

ALASKA LEGISLATURE

HOUSE and SENATE FINANCE COMMITTEE FILES, 1995-1996

1432

Post-It Fax Note	7671	Date	3/28/70
To	Dave Tomberich	From	Marilyn Burton
Co./Dept.		Co.	UA
Phone #		Phone #	463-3086
Fax #	463-4885	Fax #	

March 6, 1995

To: Royce Weller, OMB
From: Marilyn Burton, SW Budget Development
Subject: Description of University Revenues

- Federal Receipts:** These cover all revenues received from the federal government. Usually in the form of federal grants and from various restricted federal programs funded by agencies such as the National Science Foundation, National Institute of Mental Health, Small Business Administration, Department of Education, etc.
- Intra-Agency Receipts:** This revenue consists of internal charges between departments to accommodate appropriate accounting practices to place operational expenditure authority at the most effective level and to centralize various services for efficiency and cost savings. The central service departments are reimbursed by charging the user departments internally by journal voucher. It is used to pay for and distribute charges for telephone services, postage, printing services, physical plant work orders, computer repair services and also to cover administrative costs for certain functions.
- Interest Income:** Income generated from short-term investments from grant receipts.
- Auxiliary Receipts:** Auxiliary, food, and dorm revenues consist of revenue received from Bookstore sales, housing rental, food service operations and the parking fee.
- Student Fees/Tuition:** Student fees consist of four types of revenues: 1. Academic tuition. 2. Self-support and non-credit courses like workshops and conferences. 3. Lab and materials fees charged to students to cover the cost of special materials and equipment for some courses. 4. Student fees charged to students for attendance to athletic events, P.E. facilities use and student government fees. Admissions, add/drop, and late registration fees are also included in this category.
- Indirect Cost Recovery:** Indirect cost recovery is received from a variety of restricted programs. These funds help offset increased workloads in support areas like the Physical Plant, Library, Administrative Services, and SW Administration.
- University Receipts:** University receipts are revenues received from sources such as: State Agencies, Athletic, Theatre, Music and Dance ticket sales, general use fees for P.E. facilities, Publication sales, Library use fees, vending machine sales and testing fees. Also included are revenues received from corporate and private donations that are intended for specific uses as well as Reimbursable Service Agreements (RSA) with other State Agencies.
- CIP Receipts:** CIP revenue is generated by chargebacks to Facilities Planning and Construction from capital improvement projects for administration and coordination of the project.

Agency Totals - FY97 Operating Budget

Agency: University of Alaska

	FY95 Act	FY96 CC	FY96Auth	FY97 Adj	Gov	FY95 Act to Gov	
Totals for Agency	373,175.4	442,611.6	442,511.6	444,304.7	449,492.7	76,317.3	20.5 %
<u>Objects of Expenditure:</u>							
Personal Services	219,131.2	242,792.2	234,510.8	237,970.0	246,337.0	27,205.8	12.4 %
Travel	9,264.0	9,402.1	9,257.5	9,209.2	9,853.9	589.9	6.4 %
Contractual	77,708.4	113,323.0	106,421.0	107,133.7	118,270.9	40,562.5	52.2 %
Commodities	31,770.6	40,226.2	38,781.6	39,220.7	41,393.5	9,622.9	30.3 %
Equipment	11,714.5	14,290.0	13,987.9	13,919.0	14,594.1	2,879.6	24.6 %
Lands/Buildings	15.0	15.0	15.0	15.0	15.0	0.0	0.0 %
Grants, Claims	14,508.8	16,510.2	16,505.2	15,952.2	17,622.2	3,113.4	21.5 %
Miscellaneous	9,062.9	6,052.9	23,032.8	20,884.9	1,406.1	-7,656.8	-84.5 %
<u>Funding Sources:</u>							
1002 Fed Rcpts	50,826.9	81,431.2	81,431.2	81,431.2	82,462.3	31,635.4	62.2 %
1003 G/F Match	2,779.8	2,779.8	2,779.8	2,779.8	2,779.8	0.0	0.0 %
1004 Gen Fund	166,532.9	164,381.1	164,381.1	166,174.2	164,384.1	-2,148.8	-1.3 %
1006 GF/MHTIA	200.8					-200.8	-100.0 %
1007 I/A Rcpts	34,834.6	44,395.9	44,395.9	44,395.9	43,800.9	8,966.3	25.7 %
1010 UA/INT INC	2,620.5	2,801.4	2,801.4	2,801.4	3,001.4	380.9	14.5 %
1015 UA/DFA SVC	20,408.5	23,984.3	23,984.8	23,984.8	24,449.2	4,040.7	19.8 %
1025 Sci/Tech	3,119.9	3,000.0	2,900.0	2,900.0	2,650.0	-469.9	-15.1 %
1037 GF/MH		200.8	200.8	200.8	200.8	200.8	
1038 UA/STF SVC	44,281.9	53,842.2	53,842.2	53,842.2	54,020.9	9,739.0	22.0 %
1039 UA/ICR	11,204.1	16,273.0	16,273.0	16,273.0	19,364.7	8,160.6	72.8 %
1048 Univ Rcpt	34,080.9	46,570.3	46,570.3	46,570.3	49,450.7	15,369.8	45.1 %
1061 CIP Rcpts	2,284.6	2,951.1	2,951.1	2,951.1	2,927.9	643.3	28.2 %
<u>Positions:</u>							
Perm Full Time	3,464.0	3,464.0	3,464.0	3,464.0	3,469.0	5.0	0.1 %
Perm Part Time	243.0	243.0	243.0	245.0	244.0	1.0	0.4 %
Non-Perm						0.0	

UNIVERSITY OF ALASKA

February 13, 1996

Representative Terry Martin, Chair
House Finance University Subcommittee
State Capital
Juneau, Ak 99801

Dear Representative Martin:

Responses to your questions concerning the supplemental requests for the Alaska Community College Federation of Teachers (ACCFT) and the Classified Employees Association (CEA) are included below:

1. *What employee groups are represented by these two units?*

The ACCFT represents a group of approximately 270 faculty throughout the UA system (out of a total of approximately 1030 faculty). The ACCFT was the bargaining unit for the community colleges prior to the reorganization of the colleges and the universities in 1987. Following a lengthy arbitration, the successor unit definition for the ACCFT is all faculty, librarians, and counselors whose primary assignment is at a community college or an extended campus; faculty whose principal assignment is vocational-technical instruction; and faculty who are employed to teach exclusively at the lower division level (200 and below).

The CEA represents a group of approximately 270 employees throughout the UA system who work in the areas of maintenance, trades, crafts and custodial (out of a total of approximately 2454 classified staff).

2. *Briefly explain the arbitration ruling that resulted in the 3% ACCFT salary request included in the supplemental?*

Following the 1987 reorganization and a lengthy arbitration that resulted in the re-establishment of the ACCFT, a new collective bargaining agreement was reached in 1992. Because no successor agreement has been reached, the 1992 agreement remains in place today. The 1992 agreement contains provisions that state that policies of the Board of Regents regarding faculty appointment, review, promotion, tenure, sabbatical leave, and faculty governance will apply to the members of the ACCFT as they do to non-organized faculty. The cited policies contain a provision that states that the "...nothing in the policies shall be construed to restrict the power of the Board of Regents to periodically alter, amend, revise or repeal the provisions hereof in whole or in part from time to time." In 1993 and 1994, in response to reductions in University funding, the Board of Regents implemented several changes in the above referenced policies including the implementation of a program assessment process, the development of a financial exigency policy, a new systemwide faculty governance structure, and the elimination of a compensation policy that provided for an annual 3% salary increase. Because the policies, referenced as part of the contract, contain the language providing for changes, The Board assumed that the suspension would also apply to the ACCFT.

After the implementation of the new policies, the ACCFT filed a series of grievances claiming that the changes in the policies were a violation of the collective bargaining agreement, specifically a provision that states that, "...the University shall make no change of policy, regulation or rule conflicting with matters in this Agreement during the period that this Agreement is in force, except through agreement with the Union." The issues were combined and ultimately sent to arbitration (a copy of the ruling is included as Attachment #1) where it was determined that the changes in Board policy relating to program assessment, faculty governance and financial exigency do not represent a "conflict with matters in the Agreement" and the arbitrator ruled in favor of the University. At the same time, the arbitrator also determined that the 1993 suspension of the annual 3% pay increase for the ACCFT was a conflict with the Agreement, and that the contract requires the University to continue that provision of Board Policy regarding an annual 3% increase in force for the ACCFT until a successor agreement is reached.

The contract includes language that states: "....any compensation increases [for the ACCFT] shall be subject to legislative appropriation in accordance with the provisions of AS 23.40.215 and shall be requested separately from compensation increases requested for other employees of the University." The policy further states that if funding is not received, "....the University agrees to submit to the Legislature at the beginning of the next regular session following the increase for University employees an amount necessary to permit [ACCFT] faculty members to receive a salary increase of the same level received by University employees."

In effect, the arbitration ruling froze in place the 1993 Board of Regents policy regarding a 3% annual increase for the ACCFT that is referenced in the contract, regardless of whether such a policy is in place for other employees (which it is not) until such time as a new agreement is negotiated. The University's obligation under the terms of the contract is to request a separate appropriation from the Legislature for the ACCFT salary increase. A request for the FY95 salary increase was requested as a supplemental during the 1995 session. The Legislature failed to fund the request for the FY95 supplemental and in fact, reduced the overall UA budget by over \$ 2.0 million from the FY95 base. Because of the late date of the arbitration ruling, it was too late to include the FY96 request for a 3% salary increase in the budget and a decision was made to seek the funding as a FY96 supplemental request. This is the request before you now.

3. *How do the ACCFT salaries compare with community college salaries nationally?*

A detailed summary of average ACCFT faculty salaries by campus is included as Attachment #2. The systemwide average salary is \$49,661 compared with the national average (based on the 1994-95 AAUP annual faculty survey) of \$41,230 for two year college faculty with rank. The systemwide average total compensation is \$64,460 compared with the national average of \$52,820. Stated another way, the ACCFT average annual salaries and average total compensation are approximately 20% above the national average.

4. *Explain the compensation program negotiated with the CEA.*

The compensation program negotiated with the CEA parallels the step and range system of the rest of the University staff (classified and professionals, not faculty) and is the same kind of salary placement and movement process used by the State. Once CEA members are placed in the negotiated salary grid on their appropriate step, they

will move one step a year until they reach the top of their assigned range. The steps range from 3% to 0% depending on longevity. Approximately 15% of current CEA members exceed the top of their assigned range, and will receive only the one time payment of \$600 and will have no other salary movement for the life of the agreement (12/31/97).

The CEA contract negotiations were concluded in February, 1995. The FY95 and FY96 salary provisions for the CEA were submitted to the Legislature and included in HB 305. The Legislature failed to act on this legislation, and failed to provide an appropriation in the University budget for the requested salary funds. As required by the contract, the FY96 portion of that request is being resubmitted in the supplemental bill before you now.

5. *How do the CEA salaries compare with other similar positions in state government and/or the private sector?*

A summary of six of the most common CEA positions is included as Attachment #3. As you will see, the hourly CEA salaries negotiated in this contract are below those of the same state positions from \$2 to \$6. Stated differently, the hourly wage rates for University CEA employees are a minimum of 11% below their state counterparts.

6. *What is the status of the lawsuit that has been brought by the ACCFT and the CEA against the University regarding the failure to pay the FY96 salary increase?*

The CEA and the ACCFT have each filed lawsuits claiming that the University is obligated to pay the negotiated salary increases in FY96 regardless of legislative funding. Their suits attempt to compel the University to make program reductions and reallocations from its existing budget to pay the full cost of the funding requests not acted upon by the Legislature during the 1995 session. While the 1995 Legislature adopted specific language rejecting the state contracts presented to them, as well as failing to fund the monetary requests to implement the state and university contract salary provisions, they did not include the contract rejection language for the University. The ACCFT suit attempts to make this a significant issue in assuming that the legislature, in not adopting such language, intended that the University fund the contracts through internal program reductions. The University contends that the language of the contracts and of AS. 23.14.205 are clear in stating that provisions of the contract requiring legislative funding do not become effective until the Legislature has appropriated the necessary funding. The University has a long history with the ACCFT and has never implemented a contract provision that required funding without the specific appropriation of additional funds by the Legislature. As you recall, the University did not receive any additional funds or increments in FY96, but rather an unallocated reduction of over \$ 2 million below their FY95 base budget. The University is preparing a brief to the Superior Court on this issue and it is expected that arguments will be heard within the next few months.

I hope this information will be helpful to you as you review our requests for supplemental funding for our ACCFT and CEA contracts. If I can provide any additional information, please don't hesitate to ask.

Sincerely,



Jerome Komisar, President

A COMPARISON OF STARTING HOURLY WAGES BETWEEN TRADES						
1. University of Alaska negotiated wages per collective bargaining agreement.						
2. State of Alaska - Local 71.						
TRADE	STATE OF ALASKA			UNIVERSITY OF ALASKA		Percent Disparity
	Local 71			UACEA CBA	Disparity	
Plumber (CT2)	Step A	\$18.98		Entry Level	\$14.96	(\$4.02) 26.87%
	Step B	\$22.62	after 6 months	Step A	\$16.46	(\$6.16) 37.42%
Electrician (CT2)	Step A	\$18.98		Entry Level	\$14.96	(\$4.02) 26.87%
	Step B	\$22.62	after 6 months	Step A	\$16.46	(\$6.16) 37.42%
Maint. Mechanic (CT2)	Step A	\$18.98		Entry Level	\$14.96	(\$4.02) 26.87%
	Step B	\$22.62	after 6 months	Step A	\$16.46	(\$6.16) 37.42%
Carpenter (CT2)	Step A	\$16.65		Entry Level	\$14.96	(\$1.69) 11.30%
	Step B	\$19.95	after 6 months	Step A	\$16.46	(\$3.49) 21.20%
Painter (CT1)	Step A	\$16.65		Entry Level	\$13.29	(\$3.36) 25.28%
	Step B	\$19.95	after 6 months	Step A	\$14.62	(\$5.33) 36.46%
General Laborer (MSW1)	Step A	\$13.32		Entry Level	\$8.28	(\$5.04) 60.87%
	Step B	\$15.67	after 6 months	Step A	\$9.11	(\$6.56) 72.01%
Source: 1. Collective Bargaining Agreement between University of Alaska & University of Alaska Classified Employees Association dated 2/20/95.						
2. Local 71 as of 2/6/96.						

**NATIONAL AVERAGE
FACULTY SALARY FOR PUBLIC TO YEAR COLLEGES
1994-1995***

	NATIONAL AVG SALARY	NATIONAL AVG COMPENSATION
AAUP Category III (Two Year w/rank)	\$41,230	\$52,820

UA - ACCFT	UA AVERAGE SALARY	NATIONAL AVG. SAL	DF	UA AVG. COMP	NATIONAL AVG. COMP	DF
Anchorage (116)	\$50,139	\$41,230	122%	\$65,080	\$52,820	123%
Kenai (26)	\$50,288	\$41,230	122%	\$65,274	\$52,820	124%
Homer (3)	\$42,703	\$41,230	104%	\$55,428	\$52,820	105%
Kodiak (8)	\$55,977	\$41,230	136%	\$72,658	\$52,820	138%
Mat-Su (13)	\$51,405	\$41,230	125%	\$66,724	\$52,820	126%
PWSCC (6)	\$55,878	\$41,230	136%	\$72,530	\$52,820	137%
Bristol Bay (3)	\$45,416	\$41,230	110%	\$58,950	\$52,820	112%
Chukchi (3)	\$55,103	\$41,230	134%	\$71,524	\$52,820	135%
Kuskokwim (16)	\$54,202	\$41,230	131%	\$70,354	\$52,820	133%
Northwest (7)	\$53,835	\$41,230	131%	\$69,878	\$52,820	132%
Tanana Valley (18)	\$44,575	\$41,230	108%	\$57,858	\$52,820	110%
Juneau (7)	\$43,831	\$41,230	106%	\$56,893	\$52,820	108%
Ketchikan (5)	\$48,009	\$41,230	116%	\$62,316	\$52,820	118%
Fairbanks (1)	\$41,336	\$41,230	100%	\$53,654	\$52,820	102%
Interior/Aleution (1)	\$35,771	\$41,230	87%	\$46,431	\$52,820	88%
Military (1)	\$28,285	\$41,230	69%	\$36,714	\$52,820	70%
TOTAL - ACCFT (242)	\$49,661	\$41,230	120%	\$64,460	\$52,820	122%

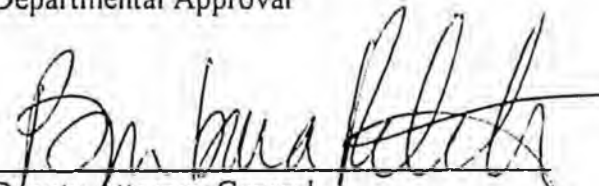
Department of Law

JUDGMENTS/CLAIMS FOR PAYMENT

1. Case Name: *Berger v. State*
2. Case Number: Superior Court: 3AN-89-8710 Supreme Court: S-6078 Civil
3. Date Judgment entered: Supreme Court decision - December 1, 1995
Revised opinion issued January 25, 1996¹
4. Amount to be paid: \$3,500,000
5. Interest Rate: 10.5% Effective Date: February 16, 1996
6. Payable to: Inslee, Best, Doezie & Ryder, In Trust
ATTN: Andrew Symons, Esq.
Security Pacific Plaza, Suite 1900
777 108th Avenue N.E.
Bellevue, Washington 98009-9016
7. SSN or EIN: To be provided.
8. Send check to: above address Departmental contact

Departmental contact: Vincent L. Usera
Telephone Number 465-4118

Departmental Approval


Deputy Attorney General

Date: February 16, 1996

This form will be used for the purpose of standardizing the submission of claims and will expedite the payments to the claimants, thereby reducing the amount of lost interest to the state. If any of the information changes, please advise the Deputy Director, Administrative Services division, P.O. Box 110300, Juneau, Alaska, 99811, or call (907)465-3672 as soon as any changes are known.

-
1. The revised opinion merely clarified the Court's ruling, substantively there was no change in the decision

DEPARTMENT OF LAW

Judgment/Claims for Payment

CASE NAME: *Roger Berger d/b/a Frontier Financial Services v. State of Alaska, Department of Revenue* (Anchorage Superior Court and Alaska Supreme Court).

CASE No.: AN-89-8710 and Supreme Court No. S-6078 (Civil)

1. Describe the circumstances or events resulting in this case and ultimately this judgment against the state.

In early 1989, Roger Berger, doing business as Frontier Financial Services (Frontier), entered into transactions with persons eligible for Alaska Permanent Fund dividends (PFDs) in which a person received between \$325 and \$400 in exchange for the person's assignment of rights to the 1989 PFD. That year the PFD was valued \$873.16. The individual was required to complete a fairly extensive process establishing not only a present expectation of a PFD, but also general creditworthiness. The documentation required of the applicant included a purchase agreement which obligated the individual, in any event, to repay to Frontier the amount of the 1989 PFD. This obligation was further secured by the execution of a Confession of Judgment for that amount.

Faced with both an extraordinary logistical burden because of the escalation of assignments and an alarming increase in multiple applications from individuals entering into these transactions, the Department of Revenue adopted a regulation¹ under which it would decline to honor PFD assignments to other than governmental agencies. For that reason, Frontier altered its handling of these transactions opting instead to have the PFDs for which it had transacted sent directly to it. This was accomplished by having the applicant complete a change of address form instructing the Department of Revenue to send his or her PFD to Frontier. The person then executed a Power of Attorney authorizing Frontier to negotiate the PFD warrant when it was received.

The volume of address changes soon caused the department to realize

1. 15 AAC 23.220 also repealing 15 AAC 23.715.

that this was simply a means of circumventing the anti-assignment regulation and to decide, therefore, that it would not implement these address changes. Parties were notified accordingly.

Frontier brought an action in December, 1989, challenging the anti-assignment regulation and the department's refusal to implement address changes. The Superior Court declared the regulation to be invalid as beyond the scope and authority of the department. In addition to opposing the challenge to the regulation, the State raised the defenses of usury and violation of the Alaska Small Loans Act as barring any recovery. Frontier asserted that the State lacked standing to raise these defenses. The Superior Court held that the State lacked standing to raise the defense of usury, based on the premise that this defense is personal to the borrower, but that the State did have standing to raise a violation of the Small Loans Act in defense of Frontier's action.

After the Superior Court invalidated the regulation and dismissed the defense of usury, briefing was had on the State's standing to raise the Small Loans Act as a defense. The Court ruled that the State did, in fact, have standing. On subsequent cross-motions for summary judgment, the Court ruled that the transactions were loans within the meaning of the Small Loans Act, that the terms of repayment called for excessive interest, and that the Small Loans Act made these transactions unenforceable. An appeal to the Alaska Supreme Court followed.

The Supreme Court in December, 1995, overturned the Superior Court ruling in a three-to-two decision. The Court held that these transactions were not loans, advancing the unique view that 1) to find a loan, the borrower must be shown to have an unconditional expectation to repay, and 2) that that expectation is lacking where the value of the collateral does not exceed the amount to be repaid. In this case, since the individual who sold his rights to the 1989 PFD promised to repay the same amount as the PFD if it were not transferred from the Department of Revenue to Frontier, it made no difference to the person whether the repayment came from the PFD itself or from the person. From this, the Court reasoned that there existed no unconditional expectation to repay, hence there was a sale rather than a loan. Since there was no loan, the interest restrictions contained in the Small Loan Act did not apply.

The State moved for a rehearing pointing out certain dangers in the Court's adoption of this very narrow construction of a loan. In a two-to-two decision, the motion was denied.

Copies of the Supreme Court decision and the State's Motion for rehearing are attached to this questionnaire.

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

The issues considered in this lawsuit were unique and not likely to recur. In 1992 the Legislature enacted AS 43.23.069 which prohibits assignments of PFDs to other than state agencies and the courts. Unless this statute were to be changed, the buying and selling of PFDs could not be "supported" by the availability of assignments.

The suit was carried on over an extensive period of time with a variety of issues being decided on a piecemeal basis. The first decision revolved around the department's regulation. This was found to be outside statutory authority and, therefore, unconstitutional. Had the regulation been upheld, the suit would have ended there. Next came a summary judgment motion dealing with the State's proffered defense of usury. The State had to concede that it was not entitled to raise this defense as the United States Supreme Court, in a factually similar matter, had ruled relatively recently that a government could not use the defense of usury as it was personal to the borrower.

At this point the State moved to add the defense of violation of the Small Loans Act by amending its answer to the complaint. The Superior Court ruled in favor of the State and allowed the defense to be added. Frontier countered with a summary judgment motion charging the Attorney General could not enforce the Small Loans Act. The Superior Court -- and later the Supreme Court -- held that it was perfectly appropriate that the Attorney General undertake enforcement of this statute. This cleared the way for final motion for summary judgment.

3. Did the State prevail on any issues; if so describe those.

The State prevailed on the issue of the Attorney General having authority to enforce the terms of the Small Loans Act and, therefore, to raise that as a defense to Frontier's claims. The Court reaffirmed prior rulings that the Attorney General has the power to intervene in cases in the public interest.

4. Did we challenge plaintiff's request for costs and fees or in other ways seek to reduce the costs to the state? If so describe to what extent they were successful.

The Supreme Court remanded this case to the Superior Court for a determination of the amount of the judgment, including costs and attorney's fees. The State contacted the plaintiff's attorney and discussed settling at a figure below

what might be predictable were the matter to go to trial, in exchange for not having to incur the time and expense of having to go through a trial.

The Plaintiff claimed payment for the full value of some 2,600 PFDs and partial payment for 330 PFDs against which prior claims had been exercised. Claims for PFDs under review or otherwise unaccounted for in 1989 and 1990 could have raised this total. This could have resulted in a total potential judgment of well over \$5 million, including principal, pre-judgment interest for 74 months, and attorney's fees.

Negotiation has resulted in a settlement and judgment in the total amount of \$3.5 million. This amount includes principal, pre-judgment interest through February 15, 1996, and attorney's fees.

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

Given the statute change in 1992 concerning PFD assignments, this type of case should be repeated.

Attorney completing form: Vincent L. Usera

Date: February 15, 1996

IN THE SUPREME COURT OF THE STATE OF ALASKA

ROGER BERGER, d/b/a FRONTIER)
FINANCIAL SERVICES,)

Supreme Court No. S-6078

Appellant,)

O R D E R

v.)

STATE OF ALASKA, Department)
of Revenue,)

Appellee.)
_____)

Superior Court No. 3AN-89-8710 Civil


Before: Compton, Chief Justice, Rabinowitz, Matthews, and
Eastaugh, Justices. [Moore, Justice, not
participating.]

IT IS ORDERED:

1. Opinion No. 4289, published on December 1, 1995, is
WITHDRAWN.
2. Opinion No. 4316 is issued on this date in its
place. The major changes to the opinion can be found on pages 4,
5 and 9.

Entered by direction of the Court at Anchorage, Alaska
on January 26, 1996.

CLERK OF THE SUPREME COURT



JAN HANSEN

and \$400 for their PFDs.¹ To guarantee that he would receive the purchased PFDs, Berger had the sellers send the State a PFD change of address form with Berger's address on it and sign a power of attorney permitting Berger to cash the PFD check. In addition, each seller agreed to pay Berger the amount of the 1989 PFD if the State refused to honor the change of address request or the purchase. Finally, Berger had each seller sign a confession of judgment form so that he could collect the PFD amount from each seller if the State refused to honor the change of address request or the purchase.

Berger went to these lengths to guarantee collection because he knew that the Department of Revenue (DOR) did not favor PFD assignments. During the 1980s, DOR proposed regulations that would have prohibited PFD assignments. In each instance, the Attorney General advised DOR that the proposed regulation violated state law. Nonetheless, in 1989 a regulation was promulgated banning assignments "unless the assignee named is a government agency." 15 Alaska Administrative Code 23.220 (1989). Berger continued to purchase PFDs.

In October 1989, the sellers received a letter from DOR saying DOR would not honor the change of address forms and that DOR would mail PFDs to the sellers. In response, Berger filed suit, requesting damages, an injunction to force the State to honor the

¹ Each PFD was estimated to be worth \$840, and turned out to be worth \$873.16.

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

IN THE SUPREME COURT OF THE STATE OF ALASKA

ROGER BERGER, d/b/a FRONTIER
FINANCIAL SERVICES,)

Appellant,)

v.)

STATE OF ALASKA, Department
of Revenue,)

Appellee.)

Supreme Court No. S-6078

O R D E R

Superior Court No. 3AN-89-8710 Civil

Before: Compton, Chief Justice, Rabinowitz, Matthews, and
Eastaugh, Justices. [Moore, Justice, not
participating.]

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JAN HANSEN

and \$400 for their PFDs.¹ To guarantee that he would receive the purchased PFDs, Berger had the sellers send the State a PFD change of address form with Berger's address on it and sign a power of attorney permitting Berger to cash the PFD check. In addition, each seller agreed to pay Berger the amount of the 1989 PFD if the State refused to honor the change of address request or the purchase. Finally, Berger had each seller sign a confession of judgment form so that he could collect the PFD amount from each seller if the State refused to honor the change of address request or the purchase.

Berger went to these lengths to guarantee collection because he knew that the Department of Revenue (DOR) did not favor PFD assignments. During the 1980s, DOR proposed regulations that would have prohibited PFD assignments. In each instance, the Attorney General advised DOR that the proposed regulation violated state law. Nonetheless, in 1989 a regulation was promulgated banning assignments "unless the assignee named is a government agency." 15 Alaska Administrative Code 23.220 (1989). Berger continued to purchase PFDs.

In October 1989, the sellers received a letter from DOR saying DOR would not honor the change of address forms and that DOR would mail PFDs to the sellers. In response, Berger filed suit, requesting damages, an injunction to force the State to honor the

¹ Each PFD was estimated to be worth \$840, and turned out to be worth \$873.16.

PFD assignments, and a declaratory judgment that the regulation barring PFD assignments is invalid.

The superior court denied injunctive relief, and this court denied Berger's petition for review. In 1991, the superior court found that the regulation was beyond the scope of DOR's authority and invalid.² Consequently, the superior court granted partial summary judgment for Berger. The court declined, however, to address whether the transactions were usurious, as claimed by DOR. In 1992, the superior court refused to grant either party summary judgment; it found that the State could not raise the defense of usury because the defense of usury is personal to a borrower, but found that the State could raise the Alaska Small Loans Act (ASLA) as a defense. Finally, in 1993, the superior court found that the PFD purchases were illegal and unenforceable under ASLA, and granted summary judgment for the State. Berger appeals.

B. Usury and the Small Loan Laws

The American colonies adopted English usury laws prior to independence to limit the amount of interest a lender could charge on a loan. See generally Howard J. Alperin & Roland F. Chase, Consumer Law: Sales Practices and Credit Regulation § 497 (1986). While usury laws prevented one evil, they fostered another: loansharking. Usury interest limits were so low that small loans were not profitable. Many people needed to take out

² In 1992 the legislature amended AS 43.23.069(a) to prohibit PFD assignments. This amendment has no effect on the 1989 assignments.

small loans, and turned to loansharks for small loans at illegal interest rates. Because these loans could not legally be enforced, lenders used extra-legal means for collection. 54 Am. Jur. 2d Moneylenders & Pawnbrokers § 7 (1971); National Consumer Law Center, Usury and Consumer Credit Regulation §§ 2.3.3.1, 9.3.5.2 (1987).

In an attempt to curb the loanshark problem, legislatures began passing small loan acts in the early 1900s. These acts often were modeled after the Uniform Small Loan Law drafted by the Russell Sage Foundation. National Consumer Law Center, supra, §§ 2.3.3.1, 9.3.5.2. Small loan laws were special usury statutes, intended to be an exception to the general usury laws. Small loan laws primarily provided a licensing framework by which lenders could become licensed to offer small loans at interest rates higher than those allowed under general usury laws. These laws also prohibited unlicensed lenders from making small loans at rates higher than the general usury rates. Barbara A. Curran, Trends in Consumer Credit Legislation 15-45 (1965); F.B. Hubachek, Small Loan Series: Annotations on Small Loan Laws - Based on the Sixth Draft of the Uniform Small Loan Law (1938).

Alaska followed this general trend. Alaska's usury laws are codified at AS 45.45.010-.090. Under AS 45.45.010(a) the rate of interest is "10.5 percent a year and no more . . . except as provided in (b) of this section." Subsection (b) provides that interest charged by express agreement may not exceed "five percentage points above the annual rate charged member banks for

advances by the 12th Federal Reserve District" on the day the agreement is made, and that an agreement greater in amount than \$25,000 "is exempt from the limitation of this subsection."³ Borrowers are provided with civil remedies if their lender charges too much interest. AS 45.45.010, .030. In 1955 the legislature passed the Alaska Small Loans Act, modeled after the sixth draft of the Uniform Small Loan Law.⁴ Ch. 73 SLA 1955. ASLA describes the licensing process, AS 06.20.010-.220, and provided civil and criminal⁵ penalties for both licensed and unlicensed lenders who violate its provisions. AS 06.20.320. ASLA also prohibits unlicensed lenders from lending less than \$25,000 with interest higher than the legal rate. AS 06.20.300. It is this clause that the State claims Berger violated. However, before discussing whether Berger violated ASLA, we must first address whether the State can raise ASLA as a defense.

³ Subsection (b) was passed at a time when the rate it permitted was substantially higher than the 10.5 percent rate allowed under subsection (a). At this writing, however, the rate charged by the Federal Reserve is 5.25 percent and the permissible rate under subsection (b) is therefore 10.25 percent. This obviously paradoxical situation would appear to be worthy of legislative attention.

⁴ The legislative history does not state this, but the Uniform Small Loan Law and the original Alaska Small Loan Act are nearly identical. Compare Ch. 73 SLA 1955 with Hubachek, supra, at 181.

⁵ In 1993 the legislature repealed ASLA's criminal penalty provision. Ch. 26, § 102, SLA 1993.

II. DISCUSSION

A. The State May Raise the Alaska Small Loans Act as a Defense⁶

Berger contends that the State cannot raise ASLA as a defense. Berger points out that ASLA is a form of usury statute. Traditionally, only borrowers (or their trustees) could raise usury as a defense. Because ASLA is a special usury statute, he argues that only the "borrower" (or, in this case, original PFD holder) can raise it as a defense.

The State addresses Berger's contention as a standing issue.⁷ The State first points out that ASLA is not the State usury statute. And, contrary to the usury statute, ASLA had provisions for criminal enforcement by the Attorney General.⁸ Additionally, the Attorney General has the power to intervene in cases in the public's interest. Since the Attorney General can affirmatively act to enforce ASLA, the State argues that he can raise ASLA as a defense.

⁶ Whether the State can raise ASLA as a defense is a question of law. We review questions of law using our independent judgment and apply the "rule of law which is most persuasive in light of precedent, policy and reason." Summers v. Hagen, 852 P.2d 1165, 1169 (Alaska 1993).

⁷ The State also argues that the doctrine of "estoppel" does not apply. Berger does not use the term estoppel, but claims that because the State did not raise ASLA until other claims failed, "the State's position is one of convenience rather than conviction." He does not cite any legal authority or explain why this is legally significant. Therefore, we do not address the estoppel argument. Adamson v. University of Alaska, 819 P.2d 886, 889 n.3 (Alaska 1991).

⁸ Although the State speaks in the present tense, the legislature repealed ASLA's criminal penalty provision in 1993. Ch. 26, § 102, SLA 1993.

The superior court found that the State had standing to raise ASLA as a defense:

[ASLA] provides that violation of certain of its requirements . . . constitutes a misdemeanor. This court agrees with the State's argument that if the attorney general has the power to bring an action to enforce a state law it must follow that the attorney general has standing to raise [a] violation of that statute in an action for damages against the state.

We agree with the superior court and the State. We have held that the State, through the Attorney General, can act to enforce certain statutes. For example, in Public Defender Agency v. Superior Court, 534 P.2d 947, 949-50 (Alaska 1975), we held that the Attorney General may enforce child support orders. The Attorney General's authority to enforce the support orders stems, in part, from the fact that "willful non-support [is] a misdemeanor." Id. at 949. Additionally, the Attorney General has the common law power "to bring any action which he thinks necessary to protect the public interest." Id. at 950. We reaffirmed Public Defender Agency in State v. First National Bank of Anchorage, 660 P.2d 406 (Alaska 1982). In First National the Attorney General brought suit against several fraudulent real estate developers. Id. at 408-09. The State sought an injunction against further fraudulent sales and restitution for fifty-three defrauded purchasers. Id. at 408. The developers argued "that the State was without authority to enforce the common law rights of these purchasers." Id. at 420. We held that the Attorney General could

bring a suit even "in the absence of express statutory authority."
Id. at 421.

This case is similar to Public Defender Agency. The legislature has expressed an interest in protecting Alaskans from usurious small loans by making such transactions misdemeanors. Additionally, the State argues that invalidating the transactions is in the public interest. Thus, as in Public Defender Agency, we hold that the State can act to enforce a statute, in this case by raising ASLA as a defense to Berger's suit.

B. The Alaska Small Loans Act Does Not Prohibit These Transactions

1. The scope of the Alaska Small Loans Act.

Alaska Statute 06.20.300(a) prohibits unlicensed persons from making small loans, or similar transactions, at a greater interest rate than that allowed under Alaska's general usury statute. The statute states:

Except as authorized in this chapter, a person may not directly or indirectly charge, contract for, or receive any interest, discount, or consideration greater than that which the person would be permitted by law to charge if the person were not a licensee, upon the loan, use, or forbearance of money, goods, or things in action, or upon the loan, use, or sale of credit of the amount or value of \$25,000 or less.

AS 06.20.300(a).

⁹ Whether ASLA applies to these transactions is a question of law. We review questions of law using our independent judgment and apply the "rule of law which is most persuasive in light of precedent, policy and reason." Summers v. Hagen, 852 P.2d 1165, 1169 (Alaska 1993).

The superior court ruled that Berger violated the plain language of AS 06.20.300(a):

[Berger] "contracted for" a "consideration" upon the "forbearance" of a "thing in action". The contract entered into between [Berger] and the individual applicant provided that [Berger] would receive consideration in the form of the applicant's 1989 Dividend (a "thing in action") or its cash equivalent. [Berger] would forbear the right to receive the Dividend or payment until January 1, 1990. Therefore, AS 06.20.300 required that the consideration received by [Berger] in these transactions not be greater than authorized by law.

This misconstrues AS 06.20.300. Berger will receive a handsome return on his purchases. However, the statute only forbids handsome returns -- those in excess of the legal rate -- where there is (1) a loan/use/forbearance of money/goods/things in action, or (2) a loan/use/sale of credit.

In this case Berger relinquished money. Thus, AS 06.20.300 only prohibits the transaction if, when Berger paid each PFD seller, he was engaging in the loan or forbearance of money.¹⁰

It is clear that Berger did not engage in the forbearance of money;¹¹ whether he loaned money is less clear. There are two

¹⁰ We interpret the word "use," in this context, to be parallel and similar in meaning to the word "loan" and to apply when the subject matter is goods or things in action rather than money.

¹¹ To forbear money is to refrain from collecting a debt. See Boerner v. Colwell Co., 577 P.2d 200, 204 n.7 (Cal. 1978) ("A 'forbearance' of money is the giving of further time for the repayment of an obligation or an agreement not to enforce a claim at its due date."); H.V. Tygett v. University Gardens Homeowners' Ass'n, 687 S.W.2d 481, 483 (Tex. App. 1985) ("'Forbearance' occurs when there is a debt due or to become due, and the parties agree to extend the time of its payment.").

methods for determining whether Berger loaned money. First, did Berger's transactions fit the objective definition of a loan? Second, were the transactions loans disguised as sales? If the answer to either question is yes, Berger loaned money in violation of ASLA.¹²

2. The transactions do not fit the definition of a loan.

A loan is the payment of money by a lender to a borrower in exchange for an agreement to repay with or without interest. See Southwest Concrete Prods. v. Gosh Constr. Corp., 798 P.2d 1247, 1249 (Cal. 1990) ("A loan of money is the delivery of a sum of money to another under a contract to return at some future time an equivalent amount."); Liberty Nat'l Bank & Trust Co. v. Travelers Indem. Co., 295 N.Y.S.2d 983, 986 (N.Y. App. 1968) ("A loan is defined in Webster's New Twentieth Century Dictionary (1964) as ' . . . anything furnished for temporary use to a person at his request, on the condition that it shall be returned, or its equivalent in kind, with or without a compensation for its use'"); Consumer Credit Code (1974 Act) § 1.301(25)(a)(i) (defining loan as including "the creation of debt by the lender's payment of or agreement to pay money to the debtor or to a third person for the account of the debtor").

A sale is the payment of money by a buyer to a seller in exchange for title and possession of property. See Cullen v.

¹² The superior court analyzed the transactions to determine if they were disguised loans, but found that "it [was] not necessary to address this argument, given the fact that ASLA specifically covers the transactions."

Braqq, 350 S.E.2d 798, 799-800 (Ga. App. 1987) (assignment of expected tax refund of \$474 for immediate payment of \$296.53 a sale rather than a loan); Grinnell Corp. v. United States, 390 F.2d 932, 947-48 (Ct. Cl. 1968) (describing sale as, normally, transfer of property for a price); Kline v. Robinson, 428 P.2d 190, 194 (Nev. 1967) ("A sale is the transfer of the property in a thing for a price in money. The transfer of the property in the thing sold for a price is the essence of the transaction."); U.C.C. § 2-106(1) (1987) ("A 'sale' consists in the passing of title from the seller to the buyer for a price.").

In this case, Berger gave each seller money in exchange for a PFD and a promise to repay Berger the value of the PFD if the State did not send Berger the proceeds. These transactions thus contain elements of both definitions but do not exactly fit either. The conditional guarantees add the element of possible repayment (found in a loan) to a transfer of property for money (a sale).

Case law holds that repayment guarantees do not necessarily turn sales into loans. Where such guarantees exist, however, transactions must be scrutinized to determine if they are disguised loans. See Investors Thrift v. AMA Corp., 63 Cal. Rptr. 157, 159 (Cal. App. 1967) ("[A] guarantee of the validity of accounts implemented by an agreement to repurchase 'uncollectible or dispute accounts' [does] not, per se, render the transaction a loan."); Refinance Corp. v. Northern Lumber Sales, 329 P.2d 109, 113 (Cal. App. 1958) ("[T]he giving of a guaranty is simply an item of testimony or evidence which the trial court may consider in

determining whether the transaction is in fact a loan"); Webster v. Sterling Fin. Co., 195 S.W.2d 509, 515 (Mo. 1946) ("[S]ome or all of the unsold installments in each note were pledged to secure the payment of the alleged sold installments, but we find no case or text that such would be evidence tending to show that the transactions were not sales, as stated in the sale agreements."); Coast Fin. Corp. v. Ira F. Powers Furniture Co., 209 P. 614, 615 (Or. 1922) ("The great weight of authority is that [a guaranteed] transaction should be regarded as a valid sale of a chattel with a warranty of soundness"); Val Zimmermann Corp. v. Leffingwell, 318 N.W.2d 781, 790 (Wis. 1982) (When unsure if a guarantee makes a transaction a loan, "examine all of the allegations . . . to determine whether . . . [it is] a usurious loan."). Because the presence of the guarantees precludes finding that the transactions were by definition either loans or sales, we turn to the question of whether the transactions were disguised loans.

3. The transactions are not disguised loans.

Courts often "pierce" suspicious commercial transactions to examine their true nature. See, e.g., Milana v. Credit Discount Co., 163 P.2d 869, 871 (Cal. 1945) ("The courts have been alert to pierce the veil of any plan designed to evade the usury law and in doing so to disregard the form and consider the substance."). See generally Hubachek, supra, at 145-78 (discussing small loan law evasion). Berger's transactions are sale-loan hybrids and should be subjected to the disguised loan analysis we articulated in two

prior cases, McGalliard v. Liberty Leasing Co., 534 P.2d 528 (Alaska 1975), and Metcalf v. Bartrand, 491 P.2d 747 (Alaska 1971).

We first addressed a disguised loan transaction in Metcalf. The transactions at issue began when Bartrand was denied a bank loan. Id. at 748. Her friend, Metcalf, offered to buy part of Bartrand's land for \$3,500, but allow her to keep possession of the land. Id. at 748-49. In return, Bartrand agreed to buy the land back from Metcalf for \$7,000 over three years. Id. When Bartrand later needed more money, Metcalf purchased another parcel of her land for \$5,000 and she agreed to buy it back from him for \$10,000 over two years. Id.

When Bartrand failed to keep up her purchase payments, Metcalf filed a foreclosure action claiming that Bartrand was in default on her contract payments. Id. Bartrand raised usury as a defense. Id. At trial, Metcalf testified that the transactions were sales and repurchases. Id. Bartrand testified that they were loans, and that she had intended to repay the money she had received. Id. The trial court found that the parties intended to make a loan, and that it was usurious and void. Id.

On appeal, we upheld the trial court's characterization of the transactions as disguised usurious loans. Id. at 750-51. We held that the court must look "not to the form but to the substance of the transactions." Id. at 751. We listed six factors for trial courts to consider in deciding whether a transaction is a disguised loan: (1) adequacy of consideration, (2) possession, (3) parties' conduct, (4) parties' financial status, (5) parties'

expectations, and (6) accuracy of documents. Id. at 750. We also held that Bartrand did not have to prove mutual intent to disguise a loan. Id. at 750-51. We concluded that the evidence presented at trial, including Bartrand's testimony of her intent to repay the money she received, was sufficient to support the trial court's finding of a disguised usurious loan. Id.

Our second disguised loan case was McGalliard v. Liberty Leasing Co., 534 P.2d 528 (Alaska 1975). The McGalliards desired to acquire trade fixtures. They selected what they wanted from a fixture supplier, Western Fixtures. It was arranged that Liberty Leasing would pay \$17,836.88 to Western for the fixtures and lease them to the McGalliards who would make thirty-six lease payments totalling \$24,721.92 to Liberty. Id. at 529. At the end of three years, Liberty would extend the lease indefinitely for annual payments of \$1,783.68. Id. After one extension Liberty would normally abandon leased property to its lessees. Id. at 532.

When the McGalliards defaulted after making nineteen payments, Liberty sued them for the balance of the lease. Id. at 529. The McGalliards raised usury as a defense. Id. The trial judge found that the usury statute did not cover the transaction and the McGalliards appealed. Id. In deciding McGalliard, we again listed several factors to consider in determining whether a transaction is a disguised loan: (1) the parties' intent, (2) the parties' discussion of alternatives, (3) the parties' relationship, (4) trade custom, (5) adequacy of consideration, and (6) computation of "charges in a manner in which loan interest is

usually computed." Id. at 530. We found that there was substantial evidence that both parties intended to treat the transaction as a loan. Id. at 530-33. We reversed the trial judge and held that the "transaction was a third-party loan," id. at 533, that is a loan by Liberty, the proceeds of which were used by the McGalliards to buy fixtures from Western.

These cases seem to illustrate that one constant element of a loan is that the borrower has an expectation to repay the money advanced unconditionally, and not merely in default of some other occurrence.¹³ See McGalliard, 534 P.2d at 530; Metcalf, 491 P.2d at 750; see also Kline v. Robinson, 428 P.2d 190, 194 (Nev. 1967) (holding that a loan is the transfer of money under a contract to repay, "and if such be the intent of the parties the transaction will be deemed a loan regardless of its form"). In both Metcalf and McGalliard the borrowers intended to repay the entity which had advanced money, not only because there was a legal obligation to do so, but because that was in their economic interest at the time each transaction was entered into. McGalliard, 534 P.2d at 529-30; Metcalf, 491 P.2d at 749-50.¹⁴

¹³ By contrast, the lender may not expect the borrower to repay the money advanced and, as in Metcalf, may hope that it is not repaid because the value of the security exceeds the amount owed. Metcalf, 491 P.2d at 749.

¹⁴ Repayment by the borrower in Metcalf was in the borrower's interest because the security was worth more than the amount owed. In the case of McGalliard, repayment was in the borrower's interest because the secured property was needed for the borrower's business.

In the present case, it is obvious from the structure of the questioned transactions that the PFD sellers did not have an unconditional repayment expectation, as distinct from knowledge that repayment might be forced upon them as a secondary remedy.¹⁵ To cast the transactions in the present case in lender/borrower terms, forfeiture of the security (the PFD) is what the borrower intends and expects. Payment of the whole amount of PFD to the lender (Berger), as distinct from allowing the forfeiture of the security, has no particular advantage from the borrower's standpoint because the security is the exact equivalent of the amount owed and is not independently useful to the borrower. These transactions thus lack an essential element of disguised loans and are therefore not forbidden by ASLA.

¹⁵ In the accounts receivable financing cases cited by the dissent, the "seller" of the accounts receivable continued to collect the proceeds due under the accounts from the account debtors and forward them to the "buyer" of the accounts receivable. Brierley v. Commercial Credit Co., 43 F.2d 724, 726 (E.D. Pa. 1929); Milana v. Credit Discount Co., 163 P.2d 869, 871 (Calif. 1945); Dorothy v. Commonwealth Commercial Co., 116 N.E. 143, 147 (Ill. 1917); Mercantile Trust Co. v. Kastor, 112 N.E. 988, 989 (Ill. 1916); Western Auto Supply Co. v. Vick, 277 S.E.2d 360, 366 (N.C. 1981). Thus the "seller" expected to repay the buyer (by forwarding payments from account debtors) if the transaction proceeded as the seller expected that it would; the obligation to repay the buyer was thus not merely activated in default of receipt of payments by account debtors. Thus these cases are consistent with our decision in the present case. Further, unlike the present case, the accounts receivable financing cases involve continuing business relationships between the parties which are in substance indistinguishable from traditional lender/borrower roles.

III. CONCLUSION

Because Berger did not loan or forbear money, ASLA does not cover his purchase of PFD rights, and the State cannot successfully raise ASLA as a defense to paying Berger. Therefore, we REVERSE the decision of the superior court and REMAND for proceedings consistent with this opinion.

COMPTON, Justice, with whom RABINOWITZ, Justice, joins, dissenting in part.

I conclude that the transactions at issue were disguised loans subject to the interest rate limitation of the Alaska Small Loans Act. Since the monetary return to Berger exceeded that limitation, the loan may not be enforced. AS 06.20.310. Thus, I dissent from Section II(B)(3) of the opinion.

The court concludes that the transactions were not disguised loans because the "sellers did not have an unconditional repayment expectation, as distinct from knowledge that repayment might be forced upon them as a secondary remedy." A fair reading of the record, however, reveals that the sellers did have an unconditional repayment expectation.¹ By signing the Purchase Agreement the sellers knew that there was no condition under which the money represented by the permanent fund dividend would not be paid to Berger. Furthermore, the sellers knew that they were ultimately responsible for this payment.

While the court minimizes the importance of the repayment

¹ The "Purchase Agreement" provided,

In the event that the Seller's Alaska Permanent Fund Dividend or cash equivalent thereof is not transferred to the Buyer by January 1, 1990, due to the Seller's failure to qualify for an Alaska Permanent Fund Dividend, non-delivery of the Alaska Permanent Fund Dividend to the Buyer, or a claim to the Seller's Alaska Permanent Fund Dividend paramount to the Buyer's then the Seller shall be in material breach of this agreement.

This clause was followed by a confession of judgment.

guarantees, I consider them crucial to resolving the sale/loan question. An appropriate analogy, given the sui generis nature of permanent fund dividends, is to the sale of accounts receivable at a discount. Parties holding accounts receivable often sell them at less than their face value to obtain immediate cash in hand. If the seller of the accounts is "absolutely released from the obligations imposed by the instrument upon its discount and subsequent transfer," Western Auto Supply Co. v. Vick, 277 S.E.2d 360, 369 (N.C. 1981), aff'd on rehearing, 283 S.E.2d 101 (1981), then the transfer is considered a true sale not subject to usury laws. See Milana v. Credit Discount Co., 163 P.2d 869, 871 (Cal. 1945) ("Contractors are free to buy and sell their property, and this may include promissory notes and other instruments, at a price agreed upon, and when the bona fides of the parties is established the percentage of profit has no relation to the usury law.").

Conversely, if the seller of the accounts remains ultimately responsible for repayment, by means of an endorsement or guarantee, then such transfers are considered loans subject to usury laws, regardless of how the parties describe the transaction. See, e.g., Western Auto Supply, 277 S.E.2d at 368 ("[I]f the purchaser of a note requires the endorsement of the seller as a guaranty of payment . . . the transaction is, in effect, a loan."); Dorothy v. Commonwealth Commercial Co., 116 N.E. 143 (Ill. 1917) (a purported sale of discounted accounts receivable was actually a pledge of those accounts for a loan of money, due to the fact that the seller guaranteed payment of the accounts); Mercantile

Trust Co. v. Kastor, 112 N.E. 988, 991 (Ill. 1916) ("Calling the transaction a sale of accounts does not alter the fact that the transaction is merely an advancement of money, to be repaid by the borrower with a rate of interest greater than that allowed by law."); Brierlev v. Commercial Credit Co., 43 F.2d 724, 727 (E.D.Pa. 1929) ("[The seller] got money from the credit company and was bound to see that money in the same amount was returned to the credit company when the accounts came due. What it paid for the accommodation of getting the money from the credit company, instead of having to wait to collect it from its customers, was really interest, though it was called by another name."); Milana v. Credit Discount Co., 163 P.2d at 872 ("The significant fact is that if the defendants had really purchased the accounts and had taken absolute title there would be no occasion for the provision or practice relating to guarantees of payment within specified periods. . . .").

The distinction these cases draw between sales and loans, a distinction which focuses on the alleged seller's continuing obligations to the buyer, offers a more meaningful method of rooting out disguised loans than the rule established by the court today. I would apply this authority to the present case. By requiring permanent fund dividend "sellers" to guarantee repayment unconditionally, the Purchase Agreement "create[d] a debit and credit relationship which [was] not terminated until replacement of the sum borrowed with agreed interest." Id. at 871. In other words, the Purchase Agreement created a loan. I would so hold.

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IN THE SUPREME COURT FOR THE STATE OF ALASKA

ROGER BERGER, d/b/a FRONTIER FINANCIAL SERVICES,)	
)	
Appellant,)	
)	
vs.)	
)	
THE STATE OF ALASKA, Department of Revenue,)	
)	
Appellee.)	Supreme Ct. No. S-6078 Civil

PETITION FOR REHEARING

The State of Alaska respectfully seeks a rehearing of the decision in this case on the grounds that the Court has misperceived the essential elements of a loan and overlooked the applicability of AS 06.20.290.

The Court has held that an essential element of a loan is that "the borrower has an expectation to repay the money advanced unconditionally, and not merely in default of some other occurrence." Slip Op. at 14-15. From this holding, the Court derives the proposition that the value of the security must exceed the amount of the loan, thus inducing in the borrower the economic motivation to repay, rather than allow a forfeiture of the security. Slip Op. at 15-16.

These holdings were neither advanced nor advocated by Berger in this appeal. Accordingly, the State has not had an opportunity to address this unique restatement of the law concerning small loans, or alert the Court to the pitfalls of adopting this narrow definition of "loan." The State requests an

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1
2 opportunity to brief and argue this question.

3 **A. No legal authorities that define the term "loan" support the holdings that**
4 **subjective expectation of unconditional repayment and that the value of**
5 **collateral exceed that of principal are essential elements of a loan.**

6 The State has found no support for the holding of *Berger* that a
7 transaction is not a loan if the value of the security does not exceed the principal
8 of the loan. None of the authorities cited in the opinion or consulted by the State
9 mention this requirement as an element of a loan, much less the linchpin of the
10 analysis. The following definition, on the other hand, appears in a leading treatise
11 on banking law and is echoed in virtually every authority consulted by the State:
12

13 A loan of money is a contract by which one delivers a sum of
14 money to another and the latter agrees to return at a future
15 time a sum equivalent to that which he borrows. In order to
16 constitute a loan there must be a contract whereby, in sub-
17 stance one party transfers to the other a sum of money which
18 that other agrees to repay absolutely, together with such
19 additional sums as may be agreed upon for its use.

20 6A MICHIE ON BANKS AND BANKING ch. 11, § 1 (1995).¹

21 1.. The State has researched authorities which define and discuss the elements
22 of loans. In none is there even an allusion to the proposition that the value of the
23 collateral is a determinant of whether a transaction is a loan or a sale. The following
24 authorities either define "loan" or discuss the elements of a loan in various contexts,
25 some finding a loan to exist, others finding in the negative. None support the *Berger*
26 test. See *In Re Bellanca Aircraft Corp.*, 850 F.2d 1275, 1277 (8th Cir. 1988);
Ghirardo v. Antonioli, 883 P.2d 960, 967 (Cal. 1994); *Southwest Concrete Prods.*
v. Gosh Constr. Corp., 798 P.2d 1247, 1249 (Cal. 1990); *Baxter v. Stevens*, 773
P.2d 890, 892 (Wash. 1989); *Tyrcha v. Wesolek*, 543 N.E.2d 222, 224 (Ill. App.
1 Dist. 1989); *Halco Fin. Serv., Inc. v. Foster*, 770 S.W.2d 554 (Tenn. App. 1989);
Edwards v. Alabama Farm Bureau Mutual Casualty Co., 509 So.2d 232, 235 (Ala.
Civ. App. 1986); *Brown v. Loveland*, 678 P.2d 292, 296 (Utah 1984); *Rouse v.*
People's Leasing Co., Inc., 638 P.2d 1245, 1247 (Wash. 1982) citing *Hafer v.*
Spaeth, 156 P.2d 408 (Wash. 1945); *Rinyu v. Teal*, 593 S.W.2d 759, 761 (Tex.
(continued...)

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2 Under this definition, the key elements of a loan are the transfer of
3 *money* and an agreement for repayment. The difficult cases are those like
4 *McGalliard* and *Metcalf*, where the loans were disguised as a sale of a *res*.
5 *McGalliard v. Liberty Leasing Co.*, 534 P.2d 528 (Alaska 1975); *Metcalf v.*
6 *Bartrand*, 491 P.2d 747 (Alaska 1971). Here, the case is easy, because no *res*
7 was transferred. Money was transferred; money was to be repaid. In the
8 superior court, Berger himself admitted that this transaction was a loan.²
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11 1.(...continued)

12 Civ. App. 1980); *Boerner v. Colwell Co.*, 577 P.2d 200, 204 (Cal. 1978); *Florence*
13 *v. New York Life Ins. Co.*, 357 N.E.2d 35, 37 (Ohio 1976); *Lenes v. Dean*, 135 Cal.
14 Rptr. 14, 15 (Cal. App. 1976) quoting *Milana v. Credit Discount Co.*, 163 P.2d 869,
15 871 (Cal. 1945); *Johns v. Jaeb*, 518 S.W.2d 857, 860 (Tex. Civ. App. 1974);
16 *Carper v. Kanawha Banking and Trust Co.*, 207 S.E.2d 897, 909 (W. Va. 1974);
17 *State v. J. C. Penney Co.*, 179 N.W.2d 641, 645 (Wis. 1970); *Kline v. Robinson*,
18 428 P.2d 190, 194 (1967); *Whittemore Homes, Inc. v. Fleishman*, 12 Cal. Rptr.
19 235, 236 (Cal App. 1961); Debora L. Threedy, *Loan Participations - Sales or Loans?*
20 *Or is that the questions?*, 68 OR. L. REV. 649 (1989); Barry J. Dichter, *Bankruptcy*
21 *and Insolvency Considerations in Structured Finance Transactions*, 314 Practising
22 Law Institute - Real Estate 89 (1988); Jack M. Feder, *Either A Partner or A Lender*
23 *Be: Emerging Tax Issues in Real Estate Finance*, 36 Tax Law. 191 (1983); Justin T.
24 Toth, *Texas Usury Law: When is A Borrower's Promise to Repay Absolute?*, 32-Oct.
25 Hous. L. Rev. 42 (1994); Joseph W. Gelb and James F. Lerner, *Update By*
26 *Subcommittee on Interest Rate Regulation*, 46 Bus. Law. 1255 (1991); BLACK'S LAW
DICTIONARY 936 (6th ed. 1990); BALLENTINE'S LAW DICTIONARY 748 (3rd ed. 1969);
25 PROOF OF FACTS 2D 521, 528.

2. The Court's holding that "the borrower [must have] an expectation to repay
the money advanced unconditionally, and not merely in default of some other
occurrence" does not lead to a finding that these assignments of rights to receive
permanent fund dividends were not loans. Here, as the dissent points out, the
overwhelming evidence--including a personal guarantee and a confession of
judgment--demonstrates that the assignors fully expected to repay the loan with
substantial interest. This case turns on the Court's holding that the value of the
security must exceed the principal of the loan, which, as the state argues in this
petition, is neither a universal nor necessary feature of a loan.

(continued...)

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2 **B. Under the rule of law announced in *Berger*, many usurious transactions will**
3 **now not be considered loans**

4 The law concerning loans in Alaska is now at odds with the rest of
5 the country. Under *Berger*, a usurious loan, made with no collateral, or collateral
6 with a value equal to the principal, is no longer a loan. Thus, a typical signature
7 loan, secured only by the borrower's good credit standing, would no longer be a
8 loan and usury laws would not apply. Perhaps most anomalous is the result that
9 a "handshake" loan--a loan secured only by word of mouth, or, perhaps, threat of
10 physical harm--could no longer be considered a loan. As the Court acknowl-
11 edged, it is this very practice of loansharking that usury ceilings and small loans
12 acts were meant to curb. Slip Op. at 3-4.

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14
15 **C. The Court has overlooked that, by analogy, AS 06.20.290 establishes the**
16 **general principle that money advanced against an assignment of a right to**
17 **receive a payment of money is a loan**

18 In its analysis, the Court has overlooked the implications of
19 AS 06.20.290, which provides that money advanced against an assignment of

20 _____
21 2.(...continued)

22 Yet, many problems exist with the Court's expression of the requirement of
23 an "intent to repay." Slip Op. at 15. A loan may remain a loan even if the borrower
24 intends to welsh. A better test would focus on the degree of risk. A transaction
25 involving the sale of a right to receive money is a loan if the right is unconditional or
26 guaranteed. Where the right is conditional or otherwise risky, however, the
transaction looks more like a sale. See, e.g., *Ghirardo v. Antonioli*, 883 P.2d 960,
967 (Cal. 1994); *Rinyu v. Teal*, 593 S.W.2d 759, 761 (Tex. Civ. App. 1980);
Boerner v. Colwell Co., 577 P.2d 200, 204 (Cal. 1978).

This expression of the test retains the feature seized upon by the Court in
Berger, an "expectation" of repayment. When, as here, the transaction is relatively
risk-free, the parties clearly expect repayment to occur. Focussing on degree of risk,
however, switches the analysis from a focus on subjective intent to quantifiable
market indicators that the courts can more easily and accurately evaluate.

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2 wages, salary, commissions, or other compensation for services is a loan for
3 purposes of the Small Loans Act.³ Although the Permanent Fund Dividend (PFD)
4 technically may not be governed by this statute, the transactions here are highly
5 analogous to the assignment of wages or compensation.⁴ Alaska Statute
6 06.20.290 states a general policy that assignments of vested rights to receive
7 money should be considered loans, not sales. Because the PFD is so akin to the
8 payments covered by AS 06.20.290, it should receive the same treatment.⁵
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13 3. Were it not for AS 06.20.290, under *Berger*, an assignment of wages could
14 never be considered a loan.

15 4. Further, the legislature views the PFD as "compensation" to the people of
16 Alaska for use of their natural resources. The PFD was initiated for three purposes,
17 the first two of which are germane to this discussion:

18 (1) provide a mechanism for equitable distribution to the people
19 of Alaska of at least a portion of the state's energy wealth
20 derived from the development and production of the natural
21 resources *belonging to them as Alaskans*; [and] (2) to encourage
22 persons to maintain their residence in Alaska and to reduce
23 turnover in the state[.]


24 *Williams v. Zobel*, 619 P.2d 448, 458 (Alaska 1980) quoting § 1(b), ch. 21 SLA
25 1980.

26 5. By contrast, the Georgia State Legislature has adopted a different view and
policy regarding assignments of certain rights to receive money. See *Cullen v.*
Bragg, 350 S.E. 2d 798, 799-800 (Ga. App. 1987) (Georgia statute requires that
assignment of expected tax refund in exchange for immediate payment is a sale, not
a loan). To the extent that the Court relied on *Cullen* in *Berger*, the Court must have
overlooked that *Cullen* was based on statute, not a common law definition of "loan."
To the extent that the Court is examining statutes to determine the definition of
"loan," the State submits that AS 06.20.290 is a better indicator of Alaska policy
than the Georgia statute that governed the decision in *Cullen*.

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DATED this 11th day of December, 1995 at Juneau, Alaska.

BRUCE M. BOTELHO
ATTORNEY GENERAL

By: 
Vincent L. Usera
Assistant Attorney General

ATTORNEY GENERAL, STATE OF ALASKA
DIMOND COURTHOUSE
P.O. BOX 110300, JUNEAU, ALASKA 99811
PHONE: 465-3600

The undersigned certifies that on this date,
a true and correct copy of the foregoing was
served by mail on:

Mark Sandberg, Esq.

12/11/1995

Rebecca J. Baxter

IN THE SUPREME COURT FOR THE STATE OF ALASKA

ROGER BERGER d/b/a FRONTIER FINANCIAL SERVICES,

Appellant,

v.

STATE OF ALASKA, D.O.R.,

Appellee.

Supreme Court No. S-6078 CIV

Superior Court No. 3AN-89-8710 CV

OFFER OF JUDGMENT

Pursuant to Civil Rule 68, plaintiff hereby offers to allow entry of judgment in the amount of \$3,500,000 in favor of the plaintiff against the State of Alaska. This amount is inclusive of all costs, interest and attorney fees accrued through February 15, 1996. Any judgment entered upon this offer shall bear interest at legal rate from February 16, 1996 until satisfied.

DATED this 15 day of February, 1996, at Anchorage, Alaska.

SANDBERG, WUESTENFELD & COREY Attorneys for Appellant

By: [Signature] Mark A. Sandberg

ACCEPTANCE

The State of Alaska accepts the offer described above and stipulates to entry of a final judgment on those terms.

DATED this 15 day of February, 1996.

STATE OF ALASKA

By: [Signature]

Sandberg, Wuestenfeld & Corey WEST 7TH AVENUE SUITE 200 ANCHORAGE, AK 99501 (907) 274-4363

Alaska State Legislature

Mark Hanley
Co-Chair
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(907) 443-5036

House of Representatives
Committee on Finance
State Capitol, Juneau, Alaska 99801-1182

MEMORANDUM

DATE: February 4, 1996

TO: House Finance Committee Members

FROM: Mark Hanley, Co-Chair
Mark Hanley
House Finance Committee

RE: Governor's FY96 Supplemental - HB468
Additional Information

Attached are comments and a sectional analysis prepared by the Legislative Finance Division on the Governor's Supplemental Request.

attachment

ALASKA STATE LEGISLATURE
LEGISLATIVE BUDGET AND AUDIT COMMITTEE
Division of Legislative Finance



P.O. Box 113200
Juneau, AK 99811-3200
(907) 465-3795
FAX (907) 463-4885

MEMORANDUM

DATE: February 3, 1996

TO: Representative Mark Hanley, Co-Chair, House Finance Committee-Operating
Senator Steve Frank, Co-Chair, Senate Finance Committee-Operating

FROM: Michael Greany, Legislative Fiscal Analyst *Michael Greany*

BY: Kathryn Daughhete, Fiscal Analyst *Kathryn Daughhete*

SUBJECT: LFD Sectional Analysis of HB 403/SB 260 FY 96 Governor's Supplemental Request

Attached is a "sectional" of the appropriations contained in the Governor's FY 96 supplemental request. The schedule is in bill order and has been reconciled with the Summary of Governor's FY 96 Supplemental Requests prepared the Governor's Office of Management and Budget. The following discrepancies have been noted:

Section 3(c). Our analysis indicates that this section appropriates \$650,000 from the fund balance of the rural development initiative fund (RDLIF) to the enterprise development account of AIDEA. It does not represent an offsetting reduction in other funds authorization because no such authorization exists from the rural development initiative fund in the FY 96 Community & Regional Affairs budget.

Section 3(d). Similarly, this section appropriates \$650,000 from the general fund to the RDLIF to recapitalize that fund following the sale of the asset portfolio effected by section 3(c). There is no offsetting reduction because the sale results in revenue to the general fund rather than any reduction in existing authorization. **A language change could avoid a general fund appropriation.**

Section 10(b). The reduction in to the CBR authorization in Oil & Gas Litigation should appear in the "Other Funds" column rather than the "General Fund" column. The CBR is a constitutionally dedicated fund outside of the general fund.

Additionally, based on our analysis of the bill, we note the following manifest clerical error in Section 13(a). The section should read as follows: The sum of \$198,189 is appropriated from the corporate [general fund] receipts of the Alaska Housing Finance Corporation to the Department of Revenue, Alaska Housing Finance Corporation, to cover unanticipated lease costs for the fiscal year ending June 30, 1996.

Other Issues:

Section 1(e). Retirement and Benefits - Increased investment management fees. May require earlier action by RPL and the LB&A committee, if a supplemental appropriation isn't made by the end of March.

Section 5(b). Extends FY 96 lapse to offset FY 97 appropriations - a policy issue on the source of funds, i.e. Public School Trust Fund.

Section 7. Not necessary if the Governor's amended budget for FY 97 includes EVOSS funds for the Trustee Council restoration projects.

Section 10. Judgments & Claims. The amount is very likely understated and will grow right up to final legislative action. As usual, the Dept. of Law provides little supporting information, particularly subsection (c) Berger judgment \$4,141,100.

Section 16. Disaster & Fire Funding. From a legislative branch perspective, the language may be too broad.

cc: Representative Foster, Co-Chair, House Finance Committee
Senator Halford, Co-Chair, Senate Finance Committee
Representative Martin, Chair, Legislative Budget & Audit Committee.A

HB 468/HB 260
FY 96 GOVERNOR'S SUPPLEMENTAL REQUEST

Gov. Sec #	DEPT.	BRU/COMPONENT	DESCRIPTION	GF	GF/PR	GF/Mental Health	Other	Total Funds
1	(a) ADMIN	Admin Services	Reduce Finance to Fund Public Defender	(49.0)				(49.0)
1	(a) ADMIN	Public Defender	Public Defender Bethel Caseload	49.0				49.0
1	(b) ADMIN	Public Defender	Increased operating costs		217.0			217.0
1	(c) ADMIN	Office of Public Advocacy	Increased Operating costs	356.4				356.4
1	(d) ADMIN	Leasing	Increased Operating costs	870.0				870.0
1	(e) ADMIN	Retirement & Benefits	Increased investment management & record keeping fees				450.0	450.0
1	(f) ADMIN	Longevity Bonus Grants	Increased payments	23.1				23.1
1	(f) ADMIN	Senior Services	To Longevity Bonus	(23.1)				(23.1)
2	COMM		Tokyo office lease space	61.2				61.2
3	(a) C&RA	Local Government Assist	Revenue sharing for Kluti-Kaah	(8.3)				(8.3)
3	(a) C&RA	Municipal Revenue Sharing	Revenue sharing for Kluti-Kaah	8.3				8.3
3	(b) C&RA	Employment Training Rural Development	Extend lapse date for Rural Development grants June 30, 1997					0.0
	(c) C&RA	Community & Rural Development	RDLF loans to AIDEA				650.0	650.0
3	(d) C&RA		Recapitalize Rural Dev Initiative Fund	650.0				650.0
3	(e) COMM	AIDEA	Section (c) & (d) contingent on payment to general fund to purchase loans					0.0
3	(f) C&RA		Grant to Alaska Legal Services Corp.	200.0				200.0
3	(g)		(f) Contingent on payment of attorney's fees					0.0
4	(a) CORR	Admin & Support/ Commissioner's Office	Cleary lines for FY 95 & FY 96	712.5				712.5
4	(b)		(a) Contingent on payment of attorney's fees					0.0
5	(a) ED	Foundation Program	Foundation lapse	(1,225.0)				(1,225.0)
5	(a) ED		Disparity	1,225.0				1,225.0
5	(b) ED	K-12	Extend lapse from sec 104(a), ch. 103, SLA 1995, page 28, line 6 to June 30, 1997					0.0
6	(a) ENV CONS	Spill Prevention & Response Fund	Sec. 47, ch. 94, SLA 1995 page 38, line 18 and sec 47, ch. 95, SLA 1995, page 38, line 22 extend lapse to June 30, 1998					0.0
6	(b) ENV CONS	Storage Tanks Assistance	Reapp encumbrances through June 30, 1997					0.0
7		Exxon Valdez Oil Spill Trustee Council	Extend lapse re RP 11-6-9990					0.0
8	(a) F&G		Increased sale of fish & game licenses				32.7	32.7
9	(a) HSS	Assistance Payments	Lapse	(4,000.0)	Match		(500.0)	(4,500.0)
9	(a) HSS	Public Assistance Admin	Costs of welfare reform	500.0	Match		500.0	1,000.0
9	(b) HSS	Public Assistance Admin	Costs of welfare reform	3,500.0				3,500.0

HB 468/HB 260
FY 96 GOVERNOR'S SUPPLEMENTAL REQUEST

Gov Sec	DEPT.	BRU/COMPONENT	DESCRIPTION	GF	GF/PR	GF/ Mental Health	Other	Total Funds
9	(c)(1) HSS	Family & Youth Services	Reduce Medicaid Facilities to fund youth facilities	(250.0)				(250.0)
9	(c)(2) HSS	Youth Facility Services	Increased operating costs for youth facilities	250.0				250.0
9	(c)(3) HSS	Medical Assistance	Lapse to fund Alaska Family Independence Program	Match (3,500.0)				(3,500.0)
9	(d) HSS		Alaska Family Independence Program from Medical Assistance	3,500.0				3,500.0
9	(e) HSS		Judgment - Helmuth v. API			426.9		426.9
10	(a) Law	Legal Services Operations	Judgments & Claims	130.4		13.6	225.3	369.3
10	(b)		Judgment - Toksook Bay	1,285.0				1,285.0
10	(c)		Judgment - Berger v. State	4,141.1				4,141.1
10	(d)(1)	Oil & Gas Litigation	Reduce to fund Bethel D.A.				(66.6)	(66.6)
10	(d)(2)	Prosecution	Increased caseload-Bethel	66.6				66.6
11	(a) MILVETS	Military retirement trust fund	Increased costs National Guard Retirement	1,480.5				1,480.5
11	(b)	Disaster Relief Fund	Costs of declared disasters	557.3				557.3
12	NAT RES		FY 96 Fire suppression	5,258.6				5,258.6
13	(a) REV	AHFC	Lease costs				198.2	198.2
13	(b)	Rev Ops/Ak State Pension Investment Board - Benefits Systems Receipts	Change fund sources				67.0	67.0
13	(b)	Rev Ops/Ak State Pension Investment Board -PERS	Change fund sources				(67.0)	(67.0)
14	(a) TRANS.	M&O	Hwy & bridge repair southcentral flood disaster	1,010.0			3,000.0	4,010.0
14	(b) TRANS.	M&O	Copper River Highway Restoration	720.0				720.0
15	(a) UNTV		Monetary terms - CEA	455.6			6.7	462.3
15	(b) UNTV		Monetary terms - CEA	473.0			33.4	506.4
16	GOV		Emergency disaster & fires FY 96 & FY 97	1,500.0				1,500.0
17	(a) ADMIN		Misc claims, state date warrants	12.6				12.6
17	(a) C&RA		Misc claims, state date warrants	0.5				0.5
17	(a) CORR		Misc claims, state date warrants	11.2				11.2
17	(a) ED		Misc claims, state date warrants	0.5				0.5
17	(a) F & G		Misc claims, state date warrants	1.6				1.6
17	(a) HSS		Misc claims, state date warrants	64.3				64.3
17	(a) LABOR		Misc claims, state date warrants	0.1				0.1
17	(a) LAW		Misc claims, state date warrants	0.1				0.1
17	(a) PUBLIC SFTY		Misc claims, state date warrants	1.6				1.6
17	(a) TRANS.		Misc claims, state date warrants	2.9				2.9
17	(b) TRANS.		Misc claims, state date warrants				6.3	6.3
17	(c) ENV CONS		Misc claims, state date warrants				0.3	0.3
				20,023.6	217.0	440.5	4,536.3	25,217.4
			Total General Funds					20,681.1

DISASTER RELIEF FUND
STATE AUTHORIZATION ANALYSIS
ALL DHF APPROPRIATION ENTITIES
AS OF JANUARY 11, 1996

AH#	DISASTER	FED	TOTAL AUTH BAL	FED AUTH BAL	STATE AUTH	TOTAL EXP	FEDERAL EXP	STATE EXP	TOTAL ENC	ENC FED SHARE	DRF BALANCE	COMMENTS
14660	STATEWIDE COLD	X	1,370,606	869,893	500,713	1,370,606	869,893	500,713	0	N/A	0	AWAITING FEMA CLOSEOUT
14661	NW ARCTIC BORO	X	5,078,505	3,772,572	1,305,933	5,078,505	3,772,572	1,305,933	0	N/A	0	AWAITING FEMA CLOSEOUT
14671	89 SPRING FLOODS*	X	6,226,288	4,417,188	1,809,100	4,513,345	2,944,184	1,569,161	738,805	75%	974,138	STATE BAL AVAIL \$40,400; BAL OF AUTH IS FEDERAL
14678	ANCHORAGE FLOOD		2,369,000	N/A	2,369,000	2,261,815	0	2,261,615	89,964	N/A	17,421	APPLICANT EXP CLAIM EXCEEDS AVAIL ENC BAL; AWAITING RECON
14689	HAZARD MIT 89	X	452,500	251,250	201,250	395,373	207,618	187,757	56,652	50%	475	STATE BAL AVAIL (\$14,833); BAL OF AVAIL AUTH IS FEDERAL*
14696	CLD WEATHER MIT	X	325,000	175,000	150,000	324,576	162,288	162,288	0	N/A	424	STATE BAL AVAIL (\$12,288); BAL OF AVAIL AUTH IS FEDERAL*
14698	KOTZEBUE TIDE		463,500	N/A	463,500	313,081	0	313,081	76,257	N/A	74,162	APPLICANT EXP EXCEED AVAIL ENC BALANCE, ADMIN ALLOW DUE
15500	UNALLOC FED ALLOC	X	5,523,495	5,523,495	0	0	0	0	0	N/A	N/A	NOT APPLICABLE
15504	DIOMEDE		705,000	N/A	705,000	552,050	0	552,050	70,544	N/A	82,406	\$162,900 STATE AUTH AVAIL; ACCTG ADJ/RECON; CAN CLOSE
15522	FY91 SPRING FLOOD	X	4,079,039	1,889,039	2,190,000	3,747,038	1,696,197	2,050,841	330,049	75%	1,952	STATE BALANCE AVAILABLE IS 0; PROJECT IS ON GOING
15529	NI W KOLIGANEK FLD		64,600	N/A	64,600	64,332	0	64,332	0	N/A	268	\$268 STATE AVAIL, AWAITING FINAL INSPECT; READY TO CLOSE
15530	KODIAK RAINFALL		1,650,000	N/A	1,650,000	1,223,006	0	1,223,006	342,166	N/A	84,828	ADD'L PROJECT COSTS ARE BEING APPROVED, ADMIN ALLOW DUE
15531	AK STATE MILITIA		26,900	N/A	26,900	26,900	0	26,900	0	N/A	0	NOT APPLICABLE
15533	SEWARD SEWER		755,630	N/A	755,630	754,542	0	754,542	0	N/A	1,088	\$1,088 STATE AVAIL; AWAITING FINAL INSPECT; CAN CLOSE
15535	EAGLE VILLAGE FLD		205,000	N/A	205,000	183,568	0	183,568	3,300	N/A	18,132	ADD'L PROJECT COSTS EXPECTED, ADMIN ALLOW DUE
15539	UPPER YUKON RIVER		1,265,000	N/A	1,265,000	1,166,535	0	1,166,535	11,409	N/A	97,056	\$54,800 STATE AUTH AVAIL; REDUCE STEV VLL RAMP, N POLE
15546	TENAKEE SPRGS FIRE		200,000	N/A	200,000	162,377	0	162,377	8,865	N/A	28,758	\$7,667 STATE AUTH AVAIL; BAL FOR POSSIBLE LITIGATION
15549	SHAKER IV EXER	X	425,000	50,000	375,000	356,529	50,000	306,529	1,250	0%	67,221	\$68,400 STATE AUTH AVAILABLE; ACCTG RECON; CAN CLOSE
15550	91 SPRING FL HAZ MIT	X	375,000	175,000	200,000	297,395	107,523	189,872	60,000	50%	17,605	STATE BAL AVAIL (\$19,872); BAL OF AVAIL AUTH IS FEDERAL*
15551	94 MCGRAFF FLOOD		185,000	N/A	185,000	6,649	0	6,649	164,350	N/A	14,001	ADD'L PROJECT COSTS EXPECTED, ADMIN ALLOW DUE
15552	94 GALENA FLOOD*		363,500	N/A	363,500	53,119	0	53,119	284,625	N/A	25,756	ADD'L PROJECT COSTS ARE BEING APPROVED, ADMIN ALLOW DUE
15553	CUMMINS ROAD		60,000	N/A	60,000	38,813	0	38,813	0	N/A	21,187	\$21,187 STATE AVAIL; AWAITING FINAL INSPECT; CAN CLOSE
15555	1994 FAULT FLOOD	X	74,759,699	63,800,000	10,959,699	68,084,269	57,091,934	10,992,325	4,224,432	VARIES	2,451,008	STATE BALANCE AVAILABLE IS 0; PROJECT IS ON GOING
15557	SKAGWAY DISASTER		120,000	N/A	120,000	62,762	0	62,762	50,000	N/A	7,238	ACCTG RECONCILIATION, FINAL PAY DUE, ADMIN ALLOW DUE
15565	YUKON KUSKOWIM		228,050	N/A	228,050	177,571	0	177,571	35,336	N/A	15,143	MULTIPLE APPLICANTS DUE ADMIN ALLOWANCE
15571	ANIAK DISASTER		406,000	N/A	406,000	88,011	0	88,011	281,021	N/A	36,966	ADD'L PROJECT COSTS ARE EXPECTED, ADMIN ALLOW DUE
15572	HE THER DISASTER		140,000	N/A	140,000	129,149	0	129,149	0	N/A	10,851	ADD'L PROJECT COSTS UNDER REVIEW, ADMIN ALLOW DUE
15574	96 DIS OPERATIONS		271,500	N/A	271,500	271,500	0	271,500	0	N/A	0	NOT APPLICABLE
15576	95 SE FALL FLOOD	X	11,200,000	9,900,000	1,300,000	1,040,141	164,989	675,356	1,458,017	N/A	8,701,642	STATE BALANCE AVAILABLE IS 0; PROJECT IS ON GOING
TOTALS			121,291,612	90,824,417	30,467,195	92,711,547	67,767,192	25,466,455	10,287,044		12,749,776	STATE BALANCE AVAILABLE \$299,507 FROM DISASTERS

*ADDITIONAL FT YUKON FEMA PROJECT NEED \$550,730
SFY97 OPERATING BUDGET AUTHORIZATION \$306,100
SUPPLEMENTAL REQUEST \$557,323

DISASTER RELIEF FUND
STATE DISASTER AUTHORIZATION ANALYSIS
AVAILABLE STATE AUTHORIZATION BALANCES
AS OF JANUARY 11, 1996

2/2/96

AR#	DISASTER	TOTAL STATE AUTH BAL	TOTAL EXP	TOTAL ENCUMB	AKSAS AVAIL AUTH	XX	EMERG SERV ESTIMATED AVAIL A1/TH	COMMENTS
						XX		
35504-96	DIOMEDE	705,000	552,050	70,544	82,406	XX	152,900	REPAY ADV; REL ENC.
35529-96	NEW KOLIGANEK FLOOD	64,600	64,332	0	268	XX	268	AWAIT INSPECT READY TO CLOSE
35533-96	SEWARD SEWER	755,630	754,542	0	1,088	XX	1,088	AWAIT INSPECT READY TO CLOSE
35539-96	UPPER YUKON RIVER	1,265,000	1,156,535	11,409	97,056	XX	54,600	STEV VILL; RAMP;N.POLE REDUCE
35546-98	TENAKEE SPRINGS FIRE	200,000	162,377	8,865	28,758	XX	7,657	REDUCE; POSSIBLE LITIGATION
35549-98	SHAKER IV EXERCISE	425,000	356,529	1,250	67,221	XX	68,400	REPAY ADV; REL ENC.; CAN CLOSE
35553-99	CUMMINS ROAD	60,000	38,813	0	21,187	XX	21,187	AWAIT INSPECT READY TO CLOSE
TOTAL		3,475,230	3,085,178	92,068	297,984	XX	306,100	SFY97 OPERATIONS FUNDING

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

DISASTER RELIEF FUND

STATE AUTHORIZATION ANALYSIS
ALL DRF APPROPRIATION ENTITIES
AS OF JANUARY 11, 1996

AR#	DISASTER	FED	TOTAL AUTH BAL	FED AUTH BAL	STATE AUTH	TOTAL EXP	FEDERAL EXP	STATE EXP	TOTAL ENC	ENC FED SHARE	DRF BALANCE	COMMENTS
14660 1	STATEWIDE COLD	X	1,370,606	869,893	500,713	1,370,606	869,893	500,713	0	N/A	0	AWAITING FEMA CLOSEOUT
14661 1	NW ARCTIC BORO	X	5,078,505	3,772,572	1,305,933	5,078,605	3,772,572	1,305,933	0	N/A	0	AWAITING FEMA CLOSEOUT
14671 1	89 SPRING FLOODS*	X	6,226,288	4,417,188	1,809,100	4,513,345	2,944,184	1,569,161	738,805	75%	574,138	STATE BAL AVAIL \$40,400, BAL OF AUTH IS FEDERAL
14678 9	ANCHORAGE FLOOD		2,369,000	N/A	2,369,000	2,261,615	0	2,261,615	89,964	N/A	17,421	APPLICANT EXP CLAIM EXCEEDS AVAIL ENC BAL, AWAITING REC'D
14689 9	HAZARD MIT 89	X	452,500	251,250	201,250	395,373	0	207,616	187,757	50%	475	STATE BAL AVAIL (\$14,833); BAL OF AVAIL AUTH IS FEDERAL*
14690 9	C/D WEATHER MIT	X	375,000	175,000	150,000	324,576	162,288	162,288	0	N/A	424	STATE BAL AVAIL (\$12,288), BAL OF AVAIL AUTH IS FEDERAL*
14698 9	KOTZEBUE TIDE		463,500	N/A	463,500	313,081	0	313,081	76,257	N/A	74,162	APPLICANT EXP EXCEED AVAIL ENC BALANCE, ADMIN ALLOW DUE
15500 9	UNALLOC FED ALLOC	X	5,523,495	5,523,495	0	0	0	0	0	N/A	N/A	NOT APPLICABLE
15504 9	DIOMEDE		705,000	N/A	705,000	552,050	0	552,050	70,544	N/A	82,406	\$162,900 STATE AUTH AVAIL, ACCTG ADJ/RECON, CAN CLOSE
15522 9	FY91 SPRING FLOOD	X	4,079,039	1,889,039	2,190,000	3,747,038	1,696,197	2,050,841	330,049	75%	1,952	STATE BALANCE AVAILABLE IS 0, PROJECT IS ON GOING
15529 9	HI W KOLIGANEK FLD		64,600	N/A	64,600	64,332	0	64,332	0	N/A	268	\$268 STATE AVAIL, AWAITING FINAL INSPECT, READY TO CLOSE
15530 9	KODIAK RAINFALL		1,650,000	N/A	1,650,000	1,223,006	0	1,223,006	342,166	N/A	84,828	ADD'L PROJECT COSTS ARE BEING APPROVED, ADMIN ALLOW DUE
15531 9	AK STATE MILITIA		26,900	N/A	26,900	26,900	0	26,900	0	N/A	0	NOT APPLICABLE
15533 9	SEWARD SEWER		755,830	N/A	755,630	754,542	0	754,542	0	N/A	1,088	\$1,088 STATE AVAIL, AWAITING FINAL INSPECT, CAN CLOSE
15535 9	EAGLE VILLAGE FLD		205,000	N/A	205,000	183,568	0	183,568	3,300	N/A	18,132	ADD'L PROJECT COSTS EXPECTED, ADMIN ALLOW DUE
15539 9	UPPER YUKON RIVER		1,265,000	N/A	1,265,000	1,156,535	0	1,156,535	11,409	N/A	97,056	\$64,800 STATE AUTH AVAIL; REDUCE STEV VILL RAMP, N POLE
15546 9	TENAKEE SPRGS FIRE		200,000	N/A	200,000	182,377	0	182,377	8,865	N/A	28,758	\$7,657 STATE AUTH AVAIL; BAL FOR POSSIBLE LITIGATION
15549 9	SHAKER IV EXER	X	425,000	50,000	375,000	356,529	50,000	306,529	1,250	0%	67,221	\$68,400 STATE AUTH AVAILABLE, ACCTG RECON; CAN CLOSE
15550 9	91 SPRING FL HAZ MIT	X	375,000	175,000	200,000	297,395	107,523	189,872	60,000	50%	17,605	STATE BAL AVAIL (\$19,872); BAL OF AVAIL AUTH IS FEDERAL*
15551 9	94 MCGRATH FLOOD		185,000	N/A	185,000	6,649	0	6,649	104,350	N/A	14,001	ADD'L PROJECT COSTS EXPECTED, ADMIN ALLOW DUE
15552 9	94 GALENA FLOOD*		363,500	N/A	363,500	53,119	0	53,119	284,625	N/A	25,756	ADD'L PROJECT COSTS ARE BEING APPROVED, ADMIN ALLOW DUE
15553 9	CUMMINS ROAD		60,000	N/A	60,000	38,813	0	38,813	0	N/A	21,187	\$21,187 STATE AVAIL; AWAITING FINAL INSPECT; CAN CLOSE
15555 9	1994 FALL FLOOD	X	74,759,699	63,800,000	10,959,699	68,084,259	57,091,934	10,992,325	4,224,432	VARIABLE	2,451,008	STATE BALANCE AVAILABLE IS 0, PROJECT IS ON GOING
15557 9	SKAGWAY DISASTER		120,000	N/A	120,000	62,762	0	62,762	50,000	N/A	7,238	ACCTG RECONCILIATION, FINAL PAY DUE, ADMIN ALLOW DUE
15565 9	YUKON KUSKOWIM		228,050	N/A	228,050	177,571	0	177,571	35,336	N/A	15,143	MULTIPLE APPLICANTS DUE ADMIN ALLOWANCE
15571 9	ANIAK DISASTER		406,000	N/A	406,000	88,011	0	88,011	281,021	N/A	36,966	ADD'L PROJECT COSTS ARE EXPECTED, ADMIN ALLOW DUE
15572 9	III HILL DISASTER		140,000	N/A	140,000	129,149	0	129,149	0	N/A	10,851	ADD'L PROJECT COSTS UNDER REVIEW, ADMIN ALLOW DUE
15574 0	96 DIS OPERATIONS		271,500	N/A	271,500	271,500	0	271,500	0	N/A	0	NOT APPLICABLE
15576 0	95-96 FALL FLOOD	X	11,200,000	9,900,000	1,300,000	1,040,441	64,905	675,456	3,458,017	N/A	8,701,642	STATE BALANCE AVAILABLE IS 0, PROJECT IS ON GOING
TOTALS			121,291,812	90,824,432	30,467,379	92,743,547	67,267,192	25,466,455	10,287,044		12,749,726	STATE BALANCE AVAILABLE \$299,507 FROM DISASTERS

*ADDITIONAL FT YUKON FEMA PROJECT NEED \$550,710
SFY97 OPERATING BUDGET AUTHORIZATION \$306,100
SUPPLEMENTAL REQUEST \$557,323

DISASTER RELIEF FUND
FEDERAL DISASTER AUTHORIZATION ANALYSIS
STATE AVAILABLE/SHORTFALL ONLY
AS OF JANUARY 11, 1996

AR#	DISASTER	STATE AUTH AVAIL	STATE EXP	TOTAL STATE ENCUMB.	AKSAS AVAIL AUTH	XX	EMERG SERV. ESTIMATED PROJECT NEED	COMMENTS
						XX		
34671-15	89 SPRING FLOODS *	1,809,100	1,569,161	199,539	40,400	XX	40,400	AVAIL STATE
34689-99	HAZARD MIT-89	201,250	187,757	28,326	(14,833)	XX	(14,833)	SHORTFALL
"	ADD'L FT YUKON NEED				0	XX	(190,569)	FEMA HAZ MIT PROJECT
34696-96	CLD WEATHER MIT	150,000	162,288	0	(12,288)	XX	(12,288)	SHORTFALL
"	ADD'L FT YUKON NEED				0	XX	(179,615)	FEMA HAZ MIT PROJECT
35550-98	91 SPRING FLOOD HAZ MIT	200,000	189,872	30,000	(19,872)	XX	(19,872)	SHORTFALL
"	ADD'L FT YUKON NEED				0	XX	(180,546)	FEMA HAZ MIT PROJECT
TOTAL		2,360,350	2,109,078	257,865	(6,593)	XX	(557,323)	SUPPLEMENTAL NEED

*PENDING APPROVAL BY OMB: 89 SPRING FLOODS STATE AUTH REDUCED BY \$223,100 DUE TO TRANSFER TO GALENA FLOOD.

DISASTER RELIEF FUND

2/2/96

STATE DISASTER AUTHORIZATION ANALYSIS
AVAILABLE STATE AUTHORIZATION BALANCES
AS OF JANUARY 11, 1996

AR#	DISASTER	TOTAL STATE AUTH BAL	TOTAL EXP	TOTAL ENCUMB	AKSAS AVAIL AUTH	XX	EMERG SERV ESTIMATED AVAIL AUTH	COMMENTS
						XX		
35504-96	DIOMEDE	705,000	552,050	70,544	82,406	XX	152,900	REPAY ADV; REL ENC.
35529-96	NEW KOLIGANEK FLOOD	64,600	64,332	0	268	XX	268	AWAIT INSPECT READY TO CLOSE
35533-96	SEWARD SEWER	755,630	754,542	0	1,088	XX	1,088	AWAIT INSPECT READY TO CLOSE
35539-96	UPPER YUKON RIVER	1,265,000	1,156,535	11,409	97,056	XX	54,600	STEV VILL; RAMP;N.POLE REDUCE
35546-98	TENAKEE SPRINGS FIRE	200,000	162,377	8,865	28,758	XX	7,657	REDUCE; POSSIBLE LITIGATION
35549-98	SHAKER IV EXERCISE	425,000	356,529	1,250	67,221	XX	68,400	REPAY ADV; REL ENC.; CAN CLOSE
35553-99	CUMMINS ROAD	60,000	38,813	0	21,187	XX	21,187	AWAIT INSPECT READY TO CLOSE
TOTAL		3,475,230	3,085,178	92,068	297,984	XX	306,100	SFY97 OPERATIONS FUNDING

MEMORANDUM

STATE OF ALASKA

Department of Military and Veterans Affairs
Division of Emergency Services

TO: Juno Chance, Finance Officer
Division of Administrative
Services
Department of Military
and Veterans Affairs

DATE: February 1, 1996

FILE: D.1

PHONE: 428-7000

FROM: *Dianna*
Dianna Alcantra, GAR
Division of Emergency Service
Department of Military
and Veterans Affairs

SUBJECT: DRP Authorization
Balances

You have asked for additional explanation on the status of the possible available balances in some of the State Disasters. Below is an explanation by disaster. If you need additional information please let me know.

AR 34678-97 Anchorage Flood:

Applicant has claimed expenditures in excess of available balance. A reconciliation of the applicants records needs to be performed. Administrative allowance is neither encumbered or paid.

AR 34698-96 Kotzebue Tide:

The applicant has recently submitted documentation. This documentation needs to be reviewed by the grant administrator. It appears that the documentation exceeds the available balance. Administrative allowance is neither encumbered or paid.

AR 35530-96 Kodiak Rainfall:

The Division is currently in the process of revising the project application to approve additional projected costs. The administrative allowance is neither encumbered or paid.

AR 35535-96 Eagle Village:

Additional project costs expected. Anticipate cost overruns. Administrative allowance is neither encumbered or paid.

AR 35551-98 McGrath:

Applicant has recently submitted billing. Additional billings are still due. A reconciliation needs to be performed on the documentation submitted. Anticipate that additional project costs will be approved. Administrative allowance is neither encumbered or paid.

Page 2
Juno Chance, Finance Officer
DRF Authorization Balances

AR 35552-98 Galena Flood:

Additional project costs have recently been approved. DOT needs to submit billing for final payment. Administrative allowance is neither encumbered or paid.

AR 35557-99 Skagway:

Emergency Management Officer has recently performed a final inspection in Skagway. Reconciliation needs to be performed on applicants billings. Administrative allowance in neither encumbered or paid.

AR 35565-99 Yukon Kuskokwim:

Multiple applicants require administrative allowance payments. Administrative allowance in neither encumbered or paid.

AR 35571-99 Aniak

Applicant has recently informed the Division that they anticipate cost overruns on all DSRs. Applicant documentation will be closely scrutinized. Applicant has had trouble in the past with submitting timely documentation. Most cost overruns can be substantiated. Anticipated some cost overruns will be approved. Administrative allowance is neither paid nor encumbered.

AR 35572-99 Bethel:

Problems have occurred with the original approved project. Currently investigating whether additional damage was the result of the declaration of new damage. Additional project costs may be approved. Administrative allowance is neither encumbered or paid.

DA:np

HB

468

SFIN

FILE

REPORTED OUT OF
4/9/96

SENATE FINANCE COMMITTEE REPORT

DATE: 2/28/96

DATE TURNED INTO OFFICE: 4-9-96

The Finance Committee considered CS FOR HOUSE BILL NO. 468(FIN) am

"An Act making supplemental appropriations for the expenses of state government and making and amending appropriations; ratifying certain state expenditures; and providing for an effective date."

and recommends:

- be replaced with 5 CS CSHB 468 (Fin)
- 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 King</i>	✓	<i>Rel EC 100</i>	✓		
Co-Chair: <i>[Signature]</i>	✓	Co-Chair:			
Co-Chair: <i>Rick Halford</i>	✓	Co-Chair:			

NEW FISCAL NOTE(S):

Department Date Zero Fiscal

PREVIOUS FISCAL NOTE(S):*

Department Date Zero Fiscal

APPROPRIATION -- no fiscal note

*include fiscal notes accompanying Governor's bill

work draft { moved Sen. Holford adopted 4/9/96

WORK DRAFT

WORK DRAFT

WORK DRAFT

9-GH2058R
Cramer
4/8/96

* moved Sen. Holford
R/O w/ ind. recs.

SENATE CS FOR CS FOR HOUSE BILL NO. 468(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
NINETEENTH LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:
Referred:

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

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations for the expenses of state
2 government and making and amending appropriations; ratifying certain state
3 expenditures; and providing for an effective date."

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

5 * Section 1. DEPARTMENT OF ADMINISTRATION. (a) To meet increased caseloads
6 at the public defender agency in Bethel

7 (1) sec. 47, ch. 94, SLA 1995, page 16, lines 5 - 6, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
10 Centralized Administrative	<u>26,146,200</u>	<u>14,765,000</u>	11,381,200
11 Services	[26,195,200]	[14,814,000]	

12 (2) sec. 47, ch. 94, SLA 1995, page 15, line 38, is amended to read:

	APPROPRIATION	GENERAL
	ITEMS	FUND

1 Public Defender Agency 8,153,300 8,153,300
 2 [8,104,300] [8,104,300]

3 (b) The sum of \$195,000 is appropriated from general fund/program receipts to the
 4 Department of Administration, public defender agency, for increased operating costs for the fiscal
 5 year ending June 30, 1996.

6 (c) The sum of \$356,400 is appropriated from the general fund to the Department of
 7 Administration, office of public advocacy, for increased operating costs for the fiscal year ending
 8 June 30, 1996.

9 (d) The sum of \$870,000 is appropriated from the general fund to the Department of
 10 Administration for the leasing program for the fiscal year ending June 30, 1996.

11 (e) The sum of \$450,000 is appropriated from benefits systems receipts to the
 12 Department of Administration, retirement and benefits program, for increased investment
 13 management and record keeping fees due to higher than projected growth in retirement system
 14 assets for the fiscal year ending June 30, 1996.

15 (f) To meet increased costs of the longevity bonus program for the fiscal year ending
 16 June 30, 1995,

17 (1) the sum of \$23,100 is appropriated from the general fund to the Department
 18 of Administration to increase the appropriation to the Department of Administration for longevity
 19 bonus grants made in sec. 42, ch. 3, FSSLA 1994, page 13, line 34, as amended by sec. 44, ch.
 20 4, SLA 1995, and sec. 80(a), ch. 103, SLA 1995;

21 (2) sec. 42, ch. 3, FSSLA 1994, page 13, line 35, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
24 Senior Services	<u>43,905,100</u>	<u>36,983,900</u>	6,921,200
25	[43,928,200]	[37,007,000]	

26 (g) The sum of \$1,600,000 is appropriated from the general fund to the Department
 27 of Administration for the longevity bonus program for the fiscal year ending June 30, 1996.

28 * Sec. 2. DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT. The sum
 29 of \$61,200 is appropriated from the general fund to the Department of Commerce and Economic
 30 Development to lease less expensive office space in Tokyo for the fiscal years ending June 30,
 31 1996, and June 30, 1997.

32 * Sec. 3. DEPARTMENT OF COMMUNITY AND REGIONAL AFFAIRS. The

1 unexpended and unobligated balance of the appropriation made in sec. 47, ch. 94, SLA 1995,
 2 page 39, lines 21 - 22, and allocated on line 29 (Department of Community and Regional
 3 Affairs, Employment training/rural development, rural development grants) lapses into the funds
 4 from which appropriated on June 30, 1997.

5 * Sec. 4. DEPARTMENT OF EDUCATION. The appropriation made in sec. 104(a), ch.
 6 103, SLA 1995, page 28, line 6 (general fund K - 12 education support - \$652,235,820) lapses
 7 into the general fund June 30, 1997.

8 * Sec. 5. DEPARTMENT OF ENVIRONMENTAL CONSERVATION. (a) The
 9 unexpended and unobligated balance of the appropriation made in sec. 47, ch. 94, SLA 1995,
 10 page 38, line 18, and allocated on line 22 (Spill prevention and response, underground storage
 11 tanks) lapses into the funds from which appropriated on June 30, 1997.

12 (b) The existing encumbered balances, set out below, of prior year storage tank
 13 assistance grant appropriations, identified by state accounting system AR numbers, are
 14 reappropriated to the Department of Environmental Conservation for the same purposes, for
 15 the fiscal year ending June 30, 1997:

16	(1) AR 48340-93	\$ 47,300
17	(2) AR 48700-93	415,800
18	(3) AR 48550-94	691,700
19	(4) AR 48550-95	1,343,500

20 * Sec. 6. DEPARTMENT OF FISH AND GAME. (a) The sum of \$32,700 is
 21 appropriated from the fish and game fund (AS 16.05.100) to the Department of Fish and
 22 Game for vendor compensation for the increased sale of fish and game licenses for the fiscal
 23 year ending June 30, 1996.

24 (b) The sum of \$150,000 is appropriated to the Department of Fish and Game, habitat
 25 division, for protection of access to public waters, technical support to navigable waters quiet
 26 title actions, conveyances, and easements for the fiscal years ending June 30, 1996, and 1997,
 27 from the following sources:

28	Fish and Game funds	\$ 85,900
29	Federal receipts	64,100

30 (c) The sum of \$200,000 is appropriated from the fish and game fund (AS 16.05.100)
 31 to the Department of Fish and Game, wildlife conservation division, for ANILCA
 32 implementation and protection of state rights related to navigable waters issues for the fiscal

1 years ending June 30, 1996, and 1997.

2 * Sec. 7. DEPARTMENT OF HEALTH AND SOCIAL SERVICES. (a) To meet the
3 costs of welfare reform,

4 (1) sec. 47, ch. 94, SLA 1995, page 21, line 32, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
7 Assistance Payments	<u>171,870,300</u>	<u>97,631,100</u>	<u>74,239,200</u>
8	[176,370,300]	[101,631,100]	[74,739,200]

9 (2) sec. 47, ch. 94, SLA 1995, page 22, line 21, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
12 Public Assistance	<u>40,753,800</u>	<u>19,660,900</u>	<u>21,092,900</u>
13 Administration	[39,753,800]	[19,160,900]	[20,592,900]

14 (3) sec. 47, ch. 94, SLA 1995, page 22, line 28, is amended to read:

15 ALLOCATIONS

16 Child Care Benefits	<u>6,838,800</u>
17	[5,838,800]

18 (b) To implement changes necessary for welfare reform, the sum of \$3,500,000 is
19 appropriated to the Department of Health and Social Services for capital upgrades to the
20 eligibility information system for public assistance programs from the following sources:

21 General fund	\$1,900,000
22 Federal receipts	1,600,000

23 (c) To meet increased operating costs for youth facilities of the Department of Health
24 and Social Services,

25 (1) sec. 47, ch. 94, SLA 1995, page 23, line 16, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
28 Family and Youth	<u>24,746,800</u>	<u>20,609,500</u>	4,137,300
29 Services	[24,996,800]	[20,859,500]	

30 (2) sec. 47, ch. 94, SLA 1995, page 23, line 24, is amended to read:

	APPROPRIATION	GENERAL	OTHER
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1		ITEMS	FUND	FUNDS
2	Youth Facility Services	<u>15,064,900</u>	<u>14,599,900</u>	465,000
3		[14,814,900]	[14,349,900]	

(3) sec. 47, ch. 94, SLA 1995, page 22, line 10, is amended to read:

4		APPROPRIATION	GENERAL	OTHER
5		ITEMS	FUND	FUNDS
6				
7	Medical Assistance	<u>339,167,300</u>	<u>146,855,800</u>	192,311,500
8		[342,667,300]	[150,355,800]	

(d) The sum of \$425,900 is appropriated from the general fund/mental health to the Department of Health and Social Services to pay a judgment against the state in Helmuth v. Alaska Psychiatric Institute (3AN-93-1046 CI) for the fiscal year ending June 30, 1996.

* Sec. 8. DEPARTMENT OF LAW. (a) The sum of ^{455,894}~~441,634~~ is appropriated to the Department of Law to pay judgments and claims against the state for the fiscal year ending June 30, 1996, from the following sources:

15	General fund	\$184,836
16	International airports revenue fund	239,201
17	General fund mental health account	13,585
18	Public employees retirement fund	4,012

(b) The sum of \$1,285,000 is appropriated from the general fund to the Department of Law to pay for the judgment in City of Toksook Bay, et. al. v. Lower Kuskokwim School District and State of Alaska (4BE-92-426 CI) for the fiscal year ending June 30, 1996.

(c) To meet increased caseloads at the Bethel prosecution office of the Department of Law,

(1) sec. 26(a), ch. 94, SLA 1995, is amended to read:

(a) The sum of \$19,933,400 [\$20,000,000] is appropriated to the Department of Law from the following sources, for costs relating to legal proceedings and audit activity involving oil and gas revenue due or paid to the state or state title to oil and gas land, for the fiscal year ending June 30, 1996:

29	State corporation receipts	\$ 3,160,000
30	Budget reserve fund (art. IX, sec. 17,	
31	Constitution of the State of Alaska)	<u>16,773,400</u>

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[16,840,000]

(2) sec. 47, ch. 94, SLA 1995, page 17, line 25, is amended to read:

	APPROPRIATION	GENERAL	OTHER
	ITEMS	FUND	FUNDS
Prosecution	<u>12.116.200</u>	<u>11.658.200</u>	458,000
	[12,049,600]	[11,591,600]	

(3) sec. 47, ch. 94, SLA 1995, page 17, line 29, is amended to read:

ALLOCATIONS

Fourth Judicial District	<u>2,029,700</u>
	[1,963,100]

(d) The sum of \$3,605,800 is appropriated from the general fund to the Department of Law to pay the judgment in Roger Berger, d/b/a Frontier Financial Services v. State of Alaska, Department of Revenue (3AN-89-8710 CI) for the fiscal year ending June 30, 1996.

(e) The sum of \$500,000 is appropriated from the general fund to the Department of Law, federal relations component, for litigation related to the protection of the state's jurisdiction and constitutional rights in issues related to accelerated navigable waters quiet title actions, and RS 2477 assertions and litigation for the fiscal years ending June 30, 1996, and 1997, as follows:

PURPOSE	APPROPRIATION
Accelerated navigable waters quiet title actions	\$300,000
RS 2477 assertions and litigation	200,000

* Sec. 9. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS. (a) The sum of \$8,000,000 is appropriated from the general fund to the Department of Military and Veterans' Affairs for deposit in the military retirement trust fund (AS 26.05.228) for increased costs for national guard retirement for the fiscal year ending June 30, 1996.

(b) The sum of \$1,557,300 is appropriated from the general fund to the disaster relief fund (AS 26.23.300) for costs associated with declared disasters.

* Sec. 10. DEPARTMENT OF NATURAL RESOURCES. (a) The sum of \$5,258,600 is appropriated from the general fund to the Department of Natural Resources for fire suppression activities for the fiscal year ending June 30, 1996.

(b) The sum of \$270,000 is appropriated from the general fund to the Department of

1 Natural Resources for navigable waters assertions, accelerated navigable waters quiet title
2 actions, conveyance monitoring, access protection, and protection of fish and wildlife
3 management jurisdiction on navigable waters for the fiscal years ending June 30, 1996, and
4 1997.

5 (c) The sum of \$50,000 is appropriated from the general fund to the Department of
6 Natural Resources for RS 2477 assertions and RS 2477 litigation support for the fiscal years
7 ending June 30, 1996, and 1997.

8 * Sec. 11. DEPARTMENT OF REVENUE. (a) The sum of \$150,000 is appropriated
9 from the corporate receipts of the Alaska Housing Finance Corporation to the Department of
10 Revenue, Alaska Housing Finance Corporation, to cover unanticipated lease costs for the fiscal
11 year ending June 30, 1996.

12 (b) To change funding sources for the appropriations made to the Department of
13 Revenue, Revenue Operations, and allocated to the Alaska State Pension Investment Board,

14 (1) sec. 49, ch. 94, SLA 1995, page 47, line 15, is amended to read:

15	Benefits Systems Receipts	<u>112,900</u>
16		[45,900]

17 (2) sec. 49, ch. 94, SLA 1995, page 47, line 17, is amended to read:

18	Public Employees	<u>12,818,100</u>
19	Retirement Trust Fund	[12,885,100]

20 (c) The sum of \$103,800 is appropriated from the permanent fund dividend fund
21 (AS 43.23.045) to the Department of Revenue to cover increased contractual services for the
22 fiscal year ending June 30, 1996.

23 * Sec. 12. DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES. The
24 sum of \$4,010,000 is appropriated to the Department of Transportation and Public Facilities
25 for highway and bridge repair resulting from the southcentral flood disaster from the following
26 sources:

27	General fund	\$1,010,000
28	Federal receipts	3,000,000

29 * Sec. 13. LEGISLATIVE BUDGET AND AUDIT. The sum of \$500,000 is appropriated
30 from the general fund to the Legislative Budget and Audit Committee for a study that
31 compares the salaries and benefits of state employees to the appropriate public and private

1 markets in Alaska and the Pacific Northwest. The study, including the request for proposals,
 2 bid award, and final work product is to be overseen by a steering committee consisting of
 3 equal members appointed by the legislature and governor.

4 * **Sec. 14. MISCELLANEOUS CLAIMS.** (a) The following amounts are appropriated
 5 from the general fund to the following departments to pay miscellaneous claims and stale-
 6 dated warrants for the fiscal year ending June 30, 1996:

7	DEPARTMENT	APPROPRIATION
8	Administration	\$ ^{43,523} 42,566
9	Community and Regional Affairs	468
10	Corrections	11,188
11	Education	526
12	Fish and Game	1,615
13	Health and Social Services	64,260
14	Labor	46
15	Law	160
16	Public Safety	4,930
17	Transportation and Public Facilities	2,909

include stale dated warrant

18 (b) The sum of \$6,336 is appropriated from the following sources to the Department
 19 of Transportation and Public Facilities to pay miscellaneous claims and stale-dated warrants
 20 for the fiscal year ending June 30, 1996:

21	Highway Working Capital Fund	\$4,490
22	Alaska Marine Highway System Fund	1,846

23 (c) The sum of \$277 is appropriated from Exxon Valdez spill settlement funds to the
 24 Department of Environmental Conservation to pay miscellaneous claims and stale-dated
 25 warrants for the fiscal year ending June 30, 1996.

26 * **Sec. 15. RATIFICATIONS OF THE ACCOUNTING SYSTEM.** The following
 27 departmental expenditures made in fiscal years 1985 to 1994 are ratified to reverse the
 28 negative account balances in the Alaska state accounting system in the amounts listed for each
 29 AR number. The appropriations from which these expenditures were actually paid are
 30 amended by increasing them by the amount listed as follows:

31 (1) Department of Administration

WORK DRAFT	WORK DRAFT	WORK DRAFT
1	(A) AR 78496-86 University of Alaska	\$ 914.25
2	(B) AR 07647-94 RSA - Department of Law	1,211.25
3	(C) AR 03589-91 Telecommunications Services	263,805.82
4	(2) Department of Commerce and Economic Development	
5	(A) AR 29583-89 Division of Occupational Licensing/ Real Estate	27,351.48
6	(B) AR 3007-89 Division of Measurement Standards - Weig. Station Upgrade Receipts	237.47
7	(C) AR 29568-91 AIDEA/Operations	29.06
8	(D) AR 29636-93 AEA/Operations	7,017.91
9	(E) AR 30056-93 Office of International Trade/coal study	434.90
10	(F) AR 29567-85 AIDEA/Operations	16,513.00
11	(G) AR 30511-85 Economic Development/Mining RSA	427.10
12	(H) AR 31517-86 AEA/Solar Panel RSA	.61
13	(I) AR 32111-86 AEA/Kodiak Electric	.14
14	(3) Department of Community and Regional Affairs - AR 55350-90 WX/Energy Conservation	1,306.68
15	(4) Department of Corrections	
16	(A) AR 50901-85 NIC Grant	349.60
17	(B) AR 50955-86 RSA-DHSS-Manilaq	415.20
18	(C) AR 50525-92 Facility Capital improvement unit	4,296.00
19	(D) AR 50545-92 Statewide programs	89,480.53
20	(5) Department of Education	
21	(A) AR 18025-86 PSEC - Federal student aid	25.00
22	(B) AR 18005-86 PSEC - Veteran's Administration	1,126.12
23	(C) AR 19031-88 PSEC - Student loan program	40,000.00
24	(D) AR 18041-90 PSEC - Governor's Council on Vocational and Career Education	653.56
25	(E) AR 17666-92 School Lunch Admin	44.06
26	(F) AR 17716-94 Special and supplemental services	225.00
27	(6) Department of Environmental Conservation	
28		
29		
30		
31		

WORK DRAFT	WORK DRAFT	WORK DRAFT
1	(A) AR 48704-87 Water quality 205 J Grant	172.90
2	(B) AR 48617-87 Placer Mining Audit Management	1,653.00
3	(C) AR 48791-90 Alaska Coastal Zone Management	
4	RSA with Office of the Governor	1,533.76
5	(D) AR 49622-92 Health and Human Services Utility	
6	Management Grant	3,282.00
7	(E) AR 49750-92 Superfund Amendment Authorization	
8	Grant Title III training	194.00
9	(F) AR 49632-92 Alaska Coastal Zone Management	
10	RSA with Office of the Governor	1,711.00
11	(7) Department of Fish and Game - AR 42702-85 NOAA/US	
12	Canada	1,655.05
13	(8) Department of Labor	
14	(A) AR 27615-85 Wage and Hour	1,059.50
15	(B) AR 27540-86 Workers' Incentive	12,811.71
16	(C) AR 27570-86 Management Services	10,175.80
17	(D) AR 27655-86 Alaska Hire	39.08
18	(9) Department of Law	
19	(A) AR 13806-85 Dept. of Revenue	1,239.94
20	(B) AR 13809-85 Alaska Railroad Corp	39,574.88
21	(C) AR 13604-86 Civil Div - Operations	215,234.62
22	(D) AR 13604-87 Civil Div - Operations	99,028.38
23	(E) AR 13874-87 Perm Fund Invest	7,188.65
24	(F) AR 13892-87 CFEC Adjudicants	424.60
25	(G) AR 13904-87 PERS Class Study	370.00
26	(H) AR 13922-88 Telecom Misc Legl	54,414.93
27	(I) AR 13948-88 Function Sep Opin	1,854.03
28	(J) AR 13604-90 Civil Div - Operations	55,232.61
29	(K) AR 13615-90 Admin & Support	15,111.09
30	(L) AR 13701-90 Oil & Gas Operations	145.00
31	(M) AR 13831-91 Osair Restoration	6,290.00

1	(N) AR 13821-92 Medical Assistance	1,925.75
2	(O) AR 13826-92 AIDEA Delong Leg	55.69
3	(P) AR 13701-93 Oil & Gas Operations	18.28
4	(Q) AR 13772-93 Agency Coop Agree	958.25
5	(R) AR 13895-93 Agency Coop Agree	487.81
6	(10) Department of Natural Resources	
7	(A) AR 36601-86 Land & Water Public	222.02
8	(B) AR 36860-87 Minerals/Mat Develop	15,630.76
9	(C) AR 36870-87 Land & Public Safety	43,883.85
10	(D) AR 36960-87 Direct Charge/OH CIP	55,930.75
11	(E) AR 37880-89 AG/Direct Charge CIP	51.62
12	(F) AR 36893-90 Law Valdez Oil Spill	117,435.35
13	(G) AR 37733-90 RS1080068 Thunderbir	47.18
14	(11) Department of Public Safety - AR 46562-94	
15	HSPA/Operations	1,099.95
16	(12) Department of Revenue	
17	(A) AR 15545-85 Permanent Fund Corporation	1,822.62
18	(B) AR 15573-86 Petroleum Revenue - Data	
19	and Word Processing	10.98
20	(C) AR 15550-89 Alaska Housing	
21	Finance Corporation	7.00
22	(D) AR 15545-90 Permanent Fund Corporation	9.30
23	(E) AR 15550-90 Alaska Housing	
24	Finance Corporation	8.00
25	(F) AR 15585-90 Treasury Management	15,176.74
26	(G) AR 15585-92 Treasury Management	20,230.42
27	(13) Department of Transportation and Public Facilities	
28	(A) AR 57746-85 Headquarters Planning	
29	Payroll Suspense	109,144.63
30	(B) AR 57701-86 Headquarters Planning	
31	Payroll Suspense	459,354.77

1	(C) AR 57702-90 Northern Region	
2	Planning Payroll Suspense	354.77
3	(D) AR 57744-85 Internal Review	
4	Payroll Suspense	2,489.08
5	(E) AR 57703-87 Internal Review	
6	Payroll Suspense	36,225.04
7	(F) AR 57704-87 Northern Region Internal Review	
8	Payroll Suspense	20,269.90
9	(G) AR 57704-88 Northern Region Internal Review	
10	Payroll Suspense	28.99
11	(H) AR 57751-85 Central Region	
12	Planning Payroll Suspense	11,404.56
13	(I) AR 57705-86 Central Region	
14	Planning Payroll Suspense	133,660.43
15	(J) AR 57705-91 Central Region	
16	Planning Payroll Suspense	17,255.14
17	(K) AR 57707-91 EEO/Disadvantage	
18	Business Enterprise	5,881.11
19	(L) AR 57711-91 Statewide Aviation	
20	Payroll Suspense	9,519.53
21	(M) AR 58051-91 Statewide Information Systems	
22	Payroll Suspense	4,284.03
23	(N) AR 62095-91 Office of Strategic Management	
24	Payroll Suspense	5,220.88
25	(O) AR 57592-85 Southeast Region CIP Program	783,676.72
26	(P) AR 57532-86 Central Region CIP Program	744,332.17
27	(Q) AR 57561-86 Northern Region CIP Program	1,028,144.55
28	(R) AR 57592-86 Southeast Region CIP Program	932,666.02
29	(S) AR 57532-87 Central Region CIP Program	819,032.47
30	(T) AR 57505-85 Internal Review	3,543.70
31	(U) AR 57549-85 Western District	

WORK DRAFT

WORK DRAFT

WORK DRAFT

1	Administration Services	94.47
2	(V) AR 57591-85 Data and Word Processing	4,961.28
3	(W) AR 57602-85 Southeast Shore Facilities	443,720.31
4	(X) AR 57512-87 Statewide Information System	26,234.70
5	(Y) AR 63191-86 Fish Creek Rehabilitation	2,000.00
6	(Z) AR 65157-87 Kodiak Armory Roof	489.40
7	(AA) AR 65123-15 MYC Floor/Lavatory Repair	754.84
8	(BB) AR 65214-92 Beaver Creek Hatchery	2,403.13
9	(CC) AR 65229-94 Hatchery Expansion	2,585.81
10	(DD) AR 63679-94 Technical Mainframe FY86	108,020.13
11	(EE) AR 61643-88 Technical Mainframe FY88	169,724.46
12	(FF) AR 63419-86 Juneau Mining Site Property	5.47
13	(GG) AR 65388-87 Fairbanks Armory	.02
14	(HH) AR 58686-15 PJ 56504 Chignik	
15	Road Improvements	827.45
16	(II) AR 58686-15 PJ 56506 Homer	
17	Asphalt Inspection	1,214.10
18	(JJ) AR 58904-15 PJ 56005 Matanuska	
19	Electric Association	1,434.99
20	(KK) AR 58904-15 PJ 56009 City of Kenai	
21	Utility Inspection	137.55
22	(LL) AR 58904-15 PJ 53587 Kodiak Near Island	
23	Bridge Telephone	24,999.89
24	(MM) AR 58904-15 PJ 53991 Dimond Boulevard	
25	Multivision	1,375.82
26	(NN) AR 58904-15 PJ 56049 Municipality	
27	of Anchorage Boniface Interchange	520.00
28	(OO) AR 60278-15 PJ 53828 Wasilla Urban Sewer	244.72
29	(PP) AR 61942-15 PJ 58594 Soldotna Senior Center	209.51
30	(QQ) AR 64790-15 PJ 57930 Anchorage Sewer Utility	143.59
31	(RR) AR 64790-15 PJ 53964 Church Road	

1	Improvements	3,992.00
2	(SS) AR 66209-15 PJ 55996 City of Homer	
3	Utility Permit	806.42
4	(14) Legislature - AR 74350-88 Ombudsman	981.99

5 * Sec. 16. EXXON VALDEZ OIL SPILL TRUSTEE COUNCIL. (a) The appropriations
6 to implement Trustee Council restoration projects for federal fiscal year 1996, which were
7 made under the program review procedures of AS 37.07.080(h) and set out in revised
8 programs 11-6-9990 and 11-6-9992, lapse into the funds from which appropriated on
9 September 30, 1996.

10 (b) The sum of \$6,670,500 is appropriated from the Exxon Valdez oil spill settlement
11 trust recognized in AS 37.14.400 to the Department of Natural Resources to purchase the
12 following parcels in the amounts stated:

13	PARCEL	APPROPRIATION AMOUNT
14	Ellamar Subdivision (PWS 17 and 17A-D)	\$ 655,500
15	Hayward Parcel (PWS 52)	150,000
16	Kobylarz Subdivision (KEN 10)	320,000
17	Coal Creek Moorage (KEN 19)	260,000
18	Tulin Parcel (KEN 29)	1,200,000
19	Cone Parcel (KEN 34)	600,000
20	River Ranch (KEN 148)	1,650,000
21	Girves Parcel (KEN 1006)	1,835,000

22 * Sec. 17. LAPSE PROVISIONS. (a) The appropriations made by secs. 7(b), 12, and
23 16(b) of this Act are for capital projects and lapse under AS 37.25.020.

24 (b) The appropriations made by sec. 9 of this Act are for the capitalization of funds
25 and do not lapse under AS 37.25.010.

26 (c) The appropriation made by sec. 13 of this Act lapses into the general fund
27 June 30, 1997.

28 * Sec. 18. This Act takes effect immediately under AS 01.10.070(c).

CSHB 468
FY 96 SUPPLEMENTAL APPROPRIATIONS

Hse Sec #	DEPT.	BRU/ COMPONENT	DESCRIPTION	CSHB 468 (Fin) am 2/22/96					Governor's Request (Am thru 2/16/96)					Gov's Sec #	
				GF	GF/PR	GF/ Mental Health	Other	Total Funds	GF	GF/PR	GF/ Mental Health	Other	Total Funds		
1	(a) DOA	Admin Services	Reduce Finance to Fund Public Defender	(49.0)				(49.0)	(49.0)				(49.0)	1	(a)
1	(a) DOA	Public Defender	Public Defender Bethel Caseload	49.0				49.0	49.0				49.0	1	(a)
1	(b) DOA	Public Defender	Increased operating costs		195.0			195.0		217.0			217.0	1	(b)
1	(c) DOA	Office of Public Advocacy	Increased Operating costs	356.4				356.4	356.4				356.4	1	(c)
1	(d) DOA	Leasing	Increased Operating costs	870.0				870.0	870.0				870.0	1	(d)
1	(e) DOA	Retirement & Benefits	Increased investment management & record keeping fees				450.0	450.0				450.0	450.0	1	(e)
1	(f) DOA	Longevity Bonus Grants	Ratify FY 95 xfer of auth from Senior Services											1	(f)
2		DCED	Tokyo office lease space	61.2				61.2	61.2				61.2	2	
3	(a) C&RA	Local Government Assist	Revenue sharing for Kluti-Kaah	(8.3)				(8.3)	(8.3)				(8.3)	3	(a)
3	(a) C&RA	Municipal Revenue Sharing	Revenue sharing for Kluti-Kaah	8.3				8.3	8.3				8.3	3	(a)
3	(b) C&RA	Employment Training/Rural Development	Extend lapse date for Rural Development grants June 30, 1997											3	(b)
		C&RA	Community & Rural Development									650.0	650.0	3	(c)
		C&RA	Community & Rural Development							650.0			650.0	3	(d)
		DCED	AIDEA											3	(e)
3	(c) C&RA	Commissioner's Office	Grant to Alaska Legal Services Corp.	200.0				200.0	200.0				200.0	3	(f)
3	(d) C&RA	Commissioner's Office	(f) Contingent on payment of attorney's fees											3	(g)
4	(a) DOC	Admin & Support/ Commissioner's Office	Cleary lines for FY 95 & FY 96	936.6				936.6	936.6				936.6	4	(a)
4	(b) DOC		(a) Contingent on payment of attorney's fees											4	(b)
5	(a) DOE	Foundation Program	Lapse balance	(1,225.0)				(1,225.0)	(1,225.0)				(1,225.0)	5	(a)
5	(a) DOE	Foundation Program	Reappropriate lapse to fund disparity	1,225.0				1,225.0	1,225.0				1,225.0	5	(a)

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				GF	GF/PR	GF/ Mental Health	Other	Total Funds	GF	GF/PR	GF/ Mental Health	Other	Total Funds			
	DOE	K-12	Extend lapse from sec 104(a), ch. 103, SLA 1995, page 28, line 6 to June 30, 1997												5	(b)
6	(a)	DEC	Spill Prevention & Response/Underground Storage Tanks												6	(a)
6	(b)	DEC	Storage Tanks Assistance												6	(b)
7		DFG	Admin Services				32.7	32.7					32.7	32.7	8	(a)
		DFG	Title Change Section 10, ch. 4, FSSLA 1994 Arctic Yukon Kuskokwim Salmon Fisheries Stock Assessment <u>Projects</u> [EQUIPMENT]											0.0	8	(b)
8	(a)	HSS	Assistance Payments	Match	(4,000.0)		(500.0)	(4,500.0)	(4,000.0)				(500.0)	(4,500.0)	9	(a)
8	(a)	HSS	Public Assistance Admin	Match	500.0		500.0	1,000.0	500.0				500.0	1,000.0	9	(a)
8	(b)	HSS	Public Assistance Admin		1,900.0		1,600.0	3,500.0	3,500.0					3,500.0	9	(b)
8	(c)	HSS	Family & Youth Services		(250.0)			(250.0)	(250.0)					(250.0)	9	(c)
8	(c)	HSS	Youth Facility Services		250.0			250.0	250.0					250.0	9	(c)
8	(c)	HSS	Medical Assistance	Match	(3,500.0)			(3,500.0)	(3,500.0)					(3,500.0)	9	(c)
		HSS	Reappropriate lapse from Medical Assistance to Alaska Family Independence Program													
8	(d)	HSS	API						3,500.0					3,500.0	9	(d)
		HSS	Judgment - Helmuth v. API				426.9	426.9				426.9		426.9	9	(c)
9	(a)	Law	Legal Services Operations		130.4		13.6	225.3	369.3	130.4		13.6	225.3	369.3	10	(a)
9	(b)	Law	Legal Services Operations		1,285.0			1,285.0	1,285.0	1,285.0				1,285.0	10	(b)
9	(c)	Law	Oil & Gas Litigation				(66.6)	(66.6)				(66.6)	(66.6)	(66.6)	10	(d)
9	(c)	Law	Prosecution					66.6	66.6	66.6				66.6	10	(d)

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Hse Sec #		DEPT.	BRU/ COMPONENT	DESCRIPTION	CSHB 468 (Fin) am 2/22/96					Governor's Request (Am thru 2/16/96)					Gov's Sec #	
					GF	GF/PR	GF/ Mental Health	Other	Total Funds	GF	GF/PR	GF/ Mental Health	Other	Total Funds		
9	(d)	Law	Legal Services Operations	Judgment - Berger v. State	3,605.8				3,605.8	3,605.8				3,605.8	10	(c)
10	(a)	MilVets	Military retirement trust fund	Increased costs National Guard Retirement	6,500.0				6,500.0	1,480.5				1,480.5	11	(a)
10	(b)	MilVets	Disaster Relief Fund	Costs of declared disasters	1,557.3				1,557.3	557.3				557.3	11	(b)
11		DNR	Fire Suppression	FY 96 Fire suppression	5,258.6				5,258.6	5,258.6				5,258.6	12	
		DPS	Capital Appropriation	Section 10, ch. 4, FSSLA 94, page 12, line 13 License Plates/Driver Manuals/Equipment										0.0	13	
12	(a)	REV	AHFC	Lense costs				198.2	198.2				198.2	198.2	14	(a)
12	(b)	REV	Rev Ops/Ak State Pension Investment Board - Benefits Systems Receipts	Change fund sources				67.0	67.0				67.0	67.0	14	(b)
12	(b)	REV	Rev Ops/Ak State Pension Investment Board -PERS	Change fund sources				(67.0)	(67.0)				(67.0)	(67.0)	14	(b)
13	(a)	DOTPF	M&O	Hwy & bridge repair southcentral flood disaster	1,010.0			3,000.0	4,010.0	1,010.0			3,000.0	4,010.0	15	(a)
13	(b)	DOTPF	M&O	Copper River Highway Restoration	720.0				720.0	720.0				720.0	15	(b)
		UofA	Statewide	Monetary terms - CEA						455.6			6.7	462.3	16	(a)
		UofA	Statewide	Monetary terms - ACCFT						473.0			33.4	506.4	16	(b)
		GOV	OMB	Emergency disaster & fires FY 96 & FY 97						1,500.0				1,500.0	17	
14	(a)	DOA	Admin Services	Misc claims, stale date warrants	12.6				12.6	12.6				12.6	18	(a)
14	(a)	C&RA	Admin Services	Misc claims, stale date warrants	0.5				0.5	0.5				0.5	18	(a)
14	(a)	DOC	Admin Services	Misc claims, stale date warrants	11.2				11.2	11.2				11.2	18	(a)
14	(a)	DOE	Admin Services	Misc claims, stale date warrants	0.5				0.5	0.5				0.5	18	(a)
14	(a)	DFG	Admin Services	Misc claims, stale date warrants	1.6				1.6	1.6				1.6	18	(a)
14	(a)	HSS	Admin Services	Misc claims, stale date warrants	64.3				64.3	64.3				64.3	18	(a)
14	(a)	LABOR	Admin Services	Misc claims, stale date warrants	0.1				0.1	0.1				0.1	18	(a)
14	(a)	LAW	Admin Services	Misc claims, stale date warrants	0.1				0.1	0.1				0.1	18	(a)
14	(a)	DPS	Admin Services	Misc claims, stale date warrants	1.6				1.6	1.6				1.6	18	(a)
14	(a)	DOTPF	Admin Services	Misc claims, stale date warrants	2.9				2.9	2.9				2.9	18	(a)
14	(b)	DOTPF	Admin Services	Misc claims, stale date warrants				6.3	6.3				6.3	6.3	18	(b)
14	(c)	DEC	Admin Services	Misc claims, stale date warrants				0.3	0.3				0.3	0.3	18	(c)

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				GF	GF/PR	GF/ Mental Health	Other	Total Funds	GF	GF/PR	GF/ Mental Health	Other	Total Funds		
			Ratify overexpenditures:												
15	DCED		35.1												19
	DOC		94.5												
	C&RA		1.3												
	DOE		42.1												
	DEC		8.5												
	DFG		1.6												
	Law		499.6												
	DNR		233.2												
	REV		37.3												
	DOTPF		5,923.4												
	UofA		0.9												
			6,877.5												
		Exxon Valdez Oil Spill Trustee Council													
16			Extend lapse re RP 11-6-9990												7
17	(a)		Sections 8(b) & 13 are capital projects												20 (a)
17	(b)		Section 10 capitalizes funds												20 (b)
18			Providing for effective dates												21
			Totals	17,553.3	195.0	440.5	5,446.2	23,635.0	19,712.4	217.0	440.5	4,536.3	24,906.2		
			GF Only	17,553.3	195.0	440.5		18,188.8	19,712.4	217.0	440.5		20,369.9		

CSHB 468
FY 96 SUPPLEMENTAL APPROPRIATIONS
(In Thousands)

Sen #	Sec #	DEPT.	BRU/ COMPONENT	DESCRIPTION	Draft SCSHB 468 (Fin)					CSHB 468 (Fin) am 2/22/96					Use Sec #	Governor's Request (Am thru 4/1/96)					Gov's Sec #
					GF	GF/PR	GF/ Mental Health	Other	Total Funds	GF	GF/PR	GF/ Mental Health	Other	Total Funds		GF	GF/PR	GF/ Mental Health	Other	Total Funds	
1	(a)	DOA	Finance	Lapse Balance		(49.0)				(49.0)	(49.0)				(49.0)				(49.0)	1	(a)
1	(a)	DOA	Public Defender	Reappropriate lapse to fund Public Defender Bethel caseload		49.0				49.0	49.0				49.0				49.0	1	(a)
1	(b)	DOA	Public Defender	Increased operating costs			195.0			195.0		195.0				217.0			217.0	1	(b)
1	(c)	DOA	Office of Public Advocacy	Increased Operating costs		356.4				356.4	356.4				356.4				356.4	1	(c)
1	(d)	DOA	Leasing	Increased Operating costs		870.0				870.0	870.0				870.0				870.0	1	(d)
1	(c)	DOA	Retirement & Benefits	Increased investment management & record keeping fees				450.0		450.0			450.0				450.0		450.0	1	(c)
1	(f)	DOA	Longevity Bonus Grants	Ratify FY 95 transfer of auth from Senior Services				Accepted					Accepted							1	(f)
1	(g)	DOA	Longevity Bonus Grants	Longevity Bonus Shortfall		1,600.0				1,600.0			Not received in time for consideration		1,600.0				1,600.0	New	
2		DCED		Tokyo office lease space		61.2				61.2	61.2				61.2				61.2	2	
		C&RA	Local Government Assist	Revenue sharing for Kluti-Kaah				Not Accepted			(8.3)				(8.3)				(8.3)	3	(a)
		C&RA	Municipal Revenue Sharing	Revenue sharing for Kluti-Kaah				Not Accepted		8.3					8.3				8.3	3	(a)
3		C&RA	Employment Training/Rural Development	Extend lapse date for Rural Development grants June 30, 1997				Accepted					Accepted							3	(b)
		C&RA	Community & Rural Development	RDLF loans to AIDEA				Not Accepted					Not Accepted				650.0		650.0	3	(c)
		C&RA	Community & Rural Development	Recapitalize Rural Dev Initiative Fund				Not Accepted					Not Accepted		650.0				650.0	3	(d)
		DCED	AIDEA	Section (c) & (d) contingent on payment to general fund to purchase loans				Not Accepted					Not Accepted							3	(c)
		C&RA	Commissioner's Office	Grant to Alaska Legal Services Corp.				Not Accepted		200.0				200.0					200.0	3	(f)
		C&RA	Commissioner's Office	(f) Contingent on payment of attorney's fees				Not Accepted					Accepted							3	(g)
		DOC	Admin & Support/Commissioner's Office	Cleary fines for FY 95 & FY 96				Not Accepted		936.6				936.6					936.6	4	(a)
		DOC		(a) Contingent on payment of attorney's fees				Not Accepted					Accepted							4	(b)
		DOE	Foundation Program	Lapse balance				Not Accepted		(1,225.0)				(1,225.0)					(1,225.0)	5	(a)
		DOE	Foundation Program	Reappropriate lapse to fund disparity				Not Accepted		1,225.0				1,225.0					1,225.0	5	(a)
4		DOE	K-12	Extend lapse from sec 104(a), ch 103, SLA 1995, page 28, line 6 to June 30, 1997				Accepted					Not Accepted							5	(b)
5	(a)	DEC	Spill Prevention & Response/Underground Storage Tanks	Sec. 47, ch. 94, SLA 1995 page 38, line 18 and sec 47, ch 95, SLA 1995, page 38, line 22 extend lapse to June 30, 1998				Extend Lapse through June 30, 1997					Extend Lapse through June 30, 1997							6	(a)

CSHB 468
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Sen Sec #	DEPT.	BRU/ COMPONENT	DESCRIPTION	Draft SCSHB 468 (Fin)					CSHB 468 (Fin) am 2/22/96					Governor's Request (Am thru 4/1/96)					Gov's Sec #							
				GF	GF/PR	GF/ Mental Health	Other	Total Funds	GF	GF/PR	GF/ Mental Health	Other	Total Funds	Use Sec #	GF	GF/PR	GF/ Mental Health	Other		Total Funds						
5	(b)	DEC	Storage Tanks Assistance												6	(b)						6	(b)			
6	(a)	DFG	Admin Services					32.7	32.7						7					32.7	32.7	8	(a)			
6	(b)	DFG	Habitat					150.0	150.0																	
6	(c)	DFG	Wildlife Conservation					200.0	200.0																	
		DFG	Title Change Sec 10, ch. 4. FSSLA 1994 Arctic Yukon Kuskokwim Salmon Fisheries Stock Assessment Projects [EQUIPMENT]																		0.0	8	(b)			
7	(a)	HSS	Assistance Payments	Match	(4,000.0)			(500.0)	(4,500.0)	(4,000.0)				(500.0)	(4,500.0)	8	(a)	(4,000.0)			(500.0)	(4,500.0)	9	(a)		
7	(a)	HSS	Public Assistance Admin	Match	500.0			500.0	1,000.0	500.0				500.0	1,000.0	8	(a)	500.0			500.0	1,000.0	9	(a)		
7	(b)	HSS	Public Assistance Admin	Match	1,900.0			1,600.0	3,500.0	1,900.0				1,600.0	3,500.0	8	(b)	3,500.0				3,500.0	9	(b)		
7	(c)	HSS	Family & Youth Services		(250.0)				(250.0)	(250.0)					(250.0)	8	(c)	(250.0)				(250.0)	9	(c)		
7	(c)	HSS	Youth Facility Services		250.0				250.0	250.0					250.0	8	(c)	250.0				250.0	9	(c)		
7	(c)	HSS	Medical Assistance	Match	(3,500.0)				(3,500.0)	(3,500.0)					(3,500.0)	8	(c)	(3,500.0)				(3,500.0)	9	(c)		
		HSS	Reappropriate lapse from Medical Assistance to Alaska Family Independence Program																		3,500.0	3,500.0	9	(d)		
7	(d)	HSS	API					426.9	426.9					426.9	426.9	8	(d)				426.9	426.9	9	(c)		
8	(a)	Law	Legal Services Operations		130.4			13.6	225.3	369.3	130.4			13.6	225.3	369.3	9	(a)	130.4			13.6	225.3	369.3	10	(a)
8	(a)	Law	Legal Services Operations		54.4				17.9	72.3												17.9	72.3	New		
8	(b)	Law	Legal Services Operations		1,285.0				1,285.0	1,285.0					1,285.0	9	(b)	1,285.0				1,285.0	1,285.0	10	(b)	
8	(c)	Law	Oil & Gas Litigation					(66.6)	(66.6)					(66.6)	(66.6)	9	(c)				(66.6)	(66.6)	(66.6)	10	(d)	
8	(c)	Law	Prosecution		66.6				66.6	66.6					66.6	9	(c)	66.6				66.6	66.6	10	(d)	
8	(d)	Law	Legal Services Operations		3,605.8				3,605.8	3,605.8					3,605.8	9	(d)	3,605.8				3,605.8	3,605.8	10	(c)	
8	(e)	Law	Civil		500.0				500.0																	
9	(a)	MilVets	Military retirement trust fund		8,000.0				8,000.0	6,500.0					6,500.0	10	(a)	1,480.5				1,480.5	1,480.5	11	(a)	
9	(b)	MilVets	Disaster Relief Fund		1,557.3				1,557.3	1,557.3					1,557.3	10	(b)	557.3				557.3	557.3	11	(b)	
10	(a)	DNR	Fire Suppression		5,258.6				5,258.6	5,258.6					5,258.6	11		5,258.6				5,258.6	5,258.6	12		
10	(b)	DNR	Resource Dev.		270.0				270.0																	

CSHB 468
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					GF	GF/PR	GF/ Mental Health	Other	Total Funds	GF	GF/PR	GF/ Mental Health	Other	Total Funds		GF	GF/PR	GF/ Mental Health	Other	Total Funds				
10	(c)	DNR	Resource Dev.	RS2477 Assertions & Litigation Support		50.0				50.0	Not Considered													
		DPS	Capital Appropriation	Section 10, ch -4, FSSLA 94, page 12, line 13 License Plates/Driver Manuals/Equipment							Not Accepted										0.0	13		
11	(a)	REV	AJFC	Lease costs				150.0	150.0				198.2	198.2	12	(a)				198.2	198.2	14	(a)	
11	(b)	REV	Rev Ops/Ak State Pension Investment Board - Benefits Systems Receipts	Change fund sources				67.0	67.0				67.0	67.0	12	(b)				67.0	67.0	14	(b)	
11	(b)	REV	Rev Ops/Ak State Pension Investment Board -PERS	Change fund sources				(67.0)	(67.0)				(67.0)	(67.0)	12	(b)				(67.0)	(67.0)	14	(b)	
11	(c)	REV	Permanent Fund Dividend Division	Use garnishment fees to pay computer mainframe chargeback				103.8	103.8	Not received in time for consideration									150.0	150.0		New		
12		DOTPF	M&O	Hwy & bridge repair southcentral flood disaster	Match	1,010.0		3,000.0	4,010.0	1,010.0			3,000.0	4,010.0	13	(a)	1,010.0			3,000.0	4,010.0	15	(a)	
		DOTPF	M&O	Copper River Highway Restoration						720.0				720.0	13	(b)	720.0				720.0	15	(b)	
		UofA	Statewide	Monetary terms - CEA													455.6			6.7	462.3	16	(a)	
		UofA	Statewide	Monetary terms - ACCFT													473.0			33.4	506.4	16	(b)	
		GOV	OMB	Emergency disaster & fires FY 96 & FY 97													1,500.0				1,500.0	17		
13		LEG	LB&A Committee	Salary & Benefit study		500.0			500.0	Not Accepted											1,500.0			
14	(a)	DOA	Admin Services	State dated warrants		30.0			30.0	Not received in time for consideration										30.0	30.0		New	
14	(a)	DOA	Admin Services	Misc claims, state date warrants			12.6		12.6			12.6		12.6	14	(a)	12.6				12.6	18	(a)	
14	(a)	C&RA	Admin Services	Misc claims, state date warrants			0.5		0.5			0.5		0.5	14	(a)	0.5				0.5	18	(a)	
14	(a)	DOC	Admin Services	Misc claims, state date warrants			11.2		11.2			11.2		11.2	14	(a)	11.2				11.2	18	(a)	
14	(a)	DOE	Admin Services	Misc claims, state date warrants			0.5		0.5			0.5		0.5	14	(a)	0.5				0.5	18	(a)	
14	(a)	DFO	Admin Services	Misc claims, state date warrants			1.6		1.6			1.6		1.6	14	(a)	1.6				1.6	18	(a)	
14	(a)	HSS	Admin Services	Misc claims, state date warrants			64.3		64.3			64.3		64.3	14	(a)	64.3				64.3	18	(a)	
14	(a)	LABOR	Admin Services	Misc claims, state date warrants			0.1		0.1			0.1		0.1	14	(a)	0.1				0.1	18	(a)	
14	(a)	LAW	Admin Services	Misc claims, state date warrants			0.1		0.1			0.1		0.1	14	(a)	0.1				0.1	18	(a)	
14	(a)	DPS	Admin Services	Misc claims, state date warrants			1.6		1.6			1.6		1.6	14	(a)	1.6				1.6	18	(a)	
14	(a)	DPS	Admin Services	State dated warrants		3.0			3.0	Not received in time for consideration									3.0	3.0		New		
14	(a)	DOTPF	Admin Services	Misc claims, state date warrants			2.9		2.9			2.9		2.9	14	(a)	2.9				2.9	18	(a)	
14	(c)	DOTPF	Admin Services	Misc claims, state date warrants				6.3	6.3				6.3	6.3	14	(b)				6.3	6.3	18	(b)	
14	(c)	DEC	Admin Services	Misc claims, state date warrants				0.3	0.3				0.3	0.3	14	(c)				0.3	0.3	18	(c)	
				Ratify overexpenditures:																				
15		DOA		265.0						Accepted														New
15		DCBD		35.1						Accepted						15								19
15		DCBD		16.9						Accepted														New
15		DOC		94.5						Accepted						15								19
15		C&RA		1.7						Accepted						15								19
15		DOE		42.1						Accepted						15								19
15		DEC		8.5						Accepted						15								19
15		DFO		1.6						Accepted						15								19
15		Labor		24.1						Accepted														New

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET
DIVISION OF BUDGET REVIEW

P.O. BOX 110020
JUNEAU, ALASKA 99811-0020
PHONE: (907) 465-2178
FAX: (907) 465-2090

April 9, 1996

The Honorable Steve Frank
The Honorable Rick Halford
Co-Chairs, Senate Finance Committee
State Capitol
Juneau, AK 99801-1182

Dear Co-Chairs Frank and Halford:

As you continue your review of HB 468, the Governor's supplemental legislation, please consider the following amendments.

Section 8 (a) should be amended to reflect a total request of \$615,418 and identify the following fund source changes for additional judgments:

General fund

199 096
358,620
[184,836]

*Sen. Halford
motion adopted
4/9/96*

Section 14 (a) of the bill should be amended to reflect an additional stale dated warrant:

Administration

43,563
[42,566]]

*Sen. Halford
motion adopted
4/9/96*

Thank you for your consideration of these amendments.

Sincerely,
Nancy J. Slagle
Nancy J. Slagle
Director

cc: Representative Mark Hanley
Representative Richard Foster

MEMORANDUM

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State of Alaska

*Department of Administration
Division of Administrative Services*

To: Nancy Slagle
Director
Division of Budget Review

Date: April 5, 1996

From: Sharon Bannock
Director

Phone: 465-5655

Subject: Stale Dated Warrants

Please find attached a sixth stale-dated warrant request amounting to \$997.16. As you recall, we have previously submitted five requests amounting to \$42,565.45 for a six request total of \$43,562.61.

If you need additional information, please call.

**OFFICE OF
MANAGEMENT & BUDGET**

APR 05 1996

BUDGET REVIEW

cc: Mark Boyer
Alison Elgee
Don Wanie
Dan Spencer
Eric Swanson