

ALASKA LEGISLATURE COMMITTEE FILES 2007-2008 SJUD 12594

- ◆ Minnesota—First Offense—Fine of up to \$100 or jail term of up to ninety days.
- ◆ North Dakota—Fine up to \$150 plus license suspension and registration revocation
- ◆ Ohio—First Offense—Suspension of license for ninety days plus reinstatement fee of \$75.
- ◆ Oregon—License suspension or revocation.
- ◆ Rhode Island—First offense is \$500 fine and/or 3 months suspension of license or registration
- ◆ Texas—First offense is a fine of \$175 to \$300. Subsequent convictions, \$350 to \$1,000, suspension of license, and impoundment of vehicle.
- ◆ Washington—Fine of up to \$250.
- ◆ Wyoming—Fine up to \$750 plus jail term up to 6 months.

We hope this information is helpful. Please call if you have questions or need additional information.

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Division of Motor Vehicles

State of Alaska - Administration - DMV - Mandatory Insurance

Mandatory Insurance Suspension

Alaska has both Mandatory Insurance and Financial Responsibility laws. The purpose of these laws is to ensure that drivers and owners of vehicles using the streets and highways are financially responsible for any damage or injury caused by motor vehicle collisions and to remove financially irresponsible drivers from the highways.

The mandatory insurance law requires the operator or owner of a motor vehicle subject to registration to have motor vehicle liability insurance in effect when the vehicle is driven on a highway, vehicular way or area, or other public property in the state. The owner's or driver's motor vehicle liability insurance policy must meet the minimum coverage amounts required by law. The minimum coverage amounts are \$50,000.00 for injuries or death to any one person, \$100,000.00 for total injuries or death per collision, and \$25,000.00 for property damages.

A driver who has been involved in a collision, regardless of fault, is required to show proof of motor vehicle liability insurance if the collision resulted in personal injury or death, or damage to property exceeding \$500.00. A driver may show proof by completing the Certificate of Insurance form provided by the investigating police office at the collision scene. The form is also available from any Division of Motor Vehicles Office.

The Division of Motor Vehicles must suspend the driver's license, privilege to drive or privilege to obtain a license of drivers who fail to provide proof of liability insurance. The suspension period can be 90 days to 1 year depending on prior license actions. The license suspension will occur even if the driver is not at fault in the collision.

A person may apply for a limited work purpose license during the suspension period. The application for mandatory insurance limited license may be obtained at any Division of Motor Vehicle Office. There is not a fee for this specific type of limited license due.

Drivers must reinstate their privilege to drive at the end of their suspension period.

A person's license may also be suspended for non-compliance with the Financial Responsibility law.

If you have additional questions you can call, write, e-mail or visit a DMV office.

DOA DMV JDL@Alaska.gov



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**STATE OF ALASKA - DIVISION OF MOTOR VEHICLES
CERTIFICATE OF INSURANCE**

CRASH INFORMATION	Crash Date: _____ Location: _____
DRIVER	Name: _____ Date of Birth: _____ License #: _____ State: _____ Mailing Address: _____ Street or Box _____ City _____ State _____ Zip _____
OWNER OF VEHICLE	Name: _____ Date of Birth: _____ License #: _____ State: _____ Mailing Address: _____ Street or Box _____ City _____ State _____ Zip _____
VEHICLE	Year: _____ Make: _____ Model: _____ License Plate #: _____ VIN: _____
INSURANCE	Was an automobile liability policy in effect covering this crash? YES <input type="checkbox"/> NO <input type="checkbox"/> Name of Insurance Company: _____ Policy Number: _____ Name and Address of Policyholder: _____ Policy Period: From _____ To _____
SIGNATURE	Your Signature: _____ Date: _____
Do not write below this line. The Division of Motor Vehicles will contact your Insurance Company.	

Insurance Verification: If the motor vehicle liability insurance policy listed above was not in effect for the motor vehicle listed at the time of the crash indicated above, the insurance company is to complete the following and return this form to the Division of Motor Vehicles at the address listed on the reverse of this form. If indicated coverage was in effect at the time of the accident, no action is required.

REASON FOR DENIAL:

- | | | |
|---|---|--|
| <input type="checkbox"/> Policy Expired Before Crash | <input type="checkbox"/> Policy Number Given is Incorrect | <input type="checkbox"/> Lapse in Policy |
| <input type="checkbox"/> Policy Effective After Crash | <input type="checkbox"/> Driver Not Covered on Policy | <input type="checkbox"/> Other _____ |

Signature of Authorized Representative _____ Date _____

CUT ON LINE ABOVE. RETURN TOP PORTION ONLY.

MANDATORY INSURANCE AND FINANCIAL RESPONSIBILITY NOTICE

If the actual or estimated damages of any one person's property involved in the crash exceeds \$501.00, or if there is any personal injury or death, you are subject to the Alaska mandatory insurance and financial responsibility laws. The mandatory insurance laws require you to file proof of insurance with the State of Alaska. Failure to do so will result in the suspension of your driver's license.

The financial responsibility laws require a person to show financial responsibility by one of the following methods: (1) an automobile liability insurance policy in effect at the time of the crash; (2) a release of liability; (3) a settlement agreement and proof of future financial responsibility (SR22 insurance); (4) a deposit of security and proof of future financial responsibility (SR22 insurance); (5) a finding of no liability by the court in a civil action (a finding of not guilty of a traffic citation does not apply). Failure to show financial responsibility by one of the listed methods will also result in the suspension of your driver's license for a period of 3 years if there is a possibility you are liable.

After any suspension you must show future financial responsibility (SR22 insurance), and pay a reinstatement fee of \$100.00 to \$500.00, in addition to the fee for the license being requested, to have your driving privileges restored. A notice of suspension returned by the post office because of an incorrect address on your driver license or DMV records will not invalidate the suspension if the notice was mailed to the last address you provided to DMV.

IMPORTANT: THE FORM ON THE REVERSE MUST BE FILLED IN AND SENT TO THE DIVISION OF MOTOR VEHICLES WITHIN 15 DAYS FROM THE DATE OF THE CRASH. A participant's accident report is also required if the crash was not investigated by a peace officer, and the total amount of damage exceeds \$2,000.00, or there was personal injury.

Mail Completed Form To:

**STATE OF ALASKA
DIVISION OF MOTOR VEHICLES
ATTN: DRIVER LICENSING
PO BOX 110221
JUNEAU AK 99811-0221
(907) 465-4361**

HEB

354

ALASKA STATE HOUSE OF REPRESENTATIVES

**Contact:**

Mailing Address:

3340 Badger Road
North Pole, AK 99705
(907)-488-5725
Fax# (907)-488-4271

Session

(907)-465-3719
FAX# (907)-465-3258
State Capitol
Room 204

REPRESENTATIVE JOHN COGHILL

MEMORANDUM

Date: April 1, 2008

To: Senator Hollis French, Chairman
Senate Judiciary Committee

From: Representative John Coghill *RW Moore*

Re: HB 354 Hearing Request

I am requesting a hearing for HB 354, "An Act relating to subsidies for a hard-to-place child; relating to criminal sanctions for unlawful disclosure of confidential information pertaining to a child; relating to child support orders in child-in-need-of-aid and delinquency proceedings; and providing for an effective date" at your earliest convenience. Attached is the legislation and backup for committee members.

Thank you for your consideration.

ALASKA STATE HOUSE OF REPRESENTATIVES

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Fax# (907)-488-4271**

Session

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State Capitol
Room 204**

REPRESENTATIVE JOHN COGHILL

HB 354 OCS Revisions

SPONSOR STATEMENT

This legislation was introduced at the request of Department of Law and the Office of Children's Services to address three issues of concern.

First the bill transfers to the department authority to adopt regulations to set the amount and length of time that a subsidy for a hard-to-place child may be granted. Currently that decision is made by the commissioner of HSS without clear guidelines to be consistent with eligibility. Also, with current statutory language the department could be determined to be required to give a subsidy for children from birth to three years old, even when the department determines there would not be a need for a subsidy.

Second, the bill clarifies that an employee can be charged with a misdemeanor for disclosing confidential or privileged information when that confidential information has been disclosed to them under AS 47.10.092(f), Disclosure to certain public officials and employees.

Third, Secs. 3 and 4 allow OCS could obtain child support orders for minors in state custody under CINA and delinquent minor statutes through administrative support orders by the Child Support Services Division. OCS currently uses this practice but they don't have the statutory authority.

The HESS Committee Substitute adds two provisions to the bill. First, it eliminates a contradiction in statutes dealing with the requirement of notification of parents when an eighteen-year-old wished to be adopted. Under current law, even if the biological had abandoned the 18-year-old eighteen years ago, the 18-year-old would have to attempt to locate the parent and give parental notice.

It also incorporates a provision from HB 377 holding the state civilly liable for actions of employee's acting in an official capacity for the department that result in the injury or death of a child.

ALASKA STATE HOUSE OF REPRESENTATIVES

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Room 204

REPRESENTATIVE JOHN COGHILL

HB 354 OCS Revisions JUDICIARY VERSION

SECTIONAL

This legislation was introduced at the request of Department of Law and the Office of Children's Services to address three issues of concern.

Sections 1 & 2. Eliminates a contradiction in statutes dealing with the requirement of notification of parents when an eighteen-year-old wished to be adopted. Under current law, even if the biological had abandoned the 18-year-old eighteen years ago, the 18-year-old would have to attempt to locate the parent and give parental notice.

Sec. 3. Transfers to the department authority to adopt regulations to set the amount and length of time that a subsidy for a hard-to-place child may be granted. Currently that decision is made by the commissioner of HSS without clear guidelines to be consistent with eligibility. Also, with current statutory language the department could be determined to be required to give a subsidy for children from birth to three years old, even when the department determines there would not be a need for a subsidy.

Sec. 4. Clarifies that an employee can be charged with a misdemeanor for disclosing confidential or privileged information when that confidential information has been disclosed to them under AS 47.10.092(f), Disclosure to certain public officials and employees.

Secs 5 & 7. Allow OCS could obtain child support orders for minors in state custody under CINA and delinquent minor statutes through administrative support orders by the Child Support Services Division. OCS currently uses this practice but they don't have the statutory authority.

Sec. 6. Incorporates a provision from HB 377 holding the state civilly liable for actions of employee's acting in an official capacity for the department that result in the injury or death of a child.

Sec. 8. Immediate effective date

HEB

359

**Chair, Judiciary
Labor & Commerce
Oil & Gas
Military & Veteran Affairs**
1292 Sadler Way, Suite 324
Fairbanks, Alaska 99701
Phone: (907) 452-1088
Fax: (907) 452-1146

Alaska State Legislature House of Representatives

While in Session
State Capitol, Room 118
Juneau, Alaska 99801-1182
(907) 465-3004
Fax: (907) 465-2070
Toll Free: (877) 465-3004



**Representative Jay Ramras
District 10**

MEMO

**To: Senator Hollis French
Chair, Judiciary Committee**

Fm: Representative Jay Ramras

Date: March 17, 2008

Re: CS HB 359(FIN) 25-LS1377\O

Attached to this memo is the bill packet for HB 359 including:

- CS HB 359 (FIN) Version O
- Changes made in Version O
- CS HB 359(JUD) Version K
- Changes made in Version K
- HB 359 Version C
- Sponsor Statement
- AK Court Fiscal Note
- Applicable Statutes
- Letter of Support
- Bill History/Action

Please contact Emily Beatley at extension 6841 with any questions.

Representative_Jay_Ramras@legis.state.ak.us

ALASKA STATE LEGISLATURE HOUSE JUDICIARY COMMITTEE

Representative Jay Ramras
Chairman

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Committee Members:
Representative Nancy Dahlstrom,
Vice-Chairman
Representative John Coghill
Representative Bob Lynn
Representative Ralph Samuels
Representative Max Gruenberg
Representative Lindsey Holnes

State Capitol, Room 120
Juneau, Alaska 99801-1182

Changes in Finance CS of HB 359 Version "O"

Section 1: AS 04.16.050 (b) language was added to change the probation term for a person who has been convicted of minor consuming to up to one year. The current probation term in statute is one year or until the person is 21, whichever is later.

Section 2: AS 04.16.050 (c) language was added to change the probation term for a person who has been convicted of repeat minor consuming to up to one year. The current probation term in statute is one year or until the person is 21, whichever is later.

Section 3: AS 04.16.050 (d) language was added to reference the probation term length in section (d) where previously the term length was referenced in section (e). No change was made to the current probation term length for habitual minor consuming violations.

Section 4: AS 04.16.050 (e) language was added to reference probation terms set forth in sections (b)(2), (c), and (d).

Section 5: AS 04.16.050 (l)

Page 3, lines 24-26: petition language was removed and replaced with motions to the court. This keeps the language consistent with what is currently used by the courts.

Page 4, lines 10-12: language in version "K" which required the court to find that continuance of probation would interfere with the rehabilitation and growth of the person was removed.

ALASKA STATE LEGISLATURE HOUSE JUDICIARY COMMITTEE

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Vice-Chairman
Representative John Coghill
Representative Bob Lynn
Representative Ralph Samuels
Representative Max Gruenberg
Representative Lindsey Holmes

State Capitol, Room 120
Juneau, Alaska 99801-1182

Changes in Judiciary CS for HB 359 Version "K"

Title Change: The title was narrowed to more specifically address probation relating to minor consuming statutes rather than probations as a whole.

Section 1: AS 04.16.050

Page 1, lines 6 - 10: more language was added which clarifies the process for termination of probation.

Page 1, line 8: section (b) was added to include probation under (b) (1) which does not fall under probation requirements set forth in (e).

Page 1, line 11 thru page 2, line 13: Provides specific requirements to be met before termination of probation may be granted by the court. This language was added at the request of Department of Law.

Page 2, lines 1-4 & lines 7-10: Language was added to require a person convicted of minor consuming to pay the remainder of their fine after their probation has been terminated. Without this language the fine would not be collectable once probation was terminated.

ALASKA STATE LEGISLATURE HOUSE JUDICIARY COMMITTEE

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Committee Members:

Representative Nancy Dahlstrom,

Vice-Chairman

Representative John Coghill

Representative Bob Lynn

Representative Ralph Samuels

Representative Max Gruenberg

Representative Lindsey Holmes

State Capitol, Room 120

Juneau, Alaska 99801-1182

Sponsor Statement HB 359

“An Act relating to termination of probation for certain persons convicted of minor consuming or in possession or control of alcohol or repeat minor consuming or in possession or control of alcohol.”

Joining the military is one of the best ways for young Alaskans to gain self-confidence, and learn respect and discipline; skills that will serve them well throughout their adult lives. Unfortunately, making the mistake of underage drinking can prevent a person from enlisting in the armed services, due to probation restrictions. Although being barred from military service seems to be the largest issue, some who are convicted of minor consuming also face issues when filling out college or job applications and even when crossing the border to participate in college sporting events.

Under current Alaska law the court is required to place a person convicted of minor consuming on probation for one year from the date of conviction, or until the person is 21 years of age, whichever is later. There is no authority under the minor consuming statute for termination or modification of probation. This is contrary to authority granted to the court under Title 12. Under AS 12.55.090(b), “the court may revoke or modify any condition of probation, or may change the period of probation”.

HB 359 would grant the courts similar authority to change the period of probation given under Title 12. By doing so, the courts would have the discretion to remove a person who has been convicted of minor consuming from probation, if the person has met the conditions of probation set forth by the court.

HB 359 would also change the term lengths of probation for persons convicted of minor consuming and repeat minor consuming. The current probation term for both of these

offenses is one year or until the person is 21 years of age, whichever is later. HB 359 would change the probation term to up to one year for both violations.

There are often good, young Alaskans who make mistakes. HB359 would offer those youth the opportunities to learn from their mistakes and work toward becoming stronger, more disciplined, law-abiding individuals.



DEPARTMENTS OF THE ARMY AND THE AIR FORCE
ALASKA ARMY NATIONAL GUARD ELEMENT, JOINT FORCES HEADQUARTERS
PO BOX 8860
FORT RICHARDSON AK 99801-8860

February 6, 2008

Office of the Commanding General

Rep. Jay Ramras
State Capitol, Room 118
Juneau, AK 99801-1182

Dear Rep. Ramras:

The Alaska Army National Guard is in support of allowing youth, who have made a mistake by drinking alcohol underage, to receive the leniency from the court system to join the Army, or any United States military service branch.

If a teenager receives a minor-consuming-alcohol conviction they are not eligible for enlistment in the armed services, due to their probation restriction until the age of 21. I would like to see the court system remove this probation term, if and only if, the teen presents a letter from a United States military recruiter stating that this is the only factor keeping the teen from joining the military.

We have good kids in Alaska who sometimes make mistakes. Joining the military gives young people a sense of confidence and discipline that will demand a respect for the law as adults.

Sincerely,

Thomas H. Katkus
Thomas H. Katkus
Brigadier General, AKARNG
Commanding

HB

400



Representative Beth Kerttula

House Minority Leader

DATE: April 3, 2008

TO: Senator Hollis French
Chair, Senate Judiciary Committee

FROM: Representative Beth Kerttula

A handwritten signature in black ink that reads "Beth Kerttula".

RE: House Bill 400 Mitigating Factor: Care For Drug Overdose

I respectfully request that the Senate Judiciary Committee schedule House Bill 400 Mitigating Factor: Care For Drug Overdose for a hearing.

Please find attached:

- House Bill 400
- Fiscal Note
- Sponsor statement
- Support testimony

Thank you for your consideration. If you have any questions, please do not hesitate to call me or my aide, Aurora Hauke (x5051).



Representative Beth Kerttula

House Minority Leader

House Bill 400

Mitigating Factor: Care for Drug Overdose

Sponsor Statement

Substance abuse is a prevalent problem in Alaska, where we have higher rates of use of controlled substances and deaths from overdoses than the national average. Approximately 85 people die each year from drug overdoses in Alaska. Many times deaths from drug overdoses may be preventable by a single 911 call that is not made because the people who are witnessing the overdose are afraid of being arrested themselves.

House Bill 400 addresses this problem by allowing a mitigating factor in sentencing for crimes involving controlled substances if the defendant sought medical assistance for another person who is experiencing a drug overdose.

Testimony of Angela Hull given to House Judiciary Committee February 25, 2008

Madame Chair, members of the committee, my name is Angela Hull and I am here as a concerned citizen. I would like to thank you for allowing me the opportunity to address you this afternoon.

On March 26, 2007 my 27-year-old daughter, Selene Marhya Wolthausen, was at her home with two other adults and they were all using drugs. This wasn't the way my daughter was raised, but the truth of the matter is – although none of us raise our children to become substance abusers, all too often they do. Sadly, Selene overdosed. Sadder still - neither one of the other two adults called 911.

When my 4-year-old granddaughter came in the house and saw her mommy on the ground, she ran to the neighbors to have them call 911. My 10-year-old grandson began performing CPR on his mother, as he'd seen on television. Not only did the adults fail to call 911, but also when they found out that someone had, they locked emergency personnel out.

No one really knows how long my daughter was down and whether or not those critical minutes that personnel were denied access could have made a difference, but what I do believe is that if the other persons in the home weren't afraid of being arrested for possessing drugs, they might have called 911 right away, and that could have saved my daughter's life.

That's what we're talking about here today – saving lives. You and I, we automatically do the right things in these situations, but our minds and lives aren't ruled by substance abuse. People who have substance abuse problems don't have the same patterns of thinking. They are often not able to think beyond themselves. They do, however, know all about laws that pertain to them, how to get by, how to skirt trouble, and for certain, if they are caught with drugs, they're going to be arrested. It isn't only being arrested that they fear, its losing access to their drugs. So, they take that extra time – precious, life-saving time - to dispose of the drugs and the paraphernalia. Often they run, leaving someone there to die. They aren't thinking the same way we do. In this case, small children did the right thing and called 911, so the drug users tried to collect themselves enough to face those consequences.

It's too late for Selene; and Selene, unfortunately, isn't alone. In the last five years, seven of Selene's friends have lost their lives to overdose. Some of them here in town, some of them when they moved to the Lower 48. I am here to ask you to help save our children's lives.

In order to help people make good choices and save someone's life, we could provide a very small safety net for them; give them a tool that supports making the right decision. Say to them, please save someone's life. This bill could be a stepping stone to that end.

Thank you for your time.

HJR

28



Representative Ralph Samuels

House District 29

Date: March 21, 2008

To: Senator Hollis French
Senate Judiciary Committee

From: Representative Ralph Samuels
House Majority Leader

RE: Hearing Request for HJR 28

We respectfully request a hearing in the Senate Judiciary Committee for CSHJR 28 (FIN) Constitutional Amendment: Budget Reserve Fund at your earliest convenience.

Attached please find:

CSHJR28 (FIN)
Bill History
Revised Sponsor Statement
Sectional Analysis
Fiscal Notes
Minutes
Back Up Material

Please contact Linda Hay of my office with any questions at x 6791.

Thank You.



Representative Ralph Samuels

House District 29

Revised Sponsor Statement

CSHJR 28 (FIN) Constitutional Amendment: Budget Reserve Fund

Proposing an amendment to the Constitution of the State of Alaska relating to the budget reserve fund, and to appropriations to and transfers from the fund; and dedicating a portion of the petroleum production tax to the fund

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

CSHouse Joint Resolution 28 (FIN) 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 convert the Constitutional Budget Reserve into an endowment that would be invested to spin off a steady stream of revenue year after year while preserving the principal and keeping up with inflation.

If the idea passes with a majority vote of Alaskans, all of the "windfall profits" revenue gained as a result of the progressive surcharge portion of the oil production tax (AS43.55.011(g), would be deposited into the CBR which would be managed and invested as an endowment. Instead of allowing the Legislature access to the whole account with a super majority vote, lawmakers could spend no more than 5% of the fund's value each year.

This endowment concept is widely accepted as the methodology for numerous 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 CSHJR 28 (FIN) 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.

LEGAL SERVICES

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

(907) 465-3867 or 465-2460
FAX (907) 465-2029
Mail Stop 3101

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

MEMORANDUM

March 5, 2008

SUBJECT: Budget Reserve Fund (CSHJR 28(FIN))
(Work Order No. 25-LS12170)

TO: Representative Ralph Samuels
Majority Leader
Attn: Linda Hay

FROM: Tamara Brandt Cook
Director *TBC*

Section 1. Subsection (a) of the provision of the state constitution establishing the budget reserve fund is amended so that, until January 1, 2015, money received by the State from the progressivity provision of an oil and gas production tax is deposited into the fund. The existing dedication of money received by the state as a result of an administrative proceeding or of litigation involving certain mineral sources is deleted. Money may no longer be appropriated from the fund.

Section 2. A new subsection authorizes appropriations of money to the budget reserve fund, with the money to be treated the same as money dedicated to the fund. Under another new subsection, money is to be transferred from the budget reserve fund to the general fund on July 1 of each year. The amount transferred each year equals five percent of the average of the fiscal year-end market values of the fund for the first five of the preceding six fiscal years.

Section 3. Money in the budget reserve fund on the effective date of these proposed amendments is retained in the fund.

Section 4. Subsection (b), providing for appropriations from the budget reserve fund by majority vote when revenues decrease, is repealed. Subsection (c), permitting appropriations by 3/4 vote, is repealed. Subsection (d), requiring repayment of money appropriated from the budget reserve fund (the "sweep"), is repealed.

Section 5. These proposed amendments are to be voted on at the next general election.

TBC:med
08-154.med

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- 2008-03-11 Senate Subcommittee Operating Budget Reports
- 2008-03-03 Senate CS Supplemental Budget Reports
- 2008-02-28 House Finance Closeout Operating Budget Reports
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- 2007-09-07 FY 2008 Summary of Appropriations
- 2007-05-24 2008 State Assistance to Communities and to PERS/TRS
Employers

Contact Us -- Tel: (907)465-3795 Fax: (907)465-1327 or Email the Webmaster

Alaska State Legislature

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State Capitol, Room 515
Juneau, AK 99801-1182
Phone: (907) 465-2095
Fax: (907) 465-3476

Representative Ralph Samuels District 29

FOR IMMEDIATE RELEASE: March 18, 2008 CONTACT: Rep. Ralph Samuels, 465-2095

House Approves Constitutional Amendment on CBR for Fall Ballot **Samuels's HJR 28 Asks Alaskans to Weigh-In on Budget Reserve Fund, Create Endowment to Provide Spending Cushion During Lean Years**

(Juneau) – The Alaska House of Representatives today passed House Joint Resolution (HJR) 28, a resolution putting a constitutional amendment before voters in this fall's statewide election asking them to amend the voter-created Constitutional Budget Reserve, or CBR, into an endowment to help fund state services. The resolution, sponsored by Representative Ralph Samuels, R-Anchorage, would send earnings from the windfall profits portion of the oil and gas tax into the budget reserve endowment, and spin off roughly five percent of the market value into the general fund annually.

"We are asking the people of Alaska to think long term" said Rep. Samuels. "This is not some reaction to a potential doom and gloom scenario; this is a sound public and private financial policy. Institutions from Yale University to the locally-operated Rasmussen Foundation follow this model and have realized returns to live within their means and grow their reserves.

"Right now it takes a three-quarters vote of both houses to tap into the CBR, which is a significant political football and pushes partisanship. The future most see on the horizon for Alaska is declining oil production, volatile petroleum markets and a long lead time for a gas pipeline project. Giving ourselves a cushion that can pay for essential state services during the lean years ahead is a win-win for Alaskans."

If passed by voters, the progressive surcharge portion of the oil and gas tax increase passed last year would be deposited into the CBR, which would then be managed and invested as an endowment. Legislators, year-to-year, would only be able to spend the five-percent of the average of the fiscal year-end market value of the fund, instead of using the super-majority vote to potentially tap all of the funds, as under the current construction of the CBR.

Notice of reconsideration was served on the resolution, meaning HJR 28 could be back on the House floor for a vote as early as tomorrow, Wednesday, March 19. HJR 28 would next move to the Alaska State Senate for its consideration, and if the Senate approves it, would then be transmitted to the Governor for signature. After it's signed, the Lieutenant Governor's office would prepare it and place it on the ballot for a vote of the people during the fall election cycle.

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KETCHIKAN DAILY NEWS

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Our Opinion

3/20/2008

Time for our say

The Alaska House Tuesday passed a bill that would require a vote of the people eventually - and it's long past due for a sound idea. [Read more...](#)

Time for our say

The Alaska House Tuesday passed a bill that would require a vote of the people eventually - and it's long past due for a sound idea.

Delete resolutions

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House Joint Resolution 28 would put a constitutional amendment on the ballot asking whether to amend the Constitutional Budget Reserve, making it into an endowment to help fund state services.

Letters/POVs

- [Humility](#)
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- [Earmarks: Restraint, not abandonment](#)
- [Central Council](#)
- [Hypocritical](#)
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But wait - this isn't a raid on money that will rapidly disappear in the hands of desperate politicians (always a possibility, as the situation stands now, as soon as the Legislature gets a three-quarters vote).

Under the resolution, if it survives the session and gets the governor's nod, earnings from the windfall profits of the oil and gas tax would go into the reserve. Rather than "raid" the CBR with a three-quarters vote, about 5 percent of the market value of the endowment would go into the general fund each year, according to resolution sponsor Rep. Ralph Samuels, R-Anchorage.

The joint resolution is by no means a done deal - one representative already has called for reconsideration - but it would be a good deal for Alaskans to have a say on it. If passed by both chambers and signed by the governor, the lieutenant governor would put it on the ballot for the coming fall election.

It's a good idea that has worked well for others - Samuels cited Alaska's Rasmuson Foundation as well as Yale University as examples of institutions that "follow this model and have realized returns to live within their means and grow their reserves."

The Rasmuson foundation says the approach enables it to enhance its endowment's value "in perpetuity," taking care of inflation-proofing along with current needs at the same time.

If voters approved the idea, the endowment would put an end to annual fears that the budget reserve could be raided by money-hungry pols. Even a super-majority vote couldn't accomplish that, as it could now.

Meanwhile, the Permanent Fund and the state could continue to grow even despite declining oil production, lffy markets and a gas pipeline project that hasn't gotten off the ground yet, according to Samuels.

At this point, Alaskans don't need to make up their minds as to whether they like the idea. All they need to do is urge their legislators to give them a say on the ballot next fall.

Send us your opinion

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Right idea, wrong fund

Endowment concept is good but not for budget reserve account

(03/18/08 23:40:01)

Tuesday, the state House voted 30-7 to divert a large stream of oil tax money into an endowment that could help support future state budgets.

Give the measure's supporters credit for trying to be fiscally responsible. They found a creative, politically feasible, bipartisan way to tie up a good chunk of the state's surplus oil income. Passing this proposed constitutional amendment would be the closest thing the state has come to a long-term fiscal plan in years.

Only one problem: It's the right idea applied to the wrong fund.

The fund in question is the state's constitutional budget reserve. It was created to be a savings account for fiscal emergencies, such as when the price of oil collapses and state oil money dries up. The budget reserve is a financial shock-absorber.

With the House-passed proposal, though, the budget reserve would no longer be much help in a financial emergency. It would become an endowment that supports ongoing state government.

For seven and half years, the windfall profits portion of the state's new oil production tax would go into the new fund. Every year, 5 percent of the fund's five-year average value would automatically go into the pool of money for state spending.

No longer could the reserve supply \$1 billion or \$2 billion to balance the budget if oil prices suddenly crashed or the pipeline shut down for months. In the mid-1980s, an oil price crash blew a \$1 billion hole in the state budget and devastated the state's economy. Since then, Alaska's budget has grown a lot bigger, and oil production has dropped by almost two-thirds. We're as vulnerable to a big price drop as ever.

With only 5 percent of the money available each year, the House-passed "reserve" fund could maybe supply \$250 million to deal with a budget crisis. That amount might double over time, but the revamped "reserve" could not supply enough to fill a serious budget gap.

Facing a huge financial crisis, lawmakers would have to look to the earnings reserve of the Permanent Fund. That account holds the earnings of the fund left over after it pays for annual dividends and inflation-proofing.

The earnings reserve carries the label "Permanent Fund," so it has been politically untouchable. Perhaps House lawmakers believe the earnings reserve won't be untouchable if there is a financial catastrophe.

What's ironic here is that the Permanent Fund is the more appropriate candidate for converting into an endowment. Many civic groups and financial experts have recommended using the 5 percent rule to manage Permanent Fund payouts. Doing so would automatically inflation-proof the fund,

since it has consistently earned much more than 5 percent. Alaskans would no longer have to rely on the Legislature to inflation-proof the fund each year.

Because Alaska relies on a single, volatile commodity to fund most of its yearly budget, we need a multi-billion-dollar reserve ready at hand. The Legislature should keep the budget reserve in its current form.

BOTTOM LINE: The state's budget reserve should remain a budget reserve.



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Good idea 3/17/08

FBI

Should state tap CBR earnings to fund government?

WE MUST CONFESS to having misgivings when we first heard about the move in the Legislature to make it easier to tap the Constitutional Budget Reserve.

A bill sponsored by House Majority Leader Ralph Samuels, an Anchorage Republican, would authorize a public vote on amending the constitution to eliminate the requirement for a 75 percent vote of the Legislature to tap the CBR.

Samuels wants the reserve fund to be set up as an endowment that could be tapped, but only for 5 percent a year, which would generally be less than the fund earns. If the money weren't needed to balance the budget in any year, it could be plowed back into the fund.

That conjures the image of routinely . . .

(cont'd from front page) tapping the fund for 5 percent a year when none of it is spent right now. That seems a bad idea on its face, but a closer look suggests it might, in fact, be a good way to go.

Samuels makes the case that the existing system gives the minority far too much control over the fund. If the majority (usually Republican) wants to take any money from the CBR, that is only possible by doing the bidding of the minority in order to make the 75 percent requirement. And when the minority can, in effect, control the purse strings, the tail wags the dog and the sky's the limit.

Samuels concedes that once the 5 percent a year begins to flow, it will become a constant cash cow for the Legislature, one expected and factored into annual spending. But, he adds, that won't start until the budget can only be balanced by tapping the fund earnings.

Our thinking was that the Permanent Fund earnings should be used in much the same manner, with half of the earnings going toward government needs and half for individual dividend checks.

But that would be politically difficult right now since the Permanent Fund and every dime of its earnings are still sacrosanct. Their only purpose, despite the fact that the fund was established to meet future government needs, is to generate those juicy dividend checks. Never mind that the checks bring many problems, like fueling increased immigration to the state, especially by large, low-income families. And, by extension, they exacerbate gang problems in Anchorage.

But the CBR can be used to accustom the Alaska public to endowments and how they can fund government and are a better option than meeting public needs by imposing taxes.

So when the time comes, as it will, that the public is faced with the alternatives of imposing individual taxes or tapping the Permanent Fund, establishing an endowment with a portion of fund earnings will hopefully be seen as a better option.

The CBR endowment plan is a good idea.

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Good idea

written by Will Gay, March 17, 2008

It's a good idea which means it is doomed in Juneau



Abolishing budget reserve is a bad idea

GREGG ERICKSON
COMMENT

(03/15/08 23:14:52)

A constitutional amendment that would radically transform the state's finances has been quietly moving through the state House of Representatives. The measure is the bipartisan brainchild of Republican Ralph Samuels and Democrat Mike Doogan, both of Anchorage. It could come to a vote in the House as soon as Monday. If approved, it would abolish the Constitutional Budget Reserve in all but name, and replace it with an endowment. The sole purpose of the new endowment would be to provide long-term support for state spending.

In 1990 voters established the CBR to be a fiscal safety net for the state, seeding it with money from tax and royalty settlements. It was a farsighted move. Oil prices rise and fall unpredictably, and in 1993, when prices fell to \$15 per barrel, the state was able to draw \$1.4 billion from the account to temporarily support government services and the state economy. Prices later rose, but in 1998 they dropped again, this time to an unbelievable \$12 per barrel. The CBR was again the state's lifeline. In 18 years the state has drawn a total of \$4.8 billion.

Today there is still \$3.1 billion left in the CBR, and the state Senate has voted to add money from the current surplus. That, together with earnings on fund investments will bring the total in the reserve to a comfortable \$5.6 billion. Should oil prices fall to \$50 per barrel, it's enough to sustain state services and the economy for almost two years until oil prices again cycle upward. The CBR wasn't designed to protect the state from long-term revenue declines, but the fiscal cushion nevertheless gives policymakers the time needed to adopt adjustment measures that could make the difference between a soft landing and a crash.

The Samuels-Doogan constitutional amendment has a host of problems, but the most obvious is that under their plan the CBR would cease to provide this protection. Money now in the reserve would be used to capitalize the new endowment. Income from the new fund would be dedicated to supporting future state spending. Money in the principal of the new fund would be constitutionally protected -- off limits to appropriation no matter how dire the state's fiscal need.

Assuming no further deposits, revenue being spun off from the endowment would remain very modest for a very long time; it would not rise above \$200 million per year until 2012, and remain less than \$500 million through 2023.

That's not the scenario promoters of the amendment are imagining. Their vision of the future has oil prices staying high, and the Legislature stuffing all the resulting surpluses in the endowment.

"One more good year, and you are close to \$10 billion in the endowment," Samuels enthused in an interview on Wednesday.

Even under that optimistic scenario revenue from the fund doesn't reach \$500 million until 2015.

Doogan, interviewed separately on Wednesday, said he doesn't think oil prices are likely to come

down anytime soon. If they do crash, however, he says the state could always amend the constitution again to allow emergency appropriations from the endowment principal.

But others think it is more likely the Legislature would dip into the earnings reserve of the Permanent Fund, the pot of money from which the Permanent Fund dividend is paid.

"With the CBR money off the table, the Permanent Fund earnings reserve moves to the front of the line anytime you have shortfall," said a Palin administration economist.

I asked Samuels what happens if the price of oil drops to \$50 a barrel and stays there for a couple of years.

"You would end up having to go to the earnings of the Permanent (Fund)" Samuels agreed. But he said that would happen in any event, even if the current CBR were retained. "You'd bum through it, and you're going to end up at the same place."

Another top Palin administration official, noting that the amendment removes billions from the reach of bondholders, suggested that it could have an adverse impact on the state's bond rating.

Despite the constitutional amendment's many problems, Samuels, who serves as the House majority leader, seems convinced he has lined up the two-thirds majority needed to pass the measure in the House. On Wednesday he said he was planning to bring it to a vote on Monday. If he does that, and it passes, let's give a silent prayer of thanks for our bicameral Legislature. And let's hope senators give the scheme a more thorough analysis than it has thus far received in the House.

Economist Gregg Erickson is the owner of a Juneau consulting firm (www.EricksonEconomics.com). He can be reached at gerickso@alaska.com.

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Anchorage Daily News

Barrier for budget reserve builds support**CONSTITUTIONAL AMENDMENT: Lawmakers increasingly favor a 5 percent annual spending limit.**By WESLEY LOY
wloy@adn.com

(03/12/08 00:26:29)

JUNEAU -- Legislation to allow Alaska voters to decide whether to make a massive state piggy bank much harder to tap seems to be gaining favor among state lawmakers.

The prime sponsor, House Majority Leader Ralph Samuels, R-Anchorage, said the resolution could come up for a House vote as soon as Monday, and he's confident of enough votes to pass it.

House Joint Resolution 28 would allow voters as soon as this fall to amend the state constitution to prevent lawmakers from dipping deeply into a savings account known as the Constitutional Budget Reserve. Instead, lawmakers could spend no more than about 5 percent of the fund's value each year.

The reserve -- which lawmakers have tapped during lean years to cover the state budget -- contains \$3.2 billion now. Lawmakers expect to put an additional \$2.5 billion or more into the account this year as the state rakes in huge surplus revenue thanks to high oil prices.

Samuels said his resolution aims to control spending from the reserve and also create a steady cash flow for future years when oil production or prices crash and the state government is in a jam for money.

The challenge for lawmakers, he said, is surrendering their power to spend much or all of the reserve with a three-quarters vote of the Legislature.

"They lose the ability for the government to get their hands on that cash," Samuels said. "They can only spend 5 percent."

The resolution effectively would convert the reserve into an endowment that would be invested and would spin off a steady stream of money year after year while preserving the principal and keeping up with inflation, Samuels said.

A similar concept has been proposed for a better-known public savings account -- the \$37 billion Alaska Permanent Fund.

HJR 28 already has passed the powerful House Finance Committee and has bipartisan support. Samuels has been visiting his colleagues in the Capitol one by one to tout the resolution.

Samuels said his resolution, with continued high oil prices, could grow the reserve to \$10 billion, which at a 5 percent withdrawal rate would spin off \$500 million a year to run the state government.

That wouldn't be nearly enough to cover the state budget if oil revenue tumbles, but the cash flow

could ease Alaskans into the day they must start talking about other revenue sources such as a state sales tax, Samuels said.

House Speaker John Harris, R-Valdez, supports the resolution, as does the leader of the House Democrats, Rep. Beth Kerttula of Juneau.

"I'm fascinated with the idea. I just need to spend more time with it," said Rep. Lindsey Holmes, D-Anchorage. She noted she works with a foundation supporting the Anchorage Concert Association that uses a 5 percent annual spending limit.

The going could be tougher in the Senate.

Sitka Republican Sen. Bert Stedman, co-chairman of the Senate Finance Committee, said he's concerned about what the state would do in a crisis if the budget reserve is constitutionally locked down.

"If you put in \$10 and can only spend 50 cents, we don't want to put ourselves in a bind where we have to go somewhere for money that we don't want to go," such as the Permanent Fund, Stedman said.

Sen. Cori Bunde, R-Anchorage, said the resolution could bring a welcome halt to the hard bargaining lawmakers have gone through at the end of some sessions to muster enough votes to spend from the budget reserve.

"I like it better than the minority blackmail we've had in the past," he said.

Find Wesley Loy online at adn.com/contact/wloy or call him in Juneau at 1-907-586-1531.



adn.com
Anchorage Daily News

Budget surplus should be put in special reserve account

COMPASS: Other points of view

By REP. RALPH SAMUELS and REP. BETH KERTTULA

(03/06/08 00:43:56)

"SAVE THE MONEY!"

All 60 legislators, the governor and an almost unanimous public chorus have made this statement as we in the Legislature stare at anywhere from a \$2 billion to \$5 billion budget surplus.

With high oil prices and a new tax system on oil, the government in Alaska is flush with cash, and will be for at least the next couple of years. Our long-term problem with declining oil production still exists and was hotly debated in the Capitol halls last autumn.

We will get to our proposal shortly, but first it's important to understand just where the surplus is coming from. And that comes from a tax increase passed last year on oil.

Alaska's severance tax on oil is split into two parts. The first is the "base," the second is the "progressivity surcharge." The surcharge only applies when oil prices are high, like today when the price per barrel is above \$90. At today's price and production levels, the surcharge by itself generates about \$1 billion per year. In all, we could see anywhere from a \$2 billion to \$5 billion budget surplus over the next two years.

For now, the biggest question facing Alaskans is what to do with the excess cash.

There are several ideas floating around: Put the money into the Constitutional Budget Reserve; invest in infrastructure such as roads, docks and airports; find a fair and equitable solution to the emerging statewide energy crisis or simply give cash to residents.

Every idea will have some pros and cons associated with it and, politics being what they are, nobody will be completely happy with the end result.

Our proposal is based on common sense and experience with Alaska's unpredictable economy. In its simplest form, the idea is this: Think long term.

Depositing the money into the CBR, without changing how the fund functions would only prolong the day when the Legislature spends the money. Have no illusions, they would eventually spend it. Although it is better than spending it now, it does not guarantee sustainability.

The new proposal would take all of the windfall profits tax we collect from the surcharge and deposit it into the CBR, then change the way we allow the state to spend it. Instead of allowing the Legislature access to the whole account (with a three-quarters super majority vote), we would limit the draw to 5 percent of the total.

The change takes the political gamesmanship out of tapping the budget reserve in lean years. It would also provide for a "true" endowment style savings, while still allowing long-term cash flow to pay for education, transportation and public safety. The fund would be constitutionally protected

and would require a vote of the people to change.

This percent-of-market-value method is used to fund more than 80 percent of the large endowments in this country. Organizations ranging from the Ford Foundation to Yale University and the local Rasmuson Foundation use it to ensure long-term cash flow.

While these groups use the money for various purposes, the state would use its income stream for state services, to be determined year to year by the Legislature. Legislators would never be able to spend more than the percentage allowed by the constitution. Generally that number is between 4.5 percent and 5 percent of the total endowment. The cash flow would be slightly up in good market years, and slightly down in bear markets, but would not dramatically vary.

To summarize, the proposed new idea would:

- Place oil tax revenue earned from the severance tax passed last year in a reconstituted CBR.
- Allow only 5 percent of the earnings to be spent annually.
- Generate a sustainable source of money to fund government as oil production declines.

This idea (HJR 28) is sound long-term economic policy for Alaska.

Rep. Ralph Samuels, R-Anchorage, is the House Majority Leader. Rep. Beth Kerttula, D-Juneau, is the House Minority Leader.

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From: John Dittrich [mailto: johndittrich@arcticstructures.com]
Sent: Monday, March 10, 2008 7:49 AM
To: Rep. Ralph Samuels; Rep. Kevin Meyer; Rep. Mike Hawker; Rep. John Harris;
senator_john_cowdery@legis.state.ak; Sen. Lyda Green
Subject: HJR28

Representatives and Senators,

I am in full support of HJR28. This is the exact type of legislation we need to keep the State's fiscal house in order and balanced. My only hope is that you will find the strength in your conviction to do the same with the Permanent Fund. I believe we ought to take HJR28 a step further and allocate a portion of PF earnings to the fund as well while at the same time capping the dividend.

Establishing controlled state spending is critical. I harken back to days gone by when certain legislators were trying to implement a "forward funding" model to allow us to only spend that money which we have actually received. I believe that we can accomplish a portion of this through HJR28 but it can be further enhanced by reducing the fund that is used to simply give cash to Alaskans and diverting these proceeds to fund the government.

I would like to see a version of these concepts along with a POMV approach and to solidify the deal I think we should steal a page from the old Mackie plan. My thought is that we institute a cap of the PF at \$2,500 which should be computed in future periods on a POMV concept with the excess earnings going into the HJR28 fund to provide us future fiscal certainty for generations to come.

The Mackie Plan concept comes in by drafting a bill that does just that but for the coming year pays out a 2008 PF divided of \$2,500. This is a one time shot only; and then future years are calculated based on the POMV formula (or similar). You get the residents to vote for the big one-time payout while at the same time permanently capping the amount we all get. No guarantees that future years will be this big but we know they will never be bigger. The excess earnings are deposited into the new HJR28 fund and available for all Alaskans to fund the future of our state - the exact thing the PF was designed to do but not seemingly going to happen.

Thanks for listening - keep up the good work.

John Dittrich
9024 Snowy Owl Circle
Anchorage, AK 99507
907-244-2550

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Cindy Smith

From: Linda Hay
Sent: Thursday, April 03, 2008 4:49 PM
To: Cindy Smith
Subject: HJR 28
Attachments: CBR draws.xls; CBRF Cash Flow Borrowing.doc

Cindy - I am sending this on to you so that it may be distributed to your committee members. This is an email exchange that I had with Deputy Commissioner Brian Andrews from Revenue. Attached are two attachments which also pertain to this topic. This was a concern that the department expressed when they came to talk to Rep. Samuels on HJR 28. I expect they will bring this up in committee tomorrow. Let me know if you need any further details.

Linda

Linda Hay
Staff to Rep. Ralph Samuels
House Majority Leader
Alaska State Legislature
(907)465-6791 (phone)
907-465-3810 (fax)

From: Andrews, Brian C (DOR) [mailto:brian.andrews@alaska.gov]
Sent: Thursday, April 03, 2008 3:52 PM
To: Linda Hay
Subject: RE: HJR 28

Potential Debt Service payment impact: FY08 69.9 million, FY09 69.8 million
Cash Flow Borrowing (millions): Cash flow borrowing needs since FY94 have varied from a high of 1.1 Billion down to zero.
We have not needed the CBRF for cash flow needs for the past three years.

Best Regards,

Brian C Andrews, CIMA
Deputy Commissioner of Revenue/Treasury

From: Linda Hay [mailto:Linda_Hay@legis.state.ak.us]
Sent: Thursday, April 03, 2008 2:30 PM
To: Andrews, Brian C (DOR)
Subject: RE: HJR 28

Hi Brian - Do you have any update on this?

Thanks

Linda

4/3/2008

Linda Hay
Staff to Rep. Ralph Samuels
House Majority Leader
Alaska State Legislature
(907)465-6791 (phone)
907-465-3810 (fax)

From: Andrews, Brian C (DOR) [mailto:brian.andrews@alaska.gov]
Sent: Wednesday, April 02, 2008 9:13 AM
To: Linda Hay
Subject: RE: HJR 28

We are working up the details. I will have specifics by tomorrow.

Best Regards,

Brian C Andrews, CIMA
Deputy Commissioner of Revenue/Treasury

From: Linda Hay [mailto:Linda_Hay@legis.state.ak.us]
Sent: Wednesday, April 02, 2008 8:23 AM
To: Andrews, Brian C (DOR)
Subject: HJR 28

Brian - Rep. Samuels has asked me to follow up with you on the loans that are taken from the CBR to better manage cash flow. Does this happen every year - once a year or is it more frequent and how much are you usually talking about. You also indicated that the money is paid back in a short time frame with interest (I believe you mentioned 6 months???). Any more details that you can give us on this aspect would be appreciated.

Linda

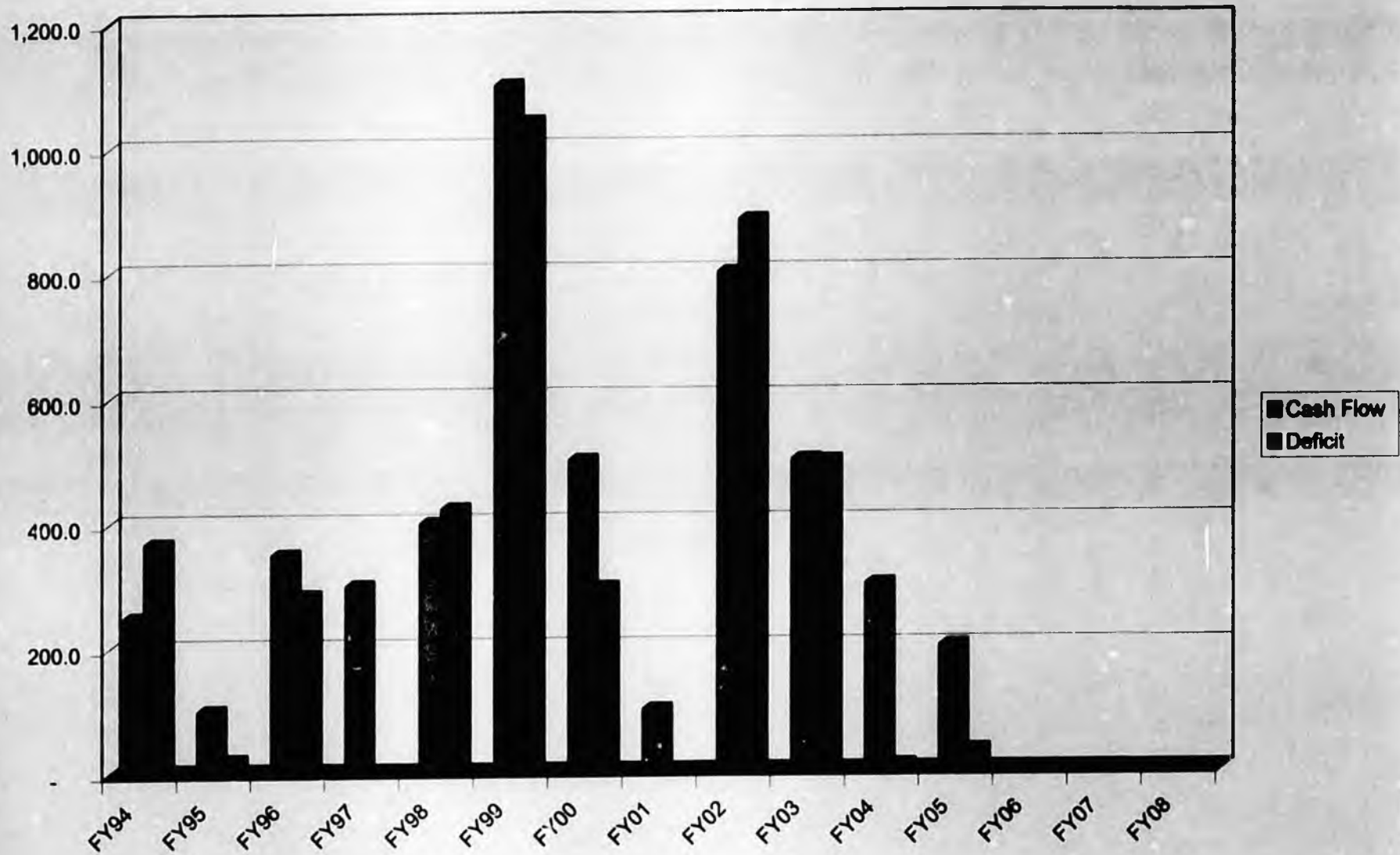
Linda Hay
Staff to Rep. Ralph Samuels
House Majority Leader
Alaska State Legislature
(907)465-6791 (phone)
907-465-3810 (fax)

CBRF Cash Flow Borrowing

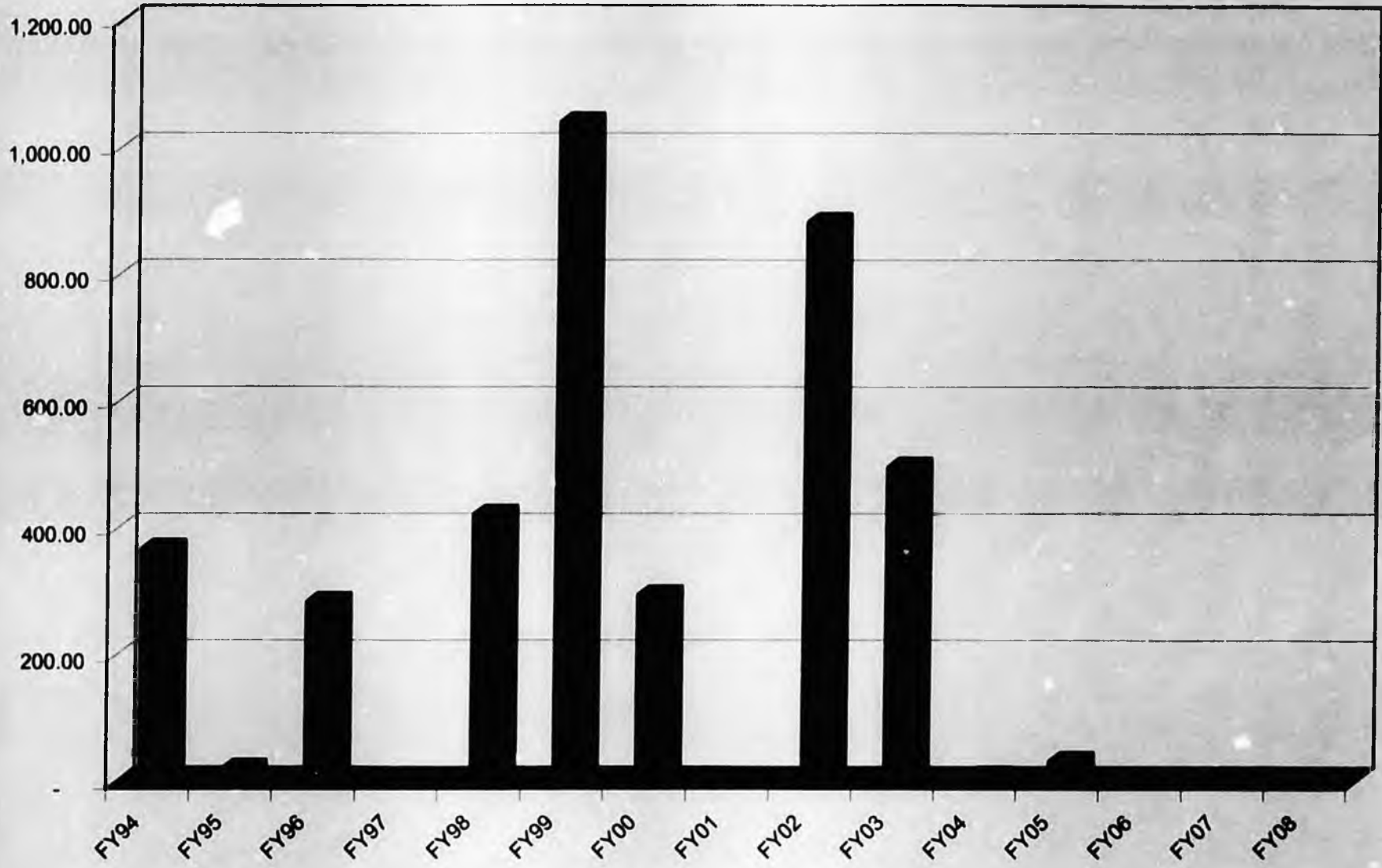
- The State's daily cash need can be greater than \$100 million in a single day.
- Borrowing occurs any time the General Fund cash balance drops below or is projected to drop below \$100 million for five days.
- Cash flow borrowing occurs due to a mismatch in timing between revenues received and disbursements out.
- Revenues tend to flow in at a consistent rate throughout the year, with peak periods at the end of each month, quarter and fiscal year.
- Disbursements are more cyclical with high and low periods throughout the year. The first quarter disbursements of each fiscal year are generally higher than receipts for the same period.
- Cash flow borrowing is required even in years with balanced budgets. For FY97, '01, '04 and '05 the following amounts were borrowed for cash flow and fully repaid within the fiscal year:
 - FY97 - \$300
 - FY01 - \$100
 - FY04 - \$300
 - FY05 - \$200
- Following are the Cash Flow Borrowing and Deficit Borrowing totals by year (in millions):

	Cash Flow	Deficit
FY94	250.0	368.60
FY95	100.0	22.40
FY96	350.0	284.90
FY97	300.0	-
FY98	400.0	423.30
FY99	1,100.0	1,042.00
FY00	500.0	295.90
FY01	100.0	-
FY02	800.0	884.30
FY03	500.0	498.10
FY04	300.0	11.00
FY05	200.0	34.00
FY06	-	-
FY07	-	-
FY08	-	-
	\$ 4,900	\$ 3,865

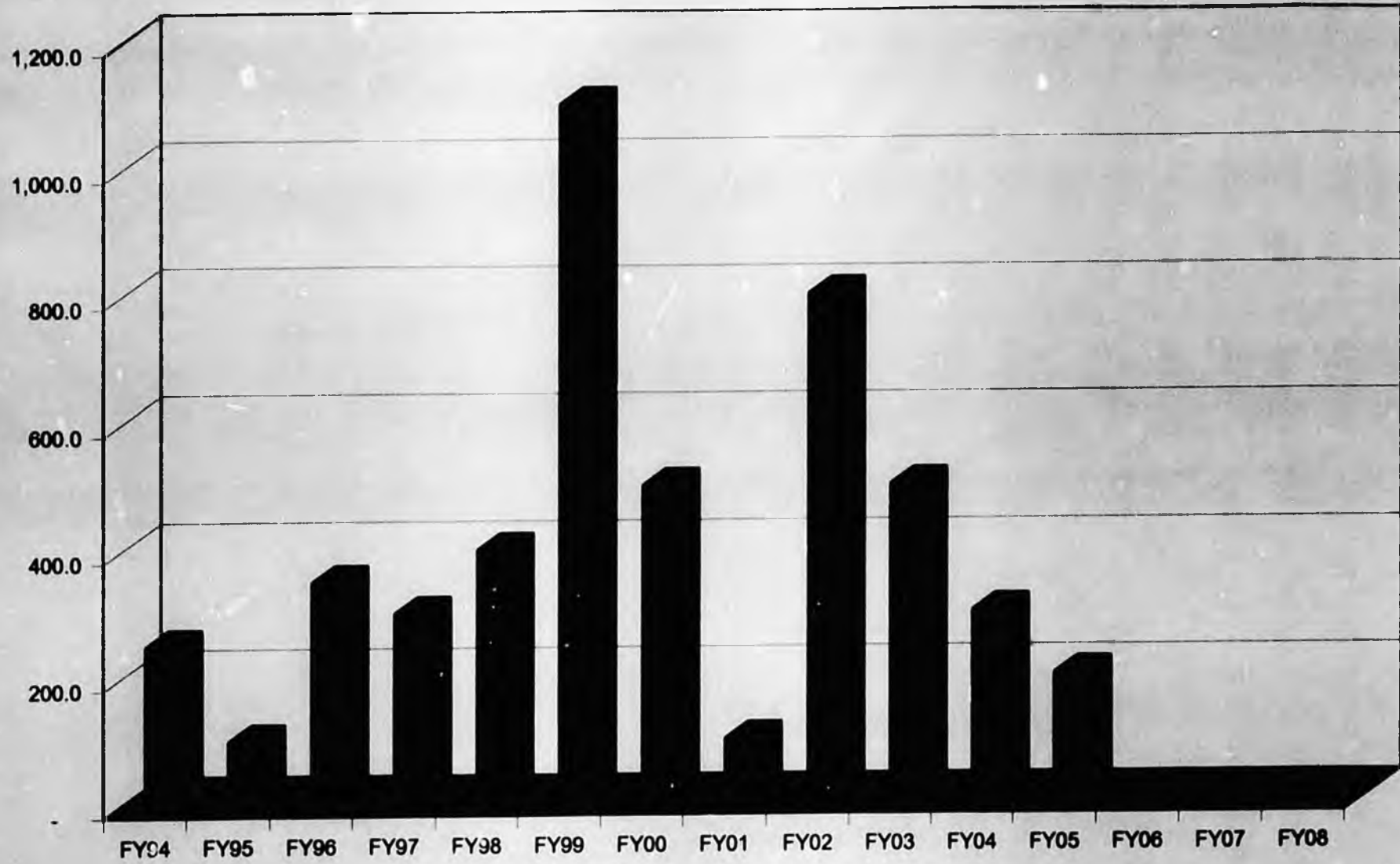
Cash Flow Borrowing and Deficit Borrowing (In thousands)



**Deficit Borrowing
(in thousands)**



**Cash Flow Borrowing
(in thousands)**



CBRF

	Cash Flow Borrowing		Deficit Borrowing
FY94	250.0	FY94	368.60
FY95	100.0	FY95	22.40
FY96	350.0	FY96	284.90
FY97	300.0	FY97	-
FY98	400.0	FY98	423.30
FY99	1,100.0	FY99	1,042.00
FY00	500.0	FY00	295.90
FY01	100.0	FY01	-
FY02	800.0	FY02	884.30
FY03	500.0	FY03	498.10
FY04	300.0	FY04	11.00
FY05	200.0	FY05	34.00
FY06	-	FY06	-
FY07	-	FY07	-
FY08	-	FY08	-
	\$ 4,900		\$ 3,865

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FY05	200.0	34.00
FY06	-	-
FY07	-	-
FY08	-	-
	\$ 4,900	\$ 3,865

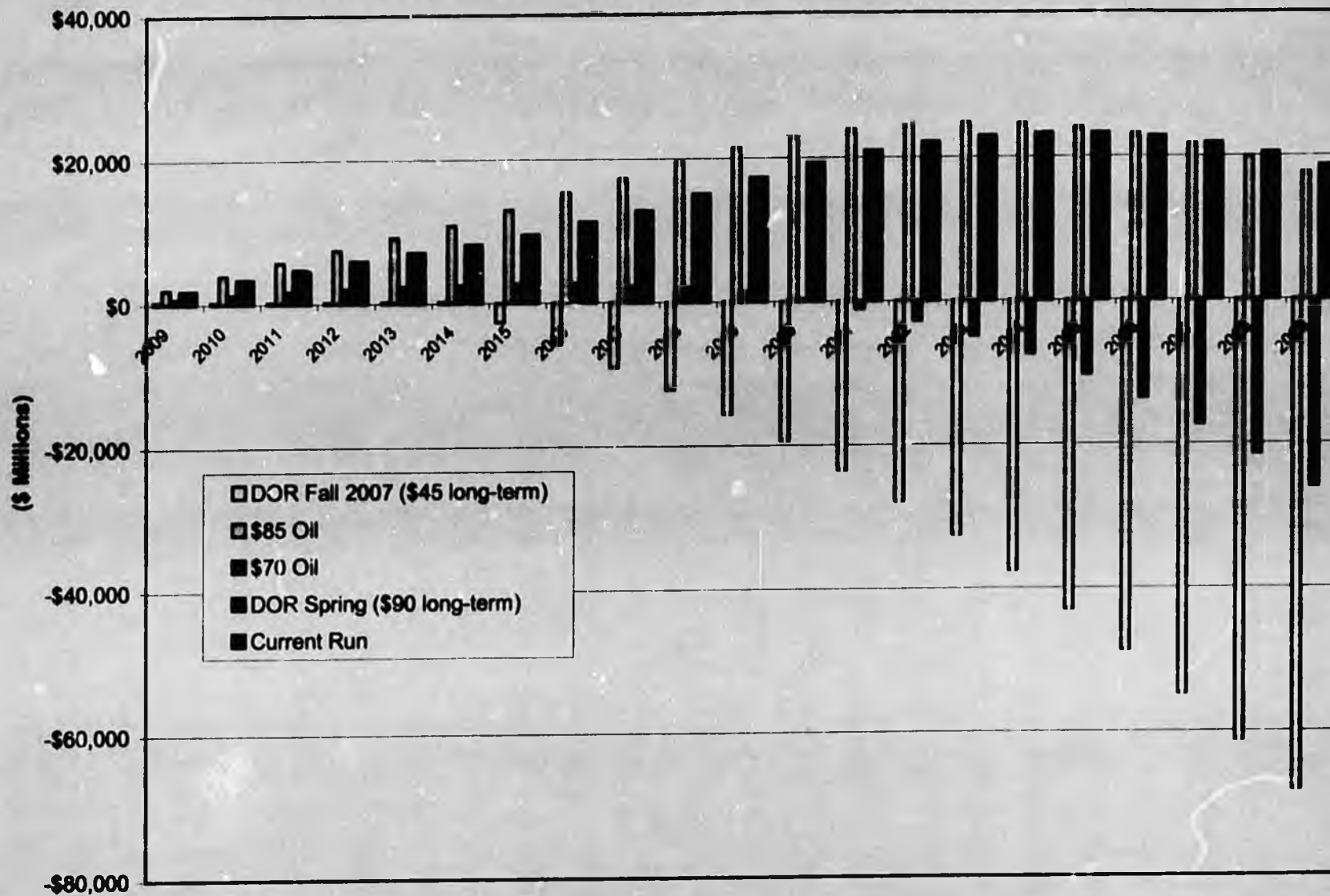
Source:

FY94-FY01 CAFR

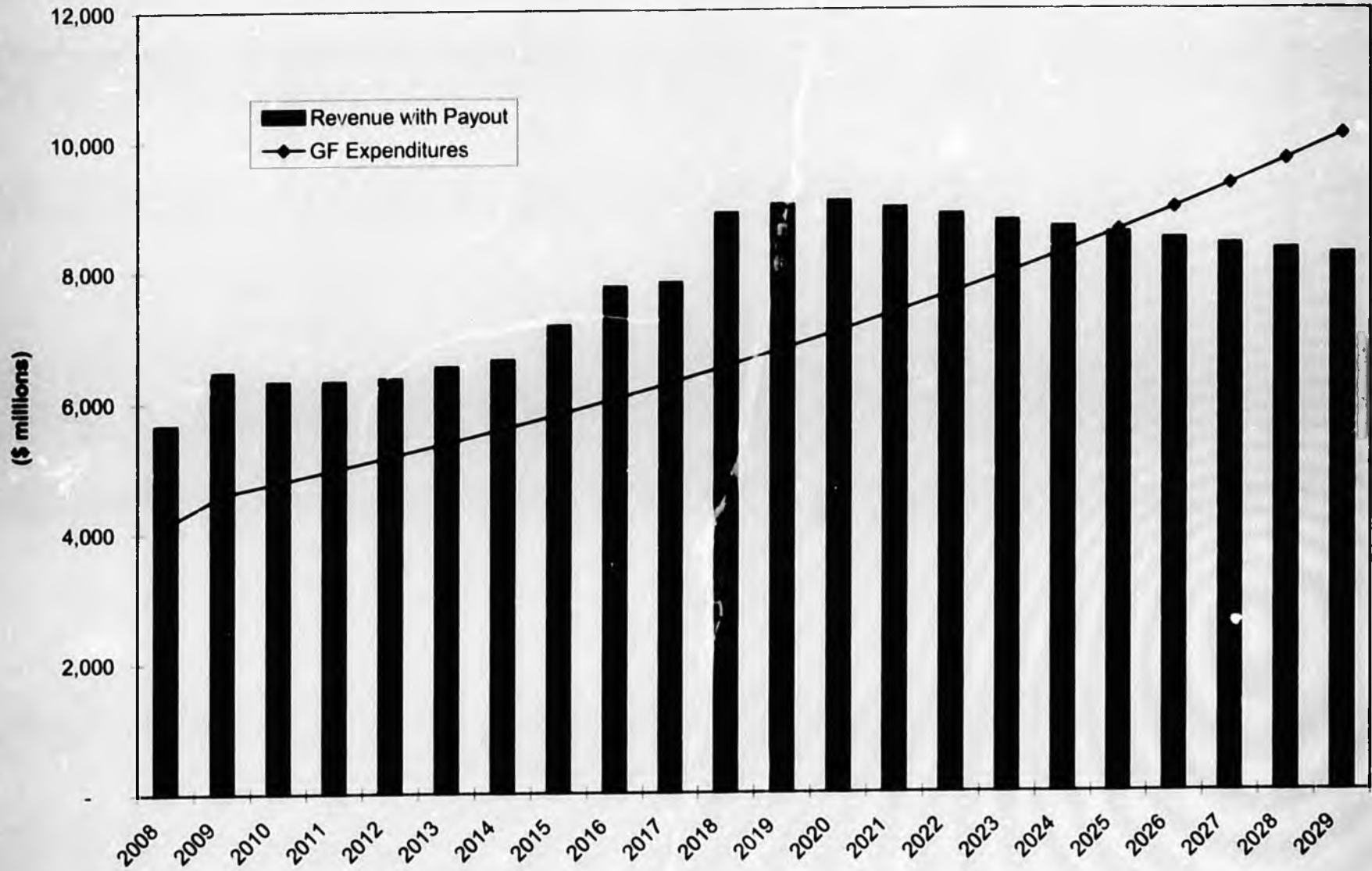
FY02-FY06 Available Balance in CBR - http://fin.admin.state.ak.us/dof/financial_reports/resource/cbr_

Reserves Outside the CBRF under HJR 28

(Fixed Forecasts use 4% GF Annual Expenditure Growth and 2% Annual Production Decline after 2020)



**Projected GF Revenue and Expenditures under HJR28
(at Current Set of Assumptions)**



ANS Historical Production Forecasts and Realized Production

Forecast Term	Est. Prod for current year	Est. Prod. For +1 yr.	Est. Prod. For +2 yr.	Actual Prod.*
2000	1.032	1.03	1.002	1.0354
2001	0.9955	1.0686	n/a	0.991
2002	1.011	1.053	1.097	1.003
2003	0.994	0.993	0.992	0.991
2004	0.985	0.98	0.98	0.98
2005	0.92	0.91	0.91	0.917
2006	0.853	0.825	0.803	0.845
2007	0.74	0.764	n/a	0.74

Production estimates and realized production are for Alaska North Slope only, as reported in the Spring Revenue Sources production forecast.

* Realized production as reported the following year.

REHE

34

ALASKA STATE LEGISLATURE
House of Representatives



INTERIM:
716 W. 4TH AVE.
ANCHORAGE, AK 99501
Phone: (907) 269-0265
Fax: (907) 269-0264
(website: www.akrepublicans.org/roses.htm)

SESSION:
STATE CAPITOL
JUNEAU, AK 99801-1182
Phone: (907) 465-4939
Toll Free: (800) 465-4939
Fax: (907) 465-2418

Representative Bob Roses

email: Representative_Bob_Roses@legis.state.ak.us

Date: March 10, 2008
To: Senator Hollis French, Chair
Senate Judiciary Committee
From: Representative Bob Roses
Re: HJR 34

A handwritten signature in black ink, appearing to read "Bob Roses", written over a horizontal line.

I would like to request that you schedule HJR 34 for consideration by the Senate Judiciary Committee.

Enclosed are:

1. The most recent version of the bill
2. Current Sponsor Statement
3. Appropriate backup documentation

Thank you for your consideration of this request. Please contact Crystal Koeneman at 465-4939 in my office if you have any questions or concerns.

ALASKA STATE LEGISLATURE
House of Representatives



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Representative Bob Roses

email: Representative_Bob_Roses@legis.state.ak.us

HJR 34 – FEDERAL FUNDING FOR DNA TESTING

Sponsor Statement

House Joint Resolution 34 respectfully urges the United States Congress to reauthorize the Debbie Smith DNA Backlog Grant Program.

Originally passed in 2004, the “Debbie Smith Act” ensured that DNA evidence could be used to convict the guilty and free the innocent. Since then, millions of dollars of federal funding have been appropriated under the Debbie Smith DNA Backlog Grant Program to process the thousands of unprocessed DNA evidence kits – including rape kits – across the country.

Currently in Alaska we have about 400 backlogged DNA cases and have been a recipient of the federally funded Debbie Smith Grant program. The program is set to expire in fiscal year 2009, and by reauthorizing this program the grants will continue until FY 2014. I strongly urge your support of HJR 34.

Debbie Smith Reauthorization Act of 2008 Introduced; Landmark Law Has Helped Process Thousands of DNA Evidence Kits, Put Rapists Behind Bars

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<http://www.forensicnursemag.com/>
Posted on: 01/21/2008

 P R I N T

WASHINGTON, D.C. –Congresswoman Carolyn B. Maloney (D-NY), House Judiciary Committee Chairman John Conyers (D-MI), and House Judiciary Committee Ranking Member Lamar Smith (R-TX) have introduced “The Debbie Smith Reauthorization Act of 2008,” legislation that would extend an important federal DNA backlog processing program through FY 2014.

The original “Debbie Smith Act” was signed into law in 2004 as part of “The Justice for All Act,” comprehensive legislation that ensured that DNA evidence could be used to convict the guilty and free the innocent. Since then, millions of dollars of federal funding have been appropriated under the Debbie Smith DNA Backlog Grant Program to process the thousands of unprocessed DNA evidence kits -- including rape kits -- across the country.

“Passing the original Debbie Smith bill was a huge victory for Debbie, and for the thousands of rape survivors like her. Our bill is set to expire soon, but I will not stand by and let rapists roam free while the DNA evidence that could convict them goes unprocessed. Reauthorizing the Debbie Smith Act will ensure we continue to keep rapists off our streets and put them in prison where they belong,” said Maloney.

“Congress has a responsibility to ensure justice for rape victims and tough sentences for rapists,” stated Smith. “The Debbie Smith Act helps law enforcement officials identify, apprehend and prosecute rapists by reducing the DNA backlog. Debbie Smith’s courageous efforts have brought justice to rape victims nationwide. This important legislation protects women by providing federal funding to process the DNA evidence needed to take violent criminals off the streets.”

Maloney authored the original “Debbie Smith Act” after rape survivor Debbie Smith testified before the House Government Reform Committee in June 2001 about using DNA evidence to solve rape cases. Debbie Smith was raped near her home in 1989. For six and a half years, she lived in fear that her attacker would return to kill her. Only on the day that Debbie’s husband told her that the man who had raped Debbie -- who had been identified because of DNA evidence -- was already in prison, was Debbie able to live without fear.

A bipartisan coalition of members of Congress, organizations, and crime victims like Debbie Smith worked together to pass the original “Debbie Smith Act.” The president signed the bill into law just as police in New York State made their first arrest, based on an indictment of a DNA sample (“John Doe”), of a suspect in a sexual assault case from 1996. The bill is set to expire at the end of FY 2009.



H-E-A-R-T, Inc.
Debbie Smith Founder/CEO
Rob Smith President

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Fax #: (804)829-2856

January 31, 2008

Honorable Bob Roses
State Representative
Room 416
120 4th St
Juneau AK 99801-1182

RE: Resolution urging Congress to reauthorize federal state and local forensic DNA grants

Dear Representative Roses;

You are probably aware of the incredible improvements made to the criminal justice system through DNA testing of evidence. As a rape survivor whose attacker was identified through a match on the DNA database, I can provide personal testament to the value of this tool. However, the federal funding upon which DNA labs in Alaska rely for assistance with backlog management is in serious jeopardy of elimination unless the US Congress acts in 2008. **I hope you will join with legislators throughout the country in passing a Resolution urging Congress to reauthorize funding for the federal DNA backlog grant programs.**

In 1989, I was a victim of a horrific rape. Due to a significant DNA backlog, I waited for *nearly seven years* for my rapist to be identified. Thankfully, my attacker was finally caught through DNA testing. But I still live with the pain of knowing that others continue to wait in fear as their attackers remain unidentified, as their cases sit in similar backlogs. I also fear for those who have been wrongfully convicted and await the hope of DNA testing to exonerate them. And I fear the true perpetrator who still roams the streets – free only because we have not allocated enough resources for DNA analysis.

These fears drove me to bring my story to Congress, where we eventually passed the Justice for All Act of 2004. Title II of this bill provides DNA funding to state and local labs for backlogs, and was named the *Debbie Smith Act* in recognition of my efforts. Unfortunately, that program was authorized for only five years. In the last four years, Alaska has received more than \$855,895.00 from these grants to support DNA testing. After 2009, Alaska will have to make up this shortfall from your own budget unless this important federal grant is reauthorized in 2008.

I hope you will recognize the importance of these federal grants – *not only in terms of criminal justice, but also in terms of the potential funding implications for state and local budgets.* I have attached a draft Resolution for your consideration. **Prompt action on this Resolution would send a signal to Congress that fully funding these DNA backlog grants should be a top priority.** Please contact me if I can be of any help in this matter.

Sincerely,

Debbie Smith
Founder/CEO

DS:cw 10 3494