

ALASKA LEGISLATURE

1298

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

HB

91

HFIN

FILE

FINANCE COMMITTEE REPORT

(11)

Date Referred: May 5, 1995

FURTHER REFERRALS:

Date of Committee Action: 4/25/96

The FINANCE Committee considered:

HB 91

HOUSE BILL NO. 91

MARINE PARKS ADDITIONS/CHANGES

"An Act amending the area within designated marine park units of the Alaska state park system, and adding marine park units to the Alaska state park system."

recommends it be replaced with the following committee substitute CS HB 411 RES the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept)

APPROVES PREVIOUS: (Dept/Date)

fiscal note(s) DNR

fiscal note(s) DNR

zero fiscal note(s)

zero fiscal note(s)

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Richard J. Kelly</i> FOSTER			X	
<i>Alan Mulder</i> MULDER		X		
<i>Sean Parnell</i> Parnell			X	
<i>Vin Kohring</i> Kohring			X	
<i>Ben Grussendorf</i> Grussendorf	X			
<i>Sam Brown</i> BROWN	X			
<i>Pat Kelly</i> P. Kelly		X	X	
<i>Gene Therriault</i> Therriault				X
<i>Milee Nauaie</i> Nauaie	X			
<i>Mark Hurler</i>				X

CHAIR'S SIGNATURE

Mark Hurler
Hurler

Richard J. Kelly
Kelly

FISCAL NOTE

STATE OF ALASKA
1996 LEGISLATIVE SESSION

BILL NO. CSHB91(RES)

Revision Date: Original Dept Affected Natural Resources
 Title: An Act amending the area within designated BRU: Parks & Recreation Management
marine park units of the Alaska state park system, and... Component: Parks Management
 Sponsor: Representative(s) Robinson and Elton
 Requestor: House Finance Component Serial No. 452

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURES	FY97	FY98	FY99	FY00	FY01	FY02
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL	0.5	0.5	0.5	0.5	0.5	0.5
SUPPLIES	0.5	0.5	0.5	0.5	0.5	0.5
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	1.0	1.0	1.0	1.0	1.0	1.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	1.0	1.0	1.0	1.0	1.0	1.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	1.0	1.0	1.0	1.0	1.0	1.0

Estimate of any current year (FY96) cost: \$ none

POSITIONS

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

ANALYSIS: (Attach a separate page if necessary)

Existing recreation use leaves trash and starts duff fires from poor fire site choice. Parks staff can assist in minor signing of boat launches and heavy use areas to encourage park visitors to take out trash and use good fire pits. Signage and occasional patrols can be done with minor funding. Fire fighting is done by the U.S. Forest Service under statewide agreement. Volunteer groups have indicated their willingness to assist in trash clean-up. Additional funding is needed to buy boat gas, dispose of trash, print brochures and buy signs.

Prepared by: Jim Stratton, Director *[Signature]* Phone: 269-8700
 Division: Parks Date: 18-Apr-96
 Approved by Commissioner: *[Signature]* Date: 18-Apr-96
 Agency: Natural Resources

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE

FISCAL NOTE

No. 1
 Bill Version: HB 91
 (H) Publish Date: 3/30/95

STATE OF ALASKA
1995 LEGISLATIVE SESSION

Revision Date: Original Dept. Affected: Natural Resources
 Title: An Act amending the area within designated BRU: Parks & Recreation Management
manne park units of the Alaska state park system, and adding manne... Component: Parks Management
 Sponsor: Representative Robinson and Eton
 Recuestor: _____ Component Serial No. 452

Expenditures/Revenues	(Thousands of Dollars)					
OPERATING EXPENDITURES	FY96	FY97	FY98	FY99	FY00	FY01
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0

FUND SOURCE	(Thousands of Dollars)					
1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY95) cost: \$ None

POSITIONS	FY96	FY97	FY98	FY99	FY00	FY01
FULL-TIME	0	0	0	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

Existing recreation use leaves trash and starts duff fires from poor fire site choice. Parks staff can assist in minor signing of boat launches and heavy use areas to encourage park visitors to take out trash and use good fire pits. Signage and occasional patrols can be done with no additional funding. Fire fighting is done by the U.S. Forest Service under statewide agreement. Volunteer groups have indicated their willingness to assist in trash clean-up.

Prepared by: Neil Johannsen, Director *Neil Johannsen* Phone: 762-2600
 Division: Parks & Outdoor Recreation Date: 6-Feb-95
 Approved by Commissioner: Neil Johannsen for M. Ruffenford Act. Comm Date: 2/6/95
 Agency: Natural Resources

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COMMITTEE COPY

Alaska State Legislature

HOUSE OF REPRESENTATIVES



REPRESENTATIVE CAREN ROBINSON

SPONSOR STATEMENT HB 91

House Bill 91 designates 13 islands in the Juneau area as a State Marine Park. The islands included in this parcel are located in Lynn Canal; they are unique because they can all be reached within a few minutes by skiff or a few hours by kayak. The primary use of selected lands has been, historically, for recreation purposes.

In 1977 the islands were nominated by the City and Borough of Juneau for state selection from the Tongass National Forest for recreation purposes. In 1989 the State selected the Channel Islands from the federal government under the Alaska Statehood Act.

Establishing the lands as a state park would preserve the quality of existing and future recreational usage while allowing an agency to enforce proper usage of the land. All existing lawful usage, including fishing, trapping and hunting are preserved under statute. Only State Park management can consolidate water, intertidal and upland uses into a single entity with adequate enforcement authority to protect as well as provide for safe use of these resources.

To designate these lands a State Park requires legislative action. Both the City and the State have identified the plan as a priority in the Juneau Coastal Management Plan and the Juneau State Land Plan. A previous bill, introduced during the 1991-92 legislative session, passed the House only to die in the Senate Rules Committee.

The bill has a zero fiscal note. It is important to recognize that Juneau has a long and consistent history of using volunteers to manage parklands. Park maintenance would be overseen by the Division of Parks using Juneau's many volunteer organizations as a labor base.

The creation of the Juneau Channel Islands State Marine Park is urgently needed and would be an outstanding addition to Alaska State Parks by providing an island complex unique to the State Park System. Thank you for your consideration. I urge your support of House Bill 91.



LEGAL SERVICES

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

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


130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 12, 1996

SUBJECT: CSHB 91(RES) amending the area within marine park units and adding marine park units: sectional analysis (Work Order No. 9-LS0416\F)

TO: Representative Caren Robinson
ATTN: Kattaryna Stiles-Bennett

FROM: Jack Chenoweth
Legislative Counsel 

The bill would modify the area within the Shelter Island marine park unit and add additional marine park parcels collectively described as "Juneau Channel Islands."

Bill section 1 sets out legislative findings and a statement of purpose for the measure.

Bill section 2 prevents the commissioner of natural resources from prohibiting hunting in a marine park unit.

Bill section 3 amends the legal description of the existing Shelter Island marine park unit, adding upland parcels and limiting the seaward dimension of that unit to the 20 fathom bathymetric line around the parcels designated.

Bill section 4 adds additional marine park units in Lynn Canal in the vicinity of Lynn Canal and Auke Bay, Juneau, including, if I've read the notes correctly, Aaron, Battleship, Benjamin, Bird, Coghlan, Cohen, Gull, Indian, Lincoln, North, Portland, Ralston, and Suedla Islands, all to the 20 fathom bathymetric line around each island.

JBC:glc
95-019.glc

**JUNEAU CHANNEL ISLANDS
A STATE MARINE PARK PROPOSAL**

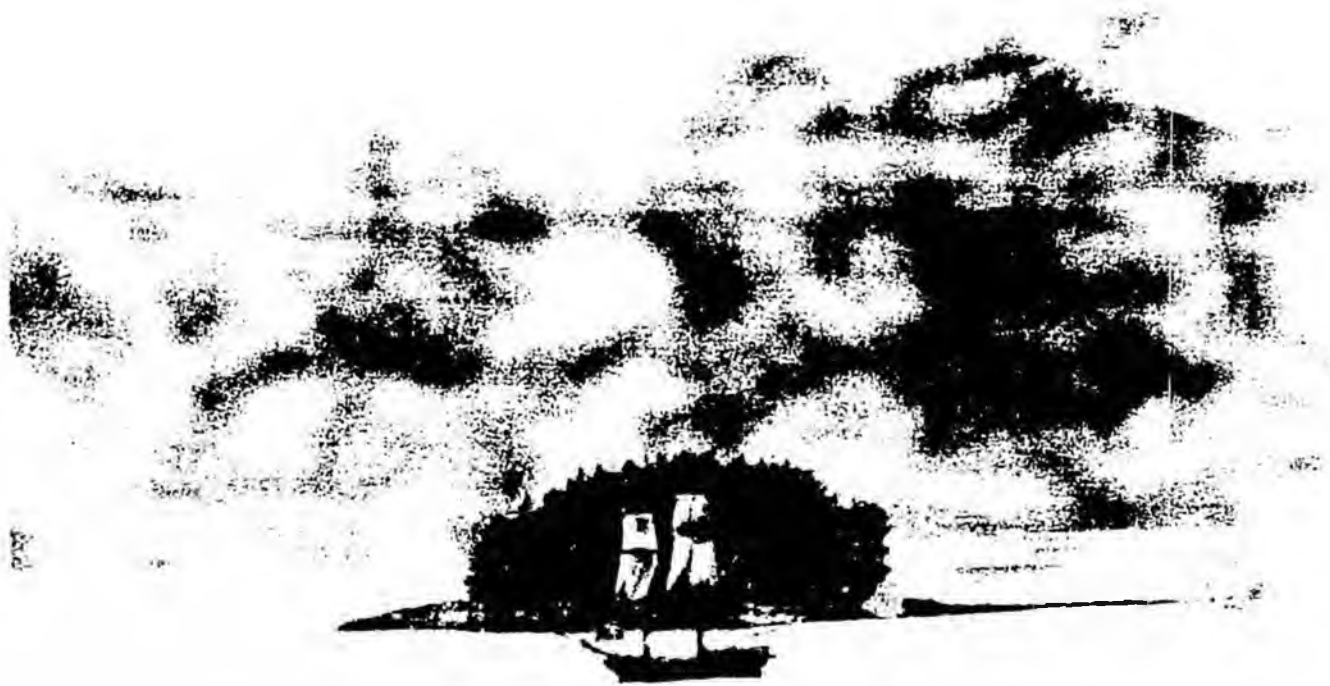


**Presented by
The Juneau Area State Parks Advisory Board
1994**

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- B. Need for Legislation
- C. Objective
- D. Initial Management
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MAP Attached



Introduction

Alaska has the opportunity to establish one of the most wonderful and exciting parks anywhere in the world right here in our capital city. Thirteen islands in Favorite Channel and Auke Bay near Juneau are proposed as the Juneau Channel Islands State Marine Park. This proposal also includes an addition to the existing Shelter Island State Marine Park (SMP). The marine park boundaries would be at the 20 fathom depth around each island, easily determined by most pleasure and all commercial boats.

Four of these islands are within the sheltered waters of Auke Bay and can be reached by canoe, kayak or rowboat in nearly any weather. Each has a long history of use by local youths and families for camping and picnicking. The other nine islands are further off shore and more exposed to storms. Recreation has always been their predominant use, and because of this use they were selected from and approved by the federal government for state ownership.

All but two islands have one or more sand or gravel beaches suitable for landing small boats. There is evidence of camping and picnicking at all of these beaches. All the islands have scenic headlands affording breathtaking views of neighboring islands against a spectacular backdrop of mountains and glaciers. A broad expanse of the Chilkat Mountains flank the area to the west, and the world famous Mendenhall Glacier, and the glaciers and peaks of the Juneau Icefield are visible to the east. Five of the islands are large enough to provide some hiking, and the rest are small enough to scramble all over in an hour or less. There are hills to 1,000 feet on the larger islands.

The islands, except one are covered by typical rain forest vegetation including Sitka Spruce and Western Hemlock with a profusion of berry bushes and other undergrowth. Some of the islands show evidence of selective tree cutting. There are trails near the accessible beaches, and a few human artifacts, but the islands are essentially pristine and undeveloped.

Sea mammals are much in evidence in these waters. Seals to a hundred or more haul out on several of the beaches and there is a regularly used sea lion haulout at Benjamin Island. Humpback whales are often visible, especially in summer. The entire area is within Juneau's most popular sport salmon fishing waters, and boats are always nearby in summer. There is a resident deer population on three islands that provide some hunting.

Many species of birds nest on these islands including pigeon guillemots and black oyster catchers which do not nest on the nearby mainland. There are more than 80 bald eagle nests, and eagles are common year-round residents.

Need for Legislation:

Only the legislature can withdraw over 640 acres from the public domain and designate them as Special Purpose Sites (a state park) under the state's constitution. The island beaches of the proposed park are already heavily used for camping and picnicking and have nearly reached their capacity for self-regulated recreation. Litter is not yet a major problem but human waste is evident in the woods near popular campsites. Fires are often built on forest duff, killing some large spruce and causing peat fires which smolder for weeks. Juneau is rapidly becoming a major ecotourism destination, and commercial guides are likely to soon be competing with local residents for the limited beaches and campsites. It is essential to institute a management system of the type provided by the State Division of Parks and Outdoor Recreation to preserve the quality of existing recreational use and accommodate future needs. Only state park management can meet the need of combining water, intertidal and upland uses into one entity with adequate enforcement authority to protect the resources while providing for safe use. The need to protect these islands for recreational use is recognized by both the city and state plans: The Juneau Coastal Management Plan and the Juneau State Land Plan.



Objectives:

Creation of Juneau Channel Islands State Marine Park would be an outstanding addition to Alaska State Parks, providing an island complex not represented by other units of the Park system. The new park would fully satisfy statutory requirements for state marine parks including:

- 1) Maintaining natural, cultural, and scenic values;
- 2) Maintaining fish and wildlife resources and lawful existing uses of these resources;
- 3) Promoting and supporting recreation and tourism in the state.

Long Term Management:

A long term management plan for the islands as a park unit should be developed. As competition for use of these resources increases, it may become necessary to determine how the public would like these islands to be managed. Designations for day use vs. overnight camping, single campsites vs. group campsites, public vs. commercial use and capacity of the various islands to sustain different use levels may eventually need to be addressed. As use continues to increase improvements will be needed. Fire places, toilets, tables and gravel tent sites can enhance public use and can be sited to spread users thus accommodating more parties. A system of trails on the larger islands would enhance use and could also serve to spread people out. There is a potential for recreation cabins, especially on the larger islands where deer hunters as well as summer users would enjoy them. There may be a potential for some mooring floats at some of the islands. A small inter-island ferry, serving day users and campers, operated by a concessionaire, may some day be feasible.

The Division of Parks and Outdoor Recreation should develop a long term management plan. As improvements are added, normal state park user fees can be collected.

Land Ownership:

As part of the Statehood Act, the Federal Government allowed the State of Alaska to select 400,000 acres from National Forest lands as a land base. The acreages were to be selected from unencumbered federal lands and used for community expansion and/or community recreation purposes. All lands within this Marine Park proposal were selected by the State of Alaska as part of that land selection process.

As early as 1977 many of these islands were nominated for selection by the City and Borough of Juneau for recreation purposes. By June of 1989 this board, the Taku Conservation Society, the City and Borough of Juneau, and Alaska State Parks all nominated these islands for inclusion in a state marine park.

All surrounding marine water, tidelands and submerged lands are already owned by the State of Alaska. If not designated as a marine park, these recreational lands would be managed by the Division of Land. Division of Land selection documents indicate that the intent of the selection of many of these parcels was based on recognition of their current use and suitability for public recreation. Tentative Approval and Patents have been issued to the state on some already, and the Bureau of Land Management is expected to finish Tentative Approval (full management) within the next few months.

There are only two small parcels of private lands within the existing Shelter Island State Marine Park. This proposal does not include any private lands.

Juneau International Airport, through the Federal Aviation Administration, has existing rights and facilities on Coghlan Island. Any future need for facilities to provide safer landing would be of great benefit for the health and safety of all travellers, including tourists to the park.

Island Characteristics - Individual Island Descriptions

Aaron Island (0.4 mi. long)

Orth reports that the island was named in 1880 by Capt. L.A. Beardslee, USN, for "a relative of C.J. Vanderbilt, a local miner." DeArmond, however, indicates that there is no record of a local miner by the name of Aaron. Beardslee was friends with J.M. Vanderbilt for whom he named Vanderbilt Reef, but that family disclaims knowledge of any Aaron. DeArmond, instead suggests that the island was named for Aaron Cohen, a resident of Sitka and then Juneau, who owned and operated a brewery in both towns. DeArmond also believes that Cohen Island and reef were also named after Aaron Cohen.

The island consists mainly of cliffs and headlands. There is a small landing beach on the south end. There is also a small rocky islet at the NE end with a small beach. Dominant vegetation on Aaron Island is rain forest and the small rocky islet is covered with herbaceous vegetation (plants and flowers). Two Bald eagle nests are located on the island. There is a navigation light and a navigation reflector found on the island. Two picnic sites and one camp site are also located on the island.

Battleship Island (0.1 mi. across)

Apparently a local descriptive name first reported by DeArmond in 1957. The island is mostly a vegetated rock with steep sides and a fairly flat top. There is one poor landing beach where rocks have been cleared to aid in landing. Large trees are found on the top. Several camp sites and numerous trails and a lot of litter are present. Island appears to be used a lot by kids as well as adults. Island is readily accessible via sheltered waters. FAA plans to install aircraft navigation lights and electronics in 1995. Large numbers of crows roost on island at night.

Benjamin Island (1.5 mi. long)

Named by Capt. L.A. Beardslee, USN in 1880 when he visited the area. There are three excellent gravel beaches on the south end of the island. Each has one or more heavily used camp sites. There also is a good access beach with a campsite on the northeast side of the island. Primary vegetation is typical rain forest. An important sea lion haulout is located on the west side of the island.

Bird Island
(0.1 mi. across)

Named in 1880 by Capt. L.A. Beardslee and later published on USC&GS chart 728 in 1883. In February 1914, the schooner *W.H. Dimond* went aground on the island and was a total loss.

The island is mainly a rock about 60 feet high with stunted trees on the top. Steep cliffs on the south and west sides. East side of island is less steep and access is difficult but possible. Two Bald eagle nests are on the island. Ten to fifteen pigeon guillemot nests were observed on the cliffs in June and July. No evidence of human use on the island.



Cohen Island
(0.3 mile across)

Named by the USC&GS and published on chart 8300 in 1893. (See discussion under Aaron Island). Cliffs and headlands all around the island. No good landing sites. Rain forest vegetation and two Bald eagle nests present.

Coghlan Island
(1 mi. long)

Named by the USC&GS in 1885 in honor of Joseph Bullock Coghlan, USN, who commanded the *U.S.S. Adams* in a survey of the area in 1883-1884. In later years Coghlan commanded the *U.S.S. Raleigh* during the Philippines campaign of the Spanish American War, and served as commandant of the Puget Sound and New York Naval Shipyards. He rose to the rank of rear admiral and retired in 1906. He died in 1908.

An FAA navigation beacon is located on the northern point of the island. A small building with a tramway is also present on the island and is currently being used by the FAA. There are cliffs on the SW side and beaches on the NW and E sides. Beaches provide good access. The island is forested with a berry understory. There is evidence of fire damage. Pigeon guillemots nest on the NW side. Evidence of camping and picnicking. The island is accessible by sheltered waters and is reachable by small boats and kayaks in all seasons. Has significant deer population most years. Good littleneck and butter clam digging on north end.

Gull Island
(0.4 mi. across)

Named in 1880 by Capt. L.A. Beardslee, USN, because "it was covered by sea gulls." Name published by USC&GS in the 1883 Coast Pilot. There is an excellent sandy beach on the south end with a heavily used campsite.

Lincoln Island
(4.7 miles long)

Named in 1868 by Cmdr. R.W. Meade, USN, of the *U.S.S. Saginaw*, presumably for Abraham Lincoln, 16th. President of the U.S. Name published by the USC&GS in the 1883 Coast Pilot.

There are gravel and cobble beaches on the east side with low (30 ft.) headlands. A sandy beach with camp site is located on the southern end. The west side has cobble beaches. It is exposed to winds and waves of Lynn Canal. The island consists of low, well forested hills, with open headlands on the east side and low herbaceous growth. According to USFWS records there are 17 Bald eagle nests on the island. Deer are also present. There are 5 or 6 good landing sites on the east side and south end, and all have evidence of camping and picnicking use.

Indian Island
(0.1 mi. across)

Local name published in 1962 by the USGS. There are two good landing beaches. The island is within 200 yards of the mainland and is accessible in all weather conditions. There are two shipwrecks, one is a wood fish scow abandoned in 1970 on the east shore.

In late 1950's and early 1960's it was a summer campsite of older natives. During that time they gathered herring roe on hemlock branches. At the same time there was a large herring pound between Indian Point and Indian Island for three months during the spring to harvest halibut bait and live sport fish bait. There are remnants of a Tlingit canoe way on the east beach. Large trees are on the island, one containing a Bald eagle nest. There is one much used campsite with quite a bit of litter.



North Island
(0.4 mi. long)

Named in 1880 by either Capt. L.A. Beardslee, USN, or by Cmdr. R.W. Meade, USN, in 1869. Name was published in the 1883 Coast Pilot by the USC&GS. A popular anchorage for commercial gillnetters fishing Mab Island and Berners Bay. Exposed to northerly winds and seas. There is an excellent beach on the South end that is a whale viewing area.

Portland Island
(1.1 mile long)

Named in 1880 by Capt. L.A. Beardslee, USN. Published in the 1883 Coast Pilot. An extensive reef with some vegetated hummocks is located on the northern end of the island. There is a campground with picnic tables located on the western side of the island. There is a very nice sand beach on the southwest corner, a beach on the east side, and a gravel beach near the northern reef. There are five bald eagle nests on the island and black oystercatchers nest on the reef. Other birds use the north reef for nesting and roosting.

Old stumps indicate some selective logging years ago. There is a poor trail across the southern end of the island. The FS picnic site consists of three tables with cement fireplaces, and an outhouse. All need maintenance.

Ralston Island
(1 mi. long)

Named for W.C. Ralston by Cmdr. R.W. Meade, USN, in 1868. Published in the 1883 Coast Pilot. A World War II CAA (now FAA) radio range station used to be located on the northern shore of the island. Remnants of the facility are still visible. Antenna and house on the north end, and dock pilings on south end with heavily overgrown road connecting them.

Landing beaches on south and east sides. Headlands on east side. Also extensive reefs on east side. Island is connected to Lincoln Island at low tides. Ralston Island is forested with some open meadows. There are two Bald eagle nests on the island. Camping and picnic sites located on the south end.

Shelter island
(9 mi. long)

The island was named in 1869 by Cmdr. R.W. Meade, USN, and published in the 1883 Coast Pilot. There is already a designated marine park on Shelter Island adjacent to Shelter Cove. This addition would include the center portion with Shelter Lake. There is an old Forest Service cabin (not maintained) in the center parcel. Large sandy beach at Hand Trollers Cove. Also reported remnants of cabins at cove. The island is heavily timbered with spruce and hemlock and scattered groves of Alaska yellow cedar. Deer are common on the island and heavily hunted. Southern end of the island was homesteaded and the homestead was later subdivided and sold. Numerous private cabins are now located on the southern end of island, several miles from the proposed marine park addition.

Suedla Island
(0.3 mi. across)

Local name apparently formed by combining the initial letters of several names or words. Its origin is unknown. Also known as "Merlin's Island" by local residents. The main island has three small gravel beaches on the east side, but other sides are cliffs. There is a very good sand beach on the connected islet on the east side. The island is close to shore and has very protected waters. Main vegetation is large trees with typical undergrowth. Two Bald eagle nests are located on the island. Heavy picnicking and camping use are noted on the east islet. There are ruins of cabin and fox pens in the center of the island.

NOTE: Much of the general site and wildlife information was obtained from Advisory Board member visits to the various islands.

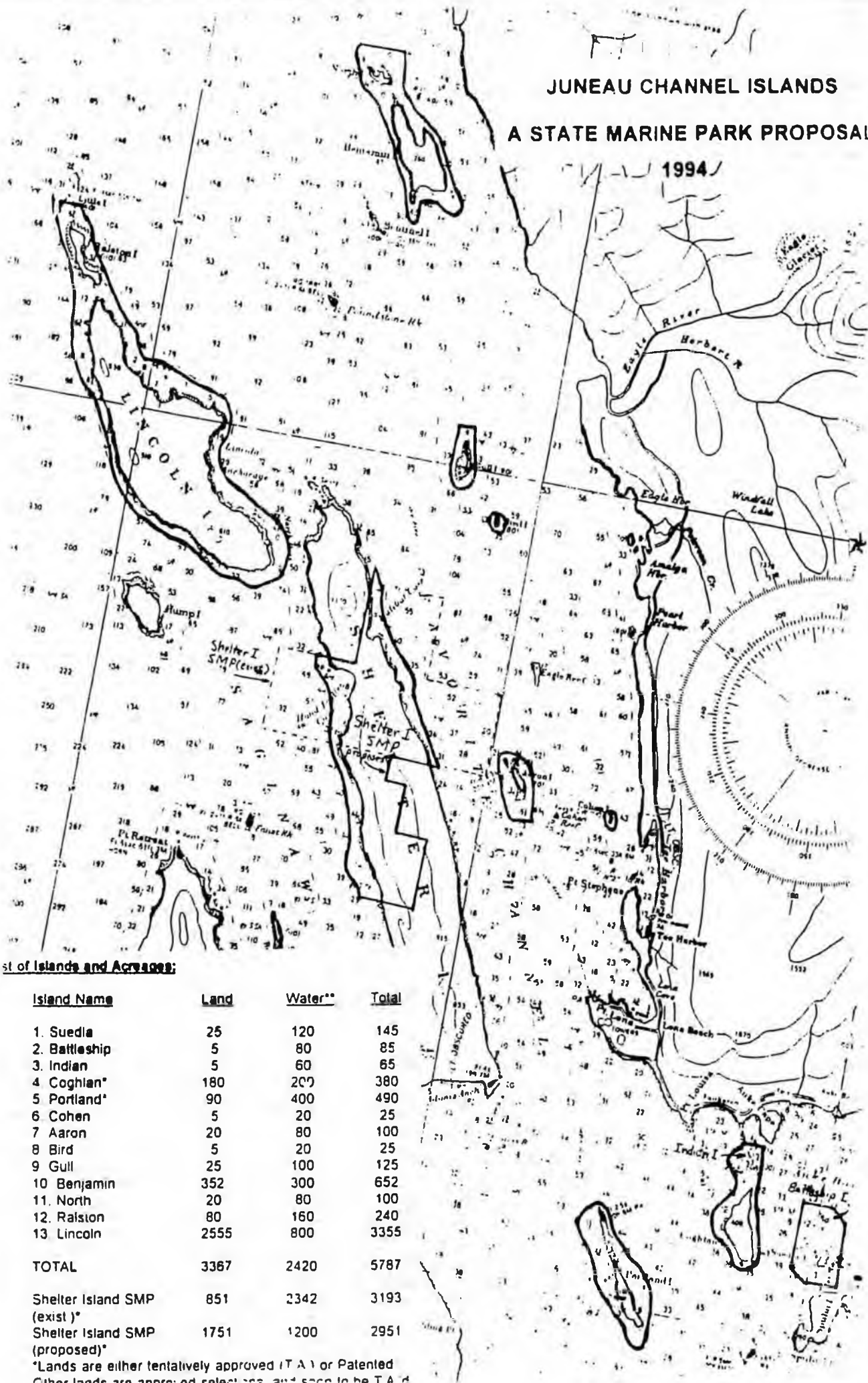
References

- DeArmond, R.N. 1989. Names on the Chart and how they got there. Commercial Art, Juneau, AK. 72 pp.
- Eppenbach, Sara, ed. 1979. The Centennial gazetteer: a guide to Juneau, Alaska place names. Gastineau Channel Centennial Association, Juneau, AK. 74 pp.
- Gibbs, Jim. 1971. Disaster Log of Ships. Bonanza Books, New York, NY. 176 pp.
- Orth, Donald J. 1967, reprinted 1971. Dictionary of Alaska Place Names. Geological Survey Professional Paper 567. U.S. Govt. Print. Office, Wash. DC. 1084 pp.
- United States Coast Guard, 1990 rev. Lighthouses and other aids to navigation in Alaska history. Seventeenth Coast Guard District, Juneau, AK. 87 pp.

Abbreviations Used

CAA -- Civil Aeronautics Administration
Capt. -- Captain
Cmdr. -- Commander
FAA -- Federal Aviation Administration
FS-- Forest Service
Lt. -- Lieutenant
USC&GS -- United States Coast and Geodetic Survey
USFWS -- United State Fish and Wildlife Service
USGS-- United States Geological Survey
USN -- United States Navy

JUNEAU CHANNEL ISLANDS A STATE MARINE PARK PROPOSAL



List of Islands and Acres:

Island Name	Land	Water**	Total
1. Suedia	25	120	145
2. Battleship	5	80	85
3. Indian	5	60	65
4. Coghlan*	180	200	380
5. Portland*	90	400	490
6. Cohen	5	20	25
7. Aaron	20	80	100
8. Bird	5	20	25
9. Gull	25	100	125
10. Benjamin	352	300	652
11. North	20	80	100
12. Ralston	80	160	240
13. Lincoln	2555	800	3355
TOTAL	3367	2420	5787
Shelter Island SMP (exist)*	851	2342	3193
Shelter Island SMP (proposed)*	1751	1200	2951

*Lands are either tentatively approved (T A) or Patented
Other lands are approved selections and seen to be T A

RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA

Serial No. 1752

A RESOLUTION SUPPORTING CREATION OF THE JUNEAU CHANNEL ISLANDS STATE MARINE PARK.

WHEREAS, it has been proposed that the State of Alaska establish the Juneau Channel Islands Marine Park composed of thirteen islands located in a 640-acre area in Favorite Channel and Auke Bay, and

WHEREAS, the thirteen islands in the proposed park include: Aaron, Battleship, Benjamin, Bird, Cohen, Coghlan, Gull, Lincoln, Indian, North, Portland, Ralston, and Suedla, and

WHEREAS, the park would be an outstanding recreational asset, offering breathtaking views of the Chilkat Mountains and the Juneau ice field, supporting many species of birds, sea mammals, fish, and deer, and providing safe and ready access for established groups of canoers, kayakers, boaters and other users, and

WHEREAS, designation of the area as a Special Purpose Site and withdrawal of the land to the management system of the State Division of Parks and Outdoor Recreation would be the most effective process for preserving existing recreational uses and accommodating future needs, and


WHEREAS, action by the Alaska Legislature is necessary to accomplish the withdrawal, and there is currently pending in the Legislature, HB 91 and SB 34 which propose to accomplish creation of the Juneau Channel Islands Marine Park and an addition to the existing Shelter Island State Marine Park, and

WHEREAS, the CBJ Parks and Recreation Advisory Board at its meeting of January 17, 1995, and the Assembly Lands Committee at its meeting of February 22, 1995, recommended that this resolution be adopted supporting establishment of the Juneau Channel Islands Marine Park;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

1. That the Assembly of the City and Borough of Juneau supports legislation that will create the Juneau Channel Islands State Marine Park.
2. The Clerk shall distribute copies of this resolution to the Alaska Legislative Delegation.
3. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 6th day of March, 1995.



Mayor

Attest:



Clerk



ALASKA OUTDOOR COUNCIL, INC.

P. O. BOX 22394
JUNEAU, AK. 99802
(907) 462-8330

Mar. 29, 1995

Representative Gary Davis, Chair
House Transportation Committee
State Capitol
Juneau, Ak. 99801

Dear Representative Davis:

The Alaska Outdoor Council took a position several years ago in support of HB 91, which would amend the State Marine Parks system by adding the Channel Islands. We are still in basic support of this concept as long as the original statute's provisions for maintaining hunting, trapping and fishing opportunities remain intact.

The Alaska Outdoor Council traditionally supported many classifications of state lands when a demonstrated public objective would ensue. We have always supported broad use of public lands and will continue to do so.

We encourage the House Transportation Committee and the Legislature to pass HB 91. Thank you for this opportunity to present our views on this subject.

Sincerely,

Eddie Grasser
Legislative Affairs

cc: Rep. Caren Robinson
Rep. Beverly Masek
Rep. Bill Williams
Rep. Jeannette James
Rep. Jerry Sanders
Rep. Tom Brice
Rep. Eileen MacLean



ALASKA DISCOVERY

Dedicated to the Enjoyment & Conservation of Alaska's Wilderness • Since 1972

Representative Caren Robinson
Alaska House of Representatives
State Capital, Room 114
Juneau, AK 99801-1182

March 28, 1995

Dear Representative Robinson:

Thank you very much for your sponsorship of House Bill 91, which would establish the Juneau Channel Islands State Park. Alaska Discovery has been offering visitors to Alaska guided day kayak tours to Benjamin and North Islands for a number of years, and we are fully supportive of H.B. 91. We disagree strongly with those who call this bill a lock-up. As a business that relies on continued access to the Channel Islands we view the bill as a way of safeguarding the integrity of the islands while still allowing the kind of low-impact eco-tourism in which Alaska Discovery specializes. Some might want to develop the islands for large scale, industrial scale tourism and would therefore oppose any protection for the area. However, Alaska Discovery has established that it is possible to operate a successful tourism business utilizing the islands without heavy impacts to the uplands or disturbance of the wildlife. In addition, we believe that the boating and recreational public would prefer to see the islands remain as they are, with one or two businesses like Alaska Discovery in the area, rather than see large scale development and crowding. State Marine Park designation would allow Juneau to have the best of both worlds: protect the islands while allowing for sustainable eco-tourism.

Thank you, again, for your sponsorship of H.B. 91.

Sincerely,

John Sisk
Interim General Manager

cc: Representative Kim Elton
Senator Jim Duncan



5449 SHAUNE DRIVE, SUITE 4 • JUNEAU, ALASKA 99801 • ADMINISTRATION: (907) 780-6505 • RESERVATIONS: (800) 586-1911 • TELEFAX: (907) 780-4221

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PHIL R. HOLDSWORTH, P.E.

CONSULTING ENGINEER & LEGISLATIVE COUNSEL
MINING — GEOLOGY — LANDS

PHONE 907-586-1383

326 FOURTH STREET, No. 1009
JUNEAU, ALASKA 99801

April 10, 1991

Representative Fran Ulmer
Room 421, Capitol
P.O. Box V
Juneau, Alaska 99811

Dear Representative Fran Ulmer:

As you may recall, the undersigned testified in support of SB 114 before the Senate Resources Committee and explained in some detail the historical creation of the extensive State marine parks system which has been created. The State of Alaska had been authorized to select limited tracts of land within the National Forest for "community expansion" and "community recreation areas".

I was present when HB 131 was heard by the House Resources Committee but had not planned to testify, as DNR covered the issue and presented the map describing the islands involved. I was asked to confirm some positions which were questioned by the committee.

The marine park units covered by this bill are clearly "community" recreation areas, and are ideal for recreational use by the community of Juneau. The area described in the bill covers several small channel islands and a portion of Shelter Island. The land is still in Forest Service ownership but has been selected by the State, and will be approved for conveyance as the land certainly meet the qualification as "community recreation". [There are no known mineral potentials on the involved islands and the Alaska Miners Association has expressed no opposition to the bill.] *

Sincerely,



Phil R. Holdsworth

January 29, 1996

Representative Mulder

RE: HB 91

Dear Representative Mulder:

I am writing in opposition to House Bill 91, the Channel Islands Bill. We believe this bill is short sighted and has the potential to negatively impact commercial tourism, resident use, and future state earnings potential through use fees and/or disposal.

After reading HB 91, the attached fiscal note and the attached letters, a few concerns came to mind. First is the zero fiscal note. Representative Robinson points out that State Parks can consolidate management of water, intertidal, and upland uses. We wonder how they can manage this new park without additional funds. Most likely they will provide no management and no services. While robbing Peter to pay Paul is fairly common, it is not necessary since the Division of Natural Resources already manages the area without incident.

The only reason to make these islands a park, as we understand it, is to keep the land from being disposed of by DNR or otherwise encumbered. As a State Park, the land could never be sold or commercially used without a permit.

This argument fails when you consider that DNR cannot sell, issue a permit, or otherwise encumber the land without prior public hearings and taking into consideration the long-standing use of the area (i.e. recreation in this case).

Potential negative impact occurs on several levels. First, if the habitual use of any portion of this area changes, it will be virtually impossible to "declassify" the area from a State Park to accommodate a new use or sale. While it's possible in theory, we all know there are few politicians willing to take the black eye for sponsoring a bill to decrease the size of a State Park.

Second, *all* remaining islands not privately owned between Auke Bay and Berners Bay will be tied up as State Park land by this bill. Not some of them or a majority of them, but **ALL** of them. This is not in the best interest of the State, who at times uses land sales to increase coffers. Nor is it in the interest of the City and Borough of Juneau which needs land for housing and resort development which increases it's tax base.



Third, and most importantly, this bill will not benefit tourism. There is no financing attached to enhance beach access, moorings, picnic sites, signage, trail development, etc. There are no funds attached to process permit applications by future enterprises wishing to use the area commercially. Financing is not available to conduct Environmental Impact Statements which are usually a prerequisite of concession agreements.

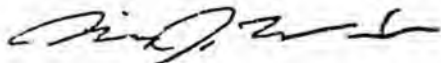
In fact, several letters, including the Sponsors Statement, assume that future improvements will be made by volunteers. This is a huge assumption during a time of increasing user fees, increasing attempts at dedicated funding, and decreasing volunteerism. Remember, there is no money in the bill to pay the Division of Parks to oversee these volunteers.

State Parks already has two Juneau area islands within its' park system, and has given them precious little attention. There is no need to expand a system that has virtually no services or uses.

It would be best to keep the Channel Islands under present management and hope enterprising companies with available resources can use and enhance the area for residents and visitors alike.

In closing I would like to reiterate my objection to HB 91. There have been no negative impacts with the present classification or management, nor does the bill propose to improve the area. I urge you to keep these islands within DNR and maintain them as a true resource to the state, city, visitors and residents of this area.

Sincerely,



Michael J. Windred
President
Juneau Chapter, Alaska Visitors Association

Michelli -

*Scheduling
request.*



10780 Mendenhall Loop Rd.
Juneau, AK 99801
January 22, 1996

Rep. Richard Foster
House Finance Committee
State Capitol
Juneau, AK 99801

RE: HB 91 Channel Islands State Marine Park

Dear Representative Foster:

As a member of the Juneau Area State Parks Advisory Board and a frequent recreational user of the 13 islands in the proposed Channel Islands State Marine Park, I am writing to encourage you to schedule this bill for a hearing in the House Finance Committee.

These tiny islands have exceptional recreational qualities and are already heavily used by visitors to Southeast and Juneau area residents. Their status as a Marine Park will ensure they are managed for all the public to enjoy.

I encourage you to schedule this bill for a hearing at the earliest possible time.

Sincerely,

Susan E. Schrader

Susan E. Schrader

cc: Rep. Caren Robinson

☆ *Alaska's Finest City*

JUNEAU CHAMBER OF COMMERCE

124 West 5th Street

Juneau, Alaska 99801

Phone (907) 586-6420 FAX (907) 463-5670

May 10, 1995

To: Representative Eldon Mulder
From: Chuck Achberger, Director

Subject: Comments against CSHB 91, the addition of land to marine parks.


The Juneau Chamber of Commerce would like to go on record against the addition of lands in the Juneau area to the Marine Park system.

I have been told by supporters of this bill that the current usage designation for these lands is recreational, and to my knowledge there are no plans for the state to sell this land or change its designation. So why make it a park.

While I have lived in the San Juan Islands and appreciate the Marine Park system that has been created there, I do not see that happening here. Given the current financial situation for the State of Alaska it seems incredible that we would consider creating parks that we can neither complete or maintain. Southeast Alaska is not facing a shortage of coast line for public use.

The only possible purpose for this designation change is to restrict future resource development or sale by the state of these lands. The legislature should give some consideration to the fact, that if money could be raised from the use of this land, then that money may serve a higher common good for the people of Alaska than one more park.

Sincerely,


Chuck Achberger
Director

**Alaska
Wilderness
Recreation &
Tourism
Association**

**P.O. Box 22827
Juneau, AK 99802
Phone (907) 463-3038
Fax (907) 463.3280
E mail awrta@alaska.net**

Representative Mark Hanley
House Finance Committee

April 8, 1996

Dear Representative Hanley,

Several of our members have asked me to contact you regarding HB 91, to establish the Juneau Channel Islands Marine Park. We would like to see the bill pass this session.

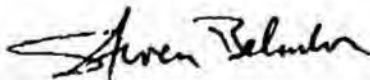
The Alaska Wilderness Recreation and Tourism Association is a statewide group representing 320 members; most are small Alaskan owned tourism operators. Our members in Southeast and the Juneau area see heavy and increasing use of these islands for recreational use, and for nature tourism. They include some of the best accessible areas for kayaking from the Juneau road system. At least one of our members has used Benjamin Island for guided kayak trips.

State Park status would have several benefits. It lets people know the area is special, attracts visitors, and therefore leads to more local commercial opportunities. State parks are very open to commercial use and have a user-friendly permit system. A management plan, and limited expenditures on signs could also help inform and educate recreational users. Park status, rather than limiting use, will actually open these islands to more use by both local residents and visitors. These islands will become increasingly valuable for recreation and commercial tourism over time.

Park designation has been supported by the Juneau Chamber of Commerce and the Juneau area state parks advisory board. This is an opportunity for the legislature to show that it supports local community priorities, recreational uses, and potential economic opportunities in tourism, all at the same time, without committing much money. We think it is a win-win situation.

Our members would very much like to see the legislature take action on this bill this session. Please let me know if we can provide additional information.

Sincerely,



Steven Behnke
Executive Director

cc: Rep. Richard Foster
Rep. Caren Robinson
Rep. Kim Elton
Sen. Jim Duncan
Ken Leghorn, Alaska Discovery
Juneau AWRTA members

BRUCE H. BAKER

P O. Box 211384
Auke Bay, Alaska 99821-1384
(907) 789-9354

March 15, 1996

Representative Richard Foster
and
Representative Mark Hanley
Co-chairs, House Finance Committee
Alaska Legislature
Juneau, Alaska

FAX: 465-3242 & 465-2418

Dear Representatives Hanley & Foster:

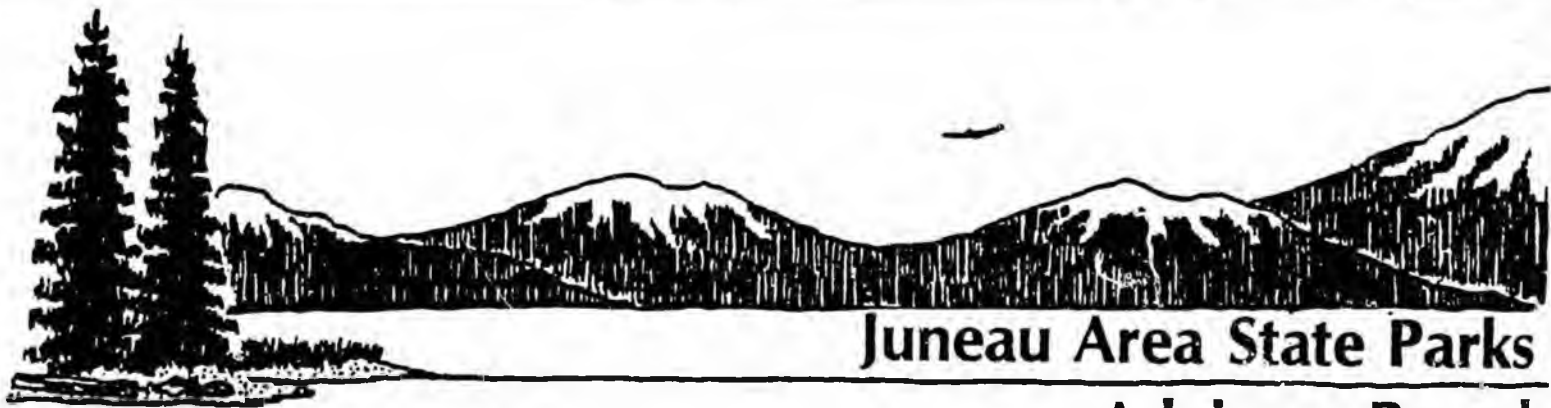
I strongly encourage you to hold a hearing as soon as possible on HB 91, a bill to establish 14 islands in Auke Bay and Lynn Canal as the Juneau Channel Islands State Marine Park. The Juneau City & Borough Assembly passed a resolution supporting this bill, and the vast majority of Juneau residents are in favor of its passage.

Juneau residents use these islands a lot, and this bill will help ensure that the public has continued access to them and is not locked out at some point in the future. These islands also have scenic value for charter boat businesses who operate in Auke Bay and Favorite Channel, and marine park status will have an indirect economic benefit to this sector of the Juneau economy.

Thank you for considering this request.

Sincerely,





Juneau Area State Parks

Advisory Board
400 Willoughby Ave.
Juneau, Alaska 99801

March 8, 1996

Rep. Mark Hanley
House Finance Committee
State Capitol
Juneau, AK 99801

RE: HB 91 ~ Channel Islands State Marine Park

Dear Representative Hanley:

I am writing to you on behalf of the Juneau Area State Parks Advisory Board, whose 15 members represent a broad range of interests and backgrounds united by a shared desire to promote recreation in our State Parks. The Board has been actively seeking passage of House Bill 91 that would establish the Juneau Channel Islands State Marine Park. We encourage you to schedule this bill for a hearing in the House Finance Committee at the earliest possible time.

These tiny islands have exceptional recreational qualities and are already heavily used by visitors to Southeast and Juneau area residents. Their status as a Marine Park will ensure that they are managed for all the public to enjoy, for hiking, camping, beach-combing, hunting, and other such activities.

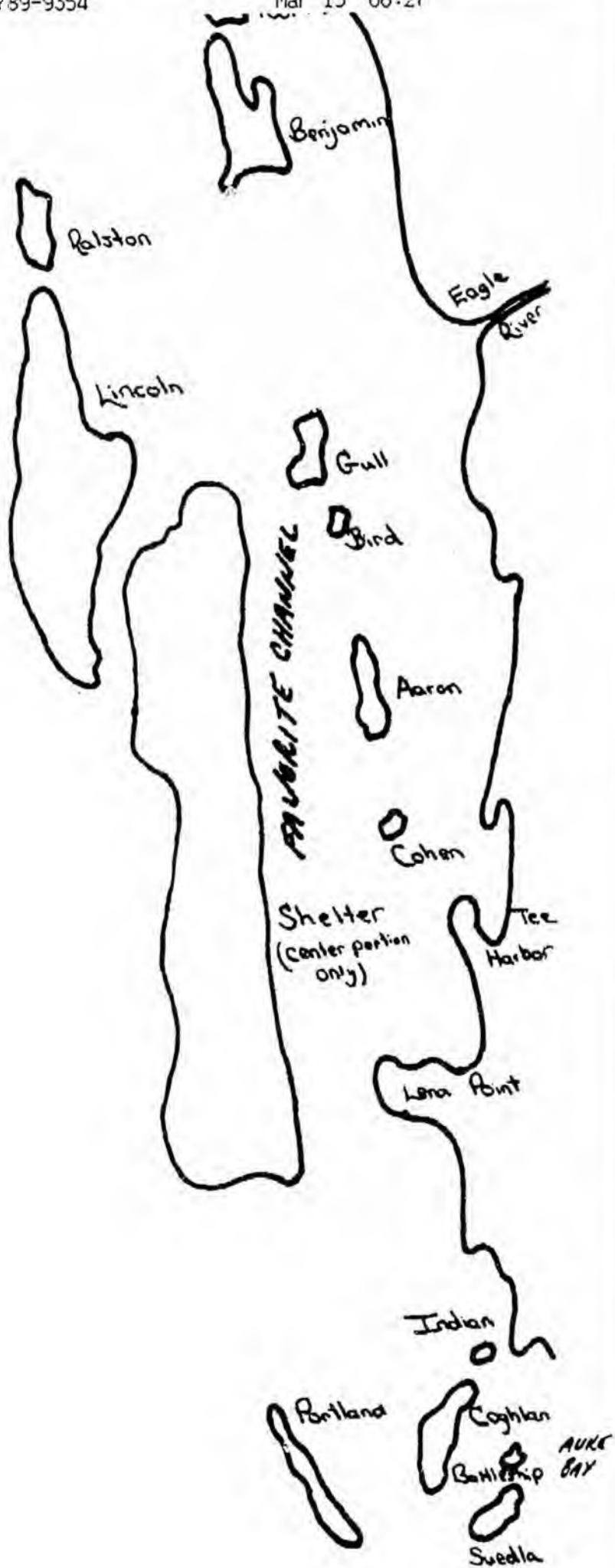
We would like to meet with you to discuss this bill and answer any questions you may have concerning it. To that end, we will be contacting your office within the next week to arrange for a time that is convenient for you. Your attention to this issue is most appreciated.

Respectfully,

Cristi Herren, Chair

cc: Rep. Caren Robinson

**HB 91
CHANNEL ISLANDS
STATE MARINE PARK**



D

HOUSE COMMITTEE REPORT

5/5/95

Finance

(9)

Date Referred: April 13, 1995

FURTHER REFERRALS:

Date of Committee Action: 5-1-95

The RESOURCES Committee considered:

HB 91

HOUSE BILL NO. 91

MARINE PARKS ADDITIONS/CHANGES

"An Act amending the area within designated marine park units of the Alaska state park system, and adding marine park units to the Alaska state park system."

recommends it be replaced with the following committee substitute CS HB 91 (RES) [] the same title [x] a new title

[] additional referral to _____ Committee [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) APPROVES PREVIOUS: (Dept/Date) [] fiscal note(s) [] fiscal note(s)

[] zero fiscal note(s) [x] zero fiscal note(s) DNR 3-30-95

Table with columns: SIGNING WITH RECOMMENDATIONS, DP, DNP, NR, AM. Rows include signatures and names: Nicholson, DAVIES, Williams, Kott, Ogan, Austerman, Green. Includes circled numbers 3, 3, 1.

CHAIR'S SIGNATURE [Signature]

HOUSE COMMITTEE REPORT

4/13/95

(7)

Date Referred: March 30, 1995

FURTHER REFERRALS:

Resources
Finance

Date of Committee Action: April 12, 1995

The STATE AFFAIRS Committee considered:

HB 91

HOUSE BILL NO. 91

MARINE PARKS ADDITIONS/CHANGES

"An Act amending the area within designated marine park units of the Alaska state park system, and adding marine park units to the Alaska state park system."

recommends it be replaced with the following committee substitute _____ [] the same title [] a new title

[] additional referral to _____ Committee
[] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
[] fiscal note(s) _____ [] fiscal note(s) _____

[] zero fiscal note(s) _____ [4 zero fiscal note(s)] DJR (3/30/95)

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Jeannette James</i> James	✓			
<i>Frank Porter</i> Porter	✓		✓	
<i>John Green</i> Green			✓	
<i>Ed Willis</i> Willis	✓			
<i>Scott Ogan</i> Ogan			✓	
<i>Caren Robinson</i> ROBINSON	✓			
	(3)		(3)	

CHAIR'S SIGNATURE *Jeannette James*
James

HOUSE COMMITTEE REPORT

3/30/95

(7)
Date Referred: January 17, 1995

FURTHER REFERRALS:

State Affairs
Resources
Finance

Date of Committee Action: 2/29/95

The TRANSPORTATION Committee considered:

HB 91

HOUSE BILL NO. 91

MARINE PARKS ADDITIONS/CHANGES

"An Act amending the area within designated marine park units of the Alaska state park system, and adding marine park units to the Alaska state park system."

recommends it be replaced with the following committee substitute _____ [] the same title [] a new title

[] additional referral to _____ Committee
[] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
[] fiscal note(s) _____ [] fiscal note(s) _____

[/] zero fiscal note(s) AWR _____ [] zero fiscal note(s) _____

SIGNING WITH RECOMMENDATIONS	DP	DNP	NR	AM
<i>Eileen P. Maclean</i> maclean			✓	
<i>W. William Williams</i> Williams	.		✓	
<i>W. Bruce</i> BRICE			✓	
<i>E. Davis</i> E. DAVIS	.		✓	
			(4)	

CHAIR'S SIGNATURE *E. Davis*
E. DAVIS

HB

92

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: Feb. 10, 1995

FURTHER REFERRALS:

Date of Committee Action: 2/28/95

The FINANCE Committee considered:

HB 92

HOUSE BILL NO. 92

EXTEND FOSTER CARE REVIEW PANEL

"An Act extending the termination date of the Citizens' Review Panel for Permanency Planning; and providing for an effective date."

recommends it be replaced [] the same title
 with the following committee substitute _____ [] a new title

[] additional referral to _____ Committee
 [] attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) _____ APPROVES PREVIOUS: (Dept/Date) _____
 [] fiscal note(s) _____ [] fiscal note(s) _____

~~zero~~ fiscal note(s) HFC for _____ [] zero fiscal note(s) _____
DOA

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Mark Hanley</i>	Hanley	X			
<i>Gordon Mulder</i>	Mulder			X	
<i>Sean Parnell</i>	Parnell	X			
<i>Vic Kohring</i>	Kohring	X			
<i>Ben Grossendorf</i>	Grossendorf	X			
<i>Paul Brown</i>	Brown	-			
<i>Pete Kelly</i>	Kelly			✓	
<i>Gene Theriault</i>	Theriault			X	
<i>Mike Navarre</i>	Navarre	X			
<i>Richard Foster</i>	Foster	X			

CHAIR'S SIGNATURE *Mark Hanley* *Richard Foster*

FISCAL NOTE

STATE OF ALASKA
1995 LEGISLATIVE SESSION

BILL NO. HB 92

Revision Date:
Title: Extending the termination date of the Citizen's
Review Panel for Permanency Planning
Sponsor: House HESS
Requestor: _____

Dept. Affected Administration
BRU: Office of Commissioner
Components: Permanency Planning
Serial # 1888

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	0.0	0.0	0.0	0.0	0.0	0.0
Federal Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS :

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Funding is included in the FY 96 Proposed Operating Budget.

Prepared by:

House Finance Committee

Date: 2/29/95

Rep. Mark Hanley, Co-Chair

Phone: 465-4939

Rep. Richard Foster, Co-Chair

Phone: 465-3789

RECOMMENDATIONS

The Anchorage Citizen's Review Panel for Permanency Planning is directed by statute to advise the legislature of its "recommendations for program improvement, including recommendations relating to state agencies."

Therefore the Citizens' Panel makes the following recommendations:

Re: CITIZENS' REVIEW PANEL FOR PERMANENCY PLANNING

1. The legislature should extend the panel's termination date to June 30, 1997 with the provision that sufficient funds be appropriated to allow the pilot project in Anchorage to perform reviews that can be used to evaluate the economic feasibility and rate of success for citizen's reviews.
2. AS 47.10.080 (1) should be amended to permit the court, at its discretion, to allow the 18 month permanency planning hearings to be held before the citizen review panels. Public Law 96-272, on which this statute is based, allows such hearings to be held either before a court of competent jurisdiction or an administrative body approved by the court. Review panels could provide a significant service in conducting these reviews and submitting their findings to the court.

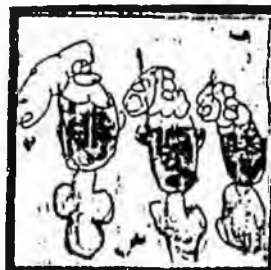
Re: DIVISION OF FAMILY AND YOUTH SERVICES

3. The legislature should limit the total number of cases a DFYS worker can carry, and authorize budget numbers that reflect those limits.
4. The legislature should mandate that the DFYS budget adequately reflects the need to hire and retain adequate number of qualified, competent and committed social workers. DFYS should be exempt from hiring freezes and reductions, unless justified by lowered case numbers.
5. The legislature should mandate a DFYS budget that provides for adequate support services to social workers, from paralegals, case aides, travel aides, etc., thus allowing the social workers time to provide intensive reunification and placement services for children in out-of-home care. It is a waste of state monies to pay persons in pay range 16 to do tasks that could be done by employees in range 9-12.
6. The legislature should ensure that DFYS has funding for basic case management electronic equipment, which would cut down on hours spent in record-keeping, form-completion and report-writing.

7. DFYS social workers should be authorized to work flexible hours to ensure that they are available on some evenings and weekends.
8. DFYS and the citizen panel should continue to work together to transfer the current DFYS administrative reviews into the citizen review system.

Re: PARENT TREATMENT PROGRAMS

9. The legislature should fully fund or provide generous assistance to substance abuse evaluation and treatment programs throughout the state. No parent who is ready to engage in evaluation and treatment should have to be wait-listed.



FISCAL NOTE

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

BILL NO HB 92

Revision Date: _____ Dept. Affected: Administration
 Title: "An Act extending the termination date of the BRU: Office of the Commissioner
Citizen's Review Panel for Permanency Planning..." Component: Permanency Planning
 Sponsor: House HESS
 Requestor: Rep. Toohey COMPONENT SERIAL NO. 1888

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	136.6	142.6	148.8	0.0	0.0	0.0
TRAVEL	1.0	1.0	1.1	0.0	0.0	0.0
CONTRACTUAL	18.0	18.8	19.6	0.0	0.0	0.0
SUPPLIES	3.5	3.7	3.8	0.0	0.0	0.0
EQUIPMENT	11.5	0.5	0.5	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	170.6	166.6	173.9	0.0	0.0	0.0

CAPITAL EXPENDITURES						
----------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	170.6	166.6	173.9	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
Total	170.6	166.6	173.9	0.0	0.0	0.0

Estimate of current year (FY 95) cost: \$ 65.0

POSITIONS:

FULL-TIME	3	3	3	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)
 (Please see attached)

Prepared by: Sharon Barton, Director Phone: 465-5655
 Division: Administrative Services Date: _____
 Approved by Commissioner: Mark Boyer Date: 2/3/95
 Agency: Department of Administration

HB 92 would extend the life of the Citizen's Review Panel for Permanency Planning until June 30, 1997. Under AS 44.66.010 (b), the review panel could remain in existence until June 30 of the succeeding year (1998) for the purpose of concluding its affairs. The fiscal note assumes the office would remain open until June 30, 1998.

Personal services costs are based on two full time Social Worker II positions and one Administrative Assistant II position.

Travel will consist of one or two trips between Anchorage and Juneau.

Contractual costs are comprised of office lease expense and telephone expenses.

Supplies costs are comprised of miscellaneous office supplies expenses.

First year equipment includes office and computer equipment. These start up costs are necessary because the pilot program has been operating for the past eighteen months with office furniture (personal property) on loan from the former Deputy Commissioner. Computers obtained from state surplus are barely functional and are so old they cannot run current software. If the program is to be continued these basic items must be purchased. FY 97 and FY 98 equipment would cover miscellaneous equipment expenses.

FY95 funding runs out about March 15, 1995. The current plan calls for shutting down the program and laying off staff on that date. If the program is to be continued supplemental funding for FY95 in the amount of \$65.0 would be necessary.

ALASKA STATE LEGISLATURE

LEGISLATIVE BUDGET AND AUDIT COMMITTEE

Division of Legislative Audit



P. O. Box 113300
Juneau, AK 99811-3300
(907) 465-3830
FAX (907) 465-2347

September 1, 1993

Members of the Legislative Budget
and Audit Committee:

In accordance with the provisions of Title 24 of the Alaska Statutes, the attached report is submitted for your review.

DEPARTMENT OF ADMINISTRATION CITIZENS' REVIEW PANEL FOR PERMANENCY PLANNING

September 1, 1993

Audit Control Number

02-1420-93

The audit reports on whether the Citizens' Review Panel for Permanency Planning (the panel) should continue its existence. Currently AS 44.66.010 has the panel scheduled for termination on June 30, 1994 and provides the panel with a year in which to conclude its affairs. We recommend that the legislature extend the panel's termination date to June 30, 1997 with the provision that sufficient funds be appropriated to allow the pilot project in Anchorage to perform reviews that can be used to evaluate the economic feasibility and rate of success for citizens' reviews.

The audit was conducted in accordance with generally accepted government auditing standards. Fieldwork procedures utilized in the course of developing the findings and discussion presented in this report are discussed in the Objectives, Scope, and Methodology section of this report.

Handwritten signature of Randy S. Welker in cursive.

Randy S. Welker, CPA
Legislative Auditor

FINDINGS AND RECOMMENDATIONS

Recommendation No. 1

The legislature should extend the Citizens' Review Panel for Permanency Planning's (the panel's) termination date to June 30, 1997 with the provision that sufficient funds be appropriated to allow the pilot project in Anchorage to perform reviews that can be used to evaluate the economic feasibility and rate of success for citizens' reviews.

Although the enabling legislation for the establishment of citizens' review panels was passed in 1990, the Department of Administration (DOA) originally made a decision to not implement the panels. It has only been in fiscal year 1994, the year the panels are scheduled to sunset, that DOA is implementing pilot panels in one Alaskan city, Anchorage. Because the panels were never established, there are no activities to analyze to determine the panels' effectiveness.

The Department of Health and Social Services (DHSS), Division of Family and Youth Services (DFYS) has been performing permanency planning reviews to meet federal requirements. However, as explained in the Analysis of Public Need section of this report, we do not find DFYS' internal reviews fulfilling the entire objectives of the State's statutes, which establish an external review process. Alaska Statute 47.10, Article 5 specifically creates a Citizens' Review Panel for Permanency Planning and prescribes the duties, appointments, and reporting requirements of the panels.

There also remains a perception among foster care providers, guardians ad litem, court system personnel, and the general public that DFYS' internal reviews do not achieve real permanency planning for children and there continues to be widespread support for citizens' review panels. Because of this perceived need, we believe that the Anchorage pilot project in citizens' panels should be continued until June 1997 to gather data to determine the panels' effectiveness. The pilot project needs to implement a system that meets federal requirements and achieves real permanency planning for children. Effectiveness can be measured by the length of time children remain in foster care and by savings associated with children no longer being part of the foster care system.

If the data from the pilot project shows that citizens' review panels are effective, then decisions need to be made on whether and how to expand the panels to other regions in Alaska. Also, if the citizens' reviews prove to meet federal requirements, DFYS will be able to stop their internal review process and concentrate their resources on case management. DOA should pursue the possibility of receiving federal funding for the activities of the citizens' panels.



Trial Courts

State of Alaska

THIRD JUDICIAL DISTRICT

303 K Street

ANCHORAGE, ALASKA 99501-2083

WILLIAM D HITCHCOCK
Master Trial Courts

February 8, 1995

Representative Cynthia Toohey
Alaska State Legislature
State Capitol
Juneau, AK 99801

Re: HB 92

Dear Representative Toohey:

I am writing in support of the above legislation which would extend the sunset period for the Citizens' Review Panel for Permanency Planning to 1997. The views expressed herein are solely my own and do not necessarily represent the official position of the Alaska Court System. They are drawn both from my experience in hearing children's proceedings over the past fourteen years, as well as my involvement on the board of the National Association of Foster Care Reviewers.

Citizen review came into being in Alaska in 1990 as a result of mounting concerns that children in the dependency system were drifting in foster care and that responsive permanent plans were not being developed for them. Review by impartial and independent panels was felt to provide the kind of accountability mechanism needed to lead to better outcomes for these children.

Because of the lack of funding to implement these programs statewide, there has been much discussion about either abolishing or radically altering the structure of the review process. There are those who argue that the need for case review can be met by a combination of administrative review boards within DHSS and judicial review. Others maintain that placing independent reviewers on DHSS internal review committees would be sufficient.

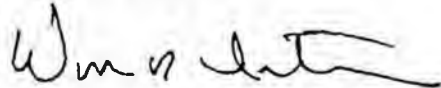
Despite some of the good changes that have been made in the child welfare system over the years since citizen review was passed, it is still my belief that independent periodic case review is still a necessary component to an integrated system of child welfare services. I firmly believe that the internal review process within the Department lacks the independence necessary to insure quality results.

The Anchorage Citizen Review Board project has been in operation for about a year now. It is time to look at the experience of that program and some of the data collected and decide on what the future course for citizen review should be. I think we do need to reexamine the statutory framework and determine if it best meets the needs of today's system, particularly in the area of the interrelationship among citizen review, internal administrative review and judicial review.

These things need to be done with the existing statutory authority still in place. Extending the sunset provision would allow that to happen and would allow a rational and well-planned retailoring of the review system if that is needed. Letting it lapse will only insure that the entire concept will disappear.

I thank you for taking the time to consider my comments.

Sincerely,

A handwritten signature in dark ink, appearing to read "Wm D Hitchcock". The signature is fluid and cursive, written in a professional style.

William D. Hitchcock
Master, Children's Court

Sec. 47.10.400. Citizens' review panel for permanency planning. (a) There is created in the Department of Administration the Citizens' Review Panel for Permanency Planning. The state panel consists of five voting members appointed by the governor from among present members of local citizen review panels established under AS 47.10.420. The governor shall appoint at least one voting state panel member from each judicial district. The governor may not appoint a person who has committed a felony or violated AS 11.51.130 or a law with substantially similar elements. The panel also includes the following five nonvoting members who serve ex officio or their designees: the commissioner of health and social services, the director of the office of public advocacy, the attorney general, the public defender appointed under AS 18.85.030, and the chief justice of the Alaska Supreme Court.

(b) Appointed members of the state panel serve at the pleasure of the governor for staggered terms of three years or until their successors are appointed.

(c) The voting members of the state panel shall elect from among the voting members a chair who shall serve for one year. Three voting members of the state panel constitute a quorum for the transaction of business. The panel may not take official action without the affirmative vote of at least three of its members.

(d) Members of the state panel are entitled to reimbursement for actual expenses necessary to perform their duties as state panel members. The reimbursement may not exceed the amount of per diem and expenses authorized for boards and commissions under AS 39.20.180.

(e) The state panel shall meet twice annually. Meetings may take place telephonically.

(f) The state panel may employ a program coordinator who shall serve at the pleasure of the state panel. The program coordinator shall employ staff as necessary to carry out the program coordinator's duties under state panel directives and to provide clerical assistance to local panels. (§ 2 ch 117 SLA 1990)

Cross references. — For terms of initial appointees to the review panel, see § 7, ch. 117, SLA 1990 in the Temporary and Special Acts.

Sec. 47.10.410. Duties of the state panel. The state panel shall

(1) by regulation adopt policies and procedures to carry out its duties and to govern the performance of the duties of the local panels established under AS 47.10.420;

(2) ensure that local panel members receive the minimum level of training necessary to effectively carry out their duties;

I. OVERVIEW OF REVIEW SYSTEMS

A. PURPOSE OF FOSTER CARE REVIEW

The purpose of foster care review is to assure that children do not linger unnecessarily in foster care, but rather that they receive the support and benefits of a permanent home. Permanence is defined as a home which holds together during crisis and provides a lasting, trusting, and nurturing environment. The return of the child to the biological family is the ideal permanent goal; however, when this is not possible, the goal becomes to place the child in another stable, permanent home.

B. IMPORTANCE OF REVIEW SYSTEMS

1. Impact of Foster Care on Children

Children need the stability and support of a permanent home and family in order to grow and flourish; they need the sense of lifelong belonging and continuity that only a permanent home can provide. Children in foster care represent a huge potential loss in both financial and human terms.

It is estimated that almost half a million children pass through state foster care systems in this country every year. In fiscal year 1985, for example, federal government figures show that an average of 108,000 children were in foster care in any given month. The foster care system places a financial burden on U.S. taxpayers that was estimated at \$2 billion. The cost in human potential was- and remains- inestimable, since research indicates a direct correlation between child abuse and neglect and later juvenile delinquency and adult criminality.

When a child is placed in foster care, it is intended to be a short-term solution to an emergency situation. In the past, however, all too often foster care placements resulted in the child being destined to obscurity within the child welfare system. The ideal of assuring a permanent home for every child fell by the wayside while the child was set adrift among different foster families and group homes. The child's vital developmental years were lost, since he was neither free to return home to his natural parents nor eligible to be adopted by a new and permanent family.

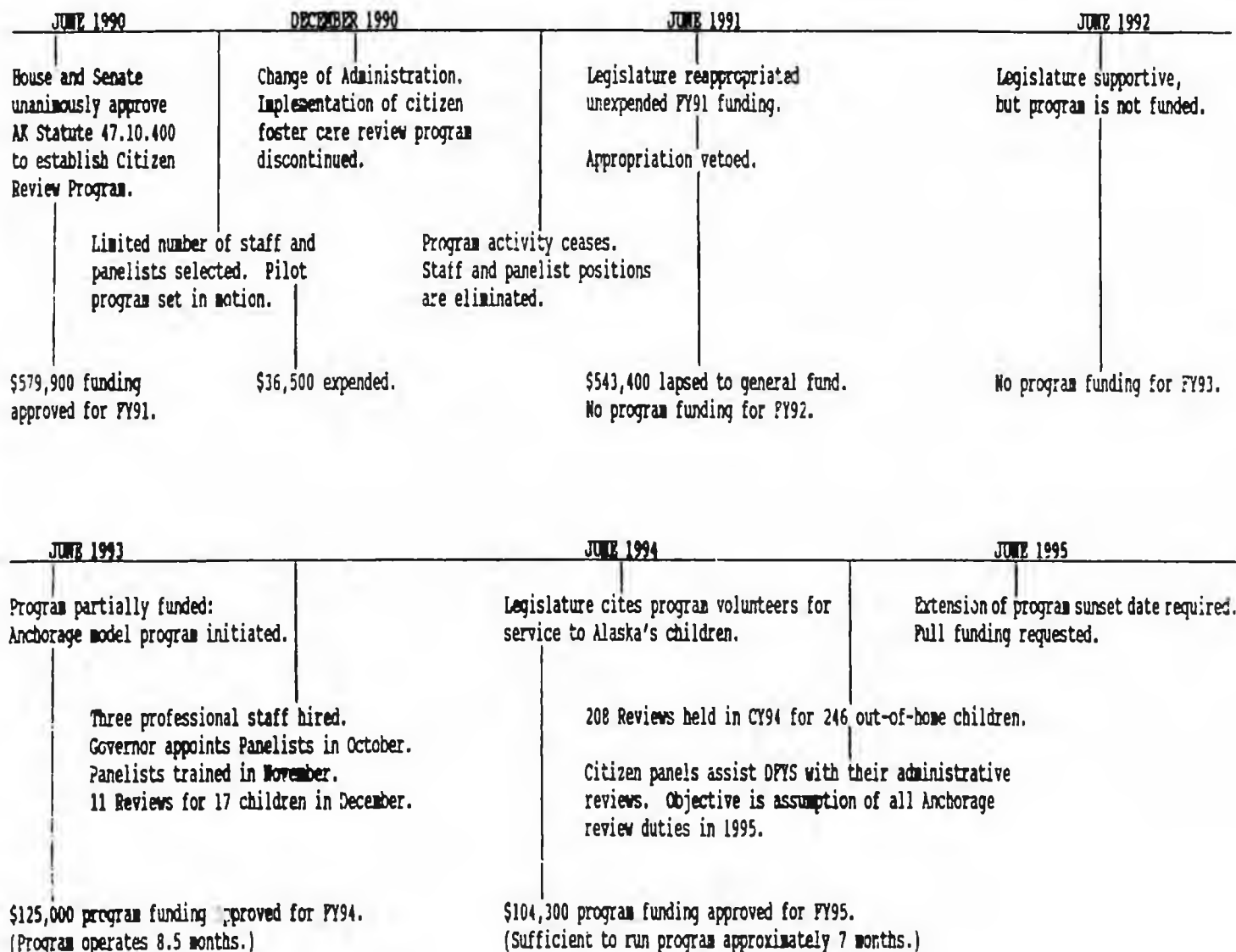
Throughout the 1970's, judges, social workers, attorneys and child advocacy groups began to recognize that the U.S. foster care system was failing to respond to the needs of many abused and neglected children and their families. Many children were "adrift" in the system without regular or timely review of their placement. Crowded court calendars and understaffed child welfare agencies were contributing to an increase in the number of children and lengths of time spent in substitute care.

Concern for children lingering unnecessarily in foster care continued to mount throughout the decade. Among solutions proposed by child advocacy organizations were the comprehensive implementation of permanency planning case work and foster care placement monitoring through regular case reviews. A new resource was also identified to help monitor foster care children and to advocate on their behalf: citizen volunteers.

*(from South Carolina which has had a
citizens review system in place since 1971)*

HISTORY

Alaska Statute 47.10.400, which became effective July 1, 1990 established the Citizens' Review Panel for Permanency Planning under the aegis of the Department of Administration. The bill passed unanimously in both houses and funding of \$579,900 was provided. Due to a change in administration and a desire on the part of DHSS to continue their internal review system, the Citizens Review was not put into place until FY94, when funding of \$125,000 was used to set up a model program in Anchorage, where half of Alaska's foster children are in care. This is the program which is now operating successfully.



CITIZEN'S REVIEW PANEL FOR PERMANENCY PLANNING
ANNUAL REPORT TO THE LEGISLATURE
JANUARY 1994

STATE OF ALASKA
WALTER J. HICKEL, GOVERNOR
DEPARTMENT OF ADMINISTRATION

900 West Fifth Avenue Suite 710 Anchorage, Alaska 99501
Telephone: 907/258-6104 FAX number: 907/258-1651

CITIZENS' REVIEW PANEL FOR PERMANENCY PLANNING

MISSION STATEMENT

As stated in the findings and purpose section of Alaska Statute 47.10.400, the Citizens' Review Panel for Permanency Planning has a twofold mission:

1. to establish a process to ensure that children do not linger unnecessarily in out-of-home placements; and,
2. to reunite children with their families by advocating for available and appropriate services to promote reunification, or if the reunification is not in the best interest of the child, to ensure that the child is placed in a secure, permanent home as expeditiously as possible.

CITIZENS' REVIEW PANELS FOR PERMANENCY PLANNING
SUMMARY OF ACTIVITY
Fiscal Year 94

The Legislature appropriated \$125,000 for FY94 for the Citizens' Review Panels, a program that provides for external reviews of children in out-of-home placement in the interest of determining a permanent placement. Permanent placement could mean unification with family, adoption, emancipation, or extended out-of-home care.

Planning for implementation began prior to the beginning of the fiscal year. Information from other states was gathered and reviewed to find programs that could be tailored to fit Alaska's situation. The final product uses parts from several states. The program is in Anchorage where half of the children in out-of-home care reside. It was designed to be a model program so that expansion could more easily occur should other funding become available. Since reviews will take place only in Anchorage, the administrative members of the state-wide panel became an advisory board. This avoided the necessity of appointing local panels in an area where citizen reviews would not take place and saved time and expenses for travel of the state-wide panel.

Roberley Waldron supervises the program. The Governor's office was asked to appoint twenty or more citizen panelists. Twenty-one members were appointed and currently there are 15 active panelists.

The program has progressed as follows:

- * The advisory board met several times to plan for implementation.
- * A contract was negotiated with a social worker-attorney to devise procedures, forms, etc. to meet all state and federal standards.
- * The list of panelists was received from the Governor's office on October 29, 1993.
- * An administrative assistant and social worker III were hired in October, a social worker II in November.
- * Training of panelists was accomplished in November and the list of children to be reviewed was received.
- * Seventeen children were reviewed in December.
- * Twenty-six children have been referred for review in January.

Comments from all associated parties regarding the process have been very favorable. The foster parents are particularly pleased to be included. Several calls have been received from parents asking that their child be reviewed by the panel (referrals are received from the court).

Here is a sample statement from a foster parent regarding her participation in the review process: "This is my first opportunity to comment to the review process. One concern I would like to share is the value of keeping the foster parents apprised of the

status of the case plan. (Child's name) lives in our home. She is a member of our family at this point and we love her. We are concerned about her and work to better her future through DFYS. We think of foster parenting as a team effort and appreciate being included in decisions that touch our lives to the core."

A Social worker wrote in her evaluation, "The panel opened up in my mind a potential resource to further explore for this child."

The review process is complex. A great deal of time and effort is spent in gathering information from the Division of Family and Youth Services (DFYS) files and prepared report for the panelists. At times the information is incomplete which is a deterrent to a good review. It takes about three hours to gather material at DFYS, at least two hours to write a summary of the material to be sent to the panels, and the actual citizens' review requires about one and one-half hours. The panelists and staff are extremely conscientious and take their responsibilities very seriously.

At the end of the fiscal year, OMB will review the data from the external reviews and compare with data from DFYS. At that time, it can be better determined what effect the external reviews are having. During the short period in operation, the staff and advisory board have become convinced that the external review could replace some of the reviews currently done by DFYS. They currently have three types of reviews. The citizen reviews meet the federal guidelines and could replace those reviews required by the federal government (Title 4-E). If that should happen, the funding provided by the federal government should follow the review.



NASW

ALASKA CHAPTER

National Association of Social Workers

Executive Director
Angela Salerno, ACSW

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Kodiak

STUDENT REPRESENTATIVE
Diane Talbot
Anchorage

February 8, 1995

Representative Cynthia Toohey
State Capitol
Room 104
Juneau, AK 99801-1182

Dear Representative Toohey:

The National Association of Social Workers Alaska Chapter fully supports HB 92 which would provide for the continuation of the Foster Care Citizen's Review Panel for permanency planning in Alaska. NASW strongly advocated for the development of this review board, and continues to urge utilization as a proven method of enhancing the effectiveness of the child protection system. We believe that through this type of review, Alaskan children now growing up in out-of-home care will have a better chance at being reunited with their families, or in finding a permanent adoptive home.

Please feel free to call me with questions.

Sincerely,

Angela M. Salerno, ACSW
Executive Director, NASW Alaska Chapter

CITIZENS' REVIEW PANEL
FOR PERMANENCY PLANNING

ANNUAL REPORT

JANUARY 1995

STATE OF ALASKA
TONY KNOWLES, GOVERNOR
DEPARTMENT OF ADMINISTRATION

900 West Fifth Avenue Suite 710 Anchorage, Alaska 99501
Telephone: 907/258-6104 FAX number: 907/258-1651

THE REVIEWERS

Twenty-three Anchorage-area citizens have volunteered their time, with no compensation, to read voluminous reports in their evening hours and to take time off from work at least one day a month in order to act as advocates for children through the citizen review process. Our records indicate that these panelists have provided the State of Alaska with 1651 volunteer hours, having a dollar value of over \$41,000. More important than their financial contribution is the panelists' compassion, common sense, and wisdom, which has prompted such comments as:

"The review was reassuring to us that the system is not robotic; there are real people helping keep cases moving."

FOSTER MOTHER

"What I see as helpful is the review panel's position as watchdog over the entire process and the agencies and parties involved."

COURT APPOINTED SPECIAL ADVOCATE

"They were very supportive of my position, trying to hold our family together and supportive of my daughter's needs."

MOTHER

"They opened up in my mind a potential resource to further explore for this child."

DFYS SOCIAL WORKER

CITIZEN REVIEWERS ARE:

Mothers Fathers Single parents
Married Remarried Widowed Divorced
Caucasian Alaskan Native African American
Former Foster Parents Social Workers CASAs
Teachers Attorneys Bankers Authors
Students Private Sector Public Sector Retired
Community Service Providers Health Care Providers
Therapists Community Advocates Volunteers

HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE

ALASKA STATE LEGISLATURE
HOUSE OF REPRESENTATIVES



STATE CAPITOL, JUNEAU 99801
(907) 465-3759

SPONSOR STATEMENT

HOUSE BILL 92

"An Act extending the termination date of the Citizens' Review Panel for Permanency Planning"

House Bill 92 would extend the termination date of the Citizens' Review Panel for Permanency Planning to 1997. This would be in accordance with the recommendation of the Division of Legislative Audit which completed an audit in September of 1993.

The enabling legislation had bi-partisan support and passed both the House and the Senate unanimously in 1990. It established an external citizens' review process in order to ensure that children do not languish in out-of-home placements, but receive the benefits of a permanent home. The goal of the act was to reunite children with their families, but in those cases where reunification was not in the best interest of the child, the process would more expeditiously place the child in a secure, permanent home.

DOA originally made a decision not to implement the panels. It has only been since FY94 that DOA is implementing pilot panels in Anchorage, so there is not yet adequate information to analyze the panels' effectiveness. External citizens' reviews have only been on-going as a model project since mid-December of 1993. Although functional for just a short period of time the panel has submitted two annual reports to the legislature.

According to the reports, public acceptance of the external review process has been excellent. The office has received numerous calls from parents requesting that their child be reviewed by the citizens' review panels. Foster parents have stated they appreciate being a part of the external review process. The office has been able to provide assistance to Native village councils regarding some procedures.

Citizen Review Panels are in existence in 25 states. It has been shown that not only can children spend less time in out-of-home placements, but cost-savings can result. Your support would be appreciated.

Shenick's

PERMANENCY PLANNING PANELS

DFYS the state's system for serving and protecting abused and neglected children is **overworked, understaffed, inadequately funded**

Of necessity clerical and non-professional tasks are assigned to social workers, while essential services to children go unmet. A basic lack of computers means that information about children in need is often kept on scraps of paper until the social worker can schedule time on the supervisors computer to input data.

There has been widespread support for Citizen Review among:

foster care providers
guardians ad litem
court system personnel
the legislature and
the general public.

- 1990 House and Senate **unanimously** establish program.
\$579,000 approved for state-wide implementation.
- 1991 Hickel Administration fails to implement program.
Legislature re-appropriates funding.
- 1992 Administration again fails to implement program.
Funding lapses to the General Fund.
- 1993 No program funded.
- 1994 Legislature continues to see a need for citizen review for permanency planning.
\$125,000 approved for pilot project in Anchorage where half of Alaska's Foster children are in care.
- 1995 Legislature reduces funding to \$104,300 adequate to run the program for approximately seven months.
Supplemental request for \$48,000 to continue the program through the fiscal year.

Foster Care Review Boards currently operate in more than 25 states with a good record of success.

Kentucky :a child's average stay in foster care has **dropped** from 4.2 to 1.8 years

South Carolina :increased the number of children leaving foster care **within the first year of placement** from 4.8% to 33%.

New Jersey : decreased their foster care caseloads from 13,000 children to 6800 in four years.

the panel's effectiveness measured by the length of time children remain in foster care and by savings associated with children no longer being part of the foster care system.

The average foster care payments for each child in out-of-home-care is \$6900. Additional expenses include medical care, counseling and administrative costs.

Since December 1993, **23 citizens have volunteered 1651 hours with no compensation** to act as advocates for children through the citizen review process. 258 reviews have been conducted for 263 children.

Citizen panels assist DFYS with their required administrative review with a goal of assuming those duties, **freeing DFYS social workers to provide services to children and parents.**

However great the financial impacts on the state are dwarfed by the toll on the child's life by the trauma of temporary placement.

As a result of family preservation efforts children coming into out-of-home placement in the 1990's are coming from **significantly dysfunctional families** and have the least chance of reunification.

In Anchorage **86%** of children who have been in foster care six months will still be in foster care a year after placement. Many children in state custody six months have experienced two or more removals from home. **One eleven-year old had twenty documented placements.**

Through efforts of the Review staff, a number of "missing" parents have been located and re-involved in planning for the child.

Citizens review is particularly careful to take into account the **Alaska Native heritage of nearly half the children reviewed.** Notifications are sent to all the village and tribes with a relationship to the child. Translators are used so village elders can participate.

WE URGE YOU TO SUPPORT CONTINUATION AND EXPANSION OF THE CITIZEN REVIEW PANELS FOR PERMANENCY PLANNING NOT ONLY BECAUSE THEY CAN RESULT IN SAVINGS IN STATE SPENDING BUT TO PROMOTE BETTER OUTCOMES FOR CHILDREN IN STATE CUSTODY.

HB

92

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/14/95

REPORTED OUT OF
SEC 3-21-95

FURTHER:

DATE TURNED INTO OFFICE: 3/21/95

Jim

Finance Committee considered HOUSE BILL NO. 92

"An Act extending the termination date of the Citizens' Review Panel for Permanency Planning; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____
- adopt previous _____ CS _____
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to the _____ Committee

- Senate Bill:**
- same title
 - new title
- House Bill:**
- same title
 - technical change
 - new: SCR# _____

SIGNING DO PASS	DP	OTHER RECOMMENDATIONS	NR	DNP	AM
<i>Steve Rin</i>	✓	<i>David Doney</i>	✓		
<i>Roll & Co</i>	✓	<i>Bob [unclear]</i>	✓		
Co-Chair: <i>Rick Halford</i>	✓				
Co-Chair: _____					

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

DOA	3/3/95	.	\$170.6

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

No. 1
 Bill Version: HB 92
 (H) Publish Date: 2/10/95

FISCAL NOTI

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

BILL NO HB 92

Revision Date: _____ Dept. Affected Administration
 Title: "An Act extending the termination date of the BRU: Office of the Commissioner
Citizen's Review Panel for Permanency Planning..." Component Permanency Planning
 Sponsor: House HESS
 Requestor: Rep. Toohey COMPONENT SERIAL NO. 1888

Expenditures/Revenues (Thousands of Dollars)

OPERATING EXPENDITURE	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	136.6	142.6	148.8	0.0	0.0	0.0
TRAVEL	1.0	1.0	1.1	0.0	0.0	0.0
CONTRACTUAL	18.0	18.8	19.6	0.0	0.0	0.0
SUPPLIES	3.5	3.7	3.8	0.0	0.0	0.0
EQUIPMENT	11.5	0.5	0.5	0.0	0.0	0.0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	170.6	166.6	173.9	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	170.6	166.6	173.9	0.0	0.0	0.0
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
Total	170.6	166.6	173.9	0.0	0.0	0.0

Estimate of current year (FY 95) cost: \$ 65.0

POSITIONS:

FULL-TIME	3	3	3	0	0	0
PART-TIME	0	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)
 (Please see attached)

Prepared by: Sharon Barton, Director Phone: 465-5655
 Division: Administrative Services Date: _____
 Approved by Commissioner: Mark Bover Date: 2/3/95
 Agency: Department of Administration

PREPARER TO PROVIDE ALL DISTRIBUTION COPIES TO GOVERNOR'S LEGISLATIVE OFFICE
 For further distribution information call the Governor's Legislative Office

HB 92 would extend the life of the Citizen's Review Panel for Permanency Planning until June 30, 1997. Under AS 44.66.010 (b), the review panel could remain in existence until June 30 of the succeeding year (1998) for the purpose of concluding its affairs. The fiscal note assumes the office would remain open until June 30, 1998.

Personal services costs are based on two full time Social Worker II positions and one Administrative Assistant II position.

Travel will consist of one or two trips between Anchorage and Juneau.

Contractual costs are comprised of office lease expense and telephone expenses.

Supplies costs are comprised of miscellaneous office supplies expenses.

First year equipment includes office and computer equipment. These start up costs are necessary because the pilot program has been operating for the past eighteen months with office furniture (personal property) on loan from the former Deputy Commissioner. Computers obtained from state surplus are barely functional and are so old they cannot run current software. If the program is to be continued these basic items must be purchased. FY 97 and FY 98 equipment would cover miscellaneous equipment expenses.

FY95 funding runs out about March 15, 1995. The current plan calls for shutting down the program and laying off staff on that date. If the program is to be continued supplemental funding for FY95 in the amount of \$65.0 would be necessary.

FISCAL NOTE

J. 2
 Bill Version: HB 92
 (H) Publish Date: 3/3/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

B.

Revision Date: _____
 Title: Extending the termination date of the Citizen's
 Review Panel for Permanency Planning
 Sponsor: House HESS
 Requestor: _____

Dept. Affected Administration
 BRU: Office of Commissioner
 Components: Permanency Planning
 Serial # 1888

EXPENDITURES/REVENUES: (THOUSANDS OF DOLLARS)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants, Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL	0.0	0.0	0.0	0.0	0.0	0.0
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REVENUE	0.0	0.0	0.0	0.0	0.0	0.0
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FUNDING: (THOUSANDS OF DOLLARS)

General Fund	0.0	0.0	0.0	0.0	0.0	0.0
Federal Fund	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

Full-Time	0	0	0	0	0	0
Part-Time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (ATTACH A SEPARATE PAGE IF NECESSARY)

see attached analysis

Funding is included in the FY 96 Proposed Operating Budget.

Prepared by:

House Finance Committee

Rep. Mark Hanley, Co-Chair

Rep. Richard Foster, Co-Chair

Date: 2/29/95

Phone: 465-4939

Phone: 465-3789

COMMITTEE COPY

03/10/95

HOUSE JOURNAL

PAGE 0703

PASSAGE. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

HB 92 WAS READ THE THIRD TIME.

THE QUESTION BEING: "SHALL HB 92 PASS THE HOUSE?" THE ROLL WAS TAKEN WITH THE FOLLOWING RESULT:

HB 92
THIRD READING
FINAL PASSAGE

YEAS: 35 NAYS: 0 EXCUSED: 5 ABSENT: 0

YEAS: AUSTERMAN, BARNES, BRICE, BROWN, BUNDE, DAVIES, G.DAVIS, ELTON, FINKELSTEIN, GREEN, GRUSSENDORF, HANLEY, IVAN, KELLY, KOHRING, KOTT, KUBINA, MACKIE, MACLEAN, MARTIN, MASEK, MOSES, MULDER, NAVARRE, NICHOLIA, OGAN, PHILLIPS, PORTER, ROKEBERG, SANDERS, THERRIALT, TOOHEY, VEZEY, WILLIAMS, WILLIS
EXCUSED: B.DAVIS, FOSTER, JAMES, PARNELL, ROBINSON

AND SO, HB 92 PASSED THE HOUSE.

03/10/95

HOUSE JOURNAL

PAGE 0704

HB 92

REPRESENTATIVE VEZEY MOVED AND ASKED UNANIMOUS CONSENT THAT THE ROLL CALL ON THE PASSAGE OF THE BILL BE CONSIDERED THE ROLL CALL ON THE EFFECTIVE DATE CLAUSE. THERE BEING NO OBJECTION, IT WAS SO ORDERED.

HB 92 WAS REFERRED TO THE CHIEF CLERK FOR ENGROSSMENT.

SELECTION=>

B005-LAST PAGE

PF1 PF2
HELP

PF3 PF4
EXIT MENU

PF5

PF6 PF7
PRINT BWD

PF8 PF9
FWD

PF10
FIRST

PF11
LAST

PF12
QUIT

HB

99

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred: February 1, 1995

FURTHER REFERRALS:

Date of Committee Action: 2/2/95

The FINANCE Committee considered:

HB 99

HOUSE BILL NO. 99

APUC EXTENSION & REGULATORY COST CHARGE

"An Act extending the Alaska Public Utilities Commission; and relating to regulatory cost charges."

recommends it be replaced with the following committee substitute CS HB 99 (Fin) the same title a new title

additional referral to _____ Committee

attached amendment(s)

ADOPTS: _____ Letter of Intent

ATTACHES NEW FISCAL NOTE(S): _____ (Dept)

APPROVES PREVIOUS: _____ (Dept/Date)

fiscal note(s) _____ fiscal note(s) DOA

zero fiscal note(s) _____ zero fiscal note(s) (DOA) RCV

SIGNING WITH RECOMMENDATIONS		DP	DNP	NR	AM
<i>Richard J. Foster</i>	Foster	X			
<i>Mark Hanley</i>	Hanley	X			
<i>Ernie Navarre</i>	Navarre	X			
<i>Ellis Mulder</i>	Mulder	X			
<i>Frank Parnell</i>	Parnell	X			
<i>Jerry Martin</i>	Martin	X			
<i>Vic Kohring</i>	Kohring	X			
<i>Ben Grussendorf</i>	Grussendorf	X			
<i>Tay Brown</i>	Brown	X			
<i>Kate Kelly</i>	Kelly	X			
<i>Gene Therriault</i>	Therriault	X			

CO-
CHAIR'S SIGNATURE *Mark Hanley* *Richard J. Foster*

FISCAL NOTE

Revision Date: January 24, 1995 Dept. Affected: Revenue
 Title: APUC Extension & Regulatory Cost Charge BRU: Audit Operations
 Component: Income and Excise Audit
 Sponsor: (H) L&C
 Requestor: Labor & Commerce COMPONENT SERIAL NO. 113

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 95	FY 96	FY 97	FY 98	FY 99	FY 00
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						

REVENUE FUND SOURCE:

--	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1006 GF/MHTIA						
Other						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

Estimate of current (FY94) impact \$ 50.00

ANALYSIS: (Attach a separate page if necessary)

(See Attached Analysis)

Prepared by: Robert N. Bartholomew, Deputy Director *Robert N. Bartholomew* Phone: 465-2320
 Division: Income and Excise Audit Date: 1/24/95
 Approved by Commissioner: *[Signature]* Date: 1/24/95
 Agency: Department of Revenue

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Fiscal Note Analysis Continued

HB 99 (L&C)
APUC Extension & Regulatory Cost Charge
January 24, 1995
Page 2 of 2

Bill Analysis (Analysis for sections impacting the Department of Revenue only)

Sections 1 and 3 reinstitute the regulatory cost charges (RCC) and sets the maximum rate paid by regulated public utilities and pipeline carriers to the APUC at .8% of gross revenues, as adjusted, from operations in the state. The language of the bill is very similar to statutory provisions that were previously in effect but "sunsetting" December 31, 1994. Paragraph (e) appoints APUC to administer the RCC, Department of Revenue to collect the charge and Department of Administration to identify the amount of the APUC operating budget that lapses each year. The legislature may appropriate an amount equal to the lapse to APUC to reduce future RCC charges. Paragraph (g) authorizes APUC and Department of Revenue to adopt regulations to administer this section.

Operating Costs

Department of Revenue is currently charged with collecting and accounting for RCCs. The RCCs were paid quarterly in FY94 and annually in FY95 by approximately 100 public utilities and pipeline carriers. The Department does not envision that the reinstatement of RCCs will have an impact on its operating budget.

Revenue

According to APUC officials revenue derived from this statute will be approximately the same as was collected in FY95. This revenue is used to fund the APUC operating budget and will not generate additional new revenues to the state.

FISCAL NOTE

No. 2
 Bill Version: HB 99
 (H) Publish Date: 2/1/95

STATE OF ALASKA
 1995 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An Act extending the Alaska Public Utilities Commission; and relating to regulatory cost charges."
 Sponsor: (H) L&C
 Requestor: Rep. Kott

Department Affected: Administration
 BRU: Finance
 Component: Finance
 COMPONENT SERIAL NO. 59

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	0.0	0.0	0.0	0.0	0.0	0.0
TRAVEL	0.0	0.0	0.0	0.0	0.0	0.0
CONTRACTUAL	0.0	0.0	0.0	0.0	0.0	0.0
SUPPLIES	0.0	0.0	0.0	0.0	0.0	0.0
EQUIPMENT	0.0	0.0	0.0	0.0	0.0	0.0
LAND & STRUCTURES	0.0	0.0	0.0	0.0	0.0	0.0
GRANTS, CLAIMS	0.0	0.0	0.0	0.0	0.0	0.0
MISCELLANEOUS	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
CHANGE IN REVENUES	0.0	0.0	0.0	0.0	0.0	0.0

FUNDING SOURCE: (Thousands of Dollars)

1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program	0.0	0.0	0.0	0.0	0.0	0.0
1006 GF/MHTIA	0.0	0.0	0.0	0.0	0.0	0.0
OTHER	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY 95) cost: \$ 0.0

POSITIONS:

FULL-TIME	0.0	0.0	0.0	0.0	0.0	0.0
PART-TIME	0.0	0.0	0.0	0.0	0.0	0.0
TEMPORARY	0.0	0.0	0.0	0.0	0.0	0.0

ANALYSIS: (Attach a separate page if necessary.)
 No impact on the Division of Finance.

Prepared by: Don Wanie *DW*
 Division: Finance

Phone: 465-2240
 Date: _____

Approved by Commissioner: Mark Bover *M. Bover*
 Agency: Department of Administration

Date: 1/25/95

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FISCAL NOTE

No. 3
 Bill Version: HB 99
 (H) Publish Date: 2/1/95

STATE OF ALASKA
'995 LEGISLATIVE SESSION

Revision Date: _____
 Title: "An Act extending the Alaska Public Utilities Commission and relating to regulatory cost charges."
 Sponsor: House Labor and Commerce
 Requestor: _____

Department Affected: Commerce and Economic Development
 BRU: Alaska Public Utilities Commission
 Component: _____
 COMPONENT SERIAL NO. 364

Expenditures/Revenues: (Thousands of Dollars)

OPERATING EXPENDITURES	FY 96	FY 97	FY 98	FY 99	FY 00	FY 01
PERSONAL SERVICES	2,616.9	2,770.3	2,947.0	3,135.0	3,335.0	3,547.8
TRAVEL	53.6	56.7	60.4	64.2	68.3	72.7
CONTRACTUAL	947.8	1,003.3	1,067.4	1,135.5	1,207.9	1,285.0
SUPPLIES	60.7	64.3	68.4	72.7	77.4	82.3
EQUIPMENT	50.0	52.9	56.3	59.9	63.7	67.8
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	3,729.0¹	3,947.5¹	4,199.4¹	4,467.3¹	4,752.3¹	5,055.5¹

CAPITAL EXPENDITURES						
-----------------------------	--	--	--	--	--	--

CHANGE IN REVENUES ()						
-------------------------------	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts	3,729.0	3,947.5	4,199.4	4,467.3	4,752.3	5,055.5
1006 GF/MHTIA						
Other						
TOTAL	3,729.0²	3,947.5²	4,199.4²	4,467.3²	4,752.3²	5,055.5²

Estimate of current year (FY 95) cost: \$ _____

POSITIONS

FULL-TIME	42	43	43	44	45	46
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary.)

- ¹Represents ongoing costs of operations as proposed in FY 96 operating budget.
- ²Represents revenues from the regulatory cost charge mandated by Sections 1 and 3 of HB 99.

This bill extends the life of the APUC until June 30, 1999, and mandates the collection of fees from regulated utilities and pipeline carriers to cover its full authorized budget. Early passage is essential to keep public utilities and pipeline regulation on track. Otherwise, the APUC will shut down June 30, 1995.

Prepared by: Robert A. Lohr, Executive Director
 Division: Alaska Public Utilities Commission
 Approved by Commissioner: William L. Hensley
 Agency: Commerce and Economic Development

Phone: 276-6222
 Date: 1/25/95
 Date: 1/26/95

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HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

STATE CAPITOL, JUNEAU, AK 99801-1182

(907) 465-4954



SPONSOR STATEMENT HB 99

The Alaska Public Utilities Commission is charged with the task of regulating public utilities and pipeline carriers in the State of Alaska. It does so with the goal of promoting the public interest by enhancing the reliable delivery of affordable utility services. It also does so with the objective of achieving minimal impact on the economic coffers of the state by passing on its costs to the utilities it regulates.

The APUC is in its sunset year, and unless the legislature extends its existence, there soon will be no state entity regulating utilities. Because of the unique nature of utility service, this would result in anarchy, conflict among providers, and the possibility of interruptions in utility services. This would not be wise and would ill serve the public. HB 99 acts to avoid this danger in two important respects.

First, it extends the APUC for an additional four years, until June 30, 1999. This ensures that a public body, responsible to Alaska's citizens, will continue to regulate and control the delivery of vital utility services.

Second, HB 99 enacts regulatory cost charges for both traditional utilities and pipeline carriers. The mechanism that is employed is tailored to adjust the charges so as to reflect the amounts appropriated by the legislature. Said charges are collected by the Department of Revenue and go into the General Fund. Utilities may, but need not, pass the charges along to their customers. In the event that regulatory cost charges lapse into the general fund at the end of the fiscal year, the amount of said lapsed funds is determined by the Department of Administration. Thereafter, the Legislature may, but need not, appropriate the amount of lapsed funds into the next fiscal year budget. When that occurs, the APUC must adjust downward regulatory cost charges by an equal amount.

HB 99, by extending the APUC and concomitantly providing for a funding mechanism, acts to ensure the delivery of uninterrupted, affordable utility services to Alaska's people and businesses. Your support is appreciated.

Sunset extension

The Alaska Public Utilities Commission recommends that the Legislature quickly pass legislation extending the Commission for four years and continuing its authority to collect its budget. The bill should be specifically tailored to accomplish only these goals, leaving more controversial amendments to other bills. This will avoid the inevitable disruption of public service if legislative action is delayed until the end of the session.

Other legislative priorities

After the issue of Sunset Law extension is addressed, the Commission recommends:

1. Procurement Act exemption for expert witness contracts

Add an exemption to the Procurement Act, 36.30.850 to allow the Commission to hire its expert witnesses for cases in a timely manner. The language proposed parallels the existing exemption granted to state agencies for lawsuits, AS 36.30.850(b)(2).

2. Stagger APUC members' terms of office. Change date of expiration for future Commissioner terms that now expire concurrently

Consumer seat	October 31, 1996
Finance seat	October 31, 1998
Engineering seat	October 31, 1999
Consumer seat	October 31, 1999
Legal seat	October 31, 2000

The following language added to the temporary and special acts would accomplish this goal:

APUC STAGGERED TERMS. Notwithstanding AS 42.05.030(a), after the expiration in 1999 of the term of the member of the Alaska Public Utilities Commission with a major or experience in engineering, the vacancy shall next be filled for a term of four years in order to adjust the staggering of the terms of the members of the commission so that no more than one commission member's term expires each year.

3. Confirm partially exempt (PX) status for vacant Commissioners' policy analyst positions

The legislature did not designate the Commissioners' Policy Analyst positions as PX positions when they were created.

Amend AS 39.25.120(c)(6), Partially exempt service, to read

The following positions in state service constitute the partially exempt service: . . .

Legislative priorities

(3) the executive director, deputy director, hearing officers, [AND] administrative law judges and commissioners' analysts of the Alaska Public Utilities Commission;

4. Amend AS 42.05.711 to allow easier opt-in or opt-out from Commission regulation

This would increase the number of utilities eligible to hold deregulation elections by increasing various gross revenue ceilings. For example, in AS 42.05.711(f) the cutoff could be increased from the current \$325,000 to \$500,000, and in (g), from \$100,000 to \$150,000 for other utilities. The legislative auditor originally recommended this approach and it was widely supported, although not adopted, last session. Also, the reregulation petition requirements would be relaxed.

**Legislative
priorities
(continued)**

5. Add language to the pipeline and public utilities regulatory cost charge sections to avoid the lapsing of funds

The Department of Administration shall identify the amount of the operating budget of the commission that lapses into the general fund each year. The legislature may appropriate an amount equal to the lapsed amount to the commission for its operating costs for the next fiscal year. If the legislature does so, the commission shall reduce the total regulatory cost charge collected for that fiscal year by a comparable amount.



Eitel Dunaway
(analyst programmer)



Dawn Bishop-Kleweno
(utility engineer analyst) and
Bill Marshall (utility engineer
analyst)

DIVISION OF LEGAL SERVICES

LEGISLATIVE AFFAIRS AGENCY

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130 Seward Street, Suite 409
Juneau, Alaska 99801-2105

MEMORANDUM

January 23, 1995

SUBJECT: Sectional Summary of HB 99. (Extending the Alaska Public Utilities Commission and relating to regulatory cost charge)

TO: Representative Pete Kott

FROM: Teresa B. Cramer *TBC*
Legislative Counsel

You have requested a sectional summary of the above-described bill.

As a preliminary matter, note that a sectional summary of a bill should not be considered an authoritative interpretation of the bill and the bill itself is the best statement of its contents. If you would like an interpretation of the bill as it may apply to a particular set of circumstances, please advise.

Section 1 establishes a regulatory cost charge on utilities. Under subsection (a), regulated public utilities pay an annual charge not to exceed .8 percent of in-state gross revenue and exempt public utilities pay the actual cost of services provided by the commission.

Under subsection (b), the commission adopts regulations to set the method for determining the annual amount of the regulatory cost charge. Subsection (c) establishes special rules for utilities selling services at wholesale, local exchange telephone utilities, and electric utilities.

Subsection (d) directs the commission to allocate the total amount of the regulatory cost charge to be paid by electric utilities by using an equal charge per kilowatt hour.

Subsection (e) directs the Department of Revenue to collect and enforce the regulatory cost charge and the Department of Administration to identify how much of the APUC's operating budget lapses into the general fund each year. This will permit the legislature, if it wishes, to appropriate that amount for the following year's budget so that the APUC can set a lower regulatory cost charge for the second year to reflect the surplus from the previous years' collection.

Subsection (f) requires the APUC to allow public utilities to bill their customers for the cost of the regulatory cost charge.

Representative Pete Kott

January 23, 1995

Page 2

Subsection (g) allows the APUC and the Department of Revenue to adopt regulations.

Subsection (h) defines terms used in the section.

Section 2 directs the APUC to consider the amount that a utility pays as a regulatory cost charge when allocating the costs of a hearing.

Section 3 establishes a regulatory cost charge for pipeline carriers. Under subsection (a), pipeline carriers pay an annual charge not to exceed .8 percent of in-state gross revenue. A regulatory cost charge may not be assessed unless the pipeline carrier operations are within the jurisdiction of the APUC.

Under subsection (b), the commission adopts regulations to set the method for determining the annual amount of the regulatory cost charge.

Subsection (c) directs the Department of Revenue to collect and enforce the regulatory cost charge and the Department of Administration to identify how much of the APUC's operating budget lapses into the general fund each year. This will permit the legislature, if it wishes, to appropriate that amount for the following year's budget so that the APUC can set a lower regulatory cost charge for the second year to reflect the surplus from the previous years' collection.

Subsection (d) allows the APUC and the Department of Revenue to adopt regulations.

Subsection (e) defines "gross revenue" as used in this section.

Section 4 directs the APUC to consider the amount that a pipeline carrier pays as a regulatory cost charge when allocating the costs of a hearing.

Section 5 extends the APUC through June 30, 1999.

TC:pl

95-011.plm

HOUSE BILL NO. 99

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Introduced: 1/20/95

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the Alaska Public Utilities Commission; and relating to
2 regulatory cost charges."

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

4 * Section 1. AS 42.05 is amended by adding a new section to read:

5 Sec. 42.05.254. PUBLIC UTILITY REGULATORY COST CHARGE. (a)

6 A regulated public utility operating in the state shall pay to the commission an annual
7 regulatory cost charge in an amount not to exceed ⁸.8 percent of gross revenue derived
8 from operations in the state, as modified under (c) of this section if appropriate. An
9 exempt utility shall pay the actual cost of services provided to it by the commission.

10 (b) The commission shall by regulation establish a method to determine
11 annually the amount of the regulatory cost charge for a public utility. If the amount
12 the commission expects to collect under (a) of this section and under AS 42.06.286(a)
13 exceeds the authorized budget of the commission, the commission shall, by order,
14 reduce the percentages set out in (a) of this section so that the total amount of the fees

1 (h) In this section,

2 (1) "exempt utility" means a public utility that is certificated by the
3 commission under AS 42.05.221 - 42.05.281 but, in accordance with AS 42.05.711,
4 is exempt from other regulatory requirements of this chapter;

5 (2) "gross revenue" means the total operating revenue from intrastate
6 services, as shown in a utility's annual report required by the commission by
7 regulation;

8 (3) "regulated utility" means a public utility that is certificated by the
9 commission under AS 42.05.221 - 42.05.281 and that is subject to the other regulatory
10 requirements of this chapter;

11 (4) "wholesale sales" means sales to another utility for resale under
12 circumstances that make revenue from the resale subject to the regulatory cost charge
13 imposed under this section.

14 * Sec. 2. AS 42.05.651(a) is amended to read:

15 (a) During [AFTER COMPLETION OF] a hearing or investigation held under
16 this chapter, the commission may [SHALL] allocate the costs of the hearing or
17 investigation among the parties, including the commission, as is just under the
18 circumstances. In allocating costs, the commission shall consider the regulatory cost
19 charge paid by a utility under AS 42.05.254 and may consider the results, ability
20 to pay, evidence of good faith, other relevant factors, and mitigating circumstances.
21 Notwithstanding an intervening party's ability to pay, if the commission determines that
22 an intervening party has conducted its intervention in a frivolous manner, the
23 commission shall allocate all costs associated with the intervention to that party. The
24 costs allocated may include the costs of any time devoted to the investigation or
25 hearing by hired consultants, whether or not the consultants appear as witnesses or
26 participants. The costs allocated may also include any out-of-pocket expenses incurred
27 by the commission in the particular proceeding. The commission shall provide an
28 opportunity for any person objecting to an allocation to be heard before the allocation
29 becomes final.

30 * Sec. 3. AS 42.06 is amended by adding a new section to read:

31 Sec. 42.06.286. PIPELINE CARRIER REGULATORY COST CHARGE. (a)

CORRECTION

THE FOLLOWING DOCUMENT(S)
HAVE BEEN REFILMED TO
ASSURE LEGIBILITY OR PAGINATION



Rev. 6/98

Central Microfilm Services
Department of Education
State of Alaska

HOUSE BILL NO. 99

IN THE LEGISLATURE OF THE STATE OF ALASKA

NINETEENTH LEGISLATURE - FIRST SESSION

BY THE HOUSE LABOR AND COMMERCE COMMITTEE

Introduced: 1/20/95

Referred: Labor and Commerce, Finance

A BILL

FOR AN ACT ENTITLED

1 "An Act extending the Alaska Public Utilities Commission; and relating to
2 regulatory cost charges."

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

4 * Section 1. AS 42.05 is amended by adding a new section to read:

5 Sec. 42.05.254. PUBLIC UTILITY REGULATORY COST CHARGE. (a)

6 A regulated public utility operating in the state shall pay to the commission an annual
7 regulatory cost charge in an amount not to exceed ^{6.1}.8 percent of gross revenue derived
8 from operations in the state, as modified under (c) of this section if appropriate. An
9 exempt utility shall pay the actual cost of services provided to it by the commission.

10 (b) The commission shall by regulation establish a method to determine
11 annually the amount of the regulatory cost charge for a public utility. If the amount
12 the commission expects to collect under (a) of this section and under AS 42.06.286(a)
13 exceeds the authorized budget of the commission, the commission shall, by order,
14 reduce the percentages set out in (a) of this section so that the total amount of the fees

1 collected approximately equals the authorized budget of the commission for the fiscal
2 year.

3 (c) In determining the amount of the regulatory cost charge imposed under (a)
4 of this section,

5 (1) a utility selling utility services at wholesale shall modify its gross
6 revenue by deducting payments it receives for wholesale sales;

7 (2) a local exchange telephone utility shall modify its gross revenue by
8 deducting payments received from other carriers for settlements or access charges;

9 ~~(3) an electric utility shall reduce its gross revenue by subtracting the
10 cost of power; in this paragraph, "cost of power" means the costs of generation and
11 purchased power reported to the commission.~~

12 (d) The commission shall calculate the total regulatory cost charges to be
13 levied against all regulated electric utilities under this section. The commission shall
14 allocate the total amount among the regulated electric utilities by using an equal charge
15 per kilowatt hour sold at retail.

16 (e) The commission shall administer the charge imposed under this section.
17 The Department of Revenue shall collect and enforce the charge imposed under this
18 section. The Department of Administration shall identify the amount of the operating
19 budget of the commission that lapses into the general fund each year. The legislature
20 may appropriate an amount equal to the lapsed amount to the commission for its
21 operating costs for the next fiscal year. If the legislature does so, the commission shall
22 reduce the total regulatory cost charged collected for that fiscal year by a comparable
23 amount.

24 (f) The commission shall allow a public utility to recover all payments made
25 to the commission under this section. The commission may not require a public utility
26 to file a rate case in order to be eligible to recover the regulatory cost charge.

27 (g) The commission may adopt regulations under AS 44.62 (Administrative
28 Procedure Act) necessary to administer this section, including requirements and
29 procedures for reporting information and making quarterly payments. The Department
30 of Revenue may adopt regulations under AS 44.62 (Administrative Procedure Act) for
31 investigating the accuracy of filed information, and for collecting required payments.

deleted
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(h) In this section,

(1) "exempt utility" means a public utility that is certificated by the commission under AS 42.05.221 - 42.05.281 but, in accordance with AS 42.05.711, is exempt from other regulatory requirements of this chapter;

(2) "gross revenue" means the total operating revenue from intrastate services, as shown in a utility's annual report required by the commission by regulation;

(3) "regulated utility" means a public utility that is certificated by the commission under AS 42.05.221 - 42.05.281 and that is subject to the other regulatory requirements of this chapter;

(4) "wholesale sales" means sales to another utility for resale under circumstances that make revenue from the resale subject to the regulatory cost charge imposed under this section.

* Sec. 2. AS 42.05.651(a) is amended to read:

(a) During [AFTER COMPLETION OF] a hearing or investigation held under this chapter, the commission may [SHALL] allocate the costs of the hearing or investigation among the parties, including the commission, as is just under the circumstances. In allocating costs, the commission shall consider the regulatory cost charge paid by a utility under AS 42.05.254 and may consider the results, ability to pay, evidence of good faith, other relevant factors, and mitigating circumstances. Notwithstanding an intervening party's ability to pay, if the commission determines that an intervening party has conducted its intervention in a frivolous manner, the commission shall allocate all costs associated with the intervention to that party. The costs allocated may include the costs of any time devoted to the investigation or hearing by hired consultants, whether or not the consultants appear as witnesses or participants. The costs allocated may also include any out-of-pocket expenses incurred by the commission in the particular proceeding. The commission shall provide an opportunity for any person objecting to an allocation to be heard before the allocation becomes final.

* Sec. 3. AS 42.06 is amended by adding a new section to read:

Sec. 42.06.286. PIPELINE CARRIER REGULATORY COST CHARGE. (a)