

LEG. FINANCE - BILLS 1985 - 1986 2273
SB 472 cont. - SB 476 2273

PROPOSED MENTAL HEALTH TRUST LAND APPROPRIATION

	<u>COSTS</u>	<u>POSSIBLE REDUCTIONS</u>
H & SS Independently audit state mental health expenditures from July 1, 1978 through June 30, 1986.	\$81,000	\$(81,000)
DNR Account for all funds or land received from conveyances and exchanges July 19, 1978 through October 4, 1985.	40,800	
DNR Identify and appraise all less than fair market value conveyances and encumbrances.	117,800	
DNR Provide management oversight of all transactions and account funds received from mental health lands.	142,700	
DOL Special appropriation to the Department of Law for payment of the plaintiff legal fees. The fees shall only be paid by court order.	100,000	
DNR Mental health land management commission.		
Administrative support (53,600)		(53,600)
Staffing (109,200)	162,300	
Joint legislative committee on mental health trust land	30,600	(30,600)
	<u>\$675,700</u>	(164,200)
		<u>\$511,500</u>

NOTE ON PROPOSED APPROPRIATIONS

This request is composed of firm dollar amounts of which reductions would impair the completion of the stated tasks and soft dollar amounts of which reductions or eliminations may be possible without jeopardizing the completion of basic tasks or the total program.

1. With an amendment striking the independent audit of H & SS mental health expenditures, the audit would be completed by existing H & SS staff. The reduction would be \$81,000.
2. Since DNR's administrative support line item within the mental health land management commission was drafted based upon no staffing of the commission; the line item staffing the commission includes the basic elements necessary for the commission to function, however, the quality of commission support undoubtedly would be reduced and there would probably be fewer committee meetings. This line item could be eliminated at a savings of \$53,600.
3. The funds for staffing and support of the joint legislative committee on mental health trust land could be provided from existing budgets for Senate and House interim committees. If these funds were used the reduction would be \$30,600.

The proposed appropriations could be reduced by a total of \$164,200. Thus, the grand total of the proposed appropriations for the mental health land issue could be \$511,500. This would provide a marginal budget, but a budget sufficient to complete the elements required under the Supreme Court decision in Weiss v. Alaska.

PRO FORMA MENTAL HEALTH LAND MANAGEMENT COMMISSION STAFFING

Natural Resource Manager I Type	\$47,600
Clerk Typist II Type	25,600
Travel Costs	8,000
Contractual Costs	20,000
Commodities	5,000
Equipment Costs	3,000
TOTAL STAFF COSTS	<u>\$109,200</u>

DRAFT POSITION PAPER
SENATE HESS COMMITTEE

For an Act entitled: "An Act relating to the interim management of mental health trust land; and providing for an effective date."

Section 4 of the draft bill requires the department to establish guidelines for and obtain an independent audit of mental health expenditures. It also requires the department to prepare guidelines and procedures to determine by some mechanism the level of funding necessary to comply with the state's mental health plan. It requires the department to seek the approval of the commission prior to embarking on these tasks.

Position

The department wishes to comment on Section 4 of this bill. The department believes an audit of mental health expenditures needs to be performed.

It would be prudent for all parties to agree on the guidelines for such an audit prior to commitment of funds for that purpose. The commission provides a valuable forum for this agreement to be reached. The department would work with the commission to achieve consensus on such a set of guidelines. Once the scope is determined, the department's Audit Unit could perform the audit within existing resources. Should it be determined that the audit could adequately be performed in-house, the proposed language would have to be amended to delete the word "independent" in section 4(1).

With regard to the third section, the department feels it important that an interim commission examine the needs for mental health services and be involved in a needs assessment which would result in costing out what is "necessary" for the state to implement a comprehensive mental health program. A broad based effort to come to an agreement on the level and range of services needed to meet Alaska's mental health program would provide a valuable yard stick by which to measure how existing services fail to meet the true need and what level of commitment is needed in the future.

Recommended by: *Karen Perdue*
Karen Perdue
Assistant Commissioner
for Administration

Date: 4/3/86

Approved by: *John R. Pugh*
John R. Pugh
Commissioner

Date: 4/3/86

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES



P O BOX
STATE DEPT
JUNEAU ALASKA 99801
907 485-3883
907 485-3788

Senate Committee on Health, Education and Social Services

SB 472

An Act relating to the interim management of the mental health trust.

Section 1 - Findings

Congress granted 1,000,000 acres of land to Alaska to be administered as a trust, the Alaska Supreme Court ruled the trust had been breached, and there is a need for interim management of the trust land.

Section 2 - Establishes Commission in DNR

- membership - DNR Commissioner, DH&SS Commissioner, representative of plaintiffs, representative of intervenors, representative of Governor's Mental Health Advisory Council
- receive travel and per diem
- quarterly meetings; others allowed
- may employ staff

Section 3 - DNR Responsibilities

- inventory and catalog Mental Health Land
- audit land transactions
- hire an appraiser to appraise land
- manage Mental Health land with oversight from the commission
- deposit land proceeds in a special trust account

Section 4 - DH&SS Responsibilities

- hire an auditor to audit the Mental Health program, with oversight from the commission
- develop guidelines to determine necessary Mental Health expenditures, with oversight from the commission

Section 5 - Report to Legislature

Commission must submit recommendations by the 10th day of the next legislative session on management of the Mental Health trust and on the state's Mental Health program.

Section 6 - Defines "commission."

Section 7 - Commission terminates 7-1-87.

Section 8 - Immediate effective date.

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 472
Title : Management of Mental Health Trust

Sponsor : Senate HESS
Requestor : Senate Finance
Date of Request : 4/10/86

FISCAL DETAIL

Agency Affected : Natural Resources
BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		271.6				
TRAVEL		33.0				
CONTRACTUAL		146.9				
SUPPLIES		9.6				
EQUIPMENT		3.0				
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		464.1				

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		464.1				
FEDERAL FUNDS						
OTHER						
TOTAL		464.1				

POSITIONS :

FULL-TIME		7				
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner
Division : Commissioner's Office

Phone : 465-2400
Date : 4/10/86

Approved by Commissioner : Wm D Arnold, Deputy
Agency : Department of Natural Resources

Date : 4/10/86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
4-10-86
Senate Bill 472
Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office. No funding is included for contracting with the plaintiffs and intervenors in the case.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1979 and October 4, 1985. Estimated costs: \$40,800.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year (37.8 personal services; 1.0 travel; 1.5 contractual; 0.5 commodities).

2. Identify and appraise all less than fair market value conveyances and encumbrances. Estimated costs: \$117,300.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised. If section 3(b) of the bill intends that all mental health land be appraised, then the cost, by the Opinion of Value panel method, will require an additional \$22,000.

The reports and maps must take approximately 1,100 parcels into consideration. We expect this project to take a single Natural Resource Officer I three months to complete. Additionally, the project will need funding for supplies and contractual clerical services (9.5 personal services; .5 contractual; .2 commodities).

The appraisals are expected to cost \$107,600. We project that approximately 820 parcels totalling 268,000 acres will need appraisals at an estimated cost of \$28,000. These appraisals will be determined by an Opinion of Value panel

method. This method employs three senior designated appraisers, each representing one geographic region (northern, southcentral, and southeastern). The panel of appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental. The approximate cost of these lease reappraisals is \$79,600.

3. Provide management oversight of all transactions and account for funds received from mental health lands.
Estimated costs: \$142,700.

Statewide trust management oversight can be provided by a Natural Resource Manager II with support from a Natural Resource Officer I. That manager would be expected to review a large number of transactions, with research assistance from a subordinate, to ensure that the trust is not breached. It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

Accounting functions can be broken into two parts: ongoing accounting services, and an independent audit. An accounting Technician I will be needed to receive and separately process that portion of the approximately \$1.5 billion taken in by DNR annually that should be assigned to the mental health accounts.

Line items in this total are: 124.0 personal services; 6.0 travel; 11.3 contractual; and, 1.4 commodities.

4. Provide administrative support to the commission.
Estimated costs: \$53,600.

The department would need to provide administrative support to the commission which includes arranging meetings, preparing briefing packets, documenting meeting results, and clerical support. The Natural Resource Officer I listed in item 3 above could assist with the details of action review and a Clerk Typist III would be needed to assist with typing and organization of meetings. Contractual monies would cover duplication costs, phone charges, postage, etc. Travel and per diem funding is for meetings of the commission. Commodities money is to cover routine supplies and maps (27.1 personal services; 18.0 travel; 6.0 contractual; 2.5 commodities).

5. Executive Director and secretary for Commission.
Estimated costs: \$109,200.

The executive director receives a monthly salary at the Natural Resource Manager level (range 18). Office support is provided by a Clerk Typist II (range 7). Both persons serve in the exempt service. Travel funding enables the director to meet regularly with the diverse mental health constituent groups. Contractual funding provides office space and overhead. Equipment funding is for a one time purchase of office equipment. Line item totals are: 73.2 personal services; 8.0 travel; 20.0 contractual; 5.0 commodities; and, 3.0 equipment.

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date: _____

REQUEST

Bill/Resolution No.: CSSSHB 128
 Title: An Act relating to the interim management of mental health trust land; and providing for an effective date.
 Sponsor: Pignalberi, Gruenberg, Boucher
 Requestor: Pignalberi
 Date of Request: March 24, 1986

FISCAL DETAIL

Agency Affected: Health & Social Services
 BRU: DHSS Administrative Services
 Components: Audit

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL		81.0	0			
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		81.0	0	0	0	0

CAPITAL						
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REVENUE						
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FUNDING : (Thousands of Dollars)

GENERAL FUND		81.0				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME		0				
PART-TIME		0				
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by: *Karen Perdue*
 Division: Commissioner's Office

Phone: 465-3030
 Date: 3/26/86

Approved by Commissioner: *John R. Poy*
 Agency: Health and Social Services

Date: 4/1/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget

Fiscal Note, Page 2

The definition of mental health is not clear, and was not defined by the courts. The parties may agree to a definition or the court may be asked to define it for these purposes.

The department's cost estimate for an independent audit includes the accounting for a broad range of possible mental health expenditures. Auditing all possible expenditures and then applying those relevant to the final definition would be cheaper than presupposing the definition of mental health and then reperforming the audit should the definition be expanded beyond the original scope.

Department audit staff could perform this audit at a negligible cost if it is determined that a private firm is not needed. DHSS audit staff includes 3 CPAs who regularly perform hundreds of audits per year.

Should it be determined that the department perform this function in-house, the proposed language would have to be amended to delete the word "independent" in section 4(i).

STATE OF ALASKA 1986 LEGISLATIVE SESSION
FISCAL NOTE

Revision Date : 3/5/86

REQUEST

Bill/Resolution No.: HCR 50
 Title: establish joint committee
on mental health lands
 Sponsor: Gruenberg
 Requestor: House HESS
 Date of Request: 3/5/86

FISCAL DETAIL

Agency Affected: Legislature
 BRU: _____
 Components: _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES		21.7				
TRAVEL		3.0				
CONTRACTUAL		5.6				
SUPPLIES		.3				
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING		30.6				
CAPITAL						
REVENUE						

FUNDING : (Thousands of Dollars)

GENERAL FUND		30.6				
FEDERAL FUNDS						
OTHER						
TOTAL		30.6				

POSITIONS :

FULL-TIME						
PART-TIME		1				
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

This fiscal note calls for a half-time professional assistant (Range 21A) to work for the committee. Salary for a nine month period is \$17,239.50 plus \$4,482.27 in benefits.

Prepared by: Representative Max F. Gruenberg, Jr.
 Division: House HESS Committee

Phone: 465-4968
 Date: 3/5/86

Approved by: Co-Chair
 Commissioner: _____
 Agency: House HESS Committee

Date: 3/5/86

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Alaska State Legislature

bill file
4/18/86

BETTYE FAHRENKAMP, Chairman
ARLISSE STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES

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Senate Committee on Health, Education and Social Services

April 18, 1986

Senator John Sackett, Co-Chairman
Senator Jan Faiks, Co-Chairman
Senate Finance Committee
P.O. Box V
Juneau, AK 99811

Dear Senators:

Thank you for your attention to SB 472, an act relating to the interim management of the mental health trust. As you know, the bill has received the approval of the Senate Committee on Health, Education and Social Services and the Senate Resources Committee, and is scheduled for a hearing before Senate Finance on April 22, 1986. In my estimation, passage of the bill is an essential step in resolution of the mental health lands lawsuit.

By way of background, as you will recall, in 1956 Congress granted Alaska one million acres of land to be managed as a public trust to provide funds for Alaska's mental health program. The lands were selected and patented, but no trust fund was established. In 1978 the state legislature redesignated the trust lands as general grant lands and created in their place a mental health fund to receive 1.5% of annual receipts from all state land. However, no monies were deposited into the fund, and in 1982 the Alaska Mental Health Association filed a class action suit against the state contesting the 1978 redesignation law. In October 1985, the State Supreme Court ruled that the state had breached the trust and must reconstitute it to match as nearly as possible its holdings when the 1978 law became effective.

The intent of SB 472 is twofold: to ensure that activities required by the court are undertaken, and to protect the trust lands from alienation pending final resolution of the litigation. Specifically, the bill calls on the Department of Natural Resources to inventory and catalog the mental health trust land, audit past transactions involving mental health land, appraise lands that are no longer in the trust, and manage the mental health land as a public trust. The Department of Health and Social Services is to audit the state's past mental health program expenditures and propose guidelines for determining future levels of expenditures.

A third and equally important function of SB 472 is to facilitate involvement of the mental health community in settling the litigation. To this end, the bill includes on the commission three members nominated by the mental health community, and calls on the commission to approve the audits and appraisals conducted by the Departments of Natural Resources and Health and Social Services, and to approve land management decisions.

What SB 472 does not do is propose any long term solutions. SCR 36, which is also pending before the Senate Finance Committee, would establish a legislative committee to develop a proposal to resolve the mental health trust litigation. Implementation of SB 472 will assist the state, and the legislative committee specifically, in this task and protect the trust until resolution is reached.

Senators, I think many of us in the legislature share a long-term goal of developing a trust of sufficient size to adequately fund mental health programs throughout our state. However, a number of actions must be taken before the state is in a position to enact a long-term solution. I hope you will agree that to accomplish these goals SB 472 is the appropriate mechanism.

Thank you for your consideration..

Sincerely,



Bettye Fahrenkamp
Chairman

BF/ss

POSITION PAPER
SB 472

For an Act entitled: "An Act relating to the interim management of mental health trust land; and providing for an effective date."

Section 4 of the bill requires the department to establish guidelines for and obtain an independent audit of mental health expenditures. It also requires the department to prepare guidelines and procedures to determine by some mechanism the level of funding necessary to comply with the state's mental health plan. It requires the department to seek the approval of the commission prior to embarking on these tasks.

Position

The department wishes to comment on Section 4 of this bill. The department believes an audit of mental health expenditures needs to be performed.

It would be prudent for all parties to agree on the guidelines for such an audit prior to commitment of funds for that purpose. The commission provides a valuable forum for this agreement to be reached. The department would work with the commission to achieve consensus on such a set of guidelines. Once the scope is determined, the department's Audit Unit could perform the audit within existing resources. Should it be determined that the audit could adequately be performed in-house, the proposed language would have to be amended to delete the word "independent" in section 4(1).

With regard to the third section, the department feels it important that an interim commission examine the needs for mental health services and be involved in a needs assessment which would result in costing out what is "necessary" for the state to implement a comprehensive mental health program. A broad based effort to come to an agreement on the level and range of services needed to meet Alaska's mental health program would provide a valuable yard stick by which to measure how existing services fail to meet the true need and what level of commitment is needed in the future.

Recommended by:

Karen Perdue
Karen Perdue
Assistant Commissioner
for Administration

Date:

4/14/86

Approved by:

John R. Pugh
John R. Pugh
Commissioner

Date:

4/16/86

HISTORY

1956 Public Law 80, Title II, Section 202
U.S. Congress granted the Territory of Alaska 1 million acres of land to be managed as a public trust to provide funds for Alaska's Mental Health program. Monies left after mental health program costs could be used for other public needs.

1958 Public Law 85-508, Section 6
Transferred grants to the State of Alaska.

Lands were selected and patented, but no trust fund was established.

1978 Ch. 181, SLA 1978,
The legislature redesignated the trust lands as general grant lands. In their place a mental health fund was created and subject to an appropriation by the legislature, was to receive 1.5% of revenues paid to the State each year as proceeds from the management of State lands.

No monies were deposited into the Mental Health fund.

1982 Weiss et.al. v. Alaska
Alaska Mental Health Association filed a class action suit against the state contending that the plaintiffs were in need of mental health services which they could not receive in Alaska and raised questions about the 1978 redesignation law.

1984
State Superior Court directed the state to reimburse the trust for the full value of the land that was redesignated in 1978. The state appealed.

October, 1985
State Supreme Court ruled that the state had breached the trust and that it must be reconstituted.

December, 1985 Mental Health Lands Interim Management
Department of Natural Resources issued Department Order 121, which establishes criteria for management based on receipt of fair market value or reimbursement of the trust in land or money for all transactions.

SENATE HESS
March 18, 1986

THE SUPREME COURT DECISION

On October 4, 1985 the State Supreme Court ruled:

- 1) the state had breached the mental health lands trust.
- 2) the 1978 law redesignating mental health lands as general grant lands was invalid.
- 3) the trust must be reconstituted to match as nearly as possible the holdings which comprised the trust when the 1978 law became effective.

The Supreme Court remanded the case to the Superior Court so that findings could be made and provided the following specific directions.

- 1) General grant lands which were once mental health lands be returned to their former trust status.
- 2) Lands that can be traced to an exchange involving mental health lands be included in the trust.
- 3) The trust be reimbursed for mental health lands that have been sold, based on fair market value at the time of sale.
- 4) A set-off against the value of lands sold be granted for mental health expenditures made by the state, and in the event that expenditures exceed the value, the state need not furnish cash as part of the reconstitution.

Comparison SCR36, CSSCR36 and CSHCR50

Acts Establishing A Joint Special Committee on Mental Health Trust Lands

The Senate resolutions are almost identical in nature, the only difference is in the make-up of the committee.

Under SCR 36 the committee would be composed of two members each of the House and Senate, the Commissioners of Resources and Health and Social Services, or their designees, and two interested members of the general public to be selected by the other members of the committee.

Under CSSCR 36 the committee would consist of three members each of the House and Senate and two members of the general public.

CSHCR 50 (HESS) currently in the House Finance Committee is equal to the Senate Resolutions in purpose, however there is no provision to include members of the general public on the committee.

Introduced: 4/4/86
Referred: Health, Education and
Social Services, Resources
and Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2 SENATE BILL NO. 472

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interim management of the
7 mental health trust; and providing for an effective
8 date."

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

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land;

23 (5) the Alaska Mental Health Association as the original sponsor
24 of the litigation regarding the management of the mental health trust land,
25 more recently participating as intervenor in the litigation, and the plain-
26 tiffs have performed and continue to perform an important public function
27 in their efforts to reconstitute the mental health trust land and to pro-
28 vide for the proper management of the trust land; and

29 (6) there is a need for the interim management of the trust land

1 as a public trust.

2 * Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The
3 interim mental health trust commission is established in the Department of
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of
6 five members, including the commissioner of natural resources and the
7 commissioner of health and social services, or their designees, and three
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the
10 governor from a list of three names submitted to the governor by the plain-
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the
13 governor from a list of three names submitted to the governor by the inter-
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory
16 Council, appointed by the governor from a list of three names submitted to
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A
19 majority of the commission constitutes a quorum. The affirmative vote of
20 three members is required to take official action. A vacancy does not
21 impair the power of the remaining members to exercise the powers of the
22 commission.

23 (d) Members of the commission serve without compensation but are
24 entitled to per diem and travel expenses authorized by law for other boards
25 under AS 39.20.180.

26 (e) The commission shall meet at least quarterly and may meet more
27 frequently, either in person or by teleconference.

28 (f) The commission may employ an executive director and staff to
29 assist it in fulfilling its responsibilities under this Act. The employees

1 shall be in the exempt service.

2 (g) The commission may contract with parties or individuals for the
3 performance of functions assigned to it.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory
6 and catalog the mental health trust land of the state, shall audit and
7 appraise each land transaction involving land that has been part of the
8 mental health trust land of the state, and determine the status of mental
9 health trust land on the effective date of this Act under procedures and
10 guidelines established by the commissioner of natural resources with the
11 approval of the commission. In the exercise of the commission's respon-
12 sibilities under this section, the commission may review the records of the
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser or appraisers to appraise all or a
16 portion of land that, at any time, was part of the mental health trust land
17 of the state. The commissioner shall provide an appraiser conducting an
18 appraisal with written procedures and instructions that have been approved
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709. The commissioner of natural resources may not
23 sell, lease, or exchange mental health trust land of the state or an inter-
24 est in the mental health trust land of the state without the prior approval
25 of the commission. In reviewing a proposal for the sale, lease, or ex-
26 change of mental health trust land from the commissioner of natural re-
27 sources, the commission may approve the proposal of the commissioner on its
28 determination that the proposal is consistent with the terms of the trust
29 established by the Alaska Mental Health Enabling Act.

1 (d) The proceeds from the management of the mental health trust land
2 of the state shall be deposited in a special trust account in the general
3 fund of the state and are subject to appropriation by the legislature.

4 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
5 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
6 services, with the approval of the commission, shall

7 (1) select an independent auditor to audit the state's mental
8 health program;

9 (2) establish the procedures and guidelines to guide the auditor
10 selected under this subsection;

11 (3) propose the guidelines and procedures to be used in de-
12 termining a range of expenditures for mental health programs necessary to
13 comply with the state's comprehensive mental health plan.

14 (b) The commission may review the records of the Department of Health
15 and Social Services that involve mental health expenditures under the
16 state's comprehensive mental health plan.

17 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
18 sion shall submit a report to the legislature by the 10th day of the first
19 session of the fifteenth state legislature on matters of concern to the
20 commission. The report shall include its recommendations for amendment of
21 the laws relating to the management of the mental health trust, the mental
22 health trust land, and the mental health program of the state.

23 * Sec. 6. DEFINITION. In this Act "commission" means the interim
24 mental health trust commission established in sec. 2 of this Act.

25 * Sec. 7. This Act is repealed July 1, 1987.

26 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

COMMITTEE REPORT

SENATE

FURTHER: FINANCE

4/9/86

Date 4-14-86

Mr. President

The Committee on RESOURCES considered SB 472

relating to the interim management of the mental health trust; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 472 (Res)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
55#67
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

[Signature]

[Signature]

[Signature]

[Signature]

[Signature]

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
Chairman

[Signature]
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER: RESOURCES
FINANCE

4/4/86

Date 4-8-86

Mr. President

The Committee on HESS considered SB 472
~~relating to the~~ interim management of the mental health trust; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Joe Josephson

MEMBERS HAVING
OTHER RECOMMENDATIONS

Edna De Vries N.R.

Bettye Fabrenkamp Do Pass
Chairman

Chairman recommendation _____

HOUSE

COMMITTEE REPORT

(11)

Date referred: 4/25/86

FURTHER REFERRALS:

DATE: 5-10-86

The FINANCE Committee has considered CSSB 472 (Res)

"An Act relating to the interim management of the mental health trust; and providing for an effective date."

and recommends:

- do pass
- do not pass
- do pass with attached amendment(s)
- no recommendation
- replace with HCS CSSB 472 (FIN) same title
- new title

and recommends do pass

further referral to the _____ Committee

- and attaches:
- letter of intent
 - first fiscal note
 - new fiscal note 5/7/86 300.0
 - zero fiscal note

SIGNING DO PASS:

SIGNING OTHER RECOMMENDATIONS:

[Handwritten signatures]

[Handwritten signature: Rich Healy (NO REC)]

[Handwritten signature: Albert W. Adams]

Chairman

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 5/7/86

REQUEST

Bill/Resolution No. SB 472 (FIN)
 Title : Management of Mental Health Trust

Sponsor : Senate HESS
 Requestor : House Finance
 Date of Request : 5/7/86

FISCAL DETAIL

Agency Affected : Natural Resources
 BRU : Land and Water Management

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		300.0				
TOTAL OPERATING		300.0				

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		300.0				
FEDERAL FUNDS						
OTHER						
TOTAL		300.0				

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

see attached

Prepared by : Mike Vediner Phone : 465-2400
 Division : Commissioner's Office Date : 5/7/86

Approved by Commissioner : Wm S D Arnold, Deputy Date : 5/7/86
 Agency : Department of Natural Resources

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Department of Natural Resources
5-7-86
Senate Bill 472
House Finance - Fiscal Note Addendum

Analysis

Several detailed reports, audits, and appraisals would be required under this bill, and indeed are required under the Supreme Court decision in Weiss v. Alaska, as interpreted by the Attorney General's Office.

Task 4 specifies that \$72,000 will be made available to the commission which will prepare a budget for necessary expenditure of those funds. Tasks 1, 2, and 3 will be completed by the department with the remaining \$228,000. Rather than allocate the funds to each component it is preferred that the department have the flexibility to utilize the funds as determined necessary by the commissioner.

1. Account for all funds or land received from conveyances and exchanges made between July 19, 1978 and October 4, 1985.

We estimate that 4,650 cases (2,370 land conveyances, 1,370 mining claims, 390 rights-of-way, 275 land leases, 25 timber or material sales, 110 oil and gas or coal leases, and 110 miscellaneous cases) will have to be audited to determine the amount received and/or appraised. Land discounts will have to be accounted for during this process. This process will take a Natural Resource Officer I approximately one year.

2. Identify and appraise all less than fair market value conveyances and encumbrances.

These appraisals will be performed contractually. However, the department must prepare reports and maps containing information about each parcel before the contract can be let. We also note that these appraisals cover only those mental health parcels that are no longer in trust status. The approximately 700,000 acres in trust status are not to be appraised.

The reports and maps must take approximately 1,100 parcels into consideration. This project will be completed by the Natural Resource Officer I in item #1 above.

We project that approximately 820 parcels totalling 268,000 acres will need appraisals. These appraisals may be determined by an Opinion of Value panel method. This method employs three senior designated appraisers, each

representing one geographic region (northern, southcentral, and southeastern). The panel of appraisers prepares value statements for each parcel of mental health land based on their regional expertise. The Opinion of Value method has been criticized by the plaintiffs and intervenors.

In addition, approximately 276 leases must be reappraised at five-year intervals. Currently these leases may not be reappraised for twenty-five years which will create a discrepancy with fair market value rental.

3. Provide management oversight of all transactions and account for funds received from mental health lands.

The Supreme Court decision in Weiss v. Alaska requires the department to manage mental health land as a trust consistent with the Alaska Mental Health Enabling Act. In order to comply in a defensible and consistent manner the department will employ a Natural Resource Manager and Accounting Technician.

The new Natural Resource Manager (NRM) position will oversee all actions taken by the department on mental health land. Over the last eight years we have averaged approximately 60 cases per month where some (former) mental health land was involved. These include mining locations, park permits, oil and gas lease sales, rights-of-way, ILMAs, municipal selections, leases, land sales, and nearly anything else in which the department is involved.

One of the major duties of the NRM will be review of these cases to ensure compliance with the court decision and prepare briefing packets for review by the commission. In addition the NRM will: prepare mental health land management notices to the department; prepare audit reports; oversee implementation of Department Order 121 relating to interim mental health land management; research trust land management problems; coordinate review and responses by various agencies; continue to update audit reports; implement procedure to recognize various trust lands on the LAS computer system; establish, maintain, and continue to improve departmental mental health land records system; prepare fact sheets and informational notices regarding mental health lands; and, oversee and assist in the activities of the NRO (item 1 above) and coordinate with the accountant position to ensure an accurate and expeditious procedure for distribution of monies.

It is expected that the manager will also provide the necessary coordination between the department and the plaintiffs, and will be required to travel.

The accounting position is required to distribute the appropriate percentage of income to the proper accounts for each post-October 4, 1985 transaction involving mental health land. In addition to percentage distributions among land types this position must also identify the percentage distribution between interest, principle, and penalty payments for entry into AKSAS. Many of these transactions are manually posted. A large portion of the work this position must accomplish will be the large number of monthly transactions from pre-1978 and continuing leases which must be corrected to reflect the proper distribution of income monies between the general and trust accounts. This is a continuing prospective function for each of the several thousand transactions which include mental health land.

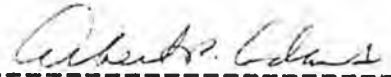
4. Commission funding for the performance of its duties.
Total allocation: \$72,000.

The commissioner shall allocate \$72,000 to the commission for the performance of its duties which may include, but are not limited to, hiring an executive director and staff, contracting with parties or individuals for the performance of functions it considers necessary, and travel expenses incurred in convening the commission or by the executive director. A budget for these funds will be prepared by the commission as provided in section 1 of the bill.

Office space and equipment will be provided by the department.

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
H CS CSSB 472 (FINANCE)

It is the intent of the House Finance Committee that the "procedures and guidelines for the audit of the state mental health program," to be developed under section 3 (a) (1) of HCS CSSB 472 (Finance), are to specify the method by which the audit is to be conducted and are not to limit the scope of the audit by defining items constituting the state's mental health program. Rather, it is the intent of the House Finance Committee that the required audit of state mental health expenditures be as broad in scope as possible. At the same time, the House Finance Committee intends that the commission make recommendations as to which of the audited items are appropriately considered part of the state's mental health program in the report submitted to the legislature under section 4.



Al Adams, Chair
House Finance Committee

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 HOUSE CE FOR CS FOR SENATE BILL NO. 472 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interim management of the
7 mental health trust; and providing for an effective
8 date."

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

10 * Section 1. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a)

11 The interim mental health trust commission is established in the Department
12 of Natural Resources.

13 (b) The commission established under (a) of this section consists of
14 five members, including the commissioner of natural resources and the
15 commissioner of health and social services, or their designees, and three
16 members and three alternates appointed by the governor as follows:

17 (1) a member and an alternate representing the plaintiffs,
18 appointed by the governor from a list of three names submitted to the
19 governor by the plaintiffs in Weiss v. State, 4 FA 82-2208 Civil;

20 (2) a member and an alternate representing the intervenors,
21 appointed by the governor from a list of three names submitted to the
22 governor by the intervenors in Weiss v. State, 4 FA 82-2208 Civil; and

23 (3) a member and an alternate representing the Governor's Mental
24 Health Advisory Council, appointed by the governor from a list of three
25 names submitted to the governor by the Governor's Mental Health Advisory
26 Council.

27 (c) The members of the commission shall elect a presiding officer. A
28 majority of the commission constitutes a quorum. The affirmative vote of
29 three members is required to take official action. A vacancy does not

1 impair the power of the remaining members to exercise the powers of the
2 commission.

3 (d) In the absence of the member, an alternate appointed under (b) of
4 this section may vote and has all the powers of a member.

5 (e) Members of the commission serve without compensation but are
6 entitled to per diem and travel expenses authorized by law for other boards
7 under AS 39.20.180.

8 (f) The commission shall meet at least quarterly and may meet more
9 frequently, either in person or by teleconference.

10 (g) The commission shall prepare a budget allocating the funds appro-
11 priated to it for the performance of its responsibilities and may contract
12 with parties or individuals for the performance of functions it considers
13 necessary, including the services of an executive director and staff.

14 * Sec. 2. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
15 THE COMMISSION. (a) The commissioner of natural resources shall inventory
16 and catalog the mental health trust land of the state, shall audit and
17 appraise each transaction involving land that has been part of the mental
18 health trust land of the state, and determine the status of mental health
19 trust land on October 4, 1985, under procedures and guidelines established
20 by the commissioner of natural resources with the approval of the commis-
21 sion. In the exercise of the commission's responsibilities under this
22 section, the commission and its staff may review the records of the Depart-
23 ment of Natural Resources that are made confidential by law or regulation.

24 (b) An individual who acquires information made confidential by law
25 or regulation in the performance of functions authorized by this Act and
26 discloses it without proper authority violates AS 11.56.860.

27 (c) The commissioner of natural resources shall, with the approval of
28 the commission, retain an appraiser or appraisers to appraise all or a
29 portion of land that, at any time, was part of the mental health trust land

1 of the state. The commissioner shall provide an appraiser conducting an
2 appraisal with written procedures and instructions that have been approved
3 by the commission.

4 (d) The commissioner of natural resources is responsible for the
5 management of the mental health land of the state as a public trust under
6 P.L. 84-830, 70 Stat. 709. Except as provided in (e) of this section, the
7 commissioner of natural resources may not sell, lease, or exchange mental
8 health trust land of the state or an interest in the mental health trust
9 land of the state without the prior approval of the commission. In review-
10 ing a proposal for the sale, lease, or exchange of mental health trust land
11 from the commissioner of natural resources, the commission may approve the
12 proposal of the commissioner on its determination that the proposal is
13 consistent with the terms of the trust established by the Alaska Mental
14 Health Enabling Act.

15 (e) The commissioner of natural resources may transfer trust land to
16 the federal government under AS 38.05.035(b)(9) without approval of the
17 commission. The commissioner of natural resources shall advise the commis-
18 sion of an intention to transfer trust land to the federal government and,
19 after the transfer, shall make every effort to acquire replacement land to
20 fulfill the state's remaining entitlement based on a prioritization, ap-
21 proved by the commission, of existing valid mental health selection.

22 (f) The proceeds from the management of the mental health trust land
23 of the state shall be deposited in a special trust account in the general
24 fund of the state and shall first be applied to meet the necessary expenses
25 of the mental health program of the state.

26 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
27 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
28 services, with the approval of the commission, shall

29 (1) establish the procedures and guidelines for the audit of the

1 state's mental health program; and

2 (2) propose the guidelines and procedures to be used in de-
3 termining a range of expenditures for mental health programs necessary to
4 comply with the state's comprehensive mental health plan.

5 (b) The legislative auditor shall audit the state's mental health
6 program under the procedures and guidelines established in (a) of this
7 section.

8 * Sec. 4. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
9 sion shall submit a report to the legislature by the 10th day of the First
10 Session of the Fifteenth State Legislature on matters of concern to the
11 commission. The report shall include its recommendations for amendment of
12 the laws relating to the management of the mental health trust account, the
13 mental health trust land, and the mental health program of the state.

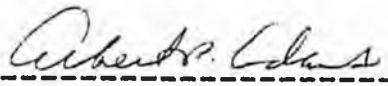
14 * Sec. 5. DEFINITION. In this Act "commission" means the interim
15 mental health trust commission established in sec. 1 of this Act.

16 * Sec. 6. This Act is repealed July 1, 1987.

17 * Sec. 7. This Act takes effect immediately in accordance with AS 01.-
18 10.070(c).

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
H CS CSSB 472 (FINANCE)

It is the intent of the House Finance Committee that the "procedures and guidelines for the audit of the state mental health program," to be developed under section 3 (a) (1) of HCS CSSB 472 (Finance), are to specify the method by which the audit is to be conducted and are not to limit the scope of the audit by defining items constituting the state's mental health program. Rather, it is the intent of the House Finance Committee that the required audit of state mental health expenditures be as broad in scope as possible. At the same time, the House Finance Committee intends that the commission make recommendations as to which of the audited items are appropriately considered part of the state's mental health program in the report submitted to the legislature under section 4.



Al Adams, Chair
House Finance Committee

PROPOSED FINANCE COMMITTEE LETTER OF INTENT

It is the intent of the House Finance Committee that the "procedures and guidelines for the audit of the state mental health program," to be developed under section 3(a)(1) of HCS CSSB 472 (Fin), are to specify the method by which the audit is to be conducted and are not to limit the scope of the audit by defining items constituting the state's mental health program. Rather, it is the intent of the House Finance Committee that the required audit of state mental health expenditures be as broad in scope as possible. At the same time, the House Finance Committee intends that the commission make recommendations as to which of the audited items are appropriately considered part of the state's mental health program in the report submitted to the legislature under section 4.

PROPOSED MENTAL HEALTH TRUST LAND APPROPRIATIONS

DNR	Account for all funds or land received from conveyances and exchanges July 19, 1978 through October 4, 1985.	\$ 40.8
DNR	Identify and appraise all less than fair market value conveyances and encumbrances using the opinion of value method.	\$ 28.0
DNR	Reappraise approximately 276 leases to determine current market value.	\$ 71.2
DNR	Departmental management oversight of all transactions, and account funds received from mental health lands.	\$ 88.0
IMHTC	Staffing, travel, and contractual for Interim Mental Health Trust Commission.	\$ 72.0
Total in fiscal note =		\$300.0
<hr/>		
LAW (HB 500)	100.0 for payment of plaintiff legal fees. These fees should only be paid by court order.	\$100.0
	Proposed: 70.0 for legal fees 30.0 as RSA to Commission for consensus building by groups.	
DNR (HB 574)	Proposed extension of lapse date on \$250,000 appropriation for land records research, appraisal, and title search costs associated with Alaska mental health land to June 30, 1987.	\$ 25.0
LEGISLATURE (SCR 36)	Joint legislative committee on mental health trust land.	\$ 30.6

HIGHLIGHTS OF PROPOSED FINANCE COMMITTEE CHANGES TO
CSSB 472 (RESOURCES)

1. Delete findings section.
2. Page 1, line 16: after "members" add and three alternates.

Rationale: This provides for alternates to be appointed for the public members serving on the commission. Because the public members are not compensated, there may be times when a member may not be able to attend a commission meeting. Rather than just providing for designees to attend, an extension of the formal appointment of members and alternates was chosen.

3. Page 1, lines 17, 20, and 23: in each respective line after "member" add and an alternate.

Rationale: Provides for the actual selection of members and alternates to be appointed by the Governor from names submitted by the respective groups. Conforming change.

4. Page 2, lines 3 and 4: revises Senate language to provide that in the absence of a member, an alternate enjoys and exercises all powers and prerogatives of a member. Conforming changes.
5. Page 2, lines 10 - 13: rewrites Senate language regarding the hiring of staff and the ability of the commission to contract.

Add new subsection (g) which allows for the contracting of professional staff and other functions the commission considers necessary.

Rationale: The Senate bill provided for the Department of Natural Resources to hire an executive director and staff and authorized these staff under the exempt services. At the time that that language was adopted, the fiscal note exceeded \$600,000 and provided for an executive director at a range 26A. As passed by the Senate and as proposed by the House Finance Committee, the fiscal note now totals \$300,000. To provide the greatest flexibility to the commission in hiring staff as it considers appropriate, contracting for these services has been provided. Additionally, at a time when many necessary state programs are taking reductions in permanent staff, it does not seem appropriate to add additional full-time staff.

6. Page 2, line 19: after "on" delete [the effective date of this Act] and insert October 4, 1985.

Rationale: Under the responsibility of the Commissioner of Natural Resources section, the commissioner must inventory and catalog mental health lands, audit and appraise each transaction involving such lands, and determine the status of these lands.

Such a status determination must occur on a date certain. To maintain the status quo between parties, the date of the State Supreme Court decision was decided upon for the date of determining their status.

7. Page 2, lines 22, 23 and lines 24 - 26: all pertain to the access the commission may have to the confidential records of the Department of Natural Resources. The effect of the House Finance Committee change is to provide for commission and staff access to those records of the Department which are confidential only by law or regulation. Recognizing that such access carries responsibility, it also provides for criminal penalties for unauthorized disclosure by staff or members. These penalties are the same as those currently in statute for similar unauthorized disclosures.
8. Page 3, lines 15 - 21: adds a new subsection (e) which allows the Commissioner of Natural Resources to reconvey lands to the federal government which were wrongfully conveyed to the state.

Rationale: This section was added by the House Judiciary Committee to HB 128 (the House companion bill) and also adopted by the Senate Resources Committee. The Finance Committee substitute blends the differing language in each version to mitigate the concerns of the Departments of Law, Health and Social Services, and Natural Resources while continuing to provide for reconveyance. Most of these wrongful conveyances pertain to federal Native allotments which should never have been conveyed to the state.

9. Page 3, lines 24 and 25: after "and" delete [may be appropriated by the legislature.] and insert shall first be applied to meet the necessary expenses of the mental health program of the state.

Rationale: Mental health advocates argued strongly for language which sought to limit the appropriation of any proceeds from the management of mental health lands to mental health programs only. In an effort to express the intent that proceeds should be first applied to meet these needs without prejudicing future legislative consideration of this question, the language from the federal Enabling Act is proposed.

10. Page 3, line 29; and page 4, lines 1 - 7: are rewritten from the Senate version. The effect of the changes is to eliminate the need for an independent audit of mental health expenditures of the state by requiring the legislative auditor to perform the audit under guidelines and procedures established by the Commissioner of Health and Social services with approval of the commission.

MEMORANDUM

State of Alaska

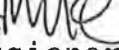
DEPARTMENT OF NATURAL RESOURCES

TO: Mark Boyer

DATE: May 2, 1986

FILE NO:

TELEPHONE NO: 465-2400

FROM: Mike Vediner 
DLWM, Commissioner's Office

SUBJECT: SB 472 Fiscal Note:
Personnel Requirement

The department's fiscal note, prepared for Senate Finance, contained brief descriptions of and duties for four new positions. These included a Natural Resource Manager, an Accounting Technician, a Natural Resource Officer, and an Executive Director. The Senate passed fiscal note recognized these necessary functions and chose to provide the funding as a single item leaving discretion with the Commissioner on allocating the funds. I am providing a detailed description of duties relative to the accounting and manager positions for your use in preparing a CS.

The Supreme Court decision in Weiss v. Alaska requires the department to manage mental health land as a trust consistent with the Alaska Mental Health Enabling Act. In order to comply in a defensible and consistent manner the department created an interim Mental Health Lands Officer which is currently staffed by an existing position in the director's office of Land and Water Management. As a result this position's normal duties are not being completed. These duties include: preparing findings on appeals; adjudicating preference rights; casefile review of decisions requiring the director's signature; preparation of decision memoranda, department orders, requests for AG opinions, draft regulations, updates to the policy and procedure manual, and fact sheets; and other special projects such as land exchanges.

We are now requesting the new Natural Resource Manager (NRM) position to oversee all actions taken by the department on mental health land. Over the last eight years we have averaged approximately 60 cases per month where some (former) mental health land was involved. These include mining locations, park permits, oil and gas lease sales, rights-of-way, ILMAs, municipal selections, leases, land sales, and nearly anything else in which the department is involved. One of the major duties of the NRM will be review of these cases to ensure compliance with court decision and prepare briefing packets for review by the commission. In addition the NRM will: prepare mental health land management notices to the department; prepare audit reports; oversee implementation of Department Order 121 relating to interim mental health land management; research trust land management problems; coordinate review and responses by various agencies; continue to update audit reports;

implement procedure to recognize various trust lands on the LAS computer system; establish, maintain, and continue to improve departmental mental health land records system; prepare fact sheets and informational notices regarding mental health lands; and, oversee and assist in the activities of the NRO (see below) and coordinate with the accountant position to ensure an accurate and expeditious procedure for distribution of monies.

We estimate nearly 6,000 cases involving mental health land since 1978 which now require audit to determine the dollar amount received or appraised and also identify any discount offered. This task will keep the requested Natural Resource Officer occupied for at least one year.

Finally, the accounting position is required to distribute the appropriate percentage of income to the proper accounts for each post-October 4, 1986 transaction involving mental health land. In addition to percentage distributions among land types this position must also identify the percentage distribution between interest, principle, and penalty payments for entry into AKSAS. Many of these transactions are manually posted. A large portion of the work this position must accomplish will be the large number of monthly transactions from pre-1978 and continuing leases which must be corrected to reflect the proper distribution of income monies between the general and trust accounts. This is a continuing prospective function for each of the several thousand transactions which include mental health land.

cc: Bob Arnold
Sally Slaughter
Hilton Wolfe

MEMORANDUM

State of Alaska

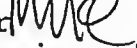
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We are now requesting the new Natural Resource Manager (NRM) position to oversee all actions taken by the department on mental health land. Over the last eight years we have averaged approximately 60 cases per month where some (former) mental health land was involved. These include mining locations, park permits, oil and gas lease sales, rights-of-way, ILMAs, municipal selections, leases, land sales, and nearly anything else in which the department is involved. One of the major duties of the NRM will be review of these cases to ensure compliance with court decision and prepare briefing packets for review by the commission. In addition the NRM will: prepare mental health land management notices to the department; prepare audit reports; oversee implementation of Department Order 121 relating to interim mental health land management; research trust land management problems; coordinate review and responses by various agencies; continue to update audit reports;

implement procedure to recognize various trust lands on the LAS computer system; establish, maintain, and continue to improve departmental mental health land records system; prepare fact sheets and informational notices regarding mental health lands; and, oversee and assist in the activities of the NRO (see below) and coordinate with the accountant position to ensure an accurate and expeditious procedure for distribution of monies.

We estimate nearly 6,000 cases involving mental health land since 1978 which now require audit to determine the dollar amount received or appraised and also identify any discount offered. This task will keep the requested Natural Resource Officer occupied for at least one year.

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cc: Bob Arnold
Sally Slaughter
Hilton Wolfe



Official Business

Alaska State Legislature

Senate

Pouch V
State Capitol
Juneau, Alaska 99811

SENATE FINANCE COMMITTEE

LETTER OF INTENT

CS SB 472 (RESOURCES)

It is the intent of the legislature that the Interim Mental Health Trust Commission established by CS SB-472 shall include at least one member besides the Commissioner of Natural Resources who has experience and knowledge in Alaskan based property and resource values.

(2) knowingly refrains from performing a duty which is imposed upon the public servant by law or is clearly inherent in the nature of the public servant's office.

(b) Official misconduct is a class A misdemeanor. (§ 6 ch 166 SLA 1978)

Sec. 11.56.860. Misuse of confidential information. (a) A person who is or has been a public servant commits the crime of misuse of confidential information if the person

(1) learns confidential information through employment as a public servant; and

(2) while in office or after leaving office, uses the confidential information for personal gain or in a manner not connected with the performance of official duties other than by giving sworn testimony or evidence in a legal proceeding in conformity with a court order.

(b) As used in this section, "confidential information" means information which has been classified confidential by law.

(c) Misuse of confidential information is a class A misdemeanor. (§ 6 ch 166 SLA 1978)

Article 7. General Provisions.

Section

900. Definitions

Sec. 11.56.900. Definitions. In this chapter, unless the context requires otherwise,

(1) "improperly influence a witness" means to cause or induce a witness to

(A) testify falsely, offer misleading testimony, or unlawfully withhold testimony in an official proceeding;

(B) avoid or attempt to avoid legal process summoning the witness to testify in an official proceeding, regardless of whether legal process has issued;

(C) be absent from an official proceeding to which the witness has been summoned; or

(D) engage in conduct described in AS 11.56.610;

(2) "judicial officer" means a supreme court justice, including the chief justice, a judge of the court of appeals, a judge of the superior court, a district court judge, or a magistrate;

(3) "juror" means a person who is a member of an impanelled jury or a person who has been drawn or summoned to attend as a prospective juror;

(4) "physical evidence" means an article, object, document, record, or other thing of physical substance;

(5) "testimony" means oral or written statements, documents, or other material that may be offered by a witness in an official proceeding;

Alaska State Legislature

BETTYE FAHRENKAMP, Chairman
ARLISS STURGULEWSKI, Vice Chairman
JOE JOSEPHSON
PAUL FISCHER
EDNA ARMSTRONG-DE VRIES

P. O. BOX V
STATE CAPITOL
JUNEAU, ALASKA 99811
(907) 465-3834
(907) 465-3762

Senate Committee on Health, Education and Social Services

April 18, 1986

Senator John Sackett, Co-Chairman
Senator Jan Faiks, Co-Chairman
Senate Finance Committee
P.O. Box V
Juneau, AK 99811

Dear Senators:

Thank you for your attention to SB 472, an act relating to the interim management of the mental health trust. As you know, the bill has received the approval of the Senate Committee on Health, Education and Social Services and the Senate Resources Committee, and is scheduled for a hearing before Senate Finance on April 22, 1986. In my estimation, passage of the bill is an essential step in resolution of the mental health lands lawsuit.

By way of background, as you will recall, in 1956 Congress granted Alaska one million acres of land to be managed as a public trust to provide funds for Alaska's mental health program. The lands were selected and patented, but no trust fund was established. In 1978 the state legislature redesignated the trust lands as general grant lands and created in their place a mental health fund to receive 1.5% of annual receipts from all state land. However, no monies were deposited into the fund, and in 1982 the Alaska Mental Health Association filed a class action suit against the state contesting the 1978 redesignation law. In October 1985, the State Supreme Court ruled that the state had breached the trust and must reconstitute it to match as nearly as possible its holdings when the 1978 law became effective.

The intent of SB 472 is twofold: to ensure that activities required by the court are undertaken, and to protect the trust lands from alienation pending final resolution of the litigation. Specifically, the bill calls on the Department of Natural Resources to inventory and catalog the mental health trust land, audit past transactions involving mental health land, appraise lands that are no longer in the trust, and manage the mental health land as a public trust. The Department of Health and Social Services is to audit the state's past mental health program expenditures and propose guidelines for determining future levels of expenditures.

A third and equally important function of SB 472 is to facilitate involvement of the mental health community in settling the litigation. To this end, the bill includes on the commission three members nominated by the mental health community, and calls on the commission to approve the audits and appraisals conducted by the Departments of Natural Resources and Health and Social Services, and to approve land management decisions.

What SB 472 does not do is propose any long term solutions. SCR 36, which is also pending before the Senate Finance Committee, would establish a legislative committee to develop a proposal to resolve the mental health trust litigation. Implementation of SB 472 will assist the state, and the legislative committee specifically, in this task and protect the trust until resolution is reached.

Senators, I think many of us in the legislature share a long-term goal of developing a trust of sufficient size to adequately fund mental health programs throughout our state. However, a number of actions must be taken before the state is in a position to enact a long-term solution. I hope you will agree that to accomplish these goals SB 472 is the appropriate mechanism.

Thank you for your consideration.

Sincerely,



Bettye Fahrenkamp
Chairman

BF/ss

HISTORY

1956 Public Law 80, Title II, Section 202
U.S. Congress granted the Territory of Alaska 1 million acres of land to be managed as a public trust to provide funds for Alaska's Mental Health program. Monies left after mental health program costs could be used for other public needs.

1958 Public Law 85-508, Section 6
Transferred grants to the State of Alaska.

Lands were selected and patented, but no trust fund was established.

1978 Ch. 181, SLA 1978,
The legislature redesignated the trust lands as general grant lands. In their place a mental health fund was created and subject to an appropriation by the legislature, was to receive 1.5% of revenues paid to the State each year as proceeds from the management of State lands.

No monies were deposited into the Mental Health fund.

1982 Weiss et.al. v. Alaska

Alaska Mental Health Association filed a class action suit against the state contending that the plaintiffs were in need of mental health services which they could not receive in Alaska and raised questions about the 1978 redesignation law.

1984
State Superior Court directed the state to reimburse the trust for the full value of the land that was redesignated in 1978. The state appealed.

October, 1985

State Supreme Court ruled that the state had breached the trust and that it must be reconstituted.

December, 1985 Mental Health Lands Interim Management
Department of Natural Resources issued Department Order 121, which establishes criteria for management based on receipt of fair market value or reimbursement of the trust in land or money for all transactions.

SENATE HESS
March 18, 1986

THE SUPREME COURT DECISION

On October 4, 1985 the State Supreme Court ruled:

- 1) the state had breached the mental health lands trust.
- 2) the 1978 law redesignating mental health lands as general grant lands was invalid.
- 3) the trust must be reconstituted to match as nearly as possible the holdings which comprised the trust when the 1978 law became effective.

The Supreme Court remanded the case to the Superior Court so that findings could be made and provided the following specific directions.

- 1) General grant lands which were once mental health lands be returned to their former trust status.
- 2) Lands that can be traced to an exchange involving mental health lands be included in the trust.
- 3) The trust be reimbursed for mental health lands that have been sold, based on fair market value at the time of sale.
- 4) A set-off against the value of lands sold be granted for mental health expenditures made by the state, and in the event that expenditures exceed the value, the state need not furnish cash as part of the reconstitution.

Offered: 4/15/85
Referred: Finance

Original sponsor: Health, Education and
Social Services Committee

1 IN THE SENATE BY THE RESOURCES COMMITTEE
2 CS FOR SENATE BILL NO. 472 (Resources)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to the interim management of the
7 mental health trust; and providing for an effective
8 date."

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

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land;

23 (5) the Alaska Mental Health Association as the original sponsor
24 of the litigation regarding the management of the mental health trust land,
25 more recently participating as intervenor in the litigation, and the plain-
26 tiffs have performed and continue to perform an important public function
27 in their efforts to reconstitute the mental health trust land and to pro-
28 vide for the proper management of the trust land; and

29 (6) there is a need for the interim management of the trust land

1 as a public trust.

2 * Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The
3 interim mental health trust commission is established in the Department of
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of
6 five members, including the commissioner of natural resources and the
7 commissioner of health and social services, or their designees, and three
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the
10 governor from a list of three names submitted to the governor by the plain-
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the
13 governor from a list of three names submitted to the governor by the inter-
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory
16 Council, appointed by the governor from a list of three names submitted to
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A
19 majority of the commission constitutes a quorum. The affirmative vote of
20 three members is required to take official action. A vacancy does not
21 impair the power of the remaining members to exercise the powers of the
22 commission.

23 (d) Members of the commission serve without compensation but are
24 entitled to per diem and travel expenses authorized by law for other boards
25 under AS 39.20.180.

26 (e) The commission shall meet at least quarterly and may meet more
27 frequently, either in person or by teleconference.

28 (f) The commission may employ an executive director and staff to
29 assist it in fulfilling its responsibilities under this Act. The employees

1 shall be in the exempt service.

2 (g) The commission may contract with parties or individuals for the
3 performance of functions assigned to it.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory
6 and catalog the mental health trust land of the state, shall audit and
7 appraise each land transaction involving land that has been part of the
8 mental health trust land of the state, and determine the status of mental
9 health trust land on the effective date of this Act under procedures and
10 guidelines established by the commissioner of natural resources with the
11 approval of the commission. In the exercise of the commission's respon-
12 sibilities under this section, the commission may review the records of the
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser or appraisers to appraise all or a
16 portion of land that, at any time, was part of the mental health trust land
17 of the state. The commissioner shall provide an appraiser conducting an
18 appraisal with written procedures and instructions that have been approved
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709. Except for a transfer authorized under AS 38.-
23 05.035(b)(9), the commissioner of natural resources may not sell, lease, or
24 exchange mental health trust land of the state or an interest in the mental
25 health trust land of the state without the prior approval of the commis-
26 sion. In reviewing a proposal for the sale, lease, or exchange of mental
27 health trust land from the commissioner of natural resources, the commis-
28 sion may approve the proposal of the commissioner on its determination that
29 the proposal is consistent with the terms of the trust established by the

1 Alaska Mental Health Enabling Act.

2 (d) The proceeds from the management of the mental health trust land
3 of the state shall be deposited in a special trust account in the general
4 fund of the state and are subject to appropriation by the legislature.

5 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
6 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
7 services, with the approval of the commission, shall

8 (1) select an independent auditor to audit the state's mental
9 health program;

10 (2) establish the procedures and guidelines to guide the auditor
11 selected under this subsection;

12 (3) propose the guidelines and procedures to be used in de-
13 termining a range of expenditures for mental health programs necessary to
14 comply with the state's comprehensive mental health plan.

15 (b) The commission may review the records of the Department of Health
16 and Social Services that involve mental health expenditures under the
17 state's comprehensive mental health plan.

18 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
19 sion shall submit a report to the legislature by the 10th day of the first
20 session of the fifteenth state legislature on matters of concern to the
21 commission. The report shall include its recommendations for amendment of
22 the laws relating to the management of the mental health trust, the mental
23 health trust land, and the mental health program of the state.

24 * Sec. 6. DEFINITION. In this Act "commission" means the interim
25 mental health trust commission established in sec. 2 of this Act.

26 * Sec. 7. This Act is repealed July 1, 1987.

27 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
28 10.070(c).

Introduced: 4/4/86
Referred: Health, Education and
Social Services, Resources
and Finance

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 472

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to the interim management of the
7 mental health trust; and providing for an effective
8 date."

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

10 * Section 1. The legislature finds that

11 (1) the Congress granted 1,000,000 acres of land to the Terri-
12 tory of Alaska to be administered as a public trust for the necessary
13 expenses of the support of mental health in the territory;

14 (2) the land authorized to be granted to the Territory of Alaska
15 has been selected by the territory and since statehood by the state and
16 most of the 1,000,000 acres has been conveyed to the state;

17 (3) the Alaska Supreme Court ruled in State v. Weiss, 706 P.2d
18 681 (Alaska 1985) that the legislation redesignating mental health trust
19 land as general grant land had actually breached the trust established by
20 Congress and the court ordered the trust reconstituted;

21 (4) there is presently no statutory authority providing for the
22 management of the mental health trust land as trust land;

23 (5) the Alaska Mental Health Association as the original sponsor
24 of the litigation regarding the management of the mental health trust land,
25 more recently participating as intervenor in the litigation, and the plain-
26 tiffs have performed and continue to perform an important public function
27 in their efforts to reconstitute the mental health trust land and to pro-
28 vide for the proper management of the trust land; and

29 (6) there is a need for the interim management of the trust land

1 as a public trust.

2 * Sec. 2. INTERIM MENTAL HEALTH TRUST COMMISSION ESTABLISHED. (a) The
3 interim mental health trust commission is established in the Department of
4 Natural Resources.

5 (b) The commission established under (a) of this section consists of
6 five members, including the commissioner of natural resources and the
7 commissioner of health and social services, or their designees, and three
8 members appointed by the governor as follows:

9 (1) a member representing the plaintiffs, appointed by the
10 governor from a list of three names submitted to the governor by the plain-
11 tiffs in State v. Weiss, 706 P.2d 681 (Alaska 1985);

12 (2) a member representing the intervenors, appointed by the
13 governor from a list of three names submitted to the governor by the inter-
14 venors in State v. Weiss, 706 P.2d 681 (Alaska 1985); and

15 (3) a member representing the Governor's Mental Health Advisory
16 Council, appointed by the governor from a list of three names submitted to
17 the governor by the Governor's Mental Health Advisory Council.

18 (c) The members of the commission shall elect a presiding officer. A
19 majority of the commission constitutes a quorum. The affirmative vote of
20 three members is required to take official action. A vacancy does not
21 impair the power of the remaining members to exercise the powers of the
22 commission.

23 (d) Members of the commission serve without compensation but are
24 entitled to per diem and travel expenses authorized by law for other boards
25 under AS 39.20.130.

26 (e) The commission shall meet at least quarterly and may meet more
27 frequently, either in person or by teleconference.

28 (f) The commission may employ an executive director and staff to
29 assist it in fulfilling its responsibilities under this Act. The employees

1 shall be in the exempt service.

2 (g) The commission may contract with parties or individuals for the
3 performance of functions assigned to it.

4 * Sec. 3. RESPONSIBILITIES OF THE COMMISSIONER OF NATURAL RESOURCES AND
5 THE COMMISSION. (a) The commissioner of natural resources shall inventory
6 and catalog the mental health trust land of the state, shall audit and
7 appraise each land transaction involving land that has been part of the
8 mental health trust land of the state, and determine the status of mental
9 health trust land on the effective date of this Act under procedures and
10 guidelines established by the commissioner of natural resources with the
11 approval of the commission. In the exercise of the commission's respon-
12 sibilities under this section, the commission may review the records of the
13 Department of Natural Resources.

14 (b) The commissioner of natural resources shall, with the approval of
15 the commission, retain an appraiser or appraisers to appraise all or a
16 portion of land that, at any time, was part of the mental health trust land
17 of the state. The commissioner shall provide an appraiser conducting an
18 appraisal with written procedures and instructions that have been approved
19 by the commission.

20 (c) The commissioner of natural resources is responsible for the
21 management of the mental health land of the state as a public trust under
22 P.L. 84-830, 70 Stat. 709. The commissioner of natural resources may not
23 sell, lease, or exchange mental health trust land of the state or an inter-
24 est in the mental health trust land of the state without the prior approval
25 of the commission. In reviewing a proposal for the sale, lease, or ex-
26 change of mental health trust land from the commissioner of natural re-
27 sources, the commission may approve the proposal of the commissioner on its
28 determination that the proposal is consistent with the terms of the trust
29 established by the Alaska Mental Health Enabling Act.

1 (d) The proceeds from the management of the mental health trust land
2 of the state shall be deposited in a special trust account in the general
3 fund of the state and are subject to appropriation by the legislature.

4 * Sec. 4. RESPONSIBILITIES OF THE COMMISSIONER OF HEALTH AND SOCIAL
5 SERVICES AND THE COMMISSION. (a) The commissioner of health and social
6 services, with the approval of the commission, shall

7 (1) select an independent auditor to audit the state's mental
8 health program;

9 (2) establish the procedures and guidelines to guide the auditor
10 selected under this subsection;

11 (3) propose the guidelines and procedures to be used in de-
12 termining a range of expenditures for mental health programs necessary to
13 comply with the state's comprehensive mental health plan.

14 (b) The commission may review the records of the Department of Health
15 and Social Services that involve mental health expenditures under the
16 state's comprehensive mental health plan.

17 * Sec. 5. ADDITIONAL RESPONSIBILITIES OF THE COMMISSION. The commis-
18 sion shall submit a report to the legislature by the 10th day of the first
19 session of the fifteenth state legislature on matters of concern to the
20 commission. The report shall include its recommendations for amendment of
21 the laws relating to the management of the mental health trust, the mental
22 health trust land, and the mental health program of the state.

23 * Sec. 6. DEFINITION. In this Act "commission" means the interim
24 mental health trust commission established in sec. 2 of this Act.

25 * Sec. 7. This Act is repealed July 1, 1987.

26 * Sec. 8. This Act takes effect immediately in accordance with AS 01.-
27 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER:

5/4/86

Date 5/6/86

Mr. President

The Committee on FINANCE considered SB 473

extending the termination date of the Real Estate Commission; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
& SFC
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

Rick Haeford
Carl G. Gable
William
Fennell

MEMBERS HAVING
OTHER RECOMMENDATIONS

c - J. L. Lubi
Chairman
do pass
Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : SB 473
 Title : Extending Real Estate
Commission; efd

 Sponsor : L&C Committee
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : Dept/Commerce & Economic
BRU: Development

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
---------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
---------	---	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Prepared by : _____
 Division : Senator Jan Faiks, Co-chairman Phone : 465-4523
Senate Finance Committee Date : 5/6/86
 Approved by Commissioner : _____ Date : _____
 Agency : _____

Distribution (by Agency preparing fiscal note):

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Introduced: 4/9/86
Referred: Labor and Commerce
and Finance

BY THE LABOR AND
COMMERCE COMMITTEE

1 IN THE SENATE

2

SENATE BILL NO. 473

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act extending the termination date of the Real
7 Estate Commission; and providing for an effective
8 date."

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

10 * Section 1. AS 08.03.010(c)(18) is amended to read:

11 (18) Real Estate Commission (AS 08.88.011) -- June 30, 1987
12 [1986].

13 * Sec. 2. This Act takes effect immediately in accordance with AS 01.-
14 10.070(c).

COMMITTEE REPORT
SENATE

FURTHER:

FINANCE

4/9/86

Date 2 May 86

Mr. President

The Committee on LABOR & COMMERCE considered SB 473
extending the termination date of the Real Estate Commission; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/cr adopt CS for _____
- new title _____
- same title and recommends _____
- and attached a "LETTER OF INTENT" [] NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Bills, Ray
DeLoach

Fred S. Zbaroff
Chairman
De Pass
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

4/11/86

Date 4/25/86

Mr. President

The Committee on FINANCE considered SB 476
hydroelectric project; efd.

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

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SB 476 (Fin)
- new title
- same title and recommends Do Pass
- and attac ENT" NEW FISCAL NOTE
- reports i CS coming SFC
- recommend FY coming Committee

MEMBERS SIGNING
DO PASS

Rick Halford

Paul Frier

DeBlasio

Farrar

MEMBERS HAVING
OTHER RECOMMENDATIONS

Joyner KR

Co - Jan Lutz
Chairman

do, do, do
Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CS SB 476 (Fin)
 Title : Hydroelectric Projects

Sponsor : Finance
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : All
 BRU : _____

Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
----------------	---	---	---	---	---	---

REVENUE	0	0	0	0	0	0
----------------	---	---	---	---	---	---

FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

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

ANALYSIS : Attach a separate page if necessary

Prepared by : _____
 Division : Senator Jan Faiks, Co-chairman
Senate Finance Committee

Phone : 465-4523
 Date : 4/25/86

Approved by Commissioner : _____
 Agency : _____

Date : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Cramer
4/23/86

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 476 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to hydroelectric projects; and
7 providing for an effective date."

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

9 * Section 1. FINDINGS. The legislature finds that

10 (1) the Alaska Power Authority has not followed a consistent
11 decision-making process designed to resolve the Railbelt energy needs in
12 the most effective manner and at least cost to the consumer and the state;13 (2) the state has spent approximately \$145,000,000 on studies
14 and licensing activities related to the Susitna River hydroelectric proj-
15 ect;16 (3) the studies conclude that a Susitna project represented the
17 best long-term solution to the Railbelt energy needs;18 (4) coordination and cooperation between the Alaska Power Au-
19 thority and utilities during the Susitna project were not as productive as
20 they could have been.21 * Sec. 2. INTENT. (a) The legislature intends that the authority
22 provide for a comparative analysis by an independent expert of all reason-
23 able alternatives to a proposed project as an integral component of the
24 feasibility study under AS 44.83.181(b)(3).25 (b) The legislature further intends that the Office of Management and
26 Budget comply with AS 44.83.183 and submit its recommendations to the
27 legislature in writing no later than April 15, 1987, and that the authority
28 refrain from submitting the license application for the Devil Canyon dam
29 project until the project is approved by the legislature under

1 AS 44.83.185(c).

2 * Sec. 3. AS 44.83.181(a) is amended to read:

3 (a) Unless the reconnaissance study has been disapproved by the
4 office of management and budget under AS 44.83.179, the authority
5 shall complete a feasibility study and plan of finance for each pro-
6 posed project. The authority shall complete and include in the plan
7 of finance conditional power sale agreements with the appropriate
8 utilities.

9 * Sec. 4. AS 44.83.185(b) is amended to read:

10 (b) The authority may not proceed with work on the engineering
11 or design phase of a proposed new project for which legislative ap-
12 proval is required until the legislature approves the proposed new
13 project. The authority may not proceed with work on the final design
14 phase of a proposed new project and may not submit an application to
15 the Federal Energy Regulatory Commission unless the legislature has
16 approved the proposed new project. However, the authority may proceed
17 with other [THE] engineering or design work necessary to meet the
18 requirements for submission of a license application for the proposed
19 new project to the Federal Energy Regulatory Commission without ob-
20 taining legislative approval of the proposed new project.

21 * Sec. 5. AS 44.83.330 is amended to read:

22 Sec. 44.83.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF
23 PROJECT. If the legislature approves the project under AS 44.83.185
24 [WITHIN ONE YEAR AFTER APPROVAL OF ITS PRELIMINARY REPORT SUBMITTED
25 UNDER AS 44.83.320(b)], the authority may enter into a contract for
26 the construction of the Susitna River hydroelectric project or a part
27 of the project in a manner consistent with the purpose of the project
28 as described in AS 44.83.310.

29 * Sec. 6. AS 44.83.340(a) is amended to read:

1 (a) If a [THE] Susitna River hydroelectric project is approved
2 by the legislature under AS 44.83.185(c), [AS 44.83.325, BEGINNING IN
3 1983] the authority shall prepare an annual report which explains in
4 detail

5 (1) the status of construction on the Susitna River hydro-
6 electric project;

7 (2) the completion date of any phase of the Susitna River
8 hydroelectric project which has been completed and the reasons for any
9 deviation between the completion date and the expected completion date
10 stated in the preliminary report required under AS 44.83.320(b);

11 (3) the actual cost of any phase of the Susitna River
12 hydroelectric project which has been completed and the reasons for any
13 deviation between the actual cost and the expected cost stated in the
14 preliminary report required under AS 44.83.320(b);

15 (4) the federal and state permits necessary to begin or
16 continue construction of the Susitna River hydroelectric project, the
17 actual dates on which the federal and state permits necessary to begin
18 or continue construction were obtained, and the reasons for any de-
19 viation between the actual dates and the expected dates stated in the
20 preliminary report required under AS 44.83.320(a) or in the earlier
21 annual reports required under this section;

22 (5) any other information the authority considers appropri-
23 ate or necessary to adequately inform the governor and the legislature
24 of the status of the Susitna River hydroelectric project.

25 * Sec. 7. The Alaska Power Authority shall prepare a review and eval-
26 uation of Railbelt electric power alternatives including coal-based gen-
27 eration, natural gas-based generation, conservation, the Devil Canyon
28 hydroelectric project, and other hydroelectric alternatives. The study
29 shall identify the alternative or combination of alternatives that will

1 satisfy the electric energy requirements of the Railbelt at the lowest cost
2 over ^{time} ~~the long run~~ and shall also provide a ranking of other alternatives in
3 the order of their long-run economic desirability. The authority shall

4 (1) prepare and report the study so as to allow it to be
5 readily incorporated in a feasibility study under AS 44.83.181(b)(3)
6 if a feasibility study is necessary to implement the recommended
7 alternative;

8 (2) prepare a preliminary plan of finance for the alterna-
9 tive or combination of alternatives that represents the lowest cost
10 solution over time;

11 (3) comply with AS 44.83.177 and 44.83.179 when submitting
12 the review and evaluation of Railbelt electric power alternatives and
13 the preliminary plan of finance to the governor and the legislature;
14 and

15 (4) report at regular intervals to the Legislative Budget
16 and Audit Committee on implementation of this section.

17 * Sec. 8. Because of the extensive and numerous studies of the Susitna
18 River hydroelectric sites, a project located at any of these sites is
19 exempt from the requirements of AS 44.83.177 - 44.83.179.

20 * Sec. 9. Section 10, ch. 169, SLA 1984 is repealed.

21 * Sec. 10. AS 44.83.325 is repealed.

22 * Sec. 11. Section 7 of this Act takes effect on the effective date of
23 an Act appropriating funds to the Alaska Power Authority for preparing a
24 review and evaluation of Railbelt electric power alternatives.

25 * Sec. 12. Sections 1 - 6 and 8 - 10 of this Act take effect immediate-
26 ly in accordance with AS 01.10.070(c).

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SECTIONAL ANALYSIS

CS FOR SENATE BILL NO. 476 (Finance), an Act relating to hydroelectric projects

Section 1. Contains findings about the cost of Susitna studies and the conclusion reached by these studies. Criticizes the performance of the APA in this project.

Section 2. States the intent of the legislature that as a component of any feasibility study for a power project, the APA provide for an independent comparative analysis of all reasonable alternatives to the project.

This section states additional intent that OMB comply with the law which requires it to review the feasibility study and plan of finance for any project, that OMB submit its recommendations to the legislature by next April 15th, and that the APA not submit a FERC license application for Devil Canyon until the legislature has approved the project as required by law.

Section 3. Requires the APA to include conditional power sale agreements with utilities in any plan of finance developed for a proposed power project.

Section 4. Prohibits the APA from working on the final design phase nor submitting a FERC application for a proposed new project unless the legislature has approved the project.

Section 5. If the legislature approves a proposed project according to the above section, this section allows the APA to sign a contract for a portion of Susitna as well as the whole project.

Section 6. Requires the APA to prepare an annual report on the status of any Susitna River hydroelectric project which has been approved by the legislature as required by law. (The present law refers to "the" Susitna project, implying only the two-dam project.)

Section 7. Further describes the study of power alternatives that will be financed in SB 477. This section calls

for a study of alternatives that can be incorporated into the feasibility study required by law, calls for preliminary plan of finance for the best alternative, and calls for the completion of a reconnaissance study when submitting the other studies to the governor and legislature. Finally, it requires the APA to regularly report to the Budget and Audit Committee on its implementation of these requirements.

Section 11 gives this section an effective date when funds are appropriated to the APA for reviewing Railbelt power alternatives, e.g., upon the effective date of SB 477.

Section 8. Because of previous reconnaissance studies done on Susitna River hydro sites, this section exempts a future project located at any of these sites from undergoing another such study.

Section 9. Repeals the 1984 session law which created the power development revolving loan fund and authorized the Watana and Bradley Lake hydroelectric projects.

Section 10. Repeals the law which prohibits the APA from entering into contracts for the Susitna River hydroelectric project.

Section 11. See Section 7 above.

Section 12. Gives all sections of the Act except Section 7 an immediate effective date.

Outdated

Cramer
4/21/86

Original sponsor: Finance Committee

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 476 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act relating to hydroelectric projects; and
7 providing for an effective date."

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

9 * Section 1. FINDINGS. The legislature finds that

10 (1) the Alaska Power Authority has not fully complied with the
11 applicable statutes in developing the Susitna hydroelectric project;

12 (2) the Alaska Power Authority has not followed a consistent and
13 prudent decision-making process designed to resolve the Railbelt energy
14 needs in the most effective manner and at least cost to the consumer and
15 the state;

16 (3) the state has spent approximately \$145,000,000 on studies
17 and licensing activities related to the Susitna River hydroelectric proj-
18 ect;

19 (4) the studies conclude that a Susitna project represented the
20 best long-term solution to the Railbelt energy needs;

21 (5) coordination and cooperation between the Alaska Power Au-
22 thority and utilities during the Susitna project were not as productive as
23 they could have been.

24 * Sec. 2. INTENT. (a) The legislature intends that the authority
25 provide for a comparative analysis by an independent expert of all reason-
26 able alternatives to a proposed project as an integral component of the
27 feasibility study under AS 44.83.181(b)(3).

28 (b) The legislature further intends that the Office of Management and
29 Budget comply with AS 44.83.183 and submit its recommendations to the

1 legislature in writing no later than April 15, 1987, and that the authority
2 refrain from submitting the license application for the Devil Canyon dam
3 project until the project is approved by the legislature under AS 44.83.-
4 185(c).

5 * Sec. 3. AS 44.83.181(a) is amended to read:

6 (a) Unless the reconnaissance study has been disapproved by the
7 office of management and budget under AS 44.83.179, the authority
8 shall complete a feasibility study and plan of finance for each pro-
9 posed project. The authority shall complete and include in the plan
10 of finance conditional power sale agreements with the appropriate
11 utilities.

12 * Sec. 4. AS 44.83.185(b) is amended to read:

13 (b) The authority may not proceed with work on the engineering
14 or design phase of a proposed new project for which legislative ap-
15 proval is required until the legislature approves the proposed new
16 project. The authority may not proceed with work on the final design
17 phase of a proposed new project and may not submit an application to
18 the Federal Energy Regulatory Commission unless the legislature has
19 approved the proposed new project. However, the authority may proceed
20 with other [THE] engineering or design work necessary to meet the
21 requirements for submission of a license application for the proposed
22 new project to the Federal Energy Regulatory Commission without ob-
23 taining legislative approval of the proposed new project.

24 * Sec. 5. AS 44.83.330 is amended to read:

25 Sec. 44.83.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF
26 PROJECT. If the legislature approves the project under AS 44.83.185
27 [WITHIN ONE YEAR AFTER APPROVAL OF ITS PRELIMINARY REPORT SUBMITTED
28 UNDER AS 44.83.320(b)], the authority may enter into a contract for
29 the construction of the Susitna River hydroelectric project or a part

1 of the project in a manner consistent with the purpose of the project
2 as described in AS 44.83.310.

3 * Sec. 6. AS 44.83.340(a) is amended to read:

4 (a) If a [THE] Susitna River hydroelectric project is approved
5 by the legislature under AS 44.83.185(c), [AS 44.83.325, BEGINNING IN
6 1983] the authority shall prepare an annual report which explains in
7 detail

8 (1) the status of construction on the Susitna River hydro-
9 electric project;

10 (2) the completion date of any phase of the Susitna River
11 hydroelectric project which has been completed and the reasons for any
12 deviation between the completion date and the expected completion date
13 stated in the preliminary report required under AS 44.83.320(b);

14 (3) the actual cost of any phase of the Susitna River
15 hydroelectric project which has been completed and the reasons for any
16 deviation between the actual cost and the expected cost stated in the
17 preliminary report required under AS 44.83.320(b);

18 (4) the federal and state permits necessary to begin or
19 continue construction of the Susitna River hydroelectric project, the
20 actual dates on which the federal and state permits necessary to begin
21 or continue construction were obtained, and the reasons for any de-
22 viation between the actual dates and the expected dates stated in the
23 preliminary report required under AS 44.83.320(a) or in the earlier
24 annual reports required under this section;

25 (5) any other information the authority considers appropri-
26 ate or necessary to adequately inform the governor and the legislature
27 of the status of the Susitna River hydroelectric project.

28 * Sec. 7. Because of the extensive and numerous studies of the Susitna
29 River hydroelectric sites, a project located at any of these sites is

1 exempt from the requirements of AS 44.83.177 - 44.83.179.

2 * Sec. 8. Section 10, ch. 169, SLA 1984 is repealed.

3 * Sec. 9. AS 44.83.325 is repealed.

4 * Sec. 10. This Act takes effect immediately in accordance with AS 01.-
5 10.070(c).

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Introduced: 4/11/86
Referred: Finance

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2

SENATE BILL NO. 476

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6 For an Act entitled: "An Act relating to hydroelectric projects; and
7 providing for an effective date."

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

9 * Section 1. FINDINGS. The legislature finds that

10 (1) the Alaska Power Authority has not fully complied with the
11 applicable statutes in developing the Susitna hydroelectric project;

12 (2) the Alaska Power Authority has not followed a consistent and
13 prudent decision-making process designed to resolve the Railbelt energy
14 needs in the most effective manner and at least cost to the consumer and
15 the state;

16 (3) the state has spent approximately \$145,000.000 on studies
17 and licensing activities related to the Susitna River hydroelectric proj-
18 ect;

19 (4) the studies conclude that the Susitna project represented
20 the best long-term solution to the Railbelt energy needs;

21 (5) coordination and cooperation between the Alaska Power Au-
22 thority and utilities during the Susitna project left much to be desired.

23 * Sec. 2. INTENT. (a) The legislature intends that the authority
24 provide for a comparative analysis by an independent expert of all reason-
25 able alternatives to the proposed project as an integral component of the
26 feasibility study under AS 44.83.181(b)(3).

27 (b) The legislature further intends that the Office of Management and
28 Budget comply with AS 44.83.183 and submit its recommendations to the
29 legislature in writing no later than April 15, 1987, and that the authority

1 refrain from submitting the license application for the Devil Canyon dam
2 project until the project is approved by the legislature under AS 44.83.-
3 185(c).

4 * Sec. 3. AS 44.83.181(a) is amended to read:

5 (a) Unless the reconnaissance study has been disapproved by the
6 office of management and budget under AS 44.83.179, the authority
7 shall complete a feasibility study and plan of finance for each pro-
8 posed project. The authority shall complete and attach conditional
9 power sale agreements with the appropriate utilities to the plan of
10 finance.

11 * Sec. 4. AS 44.83.185(b) is amended to read:

12 (b) The authority may not proceed with work on the engineering
13 or design phase of a proposed new project for which legislative ap-
14 proval is required until the legislature approves the proposed new
15 project. The authority may not proceed with work on the final design
16 phase of a proposed new project and may not submit an application to
17 the Federal Energy Regulatory Commission unless the legislature has
18 approved submission of the application. However, the authority may
19 proceed with other [THE] engineering or design work necessary to meet
20 the requirements for submission of a license application for the
21 proposed new project to the Federal Energy Regulatory Commission
22 without obtaining legislative approval of the proposed new project.

23 * Sec. 5. AS 44.83.330 is amended to read:

24 Sec. 44.83.330. CONSTRUCTION, MAINTENANCE AND OPERATION OF
25 PROJECT. If the legislature approves the project under AS 44.83.185
26 [WITHIN ONE YEAR AFTER APPROVAL OF IT. PRELIMINARY REPORT SUBMITTED
27 UNDER AS 44.83.320(b)], the authority may enter into a contract for
28 the construction of the Susitna River hydroelectric project or a part
29 of the project in a manner consistent with the purpose of the project

1 as described in AS 44.83.310.

2 * Sec. 6. AS 44.83.340(a) is amended to read:

3 (a) If the Susitna River hydroelectric project is approved by
4 the legislature [UNDER AS 44.83.325], beginning in 1983 the authority
5 shall prepare an annual report which explains in detail

6 (1) the status of construction on the Susitna River hydro-
7 electric project;

8 (2) the completion date of any phase of the Susitna River
9 hydroelectric project which has been completed and the reasons for any
10 deviation between the completion date and the expected completion date
11 stated in the preliminary report required under AS 44.83.320(b);

12 (3) the actual cost of any phase of the Susitna River
13 hydroelectric project which has been completed and the reasons for any
14 deviation between the actual cost and the expected cost stated in the
15 preliminary report required under AS 44.83.320(b);

16 (4) the federal and state permits necessary to begin or
17 continue construction of the Susitna River hydroelectric project, the
18 actual dates on which the federal and state permits necessary to begin
19 or continue construction were obtained, and the reasons for any de-
20 viation between the actual dates and the expected dates stated in the
21 preliminary report required under AS 44.83.320(a) or in the earlier
22 annual reports required under this section;

23 (5) any other information the authority considers appropri-
24 ate or necessary to adequately inform the governor and the legislature
25 of the status of the Susitna River hydroelectric project.

26 * Sec. 7. Because of the extensive and numerous studies of the Susitna
27 River hydroelectric sites, the Devil Canyon project is exempt from the
28 requirements of AS 44.83.177 - 44.83.179.

29 * Sec. 8. Section 10, ch. 169, SLA 1984 is repealed.

1 * Sec. 9. AS 44.83.325 is repealed.

2 * Sec. 10. LEGISLATIVE APPROVAL OF THE DEVIL CANYON DAM PROJECT. The
3 authority shall report regularly as requested to the Legislative Budget and
4 Audit Committee on progress on the Devil Canyon dam project. The authority
5 may not advertise for bid proposals for the feasibility study unless the
6 committee approves. The authority may not award the contract for the study
7 unless the committee approves.

8 * Sec. 11. This Act takes effect immediately in accordance with AS 01.-
9 10.070(c).