

ALASKA STATE LEGISLATURE

SENATOR DONALD C. OLSON



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FY10 Senate Budget Subcommittee Report **DEPARTMENT of ADMINISTRATION**

March 18, 2009

MEMBERS:

Senator Donald Olson, Chair, Senator Joe Paskvan, and Senator Fred Dyson

After four substantive hearings with the Department of Administration, the Senate Administration Subcommittee submits this operating budget to the full Senate Finance Committee:

FUND SOURCE:

	<u>FY09 Mgt</u>	<u>Gov Amd+</u>	<u>Sen Sub</u>	<u>Difference</u>
	<u>Plan</u> <u>Rev</u>			<u>SenSub to GovAm+</u>
GENERAL FUNDS:	73,634.6	74,165.0	73,589.4	(575.6)
FEDERAL FUNDS:	2,776.3	2,782.4	2,878.1	95.7
OTHER FUNDS:	205,890.4	216,295.0	216,789.9	494.9
TOTAL FUNDS:	282,301.3	293,242.4	293,257.4	15.0

PERSONNEL:

We reviewed the authorized position count. The Department has increased 22 PFT positions since FY09CC through position adjustments, reclassifications from PPT to PFT, and the addition of positions due to legislation. The Subcommittee recommends that the department search to eliminate five PFT positions to reduce the overall authorized position count.

	<u>FY09</u>	<u>Gov Amd+</u>	<u>Sen Sub</u>
	<u>CC</u>		
PFT	1,046	1,068	1,063
PPT	23	20	20
TEMP	32	33	33
TOTAL:	1,101	1,121	1,116

OTHER SUBCOMMITTEE ACTION:

The Subcommittee **approves** an increment of \$250.0 GF for the Alaska Public Broadcasting Commission / Radio, for station operating grants.

The Subcommittee **approves** a funding level of \$130.0 GF, which includes the addition of \$65.0 GF to replace expiring federal funds for Partners For Progress, a non-profit entity which supports Therapeutic Courts.

The Subcommittee **approves** a fund switch in Centralized Administrative Services / Finance to replace \$220.0 GF with Capital Improvement Project receipts.

The Subcommittee **approves** a GF increment of \$140.0 in Centralized Administrative Services / Finance, to support the Alaska Data Enterprise Reporting (ALDER) data warehouse (\$100.0), and for vacancy factor reductions (\$40.0).

The Subcommittee **denies** a request for an increment of \$300.0 GF to pay operations and maintenance cost increases for the Alaska Telecommunications System (SATS).

Regarding a request for salary and health benefit increases within Centralized Administrative Services / Personnel and within Enterprise Technology Services, the Subcommittee **approved** a request for two fund source changes to GF to avoid an increase in chargeback rates paid by agencies – for \$472.2 and \$415.9 respectively. Furthermore, in order to provide cost recovery of non-general funds, the Subcommittee **agrees** to authorize replacement of \$66.4 GF with a variety of non-general fund sources for Centralized Administrative Services / Personnel, and would replace another \$97.2 GF with a variety of non-general fund sources for Enterprise Technology Services. Wordage is also included to allow distribution of these funds to user agencies in order to pay increased service costs.

The Subcommittee reviewed the status of the Alaska Land Mobile Radio system (ALMR), and recognized improved managerial control of the program since the issuance in 2006, of Legislative Audit #09-30021-06. Of significance is the completion of the report entitled, "Total Cost Of Ownership Study." The Subcommittee recommends that the Department take action to ensure that participating municipalities begin to pay their share of operations and maintenance costs.

The Subcommittee reviewed a request for a lapse date extension by the AOGCC for Reservoir Depletion Studies. The carry forward is estimated to be \$1,450.6. **No action** was taken by the Subcommittee in anticipation of a policy discussion by the full Senate Finance Committee when it considers supplemental spending legislation.

GOVERNOR'S AMENDMENTS:

The Subcommittee **approves** the governor-proposed decrement of -\$7.5 GF in Centralized Administrative Services / Personnel for the State Officers' Compensation Commission.

The Subcommittee **approves** the governor-proposed increment of \$1,000.0 GF in the Legal and Advocacy Services / Public Defender Agency for projected caseload increases.

ATTACHED REPORTS (Numbers Only):

The Subcommittee adopts the following Legislative Finance Reports:

Appropriation / Allocation Summary (All Funds) – Senate Structure

Appropriation / Allocation Summary (GF only) – Senate Structure

Transaction Comparison – Senate Structure (Between Adjusted Base and Senate Subcommittee)

Transaction Comparison – Senate Structure (Between Gov. Amend.+ and Senate Subcommittee)

Transaction Comparison – Senate Structure (Between House and Senate Subcommittee)

Agency Totals – FY2010 Operating Budget, Senate Structure

Wordage Report – FY2010 Operating Budget, Senate Structure

Respectfully Submitted:

Handwritten signatures of Senator Donald Olson and Senator Joe Paskvan. The signature of Donald Olson is on the left, and the signature of Joe Paskvan is on the right.

Senator Donald Olson
Subcommittee Chair
March 18, 2009

Senator Joe Paskvan
Majority Member

Senator Fred Dyson
Minority Member

ALASKA STATE SENATE

SENATOR DONALD C. OLSON
SENATE FINANCE SUB-COMMITTEE CHAIR

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SENATE FINANCE / HEALTH & SOCIAL SERVICES SUB-COMMITTEE

SUB-COMMITTEE MEMBERS: SENATOR DAVIS, SENATOR MCGUIRE, SENATOR MEYER, SENATOR WIELECHOWSKI

FY 10 Budget Close-out Report

Date: March 19, 2009

By: Senator Donald C. Olson, Chair

Senator Bettye Davis

Senator Lesil McGuire

Senator Kevin Meyer

Senator Bill Wielechowski

The Sub-Committee for the Department of Health & Social Services submits an operating budget recommendation and report to the Senate Finance Committee for FY10 as follows:

Fund Source

	09 Mgt Plan	Gov Amd	Sen Sub	Difference	
GF	\$ 903,587.9	\$ 866,345.5	\$ 848,593.5	\$(17,752.0)	(2.0) %
Federal	1,008,215.0	1,057,652.1	1,057,081.1	(571.0)	(0.1) %
Other	171,864.8	159,584.6	160,784.6	1,200.0	0.8 %
Total	\$2,083,667.7	\$2,083,582.2	\$2,066,459.2		

Position Summary

	09 CC	Gov Amd	Sen Sub
PFT	3,436	3,465	3,455
PPT	98	95	95
Temp	136	111	111
Total	3,670	3,671	3,661

Personnel

The authorized position count for the department was reviewed; the overall number of positions stayed about the same, although we did not approve all of the new PFT positions.

Budget Action

- Held 8 public meetings with the department to discuss and explain the budget;
- Adopted the FY10 Adjusted Base; and
- Reviewed each of the increments and decrements submitted by the Governor, including amendments.

The GF in this budget was reduced from the previous year by \$54.8 million, largely due to Federal Medical Assistance Percentage (FMAP) changes which result in the federal share of expenditures increasing, and the State's share decreasing. Although funding increased \$13.7 million in total, including the FMAP changes and other adjustments to Medicaid in this budget request, the GF portion went down \$82.6 million. In addition to a reduction of GF for Medicaid, the Adult Public Assistance Program and the Senior Benefits Payment Program were each reduced \$500 thousand due to a decline in the number of people receiving these services compared to what was previously projected.

This is fortunate since it did allow for some necessary increases in other areas, which we believe to be basic and integral to the services provided by this budget, and consider them to be essential to what government does for its citizens. And so this budget proposal funds basic support needed for children, the frail and other Alaskans who cannot provide for themselves. Notable increases that are approved include:

- Approximately \$6.2 million of GF, and nearly \$2 million in Mental Health Trust Funds, was added for various services provided to our children, including front line Social Workers, Child Advocacy Centers, autism, early intervention and infant learning, and other services that are part of the Bring the Kids Home efforts.
- \$500 ^{thousand} ~~million~~ for the Juvenile Justice Facilities, mostly to increase front line staffing but also to add a nurse and maintenance position, and funds for additional operating costs.
- Approximately \$5 million in GF, in addition to another \$5 million in Mental Health Trust Funds, was added for substance abuse and mental health programs and services.
- \$5 million of GF was added to maintain the Alaska Heating Assistance Program, which is important to many Alaskans who need help with their fuel bills.
- Finally, \$10.1 million was added for cost increases. \$1.3 million is for rate increases for Subsidized Adoptions and for Dental Rates for non-Tribal providers. \$4.3 million is for grantee cost increases for many of the department's programs. \$1.7 million is for cost increases to various programs in the department such as the Birth Defects registry, the Cancer registry, and Therapeutic Courts. Finally, \$2.8 million of this amount is due to correcting a previous error in how the Public Health Nurses were charging to the Medicaid program.

Significant items which were requested, but which are not funded, include:

- The Governor requested \$500 thousand and 1 position for the Health Care Commission she created by Administrative Order.
- The Governor requested \$498.4 thousand and 2 positions for her health initiative, "Live Well Alaska".
- The Governor requested \$3 million in GF to increase the child care rate for working families. However, since the Governor's budget was submitted, funds for Child Care Assistance have been included in the federal economic stimulus budget. The department may request an increase next year if those funds are not sufficient or at such time as the funds are no longer available to them.

Detail on these and other changes are shown in the reports included with this.

It is also our intention to allow Legislative Finance to do technical adjustments if any are needed.

Items of Concern

Clearly, the biggest concern for this budget is the size of the budget itself, and whether it can be sustained. This budget funds some of the most essential services of state government and not only are the costs of all the programs escalating, but in addition, there continues to be growth in the programs as the elderly population increases, poverty levels increase, and substance abuse and other behavioral health problems abound.

Another concern for this budget is the continuing change to the FMAP rate and other federal programs. This year we were fortunate because the FMAP rate increased, but it can just as easily go the other way, especially when the economic stimulus funds are no longer available. Even a small increase in the State's share will cost tens of millions.

Documents attached

Legislative Finance Reports:

- Agency Totals – Senate Structure - FY 10 Operating Budget
- Appropriation/Allocation Summary - Senate Structure
- Appropriation/Allocation Summary – GF only - Senate Structure
- Transaction Comparison – Senate Structure - Between Adjusted Base and Senate Sub
- Transaction Comparison – Senate Structure - Between Gov Amend and Senate Sub
- Transaction Comparison – Senate Structure - Between House and Senate Sub
- Wordage Report – Senate Structure - FY 10 Operating Budget

ALASKA STATE SENATE

SENATOR DONALD C. OLSON SENATE FINANCE SUB-COMMITTEE CHAIR

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SENATE FINANCE / PUBLIC SAFETY SUB-COMMITTEE

SUB-COMMITTEE MEMBERS: SENATOR FRENCH, SENATOR MCGUIRE, SENATOR WIELECHOWSKI, SENATOR BUNDE

FY 10 Budget Close-out Report - Amended

Date: March 23, 2009

By: Senator Donald C. Olson, Chair

Handwritten signature of Senator Donald C. Olson.

Senator Hollis French

Senator Lesil McGuire

Senator Bill Wielechowski

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Senator Con Bunde

The Senate Finance Sub-Committee for the Department of Public Safety submits an operating budget recommendation to the full Senate Finance Committee for FY10 as follows:

Fund Source

	09 Mgt Plan	Gov Amd	Sen Sub	Difference	
GF	\$116,401.8	\$128,945.0	\$125,095.1	\$(3,849.9)	(3.0)%
Federal	15,257.6	15,191.2	11,540.0	(3,651.2)	(24.0)%
Other	23,135.9	29,777.2	30,542.9	765.7	2.6 %
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Total	\$154,795.3	\$173,913.4	\$167,178.0		

Position Summary

	09 CC	Gov Amd	Sen Sub
PFT	836	857	844
PPT	17	16	16
Temp	12	14	14
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Total	865	887	874

Personnel

Reviewed the authorized position count for the department. The Governor requested 20 new positions. The sub-committee authorizes 7 of those.

Budget Action

The sub-committee was reopened to allow for one additional transaction to occur. After the initial close-out, we discovered that additional PFD Criminal Receipts would be available. Thus the sub-committee was reopened and all of the sub-committee members were polled in addition to the department to determine if the budget should be changed; no one objected to taking this action. Thus, there was a fund source adjustment done to remove \$881.9 of GF from the Council on Domestic Violence and Sexual Assault (CDVSA) and to replace it with a like amount of PFD Criminal Receipts. Legislative Finance has updated all the reports and, with the exception of this paragraph and the one describing changes to the CDVSA, the remainder of this memo is identical to the one used at close-out.

- Held 4 public meetings with the department to discuss and explain the budget;
- Adopted the FY10 Adjusted Base; and
- Reviewed each of the increments and decrements submitted by the Governor, including amendments.

The Governor made public safety a priority and this budget is one of the few with some significant increases. The Senate Finance Sub-Committee approved most of those increases. Notable increases to GF that are approved:

- \$3,343.9 of the Governor's request for \$4,165.1 to fully fund commissioned officers is approved. These increases are in multiple components of the department. They are needed due to the success with recruitment and the resulting low vacancy rate that the department has experienced, causing them to be short of personal services.
- \$2,470.3 is approved for the VPSO program to annualize the funding for positions authorized last year, to add 15 additional positions this year, and for COLA and merit increases. This follows the recommendations of the Senate VPSO Task Force from 2008. The department is already seeing success with the implementation of the first of those recommendations, in a similar way as with the Troopers, with more applicants for VPSO positions, and less turnover. These increases are necessary if they are to continue and build on this success and ensure public safety for rural Alaskans as well.
- \$1,439.5 is approved of the total \$1,963.6 requested by the Governor for cost increases in various existing programs of the department. This includes leases, utilities, insurance, medical exams, vehicles, fuel and airline costs, and supplies. Most if not all of these increases are beyond the control of the department and must be funded if services are to continue.

- \$287.0 is approved for other items, including Anchorage prisoner transportation, Central Region facilities maintenance, and DNA collection kits. \$28.0 is not funded of the total requested for Central Region facilities maintenance.

Non-GF increases were requested and with one exception, all are approved. Included in this group is:

- An increase to the Council on Domestic Violence and Sexual Assault (CDVSA) out of PFD Criminal Receipts for \$1,677.9. The Sub-Committee also adds an additional \$1,381.9 of PFD Criminal Receipts since additional funds are expected to be available, and offsets that increase with a corresponding decrease to GF.
- Another significant requested increase in non-GF is for 13 positions and \$4,800.0 of CIP receipts for the Bureau Highway Patrol. The Sub-Committee approves \$4,102.9 for that request, but does not approve an increase to positions; the department should use existing positions.

Items which were requested but which are not funded include:

- Essentially all of the fund source switches requested to replace non-GF with GF due to salary adjustments for Bargaining Unit agreements is denied. These are each relatively small amounts that should be absorbed by the department.
- No funds for additional moves by trooper positions are approved; \$800.0 was requested.
- The request for \$3,660.2 of federal funds for CDVSA is not approved since those are continuing funds which will not lapse until June 30, 2010.

The Sub-Committee also recommends language and conditional funding to be included in the “language section” of the CS for the Rural Alcohol Interdiction Team for \$1,270.0; and for Drug and Alcohol Enforcement for \$1,393.2.

Other changes are shown in the reports included with this. It is also our intention to allow Legislative Finance to do technical adjustments if any are needed.

Items of Concern

The Department is to be commended for its efforts in recruiting and retaining trooper positions and bringing the vacancy rate down. Should those efforts continue and result in all positions being filled for the full twelve months, a supplemental request may be needed next year for both Troopers and VPSOs. However, even though the results so far have been remarkable, history tells us that it is highly unlikely that 0% vacancy will ever be achieved. That said, this budget recommendation funds most of the department requests and clearly the majority of those increases relate to that improvement in recruiting and retention, which we wholeheartedly support.

Another concern is that by replacing so much of the GF funding for the CDVSA with PFD Criminal Receipts, it is expected that a large GF increment will be needed in the future to sustain the shelters funded by this budget component. For now, while the receipts are available, it makes good sense to use those receipts in lieu of GF; but as the PFD amounts decrease, so will the available PFD Criminal Receipts and they must inevitably be replaced with GF. The only other alternative is to drastically reduce the services offered throughout the State by the funding in this component, and that is unacceptable.

Documents attached

Legislative Finance Reports:

- Agency Totals – Senate Structure - FY 10 Operating Budget
- Appropriation/Allocation Summary - Senate Structure
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- Wordage Report – Senate Structure - FY 10 Operating Budget

ALASKA STATE LEGISLATURE

Senator Johnny Ellis, Chair

•
Senator Bettye Davis

•
Senator Hollis French

•
Senator Joe Paskvan



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SENATE FINANCE SUBCOMMITTEE ON THE DEPARTMENT OF CORRECTIONS

FISCAL YEAR 2010 SENATE BUDGET SUBCOMMITTEE RECOMMENDATIONS

March 16th, 2009

The Senate Finance Subcommittee on the Department of Corrections submits an operating report to the full Senate Finance Committee for Fiscal Year 2010 as follows:

Fund Source:

	FY09 Management Plan	FY10 Governor's Amended Adjusted Base	FY 10 Senate Subcommittee	Difference (Governor to Senate Sub)
General Funds	210,982.0	214,041.4	213,819.2	-222.2 (-0.1%)
Federal Funds	2,990.5	3,174.4	3,187.3	12.9 (0.4%)
Other Funds	30,560.0	31,985.1	31,977.0	-8.1 (-0.0%)
Total	244,532.5	249,200.9	248,983.5	-217.4 (-0.1%)

Personnel:

The Subcommittee reviewed the authorized position count for the Department. The Governor's amended budget proposal requested three new positions. The Subcommittee is recommending three new positions.

Position Summary	FY09 Authorized	FY10 Governor's Amended Adjusted Base	FY 10 Senate Subcommittee
Permanent Full Time	1512	1513	1513
Permanent Part Time	4	3	3
Temporary	0	0	0
Total	1516	1516	1516

Budget Action:

The Subcommittee held four meetings with the Department and took the following actions:

ADMINISTRATION & SUPPORT

- Approved an increment of \$101,200 in Capital Improvement Project Receipts for the Administrative Services section to continue funding a network specialist to operate and maintain the Case Management System.

BP CORROSION

- Approved a one-time increment of \$3.5 million GF to continue the pursuit of claims against BP for penalties and lost revenues related to the 2006 Prudhoe Bay pipeline corrosion and maintenance problems which resulted in spills and lost oil production.

ATTACHMENTS:

Report 1 - Agency Totals

Report 2 - Allocation Summary - Senate Structure

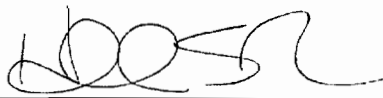
Report 3 - Allocation Summary - Senate Structure (GF Only)

Report 4 - Transaction Compare - Gov Amend & Senate Subcommittee

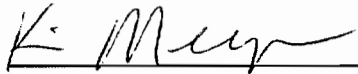
Report 5 - Transaction Compare - House & Senate Subcommittee

Report 6 - Transaction Compare - Adjusted Base & Senate Subcommittee

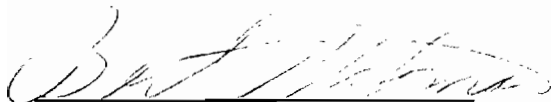
Report 7 - Wordage



Senator Hollis French



Senator Kevin Meyer



Senator Bert Stedman - Chairman

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE Department of Revenue Operating Budget Sub-Committee



Senator Bert Stedman, Chair
Senator Lyman Hoffman
Senator Lesil McGuire

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FY10 OPERATING BUDGET RECOMMENDATIONS

March 19th, 2009

The Senate Finance Budget Subcommittee for the Department of Revenue submits the following FY10 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	09 Adj Base	Gov Amd	Sen Sub	Difference
General Funds	\$ 17,118.5	\$ 20,414.8	\$ 18,164.1	\$(2,250.7)
Federal Funds	\$ 37,926.1	\$ 39,588.3	\$ 39,611.0	\$ 22.7
Other Funds	\$207,072.3	\$189,797.8	\$191,562.7	\$ 1,764.9
Total	\$262,116.9	\$249,800.9	\$249,337.8	\$(463.1)

Positions	09 Adj Base	Gov Amd	Sen Sub	Difference
PFT	867	867	866	-1
PPT	41	41	41	0
Temp	17	17	17	0
Total	925	925	924	-1

The Subcommittee held three meetings with the Department and took the following actions:

Budget Action

TAX DIVISION

- Approved a \$50k fund source change from Capital Improvement Project Receipts to GF to prepare the statutorily required annual Alaska Salmon Price Report.
- Approved a one-time increment of \$270,000 GF for contract audit assistance. The Governor's request was for \$540,000.

- Approved a \$200,000 GF increment to fund the fourth master auditor position that was authorized during the 2007 ACES legislation.

TREASURY DIVISION

- Approved \$81,700 in fund source changes necessary to comply with changes made by the Alaska Retirement Management Board to the structure of the Retiree Health Care Trust Fund. The old "Retiree Health Care" designation is being replaced with the broader designation of "Benefit System Receipts".
- Approved \$420,000 in fund source changes necessary to bring the Treasury Division's cost allocation plan into compliance.
- Approved a \$152,000 GF increment to recover Treasury management costs that under the new cost allocation plan, can't be allocated to unbudgeted RSAs in FY2010.

ALASKA RETIREMENT MANAGEMENT BOARD (ARMB)

- Approved \$113,000 in fund source changes necessary to comply with changes made by the Alaska Retirement Management Board to the structure of the Retiree Health Care Trust Fund. The old "Retiree Health Care" designation is being replaced with the broader designation of Benefit System Receipts.
- Approved \$74,600 in fund source changes necessary to bring the Treasury Division's cost allocation plan into compliance.
- Approved a \$249,500 increment of Group Health Life & Benefit Receipts to fund increased measurement and consulting costs associated with the addition of 15 new investment options within the Supplemental Annuity, Deferred Compensation and Defined Contribution plans.
- Approved a \$900,000 increment of Group Health Life & Benefit Receipts to cover increased Treasury management costs associated with the Supplemental Annuity and the Deferred Compensation Plan.
- Approved a \$150,000 one-time increment of retirement trust funds to engage a contractor to audit the Board's performance consultant, Callan Associates.

ARMB CUSTODY AND MANAGEMENT FEES

- Approved an \$8.547 mill decrement of retirement trust funds to reflect lower investment manager fees due to the decline in the retirement portfolio's market value.

PERMANENT FUND DIVIDEND DIVISION

- Approved a \$101,000 increment of Permanent Fund Dividend funds to cover cost increases associated with an increased number of applicants and public inquires.

CHILD SUPPORT SERVICES DIVISION

- Denied a \$1.9 million fund source change from Receipt Supported Services to GF to increase state matching funds. The Department testified that they wouldn't need this change after all due to relief that was anticipated in the federal stimulus bill - the American Recovery and Reinvestment Act (ARRA).

ADMINISTRATIVE & SUPPORT

- Denied \$22,700 in fund source changes from CSSD receipts to General Funds related to unrealizable salary adjustments in the Commissioner's Office and the Administrative Services group.
- Accepted the House recommendation to delete the special assistant to the commissioner position. (\$46.4 GF/\$72.6 Inter Agency Receipts)

MENTAL HEALTH TRUST OPERATIONS

- Approved \$2.65 mill in Mental Health Trust Receipts to fund the Board of Trustees approved FY2010 operating plan. This is a \$150,400 increase over the FY09 management plan.

LONG TERM CARE OMBUDSMAN'S OFFICE

- Denied an \$11,600 fund source change from Inter-Agency Receipts to GF related to unrealizable salary adjustments.

ALASKA HOUSING FINANCE OPERATIONS

- Approved a \$674,300 fund source change from Corporation Receipts to Federal Receipts in order to maximize available federal Dept of Housing & Urban Development funding.
- Approved a \$959,700 increment in Fed Receipts to cover increased utility costs from rate increases.
- Approved a \$254,400 increment (\$50.9 Fed/\$80.5 CIP/\$123.0 AHFC Receipts) for costs associated with increased business activity.

ALASKA PERMANENT FUND CORP OPERATIONS

- Denied a \$74,100 increment in Perm Fund Corp Receipts for increased travel.

APFC CUSTODY AND MANGEMENT FEES

- Approved a \$10.0 mill decrement in Perm Fund Corp Receipts to reflect lower investment manager fees due to the decline in the retirement portfolio's market value.

ATTACHMENTS:

Report 1 - Agency Totals - Senate Structure

Report 2 - Allocation Summary - Senate Structure

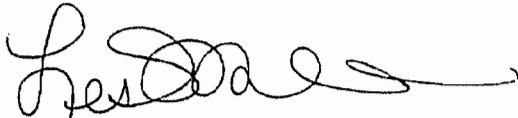
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Report 4 - Transaction Compare - Gov Amend & Senate Subcommittee

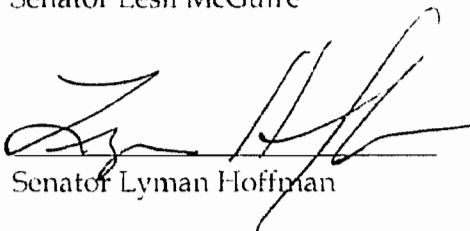
Report 5 - Transaction Compare - House & Senate Subcommittee

Report 6 - Transaction Compare - Adjusted Base & Senate Subcommittee

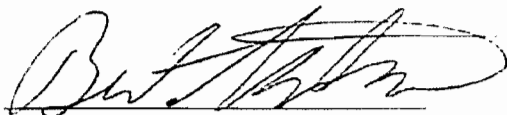
Report 7 - Wordage



Senator Lesil McGuire



Senator Lyman Hoffman



Senator Bert Stedman - Chairman

ALASKA STATE LEGISLATURE

SENATE FINANCE COMMITTEE Department of Transportation Operating Budget Sub-Committee

Senator Bert Stedman, Chair
Senator Albert Kookesh
Senator Linda Menard
Senator Kevin Meyer
Senator Donny Olson
Senator Gary Stevens



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FY2010 OPERATING BUDGET RECOMMENDATIONS

March 20th, 2009

The Senate Finance Budget Subcommittee for the Department of Transportation & Public Facilities submits the following FY10 Operating Budget Recommendations to the Senate Finance Committee:

Fund Source	09 Adj Base	Gov Amd	Sen Sub	Difference
General Funds	\$205,345.1	\$ 221,616.8	\$230,238.5	\$ 8,621.7
Federal Funds	\$ 3,996.1	\$ 3,987.0	\$ 3,988.2	\$ 1.2
Other Funds	\$295,741.6	\$ 293,057.2	\$296,571.2	\$ 3,514.0
Total	\$505,083.0	\$ 518,661.0	\$530,797.9	\$ 12,136.9

Positions	09 Adj Base	Gov Amd	Sen Sub	Difference
PFT	3,200	3,202	3,202	0
PPT	438	444	436	-8
Temp	199	199	199	0
Total	3,837	3,845	3,837	-8

Budget Highlights

The subcommittee approved \$4.033 million GF for salary and benefit adjustments for the recently concluded Alaska Marine Highway System bargaining agreements:

- \$2.320 mill - Inlandboatman's Union of the Pacific (IBU)
- \$0.924 mill - Master, Mates & Pilots (MMP)
- \$0.789 mill - Marine Engineers Beneficial Association (MEBA)

The subcommittee approved \$12.7 mill in additional funding for facilities, highway and aviation maintenance statewide. This will allow the regions to provide a higher level of service in recognition of lost purchasing power over the past several years.

- \$6.239 mill - Northern Region
- \$4.816 mill - Central Region
- \$1.667 mill - Southeast Region

Specific Budget Action

The Subcommittee held four meetings with the Department and accepted the Governor's appended budget transactions with the following exceptions:

AGENCY WIDE

- Denied 29 separate transactions requested agency-wide to charge \$1.015 million in unrealizable salary adjustments to the General Fund from other funding sources.

CENTRAL REGION FACILITIES

- Added a \$54,800 GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.
- Added a \$496,400 GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

NORTHERN REGION FACILITIES

- Denied a \$141,200 GF increment for janitorial contract cost increases at various facilities in the Northern Region to include Tok, Delta Junction and Fairbanks.
- Added an \$116,700 GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.
- Added a \$709,900 GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

SOUTHEAST REGION FACILITIES

- Added a \$104,500 GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

CENTRAL REGION HIGHWAYS AND AVIATION

- Approved a \$200,000 GF increment for fuel and equipment operational costs related to sidewalk snow removal in Anchorage. The Governor's original request included an additional \$300,000 in associated personal services that was denied.
- Denied an \$116,300 GF increment for anticipated street sweeping contract cost increases in the region.
- Added a \$1.618 mill GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.
- Added a \$2.647 mill GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

NORTHERN REGION HIGHWAYS AND AVIATION

- Added a \$554,000 GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.
- Added a \$4.858 mill GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

SOUTHEAST REGION HIGHWAYS AND AVIATION

- Approved a \$20,000 GF increment for fuel and equipment operational costs related to sidewalk snow removal in Juneau. The Governor's original request included an additional \$27,100 in associated personal services that was denied.
- Added a \$378,500 GF increment to bring equipment, utilities, facilities maintenance and repair funding authority up to FY09 spending levels.
- Added a \$1.184 mill GF operational increment to allow the region to provide a higher level of service in recognition of lost purchasing power over the past several years.

WHITTIER ACCESS & TUNNEL

- Denied a \$2.0 mill fund source change from Capital Improvement Project Receipts to Cruiseship Gambling Tax Receipts (GF) for the maintenance and operations of the Whittier Tunnel. CIP Receipts are still an appropriate fund source for this item.
- Approved a \$500,000 increment of Regional Cruiseship Impact Fund Receipts to extend the operating hours of the Whittier Tunnel during the summer tourism season. The Governor's original request proposed using Cruiseship Gambling Tax Receipts (GF) instead.

ATTACHMENTS:

Report 1 - Agency Totals - Senate Structure

Report 2 - Allocation Summary - Senate Structure

Report 3 - Allocation Summary - Senate Structure (GF Only)


Report 4 - Transaction Compare - Gov Amend & Senate Subcommittee

Report 5 - Transaction Compare - House & Senate Subcommittee

Report 6 - Transaction Compare - Adjusted Base & Senate Subcommittee

Report 7 - Wordage

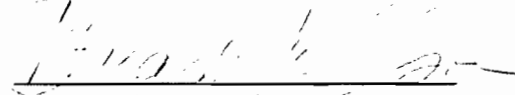
Senator Kevin Meyer



Senator Albert Kooskesh

Senator Gary Stevens

Senator Linda Menard



Senator Donny Olson

Senator Bert Stedman
Chair

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Tim Grussendorf



Subcommittee Members
Sen. Bert Stedman
Sen. Gary Stevens

Department of Fish & Game Recommendations

The Senate Finance Budget Subcommittee for the Department of Fish and Game submits an Operating Budget to the Senate Finance Committee for FY 10 as follows:

Fund Source	09 mgt. plan	Adj Gov Amd	Sen Sub	Difference (G-S)
General Funds	57,878.0	58,357.7	57,237.7	(1,120.0)
Federal Funds	54,950.3	55,112.5	55,112.5	0
Other Funds	66,988.4	66,860.1	66,649.7	(210.4)

Positions	09 CC	Adj Gov Amd.	Sen. Sub	Difference
PFT	915	910	910	0
PPT	767	767	767	0
Temp	58	62	62	0

The Subcommittee held one meeting with the Department and took the following actions:

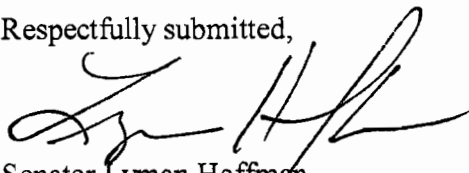
Budget Action

- Accepted the Governor's amended proposal with the following adjustments and comments:
- Restored research for Bering Sea crab in Commercial Fisheries Westward Region. \$793.7 CIP Receipts
- Removed the Wildlife Pilot Program Urban Response Teams from Wildlife Conservation. -\$190.0 GF
- Restored a portion of one-time funding for pinniped research related to the E.S.A. \$930.0 CIP Receipts
- Reduced funding to Public Shooting Ranges in the Hunter Education Division. -\$114.1 GF (F/G)
- Funded two existing Habitat Biologist positions via RSAs with DNR for Oil & Gas pre-application work. \$180.0 I/A Receipts

Attached Reports

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
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4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lyman Hoffman", written in a cursive style.



Senator Lyman Hoffman
Senate Subcommittee Chair
March 19th, 2009

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Tim Grussendorf



Subcommittee Members

Sen. Albert Kookesh 
Sen. Gary Stevens 

Office of the Governor Recommendations

The Senate Finance Budget Subcommittee for the Office of the Governor submits an Operating Budget to the Senate Finance Committee for FY 10 as Follows:

Fund Source	09 mgt. plan	FY10 Gov Amd	Sen Sub	Gov to Sen
General Funds	\$ 25,381.4	\$ 22,886.5	\$ 22,485.0	\$ -(401.5)
Federal Funds	\$ 184.9	\$ 187.6	\$ 187.6	
Other Funds	\$ 1,979.7	\$ 834.5	\$ 834.5	

Positions	09 CC	10 Gov Amd.	Sen. Sub	Gov to Sen
PFT	156	156	155	-1
PPT	0	0	0	0
Temp	46	23	23	0

The Subcommittee held one meeting with the Department and took the following actions:

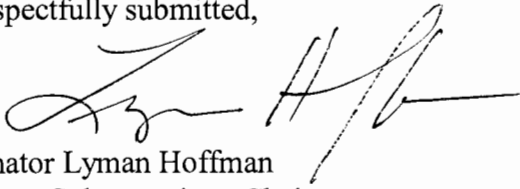
Budget Action

-
- Accepted the Governors amended proposal with the following adjustments.
 - Reduction of FY 09 carry forward of \$350.0 in the Executive Office and \$50.0 in the Lt. Gov's Office.
 - **Language:**
Fund FY 2010 Branch wide fuel increase of \$24,000.0
Branch wide fuel/utility cost reduction of (\$1,000.0)

Attached Reports

1. Agency Totals – FY 10 Operating Budget – Senate Structure
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5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lyman Hoffman", written in a cursive style.

Senator Lyman Hoffman
Senate Subcommittee Chair
March 20th, 2009

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
Staff
Tim Grussendorf



Subcommittee Members
Sen. Bert Stedman *B.S.*
Sen Gary Stevens

Legislatures FY 10 Operating Budget Recommendations

The Senate Finance Budget Subcommittee for the Legislatures Operating Budget submits this recommendation to the Senate Finance Committee for FY 10 as follows:

Fund Source	09 mgt. plan	10 Gov Amd	Sen Sub	Difference
General Funds	\$ 64,248.5	\$ 65,943.2	\$ 64,962.7	\$(980.5)
Federal Funds	0	0	0	0
Other Funds	\$ 963.6	\$1,142.3	\$1,107.3	\$(35.0)

Positions	09 CC	10 Gov Amd.	Sen. Sub	Sen to Gov
PFT	246	246	246	0
PPT	278	280	280	0
Temp	0	0	0	0

Budget Action

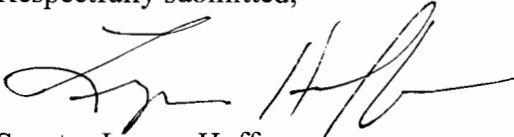
- Accepted the Governors amended proposal with the following adjustments.
- The final budget request for the Legislative Budget and Audit Committee, Legislative Affairs for the Legislative Council were approved as submitted which included non discretionary adjustments for wages and other contractual obligations.
- Approximately \$2.3 million in one-time project appropriations that were included in the FY09 budget were removed from the FY10 request.
- The FY10 request was increased by the amount estimated to implement the legislative pay adjustment in January 2010
- Allows a one time only increment to Legislative Council account for casual labor costs.

Attached Reports

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure

4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Lyman Hoffman", written in a cursive style.




Senator Lyman Hoffman
Senate Subcommittee Chair
March 20^h, 2009

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
 Staff
 Tim Grussendorf



Subcommittee Members

Sen. Stedman 
 Sen. Ellis
 Sen. Huggins 
 Sen Olson
 Sen Thomas 

University of Alaska Recommendations

The Senate Finance Budget Subcommittee for the University submits an Operating Budget to the Senate Finance Committee for FY 10 as Follows:

Fund Source	09 Mgt Plan Rev	FY10 Gov Amd+	Sen Sub	Sen to Gov
General Funds	\$307,833.5	\$325,674.9	\$320,862.2	\$ (4,812.7)
Federal Funds	\$156,076.9	\$131,558.5	\$131,558.5	0.0
Other Funds	\$374,204.3	\$368,699.9	\$368,464.5	\$(235.4)

Positions	09 CC	FY10 Gov Amd+	Sen. Sub	Sen to Gov
PFT	4,694	4697	4694	-3
PPT	222	222	222	0
Temp	0	0	0	0

The Subcommittee held two meetings with the University and took the following actions:

Budget Action

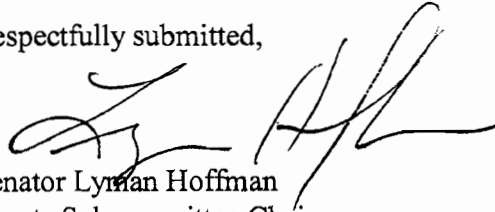
- Changed structure from one appropriation in Gov Amd and the House to seven appropriations (matching FY09)
- Adopting Adjusted Base
- Accepted the Total Compensation increases of \$14.5 million but switched funding to 50% General Fund and 50% non-GF; also added Intent regarding Executive salary pay increases

- Reduced University Receipts by (\$1,750.0) for non-Personal Services Fixed Cost Increases (including Athletics Travel, Academic/Research Travel, Facilities Maintenance and Repair, and Other Fixed Cost Increases in contractual services and commodities)
- Added \$1,750.0 University Receipts to fund the Integrated Sciences Building (ISB) New Facility Operating and Maintenance Costs on the Anchorage Campus; also allowed \$500.0 GF for the ISB, bringing the total funding to \$2,250.0 to allow for full opening of the facility for the Fall 2009 semester.
- Accepted increases for New Facility Operating and Maintenance Costs for the Virology Lab in Fairbanks (\$150.0 GF) and for the Bragaw Building Lease (\$350.0 GF) in Anchorage
- Added \$3.6 million total (\$950.0 GF and \$2,668.4 non-GF) for two Energy and Cooperative Extension Service Programs (One-Time Increments) as follows:
 - (1) UAF Alaska Center for Energy and Power (ACEP) \$500.0 GF, \$400.0 Federal Receipts, \$918.4 University Receipts, totaling \$1,818.4;
 - (2) UAF Cooperative Extension Service and Energy Outreach \$450.0 GF, \$500.0 Federal Receipts, \$850.0 University Receipts, totaling \$1,800.0
- Funding is not included for expansion of other University programs
- Retained 4,694 permanent full-time position authorization count—the same as FY09 Conference Committee
- Accepted all decrements for excess receipt authority proposed by the University (\$48 million total)
- Accepted the Mental Health Trust Authority decrements proposed in the Governor's Amended request (\$328.5 MHTAAR)
- Accepted \$2.2 million GF (switched from Capital to Operating Request) for Graduate Medical Education/Family Practice Residency Program
- Overall, the Subcommittee has approved a total budget for the University of \$820.9 million, which includes an increase of \$13 million GF plus an increase of \$10 million non-GF over FY09

Attached Reports

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. Amd+ and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House. and Senate Subcom)

Respectfully submitted,

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

Senator Lyman Hoffman
Senate Subcommittee Chair
March 18th, 2009

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
 Staff
 Jesse Kiehl



Subcommittee Members
 Sen. Joe Paskvan
 Sen. Gene Therriault

Alaska Court System Recommendations

The Senate Finance Budget Subcommittee for the Court System submits an Operating Budget to the Senate Finance Committee for FY 10 as follows:

Fund Source	FY09 mgt. plan	FY10 Gov Amd	Sen Sub	Sen to Gov
General Funds	\$ 84,485.8	\$ 89,627.1	\$ 86,991.0	\$ -2,636.1
Federal Funds	\$ 1,675.6	\$ 1,675.6	\$ 1,675.6	-
Other Funds	\$ 1,493.8	\$ 981.3	\$ 981.3	-

Positions	FY09 CC	FY10 Gov Amd.	Sen. Sub	Sen to Gov
PFT	728	754	730	-24
PPT	62	61	62	1
Temp	32	28	28	0

The Subcommittee held three meetings with the Court System and took the following actions:

Budget Action

- Accepted the governor's amended proposal with the following adjustments.
- Reduced a request for workstations, office equipment and replacement furniture from \$117.8 to \$50.0.
- Reduced a two transaction request to eliminate the vacancy savings requirement for judicial positions from \$639.4 system wide to \$200.0 in the trial courts.
- Reduced a request for \$879.1 and 13 PFT for the No Dark Courtrooms initiative to \$250.0 and no new positions. The courts will hire employees into existing vacant positions.

- Reduced a request for \$214.0 to add and upgrade positions in the First Judicial District to \$155.0 to add a Juneau magistrate and upgrade a position in Haines. The courts will use existing vacant positions.
- Denied \$436.5 for new positions in the Third Judicial District.
- Reduced a request for \$268.3 for Public Building Fund lease costs and an expanded Nenana facility to \$223.3, which pays only the Public Building Fund needs.
- Denied a request for \$147.4 to increase the pay of pro tem judges.
- Reduced a \$75.0 request for staff development and sustained systems training to \$50.0.
- Denied a request for \$250.0 for life-cycle replacement of computer systems.
- Denied a request for \$125.0 for transcription costs for criminal proceedings.
- Denied a request for \$411.9 and five positions in administration.
- Created a new allocation for therapeutic courts and transferred funding to it.
- Adopted intent language directing therapeutic court funding in the FY 11 cycle be transferred from other agencies to the Court System budget.

Attached Reports (numbers only)

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House and Senate Subcom)

Respectfully submitted,

Senator Lyman Hoffman
Senate Subcommittee Chair
March 18th, 2009

Senate Finance Subcommittee

Senator Hoffman
Subcommittee Chair
Room 518, Capital Building
Phone 465-4453 / Fax 465-4523
 Staff
 Jesse Kiehl



Subcommittee Members
 Sen. Gary Stevens *GS*
 Sen. Bettye Davis *BD*
 Sen. Linda Menard *LM*
 Sen. Kevin Meyer *KM*

Department of Education & Early Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Education & Early Development submits an Operating Budget to the Senate Finance Committee for FY 10 as follows:

Fund Source	09 mgt. plan	Fy 10 Gov Amd	Sen Sub	Sen to Gov
General Funds	\$ 49,381.8	\$ 55,842.2	\$ 54,492.2	\$ -2350.0
Federal Funds	\$ 214,567.9	\$ 214,958.5	\$ 214,958.5	-
Other Funds	\$ 36,744.2	\$ 35,190.2	\$ 35,190.2	-

Positions	09 CC	10 Gov Amd.	Sen. Sub	Sen to Gov
PFT	329	332	332	-
PPT	14	15	15	-
Temp	0	0	0	-

The Subcommittee held four meetings with the department and took the following actions:

Budget Action

-
- Accepted the Governors amended proposal with the following adjustments:
 - Denied a request for \$150.0 to audit intensive need students.
 - Reduced the requested increment to Early Learning Coordination to serve additional children in the Head Start program. The subcommittee's increment is \$600.0. The subcommittee recommends the Finance committee appropriate an additional \$1 million to serve additional Head Start children in communities with chronically underperforming school districts. The Finance committee may wish to use language similar to the following:

The sum of \$1,000,000 is appropriated to the Department of Education & Early Development to provide expanded Head Start services in communities served by chronically underperforming school districts.

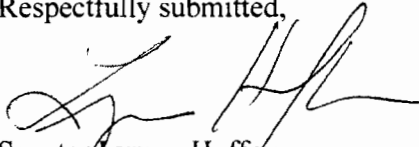
- Denied a request for \$2 million in the formula program for a Pre-Kindergarten education pilot program. The subcommittee recommends the Finance committee appropriate this amount with contingent language ensuring a substantial portion of the funds go to serve children in chronically underperforming school districts. The Finance committee may wish to use language similar to the following:

- 1) The sum of \$1,000,000 is appropriated to the Department of Education & Early Development for a Pre-Kindergarten education pilot program.
- 2) The sum of \$1,000,000 is appropriated to the Department of Education & Early Development for a Pre-Kindergarten education pilot program serving children in chronically underperforming school districts.

Attached Reports (numbers only)

1. Agency Totals – FY 10 Operating Budget – Senate Structure
2. Appropriation/Allocation Summary (GF) – Senate Structure
3. Appropriation/Allocation Summary (all funds) – Senate Structure
4. Transaction Comparison (Adj. Base and Senate Subcom)
5. Transaction Comparison (Gov. AmdAdj and Senate Subcom)
6. Wordage Report – FY 10 Operating Budget – Senate Structure
7. Transaction Comparison (House and Senate Subcom)

Respectfully submitted,



Senator Lyman Hoffman
Senate Subcommittee Chair
March 16th, 2009

**Senate Finance Budget Subcommittee
FY10 Department of Military and Veterans Affairs**

March 19, 2009

The Senate Finance Budget Subcommittee for the Department of Military and Veterans Affairs submits the following operating budget to the full Senate Finance Committee:

Fund Source	09 Mgt Plan	10 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
General Funds	\$11,328,400	\$11,276,900	\$11,276,900	0.0
Federal Funds	\$21,264,600	\$22,235,300	\$22,235,300	0.0
Other Funds	\$12,782,700	\$13,005,400	\$13,005,400	0.0
TOTAL	\$45,375,700	\$46,517,600	\$46,517,600	0.0

Positions	09 Mgt Plan	10 Gov Amd Adj	Sen Sub	Gov Amd Adj to Sen Sub
PFT	283	283	283	0.0
PPT	2	2	2	0.0
Temp	1	1	1	0.0
TOTAL	286	286	286	0.0

The Budget Subcommittee recommends an operating budget that authorizes 0 less general funds and 0 fewer employees than the Governor's FY2010 budget request.

Subcommittee Recommendations

The subcommittee held one joint House/Senate subcommittee meeting with the Department and took the following actions:

1. Reviewed the FY09 Management Plan.
2. Reviewed the FY10 Adjusted Base.
3. Reviewed the increments, decrements, and budget amendments proposed by the Governor.
4. Reviewed a three-year look-back at budget growth from FY07 to the Governor's request.
5. Reviewed the House Subcommittee report, which adopted the Governor's request as amended.
6. Adopted the Governor's request as amended.

The Subcommittee considered the educational benefits section of the budget, which is an area that has been a concern to past subcommittees. The \$328.5 reduction is a reduction to the DMVA budget; however, the Guard tuition funding reappears in the Governor's University budget request.

The subcommittee also considered and accepted the Department's rationale for removing the funding request for the Veterans Cemetery in the Fairbanks region at this time.

The committee considered the \$50.0 General Fund increment in the Veterans' Services component of the budget for increasing grants for the Veterans' Outreach Program.

Lastly, the subcommittee reviewed the \$185.2 increase in the Alaska Youth Military Academy's authority to receive I/A funding from DEED, due to the anticipated \$100 increase in the Base Student Allocation.

The Department budget has been relatively flat for the past three years. Changes in mission and organization have, where possible, been absorbed by reorganization and reassignment of personnel where needed.

Documents attached:

Legislative Finance Reports:

1. Agency Totals – FY10 Operating Budget – Senate Structure
2. Allocation Summary All Funds – Senate Structure
3. Transaction Comparison – Senate Structure (between Adj Base and Sen Sub)
4. Transaction Comparison – Senate Structure (between GAmAdj and Sen Sub)
5. House Close Out Reports
6. Wordage Report – Operating Budget, Senate Structure

Respectfully submitted,

Senator Charlie Huggins, Chair

**Senate Finance Budget Subcommittee
FY10 Department of Natural Resources**

March 23, 2009

The Senate Finance Budget Subcommittee for the Department of Natural Resources submits the following operating budget to the full Senate Finance Committee:

Senate Subcommittee Budget Comparisons				
Operating Budget	General Fund	Federal	Other	Total
FY10 Adjusted Base	\$66,436,700	\$13,939,900	\$44,544,800	\$124,921,400
FY10 Gov Amend +	\$71,679,200	\$13,804,300	\$48,144,600	\$133,628,100
(HFS) Recommend	\$73,969,700	\$14,054,300	\$50,286,100	\$138,310,100
(SFS) Recommend	\$73,841,900	\$13,804,300	\$50,013,900	\$*137,660,100

(Table No. 1)

Senate Subcommittee Position Summary			
	Permanent Full Time	Permanent Part Time	Temporary
FY 10 Adj Base	778	245	73
Gov Amend +	779	246	76
(HSF) Recommend	780	246	76
(SFS) Recommend	764	245	76

(Table No. 2)

The Budget Subcommittee recommends an operating budget that authorizes *\$137,660,100*. While Table 1 shows a number that is \$4,032,000 greater than the Governor's amended request, it includes \$3.2 million for gas line implementation, which was a capital item that moved into the operating budget, and \$2.5 million for the Petroleum Systems Integrity Office, which was moved from the language section to the numbers section. As such, these two items do not represent an increase to the budget. Therefore, the subcommittee's authorized operating budget reflects an actual reduction of \$1,668,000 from the Governor's amended budget request. The subcommittee's recommended budget also includes 15 fewer permanent full time employees than the Governor requested.

Subcommittee Recommendations

The subcommittee held six meetings with the Department and reviewed all aspects of the Department of Natural Resources' budget, including a three-year look back to review the growth in the Department's budget from FY07 to the FY10 Governor's Amended proposal.

The subcommittee took the following actions:

1. Adopted the FY10 Adjusted Base.
2. Reviewed the increments, decrements, and budget amendments proposed by the Governor.
3. Reviewed and discussed the significant issues as outlined in the Legislative Finance Division Fiscal Analyst's Overview of the Governor's request, i.e., oil and gas initiatives; North Latitude

Plant Material Center; Geological Development, Mineral Survey and Volcano Observatory; statehood entitlement transfers; fire suppression preparedness; and the Guide Service Initiative.

4. Reviewed the increments, decrements, and budget amendments recommended by the House Finance Subcommittee and passed by the House.
5. Adopted the Governor's proposed amended budget with the following exceptions:
 - Funded Oil and Gas contract auditors (\$200.0) and outside legal (\$500.0) positions as one-time items (OTI).
 - Reduced the Petroleum System Integrity Office's (PSIO) budget request by \$261,500.
 - Denied the budget request for a Grants Administrator position and reduced \$64,000 in CIP funding in the Alaska Coastal and Ocean Management component.
 - Funded the Guide Services Initiative, Phase 1 Continued, as a one-time item (OTI).
 - Denied the budget request for a seasonal position for the Chilkoot River Bear Viewing Area and \$55,000 in General Funds in the Parks Management component.
 - Denied the budget request for authorization to utilize \$510,000 in CIP funds for positions in the Parks and Recreation Access component.
 - Approved an unallocated reduction of \$109,100 in General Funds in the Personal Services line item.
 - Approved an unallocated reduction of 10 positions from the Department.
 - Noted \$3.2 million in the Governor's Gas Pipeline Implementation component reflects a capital project that was moved to the operating budget and, as such, does not increase the budget.
 - Noted that the \$2.5 million increase in the Pipeline Coordinator was moved from the language section to the numbers section and, as such, does not increase the budget.
 - Recommended that the full Senate review the \$2.7 million lapse extension for AGIA implementation when it is included in the FY09 Supplemental Bill.
 - Recommended changing the new component in the budget entitled "State Coordinator – Gas Pipeline" to "Gas Pipeline Implementation" and to replace all references of the former term with the latter.

Documents attached:

Legislative Finance Reports:

1. Transaction Comparison – Senate Structure (between GAMdAdj and Sen Sub)
2. Allocation Summary All Funds – Senate Structure
3. Allocation Summary General Funds – Senate Structure
4. Agency Totals – FY10 Operating Budget – Senate Structure
5. Transaction Comparison – Senate Structure (between Adj Base and Sen Sub)
6. Transaction Comparison – Senate Structure (Between House and Sen Sub)
7. Wordage Report – Operating Budget, Senate Structure
8. House Close Out Report

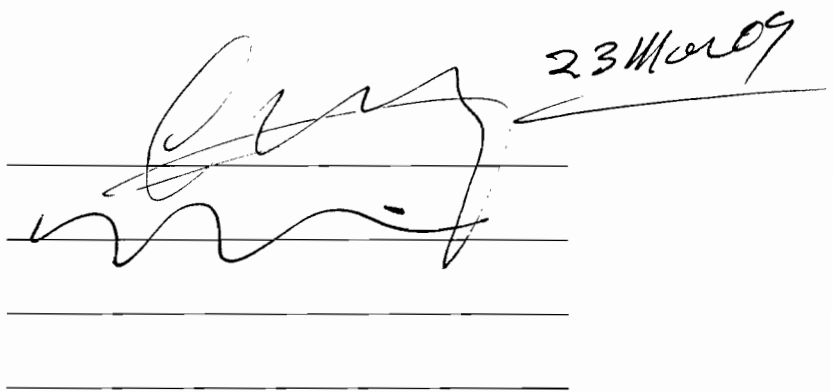
Respectfully submitted,

Senator Charlie Huggins, Chair

Senator Bill Wielechowski

Senator Lesil McGuire

Senator Linda Menard



Handwritten signature of Senator Charlie Huggins, dated 23 Mar 09. The signature is written in black ink and is positioned above a set of four horizontal lines. The date '23 Mar 09' is written in the upper right corner of the signature area.

Senate Finance Subcommittee

**Senator Thomas
Members
Subcommittee Chair
Room 510, Capitol Building
Phone 465-2327**



Subcommittee

Sen. Albert Kookesh
Sen. Linda Menard

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Department of Commerce, Community and Economic Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Commerce, Community and Economic Development submits an operating budget to the Senate Finance Committee as follows:

Fund Source

	<u>FY09 Mgt Plan Rev</u>	<u>FY10 Gov Amd+</u>	<u>FY10 Senate</u>	<u>Gov to Senate</u>
General Fund	14,997.9	19,495.2	19,361.9	-133.3
Federal	55,091.9	64,592.7	64,592.7	0
Other	102,148.8	103,920.1	71,893.4	-32,026.7

Personnel

PFT	521	525	525	0
PPT	2	2	2	0
Temp	16	12	12	0

Budget Action

The Subcommittee held five meetings and took the actions reflected in the attached Legislative Finance Division reports.

The Subcommittee adopted the FY 10 Adjusted base, and then accepted the increments, decrements, fund source changes and wordage in the Governor's Amended budget, with the adjustments mentioned below.

The most significant items in the Governor's request are:

- Increments to allow agencies to pay for increased core services charges by other departments and for revisions to the department's internal cost allocation plan.
- Continuation of FY09 funding for the Legal Services Corporation and two grant administrators in the Division of Community and Regional Affairs. These were one-time items in FY09 and are included as increments in the FY 10 budget.
- Continuation of funding for the Alaska Energy Authority's executive director and program managers with General Funds. In FY09, these positions were funded from a capital project entitled "Alaska Energy Authority Projects and Development of a Statewide Energy Plan." The Subcommittee believes the AEA executive director and program management are operating budget activities, and that billing them to capital projects creates legal and administrative difficulties.
- A 57.7 increase in AIDEA funding for the Alaska Regional Development Organizations (ARDORS) to provide for a newly created ARDOR.
- A substantial increase in anticipated federal funding for local communities through Payment in Lieu of Taxes and National Forest Receipts. The Payment in Lieu of Taxes increment is 3,673.4 and the National Forest Receipts increment is 6,300.0.
- Replacement of 1,878.0 of the Alaska Seafood Marketing Institute's uncollectable federal funds and program receipts with General Funds.

The Subcommittee did not accept the Governor's request to substitute General Funds for 1,971.3 in Business License Receipts that funded the Division of Community and Regional Affairs. The amount of Business License Receipts collected in FY10 will decline substantially due to the reduction in the license fee. The Subcommittee restored DCRA program funding with 1,838 in General Funds and 133.3 in Business License Receipts. The Subcommittee anticipates that the use of 133.3 in Business License Receipts will leave the department with approximately 400.0 of receipts to cover the budget in case license revenue declines due to the economic downturn. Business License revenue is historically volatile, and the Subcommittee believes it would be unwise to provide a cushion of less than 400.0.

The Subcommittee recommends full funding of Power Cost Equalization, but supports elimination of the PCE Capitalization Fund as an intermediate step in the flow of funds from the PCE Endowment and the General Fund, to the department for distribution to utilities. The Subcommittee concurs with the House recommendation to route PCE funds directly to the department.

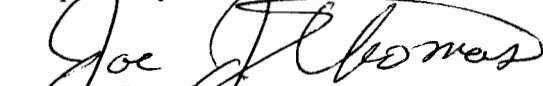
Finally, the Subcommittee recommends that the Governor's requested wordage be amended to remove old legislative intent that directed the Alaska Aerospace Development Corporation to fully pay its portion of core services and department cost allocations. This issue has been resolved.

Documents attached:

Legislative Finance Reports

1. Agency Totals - FY10 Operating Budget-Senate Structure
2. Allocation Summary - General Funds – Senate Structure
3. Allocation Summary - All Funds – Senate Structure
4. Transaction Comparison – Senate Structure (Adj Base and Senate Subcom)
5. Transaction Comparison – Senate Structure (Gov. Amd+ and Senate Subcom)
6. Wordage Report – FY10 Operating Budget – Senate Structure
7. Transaction Comparison (House and Senate Subcom)

Respectfully submitted,



Senator Joe Thomas
Senate Subcommittee Chair
March 23, 2009

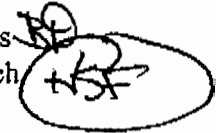
Senate Finance Subcommittee

Senator Thomas
Members
Subcommittee Chair
Room 510, Capitol Building
Phone 465-2327



Subcommittee

Sen. Betty Davis
Sen. Hollis French



Department of Labor and Workforce Development Recommendations

The Senate Finance Budget Subcommittee for the Department of Labor and Workforce Development submits an operating budget to the Senate Finance Committee as follows:

Fund Source

	<u>FY09 Mgt Plan Rev</u>	<u>FY10 Gov Amdt</u>	<u>FY10 Senate</u>	<u>Gov to Senate</u>
General Fund	29,822.8	29,176.8	29,791.8	615.0
Federal	85,866.2	87,638.2	87,638.2	0
Other	56,832.4	60,240.5	60,420.5	180.0

Personnel

PFT	833	825	827	2
PPT	108	115	115	0
Temp	37	23	23	0

Budget Action

The Subcommittee held three meetings and took the actions reflected in the attached Legislative Finance Division reports.

The Subcommittee adopted the FY 10 Adjusted base, and then accepted the increments, decrements, fund source changes and wordage in the Governor's Amended budget, with the adjustments mentioned below.

The most significant items in the Governor's request are continuations of one-time items from the FY09 budget as increments to the base, including funding for the Alaska Construction Academy Training and SAVEC (Southwest Alaska Vocational and Education Center.)

The Governor requested continuation of funding for three gas line-related, one-time items in the language section (section 16) of her bill. Those items are: Business Services gas line job training oversight and instruction, the Workforce Investment Board education skills coordinator, and the Labor Market Information gas line training program guide and regional workforce data distribution. The Subcommittee moved partial funding for both the Business Services increment and the Workforce Investment Board increment into the numbers section of the department budget, with the recommendation that all three items be removed from the language section, and that the balance of the Governor's request for these items be funded through the reappropriation of unexpended FY09 AGIA funding in the Governor's supplemental request.

This above action deletes \$860.0 GF from the bill's language section, while adding \$550.0 GF to the numbers section of the department budget, for a total GF reduction to the Governor's budget of \$310.0.

The Subcommittee made an additional \$25.0 decrement to Data Processing within the Commissioner and Administrative Services appropriation, to remove a one time item from a FY09 fiscal note.

The Subcommittee also added two wage and hour investigators to the Wage and Hour Administration allocation, to be funded with \$90.0 from the Worker Safety Fund and \$90.0 from the General Fund. This increment will allow the department to significantly increase visits to job sites to enforce minimum wage, child labor and resident hire laws, as well as ensure that employers have the required workers' compensation coverage and that they are correctly categorizing their workers' for workers compensation purposes each year.

Finally, the Subcommittee recommends that the Senate Finance Committee reappropriate or extend the lapse date for the unexpended balance of the FY09 appropriation for Alaska Construction Academy Training made in section 1, chapter 27 of SLA 2008. This roll-forward would provide the necessary funding to expand Construction Academy training in rural Alaska.

Documents attached:

Legislative Finance Reports

1. Agency Totals - FY10 Operating Budget-Senate Structure
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3. Allocation Summary - All Funds - Senate Structure
4. Transaction Comparison - Senate Structure (Adj Base and Senate Subcom)
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6. Wordage Report - FY10 Operating Budget - Senate Structure
7. Transaction Comparison (House and Senate Subcom)

Respectfully submitted,



Senator Joe Thomas
Senate Subcommittee Chair

March 19, 2009