture Bank (AS 44.81), or a state or federally chartered
28 financial institution located in Alaska; and

29 (2) made to fish processors, the majority interest of each of

1 which is beneficially owned by residents of the state and a majority of
2 the owners of each of which are residents of the state.

3 Sec. 45.92.060. DEFINITIONS. In this chapter

4 (1) "commissioner" means the commissioner of revenue;

5 (2) "department" means the Department of Revenue;

6 (3) "facilities located in Alaska" means facilities at which
7 fisheries products are canned, frozen, or otherwise processed for inven-
8 tory, including floating facilities that are documented under the laws
9 of the United States as defined in 46 U.S.C. sec. 801, and operated in
10 waters of the state;

11 (4) "fish processor" means a person engaging in a business
12 for which a license is required under AS 43.75.010 - 43.75.090;

13 (5) "fishery product" means salmon;

14 (6) "fund" means the fishery product revolving loan guarantee
15 fund.

16 * Sec. 2. AS 45.92.050(a) is amended to read:

17 (a) The department may guarantee a loan under this chapter if

18 (1) the term of the loan does not exceed one year;

19 (2) the loan is secured by inventory or accounts receivable
20 of the fish processor, or by other collateral acceptable to the depart-
21 ment;

22 (3) the loan is originated with and serviced by the Alaska
23 Commercial Fishing and Agriculture Bank, or by a state or federally
24 chartered financial institution located in the state; and

25 (4) the majority interest in the fish processor is benefi-
26 cially owned by residents of the state and the majority of owners of the
27 fish processor are residents of the state.

28 * Sec. 3. AS 45.91 is repealed.

29 * Sec. 4. AS 45.92.055 is repealed.

1 * Sec. 5. Section 2(b), ch. 41, SLA 1981, is amended to read:

2 (b) A loan may not be guaranteed under (a)(3) or (e) of this
3 section unless 20 percent or more of the loan is held by the Alaska
4 Commercial Fishing and Agriculture Bank.

5 * Sec. 6. Section 2, ch. 41, SLA 1981, is amended by adding a new sub-
6 section to read:

7 (e) An agreement between the Alaska Commercial Fishing and Agri-
8 culture Bank and the Department of Revenue under (a)(3) and (c) of this
9 section to guarantee a portion of a loan made under (a)(1) or (2) of
10 this section may be amended with the consent of all parties to the loan
11 if (1) the loan is secured by the borrower's 1981 canned salmon inven-
12 tory; (2) the borrower has applied for a loan from the Commercial Fishing
13 and Agriculture Bank (AS 44.81) or a state or federally chartered finan-
14 cial institution for the commercial purchase of the 1982 Alaska salmon
15 harvest; and (3) the financial institution to which the borrower has
16 applied under (2) of this subsection certifies to the department that
17 the borrower will participate in the commercial purchase of the 1982
18 Alaska salmon harvest. An agreement amended under this subsection shall
19 provide that a guarantee of up to 70 percent of the loan, including the
20 portion of the loan held by the Alaska Commercial Fishing and Agriculture
21 Bank, shall be provided from the fish processing loan guarantee account.
22 An agreement amended under this subsection is void if the borrower fails
23 to participate in the commercial purchase of the 1982 Alaska salmon
24 harvest.

25 * Sec. 7. Sections 2 and 4 of this Act take effect January 1, 1983.

26 * Sec. 8. Sections 1, 3, 5, and 6 of this Act takes effect immediately in
27 accordance with AS 01.10.070(c).

HOUSE JOURNAL

AMENDMENT

OFFERED IN THE HOUSE:

BY: FINANCE COMMITTEE

TO: HCS SB 768 (Res)

DELETE THE LANGUAGE ON PAGE 1, LINES 20 THROUGH 29 AND PAGE 2, LINES 1 & 2, AND INSERT THE FOLLOWING IN ITS PLACE:

"Sec. 45.92.030. POWERS AND DUTIES OF THE DEPARTMENT.

(a) The commissioner may

(1) designate agents and delegate powers necessary to implement this chapter;

(2) adopt regulations to implement this chapter;

(3) make and execute contracts and other instruments to implement this chapter;

(4) acquire real or personal property by purchase, transfer, or foreclosure when the acquisition is necessary to protect an interest in the fund.

(b) The commissioner shall

(1) require that a loan guaranteed by the fund be secured by collateral.

House CS For Senate Bill No. 768 (Resources)

20-29

Page 1, line ~~27-28~~, Page 2, lines 1-2. Is amended to read:

Sec. 45.92.030. POWERS AND DUTIES OF THE DEPARTMENT.

(a) The commissioner may

(1) designate agents and delegate powers necessary to implement this chapter;

(2) adopt regulations to implement this chapter;

(3) make and execute contracts and other instruments to implement this chapter;

(4) acquire real or personal property by purchase, transfer, or foreclosure when the acquisition is necessary to protect an interest of the fund.

(b) The commissioner shall

(1) require that a loan guaranteed by the fund be secured by collateral.

THE LEGISLATURE OF THE STATE OF ALASKA

HCSSB 768 (Res)

TWELFTH LEGISLATURE

FISCAL NOTE

I. REQUEST

Bill/Resolution Number: HCSSB 768 (Res) (4/15/82)

Title: Fishery Product Loan Guarantees

Requested by: House Finance Committee Date: 4/16/82

II. FISCAL DETAIL

Agency Affected: Department of Revenue

Program Category Affected: Revenue Collection and Management

BRU, Program, or Subprogram(s) Affected: Treasury Management

(Note: If more than one budget component is affected, separate line-item amounts and funding for each component in the analysis section.)

EXPENDITURES (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
100 PERSONAL SERVICES	-	-	-	-	-	-
200 TRAVEL	3.0	3.0	2.0	-	-	-
300 CONTRACTUAL	15.0	20.0	5.0	-	-	-
400 COMMODITIES	.5	.5	.5	-	-	-
500 EQUIPMENT	-	-	-	-	-	-
600 LAND & STRUCTURES	-	-	-	-	-	-
700 GRANTS, CLAIMS, ETC	-	-	-	-	-	-
800 MISCELLANEOUS	-	-	-	-	-	-
TOTAL	18.5	23.5	7.5	-	-	-

FUNDING (Thousands of Dollars)

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
GENERAL FUND	18.5	23.5	7.5	-	-	-
FEDERAL FUNDS	-	-	-	-	-	-
OTHER (Specify Source)	-	-	-	-	-	-

POSITIONS

	FY 82	FY 83	FY 84	FY 85	FY 86	FY 87
FULL TIME	-	-	-	-	-	-
PART TIME	-	-	-	-	-	-
TEMPORARY	-	-	-	-	-	-

III. ANALYSIS (See Fiscal Note Preparation Instruction, Section III)

Travel is to attend structuring/negotiation/settlement/review meeting with all financial institutions. Travel costs for Department of Revenue personnel and attorney from Department of Law.

Contractual Services: Comm. \$2.0; Print & Adv. \$2.0; Professional Services as needed for legal, safekeeping, accounting, misc. fees, audit \$16.0.

Impact in FY 82 assumes immediate effective date; FY 83, 84 from continuous review/monitor/change of agreements as necessary, etc during projected life of agreements.

A. Staack

IV. DATE: April 16, 1982

PREPARED BY: Anselm C. Staack, Treasury Comptroller

AGENCY: Dept. of Revenue, Treasury Division

PHONE: 465-2350

Original: Legislative Finance

cc: Budget and Management

Prime Sponsor (First Legislator Named)

33-001 (Rev. 12/81)

HCSSB 768 (Res) (4/15/82)
BILL ANALYSIS/PROGRAM EFFECTS

A. Sec 1 - 4, 7

1. Establishes Fishery Product Revolving Loan Guarantee Fund in Department of Revenue to:
 - a) Finance the purchase and processing of fishery products (defined as "salmon") from Alaska Fisheries.
 - b) Pay the costs associated with recall of Alaska fishery products processed in 1981.
 - c) Loan guarantees on a, b for fish processors with facilities in Alaska.
2. Conditions of Loan Guarantees:
 - a) Loan guarantees not to exceed one year loan term.
 - b) Loan to be secured by inventory, accounts receivable or other acceptable collateral.
 - c) Loan originated and serviced by CFAB or state or federally chartered financial institution.
 - d) Maximum guarantee up to 50% of the loan amount/sum in default. i.e. (\$10,000,000 loan orig, paid down to \$1,000,000; guarantee would cover \$500,000 of \$1 million loss).
 - e) Maximum guarantee to any one borrower \$10 million. Therefore, maximum loan coverable is \$20 million.
3. From effective date of bill (immediate) to July 1, 1982, 20% of money in guarantee fund reserved for Alaska financial institutions (including CFAB) to make loans to majority Alaska resident owned processors.

From July 1, 1982 to December 31, 1982 any financial institution (instate as well as outside) and any processor purchasing and processing products from Alaska fisheries could make loans in line with previous limits outlined (including to less than 50% Alaska resident owned processors).

January 1, 1983 and after, only Alaska financial institutions for 51% owned Alaska resident owned processors, etc. could initiate new loans on amounts left in guarantee fund.
4. Repeals Fishery Product Revolving Loan Fund established in 1981 (was never funded; would be a direct loan program).

B. Sec 5, 6

1. On 1981 loan guarantees outstanding; can be raised to 70% of the loan amount outstanding (effectively 70% of the loss/sum in default) under the following conditions:
 - a. Loans are secured by borrower's 1981 canned salmon inventory (ie canned salmon loans only covered to 70%).
 - b. Borrower has applied for 1982 loan.
 - c. Financial institution certifies to Department of Revenue that borrower will in fact participate in commercial purchase of 1982 Alaska salmon harvest.
 - d. Loan guarantee increase is void if the borrower fails to participate in 1982 harvest.

(4/16/82)

Original sponsor: Ray

Offered: 4/15/82
Referred: Finance

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 HOUSE CS FOR SENATE BILL NO. 768 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act providing for fishery product loan guarantees;
7 and providing for an effective date."

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

9 * Section 1. AS 45 is amended by adding a new chapter to read:

10 CHAPTER 92. FISHERY PRODUCT REVOLVING LOAN GUARANTEE FUND.

11 Sec. 45.92.010. ESTABLISHMENT OF FUND. The fishery product revolv-
12 ing loan guarantee fund is established in the Department of Revenue.

13 Sec. 45.92.020. FISHERY PRODUCT GUARANTEES. The department may
14 use money in the fund to guarantee a loan made to a fish processor with
15 facilities in Alaska to

16 (1) finance the purchase and processing of fishery products
17 from Alaska fisheries; or

18 (2) pay the costs associated with the recall of Alaska fishery
19 products processed in 1981.

20 Sec. 45.92.030. POWERS AND DUTIES OF THE DEPARTMENT. The commis-
21 sioner may

22 (1) designate agents and delegate powers necessary to imple-
23 ment this chapter;

24 (2) adopt regulations to implement this chapter;

25 (3) make and execute contracts and other instruments to
26 implement this chapter;

27 (4) require that a loan guaranteed by the fund be secured by
28 collateral;

29 (5) acquire real or personal property by purchase, transfer,

1 which is beneficially owned by residents of the state and a majority of
2 the owners of each of which are residents of the state.

3 Sec. 45.92.060. DEFINITIONS. In this chapter

4 (1) "commissioner" means the commissioner of revenue;

5 (2) "department" means the Department of Revenue;

6 (3) "facilities located in Alaska" means facilities at which
7 fisheries products are canned, frozen, or otherwise processed for inven-
8 tory, including floating facilities that are documented under the laws
9 of the United States as defined in 46 U.S.C. sec. 801, and operated in
10 waters of the state;

11 (4) "fish processor" means a person engaging in a business
12 for which a license is required under AS 43.75.010 - 43.75.090;

13 (5) "fishery product" means salmon;

14 (6) "fund" means the fishery product revolving loan guarantee
15 fund.

16 * Sec. 2. AS 45.92.050(a) is amended to read:

17 (a) The department may guarantee a loan under this chapter if

18 (1) the term of the loan does not exceed one year;

19 (2) the loan is secured by inventory or accounts receivable
20 of the fish processor, or by other collateral acceptable to the depart-
21 ment;

22 (3) the loan is originated with and serviced by the Alaska
23 Commercial Fishing and Agriculture Bank, or by a state or federally
24 chartered financial institution located in the state; and

25 (4) the majority interest in the fish processor is benefi-
26 cially owned by residents of the state and the majority of owners of the
27 fish processor are residents of the state.

28 * Sec. 3. AS 45.91 is repealed.

29 * Sec. 4. AS 45.92.055 is repealed.

1 * Sec. 5. Section 2(b), ch. 41, SLA 1981, is amended to read:

2 (b) A loan may not be guaranteed under (a)(3) or (e) of this
3 section unless 20 percent or more of the loan is held by the Alaska
4 Commercial Fishing and Agriculture Bank.

5 * Sec. 6. Section 2, ch. 41, SLA 1981, is amended by adding a new sub-
6 section to read:

7 (e) An agreement between the Alaska Commercial Fishing and Agri-
8 culture Bank and the Department of Revenue under (a)(3) and (c) of this
9 section to guarantee a portion of a loan made under (a)(1) or (2) of
10 this section may be amended with the consent of all parties to the loan
11 if (1) the loan is secured by the borrower's 1981 canned salmon inven-
12 tory; (2) the borrower has applied for a loan from the Commercial Fishing
13 and Agriculture Bank (AS 44.81) or a state or federally chartered finan-
14 cial institution for the commercial purchase of the 1982 Alaska salmon
15 harvest; and (3) the financial institution to which the borrower has
16 applied under (2) of this subsection certifies to the department that
17 the borrower will participate in the commercial purchase of the 1982
18 Alaska salmon harvest. An agreement amended under this subsection shall
19 provide that a guarantee of up to 70 percent of the loan, including the
20 portion of the loan held by the Alaska Commercial Fishing and Agriculture
21 Bank, shall be provided from the fish processing loan guarantee account.
22 An agreement amended under this subsection is void if the borrower fails
23 to participate in the commercial purchase of the 1982 Alaska salmon
24 harvest.

25 * Sec. 7. Sections 2 and 4 of this Act take effect January 1, 1983.

26 * Sec. 8. Sections 1, 3, 5, and 6 of this Act takes effect immediately in
27 accordance with AS 01.10.070(c).

CHAPTER 41, SLA 1981

19 * Sec. 2. LOAN GUARANTEES FOR COMMERCIAL FISH PURCHASERS. (a) The
20 Alaska Commercial Fishing and Agriculture Bank may

21 (1) make loans to provide financial assistance to commercial
22 purchasers of the 1981 fish harvest;

23 (2) participate with commercial banks in the making of loans to
24 provide financial assistance to commercial purchasers of the 1981 fish
25 harvest;

26 (3) enter into agreements with the Department of Revenue to
27 provide guarantees from the fish processing loan guarantee account for up to
28 50 percent of the portion of a loan described in (1) and (2) of this sub-
29 section held by a commercial bank or an institution of the federal farm

-5-

CSSB 140(Fin) am

Chapter 41

1 credit system.

2 (b) A loan may not be guaranteed under (a)(3) of this section unless
3 20 percent or more of the loan is held by the Alaska Commercial Fishing and
4 Agriculture Bank.

5 (c) The commissioner of revenue may enter into agreements with the
6 Alaska Commercial Fishing and Agriculture Bank to use the assets of the fish
7 processing loan guarantee account created in sec. 2(c), ch. 32, SLA 1980, to
8 provide guarantees for loans under (a)(3) of this section. The total amount
9 of the guaranteed portion of loans guaranteed under (a)(3) of this section
10 may not exceed \$40,000,000.

11 (d) In this section, "commercial bank" means a bank chartered by the
12 United States or by a state of the United States.

13 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
14 070(c).



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

KEN FANNING, CO-CHAIRMAN
ERIC BUTCLIFFE, CO-CHAIRMAN
POUCH V
JUNEAU, ALASKA 99811
(907) 485-3715

For the past two years the Department of Revenue has administered a loan guarantee program for commercial fish processors. Under the program, the loans had to originate with CFAB which limited the guarantees to processors which were 51% Alaskan owned. The loans were effectively guaranteed for up to 50% of any eventual loss. The funds encumbered by guarantees remained in the state treasury unless there was a default. In that event, after recovering what it could from the collateral, the bank would be reimbursed by the state for 50% of the loss. Last year a \$40 million appropriation was made for loan guarantees, and the Department of Revenue recently received its first notice of default.

CSSB 768

1. Establishes a revolving loan guarantee account. Page 1, line 11.
2. Establishes a 50% guarantee program for 1982 season loans. Page 2, lines 8-22.
 - (a) The program is available to CFAB and other banks. This will enable processors which are less than 51% Alaskan owned to participate. Page 2, lines 14-16.
 - (b) The guarantees apply to costs associated with the 1981 recall and for the purchase and processing of salmon in 1982 (salmon only). Page 1, lines 16-18, and Page 3, line 13.
 - (c) Until July 1, 1982, 20% of the account is reserved for loans to companies which are 51% Alaskan owned. Page 2, lines 24,25.
 - (d) Guarantee limit: \$10 million per borrower. Page 2, line 18.
 - (e) Term of the loan: 1 year. Page 2, line 10.
 - (f) The guarantees are a percentage of the loss, not a percentage of the principal. Page 2, lines 19-22.

3. Establishes a 50% guarantee program for 1983 and subsequent years. Page 3, lines 16-27.
 - (a) Limited to banks located in the state and to processors which are 51% Alaskan owned. Page 3, lines 24-27.
 - (b) Term of the loan: 1 year. Page 3, line 18.
 - (c) Guarantee limit: \$10 million per borrower. Page 2, line 18.
 - (d) Guarantees are a percentage of the loss, not a percentage of the principal. Page 2, lines 19-22.
4. Repeals the Revolving Loan Fund (AS 45. 91). Page 2, line 28.
5. Amends Chapter 41, SLA 1981.
 - (a) Increases last year's guarantees from an effective 50% to 70%. Page 4, line 19.
 - (b) Applies only to canned salmon caught in 1981. Page 4, line 11.
 - (c) Available only to companies which operate in 1982. Page 4, lines 16-18 & 22.23.

(According to CFAB there are 5 loans which qualify for an increased 1981 guarantee. The combined value of the loans is \$17.5 million. 70% of \$17.5 = \$12.15 million.)



Alaska State Legislature

HOUSE OF REPRESENTATIVES
COMMITTEE ON RESOURCES

KEN FANNING, CO-CHAIRMAN
ERIC SUTCLIFFE, CO-CHAIRMAN
POUCH V
JUNEAU, ALASKA 99811
(907) 465-3715

MEMORANDUM

TO: Representative Jack Fuller
Chairman, Rules Committee

FROM: Representative Eric Sutcliffe *EGS*
Co-Chairman, Resources Committee

RE: CSSB 768 Fiscal Note

DATE: April 15, 1982

The fiscal impact of CSSB 768 will be addressed in a separate appropriations bill. It is for that reason that the House Resources Committee has not attached a fiscal note to CSSB 768.

Introduced: 2/16/82
Referred: Community & Regional
Affairs and Finance

1 IN THE SENATE

BY RAY

2 SENATE BILL NO. 768

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to residential loans administered by
7 regional Native housing authorities; and providing for
8 an effective date."

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

10 * Section 1. AS 18.55.997(b)(2) is repealed and reenacted to read:

11 (2) "rural" means

12 (A) a community in the second, third, or fourth judicial
13 district of the state with a population of 4,500 or less that is
14 not connected by road or rail to Anchorage or Fairbanks; or

15 (B) a community in the first judicial district of the
16 state with a population of 4,500 or less.

17 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
18 070(c).

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COMMITTEE REPORT
SENATE

3/23/82

FURTHER: None

Date: 4/13/82

Mr. President:

The Committee on FINANCE has had SB 769

removing the requirement that power projects constructed under the energy program for Alaska be owned by the state

under consideration and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass do not pass
- do pass with attached amendments(s)
- replace with CS for SB 769 (fin) same title
 new title
- and recommends DO PASS.
- AND attaches a "Letter of Intent" New Fiscal Note
- reports it back without recommendation
- referred to the _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS:

[Signature]

[Signature]

[Signature]

CHAIRMAN

Original sponsor: Gilman

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 769 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the use of the power development
7 fund for federal power projects under the energy program
8 for Alaska; approving the Bradley Lake hydroelectric
9 project under AS 44.83.384(c)(1); and providing for an
10 effective date."

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

12 * Section 1. AS 44.83.384 is amended by adding a new subsection to read:

13 (c) Notwithstanding (b)(1) of this section and AS 44.83.394 -
14 44.83.398, the fund may be used by the authority to provide money for
15 the cost of a power project that is constructed and owned by the United
16 States government if the requirements of this subsection are met. The
17 provisions of AS 44.83.177 - 44.83.187 do not apply to a power project
18 financed under this subsection. The authority may use money in the fund
19 for the cost of a power project under this subsection if

20 (1) the legislature enacts a law approving the project;

21 (2) the division of budget and management in the Office of
22 the Governor reviews a feasibility study and a plan of finance for the
23 project and determines that the feasibility study complies with the
24 requirements for a feasibility study submitted under AS 44.83.181(b) and
25 that the plan of finance complies with the requirements for a plan of
26 finance submitted under AS 44.83.181(c); and

27 (3) the project meets the other requirements of this chapter.

28 * Sec. 2. Subject to review of the feasibility study and the plan of
29 finance by the division of budget and management in the Office of the Governor

1 under AS 44.83.384(c)(2), the Bradley Lake hydroelectric project is approved
2 as a project of the Alaska Power Authority under AS 44.83.384(c)(1).

3 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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Report

Original sponsor: Gilman

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 769 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the use of the power development
7 fund for federal power projects under the energy program
8 for Alaska; approving the Bradley Lake hydroelectric
9 project under AS 44.83.384(c)(1); and providing for an
10 effective date."

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

12 * Section 1. AS 44.83.384 is amended by adding a new subsection to read:

13 (c) Notwithstanding (b)(1) of this section and AS 44.83.394 -
14 44.83.398, the fund may be used by the authority to provide money for
15 the cost of a power project that is constructed and owned by the United
16 States government if the requirements of this subsection are met. The
17 provisions of AS 44.83.177 - 44.83.187 do not apply to a power project
18 financed under this subsection. The authority may use money in the fund
19 for the cost of a power project under this subsection if

20 (1) the legislature enacts a law approving the project;

21 (2) the division of budget and management in the Office of
22 the Governor reviews a feasibility study and a plan of finance for the
23 project and determines that the feasibility study complies with the
24 requirements for a feasibility study submitted under AS 44.83.181(b) and
25 that the plan of finance complies with the requirements for a plan of
26 finance submitted under AS 44.83.181(c); and

27 (3) the project meets the other requirements of this chapter.

28 * Sec. 2. Subject to review of the feasibility study and the plan of
29 finance by the division of budget and management in the Office of the Governor

1 under AS 44.83.384(c)(2), the Bradley Lake hydroelectric project is approved
2 as a project of the Alaska Power Authority under AS 44.83.384(c)(1).

3 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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Original sponsor: Gilman

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 769 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the use of the power development
7 fund for federal power projects under the energy program
8 for Alaska; approving the Bradley Lake hydroelectric
9 project under AS 44.83.384(c)(1); and providing for an
10 effective date."

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

12 * Section 1. AS 44.83.384 is amended by adding a new subsection to read:

13 (c) Notwithstanding (b)(1) of this section and AS 44.83.394 -
14 44.83.398, the fund may be used by the authority to provide money for
15 the cost of a power project that is constructed and owned by the United
16 States government if the requirements of this subsection are met. The
17 provisions of AS 44.83.177 - 44.83.187 do not apply to a power project
18 financed under this subsection. The authority may use money in the fund
19 for the cost of a power project under this subsection if

20 (1) the legislature enacts a law approving the project;

21 (2) the division of budget and management in the Office of
22 the Governor reviews a feasibility study and a plan of finance for the
23 project and determines that the feasibility study complies with the
24 requirements for a feasibility study submitted under AS 44.83.181(b) and
25 that the plan of finance complies with the requirements for a plan of
26 finance submitted under AS 44.83.181(c); and

27 (3) the project meets the other requirements of this chapter.

28 * Sec. 2. Subject to review of the feasibility study and the plan of
29 finance by the division of budget and management in the Office of the Governor:

1 under AS 44.83.384(c)(2), the Bradley Lake hydroelectric project is approved
2 as a project of the Alaska Power Authority under AS 44.83.384(c)(1).

3 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
4 070(c).

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Introduced: 2/16/82
Referred: Resources and Finance

1 IN THE SENATE

BY GILMAN

2 SENATE BILL NO. 769

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act removing the requirement that power projects
7 constructed under the energy program for Alaska be
8 owned by the state; and providing for an effective
9 date."

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

11 * Section 1. AS 44.83.396(a) is amended to read:

12 (a) A power project that is acquired or constructed as part of the
13 energy program for Alaska [IS OWNED BY THE STATE AND] shall be adminis-
14 tered by the authority.

15 * Sec. 2. This Act takes effect immediately in accordance with AS 01.10.-
16 070(c).

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SB 767

APR 9 1982



Alaska State Legislature

Senate Advisory Council

Official Business

MEMORANDUM

Pouch V
State Capitol
Juneau, Alaska 99811

TO: Senator Bennett
FROM: Kurt S. Dzinich *KSD*
SUBJECT: Bradley Lake Project
DATE: April 8, 1982

In response to questions raised at the 7 April 1982 Senate Finance Committee hearing on the costs incurred to date by the Corps of Engineers, I have obtained following:

Expenditures thru FY 1981 (Federal)	\$5,601,000
Appropriated for FY 1982 (Federal)	740,000

The Corps has indicated that all appropriations for FY 1982 would probably be spent. As to reimbursing the Federal Government for these costs whenever the State decides to acquire the project, the exact amount would be subject to negotiations. It is possible that some-or even all - of the above amount would not have to be reimbursed to the Feds.

KSD/bb

ALASKA POWER AUTHORITY

334 WEST 5th AVENUE - ANCHORAGE, ALASKA 99501

Phone: (907) 277-7641
(907) 276-0001

March 24, 1982

Honorable William R. Gianelli
Assistant Secretary of the
Army (C.W.)
Room 2E - 570
Pentagon
Washington, D.C. 20310

Dear Mr. Gianelli:

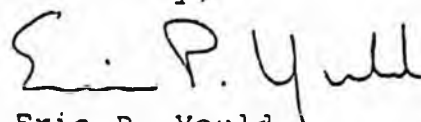
Your letter of January 4, 1982, and Governor Hammond's reply of January 19, 1982, have resulted in cooperative efforts between the Alaska Power Authority, the Alaska District of the Corps of Engineers, and the Alaska Power Administration of the Department of Energy to develop an acceptable agreement under which the Alaska District might proceed with construction on the Bradley Lake Hydropower project.

Assuming that the details can be worked out to our and Governor Hammond's mutual satisfaction, and, subject to the availability of funds from the Legislature or other sources, the Alaska Power Authority would proceed to provide the funds necessary to construct the Bradley Lake project in return for expeditious accomplishment of project construction by the Corps of Engineers.

As you know, the ultimate objective of the Alaska Power Authority is to acquire ownership of the Bradley Lake project and the exclusive rights to market its power. However, it is recognized that this may require additional Federal legislation in the future as well as close coordination with the Alaska Power Administration.

I look forward to an acceptable arrangement with the Corps that will allow an early power-on-line date for this project and will keep your representatives closely advised of State actions on this matter.

Sincerely,



Eric P. Yould
Executive Director

cc: Governor Hammond



DEPARTMENT OF THE ARMY
OFFICE OF THE ASSISTANT SECRETARY
WASHINGTON, D.C. 20310

31 MAR 1982

RECEIVED

APR - 5 1982

ALASKA POWER AUTHORITY

Mr. Eric P. Yould
Executive Director
Alaska Power Authority
334 West 5th Avenue
Anchorage, Alaska 99501

Dear Mr. Yould:

Thank you for your letter of March 24th, expressing the intention of the Alaska Power Authority to provide the funds necessary to construct the Bradley Lake Hydropower Project in return for expeditious accomplishment of construction by the Corps of Engineers.

On the basis of the commitment in your letter, we will include the Bradley Lake project in the package of new construction starts for Fiscal Year 1983, that we will forward to OMB on April 1st. I quite understand that the commitment is subject to the negotiation of an acceptable agreement between the Authority, the Corps, and the Alaska Power Administration. Also, I understand that the States' ultimate objective is to acquire ownership of the project and the rights to market the power. This gives me no policy problem, but, as your letter notes, legislation may be required at a later date.

I very much appreciate your letter, and you can be assured we will work with the State and the Alaska Power Administration to reach an acceptable agreement on this good project.

Sincerely,

William R. Gianelli
Assistant Secretary of the Army
(Civil Works)

SECTIONAL ANALYSIS

CSSB 769 (Change of Title)

Title: "An Act relating to the use of the power development fund for federal power projects under the energy program for Alaska; approving the Bradley Lake hydroelectric project under AS 44.83.185; and providing for an effective date."

Bradley Lake is a project authorized by Congress to be constructed by the Corps of Engineers. It has gone through the entire Economic Feasibility and Environmental Impact stages. The project is expected to receive full approval for construction by July 1982.

Under ordinary circumstances, the corps would receive funds to proceed with this project during FY 83. Due to Federal Budget restrictions, there are no new-start water projects anywhere in the United States during FY 83.

Under Title 33 U.S.C. 701h, the Corps has authority to accept non-Federal funds for design and construction of water projects. Under AS 44.83.080 (10), the Alaska Power Authority has the power to enter into contracts with the United States for financing and construction of power projects.

Under Section 5, 1944 Flood Control Act (58 Stat. 890, 16 U.S.C. 825s) the Alaska Power Administration has power marketing responsibility for Federal power projects. Under AS 44.83.080 (11), the Alaska Power Authority has the power to enter into contracts to purchase power from the United States.

AS 44.83.396 provides that any project acquired or constructed by the Authority is owned by the state. AS 44.83.398 addresses marketing of the power.

Section 1. Provides a new Section under 44.83.384 use of fund balance to allow the fund to finance a project owned by the United States Government. The project is exempt from the provisions of 44.83.177 through 44.83.187. Requires Office of Budget and Management Review and legislative approval.

Section 2. Authorizes the Bradley Lake Project under the new Sections listed above.



Alaska State Legislature

Senate Advisory Council

MEMORANDUM

Pouch V
State Capitol
Juneau, Alaska 99811

Official Business

TO: Senator Gilman
FROM: Kurt S. Dzinich (KSD)
SUBJECT: Bradley Lake Project Update
DATE: April 5, 1982

The following information is provided to update you on the current status of the Bradley Lake project.

1. Memorandum of Understanding (MOU). The Alaska Power Administration, the Corps of Engineers and the Alaska Power Authority (APA) are continuing to work on the draft MOU. In order to insure that it could sell bonds - should that become necessary - the Alaska Power Authority has proposed some language changes in the draft MOU dealing with the ownership issue. They have forwarded the Proposed changes to the Alaska District Engineer and Alaska Power Administration for their comment.

2. Transmission Line. The Corps scope of work assumed that the transmission line upgrade required to market Bradley energy would be accomplished by others. Due to the projected load increases, the transmission system will have to be eventually upgraded even if Bradley is not built. On 22 March 1982, a meeting was held with the involved utility companies for the purpose of determining whether they plan to update the transmission lines. So far, only Homer Electric Association has made a written commitment to upgrade their portion of the system. Other utilities will await outcome of the APA review before deciding what to do. The utilities did note that they must have additional generation by 1988 at the latest due to increasing demands. It should be noted that all alternatives in the Susitna Battelle study assumed Bradley on line by 1988.

3. Project Scope and Costs. APA has initiated a review of the project scope, costs and economic viability using the engineering firm of Beck and Associates. The review will cover both the case with and without the transmission line system. APA will be making its recommendation to the Division of Budget and Management in about one week.

4. Required Legislation. In order for the APA to have authority to proceed and utilize the Corps as the design and construction agency, legislation along the lines of SB 769 is required. This legislation is required because project ownership would remain federal until sometime near or after completion of the project despite use of state funds. Further existing federal statutes mandate same.

5. Schedule. Assuming that the MOU is approved, state legislation passed and the decision made to proceed with the project, the earliest contract award by the Corps would be around October 1982 time frame. This would most likely mean that construction would start in the early spring of 1983.

6. Funding. The Corps has indicated that with \$26 million funding in FY 1983 they could still maintain the 1988 on line date. Anything less than that would cause a delay but would allow them to proceed.

7. Alternatives. If the MOU can not be agreed on, the state may decide to proceed on its own to include FERC license application. In addition, the U.S. Congress would have to pass legislation deauthorizing the project. Unless the U.S. Congress mandated a short cut, the FERC license application could be expected to take about one and a half years.

8. Summary. SB 769, or similar legislation, must be passed in order to allow APA the option of proceeding with the project using the Corps. If APA's upcoming review indicates that the project is not viable economically, or that it can not be financed, it will be shelved.

KSD/bb

Alaska State Legislature

SENATOR
DON GILMAN

Juneau Ph.
(907) 465-4934



State Senate

HOME ADDRESS
P.O. BOX 630
KENAI, ALASKA 99611
(907) 283-4182

DURING SESSION
POUCH V
JUNEAU, ALASKA 99811

MEMORANDUM

DATE: April 6, 1982

TO: Senate Finance Committee

FROM: Senator Don Gilman

RE: SB 769 - Bradley Lake

It is the intent of the legislature that the Alaska Power Authority proceed to expend funds previously appropriated for the Bradley Lake Project. The legislature also intends that the Authority secure any interim financing available to it under the Energy Program of Alaska in order to keep construction on schedule.



DEPARTMENT OF THE ARMY

ALASKA DISTRICT, CORPS OF ENGINEERS

P.O. BOX 7002

ANCHORAGE, ALASKA 99510

REPLY TO
ATTENTION OF:

NPAEN

26 FEB 1982

SUBJECT: Draft Memorandum of Understanding (MOU) for Bradley Lake
Hydroelectric Project, Alaska

CDR USACE (DAEN-CWZ-A)
WASH, DC 20314

1. Forwarded for your information and approval is the draft MOU for the Bradley Lake Hydroelectric Project, as requested by your staff. This document has been tentatively agreed to by representatives of the Alaska District, Alaska Power Authority, and Alaska Power Administration.
2. It is our understanding that your staff will review this document and determine if the Corps can enter into this agreement and proceed with negotiations leading to design and construction of the project. All parties to this agreement are desirous of an early construction start. Therefore, your expeditious review and approval is requested.
3. In a related conversation with Mr. Robert Eiland of the ASA(CW) office, Mr. Eiland indicated that the MOU should be reviewed by OMB and be available to his office prior to Mr. Gianelli presenting his program to Congress in early April.

A handwritten signature in cursive script, appearing to read "Lee R. Nunn".

LEE R. NUNN
Colonel, Corps of Engineers
Commanding

1 Incl
as

CF w/Incl:
(See page 2)

NPAEN

SUBJECT: Draft Memorandum of Understanding (MOU) for Bradley Lake
Hydroelectric Project, Alaska

CF w/Incl:

Mr. Robert Cross
Alaska Power Administration
P.O. Box 50
Juneau, Alaska 99802

Mr. Eric Yould
Alaska Power Authority
333 West Fourth Avenue
Anchorage, Alaska 99501

Mr. Robert Eiland
Office of the Assistant
Secretary of the Army (CW)
Room 2E 570
Pentagon
Washington, D.C. 20310

Mr. Kurt Dzinich
Hydro Development Specialist
Senate Advisory Council
Pouch V, State Capitol
Juneau, Alaska 99811

Representative Hugh Malone
Pouch V, State Capitol
MS 3100
Juneau, Alaska 99811

Representative Patrick O'Connell
Pouch V, State Capitol
MS 3100
Juneau, Alaska 99811

✓ Senator Donald Gilman
Pouch V, State Capitol
MS 3100
Juneau, Alaska 99811

NPDDE (ATTN: Dave Geiger)

25 February 1982

(DRAFT)

BRADLEY LAKE HYDROELECTRIC PROJECT
MEMORANDUM OF UNDERSTANDING
ALASKA POWER AUTHORITY, STATE OF ALASKA,
ALASKA DISTRICT CORPS OF ENGINEERS, AND
ALASKA POWER ADMINISTRATION, U.S. DEPARTMENT OF ENERGY

This agreement, effective _____, 1982, is made between the ALASKA POWER AUTHORITY (hereinafter called the AUTHORITY) on behalf of the STATE OF ALASKA (hereinafter called the STATE), the CORPS OF ENGINEERS (hereinafter called the CORPS), and the ALASKA POWER ADMINISTRATION (hereinafter called the ADMINISTRATION),

WHEREAS, all parties to this agreement are desirous of an early construction start and early completion of the project, and

WHEREAS, the Bradley Lake Hydroelectric Project is authorized for design and construction by the Corps under the 1962 Flood Control Act, and the Corps has prepared a General Design Memorandum and an Environmental Impact Statement for the project, and under Title 33 U.S.C. 701h the Corps has authority to accept nonfederal funds for design and construction activities, and has the capability to design and construct the project, and

WHEREAS, the Authority recognizes that Federal funds have not been programmed for this project beyond fiscal year 1982, and the Authority is desirous of financing and obtaining the expeditious design and construction of the Bradley Lake Hydroelectric Project, and to eventually acquire the completed project, including operation, maintenance, and marketing responsibilities, and

WHEREAS, the Authority will independently determine project feasibility pursuant to requirements of State law, and

WHEREAS, the Administration has power marketing responsibility for the project pursuant to Section 5, 1944 Flood Control Act (58 Stat. 890, 16 U.S.C. 825s) and operation and maintenance responsibility under a separate agreement with the Corps.

NOW, THEREFORE, it is mutually agreed, subject to successful completion of Federal and State feasibility tests, availability of appropriations, and necessary approvals:

The Corps agrees to perform the design, contract supervision, and inspection work at the actual cost to the Government, in accordance with applicable Federal laws and regulations and essentially as shown and scheduled in the Bradley Lake General Design Memorandum and as supplemented by feature Design Memorandums.

The Authority will seek necessary authorization and funds to finance the design and construction of the Bradley Lake Project, and will make the funds available to the Corps in sufficient amount to allow the work to progress in an orderly manner. ✓

The Administration will consult fully with the Authority in development of power marketing policies and allocations of power from the Bradley Lake Project so that the policies and allocations are consistent with applicable State and Federal law. Federal revenue requirements would be limited to revenue necessary to recover Federal investment in the project including applicable interest plus annual expenditures of Federal funds for operation, maintenance, and replacement.

The Authority will operate and maintain the project under contract with the Administration.

All parties to this agreement will coordinate fully on operation and maintenance requirements to assure consistency with State and Federal law.

All parties will adopt working agreements addressing details of design, construction, operation, maintenance, financing, and power marketing.

All parties will pursue steps necessary to accomplish the State's objective of acquiring the project; including operation, maintenance, and marketing responsibilities.

DATE: _____

U.S. Army Corps of Engineers

Alaska Power Authority

Alaska Power Administration

LAW OFFICES

WOHLFORTH & FLINT

A PROFESSIONAL CORPORATION

900 WEST 5TH AVENUE, SUITE 505

ANCHORAGE, ALASKA 99501

ERIC E. WOHLFORTH
ROBERT B. FLINT
TIMOTHY G. MIDDLETON
PETER ARGETSINGER
ROBERT M. JOHNSON
GEORGE T. FREEMAN

TELEPHONE
AREA CODE 907
276-8401

March 29, 1982

Mr. Eric P. Yould
Executive Director
Alaska Power Authority
334 West Fifth Avenue
Anchorage, Alaska 99501

RECEIVED

MAR 30 1982

ALASKA POWER AUTHORITY

Dear Mr. Yould:

This will expand on our recent opinion with respect to the Authority's power to issue bonds for projects which it does not own. The general bond issuing authority of the Authority as contained in AS 44.82.100. That section states that "(a) the authority may borrow money and may issue bonds, including but not limited to bonds on which the principal and interest are payable. . . (4) from one or more revenue-producing contracts including a contract providing for the security of the bonds made by the authority with any person". AS 44.83.110 provides that the authority may secure an issue of bonds with a trust indenture or trust agreement under which it may enter into covenants and agreements with bondholders with respect to the items therein stated. AS 44.83.110(b) provides as follows:

"(b) Notwithstanding any other provisions of this chapter, the trust agreement shall contain a covenant by the authority that it will at all times maintain rates, fees or charges sufficient to pay, and that a contract entered into by the authority for the sale, transmission or distribution of power shall contain rates, fees or charges sufficient to pay the costs of operation and maintenance of the project, the principal of and interest on bonds issued under the trust agreement as the same severally become due and payable, to provide for debt service coverage as considered necessary by the authority for the marketing of its bonds and to provide for renewals, replacements and improvements of the project, and to maintain reserves required by the terms of the trust agreement".

Mr. Eric P. Yould
March 29, 1982
Page Two

Under paragraph (b), it would be possible for the Authority to issue bonds for a project with respect to which it does not have ownership rights or rights to acquire the project if a contract with the owner provided that rates, fees or charges be charged and that a contract for the sale, transmission or distribution of the power be entered into with the owner, requiring the owner to impose rates, fees or charges to pay the costs items therein referred to and otherwise in accordance with paragraph (b). Such contracts would have to be made between the owner of the project and the Authority and would have to be of a nature that the rights thereunder could legally be pledged to bondholders. The net effect would have to be that bondholders must have a right to insist on a level of rates, fees and charges providing for the amounts required in paragraph (b) the same as if the Authority were the owner of the project and legally able to covenant directly with bondholders.

In summary, the legal authority of the owner of the project to enter into the rate covenant would be required to be absolute and unconditional and the legal authority of the owner would have to be pledgable and pledged to bondholders.

Very truly yours,

WOHLFORTH & FLINT

By _____
Eric E. Wohlforth

EEW/dlk

Offered: 3/23/82
Referred: Finance

Original sponsor: Gilman

1 IN THE SENATE

BY THE RESOURCES COMMITTEE

2 CS FOR SENATE BILL NO. 769 (Resources)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 TWELFTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the use of the power development
7 fund for federal power projects under the energy
8 program for Alaska; approving the Bradley Lake hydro-
9 electric project under AS 44.83.185; and providing for
10 an effective date."

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

12 * Section 1. AS 44.83.384 is amended by adding a new subsection to read:

13 (c) Notwithstanding AS 44.83.396 and 44.83.398, the fund may be
14 used by the authority to provide money for the cost of a power project
15 that is constructed and owned by the United States government if the
16 project meets the other requirements of this chapter.

17 * Sec. 2. Subject to approval of the feasibility studies and the plan of
18 finance by the division of budget and managem . in the Office of the Governor
19 under AS 44.83.187, the Bradley Lake hydroelectric project is approved as a
20 project of the Alaska Power Authority under AS 44.83.185.

21 * Sec. 3. This Act takes effect immediately in accordance with AS 01.10.-
22 070(c).

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