

AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3297

179

their gambling: nongamblers and low-risk, at-risk, problem, and compulsive or pathological gamblers. Gamblers are classified by types based on a set of 10 criteria developed by the American Psychiatric Association (APA) and published in APA's *Diagnostic and Statistical Manual (DSM-IV)*. These criteria are preoccupation (e.g., reliving past gambling experiences or planning future ventures), tolerance (needing to wager more money to generate the same "buzz"), lying, withdrawal (restless or irritable when attempting to cut down or stop gambling), escape, chasing (returning to get even for a previous day's losses), loss of control, illegal acts, risked relationships, and bailout (relying on others to provide money to relieve a desperate financial situation caused by gambling). Gamblers must meet at least five of these criteria to be classified as pathological.

The overwhelming majority of Americans fall into the nongambler or low-risk groups. Most either do not gamble at all or do not gamble seriously enough to have social, legal, or economic problems as a result of their gambling. In general, low-risk gamblers are those who meet few if any of APA's criteria.

How Big Is GAMBLING?

There is no doubt about gambling's reach today. What once appeared to be largely confined to casinos, the quiet off-track bookie, bingo halls, and the occasional Friday night poker game has become a national pastime. By 1993, more than half of all Americans reported having gambled in a casino at least once. By 1996, Americans were wagering \$47.6 billion a year—more money than movies, sporting events, theme parks, cruise ships, and the recording business generated combined. By 1997, nearly 500 gambling sites were on the Internet.

The number of States with legalized gambling has mushroomed. In 1978, only two States—Nevada and New Jersey—had casinos. That number grew to 27 by 1998. Twenty-three States now have Indian-owned casinos on tribal reservations within their boundaries. Seven States now permit betting on riverboat casinos. Additionally, State-run lotteries operate in 37 States and the District of Columbia. In fact, only Hawaii and Utah have no form of legalized gambling. As States and localities seek solutions to burgeoning budget deficits, legalized gambling may become even more pervasive.

They tend to gamble for social or recreational purposes, usually betting such small amounts that they rarely suffer significant losses. Thus, they have little or no reason to turn to crime to finance their gambling.

Defining problem gambling.

Compulsive or pathological gamblers, the subject of this study, are those who sooner or later suffer heavy losses (often \$100 or more at a



time), borrow or steal money or write bad checks to pay gambling debts, avoid or cannot pay their nongambling bills, and lie to their families, friends, and therapists about the extent of their gambling. Not only do they lie, but compulsive or pathological gamblers often rely on others to bail them out of their gambling debts. They have risked and sometimes lost friendships, marriages, jobs, and careers because of gambling. They may have tried to curtail or stop their gambling, but failed. Although the numbers have differed over the years as research methodologies and definitions have changed, the most recent studies show that about 2.5 million Americans are pathological gamblers. Another 3 million Americans are problem gamblers. The lifetime prevalence rate for pathological and problem gambling is estimated as 1.2 percent and 1.5 percent, respectively.

Challenging stereotypes.

Compulsive gamblers are often perceived by the public as largely middle-class men whose gambling habits lead them to steal from their families, friends, and/or employers to finance their activities. They are seen as unfortunate

individuals who commit such white-collar crimes as larceny, theft, embezzlement, and fraud when their gambling losses become too great to pay through their regular sources of income. Although many compulsive or pathological gamblers fit this image, surveys of the general population paint a somewhat different picture. In fact, general surveys show that pathological gamblers are most likely to be nonwhite males, who are young, less well educated, and unmarried.

Again, although many arrestees who are compulsive or pathological gamblers fit the two images described above, the study found some differences. Unlike the general population, women arrestees are as likely to have gambling problems as men. Marital status and educational attainment also seem to make little or no difference. Arrestees start gambling at a later age than pathological gamblers in the general population, especially men. Male pathological gamblers typically begin gambling as teenagers and then slowly, often over a decade or more, develop a serious gambling habit. Women who become

compulsive or pathological gamblers generally begin gambling later than men, usually in their 20s. Once they become serious gamblers, however, women develop a dependency quickly, typically within 5 years. Both men and women arrestees who are compulsive or pathological gamblers tend to be from lower social and economic classes than those identified in general surveys, more often exhibit sociopathic traits, and frequently start as criminals and only later become gamblers.

Odds are there's a link

As noted earlier, compulsive or pathological gamblers represent only a small percentage of the general population. Yet those who meet APA's definition for pathological gambling accounted for slightly more than 1 in 10 arrestees surveyed in Las Vegas and about 1 in 25 in Des Moines. Together, 14.5 percent of arrestees in Las Vegas and 9.2 percent of those in Des Moines were either problem or pathological gamblers—three to five times the percentage in the general population.

Perhaps more telling, more than one-third of the compulsive or pathological gamblers arrested (34.6 percent in Las Vegas and 37.5 percent in Des Moines) had been arrested on at least one felony count. Surprisingly, though, pathological gamblers were no more likely to be arrested for property or other white-collar crimes (larceny, theft, embezzlement, and fraud) than nongamblers and low-risk and at-risk gamblers. Nor were they more likely to be arrested on drug charges, including selling illegal drugs. Rather, they were most likely to be arrested for such offenses as probation or parole violations, liquor law violations, trespassing, and other public order offenses.

Link to robbery, assault.

Still, more than 30 percent of pathological gamblers who had been arrested in Las Vegas and Des Moines reported having committed a robbery within the past year, nearly double the percentage for low-risk gamblers. Nearly one-third admitted that they had committed the robbery to pay for gambling or to pay gambling debts. In addition, about 13 percent said they had assaulted someone.

to get money; one in four assaults reported by pathological gamblers was directly or indirectly related to gambling. By comparison, low-risk, at-risk, or problem gamblers reported committing gambling-related robberies infrequently.

Drug dealing. Although they were no more likely to have been arrested on drug charges, compulsive or pathological gamblers were significantly more likely to have sold drugs than arrestees who fit the other gambling types. More than one-third of pathological gamblers said they had sold drugs, compared to 19.2 percent of problem gamblers, 20.2 percent of at-risk gamblers, and 16.1 percent of low-risk gamblers. The differences in those numbers were even greater among gamblers who reported having sold drugs specifically to fund their gambling or pay gambling debts. One in five pathological gamblers who had been arrested admitted having sold drugs to finance their gambling, compared to 4 percent among problem gamblers and less than 2 percent among at-risk gamblers.

Using speed. Not surprisingly, a significant proportion of compulsive or pathological

gamblers tested positive for one or more illegal drugs. Arrestees' urine samples were screened for hallucinogens such as marijuana, opiates such as heroin, cocaine, and methamphetamine ("speed"). Overall, 60 percent of arrestees interviewed in Las Vegas and 56 percent of those in Des Moines had at least one illegal drug in their urine samples. But pathological gamblers were no likelier to test positive for drugs than were other gambler types. Nor were there any significant differences in which drugs were found, with one exception. Pathological gamblers were more likely to test positive for methamphetamine, a drug taken as an "upper" to keep users alert and awake during hours- or even days-long gambling binges. Beyond drugs, nearly two-thirds of the pathological gamblers reported that they drank alcohol to the point of dependence. In fact, only 3.3 percent of all arrestees interviewed for this study who were pathological gamblers reported no drug or alcohol problems.

Again, not surprisingly, the study found a relationship between pathological gambling and crime and/or drug

and alcohol use. More than 43 percent of those interviewed who acknowledged pathological gambling and substance use also said they had committed an assault during the previous year. Nearly 40 percent had committed more than one theft in the past year, four times the number of arrests without either a gambling or a substance use problem. Approximately 38 percent of arrestees with both gambling and substance use problems reported having sold drugs, nearly eight times the number of those with no gambling or substance use problem.

Pathological gamblers reported that, on average, they committed their first crime around age 21, developed an alcohol problem by about 23 or 24, and began to have gambling problems in their mid- to late 20s. Gambling began after the onset of criminal and substance problems, not before. Nonpathological gamblers who said they had similar substance use problems and criminal activity reported a similar average age of onset for each of those problems. Men who were pathological gamblers were more likely to have committed a serious crime

at an earlier age than women who were pathological gamblers. Also, only 13 percent of pathological gamblers who admitted having a gambling problem said they sought treatment. And only 10 percent said they attended Gamblers Anonymous or similar meetings.

Policy implications

A number of conclusions and policy recommendations can be drawn from the study findings. Arrestees who report that they are or can be defined by their responses to interviews or questionnaires as compulsive or pathological gamblers are drawn disproportionately from the social and economic fringes of society. As legalized gambling spreads to States and localities that do not now permit gambling or have it only on a small scale, these jurisdictions must prepare to deal with the social ills engendered by problem gambling.

Criminals and those who use alcohol and illegal drugs to excess appear to be at greater risk for becoming compulsive or pathological gamblers. Few are likely to receive or seek treatment for

their addictions. Gambling, especially when accompanied by substance use, is a prime motivation for many but not all of their crimes.

States and localities may identify individuals with a gambling problem by using existing psychological tests (or abbreviated versions of such tests suitable to intake interviews) to screen arrestees. Today, however, few States or localities have screening programs in detention centers, jails, or prisons. Arrestees are often booked and released shortly thereafter. If at least some arrestees with a real or potential gambling problem can be identified, they can be offered treatment. Early treatment might help reduce the number who become repeat offenders.

States and localities also may want to develop treatment programs in detention centers, jails, and/or prisons. Such programs might include group therapy sessions similar to those offered by Gam-

blers Anonymous. Such sessions could be incorporated into existing programs for illegal drug or alcohol use. To reduce the chances of relapses once prisoners are released, States and localities may develop referral systems that offer former arrestees and inmates the names of agencies and programs that offer continued treatment and support.

Finally, being behind bars is likely to worsen the gambling habits of many compulsive or pathological gamblers. Although it is officially banned, gambling is difficult to control in prisons and jails. It is a diversion from the monotony of jail. As a result, jailed arrestees and prison inmates may accrue significant gambling debts behind bars that can only be paid off by committing further crimes after their release. Authorities could provide increased attention to gambling behaviors in detention centers, jails, and prisons

The National Institute of Justice is the
research, development, and evaluation
agency of the U.S. Department of Justice.

NIJ provides objective, independent,
evidence-based knowledge and tools
to enhance the administration
of justice and public safety.

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Programs, which also includes the Bureau
of Justice Assistance, the Bureau of Justice
Statistics, the Office of Juvenile Justice
and Delinquency Prevention, and the
Office for Victims of Crime.

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
 Bill Version: CSHJR 2(FIN)
 (H) Publish Date: 2/21/08

Identifier (file name): HJR002-OOG-DOE-1-23-08 Dept. Affected: OOG
 Title: Constitutional Amendment requiring an affirmative RDU: Elections
vote of the people before any form or gambling.... Component: Elections
 Sponsor: Representatives Crawford, Dahlstrom, Lynn
 Requester: House Finance Component Number: 21

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	1.5							
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	1.5	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	1.5							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2009) cost: 0.0

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

If this amendment appears on the 2008 ballot, the cost of providing information about this issue in the Official Election Pamphlet, as required by AS 15.58 is \$1.5. Should the addition of this question require the printing of an 8-1/2 by 18-inch ballot the cost will increase to \$22.0.

Prepared by: Gail Fenuniai, Director
 Division: Division of Elections
 Approved by: Linda Perez, Administrative Director
 Division: Division of Administrative Services

Phone: 465-2644
 Date/Time: 1/23/08 1:20 PM
 Date: 1/23/2008

HJR

10

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: # \
 Bill Version: HJR 10
 () Publish Date: _____

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title Medical Assistance for Children RDU _____
 Component _____
 Sponsor House HESS Committee
 Requester House HESS Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2007) cost: 0.0
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: House HESS Phone 475-3824
 Division _____ Date/Time _____
 Approved by: Rep. Peggy Wilson Date 2/28/2007
 Agency _____



Health, Education, and Social Services Committee
Alaska State Legislature
House of Representatives
Representative Peggy Wilson - Chair

SPONSOR STATEMENT
House Joint Resolution 10

"A resolution relating to reauthorization of federal funding for children's health insurance; and encouraging the Governor to support additional funding for and access to children's health insurance."

Since its inception in 1997, the Denali KidCare program has served underprivileged children and expectant mothers all across Alaska. The program provides excellent health insurance coverage for children and teens through age 18 and for pregnant women who meet income guidelines specified in Alaska statute. It covers needs such as doctor visits, prescription medication, vision and dental exams, and mental and physical therapy. In June of 2005, 11,366 people were enrolled in the program. In FY 2006, the state of Alaska spent \$27.8 million on the program of which \$19.5 million came from the federal government.

However, we are in danger of losing this vital program. The federal government has only appropriated funds through September, 2007. The state of Alaska cannot support this program without the federal dollars. This resolution urges our Congressional delegation to reauthorize this important program at the current level of funding. It also calls for the Executive branch to ensure that uninsured children are identified, enrolled, and assisted to the fullest extent possible.

HJR

15

SFIN

FILE

SENATE COMMITTEE REPORT

DATE: 4/16/07

FURTHER: Rules

resolution

DATE TURNED
IN TO OFFICE: 5/1/07

State Affairs Committee considered CS FOR HOUSE JOINT RESOLUTION NO. 15(STA)

HJR 15 WW II FILIPINO VETS: BENEFITS/IMMIGRATION

Supporting the passage of a Filipino Veterans Equity Act and a Filipino Veterans Family Reunification Act.

and recommends:

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

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____






NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
H STA	04/05			✓	1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	Do Not PASS	No REC	AMEND
	French	X			
	STEVENS	X			
	Green	✓			
	Bunde			✓	
CHAIR: 	McGuire	✓			

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
 Bill Version: CSHJR 15(STA)
 (H) Publish Date: 4/11/2007

Revision Date/Time (Note if correction): _____ Dept. Affected: _____
 Title WW II Filipino Vets; Benefits/Immigrations RDU _____
 Component _____
 Sponsor Representative Ledoux _____
 Requester House State Affairs Committee Component No. _____

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims						
Miscellaneous						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0

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

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

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: Nancy Manly, Committee Aide Phone 465-2794
 Division House State Affairs Committee Date/Time _____
 Approved by: Representative Bob Lynn Date 4/5/2007
 Agency Chair

HJR

28

HFIN

FILE

HOUSE COMMITTEE REPORT

(11)

Date Referred to Committee: February 8, 2008

FURTHER REFERRALS:

Date of Committee Action: 3/4/08

The FINANCE Committee considered:

HJR 28

HOUSE JOINT RESOLUTION NO. 28

CONST. AM: PRODUCTION TAX REVENUE FUND

Proposing an amendment to the Constitution of the State of Alaska relating to the production tax revenue fund, dedicating a portion of the petroleum production tax to the fund, and limiting appropriations from the fund.

Recommends it be replaced with HCS or CS for HJR 28 ZIN
 For Senate Bills with new title: Technical Title New Title: HCR Same Title New Title

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

List of Abbrev for Depts:
 ADM
 CED
 COR
 CRT
 EED
 DEC
 DFC
 GOV
 HSS
 LWF
 LAW
 LEG
 MVA
 DNR
 DPS
 REV
 DOT
 UA

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

<u>PREVIOUS FISCAL NOTES</u>				
List by Dept(s):	FN#	Fiscal	Indet.	Zero
ADMI	1			✓
Gov	2	✓		
REV	4	✓		

<u>Signing with recommendations</u>	Printed Last Name	DP	DNP	NR	AM
<i>Michael C. Havel</i>	Hawker	★			
<i>Carla</i>	Gara			✓	
<i>Harry Crawford Jr</i>	CRAWFORD	✓			
<i>Scott Stoltz</i>	STOLTZ			X	
<i>Wm. B. Thomas</i>	Thomas	✓		X	
Chair:					
Chair: <i>K. Meyer</i>	Meyer	X			

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

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

Identifier (file name): CSHJR28(FIN)-DOR-TRE-3-6-08 Dept. Affected: Revenue 04
Title: Const. Am: Production Tax Revenue Fund RDU: Taxation and Treasury
Component: Taxation and Treasury
Sponsor: Reps. Samue's, Hawker, Ramras
Requester: Rules Component Number: 121

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
OPERATING EXPENDITURES							
Personal Services							
Travel							
Contractual	4,287.0		4,822.0	4,914.0	5,001.0	5,131.0	5,254.0
Supplies							
Equipment							
Land & Structures							
Grants & Claims							
Miscellaneous							
TOTAL OPERATING	4,287.0	0.0	4,822.0	4,914.0	5,001.0	5,131.0	5,254.0
CAPITAL EXPENDITURES							
CHANGE IN REVENUES ()	206,100.0		231,800.0	258,600.0	263,200.0	270,000.0	276,500.0

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Constitutionally Dedicated Fund	4,287.0		4,822.0	4,914.0	5,001.0	5,131.0	5,254.0
TOTAL	4,287.0	0.0	4,822.0	4,914.0	5,001.0	5,131.0	5,254.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS:
HJR No. 28 calls for a constitutional change to the Constitutional Budget Reserve Fund converting it to an endowment that would receive revenues from the progressive surcharge portion of the oil production tax (AS 43.55.011(g)) and applying a 5% spend thrift plan. This fiscal note is a best estimate cost applicable for management oversight, accounting, performance measurement, financial advisory and internal and external portfolio investment management services. For an investment portfolio with an asset allocation structured to accommodate a moderate risk/reward profile at an initial funding level of approximately 4.3 billion, an estimated cost of 10 basis points or 4.3 million would be a reasonable estimate. This would be an investment portfolio where the Commissioner of Revenue would be the fiduciary and a large emphasis would be placed on internal and passive investment management. As a comparison, the investment management cost of the State's retirement portfolios is 21 basis points annually. The permanent fund costs about 19 basis points a year to manage. Costs are directly related to the complexity of the types of asset classes of securities.

Prepared by: Brian C Andrews
Division: Treasury Division
Approved by: Jerry Burnett
Department of Revenue

Phone: 465-2300
Date/Time: 3/6/2008 4:00:00 PM
Date: 3/6/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: CSHJR 28(JUD)
(H) Publish Date: 2/8/08

Identifier (file name): HJR028-DOA-DOF-1-25-08 Dept. Affected: Administration
Title: "Proposing an amendment to the Constitution relating to the RDU Centralized Admin Services
production tax revenue fund, dedicating a portion of the tax..." Component: Finance
Sponsor: Representatives Samuels, Hawker, Ramras
Requester: _____ Component Number: 59

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

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: _____

POSITIONS

Full-time								
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

Establishing funds created by legislation such as this is in the normal course of business for the Division of Finance.

Prepared by: Kim Garrero, Director
Division: Division of Finance
Approved by: Kevin Brooks, Deputy Commissioner
Department of Administration

Phone: 465-3435
Date/Time: 1/25/08 10:00 AM
Date: 1/25/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: CSHJR 28(JUD)
(H) Publish Date: 2/8/08

Identifier (file name): HJR028-OOG-DOE-1-18-08 Dept. Affected: OOG
Title: Constitutional amendment relating to the production tax revenue fund, dedicating a portion of the petroleum..... RDU: Elections
Sponsor: Representatives Smauels, Hawker, Ramras Component: Elections
Requester: House Judiciary Committee Component Number: 21

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	1.5							
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	1.5	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)

	FY 2009	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
1002 Federal Receipts							
1003 GF Match							
1004 GF	1.5						
1005 GF/Program Receipts							
1037 GF/Mental Health							
Other Interagency Receipts							
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

The passage of this resolution would require the constitutional amendment to appear on the 2008 general election ballot. The cost of providing information about the constitutional amendment in the Official election Pamphlet, as required by AS 15.58 is \$15. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

Prepared by: Gail Fenunian, Director Phone: 465-2644
Division: Division of Elections Date/Time: 1/18/2008, 5:03pm
Approved by: Linda Perez, Administrative Director Date: 1/18/2008
Office of the Governor

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 4
Bill Version: CSHJR 28(JUD)
(H) Publish Date: 2/8/08

Identifier (file name): HJR28-DOR-TAX-1-24-08 Dept. Affected: Revenue 04
Title: Const. Am: Production Tax Revenue Fund RDU: Taxation and Treasury
Component: Taxation and Treasury
Sponsor: Reps. Samuels, Hawker, Ramras
Requester: House Judiciary 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								
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 ()		0.0	0.0	0.0	0.0	0.0	0.0	0.0
-------------------------------	--	------------	------------	------------	------------	------------	------------	------------

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF	(400,000.0)		(350,000.0)	(350,000.0)	(400,000.0)	(400,000.0)	(400,000.0)
1005 GF/Program Receipts							
1037 GF/Mental Health							
Constitutionally Dedicated Fund	400,000.0		350,000.0	350,000.0	400,000.0	400,000.0	400,000.0
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

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

*This measure proposes to create a constitutionally dedicated fund (called the "production tax revenue fund") that receives revenues from the progressive surcharge portion of the oil production tax (AS 43.55.011(g)). All revenues received through the progressive surcharge tax after June 30, 2007 would be deposited in the fund. We estimate that in addition to "FY 2009 - 2014 revenues, approximately \$950 million would be deposited in the fund from fiscal year 2008 progressive surcharge tax revenues.

Prepared by: Jonathan Iversen, Director, and Cherie Nonthuis, Petroleum Economist
Division: Tax Division
Approved by: Jerry Burnell
Department of Revenue

Phone 269-1033
Date/Time 1/23/08 4:00 PM
Date 1/24/08

adopted 3/4/08

25-LS1217L
Cook
3/3/08

**CS FOR HOUSE JOINT RESOLUTION NO. 28()
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION**

BY

Offered:
Referred:

Sponsor(s): REPRESENTATIVES SAMUELS, Hawker, Ramras, Lynn, Doogan, Kelly

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska relating to the budget
2 reserve fund, and to appropriations to and transfers from the fund; and dedicating a
3 portion of the petroleum production tax to the fund.

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

5 * Section 1. Article IX. sec. 17(a), Constitution of the State of Alaska, is amended to :

6 (a) There is established as a separate fund in the State treasury the budget
7 reserve fund. All [EXCEPT FOR MONEY DEPOSITED INTO THE PERMANENT
8 FUND UNDER SECTION 15 OF THIS ARTICLE, ALL] money received by the
9 State after June 30, 2007, and before January 1, 2015, that is attributable to an oil
10 and gas production tax levied at a rate that increases as the taxable value of the
11 oil or gas increases and that is in addition to the money received by the State that
12 is attributable to the nominal or base oil and gas production tax rate (JULY 1,
13 1990, AS A RESULT OF THE TERMINATION, THROUGH SETTLEMENT OR
14 OTHERWISE, OF AN ADMINISTRATIVE PROCEEDING OR OF LITIGATION
15 IN A STATE OR FEDERAL COURT INVOLVING MINERAL LEASE BONUSSES,

1 RENTALS, ROYALTIES, ROYALTY SALE PROCEEDS, FEDERAL MINERAL
2 REVENUE SHARING PAYMENTS OR BONUSES, OR INVOLVING TAXES
3 IMPOSED ON MINERAL INCOME, PRODUCTION, OR PROPERTY,] shall be
4 deposited in the budget reserve fund. Money in the budget reserve fund shall be
5 invested so as to yield competitive market rates to the fund. Income of the fund shall
6 be retained in the fund. Section 7 of this article does not apply to deposits made to the
7 fund under this subsection. Money may not be appropriated from the fund and may
8 be transferred from the fund only as authorized under (f) [(b) OR (c)] of this
9 section.

10 * Sec. 2. Article IX, sec. 17, Constitution of the State of Alaska, is amended by adding new
11 subsections to read:

12 (e) Appropriations of money may be made to the budget reserve fund at any
13 time. Money appropriated to the fund shall be treated the same as money deposited to
14 the fund under (a) of this section.

15 (f) On July 1 of each year, an amount equal to five percent of the average of
16 the fiscal year-end market values of the budget reserve fund for the first five of the
17 preceding six fiscal years shall be transferred from the budget reserve fund to the
18 general fund.

19 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended by adding a new
20 section to read:

21 **Section 30. Budget Reserve Fund; Transition.** The money in the budget
22 reserve fund on the effective date of the 2008 amendments relating to that fund (art.
23 IX, sec. 17) shall be retained in the fund.

24 * Sec. 4. Article IX, secs. 17(b), (c), and (d) are repealed.

25 * Sec. 5. The amendments proposed by this resolution shall be placed before the voters of
26 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
27 State of Alaska, and the election laws of the state.

3/4/08

HJR 28

Revenue Sources Book

Alaska Department of Revenue – Tax Division



FALL 2007

Figure 2-9. Total General Purpose Unrestricted Revenue, FY 2007 and Forecasted FY 2008-2018 (\$ million)

Fiscal Year	Unrestricted Oil Revenue	Unrestricted Other Revenue (except Federal & Investment)	Unrestricted Investment Revenue	Total Unrestricted Revenue	Percent From Oil
2007	4,565.3	536.5	138.7	5,240.5	87%
2008	5,903.0	519.3	182.2	6,604.5	89%
2009	4,420.0	494.3	108.5	5,022.8	88%
2010	4,127.0	478.1	108.5	4,713.6	88%
2011	4,123.7	474.5	108.5	4,706.7	88%
2012	4,226.5	478.5	108.5	4,813.5	88%
2013	4,324.0	487.4	108.5	4,919.9	88%
2014	4,198.0	497.4	108.5	4,803.9	87%
2015	1,371.1	505.2	108.5	1,984.8	69%
2016	1,317.5	516.4	108.5	1,942.4	68%
2017	1,386.2	524.1	108.5	2,018.8	69%
2018	1,718.4	531.7	108.5	2,358.6	73%

Spending, Revenue Forecast and the Constitutional Budget Reserve Fund

As approved by voters in 1990, all receipts from oil and gas tax and royalty settlements are deposited into the Constitutional Budget Reserve Fund (CBRF). The state has deposited about \$5.8 billion into the reserve fund, and generated another \$2.0 billion in investment earnings. Since the increase in oil prices beginning in about 2003, no CBRF withdrawals have been necessary to balance the state's budget. However, given price volatility and the decline expected in volumes from the North Slope, the state may have to depend on

the CBRF in the future. Through September 30, 2007, approximately \$5.2 billion had been borrowed from the CBRF to balance the budget, leaving a balance of approximately \$2.7 billion. According to the state constitution, the \$5.2 billion that was withdrawn must be repaid to the CBRF.

Two figures are presented to help the reader understand the time period in which the CBRF would be depleted. Figure 2-10(A) presents the case where all surpluses are deposited in the CBRF.

Figure 2-10(B) presents the case where no surpluses are deposited in the CBRF. For example, using the DOR price and revenue forecast and assuming the 2007 baseline General Fund appropriations budget forecast, the CBRF would be depleted by March 2018 if all budget surpluses were deposited into the CBRF (see Figure 2-10(A)). By contrast, if none of the budget surpluses were deposited into the CBRF, the CBRF would be depleted in April 2016 (see Figure 2-10(B)).

Figure 2-10 (A). CBRF Run-Out Date With Revenue Surpluses Deposited into CBRF⁽¹⁾

Annual State Budget (% change)	Fall 2007 Oil Price Forecast ⁽²⁾	Fiscal Model of Oil Revenue & CBRF Performance at Selected Prices (\$ per barrel) ⁽³⁾				
		\$35	\$50	\$65	\$80	\$95
+6%	Jun 2017	Oct 2011	Feb 2014	Nov 2019	Dec 2020	Dec 2020
+5%	Jul 2017	Nov 2011	Mar 2014	Feb 2020	Dec 2020	Dec 2020
+4%	Sep 2017	Nov 2011	Apr 2014	Apr 2020	Dec 2020	Dec 2020
+3%	Oct 2017	Dec 2011	Jun 2014	Dec 2020	Dec 2020	Dec 2020
+2%	Dec 2017	Jan 2012	Aug 2014	Dec 2020	Dec 2020	Dec 2020
+1%	Jan 2018	Jan 2012	Jan 2015	Dec 2020	Dec 2020	Dec 2020
Baseline Fall Forecast	Mar 2018	Feb 2012	Jun 2015	Dec 2020	Dec 2020	Dec 2020
-1%	Apr 2018	Mar 2012	Aug 2015	Dec 2020	Dec 2020	Dec 2020
-2%	Jun 2018	Apr 2012	Sep 2015	Dec 2020	Dec 2020	Dec 2020
-3%	Aug 2018	May 2012	Oct 2015	Dec 2020	Dec 2020	Dec 2020
-4%	Sep 2018	May 2012	Dec 2015	Dec 2020	Dec 2020	Dec 2020
-5%	Nov 2018	Jun 2012	Jan 2016	Dec 2020	Dec 2020	Dec 2020
-6%	Jan 2019	Jul 2012	Feb 2016	Dec 2020	Dec 2020	Dec 2020

Baseline Expenditure Forecast (\$ million)												
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$4,407	\$4,520	\$4,731	\$4,932	\$5,063	\$5,198	\$5,326	\$5,458	\$5,645	\$5,664	\$5,866	\$6,076	\$6,294

⁽¹⁾ The figures in these tables do not include a December 2007 settlement in the amount of \$379 million deposited into the Constitutional Budget Reserve Fund that will significantly increase FY 2008 restricted oil revenue.

⁽²⁾ Fall 2007 forecasted ANS price projections are \$71.65 per barrel in FY 2008, \$66.32 per barrel in FY 2009, \$63.40 per barrel in FY 2010, \$64.75 per barrel in FY 2011, \$66.35 per barrel in FY 2012, \$67.45 per barrel in FY 2013, \$68.55 for FY 2014 and \$41.05 for FY 2015. For FY 2016-beyond ANS prices are estimated to grow at 2.75%.

⁽³⁾ Matrix allows reader to select specific fiscal year price (from FY 2010-beyond) to determine CBRF exhaustion date. Fall 2007 forecasted production volumes are used. A date of Dec-2020 indicates that the CBRF does not run out during matrix timeframe.

Figure 2-10 (B). CBRF Run-Out Date Without Excess Revenue Surpluses Deposited into CBRF⁽¹⁾

Annual State Budget (% change)	Fall 2007 Oil Price Forecast ⁽²⁾	Fiscal Model of Oil Revenue & CBRF Performance at Selected Prices (\$ per barrel) ⁽³⁾				
		\$35	\$50	\$65	\$80	\$95
+6%	Feb 2016	Aug 2011	Nov 2013	Apr 2017	Dec 2020	Dec 2020
+5%	Feb 2016	Aug 2011	Dec 2013	May 2017	Dec 2020	Dec 2020
+4%	Mar 2016	Sep 2011	Feb 2014	May 2017	Dec 2020	Dec 2020
+3%	Mar 2016	Sep 2011	Mar 2014	Jun 2017	Dec 2020	Dec 2020
+2%	Mar 2016	Oct 2011	Apr 2014	Jul 2017	Dec 2020	Dec 2020
+1%	Apr 2016	Nov 2011	May 2014	Aug 2017	Dec 2020	Dec 2020
Baseline Fall Forecast	Apr 2016	Nov 2011	Jun 2014	Oct 2017	Dec 2020	Dec 2020
-1%	May 2016	Dec 2011	Sep 2014	Nov 2017	Dec 2020	Dec 2020
-2%	May 2016	Jan 2012	Jan 2015	Dec 2017	Dec 2020	Dec 2020
-3%	May 2016	Feb 2012	Jul 2015	Feb 2018	Dec 2020	Dec 2020
-4%	Jun 2016	Feb 2012	Aug 2015	Mar 2018	Dec 2020	Dec 2020
-5%	Jun 2016	Mar 2012	Sep 2015	May 2018	Dec 2020	Dec 2020
-6%	Jun 2016	Apr 2012	Oct 2015	Jul 2018	Dec 2020	Dec 2020

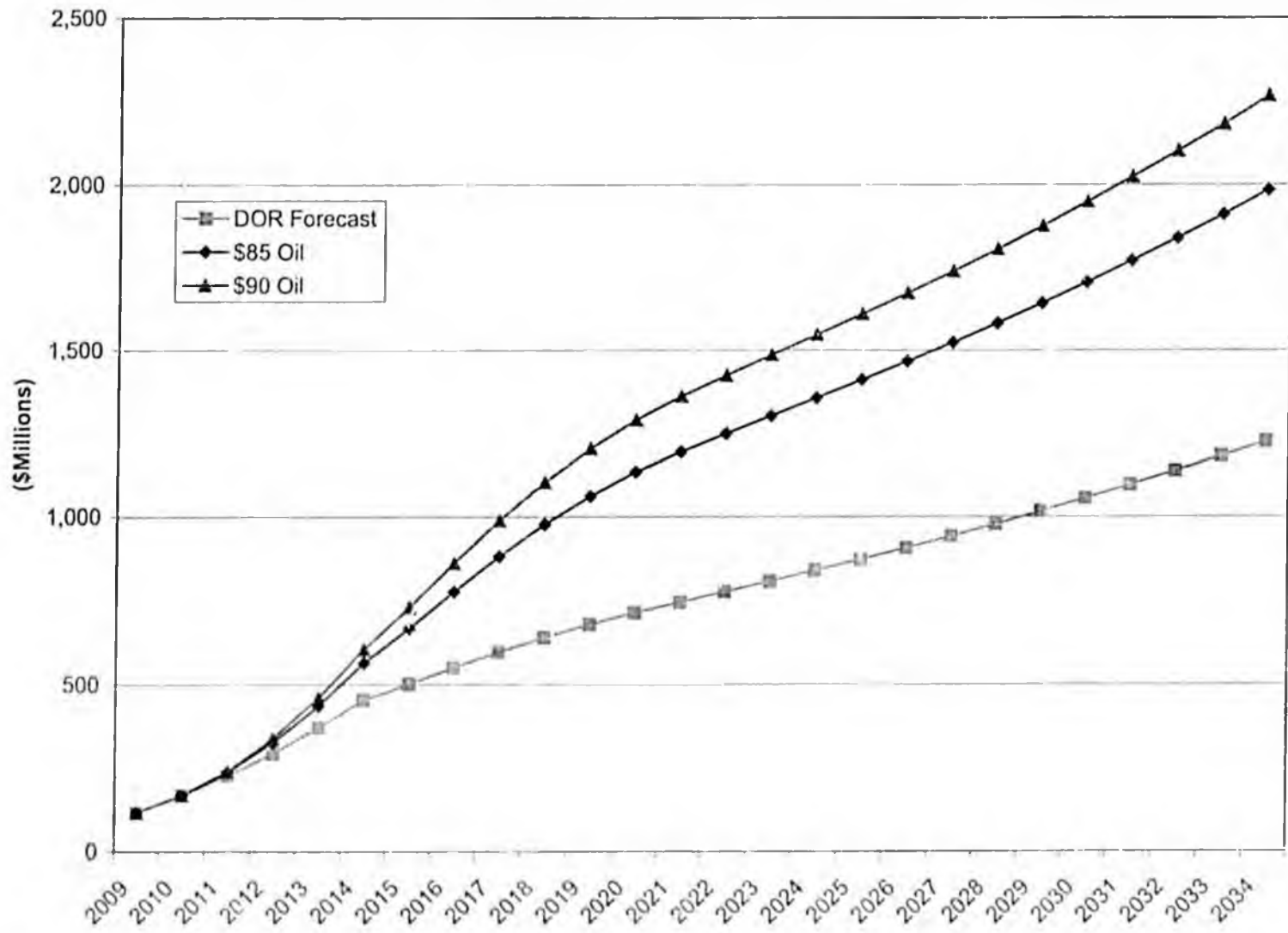
Baseline Expenditure Forecast (\$ million)												
2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
\$4,407	\$4,520	\$4,731	\$4,932	\$5,063	\$5,198	\$5,326	\$5,458	\$5,645	\$5,664	\$5,866	\$6,076	\$6,294

⁽¹⁾ The figures in these tables do not include a December 2007 settlement in the amount of \$379 million deposited into the Constitutional Budget Reserve Fund that will significantly increase FY 2008 restricted oil revenue.

⁽²⁾ Fall 2007 forecasted ANS price projections are \$71.65 per barrel in FY 2008, \$66.32 per barrel in FY 2009, \$63.40 per barrel in FY 2010, \$64.75 per barrel in FY 2011, \$66.35 per barrel in FY 2012, \$67.45 per barrel in FY 2013, \$68.55 for FY 2014 and \$41.05 for FY 2015. For FY 2016 beyond ANS prices are estimated to grow at 2.75%.

⁽³⁾ Matrix allows reader to select specific fiscal year price (from FY 2010 beyond) to determine CBRF exhaustion date. Fall 2007 forecasted production volumes are used. A date of Dec-2020 indicates that the CBRF does not run out during matrix timeframe.

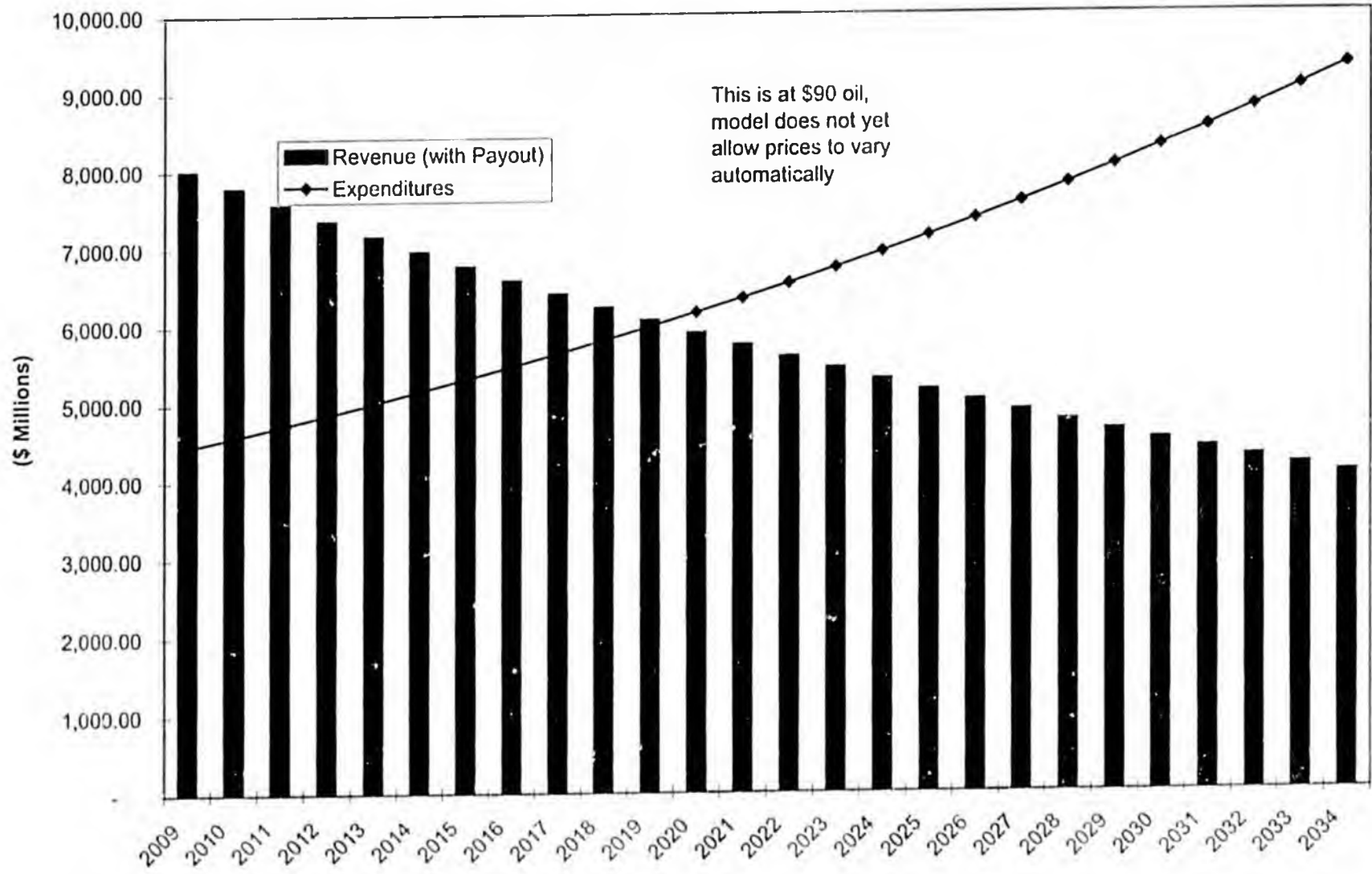
Endowment Payout under
the "Short Version" of a Constitutional Amendment Converting the CBRF to an Endowment



revised
handout |
HSR 28
3-4-08

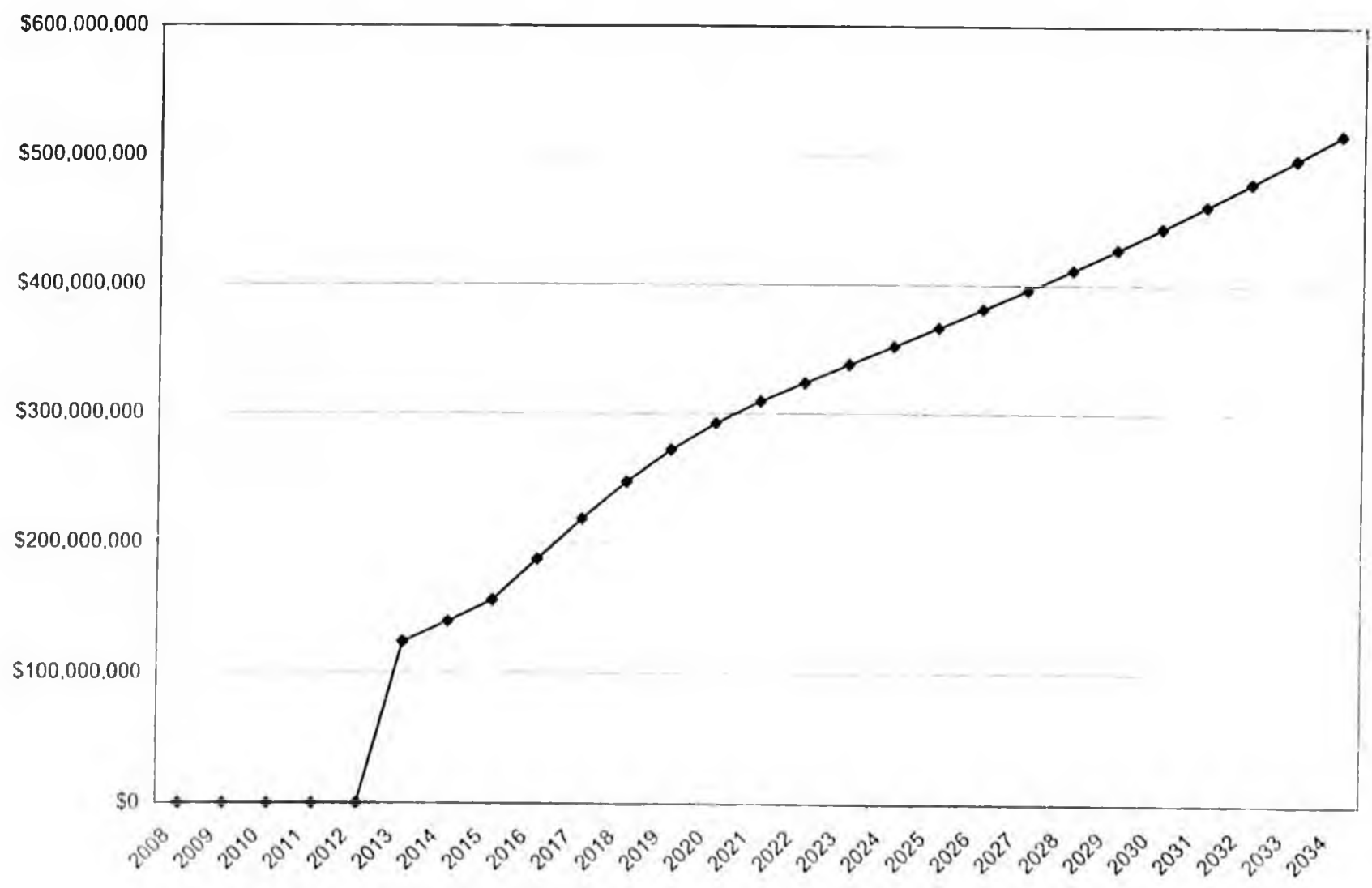
Short Fiscal Sum

Projected General Fund Revenue and Expenditures



3/4/08

HJR28--Payout from Production Tax Revenue Fund



2/12/08



Representative Ralph Samuels

House District 29

Sponsor Statement

HJR 28 Constitutional Amendment: Production Tax Revenue Fund

Proposing an amendment to the Constitution of the State of Alaska relating to the production tax revenue fund, dedicating a portion of the petroleum production tax to the fund, and limiting appropriations from the fund

Saving the surplus cash that Alaska is receiving at high oil prices is the most important thing we can do this session.

House Joint Resolution 28 would put before the voters of Alaska, the opportunity to save a large portion of that money while still having the ability to provide for essential government services such as education, transportation and public safety.

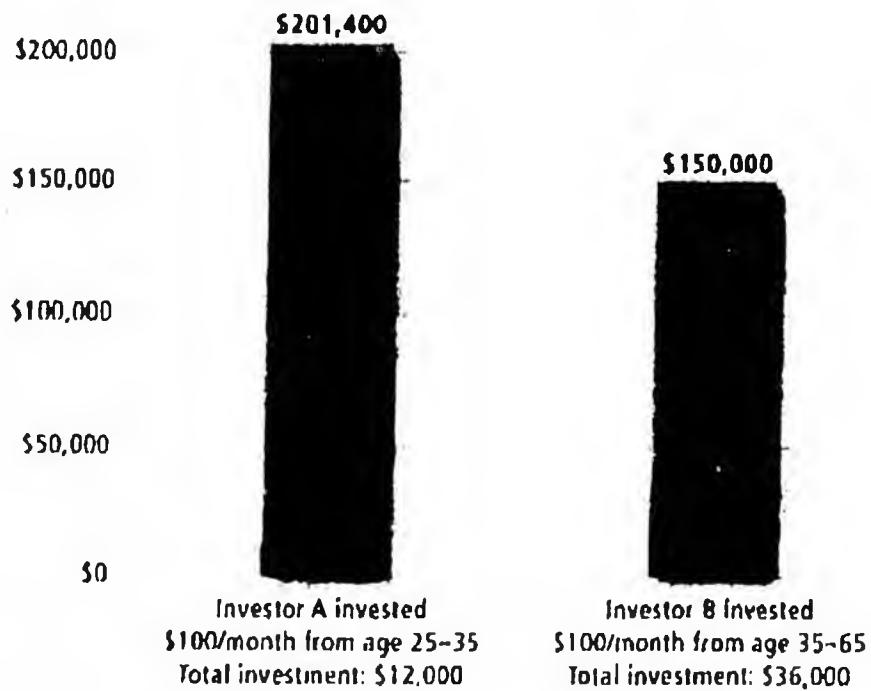
The voters of Alaska would have the chance to create an endowment established as a separate fund in the State treasury that would provide a cash flow mechanism for the State on into perpetuity.

If the idea passes with a majority vote of Alaskans, all of the "windfall profits", or the money gained as a result of the progressivity feature of Alaska's severance tax - AS 43.55.011(g), would be deposited into an endowment fund. The fund would then spin off 4.5% of its total value into the general fund which could be used for government services.

This endowment concept is widely accepted as the methodology for large scale endowments ranging from the Ford Foundation to Yale University.

It is of the utmost importance to the economic health of Alaskans that the State think LONG-TERM. The passage of HJR 28 would put the issue of this constitutional amendment before the people of Alaska. The cash flow it will provide will help Alaskans for generations. It will constitutionally protect the seed-corn.

Time: your investment ally



This example is hypothetical and for illustrative purposes only. It does not represent the performance of any particular investment vehicle. Investment returns cannot be guaranteed. Calculations were based on 8% per annum compounded monthly. No mortality, morbidity and withdrawal rates were assumed in the calculations.

HJR 28--Setting up a Production Tax Revenue Fund and POMV Payouts

Earnings 8.51% **This earning is based on PERS annualized returns from 1996-2006*
Payout 5.00% **Payout is 5% of the average annual EoFY balance on the preceding five fiscal years*
**Payout doesn't happen until after the last deposit in Aug. 2013*

Assumptions:

Initial deposit in Jan. 2009 \$ 1,448,000,000 Estimated surcharge revenue based on \$85 oil
 Additional deposit in Aug. 2009 \$ 400,000,000
 Additional deposit in Aug. 2010 \$ 350,000,000
 Additional deposit in Aug. 2011 \$ 350,000,000 From DOR revenue fiscal note
 Additional deposit in Aug. 2012 \$ 400,000,000
 Additional deposit in Aug. 2013 \$ 400,000,000
 Additional deposit in Aug. 2014 \$ 400,000,000
 Additional deposit in Aug. 2015 \$ 200,000,000 one half year

**Although additional deposits come in in August, we still calculate the interest earnings based on a 12-month period, instead of 11 months*

FY	BoFY Balance	Contributions	Avg Earnings @ 8.51%	EoFY Balance	Payout @ 5.00%	Remaining Balance
2008	\$0	\$1,448,000,000	\$0	\$1,448,000,000	\$0	\$1,448,000,000
2009	\$1,448,000,000	\$400,000,000	\$78,632,400	\$1,926,632,400	\$0	\$1,926,632,400
2010	\$1,926,632,400	\$350,000,000	\$178,848,917	\$2,455,481,317	\$0	\$2,455,481,317
2011	\$2,455,481,317	\$350,000,000	\$223,853,960	\$3,029,335,277	\$0	\$3,029,335,277
2012	\$3,029,335,277	\$400,000,000	\$274,816,432	\$3,704,151,709	\$0	\$3,704,151,709
2013	\$3,704,151,709	\$400,000,000	\$332,243,310	\$4,436,395,020	(\$123,524,150)	\$4,312,870,870
2014	\$4,312,870,870	\$400,000,000	\$394,045,311	\$5,096,916,181	(\$138,945,009)	\$4,957,971,172
2015	\$4,957,971,172	\$200,000,000	\$430,433,347	\$5,588,404,519	(\$155,519,957)	\$5,432,884,562
2016	\$5,432,884,562		\$462,338,476	\$5,895,223,038	(\$187,222,795)	\$5,708,000,243
2017	\$5,708,000,243		\$485,750,821	\$6,193,751,064	(\$218,552,027)	\$5,975,199,037
2018	\$5,975,199,037		\$508,489,438	\$6,483,688,475	(\$247,210,905)	\$6,236,477,570
2019	\$6,236,477,570		\$530,724,241	\$6,767,201,811	(\$272,106,898)	\$6,495,094,913
2020	\$6,495,094,913		\$552,732,577	\$7,047,827,490	(\$292,579,833)	\$6,755,247,657
2021	\$6,755,247,657		\$574,871,576	\$7,330,119,233	(\$309,282,680)	\$7,020,836,544
2022	\$7,020,836,544		\$597,473,190	\$7,618,309,734	(\$323,076,919)	\$7,294,432,815
2023	\$7,294,432,815		\$620,756,233	\$7,915,189,047	(\$338,225,881)	\$7,576,963,167
2024	\$7,576,963,167		\$644,799,565	\$8,221,762,732	(\$352,471,467)	\$7,869,291,265
2025	\$7,869,291,265		\$669,676,687	\$8,538,967,951	(\$366,786,473)	\$8,172,181,478
2026	\$8,172,181,478		\$695,452,644	\$8,867,634,122	(\$381,332,082)	\$8,486,302,040
2027	\$8,486,302,040		\$722,184,304	\$9,208,486,343	(\$396,243,487)	\$8,812,242,856
2028	\$8,812,242,856		\$749,921,867	\$9,562,164,723	(\$411,618,636)	\$9,150,546,087
2029	\$9,150,546,087		\$778,711,472	\$9,929,257,559	(\$427,520,402)	\$9,501,737,157
2030	\$9,501,737,157		\$808,587,832	\$10,310,334,990	(\$443,990,159)	\$9,866,344,831
2031	\$9,866,344,831		\$839,625,945	\$10,705,970,776	(\$461,065,107)	\$10,244,905,669
2032	\$10,244,905,669		\$871,841,472	\$11,116,747,141	(\$478,778,777)	\$10,637,968,364
2033	\$10,637,968,364		\$905,291,108	\$11,543,259,472	(\$497,162,144)	\$11,046,097,328
2034	\$11,046,097,328		\$940,022,883	\$11,986,120,211	(\$516,244,752)	\$11,469,875,459
Total			\$14,862,136,008		(\$7,340,260,549)	

2/12/08

Changes from Dept of Revenue Model:

increased FY08 deposit
 added FY15 deposit
 earnings are applied to beginning balance and one-half of contributions during year
 payout could be 5 preceding fiscal years, but is first 5 of 6 (per resolution) DOR includes current year

HJR 28--Setting up a Production Tax Revenue Fund and POMV Payouts

Earnings	8.51%	*This earning is based on PERS annualized returns from 1996-2006.
Payout	5.00%	*Payout is 5% of the average annual EoFY balance on the preceding five fiscal years.
		*Payout doesn't happen until after the last deposit in Aug. 2013
Assumptions:		
Initial deposit in Jan. 2009	\$ 1,448,000,000	Estimated surcharge revenue based on \$85 oil
Additional deposit in Aug. 2009	\$ 400,000,000	
Additional deposit in Aug. 2010	\$ 350,000,000	
Additional deposit in Aug. 2011	\$ 350,000,000	From DOR revenue fiscal note
Additional deposit in Aug. 2012	\$ 400,000,000	
Additional deposit in Aug. 2013	\$ 400,000,000	
Additional deposit in Aug. 2014	\$ 400,000,000	
Additional deposit in Aug. 2015	\$ 200,000,000	one half year

*Although additional deposits come in in August, we still calculate the interest earnings based on a 12-month period, instead of 11 months.

FY	BoFY Balance	Contributions	Avg Earnings @ 8.51%	EoFY Balance	Payout @ 5.00%	Remaining Balance
2008	\$0	\$1,448,000,000	\$0	\$1,448,000,000	\$0	\$1,448,000,000
2009	\$1,448,000,000	\$400,000,000	\$78,632,400	\$1,926,632,400	\$0	\$1,926,632,400
2010	\$1,926,632,400	\$350,000,000	\$178,848,917	\$2,455,481,317	\$0	\$2,455,481,317
2011	\$2,455,481,317	\$350,000,000	\$223,853,960	\$3,029,335,277	\$0	\$3,029,335,277
2012	\$3,029,335,277	\$400,000,000	\$274,816,432	\$3,704,151,709	\$0	\$3,704,151,709
2013	\$3,704,151,709	\$400,000,000	\$332,243,310	\$4,436,395,020	(\$123,524,150)	\$4,312,870,870
2014	\$4,312,870,870	\$400,000,000	\$384,045,311	\$5,096,916,181	(\$138,945,009)	\$4,957,971,172
2015	\$4,957,971,172	\$200,000,000	\$430,433,347	\$5,588,404,519	(\$155,519,957)	\$5,432,884,562
2016	\$5,432,884,562		\$462,338,476	\$5,895,223,038	(\$187,222,795)	\$5,708,000,243
2017	\$5,708,000,243		\$485,750,821	\$6,193,751,064	(\$218,552,027)	\$5,975,199,037
2018	\$5,975,199,037		\$508,489,438	\$6,483,688,475	(\$247,210,905)	\$6,236,477,570
2019	\$6,236,477,570		\$530,724,241	\$6,767,201,811	(\$272,106,898)	\$6,495,094,913
2020	\$6,495,094,913		\$552,732,577	\$7,047,827,490	(\$292,579,633)	\$6,755,247,657
2021	\$6,755,247,657		\$574,871,576	\$7,330,119,233	(\$309,202,689)	\$7,020,836,544
2022	\$7,020,836,544		\$597,473,190	\$7,618,309,734	(\$323,876,919)	\$7,294,432,815
2023	\$7,294,432,815		\$620,756,233	\$7,915,189,047	(\$338,225,881)	\$7,576,963,167
2024	\$7,576,963,167		\$644,799,565	\$8,221,762,732	(\$352,471,467)	\$7,869,291,265
2025	\$7,869,291,265		\$669,676,687	\$8,538,967,951	(\$366,786,473)	\$8,172,181,478
2026	\$8,172,181,478		\$695,452,644	\$8,867,634,122	(\$381,332,082)	\$8,486,302,040
2027	\$8,486,302,040		\$722,184,304	\$9,208,486,343	(\$396,243,487)	\$8,812,242,856
2028	\$8,812,242,856		\$749,921,867	\$9,562,164,723	(\$411,618,636)	\$9,150,546,087
2029	\$9,150,546,087		\$778,711,472	\$9,929,257,559	(\$427,520,402)	\$9,501,737,157
2030	\$9,501,737,157		\$808,597,832	\$10,310,334,990	(\$443,990,159)	\$9,866,344,831
2031	\$9,866,344,831		\$839,625,945	\$10,705,970,776	(\$461,065,107)	\$10,244,905,669
2032	\$10,244,905,669		\$871,841,472	\$11,110,747,141	(\$478,778,777)	\$10,637,968,364
2033	\$10,637,968,364		\$905,291,108	\$11,543,259,472	(\$497,162,144)	\$11,046,097,328
2034	\$11,046,097,328		\$940,022,883	\$11,986,120,211	(\$516,241,752)	\$11,469,875,459

LFD Handout
enlarged 2/12/09

Additional deposit in Aug. 2009	\$	400,000,000				
Additional deposit in Aug. 2010	\$	350,000,000				
Additional deposit in Aug. 2011	\$	350,000,000	From DOR revenue fiscal			
Additional deposit in Aug. 2012	\$	400,000,000	note			
Additional deposit in Aug. 2013	\$	400,000,000				
Additional deposit in Aug. 2014	\$	400,000,000				
Additional deposit in Aug. 2015	\$	200,000,000	one half year			

*Although additional deposits come in in August, we still calculate the interest earnings based on a 12-month period, instead of 11 months.

FY	BoFY Balance	Contributions	Avg Earnings @ 8.51%	EoFY Balance	Payout @ 5.00%	Remaining Balance
2008	\$0	\$1,448,000,000	\$0	\$1,448,000,000	\$0	\$1,448,000,000
2009	\$1,448,000,000	\$400,000,000	\$78,632,400	\$1,926,632,400	\$0	\$1,926,632,400
2010	\$1,926,632,400	\$350,000,000	\$178,848,917	\$2,455,481,317	\$0	\$2,455,481,317
2011	\$2,455,481,317	\$350,000,000	\$223,853,960	\$3,029,335,277	\$0	\$3,029,335,277
2012	\$3,029,335,277	\$400,000,000	\$274,816,432	\$3,704,151,709	\$0	\$3,704,151,709
2013	\$3,704,151,709	\$400,000,000	\$332,243,310	\$4,436,395,020	(\$123,524,150)	\$4,312,870,870
2014	\$4,312,870,870	\$400,000,000	\$384,045,311	\$5,096,916,181	(\$138,945,009)	\$4,957,971,172
2015	\$4,957,971,172	\$200,000,000	\$430,433,347	\$5,588,404,519	(\$155,519,957)	\$5,432,884,562
2016	\$5,432,884,562		\$462,338,476	\$5,895,223,038	(\$187,222,795)	\$5,708,000,243
2017	\$5,708,000,243		\$485,750,821	\$6,193,751,064	(\$218,552,027)	\$5,975,199,037
2018	\$5,975,199,037		\$508,489,438	\$6,483,688,475	(\$247,210,905)	\$6,236,477,570
2019	\$6,236,477,570		\$530,724,241	\$6,767,201,811	(\$272,106,898)	\$6,495,094,913
2020	\$6,495,094,913		\$552,732,577	\$7,047,827,490	(\$292,579,833)	\$6,755,247,657
2021	\$6,755,247,657		\$574,871,576	\$7,330,119,233	(\$309,282,689)	\$7,020,836,544
2022	\$7,020,836,544		\$597,473,190	\$7,618,309,734	(\$323,876,919)	\$7,294,432,815
2023	\$7,294,432,815		\$620,756,233	\$7,915,189,047	(\$338,225,881)	\$7,576,963,167
2024	\$7,576,963,167		\$644,799,565	\$8,221,762,732	(\$352,471,467)	\$7,869,291,265
2025	\$7,869,291,265		\$669,676,687	\$8,538,967,951	(\$366,786,473)	\$8,172,181,478
2026	\$8,172,181,478		\$695,452,644	\$8,867,634,122	(\$381,332,082)	\$8,486,302,040
2027	\$8,486,302,040		\$722,184,304	\$9,208,486,343	(\$396,243,487)	\$8,812,242,856
2028	\$8,812,242,856		\$749,921,867	\$9,562,164,723	(\$411,618,636)	\$9,150,546,087
2029	\$9,150,546,087		\$778,711,472	\$9,929,257,559	(\$427,520,402)	\$9,501,737,157
2030	\$9,501,737,157		\$808,597,832	\$10,310,334,990	(\$443,990,159)	\$9,866,344,831
2031	\$9,866,344,831		\$839,625,945	\$10,705,970,776	(\$461,065,107)	\$10,244,905,669
2032	\$10,244,905,669		\$871,841,472	\$11,116,747,141	(\$478,778,777)	\$10,637,968,364
2033	\$10,637,968,364		\$905,291,108	\$11,543,259,472	(\$497,162,144)	\$11,046,097,328
2034	\$11,046,097,328		\$940,022,883	\$11,986,120,211	(\$516,244,752)	\$11,469,875,459
Total			\$14,862,136,008		(\$7,340,260,549)	
Changes from Dept of Revenue Model:						
	increased FY08 deposit					
	added FY15 deposit					
	earnings are applied to beginning balance and one-half of contributions during year					
	payout could be 5 preceding Fiscal years, but is first 5 of 6 (per resolution). DOR includes current year					

*replaced
3/4/08*

HOUSE JOINT RESOLUTION NO. *HJR 28*
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska relating to the budget
2 reserve fund, and to appropriations to and transfers from the fund; and dedicating a
3 portion of the petroleum production tax to the fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. Article IX, sec. 17(a), Constitution of the State of Alaska, is amended to read:

6 (a) There is established as a separate fund in the State treasury the budget
7 reserve fund. All [EXCEPT FOR MONEY DEPOSITED INTO THE PERMANENT
8 FUND UNDER SECTION 15 OF THIS ARTICLE, ALL] money received by the
9 State after June 30, 2007, and before January 1, 2015, that is attributable to an oil
10 and gas production tax levied at a rate that increases as the taxable value of the
11 oil or gas increases and that is in addition to the money received by the State that
12 is attributable to the nominal or base oil and gas production tax rate [JULY 1,
13 1990, AS A RESULT OF THE TERMINATION, THROUGH SETTLEMENT OR
14 OTHERWISE, OF AN ADMINISTRATIVE PROCEEDING OR OF LITIGATION
15 IN A STATE OR FEDERAL COURT INVOLVING MINERAL LEASE BONUSES,

1 RENTALS, ROYALTIES, ROYALTY SALE PROCEEDS, FEDERAL MINERAL
2 REVENUE SHARING PAYMENTS OR BONUSES, OR INVOLVING TAXES
3 IMPOSED ON MINERAL INCOME, PRODUCTION, OR PROPERTY,] shall be
4 deposited in the budget reserve fund. Money in the budget reserve fund shall be
5 invested so as to yield competitive market rates to the fund. Income of the fund shall
6 be retained in the fund. Section 7 of this article does not apply to deposits made to the
7 fund under this subsection. Money may not be appropriated from the fund and may
8 be transferred from the fund only as authorized under (f) [(b) OR (c)] of this
9 section.

10 * Sec. 2. Article IX, sec. 17, Constitution of the State of Alaska, is amended by adding new
11 subsections to read:

12 (e) Appropriations of money may be made to the budget reserve fund at any
13 time. Money appropriated to the fund shall be treated the same as money deposited to
14 the fund under (a) of this section.

15 (f) On July 1 of each year, an amount equal to five percent of the average of
16 the fiscal year-end market values of the budget reserve fund for the first five of the
17 preceding six fiscal years shall be transferred from the budget reserve fund to the
18 general fund.

19 * Sec. 3. Article XV, Constitution of the State of Alaska, is amended by adding a new
20 section to read:

21 Section 30. Budget Reserve Fund; Transition. The money in the budget
22 reserve fund on the effective date of the 2008 amendments relating to that fund (art.
23 IX, sec. 17) shall be retained in the fund.

24 * Sec. 4. Article IX, secs. 17(b), (c), and (d) are repealed.

25 * Sec. 5. The amendments proposed by this resolution shall be placed before the voters of
26 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
27 State of Alaska, and the election laws of the state.

*replaced
3/4/08*

25-LS1521A
Cook
2/18/08

HOUSE JOINT RESOLUTION NO. *HR 28*
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY

Introduced:
Referred:

A RESOLUTION

1 Proposing amendments to the Constitution of the State of Alaska relating to the budget
2 reserve fund, to appropriations to and from the fund, and to transfers from the fund;
3 and dedicating a portion of the petroleum production tax to the fund.

4 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

5 * Section 1. Article IX, sec. 17, Constitution of the State of Alaska, is amended to read:

6 Section 17. Budget Reserve Fund. (a) There is established as a separate fund
7 in the State treasury the budget reserve fund consisting of two separate accounts [
8 EXCEPT FOR MONEY DEPOSITED INTO THE PERMANENT FUND UNDER
9 SECTION 15 OF THIS ARTICLE, ALL MONEY RECEIVED BY THE STATE
10 AFTER JULY 1, 1990, AS A RESULT OF THE TERMINATION, THROUGH
11 SETTLEMENT OR OTHERWISE, OF AN ADMINISTRATIVE PROCEEDING OR
12 OF LITIGATION IN A STATE OR FEDERAL COURT INVOLVING MINERAL
13 LEASE BONUSES, RENTALS, ROYALTIES, ROYALTY SALE PROCEEDS,
14 FEDERAL MINERAL REVENUE SHARING PAYMENTS OR BONUSES, OR
15 INVOLVING TAXES IMPOSED ON MINERAL INCOME, PRODUCTION, OR

1 PROPERTY, SHALL BE DEPOSITED IN THE BUDGET RESERVE FUND].
2 Money in the budget reserve fund shall be invested so as to yield competitive market
3 rates to each of the accounts in the fund. Income of each account in the fund shall be
4 retained in the account [FUND]. Section 7 of this article does not apply to deposits
5 made to the fund under (b) or (g) of this section [SUBSECTION]. Money may be
6 appropriated from the fund only as authorized under [(b) OR] (c) or (d) of this section
7 and may be transferred from the fund only as authorized under (h) of this
8 section.

9 (b) Except for money deposited into the permanent fund under Section 15
10 of this article, all money received by the State after July 1, 1990, as a result of the
11 termination, through settlement or otherwise, of an administrative proceeding or
12 of litigation in a State or federal court involving mineral lease bonuses, rentals,
13 royalties, royalty sale proceeds, federal mineral revenue sharing payments or
14 bonuses, or involving taxes imposed on mineral income, production, or property,
15 shall be deposited in a separate account in the budget reserve fund.

16 (c) If the amount available for appropriation for a fiscal year is less than the
17 amount appropriated for the previous fiscal year, an appropriation may be made from
18 the account established in (b) of this section [BUDGET RESERVE FUND].
19 However, the amount appropriated from the account [FUND] under this subsection
20 may not exceed the amount necessary, when added to other funds available for
21 appropriation, to provide for total appropriations equal to the amount of appropriations
22 made in the previous calendar year for the previous fiscal year.

23 (d) [(c)] An appropriation from the account established in (b) of this section
24 [BUDGET RESERVE FUND] may be made for any public purpose upon affirmative
25 vote of three-fourths of the members of each house of the legislature.

26 (e) [(d)] If an appropriation is made from the account established in (b) of
27 this section [BUDGET RESERVE FUND], until the amount appropriated is repaid,
28 the amount of money in the general fund available for appropriation at the end of each
29 succeeding fiscal year shall be deposited in the account established in (b) of this
30 section [BUDGET RESERVE FUND]. The legislature shall implement this
31 subsection by law.

1 * Sec. 2. Article IX, sec. 17(a), Constitution of the State of Alaska, as amended by sec. 1 of
2 this resolution is amended to read:

3 (a) There is established as a separate fund in the State treasury the budget
4 reserve fund [CONSISTING OF TWO SEPARATE ACCOUNTS]. Money in the
5 budget reserve fund shall be invested so as to yield competitive market rates to
6 [EACH OF THE ACCOUNTS IN] the fund. Income of [EACH ACCOUNT IN] the
7 fund shall be retained in the fund [ACCOUNT. SECTION 7 OF THIS ARTICLE
8 DOES NOT APPLY TO DEPOSITS MADE TO THE FUND UNDER (b) OR (g) OF
9 THIS SECTION]. Money may not be appropriated from the fund [ONLY AS
10 AUTHORIZED UNDER (c) OR (d) OF THIS SECTION] and may be transferred
11 from the fund only as authorized under (h) of this section.

12 * Sec. 3. Article IX, sec. 17, Constitution of the State of Alaska, is amended by adding new
13 subsections to read:

14 (f) There is established a separate account in the budget reserve fund.
15 Appropriations of money may be made to the account at any time. Money
16 appropriated to the account shall be treated the same as money deposited to the
17 account under (g) of this section.

18 (g) Except for money deposited into the account established in (b) of this
19 section, all money received by the State after June 30, 2007, and before January 1,
20 2015, that is attributable to an oil and gas production tax levied at a rate that increases
21 as the taxable value of the oil or gas increases and that is in addition to the money
22 received by the state that is attributable to the nominal or base oil and gas production
23 tax rate shall be deposited into the account established under (f) of this section.

24 (h) On July 1 of each year, an amount equal to five percent of the average of
25 the fiscal year-end market values of the account established in (f) of this section shall
26 be transferred from the account to the general fund.

27 * Sec. 4. Article IX, sec. 17(f), Constitution of the State of Alaska, as enacted by sec. 3 of
28 this resolution, is amended to read:

29 (f) [THERE IS ESTABLISHED A SEPARATE ACCOUNT IN THE
30 BUDGET RESERVE FUND.] Appropriations of money may be made to the budget
31 reserve fund [ACCOUNT] at any time. [MONEY APPROPRIATED TO THE

1 ACCOUNT SHALL BE TREATED THE SAME AS MONEY DEPOSITED TO THE
2 ACCOUNT UNDER (g) OF THIS SECTION.]

3 * Sec. 5. Article IX, sec. 17(h), Constitution of the State of Alaska, as enacted by sec. 3 of
4 this resolution, is amended to read:

5 (h) On July 1 of each year, an amount equal to five percent of the average of
6 the fiscal year-end market values of the budget reserve fund [ACCOUNT
7 ESTABLISHED IN (f) OF THIS SECTION] shall be transferred from the budget
8 reserve fund [ACCOUNT] to the general fund.

9 * Sec. 6. Article XV, Constitution of the State of Alaska, is amended by adding a new
10 section to read:

11 **Section 30. Budget Reserve Fund; Transition.** The money in each of the
12 accounts of the budget reserve fund on December 31, 2014, shall be retained in the
13 budget reserve fund.

14 * Sec. 7. The amendments proposed by this resolution shall be placed before the voters of
15 the state at the next general election in conformity with art. XIII, sec. 1, Constitution of the
16 State of Alaska, and the election laws of the state.

17 * Sec. 8. If adopted by the voters at the next general election,

18 (1) the amendments made in secs. 2, 4, and 5 of the resolution proposing 2008
19 amendments relating to the budget reserve fund (art. IX, sec. 17) take effect January 1, 2015;
20 and

21 (2) art. IX, secs. 17(b), (c), (d), (e), and (g), are repealed January 1, 2015.

FISCAL NOTE

Replaud 3/4/08

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: CSHJR 28(JUD)
(H) Publish Date: 2/8/08

Identifier (file name): HJR28-DOR-TRE-1-24-08 Dept. Affected: Revenue 04
Title: Const. Am: Production Tax Revenue Fund RDU: Taxation and Treasury
Component: Taxation and Treasury
Sponsor: Reps. Samuels, Hawker, Ramras
Requester: House Judiciary 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								
Travel								
Contractual	950.0		1,300.0	1,650.0	2,000.0	2,400.0	2,800.0	
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	950.0	0.0	1,300.0	1,650.0	2,000.0	2,400.0	2,800.0	

CAPITAL EXPENDITURES							
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CHANGE IN REVENUES ()							
-------------------------------	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
1005 GF/Program Receipts							
1037 GF/Mental Health							
Constitutionally Dedicated Fund	950.0		1,300.0	1,650.0	2,000.0	2,400.0	2,800.0
TOTAL	950.0	0.0	1,300.0	1,650.0	2,000.0	2,400.0	2,800.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

This fiscal note is a best estimate cost applicable to a constitutionally dedicated fund (called the "production tax revenue fund") that receives revenues from the progressive surcharge portion of the oil production tax (AS 43 55.011(g)) for management oversight, accounting, performance measurement, financial advisory and internal and external portfolio investment management services. For an investment portfolio with an asset allocation structured to accommodate a moderate risk/reward profile at a funding level of 950 million, an estimated cost of 10 basis points or 950 thousand would be a reasonable estimate. This would be an investment portfolio where the Commissioner of Revenue would be the fiduciary and a large emphasis would be placed on internal and passive investment management. As a comparison, the investment management cost of the State's retirement portfolios is 21 basis points annually. The permanent fund costs about 19 basis points a year to manage. Costs are directly related to the complexity of the types of asset classes of securities and the asset size of the portfolio. Cost increases are based on estimated future contributions only.

Prepared by: Brian C Andrews
Division: Treasury Division
Approved by: Jerry Burnett
Department of Revenue

Phone: 465-2300
Date/Time: 1/23/08 4:00 PM
Date: 1/24/2008

HJR

37

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: HJR 37
(H) Publish Date: 3/17/08

Identifier (file name): HJR037-OOG-DOE-3-7-08 Dept. Affected: OOG
Title: Constitutional amendment to correct obsolete references to offices RDU: Elections
Component: Elections
Sponsor: Representative Gruenberg
Requester: House State Affairs Committee Component Number: 21

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	1.5							
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

CAPITAL EXPENDITURES								
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CHANGE IN REVENUES ()								
-------------------------------	--	--	--	--	--	--	--	--

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF	1.5							
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other Interagency Receipts								
TOTAL	1.5	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Estimate of any current year (FY2008) cost: _____

POSITIONS

Full-time							
Part-time							
Temporary							

ANALYSIS: (Attach a separate page if necessary)

The passage of this resolution would require the constitutional amendment to appear on the 2008 general election ballot. The cost of providing information about the constitutional amendment in the Official election Pamphlet, as required by AS 15.58 is \$1.5. Should the addition of this question require printing an 8-1/2 by 18 inch ballot, the cost will increase to \$22.0.

Prepared by: Gail Fenumai, Director
Division: Division of Elections
Approved by: Linda Perez, Administrative Director
Office of the Governor

Phone: 465-2644
Date/Time: 3/7/2008, 12:37pm
Date: 3/7/2008

Member

Alaska State Legislature

House of Representatives



Standing Committees:
Judiciary
State Affairs

House Special Committee:
Ways & Means

Finance Subcommittees:
Administration
Courts

Representative Max F. Gruenberg, Jr.
House District 20

Anchorage (Mountain View, Russian Jack, East Anchorage)
House Minority Assistant Floor Leader

Interim:
716 W 4th Avenue, Rm 350
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Session:
Alaska State Capitol, Rm 110
Juneau, Alaska 99801-1182
Phone: (907) 465-4940
Toll Free: (866) 465-4940
Fax: (907) 465-3766

Email:
rep.max.gruenberg@legis.state.ak.us

SPONSOR STATEMENT FOR HJR37

BY: REPRESENTATIVE MAX F. GRUENBERG, JR.

TITLE: "Proposing amendments to the Constitution of the State of Alaska to correct obsolete references to the office of secretary of state by substituting references to the office of lieutenant governor and to eliminate personal pronoun references in the sections proposed to be amended."

In 1970 the legislature proposed and the voters of Alaska approved a series of amendments to the state constitution that changed the name of the office of "Secretary of State" to the office of "Lieutenant Governor." At that time, however, the drafting attorneys did not catch all of the references to "Secretary of State".

HJR37 corrects the two remaining references to "Secretary of State" in the state constitution. The proposed amendments, if approved by the legislature, would be placed before the voters in the next general election.

HJR37 also corrects personal pronouns referenced in the sections.

NCW 3/27/08

Alaska State Legislature

House of Representatives



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rep.max.gruenberg@legis.state.ak.us

Member

Standing Committees:
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House Special Committee:
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Finance Subcommittees:
Administration
Courts

Representative Max F. Gruenberg, Jr.
House District 20

Anchorage (Mountain View, Russian Jack, East Anchorage)
House Minority Assistant Floor Leader

Sectional Analysis for HJR37

BY: Representative Max F. Gruenberg, Jr.

Section 1. Amends Article II, sec. 5, Constitution of the State of Alaska

Adds: lieutenant governor
Removes: [SECRETARY OF STATE]

Section 2. Amends Article II, sec. 25 Constitution of the State of Alaska

Adds: lieutenant governor
Removes: [SECRETARY OF STATE]

These sections update by correcting the only two outdated references to "secretary of state" to "lieutenant governor" following the 1970 constitutional amendment that changed the name of that office.

Section 3. This section states that the constitutional amendments will be placed on the ballot at the next general election as required by Alaska.

Art. XIII, Sec. 1 of the Constitution. Two thirds of each House must approve the proposed amendment and a majority of the electoral voting must ratify it.

Member

Alaska State Legislature

House of Representatives

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Judiciary
State Affairs



Replaced

House Special Committee:

Ways & Means

Finance Subcommittees:

Administration
Courts

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rep.max.gruenberg@legis.state.ak.us

Representative Max F. Gruenberg, Jr.

House District 20

Anchorage (Mountain View, Russian Jack, East Anchorage)
House Minority Assistant Floor Leader

Sectional Analysis for HJR37 BY: Representative Max F. Gruenberg, Jr.

Section 1. Amends Article II, sec. 5, Constitution of the State of Alaska

Adds: lieutenant governor
Removes: [SECRETARY OF STATE]

Adds: the legislator
Removes: [HE]

Section 2. Amends Article II, sec. 25 Constitution of the State of Alaska

Adds: lieutenant governor
Removes: [SECRETARY OF STATE]

Adds: the head of each principal department
Removes: [HE]

These sections update by correcting the only two outdated references to "secretary of state" to "lieutenant governor" following the 1970 constitutional amendment that changed the name of that office. These amendments also correct the wording of these sections to make them gender neutral.

Section 3. This section states that the constitutional amendments will be placed on the ballot at the next general election as required by Alaska.

Art. XIII, Sec. 1 of the Constitution. Two thirds of each House must approve the proposed amendment and a majority of the electoral voting must ratify it.

LEGAL SERVICES

DIVISION OF LEGAL AND RESEARCH SERVICES
LEGISLATIVE AFFAIRS AGENCY
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MEMORANDUM

March 10, 2008

SUBJECT: HJR 37, correcting obsolete references in the state constitution to "secretary of state" (Work Order No. 25-LS1527\C)

TO: Representative Max F. Gruenberg, Jr.

FROM: Jack Chenoweth,
Assistant Revisor

The joint resolution has been scheduled for a House State Affairs Committee hearing.

For whatever use you may choose to make of the material, set out below is a replication of my notes shared with the joint resolution's sponsor when this matter was last before the legislature in 2005.

*

In 1970, the legislature proposed and the voters, by a margin of 71% - 29% (yes = 46,102; no = 18,781), approved a series of amendments to the state constitution that changed the name of the constitutional office of "secretary of state" to the office of "lieutenant governor." In the 1970 joint resolution that proposed the amendments, SJR 2, a copy of which accompanies this memo, the drafting attorneys of the time did not catch all the references to "secretary of state." They missed the two that appear in article II, section 5 and article III, section 25. By proposing amendments to delete in those two sections the obsolete references to secretary of state and substituting references to lieutenant governor, this House joint resolution would correct the oversight.

Unlike statutes, corrections of errors and omissions in the state constitution cannot be completed editorially. Under article XIII, section 1,

Amendments. Amendments to this constitution may be proposed by a two-thirds vote of each house of the legislature. The lieutenant governor shall prepare a ballot title and proposition summarizing each proposed amendment, and shall place them on the ballot for the next general election. If a majority of the votes cast on the proposition favor the amendment, it shall be adopted. Unless otherwise provided in the amendment, it becomes effective thirty days after the certification of the election returns by the lieutenant governor.

Representative Max F. Gruenberg

March 10, 2008

Page 2

Corrective changes of this kind might have been proposed by a constitutional convention called to make changes to the state constitution. However, when, at ten-year intervals since 1970, the proposals have been presented to the voters as referenda under article XIII, section 3, the voters have repeatedly failed to approve calls for state constitutional conventions. The voters defeated the calls for constitutional conventions in each of the 1972, 1982, 1992, and 2002 general elections.

JBC:med

08-168.mcd

Enclosure



Alaska State Legislature

1970

Source.

SJR 2

SJR 2

SENATE JOINT RESOLUTION

Proposing that the Constitution of the State of Alaska be amended by changing the name of the secretary of state to lieutenant governor.

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

* Section 1. Secs. 7, 8, 9, 10, 11, 13, 14 and 15, Art. III, Constitution of the State of Alaska, are amended to read:

SECTION 7. There shall be a lieutenant governor. He shall have the same qualifications as the governor and serve for the same term. He shall perform such duties as may be prescribed by law and as may be delegated to him by the governor.

SECTION 8. The lieutenant governor shall be nominated in the manner provided by law for nominating candidates for other elective offices. In the general election the votes cast for a candidate for governor shall be considered as cast also for the candidate for lieutenant governor running jointly with him. The candidate whose name appears on the ballot jointly with that of the successful candidate for governor shall be elected lieutenant governor.

SECTION 9. In case of the temporary absence of the governor from office, the lieutenant governor shall serve as acting governor.

SECTION 10. If the governor-elect dies, resigns, or is disqualified, the lieutenant governor elected with him shall succeed to the office of governor for the full term. If the governor-elect fails to assume office for any other reason, the lieutenant governor elected with him shall serve as acting governor, and shall succeed to the office if the governor-elect does not assume his office within six months of the beginning of the term.

SECTION 11. In case of a vacancy in the office of governor for any reason, the lieutenant governor shall

succeed to the office for the remainder of the term.

SECTION 13. Provision shall be made by law for succession to the office of governor and for an acting governor in the event that the lieutenant governor is unable to succeed to the office or act as governor. No election of a lieutenant governor shall be held except at the time of electing a governor.

SECTION 14. When the lieutenant governor succeeds to the office of governor, he shall have the title, powers, duties, and emoluments of that office.

SECTION 15. The compensation of the governor and the lieutenant governor shall be prescribed by law and shall not be diminished during their term of office, unless by general law applying to all salaried officers of the State.

* Sec. 2. Secs. 2, 3, 4, 5 and 6, Art. XI, Constitution of the State of Alaska, are amended to read:

SECTION 2. An initiative or referendum is proposed by an application containing the bill to be initiated or the act to be referred. The application shall be signed by not less than one hundred qualified voters as sponsors, and shall be filed with the lieutenant governor. If he finds it in proper form he shall so certify. Denial of certification shall be subject to judicial review.

SECTION 3. After certification of the application, a petition containing a summary of the subject matter shall be prepared by the lieutenant governor for circulation by the sponsors. If signed by qualified voters, equal in number to ten per cent of those who voted in the preceding general election and resident in at least two-thirds of the election districts of the State, it may be filed with the lieutenant governor.

SECTION 4. An initiative petition may be filed at any time. The lieutenant governor shall prepare a ballot title and proposition summarizing the proposed law, and shall place them on the ballot for the first statewide election held more than one hundred twenty days after adjournment of the legislative session following the filing. If, before the election, substantially the same measure has been enacted, the petition is void.

SECTION 5. A referendum petition may be filed only within ninety days after adjournment of the legislative session at which the act was passed. The lieutenant governor shall prepare a ballot title and proposition summarizing the act and shall place them on the ballot for the first statewide election held more than one hundred eighty days after adjournment of that session.

SECTION 6. If a majority of the votes cast on the proposition favor its adoption, the initiated measure is enacted. If a majority of the votes cast on the proposition favor the rejection of an act referred, it is rejected. The lieutenant governor shall certify the election returns. An initiated law becomes effective ninety days after certification, is not subject to veto, and may not be repealed by the legislature within two years of its effective date.

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It may be amended at any time. An act rejected by referendum is void thirty days after certification. Additional procedures for the initiative and referendum may be prescribed by law.

Sec. 3. Secs. 1 and 3, Art. XIII, Constitution of the State of Alaska, are amended to read:

SECTION 1. Amendments to this constitution may be proposed by a two-thirds vote of each house of the legislature. The lieutenant governor shall prepare a ballot title and proposition summarizing each proposed amendment, and shall place them on the ballot for the next statewide election. If a majority of the votes cast on the proposition favor the amendment, it shall be adopted. Unless otherwise provided in the amendment, it becomes effective thirty days after the certification of the election returns by the lieutenant governor.

SECTION 3. If during any ten-year period a constitutional convention has not been held, the lieutenant governor shall place on the ballot for the next general election the question: "Shall there be a Constitutional Convention?" If a majority of the votes cast on the question are in the negative, the question need not be placed on the ballot until the end of the next ten-year period. If a majority of the votes cast on the question are in the affirmative, delegates to the convention shall be chosen at the next regular statewide election, unless the legislature provides for the election of the delegates at a special election. The lieutenant governor shall issue the call for the convention. Unless other provisions have been made by law, the call shall conform as nearly as possible to the act calling the Alaska Constitutional Convention of 1955, including, but not limited to, number of members, districts, election and certification of delegates, and submission and ratification of revisions and ordinances. The appropriation provisions of the call shall be self-executing and shall constitute a first claim on the state treasury.

Sec. 4. Sec. 9, Art. XV, Constitution of the State of Alaska, is amended to read:

SECTION 9. The first governor and lieutenant governor shall hold office for a term beginning with the day on which they assume office and ending at noon on the first Monday in December of the even-numbered year following the next presidential election. This term shall count as a full term for purposes of determining eligibility for re-election only if it is four years or more in duration.

Sec. 5. The amendments proposed by this resolution shall be placed before the voters of the state at the next statewide election in conformity with sec. 1, art. XIII, of the Constitution of the State of Alaska, and the state election law.

SB

1

SFIN

FILE

SENATE COMMITTEE REPORT

DATE: 3/28/07

FURTHER: Finance

DATE TURNED
IN TO OFFICE: 4/2/07

Community and Regional Affairs Committee considered SENATE BILL NO. 1

SB 1 INCREASE AMT OF BASE STUDENT ALLOCATION

"An Act relating to the base student allocation used in the formula for state funding of public education; and providing for an effective date."

and recommends:

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

SENATE BILL:
 Same Title
 New Title

HOUSE BILL:
 Same Title
 Technical Title Change
 New Title w/ SCR # _____

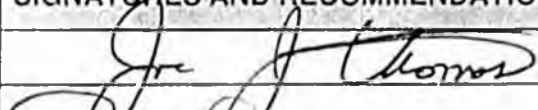
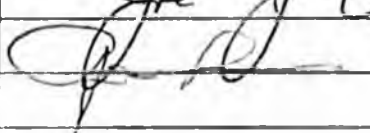

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
EED - A/c	4/2/07	✓			3

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
EED - Found.	2/5/07	✓			1

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	Do PASS	DO NOT PASS	NO REC	AMEND
	Thomas	✓			
	Stevens	✓			
CHAIR: 	Olson	✓			

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 3
Bill Version: SB 1
(S) Publish Date: 4/4/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: An act increasing the base student allocation RDU: K-12 Support
used in the public education funding formula. Component: AK Challenge Youth Academy
Sponsor: Sen. Wilken Component No.: 2837
Requester: C&RA

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	300.9	300.9	300.9	300.9	300.9	300.9
Miscellaneous						
TOTAL OPERATING	300.9	300.9	300.9	300.9	300.9	300.9

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	300.9	300.9	300.9	300.9	300.9	300.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type-Do not abbreviate)						
TOTAL	300.9	300.9	300.9	300.9	300.9	300.9

Estimate of any current year (FY2007) cost: 00

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation(BSA) from \$5,380 to \$5,810. This is a \$430 increase to the BSA.

Prepared by: Eddy Jeans, Director
Division: School Finance
Approved by: Barbara Thompson, Deputy Commissioner
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 4/2/07 11:52 AM
Date: 4/2/2007

Education & Early Development
Updated on 4/02/07
BSA Increase to \$5,810

Prepared by School Finance

ALASKA MILITARY YOUTH ACADEMY

FY08 PROJECTION for FY08

257 x \$5810 x 7 =	10,452,190
203 x \$5810 x 60% =	707,658
less \$2,625,000	(2,625,000)
	8,534,848
<i>FY08 Projected State Aid at \$5,380</i>	8,233,904
FY08 INCREASE TO AMYA:	\$ 300,944

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 1
(S) Publish Date: 3/28/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: An act increasing the base student allocation RDU: K 12 Support
used in the public education funding formula. Component: AK Challenge Youth Academy
Sponsor: Sen. Wilken
Requester: Senate Special Committee on Education Component No.: 2837

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	825.9	825.9	825.9	825.9	825.9	825.9
Miscellaneous						
TOTAL OPERATING	825.9	825.9	825.9	825.9	825.9	825.9

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

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

FUND SOURCE (Thousands of Dollars)

FUND SOURCE	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
1002 Federal Receipts						
1003 GF Match						
1004 GF	825.9	825.9	825.9	825.9	825.9	825.9
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	825.9	825.9	825.9	825.9	825.9	825.9

Estimate of any current year (FY2007) cost: 0.0
Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

POSITIONS	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)
This bill would increase the Base Student Allocation (BSA) from \$5,380 to \$5,810. This is a \$430 increase to the BSA.

Prepared by: Eddy Joans, Director
Division: School Finance
Approved by: Barbara Thompson, Deputy Commissioner
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 2/5/07 4:06 PM
Date: 2/5/2007

ALASKA MILITARY YOUTH ACADEMY

FY08 PROJECTION for FY08

257 x \$5810 x 7 =	10,452,190
203 x \$5810 x 60% =	707,658
less \$2,100,000	(2,100,000)
	9,059,848
<i>FY08 Projected State Aid at \$5,380</i>	8,233,904
FY08 INCREASE TO AMYA:	\$ 825,944

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 1
(S) Publish Date: 3/28/07

Revision Date/Time (Note if correction): _____ Dept. Affected: Education & Early Development
Title: An act increasing the base student allocation RDU: K-12 Support
used in the public education funding formula. Component: Foundation Program
Sponsor: Sen. Wilken
Requester: Senate Special Committee on Education Component No. 141

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services						
Travel						
Contractual						
Supplies						
Equipment						
Land & Structures						
Grants & Claims	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2
Miscellaneous						
TOTAL OPERATING	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2

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

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

1002 Federal Receipts						
1003 GF Match						
1004 GF	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2
1005 GF/Program Receipts						
1037 GF/Mental Health						
Other (Specify Type--Do not abbreviate)						
TOTAL	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2	88,928.2

Estimate of any current year (FY2007) cost: 0.0

Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time						
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

This bill would increase the Base Student Allocation (BSA) from \$5,380 to \$5,810. This is a \$430 increase to the BSA.

The GF appropriation in this fiscal note capitalizes the Public Education Fund (PEF). Money in the PEF flows to K-12 Support without further appropriation for distribution to school districts.

Prepared by: Eddy Jeans, Director
Division: School Finance
Approved by: Barbara Thompson, Deputy Commissioner
Agency: Education & Early Development

Phone: 465-8679
Date/Time: 2/5/07 3:53 PM
Date: 2/5/2007

School District	Projected FY2008 State Aid at BSA \$5,380	Projected FY2008 State Aid at BSA \$5,810	DIFFERENCE
Alaska Gateway	5,350,621	5,794,596	443,975
Aleutian Region	1,260,566	1,347,179	86,613
Aleutians East Borough	3,414,525	3,747,865	333,340
Anchorage	265,515,050	294,228,915	28,713,865
Annette Island	1,844,016	2,093,270	249,254
Bering Strait	20,092,216	22,288,750	2,196,534
Bristol Bay Borough	1,617,977	1,808,269	190,292
Chatham	2,408,957	2,616,841	207,884
Chugach	2,031,587	2,145,294	113,707
Copper River	6,549,083	7,090,741	541,658
Cordova	3,417,676	3,744,145	326,469
Craig	4,741,962	5,159,638	417,676
Delta/Greely	10,140,267	10,955,942	815,675
Denali Borough	5,989,753	4,359,149	369,396
Dillingham	4,840,971	5,306,171	465,200
Fairbanks N. Star Borough	85,741,301	94,966,581	9,225,280
Galena	17,599,787	19,008,846	1,409,059
Haines Borough	2,180,726	2,429,580	248,854
Hoonah	1,494,178	1,629,684	135,506
Hydaburg	787,257	858,186	70,929
Iditarod Area	4,736,097	5,067,305	331,208
Juneau Borough	26,319,028	29,491,035	3,172,007
Lake	950,981	1,040,004	89,023
Kashunamiut	3,024,014	3,383,954	359,940
Kenai Peninsula Borough	54,838,057	60,837,477	5,999,420
Ketchikan Gateway Borough	13,948,298	15,433,092	1,484,794
Klawock	1,267,320	1,390,980	123,660
Kodiak Island Borough	18,369,480	20,212,013	1,842,533
Kuspuk	5,436,829	5,974,767	537,938
Lake & Peninsula Borough	7,435,119	8,060,292	625,173
Lower Kuskokwim	47,659,626	52,291,139	4,631,513
Lower Yukon	21,096,121	23,420,301	2,324,180
Mat-Su Borough	95,453,603	104,731,687	9,278,084
Nenana	4,363,220	4,717,497	354,277
Nome	7,451,085	8,118,587	667,502
North Slope Borough	10,473,573	12,241,096	1,767,523
Northwest Arctic Borough	26,110,677	28,442,971	2,332,294
Pelican	401,248	421,884	20,636
Petersburg	4,353,634	4,784,146	430,512
Pribilof	1,495,502	1,658,863	163,361
Saint Mary's	2,387,186	2,578,945	191,759
Sitka Borough	9,088,107	10,065,032	976,925
Skagway	677,855	754,156	76,301
Southeast Island	3,163,711	3,394,183	230,472
Southwest Region	7,962,081	8,800,159	838,078
Tanana	749,593	812,218	62,625
Unalaska	2,956,546	3,324,325	367,779
Valdez	3,842,277	4,407,426	565,149
Wrangell	2,697,221	2,957,887	260,666
Yakutat	972,207	1,067,826	95,619
Yukon Flats	5,135,933	5,570,695	434,762
Yukon/Koyukuk	10,248,890	11,158,215	909,325
Yupit	5,416,738	5,985,942	569,204
Mt. Edgecumbe High School	2,621,487	2,874,327	252,840
Total	858,121,820	947,050,068	88,928,248

SB

4

HFIN

FILE

25-LS0056\N.1
Mischel
6/25/07

AMENDMENT |

OFFERED IN THE HOUSE

BY REPRESENTATIVE MEYER

TO: HCS CSSB 4(FIN), Draft Version "N"

1 Page 1, line 9, following "relief":

2 Insert "assistance"

3

4 Page 5, line 3:

5 Delete "ASSISTANCE"

6 Insert "PAYMENT PROGRAM"

7

8 Page 5, following line 8:

9 Insert a new bill section to read:

10 "A Sec. 6. The uncodified law of the State of Alaska is amended by adding a new section to
11 read:

12 TRANSITION: SENIOR BENEFITS PAYMENTS MADE DURING FISCAL YEAR
13 2008. The provisions of AS 47.45.301(c), enacted by sec. 3 of this Act, and AS 47.45.302(c),
14 enacted by sec. 3 of this Act, do not apply to payments made under AS 47.45.301 - 47.45.309,
15 enacted by sec. 3 of this Act, by the Department of Health and Social Services for the period
16 beginning August 1, 2007, and ending on the effective date of enactment by the Twenty-Fifth
17 Alaska State Legislature of an appropriation bill that makes an allocation under the public
18 assistance appropriation to fund the senior benefits payment program, but not later than
19 June 30, 2008."

20

21 Renumber the following bill section accordingly.

by Kelly

Conceptual Amend. 1

- ① Extend current program.
to June 30, 2011
- ② Eliminate prescription drug benefit
- ③ Change the name to Senior Benefit Program
- ④ Allow legal to make conforming changes.

PROGRAM	WHO'S ELIGIBLE	INCOME LIMIT	MONTHLY BENEFITS	ANNUAL BENEFITS
Adult Public Assistance Program furnishes financial assistance to needy aged, blind, and disabled persons and to help them attain self-support or self-care. Assets \$3,000	65 years old or older (5,000 people) or Meet SSI disability standards (11,700 people)	\$ 985 Individual \$1,482 Couple Assets counted: cash on hand, money in checking or savings accounts, certificates of deposit, stocks, bonds, IRAs, property not up for sale, and lump-sum payments.	\$287 a mo 06 Actual \$57,556,200 GF \$52,300,000	\$3,444
Senior Care Assets less than \$6,000	65 years old and 126.5% of federal poverty level (6,632)	\$ 1,345 Individual \$ 1,804 Couple	\$120 a mo	\$1,440
Food Stamps	65 years old and 125 to 168% of federal poverty level (2,648)	\$ 1,328 Individual \$ 1,788 Couple	\$122 a mo	\$1,464
Property Tax Exemption - \$160,000 reduction of property tax assessment	65 years old or widow/widower 60	NONE	\$286.67	\$3,200
Energy Assistance	144% of federal poverty level	\$ 1,531 Individual \$ 2,063 Couple	\$118 \$11,312,700	\$1,416
Assisted Living Medicaid Waiver*	Meet SSI disability standards	Low end level of care High end level of care	\$4,710 \$7,560	\$56,520 \$90,720
Personal Care Attendants*	Meet SSI disability standards		\$2,784	\$33,408
Federal Income Tax Break - additional IRS personal exemption on 1040	65 years of age	NONE	Single Married	\$1,350 \$2,000
Sales Tax Exemption	65 years of age	NONE	***	***

* Based on average rates allowed by Senior & Disabilities Services per client

** Based on 44.3% of PCA'S \$83,542,500 being seniors and 44.3% of 2,500 participants in PCA program

JUN-26-2007 TUE 11:10 AM ANCHORAGE L10
Distributed by Representative Chenault

FAX NO. 307 269 0229

P. 01/02

DEPARTMENT OF HEALTH AND SOCIAL SERVICES BILL ANALYSIS

Updated 6/01/07

	Current SeniorCare Program	SB 9048B 148 Governor's SeniorCare Proposal	SB 4 Senior Benefits Payment Program	HB 198 AK Senior Benefits Program																																
SeniorCare Monthly Payment	Cash - \$120 / month Prescription Drug - \$670 / year	Cash - \$120 / Month	Up to 100% Poverty - \$175/Month 100-135% Poverty - \$150/Month 135-150% Poverty - \$100/Month	Up to 75% Poverty - \$250/Month 75-100% Poverty - \$175/Month 100-175% Poverty - \$125/Month																																
SeniorCare Annual Income Limit	Cash Income Limit 135% 2005 AK FPG <ul style="list-style-type: none"> • \$18,133 for individuals • \$21,641 for couples Asset Limits <ul style="list-style-type: none"> • \$6,000 Individual • \$9,000 Couple Prescription Drug Income Limit 175% 2005 AK FPG <ul style="list-style-type: none"> • \$20,913 for individuals • \$28,053 for couples Asset Limits <ul style="list-style-type: none"> • \$10,000 Individual • \$100,000 Couple 	Cash Income Limit 135% 2007 AK FPG <ul style="list-style-type: none"> • \$17,240 Individual • \$23,112 Couple (135% of 2007 Alaska FPG. Income limits will increase each year to keep pace with annual increases in federal poverty guidelines for Alaska.) Asset Limits <ul style="list-style-type: none"> • \$6,000 Individual • \$9,000 Couple Prescription Drug Benefit Ended	Cash Income Threshold <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th>2007</th> <th></th> <th></th> </tr> <tr> <th>HH</th> <th>AK FPG</th> <th>135%</th> <th>150%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$12,770</td> <td>\$17,240</td> <td>\$19,155</td> </tr> <tr> <td>2</td> <td>17,120</td> <td>\$23,112</td> <td>\$25,680</td> </tr> </tbody> </table> HH = Household Income limits increase annually to keep pace with FPG annual increases NO Asset test per sponsor Prescription Drug Benefit Ended		2007			HH	AK FPG	135%	150%	1	\$12,770	\$17,240	\$19,155	2	17,120	\$23,112	\$25,680	Cash Income Threshold <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th></th> <th></th> <th>2007 AK FPG</th> <th></th> </tr> <tr> <th>HH</th> <th>75%</th> <th></th> <th>175%</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>\$9,577</td> <td>\$12,770</td> <td>\$22,348</td> </tr> <tr> <td>2</td> <td>\$12,840</td> <td>17,120</td> <td>\$29,960</td> </tr> </tbody> </table> HH = Household Income limits increase annually to keep pace with FPG annual increases. NO Asset test per sponsor Prescription Drug Benefit Ended			2007 AK FPG		HH	75%		175%	1	\$9,577	\$12,770	\$22,348	2	\$12,840	17,120	\$29,960
	2007																																			
HH	AK FPG	135%	150%																																	
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HH	75%		175%																																	
1	\$9,577	\$12,770	\$22,348																																	
2	\$12,840	17,120	\$29,960																																	
FY08 Estimate Avg No Caseload	SC Cash: 7,043 Prescription Drug: 140	SC Cash: 7,343	SC Cash: 8,800 Seniors	SC Cash: 10,700 Seniors																																
FY08 Estimate Benefit Only No Admin Incl	Benefit Only SC Cash - \$10,141.9 Prescription Drug - \$93.8	Benefit Only SC Cash - \$10,573.9	Benefit Only SC Cash: \$16,645.8	Benefit Only SC Cash: \$19,410.0																																
Sunset Date	June 30, 2007	June 30, 2012	June 30, 2011	June 30, 2011																																

AMENDMENT 2

OFFERED IN THE HOUSE
TO: HCS CS SB 4 (FIN)

BY REPRESENTATIVE HAWKER

1 Page 3, line 6

2 Delete "150"

3 Insert "175"

4

5 Page 3, line 15-23

6 Delete all material

7 Insert:

8 "(b) An eligible individual shall receive a monthly cash assistance payment
9 beginning on August 1, 2007, or on the effective date of this Act, whichever is later,
10 as follows:

11 (1) \$250 if the individual's household income does not exceed 75
12 percent of the federal poverty guidelines for Alaska;

13 (2) \$175 if the individual's household income does not exceed 100
14 percent but is above 75 percent of the federal poverty guidelines for Alaska;

15 (3) \$125 if the individual's household income does not exceed 175
16 percent but is above 100 percent of the federal poverty guidelines for Alaska."
17
18
19
20
21
22
23
24

25-LS0056\N.3
Mischel
6/26/07

AMENDMENT

3

OFFERED IN THE HOUSE

BY REPRESENTATIVE GARA

TO: HCS CSSB 4(FIN), Draft Version "N"

1 Page 1, line 14:

2 Delete "47.45.302(c)"

3 Insert "47.45.302(d)"

4

5 Page 3, following line 23:

6 Insert a new subsection to read:

7 "(c) Beginning July 1, 2008, the commissioner of health and social services
8 may annually compound and adjust the monthly cash assistance payment amount
9 provided in (b) of this section. An adjustment made by the commissioner under this
10 subsection may not exceed an amount compounded and adjusted by the Consumer
11 Price Index for all urban consumers for the Anchorage metropolitan area compiled by
12 the Bureau of Labor Statistics, United States Department of Labor. The index for
13 January 2007 is the reference base index, and the dollar amounts change on October 1
14 of each year. The commissioner may make the adjustment under this subsection only
15 to the extent sufficient funding is available to pay for the adjustment for that fiscal
16 year."

17

18 Reletter the following subsection accordingly.

ALASKA STATE LEGISLATURE HOUSE FINANCE COMMITTEE

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Sectional Analysis

House Finance Committee Substitute for SB 4 Version 25-LS0056\N

“An Act relating to cash assistance for seniors; establishing the senior benefits payment program; and providing for an effective date.”

Section 1: Legislative Intent Section

Clarifies the intent of the Legislature in regards to how the Senior Benefit Payment Program, as enacted by Section 3, will be funded. It is the intent of the Legislature that the Senior Benefit Payment Program be funded under the FY 08 Public Assistance appropriation as a General Relief allocation until the second session of the 25th Legislature convenes and passes an appropriation bill that creates a new allocation under the Public Assistance appropriation. Provides that the ability of the department to reduce or eliminate cash benefits when appropriations are not sufficient to meet the demands of the program does not apply to appropriations and the program in FY 08.

Section 2: Amends AS 09.38.015

Amends the “Property Exempt without Limitation” under the Alaska Exemption Act to include benefits received under the Alaska Senior Benefits Payment Program.

Section 3: Establishes the Alaska Senior Benefits Payment Program

Provides that the Department of Health and Social Services (DHSS) will adopt regulations to implement the program and gives DHSS the authority to reduce or eliminate cash benefits when appropriations are insufficient to meet the demands of the program.

Establishes eligibility for cash assistance under the Senior Benefits Payment Program: an individual must be 65 years of age, an Alaska resident, have a household income that does not exceed 150% of the annual federal poverty line for Alaska, and has not received a longevity bonus payment for the period of time in which the individual is applying for the cash assistance under the Senior Benefits Payment Program. Allows individuals who received \$120 a month, under the former Senior Care Program, to apply to the department on an abbreviated form.

Provides that eligible individuals will receive monthly cash assistance payments under the Senior Benefits Payment Program beginning August 1, 2007.

Creates a graduated cash assistance program based on income and the federal poverty guidelines for Alaska:

\$175 a month if household income does not exceed 100% of the federal poverty guideline adjusted for Alaska;

\$150 a month if household income does not exceed 135% but is greater than 100% of the federal poverty guideline adjusted for Alaska;

\$100 a month if household income does not exceed 150% but is greater than 135% of the federal poverty guideline adjusted for Alaska.

Provides that individuals are not eligible to receive cash assistance payments under the Senior Benefits Payment Program while they are absent from the state, unless they are absent in order to receive medical treatment, accompanying a relative receiving medical treatment, or other absence that is less than 30 consecutive days in length.

Provides that an individual who receives cash assistance payments under the Senior Benefits Payment Program is liable to DHSS for the value of the assistance if the benefits are improperly paid to the individual and the payment was based on inaccurate or incomplete information provided to DHSS by the individual.

Section 4: Program Sunset

Repeals the Senior Benefits Payment Program, effective June 30, 2011.

Section 5: Applicability Section

Provides that an individual who receives cash assistance or a prescription drug benefit under the emergency regulations adopted by DHSS cannot receive a benefit under the senior benefits cash assistance program enacted under Section 3, simultaneously.

Section 6: Effective Date

This Act takes effect immediately.

FISCAL NOTE

STATE OF ALASKA
2007 LEGISLATIVE SESSION

Fiscal Note Number: _____
 Bill Version: HCS CSSB4 (FIN) Version (D)
 () Publish Date: _____
 Dept. Affected: Health & Social Services

Revision Date/Time (Note if correction): _____
 Title RELATING TO SENIOR BENEFITS PAYMENT PROGRAM

RDU Public Assistance
 Component General Relief Assistance

Sponsor OLSON
 Requester HOUSE (FIN)

Component No. 221

Expenditures/Revenues (Thousands of Dollars)

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

OPERATING EXPENDITURES	FY 2008	FY 2009	FY 2010	FY 2011	FY 2012	FY 2013
Personal Services	421.9	460.2	460.2	460.2		
Travel	8.9	9.7	9.7	9.7		
Contractual	218.9	169.7	169.7	169.7		
Supplies	49.9	43.5	43.5	43.5		
Equipment						
Land & Structures						
Grants & Claims	15,258.7	16,862.2	17,081.4	17,305.5		
Miscellaneous						
TOTAL OPERATING	15,958.3	17,545.3	17,764.5	17,988.6	0.0	0.0

CAPITAL EXPENDITURES

CHANGE IN REVENUES (0)

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts						
1003 GF Match						
1004 GF	15,958.3	17,545.3	17,764.5	17,988.6		
1037 GF/Mental Health						
Other(Specify Type-do not abbreviate)						
Other(Specify Type-do not abbreviate)						
TOTAL	15,958.3	17,545.3	17,764.5	17,988.6	0.0	0.0

Estimate of any current year (FY2007) cost: _____
 Mark this box (X) if funding for this bill is included in the Governor's FY 2008 budget proposal:

POSITIONS

Full-time	6	6	6	6		
Part-time						
Temporary						

ANALYSIS: (Attach a separate page if necessary)

The current program serves low-income seniors age 65 and above, and provides a cash benefit of \$120 or a prescription drug benefit for payment of premiums and deductible for prescription drug insurance. Nearly 7,000 seniors receive the cash benefit and about 140 receive the prescription drug benefit. The current program freezes the income level at 135% of 2005 federal poverty guidelines for Alaska and includes an asset test.

Prepared by: Ellie Fitzjarrald, Director Phone 465-5847
 Division: Public Assistance Date/Time 06/22/2007
 Approved by: Karloun Jackson, Commissioner Date 06/25/2007
 Agency: Department of Health and Social Services