

ALASKA LEGISLATURE

2738

HOUSE and SENATE FINANCE COMMITTEE FILES, 2003-2004



Alaska Permanent Fund Corporation
801 West 10th Street, Suite 302 Juneau, AK 99801
Tel: (907) 465-2047 Fax: (907) 586-2057

Sponsor statement for SB 326

Background

Alaska Statute 37.13.120 provides a list of investment guidelines for the Alaska Permanent Fund, and the Fund's Trustees make investment decisions within these guidelines. Sometimes it is necessary to update the Fund's statutes as investment practices evolve. Periodically the Trustees bring these proposed changes to the Legislature.

In 1999 the Legislature passed HB 156, a bill that made a number of necessary changes to the statutes. One change was the creation of a "basket clause" in AS 37.13.120(k). This clause allows the Trustees to invest up to 5% of the Fund in investments not included in the allowed statutory list, but that are appropriate under the prudent investor rule. The basket clause may also be used for allowed investments in which the Fund has reached its statutory limitation.

However the alternative investments allowed under the basket clause may conflict with the investments not allowed under the statutory list. AS 37.13.120(e) prevents the Fund from borrowing money against assets other than real estate to leverage an investment. AS 37.13.120(h) restricts the situations in which Fund assets may be invested in futures contracts. AS 37.13.120(j) bars investing in any debt instrument on which an interest payment has been defaulted in the preceding five years.

Many alternative investments, such as hedge funds, use one or more of the methods restricted in (e), (h) and (j) as part of their overall investment strategy. The Permanent Fund could not make these investments under current statutes, despite the fact that they might represent sound investment opportunities.

Senate Bill 326

SB 326 achieves two objectives. The first is to provide clean-up language for AS 37.13.120(e) and (k), in part by explicitly stating that the investments restricted under AS 37.13.120(h) and (j) are allowed under the basket clause. According to transcripts of committee hearings, the Legislature was aware when it created the basket clause, that it would be used for these types of alternative investments. The change in this bill would clean up the discrepancy in language between the sections while still maintaining the original legislative intent.

The second would expand the basket clause from 5% to 10%. This is necessary because the 5% limit is too small to allow the Trustees enough flexibility to keep up with changes in investment practices. For example, the Trustees are planning on placing up to 3% of the Fund in private equity investments. If these are successful investments, the value will grow to 4% or more of the Fund, leaving less than 2% of the basket clause for other investments.



Alaska Permanent Fund

Senate Finance Committee

Senate Bill 326

Investment Flexibility

ACCOUNTABILITY

TO ALASKANS FOR ALASKANS



Summary of Fund's statute changes

1980 – SB 161, Sponsored by Sen. Tim Kelly, Sen. George Hohman, Sen. Mike Colletta, and Sen. John Sacket

SB 161 created the Alaska Permanent Fund Corporation to manage the Permanent Fund and started the existing statutory list of allowed investments. This list extended beyond the Fund's initial investment limitation of Treasury bonds to include corporate bonds, certificate of deposits and bankers acceptances. The list initially allowed the Permanent Fund to invest in shares of savings and loan associations, but this provision has since been removed.

1982 – SB 684, sponsored by Gov. Jay Hammond

SB 684 allowed the Permanent Fund to invest in common stocks, partial ownership of real estate properties (not to exceed 40%), loans for commercial real estate and deposits of US dollars held overseas.

1989- HB 69, sponsored by Gov. Steve Cowper

HB 69 gave the APFC authority to invest in non-domestic (International) stocks and bonds.

ACCOUNTABILITY

TO ALASKANS FOR ALASKANS

3/29/04



Summary of statute changes (cont.)

1992 – SB 39, sponsored by the Senate Finance Committee

SB 39 gave the APFC authority to invest in A rated corporate bonds to a maximum of 5%. Prior to this change, the Fund could only be invested in bonds rated AA or higher.

1994 – HB 373, sponsored by the Legislative Budget and Audit Committee

HB 373 allowed the Fund to own up to 100% in real estate properties worth less than \$150 million, and up to 67% in properties worth greater than \$150 million.

1996 – HB 525, sponsored by the House Finance Committee

HB 525 gave the APFC authority to invest in corporate bonds rated BBB or higher.

1999 – HB 156, sponsored by the Legislative Budget and Audit Committee

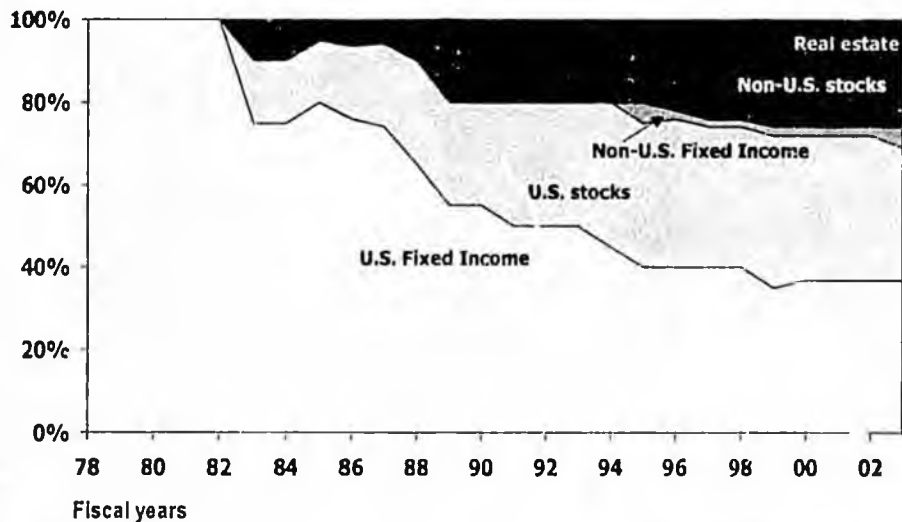
HB 156 allowed the Fund to leverage real estate investments and increased asset allocation limit for stocks to 55% of the total market value of the Fund. HB 156 also created the "basket clause" that allows up to 5% of the Fund to be invested in alternative investments or to be applied to existing asset allocations to expand their limits. In addition, HB 156 allowed the Permanent Fund to be the sole owner of any real estate property, regardless of value.

ACCOUNTABILITY ³

TO ALASKANS FOR ALASKANS



Fund's historical asset allocation



ACCOUNTABILITY ⁴

TO ALASKANS FOR ALASKANS



Benefits of proposed changes

- Investment flexibility
- Increased returns
- Increased diversification

ACCOUNTABILITY 5

TO ALASKANS FOR ALASKANS



Potential questions

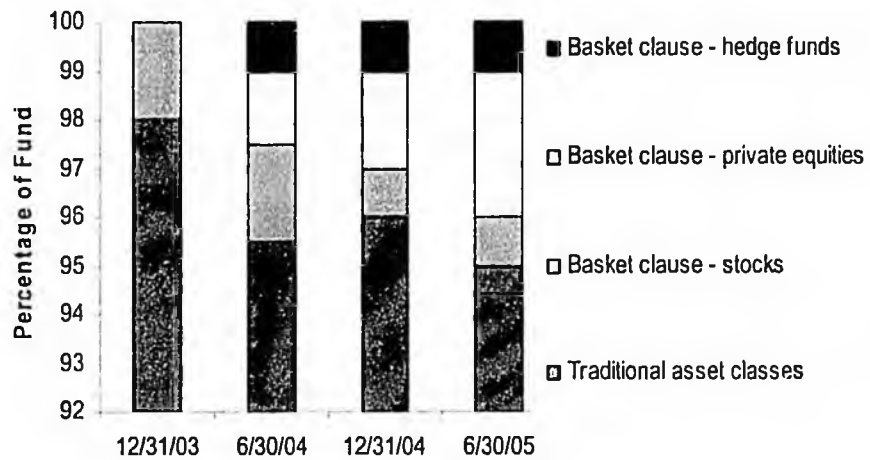
- Too much risk?
- How will the Board of Trustees use this flexibility?
- Derivatives?

ACCOUNTABILITY 6

TO ALASKANS FOR ALASKANS



Permanent Fund asset allocation



ACCOUNTABILITY 7

TO ALASKANS FOR ALASKANS

SENATE COMMITTEE REPORT
First Committee of Referral

DATE: 2/13/04

FURTHER: Finance

Date of 5-Day Notice: 2/19/04
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 3/5/04

State Affairs Committee considered SENATE BILL NO. 326

SB 326 PERMANENT FUND INVESTMENTS

"An Act relating to investments of Alaska permanent fund assets; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 326 (STA)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
<u>REV</u>	<u>2/24/04</u>			<input checked="" type="checkbox"/>	<u>1</u>

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	No REC	AMEND
<i>Cowdery</i> <u>John J. Cowdery</u>	<input checked="" type="checkbox"/>			
<i>Stedman</i> <u>Bertie Stedman</u>			<input checked="" type="checkbox"/>	
<i>G. Stevens</i> CHAIR: <u>[Signature]</u>			<input checked="" type="checkbox"/>	

SENATE FINANCE COMMITTEE

SIGN-IN

SB 326-PERMANENT FUND INVESTMENTS

NAME: Bob STORER Subject/Bill No: SB 326
Co./Dept./Title: APFC Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

NAME: _____ Subject/Bill No: _____
Co./Dept./Title: _____ Phone: _____
Address: _____ Zip: _____

Do you wish to testify? Yes No Respond To Questions

SB

327

SFIN

FILE



Official Business

Alaska State Legislature

Senate

Office of the Secretary

State Capitol, Room 213
Juneau, Alaska 99801-1182
Phone: (907) 465-3701
Fax: (907) 465-2832
Email:senate_secretary@legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: March 17, 2004
TO: Finance Committee
(Senator Wilken, Cochair, Room 518)
FROM: Office of the Senate Secretary
SUBJ: Referral Change

The Cochair of the Committee noted above has waived the referral(s) on the following bill(s):

RETRIEVE

SENATE BILL NO. 327

"An Act relating to pedestrians using rollerblades, roller skates, and similar devices."

Please give the bill file(s) to the page delivering this message for forwarding to the next Committee of referral.

Thank you.

SB

328

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 328
 (S) Publish Date: 2/27/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title National Forest Income RDU State Revenue Sharing (217)
Program/DCED Regulations Component National Program Receipts
 Sponsor Senator Stedman
 Requester Senate Community & Regional Affairs Component No. 2480

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
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 legislation provides the Department with the authority to adopt regulations necessary to implement the revised federal forest receipts program. The federal program was revised with the passage of the "Secure Rural Schools and Self-Determination Act of 2000" (P.L. 106-393).

It also corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and former Department of Community and Regional Affairs by providing the Department with general regulation adoption authority to carry out its statutory functions.

Prepared by: Gene Kane, Director Phone (907) 269-4578
 Division: Community Advocacy Date/Time 2/19/04 8:13 AM
 Approved by: Edgar Blatchford, Commissioner Date 2/19/2004
 Agency: Department of Community and Economic Development

ALASKA STATE LEGISLATURE

SESSION

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SENATOR BERT K. STEDMAN

SPONSOR STATEMENT

CS SS SB 328

"An Act relating to the National Forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; making conforming amendments; and providing an effective date."

This legislation makes the statutory changes required for the Department of Community and Economic Development to disburse federal funds commonly referred to as the "Timber Receipts".

The "Secure Rural Schools and Community Self-Determination Act of 2000" (P.L. 106-393) made substantive changes to the federal program commonly known as National Forest Receipts. The Federal Act is subject to reauthorization in 2006.

National Forest Receipts are distributed to the State for schools and roads within the boundary of the national forest in which they are collected. The Senate Finance Committee amended the bill to define the student "average daily membership" for the purpose of distributing forest receipts within unorganized boroughs.

In order to address the federal changes, the Department of Community and Economic Development needs to amend its program regulations so the payments to communities located within the Tongass and Chugach National Forests would conform to the new federal requirements.

Subsequent to the adoption of the program regulation changes, the Department of Law advised the Department of Community and Economic Development that it lacks the statutory authority to implement the federal changes through its regulations. This legislation provides the Department with the authority to adopt regulations necessary to implement the revised federal program in a manner consistent with federal law.

This legislation also provides general regulation adoption authority for the Department to carry out its statutory functions. The change corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and the former Department of Community and Regional Affairs.

DISTRICT A

Ketchikan • Sitka • Petersburg • Wrangell

Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis



Alaska State Legislature

Senate Majority Web: <http://www.akrepublicans.org>

Sponsor: Senator Bert Stedman
Current Version: CSSSSB 328 (FIN)
Contact: Dick Coose, 465-3873
Date: April 5, 2004

Fact Sheet for: Senate Bill 328

Short Title: National Forest Receipts Program/DCED Regulations

Summary:

- Makes the statutory changes necessary for the Department of Community and Economic Development to disburse National Forest Receipts in accordance with the federal act providing these funds.
- Defines the student "average daily membership" for the purpose of distributing forest receipts within unorganized boroughs.

Benefits:

- Provides the DCED with the authority to adopt regulations necessary to implement the revised federal program in a manner consistent with federal law.
- Allows federal forest receipts to flow through to schools as intended.

Background:

National Forest Receipts are distributed to the State for schools and roads within the boundary of the national forest in which they are collected. The "Secure Rural Schools and Community Self-Determination Act of 2000" (P.L. 106-393) made substantive changes to the federal program, necessitating the conforming changes made by SB 328.

Department of Education and Early Development

Prepared by Mindy Lobaugh

Prepared 3/24/04

FY04 Statewide
Correspondence

	ACS	Extension Prog (Chugach)	Copper River	PACE (Craig)	Cyber (Delta/ Greely)	PEAK (Denali)	IDEA (Galena)	Distance Learning (Iditarod)	Horizon Charter (Mat-Su)	CyberLynx (Nenana)	Tanana	Raven (Yukon Koyukuk)	TOTAL BY DISTRICT
Alaska Gateway		3.00					10.00	0.25		1.00		12.00	26.25
Alcutian Region							6.00						6.00
Aleutians East							3.00			0.80			3.80
Anchorage	173.49	11.70	37.75	280.94	188.10	241.75	853.13	57.00	101.47	266.80	24.50	173.99	2,237.13
Annette Island	3.00			1.00			1.00						2.00
Bering Strait	1.00						1.00					1.00	2.00
Bristol Bay		1.00					-			5.90			6.90
Chatham	4.00						4.25						4.25
Chugach		1.00											1.00
Copper River	7.60	8.00	34.65		1.00		58.00					4.00	105.65
Cordova		11.40					6.00						17.40
Craig	1.25			6.00			9.00			1.00			16.00
Delta/Greely	1.00				56.35		68.00			1.00		56.00	181.35
Denali						8.50	9.75		1.00	1.00		1.00	21.25
Dillingham	1.00			2.00			19.00					1.00	22.00
Fairbanks	27.10	37.50		14.00		3.75	759.30	1.00		156.31		453.68	1,425.54
Galena	1.00						4.25						4.25
Haines	4.00						4.00						4.00
Hoonah	0.80			1.00			11.55			2.00			14.55
Hydaburg	1.00						-						-
Iditarod Area							2.00	9.60					11.60
Juneau	52.20			6.00		1.00	196.25			5.00		116.35	324.60
Kake													-
Kashunamiut	0.70												-
Kenai Peninsula	23.50	1.00	21.00	2.00	18.25		559.25			12.65		14.40	628.55
Ketchikan Gateway	2.80			215.90			13.00	2.00					230.90
Klawock				1.00			2.00						3.00
Kodiak Island	8.90			1.00	93.50		75.50						170.00
Kuspuk	1.50						2.00						2.00
Lake & Peninsula	3.30						0.25			2.00			2.25
Lower Kuskokwim	8.69						8.00		2.00	2.00		6.00	18.00
Lower Yukon							1.00					1.00	2.00
Mat-Su	24.30	4.00	31.10	14.00	1.74	3.00	781.65	11.00	846.40	215.10	4.00	43.75	1,955.74
Nenana						4.00	7.00			4.00		6.00	21.00
Nome	4.25	5.00		0.85			26.25			1.50			33.60
North Slope	1.50	1.00					8.00						9.00
Northwest Arctic	5.15						3.00			1.00		2.00	6.00
Pelican	1.00												-
Petersburg	5.45			2.00			31.00						33.00
Pribilof	1.00												-
Saint Mary's													-
Sitka	4.25						17.25						17.25

Department of Education and Early Development

Prepared by Mindy Lobaugh

Prepared 3/24/04

FY04 Statewide
Correspondence

	ACS	Extension Prog (Chugach)	Copper River	PACE (Craig)	Cyber (Delta/ Greely)	PEAK (Denali)	IDEA (Galena)	Distance Learning (Iditarod)	Horizon Charter (Mat-Su)	CyberLynx (Nenana)	Tanana	Raven (Yukon Koyukuk)	TOTAL BY DISTRICT
Skagway							1.00						1.00
Southeast Island	6.35			1.00						1.00			2.00
Southwest Region	7.00			13.00			-			2.00		1.00	16.00
Tanana											1.00		1.00
Unalaska	2.00						7.80						7.80
Valdez	3.75	20.65	1.60	3.00			3.00			1.00		1.00	30.25
Wrangell	1.25	4.00		9.00			9.75						22.75
Yakutat	4.75									1.00		5.00	6.00
Yukon Flats	3.00						3.00			1.00		9.00	13.00
Yukon/Koyukuk		2.00					5.00			0.60		7.00	14.60
Yupit													-
OUT OF STATE	8.95	2.00	-	-	5.00	4.00	77.25	2.00	3.00	38.56	-	31.85	163.66
TOTAL	411.78	113.25	126.10	573.69	363.94	266.00	3,667.43	82.85	953.87	724.22	29.50	947.02	7,847.87

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ESTIMATED
FY 05 National Forest Receipt School Payments
FY 04 Total ADM
vs.
FY 04 Total ADM Less Correspondence ADM

Tongass National Forest Unorganized Borough School Districts	FY 04 Total ADM	FY 04 Correspondence ADM	FY 05 NFR School Payment Based On Total ADM	FY 05 NFR School Payment Without Correspondence ADM	Difference in Funding
Craig	955.44	573.69	\$1,105,263	\$532,512	-\$572,751
Hoonah	179.40	0.00	\$207,532	\$250,249	\$42,717
Hydaburg	86.85	0.00	\$100,469	\$121,149	\$20,680
Kake	155.15	0.00	\$179,479	\$216,422	\$36,943
Klawock	147.68	0.00	\$170,838	\$206,002	\$35,164
Pelican	15.00	0.00	\$20,719	\$24,984	\$4,265
Petersburg	657.45	0.00	\$760,545	\$917,092	\$156,547
Skagway	105.83	0.00	\$122,425	\$147,625	\$25,200
Wrangell	391.78	0.00	\$453,215	\$546,503	\$93,288
Annette Island REAA	287.50	0.00	\$332,583	\$401,040	\$68,457
Chatham REAA	215.00	0.00	\$248,714	\$299,909	\$51,195
Southeast Island REAA	219.80	9.57	\$254,267	\$293,255	\$38,988

STATE OF ALASKA
 FY 04 NATIONAL FOREST RECEIPTS
 BOROUGH PAYMENTS
 BASED ON PRIOR-YEAR BOROUGH ACREAGE AND
 14 YEAR HISTORICAL PAYMENTS TO EACH NATIONAL FOREST

TONGASS NATIONAL FOREST

Borough	Acres	Schools/Roads \$	15% Projects \$	Total Payment
Haines Borough	916,353	\$432,122.60	\$76,256.93	\$508,379.53
City & Borough of Juneau	1,710,896	\$806,803.53	\$142,377.09	\$949,180.62
Ketchikan Gateway Borough	740,014	\$348,966.80	\$61,582.38	\$410,549.18
City & Borough of Sitka	1,796,304	\$847,079.20	\$149,484.56	\$996,563.76
City & Borough of Yakutat	1,226,567	\$578,409.55	\$102,072.27	\$680,481.82
Unorganized Borough	10,194,630	\$4,807,459.64	\$848,375.23	\$5,655,834.87
TOTALS	16,584,764	\$7,820,841.32	\$1,380,148.47	\$9,200,989.79
TOTAL TONGASS PAYMENT				\$9,200,989.79

CHUGACH NATIONAL FOREST

Borough	Acres	Schools/Roads \$	15% Projects \$	Total Payment
Municipality of Anchorage	274,933	\$7,475.76	\$0.00	\$7,475.76
Kenai Peninsula Borough	1,094,630	\$29,764.32	\$0.00	\$29,764.32
Kodiak Island Borough	2,495	\$67.84	\$0.00	\$67.84
Matanuska-Susitna Borough	43,386	\$1,179.72	\$0.00	\$1,179.72
City & Borough of Yakutat	420	\$9.71	\$1.71	\$11.42
Unorganized Borough	3,981,456	\$92,021.52	\$16,239.09	\$108,260.61
TOTALS	5,397,320	\$130,518.87	\$16,240.80	\$146,759.67
TOTAL CHUGACH PAYMENT				\$146,759.67

TOTAL STATE OF ALASKA PAYMENT **\$9,347,749.46**

STATE OF ALASKA
ESTIMATED FY 04 NATIONAL FOREST RECEIPTS PAYMENTS
TONGASS NATIONAL FOREST - UNORGANIZED BOROUGH
DOT/PF FUNDED AT \$170,000 AND PROJECTS @ 15%
PROJECTS \$ DISTRIBUTION BASED UPON SCHOOL & ROAD PAYMENTS
ENTITIES < \$100,000 EXEMPT FROM PROJECTS EXPENDITURES

Municipality	Road Miles	Road Mile \$	ADM	School \$	First Stage Total School & Road \$	State Redistribution > \$170 K	Preliminary Total School & Road \$	Preliminary Projects \$	Final Total National Forest Receipt Payment	Final Road Payment	Final School Payment	Final Projects Payment
Home Rule												
Petersburg	21.56	\$62,574.72	625.85	\$661,806.22	\$724,380.93	\$78,550.40	\$802,931.33	\$146,636.80	\$949,568.13	\$68,721.97	\$726,821.19	\$154,024.97
Wrangell	11.61	\$33,696.31	435.45	\$460,467.39	\$494,163.70	\$53,586.11	\$547,749.81	\$100,033.81	\$647,783.62	\$37,006.59	\$505,703.10	\$105,073.93
First Class												
Craig	9.35	\$27,136.99	855.40	\$904,544.28	\$931,681.27	\$101,029.62	\$1,032,710.90	\$188,600.72	\$1,221,311.61	\$29,802.90	\$993,405.52	\$198,103.20
Hoonah	9.10	\$26,411.41	188.40	\$199,223.92	\$225,635.33	\$24,467.44	\$250,102.76	\$45,675.47	\$295,778.24	\$29,006.03	\$218,795.42	\$47,976.79
Hvdaburg	6.20	\$17,994.58	92.20	\$97,497.06	\$115,491.64	\$12,523.68	\$128,015.32	\$23,379.03	\$151,394.35	\$19,762.35	\$107,075.04	\$24,556.96
Kake	14.02	\$40,690.98	151.85	\$160,574.06	\$201,265.04	\$21,824.77	\$223,089.81	\$40,742.18	\$263,831.99	\$44,688.41	\$176,348.64	\$42,794.94
Klawock	10.30	\$29,894.23	158.90	\$168,029.09	\$197,923.32	\$21,462.40	\$219,385.72	\$40,065.72	\$259,451.44	\$32,831.00	\$184,536.05	\$42,084.40
Pelican	1.10	\$3,192.59	18.00	\$19,034.13	\$22,226.72	\$2,410.22	\$24,636.94	\$4,499.37	\$29,136.31	\$4,185.06	\$24,951.24	\$0.00
Skagway	12.05	\$34,973.35	109.67	\$115,970.74	\$150,944.09	\$16,368.07	\$167,312.16	\$30,555.69	\$197,867.84	\$38,409.08	\$127,363.55	\$32,095.21
Second Class												
Angeon	7.69	\$22,319.09	N/A	N/A	\$22,319.09	\$2,420.24	\$24,739.33	\$4,518.06	\$29,257.39	\$29,257.39	N/A	\$0.00
Coffman Cove	15.54	\$45,102.56	N/A	N/A	\$45,102.56	\$4,890.83	\$49,993.38	\$9,130.13	\$59,123.52	\$59,123.52	N/A	\$0.00
Kasaan	8.47	\$24,582.92	N/A	N/A	\$24,582.92	\$2,665.72	\$27,248.65	\$4,976.33	\$32,224.98	\$32,224.98	N/A	\$0.00
Port Alexander	1.10	\$3,192.59	N/A	N/A	\$3,192.59	\$346.20	\$3,538.79	\$646.28	\$4,185.06	\$4,185.06	N/A	\$0.00
Tenakee Springs	2.50	\$7,255.88	N/A	N/A	\$7,255.88	\$786.81	\$8,042.69	\$1,468.81	\$9,511.51	\$9,511.51	N/A	\$0.00
Thorne Bay	34.00	\$98,679.98	N/A	N/A	\$98,679.98	\$10,700.66	\$109,380.64	\$19,975.84	\$129,356.47	\$108,374.17	N/A	\$20,982.30
Federal Law												
Metlakatla	34.70	\$100,711.63	N/A	N/A	\$100,711.63	\$10,920.96	\$111,632.59	\$20,387.11	\$132,019.70	\$110,605.40	N/A	\$21,414.29
REAA'S												
Annette Island	N/A	N/A	290.65	\$307,348.37	\$307,348.37	\$33,328.23	\$340,676.60	\$62,216.69	\$402,893.29	N/A	\$337,541.87	\$65,351.42
Chatham	N/A	N/A	219.90	\$232,533.65	\$232,533.65	\$25,215.48	\$257,749.13	\$47,071.91	\$304,821.04	N/A	\$255,377.45	\$49,443.58
Southeast Island	N/A	N/A	223.00	\$235,811.75	\$235,811.75	\$25,570.95	\$261,382.70	\$47,735.49	\$309,118.19	N/A	\$258,977.59	\$50,140.60
TOTAL LOCAL	199.29	\$578,409.80	3,369.27	\$3,562,840.66	\$4,141,250.46	\$449,068.78	\$4,590,319.24	\$838,315.45	\$5,428,634.69	\$657,695.42	\$3,916,896.67	\$854,042.60
STATE	209.90	\$609,203.75	N/A	N/A	\$609,203.75	\$170,000.00	\$170,000.00	\$0.00	\$170,000.00	\$170,000.00	N/A	\$0.00
GRAND TOTAL	409.19	\$1,187,613.55	3,369.27	\$3,562,840.66	\$4,750,454.21	\$619,068.78	\$4,760,319.24	\$838,315.45	\$5,598,634.69	\$827,695.42	\$3,916,896.67	\$854,042.60

STATE OF ALASKA
 ESTIMATED FY 04 NATIONAL FOREST RECEIPTS PAYMENTS
 CHUGACH NATIONAL FOREST - UNORGANIZED BOROUGH
 PROJECTS @ 15% WITH PROJECT S DISTRIBUTION BASED UPON SCHOOL & ROAD PAYMENTS
 ENTITIES < \$100,000 EXEMPT FROM PROJECTS EXPENDITURES

Municipality	Road Miles	Road Mile S	ADM	School S	First Stage School & Road S	State Redistribution	Preliminary Total School & Road S	Preliminary Projects S	Final Total National Forest Receipt Payment	Final Road Payment	Final School Payment	Final Projects Payment
Home Rule												
Cordova	12.90	\$1,780.01	464.10	\$20,670.83	\$22,450.85	\$4,846.04	\$27,296.89	\$4,816.69	\$32,113.58	\$2,546.12	\$29,567.46	\$0.00
Valdez	26.26	\$3,623.50	866.70	\$38,602.48	\$42,225.98	\$9,114.53	\$51,340.51	\$9,059.33	\$60,399.83	\$5,183.04	\$55,216.80	\$0.00
Second Class												
Whittier	8.60	\$1,186.68	N/A	N/A	\$1,186.68	\$256.15	\$1,442.82	\$254.59	\$1,697.42	\$1,697.42	N/A	\$0.00
REAA'S												
Chugach	N/A	N/A	200.50	\$8,930.19	\$8,930.19	\$1,927.59	\$10,857.78	\$1,915.92	\$12,773.70	N/A	\$12,773.70	\$0.00
TOTAL LOCAL	47.76	\$6,590.19	1,531.30	\$68,203.50	\$74,793.69	\$16,144.31	\$90,938.00	\$16,046.53	\$106,984.53	\$9,426.58	\$97,557.95	\$0.00
STATE	117.00	\$16,144.31	N/A	N/A	\$16,144.31	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00
GRAND TOTAL	164.76	\$22,734.50	1,531.30	\$68,203.50	\$90,938.00	\$16,144.31	\$90,938.00	\$16,046.53	\$106,984.53	\$9,426.58	\$97,557.95	\$0.00

Talking Points
HCS CSSS SB328 (CRA)
National Forest Income Program/DCED Regs

- This legislation provides statutory authority to the Department of Community and Economic Development (DCED) to make program regulation changes necessary to disburse the funds commonly referred to as "National Forest Receipts".
- The "Secure Rural Schools and Community Self-Determination Act of 2000" (P.L. 106-393) made substantive changes to the National Forest Receipts Program. The changes in the Federal Act necessitate the need for the DCED regulation changes so that payments to communities and school districts within the Tongass and Chugach National Forests conform to the new federal requirements.
- This legislation also provides general regulation adoption authority for the Department to carry out its statutory functions. The change corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and the former Department of Community and Regional Affairs.
- The Senate Finance amendment (Section 1, paragraph m) attempted to clarify which correspondence students within the unorganized borough would be counted in determining city school district and Regional Educational Attendance Area (REAA) payments. The intent was to count only those correspondence students residing within the school district or REAA (rather than counting all correspondence students, many of which reside outside the National Forest).
- However, the amendment inadvertently had the effect of also excluding full-time equivalent students who live outside the school district's or REAA's boundaries but are actually enrolled in and physically attend schools within the school district or REAA.
- The House CRA committee substitute corrects the problem. The legislation now allows these full-time equivalent students to be counted when determining payments under the program.
- The Department has a zero fiscal note for this legislation.

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: SB 328
 (S) Publish Date: 2/27/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
 Title National Forest Income RDU State Revenue Sharing (217)
Program/DCED Regulations Component National Program Receipts
 Sponsor Senator Stedman
 Requester Senate Community & Regional Affairs Component No. 2480

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY 2004) 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 legislation provides the Department with the authority to adopt regulations necessary to implement the revised federal forest receipts program. The federal program was revised with the passage of the "Secure Rural Schools and Self-Determination Act of 2000" (P.L. 106-393).

It also corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and former Department of Community and Regional Affairs by providing the Department with general regulation adoption authority to carry out its statutory functions.

Prepared by: Gene Kane, Director Phone (907) 269-4578
 Division Community Advocacy Date/Time 2/19/04 8:13 AM
 Approved by: Edgar Blatchford, Commissioner Date 2/19/2004
 Agency Department of Community and Economic Development

SB

328

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

REPORTED OUT

MAR 29 2004

SENATE FINANCE
COMMITTEE

DATE: 2/27/04

FURTHER:

DATE TURNED
IN TO OFFICE: 29 March 2004

Finance Committee considered SPONSOR SUBSTITUTE FOR SENATE BILL NO. 328

SB 328 NATIONAL FOREST INCOME PROGRAM/DCED REGS

"An Act relating to the national forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; making conforming amendments; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 328 (FIN)
- adopt previous _____ CS CS forthcoming (_____)
- 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):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
DCED	2/19/04			✓	#1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>[Signature]</i>			✓	
<i>Ben Stevens</i>	✓			
COCHAIR: <i>Lyle Green</i>	✓			
COCHAIR: <i>Gary Williams</i>	✓			

FISCAL NOTE

REPORTED OUT

MAR 29 2004

SENATE FINANCE
COMMITTEE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 328
(S) Publish Date: 2/27/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title National Forest Income RDU State Revenue Sharing (217)
Program/DCED Regulations Component National Program Receipts
Sponsor Senator Stedman
Requester Senate Community & Regional Affairs Component No. 2480

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
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 legislation provides the Department with the authority to adopt regulations necessary to implement the revised federal forest receipts program. The federal program was revised with the passage of the "Secure Rural Schools and Self-Determination Act of 2000" (P.L. 106-393).

It also corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and former Department of Community and Regional Affairs by providing the Department with general regulation adoption authority to carry out its statutory functions.

Prepared by: Gene Kane, Director Phone (907) 269-4573
Division Community Advocacy Date/Time 2/19/04 8:13 AM
Approved by: Edgar Blatchford, Commissioner Date 2/19/2004
Agency Department of Community and Economic Development

SENATE FINANCE
COMMITTEE

Amendment Number: #1

Bill Number: SB 328

Sponsor: ^{Sen. Wilken} By Request Date: 3/24/04

Logged In By: Robin

ADOPTED

23-LS1620\H.1
Bullock
3/23/04

AMENDMENT

OFFERED IN THE SENATE
TO: SSSB 328

Sponsored by
Sen. Wilken by request

- 1 Page 2, following line 2:
- 2 Insert a new subsection to read:
- 3 "(m) In this section, "number of children in average daily membership" means
- 4 the number of full-time equivalent students enrolled and residing in the city school
- 5 district or regional education attendance area that receives a share of the income from
- 6 the public schools allocation of the fund created in (b) of this section."
- 7

SENATE FINANCE COMMITTEE
3/10/2004 COMMITTEE ACTION

Amendment #2

Bill Number	SB 323		
Amendment	#2		
Motion	adopt		
<u>Motion by</u>	Wilken		
<u>Objection by</u>	none		
<u>Removed</u>			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Bunde			
Senator Dyson			
Senator Hoffman			
Senator Olson			
Senator Stevens			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>	Pass		

July 1, 2005 effective date for
 (m) in Amend #1

conceptual



Official Business

Alaska State Senate

Senate Finance Committee

Mail Stop 3100
State Capitol
Juneau, Alaska 99801-1182

FAX COVER SHEET

DATE: 29 March 2004 TIME: 9:45 am

TO: Legal Services

NUMBER OF PAGES, INCLUDING COVER SHEET: 1

FROM: MINDY ROWLAND
SENATE FINANCE COMMITTEE SECRETARY
PHONE: 465-4935
FAX: 465-2187

NOTES: Final Please
CS SB 328 (FIN) 23-LS1620\H
Plus 2 amendments: 1) H.1
2) conceptual - July 1, 2005 effective date
for provision of AS 41.15.180(m) i.e. amendment
only #.1

Call if you have any questions

The Mindy

CS FOR SPONSOR SUBSTITUTE FOR SENATE BILL NO. 328(FIN)

IN THE LEGISLATURE OF THE STATE OF ALASKA

TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY THE SENATE FINANCE COMMITTEE

Offered:

Referred:

Sponsor(s): SENATOR STEDMAN

A BILL

FOR AN ACT ENTITLED

1 "An Act relating to the national forest income program in the Department of
2 Community and Economic Development and to the authority of the department to adopt
3 regulations; making conforming amendments; and providing for an effective date."

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

5 * Section 1. AS 41.15.180 is amended by adding new subsections to read:

6 (k) The department may adopt regulations necessary to implement this section
7 that are consistent with federal law.

8 (l) If any provision of this section is determined by the department to be in
9 conflict with federal requirements regarding the allocation of money received by the
10 state from the federal government under (a) of this section, the provision that is in
11 conflict is inoperative to the extent of the conflict. The determination does not affect
12 the operation of any other provision of this section. Upon a determination that a
13 provision of this section is in conflict with federal requirements regarding the
14 allocation of money received from the federal government, the department may adopt

1 regulations that modify the requirements of that provision to the extent necessary to
2 comply with the federal requirements.

3 (m) In this section, "number of children in average daily membership" means
4 the number of full-time equivalent students enrolled and residing in the city school
5 district or regional education attendance area that receives a share of the income from
6 the public schools allocation of the fund created in (b) of this section.

7 * Sec. 2. AS 44.33.020 is amended by adding a new section to read:

8 (b) The department may adopt regulations necessary to carry out its statutory
9 functions.

10 * Sec. 3. AS 44.33.113(a) is amended to read:

11 (a) If the governor delegates duties as described in AS 44.33.020(a)(11)
12 [AS 44.33.020(11)] to the department, the department shall determine and assess an
13 annual administrative cost charge for the administration of the state's role in the
14 federal community development quota program. The department shall by regulation
15 establish the method for implementing the charge in accordance with the provisions of
16 this section. The department shall assess the charges on community development
17 quota groups with approved community development plans for the fiscal year for
18 which the charge is applicable. The community development quota group shall pay the
19 charge.

20 * Sec. 4. AS 44.33.113(c) is amended to read:

21 (c) The aggregate total of administrative cost charges to all CDQ groups for a
22 fiscal year shall approximately equal, but may not exceed, the appropriations
23 authorized for that fiscal year for the state's role under AS 44.33.020(a)(11)
24 [AS 44.33.020(11)], less

25 (1) appropriations from sources of program receipts under
26 AS 37.05.146(b) and (c) not collected under this section; and

27 (2) any reappropriations of charges collected under this section.

28 * Sec. 5. AS 44.33.113(g) is amended to read:

29 (g) The department shall collect and enforce the administrative cost charge
30 assessed under this section. The receipts from the charge assessed under this section
31 shall be deposited in the community development quota program account in the state
32 treasury. Under AS 37.05.146(c), receipts from charges collected under this section

Amend.
#1

1 shall be accounted for separately, and appropriations from the account are not made
2 from the unrestricted general fund. The legislature may appropriate money from the
3 community development quota program account for expenditures by the department
4 for necessary costs incurred by the department in implementing any assigned role
5 under AS 44.33.020(a)(11) [AS 44.33.020(11)] or for any other public purpose.

6 * Sec. 6. AS 44.33.113(h) is amended to read:

7 (h) The Department of Administration shall identify the amount of the
8 appropriations for the state's role under AS 44.33.020(a)(11) [AS 44.33.020(11)] that
9 lapses into the general fund each year. The legislature may appropriate an amount
10 equal to the lapsed amount to the community development quota program for its
11 operating costs for the next fiscal year.

12 * Sec. 7. AS 41.15.180(m), enacted in sec. 1 of this Act, takes effect July 1, 2005.

13 * Sec. 8. Except as provided in sec. 7 of this Act, this Act takes effect immediately under
14 AS 01.10.070(c).

Amend.
#2

ALASKA STATE LEGISLATURE

SESSION

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Juneau, Alaska 99801-1182
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Senator_Bert_Stedman@legis.state.ak.us



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Phone (907) 225-8088
Fax (907) 225-0713

SENATOR BERT K. STEDMAN

SPONSOR STATEMENT

SB 328

"An Act relating to the National Forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; making conforming amendments; and providing an effective date."

This legislation makes the statutory changes required for the Department of Community and Economic Development to disburse the funds commonly referred to as the "Timber Receipts".

The "Secure Rural Schools and Community Self-Determination Act of 2000" (P.L. 106-393) made substantive changes to the federal program commonly known as National Forest Receipts. The Federal Act is subject to reauthorization in 2006.

In order to address the federal changes, the Department of Community and Economic Development needs amend its program regulations so the payments to communities located within the Tongass and Chugach National Forests would conform to the new federal requirements.

Subsequent to the adoption of the program regulation changes, the Department of Law advised the Department of Community and Economic Development that it lacks the statutory authority to implement the federal changes through its regulations. This legislation provides the Department with the authority to adopt regulations necessary to implement the revised federal program in a manner consistent with federal law.

This legislation also provides general regulation adoption authority for the Department to carry out its statutory functions. The change corrects a statutory problem created by the merger of the former Department of Commerce and Economic Development and the former Department of Community and Regional Affairs.

DISTRICT A

*Ketchikan • Sitka • Petersburg • Wrangell
Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis*

ALASKA STATE LEGISLATURE

SESSION

State Capitol, Rm 30
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SENA **K. STEDMAN**

SECTIONAL ANALYSIS

SB 328

"An Act relating to the National Forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; and providing an effective date."

- Sec. 1** Allows the department to adopt regulations necessary to implement the section with regulations consistent with the federal law.
- Sec. 2** This is a new section, allowing the department to adopt regulations to carry out its statutory functions.
- Sec. 3,4,5,6** Makes conforming amendments to the related statutes.
- Sec. 7** Establishes an immediate effective date under AS 01.10.070(c).

DISTRICT A

*Ketchikan • Sitka • Petersburg • Wrangell
Pelican • Elfin Cove • Port Alexander • Saxman • Meyers Chuck • Thorne Bay • Coffman Cove • Hollis*

SB 328

INTRODUCTION

Historically, the distribution of funds under the National Forest Receipts Program was authorized under a 1908 federal law (16 USC 500) where 25% of the annual income earned from activities within a national forest was shared with the State for distribution to boroughs, cities, and regional education attendance areas located within the national forest. With the passage of the "Secure Rural Schools and Community Self-Determination Act of 2000" (P.L. 106-393), National Forest Receipts payments to the State for fiscal years 2002-2007 will be based upon the average of the three highest annual payments made to the State during the "eligibility period" of fiscal years 1987-2000.

Payments to the State under the Secure Rural Schools and Community Self-Determination Act stabilized for the period 2002-2007 rather than fluctuate and significantly dropping due mainly to the drastic reduction in national forest timber harvest the past several years. Distribution to the boroughs, cities, and rural educational attendance areas changed only in that the federal act required that at least 15% but no more than 20% of each local entities payment be spent on "special projects" with the balance to be spent on the traditional schools and roads categories. The special projects are defined in the Federal act.

SB 328 allows the Department of Community and Economic Development to prepare regulations to reflect the distribution and accounting for the 15-20% special projects distributions required by the Federal act.

Provided by Sen. Stedman

ESTIMATED
FY 05 National Forest Receipt School Payments
FY 04 Total ADM
vs.
FY 04 Total ADM Less Correspondence ADM

Tongass National Forest Unorganized Borough School Districts	FY 04 Total ADM	FY 04 Correspondence ADM	FY 05 NFR School Payment Based On Total ADM	FY 05 NFR School Payment Without Correspondence ADM	Difference in Funding
Craig	955.44	573.69	\$1,105,263	\$532,512	-\$572,751
Hoonah	179.40	0.00	\$207,532	\$250,249	\$42,717
Hydaburg	86.85	0.00	\$100,469	\$121,149	\$20,680
Take	155.15	0.00	\$179,479	\$216,422	\$36,943
Klawock	147.68	0.00	\$170,838	\$206,002	\$35,164
Pelican	15.00	0.00	\$20,719	\$24,984	\$4,265
Petersburg	657.45	0.00	\$760,545	\$917,092	\$156,547
Skagway	105.83	0.00	\$122,425	\$147,625	\$25,200
Wrangell	391.78	0.00	\$453,215	\$546,503	\$93,288
Annette Island REAA	287.50	0.00	\$332,583	\$401,040	\$68,457
Chatham REAA	215.00	0.00	\$248,714	\$299,909	\$51,195
Southeast Island REAA	219.80	9.57	\$254,267	\$293,255	\$38,988

Correspondence History FY99-FY05 Projected

DISTRICTS	FY99 Corr	FY00 Corr	FY01 Corr	FY02 Corr	FY03 Corr	FY04 Corr	FY05 Proj Corr
Alaska Gateway	38.90	49.15	44.75	47.30	57.25	54.55	44.00
Aleutian Region	-	-	-	-	-	-	-
Aleutians East	-	-	-	2.00	1.00	1.00	-
Anchorage	-	636.27	-	549.00	637.45	705.10	706.00
Annette Island	-	-	-	-	-	-	-
Bering Strait	-	-	-	-	-	-	-
Bristol Bay	-	4.00	-	0.25	-	-	-
Chatham	-	-	-	-	-	-	-
Chugach	87.00	88.00	106.00	132.95	117.00	113.25	115.00
Copper River	155.60	181.24	175.81	166.75	134.90	126.10	129.00
Cordova	-	-	-	-	-	-	-
Craig	1.00	8.25	103.90	293.70	465.65	573.69	750.00
Delta/Greely	306.20	148.98	201.95	289.39	368.93	363.94	370.00
Denali	-	-	-	-	13.40	266.00	400.00
Dillingham	-	-	-	-	-	-	-
Fairbanks	449.27	304.71	281.16	202.93	246.01	225.03	179.00
Galena	2,997.00	3,435.00	3,136.59	3,421.83	3,533.90	3,667.43	3,700.00
Haines	15.00	11.75	21.50	8.00	11.75	16.00	12.00
Hoonah	-	-	-	-	-	-	-
Hydaburg	-	-	-	-	-	-	-
Iditarod	154.63	208.20	276.25	224.43	93.65	82.85	100.00
Juneau	15.25	15.91	39.75	50.60	58.50	84.95	82.00
Kake	-	-	-	-	-	-	-
Kashunamiut	-	-	-	-	-	-	-
Kenai Peninsula	86.35	181.78	396.92	370.48	365.17	569.25	667.00
Ketchikan	77.60	38.80	36.60	27.55	16.50	24.30	25.00
Klawock	5.00	1.00	13.00	-	-	-	3.00
Kodiak Island	79.30	77.75	31.60	36.00	20.00	55.75	60.00
Kuspuk	-	-	-	-	-	-	-
Lake & Peninsula	1.00	-	3.80	-	-	3.00	3.00
Lower Kuskokwim	-	-	-	-	-	-	-
Lower Yukon	-	-	-	-	-	-	-
Mat-Su	448.51	419.95	405.21	422.65	512.75	953.87	908.00
Nenana	254.00	870.00	1,683.50	1,567.20	1,053.19	724.22	800.00
Nome	-	5.00	9.60	-	-	-	-
North Slope	-	-	-	-	-	-	-
Northwest Arctic	10.05	9.90	15.00	13.95	10.00	8.00	10.00
Pelican	-	-	-	-	-	-	-
Petersburg	-	-	-	-	-	-	-
Pribilof	-	-	-	-	-	-	-
Saint Mary's	-	-	-	-	-	-	-
Sitka	52.61	44.50	49.00	81.05	40.11	23.05	30.00
Skagway	4.00	2.50	1.00	-	-	-	-
Southeast Island	9.00	14.95	41.10	19.00	19.50	9.57	7.00
Southwest Region	-	-	-	-	-	-	-
Tanana	3.00	3.00	4.00	9.65	15.70	29.50	40.00
Unalaska	-	-	-	-	-	-	-
Valdez	-	-	-	4.00	-	1.00	1.00
Wrangell	-	-	-	-	-	-	-
Yakutat	-	-	-	-	-	-	-
Yukon Flats	11.00	11.00	-	6.00	6.00	-	-
Yukon/Koyukuk	-	-	0.40	-	440.22	947.02	987.00
Yupit	-	-	-	-	-	-	-
ACS	2,628.73	1,419.47	1,306.02	1,465.47	1,085.84	411.78	590.00
Mt. Edgecumbe	-	-	-	-	-	-	-
TOTAL	7,890.00	8,191.06	8,384.41	9,412.13	9,324.37	10,040.20	10,718.00

Prepared 3/24/04

FY04 Statewide
Correspondence

	ACS	Extension Prog (Chugach)	Copper River	PACE (Craig)	Cyber (Delta/ Greely)	PEAK (Denali)	IDEA (Galena)	Distance Learning (Iditarod)	Horizon Charter (Mat-Su)	CyberLynx (Nenana)	Tanana	Raven (Yukon Koyukuk)	TOTAL BY DISTRICT
Alaska Gateway		3.00					10.00	0.25		1.00		12.00	26.25
Alutian Region							6.00						6.00
Alutians East							3.00			0.80			3.80
Anchorage	173.49	11.70	37.75	280.94	188.10	241.75	853.13	57.00	101.47	266.80	24.50	173.99	2,237.13
Annette Island	3.00			1.00			1.00						2.00
Bering Strait	1.00						1.00					1.00	2.00
Bristol Bay		1.00					-			5.90			6.90
Chatham	4.00						4.25						4.25
Chugach		1.00											1.00
Copper River	7.60	8.00	34.65		1.00		58.00					4.00	105.65
Cordova		11.40					6.00						17.40
Craig	1.25			6.00			9.00			1.00			16.00
Delta/Greely	1.00				56.35		68.00			1.00		56.00	181.35
Denali						8.50	9.75		1.00	1.00		1.00	21.25
Dillingham	1.00			2.00			19.00					1.00	22.00
Fairbanks	27.10	37.50		14.00		3.75	759.30	1.00		156.31		453.68	1,425.54
Galena	1.00						4.25						4.25
Haines	4.00						4.00						4.00
Hoonah	0.80			1.00			11.55			2.00			14.55
Hydaburg	1.00						-						-
Iditarod Area							2.00	9.60					11.60
Juneau	52.20			6.00		1.00	196.25			5.00		116.35	324.60
Kake													-
Kashunamiut	0.70												-
Kenai Peninsula	23.50	1.00	21.00	2.00	18.25		559.25			12.65		14.40	628.55
Ketchikan Gateway	2.80			215.90			13.00	2.00					230.90
Klawock				1.00			2.00						3.00
Kodiak Island	8.90			1.00	93.50		75.50						170.00
Kuspuk	1.50						2.00						2.00
Lake & Peninsula	3.30						0.25			2.00			2.25
Lower Kuskokwim	8.69						8.00		2.00	2.00		6.00	18.00
Lower Yukon							1.00					1.00	2.00
Mat-Su	24.30	4.00	31.10	14.00	1.74	3.00	781.65	11.00	846.40	215.10	4.00	43.75	1,955.74
Nenana						4.00	7.00			4.00		6.00	21.00
Nome	4.25	5.00		0.85			26.25			1.50			33.60
North Slope	1.50	1.00					8.00						9.00
Northwest Arctic	5.15						3.00			1.00		2.00	6.00
Pelican	1.00												-
Petersburg	5.45			2.00			31.00						33.00
Pribilof	1.00												-
Saint Mary's													-
Sitka	4.25						17.25						17.25

Department of Education and Early Development

Prepared by Mindy Lobaugh

Prepared 3/24/04

FY04 Statewide
Correspondence

	ACS	Extension Prog (Chugach)	Copper River	PACE (Craig)	Cyber (Delta/ Greely)	PEAK (Denali)	NEA (Galena)	Distance Learning (Iditarod)	Horizon Charter (Mat-Su)	CyberLynx (Nenana)	Tanana	Raven (Yukon Koyukuk)	TOTAL BY DISTRICT
Skagway							1.00						1.00
Southeast Island	6.35			1.00						1.00			2.00
Southwest Region	7.00			13.00			-			2.00		1.00	16.00
Tanana											1.00		1.00
Unalaska	2.00						7.80						7.80
Valdez	3.75	20.65	1.60	3.00			3.00			1.00		1.00	30.25
Wrangell	1.25	4.00		9.00			9.75						22.75
Yakutat	4.75									1.00		5.00	6.00
Yukon Flats	3.00						3.00			1.00		9.00	13.00
Yukon/Koyukuk		2.00					5.00			0.60		7.00	14.60
Yupit													-
OUT OF STATE	8.95	2.00	-	-	5.00	4.00	77.25	2.00	3.00	38.56	-	31.85	163.66
TOTAL	411.78	113.25	126.10	573.69	363.94	266.00	3,667.43	82.85	953.87	724.22	29.50	947.02	7,847.87

G:\DistSup\S04FoundationRequests\StatewideCorrespondence\District_of_Res..xls\Summary of Statewide Coresp ADM

Prepared 3/24/04

In-District

Forest Receipt/Altered Statewide Corresp. ADM Corresp. IN-District

School District	FY04 ADM	ADM	ADM
Alaska Gateway	438.71	54.55	493.26
Aleutian Region	41.85	-	41.85
Aleutians East	277.49	1.00	278.49
Anchorage	48,559.88	705.10	49,264.98
Annette Island	287.50	-	287.50
Bering Strait	1,704.00	-	1,704.00
Bristol Bay	195.35	-	195.35
Chatham	215.00	-	215.00
Chugach	77.85	1.00	78.85
Copper River	532.15	34.65	566.80
Cordova	471.40	-	471.40
Craig	381.75	6.00	387.75
Delta/Greely	667.30	56.35	723.65
Denali	305.15	8.50	313.65
Dillingham	513.13	-	513.13
Fairbanks	14,369.36	225.03	14,594.39
Galena	222.60	4.25	226.85
Haines	302.99	16.00	318.99
Hoonah	179.40	-	179.40
Hydaburg	86.85	-	86.85
Iditarod Area	293.45	9.60	303.05
Juneau	5,356.92	84.95	5,441.87
Kake	155.15	-	155.15
Kashunamiut	362.25	-	362.25
Kenai Peninsula	8,992.70	569.25	9,561.95
Ketchikan Gateway	2,346.12	24.30	2,370.42
Klawock	147.68	-	147.68
Kodiak Island	2,620.88	55.75	2,676.63
Kuspuk	424.10	-	424.10
Lake & Peninsula	415.23	3.00	418.23
Lower Kuskokwim	3,784.60	-	3,784.60
Lower Yukon	2,031.80	-	2,031.80
Mat-Su	13,350.19	846.40	14,196.59
Nenana	207.10	4.00	211.10
Nome	715.10	-	715.10
North Slope	1,810.45	-	1,810.45
Northwest Arctic	2,020.75	8.00	2,028.75
Pelican	15.00	-	15.00
Petersburg	657.45	-	657.45
Pribilof	124.25	-	124.25
Saint Mary's	147.50	-	147.50
Sitka	1,443.48	23.05	1,466.53
Skagway	105.83	-	105.83
Southeast Island	210.23	9.57	219.80
Southwest Region	676.95	-	676.95
Tanana	62.50	1.00	63.50
Unalaska	398.55	-	398.55
Valdez	864.25	1.00	865.25
Wrangell	391.78	-	391.78
Yakutat	125.00	-	125.00
Yukon Flats	292.20	-	292.20
Yukon/Koyukuk	434.05	7.00	441.05
Yupit	434.25	-	434.25
ACS	-	411.78	411.78
Mt. Edgecumbe	334.90	-	334.90
TOTALS:	121,582.35	3,171.08	124,753.43

For Forest Receipt Calculations Only

For Forest Receipt Calculations Only

For Forest Receipt Calculations Only



SB 328

March 27, 2004

Senator Bert Stedman
State Capitol, Room 30
Juneau, AK 99801-1182

Dear Sen. Stedman:

Thank you for taking the time to meet with me earlier this week to discuss SB 328. As I understand it, on Wednesday, March 24, the Senate Finance Committee considered adding language to the bill that would change the way national forest receipts (NFR) are paid to school districts. The change would disallow counting non-resident correspondence school students toward a school district's ADM for the purpose of receiving NFR. While I have not been told expressly why the proposed change is under consideration, I expect that some members of the committee believe that NFR payments should be more closely tied to students in and near the national forests in Alaska. There are three reasons why the Finance Committee should choose not to amend the bill they discussed last Wednesday.

First, the problems that the committee sees and hopes to solve with the proposed change to SB 328 will largely fix themselves in the coming year, even if the Senate Finance Committee does nothing. This is so because under new regulations out for public review from the Alaska Department of Education and Early Development, public correspondence schools will limit their enrollment to students who are not also enrolled full time in private schools. For its part, Craig's PACE program will reduce its enrollment from approximately 600 students to about only 150, most of who will be residents of Southeast Alaska. Therefore, not only will other unorganized borough communities receive more national forest receipts dollars, those students remaining in PACE will have a close tie to the national forest because they live in Southeast Alaska.

Second, the funding Craig receives from its next NFR payment in January is for students enrolled in its schools today. If the committee amends the bill to change the NFR formula, it will prevent Craig from receiving reimbursement of funds it has already spent to educate students.

Third, the Craig City School District and PACE are already planning substantial reductions in staff and services in anticipation of its lower PACE enrollments and the resulting reduction in State foundation formula funding. The district is already preparing for a \$1.1 million drop in revenues for the coming year by cutting teaching and other staff. If the Finance Committee proceeds with its discussed change to SB 328, many more teaching staff will be laid off to account for an additional \$550,000 in cuts. The district would be forced to reduce its budget by nearly 25% for the coming year. I am sure the Senate Finance Committee would agree that such a revenue reduction is simply too much to force on a small school district in a single year.

The City of Craig and the Craig City School District would like to offer the committee an alternative to the change it proposes to SB 328. Our alternative meets the needs of the committee without also forcing needlessly austere cuts to the Craig City School District operating budget.

- Postpone the effective date of SB 328 until July 1, 2005. The NFR payment that communities will receive in January, 2005 is based on the ADM established in October of 2003. The result is that school districts receive NFR payments only after those districts have already delivered educational services to students. If the effective date of the bill is postponed, it will allow school districts to receive NFR funding for students that those districts have already spent resources educating.
- Change NFR eligibility to students who reside in the national forest. The committee should modify SB 328 so that NFR payments to school districts are based on students who reside in the Tongass or Chugach National Forests. Currently, correspondence school students who reside outside the Tongass or Chugach National Forests are counted toward a district's NFR payment. Changing AS 41.15.180 to limit the count to national forest resident students is more consistent with the intent of the national forest receipt program.

The two recommendations detailed above provide a sensible and timely change to the NFR program in Alaska. It is my hope that the Senate Finance Committee will concur and adopt these changes into SB 328 when the bill moves out of committee.

Sincerely,



Jon Bolling
Craig City Administrator

SENATE COMMITTEE REPORT First Committee of Referral

DATE: 2/23/04

FURTHER: Finance

Date of 5-Day Notice: 2/19/04
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 2/25/04

Community and Regional Affairs Committee considered SPONSOR SUBSTITUTE FOR SENATE BILL NO. 328

SB 328 NATIONAL FOREST INCOME PROGRAM/DCED REGS

"An Act relating to the national forest income program in the Department of Community and Economic Development and to the authority of the department to adopt regulations; 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):

Department	Date	Fiscal	Indet.	Zero	FN#
DCED	2/19/04			✓	1

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
Lincoln <i>[Signature]</i>			✓	
Wagner <i>[Signature]</i>	✓			
G. Skene <i>[Signature]</i>			✓	
Elton <i>[Signature]</i>	✓			
Stedman CHAIR: <i>[Signature]</i>	✓			

SB

329

SFIN

FILE



Official Business

Alaska State Legislature

Senate

Office of the Secretary

State Capitol, Room 213
Juneau, Alaska 99801-1182
Phone: (907) 465-3701
Fax: (907) 465-2832
Email:senate_secretary@legis.state.ak.us

FOR YOUR IMMEDIATE ATTENTION

DATE: April 1, 2004
TO: Finance Committee
(Mindy, Room 520)
FROM: Office of the Senate Secretary
SUBJ: Referral Change

The Co-Chair of the Committee noted above has waived the referral(s) on the following bill(s):

RETRIEVE

SENATE BILL NO. 329
"An Act relating to control of nuisance moose."

Please give the bill file(s) to the page delivering this message for forwarding to the next Committee of referral.

Thank you.

S B

3 3 3

SFIN

FILE

SB 333

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

S B

3 3 5

SFIN

FILE

SB 335

was referred to the
Senate Finance
Committee

No hearing was held
on this bill

SB

336

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT

DATE: 3/5/04

REPORTED OUT

APR 08 2004

SENATE FINANCE
COMMITTEE

FURTHER:

DATE TURNED
IN TO OFFICE: 8 April 2004

Finance Committee considered

SENATE BILL NO. 336

SB 336 CORRECTIONS: FEES/SURCHARGE

"An Act imposing a correctional facility surcharge on persons convicted of a crime under state law, and on persons whose probation is revoked; relating to fees and expenses for interstate transfer of probation or parole; and providing for an effective date."

and recommends:

- be replaced with _____ CS _____ (_____)
- adopt previous _____ CS SB 336 (JUD)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero.	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LAW	3/4/04	46.5			#2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	DO PASS	DO NOT PASS	NO REC	AMEND
<i>Frank Brown</i>	✓			
<i>Ben Stup</i>	✓			
<i>(i. P. Scudo)</i>			✓	
COCHAIR: <i>Lyle Greer</i>	✓			
COCHAIR: <i>Gary Williams</i>	✓			

APR 08 2004

SENATE FINANCE
COMMITTEE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSSB 336(JUD)
(S) Publish Date: 3/5/04

Revision Date/Time (Note if correction): _____ Dept. Affected: LAW
Title "An Act imposing a correctional RDU Criminal
facility surcharge....." Component Collections and Support
Sponsor Rules Component No. _____
Requester Governor

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	40.0	40.0	40.0	40.0	40.0	40.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	4.0	4.0	4.0	4.0	4.0	4.0
Supplies	1.0	1.0	1.0	1.0	1.0	1.0
Equipment	1.5	1.5	1.5	1.5	1.5	1.5
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	46.5	46.5	46.5	46.5	46.5	46.5

CAPITAL EXPENDITURES						
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CHANGE IN REVENUES ()	200.5	449.5	657.3	719.3	740.4	767.4
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FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	46.5	46.5	46.5	46.5	46.5	46.5
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	46.5	46.5	46.5	46.5	46.5	46.5

Estimate of any current year (FY2004) cost: 0.0
Check 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						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill amends AS 12.55 by adding a requirement that a defendant who pleads guilty or nolo contendere to, or is convicted of a crime under state law shall pay a correctional facility surcharge if the defendant is incarcerated in connection with the crime. The surcharge imposed by the court shall be \$100 if the judgment includes a felony sentence; and \$50 if not. The bill also includes a provision for a surcharge if the defendant is placed on probation. It includes a provision for a fee in the event a person on probation or parole applies for transfer of supervision to another state, and it includes a requirement for a bond or cash deposit to be forfeited in the event the state is required to assist in the applicant's return to the state for continued supervision.

Passage of this legislation will have a fiscal impact on the Department of Law if the Court System

Prepared by: Kathryn Daughheteo, Director Phone 465-3673
Division Administrative Services Division Date/Time 3/4/04 4:10 PM
Approved by: Kathryn Daughheteo for Gregg D. Renkes, Attorney General Date 3/4,2004
Agency Department of Law

FISCAL NOTE #2

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. CSSB 336(JUD)

ANALYSIS CONTINUATION

begins to transfer the responsibility to collect surcharges - both those that are proposed in this legislation, and those that currently exist in AS 12.55.039 - to the Collections Unit. At this time, the data base and system that is used in the collections effort is at full capacity and cannot be reprogrammed to handle different types of obligations. Thus the basis for this fiscal note is the assumption that the new surcharges will be commingled with the cost of incarceration amounts the Department of Law currently collects and transfers to the Department of Corrections.

The collections unit collects unsecured debts owed to the state. The majority of these debts are criminal judgments (fines, judgments for the cost of appointed counsel, judgments for the cost of incarceration on DUI charges, and court and collection costs in minor offense cases). The collections unit also collects civil judgments, including attorney fee awards, on behalf of the State and civil penalties issued by agencies such as OSHA and APOC. Effective January 1, 2002, the collections unit expanded its work to include the collection of restitution on behalf of victims in criminal and juvenile delinquency proceedings. Passage of the victim restitution legislation with a reduced fiscal note has challenged the unit to resolve system capacity issues. A rebuilt, expandable database that could handle additional types of collection items as well as those already under collection is planned for, but because the plan entails no new financial or human resources, the timeline for completion is uncertain. A second significant issue is the implementation of the Court System's new management information system which will begin to allow the Courts to transfer uncollected surcharges to the Department of Law at a yet uncertain point in the future. Up until now, the Court System has not transferred responsibility to collect any surcharges to the unit.

In the event this legislation passes and the court system begins sending these debts to the collections unit, an additional Administrative Clerk would be needed to deal with the added workload, since at this juncture we are still manually entering judgments into our computerized database.

Any additional revenues that will be generated through passage of this legislation are uncertain, however we have estimated as follows:

Number of Felony Convictions resulting in Jail Time - 2,000 x \$100= \$200,000

Number of Probation Revokees - 2,000 x \$100=\$200,000

Number of Misdemeanor Convictions resulting in jail time - 18,000 x \$50= \$900,000

Total surcharges imposed through this legislation would thereby reach \$1,300,000 annually. We have used collection statistics based on years of actual experience collecting fines and other types of debts to the state to come up with the numbers shown as annual anticipated revenues. In the first year, our historical collection rate has been 18.23%. In the second year it has been 19.32%, in the third year it has been 15.38%. Then it drops to 2.84%, 1.4%, and 2.2% in years four through six. However in the first year we anticipate no new revenues from felony probation revocations because such revocations will apply to felonies committed before the effective date of the legislation. Revenue collections quickly climb in the 2nd through 4th year, and then begin to level off where presumably they will hover around \$750,000 per year provided no major swings in the amount of the permanent fund dividend or changes to the laws that govern the garnishment order for certain debts to the state, and no new laws that would require collection of new types of debt that may supersede a criminal judgment.

In terms of new revenues, it is important to note that because the Department of Law does not presently have the capability to track a new type of debt, it will not be possible to distinguish between cost of incarceration charges and the surcharges proposed in this legislation. Whatever positive affects the general fund may see as a result of the surcharges will be in the form of revenues in excess of fee supported services authority in the Department of Corrections operating budget.

SENATE FINANCE COMMITTEE
4 B / 2003 COMMITTEE ACTION

Bill Number	SB 336		
Amendment	made from		
Motion	Committee.		
<u>Motion by</u>	Green		
<u>Objection by</u>	Bunde		
Removed			
<u>Second Objection by</u>			
<u>Committee Member</u>	Y	<u>Vote</u>	N
Senator Hoffman			
Senator Olson			
Senator Stevens			
Senator Bunde			
Senator Dyson			
Co-Chair Green			
Co-Chair Wilken			
<u>Tally</u>			
Yea			
Nay			
Absent			
<u>MOTION</u>			

56336



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STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

February 13, 2004

The Honorable Gene Therriault
President of the Senate
Alaska State Legislature
State Capitol, Room 111
Juneau, AK 99801-1182

Dear President Therriault:

Under the authority of article III, section 18, of the Alaska Constitution, I am transmitting a bill that would impose a surcharge on persons convicted of an offense and on persons whose probation is revoked. The bill also would require a person under state probation or parole supervision to pay an application fee for a requested transfer of that supervision to another state.

Alaska has an urgent need to mitigate the cost of its correctional facilities. The bill imposes a surcharge on a person who pleads guilty or nolo contendere to, or is convicted of, a crime if the person was arrested and taken to a correctional facility or is sentenced to a term of imprisonment. The amount of the surcharge depends on the seriousness of the crime: \$100 for a felony and \$50 for a misdemeanor.

The bill also would impose a surcharge on a person placed on probation after conviction of a crime. The surcharge is collected only if the defendant's probation is revoked for a probation violation and the person was either arrested and taken to a correctional facility for the violation, or sentenced to prison for it.

Alaska participates in the Interstate Compact for Adult Offender Supervision (Compact), which regulates the transfer of supervision for persons under state probation and parole. The bill would establish an application fee for persons under active probation or parole supervision who request an interstate transfer of supervision under the Compact. According to the Department of Corrections, the great majority of other states already impose a fee for similar services. The bill also would require the applicant to post a bond or deposit cash, which would be forfeited - the state must escort the person back to Alaska for confined supervision.

I urge your prompt and favorable consideration of this proposal.

Sincerely yours,

Frank H. Murkowski
Governor

Enclosure

SENATE COMMITTEE REPORT

First Committee of Referral

DATE: 2/16/04

FURTHER: Finance

Date of 5-Day Notice: 2/26/04
(in accordance with Uniform Rule 23)

DATE TURNED
IN TO OFFICE: 3/5/04

Judiciary Committee considered SENATE BILL NO. 336

SB 336 CORRECTIONS: FEES/SURCHARGE

"An Act imposing a correctional facility surcharge on persons convicted of a crime under state law, and on persons whose probation is revoked; relating to fees and expenses for interstate transfer of probation or parole; and providing for an effective date."

and recommends:

- be replaced with _____ CS SB 336 (JUD)
- adopt previous _____ CS _____ (_____)
- attached amendment(s)
- adopt Letter of Intent by _____ Committee
- further referral to _____ Committee

Senate Bill:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title
House Bill:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
LAW	3/4	✓			2

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	Do PASS	Do NOT PASS	NO REC	AMEND
<i>Therese...</i> <i>Original</i> 			X	
			+	
CHAIR: <i>Seekin</i> 	✓			

Therese
Original

Seekin

SB

337

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 337
(S) Publish Date: 2/16/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DOR
Title Powers of Alaska Energy Authority RDU 509
Component Treasury Management

Sponsor _____
Requester Governor Component No. 121

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	0.0	0.0	0.0	0.0	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF						
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
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 legislation pertains to the powers of the Alaska Energy Authority.

This bill will no fiscal impact on operating expenses of the Department of Revenue.

Prepared by: Landa Baily Phone 465-2365
Division Commissioner's Office Date/Time 12/18/03 2:22 PM
Approved by: Steve Porter Date 12/18/2003
Agency: Commissioner's Office

FISCAL NOTE

STATE OF ALASKA
2004 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 337
(S) Publish Date: 2/16/04

Revision Date/Time (Note if correction): _____ Dept. Affected: DCED
Title AEA Amendments RDU Rural Energy (412)
Component Rural Energy Operations
Sponsor Rules
Requester By Request of the Governor Component No. 1935

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

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

FUND SOURCE (Thousands of Dollars)

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

Estimate of any current year (FY2004) cost: 0.0

Check 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 affects various statutory provisions and specifically:

Amends the Power Project Fund (PPF) program by 1) authorizing loans for waste energy, energy conservation, energy efficiency and alternative energy facilities and equipment and 2) repealing the loan committee.

Amends the bulk fuel revolving loan fund program by 1) changing the definition of eligible entities from "private individuals" to "persons" that would include corporations, cooperatives, joint ventures and governmental entities that generate power or supply the public with fuel in eligible communities and 2) repeals an unnecessary definition.

Prepared by: Ron Miller, Executive Director Phone (907) 269-3000
Division AIDEA/AEA Date/Time 2/3/04 4:12 PM
Approved by: Edgar Blatchford, Commissioner Date 2/3/2004
Agency Department of Community & Economic Development

FISCAL NOTE #2

STATE OF ALASKA
2004 LEGISLATIVE SESSION

BILL NO. SB 337

ANALYSIS CONTINUATION

Specifies that the statutory mandate to provide technical assistance to rural utilities may not be used as an independent basis for tort liability against AEA.

Clarifies AEA's authority to enter into contracts for financing, operating, maintaining and constructing bulk fuel storage facilities and to make grants and loans for such projects.

Provides that AEA may invest the power development fund rather than the Department of Revenue.

Repeals the Electrical Service Extension Fund.

The Alaska Energy Authority does not anticipate additional operating expenses to result from passage of this bill.

ADOPTED 5/4/04

AMENDMENT 1 N/D

OFFERED IN THE HOUSE

BY REPRESENTATIVE WILLIAMS

TO: CSSB 337(L&C)

1 Page 1, following line 5:

2 Insert "relating to the continuation of the motor fuel tax rate for fuel produced
3 from the processing of lignocellulose from wood or waste seafood;"
4

5 Page 5, following line 1:

6 Insert a new bill section to read:

7 "* Sec. 9. AS 43.40.010(b) is amended to read:

8 (b) There is levied a tax of eight cents a gallon on all motor fuel consumed by a
9 user, except that

10 (1) the tax on aviation gasoline consumed is four and seven-tenths
11 cents a gallon;

12 (2) the tax on motor fuel used in and on watercraft of all descriptions is
13 five cents a gallon;

14 (3) the tax on all aviation fuel other than gasoline is three and two-
15 tenths cents a gallon; and

16 (4) the tax rate on motor fuel that is blended with alcohol is the same
17 tax rate a gallon as other motor fuel; however,

18 (A) in an area and during the months in which fuel containing
19 alcohol is required to be sold, transferred, or used in an effort to ... in air
20 quality standards for carbon monoxide as required by federal or state law or
21 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a
22 gallon less than the tax on other motor fuel not described in (1) - (3) of this
23 subsection;

1 (B) notwithstanding (A) of this paragraph, through June 30,
 2 2009 [2004], the tax on motor fuel consumed by a user within the state is eight
 3 cents a gallon less than the tax on other motor fuel not described in (1) - (3) of
 4 this subsection if the motor fuel

5 (i) is at least 10 percent alcohol by volume, has been
 6 produced from the processing of lignocellulose derived from wood, and
 7 was produced in a facility that processes lignocellulose from wood, but
 8 this reduction in the rate of tax applies to motor fuel consumed by a
 9 user that contains alcohol that was produced only during the first five
 10 years of the facility's processing of lignocellulose from wood; or

11 (ii) is at least 10 percent alcohol by volume, has been
 12 produced from the processing of waste seafood, and was produced in a
 13 facility that processes alcohol from waste seafood, but this reduction in
 14 the rate of tax applies to motor fuel consumed by a user that contains
 15 alcohol that was produced only during the first five years of the
 16 facility's processing of alcohol from waste seafood."
 17

18 Renumber the following bill sections accordingly.

19
 20 Page 7, line 16:

21 Delete "sec. 12"

22 Insert "sec. 13"

23
 24 Page 7, line 20:

25 Delete "Sections 12 and 13"

26 Insert " Sections 13 and 14"

27
 28 Page 7, line 21:

29 Delete "sec. 15"

30 Insert "sec. 16"

Adopted
5/5/04

23-GS2076D.4
Craver
5/4/04

AMENDMENT 2

OFFERED IN THE HOUSE
TO: CSSB 337(L&C)

BY REPRESENTATIVE WILLIAMS

1 Page 5, following line 1:

2 Insert a new bill section to read:

3 **** Sec. 9.** AS 43.40.010(a) is amended to read:

4 (a) There is levied a tax of eight cents a gallon on all motor fuel sold or
5 otherwise transferred within the state, except that

6 (1) the tax on aviation gasoline is four and seven-tenths cents a gallon;

7 (2) the tax on motor fuel used in and on watercraft of all descriptions is
8 five cents a gallon;

9 (3) the tax on all aviation fuel other than gasoline is three and two-
10 tenths cents a gallon; and

11 (4) the tax rate on motor fuel that is blended with alcohol is the same
12 tax rate a gallon as other motor fuel; however,

13 (A) in an area and during the months in which fuel containing
14 alcohol is required to be sold, transferred, or used in an effort to attain air
15 quality standards for carbon monoxide as required by federal or state law or
16 regulation, the tax rate on motor fuel that is blended with alcohol is six cents a
17 gallon less than the tax on other motor fuel not described in (1) - (3) of this
18 subsection;

19 (B) notwithstanding (A) of this paragraph, through June 30,
20 2009 [2004], the tax on motor fuel sold or otherwise transferred within the
21 state is eight cents a gallon less than the tax on other motor fuel not described
22 in (1) - (3) of this subsection if the motor fuel

23 (i) is at least 10 percent alcohol by volume, has been

1 produced from the processing of lignocellulose derived from wood, and
2 was produced in a facility that processes lignocellulose from wood, but
3 this reduction in the rate of tax applies to motor fuel sold or transferred
4 that contains alcohol that was produced only during the first five years
5 of the facility's processing of lignocellulose from wood; or

6 (ii) is at least 10 percent alcohol by volume, has been
7 produced from the processing of waste seafood, and was produced in a
8 facility that processes alcohol from waste seafood, but this reduction in
9 the rate of tax applies to motor fuel sold or transferred that contains
10 alcohol that was produced only during the first five years of the
11 facility's processing of alcohol from waste seafood."
12

13 Renumber the following bill sections accordingly.
14

15 Page 7, line 16:

16 Delete "sec. 12"

17 Insert "sec. 13"

18

19 Page 7, line 20:

20 Delete "Sections 12 and 13"

21 Insert " Sections 13 and 14"

22

23 Page 7, line 21:

24 Delete "sec. 15"

25 Insert "sec. 16"

23-LS1985A
Craver
5/3/04

HOUSE CONCURRENT RESOLUTION NO.
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-THIRD LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A RESOLUTION

1 **Suspending Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State**
2 **Legislature, concerning Senate Bill No. 337, relating to the powers of the Alaska Energy**
3 **Authority to make grants and loans, to enter into contracts, and to improve, equip,**
4 **operate, and maintain bulk fuel, waste energy, energy conservation, energy efficiency,**
5 **and alternative energy facilities and equipment; relating to the bulk fuel revolving loan**
6 **fund; relating to the Alaska Energy Authority's liability for the provision of technical**
7 **assistance to rural utilities; relating to the Alaska Energy Authority's investment of the**
8 **power development fund; and repealing the electrical service extension fund.**

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

10 That under Rule 54, Uniform Rules of the Alaska State Legislature, the provisions of
11 Rules 24(c), 35, 41(b), and 42(e), Uniform Rules of the Alaska State Legislature, regarding
12 changes to the title of a bill, are suspended in consideration of Senate Bill No. 337, relating to
13 the powers of the Alaska Energy Authority to make grants and loans, to enter into contracts,
14 and to improve, equip, operate, and maintain bulk fuel, waste energy, energy conservation,