

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Hoffman

DEPARTMENT: Transportation and Public Facilities
APPROPRIATION: Highways, Aviation and Facilities
ALLOCATION: Central Region Highways and Aviation

ADD: \$2,233.4 General Funds (1004)

Explanation: Additional funding is required to meet the minimum requirements of the Environmental Protection Agency (EPA) Municipal Storm Sewer System (MS4) permit. The MS4 permit went into effect on February 1, 2010. The Department is required to comply with this permit in its entirety beginning in FY11. The Governor's initial request was for \$1,682.0. Subsequent to the amendment deadline, RFP contract awards came in an additional \$551.4 higher for a total need of \$2,233.4.

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: CSHB 300(FIN)

OFFERED BY: Senator Hoffman

DEPARTMENT: Health and Social Services

APPROPRIATION: Department Support Svcs.

ALLOCATION: Information Technology

ADD: \$512.5 General Fund (1004)

EXPLANATION: Combined with funding included in the Senate CS, this amendment provides a total of \$1 million of the Governor’s \$1,475.0 GF request.

The proposed budget included three specific requests: two requests were to correct funding problems with the mix of funds available for support of department IT efforts and the third request was to cover increased costs which are being experienced for new software maintenance and ETS costs for our mainframe EIS system which supports our eligibility system for Medicaid and other public assistance programs as well as produces assistance payments for the many programs operated through our Division of Public Assistance.

Proposed funding:	Governor	Senate
Unrealizable federal receipts	\$750.0 GF	\$375.0 GF
Replace HCS RSA funding	\$225.0 GF	\$112.5 GF
Cost Inc Software, EIS, etc.	<u>\$500.0 GF</u>	<u>\$0 GF</u>
Total	1475.0 GF	487.5 GF

The Department has been working to correct many deficiencies in the operating budget that have caused overspending in prior years because the mix of funds attributed to the program operations have not accurately reflected the actual amounts that can be collected from federal programs. In addition, the Department direct billed some expenses to divisions that are not allowed under our cost allocation plan which guides all federal revenue collections. The Governor’s proposed budget was developed to partially remedy this problem. Because the IT budget includes primarily staffing costs and fixed contractual costs, the result of our inability to obtain adequate funding to maintain our operation will be the elimination of current staff. We have developed an attachment that

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better outlines the systems supported throughout the department and what is potentially at risk if our IT efforts are inadequate to address department needs.

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS for CS HB 300(FIN)/SCSHB 302(FIN)

OFFERED BY:

DEPARTMENT: Law
APPROPRIATION: Civil Division
ALLOCATION: Transportation Section

ADD: \$200.0 General Funds (1004)

EXPLANATION:

The Alaska Marine Highway System (AMHS) must file a lawsuit against the contractor responsible for the design and construction of the fast ferries Fairweather and Chenega. The suit will also name the companies responsible for the vessels' propulsion systems. AMHS must file suit now before the expiration of the statute of limitations.

Since AMHS accepted delivery of the vessels in 2004 and 2005, the propulsion systems have been subject to recurrent problems. Typical of the problems encountered with the vessels was the massive overhaul required on the Fairweather beginning in February 2006 at Ketchikan Ship and Drydock. All four diesel engines had hairline cracks in their steel sleeves, and there were additional problems with bull gears, shafts and bearings. If not addressed, the propulsion system problems will require continued maintenance, which will disrupt service, and will shorten the expected lifespan of the engines.

The lawsuit is against Robert E. Derecktor, Inc., the contractor responsible for the design and construction of the ferries, and against MTU Friedrichshafen, GmbH and MTU Detroit Diesel, Inc., the entities responsible for the vessels' propulsion systems.

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senators Ellis, Egan

EXPLANATION: This amendment will add \$200.0 to continue funding Partners for Progress, which provides support services for Alaska’s therapeutic courts. Partners for Progress has been an essential part of Alaska’s therapeutic court system for 11 years, and provides crucial services that the Alaska Court System is unable to fulfill. It is a proven, evidence-based program that reduces recidivism and crime in communities across the state while saving the state money.

DEPARTMENT: Alaska Court System
APPROPRIATION: Therapeutic Courts (new appropriation)
ALLOCATION: Therapeutic Courts

Add: General Funds – 1004 \$200.0

DEPARTMENT: Department of Health and Human Services
APPROPRIATION: Behavioral Health
ALLOCATION: Alcohol and Substance Abuse Programs

Add: I/A Receipts – 1007 \$200.0

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OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCSHB 300(FIN)/SCSHB 302(FIN)

OFFERED BY: Senator Dennis Egan

**APPORTION TRANSCRIPT COSTS FOR GRAND JURY
PROCEEDINGS TO APPROPRIATE AGENCIES**

EXPLANATION: This amendment covers the increased costs the Alaska Court System faces for transcribing criminal proceedings. It will apportion funding increases for grand jury transcripts among the Departments of Administration, Law and the Court System based on actual transcript requests in 2009. At present, transcription funding is centralized within the Alaska Court System.

DEPARTMENT: Department of Administration

APPROPRIATION: Legal & Advocacy Services

ALLOCATION: Public Defender Agency

ADD: \$64.3 Unrestricted General Funds 1004

ALLOCATION: Office of Public Advocacy

ADD: \$53.8 Unrestricted General Funds 1004

DEPARTMENT: Department of Law

APPROPRIATION: Criminal Division

ALLOCATION: Criminal Justice Litigation

ADD: \$30.4 Unrestricted General Funds 1004

DEPARTMENT: Alaska Court System

APPROPRIATION: Alaska Court System

ALLOCATION: Trial Courts

ADD: \$148.5 I/A Receipts 1007

ADD: **Intent**

It is the intent of the Legislature that the FY 12 budget will appropriate all transcription funding to the agencies that order those transcripts from the Alaska Court System.

OPERATING BUDGET AMENDMENT

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OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Huggins

DEPARTMENT: Department of Environmental Conservation
APPROPRIATION: Water
ALLOCATION: Water Quality

ADD: Intent Language found on Page 14, Lines 5-7:

“It is also the intent of the legislature that measures to address sanitation or habitat concerns shall not reduce or restrict opportunities for the public to access and participate in these fisheries.”

Therefore, the intent language should now read:

“It is the intent of the legislature that the Departments of Environmental Conservation, Fish and Game, and Natural Resources work together to develop a plan to remove fish waste from the Kenai and Kasilof Rivers dipnet fishery and maintain a safe and attractive riverfront. It is also the intent of the legislature that measures to address sanitation or habitat concerns shall not reduce or restrict opportunities for the public to access and participate in these fisheries.”

EXPLANATION: While maintaining a safe and attractive riverfront on the Kenai and Kasilof rivers is a commendable goal, this language could be construed as a means to reduce or restrict opportunities for the public to access and participate in the fisheries on these waterways in the future.

Some habitat management and simple mitigation measures are what are needed at this time. The beaches below the mean high-water mark are public domain – access and camping should not be cut off in the process of addressing sanitation and habitat concerns. The personal use fisheries are of a relatively short duration and any impacts can be mitigated without interfering with the traditional use of public lands and waters or with fish harvesting.

I believe the original language included in the Senate CS is far too broad in scope and should be narrowed to clarify the intent is to preserve and protect public access and use of the fisheries.

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 300(FIN)/SCS CSHB 302(FIN)

OFFERED BY: Senator Dennis Egan

DEPARTMENT: Fish and Game
APPROPRIATION: Wildlife Conservation
ALLOCATION: Wildlife Conservation

DELETE: 160.8; Unrestricted General Funds (1004) and the Division Director (PCN 11-2001)

EXPLANATION: State government functions best when high level decision makers reside and conduct the bulk of their duties in the capital. Locating this important position in Juneau has served the department well for nearly twenty years, and the legislature and the public have received no convincing explanation as to how moving the job will enhance the management of Alaska's wildlife.

OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS for CS HB 300(FIN)/HB 302

OFFERED BY:

DEPARTMENT: Statewide

APPROPRIATION:

ALLOCATION:

EXPLANATION:

Amend Section 30(a) in HB300 and Section 9(a) in HB302 as follows:

* **Sec. 24. SALARY AND BENEFIT ADJUSTMENTS.** (a) The operating budget appropriations made in sec. 1 of this Act include amounts for salary and benefit adjustments for public officials, officers, and employees of the executive branch, Alaska Court System employees, employees of the legislature, and legislators and to implement the terms for the fiscal year ending June 30, 2011, of the following ongoing collective bargaining agreements:

(1) Alaska Vocational Technical Center Teachers' Association - National Education Association, representing the employees of the Alaska Vocational Technical Center;

(2) Public Safety Employees Association, representing the regularly commissioned public safety officers unit;

(3) Inlandboatmen's Union of the Pacific, for the unlicensed marine unit;

(4) International Organization of Masters, Mates, and Pilots, for the masters, mates, and pilots unit;

(5) Marine Engineers' Beneficial Association;

(6) Public Employees Local 71, for the labor trades and crafts unit;

and

(7) Teachers' Education Association of Mount Edgecumbe .

BUDGET AMENDMENT

FY 2011 operating

DEPARTMENT: Statewide
ADD: \$8,774,300
FUNDING SOURCE: Multiple fund sources per change records submitted electronically to the legislative Finance Division and as detailed on the attachment.

EXPLANATION:

The Labor, Trades, and Crafts bargaining unit has reached a tentative agreement with the state for fiscal years FY2010-FY2012.

In FY2011, there will be a conversion to a new wage schedule similar to that of the majority of state employees. Health Insurance will increase to \$1,088 per employee per month.

BUDGET AMENDMENT

FY 2011 Operating

DEPARTMENT: Education and Early Development
APPROPRIATION: Mt. Edgecumbe Boarding School

ALLOCATION: Mt. Edgecumbe Boarding School
ADD: \$21.9 General Funds (1004)
\$142.4 Interagency Receipts (1007)

EXPLANATION:

The State of Alaska’s Department of Administration has reached an agreement on a three-year successor contract with the Teachers’ Education Association of Mt. Edgecumbe (TEAME) covering the period of July 1, 2009 through June 30, 2012.

The agreement contains the following FY 2011 provisions:

- 5% Sitka, Alaska geographic differential beginning July 1, 2010.
- Beginning July 1, 2010, bargaining unit members will be returned to the State’s Select Benefits Health Insurance program with a monthly health benefit of \$1,088.00 per member.

This amendment funds these agreement provisions.

DEPARTMENT: Fund Transfers
APPROPRIATION: Fund Transfers

ALLOCATION: Group Health and Life Benefits Fund
ADD: \$54.1 General Funds (1004)

The sum of \$54,054 is appropriated from the general fund to the Group Health and Life Fund in the Department of Administration, division of retirement and benefits, as a lump sum payment for health benefits reserves, to implement the terms of the collective bargaining agreement for the Teachers’ Education Association of Mt. Edgecumbe, for the fiscal year ending June 30, 2011.

The TEAME bargaining unit is returning to the State’s Select Benefits Health Insurance program. This is the agreed upon amount to be deposited to the State Health Plan for reserves.

BUDGET AMENDMENT
FY 2010 Supplemental

DEPARTMENT: Administration
APPROPRIATION: Centralized Administrative Services

ALLOCATION: Office of the Commissioner
ADD: \$12.8 General Funds (1004)

EXPLANATION:

The sum of \$12,770 is appropriated from the general fund to the Department of Administration, office of the commissioner, as a lump sum payment to the union directed health trust, to implement the terms of the collective bargaining agreement for the Teachers' Education Association of Mt. Edgecumbe, for the fiscal year ending June 30, 2010.

Last week the State reached an agreement with the Teachers' Education Association of Mt. Edgecumbe (TEAME). The TEAME agreement covers FY10 – FY12.

Since the TEAME agreement is retroactive to the beginning of FY10, a supplemental is requested for \$12, 770 General Funds for the Department of Administration, office of the commissioner, to pay the agreed upon FY10 insurance costs to the NEA Health Trust.

Bargaining Unit Agreements			
		FY 2010	FY 2011
Monetary Terms			
Teachers' Education Association of Mt. Edgecumbe			
	FY2010 lump sum appropriation to the Department of Administration to the NEA Health Trust	12.8	
	5% Sitka, Alaska geographic differential beginning July 1, 2010		93.8
	Beginning July 1, 2010, bargaining unit members will be returned to the State's Select Benefits Health Insurance program with a monthly health benefit of \$1,088.00 per member.		70.5
	Lump Sum to Group Health and Life Benefits fund for reserves, as determined by Buck Consultants		54.1
	TOTAL TEAME	12.8	218.4
		231.2	
Labor, Trades and Crafts Unit			
	A lump sum payment for bargaining unit members ranging from \$903 to \$2,066, depending on the wage grade of the employee. Bargaining unit members who are seasonal or part time employees will have the lump sum payment reduced by 50%.	2,868.4	
	Payment of state's contribution for the FY2010 health insurance - from \$870 to \$913 per employee per month. LTC health trust has been fronting these costs.	800.0	
	Effective July 1, 2010, a conversion to a new wage schedule similar to that of the majority of State employees		4,564.1
	Health benefits increase to \$1,088 per member per month.		4,210.2
	TOTAL LTC	3,668.4	8,774.3
		12,442.7	