

ALASKA LEGISLATURE

2613

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004

179

HB

545

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 07 2004
SENATE FINANCE
COMMITTEE

DATE: 5/1/04

FURTHER:

DATE TURNED IN TO OFFICE: 7 May 2004

Finance Committee considered CS FOR HOUSE BILL NO. 545(L&C)

HB 545 STATE LEASE AND CONTRACT EXTENSIONS

"An Act relating to time extensions under the State Procurement Code for real property leases; and providing for an effective date."

and recommends:

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

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

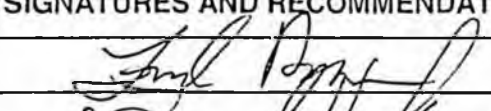
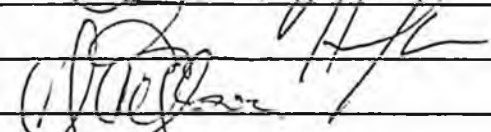

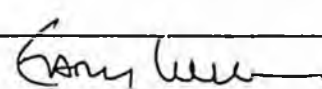
NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

Department	Date	Fiscal	Indet.	Zero.	FN#
Admin	7/25/04			✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
	✓			
			✓	
			✓	
COCHAIR: 	✓			

MAY 07 2004

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 545
(H) Publish Date: 3/25/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Administration
Title: A bill relating to the State Procurement Code RDU Leases
lease and contract extensions... Component Leases
Sponsor: Rules
Requester: Governor Component No. 81

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
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						
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CHANGE IN REVENUES ()						
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Various in all state agencies						
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2004) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would provide lease and contract extensions for real property up to a maximum extension of 10 years if a minimum cost saving of at least five percent below market rates on the rent due under the lease are achieved; or a contract for goods or services for up to a maximum extension of five years if a minimum cost savings of at least five percent may be achieved on the price established in the contract. The bill also exempts real property leases from disability related preferences. While the bill allows for greater flexibility and greater potential savings, it is not possible to quantify them. No additional funds will be necessary as a result of this bill.

Prepared by: Vern Jones, Chief Procurement Officer Phone 465-5684
Division: General Services Date/Time 2/25/04 9:19 AM
Approved by: Mike Miller, Commissioner Date 2/25/2004
Agency: Administration

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

DIVISION OF GENERAL SERVICES

FRANK H. MURKOWSKI, GOVERNOR

P.O. BOX 110210
JUNEAU, ALASKA 99811-0210
PHONE: (907) 465-2250
FAX: (907) 465-2189

April 30, 2004

The Honorable Gary Wilken
Co-Chair, Senate Finance Committee
Alaska State Senate
State Capitol
Juneau, Alaska 99801-1182

Dear Senator Wilken:

This letter is to request that you schedule HB 545, relating to Time Extensions for Real Property Leases for a committee hearing as soon as possible.

Your favorable consideration of this request will be greatly appreciated.

Sincerely,



Vern Jones
Chief Procurement Officer

Attachments

cc: Kevin Jardell, Deputy Commissioner
Department of Administration

Additional Information - HB 545

Lease extensions under the current law (AS 36.30.083) require a minimum 10% - 15% discount from **the current lease rate**. HB 545 would require a minimum 10% discount from **the current market rate**.

In the past, Department of Administration (DOA) leases consisted of a constant rental rate throughout the life of the lease. This was unduly costly for the state, since initial construction and tenant improvements (TI) of office buildings are generally financed and amortized only over the initial lease period, not the optional renewal periods. The state was effectively paying multiple times for one-time costs.

Several years ago, DOA changed this practice by requiring lessors to identify up front construction and TI costs from ongoing rental rates and bid them separately. This generally results in declining costs in the option periods, because the rates for option periods no longer include amortized construction and TI costs. A net present value calculation is applied to ensure the state considers the time value of money when awarding leases.

Given this change, and considering the rising real estate costs in Alaska, the state can not expect to gain significant savings in the future under the current statutory restrictions. For example:

A lease could be established at a market rate of \$2.20/sf (Class A, downtown Anchorage) for the initial 9 year period of a lease, dropping to \$0.98/sf for each of the two, five year renewal periods. It would be impossible to negotiate a 10% -15% reduction to a lease rate of \$0.98/sf when the market rate for the space is \$2.20/sf.

As more and more older leases are replaced by those with the new cost model, the requirement of a minimum reduction of 10% - 15% below the current lease rate will effectively prevent the state from achieving any negotiated savings.

HB 545



FRANK H. MURKOWSKI
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 24, 2004

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of article III, section 18 of the Alaska Constitution, I am transmitting a bill relating to the extension of terms for leases and terms for contracts for goods and services under the State Procurement Code.

This bill would make several changes to the State Procurement Code. Section one of the bill would authorize the state to negotiate lease rate reductions on existing leases in exchange for certain term extensions when favorable lease rates are available. The current process only authorizes lease extensions if the property owner agrees to either (1) reduce the lease rate by ten percent and perform modifications to bring the property into Americans with Disabilities Act compliance, or (2) reduce the lease rate by 15 percent. The problem is, the current process does not take into account whether the current lease rate is already below market. Due to market conditions and current lease rates, this high discount is often not acceptable to property owners.

Many of our current lease rates are already below market and leave the lessor unwilling to meet the 10 or 15 percent reduction to extend the lease. In fact, only a small percentage of lease extensions have been negotiated under the existing provisions. The only option left for the state is to issue a new request for proposals. Often this results in additional moving costs and market rates, which can represent a substantial increase in costs to the state.

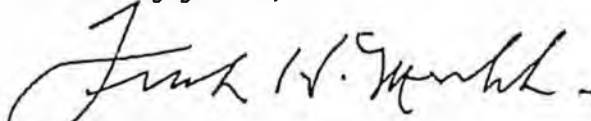
The method proposed in this bill would ensure that the state receives the best value for its leasing dollars. Lease extensions would only be authorized where the rates are a minimum of five percent below market. This would allow the state to maintain its presence in leases which are already well below market rates. Additional savings beyond the five percent would be negotiated depending on a number of factors such as location, current market value, existing vacancies, and market trends.

The Honorable Pete Kott
March 24, 2004
Page 2

The bill also would authorize term extensions for up to five years for contracts for goods and services provided a minimum cost savings of at least five percent could be achieved on the price of the goods or services as set in the current contract. Under present law, at the end of the contract term, contracts for goods or services must be resolicited through a competitive process or a new contract awarded based upon alternative procurement methods regardless of price reductions that may be offered by the contractor if the contract were extended.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure

HB

546

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 546
(H) Publish Date: 3/25/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservation
Title An Act relating to regulation of timber-related discharges under NPDES RDU Air & Water Quality
Component Water Quality
Sponsor Rules Committee
Requester Governor Component No. 2062

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	67.0	67.0	67.0	67.0	67.0	67.0
Travel	21.0	21.0	7.0	7.0	7.0	7.0
Contractual	300.9	300.9	56.0	56.0	56.0	56.0
Supplies	3.0	3.0	1.0	1.0	1.0	1.0
Equipment	20.7	4.5	1.5	1.5	1.5	1.5
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	412.6	396.4	132.5	132.5	132.5	132.5

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1005)	0.0	0.0	30.0	30.0	30.0	30.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	235.0	235.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	177.6	161.4	102.5	102.5	102.5	102.5
1005 GF/Program Receipts	0.0	0.0	30.0	30.0	30.0	30.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	412.6	396.4	132.5	132.5	132.5	132.5

Estimate of any current year (FY2004) cost:

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill directs the Department of Environmental Conservation to seek authority from the U.S. Environmental Protection Agency (EPA), to implement the federal National Pollutant Discharge Elimination System (NPDES) wastewater discharge permitting program for timber-related activities. The Department projects a two-year (FY 2005 and FY 2006) effort to complete program development and transition work necessary to apply to EPA for NPDES primacy. With EPA approval, the Department would begin implementing the NPDES program for timber-related activities in FY 2007. The funds to support transition to primacy consist of General Funds and Federal Receipts. A total of \$470.0 in one-time federal grant funds are available to support program development work. The balance of the development and transition costs are General Funds. Upon implementing the program in FY 2007, the Department anticipates annual program receipts of \$30.0.

(continued)

Prepared by: Lynn J. Tomich Kent
Division: Air & Water Quality
Approved by: Kurt Fredriksson, Deputy Commissioner
Agency: Department of Environmental Conservation

Phone: (907) 465-5312
Date/Time: 3/9/2004
Date: 3/9/2004

ANALYSIS CONTINUATION

The FY 2005-2006 funds will provide the following services:

Personal Services - one permanent position to develop permit process regulations, conduct the rulemaking process, develop written permitting procedures, standardized program forms, and the NPDES primacy application to EPA. Development of the Log Transfer Facility general permit will begin in FY 2006.

Travel - program and regulations development, primacy application, and NPDES permit writing and compliance training for new and existing staff.

Contractual - two long term non-permanent positions to assist in developing written permitting procedures, standardized program forms, and the NPDES primacy application to EPA; professional services assistance; RSA to Dept. of Law for legal assistance with regulations development; and position support costs.

Supplies - standard office supplies.

Equipment - office furniture and computers for staff. The FY 2006 budget eliminates the funding for office equipment, which is a one-time purchase.

The Department anticipates NPDES primacy approval from EPA beginning in FY 2007 for timber industry related permitting. The fiscal note for FY 2007 and beyond reflects the ongoing costs of implementing the program and provides the following:

Personal Services - one permanent position to develop individual permits, general permits, issue authorizations under general permits, review dive survey reports, conduct inspections and take enforcement actions if necessary.

Travel - staff permitting and facility inspections (one inspection of each operating facility during the 5-year life of the permit); ongoing technical training; and occasional program development meetings.

Contractual - public notices; staff training; professional services contracts for assistance with NPDES permitting and compliance-related issues; RSA to Dept. of Law for enforcement actions and program legal assistance; and position support costs.

Supplies - standard office supplies and water quality sampling supplies.

Equipment - ongoing office equipment and computer replacement costs, environmental monitoring equipment purchase or replacement, and other facility inspection equipment (such as personal safety gear and cameras).

Projected impact on Alaska economy and local government

- eliminates the current patchwork of federal and state permits for the timber industry.
- increased permit and compliance fees for owners/operators of facilities with timber-related wastewater discharges.

Person Services New Position Detail

Department of Environmental Conservation
Partial NPDES Primacy

Scenario: A Scenario for FY2005 Fiscal Notes (3605)
Component: Water Quality (2062)
RDU: Air and Water Quality (206)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#028	Environmental Spec III	FT	A	GP	Juneau	2A	18 B	12.0		47,316	0	0	19,712	67,028

Justification: Implementation - NPDES Primacy for timber related discharges.

Funding Detail:

1004	General Fund Receipts	100.00%	67,028
Total Funding:		100.00%	67,028

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	67,028
Total Funding:	100.00%	67,028

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 546
(H) Publish Date: 3/25/04

Revision Date/Time (Note if correction): _____ Dept. Affected: Environmental Conservation
Title An Act relating to regulation of timber-related discharges under NPDES RDU Air & Water Quality
Component Water Quality
Sponsor Rules Committee
Requester Governor Component No. 2062

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	67.0	67.0	67.0	67.0	67.0	67.0
Travel	21.0	21.0	7.0	7.0	7.0	7.0
Contractual	300.9	300.9	56.0	56.0	56.0	56.0
Supplies	3.0	3.0	1.0	1.0	1.0	1.0
Equipment	20.7	4.5	1.5	1.5	1.5	1.5
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	412.6	396.4	132.5	132.5	132.5	132.5

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1005)	0.0	0.0	30.0	30.0	30.0	30.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	235.0	235.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	177.6	161.4	102.5	102.5	102.5	102.5
1005 GF/Program Receipts	0.0	0.0	30.0	30.0	30.0	30.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	412.6	396.4	132.5	132.5	132.5	132.5

Estimate of any current year (FY2004) cost:

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill directs the Department of Environmental Conservation to seek authority from the U.S. Environmental Protection Agency (EPA) to implement the federal National Pollutant Discharge Elimination System (NPDES) wastewater discharge permitting program for timber-related activities. The Department projects a two-year (FY 2005 and FY 2006) effort to complete program development and transition work necessary to apply to EPA for NPDES primacy. With EPA approval, the Department would begin implementing the NPDES program for timber-related activities in FY 2007. The funds to support transition to primacy consist of General Funds and Federal Receipts. A total of \$470.0 in one-time federal grant funds are available to support program development work. The balance of the development and transition costs are General Funds. Upon implementing the program in FY 2007, the Department anticipates annual program receipts of \$30.0.

(continued)

Prepared by: Lynn J. Tomich Kent
Division: Air & Water Quality
Approved by: Kurt Fredriksson, Deputy Commissioner
Agency: Department of Environmental Conservation

Phone (907) 465-5312
Date/Time 3/9/2004
Date 3/9/2004

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO.

HB 546

ANALYSIS CONTINUATION

The FY 2005-2006 funds will provide the following services:

Personal Services - one permanent position to develop permit process regulations, conduct the rulemaking process, develop written permitting procedures, standardized program forms, and the NPDES primacy application to EPA. Development of the Log Transfer Facility general permit will begin in FY 2006.

Travel - program and regulations development, primacy application, and NPDES permit writing and compliance training for new and existing staff.

Contractual - two long term non-permanent positions to assist in developing written permitting procedures, standardized program forms, and the NPDES primacy application to EPA; professional services assistance; RSA to Dept. of Law for legal assistance with regulations development; and position support costs.

Supplies - standard office supplies.

Equipment - office furniture and computers for staff. The FY 2006 budget eliminates the funding for office equipment, which is a one-time purchase.

The Department anticipates NPDES primacy approval from EPA beginning in FY 2007 for timber industry related permitting. The fiscal note for FY 2007 and beyond reflects the ongoing costs of implementing the program and provides the following:

Personal Services - one permanent position to develop individual permits, general permits, issue authorizations under general permits, review dive survey reports, conduct inspections and take enforcement actions if necessary.

Travel - staff permitting and facility inspections (one inspection of each operating facility during the 5-year life of the permit); ongoing technical training; and occasional program development meetings.

Contractual - public notices; staff training; professional services contracts for assistance with NPDES permitting and compliance-related issues; RSA to Dept. of Law for enforcement actions and program legal assistance; and position support costs.

Supplies - standard office supplies and water quality sampling supplies.

Equipment- ongoing office equipment and computer replacement costs, environmental monitoring equipment purchase or replacement, and other facility inspection equipment (such as personal safety gear and cameras).

Projected Impact on Alaska economy and local government

- eliminates the current patchwork of federal and state permits for the timber industry.
- increased permit and compliance fees for owners/operators of facilities with timber-related wastewater discharges.

Personal Services New Position Detail

Department of Environmental Conservation
Partial NPDES Primacy

Scenario: A Scenario for FY2005 Fiscal Notes (3605)
Component: Water Quality (2062)
RDU: Air and Water Quality (206)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#028	Environmental Spec III	FT	A	GP	Juneau	2A	18 B	12.0		47,316	0	0	19,712	67,028

Justification: Implementation - NPDES Primacy for timber related discharges.

Funding Detail:

1004	General Fund Receipts	100.00%	67,028
Total Funding:		100.00%	67,028

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	67,028
Total Funding:	100.00%	67,028

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

Advantages of State Primacy For Timber Related NPDES Permits

- Based on Congressional intent, the NPDES permit program is one of the primary methods of implementing the Clean Water Act. To not have state primacy leaves a major piece of implementing the Clean Water Act in the hands of the federal government. If the state does not have primacy, the state only has an advisory role on many important decisions regarding water quality in Alaska.
- Usually, programs implemented closer to the regulated community provide better service. The state has a better appreciation of issues surrounding point and nonpoint source discharges and understanding of local social and economic impacts than the federal government.
- The state would be responsible for the development and implementation of what the program becomes in Alaska, including development of a strategic plan for protecting water quality for in the state that integrates both point and non-point sources. Currently, EPA is responsible for point sources and the state deals with non-point sources of pollution.
- The state can better utilize flexibility and discretion to develop legislation, rules, policy, and guidance to implement the Clean Water Act.
- If the state has primacy for the timber related permits, it will further develop its capacity and expertise to deal with the current issues involved in taking on primacy for all NPDES permitting. This will benefit all water programs in the state.
- Permit holders in the timber industry will no longer get caught between two agencies in the permitting process. One agency would be responsible for decisions on what provisions go into a permit.
- The state will be able to implement a compliance-assistance philosophy that includes enforcement when necessary.

- Challenges to the program will be in state court in Alaska, not in federal court in Seattle.
- The state will be able to create a data management system that works for the state and stakeholders, and provides an example of the type of data management system that would work if the state were to assume full primacy.
- The program is more likely to be adequately staffed. Permit backlogs will be reduced and better quality permits will be issued.
- Inspections and permitting will be consistent.

March 23, 2004

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill that would allow the State of Alaska to tailor part of its water discharge program to fit state concerns and environmental features. This bill would authorize the State of Alaska to administer National Pollutant Discharge Elimination System (NPDES) permits for the timber industry. Presently, NPDES permitting, compliance, and enforcement decisions are made pursuant to federal law designed to apply generically to all 50 states. The importance and value of assuming primacy is reflected by the fact that 45 other states have assumed primacy from the Environmental Protection Agency (EPA) for administering NPDES permits.

The Department of Environmental Conservation (DEC) has the capacity and experience to successfully implement primacy for the timber industry. DEC regulates a broad universe of technological and water-quality aspects for waste and wastewater disposal activities. These activities include regulation of timber industry discharges such as state certification of NPDES permits for log transfer facilities.

To accommodate NPDES primacy assumption, this bill would amend some existing permit requirements related to application submittals, public notice and comment opportunities, the maximum term of permits, and the causes for termination or modification of an authorization. These amendments would have the added benefit of streamlining and clarifying process requirements, to some extent, for all waste treatment or disposal authorizations.

The bill also includes legislative findings and intent language, to underscore the fact that assuming partial primacy for the NPDES program for a single industry sector might facilitate future assumption of a larger part or all of the NPDES program. A single-sector pilot-project-type program would allow

The Honorable Pete Kott
March 23, 2004
Page 2

the state to expand the current level of expertise and gain valuable experience in administering the program and working to resolve program administration issues with the EPA, which retains oversight authority over state NPDES programs. Because administration of the NPDES program is complex and costly, and assumption of the full program would require DEC to develop additional expertise, it makes sense to take measured steps toward full assumption by beginning with a single industry sector.

I urge your prompt and favorable action on this measure.

Sincerely yours,

Frank H. Murkowski
Governor

Enclosure

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION
OFFICE OF THE COMMISSIONER

FRANK H. MURKOWSKI, GOVERNOR
410 Willoughby Ave., Ste 303
Juneau, AK 99801-1795
PHONE: (907) 465-5065
FAX: (907) 465-5070
<http://www.state.ak.us/dec/>

April 13, 2004

The Honorable Bill Williams
Co-Chair, House Finance Committee
State Capitol, Room 511
Juneau, Alaska 99801

The Honorable John Harris
Co-Chair, House Finance Committee
State Capitol, Room 507
Juneau, Alaska 99801

Dear Representative Harris and Williams,

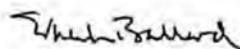
The Department of Environmental Conservation respectfully requests your consideration in scheduling a hearing for HB 546, an "Act relating to the regulation of the discharge of pollutants from timber-related activities under the National Pollutant Discharge Elimination System; relating to waste treatment and disposal permits; making conforming amendments; and providing for an effective date," before the House Finance Committee at your earliest convenience.

HB 546 instructs DEC to seek primacy for a portion of the federal National Pollutant Discharge Elimination System (NPDES) wastewater discharge permitting program, namely the portion related to timber industry discharges. While DEC supports seeking state primacy for the entire NPDES program, partial primacy for timber-related discharges will provide an opportunity to test the concept in an industry sector where the state has significant expertise.

The fiscal note reflects a two-year effort to complete program development and to achieve U.S. Environmental Protection Agency approval. Annual costs for FY 2005 and FY 2006 are divided between federal grant funds of \$235.0 available for two years with the balance of \$177.6 in FY 2005 and \$161.4 in FY 2006 derived from general funds. After the two-year implementation, the general fund support decreases with the addition of general fund program receipts from fees.

Dan Easton, DEC's Water Division Director will provide you with any additional information you might require regarding this bill. Your staff can contact Mr. Easton at 465-5135, or Melanie Lesh, the department's legislative liaison, at 465-5290. As always, please contact me if I can be of assistance.

Sincerely,



Ernesta Ballard
Commissioner

cc: Dan Easton, Director, Division of Water, DEC

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

HB 546

PARTIAL NPDES PRIMACY FOR TIMBER-RELATED WASTEWATER DISCHARGES

HB 546 instructs DEC to seek primacy for permitting timber-related waste discharges under the federal National Pollutant Discharge Elimination System (NPDES) discharge permitting program. Upon approval, the Alaska Department of Environmental Conservation (DEC), and not the U.S. Environmental Protection Agency (EPA), would issue discharge permits for the timber industry sector in Alaska.

The NPDES Program

The NPDES wastewater discharge permit program is established under Section 402 of the Clean Water Act (CWA). In Alaska, major industries with NPDES permits include timber, seafood, mining, and oil and gas. Municipal sewage treatment facilities also require NPDES permits. The CWA envisions that each state will seek primacy for the program and tailor it to the state's individual needs. Alaska is among only five states that have not yet sought primacy.

Partial Primacy

While primacy for the entire NPDES program is the norm, states have the option of seeking partial primacy for one or more specific industry sectors. Under a partial primacy arrangement, the state issues permits and conducts monitoring and compliance activities for the sector. EPA retains oversight authority. The Alaska water quality standards serve as the basis for all NPDES permits regardless of whether the EPA or the State implements the program.

Timber Sector Wastewater Discharges

NPDES permitting of timber sector discharges primarily focuses on permitting log transfer facilities.

- 98 log transfer facilities are eligible to be covered under an NPDES General Permit that governs the discharge of bark and wood waste into the marine environment.
- 98 log transfer facilities are eligible for coverage under the NPDES Multi-Sector General Permit for uplands stormwater management.
- All sawmills are eligible for coverage under the NPDES Multi-Sector General Permit for uplands stormwater management.
- Any new timber facility construction that disturbs greater than one acre is eligible for coverage under the NPDES construction general permit for stormwater management.
- Logging camps with domestic wastewater (approx. 12) require a permit. Most of them fall below the current EPA threshold for minor discharges and are currently issued a state, rather than an NPDES domestic wastewater discharge permit.

Why the Timber Sector?

The State of Alaska has significant expertise and a significant role in timber sector permitting and compliance activities. Partial primacy for timber-related discharges will provide an opportunity to test state NPDES primacy in a familiar industry sector.

DEPARTMENT OF ENVIRONMENTAL CONSERVATION

HB 546

PARTIAL NPDES PRIMACY FOR TIMBER-RELATED WASTEWATER DISCHARGES

Expected Benefits

Alaskans Protecting Alaska's Water Resources. Alaskans should be in charge of protecting Alaska's environment. The State is committed to, and capable of protecting its own resources. Exercising timber sector wastewater permitting authority is an opportunity for the State of Alaska to demonstrate its commitment and competence.

Rational Rules. A state timber wastewater discharge permit program will be a part of a broader state program for regulating water quality. The state program will be based on six essential elements of a good regulatory program: unambiguous statutory authority, a documented basis for concern, protective standards, rational regulations, documented compliance, and enforcement.

Fair, Predictable Enforcement. A state program will include a coherent system for assessing compliance with permit terms and conditions. Permittees will know exactly what is expected of them. Along with clarity will come higher expectations for compliance and predictable enforcement.

Efficiency and Timeliness. With a state-run timber-related discharge permitting program, permit holders can expect their permits to be timely and current.

Alaskans Accountable to Alaskans. The mission, priorities, level of effort and performance measures of DEC's regulatory programs are subject to annual review and approval by the State Legislature. Planning and budgeting for a federally run NPDES program does not offer this opportunity for state control.

Better Access to Rule Makers and Permit Writers. A state run program will place rule makers and permit writers closer to the Alaskan public and permit holders. No longer will permits be written and enforced by federal staff unfamiliar with the State.

A Focus on Results, Not Process. The federal program focuses on consistent federal process instead of site-specific and risk-based results. The state program will focus on results.

The Costs

The Department projects a two-year (FY 2005 and FY 2006) effort to complete program development and transition work necessary to apply to EPA for timber sector NPDES primacy. Costs to develop and promulgate regulations, develop permitting procedures, secure legal and technical services, and prepare an application are anticipated at approximately \$400 thousand for each of the two-year development and transition effort. One-time federal grant funds are available to cover approximately one-half of the cost. The balance would be paid for with General Funds. Once the program is operating in FY 2007, annual costs would be about \$130 thousand per year. Permit fees would generate approximately \$30 thousand per year.

HB 546 -- Sectional Analysis

Relating to Regulation of the Discharge of Pollutants From Timber-related Activities

Section 1. Provides findings and intent language to lay foundation for assumption of NPDES primacy for timber-related discharges as a single-sector, pilot-project.

Section 2. Adds the timber NPDES program to the list of programs for which DEC is given authority in AS 44.46.025(a) to adopt user fee regulations. By operation of existing law in the AS 37.10.058(2)(B) definition of "designated regulatory service," the permits issued under a timber NPDES program would fall into the category of services for which DEC is required to adopt fixed fee regulations and can use negotiated services agreements in the interim until such regulations have been adopted.

Section 3. Authorizes assumption of partial NPDES primacy limited to timber-related activities.

Section 4. Amends permit application requirement to eliminate conflict with NPDES requirement for submittal of application at least 180 days in advance of planned operation.

Section 5. Changes notice requirements to ensure that notice can be given of the availability of a draft permit, instead of requiring publication of notice at the application receipt stage, which may precede permit development by many months. Also changes requirement for two separate publications to a requirement for "at least one," to allow greater flexibility in structuring notice of availability of draft NPDES permits. Makes conforming amendments.

Section 6. Clarifies permit duration limit and adds explicit authority for regulations to provide for administrative continuance of expiring permits.

Section 7. Amends statutory provisions on termination and modification of waste disposal permits to fill gaps in legal authority needed to satisfy NPDES primacy requirements.

Section 8. Extends existing enhanced civil penalty authority to the timber NPDES program.
(Required for primacy.)

Section 9. Extends criminal penalty provisions to the timber NPDES program (required for primacy) and makes conforming changes.

Section 10. Extends criminal fine provision authorizing payment of up to \$10,000 for each separate violation to violations of the regulations that would be adopted for the timber NPDES program.
(Required for primacy.)

Section 11. Provides for an immediate effective date to allow work on timber NPDES regulations and other efforts to secure primacy to begin without delay.

HB

546

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT
MAY 03 2004
SENATE FINANCE
COMMITTEE

DATE: 5/1/04

FURTHER:

DATE TURNED IN TO OFFICE: 3 May 2004

Finance Committee considered CS FOR HOUSE BILL NO. 546(JUD)

HB 546 POLLUTION DISCHARGE & WASTE TRMT/DISPOSAL

"An Act relating to regulation of the discharge of pollutants from timber-related activities under the National Pollutant Discharge Elimination System; relating to waste treatment and disposal permits; making conforming amendments; and providing for an effective date."

and recommends:

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

Senate Bill:
 Same Title
 New Title

House Bill:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

NEW FISCAL NOTE(S):

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

Department	Date	Fiscal	Indet.	Zero	FN#
DEC	4.2.6				#

APPROPRIATION - no fiscal note

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

FISCAL NOTE

REPORTED OUT

MAY 03 2004

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 546
(H) Publish Date: 3/25/04

SENATE FINANCE
COMMITTEE

Revision Date/Time (Note if correction):	Dept. Affected: <u>Environmental Conservation</u>
Title: <u>An Act relating to regulation of timber-related discharges under NPDES</u>	RDU: <u>Air & Water Quality</u>
Sponsor: <u>Rules Committee</u>	Component: <u>Water Quality</u>
Requester: <u>Governor</u>	Component No.: <u>2062</u>

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010
Personal Services	67.0	67.0	67.0	67.0	67.0	67.0
Travel	21.0	21.0	7.0	7.0	7.0	7.0
Contractual	300.9	300.9	56.0	56.0	56.0	56.0
Supplies	3.0	3.0	1.0	1.0	1.0	1.0
Equipment	20.7	4.5	1.5	1.5	1.5	1.5
Land & Structures	0.0	0.0	0.0	0.0	0.0	0.0
Grants & Claims	0.0	0.0	0.0	0.0	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	412.6	396.4	132.5	132.5	132.5	132.5

CAPITAL EXPENDITURES	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES (1005)	0.0	0.0	30.0	30.0	30.0	30.0
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts	235.0	235.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	177.6	161.4	102.5	102.5	102.5	102.5
1005 GF/Program Receipts	0.0	0.0	30.0	30.0	30.0	30.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0
Other	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	412.6	396.4	132.5	132.5	132.5	132.5

Estimate of any current year (FY2004) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2005 budget proposal:

POSITIONS

Full-time	1	1	1	1	1	1
Part-time	0	0	0	0	0	0
Temporary	0	0	0	0	0	0

ANALYSIS: (Attach a separate page if necessary)

This bill directs the Department of Environmental Conservation to seek authority from the U.S. Environmental Protection Agency (EPA) to implement the federal National Pollutant Discharge Elimination System (NPDES) wastewater discharge permitting program for timber-related activities. The Department projects a two-year (FY 2005 and FY 2006) effort to complete program development and transition work necessary to apply to EPA for NPDES primacy. With EPA approval, the Department would begin implementing the NPDES program for timber-related activities in FY 2007. The funds to support transition to primacy consist of General Funds and Federal Receipts. A total of \$470.0 in one-time federal grant funds are available to support program development work. The balance of the development and transition costs are General Funds. Upon implementing the program in FY 2007, the Department anticipates annual program receipts of \$30.0.

(continued)

Prepared by: Lynn J. Tomich Kent
Division: Air & Water Quality
Approved by: Kurt Fredriksson, Deputy Commissioner
Agency: Department of Environmental Conservation

Phone: (907) 465-5312
Date/Time: 3/9/2004
Date: 3/9/2004

FISCAL NOTE # 1

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. HB 546

ANALYSIS CONTINUATION

The FY 2005-2006 funds will provide the following services:

Personal Services - one permanent position to develop permit process regulations, conduct the rulemaking process, develop written permitting procedures, standardized program forms, and the NPDES primacy application to EPA. Development of the Log Transfer Facility general permit will begin in FY 2006.

Travel - program and regulations development, primacy application, and NPDES permit writing and compliance training for new and existing staff.

Contractual - two long term non-permanent positions to assist in developing written permitting procedures, standardized program forms, and the NPDES primacy application to EPA; professional services assistance; RSA to Dept. of Law for legal assistance with regulations development; and position support costs.

Supplies - standard office supplies.

Equipment - office furniture and computers for staff. The FY 2006 budget eliminates the funding for office equipment, which is a one-time purchase.

The Department anticipates NPDES primacy approval from EPA beginning in FY 2007 for timber industry related permitting. The fiscal note for FY 2007 and beyond reflects the on going costs of implementing the program and provides the following:

Personal Services - one permanent position to develop individual permits, general permits, issue authorizations under general permits, review dive survey reports, conduct inspections and take enforcement actions if necessary.

Travel - staff permitting and facility inspections (one inspection of each operating facility during the 5-year life of the permit); ongoing technical training; and occasional program development meetings.

Contractual - public notices; staff training; professional services contracts for assistance with NPDES permitting and compliance-related issues; RSA to Dept. of Law for enforcement actions and program legal assistance; and position support costs.

Supplies - standard office supplies and water quality sampling supplies.

Equipment - ongoing office equipment and computer replacement costs, environmental monitoring equipment purchase or replacement, and other facility inspection equipment (such as personal safety gear and cameras).

Projected impact on Alaska economy and local government

- eliminates the current patchwork of federal and state permits for the timber industry.
- increased permit and compliance fees for owners/operators of facilities with timber-related wastewater discharges.

Personal Services New Position Detail

Department of Environmental Conservation
Partial NPDES Primacy

Scenario: A Scenario for FY2005 Fiscal Notes (3605)
Component: Water Quality (2062)
RDU: Air and Water Quality (206)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range & Steps	Budgeted Months	Split / Annual Count	Annual Salary	COLA	Premium Pay	Annual Benefits	Total Costs
18-#028	Environmental Spec III	FT	A	GP	Juneau	2,	18 B	12.0		47,316	0	0	19,712	67,028

Justification: Implementation - NPDES Primacy for timber related discharges.

Funding Detail:

1004	General Fund Receipts	100.00%	67,028
Total Funding:		100.00%	67,028

Component Summary:

Total New Positions: 1

Fund Description	Fund Percent	Fund Amount
1004 General Fund Receipts	100.00%	67,028
Total Funding:	100.00%	67,028

Note: If a position is split, an asterisk (*) will appear in the Split/Count column. If the split position is also counted in the component, two asterisks (**) will appear in this column.

STATE OF ALASKA

FRANK H. MURKOWSKI, GOVERNOR

DEPT. OF ENVIRONMENTAL CONSERVATION
OFFICE OF THE COMMISSIONER

410 Willoughby Ave., Ste 303
Juneau, AK 99801-1795
PHONE: (907) 465-5065
FAX: (907) 465-5070
<http://www.state.ak.us/dec/>

May 1, 2004

The Honorable Gary Wilken
Chairman, Senate Finance Committee
Alaska State Senate
State Capitol, Room 518
Juneau, Alaska 99801

Dear Senator Wilken,

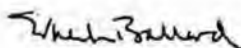
Attached is a packet of information on HB 546, a bill that has passed through House Resources, Judiciary and Finance Committees and passed the House with a vote of 37 – 0. The companion bill, SB 378 was heard in Senate Resources and rests in your Committee having had one public hearing on April 22, 2004. The Department of Environmental Conservation sponsored HB 546, an “Act relating to the regulation of the discharge of pollutants from timber-related activities under the National Pollutant Discharge Elimination System; relating to waste treatment and disposal permits; making conforming amendments; and providing for an effective date,” and asks for your consideration in hearing HB 546 before the Senate Finance Committee.

HB 546 instructs DEC to seek primacy for a portion of the federal National Pollutant Discharge Elimination System (NPDES) wastewater discharge permitting program, namely the portion related to timber industry discharges. While DEC supports seeking state primacy for the entire NPDES program, partial primacy for timber-related discharges will provide an opportunity to test the concept in an industry sector where the state has significant expertise.

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Dan Easton, DEC’s Water Division Director will provide you with any additional information you might require regarding this bill. Your staff can contact Mr. Easton at 465-5135, or Melanie Lesh, the department’s legislative liaison, at 465-5290. As always, please contact me if I can be of assistance.

Sincerely,



Ernesta Ballard
Commissioner



DEPARTMENT OF ENVIRONMENTAL CONSERVATION

HB 546

PARTIAL NPDES PRIMACY FOR TIMBER-RELATED WASTEWATER DISCHARGES

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DEPARTMENT OF ENVIRONMENTAL CONSERVATION

HB 546

PARTIAL NPDES PRIMACY FOR TIMBER-RELATED WASTEWATER DISCHARGES

Expected Benefits

Alaskans Protecting Alaska's Water Resources. Alaskans should be in charge of protecting Alaska's environment. The State is committed to, and capable of protecting its own resources. Exercising timber sector wastewater permitting authority is an opportunity for the State of Alaska to demonstrate its commitment and competence.

Rational Rules. A state timber wastewater discharge permit program will be a part of a broader state program for regulating water quality. The state program will be based on six essential elements of a good regulatory program: unambiguous statutory authority, a documented basis for concern, protective standards, rational regulations, documented compliance, and enforcement.

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The Costs

The Department projects a two-year (FY 2005 and FY 2006) effort to complete program development and transition work necessary to apply to EPA for timber sector NPDES primacy. Costs to develop and promulgate regulations, develop permitting procedures, secure legal and technical services, and prepare an application are anticipated at approximately \$400 thousand for each of the two-year development and transition effort. One-time federal grant funds are available to cover approximately one-half of the cost. The balance would be paid for with General Funds. Once the program is operating in FY 2007, annual costs would be about \$130 thousand per year. Permit fees would generate approximately \$30 thousand per year.

HB 546 -- Sectional Analysis

Relating to Regulation of the Discharge of Pollutants From Timber-related Activities

Section 1. Provides findings and intent language to lay foundation for assumption of NPDES primacy for timber-related discharges as a single-sector, pilot-project.

Section 2. Adds the timber NPDES program to the list of programs for which DEC is given authority in AS 44.46.025(a) to adopt user fee regulations. By operation of existing law in the AS 37.10.058(2)(B) definition of "designated regulatory service," the permits issued under a timber NPDES program would fall into the category of services for which DEC is required to adopt fixed fee regulations and can use negotiated services agreements in the interim until such regulations have been adopted.

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Section 4. Amends permit application requirement to eliminate conflict with NPDES requirement for submittal of application at least 180 days in advance of planned operation.

Section 5. Changes notice requirements to ensure that notice can be given of the availability of a draft permit, instead of requiring publication of notice at the application receipt stage, which may precede permit development by many months. Also changes requirement for two separate publications to a requirement for "at least two," to allow greater flexibility in structuring notice of availability of draft NPDES permits. Makes conforming amendments.

Section 6. Clarifies permit duration limit and adds explicit authority for regulations to provide for administrative continuance of expiring permits.

Section 7. Amends statutory provisions on termination and modification of waste disposal permits to fill gaps in legal authority needed to satisfy NPDES primacy requirements.

Section 8. Extends existing enhanced civil penalty authority to the timber NPDES program.
(Required for primacy.)

Section 9. Extends criminal penalty provisions to the timber NPDES program (required for primacy) and makes conforming changes.

Section 10. Extends criminal fine provision authorizing payment of up to \$10,000 for each separate violation to violations of the regulations that would be adopted for the timber NPDES program.
(Required for primacy.)

Section 11. Provides for an immediate effective date to allow work on timber NPDES regulations and other efforts to secure primacy to begin without delay.

HB 546/HB 524 Amendment Explanation

- Existing law (AS 46.03.110(b)) requires the Department of Environmental Conservation to publish public notice of a waste disposal permit application or proposal in “two separate publications of a newspaper of general circulation within the general area...” In HB 546, the department initially proposed to change the minimum number of newspaper publications—that is, the number of occasions on which notice must be published in a newspaper—from “two” to “at least one.”
- On March 25, 2004, the House amended HB 524, which also referenced AS 46.03.110(b). That bill amends DEC’s existing authority for waste disposal permits, and used similar language, so that both bills originally read “at least one” publication will be required. Out of concern that publication of notice in a newspaper on only one occasion might not be adequate in some circumstances, an amendment was made to revert back to “two publications” in existing statute. The department did not object to the amendment. The amendment to HB 546, in House Judiciary Committee was made to conform the two bills.
- The questions asked during the House amendment process indicate that clarification on what is considered a newspaper of general circulation may be helpful.
 - A community in which a waste disposal operation requiring a permit (e.g., municipal landfill, industrial wastewater discharge, etc.) will occur may have only a single newspaper of general circulation or it may have several. In some very small communities it may be hard to pinpoint even one newspaper of general circulation.
 - The Alaska Supreme Court’s definition of “newspaper of general circulation” requires only that the paper contain news of general interest to the community and reaches a diverse readership. A newspaper does not have to circulate to a minimum number or percentage of residents of a community to be one of “general circulation.”
 - Under the existing AS 46.03.110(b) language, as well as the language on Section 5 of HB 524 as amended by the House, the department would have the flexibility to identify one or more newspapers of general circulation for the area affected by a proposed waste disposal operation. It could publish the notice in two issues of a single newspaper that qualifies or it could publish the notice in a single issue of two different newspapers that qualify. Either would meet the requirement.
 - This preserves the flexibility to choose to use just one or a combination of two (or more) newspapers, along with other forms of notice, to reach the public most likely to be interested in the waste disposal operation proposed.

HB 546

FRANK H. MURKOWSKI
GOVERNOR
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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

March 24, 2004

The Honorable Pete Kott
Speaker of the House
Alaska State Legislature
State Capitol, Room 208
Juneau, AK 99801-1182

Dear Speaker Kott:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill that would allow the State of Alaska to tailor part of its water discharge program to fit state concerns and environmental features. This bill would authorize the State of Alaska to administer National Pollutant Discharge Elimination System (NPDES) permits for the timber industry. Presently, NPDES permitting, compliance, and enforcement decisions are made pursuant to federal law designed to apply generically to all 50 states. The importance and value of assuming primacy is reflected by the fact that 45 other states have assumed primacy from the Environmental Protection Agency (EPA) for administering NPDES permits.

The Department of Environmental Conservation (DEC) has the capacity and experience to successfully implement primacy for the timber industry. DEC regulates a broad universe of technological and water-quality aspects for waste and wastewater disposal activities. These activities include regulation of timber industry discharges such as state certification of NPDES permits for log transfer facilities.

To accommodate NPDES primacy assumption, this bill would amend some existing permit requirements related to application submittals, public notice and comment opportunities, the maximum term of permits, and the causes for termination or modification of an authorization. These amendments would have the added benefit of streamlining and clarifying process requirements, to some extent, for all waste treatment or disposal authorizations.

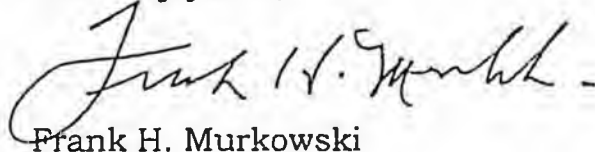
The bill also includes legislative findings and intent language, to underscore the fact that assuming partial primacy for the NPDES program for a single industry sector might facilitate future assumption of a larger part or all of the NPDES program. A single-sector pilot-project-type program would allow

The Honorable Pete Kott
March 24, 2004
Page 2

the state to expand the current level of expertise and gain valuable experience in administering the program and working to resolve program administration issues with the EPA, which retains oversight authority over state NPDES programs. Because administration of the NPDES program is complex and costly, and assumption of the full program would require DEC to develop additional expertise, it makes sense to take measured steps toward full assumption by beginning with a single industry sector.

I urge your prompt and favorable action on this measure.

Sincerely yours,

A handwritten signature in cursive script, appearing to read "Frank H. Murkowski".

Frank H. Murkowski
Governor

Enclosure

SENATE FINANCE COMMITTEE

SIGN-IN

HB 546-POLLUTION DISCHARGE & WASTE TRMT/DISPOSAL

NAME: Jon Tillinghast Subject/Bill No: HB 546
Co./Dept./Title: Sealaska Corp. Phone: 586-1400
Address: One Sealaska Plaza Zip: 99801
Do you wish to testify? Yes No Respond To Questions

NAME: Ernesta Ballard Subject/Bill No: HB 546
Co./Dept./Title: Commissioner Phone: _____
Address: DEC 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

HB

547

HFIN

FILE

LEGAL SERVICES

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

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

State Capitol
Juneau, Alaska 99801-1182
Deliveries to: 129 6th St., Rm. 329

MEMORANDUM

March 31, 2004

SUBJECT: Sectional Summary HB 547
(Work Order No. 23-LS1877H)

TO: Representative Bruce Weyhrauch, Chair,
House State Affairs Committee
Attn: Linda Sylvester

FROM: Tamara Brandt Cook
Director *TBC*

Sec. 1. Provides for payment of a permanent fund dividend to an individual who claimed an allowable absence on the first subsequent year that the individual is eligible for a dividend without claiming an allowable absence. The delayed payment provision does not apply to allowable absences while serving in Congress. If an individual who is eligible for a dividend that is not yet payable fails to be eligible for a subsequent year dividend, the individual's eligibility for the dividend that is not payable is terminated.

Sec. 2. In determining the value of a permanent fund dividend for a current year, the commissioner must exclude amounts necessary to pay prior year dividends, including dividends that are not payable as a result of the change made in bill sec. 1.

Sec. 3. The bill takes effect at the beginning of the 2005 dividend year.

TBC:mdr
04-130.mdr

Projection of Partial Impact of HB 547
(Prepared by the Permanent Fund Dividend Division)

This is a projection of some of the dividends that would not have been paid 1995-2003, if HB 547 had been in effect, extrapolated from sampling of the data base attached.

Notes:

- The sample was small (total of 112 applicants) and may not be statistically reliable. This projection was done as a first step to determine approximate impacts.
- This projection does not include all dividends that would not have been paid under HB 247; each subsequent year after 1995, new absentees would have come into the pool.

Accompanying	\$ 12,028,848
Enrolled College	12,487,612
Active Duty	9,328,835
Other	1,864,924
Total	\$ 35,710,219

Applicant absent for more than 180 days in the Qualifying Year for the 1995 PFD and subsequent filing history.

Absent to Accompany another eligible Alaskan

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003	Type of Absence
1995448892	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995449931	A	212	Paid	Paid	Returned	X	X	X	X	X	X	School
1995449930	A	212	Paid	Paid	Returned	X	X	X	X	X	X	School
1995449896	A	228	Paid	Paid	Returned	X	X	X	Paid	Returned	X	Military
1995449878	A	365	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995449877	A	365	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995449779	A	188	Paid	Returned	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995449578	A	213	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995449187	A	204	Paid	Denied-66	NOF	Returned	X	X	X	X	NOF	School
1995449186	A	204	Paid	Denied-66	NOF	Returned	X	X	X	X	NOF	School
1995449121	A	260	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995449003	A	329	Paid	Paid	Denied-57	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995449002	A	329	Paid	Paid	Denied-57	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995419641	A	365	Paid	Paid	Returned	X	Paid	Paid	NOF	NOF	NOF	Military
1995448896	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995450032	A	365	Paid	Paid	NOF	Denied-82	NOF	NOF	NOF	NOF	NOF	Military
1995448891	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995448890	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995448680	A	730	Paid	Paid	Paid	Paid	Denied-66	NOF	NOF	NOF	NOF	Military
1995448679	A	730	Paid	Paid	Paid	Paid	Denied-66	NOF	NOF	NOF	NOF	Military
1995448655	A	358	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448654	A	359	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448653	A	341	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448647	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448646	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448643	A	365	Paid	Paid	Denied-66	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448538	A	365	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Returned	X	Military

KEY:

- Paid** Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
 - Returned** Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
 - X** Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
 - NOF** Applicant did Not File for that PFD.
 - Denied** Applicant filed the application was denied.
- Denial reasons** 66 applicants sponsor was not eligible, 57 applicant did not return for 72 hours in past 2 years
82 applicant did not demonstrate the intent to remain an Alaska resident during their entire absence.

Applicants absent for more than 180 days during Qualifying Year for 1995 PFD and subsequent filing history

Absent to attend School

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003
1995403483	B	241	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF
1995271014	B	235	Paid	NOF	NOF	NOF	NOF	Returned	X	X	X
1995403982	B	227	Paid	Returned	X	X	X	X	X	X	X
1995278501	B	230	Paid	Returned	X	X	X	X	X	X	X
1995392575	B	231	Paid	Paid	Paid	Paid	Paid	Denied-87	NOF	NOF	NOF
1995397433	B	364	Paid	Paid	Returned	X	X	X	X	X	X
1995403486	B	184	Paid	Returned	X	NOF	NOF	NOF	NOF	NOF	NOF
1995392564	B	300	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995397334	B	354	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995392565	B	247	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid
1995278927	B	331	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995398986	B	285	Paid	Paid	Denied-86	NOF	NOF	NOF	NOF	NOF	NOF
1995270983	B	245	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF
1995397431	B	232	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995399038	B	353	Paid	Paid	Paid	Paid	Returned	NOF	NOF	NOF	NOF
1995396740	B	364	Paid	Paid	Returned	X	X	X	X	X	X
1995280057	B	240	Paid	Returned	X	X	Paid	Paid	Returned	X	X
1995557727	B	351	Paid	Returned	X	X	X	X	NOF	NOF	NOF
1995271119	B	256	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995281810	B	306	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995281782	B	295	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995275820	B	355	Paid	Paid	Returned	X	X	X	X	X	X
1995275806	B	228	Paid	Paid	Paid	Returned	X	X	X	Denied-36	X
1995539544	B	201	Paid	Returned	X	X	X	X	X	X	X
1995396155	B	247	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF
1995392727	B	240	Paid	Paid	Paid	Denied-86	NOF	NOF	NOF	NOF	NOF
1995402258	B	293	Paid	NOF	NOF	Returned	X	X	X	X	X
1995401901	B	346	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF
1995392809	B	262	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995401869	B	247	Paid	Returned	X	X	X	X	X	X	X
1995401757	B	272	Paid	Returned	X	X	X	X	X	X	X

KEY:

- Paid** Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
- Returned** Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
- X** Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
- NOF** Applicant did Not File for that PFD.
- Denied** Applicant filed the application was denied.
- Denial reasons** 36 late filing, 86 didn't provide requested information.

*** This applicant completed school and then was absent as staff for the congressional delegation.

Applicants absent for more than 180 days in the Qualifying Year for the 1st PFD and subsequent filing history.
 Absent for Active Duty Service in the Armed Forces

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003	# of Applicants in Family Packet
1995324658	C	282	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	4
1995057589	C	351	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	1
1995248001	C	364	Paid	Paid	Paid	Paid	Returned	X	X	X	X	4
1995253388	C	364	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF	3
1995559179	C	225	Paid	Paid	Paid	Paid	Paid	Paid	NOF	NOF	NOF	4
1995013806	C	212	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995318532	C	364	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	2
1995558794	C	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995559144	C	365	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Returned	X	
1995559048	C	351	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995247998	C	360	Paid	Paid	Paid	Paid	Denied-87	NOF	NOF	NOF	NOF	3
1995257239	C	364	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995558540	C	291	Paid	Returned	NOF	NOF	NOF	NOF	NOF	NOF	NOF	3
1995558537	C	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	2
1995232175	C	364	Paid	Paid	Paid	Paid	Paid	Denied-87	NOF	NOF	NOF	5
1995070492	C	352	Paid	Returned	X	X	X	NOF	NOF	NOF	NOF	4
1995559334	C	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	3
1995320834	C	364	Paid	Returned	X	X	X	X	X	X	X	3
1995015236	C	191	Paid	Returned	X	X	X	X	X	Paid	Paid	4
1995232768	C	346	Paid	Paid	Denied-36	Denied-87	NOF	NOF	NOF	NOF	NOF	1
1995556356	C	362	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	6
1995074796	C	214	Paid	Returned	NOF	NOF	NOF	NOF	NOF	NOF	NOF	3
1995238295	C	342	Paid	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	2
1995254583	C	355	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF	1
1995556378	C	213	Paid	Returned	X	X	X	X	X	X	X	4
1995319407	C	361	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	4
1995318528	C	364	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	1
1995009034	C	196	Paid	Returned	X	X	X	X	X	X	X	3
1995255304	C	364	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995320302	C	351	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	1
1995315594	C	364	Paid	Denied-55	Denied-55	Paid	Paid	Paid	Denied-87	Denied-87	NOF	1
1995238336	C	361	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	3
1995325131	C	364	Paid	Denied-93	NOF	NOF	NOF	NOF	NOF	NOF	NOF	2
1995235317	C	254	Paid	Paid	Paid	Paid	Paid	Paid	Denied-86	NOF	NOF	1

KEY:
 Paid Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
 Returned Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
 X Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
 NOF Applicant did Not File for that PFD.
 Denied Applicant filed the application was denied. 93, took action inconsistent with Alaska residency, 86 didn't provided requested info.
 Denial reasons 36 late filing, 55 applicant did not return for 72 hours in past 2 years, 87 absent > 5 years and did show intent to return,

Applicants absent for more than 180 days in the Qualifying Year for the 1995 PFD and subsequent filing history.

Absent for Medical Treatment (Adults) Absent for Vacation (Children)

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003	
1995433152	D	206	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Adult
1995466381	D	220	Paid	NOF	NOF	Denied-50	NOF	NOF	NOF	NOF	NOF	Adult
1995442111	D	189	Paid	Returned	X	X	X	X	X	X	X	Adult
1995387106	D	189	Paid	Returned	X	X	X	X	X	X	X	Adult
1995437465	D	266	Paid	Returned	X	NOF	NOF	NOF	NOF	NOF	NOF	Adult
1995502727	D	392	Paid	NOF	Paid	Denied-86	NOF	NOF	NOF	NOF	NOF	Adult
1995483541	D	201	Paid	Returned	X	X	X	X	X	X	X	Adult
1995297397	D	210	Paid	Paid	Paid	Paid	Denied-66	NOF	NOF	NOF	NOF	Child *
1995455609	D	232	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Adult
1995505148	D	280	Paid	Paid	Paid	Returned	X	X	X	X	X	Child *

KEY:

- Paid** Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
- Returned** Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
- X** Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
- NOF** Applicant did Not File for that PFD.
- Denied** Applicant filed the application was denied.
- Denial reasons** 66 applicant's sponsor was not eligible,
50 applicant did not reestablish Alaska residency before the beginning of the qualifying year.

* The absence reason listed on these children's applications was vacation, however the children were absent with parent serving in the Armed Forces also.

Applicants absent for more than 180 days in the Qualifying Year for the 1995 PFD and subsequent filing History.

Absent for other reasons including Business.

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003
1995329893	L	222	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995491698	L	365	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995000711	L	364	Paid	Returned	X	X	X	X	X	X	X
1995326851	L	355	Paid	Returned	X	X	X	X	X	X	X
1995484989	L	320	Paid	Returned	X	X	X	X	NOF	NOF	NOF
1995364009	L	191	Paid	Returned	X	X	X	X	X	X	X
1995508000	L	224	Paid	Paid	NOF	NOF	NOF	Returned	X	X	X
1995535818	L	453	Paid	Returned	X	X	X	X	X	X	X
1995227972	L	212	Paid	Returned	X	X	X	NOF	NOF	NOF	NOF
1995248558	L	456	Paid	Returned	X	X	X	X	X	X	X

KEY:

- Paid** Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
- Returned** Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
- X** Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
- NOF** Applicant did Not File for that PFD.
- Denied** Applicant filed the application was denied.

LEGAL SERVICES

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MEMORANDUM

April 5, 2004

SUBJECT: Permanent fund dividend delayed payment (HB 547)
(Work Order No. 23-LS1877\H)

TO: Representative Paul Seaton
Attn: Christopher Knight

FROM: Tamara Brandt Cook
Director *TBC*

HB 547 delays the payment of permanent fund dividends to most people with allowable absences under the program. Payment of past dividends is made only when a person first qualifies for a dividend without claiming an allowable absence. If a year passes when the person does not qualify for a dividend, eligibility for payment of the back dividends is also lost.

(1) Does this bill pose equal protection problems?

This proposal has not been tested in court, so it is impossible to tell with certainty that the proposal would withstand an equal protection challenge, but the proposal stands a good chance of being upheld.

Under the state equal protection clause, a statute is evaluated on a sliding scale under which the goal of the legislation and the importance of the individual rights affected are considered. As the importance of the individual rights affected increases, the burden increases on the state to show that the state's goal justifies the intrusion on the individual's interests in equal treatment and that the state's goal is rationally related to the means chosen to achieve the goal. (State v. Anthony, 810 P.2d 155 (Alaska 1991) upholding a statute making certain criminal offenders ineligible for dividends despite their residency status) Our state supreme court has noted that even minimum equal protection scrutiny under the state constitution may be more demanding than under the federal constitution. (State, Department of Revenue v. Cosio, 858 P.2d 621 (Alaska 1993)) Consequently, if a statute (or regulation) survives state equal protection analysis, it is unlikely to suffer reversal under federal equal protection analysis.

The court has considered how to apply the state equal protection sliding scale analysis in the context of the permanent fund dividend program and concluded that, at least when no suspect classification such as race is involved, the right to receive a dividend is accorded a minimum level of protection because the right is not very important. An individual's

Representative Paul Seaton

April 5, 2004

Page 2

interest in receiving a permanent fund dividend is accorded a low level of protection under the state equal protection clause because only an economic interest is implicated, and that economic interest is not based on the need of the applicant. (Underwood v. State, 881 P.2d 322 (Alaska 1994)) Obviously, there is an equal protection question inherent in the allowable absences provision of the permanent fund dividend program simply because the state has drawn distinctions between people, based upon the reasons they may be absent from the state (judging some to be more acceptable than others), and it is not clear that those distinctions actually bear much relationship to the underlying question of whether a particular individual is or is not an actual state resident. However, the court has so far upheld differences in treatment between categories of absent individuals. (State, Department of Revenue v. Bradley, 896 P.2d 237 (Alaska 1995) upholding a difference in treatment between full-time and part-time students who are absent from the state; State, Department of Revenue v. Gazaway, 793 P.2d 1052 (Alaska 1990) upholding a regulation permitting absences from Alaska only if the absence was no longer than the time physically present in the state)

Under HB 547 individuals with allowable absences are treated differently with respect to when the dividends are paid: they get their dividends when they return and remain physically present in the state during a year for the eligibility period (180 days) without needing to rely on an allowable absence for eligibility. This, arguably, serves a legitimate state purpose in testing whether an individual who is absent from the state for considerable periods of time actually does have the intent to reside in the state indefinitely, imposing, if you will, an objective test of a subjective state of mind. (State, Department of Revenue v. Wilder, 929 P.2d 1280 (Alaska 1997) intent to return to the state must be established for purposes of dividend eligibility) The state supreme court has noted (Hicklin v. Orbeck, 565 P.2d 159 (1977), page 171, reversed on other grounds, 437 U.S. 518 (1978):

The state is constitutionally entitled to use reasonable administrative means to determine who is a bona fide resident and who is not. Domicile or bona fide residence contain an objective requirement of physical presence and a subjective intent requirement. It is not unreasonable to use the objective indicia.)

The delayed payment approach in HB 547 also has the benefit of establishing a "bright line" test of the sort that is administratively efficient to apply because there is no need to weigh and consider multiple factors involving each particular case in order to determine when to pay the dividend. Administrative efficiency is, itself, recognized to be a legitimate state goal.

(2) Under HB 547 the delayed payment approach will not apply to individuals who are absent from the state while serving as a member of the United States Congress. Does exempting this single allowable absence create equal protection problems?

Probably not, based on the fact that the legislature could reasonably determine that the residency of Congressional delegates is not as questionable as the residency of other

Representative Paul Seaton

April 5, 2004

Page 3

individuals who are not physically present in the state. The U.S. Constitution itself requires a member of the U.S. House or Senate to be "an inhabitant" of the state from which elected at the time of the election. (Art. I, secs 2 and 3, Constitution of the United States)

(3) Does HB 547 create issues of due process?

Procedural due process rights attach to administrative or judicial adjudicative proceedings under which the rights of particular individual are determined. Substantive due process is implicated by provisions of law that have the effect of depriving an individual of a vested property right. It is unlikely that a court would find that an individual's property interest in receiving a permanent fund dividend has become vested until all statutory requirements for receipt of the dividend have been satisfied, including those imposed under HB 547, if it is enacted. (Church v. State, 973 P.2d 1125 (Alaska 1999) claimant who was ineligible for a permanent fund dividend as a matter of law because he was out of state for more than 180 days was not denied procedural due process rights when his appeal was denied in a summary adjudication and was not denied substantive due process rights by the statutory scheme under which dividends are denied to individuals absent from the state for more than 180 days, whose absences do not fit within the excused categories)

TBC:mdr

04-138.mdr

Projection of Partial Impact of HB 547
(Prepared by the Permanent Fund Dividend Division)

This is a projection of some of the dividends that would not have been paid 1995-2003, if HB 547 had been in effect, extrapolated from sampling of the data base attached.

Notes:

- The sample was small (total of 112 applicants) and may not be statistically reliable. This projection was done as a first step to determine approximate impacts.
- This projection does not include all dividends that would not have been paid under HB 247; each subsequent year after 1995, new absentees would have come into the pool.

Accompanying	\$ 12,028,848
Enrolled College	12,487,612
Active Duty	9,328,835
Other	1,864,924
Total	\$ 35,710,219

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Year	Total Applicants	Applicants w/absences	Apps w/allow absences	Paid apps w/allow absences
2003	625,469	39,650	29,410	24,045
2002	620,770	39,710	29,304	23,909
2001	620,109	41,333	30,122	23,801
2000	618,726	41,829	28,612	22,894
1999	592,402	33,138	24,460	20,622
1998	584,894	29,940	22,510	18,670
1997	574,974	28,180	21,062	15,839
1996	565,716	26,790	20,209	15,102
1995	564,436	27,991	23,755	16,334
1994	559,560	30,632	26,115	17,807

2003 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	10,726
B - Enrolled College	9,271
C - Active Duty	6,814
D - Medical	838
E - Congressional	57
H - Employment	60
L - Cared for ill family	371
M - Settled estate	262
N - Care for terminally ill	583
P - Merchant Marine	57
Q - Attend Secondary	853

2001 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	10,966
B - Enrolled College	9,742
C - Active Duty	6,658
D - Medical	775
E - Congressional	58
H - Employment	68

2002 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	10,558
B - Enrolled College	9,440
C - Active Duty	6,622
D - Medical	844
E - Congressional	53
H - Employment	69
L - Cared for ill family	366
M - Settled estate	264
N - Care for terminally ill	568
P - Merchant Marine	48
Q - Attend Secondary	937

2000 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	10,103
B - Enrolled College	9,473
C - Active Duty	6,154
D - Medical	758
E - Congressional	79
H - Employment	55

L - Cared for ill family	355
M - Settled estate	352
N - Care for terminally ill	607
P - Merchant Marine	56
Q - Attend Secondary	986

1999 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	8,109
B - Enrolled College	9,582
C - Active Duty	5,339
D - Medical	551
E - Congressional	46
H - Employment	47
L - Cared for ill family	380
M - Settled estate	244
N - Care for terminally ill	546

1997 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	6,508
B - Enrolled College	8,616
C - Active Duty	4,254
D - Medical	1,003
E - Congressional	262
H - Employment	52
L - Cared for ill family	714
M - Settled estate	181

1995 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	7,798
B - Enrolled College	8,367
C - Active Duty	4,307

L - Cared for ill family	511
M - Settled estate	358
N - Care for terminally ill	594
P - Merchant Marine	47
Q - Attend Secondary	931

1998 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	6,875
B - Enrolled College	9,167
C - Active Duty	4,534
D - Medical	1,075
E - Congressional	317
H - Employment	54
L - Cared for ill family	894
M - Settled estate	257

1996 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	6,930
B - Enrolled College	8,330
C - Active Duty	4,123
D - Medical	923
E - Congressional	278
H - Employment	63

1994 Allowable Absences by Type

Absence Type	Count of Absences
A - Accompanied	9,082
B - Enrolled College	8,543
C - Active Duty	4,650

D - Medical	881
E - Congressional	285
H - Employment	85
L - Other	2,849

D - Medical	1,017
E - Congressional	290
H - Employment	78
L - Other	3,390

Note: Some applications contain more than one absence type

We tracked the following randomly selected 1995 applicants claiming allowable absences with the following results

27 - A (Accompanied)

All 27 were paid in 1995

By 2003 23 had taken residency elsewhere

4 returned to Alaska

31 - B (Enrolled in College)

All 31 were paid in 1995

By 2003 18 had taken residency elsewhere

12 had returned to Alaska

1 completed school then absent for congressional delegation

34 - C (Active Duty)

All 34 were paid in 1995

By 2003 26 had taken residency elsewhere

2 are still out on Active Duty

5 returned to Alaska

10 - D (Medical)

All 10 were paid in 1995

By 2003 6 had taken residency elsewhere

4 returned to Alaska

10 - L (Other)

All 10 were paid in 1995

By 2003 4 had taken residency elsewhere

6 returned to Alaska

Applicants absent for more than 180 days in the Qualifying Year for the 1995 PFD and subsequent filing history.

Absent to Accompany another eligible Alaskan

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003	Type of Absence
1995448892	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995449931	A	212	Paid	Paid	Returned	X	X	X	X	X	X	School
1995449930	A	212	Paid	Paid	Returned	X	X	X	X	X	X	School
1995449896	A	228	Paid	Paid	Returned	X	X	X	Paid	Returned	X	Military
1995449878	A	365	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995449877	A	365	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995449779	A	188	Paid	Returned	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995449578	A	213	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995449187	A	204	Paid	Denied-66	NOF	Returned	X	X	X	X	NOF	School
1995449186	A	204	Paid	Denied-66	NOF	Returned	X	X	X	X	NOF	School
1995449121	A	260	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995449003	A	329	Paid	Paid	Denied-57	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995449002	A	329	Paid	Paid	Denied-57	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995419641	A	365	Paid	Paid	Returned	X	Paid	Paid	NOF	NOF	NOF	Military
1995448896	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995450032	A	365	Paid	Paid	NOF	Denied-82	NOF	NOF	NOF	NOF	NOF	Military
1995448891	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995448890	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	School
1995448680	A	730	Paid	Paid	Paid	Paid	Denied-66	NOF	NOF	NOF	NOF	Military
1995448679	A	730	Paid	Paid	Paid	Paid	Denied-66	NOF	NOF	NOF	NOF	Military
1995448655	A	358	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448654	A	359	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448653	A	341	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448647	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448646	A	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448643	A	365	Paid	Paid	Denied-66	NOF	NOF	NOF	NOF	NOF	NOF	Military
1995448538	A	365	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Returned	X	Military

KEY:

- Paid** Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
- Returned** Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
- X** Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
- NOF** Applicant did Not File for that PFD.
- Denied** Applicant filed the application was denied.
- Denial reasons** 66 applicants sponsor was not eligible, 57 applicant did not return for 72 hours in past 2 years
- 82 applicant did not demonstrate the intent to remain an Alaska resident during their entire absence.

Applicants absent for more than 180 days during Qualifying Year for 1995 PFD and subsequent filing history

Absent to attend School

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003
1995403483	B	241	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF
1995271014	B	235	Paid	NOF	NOF	NOF	NOF	Returned	X	X	X
1995403982	B	227	Paid	Returned	X	X	X	X	X	X	X
1995278501	B	230	Paid	Returned	X	X	X	X	X	X	X
1995392575	B	231	Paid	Paid	Paid	Paid	Paid	Denied-87	NOF	NOF	NOF
1995397433	B	364	Paid	Paid	Returned	X	X	X	X	X	X
1995403466	B	184	Paid	Returned	X	NOF	NOF	NOF	NOF	NOF	NOF
1995392564	B	300	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995397334	B	354	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995392565	B	247	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid
1995278927	B	331	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995398986	B	285	Paid	Paid	Denied-86	NOF	NOF	NOF	NOF	NOF	NOF
1995270983	B	245	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF
1995397431	B	232	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995399038	B	353	Paid	Paid	Paid	Paid	Returned	NOF	NOF	NOF	NOF
1995396740	B	364	Paid	Paid	Returned	X	X	X	X	X	X
1995280057	B	240	Paid	Returned	X	X	Paid	Paid	Returned	X	X
1995557727	B	351	Paid	Returned	X	X	X	X	NOF	NOF	NOF
1995271119	B	256	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995281810	B	306	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995281782	B	295	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995275820	B	355	Paid	Paid	Returned	X	X	X	X	X	X
1995275806	B	228	Paid	Paid	Paid	Returned	X	X	X	Denied-36	X
1995539544	B	201	Paid	Returned	X	X	X	X	X	X	X
1995396155	B	247	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF
1995392727	B	240	Paid	Paid	Paid	Denied-86	NOF	NOF	NOF	NOF	NOF
1995402258	B	293	Paid	NOF	NOF	Returned	X	X	X	X	X
1995401901	B	346	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF
1995392809	B	262	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995401869	B	247	Paid	Returned	X	X	X	X	X	X	X
1995401757	B	272	Paid	Returned	X	X	X	X	X	X	X

KEY:

Paid

Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.

Returned

Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend

X

Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.

NOF

Applicant did Not File for that PFD.

Denied

Applicant filed the application was denied.

Denial reasons

36 late filing, 86 didn't provide requested information.

*** This applicant completed school and then was absent as staff for the congressional delegation.

Applicants absent for more than 180 days in the Qualifying Year for the 1995 PFD and subsequent filing history.

Absent for Active Duty Service in the Armed Forces

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003	# of Applicants in Family Packet
1995324658	C	282	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	4
1995057589	C	351	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Paid	1
1995248001	C	364	Paid	Paid	Paid	Paid	Returned	X	X	X	X	4
1995253388	C	364	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF	3
1995559179	C	225	Paid	Paid	Paid	Paid	Paid	Paid	NOF	NOF	NOF	4
1995013806	C	212	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995318532	C	364	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	2
1995558794	C	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995559144	C	365	Paid	Paid	Paid	Paid	Paid	Paid	Paid	Returned	X	
1995559048	C	351	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995247998	C	360	Paid	Paid	Paid	Paid	Denied-87	NOF	NOF	NOF	NOF	3
1995257239	C	364	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995558540	C	291	Paid	Returned	NOF	NOF	NOF	NOF	NOF	NOF	NOF	3
1995558537	C	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	2
1995232175	C	364	Paid	Paid	Paid	Paid	Paid	Denied-87	NOF	NOF	NOF	5
1995070492	C	352	Paid	Returned	X	X	X	NOF	NOF	NOF	NOF	4
1995559334	C	365	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	3
1995320834	C	364	Paid	Returned	X	X	X	X	X	X	X	3
1995015236	C	191	Paid	Returned	X	X	X	X	X	Paid	Paid	4
1995232768	C	346	Paid	Paid	Denied-36	Denied-87	NOF	NOF	NOF	NOF	NOF	1
1995556356	C	362	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	6
1995074796	C	214	Paid	Returned	NOF	NOF	NOF	NOF	NOF	NOF	NOF	3
1995238295	C	342	Paid	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	2
1995254583	C	355	Paid	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF	1
1995556378	C	213	Paid	Returned	X	X	X	X	X	X	X	4
1995319407	C	361	Paid	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	4
1995318528	C	364	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	1
1995009034	C	196	Paid	Returned	X	X	X	X	X	X	X	3
1995255304	C	364	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	4
1995320302	C	351	Paid	Paid	NOF	NC	NOF	NOF	NOF	NOF	NOF	1
1995315594	C	364	Paid	Denied-55	Denied-55	Paid	Paid	Paid	Denied-87	Denied-87	NOF	1
1995238336	C	361	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	3
1995325131	C	364	Paid	Denied-93	NOF	NOF	NOF	NOF	NOF	NOF	NOF	2
1995235317	C	254	Paid	Paid	Paid	Paid	Paid	Paid	Denied-86	NOF	NOF	1

KEY:

- Paid** Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
- Returned** Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
- X** Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
- NOF** Applicant did Not File for that PFD.
- Denied** Applicant filed the application was denied. 93, took action inconsistent with Alaska residency, 86 didn't provided requested info.
- Denial reasons** 36 late filing, 55 applicant did not return for 72 hours in past 2 years, 87 absent > 5 years and did show intent to return,

Applicants absent for more than 180 days in the Qualifying Year for the 1995 PFD and subsequent filing history.

Absent for Medical Treatment (Adults) Absent for Vacation (Children)

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003	
1995433152	D	206	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Adult
1995466381	D	220	Paid	NOF	NOF	Denied-50	NOF	NOF	NOF	NOF	NOF	Adult
1995442111	D	189	Paid	Returned	X	X	X	X	X	X	X	Adult
1995387106	D	189	Paid	Returned	X	X	X	X	X	X	X	Adult
1995437465	D	266	Paid	Returned	X	NOF	NOF	NOF	NOF	NOF	NOF	Adult
1995502727	D	392	Paid	NOF	Paid	Denied-86	NOF	NOF	NOF	NOF	NOF	Adult
1995483541	D	201	Paid	Returned	X	X	X	X	X	X	X	Adult
1995297397	D	210	Paid	Paid	Paid	Paid	Denied-66	NOF	NOF	NOF	NOF	Child *
1995455609	D	232	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF	NOF	Adult
1995505148	D	280	Paid	Paid	Paid	Returned	X	X	X	X	X	Child *

KEY:

- Paid** Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
 - Returned** Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
 - X** Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
 - NOF** Applicant did Not File for that PFD.
 - Denied** Applicant filed the application was denied.
- Denial reasons** 66 applicant's sponsor was not eligible,
50 applicant did not reestablish Alaska residency before the beginning of the qualifying year.

The absence reason listed on these children's applications was vacation, however the children were absent with parent serving in the Armed Forces also.

Applicants absent for more than 180 days in the Qualifying Year for the 1995 PFD and subsequent filing History.

Absent for other reasons including Business.

DLN	Type	Days	1995	1996	1997	1998	1999	2000	2001	2002	2003
1995329893	L	222	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995491698	L	365	Paid	Paid	NOF	NOF	NOF	NOF	NOF	NOF	NOF
1995000711	L	364	Paid	Returned	X	X	X	X	X	X	X
1995326851	L	355	Paid	Returned	X	X	X	X	X	X	X
1995484989	L	320	Paid	Returned	X	X	X	X	NOF	NOF	NOF
1995364009	L	191	Paid	Returned	X	X	X	X	X	X	X
1995508000	L	224	Paid	Paid	NOF	NOF	NOF	Returned	X	X	X
1995535818	L	453	Paid	Returned	X	X	X	X	X	X	X
1995227972	L	212	Paid	Returned	X	X	X	NOF	NOF	NOF	NOF
1995248558	L	456	Paid	Returned	X	X	X	X	X	X	X

KEY:

- Paid** Applicant had absences of > 180 days during Qualifying Year for that PFD and was Paid a dividend.
- Returned** Applicant returned to Alaska during the Qualifying Year for that PFD, was absent < 180 days and Paid a dividend
- X** Applicant in subsequent Qualifying Year was absent < 180 days and paid a dividend.
- NOF** Applicant did Not File for that PFD.
- Denied** Applicant filed the application was denied.

Dividend Application Information

Why Applicants Were Absent From the State
For Absences During 2002 (The Qualifying Year for 2003 Dividend)

Dividend application forms ask applicants if they were absent from the state for more than 90 days and 180 days. Reasons why applicants were absent from the state are listed below.

Absence reason	Between 91 and 180 days			More than 180 days		
	Adult	Child	Total	Adult	Child	Total
❖ Accompanied an Alaska resident who was eligible for a PFD	841	1,508	2,349	2,521	5,077	7,598
❖ Enrolled as a full-time student (Postsecondary Education)	3,409	31	3,440	5,351	14	5,365
❖ Served on active duty in the U.S. Armed Forces	1,389	N/A	1,389	4,792	N/A	4,792
❖ Enrolled as a full-time student (Grades 7 - 12)	181	266	447	171	195	366
❖ Received continuous medical treatment	229	86	315	170	133	303
❖ Cared for a terminally ill family member	178	14	192	93	6	99
❖ Cared for a direct relative with a critical life-threatening illness	125	10	135	48	6	54
❖ Part of a legal custody agreement	N/A	80	80	N/A	52	52
❖ Served as a member of Alaska's congressional delegation or staff	4	N/A	4	29	N/A	29
❖ Settled the estate of a deceased direct relative	81	N/A	81	18	N/A	18
❖ Employed aboard a vessel of the U.S. Merchant Marine	27	N/A	27	12	N/A	12
❖ Employed by the State of Alaska	19	N/A	19	10	N/A	10
Other reasons	1,071	319	1,390	558	317	875
Vacation	4,218	425	4,643	357	89	446
Sought employment out of the state	708	N/A	708	264	N/A	264

❖ Allowable absence for determining divided eligibility.

N/A - Not applicable to application type.

Note: Applicants may claim more than one type of absence on their application.

Dividend Amount by Year

Year	Amount	Increase (Decrease)
2003	1107.56	-28.11%
2002	\$1540.76	-16.73%
2001	\$1850.28	-5.78%
2000	\$1963.86	10.96%
1999	\$1769.84	14.86%
1998	\$1540.88	18.85%
1997	\$1296.54	14.67%
1996	\$1130.68	14.18%
1995	\$990.30	0.65%
1994	\$983.90	3.63%
1993	\$949.46	3.67%
1992	\$915.84	-1.66%
1991	\$931.34	-2.23%
1990	\$952.63	9.10%
1989	\$873.16	5.59%
1988	\$826.93	16.77%
1987	\$708.19	27.31%
1986	\$556.26	37.69%
1985	\$404.00	21.95%
1984	\$331.29	-14.21%
1983	\$386.15	
1982	1000 ⁰⁰	

Applicant Mailing Address by City

Zip Code	Municipality	Application Type		Total	% of Total Applications
		Adult	Child		
99778	Teller	138	91	229	0.04%
99841	Tenakee Springs	100	15	115	0.02%
99779	Tetlin	64	16	80	0.01%
99919	Thorne Bay	381	129	510	0.08%
99678	Togiak	465	336	801	0.13%
99780	Tok/Mentasta Lake	1,132	443	1,575	0.25%
99637	Toksook Bay	302	277	579	0.09%
99683	Trapper Creek	406	80	486	0.08%
99679	Tuluksak	256	195	451	0.07%
99680	Tuntutuliak	197	172	369	0.06%
99681	Tununak	166	136	302	0.05%
99682	Tyonek	128	61	189	0.03%
99684	Unalakeet	489	257	746	0.12%
99685	Unalaska	643	256	899	0.15%
99692	Unalaska (Dutch Harbor)	1,002	284	1,286	0.21%
99686	Valdez	2,779	1,106	3,885	0.63%
99781	Venetie	147	75	222	0.04%
99782	Wainwright	326	199	525	0.08%
99783	Wales	85	63	148	0.02%
99928	Ward Cove	1,065	387	1,452	0.23%
99654	Wasilla	12,866	6,073	18,939	3.06%
99687	Wasilla	11,812	5,148	16,960	2.74%
99784	White Mountain	121	77	198	0.03%
99693	Whittier	179	44	223	0.04%
99688	Willow	1,750	585	2,335	0.38%
99929	Wrangell	1,682	559	2,241	0.36%
99689	Yakutat	454	169	623	0.10%
Total Other Municipalities		192,632	85,496	278,128	44.92%
Office of Public Advocacy¹		757	0	757	0.12%
Health and Social Services¹		0	2,230	2,230	0.36%
Total All Alaska Municipalities		425,156	177,395	602,551	97.31%
West Coast states					
	Washington	946	536	1,482	0.24%
	Oregon	264	91	355	0.06%
	California	755	430	1,185	0.19%
Total West Coast States		1,965	1,057	3,022	0.49%
Other States		8,043	5,604	13,647	2.20%
Total All Applicants		435,164	184,056	619,220	100.00%

¹Applicants reside throughout the state, however applications are submitted by the respective agency with the agency's address (Health and Social Services are filed with a Juneau address and Office of Public Advocacy are filed with an Anchorage address).

16,669

Your Absence from Alaska and the PFD Program

Are you going to be absent from Alaska this year? If you are, you need to be aware of the rules of the Permanent Fund Dividend (PFD) program for absences and how they affect your eligibility.

This document is intended to cover the most common circumstances related to absences as they pertain to the PFD program. This document refers to eligibility only in the context of an absence from Alaska – other requirements of the PFD program must be met to be otherwise eligible. Refer to PFD statutes and regulations for more detailed information or contact your nearest Dividend Information Office to get more specific information about your absence.

Anchorage Dividend Information Office
616 E Street
Anchorage, AK 99501
(907) 269-0370

Fairbanks Dividend Information Office
1005 Cushman Street
Fairbanks, AK 99701
(907) 451-2820

Juneau Dividend Information Office
PO Box 110461
Juneau, AK 99811-0461
(907) 465-2326

TTY (Hearing Impaired) (907) 279-0098

Toll-free Number (800) 733-8813 (Available year-round in Alaska and from October 1 through March 31 from out of state).

General Rule

You may be absent from Alaska in a calendar year for up to 180 days for any reason and still be eligible for a dividend, as long as you meet all other requirements of the program.

For certain absences, you may still be eligible for a dividend even though you are absent from Alaska for more 180 days. These absences are referred to as "allowable absences" and are described under the Allowable Absences section below.

Absences and Residency

While you are absent, whether one day or the whole year, you must maintain your Alaska residency and intend to return to Alaska and remain a resident. If you do anything to establish residency in another state or country while you are out of Alaska, such as registering to vote or filing a resident income tax return, you will not be eligible for a dividend.

Example. You move from Alaska in May to take a new job Washington and purchase a home there. After two weeks, you decide to come back to Alaska to live again. Even though you were gone less than 180 days, you will not qualify for the next dividend because you broke your Alaska residency and were not an Alaska resident for the entire calendar year.

Reporting Absences

You must report all absences if you were absent from Alaska for more than 90 total days during the calendar year, or were absent when you file your application. For purposes of the dividend program, absences are counted in cumulative days, not consecutive days, for a calendar year. The division counts the day you leave as a day in Alaska; the day you return is counted as an absence day.

Example. You left Alaska on March 1 and return May 20, and again from October 1 through the 16th. The total number of absence days in this example is 95 days (80 for the March 1 through May 20 absence and 15 days for the October absence). All absences must be reported on your dividend application because your total absence days exceed 90 days. Since the total number of days is less than 180 days, you may still be eligible for a dividend.

Allowable Absences

Permanent Fund Dividend laws allow persons to be absent from Alaska for more than 180 days if they are absent for one or more of the following reasons:

- 1) Receiving secondary or postsecondary education on a full-time basis
- 2) Receiving vocational, professional, or other specific education not reasonably available in Alaska
- 3) Serving on active duty as a member of the U.S. armed forces or accompanying the eligible military member if you are a spouse, minor dependent or disabled dependent
- 4) Serving aboard an oceangoing vessel of the U.S. merchant marine
- 5) Receiving continuous medical treatment under a licensed physician's care if the treatment is not based on a need for climatic change
- 6) Providing care for your parent, spouse, sibling, child, or stepchild with a critical life-threatening illness that requires travel outside for treatment at a medical specialty complex
- 7) Providing care for your terminally ill parent, spouse, sibling, child or stepchild
- 8) Settling the estate of your deceased parent, spouse, sibling, child or stepchild provided the absence does not exceed 220 cumulative days
- 9) Serving as a member of the U.S. Congress
- 10) Serving on the staff of a member of the U.S. Congress
- 11) Serving as an employee of the state
- 12) Accompanying a minor who is absent under reason (5) above
- 13) Accompanying another eligible resident who is absent for reasons (1), (2), (5)-(12) as the spouse, minor dependent, or disabled dependent of the eligible resident

Example. You are absent from Alaska for the entire calendar year while serving on active duty in the army in Fort Lewis, Washington. While out of state, you claimed Alaska on your Leave and Earnings Statement (LES) as your state of residency for the entire calendar year. You will be eligible for a dividend because you are on an allowable absence. However, note the 72-hour rule below.

Example. In January, you and your child moved to Eugene, Oregon to be with your wife who is a full-time student at the University of Oregon. Your wife was a full-time student for the whole year except summer school. You, your wife and child will all be eligible for a dividend because you are on allowable absences. Your wife is on the full-time student absence under (1) and you and your child are on allowable absence (13) accompanying an eligible resident. However, note the 72-hour rule below.

72-Hour Rule

All persons on allowable absences must be physically present in Alaska for at least 72 consecutive hours during the prior two years before the current dividend year.

Example. You are an Alaska resident who has been stationed in Fort Benning, Georgia on active duty military service since July 1, 2000 and are applying for a 2003 dividend. You returned to Alaska from June 6 through June 11, 2001. You will be eligible for a 2003 dividend because you were in Alaska for more than 72 consecutive hours during the two prior years (2001 and 2002).

The commissioner of the Department of Revenue may waive this rule for military members (and spouses, minor dependents and disabled dependents of the military members) during times of national emergency. If applicable, contact the Permanent Fund Dividend Division to see if there is a waiver in effect for the dividend period you are applying for.

5-Year Rule

If you have been on an allowable absence for more than 5 years, the department will take a closer look at your application and look for indicators of your intent to return to Alaska. To maintain your eligibility under the dividend division will look at factors that indicate your intent to return to Alaska. You will need to spend at least 30 cumulative days in Alaska during the past 5 years, unless you can demonstrate that unavoidable circumstances prevented you from returning to Alaska. The department will look at such things as the length of the absence compared to the time spent in Alaska, home ownership in Alaska, and Alaska voter registration and vehicle license.

10-Year Rule

Beginning with the 2008 dividend, you will not be eligible for a dividend if you have been on allowable absences for the 10 preceding years and continue to be on an allowable absence greater than 180 days in the qualifying year. This rule does not apply if you are a member of the U.S. Congress or serving on the staff of an Alaska member of the U.S. Congress.

Absences in addition to Allowable Absences

If you were absent for more than 180 total days in a calendar year including one or more allowable absences during the year, you have a limited number of days that you may be absent for other reasons in order to still qualify for the dividend. There are different rules for the number of additional days depending on your circumstances as outlined below.

Military Members and Family

If you are on active duty, you and your family (spouse, minor dependent and disabled dependent) have 180 additional days if you are only claiming your active duty service time as an allowable absence. If you claim other allowable absences ([LINK TO AS 43.23.008 HERE](#)), your additional days will be limited as follows:

- If you claim an absence as a full-time student in addition to your active duty service time, you are limited to 120 additional days.
- If you claim any other allowable absence in addition to your active duty service time, you are limited to 45 additional days.

Example: You are a military member and get discharged from active service on July 1. While you were serving in the military, your wife and minor child accompanied you. You and your family decided to spend time on the East Coast after your discharge and return to Alaska September 1 (62 days). In October, you take a vacation in California from October 2 to November 15 (44 days). You and your family will still be eligible for a dividend because you were not absent from Alaska for more than 180 days in addition to your allowable military absence.

Example: You are a student at the University of Washington and graduate May 14. You stay in Seattle after school until June 1 and then take an extended vacation in Mexico until September

30 (139 days). You return to Alaska October 1. On October 15, you enlist for active duty military and are stationed outside of Alaska. Even though you are claiming a military absence and had less than 180 additional absence days, you will not be eligible for a dividend because you also claimed an allowable absence as a student. To be eligible for a dividend you would have need to be absent less than 121 additional days.

Example. You served as active duty military from January 1 to July 1 when you were discharged. You decide to take a vacation and spend time with family in Oregon after your discharge and come back to Alaska on September 1 (92 days). Later in the year, you leave Alaska to care for your terminally ill father in Oregon from November 20 through December 10 (21 days). Your total additional absence days were 102 days. Even though you are claiming a military absence and had less than 180 additional absence days, you will not be eligible for a dividend because you also claimed an allowable absence for the time you were caring for your father. To be eligible for a dividend, you would have needed to be absent less than 46 additional days.

Students

If you are a full-time student in good standing, you and your family (spouse, minor dependent and disabled dependent) have 120 additional days if you are only claiming your student absence as an allowable absence. If you claim other allowable absences, your additional days will be limited to 45 days.

Example: You are a student in Seattle meeting the requirements of the education allowable absence and attend school from January 5 through May 15. You then take a summer job in Seattle for the summer and are out of school from May 16 through August 20 (96 days). For the remainder of the year, you are in school in Seattle from August 21 through December 15. You then return to Alaska to be with family for Christmas break from December 16 through January 4 the next year. You will still be eligible for a dividend since you were on an education allowable absence during the year and the additional days you were absent was less than 121 days.

Example. You are a student at the University of Washington and graduate May 14. From May 15 to July 31 (78 days), you took a vacation and visited family in California. Later in the year, you leave Alaska to care for your terminally ill father in Oregon from November 20 through December 10 (20 days). Your total additional absence days were 98 days. Even though you are claiming a student absence and had less than 120 additional absence days, you will not be eligible for a dividend because you also claimed another allowable absence for the time you were caring for your father. To be eligible for a dividend, you would have needed to be absent less than 46 additional days.

Others

If you are not a military member or student, and you are on an allowable absence for more than 180 days, you are limited to 45 additional days.

Example: You are out of state from January 5 to April 8 receiving continuous medical treatment under a licensed physician's care (an allowable absence). Later that year you are absent from

August 10 through September 29 for vacation (50 days). You are absent from October 20 through December 31 again receiving continuous medical treatment under a licensed physician's care. Even though you were on an allowable absence during the year, you will not be eligible for a dividend because you had more than 45 additional days of absences during the time you were on vacation in August and September. To be eligible for a dividend, you would have needed to be absent less than 46 additional days.

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Empire Edition

Time to stop sending millions to those bilking the system

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Alaska residents who live Outside face the threat of losing one of the sweetest deals ever. They are in jeopardy of no longer receiving Alaska Permanent Fund dividends, which they can collect for 10 years after leaving the state.

Here's the deal: A military family with two kids comes to Alaska for a three-year assignment. Then the family is transferred to another state, with no plans to ever live in Alaska again. As long as the parents aren't honest about the unlikelihood of becoming Alaska residents again, they can collect four dividend checks. In a year with \$1,000 dividends, that would be \$4,000 - and more like \$40,000 over a decade.

And all this from a state that's in fiscal crisis.

We're not talking about just a few families here. We're talking about enough people that dividend checks sent to out-of-state residents totaled about \$19 million last year. In 2000, the year in which the heaviest dividend checks were mailed out, \$36 million went to people living out of state.

While legislators are grappling with contentious proposals on income and sales taxes, oil royalties, and tapping into the permanent fund to cover state services, the state is giving millions away to people who are working the system.

This is one of the most ludicrous loopholes ever, and Rep. Paul Seaton is trying to close it. The Homer Republican introduced legislation this week that would prevent former Alaska residents from collecting dividends until they return to the state for one year.

No doubt there are genuine Alaska residents who move away

temporarily for good reasons - such as college and military service - and have every right to collect a check as other Alaskans do. But Seaton's bill provides for these people. They can collect their dividend checks when they return.

The legislation may have the added bonus of shrinking Alaska brain drain. The state lost some 30,000 citizens in the 1990s because they moved to other states after graduating from college, estimates University of Alaska President Mark Hamilton. But knowing that thousands of dollars are waiting for them may persuade some to bring their talents and education back to their home state after school.

The Alaska Permanent Fund Division does not have firm numbers on how many of these out-of-state dividend recipients are genuine Alaska citizens or members of the U.S. military or others who are bilking the system. But permanent fund division employees who work with these applications each year say that if the out-of-state checks were counted, the majority would go to those in the military.

Seaton says that he's got support from military personnel for his bill and that many members of the military see the abuse of the system for what it is. Clearly, they don't want their reputation tarnished by those who have no qualms about lying for thousands of dollars.

The most regrettable thing about this piece of legislation is that nobody thought of it sooner.

Alaska has the embarrassing distinction of being the only state to shell out millions of dollars to citizens just because they used to live here. The state needs to lose this distinction and legislators should push Seaton's bill through as quickly as possible.

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Anchorage Daily News

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Bill would hold checks 'til out-of-staters return

PFD: Lawmakers want to reduce fraud.

By SEAN COCKERHAM

Anchorage Daily News

(Published: March 31, 2004)

JUNEAU -- A group of legislators want to stop sending \$20 million in Permanent Fund dividend checks out of state each year to military personnel, congressional staffers, college students and others who might never return to live in Alaska.

Their proposed solution: The state would keep the dividends of those roughly 17,000 people who live Outside but qualify as Alaska residents under the dividend program. If they return to live for at least a year, the state would then pay them all their missed checks, but without interest.

House Bill 547 is new but is getting a warm reception in the Legislature. Still, some inside and outside the Capitol worry about the impact of shutting off dividends to soldiers and students who may need the checks for living expenses.

Bill sponsor Rep. Paul Seaton, R-Homer, said he wants to crack down on dividend fraud. He said that he, like other Alaskans, has often heard stories of people abusing the dividend program.

"People collecting dividends from the state and having no intention of coming back to the state" is how he put it.

Seaton said he also wants to encourage Alaskans to come home after school or military service. Lawmakers commonly bemoan Alaska's brain drain. An incentive is needed to help retrieve them, Seaton said, and a waiting pile of dividend checks might just be it.

In general, people can't be gone from Alaska for more than 180 days a year and still get a dividend check. But, over the years, the Legislature has created 13 allowable absences that let people live Outside and still collect.

They include: serving active duty as a member of the military or being the spouse or child of a military member; attending college full-time; getting vocational or professional education not reasonably available in Alaska; receiving medical care not based on a need for a change in climate; providing care for a terminally ill parent, spouse, sibling or child; serving in Congress or as a congressional staffer.

To get their check, out-of-state Alaskans have to sign a pledge of intent to return. But they don't always return.



REP. PAUL SEATON R-HOMER

House Bill 547 sponsor Rep. Paul Seaton, R-Homer (Photo by Seanna O'Sullivan/AP)



REP. BOB LYNN R-ANCHORAGE

Rep. Bob Lynn, R-Anchorage, worries military will be short-changed. (Photo by Seanna O'Sullivan/AP)

[Click on photo to enlarge](#)

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Under Seaton's bill, only members of Alaska's congressional delegation could remain outside Alaska and still get the annual check without moving back to the state for at least a year. Seaton's staffer, Chris Knight, explained that he didn't want to be in a position of keeping a dividend check from U.S. Sen. Ted Stevens.

The bill, introduced Monday, got its first hearing Tuesday in the House State Affairs Committee. The chairman, Juneau Republican Rep. Bruce Weyhrauch, is working with Seaton on the bill. And other lawmakers on the panel, Democrats and Republicans alike, also seemed to like the idea.

"I'm thinking to myself, why didn't I think of that?" was the response of Rep. John Coghill, R-North Pole and House majority leader.

Anchorage Democratic Rep. Max Gruenberg told the House committee that he strongly supports the bill. But Gruenberg and Coghill both said they want to look at it closer and get some questions answered.

The bill does not limit how long a person could be absent and still come home and collect dividends. But under current regulations there is a 10-year cutoff, as of 2008.

Rep. Bob Lynn, R-Anchorage, who is retired from the Air Force and is active in military issues, said he's worried about shortchanging military personnel who can't choose where they get posted.

"We have to be good shepherds of the Permanent Fund," Lynn said. "And we have to take care of our military who are serving us around the world," he said.

Lynn said he planned to talk to veterans groups about the bill. Members of veterans groups reached Tuesday hadn't heard about it, but didn't have a favorable first reaction. Leon Bertram of the American Legion in Anchorage said Alaskans serving their country shouldn't be forced to wait until they are able to move back to Alaska to get their dividend. They aren't making much in the military, he said.

"I don't think that's a very good idea," he said.

But, Bertram said, the dividend should only go to people really coming back to Alaska. The American Legion doesn't have a formal position yet.

Delbert Lantz, principal of the Jimmy Huntington School in Huslia, said kids from rural Alaska who go to college in the Lower 48 often count on the check.

"That dividend helps them as far as tuition costs, living expenses and stuff," he said.

However, Nate Mohatt, an Alaskan pursuing a master's degree in California, said some Alaska students in the Lower 48 just use the dividend dollars for spending cash. They could use the money more after graduation to help pay off student loans.

Mohatt said he plans to come back to Alaska anyway. He questioned, though, how effective the proposal would be at meeting its sponsor's goal of easing the brain drain and inspiring Alaska kids to come home.

"A bigger encouragement than the dividends is where you can get a good job," Mohatt said.

Reporter Sean Cockerham can be reached at scockerham@adn.com

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Subject: Questions regarding PFD allowable absences

Date: Mon, 05 Apr 2004 15:39:10 -0800

From: Sharon Barton <sharon_barton@revenue.state.ak.us>

**To: chris_knight@legis.state.ak.us, Ginny_austerman@legis.state.ak.us,
Joe_McKinnon@legis.state.ak.us**

Chris - you forwarded the following questions to us regarding PFD allowable absences:

Rep. Seaton and Rep. Gruenberg would like data going back 6 or 10 years with regards to people applying and receiving dividends under allowable absences.

How many of those people still receive the dividend under an allowable absence? **Very difficult...see below.**

How many of those people received the dividend in 2002 or 2003? **See below.**

How many of those people now receive the dividend as an in-state recipient? **See below.**

Can you break down each request by category under allowable absences? **We will have an approximation for the past five years for the Tuesday hearing.**

Basically, Max wants to know what has happened to people receiving dividends under allowable absences for two different year sets, 6 and 10 years back. **See comments below.**

Lastly, have there been any changes to the statutes that have had a considerable affect on the applications or dividends paid in past years? **No**

Additional comments:

It would be expensive in terms of staff time and computer time to determine individual patterns - how long any one applicant remained out of state; whether they ever returned to the state; etc. The information is all collected in our old computer system but getting it back out in a format useable to the committee would be very labor intensive. Each of these applicants would need to be individually researched and on each inquiry the computer has to sort through some 12 million records. Depending on the importance of this information to the committee, it may not be a good expenditure of state funds. If this breakdown is pivotal information for the committee, we will commit the staff (approximately two full days) and considerable computer time to develop it, but if not, we would appreciate being relieved of the request.

Sharon Barton

Subject: No to HB547

Date: Wed, 31 Mar 2004 11:56:41 -0600

From: "David Prentice" <dprentice@mchsi.com>

To: <Representative_Paul_Seaton@legis.state.ak.us>

You say you want to encourage students and veterans to return to Alaska after whatever has drawn them away. That sounds good. But I see withholding PFDs as being a disaster for individual families.

My perspective comes from being a married father of three little children who is in his last few months of the doctoral program at Palmer College of Chiropractic. I left a steady career in Alaska to haul my whole family to Iowa to earn a degree as a Doctor of Chiropractic, and then later this year I'll haul the whole family back to Alaska to open my own practice.

How does the PFD weigh into this? From the beginning, the PFD has been a fundamental piece of my financing. It was PFD money that paid for the move down to Iowa. It has been PFD money coming once a year that has helped even out our monthly budget. PFD money paid off our car last year, financed through AlaskaUSA. When I graduate, it will be PFD money this October that will pay for our move back to Alaska.

Student loans only go so far and they're capped at a level that might be sufficient for a single student but is well below the poverty level for a family of 5. In order to maintain our Alaska residency to be eligible for PFDs, we're unable to apply for foodstamps, medicaid, or even I-Hawk insurance for our children (I-Hawk is Iowa's version of Denali KidCare). When I needed an emergency appendectomy last summer, we had no insurance and were not eligible for medicaid in Iowa because we refused to declare Iowa residency. Since we're not physically in Alaska, we're not eligible for Denali KidCare either. With the oldest of our three children just entering school this year, the exorbitant cost of childcare precludes my wife from working so our only "income" is student loans and PFDs. The "health insurance" offered to students may be sufficient for single students, but is cost-prohibitive for a family of 5.

Take away our 5 PFDs and we're left with nothing to replace them.

Take away our PFDs and we would have abandoned our Alaska residency years ago. As Iowa residents we could have become eligible for foodstamps, medicaid, and I-Hawk. Without PFDs to tie us back to Alaska, what incentive would we have to consider moving back upon graduation? Instead of stemming the so-called "brain drain", Paul Seaton's scheme would have the net effect of accelerating it.

I wasn't born in Alaska but all of my children were. I grew up in Alaska and grew to love the people and the country. My service in the Army and in the National Guard in Alaska permitted me to see remote corners of the state that few Anchorageites even imagine exist outside of a map. My years in Alaska as a field executive for the Boy Scouts of America provided me even more opportunities to love the state. I even convinced my wife to love Alaska more than her own home state. But steal our PFDs at a time when they are an essential portion of our budget, and the Legislature will be driving a wedge between the land and the very people that they're trying to attract back to live there.

They say that there are 17,000 Alaskans living "outside". If the PFD were

Subject: PFD

Date: Thu, 1 Apr 2004 16:36:50 -0800 (PST)

From: Thomas Sullivan <cpd44@yahoo.com>

To: Representative_Paul_Seaton@legis.state.ak.us

Rep. Seaton,

I appreciate your work for our fine state.

Please consider in your PFD holding bill regarding out of state applicants that MOST of them who are attending college depend on that annual dividend to survive on a student budget.

I know it was irreplaceable while I was an out of state recipient..

Tom Sullivan

Subject: re: PFD Bill

Date: Wed, 31 Mar 2004 18:02:34 -0900

From: "Marjorie Belieu" <mbelieu@pobox.xyz.net>

To: <Rep.Paul.Seaton@Legis.state.ak.us>

Dear Representative Seaton,

I understand that you have authored a bill to limit the PFD to college students while they attend college outside of Alaska. I find this portion of the bill outrageous. You propose that our children, whom we have raised for 18 years in this state and have gone to school here will not be entitled to their PFD until they return for a year! What about the people who have lived here only one year and receive their PFD's?

My children will have to register as out of state residents and pay out of state tuition when they attend school out of state. Their PFD helps them with their college costs and traveling back and forth to Alaska for summer jobs, and vacations. They are Alaskan's if any of us are.

I would like to see you remove college students as part of this bill. If they can vote, they can get a PFD. They, more than anyone else, need the extra funds. They are young and usually poor students. We are helping them succeed in life and every little bit our society gives them helps all of us. The cost of tuition is sky high and my children will have to take out college loans in order to complete college.

I strongly urge you to reconsider this bill and the ramifications it will have on our children.

Sincerely,

Marjorie Belieu

Subject: Permanent Fund and College Students

Date: Thu, 1 Apr 2004 11:42:30 -0900

From: "DeRuwe" <deruwe@arctic.net>

To: <Representative_Paul_Seaton@legis.state.ak.us>

Dear Representative Seaton:

As a voter in your district, I am writing to you in hopes of getting you to recant your proposal to take the permanent fund dividend checks out of the hands of college students until they return to the State after their college careers. With two college students in my family currently attending out-of-state institutions, I can personally attest to the importance of those checks in the hands of those students. They are barely making ends meet while paying out-of-state tuition rates because (this is important) they are Alaska residents. If they wished to live elsewhere, they could do so and not pay the out-of-state tuition! These students return to the state of Alaska for summer employment, vote in the State of Alaska, bank in the State of Alaska, and have no intentions of living elsewhere. They are no different than you and I, except they go to school outside, primarily to get educational opportunities that are not available here.

It seems like the legislature is really hitting this college population hard. There is your proposal to hold the permanent fund checks (with no interest yet). There is also the proposal for a \$100 income tax that is going around the legislature. The group of students that return each year to Alaska are the least able to afford this. Taken from the couple thousand dollars or so they make, plus their airfare just to get back and forth, you really are discouraging these people from returning to the state each year.

Step back and look at the situation from the point of view of a college student who wants to remain an Alaskan and returns each summer (like my kids). The student pays out-of-state tuition and airfare to come back and forth, so he/she is short on money anyway. They need the permanent fund to help make ends meet for their ever-rising cost of education. Now the state says they aren't going to give them their permanent funds for four years, and when they do get the dividend, they will be receiving less than every other citizen (this is discriminatory!) because the state will keep the interest. Add on to that a bill for \$100 each year right off the get-go, just to work. I think that many students would see this as incentive to establish residency elsewhere, further exacerbating the "brain-drain" problem that I think you would like to solve.

Please reconsider your position on this idea. College students need their permanent fund checks, should not be discriminated against, and should not be discouraged from returning to the State of Alaska.

Sincerely,

Dave DeRuwe
Seward, AK

Subject: Rep. Seaton's New PFD Bill**Date:** Thu, 1 Apr 2004 14:06:48 -0900**From:** "Ronald Wm. Drathman" <northstar@acsalaska.net>

To: "Representative Albert Kookesh" <Representative_Albert_Kookesh@legis.state.ak.us>,
 "Representative Beth Kerttula" <Representative_Beth_Kerttula@legis.state.ak.us>,
 "Representative Beverly Masek" <Representative_Beverly_Masek@legis.state.ak.us>,
 "Representative Bill Stoltze" <Representative_Bill_Stoltze@legis.state.ak.us>,
 "Representative Bill Williams" <Representative_Bill_Williams@legis.state.ak.us>,
 "Representative Bob Lynn" <Representative_Bob_Lynn@legis.state.ak.us>,
 "Representative Bruce Weyhrauch" <Representative_Bruce_Weyhrauch@legis.state.ak.us>,
 "Representative Carl Gatto" <Representative_Carl_Gatto@legis.state.ak.us>,
 "Representative Carl Morgan" <Representative_Carl_Morgan@legis.state.ak.us>,
 "Representative Carl Moses" <Representative_Carl_Moses@legis.state.ak.us>,
 "Representative Cheryll Heinze" <Representative_Cheryll_Heinze@legis.state.ak.us>,
 "Representative Dan Ogg" <Representative_Dan_Ogg@legis.state.ak.us>,
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 "Representative Les Gara" <Representative_Les_Gara@legis.state.ak.us>,
 "Representative Lesil McGuire" <Representative_Lesil_McGuire@legis.state.ak.us>,
 "Representative Mary Kapsner" <Representative_Mary_Kapsner@legis.state.ak.us>,
 "Representative Max Gruenberg" <Representative_Max_Gruenberg@legis.state.ak.us>,
 "Representative Mike Chenault" <Representative_Mike_Chenault@legis.state.ak.us>,
 "Representative Mike Hawker" <Representative_Mike_Hawker@legis.state.ak.us>,
 "Representative Nancy Dahlstrom" <Representative_Nancy_Dahlstrom@legis.state.ak.us>,
 "Representative Nick Stepovich" <Representative_Nick_Stepovich@legis.state.ak.us>,
 "Representative Norman Rokeberg" <Representative_Norman_Rokeberg@legis.state.ak.us>,
 "Representative Paul Seaton" <Representative_Paul_Seaton@legis.state.ak.us>,
 "Representative Peggy Wilson" <Representative_Peggy_Wilson@legis.state.ak.us>,
 "Representative Pete Kott" <Representative_Pete_Kott@legis.state.ak.us>,
 "Representative Ralph Samuels" <Representative_Ralph_Samuels@legis.state.ak.us>,
 "Representative Reggie Joule" <Representative_Reggie_Joule@legis.state.ak.us>,
 "Representative Richard Foster" <Representative_Richard_Foster@legis.state.ak.us>,
 "Representative Sharon Cissna" <Representative_Sharon_Cissna@legis.state.ak.us>,
 "Representative Tom Anderson" <Representative_Tom_Anderson@legis.state.ak.us>,
 "Representative Vic Kohring" <Representative_Vic_Kohring@legis.state.ak.us>

Dear Representative:

There is no logic in Paul Seaton's proposal to put a hold on college student's Permanent Fund Dividends while they attend school 'outside'? Mr. Seaton proposes holding up these Alaska resident's PFD until after they finish school and they return to Alaska and they live here again for a year. Even a cursory examination of this proposal shows that it is fatally flawed. <?xml:namespace prefix = o ns = "urn:schemas-microsoft-com:office:office" />