

ALASKA LEGISLATURE

2431

HOUSE and SENATE FINANCE COMMITTEE FILES, 2001 - 2002



THE SECRETARY OF VETERANS AFFAIRS
WASHINGTON

April 2, 2002

Jim Duncan
Commissioner
Department of Administration
333 Willoughby Ave., 10th Fl.
State Office Building
Juneau, AK

Dear Mr. Duncan

This is in response to your letter regarding establishment of a partnership between the Department of Veterans Affairs (VA) and Alaska's Pioneer Homes. I appreciate your desire to meet the needs of veterans within the framework of the Pioneer Homes.

I fully support efforts that would enable VA and the State of Alaska to work cooperatively to address the elder care needs of Alaska's veterans. I understand the first step is to establish the Pioneer and Veterans Homes, and there is legislation pending to accomplish this. Once this legislation is enacted, I will be pleased to explore options for the provision of long term care for Alaska's veterans, to include the flexibilities of our State Veterans Homes and Contract Community Nursing Homes programs. I have enclosed some information on our State Veterans and Contract Community Nursing Home programs that I hope you will find helpful. What is paramount is assuring that the needs of Alaska's veterans and VA's standards for nursing home care are met.

Marsha Goodwin, Acting Chief Consultant, Geriatrics and Extended Care Programs, is available to meet with representatives of the Pioneer Homes and Alaska State officials to further discuss these options. If you should have any questions, she may be reached at 202-273-6540. A similar letter has been sent to Major General Phillip Oates, Adjutant General/Commissioner and appropriate members of Congress. I look forward to a continued working relationship with you to better meet the needs of Alaska's veterans.

Sincerely yours,

A handwritten signature in cursive script that reads "Anthony J. Principi".

Anthony J. Principi

Enclosures



THE SECRETARY OF VETERANS AFFAIRS

WASHINGTON
April 2, 2002

General Phillip Oates, Commissioner
Department of Military and Veterans' Affairs
State of Alaska
The National Guard Armory, Suite C-222
P.O. Box 5800
Ft. Richardson, Alaska 99505-0800

Dear General Oates:

This is in response to your letter regarding establishment of a partnership between the Department of Veterans Affairs (VA) and Alaska's Pioneer Homes. I appreciate your desire to meet the needs of veterans within the framework of the Pioneer Homes.

I fully support efforts that would enable VA and the State of Alaska to work cooperatively to address the elder care needs of Alaska's veterans. I understand the first step is to establish the Pioneer and Veterans Homes, and there is legislation pending to accomplish this. Once this legislation is enacted, I will be pleased to explore options for the provision of long term care for Alaska's veterans, to include the flexibilities of our State Veterans Homes and Contract Community Nursing Homes programs. I have enclosed some information on our State Veterans and Contract Community Nursing Home programs that I hope you will find helpful. What is paramount is assuring that the needs of Alaska's veterans and VA's standards for nursing home care are met.

Marsha Goodwin, Acting Chief Consultant, Geriatrics and Extended Care Programs, is available to meet with representatives of the Pioneer Homes and Alaska State officials to further discuss these options. If you should have any questions, she may be reached at 202-273-8540. A similar letter has been sent to Mr. Jim Duncan, Commissioner and appropriate members of Congress. I look forward to a continued working relationship with you to better meet the needs of Alaska's veterans.

Sincerely yours,

A handwritten signature in cursive script that reads "Anthony J. Principi".

Anthony J. Principi

Enclosures



TONY KNOWLES
GOVERNOR
governor@gov.state.ak.us

STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

P.O. Box 110001
Juneau, Alaska 99811-0001
(907) 465-3500
Fax (907) 465-3532
www.gov.state.ak.us

June 17, 2002

The Honorable Frank Murkowski
United States Senate
322 Hart Senate Office Building
Washington, DC 20510-0202

Dear Senator Murkowski:

I seek your assistance in obtaining new authority under federal law for much needed cash benefits for veterans in Alaska. I noted with considerable interest your recent press release concerning legislation to authorize construction of State Veterans Home (SVH) facilities in Alaska. As I understand it, the primary thrust of your legislation is to authorize up to \$16 million in federal funding for such facilities, while waiving the usual requirement for state matching funds. As you know, the state Legislature has passed legislation that would, among other things, provide funding for a study of the need for such facilities. This study could serve as the predicate for future decisions to use such federal authority, if it were on the books.

You also are undoubtedly aware of the Legislature's passage of legislation I introduced to set aside a portion of the beds in Alaska's six Pioneers Homes for the use of qualifying veterans. The legislation provides for a change in the name of the homes to reflect their new status as combined pioneers' and veterans' homes, and authorizes us to enter into a pilot program with the U.S. Department of Veterans' Affairs to provide VA per diem payments to the veterans who live in the homes now, or who will enter the homes in the future under the newly established preference system. The effectiveness of the legislation is conditioned upon negotiation of an agreement with the VA. In turn, the ability of the VA to negotiate such an agreement with Alaska, we are told, is conditioned on passage of authorizing per diem legislation at the federal level.

Because you are a member of the Veterans Committee and have most closely followed veterans' issues, I am requesting your assistance in securing the necessary federal legislation to authorize the proposed pilot program. It is evident that such a program would provide a strong complement to any potential VA-funded construction in the future, while helping Alaska's veterans by opening up more beds in the pioneers' and veterans' homes almost immediately. In addition, the per diem payments for which Alaska's veterans would qualify would provide a modest, but welcome infusion of new

The Honorable Frank Murkowski
June 17, 2002
Page 2

funding into the state system, both now and over the long haul. Alaska's veterans see the value in both initiatives and seem prepared to lend their support to both efforts. In short, it would appear to be desirable to have both the pilot program and the option to expand or remodel facilities, but each of these requires its separate authorizing legislation.


My staff has had preliminary discussions with officials at the Department of Veterans Affairs which have determined the scope of the required legislation to authorize a pilot program to make per diem payments to veterans in our pioneers' and veterans' homes. We have jointly determined that the only issue separating existing federal law from the current operation of our state homes is the mix of veterans and non-veterans in the homes. Because the homes do not consider veteran status currently in placement decisions, we cannot satisfy the VA requirement that no more than 25 percent of the residents of the facility in which per diem payments are paid be non-veterans.

The federal legislation we need would waive that provision of current law for purposes of this pilot project. In our discussions with VA staff, we have agreed this waiver would apply to facilities that had been constructed without the use of federal VA funds, as is the case with all six Pioneers' homes. At the suggestion of the VA officials, we have agreed that the pilot period would be three years, and that the project would be evaluated during the final year, with a view to seeking permanent authorizing legislation if the pilot proves successful.

My recommendation is that we pursue this authorization of the per diem pilot separately from other Alaska-specific VA legislation in order to reduce the potential for confusion and in recognition of the fact that your construction authorization has already cleared the Senate Veterans' Affairs Committee process.

Thank you for your consideration of this request. I welcome this opportunity to work together for the benefit of Alaska's veterans and look forward to hearing from you. My staff stands ready to work with you and your staff in the preparation of suitable legislation.

Sincerely,


Tony Knowles
Governor

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Anchorage Daily News

Print Page

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Murkowski seeks vet home funds**PROPOSAL:** Senator asks for \$16 million to add space in Pioneers' Homes.

By Liz Ruskin

Anchorage Daily News

(Published: June 8, 2002)

Washington -- Sen. Frank Murkowski is proposing up to \$16 million in federal construction funds to add new wings or floors to Alaska Pioneers' Homes to serve veterans.

Murkowski, R-Alaska, amended a Senate bill this week to also allow the state-operated Pioneers' Homes to collect federal money for housing veterans.

The bill is awaiting action by the Senate.

The administration of Gov. Tony Knowles, though, says Murkowski's measure won't meet immediate needs.

"He wants to spend \$16 million to create more beds that would presumably be empty, unless the state comes up with operating funds," said Knowles spokesman Bob King.

The Pioneers' Homes already have 100 empty beds. They're empty because the state doesn't have the money to fully staff the homes.

Knowles is calling on the Alaska Legislature to spend \$2.6 million in a special session later this month to fill the empty beds with veterans.

Both Knowles' proposal and Murkowski's call for allowing the state to collect reimbursement from the Veterans Administration for housing veterans.

Jim Duncan, the state commissioner of administration, said he is also seeking a waiver that would allow veterans and other home residents to live together, rather than in segregated facilities.

Some 95 vets now live in the six homes. If the state could collect per diem payments from the VA, they would total \$1.6 million a year, Duncan said.

The Legislature, which balked at the \$2.6 million to staff the Pioneers' Home during its regular session, has budgeted \$250,000 to conduct a study on veterans housing.

The \$16 million Murkowski is seeking would probably be useful once the study is complete, Duncan said.

"We should first utilize what we have and serve the veteran immediately," Duncan said.

Duncan said he's been working with the Veterans Administration for four months on the plan. Other than one meeting last year, Duncan said he hasn't been coordinating his efforts with Murkowski, even though Murkowski sits on the Senate Veterans Affairs Committee.

Murkowski, a Republican, is running for governor. The front-running Democrat, Fran Ulmer, is Knowles' lieutenant governor.

Murkowski's spokesman, Chuck Kleeschulte, said the bill in no way interferes with Knowles' effort to get the money to fill the empty beds.

"This will not cost the state a dime in capital costs and will ensure that the federal government for the first time will reimburse the state for a portion of the costs they currently bear to house veterans," Murkowski said in a written statement.

Reporter Liz Ruskin can be reached at 202-383-0007 or lruskin@adn.com.

SCR

7

SFIN

FILE

SCR 7

was referred to the
Senate Finance
Committee

Hearing(s) were held

The bill did not move
from Committee

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

NO. _____
BILL VERSION: SCR 7
PUBLISH DATE: _____

Revision Date: _____ Department Affected: Legislature
Title: "Establishing a Health Care Cost Review Task Force." BRU: Legislative Council
Sponsor: Senate HESS Component: Council and Subcommittees
Requestor: Senate HESS Component Number: 783

Expenditures/Revenues: (Thousands of Dollars)

OPERATING	FY 02	FY 03	FY 04	FY 05	FY 06	FY 07
PERSONAL SERVICES	47.5	0	0	0	0	0
TRAVEL	28.8	0	0	0	0	0
CONTRACTUAL	55.5	0	0	0	0	0
SUPPLIES	1.0	0	0	0	0	0
EQUIPMENT	0	0	0	0	0	0
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	132.8	0.0	0.0	0.0	0.0	0.0

CAPITAL	0	0	0	0	0	0
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REVENUE FUND SOURCE	0	0	0	0	0	0
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FUNDING: (Thousands of Dollars)

GENERAL FUND	103.1	0.0	0.0	0.0	0.0	0.0
FEDERAL FUNDS						
OTHER FUND SOURCE 1007	29.7					
TOTAL	132.8	0.0	0.0	0.0	0.0	0.0

POSITIONS:

FULL-TIME	0	0	0	0	0	0
PART-TIME	1	0	0	0	0	0
TEMPORARY	0	0	0	0	0	0

Estimate of current year impact: _____

ANALYSIS: (Attach a separate page if necessary) SCR 7 creates a Health Care Cost Review Task Force consisting of 6 Legislators and 4 public members appointed by the Presiding Officers, and 1 member of the Executive Branch appointed by the Governor. The Chair of the Task Force may appoint ad hoc members. The Task Force will perform a complete review of the costs of providing state-funded health care to Alaskans and provide a report to the Governor and the Legislature by January 31, 2002. The task force is to determine immediate and long term ways of containing or reducing the cost of providing publicly funded health care in Alaska. The Task Force terminates January 31, 2002.

Prepared By: Karla Schofield, Deputy Director *Karla Schofield* Phone: 465-3852
Division: Administrative Services Date: 3/19/01
Approved By: Pamela A. Varni, Executive Director *Pamela Varni*
Agency: Legislative Affairs Agency Date: 3/19/01

This Task Force will be funded partially from the general fund and partially from Inter Agency Receipts from the Department of Health and Social Services. The Department of Health and Social Services receives federal Medicaid funds which may be used to partially fund this task force.

Personal Services

Professional Assistant	Range 21F	47,451		
7 months (7/1/01-1/31/02)			Total Personal Services	47.5

Travel

It is assumed the task force will meet 3 times during FY02.
 This fiscal note contains funds for travel for all regular members of the Task Force with the exception of the member of the Executive Branch appointed by the Governor. Travel for the Executive Branch appointee will be absorbed in the Executive Branch budget. This fiscal note assumes 4 ad hoc members will require travel funds and includes those costs.

For the purposes of this fiscal note it is assumed the Task Force will meet three times, 2 times in Anchorage, and 1 time in Juneau. Each meeting will be for 2 days.

3 attendees are assumed to be from Fairbanks, 4 from Anchorage, 1 from Kodiak, 1 from Nome, 1 from Bethel, 2 from Juneau and 2 from Ketchikan.

<u>Task Force Members</u>	2 Anchorage Meetings	1 Juneau Meeting	
<u>Non Legislators</u>			
Anchorage - 1	0	774	
Fairbanks - 2	3,156	2,156	
Kodiak - 1	1,586	1,037	
Nome - 1	2,154	1,321	
Bethel - 1	1,918	1,203	
Juneau - 1	1,676	0	
Ketchikan - 1	1,756	636	
	<u>12,246</u>	<u>7,127</u>	
	Total Non Legislator Travel		19,373
<u>Legislators</u>			
Anchorage - 3	0	2,322	
Fairbanks - 1	1,640	1,114	
Juneau - 1	1,800	0	
Ketchikan - 1	1,880	708	
	<u>5,320</u>	<u>4,144</u>	
	Total Legislator Travel		9,464
		<u>28,837</u>	28.8

Contractual

Long Distance Phones Charges	2,000	
Advortizing - Public Notice for hearings	3,000	
Professional Health Care Consultant fees	50,000	
Postage to mail out report	500	
Teleconference charges, office space expenses, and costs to print the report will be absorbed in the Legislative Affairs Agency budget.	55,500	55.5

Supplies	Supplies	1,000	1.0
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Equipment

A computer and printer will be provided to the staff assistant at no cost to the task force.

Grand Total 132.8

ALASKA STATE LEGISLATURE



Interim:

600 East Railroad Avenue
Wasilla, Alaska 99654
(907) 376-3370
(907) 376-3157 Fax

Session:

State Capitol
Juneau, Alaska 99801-1182
(907) 465-6600
(907) 465-3805 Fax

SENATE HEALTH, EDUCATION AND SOCIAL SERVICES COMMITTEE SENATOR LYDA GREEN, CHAIR

Sponsor Statement for SCR 7 Relating to a Health Care Review Task Force

State funded health care, including the Medicaid program, is the fastest growing portion of the state budget. After education, health care represents the largest state operating expenditure. This year, we are spending approximately \$10 million dollars per week on Medicaid in Alaska. The spending for Medicaid is growing at a double digit rate while state revenues are level or declining over time. Health care is provided through a complex system of public and private providers and paid for through a system of federal funding, state funding, private insurers, employer operated group plans, private non-profit agencies and individuals.

It is essential that members of the Legislature, the Administration and the public understand the factors that are driving the growth in these programs. SCR 7 sets up a task force consisting of members of the public, the executive branch, and the legislature. The Task Force will be empowered to appoint ad-hoc members and subcommittees consisting of representatives of health care providers, third-party payors, health care recipients and experts in the field of health care. The Task Force will be authorized to hire staff, contract with experts and pay for necessary travel. The costs of the Task Force are expected to be shared between the state and the federal government through the Medicaid administrative costs.

The Task Force along with its ad-hoc members and staff will review Alaska's health care system, including state and federal statutes and regulations, and practices of health care providers to determine where costs can be contained or reduced. The task force will in particular make recommendations for changes in state and federal statutes and regulations that will help to contain or reduce health care costs. The Task Force will provide a report to the Legislature in January 2002 that details recommendations for health care cost containment and reduction both in the short and long term.

SENATOR LOREN LEMAN, VICE-CHAIR
SENATOR JERRY WARD, SENATOR GARY WILKEN, SENATOR BETTYE DAVIS

SENATE FINANCE COMMITTEE

SIGN-IN

SCR 7-HEALTH CARE COST REVIEW TASK FORCE

NAME: JAY Livey Subject/Bill No: SCR-7
Co./Dept./Title: DEPUTY Commissioner Phone: 465-3030
Address: Dept. of Health + Social Services
Rm 229 AOB Zip: _____

Do you wish to testify? Yes No Respond To Questions

~~NAME: Suzanne Price Subject/Bill No: SCR-7
Co./Dept./Title: Executive Director - FC/MHC Phone: 456-9722
Address: 122 First Ave #5 Fairbanks Zip: 99701~~

~~Do you wish to testify? Yes No Respond To Questions~~

~~NAME: Richard Rainey Subject/Bill No: SCR-7
Co./Dept./Title: Acting Exec Director Phone: 465-4765
Alaska Mental Health Board
Address: 431 W. Franklin #200 Zip: _____~~

~~Do you wish to testify? Yes No Respond To Questions~~

~~NAME: Rosemary Hagerty Subject/Bill No: SCR-7
Co./Dept./Title: Executive Director Phone: 463-6151
Catholic Community Services
Southcentral
Address: 419 6th St Juneau Zip: 99801~~

~~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: Luc Demment Subject/Bill No: SCR 7~~

~~Co./Dept./Title: AK Commissioner on Aging Phone: EX 4879~~

~~Address: _____ Zip: _____~~

~~Do you wish to testify? Yes No Respond To Questions~~

~~NAME: Marie Darlin Subject/Bill No: SCR 7~~

~~Co./Dept./Title: ARRA Phone: 586-3637~~

~~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

SCR

28

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: April 4, 2002

FURTHER REFERRALS:

Date of Committee Action: 4/15/02

The FINANCE Committee considered:

CSSCR 28(RES)

CS FOR SENATE CONCURRENT RESOLUTION NO. 28(RES)

JOINT LEGIS SALMON INDUSTRY TASK FORCE

Establishing the Joint Legislative Salmon Industry Task Force.

Recommends it be replaced with H CS CSSCR 28 (FIN) Same Title New Title
 For Senate Bills with new title: Technical Title New Title: HCR _____

- attach amendments
- add new referral to _____ Committee
- Letter of Intent _____ Committee

List of
Abbrev.
for
Depts.:

- ADM
- CEC
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LAA
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
List by Dept(s):	*FN#	Fiscal	Indet.	Zero
LAA		✓		

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
	Whitaker	✓			
	HARRIS	✓			
	CROSS	✓			
	Davies	✓			
	Lancaster	✓			
	Hudson	✓			
	FOSTER	X			
	Mulder	✓			
Chair:	Williams	✓			

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CSSCR 28(FIN)
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title "Establishing the Joint Legislative BRU Legislative Council
Salmon Industry Task Force." Component Council and Subcommittees
 Sponsor Senators Austerman, Lincoln, Taylor...
 Requester House Finance Component No. 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	88.5					
Travel	93.0					
Contractual	276.0					
Supplies	0.5					
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	458.0	0.0	0.0	0.0	0.0	0.0

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

CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	458.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	458.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 22.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time	2					
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 HCS CSSCR 28(FIN) establishes the Joint Legislative Salmon Industry Task Force to address those elements of the Alaska salmon industry crisis that can be solved through governmental policy, or by action on the part of the industry, and to develop a long-term vision for the Alaska salmon industry as a critical element of the State's economic future. The task force is composed of two members of the Senate, two members of the House, and seven public members who are involved in the commercial salmon industry appointed jointly by the Presiding Officers of the Legislature. The task force shall hire staff, contract for research, legal and economic services and prepare and present a report to the Legislature by January 31, 2003.

Prepared by: Karla Schofield, Deputy Director Phone _____
 Division: Administrative Services Date/Time 4/16/02 2:10 PM
 Approved by: Pamela Varni, Executive Director Date 4/16/02
 Agency: Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CS CSSCR 28(FIN)

ANALYSIS CONTINUATION

In FY02, \$25.0 will be needed to cover travel costs for Task Force Members to attend one organizational meeting in Juneau and one working meeting in Anchorage.

Personal Services

Beginning in FY03, the Task Force will be staffed by a 10 month Range 21, Legislative Assistant at a cost of \$63.3, and a 5 month Range 15 Secretary at a cost of \$ 25.2, for a total of \$88.5.

Travel

The task force will hold 7 meetings in FY03. Six meetings will be in Anchorage and one meeting will be in Juneau. For the purposes of calculating necessary travel and per diem expenses, 1 Legislative member is assumed to be from Anchorage, and all other members of the Task Force are from other locations. Airfare travel costs for each meeting are estimated at \$5.2. $5.2 \text{ times } 8 \text{ meetings} = \41.6 Three days of per diem are budgeted for each meeting. $10 \text{ task force members times } 3 \text{ days times } \$226 \text{ Anchorage per diem rate} = \$6.8 \text{ times } 7 \text{ Anchorage meetings} = \47.6 . $7 \text{ public task force members times } 3 \text{ days times } \$174 \text{ Juneau per diem rate} = \3.8 . Total per diem \$51.4 plus total travel \$41.6 = a total cost of \$93.0.

Contractual

The Task force will contract for legal services, economic services, research services and other consulting services the Task Force considers necessary - \$269.0
Postage for correspondence and mailing final report - \$1.0
Phone budget for Task Force members - \$2.5
Advertising for meeting notices - \$3.5
Teleconferencing services and printing services will be absorbed within existing budgets.

Supplies

Supplies for the Task Force - \$.5

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSSCR 28(RES)
 (S) Publish Date: 3/4/02

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title "Establishing the Joint Legislative BRU Legislative Council
Salmon Industry Task Force." Component Council and Subcommittees
 Sponsor Senator Austerman
 Requester Senate Finance Component No. 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	88.5					
Travel	110.0					
Contractual	276.0					
Supplies	0.5					
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	475.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	475.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	475.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 25.0
 Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time	2					
Temporary						

ANALYSIS: (Attach a separate page if necessary)
 CSSCR 28(RES) establishes the Joint Legislative Salmon Industry Task Force to address those elements of the Alaska salmon industry crisis that can be solved through governmental policy, or by action on the part of the industry, and to develop a long-term vision for the Alaska salmon industry as a critical element of the State's economic future. The task force is composed of two members of the Senate, two members of the House, and nine public members who are involved in the commercial salmon industry appointed jointly by the Presiding Officers of the Legislature. The task force shall hire staff, contract for research, legal and economic services and prepare and present a report to the Legislature by January 31, 2003.

Prepared by: Karla Schofield, Deputy Director Phone _____
 Division: Administrative Services Date/Time 3/4/02 8:27 AM
 Approved by: Pamela Varni, Executive Director Date 3/4/02
 Agency: Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CSSCR 28(RES) #1

ANALYSIS CONTINUATION

In FY02, \$25.0 will be needed to cover travel costs for Task Force Members to attend one organizational meeting in Juneau and one working meeting in Anchorage.

Personal Services

Beginning in FY03, the Task Force will be staffed by a 10 month Range 21, Legislative Assistant at a cost of \$63.3, and a 5 month Range 15 Secretary at a cost of \$ 25.2, for a total of \$88.5.

Travel

The task force will hold 7 meetings in FY03. Six meetings will be in Anchorage and one meeting in Juneau. For the purposes of calculating necessary travel and per diem expenses, 1 Legislative member is assumed to be from Anchorage, and all other members of the Task Force are from other locations. Airfare travel costs for each meeting are estimated at \$6.0. \$6.0 times 8 meetings = \$48.0. Three days of per diem are budgeted for each meeting. 12 task force members times 3 days times \$226 Anchorage per diem rate = \$8,136 times 7 Anchorage meetings = \$57.0. 9 public task force members times 3 days times \$174 Juneau per diem rate = \$5.0. Total per diem \$62.0 plus total travel \$48.0 = a total cost of \$110.0.

Contractual

The Task force will contract for legal services, economic services, research services and other consulting services the Task Force considers necessary - \$269.0
Postage for correspondence and mailing final report - \$1.0
Phone budget for Task Force members - \$2.5
Advertising for meeting notices - \$3.5
Teleconferencing services and printing services will be absorbed within existing budgets.

Supplies

Supplies for the Task Force - \$.5



SENATOR ALAN AUSTERMAN

Alaska State Legislature

Interim: 112 Mill Bay Road, Kodiak, Alaska 99615 (907) 486-8872 • Session: State Capitol, Juneau, Alaska 99801 (907) 465-2487
senator_alan_austerman@legis.state.ak.us

SPONSOR STATEMENT – SCR 28

“A resolution establishing the Joint Legislative Salmon Industry Task Force”

Alaska's salmon industry has recently met with hard times due to a number of factors, from sharp increases in farmed salmon production to the strong U.S. dollar. The downturn in salmon prices is having direct negative impacts on our working families and our communities and is causing hardship throughout our state economy. State government revenues derived from taxation on the industry are also declining as a result, meaning fewer resources are available to fund state government. As leaders of this state, it is incumbent on both houses of the legislature to address this situation with the utmost urgency.

To that end, SCR 28 creates a Joint Legislative Salmon Industry Task Force to address those elements of the crisis that can be solved through government policy. After examining the numerous factors affecting various sectors of the industry, the task force will recommend specific means by which state government can assist the industry in the most efficient and effective ways possible. Furthermore, it will address those elements of the crisis that can best be solved through action in the private sector.

The Task Force will be composed of:

- Two members of the Senate
- Two members of the House of Representatives
- Nine members of the public who are involved in the commercial salmon industry
- A chairman and vice-chairman shall be appointed jointly by the Senate President and Speaker of the House.

The Task Force will submit a report of its findings to the legislature, including a long-term vision for the Alaska salmon industry, by January 31, 2003, and will be terminated on March 1, 2003.

Previous salmon summits organized in recent years have produced valuable suggestions, yet Alaska still lacks effective leadership for its salmon industry. This resolution is a major step the Legislature can take towards providing that leadership.



UNITED FISHERMEN OF ALASKA

211 Fourth Street, Suite 110
Juneau, Alaska 99801-1172
(907) 586-2820
(907) 463-2545 Fax
E-Mail: ufa@ufa-fish.org
www.ufa-fish.org

April 8, 2002

Representative Bill Williams
Representative Eldon Mulder
Co Chairs
Alaska State Legislature
State Capitol (MS 3100)
Juneau, AK 99801-1182

Dear Co-Chairs,

Re: CS SCR 28 Joint Legislative Salmon Industry Task Force

United Fishermen of Alaska strongly supports passage of this resolution as written. It is important that participants in the salmon industry have a lead role in developing solutions.

The salmon industry is facing a host of challenges and it is vitally important to the economy of Alaska that we get into the proactive mode of dealing with these challenges. The recent Senator Stevens- Governor Knowles Salmon Summit reached quick consensus that this task force is the vehicle to address the challenges facing the salmon industry and Alaska communities. The challenges facing Alaska's are complex and it will take a concerted effort to identify and remove the obstacles hindering the economic viability of our coastal and river communities.

The twenty-nine members groups of UFA would appreciate your support in passing this resolution.

If you have any questions about our position or if you need additional information, please feel free to contact me.

Sincerely,

Thomas M. Gemmell
Executive Director

MEMBER ORGANIZATIONS

Alaska Longline Fishermen's Association • Alaska Trollers Association • At-sea Processors Association • Bristol Bay Reserve
Chignik Regional Aquaculture Association • Concerned Area "M" Fishermen • Cook Inlet Aquaculture Association
Copper River Salmon Producers Association • Cordova District Fishermen United • Douglas Island Pink and Chum
Kenai Peninsula Fishermen's Association • Kooluk Regional Aquaculture Association • Kodiak Berrers Association • North Pacific Fisheries Association
Northern Southeast Regional Aquaculture Association • Old Harbor Fishermen's Association • Petersburg Vessel Owners Association
Prince William Sound Aquaculture Corporation • Pure Sea Vessel Owners Association • Seafood Producers Cooperative
So. Alaska Seafood Producers Association



United Southeast Alaska Gillnetters
 PO Box 22427
 Juneau, Alaska 99802
 (907) 586-5860
 E-mail: usag@gci.net
 April 10, 2002

Representative Bill Williams
 Alaska State Legislature
 State Capitol
 Juneau, Alaska 99801

Dear Representative Williams:

The United Southeast Alaska Gillnetters (USAG) urge your support of CSSCR, the Joint Legislative Industry Salmon Task Force, "AS WRITTLN."

We realize there is considerable interest by others involved in the fishing industry, besides the fishermen, to amend the make-up of the task force as presented in the bill. We know that you, as a representative of southeast Alaska, know how important it is to have the fishermen fully represented on any body which will impact their livelihood and that of your other constituents.

We fishermen will continue to work to protect our interests and those of our southeast Alaska neighbors through active participation in all activities that impact the commercial fishing industry and the communities where we all live and do business. Knowing you are in the Legislature to assist us as your constituents to meet these responsibilities strengthens our resolve.

Sincerely,

Jerry L. Madden
 Executive Director, USAG
 Writing for the Board

Subject: [Fwd: SJR 28]

Date: Mon, 15 Apr 2002 12:48:49 -0800

From: Representative Bill Williams <Representative_Bill_Williams@legis.state.ak.us>

Organization: Alaska State Legislature

To: Randall Rauro <Randall_Rauro@legis.state.ak.us>

Subject: SJR 28

Date: Mon, 15 Apr 2002 08:34:21 -0800

From: stardust1@gci.net

To: Representative Bill Williams <Representative_Bill_Williams@legis.state.ak.us>,
Representative Eldon Mulder <Representative_Eldon_Mulder@legis.state.ak.us>,
Representative Con Bunde <Representative_Con_Bunde@legis.state.ak.us>

CC: Senator Alan Austerman <Senator_Alان_Austerman@legis.state.ak.us>

April 15, 2002

Representative Bill Williams, Co-Chair
Representative Eldon Mulder, Co-Chair
House Finance Committee
Juneau, AK 99811

Dear Representatives Williams & Mulder:

The Alaska Trollers Association (ATA) supports the task force process laid out in SJR 28. SJR 28 does a good job of lining out the problems confronting the Alaska salmon industry. It is timely that the State step in to find ways to assist its primary industry. Further, we believe that both the structure and objectives of the task force are appropriate and complement many of the concepts recently discussed at the Stevens-Knowles Alaska Fish Summit.

While the goals of the task force are in line with the problem at hand, it seems like an overly large task to adequately perform in the allotted time. Certainly work could begin on nearly all of the areas identified, but ATA is hopeful that the group will be given the latitude to narrow its work scope in the near term. Tasks that would address some of our members immediate concerns include:

- Identify short-term relief options for fishermen, processors and communities to assist on such things as boat and permit loans and any structural improvements that will be necessary to meet new mandates, quality programs, and/or shift of production into other product forms.
- Identify for the affected public the appropriate agencies and programs available to assist them with their business challenges.
- Investigate market options and help secure marketing money for groups, processors and independent marketers.
- Identify new technology and the availability of grant money to develop and market value-added products.
- Seek potentials for expanding the use of salmon in federal food programs in 2002 and beyond.
- Research the methods and means to address problems with infrastructure and timely distribution of product.

[Fwd: SJR 28]

- Research vertical cooperation programs in an effort to help harvesters and processors find and understand other successful models of cooperation in the food industry.
- Develop coordinated package of recommendations federal, state and local governments to consider that would help address the issues identified by the Task Force.

ATA is hopeful that this Task Force will have the committed support of the salmon industry and all forms of government. As the state's number one employer, with a high-level dependence of those living in rural communities, it is important that this industry provide as many jobs as possible for Alaska residents. It is imperative that the Alaska salmon industry makes corrections now to react positively to changed circumstances, and help ensure a vibrant industry for current and future participants. We believe that the Task Force will be able to find creative means to do just that, if given a clear set of goals and objectives, and the resources and encouragement necessary to do the job.

We urge your support of SJR 28.

Respectfully,

Dale Kelley
Executive Director



Alaska State Legislature

Please enter into the record my testimony to the House Finance

committee name

Committee on SCR 28/JOINT LEGIS SALMON INDUSTRY TASK FORCE Date, April 11, 2002

bill # / subject

I would like to go on record as being **OPPOSED** to **SCR 28**, which appears to **GIVE PUBLIC** money in support of a **PRIVATE** industry.

This private industry may need to get better organized, develop new markets, and deal with product quality control issues, to better compete in world markets. However this is their problem, and not something that should use our limited public tax dollars. They are already getting the fish for **FREE!** Why are we not charging a royalty for our public resources? This looks like a one way street to me!

Since the mid 1970's the Legislature has pumped hundreds of millions into the fishing industry, through hatcheries, marketing, enforcement, and research. Now that we are facing a **BILLION** dollar budget deficit, how can you continue to justify making these expenditures?

Throughout Alaska, voters whom the Legislature is empowered to represent, are being told about closing of state parks, layoff of troopers, snowplow drivers, educators, health inspectors, etc., while funding for these projects are still being considered. Do we really have a budget deficit or not? If we have a deficit, then why are you continuing to **GIVE AWAY** our tax dollars, with no hope of reasonable return to the majority of Alaska's taxpayers?

In my opinion **SCR 28** is nothing more than another "give a way" program designed to further deplete the budget reserve account, and a prime example of non-essential government spending. No Alaskan **VOTER** will ever seriously consider new taxes until all public funds given to private businesses, individuals, and special interest groups has been completely eliminated.

Our public money would be better spent funding essential government services such as education, roads, public health & safety.

Please vote **DO NOT PASS** on **SCR 28**.

Thank you.

Signed: Mike McBride

Testifier

Self

Representing (optional)

PO Box 6; Kenai, Alaska; 99611

Address

776 5444

Phone number

AMENDMENT

1 Adopted

OFFERED IN HOUSE FINANCE REPRESENTATIVE DAVIES
TO: House CS for CS for SCR 28(FIN)

Page 3, line 25

Add a new section to read

(3) at least one of the four legislative members shall be
appointed from the minority,

Amended
pg 3

22-LS1572\P
Utermohle
4/15/02

HOUSE CS FOR CS FOR SENATE CONCURRENT RESOLUTION NO. 28(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-SECOND LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

**Offered:
Referred:**

**Sponsor(s): SENATORS AUSTERMAN, Lincoln, Taylor, Halford, Stevens, Leman, Ellis, Elton, Cowdery,
Donley, Ward, Kelly, Therriault, Olson, Torgerson**

REPRESENTATIVES Kerttula, Wilson, Stevens

A RESOLUTION

1 **Establishing the Joint Legislative Salmon Industry Task Force.**

2 **BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:**

3 **WHEREAS** the salmon industry is one of the cornerstones of the Alaska economy,
4 supporting tens of thousands of jobs, and salmon is one of our most valuable foreign export
5 commodities; and

6 **WHEREAS** the global salmon market has changed considerably in recent years,
7 placing the Alaska salmon industry in economic peril and threatening not only the main
8 engine of the rural economy of the state but also a significant contributor to urban economies;
9 and

10 **WHEREAS** imports of farmed salmon from nations with a significantly cheaper labor
11 market are causing harmful revenue losses to the state's general fund and to municipal
12 budgets; and

13 **WHEREAS** current inventories of canned Alaska salmon are expected to remain full
14 well beyond the upcoming salmon season, and a large portion of the fleet-wide production is
15 processed into cans; and

1 **WHEREAS** hundreds of harvesters are in danger of actually being without markets
2 and being forced into bankruptcy this year; and

3 **WHEREAS** numerous salmon processing facilities have recently ceased operations or
4 plan to do so before the 2002 salmon fishing season due to market factors and difficulty in
5 obtaining operating loans; and

6 **WHEREAS** Alaska wild salmon is a renewable resource that is becoming
7 increasingly unique in the global market and can provide immeasurable economic benefit to
8 this state into perpetuity;

9 **BE IT RESOLVED** that the Alaska State Legislature establishes the Joint Legislative
10 Salmon Industry Task Force to address those elements of the crisis in the Alaska salmon
11 industry that can be solved through governmental policy; and be it

12 **FURTHER RESOLVED** that the task force shall also address those elements of the
13 crisis in the Alaska salmon industry that can be solved through action on the part of the
14 industry; and be it

15 **FURTHER RESOLVED** that the task force shall develop a long-term vision for the
16 Alaska salmon industry as a critical element of the state's economic future; and be it

17 **FURTHER RESOLVED** that the duties of the task force include

18 (1) recommending specific means by which state government can assist one of
19 the state's most important industries to adapt to changing economics in the most efficient and
20 effective way possible;

21 (2) recommending public policy options that account for effects on the dozens
22 of communities that are severely affected by the crisis in the Alaska salmon industry;

23 (3) finding areas of potential improvement to the seafood transportation
24 infrastructure in the state;

25 (4) recommending improvements for the coordination of the harvesting,
26 processing, and marketing of wild Alaska salmon;

27 (5) encouraging the development of new product forms for salmon;

28 (6) investigating the feasibility of regional and statewide cooperatives for
29 fishing, marketing, and transportation for Alaska wild salmon and salmon products;

30 (7) recommending improvements to the marketing efforts of the Alaska
31 salmon industry and ensuring the distinction of Alaska salmon products from farmed salmon;

1 (8) researching methods to improve the quality of Alaska salmon products;

2 (9) encouraging Alaska salmon hatcheries to tailor their programs to market
3 dynamics and to provide the maximum possible percentage of their production to common
4 property fisheries;

5 (10) contracting and cooperating with appropriate private and public agencies
6 in order to provide sound economic, social, and environmental data to the decision-making
7 process;

8 (11) contracting for research, consultants, and staff, as the task force considers
9 necessary;

10 (12) recommending ways to ensure that the benefit provided to the state as a
11 result of research efforts is commensurate with the funding for that research;

12 (13) reviewing findings of previous salmon summits and incorporating useful
13 information in its report; and

14 (14) exploring the potential of regional solutions and not just statewide results;
15 and be it

16 **FURTHER RESOLVED** that the members of the task force are to conduct their
17 business with a statewide vision of the crisis in the Alaska salmon industry and the need to
18 find solutions to the crisis; and be it

19 **FURTHER RESOLVED** that the task force shall be composed of ¹¹~~9~~ members, as
20 follows:

21 (1) two members from the senate appointed jointly by the president of the
22 senate and speaker of the house of representatives;

23 (2) two members from the house of representatives appointed jointly by the
24 president of the senate and speaker of the house of representatives;

25 (3) ⁷~~five~~ public members who are involved in the commercial salmon industry
26 appointed jointly by the president of the senate, the speaker of the house of representatives,
27 the two members of the senate appointed under (1) of this clause, and the two members of the
28 house of representatives appointed under (2) of this clause; and be it

29 **FURTHER RESOLVED** that the members of the task force shall be appointed to
30 represent the statewide salmon industry as a whole and not just a particular region or
31 harvesting sector of the industry; and be it

1 **FURTHER RESOLVED** that the president of the senate and the speaker of the house
2 of representatives shall jointly appoint the chair and vice-chair of the task force; and be it

3 **FURTHER RESOLVED** that the task force members are entitled to per diem and
4 travel expenses; and be it

5 **FURTHER RESOLVED** the task force shall schedule meetings to account for
6 commercial fishing seasons and openings so that no member of the task force must forego
7 economic opportunity in order to participate in the task force; and be it

8 **FURTHER RESOLVED** that the task force shall submit a report of its findings and
9 proposed industry and legislative changes to the legislature by January 31, 2003, and may
10 make any interim reports it considers advisable; and be it

11 **FURTHER RESOLVED** that the task force is terminated at 11:59 p.m. on March 1,
12 2003.

13 **COPIES** of this resolution shall be sent to the Honorable Ted Stevens and the
14 Honorable Frank Murkowski, U.S. Senators, and the Honorable Don Young, U.S.
15 Representative, members of the Alaska delegation in Congress.

April 15, 2002

Subject: Testimony on CS SCR 28 "Salmon Task Force"
House Finance 1:30p.m.

This is Paul Shadura in Kenai representing KPFA.

Chairman Williams, Chairman Mulder ... Members of the House Committee on Finance, the Kenai Peninsula Fishermen's Association, a Cook Inlet group representing set-net fishing families, would like to express their whole hearted support for SCR 28.

The task force is an excellent attempt by Senator Austerman and you the legislature in facilitating solutions for the Alaska fishing communities.

At the salmon summit in Kodiak, discussion moved toward the next step in the re-vitalization process. Many felt that the discussions should continue and that time was of the essence. Many representatives expressed the problems that they had determined needed to be addressed. The debate of whether there should be "regional" task forces or a "statewide" task force seemed to end up even. A compromise that seemed apparent is that serious discussion needed to be administered simultaneously.

With financial considerations, the statewide concept should be the catalyst for regional task forces. This committee must be comprised of diverse representation. All Alaskan fishing communities must have identification within this task force.

We must be able to develop a consensus of major improvements that will benefit every fishing community and the people of Alaska. That is not to say that the hard decisions that will change Alaskan lifestyles will not be a recommendation from this group.

It is my hope that this task force will design a framework and thus a long range salmon fisheries plan that regions can develop on and establish economic and regulatory stability for the future of all residents of the state. The last statewide plan was developed for Governor Hammond in approximately 1975. It is a comprehensive review for the fisheries in the entire state. It established goals and objectives for fisheries resources and concurrent users. Though not perfect, the design could be identified as the framework for preliminary discussions.

It is imperative that all ideas, studies, facts and figures will be available to the committee. Equally as important is that the administrative arm should establish full support in supplying all its information gathering and expertise to facilitate the task force.

I urge you all to pass this legislation expediently.

Thank You

Paul A. Shadura II
P.O. Box 1632
Kenai, Alaska 99611-1632

sabaka@ptialaska.net
fax 907-262-1064
hm 907-262-1771

Sue Aspelund, CDFU

Testimony on SCR 28

In House Finance

4/15/02

My name is Sue Aspelund. I'm the Executive Director of Cordova District Fishermen United, and represent the hardworking family fishing fleets of the Copper River and Prince William Sound.

CONF. XLT

That the salmon industry in Alaska needs to evaluate how we conduct our business in order to successfully respond to the changing global marketplace is no surprise to anyone on this Committee. SCR 28 provides us the opportunity to begin discussions on how we may structure that evaluation. The role in and the importance of the seafood industry—particularly salmon—to coastal communities and the State of Alaska is an important policy discussion to have. The salmon industry has been a huge part of the history, culture, and economy of Alaska for well over a century, and can continue to do so. As the largest private sector employer in Alaska, obviously, the health of the seafood industry is critical to the economic health of our entire State, but particularly to coastal Alaska.

We believe that representatives of the salmon industry—fishermen, tendermen, and processors—must sit on the Task Force. Without the extensive and intimate involvement of the industry at that level, constituent buy-in of the results is unlikely. Obviously, it will also be critical to seek the knowledge and expertise of our resource managers, seafood marketers, economists, industry regulators, infrastructure representatives, local governments, and so on. We believe couldn't agree more with the comment of NorQuest President Terry Gardiner's in his paper entitled "Alaska Seafood Industry: Radical Surgery? or Slow Death?" I quote, "At this juncture leaders are needed to step up representing the various segments of the industry. A forum needs to be established to have serious discussions and a goal established to develop a broad-based consensus for change. Without a broad base of consensus, any plans for change are dead on arrival." CDFU strongly believes that the Austerman Task Force as it passed the Senate is the forum described by Mr. Gardiner, and that consensus in the fishing industry will only be realized when industry folks are significantly involved in identifying the problems and developing the solutions.

Formalizing and supporting this Task Force is an appropriate role for Government to play given the importance of our industry to the economies of dozens of coastal communities, to thousands of small independent family fishing operations, to the seafood processors and industry support infrastructures, and to the tax base of the State.

We appreciate your support for SCR 28 ~~as the Senate passed it.~~

SCR

28

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/1/02

REPORTED BY
MAR 5 2002
SENATE FINANCE
COMMITTEE

FURTHER:

DATE TURNED
IN TO OFFICE:

03/05/02

Finance Committee considered

SENATE CONCURRENT RESOLUTION NO. 28

Establishing the Joint Legislative Salmon Industry Task Force.

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SCR 28 (RES)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#
LAA	3/3/02	475.0		

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Linda Green</i>			<input checked="" type="checkbox"/>	
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>[Signature]</i>	<input checked="" type="checkbox"/>			
<i>Loren D. Leman</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>			
COCHAIR: <i>[Signature]</i>	<input checked="" type="checkbox"/>			

REPORTED OUT

FISCAL NOTE

MAR 5 2002

STATE OF ALASKA
2002 LEGISLATIVE SESSION

SENATE FINANCE
COMMITTEE

Fiscal Note Number: _____
Bill Version: CSSCR 28(RES)
() Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
Title "Establishing the Joint Legislative BRU Legislative Council
Salmon Industry Task Force." Component Council and Subcommittees
Sponsor Senator Austerman
Requester Senate Finance Component No. 783

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008
Personal Services	88.5					
Travel	110.0					
Contractual	276.0					
Supplies	0.5					
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	475.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	475.0					
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	475.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2002) cost: 25.0
Check this box (X) if funding for this bill is included in the Governor's FY 2003 budget proposal:

POSITIONS

Full-time						
Part-time	2					
Temporary						

ANALYSIS: (Attach a separate page if necessary)
CSSCR 28(RES) establishes the Joint Legislative Salmon Industry Task Force to address those elements of the Alaska salmon industry crisis that can be solved through governmental policy, or by action on the part of the industry, and to develop a long-term vision for the Alaska salmon industry as a critical element of the State's economic future. The task force is composed of two members of the Senate, two members of the House, and nine public members who are involved in the commercial salmon industry appointed jointly by the Presiding Officers of the Legislature. The task force shall hire staff, contract for research, legal and economic services and prepare and present a report to the Legislature by January 31, 2003.

Prepared by: Karla Schofield, Deputy Director Phone _____
Division: Administrative Services Date/Time 3/3/02 5:13 PM
Approved by: Pamela Varni, Executive Director Date 3/3/02
Agency: Legislative Affairs Agency

FISCAL NOTE

STATE OF ALASKA
2002 LEGISLATIVE SESSION

BILL NO. CSSCR 28(RES)

ANALYSIS CONTINUATION

In FY02, \$25.0 will be needed to cover travel costs for Task Force Members to attend one organizational meeting in Juneau and one working meeting in Anchorage.

Personal Services

Beginning in FY03, the Task Force will be staffed by a 10 month Range 21, Legislative Assistant at a cost of \$63.3, and a 5 month Range 15 Secretary at a cost of \$ 25.2, for a total of \$88.5.

Travel

The task force will hold 7 meetings in FY03. Six meetings will be in Anchorage and one meeting will be in Juneau. For the purposes of calculating necessary travel and per diem expenses, 1 Legislative member is assumed to be from Anchorage, and all other members of the Task Force are from other locations. Airfare travel costs for each meeting are estimated at \$6.0. \$6.0 times 8 meetings = \$48.0. Three days of per diem are budgeted for each meeting. 12 task force members times 3 days times \$226 Anchorage per diem rate = \$8,136 times 7 Anchorage meetings = \$57.0. 9 public task force members times 3 days times \$174 Juneau per diem rate = \$5.0. Total per diem \$62.0 plus total travel \$48.0 = a total cost of \$110.0.

Contractual

The Task force will contract for legal services, economic services, research services and other consulting services the Task Force considers necessary - \$269.0
Postage for correspondence and mailing final report - \$1.0
Phone budget for Task Force members - \$2.5
Advertising for meeting notices - \$3.5
Teleconferencing services and printing services will be absorbed within existing budgets.

Supplies

Supplies for the Task Force - \$.5



SENATOR ALAN AUSTERMAN

Alaska State Legislature

Interim: 112 Mill Bay Road, Kodiak, Alaska 99615 (907) 486-8872 • Session: State Capitol, Juneau, Alaska 99801 (907) 465-2487
senator_alan_austerman@legis.state.ak.us

SPONSOR STATEMENT – SCR 28

“A resolution establishing the Joint Legislative Salmon Industry Task Force”

Alaska's salmon industry has recently met with hard times due to a number of factors, from sharp increases in farmed salmon production to the strong U.S. dollar. The downturn in salmon prices is having direct negative impacts on our working families and our communities and is causing hardship throughout our state economy. State government revenues derived from taxation on the industry are also declining as a result, meaning fewer resources are available to fund state government. As leaders of this state, it is incumbent on both houses of the legislature to address this situation with the utmost urgency.

To that end, SCR 28 creates a Joint Legislative Salmon Industry Task Force to address those elements of the crisis that can be solved through governmental policy. After examining the numerous factors affecting various sectors of the industry, the task force will recommend specific means by which state government can assist the industry in the most efficient and effective ways possible. Furthermore, it will address those elements of the crisis that can best be solved through action in the private sector.

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- Two members of the Senate
- Two members of the House of Representatives
- Nine members of the public who are involved in the commercial salmon industry
- A chairman and vice-chairman shall be appointed jointly by the Senate President and Speaker of the House.

The Task Force will submit a report of its findings to the legislature, including a long-term vision for the Alaska salmon industry, by January 31, 2003, and will be terminated on March 1, 2003.

Previous salmon summits organized in recent years have produced valuable suggestions, yet Alaska still lacks effective leadership for its salmon industry. This resolution is a major step the Legislature can take towards providing that leadership.

DISTRICT C

Kodiak Archipelago • Southeast Islands

ALASKA STATE LEGISLATURE
SENATE DISTRICT I

Interim:
716 West 4th Ave. Anchorage,
AK 99501
Phone: 907-269-0222
Fax: 907-269-0223
Toll Free: 1-888-269-3879



Session:
State Capitol Bldg., Suite 101
Juneau, AK 99801
Phone: 907-465-3879
Fax: 907-465-2069
Toll Free: 1-888-269-3879

John J. Cowdery
Senate Transportation Committee, Chair
World Trade and State & Federal Relations
LEGISLATIVE COUNCIL, RULES, JUDICIARY

February 28, 2002

Senator Pete Kelly
Co Chairman
Senate Finance Committee
State Capitol
Juneau, Alaska 99801

Dear Senator Kelly,

I would like to request a hearing for SB 215, an act relating to licensing common carriers to dispense alcoholic beverages. This bill would affect all vehicles, boats, aircraft or railway buffet cars in which alcoholic beverages are served.

One of the major air carriers operating in Alaska is required to maintain over 100 licenses in order to meet Alaska's ABC laws. My bill would streamline the licensing procedure by allowing the ABC Board to consolidate all licenses to the same date. The bill would further change the law to require a fee of \$700 for the first 10 licenses and then charge a fee of \$100 per license for each additional license.

I urge you to schedule a hearing for SB 215 at your earliest convenience. I would be happy to provide any further information you or the committee may need.

I appreciate your consideration.

Sincerely,

A handwritten signature in black ink, appearing to read "Jch".

John J. Cowdery

ALASKA STATE LEGISLATURE
SENATE DISTRICT I

Interim:
716 West 4th Ave. Anchorage,
AK 99501
Phone: 907-269-0222
Fax: 907-269-0223
Toll Free: 1-888-269-3879



Session:
State Capitol Building
Juneau, AK 99801
Phone: 907-465-3879
Fax: 907-465-2069
Toll Free: 1-888-269-3879

John J. Cowdery
Senate Transportation Committee, Chair
World Trade State & Federal Relations, Chair
Legislative Council, Rules, Judiciary

Senate Bill 215

"An Act relating to licensing common carriers to dispense alcoholic beverages; and providing for an effective date."

Sponsor:

Senator John Cowdery

Sponsor Statement

The purpose of SB215 is to reduce the administrative and clerical burden to common carriers when licensing vehicles, boats, aircraft, or railroad buffet cars, via a modification of the current licensing requirements for beverage dispensary licenses.

SB215 would simplify the current licensing process for the Alcoholic Beverage Control Board, and at the same time, reduce fees to licensees to more accurately reflect the actual costs to the Board of issuing licenses.

SB215 removes a competitive disadvantage experienced by intrastate operators and also brings Alaska's licensing costs more in line with similar fees levied by other states.



OFFICIAL BUSINESS

Alaska State Legislature
Senate
Office of the Secretary

STATE CAPITOL, ROOM 213
JUNEAU, ALASKA 99801-1182
(907) 465-3701
FAX: 465-2832
EMAIL: senate_secretary@legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: March 4, 2002
TO: Finance Committee
(Mindy/Robin - Room 520)
FROM: Office of the Senate Secretary
SUBJ: Fiscal Note(s)

The attached fiscal note or notes relate to the following bill/resolution pending in your Committee:

SENATE CONCURRENT RESOLUTION NO. 28
Establishing the Joint Legislative Salmon Industry Task Force.

Please add the fiscal note(s) to the inside front cover of the blue or yellow committee folder.

Thank you.

Attachment(s)

SCR 28-JOINT LEGIS SALMON INDUSTRY TASK FORCE
SENATE FINANCE COMMITTEE

SIGN-IN

~~NAME: Sue Aspelund Subject/Bill No: SCR 28
Co./Dept./Title: DFI - Exec. Dir. Phone: 424-3447
Address: P.O. Box 930, Cordova, AK Zip: 99574
Do you wish to testify? Yes No Respond To Questions~~

~~NAME: Terry McCune Subject/Bill No: SCR 28
Co./Dept./Title: United Fishermen of Alaska Phone: 586-2820
Address: 2114th st suite 110 Zip: 99801
Do you wish to testify? Yes No Respond To Questions~~

~~NAME: Kathy Haisert Subject/Bill No: SCR 28
Co./Dept./Title: SEAK Fishermen's Alliance Phone: 586-6652
Address: 9364 North Dots Hwy Juneau Zip: 99801
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

SCR

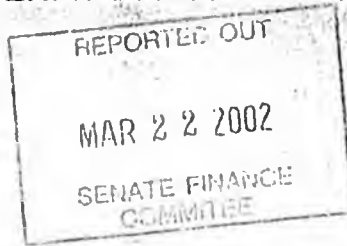
29

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 2/19/02



FURTHER:

DATE TURNED IN TO OFFICE: 22 March 2002

Finance Committee considered

SENATE CONCURRENT RESOLUTION NO. 29

SCR 29 HIRING FREEZE

Relating to urging the Governor to institute a hiring freeze on state government.

and recommends:

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

Senate Bill:

- same title
- new title

House Bill:

- same title
- technical title
- new: SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>			X	
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
<i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			
COCHAIR: <i>[Signature]</i>	✓			

Alaska State Legislature

Session:
State Capitol
Juneau, AK 99801
Phone: (907) 465-2327
Fax: (907) 465 5241



Interim:
119 N. Cushman
Fairbanks, AK 99701
Phone: (907) 456-8161
Fax: (907) 456-8163

Senator Pete Kelly
District P

SCR 29 Sponsor Statement

Relating to urging the Governor to institute a hiring freeze on state government.

The State of Alaska is facing a billion dollar deficit and unfortunately the constitutional budget reserve fund cannot fill the gap. Revenue officials project it will be drained by July 2004 if the proposed fiscal year 2003 budget is funded. This budget includes an increase of 858 full-time state positions from the current fiscal year with a price tag of \$115 million.

In the face of such an enormous budget deficit, state spending must be reduced. The most logical first step you take when you have a fiscal problem is a hiring freeze. It will be impossible for the state to sustain such an increase in state employees. A hiring freeze will reduce the number of state positions through attrition, a much better solution than forced layoffs a year down the road.

This hiring freeze will include all positions funded with general funds **except** those temporary positions needed to respond to emergencies or needed for reasons involving health and safety.

The Alaska State Legislature respectfully requests the Governor to institute an immediate hiring freeze.

SEATTLE POST-INTELLIGENCER

http://seattlepi.nwsource.com/local/59009_revenue20.shtml

provided by: SCR 29
Senator Pete Kelly

Locke puts a freeze on state hiring

Also possible: Tax increase, program cuts, delayed raises

Wednesday, February 20, 2002

By ANGELA GALLOWAY
SEATTLE POST-INTELLIGENCER REPORTER

OLYMPIA -- Gov. Gary Locke yesterday imposed an immediate state hiring freeze and said the state may need to raise taxes, make sweeping program cuts and stall pay raises for state workers -- even blocking voter-mandated teacher raises -- to fill a budget gap of \$1.6 billion.

While saying it's still his "hope" that he and the Legislature can avoid a broad tax increase, such as to sales or business taxes, Locke offered his softest stance on that yet. "Any general tax increase should be a last resort," the Democratic governor said. "And I'm not prepared to say that we need to go there."

But he did say that it is time to consider repealing more state tax exemptions, as many lawmakers -- particularly Democrats -- have said for weeks.

State officials yesterday announced the third consecutive drop in the state's revenue forecast. Projected tax income over the next 16 months -- which had already dropped by \$914 million since September -- fell another \$247 million to below \$21 billion yesterday.

Today, another forecast council is expected to announce about \$100 million in unanticipated state program cost increases, such as for health care for the poor and public school enrollments.

That would bring the state's budget gap of \$1.25 billion in January up to \$1.6 billion. Most of that would have to be made up in the second year of the current \$23 billion biennial operating budget.

"It's very, very grave," said Rep. Jack Cairnes, R-Covington, a leader of the House Finance Committee.

In some corners, the news has even spurred new interest in one proposal to temporarily raise sales tax by about half a cent, dubbed the "freedom surcharge."

In addition to softened anti-tax rhetoric -- including from the GOP -- substantial spending cuts are on the table:

- Locke said he is "actively" considering across-the-board cuts of about 6 percent to all state programs -- including public schools and prisons -- although basic education would be protected. But some leading Democrats said that's too Draconian. "It's like taking a machete to the budget," said Seattle Democrat Helen Sommers, chairwoman of the House Appropriations Committee.
- Lawmakers agreed that substantial cuts to state programs would be necessary, from slashes in social services to temporary park closures, said Spokane Democratic Sen. Lisa Brown, the upper chamber's budget writer. Also, the Senate probably will propose triple the public school cuts that Locke recommended in December, and colleges probably face both tuition increases and funding cuts, she said.

- In December, Locke proposed stalling July cost-of-living raises for state employees by two months. Yesterday, he suggested skipping altogether the 2.6 percent raises for the state's 100,000 workers next year -- saving about \$85 million but raising the specter of worker walkouts. In addition, Locke said the state might need to save \$90 million by blocking the 3.4 percent raises for public schoolteachers that voters approved in a November 2000 statewide initiative. That would require a two-thirds vote of the Legislature.
- In addition to freezing hiring, Locke froze equipment purchases and restricted state worker travel. Critical services such as prison guards and Washington State Patrol troopers are exempt from the hiring freeze, he said.

The revenue forecast was not the only bad news yesterday. The state continues to have among the worst unemployment rates in the country, with a new 8.2 percent jobless rate.

State figures also show that 65,000 jobs were lost last year, barely counting recent layoffs at The Boeing Co. Of those, 85 percent were in King County. Many were in construction and Internet-related businesses, said Chang Mook Sohn, the state's chief economist.

Unlike in the national economy, there's no indication that Washington will recover anytime soon from its recession, officials said.

"King County is clearly leading the rest of the state into a much deeper recession than any time since the 1980s," Sohn said.

It adds up to a grim political battle facing the Legislature and governor. Senate Democrats had planned to release their budget proposal next week -- but now predict delay while they hammer out unpopular spending cuts and politically painful tax increases.

And both sides staked out traditional but sobered partisan positions. Democrats said tax hikes must be on the table. Republicans said all state spending should be re-examined.

"I don't see how it is possible to tax ourselves out of this," Cairnes said. "My caucus will not look at significant tax increases until we see a good-faith effort on the part of the Democrats to control spending."

But he did not rule out at least incremental tax increases, saying, "I'm not sure we can get through this just strictly with cuts."

Rep. Lynn Kessler, Democratic majority leader, said it's time to revive proposals to expand gambling to raise more in taxes, such as a bill that would allow thousands of slot machines in mini-casinos, bars and restaurants. "We have to go scouring through and see what we can dig out," Kessler said.

And some are interested in the two- or three-year sales tax surcharge suggested by Sen. James Hargrove, D-Hoquiam, she said. "I don't know if we have to do that. We don't want to close the door on anything," Kessler said.

Brown, the budget chairwoman, yesterday introduced legislation to allow the Legislature to raise taxes and take money out of reserves by a simple majority -- rather than the two-thirds vote required by 1993's voter-approved Initiative 601.

"It just gives us some flexibility for solving the budget crisis," Brown said. "I'm just putting a couple options out there."

GOP lawmakers -- who had been calling for a state hiring freeze for months -- said it was about time Locke responded.

But the governor needs to offer more than talk on the other ideas he floated yesterday, such as state worker pay freezes, some said.

"He's been considering it for the last year. It's time to make a recommendation or not," said Rep. Barry Schlin, R-Oak Harbor. "But I certainly endorse the ideas."

Greg Devereux, of the largest state employee's union, said walkouts are possible if the state freezes pay. Weeks ago, the union backed a hiring freeze, he added. But "eliminating (cost-of-living adjustments) is just another tax on state employees," Devereux said.

Rich Wood, spokesman for the statewide teachers' union, the Washington Education Association, said, "Now is not the time to cut public education."

The state's economic pain is most obvious in the job market. The Washington jobless rate jumped to 7.5 percent last month, fueled in part by mass Boeing layoffs.

The state job market for seasonal workers is even worse. The unemployment rate unadjusted for seasonal variations, such as holiday hiring and construction work, soared to 8.2 percent in January from 7.3 percent in December, according to state data.

Since the state economy began cooling early last year, the unemployment rate has steadily risen, from 5.5 percent last January to 7.4 percent in December, the Employment Security Department reported yesterday. The rates are adjusted for seasonal changes.

Last month, the jobless rate stood at its highest point in nine years, according to one local economist.

"The overall picture remains the same: namely, a recession more severely concentrated in the metropolitan Seattle economy than in the rest of the state," said Roberta Pauer, a Seattle-based economist for the Employment Security Department.

Pauer predicts Washington will remain mired in recession at least through this summer.

Seattle continues to experience the most severe contraction, absorbing 78 percent of the 63,700 jobs lost around the state in the past year, Pauer said.

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Tony Knowles
Governor
P.O. Box 110001
Juneau, Alaska 99811-0001
NEWS RELEASE

State of Alaska
Office of the Governor

Bob King
Press Secretary
Claire Richardson
Deputy Press Secretary
907-465-3500
FAX: 907-465-3533



For Immediate Release: February 4, 1999

KNOWLES ANNOUNCES BUDGET AUSTERITY MEASURES

Includes Hiring Freeze, Travel and Purchasing Restrictions in Current Budget

As part of his overall plan to achieve a balanced, sustainable budget in the wake of declining oil revenues, Gov. Tony Knowles today announced \$6.25 million in cuts for the current budget year, including an immediate freeze on state hiring, travel restrictions and cutbacks in state purchasing and contracting.

"While much progress has been made over the past several years in reducing the cost of state services, more needs to be done as part of our overall plan for a long-term, sustainable, balanced budget," Knowles said. "Alaskans want assurance that as their employers, businesses and families tighten their belts, the state is doing the same."

Cuts in the current year budget include a reduction in personnel services totaling \$2.5 million, a 10 percent reduction in travel expenses of \$1.2 million, and a reduction in contracts, supplies and equipment, totaling \$2.6 million. Since there are fewer than 5 months left in the current fiscal year, the reductions have an annualized impact of about \$15 million.

Although these amounts are specific to the state's general funds, belt-tightening measures will apply to all areas of state government, regardless of funding sources.

"These cuts will involve reduced service and may require some layoffs," Knowles said. "I have asked departments to manage these reductions carefully, such as through attrition, to minimize impacts on the public."

In announcing his austerity actions, Knowles said public safety would not be compromised. Areas excluded from the cuts include trooper detachments, child protection and child support enforcement, and 24-hour institutions such as Pioneer Homes, prisons, community jails, youth correction facilities and the Alaska Psychiatric Institute. Similarly, travel for needed prisoner transfers will not be affected.

Cuts will not be made in current year funding for education and municipal grants.

Knowles said the hiring freeze applies to existing vacant positions and to new positions. Exceptions will only be allowed for positions affecting life, health and safety, such as child protection workers and public health nurses, and only at the express direction of department commissioners.

"Budget cuts alone will not solve the state's current fiscal dilemma, but are necessary given the current drop in oil prices," Knowles said. "By taking these steps in cooperation with the Legislature, I want to

show Alaskans we're serious about cutting the budget, eliminating the fiscal gap and improving on the most cost-effective delivery of state services. I believe Alaskans will support the long-range balanced budget plan I outlined last month as they see us taking the actions we do today."

The governor said he is working cooperatively with the Legislature to achieve the cuts. In recent meetings and communications with legislative leaders, including Senate President Drue Pearce, House Speaker Brian Porter and finance committee chairs, Knowles and legislators have agreed on the need for further cuts. The governor also noted he is working with Senate Minority Leader Johnny Ellis, House Minority Leader Ethan Berkowitz, and minority Democrats to achieve responsible reductions.

Knowles said today's budget cuts are the first in a series he will announce in coming weeks. Next week, he plans an announcement about efforts to work with the Legislature to reduce the size of the supplemental spending request. He will follow that with specific details about Budget Year 2000 cuts.

The governor said the austerity measures announced today should be extended to other quasi-state agencies, including the University of Alaska, Permanent Fund Corporation, Alaska Housing Finance Corporation, Alaska Industrial Development and Export Authority, Alaska Railroad and others. Reductions in their operations will produce benefits for their customers and ratepayers.

The two other branches of government, the Legislature and court system, are not covered by the governor's action.

##

Broadcasters: Video excerpts from this morning's news conference with Gov. Knowles will be broadcast on the Governor's window on ARCS at 3:30 today. Radio actualities will be available on the Governor's Information Line at 800-478-5669 or 465-5213 in Juneau.

Analysis of Position Changes

The raw position counts in next year's budget show 339 new positions for the Executive Branch, 182 for the university, 9 for the court system, and 6 for the legislature. However, one third of the department positions are federally funded or in self-supporting enterprises and programs. Another 20% show as new full-time positions but are actually conversions from part-time to full-time.

A. 25 positions are in self-supporting enterprises such as the Ted Stevens Anchorage International Airport and Alaska Aerospace Development Corporation, with absolutely no impact on the fiscal gap but a positive impact on the state's economy, such as:

- 4 maintenance workers at Ted Stevens Anchorage International Airport
- 4 maintenance workers at Fairbanks International Airport
- 4 for Aerospace Development Corporation
- 3 in AIDEA for energy projects
- 3 in Environmental Conservation for non-tank vessels and railroad cars contingency plans
- 2 for the state equipment fleet
- 2 for Post-secondary Education Commission
- 1 funded by the Mental Health Trust Authority
- 1 in Retirement & Benefits
- 1 Retirement & Benefits attorney in Law

B. 14 positions are funded with user fees and other funds that do not impact the fiscal gap:

- 9 in Community & Economic Development in loan, regulatory and licensing divisions
- 3 in Health and Social Services for the Children's Trust and tobacco control
- 3 in Natural Resources for resource development
- -1 project position in Revenue

C. 77 positions are for federally funded construction and services, such as:

- 30 in Transportation & Public Facilities federal construction projects
- 19 in Health and Social Service for a variety of programs, such as public assistance, mental health services, family and youth services, nursing and administration
- 5 in Revenue child support enforcement
- 5 in Education and Early Development for reading excellence program, troops to teachers program, and child care licensing
- 4 in Fish and Game for Wildlife Conservation Restoration Program and Salmon treaty projects
- 4 in the Division of Governmental Coordination for the coastal impact assistance program
- 4 in Environmental Conservation for public water system support for new federal regulations
- 3 in AHFC for Section 8 Housing Voucher Program administration
- 2 in Public Safety for the Drug Abuse Resistance Education (DARE) program
- 1 in Military and Veterans' Affairs for National Guard facilities operations and maintenance

SCR 29-HIRING FREEZE
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: Amanda McConell Subject/Bill No: SCR 29
Co./Dept./Title: CMB 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

CORRECTION

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



Rev. 6/98

Central Microfilm Services
Department of Education & Early Development
State of Alaska

Analysis of Position Changes

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- 4 in Environmental Conservation for public water system support for new federal regulations
- 3 in AHFC for Section 8 Housing Voucher Program administration
- 2 in Public Safety for the Drug Abuse Resistance Education (DARE) program
- 1 in Military and Veterans' Affairs for National Guard facilities operations and maintenance

Understanding the FY2003 Budget

- D. 12 positions are for program; or facilities approved by the Legislature last year.**
- 4 in Fish and Game for gas pipeline
 - 3 in Law for therapeutic courts and alcohol enforcement
 - 2 in Education and Early Development for the Alaska Vocational Technical Center
 - 2 in Environmental Conservation for gas pipeline
 - 1 in Corrections for therapeutic courts
- E. 29 positions are for the new Oil Safety & Development Initiative.**
- 13 in Environmental Conservation
 - 6 in Natural Resources
 - 3 in the Alaska Oil and Gas Conservation Commission
 - 3 in Public Safety
 - 2 in Fish and Game
 - 2 in Labor and Workforce Development
- F. 75 existing part-time and nonpermanent positions are simply being converted to full-time (39 in Transportation).**
- G. Of the remaining 107 positions:**
- 21 in Administration including 5 attorneys and 12 paralegals and assistants in Public Defender to implement recommendations of the 1998 Legislative Audit and handle the alcohol and therapeutic court legislation passed last year, 3 programmers in Finance, and 1 in Senior Services
 - 16 in Health and Social Services including 8 for child protection, 1 for child health, 3 for alcohol initiative, 2 related to mental health services, and 2 for administrative functions
 - 15 in Natural Resources including 9 for parks safety and maintenance, 4 for statehood defense, and 2 for royalty valuation
 - 11 in Corrections including 6 probation officers, 2 for child protection and 3 analyst/programmers
 - 10 in Education and Early Development for early literacy, correspondence program monitoring and review, distance delivered courses, data collection and analysis, and for maintenance at AVTEC
 - 6 in Labor and Workforce Development including 4 mechanical inspectors and 2 for wage and hour audits
 - 6 in Public Safety including 5 troopers for child protection and 1 for federal compliance
 - 5 in Community and Economic Development for an assistant state assessor and for the Alaska Economic Information System
 - 5 in Transportation & Public Facilities including 4 for the Marine Highway System and a department safety officer
 - 4 in Environmental Conservation including 2 for the wild seafood monitoring project, 1 in Water Quality for permitting and 1 for the children's environmental health program
 - 3 in Fish & Game for increased permitting
 - 2 for the Human Rights Commission in the Governor's Office to implement Tolerance Commission recommendations
 - 1 in Law for child protection cases
 - 1 in Military and Veterans Affairs for retirement records administration
 - 1 in Revenue for Alcoholic Beverage Control Board

**Note that many positions could be counted in more than one category. Also, many positions have multiple fund sources such as highway construction with 90% federal and 10% state funds.*

SCR 29-HIRING FREEZE
SENATE FINANCE COMMITTEE

SIGN-IN

NAME: Annalisa McConnell Subject/Bill No: SCR 29
Co./Dept./Title: GMB 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

SJR

6

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 7, 2001

FURTHER REFERRALS:

Date of Committee Action: 2/21/01

The FINANCE Committee considered:

CSSJR 6(FIN)

CS FOR SENATE JOINT RESOLUTION NO. 6(FIN)

EDUCATION BLOCK GRANTS

Urging the Congress of the United States to provide federal education funds as a block grant to the state.

Recommends it be replaced with H CS JJR (FIN) | Same Title | | New Title
 For Senate Bills with new title: [] Technical Title [] New Title: HCR _____

- [] attach amendments
- [] add new referral to _____ Committee
- [] Letter of Intent _____ Committee

List of
Abbrev.
For
Depts.:

- ADM
- CED
- COR
- CRT
- EED
- DEC
- DFG
- GOV
- HSS
- LAA
- LAW
- LWF
- MVA
- DNR
- DPS
- REV
- DOT
- UA

<u>NEW FISCAL NOTES</u>				
*For Chief Clerk's Office Use Only				
FN#	List by Dept(s):	Fiscal	Indet.	Zero

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN #	Fiscal	Indet.	Zero
SFC	1			✓

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Con Bunker</i>	Con Bunker	✓			
<i>Whitaker</i>	Whitaker	✓			
<i>HARRIS</i>	HARRIS	✓			
<i>Denney</i>	Denney	✓			
<i>MOSES</i>	MOSES	X			
<i>Lancaster</i>	Lancaster	X			
<i>Hudson</i>	Hudson	X			
<i>FOSTER</i>	FOSTER	X			
<i>Chair: [Signature]</i>					
<i>Chair: W.F. Williams</i>	Williams	✓			

FISCAL NOTE

STATE OF ALASKA
2001 LEGISLATIVE SESSION

No. 1
Bill Version: CSSTR 6 (FIN)
(S) Publish Date: 1/31/01

Revision Date/Time (Note if correction): 1/29/01 Dept. Affected: EDUCATION
Title: Education Block Grants BRU: _____
Component: _____
Sponsor: Senate Finance Component Number: _____
Requester: Senate Finance Committee

Expenditures/Revenues (Thousands of Dollars)

Note: Amounts do not include inflation unless otherwise noted below.

OPERATING EXPENDITURES	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type)						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2001) cost: 0.0

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

It is estimated that there will be no fiscal impact for this resolution.

Prepared by: SENATE FINANCE COMMITTEE Phone: 465-2327

Senator: SENATOR PETE KELLY, CO-CHAIR Date: 1/29/2001
SENATOR DAVE DONLEY, CO-CHAIR



SENATOR DAVE DONLEY

ALASKA STATE LEGISLATURE

**SPONSOR STATEMENT
SENATE JOINT RESOLUTION 6
"FEDERAL EDUCATION AND BLOCK GRANTS"**

Senate Joint Resolution 6 urges Congress to provide federal education funds as block grants to the states including Alaska.

Senate Joint Resolution 6 encourages Congress to give the states greater control over the education funds provided by the federal government. By taking control of funds from federal bureaucrats thousands of miles away it will empower state officials to put these important education dollars to their most appropriate uses.

Block grants will reduce administrative expenses and allow more funds to be used in the classroom. Currently, the federal government provides many different types of funding for education that are specifically earmarked for various education uses. SJR 6 will encourage Congress to instead disburse the money in the form of a block grant, as they do with welfare funding, directly to the State of Alaska. In the 105th Congress, the House of Representatives passed HR 3248, which would have created an education block grant system. Unfortunately, the bill did not pass the Senate.

Senate Joint Resolution 6 encourages Congress to give the states maximum flexibility in the use of federal education funds. State and local governments are a better judge of how this money should be spent than distant federal bureaucrats.

A similar measure, SJR 11, passed during the 21st legislature and we should adopt a new resolution for the new President and Congress.

DD/bc

Co-Chair: Senate Finance Committee • Anchorage Caucus

Vice-Chair: Senate Judiciary Committee

Member: Legislative Budget and Audit Committee • Legislative Council

Department of Education Testimony on SJR11

Brace Johnson:

“the department generally supports block
grant funding”

Senate Finance Committee Minutes:
SFC-99 #52, Side A & B
March 11, 1999

Senate FINANCE Minute

SENATE JOINT RESOLUTION NO. 11

Urging the Congress of the United States to provide federal education funds as a block grant to the state.

The Senate Finance Committee sponsored this resolution and earlier discussions were on record relating to the drafting of the language and its content.

BRUCE JOHNSON, Director Teaching and Learning Support, Department of Education, testified that the department generally supported block grant funding, which gave the state and local districts the greatest flexibility in program development and delivery. However, he urged the Legislature to maintain vigilance as the federal block funding was finalized in the US Congress when assessing the long-term benefits to Alaskan students and school districts. The department encouraged the oversight for two reasons. First, Alaska was a small state in terms of overall state population and school enrollment. Since many allocations from the federal level were based on student population, it could be that future allocations could be diminished as a result of formula revisions based solely on student populations. Secondly, as federal dollars become tighter in future years, the tendency could be to reduce overall funding for block grants than money allocated on a categorical basis, which generally had a strong and vocal constituency.

Co-Chair John Torgerson asked if he was in favor of the resolution and if he believed block grants should be requested. Bruce said he supported both but encouraged oversight, as there were some potential shortcomings with block grant funding. He felt that the Legislature should maintain vigilance and support for Alaska's fair share.

Senator Al Adams asked for the status of the pending federal bill. Bruce Johnson said it had passed the House and was currently in the Senate. Senator Al Adams wanted to know, if the law was in effect and the state was to receive a block grant, how would the selection process be made as to who got the money. Bruce Johnson said that wasn't known precisely. The general procedure with block grants was that local communities had the power to set its priorities in terms of expenditure. They would have flexibility if there were no state regulations governing a particular group of students. If so, civil rights laws would need to be followed to make sure no population was short-changed.

Co-Chair John Torgerson referred to the block grant system for welfare funding and said because of problems encountered in drafting that legislation, a certain "whereas" was inserted into this resolution.

Senator Al Adams asked if the Legislature was placing the

cart before the horse by finding this before Congress had passed the bill. Bruce Johnson didn't have any direct knowledge of what was occurring with the federal bill except that there was negotiation ongoing. The concerns seemed to be with some proposed amendments rather than with the block grant concept.

Co-Chair John Torgerson noted a proposed CS that referenced the federal bills on line 11. The CS would apply the resolution to the current federal bills.

Senator Randy Phillips moved for adoption of the CS Version "I". Senator Al Adams asked if the aforementioned change was the only difference from the original resolution. Co-Chair John Torgerson affirmed and pointed out that this was a time sensitive item to send to Congress. The CS was adopted without objection.

Senator Sean Parnell offered a motion to move CS SJR 11(FIN) from committee. Without objection, it was so ordered.

Bill Root: Display Bill Root

**BASIS HAS BEEN RE-PROGRAMMED THIS YEAR
TO REPORT PROBLEMS WITH BASIS INQUIRY**

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Education Flexibility Partnership Act

**“Granting Waivers of Certain Statutory and
Regulatory Requirements in Exchange for States
Waiving Comparable State Regulations”**

House Resolution 800

Policy Statement: National Governor’s Association

Congress makes the following findings:

HR 800

- (1) States differ substantially in demographics, in school governance, and in school finance and funding. The administrative and funding mechanisms that help schools in 1 State improve may not prove successful in other States.
- (2) Although the Elementary and Secondary Education Act of 1965 and other Federal education statutes afford flexibility to State and local educational agencies in implementing Federal programs, certain requirements of Federal education statutes or regulations may impede local efforts to reform and improve education .
- (3) By granting waivers of certain statutory and regulatory requirements, the Federal Government can remove impediments for local educational agencies in implementing education reforms and raising the achievement levels of all children.
- (4) State educational agencies are close to local school systems, implement statewide education reforms with both Federal and State funds, and are responsible for maintaining accountability for local activities consistent with State standards and assessment systems. Therefore, State educational agencies are often in the best position to align waivers of Federal and State requirements with State and local initiatives.
- (5) The Education Flexibility Partnership Demonstration Act allows State educational agencies the flexibility to waive certain Federal requirements, along with related State requirements, but allows only 12 States to qualify for such waivers.
- (6) Expansion of waiver authority will allow for the waiver of statutory and regulatory requirements that impede implementation of State and local educational improvement plans, or that unnecessarily burden program administration, while maintaining the intent and purposes of affected programs, such as the important focus on improving math and science performance under title II of the Elementary and Secondary Education Act of 1965, (Dwight D. Eisenhower Professional Development Program), and maintaining such fundamental requirements as those relating to civil rights, educational equity, and accountability.
- (7) To achieve the State goals for the education of children in the State, the focus must be on results in raising the achievement of all students, not process.

SEC. 3. DEFINITIONS.

In this Act:

- (1) ATTENDANCE AREA- The term 'attendance area' has the meaning given the term 'school attendance area' in section 1113(a)(2)(A) of the Elementary and Secondary Education Act of 1965.
- (2) ED-FLEX PARTNERSHIP STATE- The term 'Ed-Flex Partnership State' means an eligible State designated by the Secretary under section 4(a)(1)(B).
- (3) LOCAL EDUCATIONAL AGENCY; STATE EDUCATIONAL AGENCY- The terms



NGA Actions

Ed-Flex

Contact(s)

The Issue

Currently, Pennsylvania and North Carolina are the only states that have been approved for Ed-Flex under the 1999 law; however, several other states have applied and are awaiting notification. In addition, there are twelve states in the original pilot Education Flexibility Demonstration program (Ed-Flex). The new statute allows the U.S. Secretary of Education to grant waiver authority to states to waive certain federal statutory or regulatory requirements in exchange for states waiving comparable state regulations. A state that has developed a comprehensive school improvement plan that has been approved by the Secretary and is in compliance with Title One may apply for Ed-Flex.

Julie Manuel
Human Resources Group
202-624-7880

Policy Reference

- HR-4 Elementary and Secondary Education Policy
- HR-11 Governors' Role In Supporting Standards-Based Education Reform Policy
- EC-1 Consolidation of Categorical Grants Policy

NGA's Position

Governors strongly supported extending Ed-Flex to all states and territories. At the 1999 NGA Winter Meeting, the Governors passed a resolution, based on policy HR-11, that strongly affirms that states are responsible for creating an education system that enables all students to achieve high standards and that the federal government should support state efforts by providing regulatory relief and greater flexibility.

Current Status

On Thursday, April 29, 1999 the President signed the conference agreement on the Education Flexibility Partnership Act of 1999 to expand Ed-Flex to all fifty states (P.L. #106-25). House and Senate conferees had agreed to a compromise on the legislation after dropping a controversial Senate amendment that would have allowed states to spend money on special education programs that had been earmarked for hiring new teachers. Education Secretary Riley warned that he would recommend a veto if this provision remained as part of the bill. The conference report was approved by both houses on April 21, 1999.

The U.S. Department of Education released final guidance on April 30, 2000, to assist states in applying for and implementing Ed-Flex. Five states, in addition to the original twelve, have applied for Ed-Flex in the past few months. Many more states are expected to apply in the coming months.

12/21/00

**EC-1:
Consolidation
of
Categorical Grants
Policy**

**Endorses Streamlining of Current
Grant System**
(Currently over 600 categories)

Policy Statement: National Governor's Association



Topics

[Appropriations and Budget](#)

[Taxes and Revenues](#)

Policy Position Detail

EC-1: Consolidation of Categorical Grants Policy

The current array of more than 600 categorical grants that provide about \$75 billion in federal funding to states is neither efficient nor cost-effective. Continuing all of these separate programs often requires duplicative application and record-keeping systems and can discourage needy individuals from seeking services. Moreover, the complexity of the grant system discourages the development of coordinated community-based programs and often makes it difficult to prevent or remedy complex problems. Targeted consolidations of similar grants can provide a simpler, more rational, and more flexible delivery system for federal aid. Perhaps most important, they encourage state and local efforts to develop more innovative and effective programs.

The Governors recognize that during the past fifteen years, many categorical programs have been consolidated. However, there still are areas in which further consolidation is possible and desirable. Consolidation can be achieved by combining existing federal programs or by allowing states to combine grants based on a state plan or performance measures jointly agreed to by states and the federal government that is submitted to, and approved by, a lead federal agency.

The Governors oppose additional set-asides or restrictions on existing grants.

Time limited (effective Winter Meeting 2000? Winter Meeting 2002). Adopted Winter Meeting 1998; revised Winter Meeting 2000.

More Information

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[NGA Policy Positions](#)

[Congressional Calendar](#)

[Legislative Priorities](#)

[Previous Congresses](#)

Recent News

January 09, 2001

• [School Leadership](#)
NGA Awarded Multi Million-Dollar Grant To Help States Improve School Leadership

December 22, 2000

• [Streamlined Sales Tax](#)
Statement on Streamlined Sales Tax Project Vote by NGA Executive Director Raymond C. Scheppach

December 18, 2000

• [Fiscal Survey](#)
States' Budget Forecast Cloudy

December 05, 2000

• [Smart Growth](#)
Minnesota and Maryland Governors Convene In St. Paul At NGA Forum on Growth and Quality of Life

November 28, 2000

• [Info Tech](#)
Using Technology to Improve Nation's Criminal Justice System Focus of NGA Workshop

November 16, 2000

• [Extra Learning](#)
Eleven States Convene In Seattle To Discuss Extra Learning Opportunities