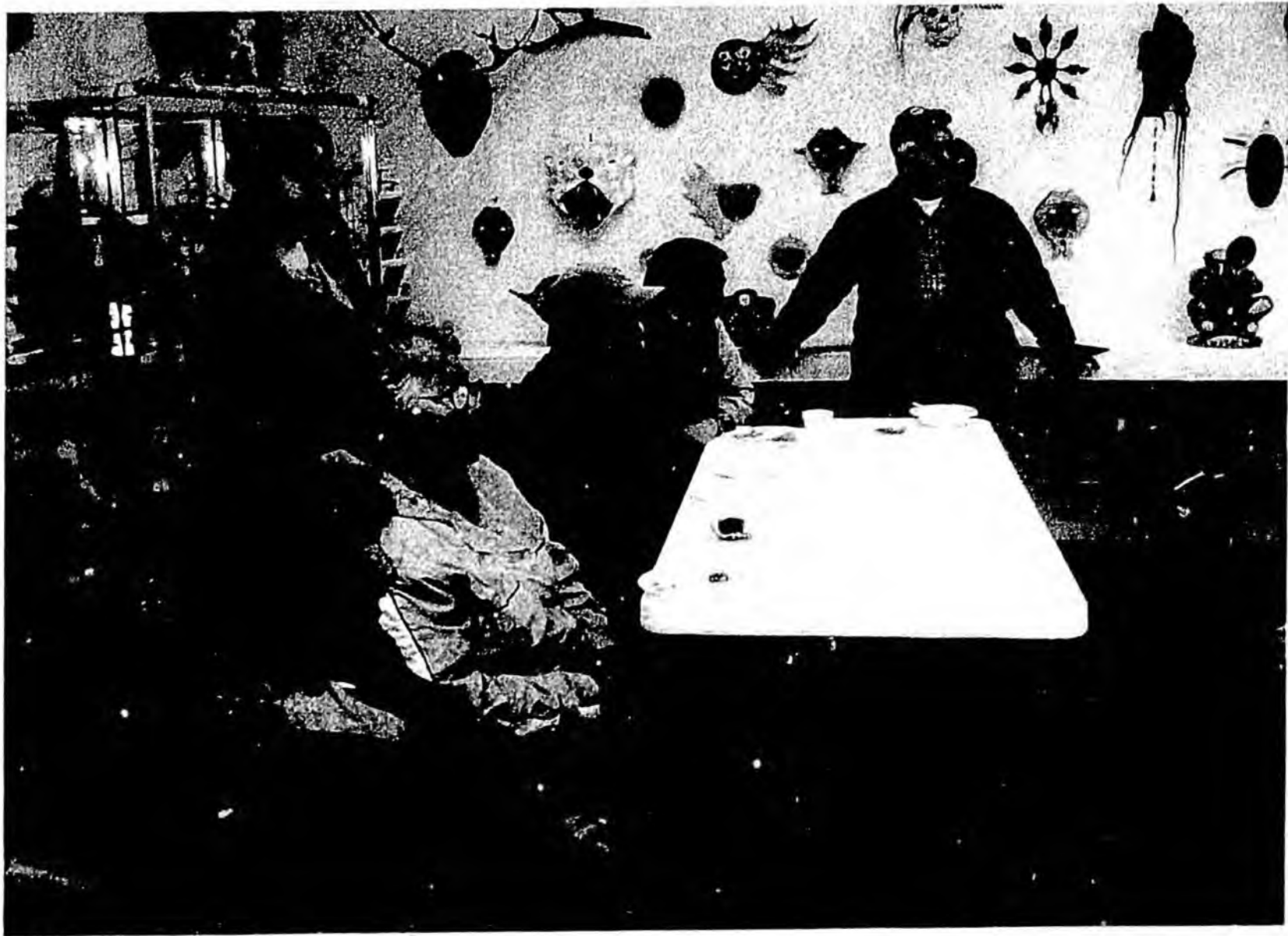


AK LEGISLATURE FINANCE COMMITTEES FILES 2007-2008 3388

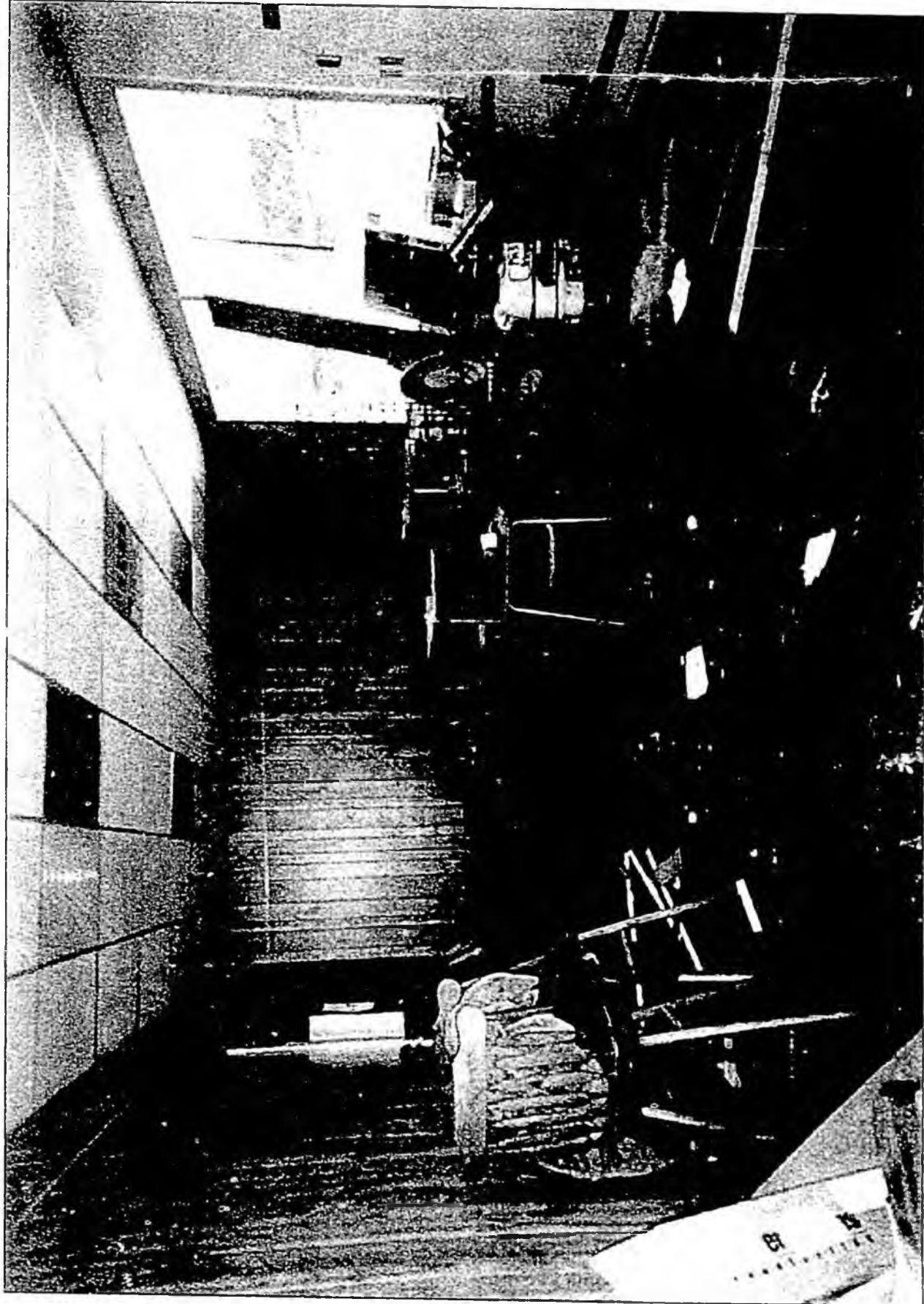
Constructed Carving Center in Kotzebue



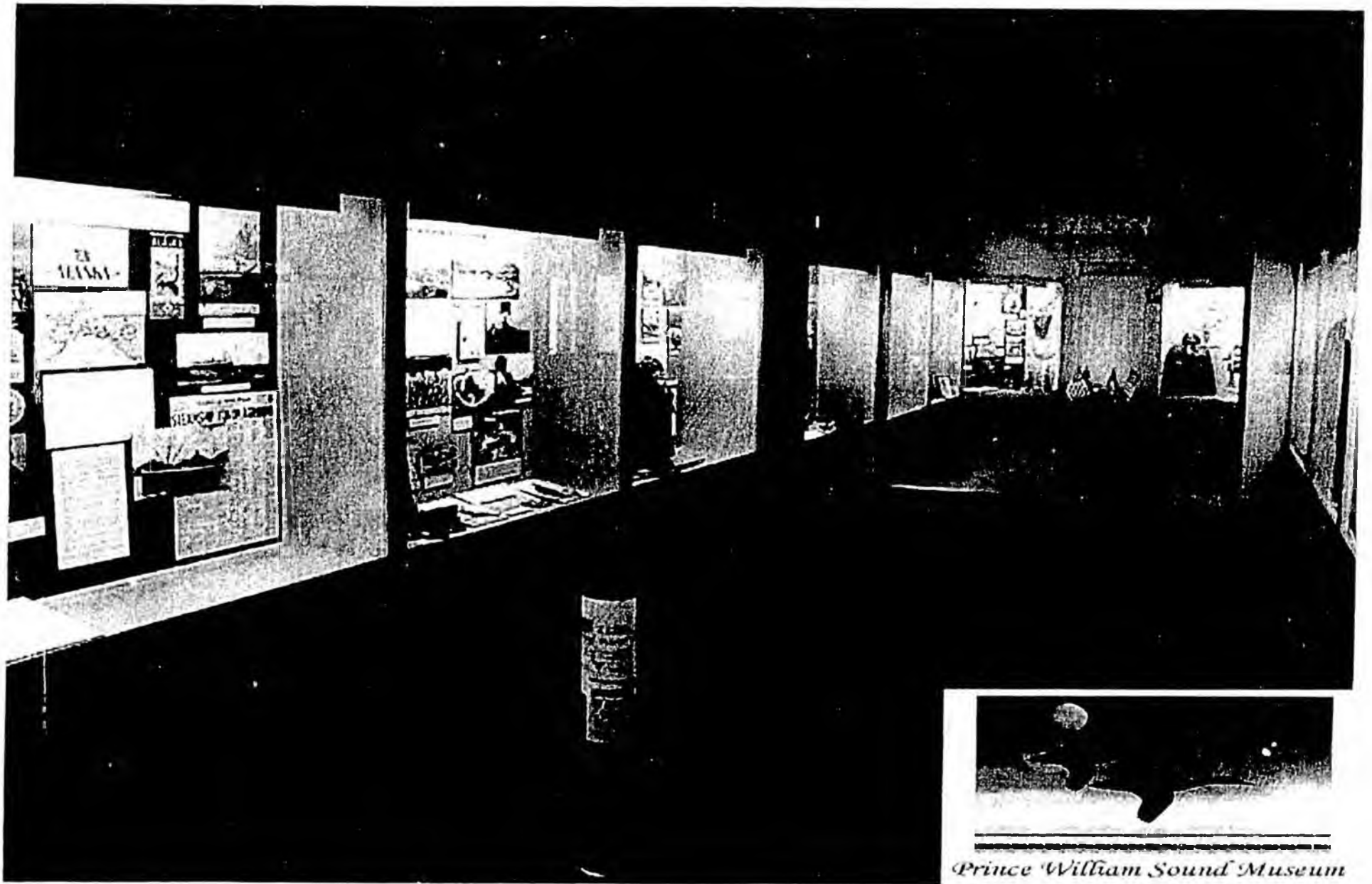
NORTHWEST ARCTIC BOUROUGH: Sulianich Arts Center Opening



Prince William Sound Museum - Before



Prince William Sound Museum - After



Prince William Sound Museum

Current ARDOR Projects:

Copper Valley Development Association

Abandoned Vehicle and Scrap Metal Removal Project

Fairbanks North Star Borough

Sustainable Energy Center

Lower Kuskokwim: People's Learning Center

Vocational opportunities to residents

Prince William Sound EDD

Valdez Fisheries cold storage plant using PetroStar waste heat

Southeast Conference

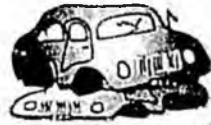
Funding for Transportation in Southeast Alaska

Southwest Municipal Conference

Seafood Harvesting Labor Data Collection Project



Abandoned Vehicle & Scrap Metal Removal Project



since 2004

1041 Vehicles

188 Tons of scrap metal

1522 Lead-acid batteries

420 Refrigerators

removed from the Copper Valley

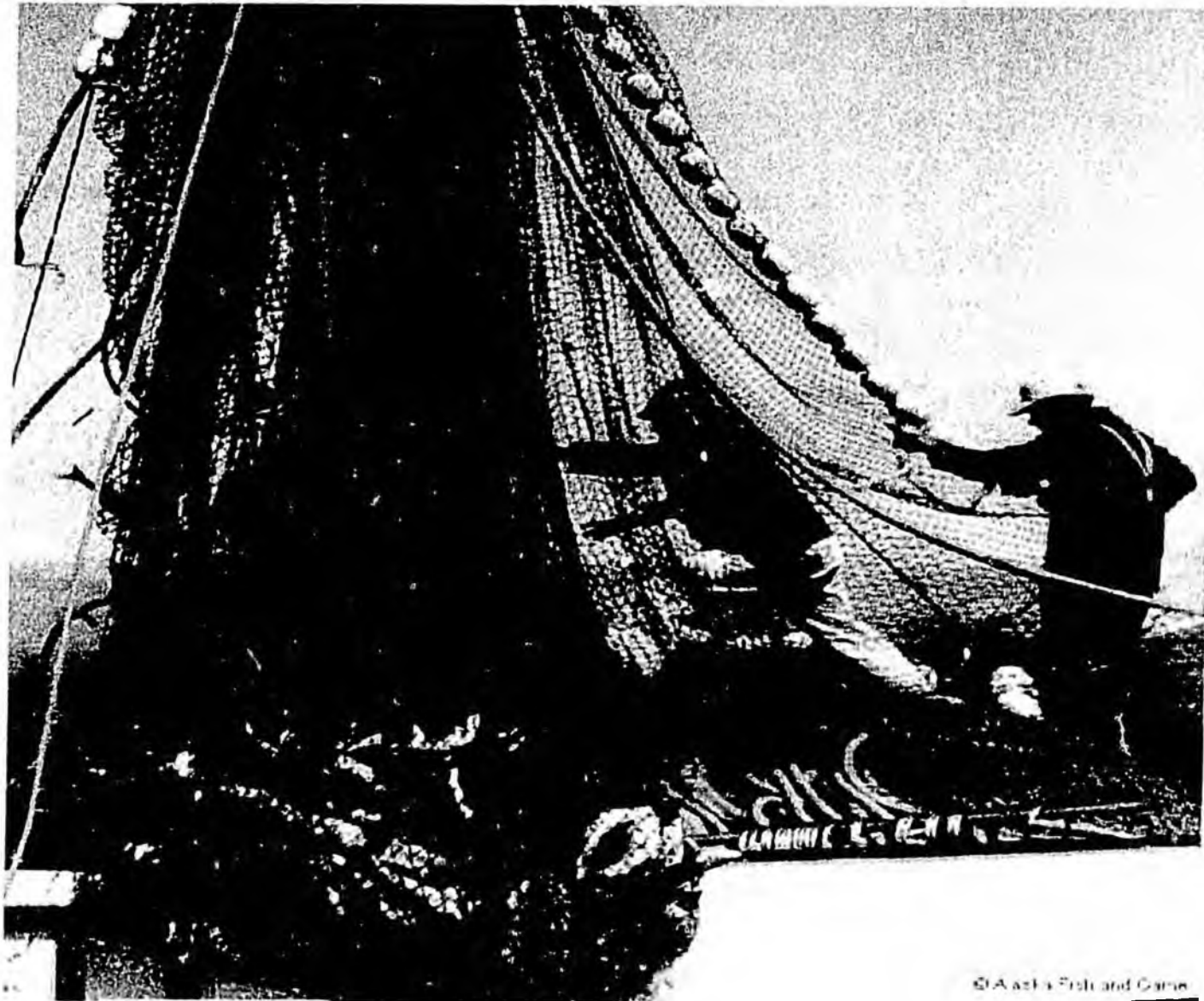


Copper Valley Development Association, Inc.

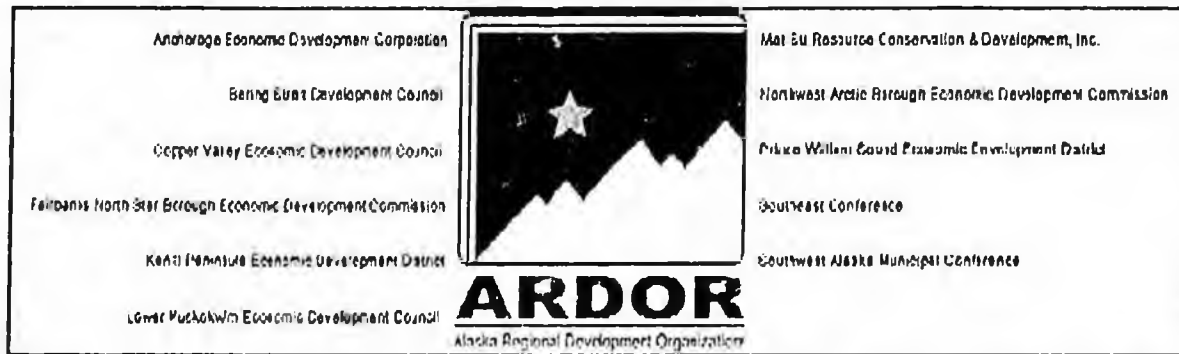
With support from:

*Environmental Protection Agency • State of Alaska • Chilina Traditional Indian Village Council
Bureau of Land Management • Natural Resources Conservation Service • Kenny Lake Soil &
Water Conservation District • National Park Service • ConocoPhillips Alaska • Local Landowners*

SWAMC Seafood Harvesting Labor Data Collection Project



© Alaska Fish and Game



STATE OF ALASKA ARDOR PROGRAM - The Alaska Legislature established the Alaska Regional Development Organization (ARDOR) Program in 1988.

- The ARDOR program receives \$650,000 annually. The State receives \$30,000 of this for administrative costs and the remainder is split, awarding each organization \$56,363, pending the States approval via an application process.
- The 11 designated ARDORs create a network of regional economic development organizations, representing numerous local public and private interests to plan and implement economic development at the regional level for both urban and rural Alaska.
- This program continues to play an integral role in driving local initiatives and furthering economic diversification in partnership with the State and other entities.
- The ARDOR program is the State's contribution to economic development in Alaska's urban and rural regions.

ARDOR PROGRAM GOALS - Each ARDOR represents a unique region and develops an annual work plan. The ARDOR program goals continue to be in line with the original intent of the Legislature. Program goals:

- Facilitate development of a healthy economy that results in sustainable business growth, attraction of new business investment, and further economic diversification in the State.
- Identify and eliminate regional economic development barriers.
- Develop and implement a comprehensive economic development strategy.
- Coordinate regional planning efforts resulting in the creation of new business opportunities.
- Achieve goals identified through regional processes; enable communities to pool their limited resources.
- Develop partnerships among public, private and other organizations.
- Establish a Board of Directors with 10-20 professional members constituting 150+ representatives of the region's economic, political and social interests, partnering to achieve a stronger economic base in their region.
- Provide technical assistance via direct links with local citizens.

RETURN ON THE STATE'S INVESTMENT - The ARDOR Program provides a positive fiscal impact by leveraging the funds received for economic development throughout the state's regions. In FY 07 funds were leveraged by nearly 800%, turning \$620,000 into \$4,476,914.

→ State ARDOR Program Funds	\$ 620,000
→ Other State Funds	\$ 259,561
→ Total Non-State Funds	\$1,904,076
→ Federal Funds	\$ 904,667
→ Private Sector Funds	\$1,108,558
→ Other Non-Federal Non State Funds	\$1,665,316
→ In-Kind Contributions	\$ 417,238
→ TOTAL ARDOR BUDGET	\$4,476,914

REAUTHORIZATION - The ARDOR Program is up for reauthorization by the Legislature July 1, 2008. The ARDOR Program has continuously been reauthorized by the Legislature for three year periods.

- THE ARDORs are recommending reauthorization for five years so that more effective long term planning can be accomplished.

PLEASE SUPPORT A 5 YEAR REAUTORIZATION OF THE STATE'S ARDOR PROGRAM FOR MORE EFFECTIVE LONG TERM PLANNING

ARDOR PROGRAM ACCOMPLISHMENTS – The ARDOR Program is responsible for many accomplishments over the years. Here is a representation of accomplishments and on-going activities from the 11 designated Alaska Regional Development Organizations:

- Provides technical training, financial literacy, credit reform, business planning, marketing strategies, and business start-up opportunity workshops. Services have been delivered to more than 650 individuals across the State.
- Hosts the Annual Economic Forecast Luncheon in Anchorage which was attended by more than 1000 local business and community leaders.
- Monitors fisheries regulatory, management, and marketing issues that impact Alaska fisheries and influence policies, management, and marketing initiatives to create a more stable fisheries economy in the regions. Over 250 seasonal jobs resulted; more fisherman bonuses were obtained from processors and substantial revenue to airlines and other local service providers was obtained.
- Supports Economic Development Administration (EDA) funding for development of community based seafood processing facilities, multipurpose facilities, harbor infrastructure projects and municipal services for increased job creation.
- Supports and assists in the promotion of regional economic development projects, natural resource products (salmon, mining, etc.) and, supported and promoted regional infrastructure expansion efforts (transportation, housing, etc.)
- Establishes E-Commerce Centers in rural villages to enable Alaska Native artists to sell their art globally to increase cash income in predominantly subsistence based economy regions, resulting in more than 400 participants. Eight E-Commerce Centers and an artist carving center have been established
- Creates Small Business Incubators; over 70 new Alaska jobs were created in one year. Multiple other small businesses created through business planning assistance.
- Markets ongoing regional tourism efforts and has resulted in increased businesses and inquiries by consumers, travel trade and travel media.
- Coordinates regional efforts and partners with more than 500 local, regional, private, municipal and State bodies to pool resources, decrease duplication of efforts and create new business opportunities.

ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS (ARDORS)

ANCH. ECONOMIC DEVELOPMENT CORPORATION
907/258-3700

BERING STRAIT DEVELOPMENT COUNCIL
907/443-4248

COPPER VALLEY DEVELOPMENT ASSOC.
907/822-5001

FAIRBANKS NORTH STAR BOROUGH ECONOMIC DEV. COMMISSION
907/459-1309

LOWER KUSKOKWIM ECONOMIC DEV. COUNCIL
907/543-5967

KENAI PENINSULA BOROUGH ECONOMIC DEV. DISTRICT
907/283-3335

MAT-SU RESOURCE CONSERVATION & DEVELOPMENT
907/373-1062

NORTHWEST ARCTIC BOROUGH ECONOMIC DEV. COMMISSION
907/442-2500

PRINCE WILLIAM SOUND ECONOMIC DEV. DISTRICT
907/222-2440

SOUTHEAST CONFERENCE
907/463-3445

SOUTHWEST ALASKA MUNICIPAL CONFERENCE
907/562-7380

STATE OF ALASKA DEPARTMENT OF COMMERCE, COMMUNITY AND ECONOMIC DEVELOPMENT
907/269-8104



RESOLUTION 2008-01

ARDOR JOINT RESOLUTION
 SUPPORTING STATE OF ALASKA ECONOMIC ASSISTANCE PROGRAM
 REAUTHORIZATION

WHEREAS, we are the recognized Alaska Regional Development Organizations (ARDORs) for the State of Alaska's Regional Economic Development Assistance Program; and

WHEREAS, the State's Regional Economic Development Assistance Program grant makes a significant portion of an ARDORs unencumbered budget available for ARDORs to use in pursuit of identified regional economic development goals; and

WHEREAS, this seed funding supplies an excellent source of match for grant funding from other sources and for projects that might not otherwise be undertaken, thus leveraging the state's investment; and

WHEREAS, the ARDORs in the state have made significant progress on economic development, as evidenced in annual reports summarizing cost effective achievement of regional economic development goals; and

WHEREAS, without this source of funding ARDORs would have to divert their energies from economic development to finding other funds to maintain their level of development; and

WHEREAS, many of the smaller ARDORs could be impacted to the point where they might have to dissolve if the program is not renewed, putting further hardship on rural areas that most need economic development; and

WHEREAS, the ARDORs participate fully in developing and implementing a five-year regional Comprehensive Economic Development Strategies, (CEDs), and

WHEREAS, the ARDORs are a critical partner in developing regional economies to help offset declines in traditional industry and commerce. Further, recognizing that the ARDOR program returns eight dollars in economic development efforts for every one dollar invested by the State of Alaska, thus realizing its goal of cost effective statewide economic development

NOW THEREFORE BE IT RESOLVED that the ARDORS urge the Governor and the Alaska State Legislature to reauthorize the ARDOR program for an additional five (5) years in the interest of more effective planning for economic development for all Alaskans.

PASSED AND ADOPTED by a duly constituted quorum by the directors of the following ARDORS on January 21, 2008.

Rob Hietala

Bering Strait Development Council

Jackie ...

Fairbanks North Star Borough

[Signature]

Kenai Peninsula Economic Development District

Michael ...

Southwest AK Municipal Conference

[Signature]

Southeast Conference Development

Carl Berger

Lower Kuskokwim Economic Council

[Signature]

Prince William Sound Economic Development District

Clair Scribner

Copper Valley Development Association

[Signature]

Anchorage Economic Dev. Corporation

[Signature]

Northwest Arctic Borough Economic Development Commission

Marty Meliva

Mat-Su Resource Conservation & Development, Inc



Sec. 44.33.895. Alaska regional economic assistance program. [See delayed repeal note].

(a) The department shall

(1) encourage the formation of regional development organizations by providing assistance in forming organizations to interested individuals, including information on how to qualify and apply for regional development grants and federal funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act of 1965), as amended;

(2) assist an interested individual in establishing boundaries for a proposed organization to ensure that the region

(A) is of sufficient geographic size and contains a large enough population to form an economically viable unit with shared interests, resources, traditions, and goals;

(B) contains at least one municipality that serves as a regional center; and

(C) contains the entire area of each municipality included in the region;

(3) gather information about regional economic issues, international trade, and tourism from organizations;

(4) serve as liaison between organizations and other state agencies and encourage other agencies to make resources available to help accomplish goals of the organizations;

(5) assist each organization to

(A) provide services designed to encourage economic development to local communities and businesses;

(B) collect and distribute economic information relevant to the region;

(C) participate in state marketing campaigns and join state trade missions that are relevant to the region; and

(D) develop and implement strategies to attract new industry, expand international trade opportunities, and encourage tourism within the region.

(b) Subject to (c) of this section, the department may make regional development grants to organizations for projects the department determines will be of value in encouraging economic development. During a fiscal year, the department may make no more than 15 grants and may only make grants to one organization from a particular region. An organization that is designated an economic development district under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall by regulation adopt procedures for applying for regional development grants, including application deadlines. The department may by regulation establish additional grant eligibility requirements.

(c) To qualify for a grant, a regional development organization must match the grant by providing an amount of money from nonstate sources. The department shall establish by regulation a formula that determines the amount of the match required under this subsection based on the capability of each organization to generate money from nonstate sources. The amount of match required may not exceed the amount of grant money and may not be less than 20 percent of the grant. The total amount of grant money provided to an organization during a fiscal year may not exceed \$100,000.

(d) There is established in the department the regional development fund consisting of appropriations to the fund. Money from the fund may be used only for regional development grants.

(e) In this section,

(1) "department" means the Department of Commerce, Community and Economic Development;

(2) "regional development organization" or "organization" means a nonprofit organization or nonprofit corporation formed to encourage economic development within a particular region of the state that includes the entire area of each municipality within that region and that has a board of directors that represents the region's economic, political, and social interests.

Article 12. ALASKA FOREST PRODUCTS RESEARCH AND MARKETING PROGRAM

Sec. 44.33.900. Alaska forest products research and marketing program.

(a) The Alaska Forest Products Research and Marketing Program is established in the Department of Commerce, Community, and Economic Development.

(b) The program is established to provide a statewide information clearinghouse and coordinator to gather and disseminate information relating to research and development, including technical, logistical, financing, marketing, and other relevant information regarding the manufacture of specific value-added wood products and the establishment of new high value-added manufacturing facilities in the state, and to assist in coordinating existing research and development efforts by state and federal agencies and other public and private entities.

(c) The program coordinator shall identify unfilled needs and problems impeding the development of a high value-added wood products industry in the state, gather information and conduct analyses, and propose solutions by exploring successful models in other states and nations.

Chapter 44.35. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Article 01. DEPARTMENT FUNCTIONS

Sec. 44.35.010. Adjutant general.

The principal executive officer of the Department of Military and Veterans' Affairs is the adjutant general.

Sec. 44.35.020. Duties and powers of department.

(a) The Department of Military and Veterans' Affairs shall

SB

254

SFIN

FILE

ALASKA REGIONAL DEVELOPMENT ORGANIZATIONS (ARDOR)

A Network:

- Regional economic development organizations
- Plan and implement regional economic development
- Represent both urban and rural Alaska
- Partner with State and others

ALASKA LEADERS

11 ARDORs

150 Board members

Experts in

- Health
- Transportation
- Tourism
- Chamber of Commerce
- Municipalities
- Natural resources
- Workforce development
- Education
- Fisheries
- Mining
- Native Corporations
- IRAs

ARDORs Partner to Develop Regional and State Economy

- ▶ Alaska Manufacturing Extension Partnership
- ▶ Denali Commission
- ▶ Economic Development Administration
- ▶ US Department of Agriculture
- ▶ US Small Business Administration
- ▶ UA Center for Economic Development
- ▶ Coordinates regional efforts and
More than 500 local, regional, private,
municipal and State organizations

ARDOR Information

- Established by Legislature in 1988
- Organizations certified as ARDORs
 - 11 ARDORs
 - Represent local and regional public & private organizations and interests
- Reauthorized every three years
- Funded through AIDEA Receives \$650,000 annually
 - \$56,363/organization
 - \$30,000 /state for administration



Return on the State's Investment 8:1

▶ State ARDOR Program Funds	\$ 650,000
▶ Other State Funds	\$ 239,561
▶ Total Non-State Funds	\$1,904,076
▶ Federal Funds	\$ 904,667
▶ Private Sector Funds	\$1,108,558
▶ Other Non-Federal /Non State Funds	\$1,665,316
▶ In-Kind Contributions	\$ 417,238

TOTAL ARDOR BUDGET

\$4,476,914



ARDOR REAUTHORIZATION REQUEST

- ◆ Program up for Legislative reauthorization
July 1, 2008

Typical reauthorization:

- Three years
- \$650,000 (\$56,363/ARDOR, \$30,000 / State)

ARDORs and partners recommend:

- Five year reauthorization
- \$650,000 (\$56,363/ARDOR, \$30,000 / State)

ARDOR PROGRAM ACCOMPLISHMENTS

- Provides training to 650 individuals statewide

 - Financial literacy

 - Business planning

 - Marketing strategies

 - Business start-up opportunity workshops

- Hosts Annual Economic Development luncheons/meetings

- Works on fisheries regulatory, management, and marketing issues – over 250 seasonal jobs created

- Develop and market

 - Regional tourism

 - Locally created art

 - Locally available natural resources



ARDOR PROGRAM ACCOMPLISHMENTS CONT.

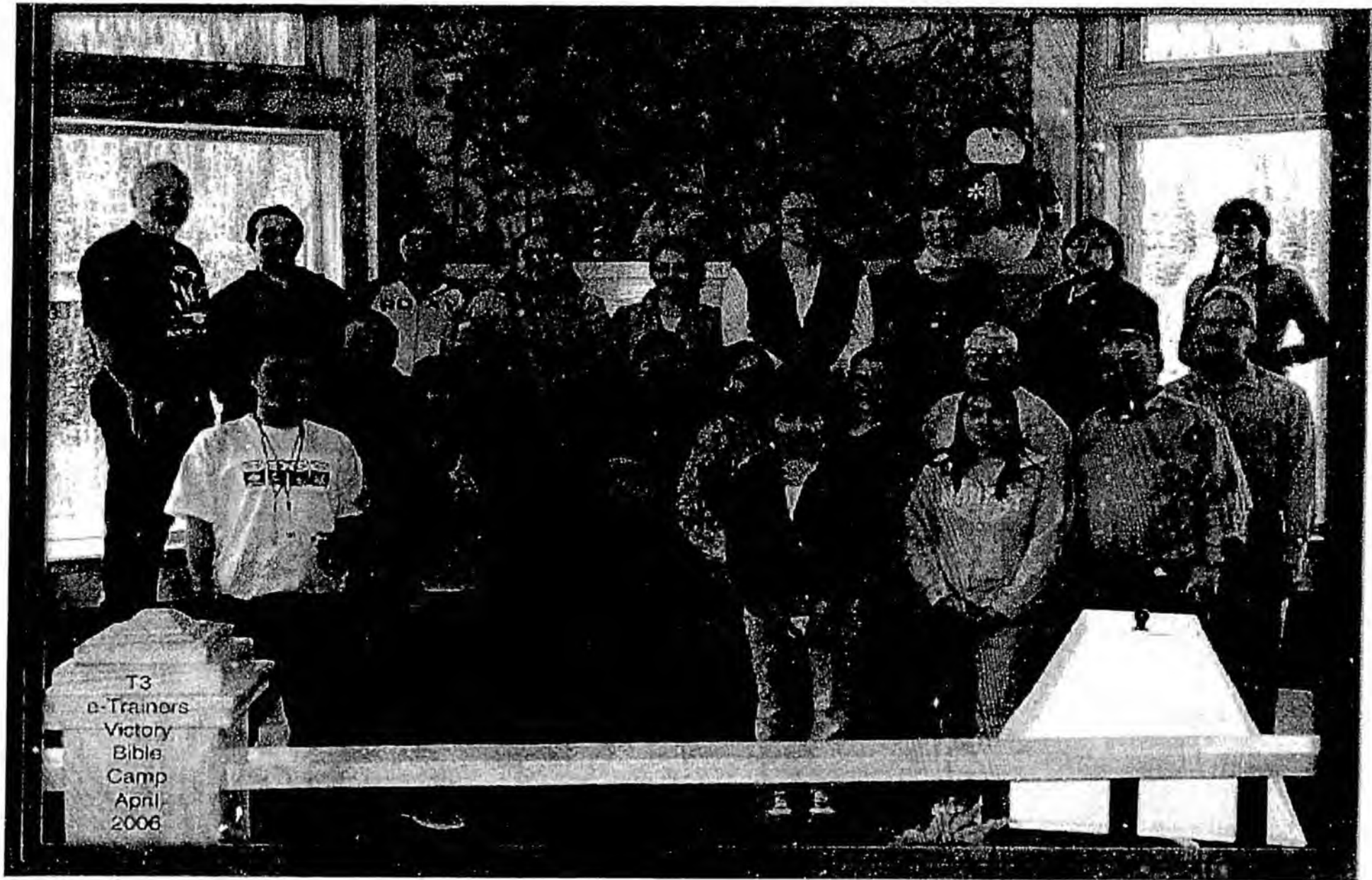
Support and assist in promotion of:

- Regional economic development projects
- Natural resource products (salmon, mining, etc.)
- Regional infrastructure expansion efforts (transportation, housing, etc.)

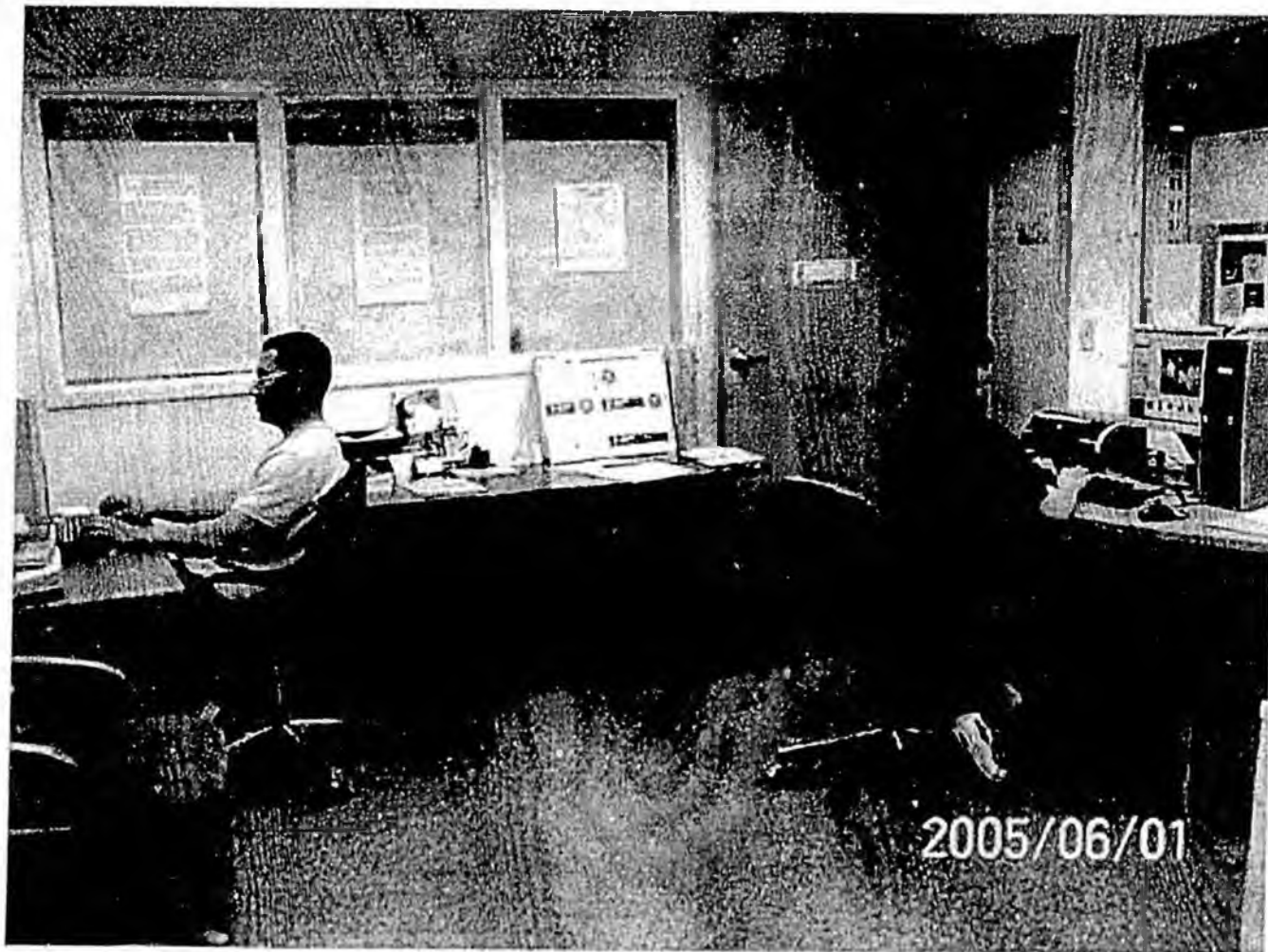
Worked with partners to develop

- Community based seafood processing facilities
- Multipurpose facilities
- Harbor infrastructure projects
- Municipal services for increased job creation
- Establish E-Commerce Centers
 - Developed 400 small business people

Bering Strait Development Council: E-Commerce Train the Trainer



BERING STRAIT DEVELOPMENT COUNCIL: E-Commerce Centers



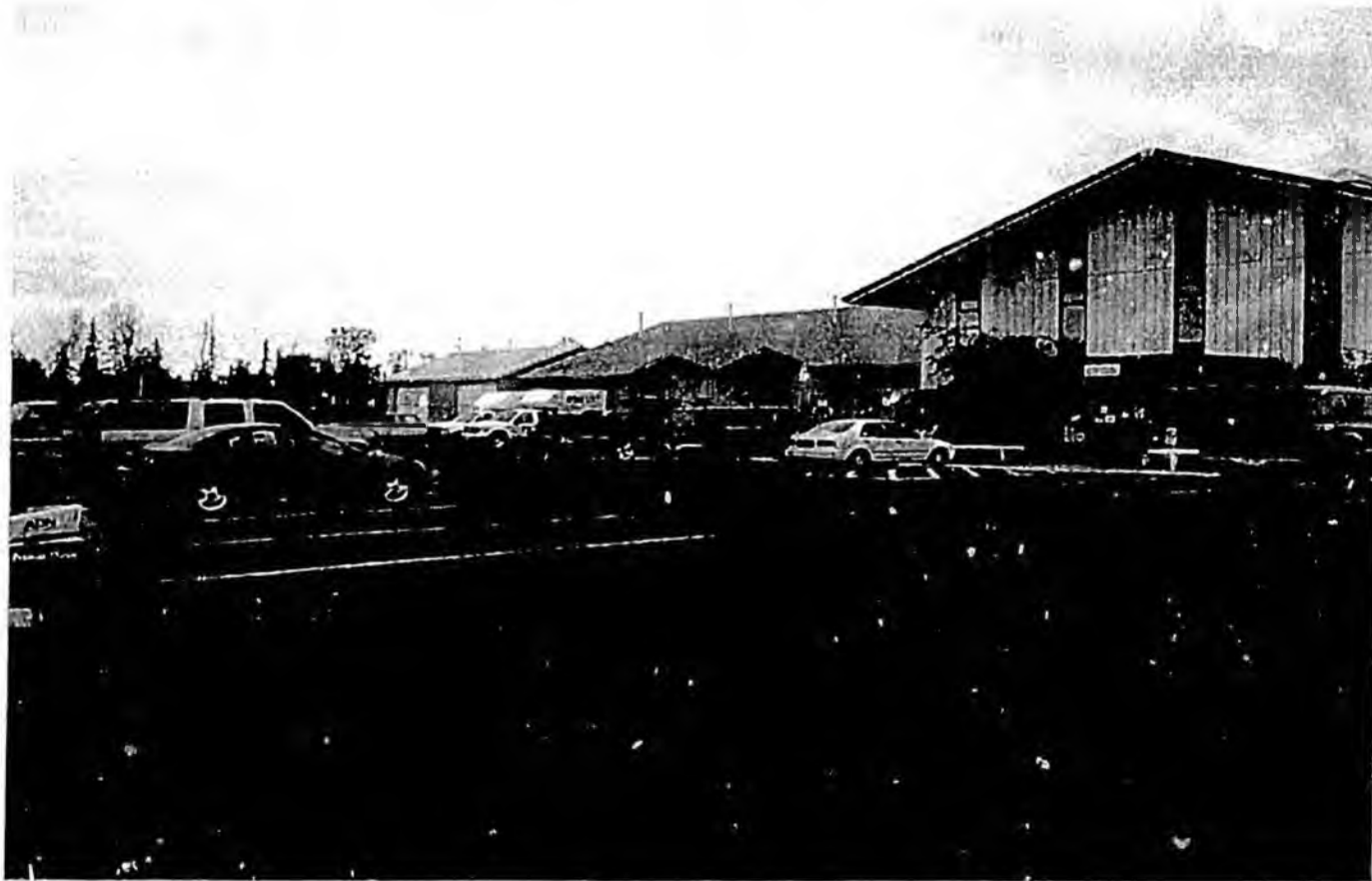
Copper Valley Development Association Arts & Agricultural Fair



FNSB Cold Climate Housing Research Center



Kenai Peninsula Economic Development District



Small Business Incubator created over 70 new
Alaska jobs in a year

Kenai Peninsula Economic Development District – Safety Classes



Lower Kuskokwim Economic Development Council: Planning Committee



Constructed Carving Center in Kotzebue



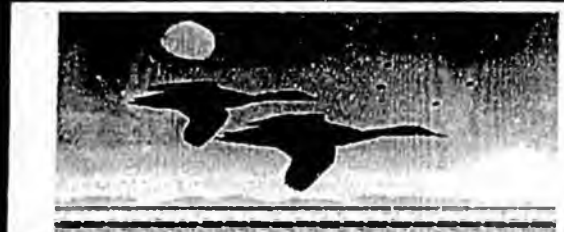
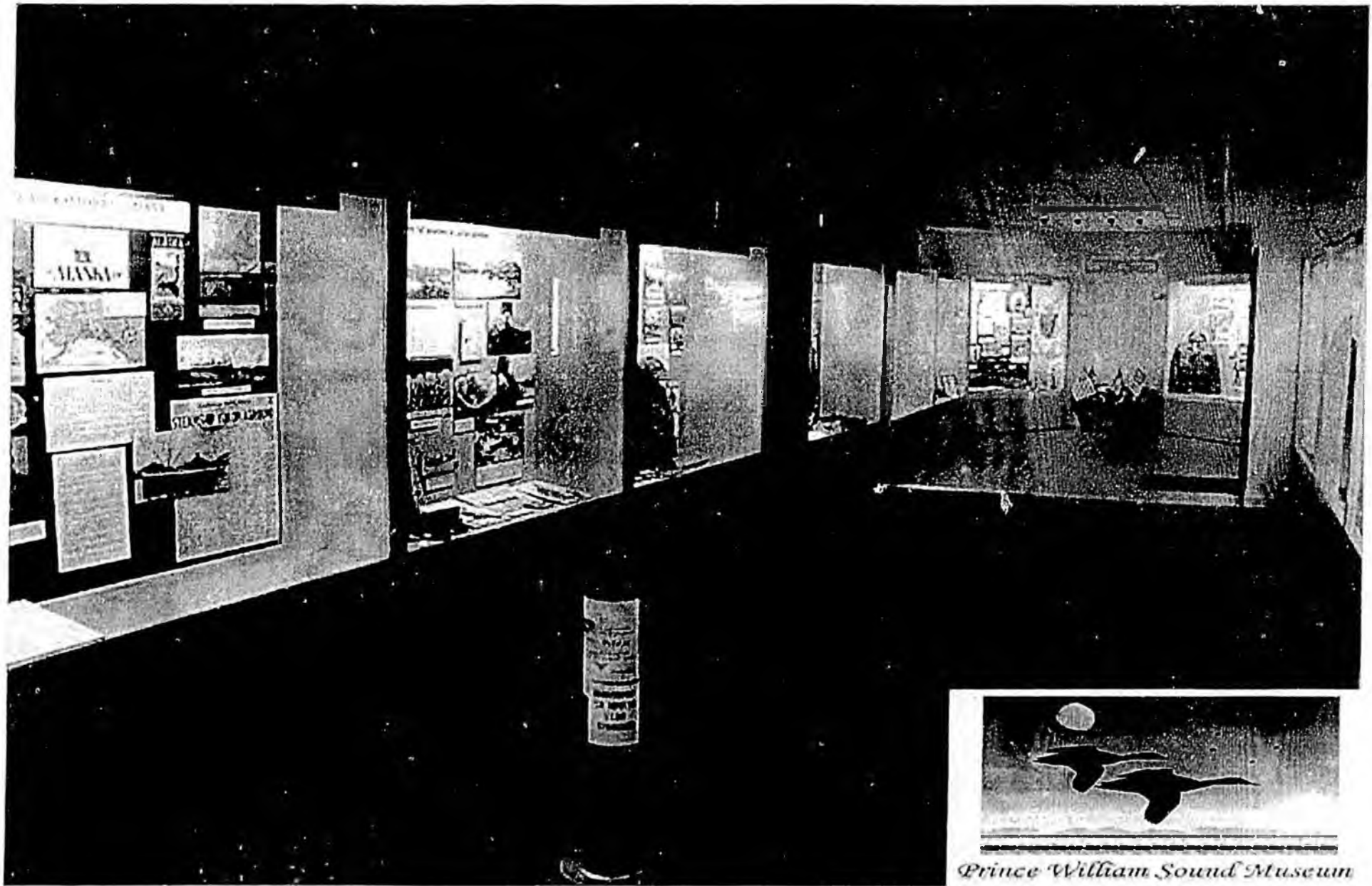
NORTHWEST ARCTIC BOUROUGH: Sulianich Arts Center Opening



Prince William Sound Museum - Before



Prince William Sound Museum - After



Prince William Sound Museum

Current ARDOR Projects:

- Copper Valley Development Association
 - Abandoned Vehicle and Scrap Metal Removal Project
- Fairbanks North Star Borough
 - Sustainable Energy Center
- Lower Kuskokwim: People's Learning Center
 - Vocational opportunities to residents
- Prince William Sound EDD
 - Valdez Fisheries cold storage plant using PetroStar waste heat
- Southeast Conference
 - Funding for Transportation in Southeast Alaska
- Southwest Municipal Conference
 - Seafood Harvesting Labor Data Collection Project



Abandoned Vehicle & Scrap Metal Removal Project



since 2004

1041 Vehicles

188 Tons of scrap metal

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420 Refrigerators

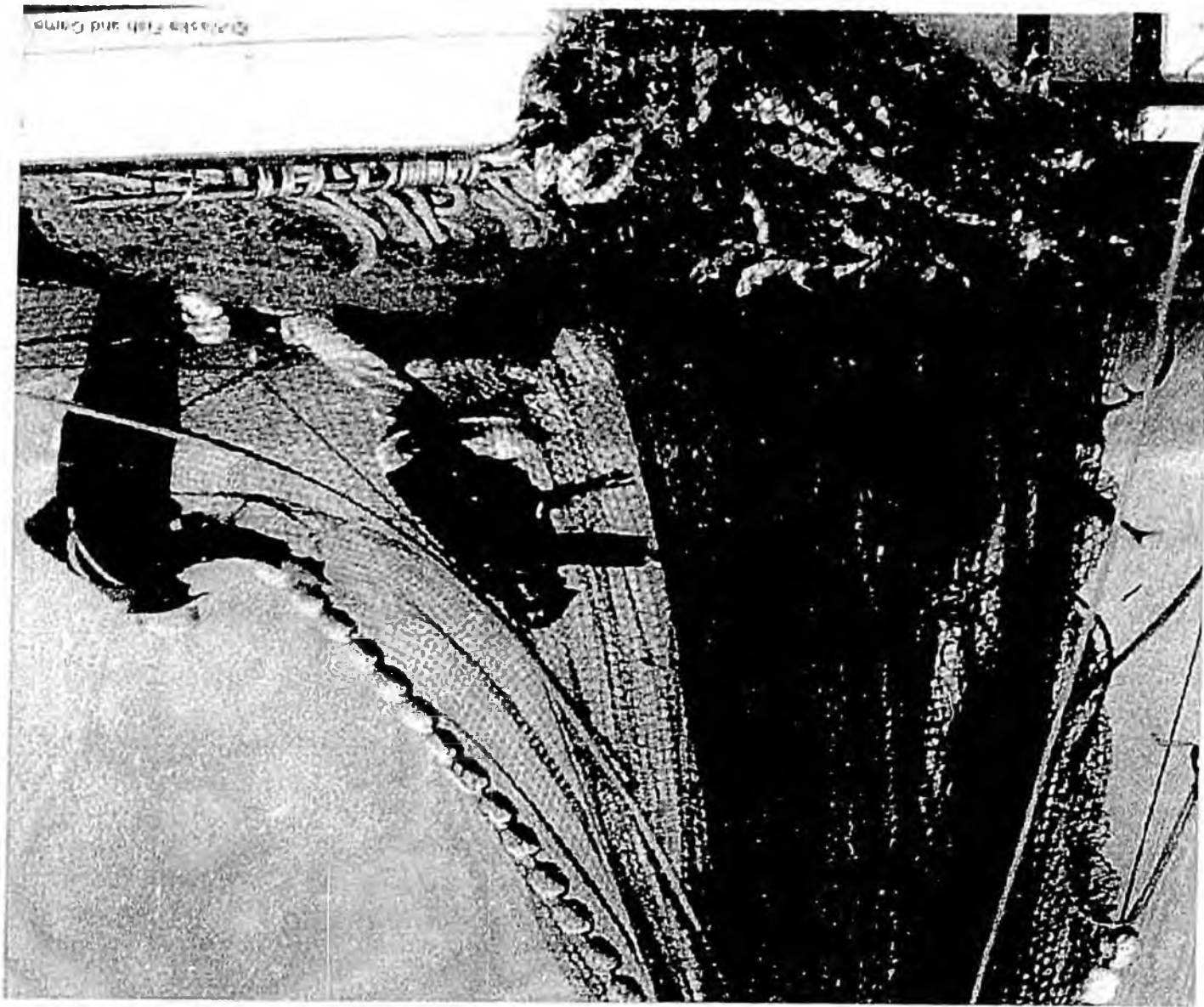
removed from the Copper Valley



Copper Valley Development Association, Inc.

With support from:

*Environmental Protection Agency • State of Alaska • Chitina Traditional Indian Village Council
Bureau of Land Management • Natural Resources Conservation Service • Kenny Lake Soil &
Water Conservation District • National Park Service • ConocoPhillips Alaska • Local Landowners*



SWAMC Seafood Harvesting
Labor Data Collection Project

sec

SENATE FINANCE COMMITTEE REPORT

DATE: 2/29/08

FURTHER:

DATE TURNED
IN TO OFFICE: 3/15/08

Finance Committee considered

SENATE BILL NO. 254

SB 254 AK REGIONAL ECONOMIC ASSISTANCE PROGRAM

"An Act extending the termination date of the Alaska regional economic assistance program; 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 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#
DCCED	2/4/08	✓			1
DCCED	2/4/08	✓			2

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	EITAN	✓			
	THOMAS	✓			
	DUZAN	✓			
	HUGGINS	✓			
	OLSON			✓	
CO-CHAIR:	HOFFMAN	✓			
CO-CHAIR:	SEAMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 254
(S) Publish Date: 2/29/08

Identifier (file name): SB254-CED-OED-02-04-08 Dept. Affected: DCCED
Title: AK Regional Economic Assistance Program RDU: Comm Assist & Ec Dev (405)
Sponsor: Huggins Component: Office of Economic Development
Requester: Senate Community & Regional Affairs Component Number: 2743

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	13.1	30.0	43.1	43.1	43.1	43.1		
Travel								
Contractual								
Supplies								
Equipment								
Land & Structures								
Grants & Claims	0.0	620.0	620.0	620.0	620.0	620.0		
Miscellaneous								
TOTAL OPERATING	13.1	650.0	663.1	663.1	663.1	663.1	663.1	0.0

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								
1007 Inter-agency Receipts	13.1	650.0	663.1	663.1	663.1	663.1	663.1	
TOTAL	13.1	650.0	663.1	663.1	663.1	663.1	663.1	0.0

Estimate of any current year (FY2008) cost: 0.0

POSITIONS

Full-time		0.5	0.5	0.5	0.5	0.5		
Part-time								
Temporary								

ANALYSIS: (Attach a separate page if necessary)

This legislation extends the Alaska Regional Economic Development Organizations (ARDORS) through June 30, 2013. An additional \$13.1 of AIDEA receipts would be transferred to the Office of Economic Development via inter-agency receipts from AIDEA to keep the position 50% funded by AIDEA. ARDORS are not subject to AS 08.03.020, therefore, funding is not extended one year following the termination date of the program.

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

Phone 907.269.4568
Date/Time 2/4/08 8:05 PM
Date 2/4/2008

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 2
Bill Version: SB 254
(S) Publish Date: 2/29/08

Identifier (file name): SB254-CED-AIDEA-02-04-08 Dept. Affected: DCCED
Title: AK Regional Economic Assistance Program RDU: AIDEA (125)
Component: AIDEA
Sponsor: Huggins
Requester: Senate Community & Regional Affairs Component Number: 1234

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		13.1	650.0	663.1	663.1	663.1	663.1	
Supplies								
Equipment								
Land & Structures								
Grants & Claims								
Miscellaneous								
TOTAL OPERATING		13.1	650.0	663.1	663.1	663.1	663.1	0.0

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

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

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							
1005 GF/Program Receipts							
1037 GF/Mental Health							
1102 AIDEA Receipts		13.1	650.0	663.1	663.1	663.1	663.1
TOTAL		13.1	650.0	663.1	663.1	663.1	663.1

Estimate of any current year (FY2008) cost: 650.0

POSITIONS

Full-time							
Part-time							
Temporary							

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

This legislation extends the Alaska Regional Economic Development Organizations (ARDORS) through Juno 30, 2013. An additional \$13.1 of AIDEA Receipts is requested to keep the position 50% funded by AIDEA. ARDORS are not subject to AS 08.03.020, therefore, funding is not extended one year following the termination date.

Prepared by: Sara Fisher-Goad, Deputy Director - Operations Phone: 907-771-3012
Division: Alaska Industrial Development and Export Authority Date/Time: 2/4/08 8:07 PM
Approved by: Emil R. Nutti, Commissioner Date: 2/4/2008
Commerce, Community, and Economic Development

ALASKA STATE LEGISLATURE

Senate District H
600 E. Railroad Avenue
Wasilla AK 99654
907-376-4866
907-373-4724 :Fax



State Capitol
Juneau AK 99801-1182
907-465-3878
Fax: 907-465-3265
800-862-3878

Charlie Huggins Senator

SPONSOR STATEMENT: SENATE BILL 254

"An Act extending the termination date of the Alaska regional economic assistance program; and providing for an effective date."

The Alaska Regional Economic Assistance Program was created by the Legislature in 1988 to promote the economic development of Alaska's urban and rural areas. This program enables the creation of Alaska Regional Development Organizations (ARDORs). Each ARDOR is guided and directed by a board of directors composed of the economic development interests in the region. To carry out their mission, the State provides funding in the form of grants for the ARDOR program. In turn, the ARDORs use that money to leverage, on average, eight times the State's investment in private, federal, and other funds.

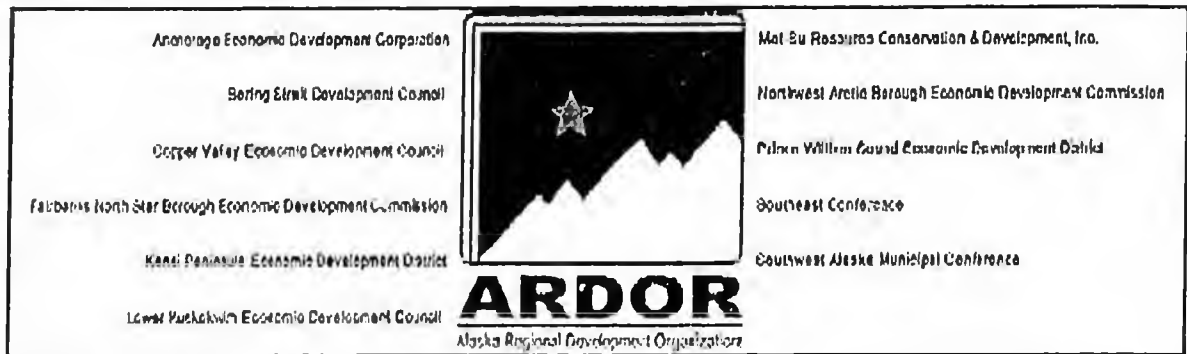
Currently, there are 11 ARDORs across the state. These ARDORs:

- Enable local officials and businesses to pool their limited resources and work together on economic development;
- Develop partnerships among public, private and other organizations; and
- Provide technical assistance via direct links with local citizens.

SB 254 is a companion bill to House Bill 272, which is sponsored by Rep. Bill Stoltze.

The Alaska Regional Economic Assistance Program and its ARDORs are an important part of the economic development of their regions. I ask your support in extending this program to 2013.

Contact: Jody Simpson
907.465.2661
Version 25-LS1367 \ A
January 28, 2008



STATE OF ALASKA ARDOR PROGRAM - The Alaska Legislature established the Alaska Regional Development Organization (ARDOR) Program in 1988.

- The ARDOR program receives \$650,000 annually. The State receives \$30,000 of this for administrative costs and the remainder is split, awarding each organization \$56,363, pending the States approval via an application process.
- The 11 designated ARDORs create a network of regional economic development organizations, representing numerous local public and private interests to plan and implement economic development at the regional level for both urban and rural Alaska.
- This program continues to play an integral role in driving local initiatives and furthering economic diversification in partnership with the State and other entities.
- The ARDOR program is the State's contribution to economic development in Alaska's urban and rural regions.

ARDOR PROGRAM GOALS - Each ARDOR represents a unique region and develops an annual work plan. The ARDOR program goals continue to be in line with the original intent of the Legislature. Program goals:

- Facilitate development of a healthy economy that results in sustainable business growth, attraction of new business investment, and further economic diversification in the State.
- Identify and eliminate regional economic development barriers.
- Develop and implement a comprehensive economic development strategy.
- Coordinate regional planning efforts resulting in the creation of new business opportunities.
- Achieve goals identified through regional processes; enable communities to pool their limited resources.
- Develop partnerships among public, private and other organizations.
- Establish a Board of Directors with 10-20 professional members constituting 150+ representatives of the region's economic, political and social interests, partnering to achieve a stronger economic base in their region.
- Provide technical assistance via direct links with local citizens.

RETURN ON THE STATE'S INVESTMENT - The ARDOR Program provides a positive fiscal impact by leveraging the funds received for economic development throughout the state's regions. In FY 07 funds were leveraged by nearly 800%, turning \$620,000 into \$4,476,914.

→ State ARDOR Program Funds	\$ 620,000
→ Other State Funds	\$ 239,561
→ Total Non-State Funds	\$1,904,076
→ Federal Funds	\$ 904,667
→ Private Sector Funds	\$1,108,558
→ Other Non-Federal/Non State Funds	\$1,665,316
→ In-Kind Contributions	\$ 417,238
→ TOTAL ARDOR BUDGET	\$4,476,914

REAUTHORIZATION - The ARDOR Program is up for reauthorization by the Legislature July 1, 2008. The ARDOR Program has continuously been reauthorized by the Legislature for three year periods.

- THE ARDORs are recommending reauthorization for five years so that more effective long term planning can be accomplished.

PLEASE SUPPORT A 5 YEAR REAUTHORIZATION OF THE STATE'S ARDOR PROGRAM FOR MORE EFFECTIVE LONG TERM PLANNING

ARDOR PROGRAM ACCOMPLISHMENTS -- The ARDOR Program is responsible for many accomplishments over the years. Here is a representation of accomplishments and on-going activities from the 11 designated Alaska Regional Development Organizations:

- Provides technical training, financial literacy, credit reform, business planning, marketing strategies, and business start-up opportunity workshops. Services have been delivered to more than 650 individuals across the State.
- Hosts the Annual Economic Forecast Luncheon in Anchorage which was attended by more than 1000 local business and community leaders.
- Monitors fisheries regulatory, management, and marketing issues that impact Alaska fisheries and influence policies, management, and marketing initiatives to create a more stable fisheries economy in the regions. Over 250 seasonal jobs resulted; more fisherman bonuses were obtained from processors and substantial revenue to airlines and other local service providers was obtained.
- Supports Economic Development Administration (EDA) funding for development of community based seafood processing facilities, multipurpose facilities, harbor infrastructure projects and municipal services for increased job creation.
- Supports and assists in the promotion of regional economic development projects, natural resource products (salmon, mining, etc.) and, supported and promoted regional infrastructure expansion efforts (transportation, housing, etc.)
- Establishes E-Commerce Centers in rural villages to enable Alaska Native artists to sell their art globally to increase cash income in predominantly subsistence based economy regions, resulting in more than 400 participants. Eight E-Commerce Centers and an artist carving center have been established
- Creates Small Business Incubators; over 70 new Alaska jobs were created in one year. Multiple other small businesses created through business planning assistance.
- Markets ongoing regional tourism efforts and has resulted in increased businesses and inquiries by consumers, travel trade and travel media.
- Coordinates regional efforts and partners with more than 500 local, regional, private, municipal and State bodies to pool resources, decrease duplication of efforts and create new business opportunities.

**ALASKA REGIONAL
DEVELOPMENT
ORGANIZATIONS
(ARDORS)**

ANCH. ECONOMIC
DEVELOPMENT
CORPORATION
907/258-3700

BERING STRAIT
DEVELOPMENT COUNCIL
907/443-4248

COPPER VALLEY
DEVELOPMENT ASSOC.
907/822-5001

FAIRBANKS NORTH STAR
BOROUGH ECONOMIC DEV.
COMMISSION
907/459-1309

LOWER KUSKOKWIM
ECONOMIC DEV. COUNCIL
907/543-5967

KENAI PENINSULA
BOROUGH ECONOMIC DEV.
DISTRICT
907/283-3335

MAT-SU RESOURCE
CONSERVATION &
DEVELOPMENT
907/373-1062

NORTHWEST ARCTIC
BOROUGH ECONOMIC DEV.
COMMISSION
907/442-2500

PRINCE WILLIAM SOUND
ECONOMIC DEV. DISTRICT
907/222-2440

SOUTHEAST CONFERENCE
907/463-3445

SOUTHWEST ALASKA
MUNICIPAL CONFERENCE
907/562-7380

STATE OF ALASKA
DEPARTMENT OF
COMMERCE, COMMUNITY
AND ECONOMIC
DEVELOPMENT
907/269-8104

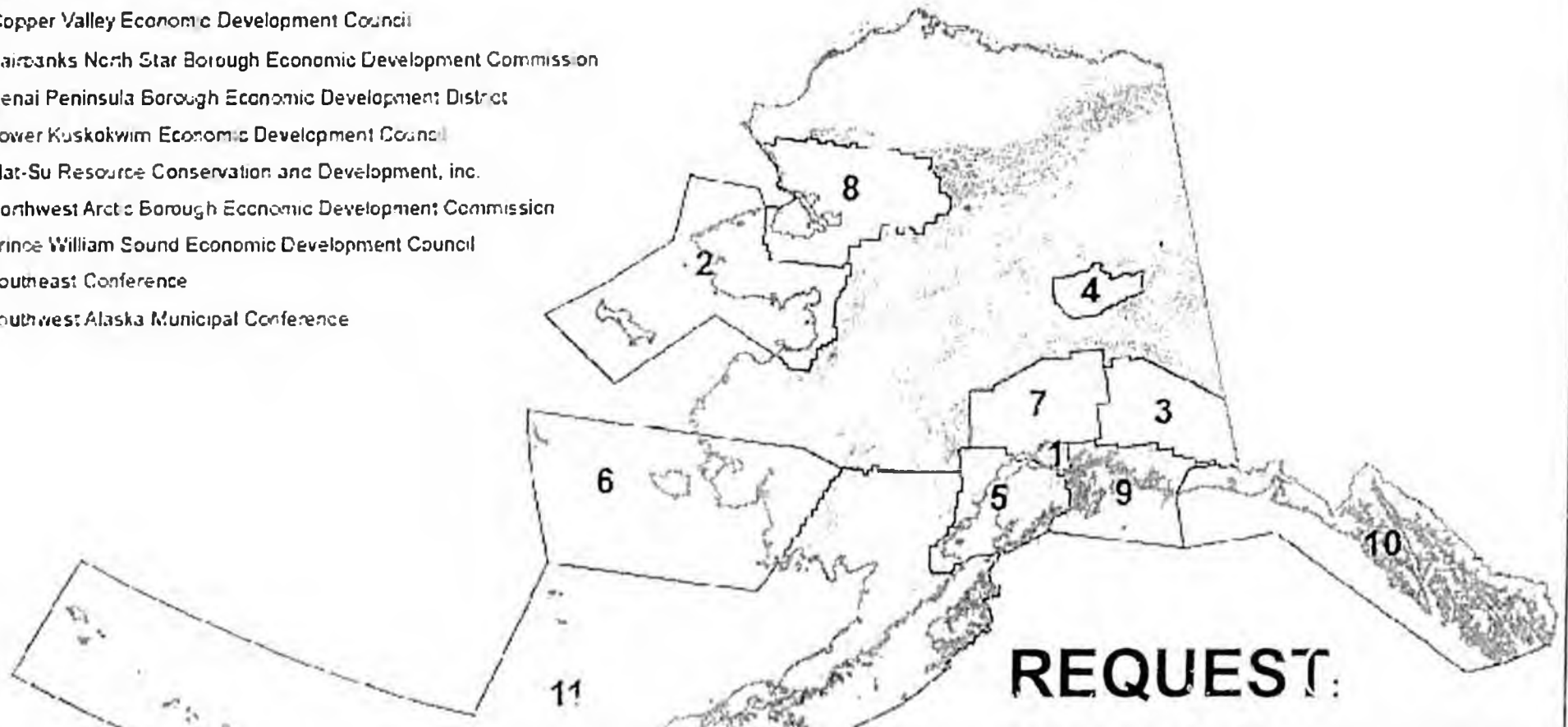
Alaska Regional Development Organizations (ARDORS)

Partners in developing our state and regional economies.

Legend

ARDORS

- 1** Anchorage Economic Development Corporation
- 2** Bering Straits Development Council
- 3** Copper Valley Economic Development Council
- 4** Fairbanks North Star Borough Economic Development Commission
- 5** Kenai Peninsula Borough Economic Development District
- 6** Lower Kuskokwim Economic Development Council
- 7** Mat-Su Resource Conservation and Development, inc.
- 8** Northwest Arctic Borough Economic Development Commission
- 9** Prince William Sound Economic Development Council
- 10** Southeast Conference
- 11** Southwest Alaska Municipal Conference



**FIVE YEAR REAUTHORIZATION
\$53,363 / ARDOR**

Anchorage Economic Development Commission
Denali Area Development Council
Copper Valley Economic Development Council
Fairbanks North Star Borough Economic Development Commission
Kodiak Island Economic Development District
Lower Kuskokwim Economic Development Council



Mat 24 Resource Conservation & Development, Inc.
Northwest Arctic Borough Economic Development Commission
Peters Wildlife Board Economic Development District
Southeast Conference
Southwest Alaska Municipal Conference

RESOLUTION 2008-01

ARDOR JOINT RESOLUTION SUPPORTING STATE OF ALASKA ECONOMIC ASSISTANCE PROGRAM REAUTHORIZATION

WHEREAS, we are the recognized Alaska Regional Development Organizations (ARDORs) for the State of Alaska's Regional Economic Development Assistance Program, and

WHEREAS, the State's Regional Economic Development Assistance Program grant makes a significant portion of an ARDORs unencumbered budget available for ARDORs to use in pursuit of identified regional economic development goals, and

WHEREAS, this seed funding supplies an excellent source of match for grant funding from other sources and for projects that might not otherwise be undertaken, thus leveraging the state's investment; and

WHEREAS, the ARDORs in the state have made significant progress on economic development, as evidenced in annual reports summarizing cost effective achievement of regional economic development goals; and

WHEREAS, without this source of funding, ARDORs would have to divert their energies from economic development to finding other funds to maintain their level of development, and

WHEREAS, many of the smaller ARDORs could be impacted to the point where they might have to dissolve if the program is not renewed, putting further hardship on rural areas that most need economic development; and

WHEREAS, the ARDORs participate fully in developing and implementing a five-year regional Comprehensive Economic Development Strategies, (CEDs), and

WHEREAS, the ARDORs are a critical partner in developing regional economies to help offset declines in traditional industry and commerce. Further, recognizing that the ARDOR program returns eight dollars in economic development efforts for every one dollar invested by the State of Alaska, thus realizing its goal of cost effective statewide economic development

NOW THEREFORE BE IT RESOLVED that the ARDORS urge the Governor and the Alaska State Legislature to reauthorize the ARDOR program for an additional five (5) years in the interest of more effective planning for economic development for all Alaskans

PASSED AND ADOPTED by a duly constituted quorum by the directors of the following ARDORS on January 21, 2008.

Bob Uebels

Bering Strait Development Council

Harold S. S. S. S.

Fairbanks North Star Borough

[Signature]

Kenai Peninsula Economic Development District

Michael Kato

Southwest AK Municipal Conference

[Signature]

Southeast Conference Development

Carl Berger

Lower Kuskokwim Economic Council

[Signature]

Prince William Sound Economic Development District

Clair Scribner

Copper Valley Development Association

[Signature]

Anchorage Economic Dev Corporation

[Signature]

Northwest Arctic Borough Economic Development Commission

Marty Melosa

Mat-Su Resource Conservation & Development, Inc.



Sec. 44.33.895. Alaska regional economic assistance program. [See delayed repeal note].

(a) The department shall

(1) encourage the formation of regional development organizations by providing assistance in forming organizations to interested individuals, including information on how to qualify and apply for regional development grants and federal funding under 42 U.S.C. 3121 - 3246 (Public Works and Economic Development Act of 1965), as amended;

(2) assist an interested individual in establishing boundaries for a proposed organization to ensure that the region

(A) is of sufficient geographic size and contains a large enough population to form an economically viable unit with shared interests, resources, traditions, and goals;

(B) contains at least one municipality that serves as a regional center; and

(C) contains the entire area of each municipality included in the region;

(3) gather information about regional economic issues, international trade, and tourism from organizations;

(4) serve as liaison between organizations and other state agencies and encourage other agencies to make resources available to help accomplish goals of the organizations;

(5) assist each organization to

(A) provide services designed to encourage economic development to local communities and businesses;

(B) collect and distribute economic information relevant to the region;

(C) participate in state marketing campaigns and join state trade missions that are relevant to the region; and

(D) develop and implement strategies to attract new industry, expand international trade opportunities, and encourage tourism within the region.

(b) Subject to (c) of this section, the department may make regional development grants to organizations for projects the department determines will be of value in encouraging economic development. During a fiscal year, the department may make no more than 15 grants and may only make grants to one organization from a particular region. An organization that is designated an economic development district under 42 U.S.C. 3171 qualifies for grants under this subsection. The department shall by regulation adopt procedures for applying for regional development grants, including application deadlines. The department may by regulation establish additional grant eligibility requirements.

(c) To qualify for a grant, a regional development organization must match the grant by providing an amount of money from nonstate sources. The department shall establish by regulation a formula that determines the amount of the match required under this subsection based on the capability of each organization to generate money from nonstate sources. The amount of match required may not exceed the amount of grant money and may not be less than 20 percent of the grant. The total amount of grant money provided to an organization during a fiscal year may not exceed \$100,000.

(d) There is established in the department the regional development fund consisting of appropriations to the fund. Money from the fund may be used only for regional development grants.

(e) In this section,

(1) "department" means the Department of Commerce, Community and Economic Development;

(2) "regional development organization" or "organization" means a nonprofit organization or nonprofit corporation formed to encourage economic development within a particular region of the state that includes the entire area of each municipality within that region and that has a board of directors that represents the region's economic, political, and social interests.

Article 12. ALASKA FOREST PRODUCTS RESEARCH AND MARKETING PROGRAM

Sec. 44.33.900. Alaska forest products research and marketing program.

(a) The Alaska Forest Products Research and Marketing Program is established in the Department of Commerce, Community, and Economic Development.

(b) The program is established to provide a statewide information clearinghouse and coordinator to gather and disseminate information relating to research and development, including technical, logistical, financing, marketing, and other relevant information regarding the manufacture of specific value-added wood products and the establishment of new high value-added manufacturing facilities in the state, and to assist in coordinating existing research and development efforts by state and federal agencies and other public and private entities.

(c) The program coordinator shall identify unfilled needs and problems impeding the development of a high value-added wood products industry in the state, gather information and conduct analyses, and propose solutions by exploring successful models in other states and nations.

Chapter 44.35. DEPARTMENT OF MILITARY AND VETERANS' AFFAIRS

Article 01. DEPARTMENT FUNCTIONS

Sec. 44.35.010. Adjutant general.

The principal executive officer of the Department of Military and Veterans' Affairs is the adjutant general.

Sec. 44.35.020. Duties and powers of department.

(a) The Department of Military and Veterans' Affairs shall

SB

255

HFIN

FILE

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: 1
Bill Version: SB 255
(S) Publish Date: 2/15/08

Identifier (file name): SB255-CED-AIDEA-02-05-08 Dept. Affected: DCCED
Title Snettisham Refunding Bonds RDU AIDEA (125)
Component AIDEA
Sponsor Elton
Requester Senate Finance Component Number 1234

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

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

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts								
1003 GF Match								
1004 GF								
1005 GF/Program Receipts								
1037 GF/Mental Health								
Other 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)*

Under AS 44.88.095(g) AIDEA has the authority to issue refunding bonds; however the statute does not provide sufficient clarity required by the bond markets to enable proceeds from the refunding bonds to be used to pay more than the outstanding balance of the existing bonds. The bill, if enacted, will enable the Authority to issue refunding bonds, the proceeds from which can be used to pay both the outstanding balance of the existing bonds and the costs of refinancing, funding reserves and other costs related to issuing the Snettisham refunding bonds.

Prepared by: Sara Fishergoad, Acting Executive Director
Division: Alaska Industrial Development and Export Authority
Approved by: Emil R. Notti, Commissioner
Commerce, Community, and Economic Development

Phone: 907.771.3012
Date/Time: 2/5/08 6:50 PM
Date: 2/5/2008



SENATOR KIM ELTON

SB 255 – Snettisham Refunding Bonds

Sponsor Statement

SB 255 authorizes the Alaska Industrial Development & Export Authority (AIDEA) to refund bonds for the Snettisham hydroelectric project in Southeast Alaska. If bond markets are favorable and the bonds meet both market and AIDEA financial tests, this refinancing will save money for ratepayers whose electricity comes from the Snettisham dam at no cost to the state.

In 1998, AIDEA bonded \$100 million to buy the Snettisham hydro project from a federal energy authority and construct project capital improvements. A private utility pays the debt service on those bonds and operates the project.

Recent trends in the financial markets suggest the debt can be refunded at significantly lower interest rates than the current debt. The utility operating the Snettisham project asked AIDEA to look into refinancing the debt by refunding the remaining bonds, which have an outstanding balance slightly over \$82 million. AIDEA's legal counsel advises that in order to roll the costs of issuing new bonds, along with premiums paid to retire the old bonds early, into the new bond issue, AIDEA must receive legislative authorization.

SB 255 provides an explicit statement of authority to refund the bonds. The bill provides a direct benefit to ratepayers in the form of lower electric bills in homes and businesses buying kilowatt hours generated at Snettisham.

I respectfully ask for your support.

ALASKA SENATE

STATE CAPITOL • JUNEAU, ALASKA 99801-4182 • (907) 465-4947 • FAX (907) 465-2108

SENATOR_KIM_ELTON@LEGIS.STATE.AK.US



February 1, 2008

The Honorable Kim Ellon
Alaska State Senate
State Capitol, Rm 506
Juneau, Alaska 99801-1182

Dear Senator Elton:

Thank you for introducing SB 255, an Act relating to refunding of certain outstanding bonds issued by the Alaska Industrial Development and Export Authority (AIDEA) concerning the Sneltisham hydroelectric project and related assets; and providing for an effective date.

SB 255 would authorize AIDEA to refund bonds for the Sneltisham hydroelectric project in Southeast Alaska, providing, at no cost to the state, additional savings to ratepayers whose electricity comes from the Sneltisham project.

In 1998, AIDEA issued \$100 million of revenue bonds to finance the acquisition of the Sneltisham hydroelectric project from the Alaska Power Administration, a federal agency, and the costs of construction and installation of capital improvements to the project. Alaska Electric Light and Power (AEL&P) operates the Sneltisham project and pays the debt service on the bonds. If interest rates are favorable, we anticipate that AEL&P will request AIDEA to refund the bonds as early as this fall. Although AIDEA statutes allow AIDEA to issue refunding bonds, counsel has advised that bond markets will require this legislative authorization to provide clarification that we may issue bonds above the par amount of the refunded bonds.

AIDEA's Deputy Director-Finance Valorie Walker is serving as primary agency contact for SB 255. Valorie may be reached at 907-771-3011. Thank you for introducing this legislation.

Sincerely,

ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY

Sara Fisher-Goad
Acting Executive Director

SFG/bjm

H:\AIDEA and ALA\LEGISLATION\BUDGET FOLD\RS\2008\Legislation and Budget\2008\State, Federal and Sneltisham_Bldg_Supplm02_01_2008.doc



ALASKA ELECTRIC LIGHT AND POWER COMPANY

(907) 780-2222 FAX (907) 463-3304
5601 Tongsgard Court, Juneau, AK 99801-7201

February 1, 2008

The Honorable Kim Elton
Alaska State Senate
State Capitol, Rm 506
Juneau, Alaska 99801-1182

Dear Senator Elton:

Thank you for introducing SB 255, relating to refunding of bonds issued by the Alaska Industrial Development and Export Authority (AIDEA) for the Snettisham hydroelectric project.

Alaska Electric Light and Power Company (AELP) supports this bill.

AELP operates the Snettisham project and pays the debt service on the bonds. If interest rates are favorable, we anticipate that AEL&P may request AIDEA to refund the bonds as early as this fall.

Debt service for the Snettisham project represents a significant portion of the cost to produce power for AELP's customers. SB 255 will provide the opportunity, at no cost to the state, for additional savings to AELP's ratepayers.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Tim McLeod', is written over a light blue circular stamp.

Tim McLeod
President
Alaska Electric Light and Power Company

SB

2555

SFIN

FILE

SENATE FINANCE COMMITTEE REPORT
First Committee of Referral

DATE: 1/30/08

FURTHER:

Date of 5-Day Notice: _____
 (in accordance with Uniform Rule 23)

DATE TURNED
 IN TO OFFICE: 2/14/08

Finance Committee considered SENATE BILL NO. 255

SB 255 SNETTISHAM REFUNDING BONDS

"An Act relating to refunding of certain outstanding bonds issued by the Alaska Industrial Development and Export Authority concerning the Snettisham hydroelectric project and related assets; 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 Intent
- further referral to _____ Committee

SENATE BILL:	
<input checked="" type="checkbox"/>	Same Title
<input type="checkbox"/>	New Title

HOUSE BILL:	
<input type="checkbox"/>	Same Title
<input type="checkbox"/>	Technical Title Change
<input type="checkbox"/>	New Title w/ SCR # _____

NEW FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#
CED	2/5			✓	

PREVIOUS FISCAL NOTE(S):

Department	Date	Fiscal	Indet.	Zero	FN#

APPROPRIATION - no fiscal note

SIGNATURES AND RECOMMENDATIONS:	PRINTED LAST NAME	DO PASS	DO NOT PASS	NO REC	AMEND
	Elb	✓			
	Thomas	✓			
	Huggins	✓			
	OLSON			✓	
CO-CHAIR:	HOFFMAN	X			
CO-CHAIR:	SEDMAN	✓			

FISCAL NOTE

STATE OF ALASKA
2008 LEGISLATIVE SESSION

Fiscal Note Number: _____
Bill Version: SB 255
() Publish Date: _____

Identifier (file name): SB255-CED-AIDEA-02-05-08 Dept. Affected: DCCED
Title Snettisham Refunding Bonds RDU AIDEA (125)
Component AIDEA
Sponsor Elton
Requester Senate Finance Component Number 1234

Expenditures/Revenues (Thousands of Dollars)

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

	Appropriation Required	Information					
		FY 2009	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014
OPERATING EXPENDITURES							
Personal Services							
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							
CHANGE IN REVENUES ()							

FUND SOURCE (Thousands of Dollars)

1002 Federal Receipts							
1003 GF Match							
1004 GF							
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1037 GF/Mental Health							
Other Intergency 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)

Under AS 44 88.095(g) AIDEA has the authority to issue refunding bonds; however the statute does not provide sufficient clarity required by the bond markets to enable proceeds from the refunding bonds to be used to pay more than the outstanding balance of the existing bonds. The bill, if enacted, will enable the Authority to issue refunding bonds, the proceeds from which can be used to pay both the outstanding balance of the existing bonds and the costs of refinancing, funding reserves and other costs related to issuing the Snettisham refunding bonds.

Prepared by: Sara Fishergood, Acting Executive Director
Division: Alaska Industrial Development and Export Authority
Approved by: Emil R. Noffi, Commissioner
Commerce, Community, and Economic Development

Phone 907 771.3012
Date/Time 2/5/08 6:50 PM
Date 2/5/2008



SENATOR KIM ELTON

SB 255 – Snettisham Refunding Bonds

9:10
3/22/07

Sponsor Statement

SB 255 authorizes the Alaska Industrial Development & Export Authority (AIDEA) to refund bonds for the Snettisham hydroelectric project in Southeast Alaska. If bond markets are favorable and the bonds meet both market and AIDEA financial tests, this refinancing will save money for ratepayers whose electricity comes from the Snettisham dam at no cost to the state.

In 1998, AIDEA bonded \$100 million to buy the Snettisham hydro project from a federal energy authority and construct project capital improvements. A private utility pays the debt service on those bonds and operates the project.

Recent trends in the financial markets suggest the debt can be refunded at significantly lower interest rates than the current debt. The utility operating the Snettisham project asked AIDEA to look into refinancing the debt by refunding the remaining bonds, which have an outstanding balance slightly over \$82 million. AIDEA's legal counsel advises that in order to roll the costs of issuing new bonds, along with premiums paid to retire the old bonds early, into the new bond issue, AIDEA must receive legislative authorization.

SB 255 provides an explicit statement of authority to refund the bonds. The bill provides a direct benefit to ratepayers in the form of lower electric bills in homes and businesses buying kilowatt hours generated at Snettisham.

I respectfully ask for your support.

ALASKA SENATE

STATE CAPITOL • JUNEAU, ALASKA 99801-1162 • (907) 465-4947 • FAX (907) 465-2108
SENATOR_KIM_ELTON@LEGIS.STATE.AK.US



February 1, 2008

The Honorable Kim Elton
Alaska State Senate
State Capitol, Rm 506
Juneau, Alaska 99801-1182

Dear Senator Elton:

Thank you for introducing SB 255, an Act relating to refunding of certain outstanding bonds issued by the Alaska Industrial Development and Export Authority (AIDEA) concerning the Snettisham hydroelectric project and related assets; and providing for an effective date.

SB 255 would authorize AIDEA to refund bonds for the Snettisham hydroelectric project in Southeast Alaska, providing, at no cost to the state, additional savings to ratepayers whose electricity comes from the Snettisham project.

In 1998, AIDEA issued \$100 million of revenue bonds to finance the acquisition of the Snettisham hydroelectric project from the Alaska Power Administration, a federal agency, and the costs of construction and installation of capital improvements to the project. Alaska Electric Light and Power (AEL&P) operates the Snettisham project and pays the debt service on the bonds. If interest rates are favorable, we anticipate that AEL&P will request AIDEA to refund the bonds as early as this fall. Although AIDEA statutes allow AIDEA to issue refunding bonds, counsel has advised that bond markets will require this legislative authorization to provide clarification that we may issue bonds above the par amount of the refunded bonds.

AIDEA's Deputy Director-Finance Valorie Walker is serving as primary agency contact for SB 255. Valorie may be reached at 907-771-3011. Thank you for introducing this legislation.

Sincerely,

ALASKA INDUSTRIAL DEVELOPMENT
AND EXPORT AUTHORITY

Sara Fisher-Goad
Acting Executive Director

SFG/bjmf

H:\AIDEA and ALASKA LEGISLATION & BUDGET FILES\2008 Legislation and Budget\FY09\Correspondence\SenElton_Snettisham_Bill_Support\02 01 2008.doc



ALASKA ELECTRIC LIGHT AND POWER COMPANY

(907) 780-2222 FAX (907) 463-3304
5601 Tongsgard Court, Juneau, AK 99801-7201

February 1, 2008

The Honorable Kim Elton
Alaska State Senate
State Capitol, Rm 506
Juneau, Alaska 99801-1182

Dear Senator Elton:

Thank you for introducing SB 255, relating to refunding of bonds issued by the Alaska Industrial Development and Export Authority (AIDEA) for the Snettisham hydroelectric project.

Alaska Electric Light and Power Company (AELP) supports this bill.

AELP operates the Snettisham project and pays the debt service on the bonds. If interest rates are favorable, we anticipate that AEL&P may request AIDEA to refund the bonds as early as this fall.

Debt service for the Snettisham project represents a significant portion of the cost to produce power for AELP's customers. SB 255 will provide the opportunity, at no cost to the state, for additional savings to AELP's ratepayers.

Sincerely,

A handwritten signature in cursive script, appearing to read 'Tim McLeod', is written over a light-colored background.

Tim McLeod
President
Alaska Electric Light and Power Company

SB

256

HFIN

FILE

d

HOUSE COMMITTEE REPORT

3-12-08

(11)

Date Referred to Committee: March 10, 2008

FURTHER REFERRALS:

Date of Committee Action: 3/12/08

Today's calendar

The FINANCE Committee considered:

CSSB 256(FIN) am(efd fld)

CS FOR SENATE BILL NO. 256(FIN) am(efd fld)

SUPPLEMENTAL/CAPITAL APPROPRIATIONS

"An Act making supplemental appropriations, capital appropriations, reappropriations, and other appropriations; making an appropriation to the senior benefits payment program; amending certain appropriations; ratifying certain expenditures; and making appropriations to capitalize funds."

Recommends it be replaced with [] HCS or [] CS for SF 256 (FIN)
For Senate Bills with new title: [] Technical Title [X] New Title: HCR [] Same Title [X] New Title

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

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

Table with 5 columns: List by Dept(s), *FN#, Fiscal, Indet., Zero. Title: NEW FISCAL NOTES

Table with 5 columns: List by Dept(s), FN#, Fiscal, Indet., Zero. Title: PREVIOUS FISCAL NOTES

Table with 6 columns: Signing with recommendations, Printed Last Name, DP, DNP, NR, AM. Includes handwritten signatures and initials.

adopted

25-GS2009W
Kane
3/10/08

HOUSE CS FOR CS FOR SENATE BILL NO. 256(FIN)
IN THE LEGISLATURE OF THE STATE OF ALASKA
TWENTY-FIFTH LEGISLATURE - SECOND SESSION

BY THE HOUSE FINANCE COMMITTEE

Offered:
Referred:

Sponsor(s): SENATE RULES COMMITTEE BY REQUEST OF THE GOVERNOR

A BILL

FOR AN ACT ENTITLED

1 "An Act making supplemental appropriations, capital appropriations, reappropriations,
2 and other appropriations; making an appropriation to the senior benefits payment
3 program; amending certain appropriations; ratifying certain expenditures; making
4 appropriations to capitalize funds; and providing for an effective date."

5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

6 (SECTION 1 OF THIS ACT BEGINS ON PAGE 2)

1 * Section 1. (a) If a collective bargaining agreement listed in (b) of this section is not ratified
 2 by the membership of the respective collective bargaining unit, the appropriations made in
 3 this section that are applicable to that collective bargaining agreement are reduced
 4 proportionately by the amount for that collective bargaining agreement, and the corresponding
 5 funding source amounts are reduced accordingly. The appropriations made in this section
 6 relating to nonunion employee salaries and benefits are contingent upon passage and
 7 enactment into law in 2008 of a version of HB 417 or SB 297.

8

9 (b) The following appropriations are for salary and benefit adjustments for public officials,
 10 officers, and employees of the executive branch, Alaska Court System employees, and
 11 employees of the legislature, and to implement the terms of the collective bargaining
 12 agreements of the General Government Unit and the Supervisory Unit, as set out in section 2
 13 of this Act for the fiscal year ending June 30, 2008.

	Appropriation	General	Other
	Allocations	Funds	Funds
	Items		
	*****	*****	
	***** Department of Administration *****		
	*****	*****	
19	Centralized Administrative	736,100	404,000
20	Services		332,100
21	Office of Administrative	58,500	
22	Hearings		
23	Office of the Commissioner	28,600	
24	Administrative Services	65,900	
25	DOA Information Technology	37,600	
26	Support		
27	Finance	109,800	
28	State Travel Office	11,200	
29	Personnel	9,100	
30	Labor Relations	4,900	
31	Purchasing	40,700	

		Appropriation	General	Other
		Allocations	Funds	Funds
		Items		
1				
2				
3	Property Management	15,000		
4	Central Mail	19,600		
5	Retirement and Benefits	335,200		
6	Leases		28,400	3,700
7	Lease Administration	32,100		
8	State Owned Facilities		20,200	10,900
9	Facilities Administration	31,100		
10	Enterprise Technology Services		457,500	
11	Enterprise Technology	457,500		
12	Services			
13	Risk Management			22,500
14	Risk Management	22,500		
15	Alaska Oil and Gas			77,200
16	Conservation Commission			
17	Alaska Oil and Gas	77,200		
18	Conservation Commission			
19	Legal and Advocacy Services		1,185,600	400
20	Office of Public Advocacy	488,300		
21	Public Defender Agency	697,700		
22	Violent Crimes Compensation		9,900	
23	Board			
24	Violent Crimes Compensation	9,900		
25	Board			
26	Alaska Public Offices		37,500	
27	Commission			
28	Alaska Public Offices	37,500		
29	Commission			
30	Motor Vehicles		1,500	341,000
31	Motor Vehicles	342,500		

	Appropriation		General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	*****		*****	
4	*****	Department of Commerce, Community and Economic Development		*****
5	*****		*****	
6	Executive Administration		170,200	47,400
7	Commissioner's Office	27,500		122,800
8	Administrative Services	142,700		
9	Community Assistance &		245,500	92,200
10	Economic Development			153,300
11	Community Advocacy	199,800		
12	Office of Economic	45,700		
13	Development			
14	Investments		110,800	110,800
15	Investments	110,800		
16	Alaska Aerospace Development		142,500	142,500
17	Corporation			
18	Alaska Aerospace	55,000		
19	Development Corporation			
20	Alaska Aerospace	87,500		
21	Development Corporation			
22	Facilities Maintenance			
23	Alaska Industrial Development		277,300	277,300
24	and Export Authority			
25	Alaska Industrial	277,300		
26	Development and Export			
27	Authority			
28	Alaska Energy Authority		85,100	85,100
29	Alaska Energy Authority	85,100		
30	Rural Energy Operations			
31	Alaska Seafood Marketing		77,700	77,700
32	Institute			
33	Alaska Seafood Marketing	77,700		

		Appropriation	General	Other
	Allocations	Items	Funds	Funds
1				
2				
3	Institute			
4	Banking and Securities	57,900		57,900
5	Banking and Securities	57,900		
6	Community Development Quota	4,800		4,800
7	Program			
8	Community Development Quota	4,800		
9	Program			
10	Insurance Operations	159,800		159,800
11	Insurance Operations	159,800		
12	Corporations, Business and	208,700		208,700
13	Professional Licensing			
14	Corporations, Business and	155,900		
15	Professional Licensing			
16	Office of Consumer Affairs	52,800		
17	& Investigations			
18	Regulatory Commission of	215,500		215,500
19	Alaska			
20	Regulatory Commission of	215,500		
21	Alaska			
22	Alaska State Community	9,200	5,600	3,600
23	Services Commission			
24	Alaska State Community	9,200		
25	Services Commission			
26	*****	*****		
27	***** Department of Corrections *****			
28	*****	*****		
29	Administration and Operations	210,400	210,400	
30	Office of the Commissioner	34,500		
31	Correctional Academy	11,900		
32	Administrative Services	85,500		
33	Information Technology MIS	48,200		

		Appropriation		General	Other
		Allocations	Items	Funds	Funds
1					
2					
3	Research and Records	14,300			
4	Mega Prison Project	16,000			
5	Population Management		1,302,600	1,272,100	30,500
6	Facility-Capital	19,600			
7	Improvement Unit				
8	Offender Habilitation	34,500			
9	Programs				
10	Classification and Furlough	50,700			
11	Out-of-State Contractual	16,300			
12	Institution Director's	20,100			
13	Office				
14	Prison Employment Program	17,800			
15	Anchorage Correctional	161,900			
16	Complex				
17	Anvil Mountain Correctional	35,200			
18	Center				
19	Combined Hiland Mountain	58,300			
20	Correctional Center				
21	Fairbanks Correctional	60,400			
22	Center				
23	Ketchikan Correctional	36,400			
24	Center				
25	Lemon Creek Correctional	51,500			
26	Center				
27	Matanuska-Susitna	22,000			
28	Correctional Center				
29	Palmer Correctional Center	58,900			
30	Spring Creek Correctional	102,000			
31	Center				
32	Wildwood Correctional Center	62,000			
33	Yukon-Kuskokwim	33,600			