

CSHB

127

SENATE COMMITTEE REPORT

FURTHER:

5/18/87

DATE TURNED INTO OFFICE 5/19/87

Mr. President:

FINANCE Committee considered CSHB 127(Fin) am
supplemental appropriations for fiscal year 1987 and prior fiscal
years; efd.

and recommended:

- replace with same CS FOR CSHB 127(Fin)) same title
- or adopt _____ CS FOR _____) new title
- attached amendment(s) and
- do pass
- do not pass
- no recommendation
- individual recommendations
- further referral to _____
- letter of intent adopted _____

Committee attached or adopted fiscal note(s)
 new updated or previous
 zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

[Handwritten signatures]

[Handwritten signature]

 Chairman signature and recommendation

Committee Backup Attached

Original sponsor: Rules/Governor

Funding Information

General Fund	\$29,019,382
Other Funds	4,688,300
	<u>\$33,707,682</u>

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 127 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations for fiscal
7 year 1987 and prior fiscal years; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$249,357 is appropriated from the general fund
11 to the Department of Revenue to pay claims for political campaign contribu-
12 tion credits payable under AS 43.20.013 that were filed on or before
13 June 30, 1986.

14 * Sec. 2. The sum of \$225,936 is appropriated from the general fund to
15 the Department of Revenue to pay claims for household and dependent care
16 credits (child care credits) payable under AS 43.20.013 that were filed on
17 or before June 30, 1986.

18 * Sec. 3. The sum of \$50,000 is appropriated from the general fund to
19 the Department of Revenue to compensate fish and game license vendors as
20 required under AS 16.05.390.

21 * Sec. 4. The sum of \$37,045 is appropriated from the general fund to
22 the Department of Revenue to pay the additional fiscal year 1986 sharing
23 required for the electric and telephone cooperative tax under AS 10.25.570.

24 * Sec. 5. The sum of \$212,000 is appropriated from the general fund to
25 the Department of Administration, longevity bonus program, for increased
26 longevity bonus participation.

27 * Sec. 6. The sum of \$484,100 is appropriated from the general fund to
28 the Department of Administration, public defender program, for additional
29 expenses of defending State v. John Peel.

1 * Sec. 7. The sum of \$305,800 is appropriated from the general fund to
2 the Department of Administration, Office of Public Advocacy, for costs
3 associated with increased caseload.

4 * Sec. 8. The sum of \$88,600 is appropriated from the general fund to
5 the Department of Administration, retirement and benefits program, for
6 costs associated with increased participation in the elected public offi-
7 cers retirement system.

8 * Sec. 9. The sum of \$180,029 is appropriated from the general fund to
9 the following agencies to pay miscellaneous claims and stale dated war-
10 rants:

11	Office of the Governor	\$ 4,072
12	Department of Administration	55,784
13	Department of Commerce and	
14	Economic Development	5,540
15	Department of Military and	
16	Veterans' Affairs	2,945
17	Department of Corrections	20,141
18	Department of Education	15,805
19	Department of Health and	
20	Social Services	19,023
21	Department of Public Safety	907
22	Department of Transportation and	
23	Public Facilities	42,598
24	Department of Fish and Game	13,214

25 * Sec. 10. The sum of \$1,141,600 is appropriated from the general fund
26 to the Department of Transportation and Public Facilities, Alaska Marine
27 Highway System, for the purpose of paying risk management costs.

28 * Sec. 11. The sum of \$1,778,000 is appropriated to the Department of
29 Health and Social Services to pay for costs associated with increased

1 caseloads in the aid to families with dependent children program, from the
2 following sources:

3	Federal Receipts	\$806,600
4	General Fund Match	439,000
5	Interagency Receipts	82,400
6	Child Support Enforcement	
7	Agency Receipts	450,000

8 * Sec. 12. The sum of \$511,400 is appropriated from the general fund to
9 the Department of Health and Social Services, adult public assistance
10 component, to pay for costs associated with increased caseloads in the aid
11 to disabled and the old age assistance programs.

12 * Sec. 13. The sum of \$675,500 is appropriated from the general fund to
13 the Department of Health and Social Services to pay for costs associated
14 with increased caseloads in the general relief assistance program.

15 * Sec. 14. The sum of \$231,600 is appropriated from the general fund to
16 the Department of Health and Social Services to pay for the increased
17 number of court-ordered autopsies in the post-mortem examination program.

18 * Sec. 15. The sum of \$178,000 is appropriated from the general fund to
19 the Department of Health and Social Services to pay for the shortfall of
20 third party and other federal receipts due to the lower patient count at
21 the Alaska Psychiatric Institute.

22 * Sec. 16. The sum of \$347,500 is appropriated from the general fund to
23 the Department of Health and Social Services for personal services and
24 medical costs associated with the operation of McLaughlin Youth Center.

25 * Sec. 17. The sum of \$306,900 is appropriated from the general fund to
26 the Department of Health and Social Services to pay for increased personal
27 services and support costs associated with on-going program operations and
28 opening the new wing at Fairbanks Youth Facility.

29 * Sec. 18. The sum of \$90,000 is appropriated from the general fund to

1 the Department of Health and Social Services to pay for community placement
2 in adult residential care programs for the chronically mentally ill.

3 * Sec. 19. The sum of \$5,896,400 is appropriated from the general fund
4 to the Alaska Power Authority for the settlement agreement entered into
5 between Harrison Western Corporation, d/b/a Susitna Constructors, and the
6 Alaska Power Authority based upon changes and increased costs associated
7 with construction of the Anchorage-Fairbanks Intertie.

8 * Sec. 20. The sum of \$90,000 is appropriated from the general fund to
9 the Department of Commerce and Economic Development, Office of Internation-
10 al Trade, to offset foreign office shortfalls arising from exchange rate
11 fluctuations.

12 * Sec. 21. The sum of \$239,000 is appropriated from the general fund to
13 the Department of Commerce and Economic Development for payments under the
14 fisheries enhancement tax receipt program.

15 * Sec. 22. The sum of \$390,000 is appropriated from the general fund to
16 the Department of Law for costs associated with Weiss v. State.

17 * Sec. 23. The sum of \$229,700 is appropriated from the general fund to
18 the Department of Law to pay judgments and claims against the state.

19 * Sec. 24. The sum of \$200,000 is appropriated from the general fund to
20 the Department of Law for the North Slope Borough investigations.

21 * Sec. 25. The sum of \$3,256,800 is appropriated from the general fund
22 to the Department of Natural Resources to pay for costs incurred in fire
23 suppression efforts during fiscal year 1987.

24 * Sec. 26. The sum of \$657,600 is appropriated from the general fund to
25 the Department of Natural Resources for the settlement agreement entered
26 into on July 14, 1986, between the state and Cook Inlet Region, Inc.
27 (CIRI), for rehabilitation of certain CIRI land.

28 * Sec. 27. The sum of \$95,000 is appropriated from program receipts in
29 the general fund (user fees) to the Department of Natural Resources for the

1 operation of recorders' offices for the fiscal year ending June 30, 1987.

2 * Sec. 28. The sum of \$1,124,000 is appropriated from the general fund
3 to the Department of Corrections to cover higher than anticipated major
4 medical costs for prisoners.

5 * Sec. 29. The sum of \$245,700 is appropriated from program receipts in
6 the general fund (care and treatment funds) to the Department of Correc-
7 tions, statewide programs, to pay additional costs of care for community
8 residential and restitution centers.

9 * Sec. 30. The sum of \$32,900 is appropriated from the general fund to
10 the Department of Military and Veterans' Affairs for the flood control
11 program for the fiscal year ending June 30, 1987.

12 * Sec. 31. The sum of \$81,800 is appropriated from the general fund to
13 the Office of the Governor for payment to the contingency fund.

14 * Sec. 32. The sum of \$2,500,000 is appropriated from the general fund
15 to the Department of Education to reimburse the pupil transportation pro-
16 gram for transfers made to the tuition students (\$2,300,000) and handi-
17 capped students (\$200,000) programs for the fiscal year ending June 30,
18 1987.

19 * Sec. 33. The sum of \$318,250 is appropriated from the general fund to
20 the Department of Education for payments under AS 14.17 for the multi-
21 handicapped programs for the fiscal year ending June 30, 1987.

22 * Sec. 34. The sum of \$350,000 is appropriated from the general fund to
23 the Department of Education for settlement of a December 3, 1986, federal
24 administrative appeal brought by the Southwest Region School District for
25 fiscal year 1987.

26 * Sec. 35. The sum of \$250,000 is appropriated from the general fund to
27 the Department of Administration to provide security guards, supervised and
28 administered by the Department of Public Safety, for the State Office
29 Building, the Alaska Office Building, the Dimond Courthouse, the Capitol,

1 the Community Building, and selected other state buildings in Juneau. It
2 is the intent of the legislature that the guards who provide security in
3 the Capitol during the legislative session shall be appointed as special
4 officers by the commissioner of public safety, shall have adequate prior
5 police experience or training, and shall be armed.

6 * Sec. 36. The sum of \$16,500 is appropriated from the general fund to
7 the Commission on Judicial Conduct to pay additional costs during the
8 fiscal year ending June 30, 1987.

9 * Sec. 37. The sum of \$460,000 is appropriated from the general fund to
10 the Department of Education for water and sewer system rehabilitation and
11 temporary classroom rental costs not covered by insurance, associated with
12 the Shageluk school fire.

13 * Sec. 38. The sum of \$240,200 is appropriated from the general fund to
14 the Department of Education, commission on postsecondary education, for
15 costs associated with the WICHE program.

16 * Sec. 39. The sum of \$5,885,365 is appropriated from the general fund
17 to the Department of Education for the purpose of holding harmless those
18 school districts that would otherwise lose in excess of 10 percent of their
19 foundation funding during the fiscal year ending June 30, 1987. Those
20 school districts and the sums to which they are entitled are:

21	Adak	\$ 55,281
22	Aleutian	153,027
23	Delta/Greely	161,056
24	Fairbanks	1,472,606
25	Haines	181,673
26	Juneau	6,394
27	Kenai	1,846,291
28	Ketchikan	471,166
29	Kuspuk	804,816

1	North Slope	454,478
2	Pelican	25,343
3	Pribilof	324,401
4	Sitka	135,246
5	Skagway	179,945
6	St. Mary's	113,642

7 * Sec. 40. The sum of \$300,000 is appropriated from the general fund to
8 the Department of Law for additional costs connected with State v. Peel.

9 * Sec. 41. The sum of \$250,000 is appropriated from the general fund to
10 the Department of Law for additional costs connected with State v. Mackay.

11 * Sec. 42. The sum of \$316,500 is appropriated from the general fund to
12 the Department of Public Safety for contract jails during the fiscal year
13 ending June 30, 1987, to be allocated as follows: City of Kotzebue,
14 \$175,000; City of Kodiak, \$59,000; City of Dillingham, \$17,500; and City of
15 Unalaska, \$65,000.

16 * Sec. 43. The sum of \$180,000 is appropriated from the general fund to
17 the Department of Labor, office of the commissioner, for payment as a grant
18 under AS 37.05.316 to the Western Alaska Building and Construction Trades
19 Council for the apprentice outreach program.

20 * Sec. 44. The sum of \$28,600 is appropriated from private donation
21 program receipts in the general fund to the Department of Education for the
22 Rural Alaska Instructional Improvement Academy for the fiscal year ending
23 June 30, 1987.

24 * Sec. 45. The sum of \$2,980,000 is appropriated from federal receipts
25 to the Department of Education for the student lunch program during the
26 fiscal year ending June 30, 1987.

27 * Sec. 46. This Act takes effect immediately under AS 01.10.070(c).

SENATE COMMITTEE REPORT

FURTHER:

File

4/24/87

DATE TURNED INTO OFFICE

5/17/87

Mr. President:

FINANCE

Committee considered

CSHB 127(Fin)am

supplemental appropriations for fiscal year 1987 and prior fiscal years; efd.

and recommended:

replace with Senate CS FOR CSHB 127(FIN)) same title
 or adopt _____ CS FOR _____) new title

attached amendment(s) and

do pass

do not pass

no recommendation

individual recommendations

further referral to _____

letter of intent adopted _____

Committee attached or adopted fiscal note(s)

new updated or previous

zero fiscal impact

MEMBERS SIGNING DO PASS

OTHER RECOMMENDATIONS

Paul F. Thompson
Paul Stark
James M. ...
W. ...
...

John ... (No Rec)

John ... DO PASS
Chairman signature and recommendation

Committee Backup Attached

ae



Alaska State Legislature

HOUSE OF REPRESENTATIVES

Committee on Finance

Official Business

P.O. Box V
State Capitol
Juneau, Alaska 99811

HOUSE FINANCE COMMITTEE
LETTER OF INTENT
FOR
CS HB 127 (FINANCE)

Section 26 of this Act provides for the appropriation of \$657,600 for the settlement entered into between Cook Inlet Region, Inc. and the state. This appropriation raises several concerns regarding the commitment of state funds to satisfy legal actions against the state by an entity other than the Attorney General's office. It is the intent of the Legislature that in any future settlements of legal actions the Attorney General's office be fully involved prior to any agreement and that a full review of the legal issues be considered prior to agreeing to an out of court settlement.

Handwritten signature of Al Adams in cursive.

Rep. Al Adams, Chair
House Finance Committee

5/17/87
945
wo1267hX

Original sponsor: Rules/Governor

Funding Information

General Fund	\$19,947,811	20,083,311	29,019,382
Other Funds	10,584,700	10,584,700	4,688,300
	\$30,526,511	30,668,011	33,707,682

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SCS CSHB 127(Fin)

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UEHC Int 6

Adopted
5/17/87

Amendment to SCS CSHB 127 (FIN)

Page 4, Lines 3 - 8

* Sec. 19. The sum of \$5,896,400 is appropriated from the general fund [Railbelt energy fund (AS 37.05.153)] to the Alaska Power Authority for the settlement agreement entered into between Harrison Western Corporation, d/b/a Susitna Constructors, and the Alaska Power Authority based upon changes and increased costs associated with construction of the Anchorage-Fairbanks Intertie.

Evening
5/17/87
wo1267hX

Original sponsor: Rules/Governor

Funding Information

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12	Department of Administration	55,784
13	Department of Commerce and	
14	Economic Development	5,540
15	Department of Military and	
16	Veterans' Affairs	2,945
17	Department of Corrections	20,141
18	Department of Education	15,805
19	Department of Health and	
20	Social Services	19,023
21	Department of Public Safety	907
22	Department of Transportation and	
23	Public Facilities	42,598
24	Department of Fish and Game	13,214

25 * Sec. 10. The sum of \$1,141,600 is appropriated from the general fund
26 to the Department of Transportation and Public Facilities, Alaska Marine
27 Highway System, for the purpose of paying risk management costs.

28 * Sec. 11. The sum of \$1,778,000 is appropriated to the Department of
29 Health and Social Services to pay for costs associated with increased
SCS CSHB 127(Fin)

1 caseloads in the aid to families with dependent children program, from the
2 following sources:

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5	Interagency Receipts	82,400
6	Child Support Enforcement	
7	Agency Receipts	450,000

8 * Sec. 12. The sum of \$511,400 is appropriated from the general fund to
9 the Department of Health and Social Services, adult public assistance
10 component, to pay for costs associated with increased caseloads in the aid
11 to disabled and the old age assistance programs.

12 * Sec. 13. The sum of \$675,500 is appropriated from the general fund to
13 the Department of Health and Social Services to pay for costs associated
14 with increased caseloads in the general relief assistance program.

15 * Sec. 14. The sum of \$231,600 is appropriated from the general fund to
16 the Department of Health and Social Services to pay for the increased
17 number of court-ordered autopsies in the post-mortem examination program.

18 * Sec. 15. The sum of \$178,000 is appropriated from the general fund to
19 the Department of Health and Social Services to pay for the shortfall of
20 third party and other federal receipts due to the lower patient count at
21 the Alaska Psychiatric Institute.

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23 the Department of Health and Social Services for personal services and
24 medical costs associated with the operation of McLaughlin Youth Center.

25 * Sec. 17. The sum of \$306,900 is appropriated from the general fund to
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services and support costs associated with on-going program operations and
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8 Intertie.

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10 the Department of Commerce and Economic Development, Office of Internation-
11 al Trade, to offset foreign office shortfalls arising from exchange rate
12 fluctuations.

13 * Sec. 21. The sum of \$239,000 is appropriated from the general fund to
14 the Department of Commerce and Economic Development for payments under the
15 fisheries enhancement tax receipt program.

16 * Sec. 22. The sum of \$390,000 is appropriated from the general fund to
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18 * Sec. 23. The sum of \$229,700 is appropriated from the general fund to
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20 * Sec. 24. The sum of \$200,000 is appropriated from the general fund to
21 the Department of Law for the North Slope Borough investigations.

22 * Sec. 25. The sum of \$3,256,800 is appropriated from the general fund
23 to the Department of Natural Resources to pay for costs incurred in fire
24 suppression efforts during fiscal year 1987.

25 * Sec. 26. The sum of \$657,600 is appropriated from the general fund to
26 the Department of Natural Resources for the settlement agreement entered
27 into on July 14, 1986, between the state and Cook Inlet Region, Inc.
28 (CIRI), for rehabilitation of certain CIRI land.

29 * Sec. 27. The sum of \$95,000 is appropriated from program receipts in
SCS CSHB 127(Fin)

1 the general fund (user fees) to the Department of Natural Resources for the
2 operation of recorders' offices for the fiscal year ending June 30, 1987.

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4 to the Department of Corrections to cover higher than anticipated major
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6 * Sec. 29. The sum of \$245,700 is appropriated from program receipts in
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8 tions, statewide programs, to pay additional costs of care for community
9 residential and restitution centers.

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11 the Department of Military and Veterans' Affairs for the flood control
12 program for the fiscal year ending June 30, 1987.

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14 the Office of the Governor for payment to the contingency fund.

15 * Sec. 32. The sum of \$2,500,000 is appropriated from the general fund
16 to the Department of Education to reimburse the pupil transportation pro-
17 gram for transfers made to the tuition students (\$2,300,000) and handi-
18 capped students (\$200,000) programs for the fiscal year ending June 30,
19 1987.

20 * Sec. 33. The sum of \$318,250 is appropriated from the general fund to
21 the Department of Education for payments under AS 14.17 for the multi-
22 handicapped programs for the fiscal year ending June 30, 1987.

23 * Sec. 34. The sum of \$350,000 is appropriated from the general fund to
24 the Department of Education for settlement of a December 3, 1986, federal
25 administrative appeal brought by the Southwest Region School District for
26 fiscal year 1987.

27 * Sec. 35. The sum of \$250,000 is appropriated from the general fund to
28 the Department of Administration to provide security guards, supervised and
29 administered by the Department of Public Safety, for the State Office

1 Building, the Alaska Office Building, the Dimond Courthouse, the Capitol,
2 the Community Building, and selected other state buildings in Juneau. It
3 is the intent of the legislature that the guards who provide security in
4 the Capitol during the legislative session shall be appointed as special
5 officers by the commissioner of public safety, shall have adequate prior
6 police experience or training, and shall be armed.

7 * Sec. 36. The sum of \$16,500 is appropriated from the general fund to
8 the Commission on Judicial Conduct to pay additional costs during the
9 fiscal year ending June 30, 1987.

10 * Sec. 37. The sum of \$460,000 is appropriated from the general fund to
11 the Department of Education for water and sewer system rehabilitation and
12 temporary classroom rental costs not covered by insurance, associated with
13 the Shageluk school fire.

14 * Sec. 38. The sum of \$240,200 is appropriated from the general fund to
15 the Department of Education, commission on postsecondary education, for
16 costs associated with the WICHE program.

17 * Sec. 39. The sum of \$2,845,694 is appropriated from the general fund
18 to the Department of Education for the purpose of holding harmless those
19 school districts that would otherwise lose in excess of 10 percent of their
20 foundation funding, adjusted for the secondary distribution, during the
21 fiscal year ending June 30, 1987. Those school districts and the sums to
22 which they are entitled are:

23	Adak	\$ 55,281
24	Aleutian	153,027
25	Delta/Greely	161,056
26	Fairbanks	546,572
27	Haines	181,673
28	Ketchikan	345,460
29	Kuspuk	304,816

1	North Slope	454,478
2	Pelican	25,343
3	Pribilof	324,401
4	Skagway	179,945
5	St. Mary's	113,642

6 * Sec. 40. The sum of \$300,000 is appropriated from the general fund to
7 the Department of Law for additional costs connected with State v. Peel.

8 * Sec. 41. The sum of \$250,000 is appropriated from the general fund to
9 the Department of Law for additional costs connected with State v. Mackay.

10 * Sec. 42. The sum of \$316,500 is appropriated from the general fund to
11 the Department of Public Safety for contract jails during the fiscal year
12 ending June 30, 1987, to be allocated as follows: City of Kotzebue,
13 \$175,000; City of Kodiak, \$59,000; City of Dillingham, \$17,500; and City of
14 Unalaska, \$65,000.

15 * Sec. 43. The sum of \$180,000 is appropriated from the general fund to
16 the Department of Labor, office of the commissioner, for payment as a grant
17 under AS 37.05.316 to the Western Alaska Building and Construction Trades
18 Council for the apprentice outreach program.

19 * Sec. 44. The sum of \$28,600 is appropriated from private donation
20 program receipts in the general fund to the Department of Education for the
21 Rural Alaska Instructional Improvement Academy for the fiscal year ending
22 June 30, 1987.

23 * Sec. 45. The sum of \$2,980,000 is appropriated from federal receipts
24 to the Department of Education for the student lunch program during the
25 fiscal year ending June 30, 1987.

26 * Sec. 46. This Act takes effect immediately under AS 01.10.070(c).

5/16/87
Outdated
wo 1267hX

R/0 5/17/87
Action later
rescinded

Original sponsor: Rules/Governor

Funding Information

General Fund	\$19,941,811
Other Funds	10,584,700
	<u>\$30,526,511</u>

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 127 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations for fiscal
7 year 1987 and prior fiscal years; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$249,357 is appropriated from the general fund
11 to the Department of Revenue to pay claims for political campaign contribu-
12 tion credits payable under AS 43.20.013 that were filed on or before
13 June 30, 1986.

14 * Sec. 2. The sum of \$225,936 is appropriated from the general fund to
15 the Department of Revenue to pay claims for household and dependent care
16 credits (child care credits) payable under AS 43.20.013 that were filed on
17 or before June 30, 1986.

18 * Sec. 3. The sum of \$50,000 is appropriated from the general fund to
19 the Department of Revenue to compensate fish and game license vendors as
20 required under AS 16.05.390.

21 * Sec. 4. The sum of \$37,045 is appropriated from the general fund to
22 the Department of Revenue to pay the additional fiscal year 1986 sharing
23 required for the electric and telephone cooperative tax under AS 10.25.570.

24 * Sec. 5. The sum of \$212,000 is appropriated from the general fund to
25 the Department of Administration, longevity bonus program, for increased
26 longevity bonus participation.

27 * Sec. 6. The sum of \$484,100 is appropriated from the general fund to
28 the Department of Administration, public defender program, for additional
29 expenses of defending State v. John Peel.

1 * Sec. 7. The sum of \$305,800 is appropriated from the general fund to
2 the Department of Administration, Office of Public Advocacy, for costs
3 associated with increased caseload.

4 * Sec. 8. The sum of \$88,600 is appropriated from the general fund to
5 the Department of Administration, retirement and benefits program, for
6 costs associated with increased participation in the elected public offi-
7 cers retirement system.

8 * Sec. 9. The sum of \$180,029 is appropriated from the general fund to
9 the following agencies to pay miscellaneous claims and stale dated war-
10 rants:

11	Office of the Governor	\$ 4,072
12	Department of Administration	55,784
13	Department of Commerce and	
14	Economic Development	5,540
15	Department of Military and	
16	Veterans' Affairs	2,945
17	Department of Corrections	20,141
18	Department of Education	15,805
19	Department of Health and	
20	Social Services	19,023
21	Department of Public Safety	907
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23	Public Facilities	42,598
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25 * Sec. 10. The sum of \$1,141,600 is appropriated from the general fund
26 to the Department of Transportation and Public Facilities, Alaska Marine
27 Highway System, for the purpose of paying risk management costs.

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1 caseloads in the aid to families with dependent children program, from the
2 following sources:

3	Federal Receipts	\$806,600
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SCS CSHB 127(Fin)

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23 * Sec. 34. The sum of \$350,000 is appropriated from the general fund to
24 the Department of Education for settlement of a December 3, 1986, federal
25 administrative appeal brought by the Southwest Region School District for
26 fiscal year 1987.

27 * Sec. 35. The sum of \$250,000 is appropriated from the general fund to
28 the Department of Administration to provide security guards, supervised and
29 administered by the Department of Public Safety, for the State Office

1 Building, the Alaska Office Building, the Dimond Courthouse, the Capitol,
2 the Community Building, and selected other state buildings in Juneau. It
3 is the intent of the legislature that the guards who provide security in
4 the Capitol during the legislative session shall be appointed as special
5 officers by the commissioner of public safety, shall have adequate prior
6 police experience or training, and shall be armed.

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10 * Sec. 42. The sum of \$175,000 is appropriated from the general fund to
11 the Department of Public Safety for the City of Kotzebue contract jail
12 during the fiscal year ending June 30, 1987.

13 * Sec. 43. The sum of \$180,000 is appropriated from the general fund to
14 the Department of Labor, office of the commissioner, for payment as a grant
15 under AS 37.05.316 to the Western Alaska Building and Construction Trades
16 Council for the apprentice outreach program.

17 * Sec. 44. The sum of \$28,600 is appropriated from private donation
18 program receipts in the general fund to the Department of Education for the
19 Rural Alaska Instructional Improvement Academy for the fiscal year ending
20 June 30, 1987.

21 * Sec. 45. The sum of \$2,980,000 is appropriated from federal receipts
22 to the Department of Education for the student lunch program during the
23 fiscal year ending June 30, 1987.

24 * Sec. 46. This Act takes effect immediately under AS 01.10.070(c).

STATE OF ALASKA

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 30, 1987

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

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

P.O. Box K
465-3603

Honorable Johne Binkley
Co-chairman
Senate Finance Committee
P.O. Box V
Juneau, AK 99811

Re: Correction to CSHB 127(FIN) am

Dear Senator Binkley:

I wish to call to your attention an error in section 34 of CSHB 127(FIN) am. That section indicates that the appropriation contained therein is "for settlement of a December 3, 1986, federal administrative appeal brought by the Southwest Region School District for Fiscal Year 1987." In fact, it is to fund the enclosed December 3, 1986 settlement agreement for a federal administrative appeal brought by the Southwest Region School District for Fiscal Year 1985. I am also attaching a copy of Harold Brown's November 17, 1987 memo to Jay Hogan explaining the background of this proposed settlement.

May I ask that the wording be corrected when the Senate passes on this bill. The section should read:

The sum of \$350,000 is appropriated from the general fund to the Department of Education for settlement of a federal administrative appeal brought by the Southwest Region School District for Fiscal Year 1985, under a settlement agreement dated December 3, 1986.

Honorable Johne Binkley
Senate Finance Committee

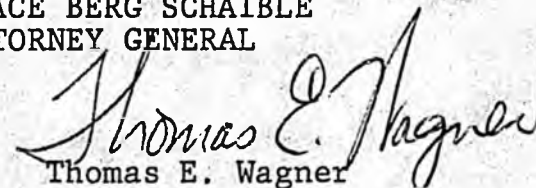
April 30, 1987
Page 2

Thank you for your cooperation in this matter. Please call me if you have further questions.

Sincerely,

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

By:



Thomas E. Wagner
Assistant Attorney General

TEW:jal
Enclosure

cc: Arthur H. Peterson (w.o./enc.)
Bob Evans (w.o./enc.)
Alison Elgee (w.o./enc.)
Chris Gronning (w/enc.)
John Mason (w/enc.)

1 Thomas E. Wagner
Assistant Attorney General
2 HAROLD M. BROWN
ATTORNEY GENERAL
3 Department of Law
P.O. Box K
4 Juneau, Alaska 99811
(907) 465-3603
5 Attorney for Respondent
State of Alaska
6

7 UNITED STATES OF AMERICA, DEPARTMENT OF EDUCATION

8 IN THE MATTER OF THE)
APPEAL OF THE SOUTHWEST)
9 REGION SCHOOL DISTRICT,)
10 Petitioner,)
11 vs.)
12 ALASKA DEPARTMENT OF)
EDUCATION AND UNITED)
13 STATES DEPARTMENT OF)
EDUCATION,)
14 Respondents.)
15

Richard J. Boyce
Administrative Law Judge

Administrative Hearing concerning
state consideration of federal
FY 84 impact aid during Alaska
school year 1984-85.

SETTLEMENT AGREEMENT

16 This Agreement is entered into this 3 day of
17 December, 1986, by and between Petitioner Southwest
18 Region School District ("SWRSD") and Respondents Alaska
19 Department of Education ("ADOE") and United States Department of
20 Education ("USDOE").

21 WHEREAS SWRSD has brought this matter on for hearing
22 under 34 C.F.R. § 222.69 on the issue of whether the ADOE, when
23 allocating state aid to SWRSD for Alaska fiscal year 1985, took
24 into consideration payments made to SWRSD by USDOE for federal
25 fiscal year 1984, in violation of 20 U.S.C. § 240(d)(1) and

26 ///

SETTLEMENT AGREEMENT

Page 1 of 4

OCT 31 1986

1 (d)(2) and the regulations adopted thereunder and the Alaska and
2 United States Constitutions; and

3 WHEREAS, ADOE admits having taken such payments into
4 consideration, but denies that it violated the above provisions
5 in having done so; and

6 WHEREAS, SWRSD and ADOE wish to compromise and settle
7 this disputed claim without further litigation; and

8 WHEREAS, USDOE does not oppose the compromise and
9 settlement of this claim;

10 NOW THEREFORE, the parties agree to compromise and
11 settle the disputed claim on the following terms and conditions:

12 1. The hearing on this matter currently scheduled for
13 November 3-7, 1986, shall be vacated.

14 2. ADOE will submit or cause to be submitted to the
15 First Session of the Fifteenth Alaska State Legislature, a
16 request to appropriate the sum of \$350,000.00 (three hundred
17 fifty thousand dollars) to be paid to SWRSD in settlement of
18 this claim and will support that request.

19 3. ADOE will not retaliate against SWRSD for having
20 brought this action by failing to approve any capital project
21 requests which it otherwise would approve. This does not pre-
22 clude ADOE, however, from disapproving projects which it would
23 otherwise disapprove. ADOE agrees only that it will not fail to
24 approve projects because of SWRSD having brought this action.

25 4. To the extent that receipt of money in settlement
26 of this case causes SWRSD to exceed the fund balance limitations

1 of AS 14.17.082(a), in the fiscal year in which it is received,
2 ADOE will refrain from recommending under AS 14.17.082(c) that
3 the legislature recapture or reduce aid to SWRSB by that amount.
4 This paragraph does not preclude ADOE from making such recommen-
5 dations as to amounts in excess of the fund balance limitation
6 plus the amount received in this settlement.

7 5. Each party will bear its own costs and attorneys'
8 fees.

9 6. If the first regular session of the Fifteenth
10 Alaska State Legislature fails to appropriate the above sum for
11 settlement, its terms shall be null and void and SWRSB may
12 reschedule the hearing by submitting a written request to USDOE
13 within 30 days of the legislature's adjournment. If the
14 legislature enacts the appropriation but the governor vetoes it
15 at or after the legislative adjournment, SWRSB may have until 30
16 days after the governor's veto in which to request a rescheduled
17 hearing.

18 7. All parties have been represented by counsel,
19 throughout these proceedings and have been advised that, if the
20 appropriation is made and disbursed as stated above, the effect
21 of such appropriation and disbursement shall be to fully and
22 finally settle this matter. This proceeding will then be
23 dismissed and no further proceedings may be had or taken against
24 ADOE or USDOE regarding the matters at issue herein.

25 ///

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8. This agreement is expressly limited to settlement of the matters at issue in this proceeding, and does not extend to any other matters between the parties.

9. This agreement is not and may not be construed to be an admission of any party as to the matters at issue herein but is for the purpose of compromise and settlement only.

DATED: _____

ALASKA DEPARTMENT OF EDUCATION

By: *Marshall L. Lind*
Marshall L. Lind
Commissioner

DATED: 12/15/76

SOUTHWEST REGION SCHOOL DISTRICT

By: *John Anttonen*
John Anttonen
Superintendent

DATED: 12/3/86

U.S. DEPARTMENT OF EDUCATION

By: *Lawrence F. Davenport*
Lawrence F. Davenport
Assistant Secretary for Education
and Secondary Education

IT IS SO ORDERED.

DATED: _____

Richard J. Boyce
Administrative Law Judge

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA 99811
PHONE 465-3600

MEMORANDUM

State of Alaska ED

TO: Jay Hogan, Director
Office of Management & Budget
Office of the Governor

DATE: November 17, 1986

FILE NO:

TELEPHONE NO:

465-3603

FROM:


Harold M. Brown
Attorney General

SUBJECT:

Request for appropriation to settle Southwest Region School District challenge to distribution of state aid to school districts

I. INTRODUCTION

The Alaska Department of Education (ADOE) has entered an agreement, contingent upon legislative appropriation of \$350,000, for settlement of a federal administrative appeal brought by Southwest Region School District (SWRSD) challenging the state's consideration of federal impact aid payments when it allocates state aid to local school districts. The agreement settles only SWRSD's challenge to the distribution of state aid to school districts for Alaska fiscal year 1985 (FY 85). Further challenges may be expected to the distribution of state aid for FY 86 and FY 87. This memorandum outlines the background of the challenge and the department's reasons for entering a settlement agreement. It is written as a request to you to include in the governor's funding requests to the legislature an appropriation of sufficient funds to implement the settlement agreement.

II. BACKGROUND

Under P.L. 81-874, as amended, the federal government provides financial assistance, commonly known as federal impact aid, to local school districts which are impacted by federal activities potentially affecting their ability to raise local revenues. The main such activity is federal ownership, and in Alaska, Indian ownership of property, such that the property is removed from the local tax base which would otherwise be available to support schools. The states are prohibited from considering the federal impact aid received by local districts in determining the amount of state aid allocated to them unless the state has in effect a school aid program which meets certain equalization criteria established by federal regulations. 20 U.S.C. § 240(d)(2).

If the U.S. Secretary of Education finally determines, after appropriate administrative procedures, that a state has

taken federal aid into consideration in violation of that prohibition, the Secretary must terminate all federal impact aid to that state, unless the state restores all state aid wrongfully denied to local agencies. This case involves a claim by SWRSD that Alaska has taken its impact aid funds into consideration in violation of that prohibition. If the district were to prevail, the state would need to restore possibly as much as \$27 million or more in state aid withheld from rural educational attendance areas (REAA's) in FY 85. In the attached settlement agreement, SWRSD has agreed to drop its claim in consideration of payment of \$350,000. Thus, \$350,000 in settlement may extinguish a potential liability many times greater.

Briefly, the state may not "consider" impact aid when allocating state aid unless it has "in effect a program of state aid for free public education for any fiscal year, which is designed to equalize expenditures for free public education among the local education agencies of that state" 20 U.S.C. § 240(d)(2)(A).

The term "equalize expenditures," as used in 20 U.S.C. § 240(d)(2) is defined in the attached regulations at 34 C.F.R. § 222.61(d)(2), § 222.62 and § 222.62(c) provides that; in order to "equalize expenditures," the state program must provide that "in determining the amount to be provided to each local agency in the State, the State will take into consideration the relative financial resources available to local educational agencies in that State for the program." 34 C.F.R. § 222.62(d) provides that the program must meet one of the following standards: a "disparity" standard, defined at 34 C.F.R. § 222.63; a "wealth neutrality" standard, defined at 34 C.F.R. § 222.64; or an "exceptional circumstances" standard, defined at 34 C.F.R. § 222.65. Either current year data, in this case FY 85 data, or prior year data, in this case FY 84 data, can be used to satisfy the tests, provided the state aid program did not change substantially between years.

A. Relative Financial Resources

SWRSD argues that the state did not consider the relative financial resources available to the local school districts in FY 85 because the interim funding mechanism for that year, ch. 127, SLA 1984, provided only for a flat dollar amount per student in each district, with no consideration of the local contribution or local ability to contribute by each district. The state contends that the dollar amounts in the above statute were arrived at by considering local contributions in the year before the foundation program was suspended, 1982. Although municipal

school districts were not required to make local contributions to education in 1982, most of them did. Moreover, the Supplemental Equalization Aid provided under AS 14.17.023, which was taken into consideration in setting the interim per student funding levels, was reduced by the amount of local contributions in FY 1982 or FY 1979, whichever was higher. In 1979, Alaska statutes required a local contribution from municipal districts, although not from REAA's. Thus, perhaps indirectly, local ability was considered by the state in setting FY 1985 aid levels.

B. Disparity Test

SWRSD contends that the state fails the disparity test set forth in 34 C.F.R. § 222.63 because, if area cost of living adjustments under former AS 14.17.051 are excluded from the basic need portion of foundation payments under 34 C.F.R. § 222.63(d)(1), so also should the area adjustments under the supplemental equalization aid program, former AS 14.17.023, be excluded. The state contends that such exclusion is not required because: (a) 34 C.F.R. § 222.63(d) speaks only to what revenues must be included in disparity calculations, and does not require exclusion of any revenues; and (b) 34 C.F.R. § 222.63(d)(1) only excepts cost differentials outside the equalized part of the state aid program, whereas we believe the supplemental equalization aid program is within the equalized part. If the cost differentials are excluded from the basic need portion, but not from the supplemental equalization aid portion, we believe the disparity standard is met.

Moreover, even if cost differentials must be excluded from supplemental equalization aid under 34 C.F.R. § 263(d)(1), we believe the disparity test is met if 34 C.F.R. § 263(d)(3) is interpreted to require inclusion not only of that portion of federal impact aid payments the state actually took into consideration in allocating state aid, but also that portion which the state could have taken into consideration but didn't. Although the U.S. Department of Education has apparently not so interpreted that regulation in the past, that seems to be the literal meaning of the words.

C. Wealth Neutrality Test

Although the state believes that at least 85 percent of total state and local revenues for FY 84 and FY 85 are "wealth neutral" as that term is defined in 34 C.F.R. § 222.64(b), both SWRSD and the federal government have questioned whether the "wealth neutrality" standard can be applied in a state such as Alaska without a required local tax effort. The rules of

application and the examples given in 34 C.F.R. § 222.64(c) seem to contemplate a required local mill levy.

D. "Exceptional Circumstances" Test

Even if Alaska did not qualify to take federal aid into account under the disparity or wealth neutrality tests, we believe the state would qualify under the "Exceptional Circumstances" test of 34 C.F.R. § 222.65. There is some doubt on that point, however, especially on the issue of whether Alaska has the requisite "systems and procedures for evaluating the degree to which the program is meeting its stated objectives" under 34 C.F.R. § 222.65(c)(5).

IV. DEPARTMENT OF EDUCATION'S RECOMMENDATION

Although both the Department of Education and the Department of Law believe that Alaska should ultimately prevail if we continue the litigation over FY 85 state aid, the magnitude of the loss if we fail to do so is quite large. We would either need to restore the monies withheld from REAAs in FY 85 under AS 14.17.021(b), or we would face termination of future impact aid payments to all districts in the state, and, perhaps, the impact aid payments the state receives directly. Such payments now total approximately \$60 million per year.

For the above reasons, because there is at least some possibility that SWRSB will prevail if the litigation continues, the Department of Education has entered a settlement agreement, contingent upon legislative appropriation of \$350,000 to end the district's challenge. The "window" has passed during which any other district could challenge the state's actions for FY 85, so a \$350,000 payment would extinguish a potential liability of as much as \$27 million. While the Department of Law believes we would eventually prevail if we continue this litigation, we believe the settlement agreement is reasonable and prudent.

Many of the same issues will be involved if the state is challenged in its treatment of federal impact aid for FY 86 and FY 87. Because any district may still challenge the state for those years, however, neither the Department of Education nor the Department of Law is recommending payment to SWRSB in settlement of those years at this time.

Please advise me if you have further questions regarding this matter. Unless I hear from you to the contrary, I will assume that you will make sure the appropriation requested by the Department of Education to settle this matter will be included in an appropriate appropriations bill.

HMB:TEW:jal
Enclosure

Offered: 4/21/87
Referred: Rules

wol267hB

Original sponsor: Rules/Governor

Funding Information
General Fund \$14,572,000
Other Funds 7,576,100
\$22,148,100

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 127 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations for fiscal
7 year 1987 and prior fiscal years; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$249,357 is appropriated from the general fund
11 to the Department of Revenue to pay claims for political campaign contribu-
12 tion credits payable under AS 43.20.013 that were filed on or before
13 June 30, 1986.

14 * Sec. 2. The sum of \$225,936 is appropriated from the general fund to
15 the Department of Revenue to pay claims for household and dependent care
16 credits (child care credits) payable under AS 43.20.013 that were filed on
17 or before June 30, 1986.

18 * Sec. 3. The sum of \$50,000 is appropriated from the general fund to
19 the Department of Revenue to compensate fish and game license vendors as
20 required under AS 16.05.390.

21 * Sec. 4. The sum of \$37,045 is appropriated from the general fund to
22 the Department of Revenue to pay the additional fiscal year 1986 sharing
23 required for the electric and telephone cooperative tax under AS 10.25.570.

24 * Sec. 5. The sum of \$212,000 is appropriated from the general fund to
25 the Department of Administration, longevity bonus program, for increased
26 longevity bonus participation.

27 * Sec. 6. The sum of \$177,900 is appropriated from the general fund to
28 the Department of Administration, public defender program, for retrial
29 expenses of the John Peel case.

1 * Sec. 7. The sum of \$305,800 is appropriated from the general fund to
2 the Department of Administration, Office of Public Advocacy, for costs
3 associated with increased caseload.

4 * Sec. 8. The sum of \$88,600 is appropriated from the general fund to
5 the Department of Administration, retirement and benefits program, for
6 costs associated with increased participation in the elected public offi-
7 cers retirement system.

8 * Sec. 9. The sum of \$177,630 is appropriated from the general fund to
9 the following agencies to pay miscellaneous claims and stale dated war-
10 rants:

11	Office of the Governor	\$ 4,072
12	Department of Administration	53,563
13	Department of Commerce and	
14	Economic Development	5,540
15	Department of Military and	
16	Veterans' Affairs	2,945
17	Department of Corrections	20,141
18	Department of Education	15,805
19	Department of Health and	
20	Social Services	19,023
21	Department of Public Safety	907
22	Department of Transportation and	
23	Public Facilities	42,420
24	Department of Fish and Game	13,214

25 * Sec. 10. The sum of \$1,141,600 is appropriated from the general fund
26 to the Department of Transportation and Public Facilities, Alaska Marine
27 Highway System, for the purpose of paying risk management costs.

28 * Sec. 11. The sum of \$1,778,000 is appropriated to the Department of
29 Health and Social Services to pay for costs associated with increased

1 caseloads in the aid to families with dependent children program, from the
2 following sources:

3	Federal Receipts	\$806,600
4	General Fund Match	439,000
5	Interagency Receipts	82,400
6	Child Support Enforcement	
7	Agency Receipts	450,000

8 * Sec. 12. The sum of \$511,400 is appropriated from the general fund to
9 the Department of Health and Social Services, adult public assistance
10 component, to pay for costs associated with increased caseloads in the aid
11 to disabled and the old age assistance programs.

12 * Sec. 13. The sum of \$675,500 is appropriated from the general fund to
13 the Department of Health and Social Services to pay for costs associated
14 with increased caseloads in the general relief assistance program.

15 * Sec. 14. The sum of \$231,600 is appropriated from the general fund to
16 the Department of Health and Social Services to pay for the increased
17 number of court-ordered autopsies in the post-mortem examination program.

18 * Sec. 15. The sum of \$178,000 is appropriated from the general fund to
19 the Department of Health and Social Services to pay for the shortfall of
20 third party and other federal receipts due to the lower patient count at
21 the Alaska Psychiatric Institute.

22 * Sec. 16. The sum of \$347,500 is appropriated from the general fund to
23 the Department of Health and Social Services for personal services and
24 medical costs associated with the operation of McLaughlin Youth Center.

25 * Sec. 17. The sum of \$306,900 is appropriated from the general fund to
26 the Department of Health and Social Services to pay for increased personal
27 services and support costs associated with on-going program operations and
28 opening the new wing at Fairbanks Youth Facility.

29 * Sec. 18. The sum of \$90,000 is appropriated from the general fund to

1 the Department of Health and Social Services to pay for community placement
2 in adult residential care programs for the chronically mentally ill.

3 * Sec. 19. The sum of \$5,896,400 is appropriated from the general fund
4 to the Alaska Power Authority for the settlement agreement entered into
5 between Harrison Western Corporation, d/b/a Susitna Constructors, and the
6 Alaska Power Authority based upon changes and increased costs associated
7 with construction of the Anchorage-Fairbanks intertie.

8 * Sec. 20. The sum of \$90,000 is appropriated from the general fund to
9 the Department of Commerce and Economic Development, Office of Internation-
10 al Trade, to offset foreign office shortfalls arising from exchange rate
11 fluctuations.

12 * Sec. 21. The sum of \$239,000 is appropriated from the general fund to
13 the Department of Commerce and Economic Development for payments under the
14 fisheries enhancement tax receipt program.

15 * Sec. 22. The sum of \$150,000 is appropriated from the general fund to
16 the Department of Law for costs associated with Weiss v. State.

17 * Sec. 23. The sum of \$126,000 is appropriated from the general fund to
18 the Department of Law to pay judgments and claims against the state.

19 * Sec. 24. The sum of \$200,000 is appropriated from the general fund to
20 the Department of Law for the North Slope Borough investigations.

21 * Sec. 25. The sum of \$3,256,800 is appropriated from the general fund
22 to the Department of Natural Resources to pay for costs incurred in fire
23 suppression efforts during fiscal year 1987.

24 * Sec. 26. The sum of \$657,600 is appropriated from the general fund to
25 the Department of Natural Resources for the settlement agreement entered
26 into on July 14, 1986, between the state and Cook Inlet Region, Inc.
27 (CIRI), contingent on an opinion by the attorney general that the state is
28 legally obligated without an appropriation to compensate CIRI this amount
29 for rehabilitation of certain lands.

1 * Sec. 27. The sum of \$95,000 is appropriated from program receipts in
2 the general fund (user fees) to the Department of Natural Resources for the
3 operation of recorders' offices for the fiscal year ending June 30, 1987.

4 * Sec. 28. The sum of \$1,124,000 is appropriated from the general fund
5 to the Department of Corrections to cover higher than anticipated major
6 medical costs for prisoners.

7 * Sec. 29. The sum of \$245,700 is appropriated from program receipts in
8 the general fund (care and treatment funds) to the Department of Correc-
9 tions, statewide programs, to pay additional costs of care for community
10 residential and restitution centers.

11 * Sec. 30. The sum of \$32,900 is appropriated from the general fund to
12 the Department of Military and Veterans' Affairs for the flood control
13 program for the fiscal year ending June 30, 1987.

14 * Sec. 31. The sum of \$81,800 is appropriated from the general fund to
15 the Office of the Governor for payment to the contingency fund.

16 * Sec. 32. The sum of \$2,500,000 is appropriated from the general fund
17 to the Department of Education to reimburse the pupil transportation pro-
18 gram for transfers made to the tuition students (\$2,300,000) and handi-
19 capped students (\$200,000) programs for the fiscal year ending June 30,
20 1987.

21 * Sec. 33. The sum of \$318,250 is appropriated from the general fund to
22 the Department of Education for payments under AS 14.17 for the multi-
23 handicapped programs for the fiscal year ending June 30, 1987.

24 * Sec. 34. The sum of \$350,000 is appropriated from the general fund to
25 the Department of Education for settlement of a December 3, 1986, federal
26 administrative appeal brought by the Southwest Region School District for
27 fiscal year 1987.

28 * Sec. 35. This Act takes effect immediately under AS 01.10.070(c).

STEVE COWPER
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

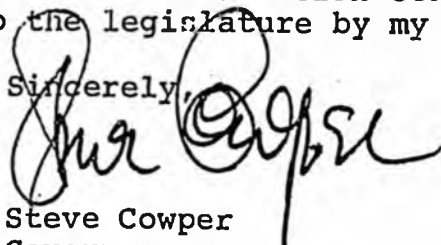
February 10, 1987

The Honorable Ben Grussendorf
Speaker of the House
Alaska State Legislature
P.O. Box V
Juneau, AK 99811

Dear Representative Grussendorf:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a bill making supplemental appropriations, an allocation transfer, and reductions in the fiscal year 1987 budget. Additional information concerning this bill will be furnished to the legislature by my staff.

Sincerely,


Steve Cowper
Governor

FY 87 estimated impact of Anchorage Full & True Value Assessment Appeal under the Revenue Sharing Tax Equalization Program.

<u>Municipalities</u>	<u>FY 87 Entitlement</u>	<u>FY 87 Appeal Impact</u>	<u>FY 87 Difference</u>
Mun. of Anchorage	\$ 13,804.0	\$ 15,761.0	+ \$ 1,957.0
FNSB	3,016.0	2,756.0	-260.0
City of Fairbanks	1,444.0	1,368.0	- 76.0
Mat-Su Borough	3,135.0	2,985.0	-150.0
Kenai Pen. Borough	2,951.0	2,844.0	-107.0
Juneau	4,688.0	4,259.0	-429.0
City of Ketchikan	995.8	917.9	- 77.9
Kodiak	678.6	645.9	- 32.7
Sitka	771.1	716.9	- 54.2
Ketchikan Borough	487.6	435.3	- 52.3
City of Kotzebue	387.5	359.5	- 28.0

These figures are from the Department of Community & Regional Affairs and only take into account the current Anchorage appeal case exclusive of any other possible municipal appeals in regard to the Tax Equalization Program.

Terminal Leave and Unemployment Insurance Estimates FY 87
 Prepared by Division of Finance
 March 12, 1987

	TOTAL	UI	Terminal Leave	Leave Cash-in
Collected to date	\$ 8,525.9	\$ 3,258.4	\$ 3,621.4	\$ 1,646.1
Estimate for balance of FY	4,214.7	1,629.7	1,777.3	807.7
Total Estimated Collections	\$ 12,740.6	\$ 4,888.1	\$ 5,398.7	\$ 2,453.8
Expended to date	(14,879.7)	(3,004.9)	(8,082.3)	(3,792.5)
Estimate for balance of FY	(9,127.8)	(3,190.3)	(4,041.2)	(1,896.3)
Estimated cost for FY 87	(24,007.5)	(6,195.2)	(12,123.5)	(5,688.8)
Estimated Balance (Deficit) [A]	\$ (11,266.9)	\$ (1,307.1)	\$ (6,724.8)	\$ (3,235.0)
Additional leave payoff due to RIP or Layoff	(3,463.2)		(3,463.2)	
[B]	<u>\$ (14,730.1)</u>	<u>\$ (1,307.1)</u>	<u>\$ (10,188.0)</u>	<u>\$ (3,235.0)</u>
% of Personal Services (to be taken from lapsed personal services)	[A] 1.57694%	[B] 2.06166%		

AS 37.05.156 provides for a working reserve account to collect budgeted amounts for cash payments of accrued and terminal leave and for employer's contributions for unemployment compensation. This section also allows the Department of Administration to collect from agency lapse personal service balances any amounts needed to cover expenditures in excess of budgeted leave and UI balances.

[A] represents the estimated minimum percent to be allocated in FY 87.
 [B] represents estimate with 520 employee's RIPing or potential layoffs.

FY 87 SUPPLEMENTALS--ALL FUNDS (THOUSANDS)

SEC.	DEPARTMENT	DESCRIPTION	GENERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
1.0	REVENUE	POLITICAL CAMPAIGN CREDITS	249.4		249.4
2.0	REVENUE	CHILD CARE CREDITS	225.9		225.9
3.0	REVENUE	FISH/GAME LICENSE VENDORS	50.0		50.0
4.0	REVENUE	ELECTRIC/TELEPHONE COOP TAX	37.0		37.0
5.0	ADMINISTRATION	LONGEVITY BONUS PAYMENTS	212.0		212.0
6.0	ADMINISTRATION	PUBLIC DEFENDER/PEEL CASE	177.9		177.9
7.0	ADMINISTRATION	PUBLIC ADVOCATES CASELOAD	305.8		305.8
8.0	ADMINISTRATION	RETIREMENTS SYTSTEM (EPORS)	88.6		88.6
9.0	GOVERNOR'S OFFICE	MISC. CLAIMS/STALE WARRANTS	4.1		4.1
9.1	ADMINISTRATION	MISC. CLAIMS/STALE WARRANTS	52.3		52.3
9.2	COMMERCE	MISC. CLAIMS/STALE WARRANTS	5.5		5.5
9.3	MILITARY/VET AFFAIRS	MISC. CLAIMS/STALE WARRANTS	2.9		2.9
9.4	CORRECTIONS	MISC. CLAIMS/STALE WARRANTS	19.6		19.6
9.5	EDUCATION	MISC. CLAIMS/STALE WARRANTS	15.8		15.8
9.6	HEALTH/SOCIAL SVCS	MISC. CLAIMS/STALE WARRANTS	19.0		19.0
9.7	PUBLIC SAFETY	MISC. CLAIMS/STALE WARRANTS	0.9		0.9
9.8	TRANSPORTATION	MISC. CLAIMS/STALE WARRANTS	42.4		42.4
9.9	FISH & GAME	MISC. CLAIMS/STALE WARRANTS	10.2		10.2
10.0	TRANSPORTATION	MARINE HWYS RISK MGT COSTS	1,141.6		1,141.6
11.0	HEALTH/SOCIAL SVCS	AFDC CASELOADS	439.0	1,339.0	1,778.0
12.0	HEALTH/SOCIAL SVCS	DISABLED/OLD AGE ASSISTANCE	511.4		511.4
13.0	HEALTH/SOCIAL SVCS	GENERAL RELIEF ASSISTANCE	675.5		675.5
14.0	HEALTH/SOCIAL SVCS	POST MORTEM EXAMINATIONS	231.6		231.6
15.0	HEALTH/SOCIAL SVCS	ALASKA PSYCHIATRIC INSTITUTE	178.0		178.0
16.0	HEALTH/SOCIAL SVCS	MCLAUGHLIN YOUTH CENTER	347.5		347.5
17.0	HEALTH/SOCIAL SVCS	FAIRBANKS YOUTH FACILITY	306.9		306.9

FY 87 SUPPLEMENTALS--ALL FUNDS (THOUSANDS)

SEC.	DEPARTMENT	DESCRIPTION	GENERAL FUNDS	OTHER FUNDS	TOTAL FUNDS
18.0	HEALTH/SOCIAL SVCS	RESIDENTIAL CARE CMI	90.0		90.0
19.0	COMMERCE	APA-ANCH/FAI INTERTIE	0.0	5,896.4	5,896.4
20.0	COMMERCE	INT'L TRADE FOREIGN EXCH RATES	90.0		90.0
21.0	COMMERCE	FISH ENHANCEMENT TAX RCTS	239.0		239.0
22.0	LAW	WEISS V. STATE	150.0		150.0
23.0	LAW	MISC. JDGMNTS AGAINST STATE	126.0		126.0
24.0	LAW	N. SLOPE BOROUGH INVESTIGATE	200.0		200.0
25.0	NATURAL RESOURCES	FIRE SUPPRESSION FUNDS	3,256.8		3,256.8
26.0	NATURAL RESOURCES	CIRI LAND REHAB SETTLEMENT	657.6		657.6
27.0	NATURAL RESOURCES	RECORDERS OFFICE OPERATIONS		95.0	95.0
28.0	CORRECTIONS	MAJOR MEDICAL COSTS	1,124.0		1,124.0
29.0	CORRECTIONS	RESIDENTIAL/RESTITUTION CTRS		245.7	245.7
30.0	MILITARY/VET AFFAIRS	FLOOD CONTROL PROGRAM	32.9		32.9
31.0	GOVERNOR'S OFFICE	CONTINGENCY FUND	81.8		81.8
32.0	EDUCATION	PUPIL TRANSPORTATION	2,500.0		2,500.0
33.0	EDUCATION	MULTI-HANDICAPPED PGRM	318.3		318.3
34.0	EDUCATION	SW REGION SD SETTLEMENT	350.0		350.0
Total:			14,567.2	7,576.1	22,143.3

FY 87 SUPPLEMENTALS --GF ONLY (THOUSANDS)

DEPARTMENT	SEC. (AMEND)	SEC. (ORIG)	DESCRIPTION	GF AMEND	GF ORIG	GF AMEND - GF ORIG
ADMINISTRATION	5.0	9.0	LONGEVITY BONUS PAYMENTS	212.0	212.0	0.0
	6.0	10.0	PUBLIC DEFENDER/PEEL CASE	177.9	177.9	0.0
	7.0	11.0	PUBLIC ADVOCATES CASELOAD	305.8	855.2	-549.4
	8.0	12.0	RETIREMENTS SYTSTEM (EPORS)	88.6	88.6	0.0
	9.1		MISC. CLAIMS/STALE WARRANTS	52.3		52.3
			Total for ADMINISTRATION:	836.6	1,333.7	-497.1
COMMERCE		23.0	REAL ESTATE COMM OPERATIONS	0.0	39.7	-39.7
	9.2	13.1	MISC. CLAIMS/STALE WARRANTS	5.5	5.5	0.0
	19.0	24.0	APA-ANCH/FAI INTERTIE	0.0	5,896.4	-5,896.4
	20.0	25.0	INT'L TRADE FOREIGN EXCH RATES	90.0	90.0	0.0
	21.0	26.0	FISH ENHANCEMENT TAX RCTS	239.0	239.0	0.0
			Total for COMMERCE:	334.5	6,270.6	-5,936.1
CORRECTIONS	9.4	13.3	MISC. CLAIMS/STALE WARRANTS	19.6	19.6	0.0
	28.0		MAJOR MEDICAL COSTS	1,124.0		1,124.0
	29.0		RESIDENTIAL/RESTITUTION CTRS			0.0
			Total for CORRECTIONS:	1,143.6	19.6	1,124.0
EDUCATION	9.5		MISC. CLAIMS/STALE WARRANTS	15.8		15.8
	32.0		PUPIL TRANSPORTATION	2,500.0		2,500.0
	33.0		MULTI-HANDICAPPED PGRM	318.3		318.3
	34.0		SW REGION SD SETTLEMENT	350.0		350.0
			Total for EDUCATION:	3,184.1	0.0	3,184.1

FY 87 SUPPLEMENTALS --GF ONLY (THOUSANDS)

DEPARTMENT	SEC. (AMEND)	SEC. (DRIG)	DESCRIPTION	GF AMEND	GF ORIG	GF AMEND - GF ORIG
FISH & GAME	9.9	13.6	MISC. CLAIMS/STALE WARRANTS	10.2	6.8	3.4
			Total for FISH & GAME:	10.2	6.8	3.4
GOVERNOR'S OFFICE		1.0	GOVERNOR SECURITY	0.0	45.5	-45.5
		2.0	TRANSITION EXPENSES	0.0	106.8	-106.8
	9.0	13.0	MISC. CLAIMS/STALE WARRANTS	4.1	4.1	0.0
	31.0		CONTINGENCY FUND	81.8		81.8
			Total for GOVERNOR'S OFFICE:	85.9	156.4	-70.5
HEALTH/SOCIAL SVCS		19.0	MEDICAID-LONGEVITY BONUS HH	0.0	502.2	-502.2
	9.6	13.4	MISC. CLAIMS/STALE WARRANTS	19.0	50.0	-31.0
	11.0	15.0	AFDC CASELOADS	439.0	889.0	-450.0
	12.0	16.0	DISABLED/OLD AGE ASSISTANCE	511.4	511.4	0.0
	13.0	17.0	GENERAL RELIEF ASSISTANCE	675.5	375.5	300.0
	14.0	18.0	POST MORTEM EXAMINATIONS	231.6	231.6	0.0
	15.0	20.0	ALASKA PSYCHIATRIC INSTITUTE	178.0	550.0	-372.0
	16.0	21.0	MCLAUGHLIN YOUTH CENTER	347.5	347.5	0.0
	17.0	22.0	FAIRBANKS YOUTH FACILITY	306.9	356.9	-50.0
	18.0		RESIDENTIAL CARE CMI	90.0		90.0
			Total for HEALTH/SOCIAL SVCS:	2,798.9	3,814.1	-1,015.2
LAW	22.0	27.0	WEISS V. STATE	150.0	150.0	0.0
	23.0	28.0	MISC. JDGMNTS AGAINST STATE	126.0	98.0	28.0
	24.0	29.0	N. SLOPE BOROUGH INVESTIGATE	200.0	200.0	0.0
			Total for LAW:	476.0	448.0	28.0

FY 87 SUPPLEMENTALS --GF ONLY (THOUSANDS)

DEPARTMENT	SEC. (AMEND)	SEC. (ORIG)	DESCRIPTION	GF AMEND	GF ORIG	GF AMEND - GF ORIG
MILITARY/VET AFFAIRS	9.3	13.2	MISC. CLAIMS/STALE WARRANTS	2.9	2.9	0.0
	30.0		FLOOD CONTROL PROGRAM	32.9		32.9
			Total for MILITARY/VET AFFAIRS:	35.8	2.9	32.9
NATURAL RESOURCES		8.0	PARKS MANAGEMENT		-100.0	100.0
		8.1	KOOTZNOOWOOD HERITAGE GRANT		100.0	-100.0
		31.0	COMPUTERIZE RECORDERS OFFICE		-136.8	136.8
		31.1	CLOSE RURAL RECORDERS OFFICE		136.8	-136.8
	25.0	7.0	FIRE SUPPRESSION FUNDS	3,256.8	3,256.8	0.0
	26.0	30.0	CIRI LAND REHAB SETTLEMENT	657.6	657.6	0.0
27.0		RECORDERS OFFICE OPERATIONS			0.0	
		Total for NATURAL RESOURCES:	3,914.4	3,914.4	0.0	
PUBLIC SAFETY	9.7	13.5	MISC. CLAIMS/STALE WARRANTS	0.9	0.9	0.0
			Total for PUBLIC SAFETY:	0.9	0.9	0.0
REVENUE	1.0	3.0	POLITICAL CAMPAIGN CREDITS	249.4	249.4	0.0
	2.0	4.0	CHILD CARE CREDITS	225.9	225.9	0.0
	3.0	5.0	FISH/GAME LICENSE VENDORS	50.0	50.0	0.0
	4.0	6.0	ELECTRIC/TELEPHONE COOP TAX	37.0	37.0	0.0
		Total for REVENUE:	562.3	562.3	0.0	
TRANSPORTATION	9.8		MISC. CLAIMS/STALE WARRANTS	42.4		42.4
	10.0	14.0	MARINE HWYS RISK MGT COSTS	1,141.6	1,141.6	0.0

CS HB 127 (FIN) VS. HB 127

FY 87 SUPPLEMENTALS --GF ONLY (THOUSANDS)

DEPARTMENT	SEC. (AMEND)	SEC. (ORIG)	DESCRIPTION	GF AMEND	GF ORIG	GF AMEND - GF ORIG
			Total for TRANSPORTATION:	1,184.0	1,141.6	42.4
			Total:	14,567.2	17,671.3	-3,104.1

GOVERNOR'S FY 67 SUPPLEMENTAL REQUESTS --GF ONLY (THOUSANDS)

DEPARTMENT	SEC. (AMEND)	SEC. (ORIG)	DESCRIPTION	GF AMEND	GF ORIG	GF AMEND - GF ORIG
ADMINISTRATION	8.0	9.0	LONGEVITY BONUS PAYMENTS	212.0	212.0	0.0
	9.0	10.0	PUBLIC DEFENDER/PEEL CASE	177.9	177.9	0.0
	10.0	11.0	PUBLIC ADVOCATES CASELOAD	855.2	855.2	0.0
	11.0	12.0	RETIREMENTS SYTSTEM (EPORS)	88.6	88.6	0.0
	12.1		MISC. CLAIMS/STALE WARRANTS	52.3		52.3
			Total for ADMINISTRATION:	1,386.0	1,333.7	52.3
COMMERCE	12.2	13.1	MISC. CLAIMS/STALE WARRANTS	5.5	5.5	0.0
	22.0	23.0	REAL ESTATE COMM OPERATIONS	39.7	39.7	0.0
	23.0	24.0	APA-ANCH/FAI INTERTIE	5,896.4	5,896.4	0.0
	24.0	25.0	INT'L TRADE FOREIGN EXCH RATES	90.0	90.0	0.0
	25.0	26.0	FISH ENHANCEMENT TAX RCTS	239.0	239.0	0.0
			Total for COMMERCE:	6,270.6	6,270.6	0.0
CORRECTIONS	12.4	13.3	MISC. CLAIMS/STALE WARRANTS	19.6	19.6	0.0
	31.0		MAJOR MEDICAL COSTS	1,124.0		1,124.0
			Total for CORRECTIONS:	1,143.6	19.6	1,124.0
EDUCATION	12.5		MISC. CLAIMS/STALE WARRANTS	15.8		15.8
	33.0		SW REGION SD SETTLEMENT	350.0		350.0
			Total for EDUCATION:	365.8	0.0	365.8
FISH & GAME	12.9	13.6	MISC. CLAIMS/STALE WARRANTS	10.2	6.8	3.4
			Total for FISH & GAME:	10.2	6.8	3.4

AMENDED REQUEST VS. ORIGINAL REQUEST

GOVERNOR'S FY 87 SUPPLEMENTAL REQUESTS --GF ONLY (THOUSANDS)

DEPARTMENT	SEC. (AMEND)	SEC. (ORIG)	DESCRIPTION	GF AMEND	GF ORIG	GF AMEND - GF ORIG
GOVERNOR'S OFFICE	1.0	1.0	GOVERNOR SECURITY	45.5	45.5	0.0
	2.0	2.0	TRANSITION EXPENSES	106.8	106.8	0.0
	12.0	13.0	MISC. CLAIMS/STALE WARRANTS	4.1	4.1	0.0
	Total for GOVERNOR'S OFFICE:			156.4	156.4	0.0
HEALTH/SOCIAL SVCS		19.0	MEDICAID-LONGEVITY BONUS HH		502.2	-502.2
	12.6	13.4	MISC. CLAIMS/STALE WARRANTS	19.0	50.0	-31.0
	14.0	15.0	AFDC CASELOADS	439.0	889.0	-450.0
	15.0	16.0	DISABLED/OLD AGE ASSISTANCE	511.4	511.4	0.0
	16.0	17.0	GENERAL RELIEF ASSISTANCE	525.5	375.5	150.0
	17.0	18.0	POST MORTEM EXAMINATIONS	231.6	231.6	0.0
	18.0	20.0	ALASKA PSYCHIATRIC INSTITUTE	178.0	550.0	-372.0
	19.0	21.0	MCLAUGHLIN YOUTH CENTER	347.5	347.5	0.0
	20.0	22.0	FAIRBANKS YOUTH FACILITY	306.9	356.9	-50.0
	21.0		RESIDENTIAL CARE CMI ✓	90.0		90.0
	Total for HEALTH/SOCIAL SVCS:			2,648.9	3,814.1	-1,165.2
LAW	26.0	27.0	WEISS V. STATE	150.0	150.0	0.0
	27.0	28.0	MISC. JDMNTS AGAINST STATE	126.0	98.0	28.0
	28.0	29.0	N. SLOPE BOROUGH INVESTIGATE	200.0	200.0	0.0
	Total for LAW:			476.0	448.0	28.0
MILITARY/VET AFFAIRS	12.3	13.2	MISC. CLAIMS/STALE WARRANTS	2.9	2.9	0.0
	32.0		FLOOD CONTROL PROGRAM	32.9		32.9
	Total for MILITARY/VET AFFAIRS:			35.8	2.9	32.9

AMENDED REQUEST VS. ORIGINAL REQUEST

GOVERNOR'S FY 87 SUPPLEMENTAL REQUESTS --GF ONLY (THOUSANDS)

DEPARTMENT	SEC. (AMEND)	SEC. (ORIG)	DESCRIPTION	GF AMEND	GF ORIG	GF AMEND -- GF ORIG
NATURAL RESOURCES		8.0	PARKS MANAGEMENT		-100.0	100.0
		8.1	KOOTZNODWOOD HERITAGE GRANT		100.0	-100.0
		31.0	COMPUTERIZE RECORDERS OFFICE		-136.8	136.8
		31.1	CLOSE RURAL RECORDERS OFFICE		136.8	-136.8
	7.0	7.0	FIRE SUPPRESSION FUNDS	3,256.8	3,256.8	0.0
	29.0	30.0	CIRI LAND REHAB SETTLEMENT	657.6	657.6	0.0
	30.0		RECORDERS OFFICE OPERATIONS			0.0
		Total for NATURAL RESOURCES:	3,914.4	3,914.4	0.0	
PUBLIC SAFETY	12.7	13.5	MISC. CLAIMS/STALE WARRANTS	0.9	0.9	0.0
			Total for PUBLIC SAFETY:	0.9	0.9	0.0
REVENUE	3.0	3.0	POLITICAL CAMPAIGN CREDITS	249.4	249.4	0.0
	4.0	4.0	CHILD CARE CREDITS	225.9	225.9	0.0
	5.0	5.0	FISH/GAME LICENSE VENDORS	50.0	50.0	0.0
	6.0	6.0	ELECTRIC/TELEPHONE COOP TAX	37.0	37.0	0.0
			Total for REVENUE:	562.3	562.3	0.0
TRANSPORTATION	12.8		MISC. CLAIMS/STALE WARRANTS	42.4		42.4
	13.0	14.0	MARINE HWYS RISK MGT COSTS	1,141.6	1,141.6	0.0
			Total for TRANSPORTATION:	1,184.0	1,141.6	42.4
				Total:	18,154.9	17,671.3
						483.6

AMENDED REQUEST VS. ORIGINAL REQUEST



Ombudsman

February 13, 1987

House Finance Committee
P.O. Box V
Juneau, Alaska 99811

RE: Ombudsman Budget

Chairman Adams and Members of the Committee:

Thank you for the opportunity to address the House Finance Committee last Friday. Several members of the committee asked questions about the Ombudsman's office budget; I have attempted to answer these questions in this letter. Please do not hesitate to contact me or to have your staff contact me, if you have further questions.

1. If the office receives additional budget cuts for fy88, what effect would that have on the office?

The costs directly related to the investigative functions of the office comprise approximately 85% of the budget. I am exploring ways to further cut the administrative costs of operating the office, but they were significantly reduced in July 1986, and I do not yet know to what extent they can be trimmed.

One possibility would be for the Ombudsman to share administrative expenses with the Division of Legislative Budget and Audit, especially in Anchorage. Using this type of approach, the office could try to minimize the impact of a cut on complaint handling.

However, as you remember, last year the house voted a 10% cut, and the senate voted a 100% cut. If this were to happen again, with another 55% reduction of the budget, the effect on the office would be devastating. As I said during the meeting, under such a cut I believe the Ombudsman could continue to function but probably with only one office, almost all contact with the public and agencies by phone, a greatly reduced staff, and greatly reduced contact with and service to the public.

2. What are the priorities of the office?

The priorities are established in statute and regulation.

State of Alaska

Reply to:

- 3201 C Street, Suite 403
Anchorage, Alaska 99503
(907) 563-3673
- P.O. Box WD
Juneau, Alaska 99811
(907) 465-4970
- P.O. Box 74358
Fairbanks, Alaska 99707
(907) 452-4001

Copies to members of the committee
A

AS 24.55.110 states:

The Ombudsman shall investigate any complaint which is an appropriate subject for investigation under sec. 150 of this chapter, unless he reasonably believes:

- (1) there is presently available an adequate remedy for the grievance stated in the complaint;
- (2) the complaint relates to a matter that is outside the jurisdiction of the ombudsman;
- (3) the complaint relates to an administrative act of which the complainant has had knowledge for an unreasonable length of time before the complaint was submitted;
- (4) the complainant does not have a sufficient personal interest in the subject matter of the complaint;
- (5) the complaint is trivial or made in bad faith;
- (6) the resources of the ombudsman's office are insufficient for adequate investigation.

21 AAC 20.100 defines specific priorities as follows:

(a) When the resources of the office of the ombudsman are not sufficient to investigate adequately all pending complaints within reasonable time limits, investigations must be conducted according to the following priority rankings:

- (1) complaints of an emergency nature in which disposition according to normal handling would subject the complainant to a substantial risk of serious and irreparable harm;
- (2) complaints in which there is an allegation or evidence of prejudice, harm, or disadvantage and for which investigation should be undertaken at an early opportunity because of an actual or potential time constraint;
- (3) complaints in which there is an allegation or evidence of recurring systematic prejudice, harm, or disadvantage, or of the possibility of recurring systematic prejudice, harm, or disadvantage, as a result of an administrative act or decision;

(4) complaints in which there is an allegation or evidence of a single or isolated instance of prejudice, harm, or disadvantage as a result of an administrative act or decision.

(b) Within each priority category set out in (a) of this section,

(1) investigation of a complaint alleging or giving evidence of prejudice, harm, or disadvantage to a class of people has precedence to an investigation of a complaint alleging an individual instance of prejudice, harm, or disadvantage;

(2) investigation of complaints must be substantially in accordance with an order based on priority of the date on which the complaint was received.

3. Describe how the office has changed since the last budget cut.

As the fact sheet that I distributed at the finance committee meeting shows, the staff was reduced from 24 to 12. I eliminated the job class of "Ombudsman Regional Representative" in an attempt to eliminate duplication of supervision in a much smaller office. The remaining employees are distributed as follows:

Anchorage: Acting Ombudsman, 4 investigators, secretarial
Fairbanks: 2 investigators
Juneau: 2 1/2 investigators, 1/2 administrator, secretarial

Office functions are divided as follows:

Anchorage: Receives toll-free calls from the northern and central parts of the state, investigates all southcentral investigations, assists Juneau and Fairbanks investigations involving Anchorage files or agency personnel.

Fairbanks: Investigates all Fairbanks complaints that are not resolved with the first few calls. Most intakes are routed through the toll-free lines to Anchorage, but the Fairbanks investigators have taken complaints on an intermittent basis, as their workloads permit.

Juneau: Receives toll-free calls from Southeast Alaska, investigates complaints against the City and Borough of Juneau, and assists Fairbanks and Anchorage investigations involving Juneau files or agency personnel.

This is a change from the previous year, when each office was able to receive and investigate all its own complaints, with some transfers when necessary. Now, the larger office in Anchorage handles the bulk of

"intakes," which provides an efficiency of operation allowing more investigators to spend their time working on complaints that are judged to have higher priority, based on the standards described above.

The "800" toll-free lines are new this year.

4. What is the Ombudsman's salary?

AS 24.55. 060 states: "The ombudsman is entitled to receive an annual salary equal to that of a superior court judge."

That is range 28 E, or \$77,304 plus \$18,173 in benefits, for a total annual compensation of \$95,477. This is the same as for commissioners, as provided in AS 39.20.080.

My salary as Acting Ombudsman has been at range 24, the level at which regional representatives were compensated.

Sincerely,



Robert G. Walton
Acting Ombudsman

RGW1:cm1

Alaska State Legislature

House of Representatives

Al Adams

Chairman

Committee on Finance



Official Business

WHILE IN SESSION
Pouch V
State Capitol
Juneau, Alaska 99811
(907) 465-3706

OUT OF SESSION
P.O. Box 333
Kotzebue, Alaska 99752
(907) 442-3320

1024 W. 6th
Anchorage, Alaska 99501
(907) 274-0615

MEMORANDUM

To: All Budget Subcommittee Chairman
House Finance Committee

From: Al Adams *ADA*
Chairman
House Finance Committee

Date: February 16, 1987

Subj: HB 127--FY 87 Supplementals

Attached is a sectional analysis of House Bill 127 "An Act making supplemental appropriations, a transfer of an allocation, and reductions in the FY 87 operating budget; and providing for an effective date."

I would appreciate it if each subcommittee would review the appropriation items in HB 127 which pertain to their respective departments and, to the extent possible, be prepared to suggest other areas within the department which could be reduced to off-set the supplemental requests. In addition, you should feel free to propose additional supplementals which have been overlooked by the Administration provided, of course, you can identify a source of funds to cover the additional costs.

The Governor has until the 45th legislative day to submit additional supplemental requests.

If you have any questions regarding this matter, please don't hesitate to contact my office.

DEPARTMENT	SECTION	DESCRIPTION	GF INCREASE	GF DECREASE	OTHER FUNDS	TOTAL GF	TOTAL FUNDS
ADMINISTRATION	9.0	LONGEVITY BONUS PROGRAM	212.0			212.0	212.0
ADMINISTRATION	10.0	PUBLIC DEFENDER PEEL CASE RETRIAL	177.9			177.9	177.9
ADMINISTRATION	11.0	PUBLIC ADVOCATE INCREASED CASELOAD	855.2			855.2	855.2
ADMINISTRATION	12.0	EPORS INCREASED PARTICIPATION	88.6			88.6	88.6
		TOTAL ADMINISTRATION	1333.7			1333.7	1333.7
COMMERCE	13.2	MISC CLAIMS/STALE WARRANTS	5.5			5.5	5.5
COMMERCE	23.0	REAL ESTATE COMMISSION OPERATIONS	39.7			39.7	39.7
COMMERCE	24.0	APA ANCHORAGE/FAIRBANKS INTERTIE	5896.4			5896.4	5896.4
COMMERCE	25.0	INTL TRADE OFFICES OPERATIONS	90.0			90.0	90.0
COMMERCE	26.0	FISHERIES ENHANCEMENT TAX RECEIPTS	239.0			239.0	239.0
		TOTAL COMMERCE	6270.6			6270.6	6270.6
CORRECTIONS	13.4	MISC CLAIMS/STALE WARRANTS	19.6			19.6	19.6
		TOTAL CORRECTIONS	19.6			19.6	19.6
FISH & GAME	13.7	MISC CLAIMS/STALE WARRANTS	6.8			6.8	6.8
		TOTAL FISH & GAME	6.8			6.8	6.8
GOVERNOR	1.0	GOVERNOR SECURITY	45.5			45.5	45.5
GOVERNOR	2.0	TRANSITION COSTS	106.8			106.8	106.8
GOVERNOR	13.1	MISC CLAIMS/STALE WARRANTS	4.1			4.1	4.1
		TOTAL GOVERNOR	156.4			156.4	156.4
HEALTH/SOCIAL SVCS	13.5	MISC CLAIMS/STALE WARRANTS	50.0			50.0	50.0
HEALTH/SOCIAL SVCS	15.0	AFDC	889.0		889.0	889.0	1778.0
HEALTH/SOCIAL SVCS	16.0	ADULT PUBLIC ASSISTANCE	511.4			511.4	511.4
HEALTH/SOCIAL SVCS	17.0	GENERAL RELIEF ASSISTANCE	375.5			375.5	375.5
HEALTH/SOCIAL SVCS	18.0	POST MORTEM EXAMINATIONS	231.6			231.6	231.6
HEALTH/SOCIAL SVCS	19.0	MEDICAID LONGEVITY BONUS HLD HRMLESE	502.2			502.2	502.2
HEALTH/SOCIAL SVCS	20.0	API SECURITY SYSTEM PERS SVCS COSTS	550.0			550.0	550.0
HEALTH/SOCIAL SVCS	21.0	MCLAUGHLIN PERS SVCS/MEDICAL COSTS	347.5			347.5	347.5
HEALTH/SOCIAL SVCS	22.0	FBKS YOUTH FACILITY OPERATIONS	356.9			356.9	356.9

DEPARTMENT	SECTION	DESCRIPTION	6F INCREASE	6F DECREASE	OTHER FUNDS	TOTAL 6F	TOTAL FUNDS
		TOTAL HEALTH/SOCIAL SVCS	3814.1		889.0	3814.1	4703.1
LAW	27.0	COSTS OF WEISS V. STATE	150.0			150.0	150.0
LAW	28.0	JUDGEMENTS/CLAIMS AGAINST THE STA1	98.0			98.0	98.0
LAW	29.0	N SLOPE BOROUGH INVESTIGATIONS	200.0			200.0	200.0
		TOTAL LAW	448.0			448.0	448.0
MILITARY AFFAIRS	13.3	MISC CLAIMS/STALE WARRANTS	2.9			2.9	2.9
		TOTAL MILITARY AFFAIRS	2.9			2.9	2.9
NATURAL RESOURCES	7.0	FIRE SUPPRESSION FY 87	3256.8			3256.8	3256.8
NATURAL RESOURCES	8.1	PARKS MANAGEMENT		-100.0		-100.0	-100.0
NATURAL RESOURCES	8.2	KOOTZNOOWOO HERITAGE FOUNDATION GR.	100.0			100.0	100.0
NATURAL RESOURCES	30.0	REHABILITATION OF CIRI LANDS	657.6			657.6	657.6
NATURAL RESOURCES	31.1	RECORDERS OFFICE COMPUTERIZATION		-136.8		-136.8	-136.8
NATURAL RESOURCES	31.2	CLOSEDOWN OF RURAL RECORDERS OFFICE:	136.8			136.8	136.8
		TOTAL NATURAL RESOURCES	4151.2	-236.8		3914.4	3914.4
PUBLIC SAFETY	13.6	MISC CLAIMS/STALE WARRANTS	0.9			0.9	0.9
		TOTAL PUBLIC SAFETY	0.9			0.9	0.9
REVENUE	3.0	POLITICAL CREDITS FY 86	249.4			249.4	249.4
REVENUE	4.0	CHILD CARE CREDITS FY 86	225.9			225.9	225.9
REVENUE	5.0	FISH & GAME LICENSE VENDORS	50.0			50.0	50.0
REVENUE	6.0	ELECTRIC/TELEPHONE COOP TAX FY 86	37.0			37.0	37.0
		TOTAL REVENUE	562.3			562.3	562.3
TRANSPORTATION	14.0	MARINE HWY RISK MANAGEMENT COSTS	1141.6			1141.6	1141.6
		TOTAL TRANSPORTATION	1141.6			1141.6	1141.6
		TOTAL ALL DEPARTMENTS	17908.1	-236.8	889.0	17671.3	18560.3

STEVE COWPER, GOVERNOR

REPLY TO:

1031 W 4th AVENUE
SUITE 200
ANCHORAGE, ALASKA 99501
PHONE: (907) 276-3550

1st NATIONAL CENTER
100 CUSHMAN ST.
SUITE 400
FAIRBANKS, ALASKA 99701
PHONE: (907) 452-1568

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

P.O. Box K
465-3603

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

April 30, 1987

Honorable John Binkley
Co-chairman
Senate Finance Committee
P.O. Box V
Juneau, AK 99811

Re: Correction to CSHB 127(FIN) am

Dear Senator Binkley:

I wish to call to your attention an error in section 34 of CSHB 127(FIN) am. That section indicates that the appropriation contained therein is "for settlement of a December 3, 1986, federal administrative appeal brought by the Southwest Region School District for Fiscal Year 1987." In fact, it is to fund the enclosed December 3, 1986 settlement agreement for a federal administrative appeal brought by the Southwest Region School District for Fiscal Year 1985. I am also attaching a copy of Harold Brown's November 17, 1987 memo to Jay Hogan explaining the background of this proposed settlement.

May I ask that the wording be corrected when the Senate passes on this bill. The section should read:

The sum of \$350,000 is appropriated from the general fund to the Department of Education for settlement of a federal administrative appeal brought by the Southwest Region School District for Fiscal Year 1985, under a settlement agreement dated December 3, 1986.

Honorable Johne Binkley
Senate Finance Committee

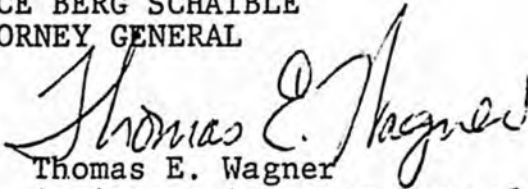
April 30, 1987
Page 2

Thank you for your cooperation in this matter. Please call me if you have further questions.

Sincerely,

GRACE BERG SCHAIBLE
ATTORNEY GENERAL

By:


Thomas E. Wagner
Assistant Attorney General

TEW:jal
Enclosure

cc: Arthur H. Peterson (w.o./enc.)
Bob Evans (w.o./enc.)
Alison Elgee (w.o./enc.)
Chris Gronning (w/enc.)
John Mason (w/enc.)

1 Thomas E. Wagner
Assistant Attorney General
2 HAROLD M. BROWN
ATTORNEY GENERAL
3 Department of Law
P.O. Box K
4 Juneau, Alaska 99811
(907) 465-3603
5 Attorney for Respondent
State of Alaska
6

7 UNITED STATES OF AMERICA, DEPARTMENT OF EDUCATION

8 IN THE MATTER OF THE)
APPEAL OF THE SOUTHWEST)
9 REGION SCHOOL DISTRICT,)
Petitioner,)
10 vs.)
11 ALASKA DEPARTMENT OF)
EDUCATION AND UNITED)
12 STATES DEPARTMENT OF)
EDUCATION,)
13 Respondents.)
14)
15)

Richard J. Boyce
Administrative Law Judge

Administrative Hearing concerning
state consideration of federal
FY 84 impact aid during Alaska
school year 1984-85.

SETTLEMENT AGREEMENT

16 This Agreement is entered into this 3 day of
17 December, 1986, by and between Petitioner Southwest
18 Region School District ("SWRSD") and Respondents Alaska
19 Department of Education ("ADOE") and United States Department of
20 Education ("USDOE").

21 WHEREAS SWRSD has brought this matter on for hearing
22 under 34 C.F.R. § 222.69 on the issue of whether the ADOE, when
23 allocating state aid to SWRSD for Alaska fiscal year 1985, took
24 into consideration payments made to SWRSD by USDOE for federal
25 fiscal year 1984, in violation of 20 U.S.C. § 240(d)(1) and

26 ///

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA 99811
PHONE 465-3600

OCT 31 1986

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA 99811
PHONE 465-3600

1 (d)(2) and the regulations adopted thereunder and the Alaska and
2 United States Constitutions; and

3 WHEREAS, ADOE admits having taken such payments into
4 consideration, but denies that it violated the above provisions
5 in having done so; and

6 WHEREAS, SWRSD and ADOE wish to compromise and settle
7 this disputed claim without further litigation; and

8 WHEREAS, USDOE does not oppose the compromise and
9 settlement of this claim;

10 NOW THEREFORE, the parties agree to compromise and
11 settle the disputed claim on the following terms and conditions:

12 1. The hearing on this matter currently scheduled for
13 November 3-7, 1986, shall be vacated.

14 2. ADOE will submit or cause to be submitted to the
15 First Session of the Fifteenth Alaska State Legislature, a
16 request to appropriate the sum of \$350,000.00 (three hundred
17 fifty thousand dollars) to be paid to SWRSD in settlement of
18 this claim and will support that request.

19 3. ADOE will not retaliate against SWRSD for having
20 brought this action by failing to approve any capital project
21 requests which it otherwise would approve. This does not pre-
22 clude ADOE, however, from disapproving projects which it would
23 otherwise disapprove. ADOE agrees only that it will not fail to
24 approve projects because of SWRSD having brought this action.

25 4. To the extent that receipt of money in settlement
26 of this case causes SWRSD to exceed the fund balance limitations

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA 99811
PHONE 465-3600

1 of AS 14.17.082(a), in the fiscal year in which it is received,
2 ADOE will refrain from recommending under AS 14.17.082(c) that
3 the legislature recapture or reduce aid to SWRSD by that amount.
4 This paragraph does not preclude ADOE from making such recommen-
5 dations as to amounts in excess of the fund balance limitation
6 plus the amount received in this settlement.

7 5. Each party will bear its own costs and attorneys'
8 fees.

9 6. If the first regular session of the Fifteenth
10 Alaska State Legislature fails to appropriate the above sum for
11 settlement, its terms shall be null and void and SWRSD may
12 reschedule the hearing by submitting a written request to USDOE
13 within 30 days of the legislature's adjournment. If the
14 legislature enacts the appropriation but the governor vetoes it
15 at or after the legislative adjournment, SWRSD may have until 30
16 days after the governor's veto in which to request a rescheduled
17 hearing.

18 7. All parties have been represented by counsel,
19 throughout these proceedings and have been advised that, if the
20 appropriation is made and disbursed as stated above, the effect
21 of such appropriation and disbursement shall be to fully and
22 finally settle this matter. This proceeding will then be
23 dismissed and no further proceedings may be had or taken against
24 ADOE or USDOE regarding the matters at issue herein.

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8. This agreement is expressly limited to settlement of the matters at issue in this proceeding, and does not extend to any other matters between the parties.

9. This agreement is not and may not be construed to be an admission of any party as to the matters at issue herein but is for the purpose of compromise and settlement only.

DATED: _____

ALASKA DEPARTMENT OF EDUCATION

By: *Marshall L. Lind*
Marshall L. Lind
Commissioner

DATED: 12/15/86

SOUTHWEST REGION SCHOOL DISTRICT

By: *John Anttonen*
John Anttonen
Superintendent

DATED: 12/31/86

U.S. DEPARTMENT OF EDUCATION

By: *Lawrence F. Davenport*
Lawrence F. Davenport
Assistant Secretary for Education
and Secondary Education

IT IS SO ORDERED.

DATED: _____

Richard J. Boyce
Administrative Law Judge

ATTORNEY GENERAL, STATE OF ALASKA
STATE CAPITOL
POUCH K, JUNEAU, ALASKA 99811
PHONE 465-3600

MEMORANDUM

State of Alaska

TO: Jay Hogan, Director
Office of Management & Budget
Office of the Governor

DATE: November 17, 1986

FILE NO:

TELEPHONE NO:

465-3603

FROM:


Harold M. Brown
Attorney General

SUBJECT:

Request for appropriation to settle Southwest Region School District challenge to distribution of state aid to school districts

I. INTRODUCTION

The Alaska Department of Education (ADOE) has entered an agreement, contingent upon legislative appropriation of \$350,000, for settlement of a federal administrative appeal brought by Southwest Region School District (SWRSD) challenging the state's consideration of federal impact aid payments when it allocates state aid to local school districts. The agreement settles only SWRSD's challenge to the distribution of state aid to school districts for Alaska fiscal year 1985 (FY 85). Further challenges may be expected to the distribution of state aid for FY 86 and FY 87. This memorandum outlines the background of the challenge and the department's reasons for entering a settlement agreement. It is written as a request to you to include in the governor's funding requests to the legislature an appropriation of sufficient funds to implement the settlement agreement.

II. BACKGROUND

Under P.L. 81-874, as amended, the federal government provides financial assistance, commonly known as federal impact aid, to local school districts which are impacted by federal activities potentially affecting their ability to raise local revenues. The main such activity is federal ownership, and in Alaska, Indian ownership of property, such that the property is removed from the local tax base which would otherwise be available to support schools. The states are prohibited from considering the federal impact aid received by local districts in determining the amount of state aid allocated to them unless the state has in effect a school aid program which meets certain equalization criteria established by federal regulations. 20 U.S.C. § 240(d)(2).

If the U.S. Secretary of Education finally determines, after appropriate administrative procedures, that a state has

taken federal aid into consideration in violation of that prohibition, the Secretary must terminate all federal impact aid to that state, unless the state restores all state aid wrongfully denied to local agencies. This case involves a claim by SWRSD that Alaska has taken its impact aid funds into consideration in violation of that prohibition. If the district were to prevail, the state would need to restore possibly as much as \$27 million or more in state aid withheld from rural educational attendance areas (REAA's) in FY 85. In the attached settlement agreement, SWRSD has agreed to drop its claim in consideration of payment of \$350,000. Thus, \$350,000 in settlement may extinguish a potential liability many times greater.

Briefly, the state may not "consider" impact aid when allocating state aid unless it has "in effect a program of state aid for free public education for any fiscal year, which is designed to equalize expenditures for free public education among the local education agencies of that state" 20 U.S.C. § 240(d)(2)(A).

The term "equalize expenditures," as used in 20 U.S.C. § 240(d)(2) is defined in the attached regulations at 34 C.F.R. § 222.61(d)(2), § 222.62 and § 222.62(c) provides that, in order to "equalize expenditures," the state program must provide that "in determining the amount to be provided to each local agency in the State, the State will take into consideration the relative financial resources available to local educational agencies in that State for the program." 34 C.F.R. § 222.62(d) provides that the program must meet one of the following standards: a "disparity" standard, defined at 34 C.F.R. § 222.63; a "wealth neutrality" standard, defined at 34 C.F.R. § 222.64; or an "exceptional circumstances" standard, defined at 34 C.F.R. § 222.65. Either current year data, in this case FY 85 data, or prior year data, in this case FY 84 data, can be used to satisfy the tests, provided the state aid program did not change substantially between years.

A. Relative Financial Resources

SWRSD argues that the state did not consider the relative financial resources available to the local school districts in FY 85 because the interim funding mechanism for that year, ch. 127, SLA 1984, provided only for a flat dollar amount per student in each district, with no consideration of the local contribution or local ability to contribute by each district. The state contends that the dollar amounts in the above statute were arrived at by considering local contributions in the year before the foundation program was suspended, 1982. Although municipal

school districts were not required to make local contributions to education in 1982, most of them did. Moreover, the Supplemental Equalization Aid provided under AS 14.17.023, which was taken into consideration in setting the interim per student funding levels, was reduced by the amount of local contributions in FY 1982 or FY 1979, whichever was higher. In 1979, Alaska statutes required a local contribution from municipal districts, although not from REAA's. Thus, perhaps indirectly, local ability was considered by the state in setting FY 1985 aid levels.

B. Disparity Test

SWRSD contends that the state fails the disparity test set forth in 34 C.F.R. § 222.63 because, if area cost of living adjustments under former AS 14.17.051 are excluded from the basic need portion of foundation payments under 34 C.F.R. § 222.63(d)(1), so also should the area adjustments under the supplemental equalization aid program, former AS 14.17.023, be excluded. The state contends that such exclusion is not required because: (a) 34 C.F.R. § 222.63(d) speaks only to what revenues must be included in disparity calculations, and does not require exclusion of any revenues; and (b) 34 C.F.R. § 222.63(d)(1) only excepts cost differentials outside the equalized part of the state aid program, whereas we believe the supplemental equalization aid program is within the equalized part. If the cost differentials are excluded from the basic need portion, but not from the supplemental equalization aid portion, we believe the disparity standard is met.

Moreover, even if cost differentials must be excluded from supplemental equalization aid under 34 C.F.R. § 263(d)(1), we believe the disparity test is met if 34 C.F.R. § 263(d)(3) is interpreted to require inclusion not only of that portion of federal impact aid payments the state actually took into consideration in allocating state aid, but also that portion which the state could have taken into consideration but didn't. Although the U.S. Department of Education has apparently not so interpreted that regulation in the past, that seems to be the literal meaning of the words.

C. Wealth Neutrality Test

Although the state believes that at least 85 percent of total state and local revenues for FY 84 and FY 85 are "wealth neutral" as that term is defined in 34 C.F.R. § 222.64(b), both SWRSD and the federal government have questioned whether the "wealth neutrality" standard can be applied in a state such as Alaska without a required local tax effort. The rules of

application and the examples given in 34 C.F.R. § 222.64(c) seem to contemplate a required local mill levy.

D. "Exceptional Circumstances" Test

Even if Alaska did not qualify to take federal aid into account under the disparity or wealth neutrality tests, we believe the state would qualify under the "Exceptional Circumstances" test of 34 C.F.R. § 222.65. There is some doubt on that point, however, especially on the issue of whether Alaska has the requisite "systems and procedures for evaluating the degree to which the program is meeting its stated objectives" under 34 C.F.R. § 222.65(c)(5).

IV. DEPARTMENT OF EDUCATION'S RECOMMENDATION

Although both the Department of Education and the Department of Law believe that Alaska should ultimately prevail if we continue the litigation over FY 85 state aid, the magnitude of the loss if we fail to do so is quite large. We would either need to restore the monies withheld from REAAs in FY 85 under AS 14.17.021(b), or we would face termination of future impact aid payments to all districts in the state, and, perhaps, the impact aid payments the state receives directly. Such payments now total approximately \$60 million per year.

For the above reasons, because there is at least some possibility that SWRSB will prevail if the litigation continues, the Department of Education has entered a settlement agreement, contingent upon legislative appropriation of \$350,000 to end the district's challenge. The "window" has passed during which any other district could challenge the state's actions for FY 85, so a \$350,000 payment would extinguish a potential liability of as much as \$27 million. While the Department of Law believes we would eventually prevail if we continue this litigation, we believe the settlement agreement is reasonable and prudent.

Many of the same issues will be involved if the state is challenged in its treatment of federal impact aid for FY 86 and FY 87. Because any district may still challenge the state for those years, however, neither the Department of Education nor the Department of Law is recommending payment to SWRSB in settlement of those years at this time.

Please advise me if you have further questions regarding this matter. Unless I hear from you to the contrary, I will assume that you will make sure the appropriation requested by the Department of Education to settle this matter will be included in an appropriate appropriations bill.

HMB:TEW:jal
Enclosure

Original sponsor: Rules/Governor

Funding Information

General Fund	\$29,019,382
Other Funds	4,688,300
	<u>\$33,707,682</u>

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 SENATE CS FOR CS FOR HOUSE BILL NO. 127 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations for fiscal
7 year 1987 and prior fiscal years; and providing for
8 an effective date."

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

10 * Section 1. The sum of \$249,357 is appropriated from the general fund
11 to the Department of Revenue to pay claims for political campaign contribu-
12 tion credits payable under AS 43.20.013 that were filed on or before
13 June 30, 1986.

14 * Sec. 2. The sum of \$225,936 is appropriated from the general fund to
15 the Department of Revenue to pay claims for household and dependent care
16 credits (child care credits) payable under AS 43.20.013 that were filed on
17 or before June 30, 1986.

18 * Sec. 3. The sum of \$50,000 is appropriated from the general fund to
19 the Department of Revenue to compensate fish and game license vendors as
20 required under AS 16.05.390.

21 * Sec. 4. The sum of \$37,045 is appropriated from the general fund to
22 the Department of Revenue to pay the additional fiscal year 1986 sharing
23 required for the electric and telephone cooperative tax under AS 10.25.570.

24 * Sec. 5. The sum of \$212,000 is appropriated from the general fund to
25 the Department of Administration, longevity bonus program, for increased
26 longevity bonus participation.

27 * Sec. 6. The sum of \$484,100 is appropriated from the general fund to
28 the Department of Administration, public defender program, for additional
29 expenses of defending State v. John Peel.

1 * Sec. 7. The sum of \$305,800 is appropriated from the general fund to
2 the Department of Administration, Office of Public Advocacy, for costs
3 associated with increased caseload.

4 * Sec. 8. The sum of \$88,600 is appropriated from the general fund to
5 the Department of Administration, retirement and benefits program, for
6 costs associated with increased participation in the elected public offi-
7 cers retirement system.

8 * Sec. 9. The sum of \$180,029 is appropriated from the general fund to
9 the following agencies to pay miscellaneous claims and stale dated war-
10 rants:

11	Office of the Governor	\$ 4,072
12	Department of Administration	55,784
13	Department of Commerce and	
14	Economic Development	5,540
15	Department of Military and	
16	Veterans' Affairs	2,945
17	Department of Corrections	20,141
18	Department of Education	15,805
19	Department of Health and	
20	Social Services	19,023
21	Department of Public Safety	907
22	Department of Transportation and	
23	Public Facilities	42,598
24	Department of Fish and Game	13,214

25 * Sec. 10. The sum of \$1,141,600 is appropriated from the general fund
26 to the Department of Transportation and Public Facilities, Alaska Marine
27 Highway System, for the purpose of paying risk management costs.

28 * Sec. 11. The sum of \$1,778,000 is appropriated to the Department of
29 Health and Social Services to pay for costs associated with increased

1 caseloads in the aid to families with dependent children program, from the
2 following sources:

3	Federal Receipts	\$806,600
4	General Fund Match	439,000
5	Interagency Receipts	82,400
6	Child Support Enforcement	
7	Agency Receipts	450,000

8 * Sec. 12. The sum of \$511,400 is appropriated from the general fund to
9 the Department of Health and Social Services, adult public assistance
10 component, to pay for costs associated with increased caseloads in the aid
11 to disabled and the old age assistance programs.

12 * Sec. 13. The sum of \$675,500 is appropriated from the general fund to
13 the Department of Health and Social Services to pay for costs associated
14 with increased caseloads in the general relief assistance program.

15 * Sec. 14. The sum of \$231,600 is appropriated from the general fund to
16 the Department of Health and Social Services to pay for the increased
17 number of court-ordered autopsies in the post-mortem examination program.

18 * Sec. 15. The sum of \$178,000 is appropriated from the general fund to
19 the Department of Health and Social Services to pay for the shortfall of
20 third party and other federal receipts due to the lower patient count at
21 the Alaska Psychiatric Institute.

22 * Sec. 16. The sum of \$347,500 is appropriated from the general fund to
23 the Department of Health and Social Services for personal services and
24 medical costs associated with the operation of McLaughlin Youth Center.

25 * Sec. 17. The sum of \$306,900 is appropriated from the general fund to
26 the Department of Health and Social Services to pay for increased personal
27 services and support costs associated with on-going program operations and
28 opening the new wing at Fairbanks Youth Facility.

29 * Sec. 18. The sum of \$90,000 is appropriated from the general fund to

1 the Department of Health and Social Services to pay for community placement
2 in adult residential care programs for the chronically mentally ill.

3 * Sec. 19. The sum of \$5,896,400 is appropriated from the general fund
4 to the Alaska Power Authority for the settlement agreement entered into
5 between Harrison Western Corporation, d/b/a Susitna Constructors, and the
6 Alaska Power Authority based upon changes and increased costs associated
7 with construction of the Anchorage-Fairbanks Intertie.

8 * Sec. 20. The sum of \$90,000 is appropriated from the general fund to
9 the Department of Commerce and Economic Development, Office of Internation-
10 al Trade, to offset foreign office shortfalls arising from exchange rate
11 fluctuations.

12 * Sec. 21. The sum of \$239,000 is appropriated from the general fund to
13 the Department of Commerce and Economic Development for payments under the
14 fisheries enhancement tax receipt program.

15 * Sec. 22. The sum of \$390,000 is appropriated from the general fund to
16 the Department of Law for costs associated with Weiss v. State.

17 * Sec. 23. The sum of \$229,700 is appropriated from the general fund to
18 the Department of Law to pay judgments and claims against the state.

19 * Sec. 24. The sum of \$200,000 is appropriated from the general fund to
20 the Department of Law for the North Slope Borough investigations.

21 * Sec. 25. The sum of \$3,256,800 is appropriated from the general fund
22 to the Department of Natural Resources to pay for costs incurred in fire
23 suppression efforts during fiscal year 1987.

24 * Sec. 26. The sum of \$657,600 is appropriated from the general fund to
25 the Department of Natural Resources for the settlement agreement entered
26 into on July 14, 1986, between the state and Cook Inlet Region, Inc.
27 (CIRI), for rehabilitation of certain CIRI land.

28 * Sec. 27. The sum of \$95,000 is appropriated from program receipts in
29 the general fund (user fees) to the Department of Natural Resources for the

1 operation of recorders' offices for the fiscal year ending June 30, 1987.

2 * Sec. 28. The sum of \$1,124,000 is appropriated from the general fund
3 to the Department of Corrections to cover higher than anticipated major
4 medical costs for prisoners.

5 * Sec. 29. The sum of \$245,700 is appropriated from program receipts in
6 the general fund (care and treatment funds) to the Department of Correc-
7 tions, statewide programs, to pay additional costs of care for community
8 residential and restitution centers.

9 * Sec. 30. The sum of \$32,900 is appropriated from the general fund to
10 the Department of Military and Veterans' Affairs for the flood control
11 program for the fiscal year ending June 30, 1987.

12 * Sec. 31. The sum of \$81,800 is appropriated from the general fund to
13 the Office of the Governor for payment to the contingency fund.

14 * Sec. 32. The sum of \$2,500,000 is appropriated from the general fund
15 to the Department of Education to reimburse the pupil transportation pro-
16 gram for transfers made to the tuition students (\$2,300,000) and handi-
17 capped students (\$200,000) programs for the fiscal year ending June 30,
18 1987.

19 * Sec. 33. The sum of \$318,250 is appropriated from the general fund to
20 the Department of Education for payments under AS 14.17 for the multi-
21 handicapped programs for the fiscal year ending June 30, 1987.

22 * Sec. 34. The sum of \$350,000 is appropriated from the general fund to
23 the Department of Education for settlement of a December 3, 1986, federal
24 administrative appeal brought by the Southwest Region School District for
25 fiscal year 1987.

26 * Sec. 35. The sum of \$250,000 is appropriated from the general fund to
27 the Department of Administration to provide security guards, supervised and
28 administered by the Department of Public Safety, for the State Office
29 Building, the Alaska Office Building, the Dimond Courthouse, the Capitol,

1 the Community Building, and selected other state buildings in Juneau. It
2 is the intent of the legislature that the guards who provide security in
3 the Capitol during the legislative session shall be appointed as special
4 officers by the commissioner of public safety, shall have adequate prior
5 police experience or training, and shall be armed.

6 * Sec. 36. The sum of \$16,500 is appropriated from the general fund to
7 the Commission on Judicial Conduct to pay additional costs during the
8 fiscal year ending June 30, 1987.

9 * Sec. 37. The sum of \$460,000 is appropriated from the general fund to
10 the Department of Education for water and sewer system rehabilitation and
11 temporary classroom rental costs not covered by insurance, associated with
12 the Shageluk school fire.

13 * Sec. 38. The sum of \$240,200 is appropriated from the general fund to
14 the Department of Education, commission on postsecondary education, for
15 costs associated with the WICHE program.

16 * Sec. 39. The sum of \$5,885,365 is appropriated from the general fund
17 to the Department of Education for the purpose of holding harmless those
18 school districts that would otherwise lose in excess of 10 percent of their
19 foundation funding during the fiscal year ending June 30, 1987. Those
20 school districts and the sums to which they are entitled are:

21	Adak	\$ 55,281
22	Aleutian	153,027
23	Delta/Greely	161,056
24	Fairbanks	1,472,606
25	Haines	181,673
26	Juneau	6,394
27	Kenai	1,846,291
28	Ketchikan	471,166
29	Kuspuk	804,816

1	North Slope	454,478
2	Pelican	25,343
3	Pribilof	324,401
4	Sitka	135,246
5	Skagway	179,945
6	St. Mary's	113,642

7 * Sec. 40. The sum of \$300,000 is appropriated from the general fund to
8 the Department of Law for additional costs connected with State v. Peel.

9 * Sec. 41. The sum of \$250,000 is appropriated from the general fund to
10 the Department of Law for additional costs connected with State v. Mackay.

11 * Sec. 42. The sum of \$316,500 is appropriated from the general fund to
12 the Department of Public Safety for contract jails during the fiscal year
13 ending June 30, 1987, to be allocated as follows: City of Kotzebue,
14 \$175,000; City of Kodiak, \$59,000; City of Dillingham, \$17,500; and City of
15 Unalaska, \$65,000.

16 * Sec. 43. The sum of \$180,000 is appropriated from the general fund to
17 the Department of Labor, office of the commissioner, for payment as a grant
18 under AS 37.05.316 to the Western Alaska Building and Construction Trades
19 Council for the apprentice outreach program.

20 * Sec. 44. The sum of \$28,600 is appropriated from private donation
21 program receipts in the general fund to the Department of Education for the
22 Rural Alaska Instructional Improvement Academy for the fiscal year ending
23 June 30, 1987.

24 * Sec. 45. The sum of \$2,980,000 is appropriated from federal receipts
25 to the Department of Education for the student lunch program during the
26 fiscal year ending June 30, 1987.

27 * Sec. 46. This Act takes effect immediately under AS 01.10.070(c).

Offered: 4/21/87
Referred: Rules

wol267hB

Original sponsor: Rules/Governor

Funding Information
General Fund \$14,572,000
Other Funds 7,576,100
\$22,148,100

1 IN THE HOUSE BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 127 (Finance) am
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION

5 A BILL

6 For an Act entitled: "An Act making supplemental appropriations for fiscal
7 year 1987 and prior fiscal years; and providing for
8 an effective date."

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

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11 to the Department of Revenue to pay claims for political campaign contribu-
12 tion credits payable under AS 43.20.013 that were filed on or before
13 June 30, 1986.

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15 the Department of Revenue to pay claims for household and dependent care
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17 or before June 30, 1986.

18 * Sec. 3. The sum of \$50,000 is appropriated from the general fund to
19 the Department of Revenue to compensate fish and game license vendors as
20 required under AS 16.05.390.

21 * Sec. 4. The sum of \$37,045 is appropriated from the general fund to
22 the Department of Revenue to pay the additional fiscal year 1986 sharing
23 required for the electric and telephone cooperative tax under AS 10.25.570.

24 * Sec. 5. The sum of \$212,000 is appropriated from the general fund to
25 the Department of Administration, longevity bonus program, for increased
26 longevity bonus participation.

27 * Sec. 6. The sum of \$177,900 is appropriated from the general fund to
28 the Department of Administration, public defender program, for retrial
29 expenses of the John Peel case.

1 * Sec. 7. The sum of \$305,800 is appropriated from the general fund to
2 the Department of Administration, Office of Public Advocacy, for costs
3 associated with increased caseload.

4 * Sec. 8. The sum of \$88,600 is appropriated from the general fund to
5 the Department of Administration, retirement and benefits program, for
6 costs associated with increased participation in the elected public offi-
7 cers retirement system.

8 * Sec. 9. The sum of \$177,630 is appropriated from the general fund to
9 the following agencies to pay miscellaneous claims and stale dated war-
10 rants:

11	Office of the Governor	\$ 4,072
12	Department of Administration	53,563
13	Department of Commerce and	
14	Economic Development	5,540
15	Department of Military and	
16	Veterans' Affairs	2,945
17	Department of Corrections	20,141
18	Department of Education	15,805
19	Department of Health and	
20	Social Services	19,023
21	Department of Public Safety	907
22	Department of Transportation and	
23	Public Facilities	42,420
24	Department of Fish and Game	13,214

25 * Sec. 10. The sum of \$1,141,600 is appropriated from the general fund
26 to the Department of Transportation and Public Facilities, Alaska Marine
27 Highway System, for the purpose of paying risk management costs.

28 * Sec. 11. The sum of \$1,778,000 is appropriated to the Department of
29 Health and Social Services to pay for costs associated with increased

1 caseloads in the aid to families with dependent children program, from the
2 following sources:

3	Federal Receipts	\$806,600
4	General Fund Match	439,000
5	Interagency Receipts	82,400
6	Child Support Enforcement	
7	Agency Receipts	450,000

8 * Sec. 12. The sum of \$511,400 is appropriated from the general fund to
9 the Department of Health and Social Services, adult public assistance
10 component, to pay for costs associated with increased caseloads in the aid
11 to disabled and the old age assistance programs.

12 * Sec. 13. The sum of \$675,500 is appropriated from the general fund to
13 the Department of Health and Social Services to pay for costs associated
14 with increased caseloads in the general relief assistance program.

15 * Sec. 14. The sum of \$231,600 is appropriated from the general fund to
16 the Department of Health and Social Services to pay for the increased
17 number of court-ordered autopsies in the post-mortem examination program.

18 * Sec. 15. The sum of \$178,000 is appropriated from the general fund to
19 the Department of Health and Social Services to pay for the shortfall of
20 third party and other federal receipts due to the lower patient count at
21 the Alaska Psychiatric Institute.

22 * Sec. 16. The sum of \$347,500 is appropriated from the general fund to
23 the Department of Health and Social Services for personal services and
24 medical costs associated with the operation of McLaughlin Youth Center.

25 * Sec. 17. The sum of \$306,900 is appropriated from the general fund to
26 the Department of Health and Social Services to pay for increased personal
27 services and support costs associated with on-going program operations and
28 opening the new wing at Fairbanks Youth Facility.

29 * Sec. 18. The sum of \$90,000 is appropriated from the general fund to

1 the Department of Health and Social Services to pay for community placement
2 in adult residential care programs for the chronically mentally ill.

3 * Sec. 19. The sum of \$5,896,400 is appropriated from the general fund
4 to the Alaska Power Authority for the settlement agreement entered into
5 between Harrison Western Corporation, d/b/a Susitna Constructors, and the
6 Alaska Power Authority based upon changes and increased costs associated
7 with construction of the Anchorage-Fairbanks intertie.

8 * Sec. 20. The sum of \$90,000 is appropriated from the general fund to
9 the Department of Commerce and Economic Development, Office of Internation-
10 al Trade, to offset foreign office shortfalls arising from exchange rate
11 fluctuations.

12 * Sec. 21. The sum of \$239,000 is appropriated from the general fund to
13 the Department of Commerce and Economic Development for payments under the
14 fisheries enhancement tax receipt program.

15 * Sec. 22. The sum of \$150,000 is appropriated from the general fund to
16 the Department of Law for costs associated with Weiss v. State.

17 * Sec. 23. The sum of \$126,000 is appropriated from the general fund to
18 the Department of Law to pay judgments and claims against the state.

19 * Sec. 24. The sum of \$200,000 is appropriated from the general fund to
20 the Department of Law for the North Slope Borough investigations.

21 * Sec. 25. The sum of \$3,256,800 is appropriated from the general fund
22 to the Department of Natural Resources to pay for costs incurred in fire
23 suppression efforts during fiscal year 1987.

24 * Sec. 26. The sum of \$657,600 is appropriated from the general fund to
25 the Department of Natural Resources for the settlement agreement entered
26 into on July 14, 1986, between the state and Cook Inlet Region, Inc.
27 (CIRI), contingent on an opinion by the attorney general that the state is
28 legally obligated without an appropriation to compensate CIRI this amount
29 for rehabilitation of certain lands.

1 * Sec. 27. The sum of \$95,000 is appropriated from program receipts in
2 the general fund (user fees) to the Department of Natural Resources for the
3 operation of recorders' offices for the fiscal year ending June 30, 1987.

4 * Sec. 28. The sum of \$1,124,000 is appropriated from the general fund
5 to the Department of Corrections to cover higher than anticipated major
6 medical costs for prisoners.

7 * Sec. 29. The sum of \$245,700 is appropriated from program receipts in
8 the general fund (care and treatment funds) to the Department of Correc-
9 tions, statewide programs, to pay additional costs of care for community
10 residential and restitution centers.

11 * Sec. 30. The sum of \$32,900 is appropriated from the general fund to
12 the Department of Military and Veterans' Affairs for the flood control
13 program for the fiscal year ending June 30, 1987.

14 * Sec. 31. The sum of \$81,800 is appropriated from the general fund to
15 the Office of the Governor for payment to the contingency fund.

16 * Sec. 32. The sum of \$2,500,000 is appropriated from the general fund
17 to the Department of Education to reimburse the pupil transportation pro-
18 gram for transfers made to the tuition students (\$2,300,000) and handi-
19 capped students (\$200,000) programs for the fiscal year ending June 30,
20 1987.

21 * Sec. 33. The sum of \$318,250 is appropriated from the general fund to
22 the Department of Education for payments under AS 14.17 for the multi-
23 handicapped programs for the fiscal year ending June 30, 1987.

24 * Sec. 34. The sum of \$350,000 is appropriated from the general fund to
25 the Department of Education for settlement of a December 3, 1986, federal
26 administrative appeal brought by the Southwest Region School District for
27 fiscal year 1987.

28 * Sec. 35. This Act takes effect immediately under AS 01.10.070(c).

Original sponsor: Rules/Governor

Funding Information

General Fund	\$29,019,382
Other Funds	4,688,300
	<u>\$33,707,682</u>

1 IN THE HOUSE BY THE FINANCE COMMITTEE
2 SENATE CS FOR CS FOR HOUSE BILL NO. 127 (Finance)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FIFTEENTH LEGISLATURE - FIRST SESSION
5 A BILL
6 For an Act entitled: "An Act making supplemental appropriations for fiscal
7 year 1987 and prior fiscal years; and providing for
8 an effective date."
9 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF ALASKA:
10 * Section 1. The sum of \$249,357 is appropriated from the general fund
11 to the Department of Revenue to pay claims for political campaign contribu-
12 tion credits payable under AS 43.20.013 that were filed on or before
13 June 30, 1986.
14 * Sec. 2. The sum of \$225,936 is appropriated from the general fund to
15 the Department of Revenue to pay claims for household and dependent care
16 credits (child care credits) payable under AS 43.20.013 that were filed on
17 or before June 30, 1986.
18 * Sec. 3. The sum of \$50,000 is appropriated from the general fund to
19 the Department of Revenue to compensate fish and game license vendors as
20 required under AS 16.05.390.
21 * Sec. 4. The sum of \$37,045 is appropriated from the general fund to
22 the Department of Revenue to pay the additional fiscal year 1986 sharing
23 required for the electric and telephone cooperative tax under AS 10.25.570.
24 * Sec. 5. The sum of \$212,000 is appropriated from the general fund to
25 the Department of Administration, longevity bonus program, for increased
26 longevity bonus participation.
27 * Sec. 6. The sum of \$484,100 is appropriated from the general fund to
28 the Department of Administration, public defender program, for additional
29 expenses of defending State v. John Peel.

1 * Sec. 7. The sum of \$305,800 is appropriated from the general fund to
2 the Department of Administration, Office of Public Advocacy, for costs
3 associated with increased caseload.

4 * Sec. 8. The sum of \$88,600 is appropriated from the general fund to
5 the Department of Administration, retirement and benefits program, for
6 costs associated with increased participation in the elected public offi-
7 cers retirement system.

8 * Sec. 9. The sum of \$180,029 is appropriated from the general fund to
9 the following agencies to pay miscellaneous claims and stale dated war-
10 rants:

11	Office of the Governor	\$ 4,072
12	Department of Administration	55,784
13	Department of Commerce and	
14	Economic Development	5,540
15	Department of Military and	
16	Veterans' Affairs	2,945
17	Department of Corrections	20,141
18	Department of Education	15,805
19	Department of Health and	
20	Social Services	19,023
21	Department of Public Safety	907
22	Department of Transportation and	
23	Public Facilities	42,598
24	Department of Fish and Game	13,214

25 * Sec. 10. The sum of \$1,141,600 is appropriated from the general fund
26 to the Department of Transportation and Public Facilities, Alaska Marine
27 Highway System, for the purpose of paying risk management costs.

28 * Sec. 11. The sum of \$1,778,000 is appropriated to the Department of
29 Health and Social Services to pay for costs associated with increased

1 caseloads in the aid to families with dependent children program, from the
2 following sources:

3	Federal Receipts	\$806,600
4	General Fund Match	439,000
5	Interagency Receipts	82,400
6	Child Support Enforcement	
7	Agency Receipts	450,000

8 * Sec. 12. The sum of \$511,400 is appropriated from the general fund to
9 the Department of Health and Social Services, adult public assistance
10 component, to pay for costs associated with increased caseloads in the aid
11 to disabled and the old age assistance programs.

12 * Sec. 13. The sum of \$675,500 is appropriated from the general fund to
13 the Department of Health and Social Services to pay for costs associated
14 with increased caseloads in the general relief assistance program.

15 * Sec. 14. The sum of \$231,600 is appropriated from the general fund to
16 the Department of Health and Social Services to pay for the increased
17 number of court-ordered autopsies in the post-mortem examination program.

18 * Sec. 15. The sum of \$178,000 is appropriated from the general fund to
19 the Department of Health and Social Services to pay for the shortfall of
20 third party and other federal receipts due to the lower patient count at
21 the Alaska Psychiatric Institute.

22 * Sec. 16. The sum of \$347,500 is appropriated from the general fund to
23 the Department of Health and Social Services for personal services and
24 medical costs associated with the operation of McLaughlin Youth Center.

25 * Sec. 17. The sum of \$306,900 is appropriated from the general fund to
26 the Department of Health and Social Services to pay for increased personal
27 services and support costs associated with on-going program operations and
28 opening the new wing at Fairbanks Youth Facility.

29 * Sec. 18. The sum of \$90,000 is appropriated from the general fund to

1 the Department of Health and Social Services to pay for community placement
2 in adult residential care programs for the chronically mentally ill.

3 * Sec. 19. The sum of \$5,896,400 is appropriated from the general fund
4 to the Alaska Power Authority for the settlement agreement entered into
5 between Harrison Western Corporation, d/b/a Susitna Constructors, and the
6 Alaska Power Authority based upon changes and increased costs associated
7 with construction of the Anchorage-Fairbanks Intertie.

8 * Sec. 20. The sum of \$90,000 is appropriated from the general fund to
9 the Department of Commerce and Economic Development, Office of Internation-
10 al Trade, to offset foreign office shortfalls arising from exchange rate
11 fluctuations.

12 * Sec. 21. The sum of \$239,000 is appropriated from the general fund to
13 the Department of Commerce and Economic Development for payments under the
14 fisheries enhancement tax receipt program.

15 * Sec. 22. The sum of \$390,000 is appropriated from the general fund to
16 the Department of Law for costs associated with Weiss v. State.

17 * Sec. 23. The sum of \$229,700 is appropriated from the general fund to
18 the Department of Law to pay judgments and claims against the state.

19 * Sec. 24. The sum of \$200,000 is appropriated from the general fund to
20 the Department of Law for the North Slope Borough investigations.

21 * Sec. 25. The sum of \$3,256,800 is appropriated from the general fund
22 to the Department of Natural Resources to pay for costs incurred in fire
23 suppression efforts during fiscal year 1987.

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25 the Department of Natural Resources for the settlement agreement entered
26 into on July 14, 1986, between the state and Cook Inlet Region, Inc.
27 (CIRI), for rehabilitation of certain CIRI land.

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29 the general fund (user fees) to the Department of Natural Resources for the

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4 medical costs for prisoners.

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6 the general fund (care and treatment funds) to the Department of Correc-
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8 residential and restitution centers.

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15 to the Department of Education to reimburse the pupil transportation pro-
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17 capped students (\$200,000) programs for the fiscal year ending June 30,
18 1987.

19 * Sec. 33. The sum of \$318,250 is appropriated from the general fund to
20 the Department of Education for payments under AS 14.17 for the multi-
21 handicapped programs for the fiscal year ending June 30, 1987.

22 * Sec. 34. The sum of \$350,000 is appropriated from the general fund to
23 the Department of Education for settlement of a December 3, 1986, federal
24 administrative appeal brought by the Southwest Region School District for
25 fiscal year 1987.

26 * Sec. 35. The sum of \$250,000 is appropriated from the general fund to
27 the Department of Administration to provide security guards, supervised and
28 administered by the Department of Public Safety, for the State Office
29 Building, the Alaska Office Building, the Dimond Courthouse, the Capitol,

1 the Community Building, and selected other state buildings in Juneau. It
2 is the intent of the legislature that the guards who provide security in
3 the Capitol during the legislative session shall be appointed as special
4 officers by the commissioner of public safety, shall have adequate prior
5 police experience or training, and shall be armed.

6 * Sec. 36. The sum of \$16,500 is appropriated from the general fund to
7 the Commission on Judicial Conduct to pay additional costs during the
8 fiscal year ending June 30, 1987.

9 * Sec. 37. The sum of \$460,000 is appropriated from the general fund to
10 the Department of Education for water and sewer system rehabilitation and
11 temporary classroom rental costs not covered by insurance, associated with
12 the Shageluk school fire.

13 * Sec. 38. The sum of \$240,200 is appropriated from the general fund to
14 the Department of Education, commission on postsecondary education, for
15 costs associated with the WICHE program.

16 * Sec. 39. The sum of \$5,885,365 is appropriated from the general fund
17 to the Department of Education for the purpose of holding harmless those
18 school districts that would otherwise lose in excess of 10 percent of their
19 foundation funding during the fiscal year ending June 30, 1987. Those
20 school districts and the sums to which they are entitled are:

21	Adak	\$ 55,281
22	Aleutian	153,027
23	Delta/Greely	161,056
24	Fairbanks	1,472,606
25	Haines	181,673
26	Juneau	6,394
27	Kenai	1,846,291
28	Ketchikan	471,166
29	Kuspuk	804,816

1	North Slope	454,478
2	Pelican	25,343
3	Pribilof	324,401
4	Sitka	135,246
5	Skagway	179,945
6	St. Mary's	113,642

7 * Sec. 40. The sum of \$300,000 is appropriated from the general fund to
8 the Department of Law for additional costs connected with State v. Peel.

9 * Sec. 41. The sum of \$250,000 is appropriated from the general fund to
10 the Department of Law for additional costs connected with State v. Mackay.

11 * Sec. 42. The sum of \$316,500 is appropriated from the general fund to
12 the Department of Public Safety for contract jails during the fiscal year
13 ending June 30, 1987, to be allocated as follows: City of Kotzebue,
14 \$175,000; City of Kodiak, \$59,000; City of Dillingham, \$17,500; and City of
15 Unalaska, \$65,000.

16 * Sec. 43. The sum of \$180,000 is appropriated from the general fund to
17 the Department of Labor, office of the commissioner, for payment as a grant
18 under AS 37.05.316 to the Western Alaska Building and Construction Trades
19 Council for the apprentice outreach program.

20 * Sec. 44. The sum of \$28,600 is appropriated from private donation
21 program receipts in the general fund to the Department of Education for the
22 Rural Alaska Instructional Improvement Academy for the fiscal year ending
23 June 30, 1987.

24 * Sec. 45. The sum of \$2,980,000 is appropriated from federal receipts
25 to the Department of Education for the student lunch program during the
26 fiscal year ending June 30, 1987.

27 * Sec. 46. This Act takes effect immediately under AS 01.10.070(c).