

ALASKA LEGISLATURE

2406

HOUSE and SENATE FINANCE COMMITTEE FILES,

2001 - 2002

- addressing watershed protection or other coastal or marine conservation needs which cross jurisdictional boundaries.
- assessment, research, mapping and monitoring of coastal or marine resources and habitats, including, where appropriate, the establishment and monitoring of marine protected areas.
- projects that promote research, education, training and advisory services in fields related to coastal and Great Lakes living marine resource use and management.

8. CIAP Plan Implementation and Administrative Costs

Due to time constraints, this plan is written in general terms. Additional staff time is needed to develop the details for each proposed activity, including working with coastal communities on local project details, and possibly to develop the memorandum of understanding with NOAA for disbursement of funds. In addition, once the plan is approved and the activities undertaken, there will be a need for administration of the funds, particularly the competitive grant funding. CIAP funds will be used for continuing costs of plan development and for administrative costs when the funds are disbursed.

Allocation: \$235,670 for the first year (July 1, 2001 to July 1, 2002) for plan development and fund administration. Future administrative costs will be funded as necessary from funded activities.

The proposed administrative allocation is consistent with the following authorized use:

- planning assistance and administrative costs of complying with the provisions of the coastal impact assistance legislation.

V. **COORDINATION WITH OTHER FEDERAL RESOURCES AND PROGRAMS**

The CIAP legislation requires that the state plan contain "measures for taking into account other relevant federal resources and programs" (§31(d)(2)(E)).

Federal agencies have had the opportunity to review and comment on this plan. The State will consider existing federal resources when implementing the activities proposed in this plan and, to the extent feasible, will coordinate with federal agencies conducting similar activities.

VI. COASTAL POLITICAL SUBDIVISIONS

A. Background

Under the CIAP legislation, thirty-five percent, or \$4,273,053, of the state's total allocation will be distributed to the state's coastal political subdivisions. A coastal political subdivision is defined as a "county, parish, or any equivalent subdivision" (§31(a)(1)). In Alaska, a coastal political subdivision equivalent is an organized borough or coastal resource service area (CRSA). There are eighteen eligible coastal subdivisions in Alaska. The allocation to each eligible community is based on the following formula:

- (A) 25% allocated based on the ratio of the coastal political subdivision's coastal population to the coastal population of all coastal political subdivisions in the state;
- (B) 25% allocated based on the ratio of the coastal political subdivision's coastline miles to the coastline miles of all coastal political subdivisions in the state;
- (C) 50% allocated based on the relative distance of the coastal political subdivision from any OCS leased tract used to calculate the allocation using ratios that are inversely proportional to the distance between the point on the coastal political subdivision closest to the geographic center of each leased tract or portion, as determined by the Secretary.

NOAA calculated the funding allocation for each borough and CRSA. Official allocations were provided to the state and communities on April 16, 2001.

The communities and allocations are:

Aleutians East Borough.....	\$134,279
Aleutians West CRSA.....	153,889
Municipality of Anchorage.....	603,869
Bering Straits CRSA.....	131,711
Bristol Bay Borough.....	19,694
Bristol Bay CRSA.....	45,410
Cenaliulriit CRSA.....	148,742
Haines Borough.....	32,623
City and Borough of Juneau.....	99,952
Kenai Peninsula Borough.....	208,665
Ketchikan Gateway Borough.....	75,515
Kodiak Island Borough.....	189,985
Lake and Peninsula Borough.....	70,270
Matanuska-Susitna Borough.....	131,216
North Slope Borough.....	1,939,680
Northwest Arctic Borough.....	102,530
City and Borough of Sitka.....	134,188
City and Borough of Yakutat.....	50,835

B. Coastal Political Subdivisions - Use of Local CIAP Funds

Under the CIAP legislation, the state plan must include "a contact for each political subdivision and description of how coastal political subdivisions will use amounts provided under the program" (§31(D)(2)(C)).

Coastal political subdivision uses proposed by each subdivision are summarized in Appendix A. Subdivision contact information is provided in Appendix B. Coastal political subdivision project back-up material, some of which includes specific budget detail, is provided in Attachment 2. Due to the short time frame for plan development, some coastal political subdivisions submitted a list of possible projects for CIAP funding that exceed their allocation, others provided only general descriptions of the type of projects they will undertake. Specific project selection by the local government will be made following submission of the Coastal Impact Assistance Plan and in conformance with the Memorandum of Understanding that may be developed between the State and NOAA.

The local governing body for each coastal political subdivision has submitted a resolution approving acceptance and use of CIAP funds. The resolutions are included in Attachment 2.

ALASKA STATE LEGISLATURE
JOINT COMMITTEE
LEGISLATIVE BUDGET AND AUDIT
September 7, 2001
1:10 P.M.

MEMBERS PRESENT

Senator Gene Cherrault, Chair
Senator Lyman Hoffman
Senator Jerry Ward

Senator Gary Wilken (alternate)

Representative Hugh Fate, Vice Chair (teleconferenced)
Representative John Harris
Representative Reggie Joule (teleconferenced)
Representative Ken Lancaster (teleconferenced)
Representative Eldon Mulder

Representative John Davies (alternate)

MEMBERS ABSENT

Senator Dave Donley
Senator Randy Phillips

Representative Bill Williams, (alternate)

COMMITTEE CALENDAR

APPROVAL OF COMMITTEE MINUTES
July 17, 2001

EXECUTIVE SESSION
Preliminary Audit Reports
Final Audit Reports

AUDIT REPORTS
Release of final Audits to Public
Release of Preliminary Audits for Agency Response

OTHER COMMITTEE BUSINESS
Legislative Audit - Foster Care Audit Update
Senator Taylor's Audit Request
Redistricting Concerns
District Cost Factor Study
Reclassification of Audit Analysts Positions
Travel & Per Diem Claim Form
DNR-Pipeline Issue

WITNESS REGISTER

Governmental Coordination

\$7,835.7 Federal Receipts

PATRICK GALVIN, Director, Governmental Coordination, commented that the Division of Governmental Coordination (DGC) was requesting \$7,835.7 million dollars in federal authority to implement the Coastal Impact Assistance Program (CIAP) to help mitigate effects of the outer continental shelf oil and gas exploration and development activities. Uses of the CIAP funds would include:

- Conservation
- Restoration
- Enhancement or protection of coastal or marine habitat, wetlands, watersheds and water quality
- Education and training
- Mapping and research
- Implementation of federal conservation management plans

Mr. Galvin continued, under the CIAP, Alaska would receive a one-time allocation of \$12.2 million dollars. Based on the CIAP legislation, 35% of the total, or \$4.27 million dollars, would be divided among 18 coastal boroughs and Coastal Resource Service Areas (CRSAs). The community funds would be disbursed directly from the federal government to the communities. The remaining \$7.9 million dollars would be allocated to the State of Alaska. He pointed out that the Division of Governmental Coordination (DGC), FY02 operating budget does contain \$100.0 of the CIAP funds. Consequently, the RPL addresses only the \$7.8 million dollars allocated to the State.

Mr. Galvin discussed the designation of the monies:

Competitive Grants Program	\$3,100,000
Ocean, Coastal and Watershed Info. System	\$1,700,000
Cataloging Anadromous Fish Streams	\$1,000,000
Coastal Resource Inventory Project	\$ 800,000
Regional Coastal Program Planning	\$ 750,000
Implementation & Administrating of Plan	\$ 235,670
Grant Funds for AK. Coastal Resource Dis.	\$ 200,000
Ocean, Cstl & Watershed Symp & St. Oceans	\$ 150,000
<u>TOTAL</u>	<u>\$7,935,670</u>

Mr. Galvin noted that the Grant Program would establish the grant criteria, solicit project proposals and select projects to receive the funds. The grant program would be open to applications from coastal resource districts, State and local government agencies, tribal organizations, non-

profit organizations, individuals, private industry and other interested parties.

Mr. Galvin further noted that the Coastal Impact Assistance Program was a one-time appropriation that was part of the compromise reached in the closing negotiations last year in the Congress of the Conservation and Reinvestment Act (CARA). The Coastal Impact Assistance Program is part of what is now commonly referred to as the CARA-lite package.

REPRESENTATIVE MULDER asked how the members of the Coastal Policy Council (CPC) would be selected.

PATRICK GALVIN replied that the Council already exists and oversees the Alaska Coastal Management Program. He advised that there are six State agencies represented and nine locally elected officials from coastal communities within the State. These people make up the Coastal Policy Council and that they make the policy decisions for the coastal management program. He emphasized that it was important to establish a mechanism for administration of the potential coastal impact grants without creating a new group specifically for that one-time concern.

REPRESENTATIVE MULDER responded that two categories had been established, education & conservation and restoration & enhancement. He questioned the need to include "education".

LISA WEISSLER, Project Analyst, Coastal Impact Assistance Program, explained that the Division has solicited public input for ideas and that education had been one of the proposed criteria to be included.

REPRESENTATIVE MULDER understood that during the 30-day public comment period, the Division received only thirty to forty responses. He commented that those people providing services in those areas were sure to give "feedback" to the Division. He stated that he did not support that aspect of the program.

LISA WEISSLER responded that there were two public comment periods. The first one lasted for fifteen days and following that, the Division put the plan out for the public for a thirty-day comment review period.

REPRESENTATIVE MULDER interjected that the plan states that the funds could be used for conservation, restoration, or enhancement of coastal marine habitat. He stressed that was all encompassing considering that 25% of Alaska is wetlands. He added that there are a number of capital projects each year which the State has not been able to fund. He believed that this funding could help with those projects. Representative Mulder reiterated his opposition to including the educational projects.

PATRICK GALVIN explained that included in the federal legislation, no more than 23% of the funds could be used for infrastructure, and only infrastructure, which is directly related to mitigating the impact of offshore oil and gas development. The only oil and gas qualifying for that would be off the North Slope.

REPRESENTATIVE MULDER asked if the Cook Inlet would be included in that section.

PATRICK GALVIN responded that the definition of offshore oil and gas excludes anything that is within the area between three and six miles from the shore. He stated that would significantly limit the ability of DGC to look at the infrastructure project.

Mr. Galvin continued, a large portion of the Coastal Impact Assistance Program that go directly to local governments would be directly to the North Slope Borough. He commented that it would be inappropriate to look for other infrastructure projects within the borough using the State's portion of the fund.

REPRESENTATIVE MULDER advised that he had not heard of that portion of the offshore impact reference. He pointed out that he had spoken directly with the U.S. Secretary of the Interior and the Governor's Chief of Staff and that point had not been brought up. He requested a reference for that.

LISA WEISSLER read from Authorization Section of that U.S. Legislation: [Copy on File].

"(6) Mitigating impacts of Outer continental Shelf activities through funding of (A) onshore infrastructure projects and (B) other public service needs intended to mitigate the environmental effects of Outer Continental Shelf activities: *Provided*, that funds made available under this paragraph shall not exceed 23 percent of the funds provided under this section."

REPRESENTATIVE MULDER asked if that amount would apply to the entire appropriation.

LISA WEISSLER responded that it would.

CHAIR THERRIAULT inquired if it would be ongoing funding.

PATRICK GALVIN replied it would not.

CHAIR THERRIAULT voiced his concern if it would turn into ongoing funding through the operations of CARA, then the Committee would want to be careful how to set up the

expending mechanism. He believed that there should be a "sensible" way to break the costs down for the development.

Chair Therriault questioned the amount requested for the implementation and administration of the plan.

LISA WEISSLER pointed out that only four months had been allocated to develop the plan. For the past several months, the Division has been working on a detailed implementation plan. She added that there would be continuing work associated with the competitive grant program.

CHAIR THERRIAULT asked if there would be a problem performing development of that plan before the grant money had been received.

LISA WEISSLER responded that the Division would be uncomfortable with the solicitation of proposals if the funds were not available.

SENATOR HOFFMAN questioned how fish stock rebuilding and the cataloging of fish streams would be accomplished. He questioned who would be contracted to do the work and why there was a need for two new positions.

PATRICK GALVIN explained that the Department of Fish & Game would do the contractual work as they provided the work plan.

CHAIR THERRIAULT interjected that contractual services would not be issued to a non-State entity. All contracting must be from one State agency to another.

SENATOR HOFFMAN reiterated his query of how the fish stocks would be rebuilt.

ELLEN FRITTS, Deputy Director, Division of Habitat and Restoration, Department of Fish & Game, (Testified via Teleconference), explained that the intent of the cataloging would be so that the Department could provide additional information to the current catalogue of the anadromous waters. That action would place those waters under the protection of Title 16, Section .870, which requires permitting. The point of the increment would improve protection of the spawning and rearing areas and all of the critical places which need to be rebuilt because of current problems.

SENATOR HOFFMAN referenced Page 4, "rebuilding" of fish stocks.

ELLEN FRITTS explained that money had not been designated for rebuilding of fish stocks. She believed that statement indicates the State's need to do a "better job" of

protecting fish stocks and the habitat that those stocks need.

SENATOR HOFFMAN pointed out that the State already has a cataloguing of 15,209 water bodies, including documented evidence of anadromous fish use. He asked why an additional million dollars was necessary.

ELLEN FRITTS acknowledged that a catalogue currently does exist; however, the Division estimates that Alaska has less than 60% of its anadromous fish habitat catalogued. She emphasized that 40% of the fish habitat is not protected by a permit program.

REPRESENTATIVE MULDER referenced the statement read by Ms. Weissler, which specifically refers to the mitigating of the outer continental shelf activities. He did not believe that percentage was applicable to the projects for conservation and protection of the wetlands and the comprehensive management plans. He questioned if they would be subject to the 23% limitation.

PATRICK GALVIN agreed that they were not and added that was why they had been included in the grant description.

REPRESENTATIVE MULDER stressed that these were one-time funds and that he would like to see those funds used more beneficially for the State as opposed to looking at this as an ongoing revenue stream.

PATRICK GALVIN inquired if it was the will of the Committee to receive the applications for review in order to understand the actual projects proposed.

CHAIR THERRIAULT recommended that should be a policy call of the Coastal Policy Council determining the percentages used for each category.

SENATOR WILKEN referenced Page 7 of the handout. He asked about the nine new proposed positions and what would happen with them next year when the funding was gone.

LISA WEISSLER advised that this was to be a three-year project and when the money goes away, the positions would go away.

CHAIR THERRIAULT commented that in order for it to become a three-year project, the Division will need to request a funding source shift.

SENATOR WILKEN referenced Page 9 of the handout, warning that the full impact on the general fund will not be known, until the CIAP projects are completed.

PATRICK GALVIN addressed the "positive" impact of the project on the State's budget. He projected that there could possibly be a decrease from requested amounts.

SENATOR WILKEN referenced Page 15 of the handout, Section 6-Coastal Political Subdivisions, Paragraph A.

"In Alaska, a coastal political subdivision Equivalent is an organized borough or coastal resource service area (CRSA)."

Senator Wilken asked where that designation had occurred.

PATRICK GALVIN replied that there is not a designation in State law that a CRSA is a political subdivision. However, the intent of the Division was to comply with the intent of the federal statute that makes "county-equivalents" eligible for that "other" portion of the fund. It refers back to the previous sentence:

"A coastal political subdivision is defined as a 'county, parish, or any equivalent subdivision' (~31(a)(1))."

Mr. Galvin acknowledged how that would apply to Alaska is debatable. He stated that the Division felt that the intent was to have the money available for as much of the State's coastal communities as possible, and that the regional coastal management entities in those service areas should also receive the funding. A new definition of coastal political subdivision has been included in the current CARA bill going through Congress, and it would allow coastal cities not within a regional entity to share in the local portion of the funding.

SENATOR WILKEN voiced his concern that the CRSA's not be eliminated.

PATRICK GALVIN acknowledged that CRSA's would be included.

CHAIR THERRIAULT referenced the spreadsheet listed on Page 3 of the handout, pointing out that regional coastal planning was one of the components. He advised that the definition was listed on Page 5:

"Three regions of the state are not currently covered by local coastal management plans; Prince William Sound, Northern Southeast Alaska, and Southern Southeast Alaska."

TAPE LBA 01-8, SIDE B

REPRESENTATIVE DAVIES asked if the areas were exclusive boroughs or if they would include coastal cities.

PATRICK GALVIN explained that within the definition of eligibility, a municipality within a borough could not be included and that there would be no overlap.

REPRESENTATIVE DAVIES addressed the education project, recommending that it be a separate category.

PATRICK GALVIN agreed that was a good idea.

REPRESENTATIVE MULDER referenced the computer based information system. He commented that once a computer system is established, someone needs to be available to maintain and operate it.

LISA WEISSLER stated that the data would be centralized within the agencies that collect and maintain it. She added that there is potential for future federal grants for that type of system. In response to Representative Mulder, Ms. Weissler added that there is much information currently collected by the State. The computer system would network all the inter-agency information and make it available at one site.

PATRICK GALVIN added that the computer system would provide an "entry point" that would indicate where permittees and applicants would need to go to gather the information that they need to complete the process.

LISA WEISSLER responded to concerns voiced by Representative Mulder, explaining that the federal government would be willing to help with that funding in the future. The feds are interested in the State's proposal and they are building Alaska into their budget. The State does not want to lose the momentum they have achieved to date.

CHAIR THERIAULT pointed out that the funds would become available in the federal fiscal year.

PATRICK GALVIN commented that the proposed funds are available in the current federal fiscal year and will be available in October 2001, if there is approval of the State plan by the National Oceanic and Atmospheric Administration (NOAA).

CHAIR THERIAULT asked if the Committee provided partial approval, would a delay jeopardize the remaining money.

PATRICK GALVIN replied that if the projects proposed were accepted, the funding would not be jeopardized.

SENATOR WARD asked if the funds could lapse.

PATRICK GALVIN replied they would not.

LISA WEISSLER explained that NOAA has indicated that they may establish a three-year limit.

PATRICK GALVIN stressed that the plan needs Committee approval.

REPRESENTATIVE DAVIES inquired if the three-year limit was on the total expenditure for that project.

LISA WEISSLER replied that she did not know for sure, however, believed that it would be funded for the time spent on the total project.

CHAIR THERRIAULT asked about the language referencing establishing of a "trust fund".

PATRICK GALVIN explained that the word "trust" was used in the description of the authorized use of the funds. In discussing that option with NOAA and the agencies that have experience with trusts, there were two primary issues. The first was if the State administrative burden would be eased and second, if there would be interest accumulated on that part, which the State could spend in the future. Absent other federal language, NOAA lawyers have indicated that the State would not accumulate the interest. Based on this, it is unlikely that the State will pursue a trust structure.

CHAIR THERRIAULT referenced the breakdown for the competitive grant program. He asked if the competitive grants portion was not approved, could the Division still move forward with the program.

PATRICK GALVIN advised that the \$16 thousand dollars for travel would be needed for the scheduled meetings of the Coastal Policy Council to review the grants for approval; however, he believed that amount could be merged into the CPC's current budget for the time being.

LISA WEISSLER explained that the contractual amount of \$168.1 thousand dollars would be used for the grant administrator position within the Department of Community & Economic Development. She indicated that amount was not essential until there are grants to manage.

PATRICK GALVIN explained how that program would work.

REPRESENTATIVE MULDER asked for a description of the coastal resource inventory project request in the amount of \$800.0 thousand dollars.

LISA WEISSLER explained that during the public comment period, people understood that there was a lot of information available but they did not know what it was or where it was located. She indicated that the project has two components. The first would be to determine what is available, leading to the information system. The remaining portion would be to create an information identification system and determine information needs.

PATRICK GALVIN interjected that the component is critical, as relevant and important information exists for making decisions but it is not currently accessible. He reiterated that there is no mechanism currently available in the State system, which makes that information readily available.

SENATOR WARD referenced the competitive grant fund component. He asked if there was a reason that fund did not extract funding from one of the other components.

PATRICK GALVIN clarified that NOAA is currently reviewing the plan for approval. To amend the plan, the State would have to go back to NOAA. The proposed plan includes described categories and the projects associated with each.

SENATOR WARD asked what the process would be to go back to NOAA and change the current agreement.

PATRICK GALVIN understood that would mean going back out for public comment. That is an obligation under federal law.

SENATOR WARD inquired if the local communities had recommended that amount be allocated for the resource inventory project.

PATRICK GALVIN stated that the local communities indicated that they would like information available and a place to access that information. He added that the proposed project summary was the one agreed to by the local communities.

SENATOR WARD asked if a list of projects proposed by the local communities was available.

PATRICK GALVIN responded that there are two different lists. One is part of the proposed State plan and the other is a list of "other" projects.

LISA WEISSLER listed some of the cementers who provided input during the comment period:

- University
- Alaska University Fisheries Center
- Gulf of Alaska Coastal Community Coalition
- Joseph Bader

- National Wildlife Refuge
- Regional Guide Fisheries Association
- Cook Inlet Aquaculture Association

Ms. Weissler noted that there was no criteria or application available to select projects proposed by those that commented. In order to deal with them and recommend specific projects, funding for the competitive grant fund needed to be set aside. She added that there had been \$14 million dollars worth of projects proposed.

CHAIR THERRIault recommended deferring projects for the full Legislature to consider. He added that there will be another two LBA Committee meetings scheduled over the next few months.

REPRESENTATIVE MULDER MOVED to DELETE the request of \$3,100.0 thousand dollars for the Competitive Grant Fund until actual projects are determined. He added to delete the Symposium & Report project in the amount of \$150.0 thousand dollars.

Representative Mulder MOVED to ADOPT the request for the Information System in the amount of \$1,700.0 thousand dollars; \$1,000.0 dollars for Cataloguing the Streams; \$800.0 thousand dollars for the Resource Inventory; \$750.0 thousand dollars for the Regional Coastal Planning; and \$200.0 thousand dollars for the Coastal District Grants.

Representative Mulder MOVED to REDUCE the Plan Implementation to \$50.0 thousand dollars.

REPRESENTATIVE JOULE asked if the full Legislature would be addressing the two projects being recommended for deletion.

CHAIR THERRIault responded that perhaps they would if the Program had proposals for the full Legislature to consider.

DAVID TEAL, Director, Division of Legislative Finance, [Testified via Teleconference], interjected that all the projects are likely to be before the full Legislature in FY03. He pointed out that the proposal is an operating RPL and that the timeline is for three years. He noted that it was the intent of the Office of Management and Budget (OMB) to come back before the full Legislature and have the operating money converted into a capitol project.

Mr. Teal added that because this is an operating RPL, it does not matter what the LBA Committee specifies the money can be technically used for. It is just an operating appropriation and they can use it for anything they want.

The MOTION as MOVED:

2/22/02

SENATE FINANCE COMMITTEE
SIGN-IN

SB 291-SUPPLEMENTAL APPROPRIATIONS: FAST TRACK
SB 292-SUPPLEMENTAL APPROPRIATIONS

NAME: BOB STALNAKER Subject/Bill No: SB 292
Co./Dept./Title: ADMIN. SVCS. MGR. Phone: 5023
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: TOM LAWSON Subject/Bill No: SB 292
Co./Dept./Title: OCCO Admin Services Director Phone: 2506
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Dan Spencer Subject/Bill No: _____
Co./Dept./Title: Dept of Admin Admin Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: Janet Clarke Subject/Bill No: SB 292
Co./Dept./Title: Director - Dept Health & Soc Ser Phone: X 1630
Address: _____ Zip: _____

2/22/02

NAME: Karen Morgan Subject/Bill No: 292

Co./Dept./Title: Director/Admin Svcs / Pub Safety Phone: 5488

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____

Co./Dept./Title: _____ Phone: _____

Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SITE: ANCHORAGE LIO

COMMITTEE: Senate Finance

DATE: 2-22-02

SUBJECT OF MEETING:

SB 292, SB 291

UPDATE #: 3



DO YOU WANT

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

TO TESTIFY?

Y or N

P R I N T YOUR NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	TO TESTIFY? Y or N
Barbara Miklos		CSED	Y – SB292
Email address:			
Barbara Brink		Public Defender	Y – SB292
Email address:			
Randy Crawford		Public Safety	Y – SB292
Email address:			
James Cockrell		Public Safety	?’s – SB292
Email address:			
Wendy Redman		University of Alaska	Y – SB292
Email address:			
Cynthia Cooper		Dept. of Law	Y – SB292
Email address:			
Doug Griffin		AEC Board	Y- SB292
Email address:			

SITE: FAIRBANKS LIO

COMMITTEE: (S) FINANCE

DATE: 2/22/02

SUBJECT OF MEETING:

SB292

UPDATE #: 1



PLEASE SIGN IN

DO YOU WANT
P R I N T YOUR NAME ADDRESS (MAILING & ZIP) REPRESENTING TO TESTIFY?
Y or N

Joe Beedle		UAF	Y
Email address:			
Pat Pitney		UAF	Y
Email address:			
Email address:			
Email address:			
Email address:			
Email address:			

SB

291/292

(File 1)

SFIN

FILE

	Project Title	Applicant Name	City
1	Anchor River Watershed Information Center	Community Rivers Planning Coalition	Anchor Point
2	Anchor River Watershed Education Project	Elizabeth Wasserman	Anchor Point
3	Educational Website and Virtual Tour for Young People	Frontier Communications	Anchorage
4	Community Involvement Model: CRRS	Chugach Regional Resources Commission	Anchorage
5	Young Scientists: Community-Based Conservation on the Bering Sea Coast	World Wildlife Fund Bering Sea Program	Anchorage
6	Navigating the Waters: A Fisheries Education Resource Guide	Bering Sea Fisherman's Association	Anchorage
7	Educational computer-based animated movie	Frontier Communications	Anchorage
8	Anchorage Coastal Wetlands Initiative	Grant Land Trust, Inc.	Anchorage
9	Alaska Native Statewide Environmental Summit Meeting	Rural CAP	Anchorage
10	Wetland Poster Outreach Contest for Rural Alaska High Schools	Society of Wetland Scientists	Anchorage
11	Yukon River Watershed Longterm Monitoring and Assessment Plan	Yukon River Inter-Tribal Watershed Council	Anchorage
12	Interactive Marine and Coastal Science Exhibit	The Imaginarium, Inc.	Anchorage
13	ATV Trail Mapping and Assessment	ADF&G	Anchorage
14	Cook Inlet Oil and Gas Facilities Survey	ADF&G	Anchorage
15	Little Susitna River & Cottonwood Coastal Watersheds Database	ADF&G	Anchorage
16	Title 16 Permitting Process	ADF&G	Anchorage
17	Understanding Fish Passage Problems in Watersheds	ADF&G	Anchorage
18	Assessment and Restoration of Recreational Impacts	ADF&G	Anchorage
19	Programs in the Park	DNR	Anchorage
20	Salmon Interpretive Panels	DNR	Anchorage
21	Anchorage Bowl Coastal Resource Atlas Project	Municipality of Anchorage	Anchorage
22	Ship Creek Comfort Inn Restoration Project	Anchorage Waterways Council	Anchorage
23	Fish Safety Monitoring Project	DEC	Anchorage
24	Synthesis of Vertebrate Species of Concern	Alaska Natural Heritage Program	Anchorage
25	Prince William Sound Citizen-Based Water Quality Monitoring	National Wildlife Federation	Anchorage
26	Double Eagle/Land Acquisition	Bryan Zak/Yukon Zak LLC	Anchorage
27	N. and SW AK: Ecoregional Conservation Planning	The Nature Conservancy	Anchorage
28	Stream Data Collection for Instream Flow Assessment/Protection	ADF&G	Anchorage
29	Kenai River: Mapping & Monitoring	Dr. Orson P. Smith, UAA	Anchorage
30	Wolverine Creek Cove: Bears, anglers & bear-watchers	ADF&G	Anchorage
31	Deep Creek & Anchor River ORV Impact Assessment & Mitigation Strategy	DNR	Anchorage
32	Alaska Shorebird Project	AK Wilderness Recreation & Tourism Assoc.	Anchorage
33	Glacier Creek Stream Gaging	DNR	Anchorage
34	Little Susitna Public Use Facility Trail Development	ADF&G	Anchorage
35	Little Susitna River Stream Bank Protection Platform	ADF&G	Anchorage
36	Watershed Connections-Enhancing School District Curricula	UAA	Anchorage

37	Contaminant and Nutrient Ecology	North Slope Borough	Barrow
38	Mitigation of Oil & Gas Impacts to Bowhead Whales	Eskimo Whaling Commission	Barrow
39	On-Site Field Inspector: North Slope Oil Field Complexes	North Slope Borough	Barrow
40	Subsistence Monitor/Inspector	Inupiat Community of the Arctic Slope	Barrow
41	Elson Lagoon Cleanup	Native Village of Barrow	Barrow
42	Environmental Sensitivity Index Mapping (W. AK & Bristol Bay)	Research Planning, Inc.	Columbia, SC
43	Science of the Sound	Prince William Sound Science Center	Cordova
44	Orca Creek Restoration Project	Orca Cannery Inc.	Cordova
45	Gulkana River: Habitat Protection and Viewing Platform	Copper River Watershed Project	Cordova
46	Abandoned Debris Removal from Crab Bay	City of Craig	Craig
47	Klawock Watershed Restoration and Education Project	Craig Community Association	Craig
48	Agulowok River Protection Project, Southwest Alaska	Nashagak/Mulchatna-Wood/Tikchik Land Trust	Dillingham
49	Coho Salmon Restoration of the Kametolook River	Bristol Bay Native Association	Dillingham
50	Bristol Bay Salmon Camp	Bristol Bay Economic Dev. Corporation	Dillingham
51	LTF Water Quality Monitoring	ADF&G	Douglas
52	Video Surveillance of the Walrus Island State Game Sanctuary	ADF&G	Fairbanks
53	Resurrection Bay: Baseline Contaminant Monitoring	UAF	Fairbanks
54	North Slope Internship Prog.: Develop Waterbird Catalogue & Ed. Mats	ABR, Inc.	Fairbanks
55	Mapping and Analysis of Coastal Erosion in Northern Alaska	ABR, Inc.	Fairbanks
56	Village Best Practices for Ground Water and Inland River Protection	First Alaska Mgmt. and Marketing	Fairbanks
57	Eider Journey	Arctic Research Consortium of U.S.	Fairbanks
58	Youth Area Watch for Western Coastal Alaska	UAF	Fairbanks
59	Youth Area Watch for Prince William Sound	UAF	Fairbanks
60	Assessing the health of nearshore habitats for Stellar Sea Lion	UAF	Fairbanks
61	Oceanographic Communication and Knowledge	UAF	Fairbanks
62	Marine Environmental Education	University of Oregon	Florence, OR
63	Gustavus Land Legacy	Gustavus Land Legacy	Gustavus
64	An Ecological Baseline Evaluation of the Juneau Tidelands	John H. Crow, Ph.D.	Hackettstown, NJ
65	CRC: Natural Resource & Native History Interpretation Planning Project	Haines Chamber of Commerce	Haines
66	Establishing a Community-Based Water Quality Laboratory	Cook Inlet Keeper	Homer
67	Alaska Coastal Ecology Traveling Education Program	Center for Alaskan Coastal Studies	Homer
68	Mapping Intertidal Habitats	ADF&G	Homer
69	A Model for Regionally Integrated Environmental Education	ADF&G	Homer
70	Addressing sustainable uses in the watershed and marine environment	ADF&G	Homer
71	Homer Beach Protection Policy Implementation	City of Homer	Homer
72	Beach Environment Informational Kiosks	City of Homer	Homer
73	Anchor River Watershed Conservation Program	Homer Soil and Water Conservation District	Homer

74	Diamond Creek Watershed Greenspace System	Devony Lehner	Homer
75	Haida Nation Environmental Youth Coastal Impact Studies	Hydaburg Cooperative Assoc/Haida Nation	Hydaburg
76	Hyder Topographic Model for Education	Hyder Community Association Inc.	Hyder
77	Amphibian Monitoring in SE Alaska Through Educational Partnerships	Juneau School District	Juneau
78	Copper River Delta: Conservation & Enhancement of Razor Clam Beds	ADF&G	Juneau
79	Enhancement & Restoration of Geoduck Clam & Red Sea Cuke Beds	ADF&G	Juneau
80	Native Youth Environmental Broadcast Program	Gastineau Broadcasting Corporation	Juneau
81	Forest Resources and Practices Act Database	DNR	Juneau
82	Seaweed Marine Education Program	DIPAC	Juneau
83	Duck Creek Stream Restoration	SAGA	Juneau
84	Coastal Resource Management Career Camp	SAGA	Juneau
85	Thorne Bay Waterbody Recovery Plan	DEC	Juneau
86	Coastal Watershed Education and Stewardship	Discovery Southeast	Juneau
87	Arctic Coastal Plain HGM Wetland Guidebook	DEC	Juneau
88	Conserving Accreted Land Adjoining the Mendenhall State Game Refuge	SEAL Trust	Juneau
89	ACWA Database, Mapping & Integration	DEC	Juneau
90	ShoreZone Inventory of Cook Inlet and Outer Kenai Pen. Coasts	Cook Inlet RCAC	Kenai
91	Peninsula Pike Project & Daniel's Creek Restoration	Youth Restoration Corps	Kenai
92	Native Wetland Plant Nursery	Alaska Harvester Inc.	Kenai
93	Learning the Kenai River	Paul A. Bryant	Kenai
94	Skyview Natural Resources and Agriculture Demonstration Area	Kenai Soil and Water Conservation District	Kenai
95	Tongass Coast Aquarium Land Acquisition	Tongass Coast Aquarium, Inc.	Ketchikan
96	Orton Ranch Stream Bank Stabilization and Fish	Orton Ranch	Ketchikan
97	Cultural/Conservation Education Camp	Tongass Conservation Society	Ketchikan
98	Lake and Peninsula Borough: Community Profile Mapping	Lake and Peninsula Borough	King Salmon
99	Ugashik River: Removal of Abandoned Winray Barge	Lake and Peninsula Borough	King Salmon
100	Naknek River: Restoration & Enhancement of Frontage & Dock	ADF&G	King Salmon
101	Klawock: ACMP Plan Update and Revision	City of Klawock	Klawock
102	Kametook River coho Salmon Restoration	ADF&G	Kodiak
103	Kodiak Island: ORV/ATV Photographic Documentation and Education	Kodiak Audubon Society	Kodiak
104	Monashka Creek Human Impact Monitoring	Kodiak High School	Kodiak
105	"Alaska's Oceans": Ed. Film for Alaska's K-12 Science Curriculum	Alaskan Oceans Foundation	Kodiak
106	Miller Point Marine Observation Station	DNR	Kodiak
107	Potato Patch Lake: Habitat Restoration and Education	City of Kodiak	Kodiak
108	Whale Fest Kodiak -- Program Enhancement	Kodiak Arts Council	Kodiak
109	OSKAR: Ocean Station - Kodiak, Alaska Region	Alaskan Oceans Foundation	Kodiak
110	Sea Lion Symphony	St. Mary's School	Kodiak

111	Nome District Mapping and GIS Project	City of Nome	Nome
112	Alaskan Coastal Education Plan	Valley Pathways/seeOnline	Palmer
113	Swiftwater Creek Fish Passage & Habitat Improvements	Matanuska-Susitna Borough	Palmer
114	Wasilla High Watershed Inquiry Project	Mat-Su Borough School District	Palmer
115	Mat-Su Borough: GIS Mapping of Coastal Zone Watershed	Mat-Su Borough	Palmer
116	Willow Creek Streambank Restoration	Mat-Su Borough	Palmer
117	Citizen/Community Involvement Model: Port Graham Village Council	Port Graham Village Council	Port Graham
118	Placer River/Turnagain Arm: Interpretive Trail and Viewing Platform	Big Game Alaska, Inc.	Portage Glacier
119	Nelson Lagoon Coastal Protection Project	Aleutians East Borough	Sand Point
120	Littleneck Clam Enhancement in Resurrection Bay	City of Seward	Seward
121	Alaska SeaLife Center - Outreach Program Vehicle	Alaska SeaLife Center	Seward
122	Swan Lake Rehabilitation and Enhancement Project	City and Borough of Sitka	Sitka
123	Katlian Watershed Restoration and Education	Sitka Tribe of Alaska	Sitka
124	Survey, Video, & Educational Field Trip	Greenling Enterprises	Sitka
125	Sitka Sound Harvest Assessment Monitoring and Ed. Outreach	Sitka Tribe of Alaska	Sitka
126	Enhancement of Sheldon Jackson Environmental Science Program	Sheldon Jackson College	Sitka
127	Support for Invasive Species Research in Southeast Alaska	Sheldon Jackson College	Sitka
128	Sea Lion Cove Trail Reconstruction	Sitka Trail Works, Inc.	Sitka
129	Marine Wildlife and Ecosystem Education	Sitka WhaleFest	Sitka
130	Soldotna Community Schools Outdoor Education Camp	Soldotna Community Schools	Soldotna
131	Anchor River: FEMA Flood Insurance Rate Map	Kenai Peninsula Borough	Soldotna
132	Caribou Hills Streambank Protection	Kenai Peninsula Borough	Soldotna
133	Kenai River: FEMA Flood Insurance	Kenai Peninsula Borough	Soldotna
134	Kenai: Coastline Maps and Models	Kenai Peninsula Borough	Soldotna
135	Kenai: Tabular Database Development	Kenai Peninsula Borough	Soldotna
136	Kenai: Document and Image Management System	Kenai Peninsula Borough	Soldotna
137	Kenai: Geographic Database Tool	Kenai Peninsula Borough	Soldotna
138	Kenai Peninsula Borough Resource Analysis	Kenai Peninsula Borough	Soldotna
139	Kenai: Computer-Based Resource Analysis Information Tool	Kenai Peninsula Borough	Soldotna
140	KPB Online Permitting System	Kenai Peninsula Borough	Soldotna
141	Silver Salmon Creek: Priority Culvert Replacement	Kenai Watershed Forum	Soldotna
142	Kenai River: Water Quality Research	Kenai Watershed Forum	Soldotna
143	Pribilof Islands: Marine Debris Removal and Monitoring	Tribal Government of St. Paul	St. Paul
144	Bering Sea Trash Busters	Pribilof Islands Stewardship Program	St. Paul Island
145	Dock and Boat Launch Engineering Study	Traditional Council of Togiak	Togiak
146	Ron Larson Elementary Environmental Stewardship for Youth	Karl Schleich	Wasilla
147	Coastal Watershed Education and Restoration	Wasilla Soil & Water Conservation District	Wasilla

148	Family Centered Coastal & Watershed Education Program
149	Wrangell Resource and Community Mapping
150	Yakutat Bay and Disenchantment Bay Cruise Ship Monitoring

Human Resources Adult Ed. Ctr.
City of Wrangell
City and Borough of Yakutat

Wasilla
Wrangell
Yakutat

SITE: ANCHORAGE LIO

COMMITTEE: SFIN

DATE: 3-6-02

SUBJECT OF MEETING:

SB 292

UPDATE #: 3



DO YOU WANT

P R I N T YOUR NAME

ADDRESS (MAILING & ZIP)

REPRESENTING

TO TESTIFY?

Y or N

<u>P R I N T</u> YOUR NAME	ADDRESS (MAILING & ZIP)	REPRESENTING	TO TESTIFY? Y or N
Barbara Miklos		Child Support	Y-SB 292
Email address:			
Patrick Galvin		Div Govt Coordination	Y-SB 292
Email address:			
Doug Griffin		ABC Board	Y-SB 292
Email address:			
Randy Crawford		DPS	Y-SB 292
Email address:			
James Cocknell		DPS	Ans ?s
Email address:			
Email address:			
Email address:			

SB 291 -

SUPPLEMENTAL

APPROPRIATIONS:

FAST TRACK

FY2002 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
2	FAST TRACK SUPPLEMENTAL								
3	1	Court System	Judicial Conduct	Legal fees in excess of FY2001 supplemental. Actual amount is \$6829.77.	6.8				6.8
4	2(a)	Comm & Ec Dev	Alaska Science & Technology Foundation	Idaho National Engineering and Environmental Laboratory Grant Contract for Alaska Business Research. Funds are available March 1, 2002.			25.0	Statutory Designated Prog Rcpts	25.0
5	2(b)	Comm & Ec Dev	International Trade & Business Development	International Trade and Business Endowment - replace unrealized FY02 Investment Earnings - Fund Source Change	230.4		-230.4	Internat'l Trade and Dev. Fund Earnings Reserve	0.0
6	3	Corrections	Palmer Correctional Center	New well including pump and wellhouse as primary water well has failed and is nonrepairable. Statutory designated program receipts (SDPR) are from interest earnings of Northern Tobacco Securitization Corporation (NTSC).			172.2	Statutory Designated Prog Rcpts	172.2
7	4(a)	Health & Soc Svcs	Medicaid Services	Medicaid Services - Projected to run out April 16. \$4.57m GF is for FY2001 bills paid in FY2002; 1.8m GF is from underfunding last year below low case scenario; 6.34m GF is for caseload at mid-case range and cost increases, particularly for seniors and disabled.	12,712.5	106,618.0	23,903.3	Statutory Designated Prog Rcpts	143,233.8
8	4(b)	Health & Soc Svcs	Subsidized Adoptions & Guardianship	Formula program caseload growth	2,529.6				2,529.6
9	5	Transportation	Marine Highway Stabilization Fund	Marine Highway Stabilization Fund FY02 deficit due to Columbia fire and fuel cost increases. If not funded, Spring/Summer service would need to be drastically cut, reducing revenues during highest revenue season. Ships would be put into lay-up status for extended periods.	2,876.9				2,876.9
10	6	Military & Vets	Disaster Planning & Control	Costs to maintain 24-hour State Emergency Coordination Center (SECC), the agency that coordinates all federal, state and local jurisdictional responses associated with any disaster or event.	100.0				100.0
11	7	Natural Resources	CIP	Scope change for SLA97, CH50, Sec 15(k), P9, L13 - from prepare and administer the Kalgin Island II, Caribou Hills, S. Ninilchik-Dome View, South Ninilchik Black timber sales in Kenai Peninsula to Kenai Peninsula to reduce risks from wildfire.					0.0
12	8	Governor	Elections	Costs for printing and mailing a Primary Election Voter Education Guide in time to explain the new law (shifted from FY2003 budget which will be amended)	25.0				25.0
13	9(a)	Comm & Ec Dev	Power Cost Equalization & Rural Electrification Fund	Technical correction to add the inadvertently omitted FY02 appropriation from the Power Cost Equalization Endowment fund to the Power Cost Equalization and Rural Electrification Fund			7,062.2	PCE EF	7,062.2
14	9(b)	Comm & Ec Dev	Power Cost Equalization & Rural Electrification Fund	Fully fund the statutory formula in the PCE statute. Cost increase is due to higher fuel costs.	1,100.0				1,100.0

FY2002 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
	1(b) & (c)	Administration	Senior Services	Senior Services Employment Program hold harmless -- Federal regulations not promulgated so funds not needed.	-120.0				-120.0
40									
41	2(a)	Comm & Ec Dev	Alaska Aerospace Development Corporation	Replace \$311.9 of unrealized FY02 Alaska Science & Technology Foundation Investment Earnings with AADC receipts.			0.0		0.0
42	2(a)	Comm & Ec Dev	Alaska Aerospace Development Corporation Facilities Maintenance	Replace \$69.2 of unrealized Alaska Science & Technology Foundation FY02 Investment Earnings with AADC receipts.			0.0		0.0
43	2(b)	Comm & Ec Dev	Power Project Fund	Denali Commission Appropriation to the Power Project Fund		4,900.0			4,900.0
44	2(c)	Comm & Ec Dev	Alaska Aerospace Development Corporation	Grant from the U.S. Department of Defense for Kodiak Launch Complex Improvements- Infrastructure Safety Upgrades, Range Safety System, and Road Improvements		20,000.0			20,000.0
45	3(a)	Corrections	Facility-Capital Improvement Unit	The \$160.5 general fund fiscal note funding Ch. 32, SLA 2001 (HB 149 Private Prison in Kenai) is no longer needed since Kenai voters rejected the proposal. Funds are reappropriated to Inmate Health Care.					0.0
46	3(b)	Corrections	Inmate Health Care	Shortfunding in health care costs resulting from continued inflation of pharmacy costs, staff salaries (includes \$676.0 for health care worker/nurses salary costs), contract physician costs and hospital care.	1,839.5				1,839.5
47	3(c)	Corrections	Parole Board	Shortfunding in operations due to increased prisoner hearings and Parole Board activity	100.0				100.0
48	3(d)	Corrections	CIP	Offender Tracking Information System Development		762.0			762.0
49	4	Military & Veterans' Affairs	Disaster Relief Fund	The Disaster Relief Fund directly funds the core services of the Division of Emergency Services, 10 full-time positions and the match for another 10 positions. Fund capitalization to cover the core services costs has been done in the supplemental for several years.	680.0				680.0
50	5(a)(1)	Education	Pupil Transportation	Cost for new bus routes approved in current year	541.6				541.6
51	5(a)(2)	Education	Schools for the Handicapped	Education costs for children in state custody who require out-of-state placement	165.5				165.5
52	5(b)	Education	Foundation	Use balance in foundation program resulting from the October student count to fund supplemental needs.	-1,975.9				-1,975.9
53	5(c)	Education	CIP	Federal School Renovation, Individuals with Disabilities Education Act (IDEA) and Technology grants for local school districts		5,400.0			5,400.0
54	5(d)(1)-(2)	Education		Along with a reappropriation of \$198.6 from the Department of Law, this will fund the McGraw-Hill assessment contract increase of \$498.9.	300.3				
55	6	Environ Cons		Amend the FY02 appropriation made by Sec. 89, Ch. 61 for implementation of the cruise ship bill to correct the fund source from statutory designated program receipts to the Commercial Passenger Vessel Environmental Compliance Fund.					0.0
56	7	Natural Resources	Fire Suppression	Fixed costs and fire suppression costs incurred to date. Updated costs for spring fire suppression will be provided as needed.	7,235.0				7,235.0

FY2002 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
15	9(c)	Comm & Ec Dev	Power Cost Equalization	Fully fund PCE statute. Increase due to higher fuel costs.			1,100.0	PCE	1,100.0
16	9(d)(1)	Comm & Ec Dev	Power Cost Equalization	Delete sufficient authorization from FY02 to pay FY01 late bills			-56.8	PCE	-56.8
17	9(d)(2)	Comm & Ec Dev	Power Cost Equalization	Add authorization to pay power cost equalization program FY01 late bills			56.8	PCE	56.8
18	10(a)(1)	Transportation	Northern Region Highways & Aviation	Chandalar (James Dalton Hwy) Maintenance Station Replacement- Temporary rental and other costs of vacating the maintenance station due to imminent structural failure.	127.8				127.8
19	10(a)(2)	Transportation	Central Region Highways & Aviation	East Fork (Parks Hwy- S of Cantwell) Maintenance Station Replacement- Temporary rental and other costs of vacating the maintenance station due to imminent structural failure.	21.9				21.9
20	10(a)(3)	Transportation	Central Region Highways & Aviation	Willow (Parks Hwy) Maintenance Station Replacement- Temporary rental and other costs of vacating the maintenance station due to imminent structural failure.	45.5				45.5
21	10(a)(4)	Transportation	Northern Region Highways & Aviation	Nome Maintenance Station Imminent Structural Failure - Temporary rental and other costs of vacating the maintenance station to due imminent failure.	72.0				72.0
22	10(b)	Transportation	Northern Region CIP	Chandalar Maintenance Station Replacement Design Costs (SDPR from NISC - see line 6)			456.8	Statutory Designated Prog Rcpts	456.8
23	10(c)	Transportation	Southeast Region CIP	Title change from West Douglas Highway Extension to Gastineau Channel Second Crossing to match federal project name change					0.0
24	11(a)	University	Systemwide Small Planning, Design and Construction	Funding authority needed in excess of the FY02 small project non-gf receipt authority for Lena Point fisheries and ocean sciences facility for simultaneous excavation with NOAA to prevent disruption and damage to the facility at a later date.			800.0	UA Rcpts	800.0
25	11(b)	University	CIP	Scope Change for Sec 3, Ch 61, SLA 2001 to include UAA Heating, Ventilation, and Air Conditioning Piping Replacement Phases 1-4					
26	12			Lapse Provisions					
27	13			Retroactivity					
28	14			Effective Date					
29	FAST TRACK BILL TOTAL				19,848.4	106,618.0	33,289.1	0.0	159,755.5
30									
31									
32	REGULAR SUPPLEMENTALS								
33	1(a)(1)	Administration	Finance	Contractual costs for maintenance of the State payroll system (AKPAY) core database	150.0				150.0
34	1(a)(2)	Administration	General Relief	Shortfunding for projected caseload	273.0				273.0
35	1(a)(3)	Administration	Leasing	Shortfunding of the amount required to pay leases with the private sector	1,300.0				1,300.0
36	1(a)(4)	Administration	Leasing	FY02 appropriation for the Anchorage Jail lease is short \$4,784.38	4.8				4.8
37	1(a)(5)	Administration	Office of Public Advocacy	Shortfunding of current year exacerbated by increased costs	1,865.0				1,865.0
38	1(a)(6)	Administration	Public Defender	Shortfunding of current year need and fiscal notes	600.0				600.0
39	1(a)(7)	Administration	Public Defender	Mental Health Court attorney approved by the Mental Health Trust			73.0	MHTAAR	73.0

FY2002 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
	8(a) - (b)	Fish & Game	CIP	Change fund source on \$28.2 due to shortfall in Commercial Fisheries Limited Entry Commission (CFEC) collections - Dock replacement in King Salmon. (SDPR from NTSC - see line 6)				Rcpt Supp Svcs to Statutory Designated Prog Rcpts	0.0
57									
58	8(a) - (b)	Fish & Game	CIP	Change fund source on \$78.8 due to CFEC shortfall - Statewide facilities repair & maintenance. (SDPR from NTSC - see line 6)				same	0.0
	8(a) - (b)	Fish & Game	CIP	Change fund source on \$145.0 due to CFEC shortfall - Upper Cook Inlet and Kuskokwim River Coho projects. (SDPR from NTSC - see line 6)				same	0.0
59									
60	8(a) - (b)	Fish & Game	CIP	Change fund source on \$63.0 on FY01 CIP project due to CFEC shortfall - Copper River (Miles Lake) Sonar. (SDPR from NTSC - see line 6)				same	0.0
61	8(a) - (b)	Fish & Game	CIP	Change fund source on \$88.5 due to CFEC shortfall - Mariculture development program. (SDPR from NTSC - see line 6)				same	0.0
62	8(a) - (b)	Fish & Game	CIP	Change fund source on \$200.0 due to CFEC shortfall - Vessel and aircraft repair and maintenance. (SDPR from NTSC - see line 6)				same	0.0
63	9(a)	Governor	Elections	Redistricting: add carryforward language for the remaining balance of the \$947.4 appropriation made in Sec. 20, Ch. 60, SLA 2001					0.0
64	9(b)	Governor		Correct a drafting error in Sec. 36(c), Ch. 61 by adding reference to fiscal year 2001.					0.0
65	9(c)	Governor	Governmental Coordination	Change RPL 01-2-8022 Coastal Impact Assistance Program from Operating to Capital					0.0
66	9(d)	Governor	CIP Governmental Coordination	Additional authorization for the Coastal Impact Assistance Program			3,335.7		3,335.7
67	10(a)(1)	Health & Soc Svcs	Adult Public Assistance	Formula program caseload growth	541.0				541.0
68	10(a)(2)	Health & Soc Svcs	Board on Alcohol & Drug Abuse	Cost of co-locating with AK Mental Health Board			40.9	MHTAAR	40.9
69	10(a)(3)	Health & Soc Svcs	Bureau of Vital Statistics	Increased receipt supported services authority so general funds can be transferred to Community Health/Emergency Medical Services for two-way radio costs			75.0	Rcpt Supp Svcs	75.0
70	10(a)(4)	Health & Soc Svcs	Foster Care Special Needs	Shortfunding of formula program from caseload growth projections	304.6				304.6
71	10(a)(5)	Health & Soc Svcs	General Relief Assistance	Formula program growth	190.7				190.7
72	10(b)	Health & Soc Svcs	Comm Health/EMS	Correct HB 228 Sale of Tobacco Products fiscal note fund source from Tobacco Settlement to Tobacco Use Cessation and Education Fund	-487.9		487.9	Tobacco Use Cessation & Ed Fund	0.0
73	11	Law		Judgments and Claims \$816,486.95	631.5		185.0	PERS Fund	816.5
74	12(a)	Law		Law Office Assistant reclassification costs			1.7	Inter-Agency Rcpts	131.1
75	12(b)	Law		Fund the \$214.4 general fund portion of the Law Office Assistant reclassification costs with the reappropriation of funds within the Department of Law					

FY2002 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
	13	Military & Vets	Army Guard Facilities Maintenance	Federal funds for increased telecommunications costs for the Distance Learning project		350.0			350.0
76									
77	14(1)	Natural Resources	Geological Development	Federal grant awards for geological projects		493.4			493.4
78	14(2)	Natural Resources	Parks Mgmt	Increased fuel costs	20.2				20.2
79	14(3)	Natural Resources	Parks Mgmt	Increased costs for two-way radio circuits	40.7				40.7
80	14(4)	Natural Resources	Recorder's Office	Costs of title records for new title companies. Title insurance laws require companies to have duplicate records for the past 25 years.			300.0	Statutory Designated Prog Rcpts	300.0
81	14(4)	Natural Resources	Recorder's Office	Assume recording duties in Valdez, Glennallen, and Seward that were previously done by the Courts System without charge. Increased costs to process heavy volume of mortgage refinance activity and implement completed classification study.			235.0	Rcpt Supp Svcs	235.0
82	15(a)(1)	Public Safety	AST	Increased fuel costs	106.1				106.1
83	15(a)(2)	Public Safety	AST- Prisoner Transport	Increased prisoner transports based on higher volume of cases	172.9				172.9
84	15(a)(3)	Public Safety	AST Detachments	Increased fuel costs	125.3				125.3
85	15(a)(4)	Public Safety	AST Detachments	Recruitment Academy Training	81.0				81.0
86	15(a)(5)	Public Safety	AST Detachments	Standby pay due to heightened security	67.5				67.5
87	15(a)(6)	Public Safety	AST	Standby pay due to heightened security	15.7				15.7
88	15(a)(7)	Public Safety	VPSO	Standby pay due to heightened security	11.8				11.8
89	15(a)(8)	Public Safety	AST Detachments	Emergency guard hires needed to guard offenders in areas with no jails.	59.0				59.0
90	15(a)(9)	Public Safety	AST Detachments	Medical examination costs for sexual assault/abuse cases	30.0				30.0
91	15(a)(10)	Public Safety	AST Detachments	Increased costs for two-way radio circuits	102.4				102.4
92	15(a)(11)	Public Safety	Fish & Wildlife	Increased fuel costs	247.4				247.4
93	15(b)	Public Safety	Batterers Intervention Program	Fund source change to correct the overallocation of PFD felon funds in FY2002.	63.9		-63.9	PFD Fund	0.0
94	16(a)(1)	Revenue	Alcohol Beverage Control Board	Contractual costs for a hearing officers to conduct formal hearings on liquor licenses	20.0			General Fund Program Rcpts	20.0
95	16(a)(2)	Revenue	Permanent Fund Dividend Division	Legal costs awarded by state Supreme Court in a class-action suit filed on behalf of applicants denied dividends.			89.9	PFD Fund	89.9
96	16(a)(3)	Revenue	Permanent Fund Dividend Division	Overtime costs to resolve eligibility review and appeal case backlog.			31.9	PFD Fund	31.9
97	16(b)	Revenue	Child Support Enforcement	Recover cost of increased number of paternity testings required by court orders.	43.0				43.0
98	16(c)	Revenue	Child Support Enforcement	Appropriation of interest earned on reserve account balance	60.0				60.0
99	16(d)	Revenue	Treasury Division	Correct fund source for Ch 60, SLA 2000 PCE Fund/Sale of 4 Dam Pool/Energy (HB 446) fiscal note.					0.0

FY2002 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
	16(e)	Revenue	Treasury Division	Repeal fiscal note funding for Ch. 32, SLA 2001 (HB 149 Kenai Private Prison) since Kenai voters did not approve the private prison development.	-20.0				-20.0
100									
101	17(a)	Transportation	Central Region Highways & Aviation	Whittier Tunnel Maintenance and Operations for June 7-30 (current contract expires)			178.0	Rcpt Supp Svcs	178.0
102	17(b)(1)	Transportation	Central Region Facilities	Fuel and Utility Cost Increases	240.9				240.9
103	17(b)(2)	Transportation	Northern Region Facilities	Fuel and Utility Cost Increases	230.6				230.6
104	17(b)(3)	Transportation	Southeast Region Facilities	Fuel and Utility Cost Increases	140.3				140.3
105	17(b)(4)	Transportation	Central Region Highways & Aviation	Fuel and Utility Cost Increases	381.0				381.0
106	17(b)(5)	Transportation	Northern Region Highways & Aviation	Fuel Cost Increases	569.2				569.2
107	17(b)(6)	Transportation	Southeast Region Highways & Aviation	Fuel Cost Increases	39.2				39.2
108	17(c)(1)	Transportation	Ted Stevens Anchorage International Airport (TSAIA) Administration	Utility Cost Increases			10.0	Internat'l Airports Rev Fund	10.0
109	17(c)(2)	Transportation	TSAIA Facilities	Utility Cost Increases			467.0	Internat'l Airports Rev Fund	467.0
110	17(c)(3)	Transportation	TSAIA Field & Equipment Maintenance	Utility Cost Increases			60.0	Internat'l Airports Rev Fund	60.0
111	17(c)(4)	Transportation	TSAIA Safety	Utility Cost Increases			8.0	Internat'l Airports Rev Fund	8.0
112	17(d)	Transportation	State Equipment Fleet Administration	Add authority for increased usage of fuel credit card system			250.0	Highway Working Capital Fund	250.0
113	17(e)(1)	Transportation		Glenn Highway Rut Repair from McCarrey St. to Highland Rd.		6,000.0			6,000.0
114	17(e)(2)	Transportation		Dimond Boulevard Rut Repair		6,000.0			6,000.0
115	17(e)(3)	Transportation		Hillcrest (Anchorage) Bridge Repair- 3rd party repayment for damages.	150.0			General Fund Program Rcpts	150.0

FY2002 SUPPLEMENTALS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	BRU or Component	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
116	17(e)(4)	Transportation		Northern Region Materials Lab Worker Safety Compliance Upgrade. (SDPR from NTSC - see line 6)			600.0	Statutory Designated Prog Rcpts	600.0
117	18(a)-(d)	University	CIP	Eliminate federal receipts since funding source was changed to university receipts via RPL 45-2-0007 for Arctic Supercomputer purchase.		-32,000.0			-32,000.0
118	18 (e)	University		Replace unrealized investment earnings from the Alaska Science and Technology Foundation	1,753.3		-1,753.3	ASTF	0.0
119	19	Misc Claims	Administration	Miscellaneous Claims: -0-, State-dated warrants: 23,744.07	23.7				23.7
120	19	Misc Claims	Corrections	Miscellaneous claims: \$3,204.11	3.2				3.2
121	19	Misc Claims	Fish & Game	Miscellaneous claims: \$3,761.00	3.8				3.8
122	19	Misc Claims	Health & Soc Svcs	Miscellaneous claims: \$21,499.91	21.5				21.5
123	19	Misc Claims	Law	Miscellaneous claims: \$27,060.49	27.1				27.1
124	19	Misc Claims	Military & Veterans' Affairs	Miscellaneous claims: \$274.00	0.3				0.3
125	19	Misc Claims	Public Safety	Miscellaneous claims: \$293.88	0.3				0.3
126	19	Misc Claims	Transportation	Miscellaneous claims: \$32.96					0.0
127				REGULAR SUPPLEMENTAL BILL TOTAL	18,970.0	15,242.8	1,403.8		35,316.3
128									
129	TOTAL FOR BOTH BILLS MINUS THE \$16.5m GF PLACEHOLDER IN FISCAL SUMMARY				22,318.4	121,860.8	34,692.9		178,571.7
130									
131				Ratifications:					
132	20(a)(1)	Transportation		AR 61669-2001 Reimbsble Authority	165,066.62				
133	20(a)(2)	Transportation		AR 64790-2015 Reimbursable Authority	34,614.23				
134	20(a)(3)	Transportation		AR 58904-2001 Reimbursable Proj.	96,773.16				
135	20(b)	Natural Resources	Fire Suppression	FY2001 Fire suppression costs AR 37313-01 Fire Suppression	4,730,000.00				
136	21			Lapse Provisions					
137	22			Retroactivity					
138	23			Effective Dates					
139	24			Immediate Effective Date					

Change Record Detail With Description
Alaska Court System

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Commission on Judicial Conduct (770)
 BRU: Commission on Judicial Conduct (245)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FY2002 Supplemental - Governor's													
FAST Sec 1 Additional legal fees for FY01 case													
	Suppl	6.8	0.0	0.0	6.8	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	6.8												
See letter dated January 24, 2002													
Totals		6.8	0.0	0.0	6.8	0.0	0.0	0.0	0.0	0.0	0	0	0



FAST SEC(1)

Alaska Commission on Judicial Conduct

310 "K" Street, Suite 301, Anchorage, Alaska 99501
(907) 272-1033 In Alaska 800-478-1033 FAX (907) 272-9309
E-Mail: 103176.2012@compuserve.com

Marla N. Greenstein
Executive Director
E-Mail: 75471.1003@compuserve.com

January 24, 2002

Annalee McConnell, Director
Office of Management and Budget
P.O. Box 110020
Juneau, Alaska 99811-0020

Dear Ms. McConnell:

We have outstanding attorneys fees that could not be covered by appropriated funds for last fiscal year. These are fees directly attributable to a formal investigation and formal hearing undertaken pursuant to the commission's constitutional responsibilities and concern misconduct by an Alaska state court judge. The judge has petitioned the Alaska Supreme Court to reject the recommendation for discipline by the Commission and that matter is currently pending. The fees are owed to one attorney and the supporting documentation is attached. We received the requested supplemental last year as listed below. Unfortunately, we underestimated the appellate attorney's fees at \$15,000. The actual appellate costs, prior to the current fiscal year, were \$25,526.73. Through underspending in some other areas we were able to pay all but \$6,829.77 of those outstanding fees. Consequently, we are requesting a supplemental request to cover our FY2001 appellate attorney fees.

Matthew Jamin, Special Counsel FY2001 Supplemental:
Total fees/costs obligations as of January 2001: \$46,937.44
Anticipated additional fees FY 2001: \$15,000 (briefing and oral argument before the supreme court)
Less FY2001 funds available for hearing fees and costs: \$20,000
Total FY 2001 supplemental request: \$41,937.44 (was appropriated)

Actual additional fees FY 2001: \$25,526.73 (\$10,526.73 over last year's supplemental request)
Amount paid from our FY 2001 operating funds in excess of the supplemental: \$3,696.96
Remaining fees owed FY 2001: \$6,829.77

Please consider this letter with attachments as our written request to include this remaining obligation in the appropriate fast-track supplemental appropriations bill. We have persuaded the attorney, who has been owed these funds for over seven months, not to charge us late fees if we can provide payment in the near future. As always, if you have any questions, please call.

Sincerely,

A handwritten signature in black ink, appearing to read "Marla N. Greenstein".

Marla N. Greenstein
Executive Director

cc w/enc: Rhonda McLeod, Alaska Court System

Jamin, Ebell, Schmitt & Mason
323 Carolyn Street
Kodiak, Alaska 99615
Phone: (907)486-6024
Fax: (907)486-6112

RECEIVED

July 25, 2001

AUG 02 2001

Billed through 07/25/01

Bill number 5942-00002-045 MDJ ALASKA COMMISSION
ON JUDICIAL CONDUCT

ALASKA COMMISSION ON JUDICIAL
310 K STREET, SUITE 301
ANCHORAGE, AK 99501

N RE: JUDGE CURDA

Balance forward as of bill number 043 dated 06/25/01	\$	43,829.77
Payments received since last bill (last payment 07/17/01)	\$	37,000.00

Net balance forward	\$	6,829.77

PROFESSIONAL SERVICES RENDERED

5/28/01 MDJ	Review notice of oral argument; prepare draft of [REDACTED] summary, and memo to [REDACTED] on same.	.20 hrs	30.00
7/02/01 MDJ	Memo from [REDACTED] on [REDACTED] proposal. memo to [REDACTED] on same.	.10 hrs	15.00
7/06/01 MDJ	Memo to and from [REDACTED] on [REDACTED] synopsis.	.10 hrs	15.00
7/13/01 MDJ	Meet with [REDACTED] briefly on theory re: [REDACTED].	.10 hrs	15.00

	Total fees for this matter	\$	75.00

BILLING SUMMARY

MATTHEW D. JAMIN	.50 hrs	75.00

TOTAL FEES	.50 hrs	75.00

Jamin, Ebell, Schmitt & Mason
323 Carolyn Street
Kodiak, Alaska 99615
Phone: (907)486-6024
Fax: (907)486-6112

December 31, 2001

Billed through 12/31/01

Bill number 5942-00002-055 MDJ

ALASKA COMMISSION ON JUDICIAL
310 K STREET, SUITE 301
ANCHORAGE, AK 99501

IN RE: JUDGE CURDA

Balance forward as of bill number 053 dated 11/29/01 \$ 6,829.77

BILLING SUMMARY

TOTAL CHARGES FOR THIS BILL	\$	<u>0.00</u>
NET BALANCE FORWARD	\$	6,829.77
TOTAL BALANCE NOW DUE	\$	----- 6,829.77

RECEIVED

JAN 09 2002

ALASKA COMMISSION
ON JUDICIAL CONDUCT

YOU CAN PAY BY CREDIT CARD
CALL LINDA OR BRAD AT 907 486-6024

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Alaska Science and Technology Foundation (2012)
 BRU: Alaska Science and Technology Foundation (128)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 2(a) Idaho National Engineering and Environmental Laboratory contract													
	Suppl	25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1108 Stat Desig	25.0												
<p>The Alaska Science and Technology Foundation (ASTF) has received a contract from the Idaho National Engineering and Environmental Laboratory (INEEL). The INEEL is a science-based, applied engineering national laboratory dedicated to supporting the US Department of Energy's missions in environment, energy, science and national defense. The INEEL is operated for the DOE by Bechtel BWXT Idaho, LLC.</p> <p>The ASTF contract with INEEL includes developing business contacts and identifying, promoting, and helping prepare and negotiate specific business proposals in Alaska for opportunities in environmental, energy, transportation, and other specified areas.</p> <p>The contract begins March 1 and will end in September, with the strong possibility of renewal. The ASTF anticipates \$25,000 in FY 2002, with an additional \$70,000 in FY 2003.</p>													
Totals		25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)

Component: International Trade and Market Development (2551)

BRU: Community Assistance & Economic Development (405)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 2(b) Replace International Trade and Business Endowment Funding shortfall													
	Suppl	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	230.4												
1115 InT/BuEnl	-230.4												
<p>Due to the continued decline of earnings from International Trade and Business Endowment, the division is anticipating a funding shortfall of 230.4. This shortfall will seriously hamper the division's ability to perform its mission, including the already scheduled trade missions and major trade shows. Possible layoffs may occur. The division requests that this anticipated shortfall be replaced this fiscal year with general funds.</p>													
Totals		0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

FAST Sec 3. Palmer Correctional Center Well Replacement FY2002 Request: \$172,200
 Reference No: 36830

AP/AL: Appropriation Project Type: Health and Safety
 Category: Health/Safety
 Location: Sutton Contact: Dwayne B. Peeples, Director
 Election District: Palmer Contact Phone: (907)465-3339
 Estimated Project Dates: 07/01/2001 - 06/30/2003

Brief Summary and Statement of Need:

Project funds the replacement of Well #2, the primary domestic water well, at the Palmer Correctional Center. The original Well failed on January 11, 2002 and is not repairable. Funding will construct a new Well and a well house to contain the operational equipment.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Stat Desig	\$172,200						\$172,200
Total:	\$172,200	\$0	\$0	\$0	\$0	\$0	\$172,200

State Match Required One-Time Project Phased Project On-Going Project
 0% = Minimum State Match % Required Amendment Mental Health Bill

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

None

Well #2 is the primary domestic water well at Palmer Correctional Center (PCC). It failed on the evening of January 11, 2002. The well was found to be non-repairable and the department is required to execute an emergency construction contract to replace the well.

The water bearing formation has been deteriorating for some time, producing more and more sand and finally gravel up to ¼" diameter. The impellers in the pump were being rapidly ground down to nothing, rendering the pump inoperative. The water bearing formation went from a slow but steady deterioration to a catastrophic failure between the end of November 2001 and the end of December 2001.

During the investigation of the conditions and evaluation of alternatives available, it became clear that the original well was not repairable for the following reasons:

1. Massive production of sand from within the well.
2. Sand production problems due to crooked well casing installed originally in 1982 as a residential style well.
3. Installation of well screen during pump replacement had been attempted in 1999, but it was unsuccessful.
4. Water usage demand has continued to grow from an original demand of less than 100 gpm to the present rate of 200 gpm.
5. The crooked 6" well casing was undersized for the original pump and will not accommodate a pump of adequate size to deliver 200 gpm.

The department could not correct the sand production problems and could not install a pump of adequate size to meet demand. Replacing the pump at a cost of \$10,000 to \$30,000 every other year without meeting the water volume demand was not a good alternative. The only remedy was to drill a new well of adequate diameter to install a large enough pump to meet demand and to equip this new well with the appropriately designed well screen to prevent sand and gravel from entering the pump. The aquifer, research of records show, is a very strong producer, capable of producing more water than flow tests could quantify.

The replacement well is a new 12" hole lined with a minimum of 8" casing installed in accordance with the American Water Well Association standards for vertical alignment. This will allow for installation of well screen to hold the sand out and installation of a 40-hp pump that would produce 200 gpm at 65 PSI.

The larger Variable Frequency Drive (VFD) pump is necessitated by larger demand and the lack of water storage tanks that should be standard design for a water system of this magnitude. The demand must be met directly from the well. Only a 40 HP VFD pump can do this.

Cost Estimate:

The total estimated cost for replacing Well #2 is \$172.2. This includes construction of a new well and a well house to contain the operational equipment.

Per the attached February 11, 2002 memorandum from Deven Mitchell, Dept Manager, Department of Revenue, the source of the statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: Annalee McConnell, Director
Office of Management & Budget

DATE: February 11, 2002

FROM: Deven Mitchell
Debt Manager
Department of Revenue

TELEPHONE: 465-3750

SUBJECT: Use of Northern Tobacco Securitization Corporation Bond Proceeds:

On October 26, 2000 the Northern Tobacco Securitization Corporation sold a par amount of \$116,050,000 in bonds. After paying costs of issuance, funding operations, funding a reserve account, funding a capitalized interest account, and accounting for an original issue discount \$93,000,000 was deposited into the proceeds fund to pay for capital projects. As the proceeds are being drawn down as construction is completed, there is currently an additional \$2.8 million in investment earnings available for allowed uses.

Investment earnings on project funds are considered bond proceeds under the tax code. Accordingly, this money has the same restrictions on use as allowed for the bond proceeds by the bond indenture.

The Northern Tobacco Securitization Corporation Series 2000 bonds' proceeds, and interest earnings, can only be used for State capital projects or debt service on the Series 2000 bonds. Since the use of the interest earnings is restricted, the applicable fund source for appropriating the interest earnings would be statutory designated program receipts.

STATE OF ALASKA

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF ADMINISTRATIVE SERVICES

FAST SEC 4
TONY KNOWLES, GOVERNOR

P.O. Box 110650
Juneau, AK 99811-0650
Phone: (907) 465-3082
Fax: (907) 465-2499

MEMORANDUM

DATE: February 11, 2002

TO: Annalee McConnell
Director
Office of Management and Budget

FROM: Janet Clarke *Healke*
Director
Division of Administrative Services

SUBJECT: FY 2002 Fast Track Supplemental Requests

The Department of Health and Social Services requests two fast track FY 2002 supplemental appropriations as indicated below.

BRU / Component	Description	Federal	GF	GF Match	SD/PR	Total
4(a) Medicaid Services	Caseload Growth, DSH, Fair Share	106,618.0		12,712.5	23,903.3	143,233.8
4(b) DFYS/Purchased Services/SAG	Subsidized Adoption and Guardianship program growth		2,529.6			2,529.6
<i>Total Fast Track Supplemental Request</i>		106,618.0	2,529.6	12,712.5	23,903.3	145,763.4

Supporting documentation for these two requests is attached for your review.

Please contact me at 465-1630 should you have questions or require additional information.

Attachments

cc: Jay Livey, Commissioner
Elmer Lindstrom, Deputy Commissioner
Russ Webb, Deputy Commissioner
Budget Section
Orlando Moskito, Finance Officer
Bob Labbe/Nancy Burns, DMA
Theresa Tanoury/Tom Cherian, DFYS

Medical Assistance/Medicaid Services

Fast-Track Supplemental Request – Caseload Growth

The Division of Medical Assistance (DMA) is requesting a supplemental for Medicaid Services as follows:

\$12,712.5	General Fund Match
\$23,903.3	Statutory Designated Program Receipts
\$106,618.0	Federal Funds
\$143,233.8	Total Request

This request includes \$105,084.8 for claims payments and \$38,149.0 for Alaska Fair-Share and Disproportionate Share Hospital payments to be used to offset the increased general fund match requirement.

The Cost of Medicaid

Medicaid programs across the Nation are under extreme pressure due to increases in health care costs exacerbated by a National recession causing people to lose jobs and health insurance who then turn to Medicaid for their health care needs.

The 36-year old program, which pays for one-third of all births and nearly two thirds of all nursing home patients, is caught in a financial vise of soaring costs and declining state revenues. Overall Medicaid spending grew by 11 percent last year. ¹

In addition to current challenges being faced by the entire Nation, Alaska faces its own unique challenges, i.e., higher service delivery costs due to low population density, significant geographic differences, and high operating costs. Health care costs have increased yet providers cannot recover their costs.

The U.S. Bureau of Labor Statistics reports that over the past five years, from 1995 to 2000, the Consumer Price Index for all items for all urban consumers (CPI-U) in Anchorage increased by 8.9% while the cost index for medical care services increased by 27.4%.

Medicaid payment levels and the costs of delivering medical and dental care in Alaska are among the highest in America. Compared to U.S. averages, studies indicate that medical care costs in Alaska are 40% to 50% higher, and are higher in remote locations than in cities like Anchorage or Fairbanks.

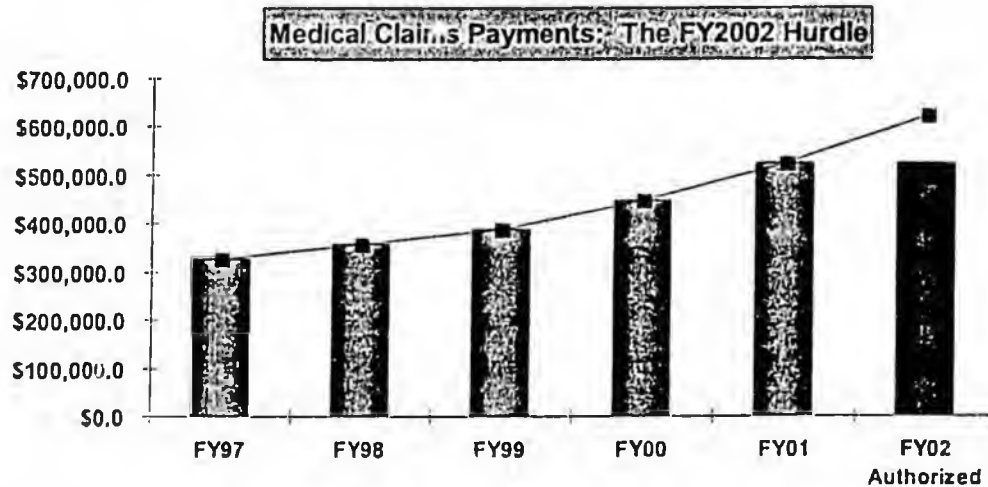
Statewide, the ratio of Medicaid payments to charges was 80% three years ago but has declined to 67% in the past three years. Some doctors and dentists say they are now unable to recover their actual costs for delivering a service. ²

¹ Robert Pear and Robin Toner, "States Face Hard Choices on Medicaid Cuts," The New York Times, January 14, 2002.

² "Access to Health Care and Provider Participation In The Alaska Medicaid Program," Health Management Associates, April 2001.

Alaska's Current Medicaid Problem

The FY 2002 authorized amount for Medicaid Services is \$561,596.9. This amount was appropriated, in part, to pay medical service claims that represented a low case projection of 6 percent over an already low case projection of FY 2001 medical claims payments.



The Alaska Medicaid program began FY 2002 with funds earmarked for payments that totaled \$22 million less than actual expenditures in FY 2001. Current calculations based on to-date actual expenditures and projections through year-end indicate the cost of services provided by Medicaid will be 18 percent above FY 2001 actual claims payment expenditures.

Medicaid projections for this supplemental are based on weekly expenditure patterns cross-checked with the monthly regression analysis of average costs per member per month. A separate total expenditures analysis for the months of July through December of FY 2001 as compared to that same time period in FY2002 is shown further below.

- Total Medicaid expenditures as of December 31, have consumed 54.8 percent of the FY 2002 authorized amount. Prior year expenditures for first six months equaled 46.1 percent of the total fiscal year costs.
- FY 2002 Medicaid monthly expenditures through January 2002 have averaged 17 percent above those of FY 2001.

FAST SEC 4(2)

Medicaid Services FY2001-2002 Monthly Expenditures
Source: AKSAS through January 2002

	Fiscal Year 2001			Fiscal Year 2002	
	AR 22520-01	AR 22695-01	Quarterly Totals	AR 22520-02	Quarterly Totals
July	48,437.0	0.0		55,409.0	
August	51,249.0	0.0		58,481.0	
September	47,607.0	0.0	147,293.0	50,991.0	164,881.0
October	38,435.0	0.0		55,436.0	
November	46,814.0	0.0		46,321.0	
December	36,806.0	0.0	122,055.0	41,201.0	142,958.0
January	47,688.0	0.0		84,027.0 *	
February	36,430.0	0.0		57,812.3**	
March	84,737.0*	0.0	168,855.0	57,812.3**	209,212.9
April	39,326.0	7,841.0		57,812.3**	
May	61,102.0*	0.0		57,812.3**	
June	36,481.0	0.0		81,715.5**	187,778.8
July PY	614.0	0.0			
August PY	294.0	0.0	145,658.0		
Total	576,020.0	7,841.0	583,861.0	704,830.7	704,830.7

Note: Budget FY01 Actuals are \$583,894, difference due to rounding

* Pro Share and/or DSH payments were issued in these months

** Monthly totals for February through June of 2002 are projected

- The average cost per member per month continues to support September projections of an 18 percent increase over FY 2001.
- Analysis of fiscal year-to-date average monthly eligible numbers and cost per eligible compared to the same time period for the prior year indicated a 7 percent growth in the average number of eligibles (80,232 vs. 85,660) and over 19 percent growth in the average cost per eligible.
- All methodologies, within their innate margins of error, closely support the requested supplemental amount.
- FY 2002 average number of eligible recipients per month is up by more than 5,400 over prior year enrollment for the same time period.

FY 2002 Budget Request

The original FY 2002 Medicaid budget was based on a low-case scenario. In April 2001 a mid-case update was completed that estimated an additional \$8.0 million in general funds would be required, close to the current general fund request. However, the SD/PR requested also serves as match for the Medicaid program, clearly demonstrating that Medicaid costs have moved beyond the mid-case scenario.

FY 2001 Medicaid Payments made in FY 2002

Also contributing to the current year shortfall is \$13.6 million total funds (\$9,012.7 federal funds and \$4,570.9 general funds) to pay for prior year claims pushed forward into FY2002. The FY2001 Medicaid Supplemental request was based, in part, on the program's weekly and monthly expenditure patterns.

From August through February,³ 2001, average monthly expenditures, excluding any ProShare activity, were \$42,000.0 per month. Expenditures for FY 2001 were on track until weekly claims payments shot up in May and June forcing the program into budget relief that resulted in \$13,583.6 of costs pushed forward into FY2002. The amount of the push forward is approximately equivalent to one week of claims.

Eligible numbers reflect a surge upward as well. From August through February, 2001, there was an average of 80,933 eligible recipients each month. This average rose to 84,674 during the months of March through May. While the cost per member per month remained stable, significant cost increases can be identified in FY2001 that added to budget relief and the resulting push forward.

Where Are The Increased Costs?

Services that have been identified as the most expensive from FY 2000 to FY 2001 provide a reasonable portrayal of Medicaid cost increases. A comparison of FY 2002 to-date costs to FY 2001 costs during the same time period for selected services is provided in the table below. This table does not account for provider billing practices, but does provide a current sampling upon which continued FY 2002 costs can be estimated.

FY2001 to FY2002 Selected Medicaid Expenditures Comparisons			
	FY2001	FY2002	Difference
Hospital Services	\$65,822.1	\$73,455.0	\$7,632.9
Pharmacy	\$20,518.1	\$27,156.0	\$6,637.9
Nursing Homes	\$23,814.4	\$28,875.6	\$5,061.2
Mental Retardation & Developmental Disabilities Waiver	\$18,698.3	\$23,324.8	\$4,626.5
Residential Psychiatric Treatment Centers	\$10,568.4	\$15,100.6	\$4,532.2
Transportation	\$9,753.0	\$13,994.7	\$4,241.7
Psychiatric Hospitals	\$5,232.0	\$8,813.5	\$3,581.5
Older Alaskans Waiver	\$6,800.1	\$9,122.4	\$2,322.3
Children with Complex Medical Conditions Waiver	\$2,119.0	\$3,446.2	\$1,327.2
Adults with Physical Disabilities Waiver	\$3,721.6	\$5,010.0	\$1,288.4

Data Source: DMA Financial Services & Recovery Unit

³ July has been excluded to avoid skewing FY2001 monthly averages as a result of FY2000 push forward payments made during that month.

Medicaid Self-Help Proposals

To minimize the impact that this request has on State general funds and the fiscal gap, the Division of Medical Assistance is proposing two refinancing opportunities to generate funds to use as match for the Medicaid program. These proposals are described below.

Alaska Medicaid Fair-Share Program

This proposed program is an extension of the Hospital ProShare Program to Tribal hospitals, which were not excluded from federal regulations restricting ProShare from community hospitals.

Under Fair-Share, the Division of Medical Assistance will make an additional payment for services to Medicaid-eligible beneficiaries to hospitals operated by Alaskan Tribes, up to the payment limit applicable. The hospitals will return 90 percent of the payment to the Medicaid Program as statutory designated program receipts that can be used as match for Medicaid service payments.

The department submitted a state plan amendment on December 28, 2001, for this program extension. The result in FY 2002 could be a general fund savings of \$23,240.4. This proposal for FY 2002 will be difficult to put into place once approval is received and payments may not be made until late June.

Additional Disproportionate Share Hospital

Federal laws that have reduced the allowed payments for Disproportionate Share Hospital (DSH) to the Alaska Psychiatric Institute have freed federal dollars for use by other special needs populations served by qualifying hospitals.

The State is allocated a specific amount of DSH funding each year from the federal government, a portion of which is spent on specific categories of work to be accomplished under an agreement between a facility and the Department of Health and Social Services. Other DSH payments are in response to unusually high utilization of a facility by Medicaid recipients, the uninsured, persons with low income, and children under the age of six years.

The balance of DSH funds available is called Remainder of Government Allocation DSH or ROGA. Qualified facilities that receive a ROGA DSH payment agree to make an intergovernmental transfer to offset Medicaid. ROGA payments for FY 2002 will result in a \$2,397.2 general fund offset.

Fast-Track Request Summary

SUMMARY OF NEED	Total Funds	Federal Funds	General Funds	Other Funds
FY02 Total Authorized	\$561,596,900	\$382,667,700	\$155,907,000	\$23,022,200
FY02 Updated Projection	\$666,681,728	\$444,543,378	\$203,338,352	\$18,800,000
Difference/Shortfall	\$105,084,828	\$61,875,676	\$47,431,352	(\$4,222,200)
SUPPLEMENTAL BREAKOUT	Total Funds	Federal Funds	General Funds	Other Funds
Growth	\$105,084,828	\$61,875,676	\$47,431,352	(\$4,222,200)
AK Medicaid Fair-Share Program	\$25,822,621	\$25,822,621	(\$23,240,359)	\$23,240,359
Special Needs/ROGA DSH	\$12,326,379	\$9,838,462	(\$2,397,220)	\$4,385,137
Total Fast Track	\$143,233,828	\$106,618,001	\$12,712,531	\$23,903,296

Without supplemental funding, the Medicaid program anticipates running out of funds in mid-April.

Purchased Services/Subsidized Adoption and Guardianship Section FAST 4(b)
AS 13.26.062, AS 25.23.290-240

The Department of Health and Social Services is requesting a \$2,529.6 General Fund supplemental to ensure the continuity of client services in the Purchased Services BRU, Subsidized Adoption & Guardianship component, within the Division of Family & Youth Services. Supplemental funds will be used exclusively for direct grants to clients.

This request is also necessary in order for the State to maintain compliance with Federal and State law regarding permanent placement of children. The Federal Adoption and Safe Families Act and Alaska's HB 375 (Chapter 99, SLA 98) require that we move more quickly to accomplish permanent homes for children. Further, AS 25.23.190 clearly specifies that DFYS cannot deny an eligible child entry into the Subsidized Adoption & Guardianship program.

A hard-to-place child in the permanent custody of the department in a foster home for not less than one year may not be denied the opportunity for a permanent home if the achievement of this depends on continued subsidy by the state.

AS 13.26.062 and AS 25.23.190 — 25.23.240 provides the department with statutory authority and the guidelines to administer the Subsidized Adoption & Guardianship program.

Program Information

The Subsidized Adoption & Guardianship program is an adoption and guardianship incentive program for children with special needs. This program transitions children out of the foster care system and into permanent adoptive and guardianship homes. The subsidy covers the costs for the child's special needs and is available to the family until the child reaches age 18. Currently, there are approximately 1,700 children in the subsidy program.

Without the supplemental, the Department will be unable to make payments on the subsidy contracts as early as May. This would pose a serious financial hardship on many of the guardians and adoptive families and would potentially subject the State to legal action for breach of contract.

Budgetary Issues

The Department projects a \$2,529.6 deficit for the Subsidized Adoption & Guardianship program for FY2002 which is summarized in the following table.

TABLE A	
Subsidized Adoption & Guardianship Program	
Summary of FY2002 Projected Budget Deficit	
FY2002 Gross Authorization:	\$ 12,968.2
Less: RSA's for Adoption Backlog	400.0
Less: EN's for Project Succeed, Adoption Home Studies Grants, NW Resources:	94 ¹ 4
Equals: Net FY2002 Authorization Available for Subsidy Payments	11,626.8
Less: Projected Subsidy Payments	14,156.4
Projected Deficit:	\$ <u>2,529.6</u>

Primary Factors Leading to Projected Deficit

Three primary factors, discussed separately below, contribute to this projected budget deficit.

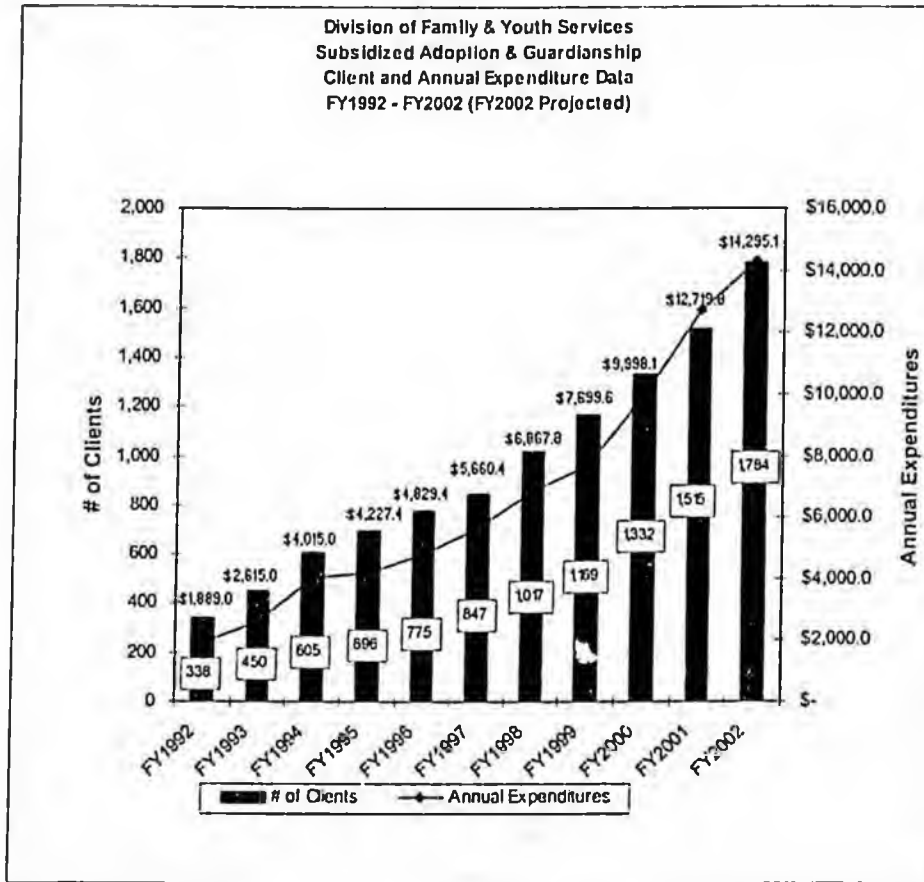
1. FY2002 Under-funded Caseload Growth: The Department's FY2002 budget request included a \$2,287.9 (\$1,463.5 GF and \$824.4 Federal Receipts) caseload growth increment based on an estimated 14.0% caseload growth in the Subsidized Adoption and Guardianship program. In addition, the Governor's FY2002 budget requested a transfer of \$1,000.0 from the Foster Care Base Rate component to the Subsidized Adoption & Guardianship program. Legislative funding of the increment request was reduced by \$1,069.9 and only \$241.8 of the transfer was made. This has resulted in a net growth increment of \$1,218.0 and under funding of the program by \$1,828.1.

Assuming that the average monthly subsidy payment remained constant, the FY2002 funded increment would provide sufficient funding for approximately 9.4% caseload growth. However, based on current data, the Department has subsequently revised its estimate of the FY2002 caseload growth from 14% to 17.7%. This problem is further exacerbated due to increases in the average monthly subsidy payments. The following table shows that caseload growth contributed to approximately 90.5% of the FY2002 incremental subsidy costs, and that the rising cost of monthly subsidies contributed to approximately 9.5% of the incremental costs.

TABLE B		
Analysis of FY2002 Incremental Subsidy Costs		
FY2002 Projected Subsidy Expenditures:	\$14,156.4	
FY2001 Actual Subsidy Expenditures:	<u>12,013.2</u>	
FY2002 Projected Incremental Subsidy Expenditures:	2,143.2	
Breakdown of FY2002 Projected Incremental Subsidy Expenditures:		
FY2002 Incremental Costs Attributed to Caseload Growth:	1,939.6	90.5%
FY2002 Incremental Costs Attributed to Average Cost Increase:	<u>203.6</u>	<u>9.5%</u>
FY2002 Projected Incremental Subsidy Expenditures:	\$ 2,143.2	100.0%

2. Caseload Growth: The next table (Table C) below shows the number of children and annual expenditures data for the Subsidized Adoption & Guardianship program from FY1992 to FY2002 (FY2002 projected based on 17.7% annual growth). At the close of FY2001, there were 1,515 children in the Subsidized Adoption & Guardianship program. The Department anticipates the number of children in the Subsidized Adoption & Guardianship program to increase by 17.7% to 1,784 by the end of FY2002.

Table C

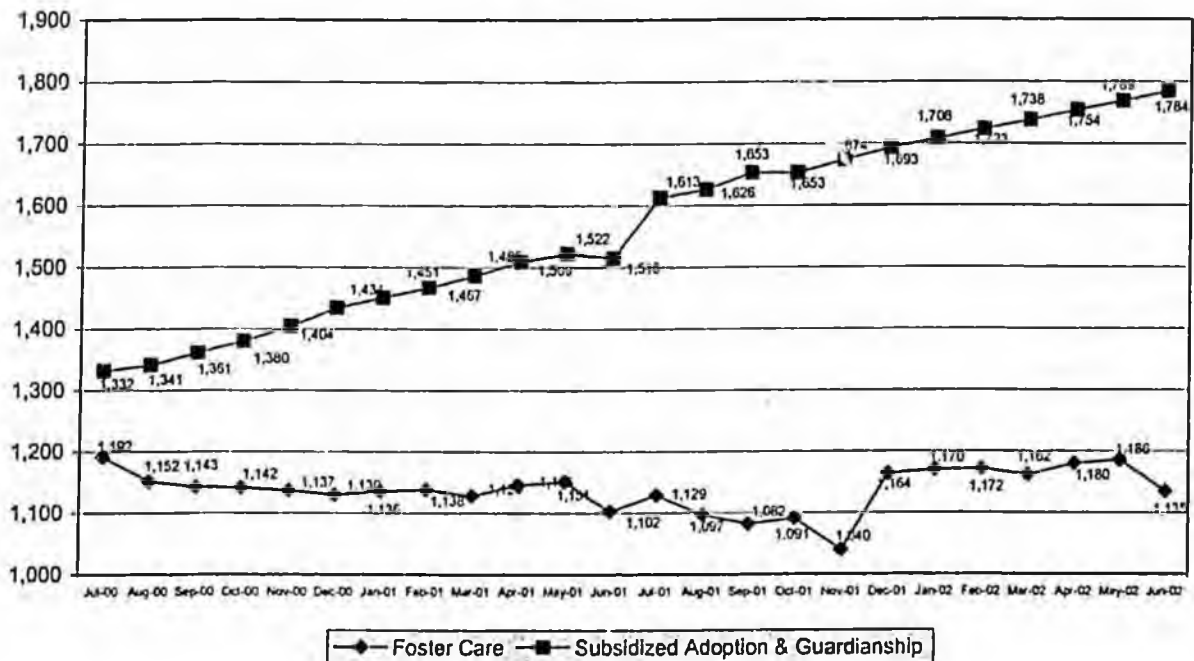


Several factors have contributed to the success and growth of the Subsidized Adoption & Guardianship program, most notable being the State's permanency planning initiatives the Adoption Placement Program (formerly the Balloon Project) and Project Succeed. The Adoption Placement Program provides funds to DFYS, the Attorney General's office, the Public Defender Agency, and the Office of Public Advocacy to increase the State's ability to comply with State and Federal permanency planning mandates and to focus on legal proceedings needed for children who have been in custody the longest period of time.

The overall foster care caseload has decreased over the first four months of FY2002. Preliminary data suggests that this caseload reduction has resulted in large part due to children transitioning out of foster care and into permanent adoptive and guardianship families. The chart below (Table D) illustrates the transition of children from the foster care system to permanent adoptive and guardianship homes. Much of this dramatic shift can be attributed to the success of the Balloon Project.

Table D

Division of Family & Youth Services
 Foster Care and Subsidized Adoption & Guardianship
 Monthly Caseload Data for the Period July 2000 projected thru June 2002



3. **Increased Average Monthly Costs:** As shown previously in Table B, approximately 9.5% of FY2002 incremental subsidy costs are attributable to an overall increase in the average monthly subsidy payment. The average monthly cost for children in the subsidy program has increased from \$647 in FY2001 to approximately \$656 in FY2002. These costs increases can be explained by the increased special needs of children leaving the foster care system and entering the Subsidized Adoption & Guardianship program. The monthly average cost for children new to the subsidy program in FY2002 is approximately \$736; a reduction of \$48 per subsidy from the \$784 average monthly cost for children new to the subsidy program in FY2001.

The Subsidized Adoption & Guardianship program provides the State with a cost effective alternative to foster care.

State and Federal law stipulates that adoption and guardianship subsidy payments may not exceed what would have been paid had the child been in foster care. As shown in the following table, the average cost of care for a child in the Subsidized Adoption & Guardianship program is \$22.77 per day, compared to \$28.74 per day for a child in foster care (includes the foster care base rate and foster care special needs). However, this understates the savings of the subsidy program. The Subsidized Adoption & Guardianship program is designed to aide children with special needs to obtain permanent homes, and many of the children transitioning from foster care to the subsidy program have multiple special needs. The average cost of care for a child receiving augmented foster care is approximately \$48.89 per day, around \$26.00 more than the average daily subsidy rate. There are also indirect cost

FAST 4(L)

savings for Subsidized Adoption & Guardianship cases because these children are typically not carried as part of the DFYS social worker caseloads.

Daily Average Cost Comparison	
Subsidized Adoption & Guardianship Program vs. Foster Care	
Subsidized Adoption & Guardianship:	
(Based on \$656.41 Average Monthly Subsidy)	\$ 22.77
Foster Care Base Rate	\$ 22.34
Foster Care Special Needs	\$ 6.40
Foster Care Base Rate & Special Needs:	\$ 28.74
Foster Care Augmented	\$ 20.15
Foster Care w/Augmentation:	\$ 42.49 (approximately 30.6% receive augmentation)

Fiscal Plan to Cover FY2002 Subsidized Adoption & Guardianship Deficit

On November 6, 2001, as an emergency measure, the Division requested a revised program to temporarily transfer \$1,000.0 from the Foster Care Base Rate program to the Subsidized Adoption & Guardianship component. On that day, the unobligated balance of the Subsidized Adoption Program was \$1,500.00 and additional bills were pending. These funds were temporarily transferred to ensure continuity of adoption subsidy payments. Upon approval of this supplemental appropriation, the Department will process a revised program to return the Foster Care Base Rate funds to cover anticipated foster care payments.

FY2002 Projected Deficit:	\$ 2,529.6
Temporary RP from Foster Care Base Rate:	1,000.0
FY2002 Subsidized Adoption & Guardianship Supplemental:	2,529.6
Reverse temporary RP from Foster Care Base Rate:	(1,000.0)
	\$ 2,529.6

Impact on the FY2003 Operating Budget

The Department has submitted an FY2003 budget increment of \$3,641.9 (\$3,045.8 GF and \$596.1 Federal) to cover the cost of a 14% projected caseload growth.

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Medicaid Services (2077)

BRU: Medical Assistance (74)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT PPT NP		
FY2002 Supplemental - Governor's													
FAST Sec 4(a) FY2001 Medicaid Payments made in FY2002													
	Suppl	13,583.6	0.0	0.0	0.0	0.0	0.0	0.0	13,583.6	0.0	0	0	0
1002 Fed Rcpts	9,012.7												
1003 G/F Match	4,570.9												
Backup justification has been provided under separate cover.													
FAST Sec 4(a) Formula program growth / Alaska Fair Share Program													
	Suppl	129,650.2	0.0	0.0	0.0	0.0	0.0	0	129,650.2	0.0	0	0	0
1002 Fed Rcpts	97,605.3												
1003 G/F Match	8,141.6												
1108 Stat Desig	23,903.3												
Backup justification has been provided under separate cover.													
Totals		143,233.8	0.0	0.0	0.0	0.0	0.0	0.0	143,233.8	0.0	0	0	0

Change Record Detail With Description

Department of Health and Social Services

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Subsidized Adoptions & Guardianship (1962)

BRU: Purchased Services (78)

Scenario/ Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT PPT NP		
FY2002 Supplemental - Governor's													
FAST Sec 4(b) Formula program growth													
	Suppl	2,529.6	0.0	0.0	0.0	0.0	0.0	0.0	2,529.6	0.0	0	0	0
1004 Gen Fund	2,529.6												
Backup justification has been provided under separate cover.													
Totals		2,529.6	0.0	0.0	0.0	0.0	0.0	0.0	2,529.6	0.0	0	0	0

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Marine Highway Stabilization (1225)

BRU: Fund Transfers (255)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 5 Marine Highway Fund Solvency through FY02													
	Suppl	2,876.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,876.9	0	0	0
1004 Gen Fund		2,876.9											
<p>Current FY02 expenditure and revenue projections for the Alaska Marine Highway System indicate that the Marine Highway Fund will reach the point of being insolvent during FY02. The department has taken measures to restrict spending, and adjusted expenditure projections to reflect lower fuel prices; however the fund deficit is still expected to be \$2,876.9 by the end of the fiscal year. This supplemental request will allow the Marine Highway fund to remain solvent through FY02. The FY02 budget was based on the Columbia repairs being completed on time. The shipyard delivered the vessel several months late during the peak revenue generating season, thus reducing our revenues below the projected level for FY02. Without this supplemental appropriation to the fund, spring/summer ferry service would need to be drastically cut, reducing revenues during the most profitable period, producing a devastating effect on economies and cultural events in both Southwest and Southeast Alaska. Ships would need to be put into lay-up status for extended periods of time and even then we may not be able to cover the shortfall in the System funding.</p>													
Totals		2,876.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	2,876.9	0	0	0

Change Record Detail With Description

Department of Military and Veterans Affairs

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Disaster Planning & Control (1808)

BRU: Disaster Planning and Control (129)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 6 Operational costs of the 24-hour State Emergency Coordination Center (SECC)													
	Suppl	100.0	70.0	0.0	30.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	100.0												
<p>The Division of Emergency Services (DES) requests FY02 supplemental funding of \$100,000 to support the continuous 24-hour operation of the State Emergency Coordination Center (SECC). This center provides overall coordination of incidents across the State regardless of cause. It is imperative this 24-hour center remain a viable entity to support and coordinate all federal, state and local jurisdiction response efforts associated with any event.</p> <p>The operational costs for FY02 are estimated to be \$450,000. DES received FY02 general funds of \$203,000 for the SECC operation and have reallocated an additional \$147,000 of other project fund sources within the Division to this operation. No further internal operational funds can be made available for this work. The SECC is operating at a deficit and requests this supplemental funding to continue the SECC operations for the remainder of FY02.</p> <p>The deficit amount is due primarily to an underestimation of what is needed to run a 24-hour, 365-day-a-year operation. Additional salary and benefit costs have been incurred under a Letter of Agreement (LOA) between the State and Union which covers shift differential, holiday pay and overtime. The full costs of this LOA were unknown until the agreement was signed late in October 2001, and therefore were not included in the operating budget for FY02. In addition, contractual costs for telecommunications, building costs, training, information management, legal reviews, and personnel/payroll/accounting support have exceeded the original estimate.</p> <p>The FY03 homeland security budget request includes a request for continuation of this funding level, to allow the Department to continue providing the SECC services.</p>													
Totals		100.0	70.0	0.0	30.0	0.0	0.0	0.0	0.0	0.0	0	0	0

MEMORANDUM

DEPARTMENT OF Natural Resources

STATE OF ALASKA

SUPPORT SERVICES

TO: Annalee McConnell
Director, OMB**DATE:** January 18, 2002**FROM:** Carol Carroll
Director, Administrative Services**TELEPHONE:** 465-4730**SUBJECT:** FY02 Reappropriation
Kenai Timber Sales CIP

The Department of Natural Resources requests approval of a reappropriation of the unexpended and unobligated balance (\$310,090.60) of the existing capital project appropriation:

SLA97/CH50/Sec15(k)/P9/L13, (AR40286). "The sum of \$568,000 is appropriated from the general fund to the Department of Natural Resources to prepare and administer the Kalgin Island II, Caribou Hills, South Ninilchik – Dome View, and South Ninilchik Block timber sales in the Kenai Peninsula."

This appropriation for timber salvage in the Kenai Area was intended to reduce fire hazards, accelerate reforestation, and capture the economic value of the infested timber. The appropriation specified that the funds be used on four large salvage sales. The sales were designed to feed timber into the chip market that was active at the time of passage of the legislation.

Through this project, the Division of Forestry designed and sold the 13.8 million board foot Caribou Hills sale, and laid out sales at South Ninilchik and Dome View as originally envisioned. However, economic conditions changed drastically shortly after receiving the appropriation. Foreign chip markets plummeted, the major purchaser of large sales went bankrupt, and the second largest purchaser lost its mill to a fire and decided not to rebuild. When the remaining timber was offered for \$1/MBF, there were no bidders. The specific sales in the original intent language are no longer feasible without a major increase in the funding for reforestation.

To meet the intent of the CIP in the face of drastically changed markets, the Division of Forestry would like to broaden the use of these funds. The Division remains committed to the goals of the project, and recognizes that the need to reduce fire hazards near Kenai communities has even increased. This reappropriation to a new "Kenai Area Timber Sales" project proposes to apply the remaining funds (\$310,090.60) to prepare and administer other smaller salvage sales on the Kenai Peninsula, and use a portion of the money to defray reforestation costs that are a barrier to some purchasers. Sales would be targeted at areas with high risk of wildfire near populated areas.

If you have any questions please call Jean Davis at 465-2422.

cc: Jeff Jahnke, Director, Forestry

Change Record Detail With Description

Office of the Governor

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Elections (21)

BRU: Elections (433)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 8 New Primary Election Voter Education Guide													
	Suppl	25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	25.0												
<p>The division is requesting a budget supplemental in the amount of \$25,000 to pay the cost of printing a voter guide for the 2002 primary election. This publication is in addition to the normal Official Election Pamphlet published for the general election. The division will print and mail approximately 315,000 voter education guides to every voter household in Alaska. This guide will be used as an informational tool to help educate the voters on the implementation of the new primary election law. The costs for this new voter education guide are included in the FY2003 budget request, but since it needs to be prepared sooner so that the division can meet July registration deadlines, the funding is requested in the FY2002 supplemental budget and will be offset in the Governor's Amended FY2003 budget with a reduction of \$25,000 to the on-election-year funding request.</p>													
Totals		25.0	0.0	0.0	25.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Power Cost Equalization and Rural Electric Capitalization Fund (2500)

BRU: Fund Transfers (255)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions PFT	PPT	NP
FAST Sec 9(a) Appropriate 7% of the Market Value of the PCE Endowment to the PCE Fund													
1169 PCE Endo	Suppl	7,062.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,062.2	0	0	0
		7,062.2											
This section was inadvertently left out of the fiscal year 2002 budget. See attached memo.													
Totals		7,062.2	0.0	0.0	0.0	0.0	0.0	0.0	0.0	7,062.2	0	0	0


Tony Knowles, Governor

Alaska Department of Community and Economic Development

Memorandum

TO: Annalee McConnell, Director
Office of Management and Budget
Office of the Governor

DATE: February 8, 2002

FROM: Tom Lawson, Director 
Division of Administrative Services

PHONE: 465-2506

SUBJECT: FY 2002 Fast Track Supplemental Requests

In addition to the FY 2002 Operating and Capital Budget Supplemental Requests submitted via ABS, following are the DCED language supplementals.

Power Cost Equalization. In accordance with SLA 00, Chapter 60, Section 14(a)(1), \$7,062,157 needs to be appropriated from the power cost equalization endowment fund (AS 42.45.070) to the power cost equalization and rural electrification fund (AS 42.45.100) in FY 2002. This appropriation would be made for the capitalization of the power cost equalization and rural electrification fund and should not lapse.

Background Information: In SLA 2000, Chapter 60, Sec * 4 provided for funding to be appropriated from the newly created Power Cost Equalization Endowment Fund. However, this was inadvertently overlooked during the FY 2002 budget process. The capitalization of the fund is required to support the FY2002 PCE program's appropriation, and this supplemental request corrects that oversight. Failure to pass this supplemental request will result in a shortfall in the PCE fund and the program's inability to fully meet its remaining FY 2002 obligations estimated to be \$8.7 million. This supplemental needs an immediate effective date because of the pending fund shortfall.

Power Cost Equalization. The sum of \$56,751 from the FY 2002 appropriation from the power cost equalization and rural electrification fund (AS 42.45.100) to the Department of Community and Economic Development, power cost equalization program, needs to be appropriated to DCED for payment of FY 2001 unpaid grant obligations.

Background Information: Due the increased cost of fuel oil during FY2001, AEA estimated a pro rata reduction of the Power Cost Equalization Program. Based on this estimate, a 26% reduction was enacted in June of 2001; however, AEA was unable to make payment on \$56,751 worth of grant obligations. This request will allow the program to make payment on its final FY 2001 obligations. Failure to pass this supplemental request means that AEA will not meet its FY 2001 obligations. AEA's pro rata reduction for FY 2002 accounts for this FY2001 requirement, but without approval of this supplemental the required obligations for FY2001 will remain unpaid. This supplemental needs an immediate effective date in order to resolve the inequity.

Power Cost Equalization. The sum of \$1,100,000 is appropriated from the general fund to the power cost equalization and rural electrification fund (AS 42.45.100). The appropriation made in this section is for the capitalization of the power cost equalization and rural electrification fund and does not lapse.

Background Information: With the continued high cost of fuel in rural areas, the Power Cost Equalization Program has been unable to fully meet its obligations throughout FY 2002. As a result, the PCE program has prorated its obligations to the utilities. This appropriation to the fund, combined with the request for increased authorization, will allow the program to fully meet the anticipated FY 2002 obligations for the period of March to June 2002. Failure to pass this supplemental request will result in continued proration of the program for the remainder of FY 2002. This supplemental needs a March 1, 2002, effective date in order to prevent proration to continue from March to June.

Please contact me if you have any questions about our FY 2002 Supplemental Budget requests.

Change Record Detail With Description

Debt Service and Special Appropriations

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Power Cost Equalization and Rural Electric Capitalization Fund (2500)

BRU: Fund Transfers (255)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 9(b) Appropriate General Funds to the PCE Fund to Avoid Proration During FY02													
	Suppl	1,100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0	0	0
1004 Gen Fund	1,100.0												
See attached memo.													
Totals		1,100.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0	0	0


Tony Knowles, Governor

Alaska Department of Community and Economic Development

Memorandum

TO: Annalee McConnell, Director
Office of Management and Budget
Office of the Governor

DATE: February 8, 2002

FROM: Tom Lawson, Director 
Division of Administrative Services

PHONE: 465-2506

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Background Information: In SLA 2000, Chapter 60, Sec 14 provided for funding to be appropriated from the newly created Power Cost Equalization Endowment Fund. However, this was inadvertently overlooked during the FY 2002 budget process. The capitalization of the fund is required to support the FY2002 PCE program's appropriation, and this supplemental request corrects that oversight. Failure to pass this supplemental request will result in a shortfall in the PCE fund and the program's inability to fully meet its remaining FY 2002 obligations estimated to be \$8.7 million. This supplemental needs an immediate effective date because of the pending fund shortfall.

Power Cost Equalization. The sum of \$56,751 from the FY 2002 appropriation from the power cost equalization and rural electrification fund (AS 42.45.100) to the Department of Community and Economic Development, power cost equalization program, needs to be appropriated to DCED for payment of FY 2001 unpaid grant obligations.

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Please contact me if you have any questions about our FY 2002 Supplemental Budget requests.

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Power Cost Equalization (1965)
 BRU: Rural Energy Programs (412)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 9(c) Fully Fund PCE for FY 2002													
	Suppl	1,100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0.0	0	0	0
1089 Power Cos	1,100.0												
<p>With the continued high cost of fuel in rural areas, the Power Cost Equalization Program has been unable to fully meet its obligations throughout FY 2002. To comply with AS 42.45.220(i), beginning July 2001, the program was prorated at 92% and as of February 2002, the proration was revised to 80%. This increased authorization request, combined with the requested appropriation to the PCE fund, will allow the program to fully meet the anticipated FY 2002 obligations for the period of March to June 2002. Failure to pass this supplemental request will result in continued proration of the program for the remainder of FY 2002. This supplemental needs a March 1, 2002, effective date.</p>													
Totals		1,100.0	0.0	0.0	0.0	0.0	0.0	0.0	1,100.0	0.0	0	0	0

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Power Cost Equalization (1965)
 BRU: Rural Energy Programs (412)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 9(d)(1) Reduce PCE authorization to cover FY 2001 obligations													
	Suppl	-56.8	0.0	0.0	0.0	0.0	0.0	0.0	-56.8	0.0	0	0	0
1089 Power Cos	-56.8												
Due the increased cost of fuel oil during FY2001, AEA estimated a pro rata reduction of the Power Cost Equalization Program. Based on this estimate, a 26% reduction was enacted in June of 2001; however, AEA was unable to make payment on \$56,751 worth of grant obligations. AEA's pro rata reduction for FY2002 accounts for this FY2001 requirement. The authorization in this decrement will be used in a new appropriation set up to make payment of these FY2001 obligations.													
Totals		-56.8	0.0	0.0	0.0	0.0	0.0	0.0	-56.8	0.0	0	0	0

Change Record Detail With Description
Department of Community & Economic Development

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Power Cost Equalization (1965)
 BRU: Rural Energy Programs (412)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST Sec 9(d)(2) Add PCE authorization to cover FY 2001 obligations													
	Suppl	56.8	0.0	0.0	0.0	0.0	0.0	0.0	56.8	0.0	0	0	0
1089 Power Cos	56.8												
Due the increased cost of fuel oil during FY2001, AEA estimated a pro rata reduction of the Power Cost Equalization Program. Based on this estimate, a 26% reduction was enacted in June of 2001; however, AEA was unable to make payment on \$56,751 worth of grant obligations. AEA's pro rata reduction for FY2002 accounts for this FY2001 requirement. The authorization in this record will be used in a new appropriation set up to make payment of these FY2001 obligations.													
Totals		56.8	0.0	0.0	0.0	0.0	0.0	0.0	56.8	0.0	0	0	0

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Northern Region Highways and Aviation (2068)

BRU: Highways and Aviation (408)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST 10(a)(1) Chandalar Maintenance Station closure temporary costs													
	Suppl	127.8	0.0	0.0	0.0	0.0	127.8	0.0	0.0	0.0	0	0	0
1004 Gen Fund	127.8												
<p>A structural evaluation of the Chandalar maintenance station on the Dalton Highway deemed the structure unsafe and it was immediately vacated during the summer of 2001. There are no other buildings in the area that can be utilized on a long-term basis. Because of distance from other maintenance stations and difficulty of road maintenance in this area, crews and equipment can not be shifted to the other camps. A temporary structure was purchased and erected in the fall of 2001. This covers the cost of purchasing the building, freight, removal of old material, and erection of the new building. This structure is made of a plastic-type skin that has an extremely high heating demand. It is only suitable for equipment warm storage on a short-term basis. Without this supplemental funding, existing resources would need to be reallocated and maintenance activities, such as striping, brushing, etc., would be reduced, thus impacting the safety of the traveling public.</p>													
Totals		127.8	0.0	0.0	0.0	0.0	127.8	0.0	0.0	0.0	0	0	0

Change Record Detail With Description

Department of Transportation/Public Facilities

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Central Region Highways and Aviation (564)

BRU: Highways and Aviation (408)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST 10(a)(2) East Fork Maintenance Station closure temporary costs													
	Suppl	21.9	21.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	21.9												
<p>A structural evaluation of the East Fork maintenance station deemed the structure unsafe and it was vacated. The East Fork crew was temporarily relocated to Cantwell, which results in lost maintenance time due to the additional commute required of the equipment operators each day. An equipment operator was hired in order to continue providing maintenance to the southern portion of the East Fork area. Without this supplemental funding, we will be forced to reduce the level of service in the area of Parks Highway served by this station, MP 156 at Chulitna Lodge to MP 194.</p>													
Totals		21.9	21.9	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2002 Supplemental - Governor's (2454)
 Component: Central Region Highways and Aviation (564)
 BRU: Highways and Aviation (408)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST 10(a)(3) Willow Maintenance Station closure temporary costs													
	Suppl	45.5	0.0	0.0	40.9	4.6	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	45.5												
A structural evaluation of the Willow maintenance station deemed the structure unsafe and it was vacated. A local hangar at the Willow Airport was rented for temporary shop space and to house a sanding/plow truck and a grader. A Conex building was purchased for warm storage for small equipment and materials. This action is temporary and will not resolve the long-term need for a facility replacement.													
Totals		45.5	0.0	0.0	40.9	4.6	0.0	0.0	0.0	0.0	0	0	0

Change Record Detail With Description
Department of Transportation/Public Facilities

Scenario: FY2002 Supplemental - Governor's (2454)

Component: Northern Region Highways and Aviation (2068)

BRU: Highways and Aviation (408)

Change Record Title	Trans Type	Totals	Personal Services	Travel	Contractual	Supplies	Equipment	Land/ Buildings	Grants Claims	Misc.	Positions		
											PFT	PPT	NP
FAST 10(a)(4) Nome Maintenance Station closure temporary costs													
	Suppl	72.0	0.0	0.0	72.0	0.0	0.0	0.0	0.0	0.0	0	0	0
1004 Gen Fund	72.0												
<p>A recent structural evaluation of the Nome maintenance station deemed the building unsafe, and steps are being taken to vacate it. The evaluation concluded that the existing building is not capable of resisting wind and snow loads without danger of complete failure. Safety monitoring of the structural elements of the building is being done daily until alternate leased space is available to assure the safety of the equipment and staff. It will cost \$72.0 for the remaining 4 months of FY02 to lease temporary space to house airport and highway maintenance equipment. Without this supplemental funding, spring road openings will be delayed and other maintenance activities will be reduced, impacting the safety of the traveling public.</p>													
Totals		72.0	0.0	0.0	72.0	0.0	0.0	0.0	0.0	0.0	0	0	0

**FAST 10(b) Chandalar Vehicle Maintenance Building
Replacement Design**

**FY2002 Request: \$456,800
Reference No: 36793**

AP/AL: Appropriation
Category: Transportation
Location: Chandalar
Election District: Rural Interior
Estimated Project Dates: 05/01/2002 - 06/30/2004

Project Type: Construction
Contact: Nancy Slagle
Contact Phone: (907)465-3911

Brief Summary and Statement of Need:

Structural evaluation of the DOT&PF Chandalar Maintenance Building deemed the structure unsafe and it was immediately vacated during the Summer of 2001. The Northern Region was directed to initiate design of a replacement structure, which began December 1, 2001. There is currently no warm storage building in the area for housing the crews and equipment. Per the attached February 11, 2002 memo from Deven Mitchell, Debt Manager, Department of Revenue, the source of statutory designated program receipts is interest earnings on Northern Tobacco Securitization Corporation bonds.

Funding:

	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	Total
Stat Desig	\$456,800						\$456,800
Total:	\$456,800	\$0	\$0	\$0	\$0	\$0	\$456,800

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

Operating & Maintenance Costs:

	<u>Amount</u>	<u>Staff</u>
Total Operating Impact:	0	0
One-Time Startup Costs:	0	
Additional Estimated Annual O&M:	0	0

Prior Funding History / Additional Information:

**FAST 10(b) Chandalar Vehicle Maintenance Building
Replacement Design**

**FY2002 Request: \$456,800
Reference No: 36793**

Structural evaluation of the DOT&PF Chandalar Maintenance Building deemed the structure unsafe and it was immediately vacated during the Summer of 2001. The Northern Region was directed to initiate design of a replacement structure, which began December 1, 2001. There is currently no warm storage building in the area for housing the crews and equipment. A temporary structure was purchased and erected in the Fall of 2001. This structure is made of a plastic type skin, with energy rating of R15, and consequently has extremely high heating costs. The tent is only being used as warm storage for equipment and minor mechanical work. Due to the absence of a ventilation system and the structure skin, no welding or grinding can be done. These tasks are being performed at the nearby Alyeska shop.

The conceptual and structural design cost is estimated at \$456.8, and the current construction estimate is \$5,202.0. We will need legislative authority for the design portion as soon as possible and for construction by 05/01/02, in order to advertise and begin construction this summer. The Federal Aviation Administration (FAA) has agreed to participate in \$500.0 of the project, which equates to approximately 9%.