

S B

158

(FILE)

A M E N D M E N T

Offered in the SENATE

by P. Fischer

TO: SB 158

\* Section 1. Section 30, ch. 82, SLA 1981, page 172, line 12 is repealed.

\* Sec. 2. Section 4, ch. 25, SLA 1982, page 16, line 5 is amended to read:

ALLOCATIONS

Supplement for ch. 82 ports  
and harbors

900,000

\* Sec. 3. Section 80, ch. 101, SLA 1982, page 74, line 15 is repealed.

\*Sec. 4. The sum of \$2,000,000 is appropriated from the general fund to the Department of Transportation and Public Facilities for port and harbor projects to be allocated as follows:

- |   |           |
|---|-----------|
| (1) Port San Juan dock repair   | 800,000   |
| (2) Whittier Shotgun Cove Harbor economic feasibility analysis, preliminary engineering, and design | 1,200,000 |

\*Sec. 5. The sum of \$2,100,000 is appropriated from the general fund for payment as a grant to the City of Valdez for small boat harbor expansion.

\*Sec. 6. The sum of \$1,250,000 is appropriated from the general fund for payment as a grant to the City of Seward for ferry dock repair.

\*Sec. 7. The sum of \$1,250,000 is appropriated from the general fund for payment as a grant to the City of Cordova for marine facilities.

SB 158 Sectional Analysis

<u>Section(s)</u>	<u>AGENCY</u>	<u>TITLE AND DESCRIPTION</u>	<u>AMOUNT</u>
1	Office of the Governor	FY 83 Shortfall - Division of Elections - To cover deficit in Division of Elections.	274.0
2, 40	Office of the Governor	OMB Office Space - Funds will be needed to implement redesign of Court Building office space to accommodate consolidation of OMB activities.	350.0
3	Administration	Public Defender cost overruns - contracts for Kodiak and Dillingham were underfunded by \$93,000. A trial in Fairbanks is expected to cost an additional \$40,000 in Travel and expert witnesses.	133.0
4	Revenue	ABC Control Board FY 83 Shortfalls - Would allow funding of under budgeting in personal services and contractual services.	20.0
5	Revenue	Child Support - Replacement of Lost Federal Funding - Fund the balance of the 130.7 lost federal funds which were not replaced by the Federal Budget Impact Fund. FBIF funded 65.0 of the 130.7 requested.	65.7
6	Education	Debt Retirement Reimbursement - Additional funds are requested to fund approximately 50% of the increase resulting from changes by Ch 92/82 which reduced the repayment waiting period from two years to one year and increased the reimbursement rate from 80% to 90%.	6,500.0
7	Education	Funds for Alaska School Activities Assoc. - Project provides funds for high school student travel for such activities as athletic and musical events.	300.0

SB 158 Sectional Analysis

<u>Section(s)</u>	<u>AGENCY</u>	<u>TITLE AND DESCRIPTION</u>	<u>AMOUNT</u>
8	Education	Capital Project Expenses - The Department of Education will use these funds to pay for miscellaneous capital project expenses not directly related to current appropriations (e.g., site surveys, long term leases, title search fees, legal fees). This practice will be in keeping with recent legal advice from AG's office.	90.7
9	Health and Social Services	API Emergency Security Positions - Security positions (17 PFT, 1 PPT) added in to accomodate for patient overcrowding above licensed capacity - response to API Task Force recommendations.	305.9
10	Health and Social Services	Establishing the Department of Corrections - For expense incurred in transferring the Division of Corrections from the Department of Health and Social Services.	250.0
11	Natural Resources	FY 79 Billing Due Soil Conservation - To pay balance owed U.S. Department of Agriculture for funds given State to conduct soil and range inventories during 1979. These funds were never utilized and thus lapsed and are therefore owed to the Department of Agriculture. This matter has been referred to the U.S. Attorney General's Office for legal action.	70.9
12	Natural Resources	Charges to Department of Administration for the Frontier Building Move - To cover costs associated with DNR's moving from the MacKay Building to the Frontier Building.	150.0
13	Natural Resources	University of Alaska Settlement Agreement - Funding for the 4,200.0 settlement between UA, DNR, Revenue, Administration, and Board of Regents.	4,200.0

SB 158 Sectional Analysis

<u>Section(s)</u>	<u>AGENCY</u>	<u>TITLE AND DESCRIPTION</u>	<u>AMOUNT</u>
14	Natural Resources	Contractual services for hard-rock mining - The Division of Minerals & Energy Management will provide technical assistance to mining operators in developing economically and environmentally sound management and mining practices for placer mining and help reduce the large backlog of unrecorded new mining claims located on State lands.	250.0
15	Public Safety	Underfunding Violent Crimes Compensation Grants - Funding to compensate victims of violent crimes. Projections indicate sufficient funding is not available to pay the increased number of claims now pending.	210.0
16	Public Safety	Supervisors Grievance Settlement - To provide sufficient funding to cover retroactive pay increases in accordance with two arbitrated settlements.	130.2
17	Public Safety	Health Insurance Increases and Underfunding - Funding to pay unanticipated increases in health insurance coverage. Failure to approve funding will require vacant positions to be kept unfilled for longer periods of time, and reduce the overall personnel strength of troopers and fish and wildlife protection officers.	138.0
18	Administration	Miscellaneous Claims - Stale Dated Warrants	3.9
18	Education	Miscellaneous Claims - to pay for bills received which are for goods and services over two years old.	7.0
18	Health and Social Services	Miscellaneous claims to fund bills which are over two years old and have not been paid.	118.0

SB 158 Sectional Analysis

<u>Section(s)</u>	<u>AGENCY</u>	<u>TITLE AND DESCRIPTION</u>	<u>AMOUNT</u>
18	Commerce	Miscellaneous Claims - To fund late billing over two years old for services provided to Division of Tourism	5.6
18	Fish and Game	Offset Project Overexpenditure - Three capital projects have overspent their budgets by a total of 3,900.	3.9
18	Fish and Game	Miscellaneous Claims - To cover billings received late from the Anchorage Times. Services provided are over 2 years old.	0.6
18	DOT/PF	FY 82 Maintenance and Operations Overexpenditure - To funding outstanding obligations, for vehicle equipment charges.	1,097.3
19, 20	Governor	Reduce FY 83 Operating Budget for Council on Economic Policy survey of economic and demographic information.	(350.0)
21	Governor	Reduce FY 83 Operating Budget excess funds for Capital Site Planning Commission	(300.0)
22, 23	Education	Reduce amount in FY 83 Operating Budget for School Finance Study which is included in FY 84 Operating Budget	(135.3)
24	Revenue	Reduce income tax refunds appropriated in Ch 3/SLA 80 in excess of needs	(7,000.0)
25, 26	Health and Social Services	Reduce FY 83 Operating Budget for Public Assistance Services in excess of projected needs: AFDC (3060.2 GF; 3060.2 Fed); and General Relief (200.0 GF)	(3260.2)

SB 158 Sectional Analysis

<u>Section(s)</u>	<u>AGENCY</u>	<u>TITLE AND DESCRIPTION</u>	<u>AMOUNT</u>
27	Health and Social Services	Reduce FY 83 Operating Budget fiscal note (SB 842) for Permanent Fund Dividend "Hold Harmless" program	(1901.2)
28	Labor	Repeal FY 83 fiscal note (HB 174) appropriated in error. HB 174 in its final form had no fiscal impact on the Department of Labor	(159.0)
29	Natural Resources	Reduce fiscal note to Ch 113/SLA 82 (HB31) appropriated in excess of needs. This appropriation was continued into FY 83 by Ch 141/82, Sec. 266.	(597.0)
30, 31	Courts	Reduce FY 83 Operating Budget by ASHA bond payments also budgeted by Department of Administration	(972.0)
32, 33	DOT/PF	Marine Transportation Language Change - The requested language change will allow funds appropriated for "Repower M/V Columbia" to be used to repower all Southeastern mainline vessels of state ferry fleet.	0
34	University, DOT/PF	Language Change, CH 139/82 - Appropriations for capital projects in sections 15 and 16 are not specifically identified as capital projects in sections 28 of the same bill. The requested change will remove the ambiguity.	0
35	Labor	Change lapse date for appropriation made in Section 37, Chapter 101, SLA 82 to June 30, 1985. The appropriation was made to pay for claims and costs under the judgement of the superior court relating to a civil case involving Worker's Compensation.	0

SB 158 Sectional Analysis

<u>Section(s)</u>	<u>AGENCY</u>	<u>TITLE AND DESCRIPTION</u>	<u>AMOUNT</u>
36	C&RA	<p>The Department of Community and Regional Affairs would like to extend the lapse date for \$1,000.0 for the State Training Program (S.T.P.) funding (CH 101 Sec 79, p. 59, l. 19). This is a State funded pilot program. Because this was a new program for the department, previous department leaders required the development of regulations prior to program start-up (they felt this was necessary even though the program has no statutory authority). The delay in start-up was due principally to the development of regulations. Request for proposals have been issued, and contract selection should take place the week of 3/14 or 3/21. No doubt these contracts will extend into FY 84 and some groups have proposed starting the projects in September in conjunction with the fall school semester. C&amp;RA proposed that 824.5 for the S.T.P. be eliminated from the FY 84 budget. This was based on the late start-up of the program and the anticipation of requesting continuing authority of the current year's appropriation through June 1984.</p>	0
37	Commerce	<p>The Department of Commerce and Economic Development, Ag Action Council, requests extension of the lapse date for the Point MacKenzie Agricultural Development Project (SLA 80, CH 90) from June 30, 1983 to June 30, 1986. Due to a lawsuit, 29 of the 31 available parcels were not sold until September 1982. The vast majority of funds remaining are for clearing loans, which are only now being made.</p>	0

SB 158 Sectional Analysis

<u>Section(s)</u>	<u>AGENCY</u>	<u>TITLE AND DESCRIPTION</u>	<u>AMOUNT</u>
38, 39	Health and Social Services	Language amendment to change nature of appropriations by SB 190, SB 535 and SB 611 from operating to capital. These appropriations were made in the fiscal note section of CH 139/82, and were inadvertently made to the operating budget.	0

CS SB 158 (HESS) - SECTIONAL ANALYSIS

- SECTION 1 REMOVES \$300,000 IN EXCESS FUNDS FROM THE NEW CAPITOL SITE PLANNING COMMISSION APPROPRIATED IN 1982.
- SECTION 2 REMOVES \$135,300 IN EXCESS FUNDS FROM EDUCATION PROGRAM ADMINISTRATION APPROPRIATED IN 1982.
- SECTION 3 COMPLIMENTS SECTION 2 - DEPART. OF EDUCATION.
- SECTION 4 REMOVES \$12 MILLION FROM THE DEPARTMENT OF REVENUE APPROPRIATED IN 1980 FOR TAX REFUNDS.
- SECTION 5 REMOVES \$1,901,200 IN EXCESS FUNDS FROM THE PERMANENT FUND HOLDHARMLESS IN DH&SS (GENERAL FUNDS).
- SECTION 6 REMOVES \$159,000 INADVERTENTLY APPROPRIATED TO THE DEPART. OF LABOR WITH HB 174 IN 1982.
- SECTION 7 REMOVES \$597,000 IN EXCESS FUNDS APPROPRIATED IN HB 31 IN 1981.
- SECTION 8-9 REMOVES \$972,000 IN EXCESS FUNDS APPROPRIATED TO THE COURT SYSTEM IN 1982.
- SECTION 10 \$350,000 APPROPRIATED TO THE OFFICE OF MANAGEMENT AND BUDGET FOR OFFICE REORGANIZATION.
- SECTION 11 \$133,000 APPROPRIATED TO THE PUBLIC DEFENDER'S OFFICE FOR 1983 cost overruns - UNDERFUNDED CONTRACTS IN KODIAK AND DILLINGHAM, EXCESSIVE TRIAL COSTS IN FBKS.
- SECTION 12 \$20,000 APPROPRIATED TO THE ABC BOARD FOR 1983 SHORTFALLS IN PERSONAL AND CONTRACTUAL SERVICES.
- SECTION 13 \$13,561.600 APPROPRIATED FOR 1983 SUPPORT FOR SCHOOL DEBT RETIREMENT.
- SECTION 14 \$300,000 APPROPRIATED TO THE SCHOOL ATHLETIC FUND FOR 1983 STUDENT TRAVEL TO ATHLETIC AND MUSIC EVENTS.
- SECTION 15 \$305,900 APPROPRIATED TO DH&SS FOR EMERGENCY SECURITY POSITIONS (17PFT, 1PPT) AT A.P.I. BECAUSE OF OVERCROWDED CONDITIONS THREATENING LICENSURE.
- SECTION 16 \$205,900 APPROPRIATED FOR THE ESTABLISHMENT OF THE NEW DEPARTMENT OF CORRECTIONS - MAY 1 STARTING DATE.
- SECTION 17 \$70,900 APPROPRIATED TO DNR TO PAY BALANCE OWED TO THE FEDERAL GOVERNMENT SINCE 1979 FOR CONDUCTING SOIL AND RANGE INVENTORIES.
- SECTION 18 \$150,000 APPROPRIATED TO DNR FOR COSTS OF MOVING FROM THE MACKAY BUILDING CHARGED TO THE DEPARTMENT OF ADMINISTRATION.

- SECTION 19 \$210,000 APPROPRIATED TO PUBLIC SAFETY FOR 1983 UNDERFUNDING OF THE VIOLENT CRIMES COMPENSATION BOARD.
- SECTION 20 \$130,200 APPROPRIATED TO PUBLIC SAFETY TO COVER RETROACTIVE PAY INCREASES IN ACCORDANCE WITH TWO ARBITRATED SETTLEMENTS.
- SECTION 21 \$138,000 APPROPRIATED TO PUBLIC SAFETY TO PAY 1983 HEALTH INSURANCE INCREASES.
- SECTION 22 \$139,000 APPROPRIATED FOR STALE-DATED WARRANTS.
- SECTION 23 \$350,000 APPROPRIATED TO COMMERCE AND ECONOMIC DEVELOPMENT FOR FY 82 LIVESTOCK FACILITY LOANS.
- SECTION 24-25 LANGUAGE CHANGE TO ALLOW 1982 APPROPRIATED FUNDS FOR REPOWERING M/V COLUMBIA TO BE USED FOR OTHER VESSELS ALSO.
- SECTION 26 PROVIDES THAT FUNDS APPROPRIATED IN SECTIONS 15-16 DO NOT LAPSE.
- SECTION 27 CHANGE LAPSE DATE FOR APPROPRIATIONS MADE TO PAY CLAIMS AND COSTS ASSOCIATED WITH A SUPERIOR COURT CASE INVOLVING WORKER'S COMPENSATION.
- SECTION 28 EXTENDS THE LAPSE DATE FOR AN APPROPRIATION FOR THE STATE TRAINING PROGRAM IN C&RA BECAUSE OF START UP DELAYS CAUSED BY THE DEVELOPMENT OF REGULATIONS.
- SECTION 29 EXTENDS LAPSE DATE FOR THE POINT MACKENZIE AGRICULTURAL DEVELOPMENT PROJECT, BECAUSE A LAWSUIT DELAYED SALES OF AVAILABLE PARCELS.
- SECTION 30-31 CHANGES THE NATURE OF APPROPRIATIONS BY SB 190, SB 535 AND SB 611 (1982) FROM OPERATING TO CAPITAL.
- SECTION 32-33 REMOVES \$3,260,200 FROM AFDC AND GENERAL RELIEF  
34 IN EXCESS FUNDS IN DH&SS.
- SECTION 35-36 REAPPROPRIATES THE FUNDS FROM SECTIONS 32-34 TO THE CATASTROPHIC ILLNESS PROGRAM IN DH&SS.
- SECTION 37 LANGUAGE CHANGE TO ALLOW FUNDS APPROPRIATED TO THE MOSQUITO LAKE SCHOOL (HAINES) TO BE USED ALSO FOR THE CONSTRUCTION OF TEACHER HOUSING AND RENOVATIONS. THESE ARE EXCESS FUNDS.
- SECTION 38 EXTENDS THE LAPSE DATE FOR FUNDS APPROPRIATED TO THE COUNCIL ON ECONOMIC POLICY FOR A SURVEY OF ECONOMIC AND DEMOGRAPHIC INFORMATION, AND FOR FUNDS APPROPRIATED TO SOCIAL SERVICES IN DH&SS TO CREATE A CHILD ABUSE SOCIAL WORKER POSITION IN PRINCE OF WALES ISLAND AND A CHILD ABUSE TRAINING PROGRAM IN SOUTHEAST ALASKA.

- SECTION 39 LANGUAGE CHANGE TO ALLOW FUNDS APPROPRIATED IN 1982 TO GLENALLEN FOR BULK FUEL STORAGE TO BE USED FOR FIREFIGHTING EQUIPMENT.
- SECTION 40 LANGUAGE CHANGE TO ALLOW FUNDS APPROPRIATED IN 1982 TO COPPER CENTER DAY CARE TO BE USED FOR THE COMMUNITY CENTER.
- SECTION 41 REMOVES \$1.5 MILLION IN EXCESS FUNDS APPROPRIATED TO DELTA II EXPANSION IN 1982.
- SECTION 42 APPROPRIATES \$1,350,000 TO NENANA FOR PHASE II CONSTRUCTION OF THE CITY BRIDGE.
- SECTION 43 APPROPRIATES \$250,000 TO DNR FOR SURVEY AND DISPOSAL IN THE NENANA-TOTCHAKET AGRICULTURAL PROJECT.
- SECTION 44 REPEALS SECTION ALLOCATING \$1,622,800 TO THE NENANA-TOTCHAKET AGRICULTURAL DEVELOPMENT PROJECT.
- SECTION 45 APPROPRIATES \$1,622,800 TO NENANA FOR CONSTRUCTION OF THREE BRIDGE PROJECTS.
- SECTION 46 LANGUAGE CHANGE TO ALLOW FUNDS APPROPRIATED FOR THE COPPER CENTER L.I.O. TO BE USED FOR THE GLENALLEN L.I.O.
- SECTION 47 CHANGES THE NATURE OF AN APPROPRIATION TO THE DEPART. OF COMMERCE AND ECONOMIC DEVELOPMENT FOR A WEATHERIZATION PROGRAM FROM OPERATING TO CAPITAL.
- SECTION 48 LANGUAGE CHANGE TO ALLOW FUNDS APPROPRIATED TO THE FAIRVIEW LIBRARY/MUSIC ROOM TO BE USED FOR THE REHABILITATION OF THE COMMUNITY CENTER.
- SECTION 49 REMOVES \$5,000,000 IN EXCESS FUNDS FROM THE DEPART. OF COMMERCE AND ECONOMIC DEVELOPMENT FOR ENERGY AUDITS, GRANTS AND CONSERVATION.
- SECTION 50 \$3,000,000 IS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE FOR COMMUNITY SERVICES FORMERLY FUNDED BY SB 168 MONIES.
- SECTION 51 \$600,000 IS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE FOR CONSTRUCTION OF A SENSORY IMPAIRMENT CENTER IN CONJUNCTION WITH THE ALASKA TREATMENT CENTER.
- SECTION 52 \$948,000 IS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE FOR PHASE I CONSTRUCTION OF THE EARLY CHILDHOOD/HEADSTART FACILITY.
- SECTION 53 \$85,000 IS APPROPRIATED TO THE DEPARTMENT OF ADMIN. FOR RELOCATION OF OFFICES IN PREPARATION FOR THE CONSTRUCTION OF THE NEW STATE OFFICE BUILDING.

- SECTION 54 \$72,000 IS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE FOR THE NEIGHBORHOOD HEALTH CENTER'S DENTAL PROJECT.
- SECTION 55 \$105,000 IS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE FOR THE ALPINE ALTERNATIVES' OUTDOOR SKILLS TRAINING FOR THE HANDICAPPED.
- SECTION 56 \$60,000 IS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE FOR THE OLDER PERSONS ACTION GROUP.
- SECTION 57 \$130,000 IS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE FOR THE ALASKA CONSUMER ADVOCACY PROGRAM.
- SECTION 58-59 REPEALS UNUSABLE FUNDS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE IN 1980 (\$218,262). (PARK IMPROVEMENTS)
- SECTION 60 REMOVES \$38,262 IN EXCESS FUNDS FROM A 1980 APPROPRIATION FOR LANDSCAPING ON PROPERTY NOW IN POSSESSION OF THE ALASKA RAILROAD.
- SECTION 61 \$218,262 IS APPROPRIATED TO THE MUNICIPALITY OF ANCHORAGE FOR AN UNDERGROUND POWER LINE ON BLUFF ROAD.
- SECTION 62&65 LAPSE DATES.
- SECTION 63 SECTION 42 IS A CAPITAL PROJECT.
- SECTION 64 APPROPRIATION DISBURSAL REQUIREMENTS.
- SECTION 66 EFFECTIVE DATE.

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## OFFICE OF THE GOVERNOR

POUCH AM  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3568

### OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

April 26, 1983

The Honorable Joe Josephson  
Chairman, Senate Health, Education  
and Social Services Committee  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Senator Josephson:

The following additional information regarding SB 158 is provided per the Committee's request.

#### Section 6

Enclosed is the Attorney General's opinion stating that local school debt service reimbursements by the State are exempt from the constitutional spending limit (pages 1 and 12-14).

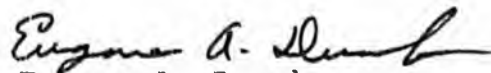
#### Section 17

There is no special insurance unique to Public Safety employees.

#### Section 25

Enclosed is additional information regarding the Catastrophic Illness Program.

Sincerely,



Eugene A. Dusek  
Associate Director

cfc

Enclosures

# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

Bill Sheffield, Governor

POUCH K - STATE CAPITOL  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3600

February 7, 1983

BUDGET REVIEW

Gene Dusek, Director of Budget  
Office of Management & Budget  
Pouch AM  
Juneau, AK 99811

FEB 8 1983

MANAGEMENT & BUDGET

Re: Appropriations Office of Management & Budget  
questions  
Our file: 366-374-83

Dear Mr. Dusek:

You have asked for our opinion concerning issues relating to the appropriation limit imposed by Alaska Constitution, article IX, section 16. These issues are as follows:

(1) Are appropriations to reimburse a municipality for payment of the principal and interest on general obligation school construction bonds subject to the appropriation limit? We believe they are not.

(2) If the permanent fund dividend law (AS 43.23) is amended or repealed and another plan for the distribution of permanent fund income is enacted, will appropriations to finance the new distribution program be included in the appropriation limit or will those appropriations be outside the limit? Generally, we believe that other distribution plans could qualify as dividends. However, certain limitations should be observed to make sure that the new plan satisfies the intent of the appropriation limit.

(3) How will the appropriation limit be implemented if

anticipated state revenues are less than the limit for a fiscal year? We assume that the appropriation limit will be applied with common sense to empower the legislature to act without regard to allocations imposed by the appropriation limit when economic conditions deplete the state treasury.

(4) How will multi-year appropriations be counted for purposes of the appropriation limit? We believe a multi-year appropriation will be counted against the appropriation limit for the first year in which it could be expended.

(5) What is the definition of "capital project" as that term is used in the appropriation limit? There is some history which supports a liberal interpretation of the term "capital project."

#### I. BACKGROUND

The appropriation limit, Alaska Const. art. IX, sec. 16, was drafted during a period of anticipated high revenue yields from oil and gas production. In June 1981, the Alaska Department of Revenue forecast that the state would earn approximately \$4,895,300,000 during FY 82. Revenue Sources, Alaska Department of Revenue (June 1981). That forecast did not include the revenue dedicated to the Alaska permanent fund under AS 37.-13.010. The revenue actually earned by the state during FY 82, less the permanent fund contribution, was \$4,108,400,000. Reve-

nue Sources, Alaska Department of Revenue (Jan. 1983). The legislature had exhibited a proclivity for appropriating all available revenue and more. 1/ Former Governor Jay S. Hammond introduced SJR 4 during the first session of the Twelfth Alaska Legislature. However, the legislature failed to enact a version of SJR 4 during the first regular session and on June 25, 1981, Governor Hammond called a special session of the legislature to consider SJR 4. In his address to the legislature, Governor Hammond cited the following circumstances which required the enactment of SJR 4:

(1) the FY 82 operating budget increased 32 percent over the FY 81 operating budget;

(2) the FY 82 capital budget increased 127 percent over the FY 81 capital budget; and,

(3) for FY 82, the legislature appropriated an amount equal to 59 percent of the total spent for capital projects since statehood. 1981 S. Jour., FSS Jour. Supp. No. 1, p. 3.

A second free conference committee (FCC) initially appointed during the regular session met to continue consideration of SJR 4 during the special session. 1981 S. Jour., p. 1744. A

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1/ The \$1.8 billion contribution to the Alaska permanent fund (sec. 2, ch. 61, SLA 1981 as amended by sec. 68, ch. 92, SLA 1981 and sec. 16, ch. 101, SLA 1982) is a continuing operating appropriation which literally causes total unobligated appropriations to exceed available state revenues for each fiscal year since enactment.

transcript of the open meetings of the FCC exists and forms a part of the history of the appropriation amendment (the transcript). However, it is evident from review of the transcript that other discussions concerning the intent of the amendment were conducted outside of open committee meetings. While the transcript is helpful, it presents only a partial record of the deliberations of the drafters of the amendment.

The FCC purported to adopt a letter of intent to accompany its report to the house and senate. 1981 S. Jour., FSS, p. 5. However, the letter of intent is not set out in the journal. A search of the bill files of the Department of Law yielded a copy of the missing letter of intent. See Ex. 1.

The campaigns for and against adoption of the appropriation limit began in September of 1982. The Anchorage Daily News criticized the proposed amendment for the following reasons:

(1) the ceiling is too high, revenues will exceed the limit only once before the year 2000; and

(2) the one-third reservation for capital projects and loan appropriations was included because the legislature "failed to make the distinction between a wise public agenda -- on which capital projects and loans surely would appear -- and an effectively timeless state constitution -- in which no such spending demands should be dictated.

Anchorage Daily News, Sept. 3, 1982, at A14, "opinion." The

Daily News based its opinion concerning revenue forecasts on a report made public by the legislative finance division of the Legislative Budget and Audit Committee. Anchorage Daily News, Sept. 2, 1982, at 1. On September 17, 1982, the Daily News urged Governor Hammond to oppose the adoption of the appropriation limit. The Anchorage Times basically took no position on the amendment. However, on October 19, 1982, the Times reported the results of a poll sponsored by supporters of the amendment. The poll, conducted the week of September 16-23, 1982, showed that the amendment was recognized and favored by the public as a "spending limit." The pollsters asked if the respondents had heard of the proposed amendment to the state constitution which sets a limit on increases on state appropriations. By a three-to-one margin, respondents said they were not familiar with the amendment when it was described as an "appropriation limit." Anchorage Times, Oct. 19, 1982, at A-4. On October 26, 1982, the Juneau Empire editorialized in favor of adoption of the amendment. Juneau Empire, Oct. 26, 1982, at 4.

During the week of October 24, 1982, the major dailies of the state published articles on the amendment. Governor Hammond received coverage in most of those stories by saying "It [the adoption of the appropriation limit] may be our last chance to control the juggernaut which otherwise will likely crush us into bankruptcy." Anchorage Daily News, Oct. 29, 1982, at B3.

On Sunday, October 31, 1982, the Daily News in its forum section, published an article by Governor Hammond in which he again strongly advocated adoption of the amendment because revenue projections and the growing vulnerability of the permanent fund compelled him to plead for the support of the people. Anchorage Daily News, Oct. 31, 1982, at K3. On the preceding Friday, the Daily News quoted Governor Hammond as follows: "Don't let anyone tell you that passage of Proposition 4 won't limit spending." Under recently revised revenue estimates, passage of the ballot issue would bar the legislature from appropriating between \$80 million and \$380 million in fiscal 1984 alone. Anchorage Daily News, Oct. 29, 1982, at B3.

At the 1982 general election, the voters approved the adoption of SJR 4 by a vote of 110,669 for the amendment and 70,831 opposed to the amendment. State of Alaska Official Returns by Election Precinct General Election Nov. 2, 1982, Div. of Elections, Office of the Governor.

## II. EXCEPTIONS FROM THE LIMIT

The appropriation limit contains seven express exceptions. Five of those exceptions are for appropriations which are completely outside the limit and do not require voter approval. They include:

- (1) an appropriation for Alaska permanent fund divi-

dends;

(2) an appropriation of revenue bond proceeds;

(3) an appropriation to pay principal and interest on general obligation bonds;

(4) an appropriation of money received from nonstate sources in trust for a specific purpose, including revenues of a public corporation that issues revenue bonds; and

(5) an appropriation to meet a state of disaster declared by the governor.

You have requested our interpretation of exceptions (1) and (3) set out above.

A. Alaska Permanent Fund Dividend Exception

The appropriation limit provides: "Except for appropriations for Alaska permanent fund dividends ... appropriations from the state treasury made for a fiscal year shall not exceed \$2,500,000,000...." A question obviously arises as to whether "Alaska permanent fund dividends" means only those cash payments provided to individuals under AS 43.23 or if the word "dividend" encompasses other concepts for the distribution of income earned by the Alaska permanent fund.

We believe the answer to your question concerning appropriations for permanent fund dividends depends on whether the exceptions will be construed strictly or liberally. Usually,

provisions in a state constitution are construed liberally using the same rules of construction prescribed for other laws with regard given to the broader object and scope of the constitution as a charter of popular government. Eghert v. Dunseith, 24 N.W.2d 907 (N.D. 1946); 168 A.L.R. 621. Professor Sutherland explains the modern view for construing express exceptions as follows:

The older rule strictly interpreted both exceptions and provisos but today the prevailing view favors determining the effects of such provisions according to the usual criteria of decision applicable to other kinds of provisions as well without the use of any artificial presumptions to the effect that qualifying language should be strictly construed.

SUTHERLAND STATUTORY CONSTRUCTION § 47.11 (4th ed. 1974)(footnotes omitted). The FCC did not express an intent to limit this exception to only appropriations to finance cash payments to individuals under AS 43.23.

The appropriation limit must be interpreted consistently with the permanent fund amendment contained in article IX, section 15. Section 15 provides that the legislature may dispose of the income of the Alaska permanent fund "as provided by law." Each legislature may reexamine existing law and enact different laws providing for the use of income earned by the Alaska permanent fund. If section 16 were interpreted so that the exception to permanent fund dividends applied only to appropriations to finance cash dividends under AS 43.23, the legislature would essentially be denied the flexibility to adjust to changing philoso-

phies concerning the propriety of making cash payments directly to residents which section 15 expressly reserves to it. 2/ In interpreting and applying the constitution, it must be remembered that the constitution is not a lifeless or static instrument whose interpretation is confined to conditions and outlooks which prevailed at the time of its adoption. Yakus v. United States, 321 U.S. 414 (1944); Warwick v. State, 548 P.2d 384 (Alaska 1976).

The word "dividend" has no precise legal meaning. Trustees of University v. North Carolina R. Co., 13 WORDS AND PHRASES 107 (Permanent ed.); 22 Am. Rep. 671. Webster defines "dividend" as follows: "an individual share of something distributed among a number of recipients." We are not aware of any legal principle which would preclude the characterization of other distribution programs as "dividends." Rather, the words used

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2/ The Thirteenth Legislature may reject direct cash distribution in favor of a plan which it determines will promote public purposes more effectively. During the period of consideration and adoption of the appropriation limit, the permanent fund dividend law was undergoing considerable scrutiny and change by both the legislature and the courts. The legislature adopted the proposed appropriation limit amendment on July 15, 1981. At that time the question of the constitutionality of the permanent fund dividend program as it was then structured was on appeal to the United States Supreme Court. On June 14, 1982, the United States Supreme Court issued an opinion which found the method established for determining the amount of dividends under that program void because the method promoted discrimination based on length of residence in the state. On August 13, 1982, amendments to the dividend law took effect. The people were undoubtedly aware that the dividend law in effect on election day in 1982 was not chiseled in marble.

by the drafters of the amendment afford broad latitude to the legislature to enact new distribution programs which will not be impaired by the appropriation limit.

It is well-settled law that a provision of a state's constitution must receive a liberal, practical construction to meet changed conditions and growing needs of the people. County of Alameda v. Sweeney, 312 P.2d 419, 424 (Cal. 1957). Under the permanent fund amendment, the discretion granted to the legislature to enact, amend, or repeal the present dividend program under AS 43.23 to meet the growing needs of the people is unfettered. However, the operation of exceptions from the appropriation limit must be interpreted consistent with the intent of the framers of the organic law and of the people adopting it. State v. Lewis, 559 P.2d 630, 637 (Alaska 1977).

One important consideration should be carefully observed. The Alaska Supreme Court has found that the purpose of the existing dividend program is to force the legislature to consider the reimposition of taxes when the decline of oil revenue encourages resort to permanent fund income to finance state government. Williams v. Zobel, 619 P.2d 448, 454 (Alaska 1981), rev'd 451 U.S. 905 (1982). The people can be expected to vigilantly protect their dividends by forcing the legislature to seek sources other than the permanent fund to finance state government. If a substitute distribution program accomplishes the same

purpose, it will more likely qualify under the exception in section 16 than if it fails to achieve that purpose. If the constituency benefitted by a dividend is narrow, the dividend may not be a dividend in the sense intended by the drafters of section 16 and the people who adopted it. Proposals soon to be considered by the legislature include replacing the existing distribution to all residents with a distribution of part of the permanent fund income to municipalities and as a substitute for the existing longevity bonus, and use of a part of the income to finance large capital projects.

A vast majority of the population of the state resides in or is served by municipal governments. It is also a fact that we all seek security for our "golden years." The constituents of these proposals seem broad enough to satisfy the purpose of the current dividend law. The use of permanent fund income to finance large capital projects presents a closer question. The character of each project must be considered to determine if it serves a state public purpose, rather than a local special purpose. Additionally, if the project is viewed as merely an alternate way of financing state government operations, the basic intent of the dividend law might not be served.

We cannot advise with certainty whether the financing of large capital projects with permanent fund income would constitute a dividend of the Alaska permanent fund for purposes of

the appropriation limit. Some may argue that the benefits provided by "public works" projects are too localized to approximate the benefits provided by the existing dividend law. However, in State v. Lewis, 559 P.2d 630 (Alaska 1977), the Alaska Supreme Court decided that "[l]egislation need not operate evenly in all parts of the state to avoid being classified as local or special." Lewis at 643. A definite answer will come only when the courts interpret article IX, section 16 of the Alaska Constitution. However, we believe that if the legislature enacts a distribution program which is consistent with the intent of the permanent fund dividend law, any appropriation to implement that program will be exempt from the appropriation limit.

B. Appropriations Required to Pay the Principal and Interest on General Obligation Bonds

Under AS 43.18.100 -- 43.18.135 the state, subject to available appropriations, reimburses municipalities for the payment of a percentage of principal and interest to retire general obligation bonds issued by the municipality to finance school construction costs. Although they have been amended from time to time, these statutes have been in effect since 1971. You have asked whether appropriations to retire municipal general obligation debt are within the exception stated to the appropriation limit.

The exception reads as follows: "Except for ... appro-

priations required to pay the principal and interest on general obligation bonds...." The wording of the exception does not specify whether the bonds must be issued by the state to qualify. Later in section 16, the drafters carefully identified "appropriations of money received from a nonstate source...." Since the drafters could easily have expressly limited this exception to state general obligation bonds, an implication can be drawn that a strict construction limiting the exception to state general obligation bonds was not intended.

The purpose of the exception recognizes that appropriations to retire general obligation bonds may be to the state's "great advantage." Governor's transmittal letter, 1981 FSS S. Jour., p. 16. Presumably the advantage accrues from the state's enhanced credit rating which results in lower debt service charges for subsequent bond issues. It is probable that the existence of the school construction debt assistance provisions of AS 43.18 have the same effect upon the bond rating assigned to municipalities. The identical purpose is achieved by appropriations made to finance the reimbursement program. Less state assistance will be necessary in the future if local bond ratings remain favorable.

There are some considerations which weigh against this construction. Debt service for general obligation bonds is financed by a continuing appropriation. AS 37.15.012. General

obligation bonds are debts of the state secured by contracts (trust indentures); the impairment of contracts is prohibited by the state and federal constitutions. The reimbursement program under AS 43.18 does not transform municipal general obligation bonds into debts of the state. AS 43.18.130(a). However, the financial burden imposed on municipalities, if their local tax effort were increased to compensate for the loss of assistance under AS 43.18, could be devastating to the local taxpayer. According to the Department of Education, for fiscal year 1984 the estimated total entitlement for school debt retirement is \$36,900,000. This total is estimated to increase to \$44,300,000 by fiscal year 1988.

Accordingly, we believe that appropriations to retire municipal general obligation school bond indebtedness under AS 43.18 are "required" and qualify as an exception to the spending limit. We believe that the appropriation for school bond indebtedness can be represented as a moral obligation of the state for the following reasons:

- (1) the appropriation is made under a statute of general application;
- (2) the statute has been in effect since 1971; and
- (3) the reimbursement program is heavily relied upon by municipalities when they establish the local tax effort necessary to support local bonded indebtedness.

III. REVENUE SHORTFALL

You have also asked how to interpret the appropriation limit if the amount of state revenues subject to the limit is less than the amount determined to be the limit for a fiscal year, as provided in section 16. You wish to know specifically how the allocations within the limit for operating expenses and capital projects would be interpreted. As we have indicated, section 16 imposes an appropriation limit rather than a spending limit. We have earlier advised that the legislature may make appropriations which exceed available revenues. 1981 Inf. Op. Att'y Gen. (June 24; J77-159-81). However, obligations may not be paid under those appropriations unless there is enough surplus money available in the treasury.

Theoretically, the amount of anticipated state revenue should have no effect on the operation of the appropriation limit. However, under AS 37.07.020(c), the governor's proposed budget may not exceed estimated revenues for the succeeding fiscal year. Also, the amount of surplus revenues anticipated to be received by the state was an issue hotly publicly debated before adoption of section 16. The newspaper articles written about the appropriation limit before the election commonly referred to the amendment as a "spending limit." These articles were undoubtedly instrumental in forming the voters' understanding of the effect of the proposed amendment.

Section 16 provides, in part: "Within this limit, at least one-third shall be reserved for capital projects and loan appropriations." This wording is ambiguous when applied for a year in which revenue available for appropriations falls short of the adjusted limit for that year. Under those circumstances, it is not clear whether the reservation for capital projects and loan appropriations is calculated based on the total amount actually appropriated for that fiscal year (i.e., less than the limit) or on the limit amount (\$2.5 billion) for that fiscal year adjusted for population and inflation. Apparent ambiguities contained in the state constitution may be resolved by the contemporaneous construction by law or by the administrative agency charged with implementation of the provision. Amador Valley Joint Union High School District v. State Board of Equalization, 583 P.2d 1281 (Cal. 1978).

A review of the FCC transcript reveals no discussion of the intention of the drafters when they used the phrase "within this limit." Revenue projections at the time painted a rosy picture for the future. No history is available to indicate that the FCC even considered the effect of the amendment if the state suffers a sharp decline in revenue. Former Governor Hammond was clearly concerned by the possibility of a spendthrift legislature with an overflowing treasury at its disposal.

Under the circumstances, we believe it would be unwise

to blindly apply the allocations imposed by the appropriation limit when conditions impose an even more stringent limit than intended by the FCC. 3/ The appropriation limit drastically alters the most significant power of the legislature: the power to appropriate. The power to enact general law is largely nullified unless the money to finance enforcement or implementation of the law is appropriated. Consequently, we believe that an interpretation which restricts the legislature's power to respond to the needs of the state during unanticipated periods of revenue decline will not be endorsed by the courts. See State ex rei. Columbus v. Keterer, 189 N.E. 252 (Ohio 1934). Rather, we believe that the courts will recognize that the evil which the appropriation limit was designed to remedy does not exist when revenues are below the limit. Under those circumstances, a court would probably affirm an interpretation that restores the full lawmaking powers of the legislature to make appropriations in the best interests of the state. We believe the best way to resolve the ambiguity is to disregard the one-third allocation reserved for

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3/ The reservation for capital projects and loan appropriation effectively restricts appropriations to finance the operating budget without restricting the relative share for capital projects. The operating budget finances all manner of essential programs for the preservation of the public health, safety, and welfare. Some of these expenditures are for so-called entitlement programs (aid for families with dependent children, for example) which for fiscal year 1982 comprised 42 percent of the operating budget.

capital projects and loan appropriations when economic conditions impose a limit which is more restrictive than that set out in section 16. <sup>4/</sup> The literal language of the constitution may be disregarded to avoid absurd results and to fulfill the apparent intent of the framers. Sturges v. Crowninshield, 17 U.S. 122, 202 (1819). Where the general welfare is involved, constitutional questions should be approached from the pragmatic, rather than from a legalistic point of view. State v. Board of Administration, 25 So. 2d 880 (Fla. 1946).

#### IV. ATTRIBUTION OF CAPITAL APPROPRIATION TO A FISCAL YEAR

Another question you have raised is how the words "appropriation ... made for a fiscal year" should be applied to appropriations for capital projects. AS 37.25.020 provides "An appropriation made for a capital project is valid for the life of the project and the unexpended balance shall be carried forward to subsequent fiscal years." This provision recognizes that capital projects often span more than one fiscal year before completion. The balance of the appropriation remains available in sub-

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<sup>4/</sup> Another possible interpretation would limit the operating budget allocation for a fiscal year to two-thirds of the total limit (\$2.5 billion) adjusted for inflation and population. This interpretation is consistent with our earlier observation that there may be no relationship between appropriations and revenue. However, even under this interpretation, in a fiscal year with depressed revenues, the one-third reservation for capital projects is meaningless.

sequent fiscal years and is carried forward to those succeeding fiscal years. According to the Department of Administration, as of June 30, 1982, the total of all "carry forward" capital appropriations was: approximately \$1,591,000,000, and the total of all "carry forward" operating appropriations was \$1,862,000,000.

The FCC debated the intent of the limit concerning this issue. Transcript at 47-55. It is clear that the FCC was aware that multi-year appropriations are made. There was an attempt by Representative Hugh Malone to amend the proposal so that a legislature could not appropriate for a fiscal year subsequent to the upcoming fiscal year. This amendment was not adopted. Senator Bill Ray observed that the intent of the amendment was to include only those appropriations which are expended during the fiscal year. According to Senator Ray, appropriations which remain unexpended at the end of a fiscal year should lapse. Transcript at 52. Representative Rick Halford interpreted the proposed amendment to make multi-year appropriations count against the limit each year because each succeeding legislature could amend or repeal these appropriations at will. During all of these discussions, no distinction was made between operating and capital appropriations. However, these comments probably referred only to multi-year operating appropriations. See Transcript at 65-66.

The debate on this issue discloses that the FCC was confused about the operation of carry forward appropriations.

They formulated the \$2.5 billion base by taking the fiscal year 1982 appropriation total and reducing that amount by \$60 million. Transcript at 2-5. However, 1982 appropriations were made based on forecasts of anticipated surplus for that fiscal year, reduced by expected expenditures for "carry forward" appropriations. We assume, therefore, that the drafters did not intend to count carry forward appropriations in the limit established for each fiscal year.

We believe that a commonsense way to interpret the appropriation limit, which is supported by past practice, is to count appropriations that are available for expenditure in a fiscal year only against the limit for the first fiscal year during which they could be completely expended. This should be done even if an unexpended balance is carried forward into the next fiscal year. That balance must be considered obligated for the purposes of the appropriation limit. Unexpended balances of a prior year appropriation should not be counted with the current year appropriations in complying with the limit for the current year. If the legislature provides that an appropriation may not be expended until a later fiscal year, the appropriation should be counted only against the limit for that later fiscal year.

V. DEFINITION OF THE TERM "CAPITAL PROJECT"

The appropriation limit amendment introduces the term

"capital project" to the glossary of words used in the Alaska Constitution. This new term causes some concern because a similar term, "capital improvement," is used in other sections of article IX setting out the general obligation bonding authority for local governments and the state. There are two Alaska Supreme Court cases which address the meaning of "capital improvement." See City of Juneau v. Hixon, 373 P.2d 743 (Alaska 1962); Wright v. City of Palmer, 468 P.2d 326 (Alaska 1970). The supreme court did not adopt an all-inclusive definition of capital improvement in those cases. Rather, the court concluded that there was nothing in the history of municipal bonding in Alaska or in the minutes of the constitutional convention that indicates that the term "capital improvement" was intended to denote projects radically different than those for which municipalities had been permitted to incur bonded indebtedness in the past.

When former Governor Hammond first introduced SJR 4, the proposed amendment consistently used the term "capital improvement." It was not until the second FCC took up consideration of the proposal that the term capital project was used. Senator Ray defined capital projects to be "what the definitive judgment of a majority of the legislature determines they are." Transcript at 22. This was in response to an observation by Representative Malone that many appropriations designated as capital differ little from items set out in the operating budget. Tran-

script at 21. Former assistant attorney general Rodger W. Pegues explained to the FCC that "we're using the term capital project which pretty much means the capital budget - areas where you are dealing with capital investment or long-term financing and the bulk of your spending. That's a broader term than 'capital improvement.'"

There appears to be support in the history for an interpretation of "capital project" which includes more objects of expenditure than "capital improvement," which traditionally has been limited to public works of a permanent nature. 5/ It is possible, though, that the two terms will be construed to have the same meaning. The supreme court left room for the term "capital improvements" to acquire new meanings to accommodate the changing activities of state government. However, the appropriation limit implies that a general obligation bond may be issued for capital projects. 6/ It is probable that a court would find that not all capital improvements may be characterized as capital

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5/ In recent years, opinions of the attorney general have somewhat broadened this interpretation to permit the use of bond proceeds to finance some unique activities under the Village Safe Water Act, see Inf. Op. Att'y Gen. (April 2; J-99-078-81); and to rehabilitate a leased jail facility. See Inf. Op. Att'y Gen. (Mar. 19; A66-398-78).

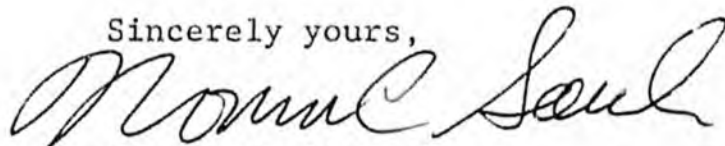
6/ Article IX, section 16 provides: "The legislature may exceed this limit in bills for appropriations to the Alaska permanent fund and in bills for appropriations in capital projects, whether of bond proceeds or otherwise, . . . ." (Emphasis added.)

projects. A distinguishing factor may be that the constitution requires some permanent thing of value to show for the public debt incurred. A more liberal construction may be warranted when public debt is not incurred.

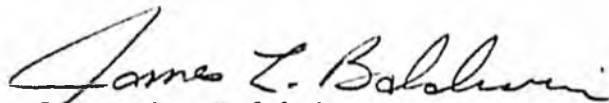
VI. CONCLUSION

The wording of the appropriation limit does not begin to live up to the high standards of clarity and simplicity adopted by the original framers of the Alaska Constitution. There are many who will regard this opinion as mere justification to exploit "loopholes" woven into the fabric of the amendment. However, we hope this opinion will provide the impetus to either adopt amendments to clarify the ambiguities noted or to enact legislation which interprets the amendment so that the ambiguities are avoided. We hope this opinion has answered your questions.

Sincerely yours,



Norman C. Gorsuch  
Attorney General



James L. Baldwin  
Assistant Attorney General

JLB:NCG:pjg

## LETTER OF INTENT

### 2nd Free Conference Committee on SJR 4

The basic problem faced by Alaska is runaway growth in spending for state government operations and for capital projects. This growth is generated by revenues from resources which are nonrenewable and finite. Some limitation is therefore essential. The constitutional amendment proposed by the 2nd Free Conference Committee will provide a realistic limitation and yet allow, by popular approval, for expenditures in excess of the limitation for capital projects and for contributions to the permanent fund. Those who favor such expenditures can have no reasonable objection to the voters determining which capital projects and contributions are worthwhile and which are not.

The term "capital project" is used rather than the term "capital improvement" in order to have a broader reach. Capital improvements are pretty much limited to public facilities having a more or less permanent nature. Highways, airports, buildings, and ferries are examples. Capital projects include capital improvements and also other expenditures which require a multi-year investment or otherwise tend to fall into the category of capital costs as opposed to day-to-day expenses. Computers, large-scale resources inventories, and high-cost special equipment and instruments for libraries, schools, and museums are some examples.

In addition to limiting the excess appropriations to capital projects and contributions to the permanent fund, the proposed amendment requires bills for capital projects to be confined to capital projects of the same type. This is somewhat more narrow than the single-subject rule. It will require projects in a bill to be parts of an overall system. This will inhibit the packaging of diverse projects into one bill. As a further restraint on logrolling, the bills for excess appropriations are subject to the item veto, including the appropriation of general obligation bond proceeds which are in excess of the limit. Bond proceeds which are not in excess of the limit are not subject to an item veto.

There are three exclusions from the limitation. Debt service is necessarily excluded. An additional exclusion is provided for appropriations for permanent fund dividends. Non-state money, that is, money received from the United States or others to be used for specific purposes, is also excluded. This exclusion includes revenue bond proceeds, the revenues generated by the international airports, and other public enterprises which operate on revenue bonds. The first exclusion is required by the federal constitution's prohibition against impairing contracts. The other exclusions are provided because the use of the money for those purposes is not a part of the problem.

The proposed amendment requires the governor to cause any unexpended and unappropriated balance to be invested

so as to yield competitive rates to the treasury. The words "as prescribed by law" were not included so that the clause will be self-executing. However, the governor performs all executive functions in the manner prescribed by law, and the statutes on loan programs and investments will control here so long as they are consistent with the constitution's requirements.

Additionally, so as to eliminate any reasonable grounds for opposition by those who wish to relocate the capital, the resolution includes a transitional measure to exclude relocation costs, if they are approved at the 1982 general election, from the requirement of additional voter approval under the amendment. Another transitional measure provides for the amendment to take effect beginning with the budget for fiscal year 1984.

Finally, still another transitional measure places the amendment on the ballot again at the 1986 general election to allow it to be repealed by the electorate should it prove to be unworkable. If it is unworkable, the people will repeal it. If it works, they will not.

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Sen. Bill Ray

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Rep. Richard W. Halford

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Sen. Donald E. Gilman

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Rep. Robert H. Bettisworth

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Sen. Frank R. Ferguson

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Rep. Hugh Malone

## CATASTROPHIC ILLNESS PROGRAM

\*Does the \$4 - 5 million figure quoted as the dollar amount of applications pending in the Catastrophic Illness program allow for any applications that might be received between now and the end of the FY83 fiscal year?

No. The \$4-5 million represents unfunded applications that have been received by DHSS to date.

\*Has the Department of Health & Social Services established a cut-off date for receiving and processing applications for FY83?

Although the Department has not established a formal cut-off date for processing applications, it is their intent to fund pending applications as additional funds become available, and then hold until FY84 any applications left unfunded in FY83. It should be noted that there has been a slowdown in the receipt of applications due to the knowledge by providers of care that the program is presently out of funds.

\*What is going to happen to the Catastrophic Illness program in FY84?

At present, both the House and Senate have funded the program at \$2.3 million for FY84. In order to avoid the situation where the number of requests far exceed the amount available for appropriation, the Department will be looking at changes that could be made to the eligibility criteria presently established for the program.

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\* Can the Department pro-rate the unfunded applications received as of 6/30/83 if a supplemental appropriation is provided for FY83?

The Catastrophic Illness Committee could elect to pro-rate available funding among the applications pending; it would also be feasible for them to fully pay all applications pending and hold any others received until FY84. The Cat Illness Committee has the ability to alter the formula (i.e., the amount paid based on the individual's resources and income), so the proration is a possibility. Funds could be encumbered so that there would be no need to extend the lapse date, etc.

**PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.**



Joe, Peggy, Vic

Don Gilman

Gene Dusek - OMB

HB 227 - means RFB 227 - 285

SB 158 - deletion of past approp not required  
and reapprop.  
- number of changes in lapse dates  
- changes in rebudge or intent

Sec. 1 - Div. of Elections  
Marjorie Minors, Director

100% in debt when taken over.  
no funds left. Caused by large voter  
spendout. Pamphlet went over cost.  
Still getting field warrants from primary  
and general - mismanaged funds.

Sec. 2 - OMB office changes

4th & 5th of Court Bldg (management) 1st & 2nd  
(14,000 sq. feet) <sup>govt</sup> ~~to 13,000 sq. feet~~ <sup>to 13,000 sq. feet</sup> ~~Assembly Bldg (320 fl.)~~ will move  
Old Bellows hall - will move out.  
75 positions. approp. for moving expenses  
and equipment. Want to buy modular  
furniture  
\$70,000 potential reduction in lease space.

Sec. 3 - Pub. Def.

Sec. 4 - ABC Bd. - "Poor past management" Dusek.

Sec. 5 - CSED - reduction of Fed match from 75% to 70%

Sec. 6 - Debt retirement for schools. \$6.5 mil.  
will not accomplish 90% funding  
\$49.7 mil in 83 budget.

4.5 is half of shortfall. 81% reimbursement rate. W/o will be 69%.

\$42.8 - 1983 ~~needs~~ needs \$49.7 Appropriated  
\$90 - 1984 needs.

program needs to be capped.

Sec 7 - travel for athletic & musical events

V.C what if we don't provide addition of funds?  
- was funding of understanding that it would come out of foundation prog. in future.

Joe statutory mandate on a wish list?

School Activities Assoc. active affirmative action. Small schools cannot afford to pay travel for males & females.

Sec 8 -

Sec 9 - funds in FY 84 budget for 17.5 staff

Sec 10 - 250,000 assuming Dept of Correction would be April 1  
\$205.9 if effec May 1

??  
How did money leave  
Duesh bring back answer

Sec 11 - never used 1975 Fed funds - owed back - legal actions

Sec 12 - Admin pay for state and local departments. DNR underfunded.

Sec 13 - \$4.2

Sec 14 - an add on  
not legislatively mandated.  
What is argument??

Memo from DNR:

use funds:

1. part 3 up. Technical assist to place mining operators - safe ecologically sound. Assistance in permit procedures; on-site evaluations. \$113 mill needed
2. large backlog of unrecorded mining claims impedes mineral lease operations. Has processed 16,000 claims.

current staff/funds 15,000 claims behind

Sec 15 - Violent Crimes Comp Bd.

insuff. funds for claims

253.2 ~~million~~ <sup>thousand</sup> approp in FY 83

\$120,000 outstanding now.

\* \$112,000 needed now

Sec 16 - retro pay settlement of arbitrated grievances.

legal obligation

Sec 17 - increased insurance costs.

payroll charges. State Troopers and Fish & Wildlife Protection.

Sec 18 - old checks - state law cannot give current funds to.

we request  
Duck:  
- Breakdown  
on claims  
technical  
assist to minor  
- better  
language

Sec 19

Sec 20 Please bring back info

Sec 21 ha! ha!

\* Sec. 22 Fiscal note CS HB251  
is new funding available??

Sec 23

Sec. 24 - estimated (current) that we  
can reduce by \$7.0 million -  
potential of more money.

Vic Legislature underfunded, refund for political  
Contributions & Dry Core  
HB 227 (Gov) \$6 mill for credits (Political)  
now in HB 285, Current approx w/ 6 million  
should cover costs.

Sec 25-26

Reducing AFDC - can budgeted at  
higher rate / drop in case loads.

Vic reallocation should be in the Department.

Fy 84 expect increase  
- caseload inc.  
- inc. in payments.

Fy 83-84 \$53 million request forward end of  
~~the~~ year, covered request - last more  
people & caseload, 5,200 families

currently  
OR-program design not changed  
since '53 so covering many periods

\* Vic - not Duck for rundown of programs. Shortage in HHS  
- implemented HHS 174 built into Gov request

Sec 27 - PFD shed themselves  
Dept anticipates 1.9 mil left over.

Sec 28 - inaccurate Fiscal note

Sec 29 - OK

Sec 30-31 - item Budgeted twice.

Sec 32 - language change to  
include all ferris in SE.  
Matricula/Malopina need work.

Pappay so they won't need money this year??  
capital approp. - no lapse date

Sec 34-35 Clarifies Cap. projects and  
no lapse date.

\* Tom Jones - Dept of law

lapse date prob. in law trust.  
HHS Admin Job Classification -  
language here.

\* Sec 36 - CIPA delay in job program  
will Fed changes have effect on this  
money & job program

Sec. 37 - lawsuit just settled since  
80 approp - need 3 yrs to implement

Sec 38 - Change - extend lapse date.

\* \$32,500 audit obligation to Presbyterian  
Hospitality House.  
Dorsch - in State dated warrants

624.  
136.9  
85.7  
12897.7  
673.9  
470.9  
478.2  
5.6  
4.5  
1097.3

to spend 4,203.0

2.5 Catastrophic illness

to spend 1,703.

NOTE: Senator Sackett is doing a separate bill for Div. of Elections Section 1.

MEMORANDUM

TO: JOE  
FROM: NANCY  
RE: SB 158

RESPONSE FROM GENE DUSEK - I DELIVERED A COPY TO EACH COMMITTEE MEMBER LAST WEEK, AND THERE IS ANOTHER COPY IN THE FILE.

AMENDMENTS - I HAVE CREATED A SEPARATE FILE FOR AMENDMENTS.

1. THERE IS A LIST OF ALL PROPOSED AMENDMENTS RECEIVED.
2. VIC HAS SOME AMENDMENTS BUT I HAVE NOT BEEN GIVEN COPIES, THEY ARE SUPPOSED TO HAVE CHANGED FROM THE ONES RECEIVED LAST WEEK.
3. THERE IS A MEMO FROM OMB CONCERNING SEVERAL SECTIONS OF THE BILL:  
  
SECTION 10: REDUCE AMOUNT TO \$205,900.
4. AMENDMENT #3 IS TO REALLOCATE EXCESS FUNDS IN THE FOSTER CARE COMPONENT IN DH&SS TO PROVIDE A SOCIAL WORKER FOR CHILD ABUSE REFERRALS IN THE PRINCE OF WALES AREA, AND TO PROVIDE A ONE-TIME TRAINING GRANT IN SOUTHEAST ALASKA.
5. AMENDMENTS #4, #5, AND #6 ARE FROM SENATOR MOSS, THERE IS NO BACK UP MATERIAL.
6. AMENDMENT #7 WAS GIVEN TO ME BY DAVE DONELLY, NO BACK UP MATERIAL.
7. AMENDMENT #8 WILL ALTER THE RATES PAID TO THE BETHEL RECEIVING HOME AND THE BETHEL GROUP HOME FOR CHILDREN IN CUSTODY OF THE STATE AND LIVING IN RESIDENTIAL FACILITIES.

THE INFORMATION GIVEN TO THE DEPARTMENT LAST YEAR WHEN SETTING THE RATES FOR A TWO YEAR PERIOD WHILE A STUDY WAS CONDUCTED, WAS INCORRECT FOR THE BETHEL HOMES.

8. AMENDMENT #9 AND #10 WOULD REAPPROPRIATE GENERAL FUND DOLLARS DELETED IN SECTIONS 25-26 OF THE BILL TO THE CATASTROPHIC ILLNESS PROGRAM.

IF WE DELETE SECTION 13 OF THE BILL (APPROPRIATING \$4.2 TO THE UNIVERSITY LAND SETTLEMENT) THIS WILL WORK. THE UNIVERSITY APPROPRIATION IS IN SB 40, WHICH IS SENATOR FAHRENKAMP'S BILL. I AM TOLD BY FINANCE THAT THE BILL WILL PASS, IT IS ON THE GOVERNOR'S PRIORITY LIST, AND SENATOR BETTYE TOTALLY SUPPORTS USING THESE FUNDS FOR CATASTROPHIC ILLNESS. AS YOU KNOW, CAT ILLNESS HAS BEEN OUT OF FUNDS SINCE JANUARY AND CURRENTLY HAS OVER FOUR MILLION IN REQUESTS. O.K. WITH YOU??

↓  
O.K.  
✓

PLEASE NOTE: THE FOLLOWING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT

Levy  
4/21/83

Original sponsor: Kerttula by request

Funding Information

General Fund	\$274,000
Other Funds	-0-
	<u>\$274,000</u>

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE BILL NO. 99 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 THIRTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making a supplemental appropriation to the  
 7 Office of the Governor, division of elections; and  
 8 providing for an effective date."

9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:

10 \* Section 1. The sum of \$274,000 is appropriated from the general fund  
 11 to the Office of the Governor to pay for increased fiscal year 1983 operat-  
 12 ing costs in the division of elections.

13 \* Sec. 2. The unexpended and unobligated portion of the appropriation  
 14 made by this Act lapses into the general fund June 30, 1983.

15 \* Sec. 3. This Act takes effect immediately in accordance with AS 01.-  
 16 10.070(c).

*Don't include this  
money in SB 158.*

*Came out of committee  
today.*

*Nancy  
10:15 am*

## ATTACHMENT A

Obligations

100	Personal Services	-0-	-0-
200	Travel	-0-	-0-
300	Contractual Services		94,300
	Bills in hand on 2-2-82	30,287	
	Bills in suspense-Fiscal	3,000	
	Outstanding contracts		
	Dave George & Assoc.	29,000	
	Dave George & Assoc.	12,000	
	Diamond International	10,000	
	*Misc. unanticipated expenses	10,000	
400	Commodities		3,600
	Bills in hand	3,500	
	Bills in suspense-Fiscal	100	
500	Equipment		<u>11,700</u>
	Bills in hand	11,700	
	"		
	TOTAL OBLIGATIONS		<u><u>109,600</u></u>

\*Other: 10,000 in miscellaneous unanticipated expenses has been added into the 300 Contractual Services Category.

ATTACHMENT B

STATE OF ALASKA

DIVISION OF ELECTIONS  
POUCH AF  
JUNEAU, ALASKA 99811-9974

OFFICE OF THE GOVERNOR

PHONE (907) 586-6181

M E M O R A N D U M

DATE: February 4, 1983

TO: Pete McDowell  
Director  
Office of Management & Budget

THROUGH: Stephen McAlpine  
Lieutenant Governor

FROM: Mary Lou Meiners  
Director of Elections

After a thorough analysis of the current financial situation in the Division of Elections, it is apparent that a supplemental appropriation will be required to allow day-to-day operation of this division in the immediate future.

It appears that we will be facing a deficit of approximately \$326,900 by June 30, 1983. The Lieutenant Governor has been apprised of this deficit. He has analyzed the situation and is in complete support of this supplemental request.

This deficit was caused by a number of factors, the foremost being fiscal irresponsibility on the part of the division's previous director and deputy director. The preparation of the FY 83 budget occurs approximately one year before the 1982 elections. In budgetary planning, several vital election operations were not considered.

Approximately \$191,000 was committed for services necessary for the successful conduction of elections, without regard to the lack of funding for those services. This \$191,000 includes \$141,000 of data processing expenses, an expenditure of \$40,000 for audits of the election programs, and \$10,000 for various expenses including the programming of the back-up vote counting equipment utilized by the Fairbanks election districts.

The Official Election Pamphlet is produced by the Division of Elections, and although careful consideration was taken in estimating its cost of production, the costs came to

Pete McDowell  
February 4, 1983  
Page 2

RECEIVED  
FEB 4 1983

LT. GOV'S OFFICE

\$53,000 over the budgeted amount. Two factors which contributed to this deficit were the cost overruns by the printers of the pamphlet and the unforeseen necessity to print an additional pamphlet due to the reapportionment of the State into 27 election districts.

The remaining shortfall was caused by the record turnout in both the Primary and General Elections, as well as the unprecedented registration activity. All costs required to conduct an election were increased by this unanticipated participation of the electorate.

The Division currently has a number of commitments to various vendors throughout the State. The majority of these expenses resulted from the General Election and as yet have not been paid.

In addition, there are three contracts that have not yet been paid. Currently, these contracts are being reviewed. The majority of the work has been completed on these contracts with the exception of a vital, ongoing maintenance contract. This maintenance contract with David George & Associates is absolutely necessary to provide all backup for voter registration and other pertinent data information on voters throughout the State.

In anticipating the needs of the Division for the remaining months of this fiscal year, we deem the expenditures requested in the FY 83 supplemental request necessary.

The overexpenditures caused by insufficient budgetary planning for the elections will preclude the implementation of the planned vote-counting automation of several larger Alaskan communities, unless this supplemental budget request is approved.

The FY 83 budget included appropriations for the purchase of eight PEPs units - micro-computers capable of automating areas of the state which presently use hand-marked ballots. It also included funds to purchase 315 ballot punches for use in those areas. To date, only 2 of the units have been purchased.

The conversion to computer ballots for the communities of Kenai, Valdez, Palmer, Kodiak, Sitka and Ketchikan remains one of the Division's highest priorities. The conversion must occur in this fiscal year if the municipalities are to

Pete McDowell  
February 4, 1983  
Page 3

change their election procedures and ordinances, and have an opportunity to use the system prior to the 1984 statewide elections. All travel, contractual services and equipment purchases relating to this conversion are considered in this supplemental request.

This supplemental appropriation is necessary for the maintenance of day-to-day operation of the division; and also provides for the improvement of our current vote counting methods in preparation for the 1984 statewide elections.

SUPPLEMENTAL APPROPRIATION

\$ 663.3	Anticipated Expenditures 2/1/83 - 6/30'83
* -442.9	Less (100) Personal Services
220.4	Anticipated Expenditures in budget categories 200 - 500
+109.6	Obligations as of 1/31/83
330.0	Total deficit <i>cf. + ANTICIPATED EXP.</i>
-274.0	Supplemental requested
56.0	Deficit in budget categories 200 - 500
- 52.9	Transfer of excess from (100) Personal Services
3.1	
- 2.9	Less monies available on 1/31/83 in 200 - 500
\$ .2	Rounding error

---

\* As of 1/31/83 we had \$442.9 remaining in the (100) Personal Services Category. When we originally requested a supplemental, (of \$326.9) a salary projection had not been completed. When Office of Management and Budget completed the projection it showed an excess of \$52.9. Our original request of \$326.9 was then reduced to \$274.0. As soon as we receive the supplemental, the \$52.9 will be transferred into the (300) Contractual Services category to offset the difference.

PRIMARY AND GENERAL ELECTION FIGURES

\*FY 82 and FY83

	<u>PRIMARY</u>	<u>GENERAL</u>
100 Personal Services	\$ 258,205	\$ 258,205
200 Travel and Moving	45,104	38,074
300 Contractual Services	965,955	1,273,223
400 Commodities	16,580	20,102
500 Equipment	<u>112,976</u>	<u>92,933</u>
Total Each Election	\$1,398,820 ÷ 139,133 voters \$ 10.05 per vote	\$1,682,537 ÷ 179,558 voters \$ 9.44 per vote
TOTAL PRIMARY AND GENERAL		\$3,081,357

\*FY 82 figures which were coded 220 and 230 (Primary and General election) were included in the above figures.

Note: \$98,000 was incorrectly coded to Reapportionment on Current Year Authorizations. This figure has been divided between the Primary and General Election in the above figures since it is a data processing charge from David George and Associates.

All bills from Xerox for telecopiers have not yet been received. They are estimated under Equipment.

Anticipated Expenditures  
2/1/83 - 6/30/83

100	<u>Personal Services</u>	<u>442.9</u>
200	<u>Travel</u>	<u>14.8</u>
	1. <u>Director to field offices</u>	
	<u>Juneau to Nome-Anch-Fbx-</u>	
	Juneau, air fare	800
	4 days per diem X \$80	360
		1,160
	2. <u>Supervisors meeting in Juneau</u>	
	<u>Nome-Juneau-Nome X 1 person</u>	632
	Anch-Juneau-Anch X 2	800
	Fbx-Juneau-Fbx X 2	800
	4 days per diem X 5 X \$80	1,600
		3,832
	3. <u>Field Travel-trips to precincts</u>	
	<u>with specific election board</u>	
	<u>problems; trips for director to</u>	
	<u>the regional offices as needed.</u>	
	10 trips X \$400	4,000
	3 days X 10 trips X \$80	2,400
		6,400
	4. <u>PEPS Training &amp; Orientation</u>	
	<u>Juneau-Anch-Kodiak-Anch-</u>	
	Juneau X 2 X \$570	1,140
	Anch-Kodiak-Anch X 1	190
	3 days X 2 X \$80	480
		1,810
	<u>Transportation-driving</u>	140
	Anch-Kenai-Anch	140
	Anch-Mat-Su-Anch	
	Anch-Valdez-Anch	
	<u>Juneau-Ketchikan-Juneau</u>	
	3 people X \$164	492
	3 X 1 day X \$80	240
		732
	<u>Juneau-Sitka-Juneau</u>	
	3 X \$164	492
	3 X 1 X \$80	240
		732
300	<u>Contractual Services</u>	<u>90.6</u>
310	<u>Communications</u>	
	<u>Zenith numbers</u>	
	\$244/mo. X 6 mo. X 4 numbers	5,856
	<u>Long distance-based on average</u>	
	\$3113/mo. X 6 mo.	18,678

	<u>Local phones</u>	
	\$200/mo. X 6 mo. X 4 offices	4,000
	<u>Postage</u>	
	\$5688/mo. X 6 mo.	34,128
	(includes mailing of purge notifications and voter cards).	
	Total 310 Communications	62,622
320	Printing and Advertising	
	<u>Ballot and Notice Printings</u>	
	\$100 X 2 ballots (simple question)	200
	\$300 X 4 ballots (multi candidate)	1,200
	\$100 X 4 notices (multi-precinct election)	400
	<u>Misc. printing costs</u>	500
	<u>Advertising</u>	
	Required advertising for 6 elections	
	Position vacancy notices	
	Regulations and precinct changes	2,000
	Total 320 Printing and Advertising	4,300
345	Service Agreements	
	Pitney Bowes	340
	Xerox	972
	IBM	1,140
	Total 345 Service Agreements	2,500
360	Equipment Rental	
	IBM	5,430
	Pitney Bowes	1,117
	Copiers	3,090
	Total 360 Equipment Rental	9,640
390	Contractual Services	
	399 <u>Payments to election boards for 6 elections</u>	
	\$893 X 6	5,358
	<u>Registrar payments</u>	
	2000 changes/mo. X 6 X .50¢	6,000
	Total 390	11,358

\*397 Anticipated freight charges were inadvertently left out of anticipated expenses.

400	<u>Commodities</u> \$200/mo. X 4 offices X 5 mo.	<u>4.0</u>
500	<u>Equipment</u> <u>PEPS units</u> -micro-computers for ballot counting. 6 units X \$10,000/unit	<u>111.0</u>  60,000
	<u>Ballot punches for PEPS precincts</u> 315 punches X \$155	48,825
	IBM Dictating Equipment	2,100
	Hill-Donnelly Street Cross Ref.	64
	Total Anticipated Expenditures 2/1/83-6/30/83	<u><u>663.3</u></u>

PLEASE NOTE: THE PRECEDING PAGES WERE TREATED  
AS A UNIT IN THE ORIGINAL DOCUMENT.

SENATE AMENDMENT

BY MOSS \_\_\_\_\_

To: \_\_\_\_\_ SENATE BILL No. 158 \_\_\_\_\_

To: \_\_\_\_\_ HOUSE BILL No. \_\_\_\_\_

PAGE:

LINE:

Chapter 10, SLA 1983, page 10, line 8 is amended to read:

Glennallen [COPPER CENTER] Legislative Information Office 138,000

A M E N D M E N T

Offered in the SENATE

By Moss

TO: SB 158

Page 7, after line 25:

Insert the following new sections:

"\* Sec. 40. Section 4, ch. 25, SLA 1982, page 11, line 10 is amended to read:

Delta II expansion (ED 19)

ALLOCATIONS

2,200,000

[3,800,000]

\* Sec. 41. The sum of \$1,350,000 is appropriated from the general fund for payment as a grant to the City of Nenana for phase II construction of the Nenana River Bridge.

\* Sec. 42. The sum of \$250,000 is appropriated from the general fund to the Department of Natural Resources for land survey and disposal in the Nenana - Totchaket agricultural development project.

\* Sec. 43. Section 1, ch. 139, SLA 1982 is repealed.

\* Sec. 44. The sum of \$1,622,800 is appropriated from the general fund for payment as a grant to the City of Nenana for right-of-way and construction of the Little Nenana River Bridge, the East Middle River Bridge, and the West Middle River Bridge in the Nenana - Totchaket agricultural development project."

Renumber remaining sections accordingly.

Page 7, lines 26 - 27:

Delete: "appropriation made in sec. 2 of this Act lapses" and

Insert: "appropriations made in secs. 2 and 42 of this Act lapse"

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET  
DIVISION OF BUDGET REVIEW

BILL SHEFFIELD, GOVERNOR

POUCH AM  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3568

April 21, 1983

RECEIVED

APR 21 1983

The Honorable Joe Josephson  
Chairman, Senate Health, Education  
and Social Services Committee  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Josephson,

Dear Senator Josephson:

This memorandum responds to the questions raised by the Committee on April 15, 1983, regarding sections within SB 158. Please let me know if you have any additional questions. Due to the urgent need for these supplemental appropriations, as exemplified by the testimony at the April 15th hearing by the Division of Elections, prompt passage of SB 158 is requested.

### SECTION 9:

HAS CAPITAL FUNDING BEEN REQUESTED FOR ALASKA PSYCHIATRIC INSTITUTE (API) SECURITY ITEMS IDENTIFIED BY THE API TASK FORCE? WHAT RELATED SECURITY MODIFICATIONS HAVE BEEN MADE?

An annual capital request is made for API for repair and renovations, including such security items.

Many modifications have been made to API in FY 83, both in response to the Task Force recommendations, and in response to the decision to keep the "not guilty by reason of insanity" and the "guilty but mentally ill" (defined in SB 535 last year) at API rather than in a special mental health treatment facility. At API, fences have been put in, the viewing ports have been modified, a gate has been installed in the entry way, and phones have been put in elevators.

April 21, 1983

In response to Task Force recommendations, a separate entrance was built and a sensing system installed at Hiland Mountain Correctional Center. Plans had been made to completely convert the Hiland Mountain facility into a mental health treatment facility; however, since clients normally associated with the criminal justice system will remain at API, work on these plans has been halted.

Other recommendations for API, such as replacing security windows, and remodeling the Special Treatment Program (STP) and the Psychiatric Security Unit (PSU) have been requested for FY 84. However, other task force recommendations such as installation of an emergency transmitting paging system have not been requested due to extremely high costs.

HAS THE ADMINISTRATION LOOKED INTO THE ISSUE OF CONTRACTING OUT API?

The Department has not made an in-depth study of contracting out API due to some unique characteristics of the population at this institution. For example, patients are more disorderly and because of this not readily acceptable, due to higher security needs, at other private institutions. Attempts have been made for the past three years to encourage local hospitals to establish designated beds so that patients could be cared for and receive services in their local home environment. The Department of Health and Social Services (DHSS) has met with no success; no hospital in the Juneau, Fairbanks or Anchorage area has indicated a desire to set aside such beds.

Also, a comparison of institutional costs shows that costs per bed in a private institution would be approximately \$400 per bed, while costs at API are approximately \$200 per bed.

In addition to the above, certain legal issues have yet to be addressed, such as the State's responsibility to patients in its custody, insurance that services would be provided to all classes of clients, and the issue of removing approximately 300 positions out of union representation. For the above reasons, DHSS has not further investigated contracting out API.

SECTION 11:

DO UNUSED FEDERAL FUNDS LAPSE INTO THE GENERAL FUND? WHY ARE WE REIMBURSING THE FEDERAL GOVERNMENT OUT OF THE GENERAL FUND?

The Division of Finance has stated that any non-continuing federal funds actually received during the year, but which are unused, lapse into the general fund at the end of the fiscal year. Also, since these monies lapse into the general fund, general fund monies are used to reimburse the Federal government.

SECTION 14.

The Department, due to the current status of SB 158, and given the fact that only two months remain in the year, has decided to withdraw this request for FY 83. Funding for the program is included in the Governor's amended FY 84 operating budget.

The \$250,000 included in the Governor's amended FY 84 operating budget will provide technical assistance to placer mining operators in developing sound management and mining practices, and will help to reduce the large backlog of unrecorded mining claims on State lands.

SECTION 17:

WHAT IS THE STATUS OF "20 AND OUT?" HOW IS THE ADMINISTRATION DEALING WITH THE "20 AND OUT" ISSUE?

Senator Bennett plans to introduce a bill that will remove the Department of Fish and Game from the retirement program. The Administration is currently waiting to review the bill introduced by Senator Bennett.

SECTION 18:

WHY IS THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES' REQUEST NECESSARY?

Upon reconsideration, this request has been withdrawn due to the Administration's concern that the accumulated funds in the Highway Working Capital Fund (HWCF) are excessive. This decision is consistent with a decision made subsequent to the introduction of SB 158 to reduce the Fund over a period of four years, which is reflected in a \$6.3 million reduction to the Fund in the Governor's amended FY 84 operating budget.

SECTION 19:

## WHY IS THE COUNCIL ON ECONOMIC POLICY'S SURVEY OF ECONOMIC AND DEMOGRAPHIC INFORMATION BEING REDUCED?

The \$350,000 was specifically allocated to the Council to develop a program designed to survey the cross-sections of Alaska's population affected by State programs. It was added to the Council's FY 83 budget by the Senate. Since the Council lacked adequate staff to perform this function, the funds were transferred to the then Division of Budget and Management by RP830-156X on November 8, 1982. Budget and Management issued an RFP and the Proposal Evaluation Committee ranked highest the proposal submitted by the Institute for Social and Economic Research (ISER). When the new Administration took office, it put a hold on the project and thus a contract was not awarded.

Based on the Transition Team recommendation, this Administration reviewed the project and concluded that as its objectives were not sharply defined, and that as a result the survey data were likely to be irrelevant to specific public policy issues and State program problems.

We believe that a revision of the scope of the original project would permit problem-specific research to be designed that would be of importance to the Legislature and the Governor's Office. To accomplish this objective, the funds should be reappropriated. A new section should be added to SB 158 that appropriates \$350,000 for the purpose of assessing the need for, and socio-economic impacts of, selected operating and capital budget programs of the State.

Due to the lateness of the current fiscal year, the lapse date for this reappropriation should be extended to June 30, 1984. This will allow adequate time to complete the studies.

SECTION 22:

## DOES THIS REAPPROPRIATION ALLOW FOR SUFFICIENT FUNDING FOR THE FOUNDATION PROGRAM STUDY?

The \$134,000 reappropriated from Education Program Development represents a portion of \$560,000 appropriated for the initial phases of the Foundation Program Study. The Senate Finance Committee has indicated its desire to fund the first and second phase of this project, review the results, and then provide third phase funding. When questioned about the impact of the reappropriations, the Department of Education stated that money remaining in FY 83 is sufficient to provide for the first two phases of this study.

April 21, 1983

SECTION 25:

CAN DHS' IDENTIFY UNMET NEEDS FOR REAPPROPRIATED DOLLARS FOR PROGRAMS WITHIN THE DEPARTMENT?

Although Commissioner Smith appreciates the opportunity to respond to the Committee's concern regarding unmet funding needs within the Department, he feels that, at this late date in the fiscal year, the best approach would be to concentrate on one area of major need: the Catastrophic Illness Program. There are approximately \$4,000,000 in applications from catastrophic illness clients which are pending due to lack of funds.

SECTION 36:

HOW HAVE CHANGES IN FEDERAL ENTITLEMENTS AFFECTED WHAT WE ARE TRYING TO ACCOMPLISH WITH THE STATE TRAINING PROGRAM?

Changes in Federal entitlements have not affected the State training program.

Section 24 will need to be amended to reflect the following changes: withdrawal of Sections 14 and 18, and an adjustment to Section 19 which recommends an appropriation in the amount of \$350,000 for studies to replace the original allocation to the Council on Economic Policy. Section 24, line 9, should now read as follows:

Sec. 2. The sum of \$67,497,300 [73,500,000] is appropriated from

I hope this information has been of assistance to the Committee.

Sincerely,



Eugene A. Dusek  
Associate Director

*Cons. with  
deletion of  
PC. 5-6.*

*67 653 700*

dmc

cc: Committee Members

PROPOSED AMENDMENTS FOR SB 158 IN THE HESS COMMITTEE

1. FROM THE DEPARTMENT OF LAW:

SECTION \_\_\_\_\_ THE APPROPRIATION MADE IN SECTION 35, CH. 101, SLA 1982 IS NOT A ONE YEAR APPROPRIATION AND DOES NOT LAPSE IN ACCORDANCE WITH AS 37.25.010, NOTWITHSTANDING THE TERMS OF SECTION 78, CH. 101, SLA 1982.

2. FROM SENATOR ELIASON:

SECTION \_\_\_\_\_. SECTION 30, CHAPTER 82, SLA 1981, PAGE 114, LINE 4, IS AMENDED TO READ:

	APPROPRIATION ITEMS	GENERAL FUND
MOSQUITO LAKE SCHOOL AND TEACHER HOUSING DESIGN AND CONSTRUCTION AND SCHOOL RENOVATION PROJECTS	\$1,450,000	\$1,450,000

3. FROM THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES:

SECTION \_\_\_\_\_. SEC. 79, CH. 101, SLA 1982, BETWEEN LINES 19 AND 20, IS AMENDED BY ADDING THE FOLLOWING:

THE APPROPRIATION OF \$4,506,500 FOR SOCIAL SERVICES, FOSTER CARE, WILL NOT LAPSE UNTIL JUNE 30, 1984.

4. FROM SENATOR MOSS:

DELETE EXISTING SECTION 2 AND SUBSTITUTE:

SECTION 2. THE SUM OF \$350,000 IS APPROPRIATED FROM THE GENERAL FUND TO THE DEPARTMENT OF COMMERCE AND ECONOMIC DEVELOPMENT, AGRICULTURAL ACTION COUNCIL, TO SUPPLEMENT THE FISCAL YEAR 1982 APPROPRIATION FOR LIVESTOCK FACILITY LOANS.

5. DELETE SECTION 40 AND SUBSTITUTE:

SECTION 40. SEC. 80, CH. 101, SLA 1982, PAGE 107, LINE 19 IS AMENDED TO READ:

	APPROPRIATION ITEM	GENERAL FUND
COPPER VALLEY COMMUNITY [DAY CARE] CENTER		

6. DELETE EXISTING SECTION 41 AND SUBSTITUTE:

	APPROPRIATION ITEM	GENERAL FUND
GLENALLEN - FIRE EQUIPMENT- PUMPER/TANKER [BULK FUEL STORAGE]	\$45,000	\$45,000

AMENDMENTS FOR SB 158 - PAGE 2

7. FROM THE MUNICIPALITY OF ANCHORAGE:

SECTION \_\_\_\_ . SECTION 30, CHAPTER 82, SLA 1981, LINES 18-21, IS AMENDED BY ADDING THE FOLLOWING:

ED 7-12 ANCHORAGE DOWNTOWN PARKING GARAGE (ED 7-12) [WITH 4TH AVENUE ON THE NORTH, 8TH AVENUE ON THE SOUTH, BARROW ON THE EAST AND D STREET ON THE WEST]	APPROPRIATION ITEMS 10,000,000	GENERAL FUND 10,000,000
---	-----------------------------------	----------------------------

8. FROM THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES:

SECTION \_\_\_\_ . SEC. 3, CHAPTER 138, SLA 1982, PAGE 373, LINES 1-2, IS AMENDED TO READ:

BETHEL RECEIVING HOME (BETHEL)	95.00 [75.52]
BETHEL GROUP HOME (BETHEL)	95.00 [59.06]

SECTION \_\_\_\_ . SEC. 79, CH.101. SLA 1982, PAGE 30, LINE 25 IS AMENDED TO READ:

	APPROPRIATION ITEMS	GENERAL FUND
MEDICAL ASSISTANCE	64,740,100 [61,479,900]	37,334,700 [34,074,500]

SECTION \_\_\_\_ . SEC. 79, CH. 101, SLA 1982, PAGE 31, LINE 17 IS AMENDED TO READ:

	ALLOCATIONS
CATASTROPHIC	5,418,600 [2,158,400]

THE APPROPRIATION OF 5,418,600 FOR CATASTROPHIC, MEDICAL ASSISTANCE WILL NOT LAPSE UNTIL JUNE 30, 1984.

*These 2 sections  
add \$75.26 from  
transfer to  
Catastrophic*

Requested by the Rules Committee  
by Request of the Governor

"An Act making reappropriations and appropriation adjustments;  
and providing for an effective date."

\* Section 9. The sum of \$305,900 is appropriated from the general fund to the Department of Health and Social Services to pay for FY 83 increased staff support for the Alaska Psychiatric Institute.

This section provides funding to cover increased staffing costs associated with 10.5 FTE security staff and 7.0 FTE direct care staff for a total of 17.5 FTEs.

After an API patient killed four Anchorage teenagers last spring, the Office of the Governor appointed a task force to review operations at API. The task force produced a report making several recommendations regarding the appropriateness of utilizing API as a facility for the care and treatment of individuals from the criminal justice system, and the status of security within the institution.

The task force noted that API has experienced a significant increase in the workload and in the type of patients served over the past year. The Alaska Psychiatric Institute is required by court order to house both criminally and civilly committed patients. Many of these patients are considered dangerous. Based on the type of patients being housed and the status of existing security, the API was instructed to take measures to increase internal security until these dangerous patients could be moved to a more secure setting.

Temporary security staff were added immediately at API in response to the task force's orders, and staff were detailed to provide 24 hour security "sally port" control over the two units where criminally committed patients are in treatment. This action increased the API staff by 10.5 FTE positions, putting API in an overexpenditure pattern in personal services.

In addition, the Department of Health and Social Services wants to bring attention to the fact that for quite some time the patient load at API has been running at or above licensed capacity. While the Division of Mental Health and Developmental Disabilities and this Department are taking every possible management action to reduce and stabilize the patient population, it is obvious that we will be forced to operate at overcapacity status until a major change can take place, such as the transfer out of an entire unit's population.

This overcrowding, coupled with the trend toward more-difficult-to-manage patients, causes serious hands-on patient care staff shortages. Current authorized staffing patterns do not provide for extra staff persons to be available at times of extra demand

313 103

for services, e.g. as when a highly suicidal patient requires 24 hour one-to-one attention or when overcrowding results in beds being placed in a hallway area. The Department is therefore requesting sufficient funding for an additional 7.0 FTE direct care staff. These additional staff persons represent the minimum complement necessary to cope with the delivery of direct care to the current API census with a reasonable degree of safety for staff and patients.

\* Sec. 10. The sum of \$250,000 is appropriated from the general fund to the Department of Health and Social Services to pay for FY 83 costs of establishing the Department of Corrections.

This section provides necessary funding to the Department of Health and Social Services to implement Executive Order No. 54 which would establish a Department of Corrections. Departmentalization of Corrections would: (1) ensure that Corrections is in fact a full partner in the criminal justice system; (2) enable the needs and problems of Corrections to be routinely presented to the Governor; (3) enable the agency to actively and effectively support its budget request throughout the administrative and legislative process; (4) provide continual professional guidance based on sound correctional experience, training, and management expertise in correctional systems from top departmental administrators; and (5) streamline the organizational structure for more effective correctional management.

\* Sec. 18. The sum of \$1,236,300 is appropriated from the general fund to pay miscellaneous claims, stale-dated warrants, and FY 82 obligations of the state, to be allocated as follows:

Department of Health and Social Services            \$118,000

This section provides the Department with funds to pay prior year obligations for which the original appropriations have lapsed. Each bill was received too late to be paid out of the appropriate yearly authorization and since these bills are more than two years old they are eligible for inclusion in the Department's miscellaneous claims request.

\* Sec. 25. Section 79, ch. 101, SLA 1982, page 30, line 18, is amended to read:

	Appropriation Item	Appropriation Fund Sources	
		General Fund	Other Funds
Public Assistance Services	49,357,400 [55,677,800]	31,572,400 [34,832,600]	17,785,000 [20,845,200]

\* Sec. 26. Section 79, ch. 101, SLA 1982, page 30, lines 19-22, are amended to read:

Aid to Families with Dependent Children	<u>35,570,000</u>	[41,690,400]
Aid to the Blind	179,500	
Aid to the Disabled	7,118,800	
General Relief	<u>700,000</u>	[900,000]

Sections 25 and 26 reduce the Public Assistance Services appropriation by reducing both the Aid to Families with Dependent Children (AFDC) and the General Relief allocations. The FY 83 AFDC reduction resulted from a projected surplus balance of 6120.4 which will occur because actual monthly caseloads are lower than initially forecasted and budgeted.

It is believed the factors contributing to the lower caseload level are: 1) The Permanent Fund Dividend distribution program which provided sufficient resources to delay the decision of potential clients to apply for AFDC benefits, 2) AFDC program changes implemented in October, 1981, and 3) the Division of Public Assistance's home visit program.

It is estimated that the demand for FY 83 General Relief Assistance (GRA) services will fall 200.0 below the authorized level of funding, making these funds available for deletion. The rather restrictive eligibility standards in the GRA program, combined with the \$80/person payment limit in the form of vendor payment, have caused static program expenditure patterns.

\* Sec. 27. Section 14, ch. 139, SLA 1982, page 14, lines 11-14, are amended to read:

	Appropriation Item	Appropriation Fund Sources	
		General Fund	Other Funds
SB 842 Providing for Permanent Fund Divi- dends -- Appropriated to the Department of Health & Social Services.	10,955,300 <u>[12,866,500]</u>	10,897,000 <u>[12,798,200]</u>	68,300

This section deletes 1,901.2 in general funds from the Permanent Fund Dividend Hold Harmless program. Individuals found ineligible for public assistance because of federal law or regulations solely because of receiving the Dividend shall be eligible for assistance payment from the PFD Hold Harmless BRU for a period not to exceed four months. The projected surplus, which is deleted by this section, is attributed to the period of resource retention. The initial budget estimated 35% of the AFDC cases would be ineligible (in PFD hold harmless status) for a period of four months. Present caseload maintenance reports indicate that the actual number of AFDC cases remaining ineligible and in the PFD hold harmless status beyond the

first month is less than budgeted. Families receiving their PFD's are quickly spending their resource, resulting in their quick return to federal program eligibility and removal from the hold harmless program.

\* Sec. 38. Section 14, ch. 139, SLA 1982, page 3, lines 14-23, is amended to read:

\* Sec. 14. The following appropriation items...for the fiscal year beginning July 1, 1982 and ending June 30, 1983, except as otherwise noted in sec. 31 of this Act. The appropriation items contain...

\* Sec. 39. Chapter 139, SLA 1982 is amended by adding a new section to read:

\* Sec. 31. (a) Of the \$6,188,200 appropriated in sec. 14 of this Act at page 10, line 21, \$6,026,500 are for capital expenditures and do not lapse under AS 37.25.010.

(b) Of the \$1,597,000 appropriated in sec. 14 of this Act at page 11, line 18, \$897,000 are for capital expenditures and do not lapse under AS 37.25.010.

(c) Of the \$336,700 appropriated in sec. 14 of this Act at page 12, line 1, \$276,000 are for capital expenditures and do not lapse under AS 37.25.010.

The Attorney General opinion 336-204-83, October 8, 1982, made it clear that, despite the fiscal note language attached to SB 190 (part (a) above), SB 535 (part (b) above), and SB 611 (part (c) above) which were all enacted last session, the language in the appropriation measure (CSSB 746 (Fin) Ch. 139, SLA 82) limits the use of the funds to the fiscal year beginning July 1, 1982 and ending June 30, 1983. Since the primary intent of the fiscal notes was to define the cost of additional prisoner housing requirements that would result from the three senate bills cited, and the capital improvements which will provide that housing must occur over a period of several fiscal years, it is necessary to amend the appropriation bill to extend the lapse date for the capital portion of the respective appropriations.

Section 38 provides the necessary language change which would allow for exceptions to the lapse date mentioned above. Section 39 establishes a new section and clearly defines which portion of the above mentioned fiscal notes are for capital improvements and should therefore not lapse under AS 37.25.010.

#### Department Position

The supplemental appropriations and language amendments cited above are required.

**POSITION PAPER/Department of Health & Social Services**

Recommended by:

Marsha Hubbard

Marsha Hubbard, Director  
Division of Budget & Finance

Date:

March 19, 1983

Approved By:

Robert London Smith

Robert London Smith, Ph.D.  
Commissioner  
Department of Health & Social  
Services

Date:

4/7/83

I. REQUEST

Bill/Resolution No.: Senate Bill No. 158  
 Title: "An Act making reappropriations..."  
 Sponsor: Rules Committee  
 Requestor: Governor

II. FISCAL DETAIL

Agency Affected: Health & Social Services  
 Program Category Affected: Various  
 BRU, Program of Subprogram(s) Affected: Various

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	435.6					
200 TRAVEL	48.8					
300 CONTRACTUAL	93.4					
400 COMMODITIES	17.3					
500 EQUIPMENT	8.9					
600 LAND & STRUCTURES						
700 GRANTS, CLAIMS, ETC	(8140.9)					
TOTAL OPERATING	(7536.9)					

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	(7536.9)					
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	27.0					
PART-TIME	1.0					
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

See Section 25, 26, and 27 of this bill.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Marsha Hubbard, Director  
 Division: Budget and Finance

Phone: 465-3082  
 Date: \_\_\_\_\_

Approved by Commissioner: Robert London Smith, Ph.D.  
 Department: Health and Social Services

Date: 4/7/83

Distribution:

- Original to Legislative Finance
- Copy to Office of Management and Budget (for Legislature introduced bills)
- Copy to Department (for Governor introduced bills)
- Copy to Sponsor
- Copy to Requestor (if different from Sponsor)

SENATE BILL 158  
SUMMARY OF FISCAL IMPACT  
on  
THE DEPARTMENT OF HEALTH & SOCIAL SERVICES  
BY LINE ITEM

<u>LINE</u>	<u>(API) SECTION 9</u>	<u>(E.O.# 54) SECTION 19</u>	<u>(MISC. CLAIMS) SECTION 18</u>	<u>(&lt;GR/AFDC&gt; SECTION 25/26</u>	<u>(&lt;PFD&gt; SECTION 27</u>	<u>LINE ITEM SUBTOTALS</u>
100	305,900	129,700				435,600.00
200		45,000	3,832.93			48,832.93
300		63,300	30,155.65			93,455.65
400		4,000	13,273.09			17,273.09
500		8,000	864.00			8,864.00
700			<u>80,666.91</u>	<u>&lt;6,320,400&gt;</u>	<u>&lt;1,901,200&gt;</u>	<u>&lt;8,140,933.09&gt;</u>
GRAND TOTAL	305,900	250,000	128,792.58	<6,320,400>	<1,901,200>	<7,536,907.42>

POSITIONS:

PFTs	17.0	10.0				27.0
PPTs	1.0					1.0

# MEMORANDUM

State of Alaska

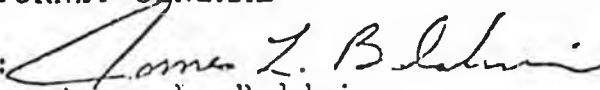
to Hon. Helen D. Beirne, Commissioner    DA: October 8, 1982  
Department of Health &  
Social Services

FILE NO: 366-204-83

TELEPHONE NO: 465-3600

FROM: WILSON L. CONDON  
ATTORNEY GENERAL

SUBJECT: Use of "capital  
appropriation"

By:   
James L. Baldwin  
Assistant Attorney General

By memorandum dated October 4, 1982, you requested our opinion whether the Department of Health & Social Services may expend money to accommodate an overflowing prison population. The department proposes to contract with existing privately-owned facilities to provide the needed space rather than construct a public correctional institution. The department desires to expend the money under an appropriation of \$6,188,200, enacted by the Second Session of the Twelfth Alaska Legislature. This appropriation was conditioned upon the enactment of SB 190, which became chapter 45, SLA 1982. See sec. 14, ch. 139, SLA 1982.

The fiscal note which accompanied SB 190 provided that the cost to the state resulting from the enactment of SB 190 exceeded \$6 million. This cost was attributed to the need to construct facilities to house 79 inmates. Ex. 1. However, the appropriation enacted by the legislature provides:

\* Sec. 14. The following appropriation items are for operating expenditures from the general fund or other funds as set out in the fiscal year 1983 budget summary by funding source to the state agencies named and for the purposes set out in the new legislation for the fiscal year beginning July 1, 1982 and ending June 30, 1983. The appropriation items contain funding for legislation assumed to have passed during the Second Session of the Twelfth Legislature and are to be considered part of the agency operating budget. Should a measure listed in this section either fail to pass, its substance fail to be incorporated in some other measure, or be vetoed by the governor, the appropriation for that measure shall lapse.

\* \* \* \*

SB 190 Drug Law Revisions and Amendments to Criminal Laws of the State - Appro- priated to the Department of Health and Social Services	6,188,200	6,188,200
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Hon. Helen D. Beirne, Commissioner  
Department of Health & Social Services  
366-204-83

October 8, 1982  
Page #2

The appropriation clearly states that the money is considered to be a part of the department's operating budget. However, the fiscal note expresses a legislative intent that the money be expended to finance the construction of capital improvements. When detailed budget documents conflict with the provisions of the appropriation which they support, the provisions of the appropriation should be implemented absent some clear evidence that the wording of the appropriation was the result of a clerical error. D. Sands SUTHERLAND STATUTORY CONSTRUCTION (4th ed.) § 48.06; see also Informal Op. Atty. Gen., Sept. 17, 1980, AG file 366-201-81. We have not been presented with evidence that the legislature committed such an error.

Even if it could be proved that the legislature intended to enact a capital appropriation, there is an alternate basis for sustaining the use of this appropriation to procure contractual services. We have consistently advised state departments that appropriations in the "capital budget" need only be spent for purposes for which appropriated and are not limited to capital improvements. See Informal Opin. Atty. Gen., Feb. 17, 1981, AG file 366-515-81. The intent of the legislature was to offset the increased cost to the state which would be incurred by the necessity to confine persons convicted for violations of recently amended or enacted criminal laws. The means selected by the department to accomplish this intent is within the purpose of the appropriation. Over the years, the legislature has blurred the distinction between capital and operating appropriations. The distinction which remains is the lapse date of the appropriation. Under AS 37.25.020, an appropriation for a capital project is made for the life of the project. An operating appropriation is governed by AS 37.25.010 which provides that the appropriation lapses after one year unless otherwise provided by law.

You should note that, while we believe that you have the flexibility to spend a part of the appropriation to obtain contractual services to house inmates, the remaining \$5.5 million authorization lapses on June 30, 1982. Your department should take steps either to extend this lapse date to cover the completion of any capital project to be financed with it; or obligate the appropriation and record that obligation for the succeeding fiscal year as provided in AS 37.25.010(a).

JLB/pjg

I. REQUEST

Bill/Resolution No.: Senate Bill No. 158  
 Title: "An Act making reappropriations..."  
 Sponsor: Rules Committee  
 Requestor: Governor

II. FISCAL DETAIL

Agency Affected: Health & Social Services  
 Program Category Affected: Various  
 BRU, Program of Subprogram(s) Affected: Various

EXPENDITURES/REVENUES: (Thousands of Dollars)

	FY 83	FY 84	FY 85	FY 86	FY 87	FY 88
OPERATING						
100 PERSONAL SERVICES	435.6					
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TOTAL OPERATING	(7536.9)					

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING: (Thousands of Dollars)

GENERAL FUND	(7536.9)					
FEDERAL FUNDS						
OTHER (Specify Source)						

POSITIONS:

FULL-TIME	27.0					
PART-TIME	1.0					
TEMPORARY						

III. SOURCE OF FUNDS TO OFFSET FISCAL IMPACT OF BILL:

See Section 25, 26, and 27 of this bill.

IV. ANALYSIS: Attach a separate page for any Analysis

Prepared By: Marsha Hubbard, Director

Phone: 465-3082

Division: Budget and Finance

Date: \_\_\_\_\_

Approved by Commissioner: Robert London Smith, Ph.D.

Date: 4/7/83

Department: Health and Social Services

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SENATE BILL 158  
SUMMARY OF FISCAL IMPACT  
on  
THE DEPARTMENT OF HEALTH & SOCIAL SERVICES  
BY LINE ITEM

LINE	(API) SECTION 9	(E.O.# 54) SECTION 10	(MISC. CLAIMS) SECTION 18	(<GR/AFDC>) SECTION 25/26	(<PFD>) SECTION 27	LINE ITEM SUBTOTALS
100	305,900	129,700				435,600.00
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300		63,300	30,155.65			93,455.65
400		4,000	13,273.09			17,273.09
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GRAND TOTAL	305,900	250,000	128,792.58	<6,320,400>	<1,901,200>	<7,536,907.42>
POSITIONS:						
PFTs	17.0	10.0				27.0
PPTs	1.0					1.0

# MEMORANDUM

State of Alaska

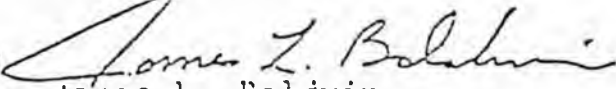
to Hon. Helen D. Beirne, Commissioner      DATE: October 8, 1982  
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The fiscal note which accompanied SB 190 provided that the cost to the state resulting from the enactment of SB 190 exceeded \$6 million. This cost was attributed to the need to construct facilities to house 79 inmates. Ex. 1. However, the appropriation enacted by the legislature provides:

\* Sec. 14. The following appropriation items are for operating expenditures from the general fund or other funds as set out in the fiscal year 1983 budget summary by funding source to the state agencies named and for the purposes set out in the new legislation for the fiscal year beginning July 1, 1982 and ending June 30, 1983. The appropriation items contain funding for legislation assumed to have passed during the Second Session of the Twelfth Legislature and are to be considered part of the agency operating budget. Should a measure listed in this section either fail to pass, its substance fail to be incorporated in some other measure, or be vetoed by the governor, the appropriation for that measure shall lapse.

\* \* \* \*

SB' 190 Drug Law Revisions and Amendments to Criminal Laws of the State - Appro- priated to the Department of Health and Social Services	6,188,200	6,188,200
--	-----------	-----------

The appropriation clearly states that the money is considered to be a part of the department's operating budget. However, the fiscal note expresses a legislative intent that the money be expended to finance the construction of capital improvements. When detailed budget documents conflict with the provisions of the appropriation which they support, the provisions of the appropriation should be implemented absent some clear evidence that the wording of the appropriation was the result of a clerical error. D. Sands (UTHERLAND STATUTORY CONSTRUCTION (4th ed.) § 48.06; see also Informal Op. Atty. Gen., Sept. 17, 1980, AG file 66-201-81. We have not been presented with evidence that the legislature committed such an error.

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You should note that, while we believe that you have the flexibility to spend a part of the appropriation to obtain contractual services to house inmates, the remaining \$5.5 million authorization lapses on June 30, 1982. Your department should take steps either to extend this lapse date to cover the completion of any capital project to be financed with it; or obligate the appropriation and record that obligation for the succeeding fiscal year as provided in AS 37.25.010(a).

JLB/pjg

Requested by the Rules Committee  
by Request of the Governor

"An Act making reappropriations and appropriation adjustments;  
and providing for an effective date."

~~Section 9.~~ The sum of \$305,900 is appropriated from the general fund to the Department of Health and Social Services to pay for FY 83 increased staff support for the Alaska Psychiatric Institute.

This section provides funding to cover increased staffing costs associated with 10.5 FTE security staff and 7.0 FTE direct care staff for a total of 17.5 FTEs.

After an API patient killed four Anchorage teenagers last spring, the Office of the Governor appointed a task force to review operations at API. The task force produced a report making several recommendations regarding the appropriateness of utilizing API as a facility for the care and treatment of individuals from the criminal justice system, and the status of security within the institution.

The task force noted that API has experienced a significant increase in the workload and in the type of patients served over the past year. The Alaska Psychiatric Institute is required by court order to house both criminally and civilly committed patients. Many of these patients are considered dangerous. Based on the type of patients being housed and the status of existing security, the API was instructed to take measures to increase internal security until these dangerous patients could be moved to a more secure setting.

Temporary security staff were added immediately at API in response to the task force's orders, and staff were detailed to provide 24 hour security "sally port" control over the two units where criminally committed patients are in treatment. This action increased the API staff by 10.5 FTE positions, putting API in an overexpenditure pattern in personal services.

In addition, the Department of Health and Social Services wants to bring attention to the fact that for quite some time the patient load at API has been running at or above licensed capacity. While the Division of Mental Health and Developmental Disabilities and this Department are taking every possible management action to reduce and stabilize the patient population, it is obvious that we will be forced to operate at overcapacity status until a major change can take place, such as the transfer out of an entire unit's population.

This overcrowding, coupled with the trend toward more-difficult-to-manage patients, causes serious hands-on patient care staff shortages. Current authorized staffing patterns do not provide for extra staff persons to be available at times of extra demand

for services, e.g. as when a highly suicidal patient requires 24 hour one-to-one attention or when overcrowding results in beds being placed in a hallway area. The Department is therefore requesting sufficient funding for an additional 7.0 FTE direct care staff. These additional staff persons represent the minimum complement necessary to cope with the delivery of direct care to the current API census with a reasonable degree of safety for staff and patients.

\* Sec. 10. The sum of \$250,000 is appropriated from the general fund to the Department of Health and Social Services to pay for FY 83 costs of establishing the Department of Corrections.

This section provides necessary funding to the Department of Health and Social Services to implement Executive Order No. 54 which would establish a Department of Corrections. Departmentalization of Corrections would: (1) ensure that Corrections is in fact a full partner in the criminal justice system; (2) enable the needs and problems of Corrections to be routinely presented to the Governor; (3) enable the agency to actively and effectively support its budget request throughout the administrative and legislative process; (4) provide continual professional guidance based on sound correctional experience, training, and management expertise in correctional systems from top departmental administrators; and (5) streamline the organizational structure for more effective correctional management.

\* Sec. 18. The sum of \$1,236,300 is appropriated from the general fund to pay miscellaneous claims, stale-dated warrants, and FY 82 obligations of the state, to be allocated as follows:

Department of Health and Social Services                      \$118,000 ✓

This section provides the Department with funds to pay prior year obligations for which the original appropriations have lapsed. Each bill was received too late to be paid out of the appropriate yearly authorization and since these bills are more than two years old they are eligible for inclusion in the Department's miscellaneous claims request.

~~Section 79, ch. 101, SLA 1982, page 30, line 18, is~~ amended to read:

	Appropriation Item	Appropriation Fund Sources	
		General Fund	Other Funds
Public Assistance Services	49,357,400 [55,677,800]	31,572,400 [34,832,600]	17,785,000 [20,845,200]

POSITION PAPER/Department of Health & Social Services

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Aid to Families with Dependent Children	<u>35,570,000</u>	[41,690,400]
Aid to the Blind	179,500	
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Sections 25 and 26 reduce the Public Assistance Services appropriation by reducing both the Aid to Families with Dependent Children (AFDC) and the General Relief allocations. The FY 83 AFDC reduction resulted from a projected surplus balance of 6120.4 which will occur because actual monthly caseloads are lower than initially forecasted and budgeted.

It is believed the factors contributing to the lower caseload level are: 1) The Permanent Fund Dividend distribution program which provided sufficient resources to delay the decision of potential clients to apply for AFDC benefits, 2) AFDC program changes implemented in October, 1981, and 3) the Division of Public Assistance's home visit program.

It is estimated that the demand for FY 83 General Relief Assistance (GRA) services will fall 200.0 below the authorized level of funding, making these funds available for deletion. The rather restrictive eligibility standards in the GRA program, combined with the \$80/person payment limit in the form of vendor payment, have caused static program expenditure patterns.

\* Sec. 27. Section 14, ch. 139, SLA 1982, page 14, lines 11-14, are amended to read:

	Appropriation Item	Appropriation Fund Sources	
		General Fund	Other Funds
SB 842 Providing for	10,965,300	10,897,000	68,300
Permanent Fund Dividends -- Appropriated to the Department of Health & Social Services.	<u>[12,866,500]</u>	<u>[12,798,200]</u>	

This section deletes 1,901.2 in general funds from the Permanent Fund Dividend Hold Harmless program. Individuals found ineligible for public assistance because of federal law or regulations solely because of receiving the Dividend shall be eligible for assistance payment from the PFD Hold Harmless BRU for a period not to exceed four months. The projected surplus, which is deleted by this section, is attributed to the period of resource retention. The initial budget estimated 35% of the AFDC cases would be ineligible (in PFD hold harmless status) for a period of four months. Present caseload maintenance reports indicate that the actual number of AFDC cases remaining ineligible and in the PFD hold harmless status beyond the

first month is less than budgeted. Families receiving their PFD's are quickly spending their resource, resulting in their quick return to federal program eligibility and removal from the hold harmless program.

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Section 38 provides the necessary language change which would allow for exceptions to the lapse date mentioned above. Section 39 establishes a new section and clearly defines which portion of the above mentioned fiscal notes are for capital improvements and should therefore not lapse under AS 37.25.010.

#### Department Position

The supplemental appropriations and language amendments cited above are required.

Recommended by: Marsha Hubbard  
Marsha Hubbard, Director  
Division of Budget & Finance

Date: March 19 1983

Approved By: Robert London Smith  
Robert London Smith, Ph.D.  
Commissioner  
Department of Health & Social  
Services

Date: 4/7/83

# STATE OF ALASKA

**DEPT. OF HEALTH AND SOCIAL SERVICES**  
**OFFICE OF THE COMMISSIONER**

**BILL SHEFFIELD, GOVERNOR**

POUCH H 01  
JUNEAU, ALASKA 99811  
PHONE:

Document Number 83-135

April 4, 1983

The Honorable Tony Vaska  
Representative  
Pouch V  
Juneau, Alaska 99811

Dear Representative Vaska:

Re: Bethel Prematernal Home  
Bethel Group Home  
Bethel Model Clinic

You have asked for the funding status for the above named programs for last year and this year. In FY 82, the Bethel Prematernal Home received funds through the Division of Public Health under a contract in the amount of \$67,000. This year the funding for the program was in the form of a grant to the municipality of Bethel in the amount of \$78,000. The Department of Administration, which administers these grants, reported that the funds have been received by the Bethel Pre-Maternal Home.

The Bethel Model Clinic also received funding through the grants to municipalities program, in the amount of \$60,000. These funds have also been received by the Model Clinic. This is a new program which has become necessary due to IHS no longer providing medical services to non-beneficiaries.

The Bethel Group Home is funded on the basis of a daily rate per child, according to AS 47.40. Their per day cost is currently frozen at \$59.06/day while a study of residential child care costs is conducted. This rate is one of the lowest rates in the state: costs currently average \$110/ day statewide, with the range being from \$40.66/day to \$168.35/day.

The current rates for the Bethel Group Home were set based on misinformation provided to the Department and the Legislature last year. Having the rates frozen at this amount has created a hardship for the Bethel Group Home. The group Home relies on staffing by volunteers except for the paid Director. The youth needing placement at the Group Home are considerably more disturbed and older than they used to be when the Group Home was established. The Group Home needs to hire two counselors, for which the Director estimates the costs would run, for salary and benefits, approximately \$60,000. If this need were calculated into the daily rate, the rate would need to be raised to approximately \$95/day.

Honorable Tony Vaska

-2-

The amount the Division of Family and Youth Services paid the Bethe Group Home in FY82 was \$100,224.82 for 1,697 days of care, and in FY 83 (7/1/82--2/28/83) \$79,553.82 has been paid for 1,347 days of care.

I hope this information has been of help to you.

Sincerely,

A handwritten signature in cursive script, appearing to read "Robert London Smith".

Robert London Smith, Ph. D.  
Commissioner

# STATE OF ALASKA

BILL SHEFFIELD, GOVERNOR

## OFFICE OF THE GOVERNOR

POUCH AM  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3568

### OFFICE OF MANAGEMENT AND BUDGET DIVISION OF BUDGET REVIEW

April 21, 1983

RECEIVED

APR 21 1983

The Honorable Joe Josephson  
Chairman, Senate Health, Education  
and Social Services Committee  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Josephson,

Dear Senator Josephson:

This memorandum responds to the questions raised by the Committee on April 15, 1983, regarding sections within SB 158. Please let me know if you have any additional questions. Due to the urgent need for these supplemental appropriations, as exemplified by the testimony at the April 15th hearing by the Division of Elections, prompt passage of SB 158 is requested.

#### SECTION 9:

HAS CAPITAL FUNDING BEEN REQUESTED FOR ALASKA PSYCHIATRIC INSTITUTE (API) SECURITY ITEMS IDENTIFIED BY THE API TASK FORCE? WHAT RELATED SECURITY MODIFICATIONS HAVE BEEN MADE?

An annual capital request is made for API for repair and renovations, including such security items.

Many modifications have been made to API in FY 83, both in response to the Task Force recommendations, and in response to the decision to keep the "not guilty by reason of insanity" and the "guilty but mentally ill" (defined in SB 535 last year) at API rather than in a special mental health treatment facility. At API, fences have been put in, the viewing ports have been modified, a gate has been installed in the entry way, and phones have been put in elevators.

April 21, 1983

In response to Task Force recommendations, a separate entrance was built and a sensing system installed at Hiland Mountain Correctional Center. Plans had been made to completely convert the Hiland Mountain facility into a mental health treatment facility; however, since clients normally associated with the criminal justice system will remain at API, work on these plans has been halted.

Other recommendations for API, such as replacing security windows, and remodeling the Special Treatment Program (STP) and the Psychiatric Security Unit (PSU) have been requested for FY 84. However, other task force recommendations such as installation of an emergency transmitting paging system have not been requested due to extremely high costs.

HAS THE ADMINISTRATION LOOKED INTO THE ISSUE OF CONTRACTING OUT API?

The Department has not made an in-depth study of contracting out API due to some unique characteristics of the population at this institution. For example, patients are more disorderly and because of this not readily acceptable, due to higher security needs, at other private institutions. Attempts have been made for the past three years to encourage local hospitals to establish designated beds so that patients could be cared for and receive services in their local home environment. The Department of Health and Social Services (DHSS) has met with no success; no hospital in the Juneau, Fairbanks or Anchorage area has indicated a desire to set aside such beds.

Also, a comparison of institutional costs shows that costs per bed in a private institution would be approximately \$400 per bed, while costs at API are approximately \$200 per bed.

In addition to the above, certain legal issues have yet to be addressed, such as the State's responsibility to patients in its custody, insurance that services would be provided to all classes of clients, and the issue of removing approximately 300 positions out of union representation. For the above reasons, DHSS has not further investigated contracting out API.

SECTION 11:

DO UNUSED FEDERAL FUNDS LAPSE INTO THE GENERAL FUND? WHY ARE WE REIMBURSING THE FEDERAL GOVERNMENT OUT OF THE GENERAL FUND?

The Division of Finance has stated that any non-continuing federal funds actually received during the year, but which are unused, lapse into the general fund at the end of the fiscal year. Also, since these monies lapse into the general fund, general fund monies are used to reimburse the Federal government.

SECTION 14.

The Department, due to the current status of SB 158, and given the fact that only two months remain in the year, has decided to withdraw this request for FY 83. Funding for the program is included in the Governor's amended FY 84 operating budget.

The \$250,000 included in the Governor's amended FY 84 operating budget will provide technical assistance to placer mining operators in developing sound management and mining practices, and will help to reduce the large backlog of unrecorded mining claims on State lands.

SECTION 17:

WHAT IS THE STATUS OF "20 AND OUT?" HOW IS THE ADMINISTRATION DEALING WITH THE "20 AND OUT" ISSUE?

Senator Bennett plans to introduce a bill that will remove the Department of Fish and Game from the retirement program. The Administration is currently waiting to review the bill introduced by Senator Bennett.

SECTION 18:

WHY IS THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES' REQUEST NECESSARY?

Upon reconsideration, this request has been withdrawn due to the Administration's concern that the accumulated funds in the Highway Working Capital Fund (HWCF) are excessive. This decision is consistent with a decision made subsequent to the introduction of SB 158 to reduce the Fund over a period of four years, which is reflected in a \$6.3 million reduction to the Fund in the Governor's amended FY 84 operating budget.

SECTION 19:

## WHY IS THE COUNCIL ON ECONOMIC POLICY'S SURVEY OF ECONOMIC AND DEMOGRAPHIC INFORMATION BEING REDUCED?

The \$350,000 was specifically allocated to the Council to develop a program designed to survey the cross-sections of Alaska's population affected by State programs. It was added to the Council's FY 83 budget by the Senate. Since the Council lacked adequate staff to perform this function, the funds were transferred to the then Division of Budget and Management by RP830-156X on November 8, 1982. Budget and Management issued an RFP and the Proposal Evaluation Committee ranked highest the proposal submitted by the Institute for Social and Economic Research (ISER). When the new Administration took office, it put a hold on the project and thus a contract was not awarded.

Based on the Transition Team recommendation, this Administration reviewed the project and concluded that as its objectives were not sharply defined, and that as a result the survey data were likely to be irrelevant to specific public policy issues and State program problems.

We believe that a revision of the scope of the original project would permit problem-specific research to be designed that would be of importance to the Legislature and the Governor's Office. To accomplish this objective, the funds should be reappropriated. A new section should be added to SB 158 that appropriates \$350,000 for the purpose of assessing the need for, and socio-economic impacts of, selected operating and capital budget programs of the State.

Due to the lateness of the current fiscal year, the lapse date for this reappropriation should be extended to June 30, 1984. This will allow adequate time to complete the studies.

SECTION 22:

## DOES THIS REAPPROPRIATION ALLOW FOR SUFFICIENT FUNDING FOR THE FOUNDATION PROGRAM STUDY?

The \$134,000 reappropriated from Education Program Development represents a portion of \$567,000 appropriated for the initial phases of the Foundation Program Study. The Senate Finance Committee has indicated its desire to fund the first and second phase of this project, review the results, and then provide third phase funding. When questioned about the impact of the reappropriations, the Department of Education stated that money remaining in FY 83 is sufficient to provide for the first two phases of this study.

April 21, 1983

SECTION 25:

CAN DHSS IDENTIFY UNMET NEEDS FOR REAPPROPRIATED DOLLARS FOR PROGRAMS WITHIN THE DEPARTMENT?

Although Commissioner Smith appreciates the opportunity to respond to the Committee's concern regarding unmet funding needs within the Department, he feels that, at this late date in the fiscal year, the best approach would be to concentrate on one area of major need: the Catastrophic Illness Program. There are approximately \$4,000,000 in applications from catastrophic illness clients which are pending due to lack of funds.

SECTION 36:

HOW HAVE CHANGES IN FEDERAL ENTITLEMENTS AFFECTED WHAT WE ARE TRYING TO ACCOMPLISH WITH THE STATE TRAINING PROGRAM?

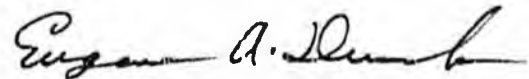
Changes in Federal entitlements have not affected the State training program.

Section 24 will need to be amended to reflect the following changes: withdrawal of Sections 14 and 18, and an adjustment to Section 19 which recommends an appropriation in the amount of \$350,000 for studies to replace the original allocation to the Council on Economic Policy. Section 24, line 9, should now read as follows:

Sec. 2. The sum of \$67,497,300 [73,500,000] is appropriated from

I hope this information has been of assistance to the Committee.

Sincerely,



Eugene A. Dusek  
Associate Director

dmc

cc: Committee Members

MEMORANDUM

TO: JOE  
FROM: NANCY  
RE: SB 158

COMMITTEE QUESTIONS FOR GENE DUSEK

- SECTION 10 CHANGE AMOUNT FOR THE DEPARTMENT OF CORRECTIONS FROM \$250.0 TO \$205.9.
- SECTION 11 HOW DID 1975 FEDERAL MONIES LAPSE
- SECTION 13 IF SB 40 IS ON THE GOVERNOR'S PRIORITY BILL LIST, THEN IS THIS APPROPRIATION NECESSARY?
- SECTION 14 YOU REQUESTED A BREAKDOWN ON MINING CLAIMS, INFORMATION ON TECHNICAL ASSISTANCE PROVIDED TO MINERS, AND LANGUAGE MORE REFLECTIVE OF THE INTENT OF THE SECTION AS GENE RELATED IN THE MEETING.
- SECTION 15 WILL THE AMOUNT FOR THE VIOLENT CRIMES COMPENSATION BOARD BE CHANGED.
- SECTION 17 DOES PUBLIC SAFETY HAVE A DIFFERENT INSURANCE POLICY THAN THAT COVERING OTHER STATE EMPLOYEES?
- SECTION 18 WE ASKED FOR INFO ON AUDIT MONEY OWED TO THE PRESBYTERIAN HOSPITALITY HOUSE FROM AUDIT OF FY 81, TO BE INCLUDED IN SB 158.
- SECTION 19 VICTOR HAD CONCERNS ABOUT THE COUNCIL ON ECONOMIC POLICY  
20 CONTINUING THE SURVEY OF ECONOMIC AND DEMOGRAPHIC INFO.
- SECTION 22 INFORMATION ON THE FUNDING FOR THE FOUNDATION STUDY WAS REQUESTED SINCE THERE WAS SOME QUESTION IF THE FUNDING WILL BE SUFFICIENT IF REDUCED, IF INCLUDED IN FISCAL NOTE FOR CS HB 251.
- SECTION 25 VICTOR HAD CONCERNS ABOUT KEEPING DH&SS FUNDING WITHIN THE  
26 DEPARTMENT - TRANSFER TO CATASTROPHIC ILLNESS.
- VICTOR REQUESTED A RUN DOWN OF PROGRAM SHORTAGES WITHIN THE DEPARTMENT OF HEALTH AND SOCIAL SERVICES.
- SECTION 36 WILL FEDERAL CHANGES IN JOBS PROGRAMS HAVE ANY EFFECT ON THE STATE TRAINING PROGRAM PILOT PROJECT?

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET  
DIVISION OF BUDGET REVIEW

BILL SHEFFIELD, GOVERNOR

POUCH AM  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3568

April 1, 1983

The Honorable Joe Josephson  
Chairman, Health and  
Social Services Committee  
Alaska State Legislature  
Pouch V  
Juneau, AK 99811

Dear Senator Josephson:

Attached is the sectional analysis of SB 158 requested by your staff. Please contact me if you have any questions.

Sincerely,



Eugene Dusek  
Associate Director

Enclosures

tlh

cc: Ray Gillespie  
Office of the Governor

SB 158

<u>DEPARTMENT</u>	<u>FUNDS ADDED</u>	<u>FUNDS DELETED</u>
Office of the Governor	624.0	650.0
Administration	136.9	-0-
Revenue	85.7	7,000.0
Education	6897.7	135.3
Health & Social Services	673.9	5,164.4
Natural Resources	4670.9	597.0
Public Safety	478.2	-0-
Commerce	5.6	-0-
Fish and Game	4.5	-0-
DOT/PF	1,097.3	-0-
Labor	-0-	159.0
Courts	-0-	972.0

26

TOTAL

14,674.7

14,677.7

alaska  
state  
hospital  
association

319 Seward St., Juneau, Alaska 99801 • (907) 586-1790

REPRESENTING ACUTE, LONG TERM AND OUTPATIENT FACILITIES

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Physician Member of  
the Board  
Keith Brownsborger, M.D.  
Anchorage

President  
Dennis L. DeWitt  
Juneau

March 23, 1983

The Honorable Joe Josephson  
Senator  
Pouch V  
Juneau, Alaska 99811

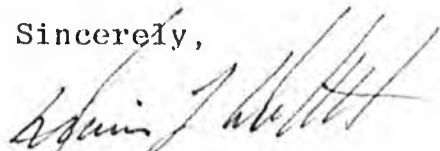
Dear Senator Josephson:

The Alaska State Hospital Association has reviewed SB 158 by the Rules Committee by request of the Governor and must inform you of our opposition.

While there are several meritorious sections, sections 25, 26, and 27 which transfers over \$8 million out of the Division of Public Assistance in the Department of Health & Social Services is unacceptable to us. That money should be applied to the needs already identified in the catastrophic illness program which is grossly underfunded for fiscal year 1983.

We will appreciate your consideration of our comments when the Senate Health Education & Social Services Committee reviews SB 158.

Sincerely,



Dennis L. DeWitt  
President

DLD:hb

cc: Governor Bill Sheffield