

Amd # 8

FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: HB 72 / HB 73

OFFERED BY: Senators: Kelly, Mackinnon, Mitchell, Bishop
Olson

DEPARTMENT: University of Alaska

APPROPRIATION: University of Alaska

ALLOCATION: Budget Reductions/ Additions – Systemwide

DELETE: \$1,800.0 Unrestricted General Fund (1004)

EXPLANATION: This amendment reduces the Senate Subcommittee addition of \$5 million UGF to the University of Alaska by (\$1.8 million UGF).

DEPARTMENT: Education and Early Development

APPROPRIATION: Alaska Library and Museums

ALLOCATION: Library Operations

ADD: \$1,800,000 Higher Education Investment Fund (1226)

\$1,800,000 Unrestricted General Funds (1004)

EXPLANATION: Currently there are 122 rural schools funded through the broadband program, bringing these schools up to the minimum of 10MB. This is a tremendous opportunity for the State to leverage its investment at a 5:1 ratio on a statewide basis, meaning this \$3.6 million can leverage an additional \$14.4 million in federal funding.

Broadband access is critical to the delivery of distance courses for students and teachers in rural areas to improve the quality of education and increase graduation rates.

This amendment uses money from the Alaska Higher Investment Fund as this purpose is consistent with the goals of the fund.

Amendment # 9

29-GHI 780\S.7
Wallace
4/1/15

AMENDMENT

OFFERED IN THE SENATE

BY SENATORS:

TO: SCS CSHB 72(FIN), Draft Version "S"

HOFFMAN
Micciche
OLSON

1 Page 5, lines 4 - 5:

2 Delete all material and insert:

	"APPROPRIATION	GENERAL	OTHER
	ALLOCATIONS	FUND	FUNDS
5 Public Communications Services	2,596,100	2,496,100	100,000

6 Public Broadcasting 46,700

7 Commission

8 Public Broadcasting - 1,336,600

9 Radio

10 Public Broadcasting - 333,300

11 T.V.

12 Satellite Infrastructure 879,500"

13

14 Adjust fund sources and totals accordingly.

Explanation: This amendment will restore \$1,336,000 to Public Broadcasting Radio and \$333,300 to Public Broadcasting TV and \$879,500 to Satellite Infrastructure. In discussions with the Department of Administration, this is the recommended level where urban areas would absorb the full reductions while there would be no further reductions to the rural stations which would remain at their full funding level submitted by the Governor.

The restoration of the full \$879,500 for Satellite Infrastructure will enable those services such as ARCS, emergency broadcasting and transponder availability for the University to continue without a funding reduction.

Amend
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FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: HB 72 / HB 73

OFFERED BY: Senator Olson

DEPARTMENT: Administration

APPROPRIATION: Public Communications Services

ALLOCATION: Public Broadcasting - Radio

ADD: \$2,706,900 general funds (1004)

ALLOCATION: Public Broadcasting - TV

ADD: \$675,800 general funds (1004)

ALLOCATION: Satellite Infrastructure

ADD: \$779,500 general funds (1004)

EXPLANATION: Twenty one stations will lose between 20-40% of their operating revenue starting July 1. Public media in Alaska is highly valued as evidenced by some of the highest per capita community support in the country. Constituents and local business support grows annually but cannot grow to replace the \$4.2m. Alaskans, especially rural and bush residents, will lose community based programming and services, in particular local news and public affairs.

Job losses: layoffs will occur at all stations, greatest impact at rural/bush stations where staff size is very small, from 2 to 5 people. More than 45 Alaskans will lose their jobs on July 1, with more layoffs to occur in the near future.

Loss of federal funds: \$2.8 million. The Corporation for Public Broadcasting will use FY16 financial data to determine station eligibility for operating grants and matching funds. Eight radio stations and two television stations will fall below the minimum required to be eligible for operating grants:

KBBI Homer	KFSK Petersburg	KCHU Valdez	KHNS Haines
KMXT Kodiak	KRBD Ketchikan		KDLL Kenai
	KSTK Wrangell		
KYUK Bethel (TV)	KTOO Juneau (TV): 360 North/Gavel to Gavel		

- 10 stations at risk of losing annual federal grants = \$2.5m. Lost federal matching funds = \$316k.
- Total loss of operating revenue = \$2.8m.
- \$2.8m = 37% of the total federal investment in Alaska public broadcasting.
- SOA cut = \$4.2m Federal cut = \$2.8m Total cut = \$7m

Reductions will cripple local operations as the two revenue sources represent 45-70% of annual operating revenue for these stations. Weakened urban providers will be unable to assist rural and bush stations. APM in Anchorage will be greatly diminished, with probable closure of APRN and loss of interconnection system to distribute public television to the rest of the state. The dominos will fall and public broadcasting in Alaska will be on life support outside of Anchorage.

100% Budget Cut Impact: ARCS & Satellite Services. Effective July 1 these services will terminate.

ARCS: the State's rural television service for underserved citizens in 180 bush communities: delivers news, weather, and educational programming including PBS Kids programs. ARCS is a key component in SOA's Emergency Alert System, feeding alerts from state and federal authorities via the ARCS satellite signal directly into homes of viewers, and many commercial and non-commercial radio and TV broadcasters around the state. This important leg of Alaska's emergency notification system with statewide reach, including the most remote locations, will be turned off.

FY16 OPERATING BUDGET AMENDMENT

Am d # 11

OFFERED IN: The Senate Finance Committee

TO: HB 72 / HB 73

OFFERED BY: Senator Olson

DEPARTMENT: Administration
APPROPRIATION: Legal and Advocacy Services
ALLOCATION: Public Defender Agency

ADD: \$1,220,300 general funds (1004)

EXPLANATION: Restore the Public Defender's Agency so it reflects the House version.

FY16 OPERATING BUDGET AMENDMENT

Am d # 12

OFFERED IN: The Senate Finance Committee

TO: HB 72 / HB 73

OFFERED BY: Senator Olson

DEPARTMENT: Administration
APPROPRIATION: Legal and Advocacy Services
ALLOCATION: Office of Public Advocacy

ADD: \$425,100 general funds (1004)

EXPLANATION: Restore the Office of Public Advocacy so it reflects the House version.

FY16 OPERATING BUDGET AMENDMENT

*Amd
13*

OFFERED IN: The Senate Finance Committee

TO: HB 72 / HB 73

OFFERED BY: Senator Olson

DEPARTMENT: Education and Early Development

APPROPRIATION: Alaska Library and Museums

ALLOCATION: Library Operations

ADD: \$3,600,000 Higher Education Investment Fund (1226)

EXPLANATION: Currently there are 122 rural schools funded through the broadband program, bringing these schools up to the minimum of 10MB. This is a tremendous opportunity for the State to leverage its investment at a 5:1 ratio on a statewide basis, meaning this \$3.6 million can leverage an additional \$14.4 million in federal funding.

Broadband access is critical to the delivery of distance courses for students and teachers in rural areas to improve the quality of education and increase graduation rates.

This amendment uses money from the Alaska Higher Investment Fund as this purpose is consistent with the goals of the fund.

FY16 OPERATING BUDGET AMENDMENT

AMD
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OFFERED IN: The Senate Finance Committee

TO: HB 72 / HB 73

OFFERED BY: Senator Olson

DEPARTMENT: Education and Early Development

APPROPRIATION: Teaching and Learning Support

ALLOCATION: Pre-Kindergarten Grants

ADD: \$1,900,000 general funds (1004)

EXPLANATION: This restores Pre-Kindergarten grants to the level proposed by the Governor's Amended budget request.

FY16 OPERATING BUDGET AMENDMENT

*Amend
#15*

OFFERED IN: The Senate Finance Committee

TO: HB 72 / HB 73

OFFERED BY: Senator Olson

DEPARTMENT: Education and Early Development

APPROPRIATION: Teaching and Learning Support

ALLOCATION: Early Learning Coordination

ADD: \$557,500 general funds (1004) Best Beginnings
\$287,500 general funds (1004) Parents as Teachers

EXPLANATION: This restores Best Beginnings and Parents as Teachers to the level proposed in the Governor's Amended budget request.

AMD #16

OPERATING BUDGET CONCEPTUAL AMENDMENT

OFFERED IN: Senate Finance Committee

TO: HB 72

OFFERED BY: Senator Olson

DEPARTMENT: Transportation & Public Facilities

APPROPRIATION: Alaska Marine Highway System

ALLOCATION: Marine Vessel Operations

ADD: \$1.75 million Unrestricted General Funds (1004)

Explanation: This amendment restores \$1.75 million GF to the Alaska Marine Highway System, whose users pay almost 1/3 the cost of operations.

Far from the governor's request level, this restores only the AMHS service levels to those in the House cut. Without these funds, the system will need to rebook or cancel 8000 passengers and 2000 vehicles whose fares are already in hand.

FY16 OPERATING BUDGET AMENDMENT

Amid #17

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB72

OFFERED BY: *Senator Olson*

DEPARTMENT: Department of Administration

APPROPRIATION: Division of Motor Vehicles

ALLOCATION: Division of Motor Vehicles

ADD: **\$500,000 General Funds Program Receipts (1005)**

EXPLANATION: This amendment removes the reduction to the Department of Administration, Division of Motor Vehicles (DMV). The proposed reduction of \$1,000,000,000 of general fund program receipts will result in longer wait lines and subpar services. The division is working to streamline operations, offering more services via the web. DMV will also look to privatize services where opportunities are available. An analysis of the allocation of staff will be required. These actions could result in a reallocation of staff locations and the potential to close existing offices. Ultimately, the intent is to provide services at a reduced cost and return additional over collections to the general fund.

FY16 OPERATING BUDGET AMENDMENT

AmD # 18

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 72

OFFERED BY: *Senator Olson*

DEPARTMENT: Department of Administration

APPROPRIATION: Division of Motor Vehicles

ALLOCATION: Division of Motor Vehicles

EXPLANATION:

ADD TO EXISTING LANGUAGE

It is the intent of the legislature that the Division of Motor Vehicles increase monies returned to the general fund equal to or exceeding one million dollars by streamlining operations, leveraging web based applications, expanding its privatization program or, other programmatic efficiencies **and in cases where the Department of Administration finds that fees charged are below average, increasing fees.**

FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: HB 72 / HB 73

OFFERED BY: Senator Hoffman

DEPARTMENT: Fish and Game

APPROPRIATION: Commercial Fisheries
ALLOCATION: Commercial Fisheries Unallocated Appropriation
ADD: \$1,515,700 Unrestricted General Funds (1004)

APPROPRIATION: Sport Fisheries
ALLOCATION: Sport Fisheries Unallocated Appropriation
ADD: \$504,900 Unrestricted General Funds (1004)

APPROPRIATION: Wildlife Conservation
ALLOCATION: Wildlife Conservation Unallocated Appropriation
ADD: \$459,900 Unrestricted General Funds (1004)

APPROPRIATION: Administration and Support
ALLOCATION: Administration and Support Unallocated Appropriation
ADD: \$255,400 Unrestricted General Funds (1004)

APPROPRIATION: Administration and Support
ALLOCATION: Statewide Subsistence Research
ADD: \$150,000 Unrestricted General Funds (1004)

APPROPRIATION: Habitat
ALLOCATION: Habitat
ADD: \$244,100 Unrestricted General Funds (1004)

EXPLANATION: This amendment adds \$3,130,000 Unrestricted General Funds (UGF) to the Department of Fish & Game.

Amendment # ~~20~~ 20

FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee


TO: HB 72

OFFERED BY: Senator Anna MacKinnon

Page 79, following line 19

DELETE: Sec. 28 (b) The amount necessary to pay the first seven ports of call their share of the tax collected under AS 43.52.220 in calendar year 2015 according to AS 43.52.230(b), estimated to be \$15,500,000, is appropriated from the commercial vessel passenger tax account (AS 43.52.230(a)) to the Department of Revenue for payment to the ports of call for the fiscal year ending June 30, 2016.

EXPLANATION: Because this appropriation has been overspent in recent years based on projected numbers, it is the intent of the legislature that this program be put on hold for one year to allow for proper due diligence and accurate accounting so that when the legislature appropriates these funds it will reflect the revenue collected under this tax rather than its projections.

And: 
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FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 72

OFFERED BY: *Senator Kelly*

DEPARTMENT: Department of Administration

APPROPRIATION: Centralized Administrative Services

ALLOCATION: Commissioner's Office

EXPLANATION:

ADD CONDITIONAL LANGUAGE:

At the discretion of the Commissioner of Administration and to accomplish the mission (intent) of the Statewide 5 year Information Technology plan, a new cost-neutral appropriation will be created within the Department of Administration for the purpose of consolidating information technology procurement, information technology support and information technology contractual services that are currently being performed by executive branch agencies. The Director of the Office of Management and Budget shall authorize the transfer of funding associated with these services.

Am d #. 22

FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 72

OFFERED BY: *Senator Kelly*

DEPARTMENT: Commerce, Community and Economic Development

APPROPRIATION: Insurance

ALLOCATION: Insurance Operations

ADD: \$217,200 Receipt Supported Services (1156)

POSITIONS: 2 PFT – Insurance Specialist I (PCN 08-4046), Insurance Financial Examiner II (PCN 08-4058)

EXPLANATION:

The Insurance Financial Examiner II and the Insurance Specialist I positions perform critical rate and form filings and accreditation reviews related to the regulation of insurance within the state. In 2014 the Division of Insurance contributed approximately \$55 million to the general fund, as well as another \$9.2 million of fees and receipts that were used to fund division operations. Reductions in staff and funding will have an impact on the division's collections and contributions to the general fund, and will slow the service provided to the fee-paying public.

The Insurance Financial Examiner II position performs financial examinations related to insurance. During the state's last insurance accreditation review, this position was highlighted as a need within the Division. The division has experienced multiple hiring challenges when recruiting for this position, and as a result has rewritten the position description to allow for hiring at multiple experience levels. This position is expected to be posted for recruitment in April 2015.

The Insurance Specialist I is assigned to the Property and Casualty unit (P&C), which is charged with the approval of all admitted form and rate filings, including title and bonds, for the state. In addition, the P&C unit monitors non-admitted insurers for compliance with the statutory requirements of the state. This position has been vacant while the division reevaluated work processes, workload, and needs; that process is nearing completion, and the position is expected to be posted for recruitment in April 2015.

The need for the work performed by these positions is so great, that while these positions were vacant, the division found it necessary to contract out for services to satisfy statutory deadlines and accreditation requirements, which is not a long-term solution.

FY16 OPERATING BUDGET AMENDMENT

OFFERED IN: The Senate Finance Committee

TO: SCS CSHB 72

OFFERED BY: *Senator Kelly*

DEPARTMENT: Natural Resources

APPROPRIATION: Land and Water Resources

ALLOCATION: Geological and Geophysical Surveys (DGGS)

ADD: \$185,500 General Fund (1004)

POSITIONS: Add 1 PFT Division Operation Manager

EXPLANATION:

Restore the Division Operations Manager in DGGS who is responsible for a wide variety of tasks including: personnel and operations oversight, budget creation and management, operations safety and improvements, and long-range planning.

Responsible for coordination of numerous on-going projects in mission-critical areas including: energy resources, mineral resources, volcano monitoring and geologic hazards. This position coordinates field activities during the field season.

Division Operations Managers provide stability, institutional knowledge, expertise, and understanding of the division's operations and functions at all levels. As the senior classified position in the division, their existence allows operations to proceed and critical functions and services to continue smoothly across the transition between Directors. Losing the Operations Manager position will leave the division without long-term, experienced management expertise to bridge the gap with each new Director.

Loss of this position will reduce the effectiveness of the director, who will need to assume many of this position's responsibilities.

Loss of this position will reduce the division's capability to obtain external funding.

Note: This position was to have an increased workload due to administrative and technical staff reductions, increasing the need to effectively manage and coordinate activities.