

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3267

149

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. Draft: CS HB338(FIN)

ANALYSIS CONTINUATION

The fund has been previously capitalized with \$2.2 million. It is the intent of the department to continue to contract for the administration of the program and delivery of fuel. The annual contractual fees estimated to be \$108.0 will be drawn from the fund and subsidized in part by interest income generated by the fund resulting in the gradual decrease in the fund balance.

Representative Mary Sattler Nelson

State Capitol • Juneau, Alaska 99801-1182
Phone: (907) 465-4942 • Fax: (907) 465-4589
Rep.Mary.Nelson@legis.state.ak.us



House District 38
Yukon Kuskokwim Delta

Aktachak
Akiak
Atmautluak
Bethel
Chefnak
Eek
Goodnews Bay
Kasigluk
Kipnuk
Kongiganak
Kwethluk
Kwigillingok
Lower Kalskag
Mekoryuk
Mertarvik
Napakiak
Napaskiak
Newtok
Nightmute
Nunapituk
Ohogamut
Oscarville
Platinum
Quinhagak
Toksook Bay
Tuluksak
Tununak
Tuntutuliak
Ukmumute
Upper Kalskag

Sponsor Statement House Bill 338

House Bill 338 makes changes in statute regarding two very important fuel loan programs. One establishes the bulk fuel bridge loan fund and program within the Department of Community and Economic Development. This loan fund is for communities who are unable to qualify for fuel loans from any other source and is extremely important in times of crisis. In the past 4 years this program has helped 26 communities through loans of nearly \$6.5 million with a payback rate of nearly 100%. Although the bridge loan program has been functioning well since 2004, House Bill 338 is necessary to clarify in statute the authorization of this vital program.

This bill also relates to the Power Project Fund (PPF) and authorizes the Alaska Energy Authority (AEA) to borrow money from the PPF for the Bulk Fuel Revolving Loan Fund (BFRLF) and to repay money borrowed. The PPF and BFRLF are both administered by AEA at terms AEA determines are appropriate to maintain the viability of both funds.

Due to the ever increasing cost of energy throughout Alaska, the ability of AEA to offer loans to communities has been greatly hindered. This is because larger loans are needed to buy the same quantity of fuel.

Currently, AEA is able to commit funds for a bulk fuel loan only if there is sufficient cash available in the BFRLF. This results in potential underutilization of the BFRLF and increases the likelihood of having to decline loan requests until payments on receivables replenish the fund, which may be too late to meet borrowers' needs to purchase fuel.

The bill would limit the amount that AEA can borrow from the PPF for the BFRLF to the lesser of \$2 million or ten percent of the PPF cash balance on June 30 of the preceding fiscal year. The bill also provides that AEA cannot borrow from the PPF for this purpose if the cash balance of the PPF is less than \$5 million.

ON FILE

In addition to the loan provisions, HB 338 deletes unnecessary provisions to AS 42.45.010(b). The bill deletes references to nonprofit marketing cooperatives as potential borrowers because AEA has not had any PPF loan requests from these entities. The bill also deletes PPF loan provisions for potable water supply projects because such requests have rarely, if ever, occurred.

HB 338 makes additional housekeeping changes deleting outdated limitations on PPF loans and provides that PPF loans for purposes other than power projects are subject to the same limitations on interest and other restrictions as are loans for power projects.

Finally, HB 338 would amend the BFRLF statute, adding a new subsection authorizing AEA to borrow money from the PPF when necessary to meet bulk fuel loan commitments and authorizing AEA to repay these loans from the BFRLF.

If you have any questions or concerns please do not hesitate to call our office.

SARA Fisher - Good
AEA

HB 338 3/13/08

HB 338 authorizes AEA to make loans from the power project fund to the bulk fuel revolving loan fund. ~~at the same time~~

The BRLF issues Commitments of 2000 or less at financing source to purchase an annual supply of fuel.

We currently only commit to loans based on cash available, we do not consider loans receivables prior to committing a loan. ~~If there is a problem to apply for a loan for an amount greater than what is needed due to work orders such as price C delivery time.~~ HB 338 provides a backstop source of funds to allow AEA to better meet the needs of borrowers. 2 yrs ago we had to delay committing funds until loan repayments were received, this is messy & difficult for borrowers to plan & essentially makes our credit financing not secured.

HB 338 limits the lending authority to the amount available on the June 30 cash balance of the fund. The amount is the lesser of

2 million or 10% of cash on hand. At 2/20/08 our cash balance was \$1.8 million. ~~at \$1,080,000.~~ To the PPS loans below \$5 million we

expand the authority for this loan

in addition to the existing mechanism we have already taken steps to delete references to ~~the existing mechanism~~ and provide

ON FILE

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CS For HB 338 Sectional Analysis

Section 1 amends AS 29.60, establishing the bulk fuel bridge loan fund in the Department of Community and Economic Development to assist communities, utilities, and fuel retailers in purchasing bulk fuel when no other funding is available. The fuel purchaser must have endorsement from a community's governing body, and have been denied a loan from any and all funding sources the Department determines are available in the community. Loans must not exceed \$500,000 and must be repaid within a year. Interest may not be charged on these loans.

Section 2 amends AS 42.45.010(b), authorizing Alaska Energy Authority (AEA) to make loans from the Power Project Fund to the Bulk Fuel Revolving Loan Fund which is also administered by AEA at terms AEA determines are appropriate to maintain the viability of both funds.

The bill limits the amount that AEA can borrow from the PPF for the BFRLF to the lesser of \$2 million or ten percent of the PPF cash balance on June 30 of the preceding fiscal year. The bill also provides that AEA cannot borrow from the PPF for this purpose if the cash balance of the PPF is less than \$5 million.

Section 2 also deletes references to nonprofit marketing cooperatives as potential borrowers while also deleting PPF loan provisions for potable water supply projects.

Section 3 makes additional housekeeping changes to AS 42.45.010 to delete outdated provisions regarding limitations on PPF loans and to provide that PPF loans for purposes other than power projects are subject to the same limitations on interest and other restrictions as are loans for power projects.

Section 4 amends AS 42.45.250 to reflect the name change of the publication The Weekly Bond Buyer to The Bond Buyer in relation to average weekly yield of municipal bonds and BFRLF interest charges.

Section 5 would amend the BFRLF statute, AS 42.45.250, to add a new subsection authorizing AEA to borrow money from the PPF when necessary to meet bulk fuel loan commitments and authorizing AEA to repay these loans from the BFRLF.

Section 6 provides for an immediate effective date.

3/13/08

BULK FUEL BRIDGE LOAN
PROGRAM HISTORY (\$000)

Community	2004	2005	2006	2007	2008	Total	Current Balance
Alakanuk	\$ 39					\$ 39	\$ 5
Arctic Village		\$ 71				\$ 71	\$ 37
Atmautluak			\$ 88	\$ 47		\$ 135	
Beaver	\$ 12					\$ 12	
Buckland				\$ 535		\$ 535	\$ 297
Chalkiytsik	\$ 14	\$ 16	\$ 17	\$ 25		\$ 72	
Chauthbaluk			\$ 51	\$ 13		\$ 64	\$ 6
Chignik			\$ 97	\$ 176		\$ 273	\$ 43
Chignik Lake	\$ 51	\$ 53	\$ 75			\$ 179	\$ 20
Clarks Point			\$ 8	\$ 321		\$ 329	\$ 71
Crooked Creek	\$ 13					\$ 13	
Egegik			\$ 54	\$ 15	\$ 65	\$ 134	\$ 58
Emmonak		\$ 113	\$ 88	\$ 115		\$ 316	\$ 77
Ivanof Bay	\$ 18					\$ 18	
Kotlik	\$ 322	\$ 527	\$ 499			\$ 1,348	\$ 140
Koyukuk	\$ 56	\$ 56	\$ 126	\$ 113		\$ 351	
Larsen Bay			\$ 127	\$ 130		\$ 257	\$ 87
St. Michael				\$ 39		\$ 39	
Nelson Lagoon			\$ 80			\$ 80	
Pilot Point			\$ 171	\$ 264	\$ 44	\$ 479	\$ 118
Port Heiden		\$ 232	\$ 263	\$ 345		\$ 860	\$ 268
St. George	\$ 112					\$ 112	
Newtok				\$ 70		\$ 70	\$ 23
Tuluksak		\$ 85	\$ 289			\$ 374	
Tuntutuliak	\$ 4	\$ 83	\$ 53	\$ 81		\$ 226	\$ 54
Twin Hills			\$ 65	\$ 101		\$ 166	\$ 79
Total	\$ 641	\$ 1,241	\$ 2,171	\$ 2,390	\$ 109	\$ 6,552	\$ 1,363

** Balance Due from AVEC on Completion of Purchase of Electric Utility

#.2. (WLM-FUND)

ON FILE



Del Conrad

CEO

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6000 "C" Sr. • Suite 201 • Anchorage, AK 99518-1751
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Safe, Sustainable Fuel for Rural Alaska

HB

338

SFIN

FILE

SENATE COMMITTEE REPORT SENATE FINANCE COMMITTEE REPORT

DATE: 3/19/08

FURTHER:

DATE TURNED
IN TO OFFICE: 3/31/08

Finance Committee considered CS FOR HOUSE BILL NO. 338(FIN)

HB 338 POWER PROJECT FUND/BULK FUEL LOAN FUND

"An Act relating to the bulk fuel bridge loan fund and program, power project fund, and the bulk fuel revolving loan fund; authorizing the Alaska Energy Authority to borrow money from the power project fund for the bulk fuel revolving loan fund and to repay money borrowed; and providing for an effective date."

and recommends:

- be replaced with SCS or CS CSHB 338 (FIN)
- adopt previous SCS or CS _____
- attached amendment(s)
- adopt _____ Letter of Intent
- further referral to _____ Committee

SENATE BILL:	
<input type="checkbox"/> Same Title	_____
<input type="checkbox"/> New Title	_____
HOUSE BILL:	
<input checked="" 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#
DCCED	3/12/08	✓			2
DCCED	3/26/08			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elton	✓			
	Thomas	✓			
	Nugent	✓			
	Olson	✓			
CO-CHAIR:	HOFFMAN	✓			
CO-CHAIR:	STEEDEMAN	✓			

FISCAL NOTE

2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
 Bill Version: CSHB 338(FIN)
 (H) Publish Date: 3/13/08

Identifier (file name): HB338CS(FIN)-CED-CRA-03-11-08 Dept. Affected: DCCED
 Title Power Project Fund/Bulk Fuel Loan Fund RDU Comm Asst & Ec Dev (405)
 Component Community & Regional Affairs
 Sponsor Nelson et al
 Requester House Finance Component Number 2879

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services								
Travel								
Contractual	0.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	0.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0

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								
New Bulk Fuel Bridge Loan Fund	0.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0
TOTAL	0.0	108.0	108.0	108.0	108.0	108.0	108.0	108.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Section 1 of this legislation would establish the bulk fuel bridge revolving loan fund and provide the legal authority for the department to administer and develop regulations for the bulk fuel bridge loan program. Need for this authority was identified in the Statewide Single Audit prepared by the Division of Legislative Audit. This legislation would provide the department authority to continue making loans to communities unable to qualify for credit under conventional financing or under the Alaska Energy Authority Revolving Fuel Loan Program. Loans from this fund would not exceed \$500.0 and must be repaid within one year after the date of the award. Interest may not be charged and repayments of the principal must be paid into the fund. Amounts in the fund may be appropriated for expenses directly related to fund administration. (continued)

Prepared by: Tara Jollie, Director
 Division: Community and Regional Affairs
 Approved by: Emil R. Notti, Commissioner
 Agency: Commerce, Community, and Economic Development

Phone 907-269-7959
 Date/Time 3/12/08 1:34 PM
 Date 3/12/2008

FISCAL NOTE #2

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. CSHB 338(FIN)

ANALYSIS CONTINUATION

The fund has been previously capitalized with \$2.2 million. It is the intent of the department to continue to contract for the administration of the program and delivery of fuel. The annual contractual fees estimated to be \$108.0 will be drawn from the fund and subsidized in part by interest income generated by the fund resulting in the gradual decrease in the fund balance.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHB 338(FIN)
(H) Publish Date: 3/13/08

Identifier (file name): HB338-CED-AEA-02-26-08 Dept. Affected: DCCED
Title Power Project Fund/Bulk Fuel Loan Fund RDU AEA (453)
Component AEA Rural Enrgy Operations
Sponsor Nelson et al
Requester House Finance Component Number 2600

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
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	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								
Other Interagency Receipts								
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 00

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: *(Attach a separate page if necessary)*

This legislation authorizes the Alaska Energy Authority (AEA) to loan money from the Power Project Fund (PPF) to the Bulk Fuel Revolving Loan Fund (BFRLF) at terms that AEA determines are appropriate to maintain the viability of both funds. Currently, AEA is able to commit funds for a bulk fuel loan only if there is sufficient cash available in the BFRLF. This results in a potential underutilization of the BFRLF and increases the likelihood of declining loan requests until payments on receivables replenish the fund.

This bill also makes minor technical changes to the PPF and deletes unnecessary provisions. This bill has no fiscal impact on AEA operations.

Prepared by: Sara Fisher-Goad, Acting Executive Director
Division: Alaska Energy Authority
Approved by: Emil R. Notti, Commissioner
Agency: Commerce, Community, and Economic Development

Phone: (907) 771-3012
Date/Time: 2/26/08 4:29 PM
Date: 2/26/2008

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House Bill 338 makes changes in statute regarding two very important fuel loan programs. One establishes the bulk fuel bridge loan fund and program within the Department of Community and Economic Development. This loan fund is for communities who are unable to qualify for fuel loans from any other source and is extremely important in times of crisis. In the past 4 years this program has helped 26 communities through loans of nearly \$6.5 million with a payback rate of nearly 100%. Although the bridge loan program has been functioning well since 2004, House Bill 338 is necessary to clarify in statute the authorization of this vital program.

This bill also relates to the Power Project Fund (PPF) and authorizes the Alaska Energy Authority (AEA) to borrow money from the PPF for the Bulk Fuel Revolving Loan Fund (BFRLF) and to repay money borrowed. The PPF and BFRLF are both administered by AEA at terms AEA determines are appropriate to maintain the viability of both funds.

Due to the ever increasing cost of energy throughout Alaska, the ability of AEA to offer loans to communities has been greatly hindered. This is because larger loans are needed to buy the same quantity of fuel.

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The bill would limit the amount that AEA can borrow from the PPF for the BFRLF to the lesser of \$2 million or ten percent of the PPF cash balance on June 30 of the preceding fiscal year. The bill also provides that AEA cannot borrow from the PPF for this purpose if the cash balance of the PPF is less than \$5 million.

In addition to the loan provisions, HB 338 deletes unnecessary provisions to AS 42.45.010(b). The bill deletes references to nonprofit marketing cooperatives as potential borrowers because AEA has not had any PPF loan requests from these entities. The bill also deletes PPF loan provisions for potable water supply projects because such requests have rarely, if ever, occurred.

HB 338 makes additional housekeeping changes deleting outdated limitations on PPF loans and provides that PPF loans for purposes other than power projects are subject to the same limitations on interest and other restrictions as are loans for power projects.

Finally, HB 338 would amend the BFRLF statute, adding a new subsection authorizing AEA to borrow money from the PPF when necessary to meet bulk fuel loan commitments and authorizing AEA to repay these loans from the BFRLF.

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Section 4 amends AS 42.45.250 to reflect the name change of the publication The Weekly Bond Buyer to The Bond Buyer in relation to average weekly yield of municipal bonds and BFRLF interest charges.

Section 5 would amend the BFRLF statute, AS 42.45.250, to add a new subsection authorizing AEA to borrow money from the PPF when necessary to meet bulk fuel loan commitments and authorizing AEA to repay these loans from the BFRLF.

Section 6 provides for an immediate effective date.

BULK FUEL BRIDGE LOAN
PROGRAM HISTORY (\$000)

Community	2004	2005	2006	2007	2008	Total	Current Balance
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St. George	\$ 112					\$ 112	
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Tuluksak		\$ 85	\$ 289			\$ 374	
Tuntutuliak	\$ 4	\$ 88	\$ 53	\$ 81		\$ 226	\$ 54
Twin Hills			\$ 65	\$ 101		\$ 166	\$ 79
Total	\$ 641	\$ 1,241	\$ 2,171	\$ 2,390	\$ 109	\$ 6,552	\$ 1,383

** Balance Due from AVEC on Completion of Purchase of Electric Utility

#2.61M Fund

Adopted 3/29/08
AMENDMENT #1

IN SENATE FINANCE COMMITTEE

By Olson

To: CS HB 338 (FIN), Bulk Fuel Loan Fund

Insert new section 4 that amends AS 42.45.250 (e)(1) to read:

"(1) may not exceed \$500,000 [\$400,000], or, if the borrower is a cooperative corporation organized under AS 10.15 or an electric cooperative organized under AS 10.25 and uses the loan to purchase bulk fuel on behalf of more than one community, may not exceed the lesser of \$500,000 [\$400,000] multiplied by the number of communities on whose behalf the bulk fuel is to be purchased, \$1,800,000 [\$1,500,000].

This amendment increases
the loan limits for the
Bulk Fuel Loan Fund. to
better match the increased
cost of fuel.

Adopted

AMENDMENT

IN SENATE FINANCE COMMITTEE

By Olson

To: CS HB 338 (FIN), Bulk Fuel Loan Fund

Insert new section 4 that amends AS 42.45.250 (e)(1) to read:

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This amendment increases the loan limits for the Bulk Fuel Loan Fund. to better match the increased cost of fuel.

Audit Report

STATE OF ALASKA

SINGLE AUDIT

For the Fiscal Year
Ended June 30, 2007



Audit Control Number:

02-40008-08

Division of Legislative Audit
P.O. Box 113300, Juneau, Alaska 99811-3300

DEPARTMENT OF COMMERCE, COMMUNITY, AND ECONOMIC DEVELOPMENT

One recommendation was made to the Department of Commerce, Community, and Economic Development (DCCED) in the *State of Alaska, Single Audit for the Fiscal Year Ended June 30, 2006*. The prior year recommendation has been resolved.

One new recommendation has been made during the FY 07 statewide single audit and is included as Recommendation No. 15.

Recommendation No. 15

The Department of Commerce, Community, and Economic Development (DCCED), Director of Administrative Services, should improve internal controls over the bulk fuel revolving loan program and should seek legal clarification regarding the department's authority to administer the program.

DCCED does not have adequate controls for monitoring its bulk fuel loan program nor has the department properly reported the financial activity in the State's comprehensive annual financial report (CAFR). Further, DCCED may lack statutory authority to operate this program as a revolving loan fund.

Rural Alaska communities that do not qualify for the Alaska Energy Authority's bulk fuel loan program, may apply for a no interest loan to purchase heating fuel under DCCED's bulk fuel revolving loan program. Since DCCED's program began in FY 05, the State has paid over \$2.2 million to capitalize the activity in a loan fund (\$1.4 million of the funding was federal). The cash and loan activities are managed by a contractor who is responsible for making new loans and receiving the repayments. The cash is maintained in a separately identified bank account by the contractor. DCCED has not required the contractor to either routinely report on the loan activities or provide bank statements on the cash balance. Not adequately monitoring the loan program puts the activity at a greater risk for fraud and/or errors in reporting.

The department has operated its bulk fuel revolving loan fund as a grant program and considers the expenditures to be grant payments. Because it considered the loan fund to be a grant program, DCCED does not report the cash or loans receivable associated with the loan program in the CAFR. This program should not be considered grant activity, since the State still maintains control over the cash and is entitled to the future loan repayments. Generally accepted accounting principles require this activity be reported as cash or receivable rather than expenditures since the payments are to capitalize the loan fund over which the State maintains control.

We recommend DCCED's administrative services director improve internal controls over its bulk fuel revolving loan fund. Annually, the program's financial activity, including cash and receivable balances, should be included in the CAFR. Further, since the program is not a grant program, we recommend the department seek legal clarification regarding its statutory authority to administer the revolving loan fund.

Agency Response – Department of Community, Commerce, and Economic Development

I have reviewed the preliminary audit regarding the FY07 Statewide Single Audit and appreciate the opportunity to respond. The one recommendation states that the Director of Administrative should improve internal controls over the bulk fuel revolving loan program

and should seek legal clarification regarding the department's authority to administer the program. The Management Letter discusses three factors as follows:

DCCED does not have adequate controls for monitoring the program... and has not required the contractor to routinely report on the loan activity... DCCED disagrees. The program began in FY05 and throughout that period a detailed accounting was maintained of each community receiving a loan. Prior to the program being transferred to a new Grantee in September 2005 an in depth reconciliation was completed that identified by community, the amount(s) loaned, paid back, and outstanding; amount paid to the grantee for its administrative fees and travel; interest earned; amount held in the bank, and the amount "transferred to the new Grantee.

Since then, the Grantee has periodically prepared various statements reflecting loan amounts, amounts outstanding and cash held. Additionally, DCCED has maintained a summary analysis reflecting the amounts paid to the Grantee for loans, administrative fees, and travel.

DCCED has not properly reflected the financial activity in the State's comprehensive annual financial report. DCCED agrees. This program should be recognized as a revolving loan program and reflected as such in the State's comprehensive annual financial report.

DCCED may lack statutory authority to operate this program as a revolving loan fund. DCCED also believes it lacked statutory authority to implement this revolving loan program. In fiscal year 2005 DCCED presented its concerns to the administration. It was determined that the program could be implemented by DCCED entering into a Grant Agreement with a Grantee whom would then implement and provide the day-to-day administration of the revolving loan program.

It was also supposed to have been a one-year program. It has since evolved into a continuing program.

DCCED believes that if the program is to continue, it should be established in statute as a revolving loan program and administered by DCCED in the same manner as DCCED's other revolving loan programs. And, if the program is not established in statute it should be discontinued. The determination has been made that this program should continue. Legislation has been introduced to establish the loan program in statute.

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Legislative Audit's Additional Comments:

We have reviewed DCCED's response and nothing contained in the response provided sufficient information to persuade us to revise this recommendation.

Since the bulk fuel revolving loan program was transferred to a new contractor in 2005, DCCED has not required bank statements or quarterly financial reports. Generally, the contractor provided loan information to DCCED as part of the annual grant application process. Given the large amount of cash maintained by the contractor, we believe more aggressive monitoring of the program is warranted. We affirm our recommendation.

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FY2008 SUPPLEMENTAL REQUESTS

2/7/08

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
2	Fast Track Supplementals Numbers Sections:								
3	1-3	Multiple	GGU	Ratified bargaining unit agreement costs for the General Government Unit. 4% wage increase and health insurance increase of \$16.58 from \$863.20 to \$879.78	13,362.1	3,644.9	7,227.3	Multiple	24,234.3
4	Regular Supplementals Numbers Sections:								0.0
5	4-6	Multiple	ITS Net Zero Supplemental	Funds previously distributed to state agencies to offset increased chargeback rates for enterprise technology services as identified in the statewide federal cost allocation plan are redistributed to more closely align with costs. From: DOA (406.2); Labor (216.5); and DOR (161.3) = (784.0) To: DCCED 32.3; DOC 63.9; DEC 45.2; F&G 77.2; Gov 25.0; HSS 190.5; Law 48.7; DMVA 13.6; DNR 67.3; DPS 75.4; DOT 117.6; and Legislature 27.3 = 781.0					0.0
6	7-9	Administration	Office of Public Advocacy	Current projections indicate OPA will require supplemental funding in the amount of \$2,400.0 to operate through FY2008. Caseload growth has gone beyond anybody's expectation. OPA has seen a significant spike in case assignments in Anchorage and Palmer. OPA has also seen a number of the more complicated and expensive cases go to trial (cold cases and numerous murder cases). While OPA projected an increase in felony cases of 12% statewide based on a 5 year average, in Anchorage OPA has seen a 43% increase in felony filings in the first half of FY2008 compared to last year. On the higher level crimes, OPA saw a 48% increase in unclassified cases and a 158% increase in A felonies. There are \$90.0 excess guardianship fees receipts in FY2008, which will be used to fund a portion of this supplemental.	2,310.0		90.0	Statutory Designated Program Repts	2,400.0
7	7-9	Administration	Public Defender Agency	Current projections indicate the PD will require supplemental funding in the amount of \$820.0 to operate through FY2008. The PD has experienced significant increases in case load of a variety of types throughout the much of the state in the first quarter of FY2008 as compared to the same period in FY2007. In Anchorage felonies are up 2% and misdemeanors are up 19%. In Southcentral Alaska felonies are up 12%, misdemeanors are up 19%, child in need of aid (CINA) cases are up 82%, while in Southwest Alaska those cases are up 30%, 21%, and 85% respectively.	820.0				820.0
8	7-9	Commerce	AK Energy Authority Power Cost Equalization	Fully fund PCE by increasing the program \$1,200.0 from \$26,760.0 to \$27,960.0 due to the increase in fuel costs.			1,200.0	PCE Fund	1,200.0
9	7-9	Commerce	Banking and Securities	Estimated legal and administrative hearing costs above the funding level of the fiscal note for Chapter 50, SLA2007 (HB162 - Mortgage Bill). At the time the bill was passed it was agreed with the legislature that, if necessary, these additional costs would be sought for FY08.			95.0	Receipt Supported Services	95.0
10	7-9	Commerce	Insurance	Estimated legal and administrative hearing costs above funding level			140.0	Receipt Supported Services	140.0
11	7-9	Commerce	Regulatory Commission of Alaska	Unexpected high, ongoing costs of major litigation are exceeding FY07 supplemental and FY08 operating funding amounts. In the past, some litigation costs were funded by not filling positions. This is no longer possible due to expanding case load, recently imposed statutory deadlines, and dramatic loss of tenured advisory staff.			500.0	RCA Repts	500.0

FY2008 SUPPLEMENTAL REQUESTS

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
12	7-9	Corrections	Correctional Academy	Training Academy - Recruitment efforts have been successful, however, this has created a very critical backlog in getting new hires their mandatory training. This is a serious safety and security issue. A supplemental request will meet the current training needs of the recruits as well address the curriculum needs of the academy.	145.4				145.4
13	7-9	Corrections	Institution Director's Office	This request covers the Correctional Facilities shortfall of personal services, contractual, and commodities. This includes costs such as correctional officer overtime, fuel surcharges, electricity and other utility and heating costs, increased commodities costs for food and other operational commodities. The prisons are 24-hour facilities that must remain open. Every effort is made to control costs, however, actual costs are exceeding the FY2008 budget.	1,852.0				1,852.0
14	7-9	Corrections	Inmate Health Care	The department is requesting a supplemental for increased inmate health care costs and to meet medical staff overtime costs. The funding is needed to meet the department's mandated obligations of medical care for the aging and increased population of offenders and for the sharp increase in the number and the cost for inmates needing dialysis, cancer treatment and the growing number of life-threatening cases. Funding will also assist in meeting the personal service overtime costs associated with providing the required nursing oversight.	2,427.3				2,427.3
15	7-9	Environ Cons	Office of the Commissioner	Support for the Climate Change work group process, with an extended lapse date through June 30, 2009.	230.0				230.0
16	7-9	Health & Soc. Svcs.	Foster Care Base Rate	Increased costs in the amount of \$656.3 due to increase in Protective Services Reports received. Increased collections of Supplemental Security Income (SSI) and Child Support Services Division (CSSD) receipts \$800.0. Collections attached to IV-E eligible children are reimbursed to the federal government; other funds are built into the Foster Care base Rate payments. Approximate 2,000 children are in foster care at any given time. The Foster Care Base Rate is \$24.13 per day or \$724 per month.	656.3		800.0	Receipt Supported Services	1,456.3
17	7-9	Health & Soc. Svcs.	Foster Care Special Needs	Increased costs. An estimated 240 more children will require special needs funding support for their foster care this year. Approximately 1,800 children are eligible to receive special needs funds at an average cost of \$240.00 per month.	622.8	77.0			699.8
18	7-9	Health & Soc. Svcs.	Medicaid Services	ProShare Disallowance. ProShare was disallowed by the U.S. Department of Health and Human Services Departmental Appeals Board in July 2007. Before ProShare was begun, the department funded these grants with general funds. Supplemental funding is needed to continue the grants to community service providers.	17,062.3				17,062.3
19	7-9	Health & Soc. Svcs.	Nome Youth Facility	Increased operating costs. The facility is fully staffed and cannot cover the budgeted 4% vacancy factor or other costs related to the larger facility. This request provides \$70.0 personal services and \$80.0 contractual services costs.	150.0				150.0
20	7-9	Health & Soc. Svcs.	Johnson Youth Center	Increased medical costs for services provided to juveniles at the facility. In the past two years these costs were covered with ProShare funds, but that is no longer an option.	250.0				250.0
21	7-9	Health & Soc. Svcs.	Probation Services	Replace uncollectible federal funding for Targeted Case Management.	600.0	(600.0)			0.0
22	7-9	Health & Soc. Svcs.	Probation Services	Court Ordered costs. Per legislative direction, these costs are requested through supplementals instead of being incorporated into the base budget.	221.0				221.0

FY2008 SUPPLEMENTAL REQUESTS

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
23	7-9	Health & Soc. Svcs.	Women, Infants and Children	Increased SDPR from baby formula rebates. This corresponds to the department's FY09 increment request of \$650.0.			852.3	Statutory Designated Program Repts	852.3
24	7-9	Health & Soc. Svcs.	Certification and Licensing	Increased authority to receive and expend fees generated by background check applications. Originally anticipated 16,000 to 18,000 applications; projected increase is 12,000 applications from Foster Care and Child Care employees.			945.0	Receipt Supported Services	945.0
25	7-9	Law	Oil, Gas and Mining	During FY2008 the Department of Natural Resources (DNR) requested that Law allocate \$3.0 million of Law's \$21.5 million Oil, Gas, and Mining supplemental (Sec 1, Ch 6, SLA07, Pg 1, Lns 4-6) to pay a contractor to do a financial analysis of the TransCanada proposal to evaluate that the state's financial interests are being met. Law has entered into an Reimbursable Services Agreement (RSA) with DNR to pay the costs of the valuation expert. The \$3.0 million RSA'd to DNR was not included in the costs Law anticipated at the time of the \$21.5 million request. Law is requesting that part of these funds be replaced for their original purpose. Law is requesting only \$1,750,000 (and not the full \$3 million) because one large case recently settled and Law spent \$1,250,000 less than originally anticipated on that case.	1,750.0				1,750.0
26	7-9	Natural Resources	Oil & Gas	Cost to implement ch 1, SSSLA 2007 (HB 2001) Alaska's Clear and Equitable Share legislation. Add two Oil & Gas Revenue Audit Master exempt positions. The amount is reduced from the original fiscal note due to later than anticipated hiring of the positions. The FY09 budget contains a related increase of \$303.5.	110.0				110.0
27	7-9	Natural Resources	Fire Suppression Preparedness	Lette. of Grievance Resolution over Implementation of the Forest Technician Class Study. This supplemental request funds a Letter of Grievance Resolution between the State and the Alaska State Employees Association (ASEA) related to step placement of employees during implementation of a classification study for Forestry-specific job classes. The retroactive operating costs for 20 Wildland Fire Dispatcher positions is \$17.5 for FY07, and current-year FY08 costs are \$61.7, resulting in this supplemental request of \$109.2. A corresponding FY09 budget amendment of \$61.7 will be requested.	109.2				109.2
28	7-9	Public Safety	Fire Prevention Operations	RSS shortfall from building plan review fees. Division would like to make this into a straight GF operation since revenues vary drastically. Included in the FY09 budget at the same level of \$220.0. Additional travel of \$50.0 for building life safety inspections and to provide inspections in rural locations. Funded in FY09 at \$105.0. Increased fuel/utility \$8.3 and vehicle \$18 costs. FY09 fuel/utility cost increment is \$15.	281.3				281.3
29	7-9	Public Safety	Fire Service Training	Increased fuel/utility \$8.3 and vehicle \$9.4 costs. FY09 fuel/utility cost increment is \$9.6.		17.7			17.7
30	7-9	Public Safety	Alaska State Troopers/ Special Projects	Replace federal Rural Alcohol Interdiction Team funds for part year. Fund change is included in FY09 in the amount of \$870.0.		150.0			150.0

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
31	7 - 9	Public Safety	Judicial Services - Anchorage	Assume Anchorage prisoner transport duties. Assumes December 2007 hire date for six new positions. Covers one-time purchases and share of annual expenses. If one-time costs are not funded here, additional funds will be needed in FY09. In the FY09 budget at \$656.3 for a full year's costs, but that does not include one-time costs.	620.3				620.3
32	7 - 9	Public Safety	Prisoner Transportation	Increased prisoner transports costs. FY09 increment is in the same amount.	455.0				455.0
33	7 - 9	Public Safety	Rural Trooper Housing	Rural housing costs of \$244.2 due to unrealized SDPR including leases without rent contribution at Selawik and for Bethel commons. Increased fuel and utility costs of \$92.7. FY09 fuel/utility cost increment is \$147.1.	336.9				336.9
34	7 - 9	Public Safety	AST Detachments	Increased trooper move costs \$125.0, dispatch contracts with Kodiak and Wasilla (MatCom) \$420.3, lease costs \$60.6, fuel/utility costs \$236.2, vehicle costs \$610.9, and facilities maintenance costs \$25.5. FY09 increments are: trooper move travel \$125.0; lease \$60.6; fuel/utility \$164.9; and vehicle \$113.9.	1,778.5				1,778.5
35	7 - 9	Public Safety	Alaska Bureau of Investigation	Increased lease costs. No corresponding FY09 increment.	17.5				17.5
36	7 - 9	Public Safety	Alaska Wildlife Troopers	Increased fuel/utility \$70.8, vehicle \$288.6 and facilities maintenance \$17.1 costs. FY09 increments are: fuel/utility \$38.6; vehicle \$145.3.	376.5				376.5
37	7 - 9	Public Safety	AK Wildlife Troopers Aircraft Enforcement	Increased fuel/utility \$95.2 and lease \$80.2 costs. FY09 increments are: fuel/utility \$151.1 and lease \$80.2.	175.4				175.4
38	7 - 9	Public Safety	AK Wildlife Troopers Marine Enforcement	Increased fuel/utility costs. FY09 increment is \$66.0.	41.6				41.6
39	7 - 9	Public Safety	Domestic Violence/ Sexual Assault	CDVSA received an unanticipated Rural Domestic Violence and Child Victimization (RDVVCV) grant in October 2007. The majority of projects from another federal grant (GTEA) fell into FY08 as well, leading to a shortfall in federal authority.		230.0			230.0
40	7 - 9	Public Safety	Training Academy	Increased fuel/utility \$5.2 and vehicle \$11.6 costs. FY09 increment for fuel/utility costs is \$8.2.	16.8				16.8
41	7 - 9	Public Safety	Administrative Services	Increased fuel/utility \$2.6, lease \$9.2, and vehicle \$2.2 costs. FY09 increment is \$9.2 for office lease costs.	14.0				14.0
42	7 - 9	Public Safety	Alcoholic Beverage Control Board	Increased vehicle costs. FY09 increment is \$1.9.	4.3			GF/PR	4.3
43	7 - 9	Public Safety	Laboratory Services	Increased fuel/utility \$15.5 and vehicle \$8.9 costs. FY09 increments are: fuel/utility \$21.0 and vehicle \$4.3.	24.4				24.4
44	7 - 9	Revenue	Tax Division	Implementation of Tax Division's fiscal note for Chapter 1, SSSLA 2007 (HB 2001), which passed during the second special session in 2007 absent an appropriations bill. Beginning in January 2008, the department will begin incurring costs to immediately implement the new production tax structure. These costs include: Personal services - \$275.8 for the new exempt class of oil and gas revenue auditors and an additional analyst programmer; Supplies - \$6.0 for analyst programmer's computer and software; Contractual - \$506.6 for audit assistance.	788.4				788.4
45	7 - 9	Revenue	Treasury	Investment management services for the Retiree Health Insurance Major Medical Fund. Management costs are increasing as the assets under management are growing (35.9% in FY2007 from \$152.4 to \$207.1 million).			15.0	RHIF/MM	15.0
46	7 - 9	Revenue	AHEC	4% wage increase and health insurance increase of \$28.78 from \$851 to \$879.78	0.0	417.2	844.8	AHEC Corp Repts CIP Repts	1,262.0

FY2008 SUPPLEMENTAL REQUESTS

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
47	7-9	Revenue	AIIFC	Wage and health insurance increase fund source switch to 100% Corp Rcpts		(417.2)	417.2	AIIFC Corp Rcpts	0.0
48	7-9	Revenue	Permanent Fund Corporation	Custody Management Fees			6,000.0	Perm Fund Rcpts 1105	6,000.0
49	7-9	Transportation	Statewide Aviation	Funding for Southeast Airport Leasing Officer - Funding of this existing position, located in Juneau, will increase the direct contact with airport tenants and on-site airport management personnel which will lead to better oversight of airport tenant operations. Duties of this position include negotiating leases, permits and concession agreements that generate revenues sufficient to cover the costs of this position.			35.0	Receipt Supported Services	35.0
50	7-9	Transportation	Measurement Standards and Commercial Vehicle Enforcement	Travel to remote sites for inspections. Alaskan businesses are more frequently requesting Weights and Measure Inspectors to perform an inspection or re-inspection outside of the normal inspection cycle. When this occurs, the business requesting the inspection agrees to pay for all costs associated with the trip. In the past, the overall amount of trips were minimal, but the number of trips has been steadily increasing over the past several years as companies become aware of this service.			30.0	Receipt Supported Services	30.0
51	7-9	Transportation	State Equipment Fleet	Credit card payments for increased cost of fuel. The State Equipment Fleet (SEF) maintains contracts which allow a vehicle credit card to be used to purchase fuel and necessary consumables. These charges are paid directly by SEF and subsequently, SEF bills executive branch state agencies for reimbursement.			326.0	HEWCF	326.0
52	7-9	Transportation	Central Region Facilities	Fuel and Utility Increases \$257.4 - Fuel prices continue to be higher than our base funding level of \$1.84/gallon and additional funding provided through Sec 22, Ch 28, SLA 2007. Likewise, utility rates (electricity, natural gas, water/sewer, waste disposal) have continued to rise and require additional funding. Janitorial Contract Increases \$58.4 - Central Region Facilities has 12 janitorial contracts that service 18 facilities throughout Central Region. Numerous contracts expired and were rebid resulting in net price increases.	315.8				315.8
53	7-9	Transportation	Northern Region Facilities	Fuel and Utility Increases - Fuel prices continue to be higher than our base funding level of \$1.93/gallon and additional funding provided through Sec 22, Ch 28, SLA 2007. Likewise, utility rates (electricity, natural gas, water/sewer, waste disposal) have continued to rise and require additional funding.	410.1				410.1
54	7-9	Transportation	Southeast Region Facilities	Fuel Increases \$66.9 - Fuel prices continue to be higher than our base funding level of \$2.37/gallon and additional funding provided through Sec 22, Ch 28, SLA 2007. Janitorial Contract Increases \$35.1 - The Juneau 7-Mile Complex, AMHS Reservations Building, and the Ketchikan Court and Office Building are currently under contract for janitorial services. In June 2006, the three year contracts for both 7-Mile Complex and the AMHS Reservations Building were scheduled to expire. In May 2006 Invitations to Bid were advertised for new three year contracts. The low bid for this combined contract came in higher than the total of the previous contracts.	102.0				102.0

FY2008 SUPPLEMENTAL REQUESTS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
55	7-9	Transportation	Central Region Highways and Aviation	Fuel and Utility Increases - Fuel prices continue to be higher than our base funding level of \$1.84/gallon and additional funding provided through Sec 22, Ch 28, SLA 2007. Likewise, utility rates (electricity, natural gas, water/sewer, waste disposal) have continued to rise and require additional funding.	360.2				360.2
56	7-9	Transportation	Northern Region Highways and Aviation	Fuel and Utility Increases - Fuel prices continue to be higher than our base funding level of \$2.01/gallon and additional funding provided through Sec 22, Ch 28, SLA 2007. Likewise, utility rates (electricity, natural gas, water/sewer, waste disposal) have continued to rise and require additional funding.	410.8				410.8
57	7-9	Transportation	Southeast Region Highways and Aviation	Fuel and Utility Increases \$175.2 - Fuel prices continue to be higher than our base funding level of \$1.84/gallon and additional funding provided through Sec 22, Ch 28, SLA 2007. Likewise, utility rates (electricity, natural gas, water/sewer, waste disposal) have continued to rise and require additional funding. Skagway Lease Increase \$51.0 - The Skagway maintenance station sits on leased property. The lease is required in order to retain legal rights to use the property. Commodity Increases \$50.0 - The harsh winter of 2006-2007 in Southeast Alaska diminished levels of available chemicals and sand used on roads and airports to a very low level. This necessitated the purchase of larger quantities of both to provide for the upcoming 2007-2008 winter season. Additionally, snow plowing blades were used heavily and were in need of replacement.	276.2				276.2
58	7-9	Transportation	Marine Vessel Operations	IBU arbitration settlement related to the grounding of the M/V LeConte	142.5				142.5
59	7-9	Transportation	Marine Vessel Operations	MMP arbitration settlement related to the grounding of the M/V LeConte	251.4				251.4
60	7-9	Transportation	Marine Vessel Operations	The Alaska Marine Highway System (AMHS) projects fuel cost increases of \$1,880.0 due to higher than expected prices. The AMHS FY08 business plan reflects a fuel budget based on \$2.60/gallon. AMHS is currently paying \$3.00/gallon and burning 10.2 million gallons annually. Another 4.7 million gallons are yet to be purchased this year.	1,880.0				1,880.0
61	7-9	University	Statewide Services	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	44.1				44.1
62	7-9	University	Anchorage Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	611.3				611.3
63	7-9	University	Kenai Peninsula Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	29.3				29.3

FY2008 SUPPLEMENTAL REQUESTS

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
64	7-9	University	Kodiak College	Increase Fuel Costs - Funding received in FY06 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	27.4				27.4
65	7-9	University	Matanuska-Susitna College	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	8.0				8.0
66	7-9	University	Prince William Sound Community College	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	72.0				72.0
67	7-9	University	Bristol Bay Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	8.0				8.0
68	7-9	University	Chukchi Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	8.0				8.0
69	7-9	University	Fairbanks Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	1,351.1				1,351.1
70	7-9	University	Intenc-Aleutians Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	8.0				8.0
71	7-9	University	Kuskokwim Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	36.1				36.1
72	7-9	University	Northwest Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	8.4				8.4
73	7-9	University	Juneau Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	81.3				81.3

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
74	7 - 9	University	Ketchikan Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	13.5				13.5
75	7 - 9	University	Sitka Campus	Increase Fuel Costs - Funding received in FY08 as part of the fuel trigger mechanism only replaced the FY07 one-time funding, leaving UA at the FY07 funding level. Therefore, in addition to the existing funds received through the fuel trigger mechanism in FY08, UA is requesting a FY08 supplemental to cover the utility increases from FY07 to FY08.	8.4				8.4
76	7 - 9	Court System	Judicial Council	Additional applicant evaluation costs due to increased number of vacant judgeships. The FY09 budget has a corresponding increase of \$64.5.	63.6				63.6
77	8 - 9	Education	Student and School Achievement	Correction of late session transactions for TRS solution that erroneously cut the component twice for the GF reduction desired. This is reflected in section 8, the departmental fund source list.	353.8	(353.8)		(24.6) CFM (9.6) CFMII 388.0 CF	0.0
78	8 - 9	Education	Head Start Grants	Correction of late session transactions for TRS solution that erroneously cut component twice for the GF reduction desired. This is reflected in section 8, the departmental fund source list.	6.0	(6.0)			0.0
79	8 - 9	Education	Mt. Edgecumbe High School	Correction of late session transactions for TRS solution that erroneously cut component twice for the GF reduction desired. This is reflected in section 8, the departmental fund source list.	331.2		(331.2)	Interagency Rcpts	0.0
80	8 - 9	Health & Soc. Svcs.	Alaska Psychiatric Institute	Increased Third-Party payment receipts enabling the department to save some general funds. This is reflected in section 8, the departmental fund source list.	(850.0)		850.0	Statutory Designated Program Rcpts	0.0
81	Regular Supplemental Capital Numbers Sections:								0.0
82	10 - 12	Commerce	Capital	Prescription Drug Monitoring - This capital project grant request is for the initial planning grant awarded by the U.S. Department of Justice related to the Prescription Drug Monitoring Program. Prescription monitoring programs help prevent and detect the diversion and abuse of pharmaceutical controlled substances, particularly at the retail level where no other automated information collection system exists.			49.4		49.4
83	10 - 12	Commerce	Capital	Organizational Grant. The Division of Elections will be conducting an incorporation election in Wrangell in early May. If voters approve, city will be dissolved and a borough will be formed. The department only has 30 days after the election is certified to provide the first year organization grant. This request is for the first year grant for Wangell, the FY09 Capital Budget requests the second year grant.	300.0				300.0
84	10 - 12	Commerce	Capital	Climate Change Impact Mitigation Program - Grants (\$150.0 max) to imminently threatened communities for planning for addressing threats and mitigation measures; mini grants (\$50.0 max) to identify climate change related impacts that are threatening life, property or economics, support for local coordinators in communities demonstrating imminent threats, and funding for oversight of programs and grants.	1,100.0				1,100.0

FY2008 SUPPLEMENTAL REQUESTS

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
85	10 - 12	Health & Soc. Svcs.	Capital	Alaska Psychiatric Institute Automation - Funding for electronic records system and tele-behavioral health evaluation and treatment system. The electronic records system is partially funded with an existing capital project with the remainder coming from the operating budget. This system is used to track important patient data and will provide API with reliable funding and census information. API is moving towards tele-behavioral health to allow psychiatric evaluation and treatment of patients from remote locations.			1,200.0	Statutory Designated Program Rcpts	1,200.0
86	10 - 12	Natural Resources	Capital	Eagle River Nature Center Planning and Design Study			117.2	Statutory Designated Program Rcpts	117.2
87	10 - 12	Transportation	Capital	Ports and Harbors Long Range Transportation Plan - Funding to prepare a statewide ports and harbors plan, to be undertaken cooperatively with the Corps of Engineers and the Denali Commission. Supplemental funding is requested as the Request for Proposals (RFP) to develop a long range port and harbor transportation plan is expected to be advertised in May of 2008.	500.0				500.0
88	10 - 12	Court System	Capital	Build chambers for new Fairbanks Supreme Court Justice and offices for staff.	629.7				629.7
89	Fast Track Supplemental Language Sections:								
90	13(a)	Environ Cons	Water Quality	Implementation of the Ocean Ranger program. The contract needs to be established early enough to allow the contractor to hire and train Ocean Rangers prior to the season beginning in May 2008. The contractor will incur substantial expenditures for hiring, training, and purchasing equipment in preparation for the upcoming season. In addition to the contractor's costs, the department is incurring expenditures for paying staff and other expenditures for implementation of the program.			2,800.0	CPVIC Fund	2,800.0
91	13(b)	Environ Cons	Capital	Transfer unused balance (\$120,671 GF) from Stebbins - Water and Sewer Improvements (38) (Sec. 135, Ch. 103, SLA 1995, Pg 58, Ln 11) to a new Village Safe Water Study, Design and Construction Projects allocation	(120.7)				(120.7)
92	13(c)	Environ Cons	Capital	Transfer unused balance (\$1,915,738 Fed) from Environmental Protection Agency Indian Set Aside Grants (ED 99) (Sec. 135, Ch. 103, SLA 1995, Pg 58, Ln 35) to a new Village Safe Water Study, Design and Construction Projects allocation		(1,915.7)			(1,915.7)
93	13(d)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects \$2,066,409 - Sec. 135, Ch. 103, SLA 1995.	120.7	1,915.7			2,066.4
94	13(e)	Environ Cons	Capital	Transfer unused balance (\$55,000 GF) from Engineering/Feasibility Studies (ED 99) (Sec. 100, Ch. 123, SLA 1996, Pg 47, Ln 25) to a new Village Safe Water Study, Design and Construction Projects allocation	(55.0)				(55.0)
95	13(f)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects Sec. 100, Ch. 123, SLA 1996.	55.0				55.0
96	13(g)	Environ Cons	Capital	Transfer unused balance (\$49,503.69 GF Match + \$49,503.70 Fed) from Lower Kuskokwim School District - Tuntutuliak School Sewage Disposal Feasibility Study/Design (ED 39) (Sec. 82, Ch. 100, SLA 1997, Pg 46, Ln 14) to a new Village Safe Water Study, Design and Construction Projects allocation	(49.5)	(49.5)		GF Match	(99.0)
97	13(h)	Environ Cons	Capital	Transfer unused balance (\$59,662.26 GF Match + \$59,662.25 Fed) from Village Of Kipnuk - Aquifer Storage and Recovery Demonstration Study (ED 39) (Sec. 82, Ch. 100, SLA 1997, Pg 46, Ln 32) to a new Village Safe Water Study, Design and Construction Projects allocation	(59.7)	(59.7)		GF Match	(119.4)

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	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
98	13(h)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 82, Ch. 100, SLA 1997. Scope change needed to allow for Village Safe Water Design and Construction Projects	109.2	109.2		GF Match	218.4
99	13(i)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 131, Ch. 139, SLA 1998. Scope change needed to allow for Village Safe Water Design and Construction Projects		21.0	21.0	AHFC Corp Repts	42.0
100	13(i)	Environ Cons	Capital	Transfer unused balance (\$21,000 Fed + \$21,000 AHFC Repts) from Kwethluk Housing Water Systems Improvement Study (ED 39) (Sec. 131, Ch. 139, SLA 1998, Pg 43, Ln 3) to a new Village Safe Water Study, Design and Construction Projects allocation		(21.0)	(21.0)	AHFC Corp Repts	(42.0)
101	13(j)	Environ Cons	Capital	Transfer unused balance (\$68,140.59 Fed + \$68,140.58 AHFC Repts) from Gulkana Water Modernization Project (ED 36) Sec. 131, Ch. 139, SLA 1998, Pg 44, Ln 17) to a new Village Safe Water Study, Design and Construction Projects allocation		(68.1)	(68.1)	AHFC Corp Repts	(136.2)
102	13(k)	Environ Cons	Capital	Transfer unused balance (\$379,101.15 Fed + \$6.07 AHFC Repts) from Badger Richardson Water Supply Design (ED 29-34) (Sec. 131, Ch. 139, SLA 1998, Pg 45, Ln 10) to a new Village Safe Water Study, Design and Construction Projects allocation		(379.1)		AHFC Corp Repts	(379.1)
103	13(k)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects \$515,382 Sec. 131, Ch. 139, SLA 1998.		447.2	68.1	AHFC Corp Repts	515.3
104	13(l)	Environ Cons	Capital	Scope change needed to allow for match by any federal agency, not just RDA					0.0
105	13(m)	Environ Cons	Capital	Transfer unused balance (\$11,837.60 Fed + \$5,915.42 AHFC Repts) from Crooked Creek Johnny John Sr. School Sewer System Feasibility Study (ED 36) (Sec. 100, Ch. 2, FSSLA 1999, Pg 41, Ln 7) to a new Village Safe Water Study, Design and Construction Projects allocation		(11.8)	(5.9)	AHFC Corp Repts	(17.7)
106	13(m)	Environ Cons	Capital	Transfer unused balance (\$9,299.99 Fed + \$1,639.98 AHFC Repts) from Crooked Creek Master Plan (ED 36) (Sec. 100, Ch. 2, FSSLA 1999, Pg 41, Ln 10) to a new Village Safe Water Study, Design and Construction Projects allocation		(9.3)	(4.6)	AHFC Corp Repts	(13.9)
107	13(n)	Environ Cons	Capital	Transfer unused balance (\$11,966.07 Fed + \$5,982.95 AHFC Repts) from Old Harbor Sanitation Improvements Feasibility Study (ED 6) (Sec. 100, Ch. 2, FSSLA 1999, Pg 42, Ln 15) to a new Village Safe Water Study, Design and Construction Projects allocation		(12.0)	(6.0)	AHFC Corp Repts	(18.0)
108	13(n)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 100, Ch. 2, FSSLA 1999. Scope change needed to allow for Village Safe Water Design and Construction Projects		33.1	16.5	AHFC Corp Repts	49.6
109	13(o)	Environ Cons	Capital	Scope change needed to allow for match by any federal agency, not just EPA					0.0
110	13(p)	Environ Cons	Capital	Transfer unused balance (\$526,635.57 Fed + \$263,364.43 AHFC Repts) from Tunnak Flush Tank And Haul (ED 38) (Sec. 100, Ch. 2, FSSLA 1999, Pg 44, Ln 10) to a new Village Safe Water Study, Design and Construction Projects allocation		(526.6)	(263.4)	AHFC Corp Repts	(790.0)
111	13(p)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 100, Ch. 2, FSSLA 1999. Scope change needed to allow for any federal agency and to allow Village Safe Water Study Projects		526.6	263.4	AHFC Corp Repts	790.0
112	13(q)	Environ Cons	Capital	Scope change needed to allow for match by any federal agency, not just RDA					0.0
113	13(r)	Environ Cons	Capital	Transfer unused balance (\$58,378.07 GF) from Rampart Water And Sewer (ED 36) (Sec. 100, Ch. 2, FSSLA 1999, Pg 45, Ln 21) to a new Village Safe Water Study, Design and Construction Projects allocation	(58.4)				(58.4)

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
114	13(r)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 100, Ch. 2, FSSLA 1999.	58.4				58.4
115	13(s)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 1, Ch. 135, SLA 2000. Scope change needed to allow for Village Safe Water Design and Construction Projects		255.6	85.2	AHFC Corp Repts	340.8
116	13(s)	Environ Cons	Capital	Transfer unused balance (\$28,614.57 Fed + \$9,538.19 AHFC Repts) from Akhiok Water And Sewer Improvements Feasibility Study (ED 6) (Sec. 1, Ch. 135, SLA 2000, Pg 6, Ln 12) to a new Village Safe Water Study, Design and Construction Projects allocation		(28.6)	(9.5)	AHFC Corp Repts	(38.1)
117	13(t)	Environ Cons	Capital	Transfer unused balance (\$25,179.02 Fed + \$8,393.01 AHFC Repts) from Ivanof Bay Landfill Water Quality Protection Study And Preliminary Design (ED 40) (Sec. 1, Ch. 135, SLA 2000, Pg 7, Ln 10) to a new Village Safe Water Study, Design and Construction Projects allocation		(25.2)	(8.4)	AHFC Corp Repts	(33.6)
118	13(t)	Environ Cons	Capital	Transfer unused balance (\$13,895.02 Fed + \$14,631.68 AHFC Repts) from Kaltag Master Plan (ED 36) (Sec. 1, Ch. 135, SLA 2000, Pg 7, Ln 13) to a new Village Safe Water Study, Design and Construction Projects allocation		(43.9)	(14.6)	AHFC Corp Repts	(58.5)
119	13(u)	Environ Cons	Capital	Transfer unused balance (\$63,717 Fed + \$21,239 AHFC Repts) from Nuiqsut Sewage Lagoon Closure Feasibility Study (ED 37)(Sec. 1, Ch. 135, SLA 2000, Pg 8, Ln 3) to a new Village Safe Water Study, Design and Construction Projects allocation		(63.7)	(21.2)	AHFC Corp Repts	(84.9)
120	13(v)	Environ Cons	Capital	Transfer unused balance (\$73,500 Fed + \$24,500 AHFC Repts) from Saint George Water And Sewer System Planning Study (ED 40) (Sec. 1, Ch. 135, SLA 2000, Pg 8, Ln 11) to a new Village Safe Water Study, Design and Construction Projects allocation		(73.5)	(24.5)	AHFC Corp Repts	(98.0)
121	13(w)	Environ Cons	Capital	Transfer unused balance (\$20,684.79 Fed + \$6,894.93 AHFC Repts) from Saxman Water Storage Design Study (ED 1) (Sec. 1, Ch. 135, SLA 2000, Pg 8, Ln 16) to a new Village Safe Water Study, Design and Construction Projects allocation		(20.7)	(6.9)	AHFC Corp Repts	(27.6)
122	13(x)	Environ Cons	Capital	Scope change needed to allow for match by any federal agency, not just EPA					0.0
123	13(y)	Environ Cons	Capital	Transfer unused balance (\$225,000 Fed + \$75,000 AHFC Repts) from Savoonga Water And Sewer Project (Sec. 1, Ch. 135, SLA 2000, Pg 9, Ln 13) to a new Village Safe Water Study, Design and Construction Projects allocation		(225.0)	(75.0)	AHFC Corp Repts	(300.0)
124	13(y)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 1, Ch. 135, SLA 2000. Scope change needed to allow for any federal agency and to allow Village Safe Water Study Projects		225.0	75.0	AHFC Corp Repts	300.0
125	13(z)	Environ Cons	Capital	Transfer unused balance (\$94,393.63 Fed + \$31,464.54 AHFC Repts) from Allakaket Sanitation Facilities Improvement Plan (Sec. 1, Ch. 61, SLA 2001, Pg 11, Ln 29) to a new Village Safe Water Study, Design and Construction Projects allocation		(94.4)	(31.5)	AHFC Corp Repts	(125.9)
126	13(aa)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 1, Ch. 61, SLA 2001. Scope change needed to allow for Village Safe Water Design and Construction Projects		150.6	50.3	AHFC Corp Repts	200.9
127	13(aa)	Environ Cons	Capital	Transfer unused balance (\$56,200 Fed + \$18,800 AHFC Repts) from Rampart Solid Waste and Water Quality Protection Plan (Sec. 1, Ch. 61, SLA 2001, Pg 13, Ln 18) to a new Village Safe Water Study, Design and Construction Projects allocation		(56.2)	(18.8)	AHFC Corp Repts	(75.0)

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
128	13(bb)	Environ Cons	Capital	Transfer unused balance (\$10,682.06 Fed + \$3,560.69 AHFC Rcpts) from Chistochina Facility Plan (Sec. 1, Ch. 1, SSSLA 2002, CH 1, Page 29, Line 28) to a new Village Safe Water Study, Design and Construction Projects allocation		(10.7)	(3.6)	AHFC Corp Rcpts	(14.3)
129	13(cc)	Environ Cons	Capital	Transfer unused balance (\$17,160.79 Fed + \$5,720.26 AHFC Rcpts) from False Pass Wastewater Treatment and Disposal Feasibility Study (Sec. 1, Ch. 1, SSSLA 2002, Pg 29, Ln 28) to a new Village Safe Water Study, Design and Construction Projects allocation		(17.2)	(5.7)	AHFC Corp Rcpts	(22.9)
130	13(cc)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 1, Ch. 1, SSSLA 2002. Scope change needed to allow for Village Safe Water Design and Construction Projects		27.8	9.3	AHFC Corp Rcpts	37.1
131	13(dd)	Environ Cons	Capital	Transfer unused balance (\$182,000 GF + \$1,200,000 Fed + \$218,000 AHFC Rcpts) from Tuluksak Water and Sewer Project - Phase I (Sec. 1, Ch. 1, SSSLA 2002, Pg 31, Ln 9) to a new Village Safe Water Study, Design and Construction Projects allocation	(182.0)	(1,200.0)	(218.0)	AHFC Corp Rcpts	(1,600.0)
132	13(dd)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 1, Ch. 1, SSSLA 2002. Scope change needed to allow Village Safe Water Study Projects	182.0	2,242.5	565.5	AHFC Corp Rcpts	2,990.0
133	13(dd)	Environ Cons	Capital	Transfer unused balance (\$1,042,500 Fed + \$347,500 AHFC Rcpts) from Tuntutuliak Water and Sewer Project (Sec. 1, Ch. 1, SSSLA 2002, Pg 35, Ln 11) to a new Village Safe Water Study, Design and Construction Projects allocation		(1,012.5)	(347.5)	AHFC Corp Rcpts	(1,390.0)
134	13(ee)	Environ Cons	Capital	Transfer unused balance (\$525,000 Fed + \$175,000 AHFC Rcpts) from Alatna Water Supply and Sewage Collection and Treatment Project Phase 4 (Sec. 1, Ch. 82, SLA 2003, Pg 20, Ln 23) to a new Village Safe Water Study, Design and Construction Projects allocation		(525.0)	(175.0)	AHFC Corp Rcpts	(700.0)
135	13(ff)	Environ Cons	Capital	Transfer unused balance (\$66,000 Fed + \$22,000 AHFC Rcpts) from Egegik Water and Sewer Improvement Project Phase 4 (Sec. 1, Ch. 82, SLA 2003, Pg 21, Ln 22) to a new Village Safe Water Study, Design and Construction Projects allocation		(66.0)	(22.0)	AHFC Corp Rcpts	(88.0)
136	13(gg)	Environ Cons	Capital	Transfer unused balance (\$1,473,750 Fed + \$191,250 AHFC Rcpts) from Tuluksak Sanitation Facilities Construction Phase 2 (Sec. 1, Ch. 82, SLA 2003, Pg 23, Ln 28) to a new Village Safe Water Study, Design and Construction Projects allocation		(1,473.8)	(491.2)	AHFC Corp Rcpts	(1,965.0)
137	13(gg)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 1, Ch. 82, SLA 2003. Scope change needed to allow for Village Safe Water Study Projects		2,061.8	688.3	AHFC Corp Rcpts	2,753.1
138	13(hh)	Environ Cons	Capital	Transfer unused balance (\$16,500 Fed + \$5,500 AHFC Rcpts) from Delta Junction Downtown Water and Sewer Master Plan (Sec. 1, Ch. 82, SLA 2003, Pg 24, Ln 26) to a new Village Safe Water Study, Design and Construction Projects allocation		(16.5)	(5.5)	AHFC Corp Rcpts	(22.0)
139	13(ii)	Environ Cons	Capital	Transfer unused balance (\$9,025.56 Fed + \$3,008.52 AHFC Rcpts) from Port Protection Wastewater Engineering Study (Sec. 1, Ch. 82, SLA 2003, Pg 25, Ln 21) to a new Village Safe Water Study, Design and Construction Projects allocation		(9.0)	(3.0)	AHFC Corp Rcpts	(12.0)
140	13(ii)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - \$34,034 - Sec. 1, Ch. 82, SLA 2003. Scope change needed to allow for Village Safe Water Study Projects		25.5	8.5	AHFC Corp Rcpts	34.0

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
141	13(jj)	Environ Cons	Capital	Transfer unused balance (\$847,500 Fed + \$782,500 AHFC Bond Proceeds) from Hyder Sewer System Development Phase 1 (Sec. 1, Ch. 159, SLA 2004, Pg 22, Ln 27) to a new Village Safe Water Study, Design and Construction Projects allocation		(847.5)	(282.5)	AHFC Bond Proceeds	(1,130.0)
142	13(kk)	Environ Cons	Capital	Transfer unused balance (\$531,000 Fed + \$177,000 AHFC Bond Proceeds) from Kivalina Sewer and Water Haul System (Sec. 1, Ch. 159, SLA 2004, Pg 23, Ln 5) to a new Village Safe Water Study, Design and Construction Projects allocation		(531.0)	(177.0)	AHFC Bond Proceeds	(708.0)
143	13(ll)	Environ Cons	Capital	Transfer unused balance (\$687,000 Fed + \$229,000 AHFC Bond Proceeds) from Koyukuk Sanitation Improvement Project Phase 2 (Sec. 1, Ch. 159, SLA 2004, Pg 23, Ln 11) to a new Village Safe Water Study, Design and Construction Projects allocation		(687.0)	(229.0)	AHFC Bond Proceeds	(916.0)
144	13(mm)	Environ Cons	Capital	Transfer unused balance (\$2,190,000 Fed + \$730,000 AHFC Bond Proceeds) from Tuluksak Sanitation Facilities Construction Phase 3 (Sec. 1, Ch. 159, SLA 2004, Pg 24, Ln 18) to a new Village Safe Water Study, Design and Construction Projects allocation		(2,190.0)	(730.0)	AHFC Bond Proceeds	(2,920.0)
145	13(mnn)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 1, Ch. 159, SLA 2004. Scope change needed to allow for Village Safe Water Study Projects		4,255.5	1,418.5	AHFC Bond Proceeds	5,674.0
146	13(nn)	Environ Cons	Capital	Transfer unused balance (\$798,750 Fed + \$266,250 GF Match) from Brevig Mission Water and Sewer Connections (Sec. 1, Ch. 3, FSSLA 2005, Pg 48, Ln 20) to a new Village Safe Water Study, Design and Construction Projects allocation	(266.3)	(798.8)		GF Match	(1,065.1)
147	13(nnn)	Environ Cons	Capital	New allocation: Village Safe Water Study, Design and Construction Projects - Sec. 1, Ch. 3, FSSLA 2005. Scope change needed to allow for Village Safe Water Study Projects	266.3	798.8		GF Match	1,065.1
148	14	Health & Soc. Svcs.	Senior Benefits Payment Program	Senior Benefits - SB 4, that passed in June 2007, does not establish a flat rate, but sets rates from \$100 to \$175 /month depending on household income. Maximum income eligibility level is 150% of federal poverty guidelines for Alaska.	18,492.1				18,492.1
149	15(a)	Transportation	Traffic Signal Management	Anchorage Traffic Signal TORA (Transfer of Responsibility Agreement). The Department reached an agreement with the Municipality of Anchorage in 2005 for continued maintenance and operation of the State's traffic and street lights in downtown Anchorage. This agreement allows for an increase based on the Consumer Price Index (CPI) and additional signals in future years.	97.0				97.0
150	15(b)	Transportation	Capital - Airport Improvement Program Appropriation	The FY08 Airport Improvement Program appropriation increases by \$1,500.0 due to the allocation change below: Sec 1, Ch 30, SLA 2007, Pg 105, Ln 27					0.0
151	15(c)	Transportation	Capital - Airport Improvement Program Allocation	Amend Unalaska: Airport Environmental Analysis by \$1,500.0 from \$1,500.0 to \$3,000.0 Sec 1, Ch 30, SLA 2007, Pg 110, Lns 8-10 Updated planning information is needed by the Federal Aviation Administration (FAA) for use during the preparation of an Environmental Impact Statement (EIS) for improvements to the airport. The FAA would like to begin work on the EIS in March to take full advantage of the 2008 field season for data collection and analysis. This is the second phase of the project and the contractor is already on board. This project is ready to go forward now.			1,500.0		1,500.0

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
152	15(d)	Transportation	Capital - Surface Transportation Program Appropriation	The FY08 Surface Transportation Program appropriation increases by \$5,000.0 due to the allocation change below: Sec 4, Ch 30, SLA 2007, Pg 110, Lns 15-16					0.0
153	15(e)	Transportation	Capital - Surface Transportation Program Allocation	Amend Anchorage: Old Seward Highway Reconstruction - O'Malley Road to Brandon by \$5,000.0 from \$11,500.0 to \$16,500.0 Sec 4, Ch 30, SLA 2007, Pg 111, Lns 30-33 The need for additional funding is due to adjustments in the engineer's estimate to reflect increased costs due to inflation. Fast track supplemental funding is necessary to advertise and award the construction contract in the spring to allow for a full first season of construction.		5,000.0			5,000.0
154	15(f)	Transportation	Capital - Airport Improvement Program Appropriation	The FY06 Airport Improvement Program appropriation increases by \$1,880.0 due to the allocation changes below: Sec 1, Ch 3, FSSLA 2005, Pg 69, Ln 11					0.0
155	15(g)	Transportation	Capital - Airport Improvement Program Allocation	Amend Ekwook: Snow Removal Equipment Building by \$680.0 from \$820.0 to \$1,500.0 Sec 1, Ch 3, FSSLA 2005, Pg 70, Lns 32-33 The increased construction cost is primarily due to cost increases in fuel and building materials. This project will be ready to advertise in April. The Federal Aviation Administration wants the state to use these grant funds as early as possible so that the benefits from their use can be achieved as quickly as possible.		680.0			680.0
156	15(h)	Transportation	Capital - Airport Improvement Program Allocation	Amend Seldovia: Snow Removal Equipment Building Construction by \$1,200.0 from \$700.0 to \$1,900.0 Sec 1, Ch 3, FSSLA 2005, Pg 73, Lns 16-18 The increased construction cost is primarily due to cost increases in fuel and building materials. This project will be ready to advertise in February. The Federal Aviation Administration wants the state to use these grant funds as early as possible so that the benefits from their use can be achieved as quickly as possible.		1,200.0			1,200.0
157	15(i)	Transportation	Capital - Surface Transportation Program Allocation	The FY05 Surface Transportation Program appropriation increases by \$3,000.0 due to the allocation change below: Sec 1, Ch 159, SLA 2004, Pg 40, Lns 12-13 Amend Haines: Ferry Terminal to Union Street [THROUGH TOWN TO OLD HAINES HIGHWAY] by \$3,000.0 from \$13,000.0 to \$16,000.0 Sec 15(b)(5), Ch 6, SLA 2005, Pg 24, Lns 13-14 This project is ready to bid and construction can occur as early as this spring if supplemental authorization is provided. This timeframe will allow full advantage of this year's construction season. This additional authorization is requested to fully cover the engineer's estimate as well as inflationary factors occurring after the development of the estimate. In addition, a scope change has been requested. At the start of this project in 1996, the terminus on the town side was identified as "Mud Bay Road". This term proved to be confusing to community members. In response, DOT&PF has determined that it was in the best interest to define the terminus side of town as "Union Street". This terminus avoids confusion as to the limits of construction work within the city center of Haines.		3,000.0			3,000.0

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1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
158	15(j)	Transportation	Capital - Surface Transportation Program Appropriation	The FY02 Surface Transportation Program appropriation increases by \$750.0 due to the allocation change below: Sec 1, Ch 61, SLA 2001, Pg 35, Ln 19					0.0
159	15(k)	Transportation	Capital - Surface Transportation Program Allocation	Amend Ketchikan: Tongass - Third Avenue Extension Completion by \$750.0 from \$10,000.0 to \$10,750.0 Sec 1, Ch 61, SLA 2001, Pg 41, Lns 18-21 This project adds a new route for storm water to reach tidewater, and is necessary to respond to neighborhood problems concerning current drainage patterns. These urgently needed changes will prevent damage to private properties from high water flows on the downhill side of the Third Avenue Bypass. This funding is needed so that construction bids can be solicited early in the year, before heavier rainfall later in the season.		750.0			750.0
160	15(l)	Transportation	Capital - Appropriation	Susitna Valley High School Rural Beacon System - Funds are requested to cover the emergency installation of a temporary school crossing beacon system at the Susitna Valley High School. Last summer, the permanent school building sustained catastrophic fire damage rendering the school facility unusable. Subsequently, portable temporary school facilities were set up at the local senior center to house the students for the next two school years, while the permanent building is reconstructed. This temporary facility is directly across the Parks Highway from the permanent location, causing students to cross the highway to get to and from classes.	180.0				180.0
161	16	Governor	Elections	This request includes \$278.2 GF and \$120.1 in HAVA CIP Repts for personal services for three new base operating positions and 26 temporary positions needed for petitions processing relating to the FY09 primary election ballot. Contractual includes \$76.4 in printing, forms and training costs relating to the upcoming statewide primary election; \$10.9 one-time costs for Delta incorporation, \$12.0 for Wrangell incorporation, and \$6.0 for REAA #18 recall elections; \$20.0 for legal costs relating to the Nick case; and increased base operating costs of \$7.0 for postage, \$23.5 for maintenance and licensing increases, and \$30.1 for office and storage space increased lease costs. The base operating increases in personal services and contractual are included in the FY09 operating budget request.	164.1		120.1	CIP Repts	584.2
162	17(a)	Debt: Fund Capitalization	Oil and Gas Tax Credit Fund	Increased oil and gas tax credits from \$25 million that was appropriated in the FY08 budget to an updated estimated maximum need of \$150 million. The new oil and gas tax credit fund was established in ACES for these credits.	125,000.0				125,000.0
163	17(b)	Debt: Fund Capitalization	Oil and Gas Tax Credit Fund	Reappropriate the balance of the \$25 million tax credit appropriation to the new Oil and Gas Tax Credit Fund that was created by ACES. The Department of Revenue expects a balance of approximately \$1.2 million					0.0
164	18(a)	Debt: Debt Reimbursement	Jail Construction Reimbursement	Reimbursement to the Municipality of Kodiak for expansion of the Kodiak jail. Kodiak will start construction this season, but can't finalize contracts without secured funding. This reimbursement is per Ch. 160 (5B65), SLA 2004	2,000.0				2,000.0
165	18(b)	Debt: Debt Reimbursement	Jail Construction Reimbursement	Reimbursement of design and site selection costs of the Pt. Mackenzie Correctional Center to the Matanuska-Susitna Borough through AHFC	2,500.0				2,500.0
166	Regular Supplementals Language Sections:								0.0

FY2008 SUPPLEMENTAL REQUESTS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
167	19	Revenue	AHFC	Correct the bond authorization citation in sec. 8(b)(2), ch. 28, SLA 2007, page 65, line 20, from ch. 2, SSSLA 2002, the FY03 GO Bond bill, to ch. 1, SSSLA 2002, the FY03 capital budget bill. The AHFC bonds were authorized in sec. 1, page 46, of the capital budget bill.					0.0
168	20(a)	Commerce	Capital	Correct sec 42(c), SB53, SLA 2007, pg 164, line 19, by deleting the reference to "for the fiscal year ending June 30, 2008."					0.0
169	20(b)	Commerce	Capital	Restore \$34,334 revenue sharing for the community of Whitestone - sec. 55(c), ch. 30, SLA 2007, page 184, line 3.	34.3				34.3
170	20(c)	Commerce	AK Energy Authority	Rename the Alaska Energy Authority - ALCAN Intertie project (sec. 4, ch. 82, SLA 2006, page 117, lines 21-22 - \$3,200,000) to Alaska Energy Authority Kake - Petersburg Intertie and Alaska - British Columbia Intertie.					0.0
171	20(d)	Commerce	Quality Trade Assoc Contract	Reduce the FY08 operating appropriation for this component by \$800.0 from \$5,005.1 to \$4,205.1 to "free up" funds that are then used in the FY09 capital budget named recipient grant to ATIA.	(800.0)			Vehicle Rental Tax	(800.0)
172	20(e)	Commerce	Capital	Scope change: Community Development Assistance [GRANTS] capital project to expand scope to allow department spending to provide community assistance. Currently scope is too narrow, only allowing grants to communities. (Sec. 4, ch. 30, SLA 2007, page 84, line 26) The estimated unobligated balance is \$11,089,500.					0.0
173	21(a)	Corrections	Community Jails	The Division of Legislative Audit recommends that the Department of Corrections restructure the community jails program to promote equity between communities. This involves identifying the various types of activities and costs associated with operating local jails while being consistent with security standards and staffing requirements. This is even more important because according to the Department of Administration each community participating in the community jails program is already required to have a State single audit. Establishing a professional services agreement with an independent contractor will assist the department in its endeavor to ensure that a balanced distribution of funding is allocated on an equitable basis within the community jails program. An extended termination date is required to allow sufficient time to procure a contract and assure vendor has adequate time to complete this analysis.	45.0				45.0
174	21(b)	Corrections	Out-of-State Contractual	This amount pays for an FY2006 unpaid outstanding contractual invoice for \$50,000 from the Correctional Corporation of America.	50.0				50.0
175	21(c)	Corrections	Parole Board	This request is to pay an FY2005 unpaid outstanding invoice for \$399.09 from the Voyager Hotel.	0.4				0.4
176	21(d)	Corrections	Population Management, Anchorage Correctional Complex	There have been lower than anticipated costs and therefore federal receipts, for housing federal inmates (man-day federal shortfall). Beds are used for state and local inmates so general fund authorization is necessary.	1,000.0	(1,000.0)			0.0
177	22	Education	School Performance Incentive Program	If the amount necessary to pay school performance incentives exceeds the amount appropriated for FY08, the additional amount necessary is appropriated. The department won't know the final amount until after the legislature has adjourned. Similar language is included in the FY09 operating budget.					0.0
178	23	Fish and Game		Carryforward of federal indirect cost plan receipts to include the FY07 unexpended and unobligated balance. Similar language is included in the FY09 budget					0.0

FY2008 SUPPLEMENTAL REQUESTS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
179	24	Labor	Commissioner's Office	The \$850.0 fiscal note for ch. 22, SLA 2007 (HB 177, AGIA) was appropriated in sec. 2, ch. 28, SLA 2007, page 44, line 22. The department will not spend the entire amount in FY08, therefore they request that the lapse date be extended through June 30, 2009 in order to complete the work with the estimated balance of \$250.0.					0.0
180	25(a)	Law	Deputy Attorney General's Office	Judgments and Settlements Amount is \$587,910.81 as of January 28, 2008.	588.0				588.0
181	25(b)	Law	Deputy Attorney General's Office	The amount necessary for additional judgments awarded on or before June 30, 2008 is appropriated.					0.0
182	25(c)	Law	Administrative Services	Unpaid FY06 bills. Contractor was very late in submitting final bills to Law. Bills were submitted in May/June of 2007 so they were not included in the FY06 supplemental for Law. The actual amount in hand as of January 28, 2008 is \$3,109.36.	3.1				3.1
183	25(d)	Law	Criminal Division	Additional federal authorization is needed for the U.S. Department of Justice, Office of Violence Against Women grant to "Encourage Arrest Policies and Enforcement of Protection Orders" for \$937,000, as allocated below. The grant term is for 15 months, so a lapse date of June 30, 2009 is requested. Second Judicial District - \$127.8 Third Judicial District: Anchorage - \$399.2 and 1 new PFT (Paralegal) Fourth Judicial District - \$110.0 and 2 new PFTs (Attorney and Paralegal)		937.0			937.0
184	25(e)	Law	Human Services and Child Protection	Native Village of Curyung v. State DHSS, Office of Children Services This is a complicated case involving four tribes suing the state over alleged violations of various state and federal laws. the Department of Law estimates that there are roughly 120 children who are part of this case. It is anticipated that litigation and/or trial costs are expected to be at least \$200.0 in FY08 with another \$300.0 needed in FY09, so an extended lapse date through June 30, 2009 is requested.	500.0				500.0
185	26(a)	Transportation	Capital - Appropriation	Amend: Emergency and Non-Routine Repairs (Sec 1, Ch 82, SLA 2006, Pg 85, Lns 17-18) by \$128.2 from \$250.0 to \$378.2 to cover the costs of the Kenai Peninsula Flood - \$48.2 and the Copper River Highway - \$80.0	128.2				128.2
186	26(b)	Transportation	Capital - Scope Change	Scope Change - Pilot Station: Airport Relocation [RUNWAY REHABILITATION] in Sec 1, Ch 3, FSSLA 2005, Pg 73, Lns 11-12 A scope change is requested as the Pilot Station airport rehabilitation project became a relocation project in the Master Planning process. The master plan recommended the airport be relocated to a nearby ridge which is aligned favorably with the wind, situated on excellent material and does not have obstructions.					0.0
187	26(c)	Transportation	Capital - Scope Change	Scope Change - Stony River Airport Relocation and Airport Improvements [REHABILITATION] in Sec 100, Ch 2, FSSLA 1999, Pg 63, Lns 6-7 The initial rehabilitation project scope was to include an extension of the runway. The project has been revised to relocate the airport due to the village's encroachment at the existing facility as well as the topographical constraints caused by the airport's current location between meanders of the Kuskokwim River.					0.0
188	26(d)	Transportation	Capital - Airport Improvement Program Appropriation	The FY07 Airport Improvement Program appropriation increases by \$9,000.0 due to the allocation change below: Sec 1, Ch 82, SLA 2006, Pg 88, Ln 32					0.0

FY2008 SUPPLEMENTAL REQUESTS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
189	26(e)	Transportation	Capital - Airport Improvement Program Allocation	Amend Kipnuk: Airport Reconstruction by \$9,000.0 from \$2,600.0 to \$11,600.0 See 1, Ch 82, S.L.A 2006, Pg 91, Lns 3-4 Funding delayed to July would delay significant draw down of the grant until the following construction season. FAA is requiring early fiscal year delivery dates to ensure that projects are developed and bid early enough to take advantage of the construction season in the year the grant is issued.		9,000.0			9,000.0
190	26(f)	Transportation	Central Region Support Services	The Environmental Protection Agency (EPA) has initiated an enforcement action against DOT&PF, alleging multiple violations of the Clean Water Act. In addition, EPA is requesting information regarding sand and gravel sources. EPA believes that DOT&PF and its contractors have been operating material sites without appropriate storm water permits. The EPA has proposed settling the case if the State agrees to the entry of a consent decree(s) that could involve the payment of significant fines (Idaho and Hawaii have paid fines between \$500,000 and \$1,000,000), be required to conduct supplemental environmental projects, and provide training within DOT&PF. This funding would be used to collect evidence, present a defense and begin negotiating a settlement. It is anticipated that costs are expected to be at least \$500.0 during calendar year 2008 so an extended lapse date through June 30, 2009 is requested.	500.0				500.0
191	27	Debt: Fund Capitalization	PCE Fund	Increase PCE Fund capitalization by \$700.0 from \$12,999.4 GF to \$13,699.4 GF (total funds from \$25,273.0 to \$25,973.0) in order to provide more PCE funding needed due to increased fuel costs	700.0				700.0
192	28(a)	Debt: Debt Service	Administration Lease Financing	Atwood parking garage debt: \$3,443,000 was appropriated in HB 95, Sec 30(m) for FY08. Only one debt payment in the amount of \$535,105.53 will be made in FY08, a reduction of \$2,907,894 from the maximum amount that had originally been estimated.	(2,907.9)				(2,907.9)
193	28(b)	Debt: Debt Service	GO Bonds	On April 15, 2003 the state issued the series 2003 A (Education and Museum and regular transportation) and 2003 B (Accelerated Transportation) general obligation bonds. These bonds did not incur any positive arbitrage in the first three years of the funds' lives. On April 15, 2006 (the three-year anniversary) the funds remaining in the project accounts became subject to yield reduction payment based on the arbitrage yield limit plus 1/8 of a percent, which is 3.96266299 in this case. From April 15 to November 30 there have been earnings that correlate to a \$1.5 million liability. Extrapolating this amount forward to the five-year computation date of April 15, 2008, there might be as much as \$1 million in yield reduction due within 60 days of the computation date (June 14, 2008). A supplemental to appropriate up to \$1 million in earnings of the 2003 A and B bond proceeds to be paid from the funds based on actual liability generation is necessary to pay the yield reduction payment that is expected to be due in FY2008.			4,050.0	Misc Earnings	4,050.0
194				Total Supplementals	205,252.5	24,108.4	28,323.9		257,684.8
195				Less Oil and Gas Tax Credit Supplemental	(125,000.0)				
196				Total Agency Supplementals	80,252.5	24,108.4	28,323.9		257,684.8
197		Ratifications	Department	AR Number and Name					
198	29(a)	Ratification	Natural Resources	AR 37313-07 Fire Suppression Activity	7,055,162.87				
199	29(b)(1)	Ratification	Health & Soc. Svcs.	AR22792-07 Team Nutrition	8,210.00				
200	29(b)(2)	Ratification	Health & Soc. Svcs	AR 23025-07 EMS Data Collection System	9,488.71				

FY2008 SUPPLEMENTAL REQUESTS

	A	B	C	D	E	F	G	H	I
1	Sec. No.	Department	RDU or Component or Capital	Supplemental Need	General Funds	Federal Funds	Other Funds	Fund Source	Total Funds
201	29(b)(3)	Ratification	Health & Soc. Svcs.	AR 22848-07 Phase II EMS Data Collection	5,533.25				
202	29(b)(4)	Ratification	Health & Soc. Svcs.	AR22841-07 IPEMS CPS Coordinator	6,980.98				
203	29(b)(5)	Ratification	Health & Soc. Svcs.	AR23301-06 Medicaid Services	25,141,116.00				
204	29(b)(6)	Ratification	Health & Soc. Svcs.	AR23301-07 Medicaid Services	4,350,407.00				
205	29(b)(7)	Ratification	Health & Soc. Svcs.	AR22930-05 Health Care Services	231,500.00				
206	29(b)(8)	Ratification	Public Safety	AR 46805-07 Alaska Fire Standards Council	71.01				
207	30(a)	Lapse of Appropriations - capital projects							
208	30(b)	Lapse of Appropriations - capitalization of funds							
209	30(c)	Lapse of Appropriations - capitalization of funds							
210	31	Effective date of March 10, 2008 for Fast Track sections							
211	32	Effective date of April 13, 2008 for remainder of bill							

HB

344

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HB 344
(H) Publish Date: 1/30/08

Identifier (file name): 0048-OOG-LGO-1-25-08
Title: "An Act relating to distribution of the Alaska Administrative code and Alaska Administrative Register,..."
Sponsor: Rules Committee
Requester: Governor
Dept. Affected: OOG
RDU: Executive Operations
Component: Office of the Lt. Governor
Component Number: 11

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	Appropriation Required	Information					
	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
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	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							
Other Interagency Receipts							
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

Reduced distribution of the Alaska Administrative Code and Register should result in savings to the state. It is not possible at this time to estimate the number of local governments that would opt out, nor to estimate the amount of savings that would be realized.

Prepared by: Linda Perez, Administrative Director
Division: Division of Administrative Services
Approved by: Jay Pullins, Chief of Staff
Office of the Lt. Governor

Phone: 465-3876
Date/Time: 1/25/08 10:20 AM
Date: 1/25/2008

SARAH PALIN
GOVERNOR
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3/5/08

January 28, 2008

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

Dear Speaker Harris:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill to change the Alaska Administrative Procedure Act to provide for better and more cost-effective access to administrative information.

The bill stems from requests of some local governments to stop receiving paper copies of the Alaska Administrative Code and the Alaska Administrative Register. Space in some local government offices is limited and the storage and disposal of these documents can be problematic.

Under current law, the Lieutenant Governor, at state expense, is required to supply a complete set of the Alaska Administrative Code, the Alaska Administrative Register, and each supplement to the code or register to the clerk of each local government unit. Many local governments have indicated that paper copies of these publications are neither utilized nor desired.

The bill allows the clerk of a local governmental unit to choose to forego receipt of the paper copies. Paper copies would continue to be supplied to governmental units that do not request cessation of the deliveries.

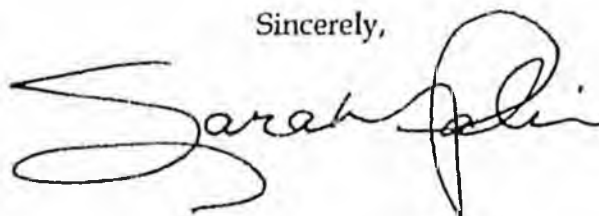
Because electronic access to the Alaska Administrative Code is currently available through the Legislature's website, and through links to that website from various state agency websites, we anticipate that many local governments would prefer this "no-cost" option for electronic access to the information, and paper copies would not be needed.

The Honorable John Harris
January 28, 2008
Page 2

The bill also provides an easy method for the local government to "opt back in" to start receiving paper copies of the documents if the local government's needs changed.

I urge your prompt consideration and passage of this bill.

Sincerely,

A handwritten signature in black ink, appearing to read "Sarah Palin". The signature is fluid and cursive, with a large initial "S" and a distinct "P" for the last name.

Sarah Palin
Governor

Enclosure

3/5/08



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Lieutenant Governor Sean Parnell

February 25, 2008

Representative Kevin Meyer, Co-Chair
House Finance Committee
Alaska State Legislature
State Capitol, Room 515
Juneau, AK 99801-1182

Dear Representative Meyer:

Thank you for scheduling House Bill 344 for a hearing in the House Finance Committee. The bill was generated in response to feedback I received from local governments who do not use or wish to receive paper copies of the Alaska Administrative Code that I currently distribute at state expense. With electronic access available at no charge, many local governments believe that these materials are obsolete and an unnecessary use of limited office space. Specifically, the bill allows local governments to opt-out of receiving paper copies of the Alaska Administrative Code and its quarterly supplements. If, in the future, local officials wish to resume receiving these materials, the bill also affords provisions for opting-in.

Responding to local concerns and conserving state resources are two benefits of this legislation. I urge your support of these goals in the calendaring and passage of SB 257. If I can provide any information, please contact me or Jason Hooley in my office at 465-4082. Thank you for your consideration.

Sincerely,

Sean Parnell
Lieutenant Governor

Cc: Russ Kelly, Legislative Director

HB

347

HFIN

FILE

FISCAL NOTE

2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HB 347
 () Publish Date: _____

Identifier (file name): HB347-CED-OED-02-18-03 Dept. Affected: DCCED
 Title Regional Cruise Ship Impact Committee RDU Comm Assist & Ec Dev (405)
 Component Office of Economic Development
 Sponsor Thomas, Doll
 Requester House Finance Component Number 2743

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services	100.0	0.0	100.0	100.0	100.0	100.0	100.0
Travel	18.0	0.0	18.0	18.0	18.0	18.0	18.0
Contractual							
Supplies	8.5	0.0	8.5	8.5	8.5	8.5	8.5
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	126.5	0.0	126.5	126.5	126.5	126.5	126.5

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							
Other: Cruise Ship Tax	126.5	0.0	126.5	126.5	126.5	126.5	126.5
TOTAL	126.5	0.0	126.5	126.5	126.5	126.5	126.5

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time	1	0	1	1	1	1	1
Part-time	0.5	0	0.5	0.5	0.5	0.5	0.5
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This legislation establishes a Regional Cruise Ship Impact Fund Advisory Committee appointed by the Governor and consists of two nonvoting members of the cruise ship industry, three mayors (or designees) from communities that serve as ports of call for cruise ships, two mayors (or designees) from communities impacted by cruise related tourism but are not ports of call, and two at-large members of the public from entities representing regions impacted by cruise ship related tourism activities.

The committee shall review the needs of communities eligible to receive funding from the Regional Cruise Ship Impact Fund and submit recommendations to the legislature regarding appropriation of the money in the fund not later than the first day of each regular session of each legislature.

Prepared by: Joe Austerman, Manager
 Division: Office of Economic Development
 Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone 907.269.4568
 Date/Time 2/18/08 10:00 AM
 Date 2/18/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

BILL NO. HB 347

ANALYSIS CONTINUATION

The Department of Commerce, Community, and Economic Development anticipates staffing the committee with one development specialist and one-half administrative support person. These positions would organize and facilitate committee meetings; write the regulations; issue, collect, evaluate funding applications (if needed) in support of recommendations of how to spend the funds, as well as oversee the distribution of funds to appropriate municipalities or other governmental entities, and prepare the report to the legislature. They may also have to verify that funding distributions do not violate federal law, handle complaints or other disputes related to recommendations for distributing the funds.

The Department estimates that the nine member committee would meet at least once in person and additional meetings would be conducted via teleconference plus travel funds for Department staff.

Supplies would be needed to support the work outlined in this legislation including start up funds for computer, printer and phone; as well as on-going expenses.

The department assumes funding for this support would come from some aspect of the cruise ship tax.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number:
Bill Version: HB 347
() Publish Date: _____

Identifier (file name): HB347-DOR-TAX-2-18-08 Dept. Affected: Revenue
Title Regional Cruise Ship Impact Committee RDU Tax and Treasury
Component Tax
Sponsor Rep. Thomas
Requester House Finance Component Number 2476

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information						
		FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES								
Personal Services	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Travel	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Contractual	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Supplies	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Equipment	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Land & Structures	0.0	0.0	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	0.0	0.0
Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL OPERATING	0.0	0.0	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	0.0	0.0
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CHANGE IN REVENUES ()	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
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FUND SOURCE (Thousands of Dollars)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1003 GF Match	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1004 GF	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1005 GF/Program Receipts	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1037 GF/Mental Health	0.0	0.0	0.0	0.0	0.0	0.0	0.0
1050 PFD Fund	0.0	0.0	0.0	0.0	0.0	0.0	0.0
TOTAL	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
Full-time	0.0	0.00	0	0	0	0	0
Part-time		0					
Temporary		0					

ANALYSIS: (Attach a separate page if necessary)

HB 347 would set up a committee in the Department of Commerce Community and Economic Development to make recommendations for the expenditure of revenues in the regional cruise ship impact fund. It adds no new duties to the Department of Revenue.

Prepared by: Johanna Bales, Deputy Director
Division: Tax Division
Approved by: Jerry Burnett
Department of Revenue

Phone 907 465 2312
Date/Time 2/18/08 12:00 AM
Date 2/18/2008



REPRESENTATIVE BILL THOMAS

ALASKA STATE LEGISLATURE DISTRICT 5

e-mail: Representative.Bill.Thomas@legis.state.ak.us

webpage: www.akrepublicans.org/thomas/

State Capitol

Juneau AK, 99801-1182

907-465-3732

888-461-3732

FAX 907-465-2652

Sponsor Statement for HB 347

"An Act relating to the regional cruise ship impact fund; and establishing the Regional Cruise Ship Impact Fund Advisory Committee and prescribing its duties."

In 2006 Alaska voters passed Ballot Measure 2: "The Cruise Ship Initiative." One section of this initiative requires the legislature to appropriate money from the "Regional Cruise Ship Impact Fund" for "projects that provide services directly related to passenger or watercraft visits or to enhance the safety and efficiency of interstate and foreign commerce related to vessel and watercraft activities."

HB 347 establishes a Regional Cruise Ship Impact Fund Advisory Committee which will identify projects in impacted communities and advise the legislature on what projects should be funded. This is an effort to streamline this grant process and to give the impacted regions a direct voice in the projects that they would like to see funded. Similar committees have been set up in communities that already have assessed head taxes on cruise ships and they have worked out well.

Further, HB 347 also requires the Department of Revenue to calculate the funds collected from the cruise ships at the end of each calendar year. This coincides with the cruise ship season and will allow the advisory committee and the legislature to have a full and accurate picture of the revenues for each cruise ship season.

HB 347 fixes some of the problems in the current law and establishes an advisory committee which will allow for thoughtful and lengthy consideration of all of the possible projects that should be funded by the "Regional Cruise Ship Impact Fund." I strongly urge your support for HB 347.



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Sectional for HB 347

"An Act relating to the regional cruise ship impact fund; and establishing the Regional Cruise Ship Impact Fund Advisory Committee and prescribing its duties."

Section 1:

Establishes the "Commercial Vessel Tax Account" (already in law).

Adds a provision directing the Department of Revenue to calculate the funds collected at the end of each calendar year instead of each fiscal year.

Section 2:

Establishes the "Regional Cruise Ship Impact Fund" (already in law).

Directs the legislature to work with the Regional Cruise Ship Impact Fund Advisory Committee.

Section 3:

- (d) Allows a municipality that only receives infrequent cruise ship calls to be eligible for funding from the Regional Cruise Ship Impact Fund if it also sees high cruise ship passenger traffic from neighboring communities. This allows for municipalities who are in this situation to receive adequate funding for the real impacts that cruise ship passengers have in their area.
- (e) Outlines the Regional Cruise Ship Impact Fund Advisory Committee:
 - a. Members are all appointed by the Governor
 - b. Committee is staffed by the Department of Commerce Community and Economic Development
 - c. The Committee consists of:
 - i. Two nonvoting members of the cruise ship industry
 - ii. Three mayors from communities that serve as ports of call
 - iii. Two mayors from communities that are impacted by cruise ship related tourism activities but do not serve as ports of call
 - iv. Two at-large members of the public from entities representing regions impacted by cruise ship tourism activities.



MUNICIPALITY OF SKAGWAY

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(907) 983-2151 (FAX)

7 February 2008

Senator Albert Kookesh
Alaska State Capitol, Room 11
Juneau, Alaska 99801-1182

Representative Bill Thomas
Alaska State Capitol, Room 434
Juneau, Alaska 99801-1182

Subject: Cruise Ship Impact Fund Advisory Committee

Dear Senator Kookesh and Representative Thomas:

The Municipality of Skagway supports the intent of House Bill No. 347 as sponsored by Representatives Thomas and Doll. Recent adoption of the cruise ship initiative provides communities affected by the cruise industry with funds to lessen the impact of visitors to local economies. Funds collected and held in the Regional Cruise Ship Impact Fund by the Department of Revenue are available for this purpose.

During the normal process of tax related legislation, the Department of Revenue would be provided with guidance on the distribution of tax proceeds. Since the passenger excise tax was created by an initiative, the Department lacks necessary direction to effectively distribute tax funds as intended.

Creation of a Cruise Ship Impact Fund Advisory Committee and shifting tax fund calculations to a calendar year basis would benefit communities and the department.

Thank you and we stand ready to help in any way we are able.

Sincerely,

Tom Cochran - Mayor

Sec. ~~43.52.230~~. Disposition of receipts.

(a) The proceeds from the tax on travel on commercial passenger vessels providing overnight accommodations in the state's marine water shall be deposited in a special "commercial vessel passenger tax account" in the general fund. The legislature may appropriate money from this account for the purposes described in (b) and (c) of this section, for state-owned port and harbor facilities, other services to properly provide for vessel or watercraft visits, to enhance the safety and efficiency of interstate and foreign commerce, and such other lawful purposes as determined by the legislature.

(b) For each voyage of a commercial passenger vessel providing overnight accommodations, the commissioner shall identify the first five ports of call in the state and the number of passengers on board the vessel at each port of call. Subject to appropriation by the legislature, the commissioner shall distribute to each port of call \$5 per passenger of the tax revenue collected from the tax levied under AS 43.52.200 - 43.52.295. If the port of call is a city located within a borough not otherwise unified with the borough, the commissioner shall, subject to appropriation by the legislature, distribute \$2.50 per passenger to the city and \$2.50 to the borough. Each port of call receiving funds under this section shall use the funds in a manner calculated to improve port and harbor facilities and other services to properly provide for vessel or watercraft visits and to enhance the safety and efficiency of interstate and foreign commerce.

(c) A "regional cruise ship impact fund" consisting of 25 percent of the proceeds from the tax on travel aboard commercial passenger vessels providing overnight accommodations in the state's marine water shall be established as a sub-account of the funds established in (a) of this section and deposited in the general fund. Subject to appropriation by the legislature and regulations adopted by the Department of Revenue, the commissioner shall distribute funds to municipalities or other governmental entities within the Prince William Sound Region, Southeast Alaska, or any other distinctive region impacted by cruise ship related tourism activities but not entitled to receive funds based on port of call visitation as allowed by (b) of this section, provided that any funds used from this account shall be used to provide services and infrastructure directly related to passenger vessel or watercraft visits or to enhance the safety and efficiency of interstate and foreign commerce related to vessel or watercraft activities.

Kaci Schroeder

From: Rod Swope [Rod_Swope@ci.juneau.ak.us]
Sent: Tuesday, February 05, 2008 9:52 AM
To: Kaci Schroeder
Subject: RE: Cruiso Ship Head Tax

Ms. Schroeder/Hotch,

We have a committee comprised of 3 members from the cruise ship industry, 2 members from our docks and harbors board, and 2 members from the public at large. Each member is appointed by the Assembly for a 2-3 year staggered term. I'm responsible for preparing a list of recommendations for use of the fee proceeds and presenting it to the committee in a public meeting. They each provide their recommendations. We also accept comments from the public. The committee is advisory only and I have the discretion to accept or reject their comments. I then forward a final list of recommendations, accompanied by all public and committee comments, to the Assembly for final approval.

Let me know if you need any additional information.

Regards,

Rod Swope
City Manager

From: Kaci Schroeder [mailto:Kaci_Schroeder@legis.state.ak.us]
Sent: Monday, February 04, 2008 3:41 PM
To: Rod Swope
Subject: Cruise Ship Head Tax

Mr. Swope,

I am working on establishing a "Cruise Ship Impact Fund Advisory Committee" and heard that Juneau has a committee whose job it is to determine how Juneau's head tax should be spent. Is there a way that I can find out what the make up of that committee is? Is their decision final or do they make recommendations to the Assembly?

Thanks!

Kaci Schroeder Hotch
Legislative Aide to Rep. Thomas
465-3732

Commercial Passenger Vessel Excise Tax



Presented by
Johanna Bales
Deputy Director, Tax Division
Alaska Department of Revenue

Initiative Overview (Revenue Provisions)

Effective 12/17/2006

- Imposes a \$46 commercial passenger vessel excise tax on large cruise ships (over 250 berths)
- Levies a tax at the rate of 33% of adjusted gross income on cruise ship gambling activities in state waters
- Subjects cruise ship companies to Alaska's corporate net income tax
- Assesses a \$4 per passenger berth fee to cover the cost of state-employed marine engineers (Ocean Rangers) to observe health, safety and wastewater treatment and discharge operations

Initiative Overview (Other Provisions)

- Requires cruise ship operators to gather and report more information and get a new type of permit for sewage, graywater or other wastewater before discharging in state marine waters
- Authorizes citizen lawsuits against an owner or operator of a large cruise ship for an alleged violation of any permit condition
- Enables a person who provides information leading to enforcement of a law to receive 25 to 50 percent of fines imposed
- Imposes additional requirements on disclosures about on-ship promotions of shore-side businesses

CPV Revenues

- Commercial Passenger Vessel Excise Tax
- \$46 per person traveling on a vessel providing overnight accommodations in state marine waters.
- Ocean Ranger Fee - \$4 per person
- Total cost per passenger - \$50

Department of Revenue Responsibilities

- Administer & collect the corporate net income tax
- Administer & collect the 33% cruise ship gambling tax
- Administer & collect the \$46 commercial passenger vessel excise tax (commonly referred to as the cruise ship "head tax")
- Account for and disburse proceeds of the tax as directed by the legislature
- Draft regulations for all tax types

Administer & collect the corporate net income tax

- Cruise ship owners are subject to the corporate income tax just like all other corporations in Alaska
- Money collected is deposited in general fund (no current estimate of revenues)
- First tax returns due April 15, 2008
- There is no revenue sharing to municipalities from this tax type
- Regulations effective October 2007

Administer & collect the 33% cruise ship gambling tax

- Regulations out to public comment
- Comment period ends February 7, 2008
- Currently developing tax return form
- Tax is imposed on adjusted gross income received from gambling activities conducted in state waters
- Adjusted gross income is gross gambling proceeds less prizes paid out and federal and municipal taxes imposed on the income
- Expected to be an annual return
- First returns due April 15, 2008
- Revenue deposited in Commercial Vessel Passenger Tax Account

Administer & collect the \$46 commercial passenger vessel excise tax (“head tax”)

- Levied on the cruise ship passenger per voyage
- Paid by cruise ship owner or operator
- Due by the end of the month following the month in which the voyage ended
- Due for each voyage lasting longer than 72 hours
- Must report the number of passengers at each Alaska port of call

Account for and disburse proceeds of the “head tax” as directed by the legislature

- Commercial passenger vessel excise tax is deposited into a sub account of the general fund as follows:
 - Commercial Vessel Passenger Tax Account – 75% of proceeds or \$34.50 per person
 - Regional Cruise Ship Impact Fund – 25% of proceeds or \$11.50 per person

Receipts from the Commercial Passenger Vessel Excise Tax

Account	2007 Cruise Ship Season Revenue ⁽¹⁾
Commercial Vessel Passenger Tax Account	\$34,853,452.50
Regional Cruise Ship Impact Fund	\$11,617,817.50
Total Receipts ⁽²⁾	\$46,471,270.00

⁽¹⁾ 1,010,245 passengers

⁽²⁾ Does not include gambling tax revenue

Commercial Vessel Passenger Tax Account

(estimated amount available for appropriation - \$34.8 million annually + cruise ship gambling tax proceeds)

- Revenue disbursed to communities under “first 5 ports of call” rule come from this account
- Gambling tax revenue deposited in this account
- Legislature may appropriate money from this fund “for state-owned port and harbor facilities, other services to properly provide for vessel or watercraft visit, to enhance the safety and efficiency of interstate and foreign commerce and such other lawful purposes”

First 5 Ports of Call

(estimated disbursement - \$10 million annually)

- \$5 per passenger shared with first 5 ports of call
- Port of Call
 - Must be a municipality or borough
 - Must be location where passengers embark or disembark (includes lightering of passengers)
 - Cannot have its own passenger tax
 - Boroughs not unified with a municipality may receive \$2.50 per passenger
 - Cannot also receive funds from “Regional Cruise Ship Impact Fund.”

Total Revenue Collections by Month (2007 Cruise Ship Season)

Month	# of Passengers	Total Tax
May ⁽¹⁾	107,504	\$4,945,184
June	240,943	11,083,378
July	234,862	10,803,652
August	235,971	10,854,666
September ⁽²⁾	190,965	<u>8,784,390</u>
Total	1,010,245	\$46,471,270

(1) \$3,845,140 of tax due for May sailings was collected in FY 2007

(2) Includes one sailing in October