

Adopted

#1 pg1

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representative Neuman

**Part A) Amend sec. 24, Fund Transfers, by adding a new subsection to read:**

(j) An amount equal to the interest earned on amounts in the aviation fuel tax account (AS 43.40.010(e)) during the fiscal year ending June 30, 2017, is appropriated to the aviation fuel tax account (AS 43.40.010(e)).

**Part B) Amend sec. 27, Shared Taxes:**

**DELETE:** (b) The amount necessary, estimated to be \$200,000, to refund to local governments their share of an aviation fuel tax or surcharge under AS 43.40 for the fiscal year ending June 30, 2017, is appropriated from the proceeds of the aviation fuel tax or surcharge levied under AS 43.40 to the Department of Revenue for that purpose.

**ADD:** (b) An amount equal to the proceeds of aviation fuel taxes or surcharges levied under AS 43.40 and collected during the fiscal year ending June 30, 2015, estimated to be \$141,800, is appropriated from the aviation fuel tax account (AS 43.40.010(e)) to the Department of Revenue to refund to local governments their share of the proceeds of taxes or surcharges levied under AS 43.40 for the purpose of paying capital and operating costs of airports for the fiscal year ending June 30, 2017.

**Part C)**

**DEPARTMENT:** Transportation and Public Facilities

**APPROPRIATION:** Administration and Support  
**ALLOCATION:** Commissioner's Office

**ADD:** \$47,900 Rural Airport Receipts 1244 (Other)

**DELETE:** \$47,900 GF/ Program Receipts 1005 (DGF)

**APPROPRIATION:** Administration and Support  
**ALLOCATION:** Statewide Administrative Services

**ADD:** \$138,700 Rural Airport Receipts 1244 (Other)  
\$254,900 Rural Airport Receipts I/A 1245 (Other)

2 DOTPF

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**DELETE:**        \$138,700    GF/ Program Receipts 1005 (DGF)  
                     \$254,900    Interagency Receipts 1007 (Other)

**APPROPRIATION:**        Administration and Support  
**ALLOCATION:**            Statewide Aviation

**ADD:**                \$3,038,900    Rural Airport Receipts 1244 (Other)

**DELETE:**        \$3,038,900    GF/ Program Receipts 1005 (DGF)

**APPROPRIATION:**        Highways, Aviation and Facilities  
**ALLOCATION:**            Central Region Highways and Aviation

**ADD:**                \$678,500    Rural Airport Receipts 1244 (Other)

**DELETE:**        \$678,500    GF/ Program Receipts 1005 (DGF)

**APPROPRIATION:**        Highways, Aviation and Facilities  
**ALLOCATION:**            Northern Region Highways and Aviation

**ADD:**                \$1,608,200    Rural Airport Receipts 1244 (Other)

**DELETE:**        \$1,608,200    GF/ Program Receipts 1005 (DGF)

**APPROPRIATION:**        Highways, Aviation and Facilities  
**ALLOCATION:**            Southcoast Region Highways and Aviation

**ADD:**                \$381,700    Rural Airport Receipts 1244 (Other)

**DELETE:**        \$381,700    GF/ Program Receipts 1005 (DGF)

**APPROPRIATION:**        Highways, Aviation and Facilities  
**ALLOCATION:**            Central Region Highways and Aviation

**ADD:**                \$1,426,100    Aviation Fuel Tax Revenue 1239 (Other)

**DELETE:**        \$1,426,100    General Funds 1004

**APPROPRIATION:**        Highways, Aviation and Facilities

# 1 pg 3

**ALLOCATION:** Northern Region Highways and Aviation

**ADD:** \$2,471,700 Aviation Fuel Tax Revenue 1239 (Other)

**DELETE:** \$2,471,700 General Funds 1004

**APPROPRIATION:** Highways, Aviation and Facilities

**ALLOCATION:** Southcoast Region Highways and Aviation

**ADD:** \$828,300 Aviation Fuel Tax Revenue 1239 (Other)

**DELETE:** \$828,300 General Funds 1004

**EXPLANATION:**

In January 2015, the FAA contacted the Department of Revenue regarding tracking the proceeds of the aviation fuel tax to ensure that the state was meeting federal requirements (federal register volume 64, number 30, page 7716--February 16, 1999). The federal government requires proceeds of aviation fuel taxes—and other revenue from airports constructed with federal receipts—to be spent for capital or operating costs of airports. Previously, the State (and FAA) considered expenditure tracking unnecessary because annual state expenditures on airports far exceeded annual aviation revenue.

Three fund codes were created in response to the federal concern for more explicit tracking. Code 1239 (Aviation Fuel Tax) will be used to track appropriations of aviation fuel tax collections, code 1244 (Rural Airport Receipts) will be used to track appropriations of rural airport lease/ other receipts, and code 1245 (Rural Airport Receipts I/A) will be used to track appropriations of rural airport lease/ other receipts from other state agencies. The codes are classified as dedicated (Other) funds (due to the federally restricted use of airport revenue) and may be used in the DOT&PF budget for capital or operating appropriations for airports. The reclassification of expenditures from general funds to dedicated revenue will also require the Department of Revenue to reclassify the revenue stream as restricted revenue.

Aviation Fuel Tax receipts will be appropriated based on the most recent closed fiscal year's actual tax collections. So for FY17, the appropriation level would be the amount of FY15 collections, which were \$4.7 million.

This amendment is a net zero fund source change.

Adopted

#2

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256

**OFFERED BY:** Representative Neuman

**DEPARTMENT:** Commerce, Community and Economic Development

**APPROPRIATION:** Alaska Gasline Development Corporation

**ALLOCATION:** Alaska Gasline Development Corporation

**ADD:** \$6,231,600 In-State Natural Gas Pipeline Fund (1229)  
\$4,154,400 Alaska Liquefied Natural Gas Project Fund (1235)

**POSITIONS:** Add: 26 Permanent Full-time Positions

**EXPLANATION:**

This amendment funds AGDC in FY17. All funding and positions in the agency were removed in the committee substitute. This amendment establishes AGDC's FY17 operating budget authority at \$10,386.0 and restores 26 positions. The 60/40 split of funding between codes 1229 and 1235 reflects the anticipated workload of the agency.

AGDC's FY16 budget was \$13,249.9 with 38 PCNs.

AGDC's FY17 Governor's Request was \$12,949.8 with 38 PCNs

This amendment is a \$2.6 million (20%) reduction from the Governor's Request and a reduction of 12 full-time positions. Travel expenses and commodities have been reduced to reflect spending expectations.

The Corporation's two allocations will be consolidated into one allocation. This structure allows AGDC to implement the organizational changes necessary to more accurately reflect the corporation's three programmatic responsibilities – Alaska LNG, ASAP and In-State Gas Aggregation.

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee  
**TO:** HB 256 / HB 257  
**OFFERED BY:** Representatives Neuman and Edgmon

**PART A**

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

**ADD:** \$1,414,000 Vehicle Rental Tax Receipts 1200

**DELETE:** \$1,414,000 General Funds 1004

**EXPLANATION:**

Vehicle Rental Tax Receipts are appropriated based the most recent closed fiscal year's actual tax collections. So for FY17, the appropriation level would be the amount of FY15 collections, which were \$9.7 million.

The FY17 budget currently has appropriated \$8.3 million of Vehicle Rental Tax Receipts. The funds are appropriated to the Departments of

- Commerce, Community, and Economic Development, \$336.7 in the Economic Development allocation;
- Natural Resources, \$2,984.3 in the Parks Management and Access allocation;
- Transportation and Public Facilities, \$4,999.2 in Central Region Highways and Aviation allocation.

This amendment is a net zero fund source change to fully appropriate the remaining amount of Vehicle Rental Tax Receipts (Designated General Funds) to the Department of Transportation and Public Facilities, bringing its amount of Vehicle Rental Tax to \$6,413.2.

**PART B**

**DEPARTMENT:** Law  
**APPROPRIATION:** Criminal Division  
**ALLOCATION:** Third Judicial District: Outside Anchorage

**ADD:** \$340,000 UGF (1004)

**POSITIONS:** ADD: 2 PFT

**EXPLANATION:**

This amendment restores funding for the Dillingham District Attorney's office. The Governor's original budget proposed closing the office. That decision was reversed and funding was requested through a budget amendment, but that request was rejected at the subcommittee level.

Without this amendment, criminal cases in the Bristol Bay region will be prosecuted via visits by a staff attorney or attorneys from Anchorage. This affects the entire criminal justice system in the area.

**PART C**

**DEPARTMENT:** Law  
**APPROPRIATION:** Criminal Division  
**ALLOCATION:** Criminal Appeals/Special Litigation

**ADD:** \$318,700 General Fund 1004

**EXPLANATION:** In total, the department plans on putting approximately \$700,000 towards the Public Integrity Unit, approximately \$400,000 of which comes from restructuring. To complete the unit, the department needs \$318,700 more. The Public Integrity Unit is a unit to focus on three specific areas—use of force by law enforcement, potential misconduct in correctional facilities and white collar crime including fraud perpetrated upon the State.

By consolidating these matters into one unit within the Office of Special Prosecutions, the matters would be given the attention they deserve by experts in the area while relieving some of the burden experienced by other attorneys and staff.

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Adopted

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee  
**TO:** HB 256 / HB 257  
**OFFERED BY:** Representatives Neuman and Saddler

**DEPARTMENT:** Health and Social Services  
**APPROPRIATION:** Public Assistance  
**ALLOCATION:** Public Assistance Field Services

**ADD:** \$500,000 General Funds 1004

**EXPLANATION:** The Governor's FY2017 proposed budget requested a transfer of \$500.0 UGF from Work Services component to Field Services component for Division of Public Assistance to maintain needed staffing levels. This transaction was requested to "true up the budget" to match expenditures over the past few years. Public Assistance has internally made this transfer through a revised program approved through OMB in past years. This request in FY2017 was to enact this transfer in the budget. The Legislative Finance Analyst classified this transfer as an increment request instead of a transfer. DPA would need to delete at least 10 positions (with the corresponding loss of federal funds) to meet this reduction. This would severely hamper eligibility determinations which could lead to federal non-compliance and a corrective action plan.

# 5  
Adopted

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee  
**TO:** HB 256 / HB 257  
**OFFERED BY:** Representatives Neuman, Saddler and Munoz

**DEPARTMENT:** Health and Social Services  
**APPROPRIATION:** Senior and Disabilities Services  
**ALLOCATION:** Senior Community Based Grants

**ADD:** \$450,000 General Funds 1004

**EXPLANATION:** Home and Community Based Senior Grants fund non-profit agencies to provide services to physically frail individuals 60 years of age and over, individuals of any age with Alzheimer's Disease or Related Disorders (ADRD), and caregivers to assist these Alaskans to maintain as much independence as possible and improve their quality at home or in a community-based setting. This restores funding to the level proposed by the Governor.



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Adopted

**FY2017 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representatives Neuman and Pruitt

**DEPARTMENT:** Commerce, Community and Economic Development

**APPROPRIATION:** Alaska Energy Authority

**ALLOCATION:** Statewide Project Development, Alternative Energy and Efficiency

**ADD:** \$2,000,000 Renewable Energy Grant Fund (1210)

**EXPLANATION:**

A Governor's amendment inadvertently removed this funding which is necessary to assure ongoing prior year grants can be managed to completion.

This amendment restores Renewable Energy Fund receipts to the Alaska Energy Authority's operating budget for management of existing grants.

As part of a reprioritization of energy programs, new Renewable Energy Fund grants will not be issued. However, the Alaska Energy Authority requires Renewable Energy Fund receipt authority to continue project and grants management for the existing portfolio of 133 grants from prior solicitations. No additional Renewable Energy Fund capitalization will be needed; the fund balance contains amounts sufficient for this operating budget appropriation.

# 6 pg 2

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**AMENDMENT**

OFFERED IN THE HOUSE

BY REPRESENTATIVE NEUMAN

TO: CSHB 256(FIN), Draft Version "X"

- 1 Page 73, following line 7:
- 2 Insert a new subsection to read:
- 3 "(u) The sum of \$250,000 is appropriated from federal receipts to the emerging
- 4 energy technology fund (AS 42.45.375) for capital projects."

**EXPLANATION:**

A Governor's amendment inadvertently deleted the federal receipts available for appropriation to the emerging energy technology fund. These funds are necessary to support existing projects.

Adopted # 7 191

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 257

**OFFERED BY:** Representatives Neuman, Thompson, Saddler, Munoz and Edgmon

**DEPARTMENT:** Health & Social Services

**APPROPRIATION:** Behavioral Health

**ALLOCATION:** Behavioral Health Treatment & Recovery Grants

**Add a new section titled Health and Social Services following section 7 to read**

**(FY16 effective date):** *Add to section 33 with April 17, 2016 effective date*

The sum of \$30,000,000 is appropriated from the general fund to the Department of Health and Social Services, Behavioral Health, Behavioral Health Treatment and Recovery Grants for a pilot program to develop additional substance use disorder (SUD) services for the fiscal years ending June 30, 2016, June 30, 2017, June 30, 2018 and June 30, 2019.

**EXPLANATION:** This amendment appropriates \$30 million of Unrestricted General Funds (GF/MH code 1037) to the Department of Health and Social Services/Behavioral Health Treatment and Recovery Grants to develop additional substance use disorder (SUD) services.

By expanding (SUD) services, the state has the opportunity to decrease costs resulting from untreated alcohol and drug dependency. Success will be measured by reduced utilization of emergency departments, public safety resources and correctional facilities as well as lower incidence of child maltreatment.

Grants will be used to fill gaps in the SUD continuum of care based on community needs assessments and grantees must have the capacity to identify and deliver reductions in GF costs associated with criminal justice, emergency room, and child maltreatment systems.

Grantees will work with the Alaska Justice Information Center, the Department of Health and Social Services, and the Department of Corrections to identify evidence based practices and evaluate treatment

outcomes related to the utilization of the criminal justice system including recidivism reduction. Grantees will also work with the Department of Health and Social Services with respect to strategies and outcomes targeting reductions in the use of emergency rooms and child maltreatment and other substance use related GF cost centers.

Approximately 62,815 Alaskan adults needed treatment for an illicit drug or alcohol problem in the past year, according to the National Survey of Drug Use and Health (April, 2014). However, in FY15, only 8,194 adults (13 percent) received SUD treatment services in Alaska. Further, the behavioral health system is serving many clients too late, leading to an increased demand for crisis and acute services, and corresponding shortages in less intensive services. Recent assessments indicate a need for early intervention and engagement, intensive outpatient, and crisis intervention services, based on the federal Substance Abuse & Mental Health Services Administration's (SAMHSA's) ideal continuum of behavioral health care and the American Society of Addiction Medicine (ASAM) levels of care.

Both Alaska and national experience demonstrate that treatment works. Access to treatment can cut drug use in half, reduce criminal activity up to 80 percent, and reduce arrests up to 64 percent.<sup>1</sup> Research also shows that the younger a person starts using drugs, the greater the likelihood of a future disorder<sup>2</sup>, making prevention and early intervention a key to stopping the progression of SUD.

<sup>1</sup> As cited in: Preventing and Treating Substance Use Disorders: A Comprehensive Approach. Published by the National Council for Community Behavioral Healthcare. <http://www.thenationalcouncil.org/wp-content/uploads/2013/05/Substance-UseDisorders.pdf>

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Adopted

## FY17 OPERATING BUDGET AMENDMENT

**Offered In:** The House Finance Committee

**To:** HB 256

**Offered By:** Rep. Mark Neuman

**DEPARTMENT:** Office of the Governor

**APPROPRIATION:** Office of Management and Budget

**ALLOCATION:** Office of Management and Budget

**ADD:** It is the intent of the legislature that the office of management and budget work with executive branch agencies to reduce hollow receipt authority when preparing the Fiscal Year 2018 budget.

### **Explanation:**

Hollow receipt authority refers to excess authorization in a budget bill for funding sources that are not unrestricted general funds.

There are many reasons for this. An agency does not know at the time the legislature approves a budget how much the state will get in federal funds or how much it may collect in fees for licenses, vehicle or business registrations, permits, university tuition, cruise ship passenger head taxes, and other sources. It only can provide legislators an estimate for all that. More often than not, that number may be more than what a department will actually get. In other cases, an estimate may initially be accurate, but, over time, federal grants may shrink or revenue sources may decline.

As a result, in many departments, the legislature approves receipt authority that does not have real money behind it – thus inflating the apparent cost of state government. The purpose of the intent language is to have the Office of Management and Budget work with state agencies, allocation by allocation, to determine what each one truly needs in receipt authority and, thus, provide figures that more accurately represent the state budget and produce a clearer and leaner picture of state spending for both legislators and the public.

This work is not unprecedented. In 2013, the Legislative Finance Division, the House Finance Committee, and the University of Alaska worked together to reduce University hollow receipt authority which, according to one estimate at the time, was in excess of \$40 million in designated general funds (DGF). The budget approved by the legislature and enacted into law that year ended up reducing University hollow receipts by nearly \$36 million in DGF – \$36 million less than what the governor had proposed.

Similar work applied to next year's budget cycle would help provide a clearer, leaner, more accurate picture of state spending and bring more clarity to the nature of hollow receipt authority and how much of it each agency truly needs.

Offered by Representative Neuman

**AMENDMENT**

OFFERED IN THE HOUSE

TO: CSHB 256(FIN), Draft Version "X"

1 Page 71, lines 11 - 15:

2 Delete all material and insert:

3 "(h) The sum of \$1,018,984,500 is appropriated from the general fund to the public  
4 education fund (AS 14.17.300)."

5

6 Page 71, line 16:

7 Delete "\$78,989,800"

8 Insert "\$78,969,800"

**EXPLANATION:** This amendment accomplishes the following:

1. Relative to the Governor's amended request this amendment reduces the FY17 UGF capitalization of the public education fund by \$145 million. This action does not reduce the amount that will be distributed to school districts via the foundation formula. It allows the FY16 deposit of \$435 million UGF that is currently in the bill to be distributed over three years.
2. Corrects a typographical error in the appropriation for pupil transportation.

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Adopted

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee  
**TO:** HB 256 / HB 257  
**OFFERED BY:** Representatives Saddler and Neuman

**DEPARTMENT:** Health and Social Services  
**APPROPRIATION:** Medicaid Services  
**ALLOCATION:** Health Care Medicaid Services

**ADD:** 7,000,000 Federal Funds 1002

**DELETE:** 7,000,000 General Funds 1004

**EXPLANATION:**

This amendment reduces the Health Care Medicaid Services General Fund budget by \$7.0 million and offsets the decrease with an increase in Federal Funds. The Department of Health and Social Services (DHSS) recently received word from the Centers for Medicare and Medicaid Services that policy changes affecting the Federal Medical Assistance Percentage (FMAP) have been made. One impact of the changes is that the State of Alaska will become eligible for reimbursement at 100% for transportation and accommodation services for Alaska Natives and American Indians instead of the current FMAP rate for those services of 50%. The DHSS believes that total potential annual savings resulting from the reimbursement rate change will be \$27.0 million. Currently, the House Finance Budget Subcommittee for DHSS has recommended a General Fund reduction total of \$20.0 million for the potential savings. This amendment will increase the General Fund reduction to a total of \$27.0 million, which brings the budget in-line with DHSS estimated first year savings, and provides an offsetting increase in Federal Funding to accommodate the increased FMAP.

**DEPARTMENT:** Health and Social Services  
**APPROPRIATION:** Department Support Services  
**ALLOCATION:** Commissioner's Office

**ADD:** \$275,900 General Fund Match 1003  
\$275,900 Federal Funds 1002

**ADD:** 4 PFT positions

**EXPLANATION:**

This amendment creates the Tribal Federal Liaison Section in the Commissioner's Office of the Department of Health and Social Services. The section will work aggressively to move forward on the new Centers for Medicare and Medicaid Services (CMS) policy regarding reimbursement for transportation and accommodation services for Alaska Natives and American Indians (AN/AI). This work is necessary to obtain maximum and timely savings associated with this policy change.

This section will have statewide multi-division and departmental responsibility for effectively implementing tasks to obtain maximum refinancing and savings associated with the CMS policy on tribal claiming. It would include federal tribal liaison work with CMS, covering all aspects of the Alaska Medicaid program. Enhanced federal funding for the Medicaid program is contingent upon development and implementation of referrals, care plans and claiming for services to AN/AI. This will require maintaining and amending the Medicaid State Plan in accordance with federal requirements and regulations. As such, this section will provide department-wide oversight, expert policy analysis, and coordination with tribal and non-tribal providers to meet the new CMS policy requirements.

Without creation of the new office, the DHSS will be unable to aggressively pursue the additional savings from the policy changes.



Adopted #11

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee  
**TO:** HB 256 / HB 257  
**OFFERED BY:** Representatives Muñoz, Edgmon and Neuman

**DEPARTMENT:** Administration  
**APPROPRIATION:** Public Communications Services  
**ALLOCATION:** Public Broadcasting - Commission  
**ADD:** \$44,400 General Fund 1004  
**ALLOCATION:** Public Broadcasting - Radio  
**ADD:** \$2,036,600 General Fund 1004  
**ALLOCATION:** Public Broadcasting - T.V.  
**ADD:** \$600,000 General Fund 1004  
**TOTAL:** \$2,681,000 General Fund 1004

**EXPLANATION:** This restores funding to the Governors amended budget levels.

Without these additional funds 70% of the stations will have lost between 20-40% of their operating revenue; 33% of the stations will lose 45-80% of operating revenue when federal funding losses kick in; more than 80 jobs will be lost; fiber interconnection between KTOO and Alaska Public Media in Anchorage will be lost cutting off distribution of 360 North/Gavel to Gavel to Alaska Public Media for broadcast in Anchorage and on Alaska Rural Communications Service; and Gavel to Gavel will make significant cutbacks on the number of meetings covered and will no longer have engineering support from Alaska Public Media.

Adopted #12

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representatives Muñoz, Neuman and Saddler

**DEPARTMENT:** Environmental Conservation

**APPROPRIATION:** Agency-Wide

**ALLOCATION:**

**ADD:** It is the intent of the legislature that the Department of Environmental Conservation improve efficiencies in permitting and consider the economic impacts of increasing permit fees before imposing increased fees on users.

**EXPLANATION:** This intent language was approved by the subcommittee for inclusion in HB 256.

**FY17 OPERATING BUDGET AMENDMENT**

*Adopted*

*#13 pg 1*

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representatives Muñoz and Neuman on behalf of Rep. Foster

**PART A**

**DEPARTMENT:** Health and Social Services

**APPROPRIATION:** Juvenile Justice

**ALLOCATION:** Nome Youth Facility

**ADD:** \$1,693,900 General Fund UGF (code 1004) as One-time Item

**ADD POSITIONS:** 15 PFT positions, and 3 Temp positions

**ADD INTENT:** It is the intent of the legislature that the Division of Juvenile Justice collaborate with the community of Nome and with tribal and public health organizations to transition the Nome Youth Facility from state to local ownership; and to deliver to the Legislature by January 17, 2017, a plan for utilizing the facility to better meet regional needs for youth correctional, health and rehabilitative services.

**PART B**

**DEPARTMENT:** Health and Social Services

**APPROPRIATION:** Public Assistance

**ALLOCATION:** Alaska Temporary Assistance Program

**DELETE:** \$1,693,900 G/F Match (UGF) (code 1003)

**ADD:** \$1,693,900 Federal Receipts (code 1002)

**EXPLANATION:**

**Part A** of this amendment restores the House Subcommittee reduction closing the Nome Youth Facility.

The Nome Youth Facility is the only secure location for housing juvenile offenders in the region. Its closure would leave Alaska State Troopers and local law enforcement without the capacity to hold offenders while awaiting transfer to an outside DJJ facility.

**Part B** removes UGF from the Alaska Temporary Assistance Program and adds an equal amount of Federal Receipt authority. There is a possibility that a portion

#13 pg 2

of the funding expended on the PCE Program can be used toward the state's maintenance of effort (MOE). If so, this decrement will not impact ATAP payments.

The department expects that funds currently being used in PCE could be counted toward the State's match for federal funds. This number would represent about 4% of PCE user's being ATAP qualified.

FAILED #14

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representative Lynn Gattis

**DEPARTMENT:** Department of Administration

**APPROPRIATION:** General Services

**ALLOCATION:** Central Mail

**DELETE:** \$2,800.0 I/A Rcpts 1007

**POSITIONS:** Delete: 7 PFT positions

**EXPLANATION:** In 2004, Central Mail was a centralization effort that was only ever implemented in Juneau, and the remainder of the state remained decentralized. It is free for the United States Post Office (USPS) postal carriers to receive and deliver State of Alaska mail. However, the state of Alaska pays USPS to hold state mail and employs state mail carriers to sort and deliver all State of Alaska mail in Juneau. The State of Alaska cannot continue to pay for services that are free under USPS.

# 15

FY17 OPERATING BUDGET AMENDMENT

WITHDRAWN

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representatives Thompson, Munoz and Edgmon

**DEPARTMENT:** University

**APPROPRIATION:** University of Alaska

**ALLOCATION:** Budget Reductions/Additions - Systemwide

**ADD:** \$25,000,000 General Funds, fund code 1004

**EXPLANATION:** This amendment reverses a portion of the cut to the University of Alaska made as an unallocated reduction:

- In FY15, approximately \$28 million in state dollars were used to support research; by leveraging this investment. The UAF faculty used \$116 million in grants and contracts for research. This reflects an average of \$4.10 of external funding for every dollar of state general fund investment.
- Without unrestricted general fund support, the vast majority of UA's research as well as public service outreach activities cannot be sustained. Many grants require some portion of state funds to match contributions at a defined ratio—UA will no longer be eligible to receive such external funds without state funding directed to this purpose.
- More than 80 percent of all research activity across the university system is conducted in areas directly related to Alaska and results in new knowledge relevant to Alaskans and Alaskans' way of life.
- University research and service bring money to the State of Alaska, as with any other economic enterprise similar to the mining industry, the seafood industry, the oil and gas industry, or any other basic industries that drive the state's economy. The economic multiplier generates employment, payroll, and business sales throughout the state.
- A \$10 million cut to state support of research may equate to \$30-\$60 million loss to the local economy.

# 16  
Adopted

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance

**TO:** HB 256 / HB 257

**OFFERED BY:** Representative Lynn Gattis

**DEPARTMENT:** Education and Early Development Services

**APPROPRIATION:** Teaching and Learning Support

**ALLOCATION:** Student and School Achievement

**CONDITIONAL LANGUAGE:** Page 12, following line 27: Insert new material to read: "The amount allocated for program administration and operations shall not include federal receipts for the ANSWERS program."

**EXPLANATION:** ANSWERS is Alaska's P-20W Statewide Longitudinal Data System pre-school through grade 20 and the workforce SLDS. The ANSWERS database will lose all sources of funding at the end of FY 2016. It is the purpose of this amendment to encourage ACPE to focus on its core mission of students entering the Alaskan workforce and not maintenance of a database.

FY17 OPERATING BUDGET AMENDMENT

# 17  
Adopted

**OFFERED IN:** House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representative Wilson

**DEPARTMENT:** Department of Labor and Workforce Development  
**APPROPRIATION:** Commissioner and Administrative Services  
**ALLOCATION:** Commissioner's Office

**DELETE:** \$190,000 Total Personal Services  
\$ 50,000 (UGF 1004)  
\$140,000 (I/A Receipts 1007)

**POSITIONS:** DELETE 1 PFT

**EXPLANATION:** The mission of the Department of Labor and Workforce Development is to provide safe and legal working conditions and to advance opportunities for employment (per AS 23.05.010). At this time, it is prudent to eliminate one of the two deputy commissioner positions. This reduction still leaves one deputy commissioner and two special assistants to the commissioner in the Commissioner's Office. Even with the reduction, the department will still be able to fulfill its mission.



FAILED #18

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representatives Kawasaki, Guttenberg, Gara

**DEPARTMENT:** Department of Education and Early Development

**APPROPRIATION:** Teaching and Learning Support

**ALLOCATION:** Pre-Kindergarten Grants

**ADD:** \$2,000,000 General Fund 1004 (UGF)

**EXPLANATION:** This amendment restores the FY2017 funding level proposed by the Governor. Alaska ranks 37 out of 40 states for providing access to pre-kindergarten education (National Institute for Early Education Research 2013). Intensive preschool interventions can be highly cost effective and have positive impacts into adulthood. Young children who receive high quality early education do better in school academically and are more likely to stay in school, graduate and go on to attend college and enter the job market in higher numbers. Alaska has a responsibility to provide the best education possible for its children.

#1991

FAILED

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representatives Gara, Guttenberg, Kawasaki

**DEPARTMENT:** Department of Education and Early Development

**APPROPRIATION:** Teaching and Learning Support

**ALLOCATION:** Early Learning Coordination

**ADD:** \$500,000 General Fund 1004

**EXPLANATION:** This amendment restores Parents as Teachers grants to the FY2017 funding level in the Governor's amended budget. Parents as Teachers was passed as a bill by the legislature because it is the most cost-effective way to provide Pre-K to young children, and is proven to save states money by graduating more students, reducing social service and criminal costs, and increasing a student's future earning potential and educational attainment.

FAILED # 20

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representatives Guttenberg, Gara, Kawasaki

**DEPARTMENT:** Department of Education and Early Development

**APPROPRIATION:** Teaching and Learning Support

**ALLOCATION:** Early Learning Coordination

**ADD:** \$320,000 General Fund (UGF) 1004

**EXPLANATION:** This amendment restores Best Beginnings Grants to the FY2017 funding level in the Governor's amended budget. Best Beginnings fosters strong partnerships with local and statewide entities that promote early learning opportunities for children to start school prepared to succeed. Studies show children with more books in the home are more likely to become good readers. Best Beginnings supports Imagination Libraries and early childhood partnerships that provide services in 113 Alaskan communities with an enrollment of over 20,000. These partnerships promote healthy parent-child interaction, higher quality early care and learning, and parent education. The program costs \$30 per year per child (0-5), and is funded through a combination of state and private sources, nearly half of which are raised locally.

FAILED # 21

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Kawasaki, Guttenberg, Gara

**DEPARTMENT:** Department of Education and Early Development

**APPROPRIATION:** Teaching and Learning Support

**ALLOCATION:** Alaska Learning Network

**ADD:** \$400,000 General Fund 1004 (UGF)

**EXPLANATION:** Adds funding to allow for the continuation of the Alaska Learning Network Program.

FAILED

# 22

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Committee

**TO:** HB 256 / HB 257

**OFFERED BY:** Kawasaki, Gara, Guttenberg

**DEPARTMENT:** Department of Education and Early Development

**APPROPRIATION:** Alaska Library and Museums

**ALLOCATION:** Online With Libraries (OWL)

**ADD:** \$761,800 General Fund 1004 (UGF)

**EXPLANATION:** Restores Online with Libraries to the FY17 Governor's Amended budget level.

# 23

FAILED

**FY17 OPERATING BUDGET AMENDMENT**

**OFFERED IN:** The House Finance Subcommittee

**TO:** HB 256 / HB 257

**OFFERED BY:** Representatives Gara, Guttenberg, and Kawasaki

**DEPARTMENT:** Department of Health and Social Services

**APPROPRIATION:** Medicaid Services

**ALLOCATION:** Adult Preventative Dental Medicaid Services

**ADD:** \$2,882,700 Fed Rcpts (1002)  
\$2,882,700 G/F Match (1003)  
\$ 279,000 General Fund (1004)

**EXPLANATION:**

Medicare does not provide dental coverage for seniors, with very minor exceptions. The state therefore adopted a limited dental plan for seniors. Without this amendment the state's senior dental plan will be significantly reduced. Alaska will also lose \$2.88 million, which will impact the economy.

- Preventive dental services help control higher medical costs by preventing more serious dental issues such as infections, extractions, etc.
- Preventive dental services help individuals retain their natural teeth or provide for dentures which help with nutrition as well as cosmetic appearance which helps individuals maintain employment and stay in the work force
- Prevents emergency room visits for dental issues which could have been taken care of with preventive services