

**HB**

**428**

# HOUSE COMMITTEE REPORT

File

(11)

Date Referred: January 19, 1990

FURTHER REFERRALS:

Date of Committee Action: 4/30/90

The FINANCE Committee considered:

HB 428

HOUSE BILL NO. 428

APPROP: SUPPLEMENTALS - FY 90 & PRIOR FYS

"An Act making miscellaneous supplemental appropriations for fiscal year 1990 and prior fiscal years; and providing for an effective date."

**RECOMMENDATIONS:**

- [ X ] be replaced with CS HB 428 (FIN) [ ] the same title [ X ] a new title
- [ ] have attached amendment(s)
- [ X ] do pass
- [ ] do not pass
- [ ] no recommendation
- [ ] individual recommendations
- [ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

- |  |                                      |
|--|--------------------------------------|
| ATTACHES NEW FISCAL NOTE(s):<br>(Dept) | APPROVES PREVIOUS:<br>(Date/Dept)    |
| [ ] fiscal impact _____                | [ ] fiscal note(s) _____             |
| [ ] <u>zero</u> fiscal note _____      | [ ] <u>zero</u> fiscal note(s) _____ |
| [ ] <u>zero</u> with analysis _____    | [ ] <u>zero</u> fn/analysis _____    |

**SIGNING DO PASS:**

[Signature] KOPONEN  
[Signature] BROWN  
[Signature] WIMER  
[Signature] HOFFMAN  
[Signature] LARSON  
[Signature] SWACKHAMMER

**SIGNING:**  
(Check approp. column)

	Do Not Pass	No Rec	Amend
<u>[Signature]</u> PHILLIPS	✓		
<u>[Signature]</u> RIEGER		✓	
<u>[Signature]</u> SHULTZ		✓	
<u>[Signature]</u> BARNES		9	

[Signature] LARSON  
 Chairman's Signature  
[Signature] HOFFMAN

Funding Information:    General Fund \$50,317,901  
                               Other Funds    13,115,790  
   \$63,433,691

Original sponsor(s): Rules/Governor

1 IN THE HOUSE

BY THE FINANCE COMMITTEE

2 CS FOR HOUSE BILL NO. 428 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 SIXTEENTH LEGISLATURE - SECOND SESSION

5 A BILL

6 For an Act entitled: "An Act making miscellaneous supplemental appro-  
 7 priations for fiscal year 1990 and prior fiscal  
 8 years; making special appropriations for costs of  
 9 Team Alaska and Arctic Winter Games dues; making a  
 10 transfer of an account balance within the general  
 11 fund; and providing for an effective date."

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

13 \* Section 1. The sum of \$642,000 is appropriated from the general fund  
 14 to the Department of Administration for longevity bonus payments for the  
 15 fiscal year ending June 30, 1990.

16 \* Sec. 2. The sum of \$25,000 is appropriated from the general fund to  
 17 the Department of Administration, labor relations agency, for increased  
 18 legal and administrative costs for the fiscal year ending June 30, 1990.

19 \* Sec. 3. The sum of \$738,300 is appropriated from the general fund to  
 20 the Department of Administration, pioneers' homes, for increased operating  
 21 costs including reclassification costs for nurses and physical therapists  
 22 for the fiscal year ending June 30, 1990.

23 \* Sec. 4. The sum of \$38,700 is appropriated from the general fund to  
 24 the Department of Administration, Older Alaskans Commission, for an arbi-  
 25 tration award for the fiscal year ending June 30, 1990.

26 \* Sec. 5. The sum of \$193,600 is appropriated from the general fund to  
 27 the Department of Administration, public defender agency, to eliminate  
 28 forced leave without pay for the fiscal year ending June 30, 1990.

29 \* Sec. 6. The sum of \$130,000 is appropriated from the general fund to

1 the Department of Administration, Alaska Public Offices Commission, for a  
2 storage, retrieval, and access system for election report data for the  
3 fiscal year ending June 30, 1990.

4 \* Sec. 7. The sum of \$267,167 is appropriated from the general fund to  
5 the Department of Law to pay judgments and claims against the state for the  
6 fiscal year ending June 30, 1990.

7 \* Sec. 8. The sum of \$267,000 is appropriated from the mental health  
8 trust income account in the general fund to the Department of Law to pay  
9 increased costs associated with Weiss v. State for the year ending June 30,  
10 1990.

11 \* Sec. 9. The sum of \$32,774 is appropriated from the general fund to  
12 the Department of Revenue to refund additional electric and telephone  
13 cooperative tax revenue under AS 10.25.570 for the fiscal year ending  
14 June 30, 1989.

15 \* Sec. 10. The sum of \$54,500 is appropriated from the general fund to  
16 the Department of Revenue, division of child support enforcement, for  
17 increased operating costs caused by reduced federal funds for the fiscal  
18 year ending June 30, 1990.

19 \* Sec. 11. The sum of \$18,495,500 is appropriated from the general fund  
20 to the Department of Education for the public school foundation program for  
21 the fiscal year ending June 30, 1990.

22 \* Sec. 12. The sum of \$1,753,291 is appropriated from the general fund  
23 to the Department of Education for the school debt retirement program for  
24 fiscal year ending June 30, 1989, and is allocated in the amounts listed  
25 below to the following municipalities:

<u>Municipality</u>	<u>Allocation</u>
26 City and Borough of Juneau	\$ 5,968
27 City and Borough of Sitka	130,126
28 North Slope Borough	1,617,197

1 \* Sec. 13. The sum of \$3,619,100 is appropriated to the Department of  
2 Health and Social Services for additional Medicaid nonfacility program  
3 costs for the fiscal year ending June 30, 1990, from the following sources:

4	Federal Receipts	\$1,809,500
5	General Fund Match	1,809,600

6 \* Sec. 14. The sum of \$8,524,900 is appropriated to the Department of  
7 Health and Social Services for additional Medicaid facilities program costs  
8 for the fiscal year ending June 30, 1990, from the following sources:

9	Federal Receipts	\$4,262,400
10	General Fund Match	4,262,500

11 \* Sec. 15. The sum of \$3,446,200 is appropriated from federal receipts  
12 to the Department of Health and Social Services for additional Indian  
13 Health Services Medicaid program costs for the fiscal year ending June 30,  
14 1990.

15 \* Sec. 16. The sum of \$882,000 is appropriated from federal receipts to  
16 the Department of Health and Social Services for additional state program  
17 Medicaid costs for the fiscal year ending June 30, 1990.

18 \* Sec. 17. The sum of \$100,000 is appropriated to the Department of  
19 Health and Social Services, division of medical assistance, central admin-  
20 istration, for additional legal costs associated with the federal upper-  
21 limit caps on Medicaid nursing home and hospital payment rates for the  
22 fiscal year ending June 30, 1990, from the following sources:

23	Federal Receipts	\$50,000
24	General Fund Match	50,000

25 \* Sec. 18. The sum of \$672,000 is appropriated to the Department of  
26 Health and Social Services, division of medical assistance, claims process-  
27 ing, for additional costs associated with increased volume, claims repro-  
28 cessing, and implementation of federal OBRA 1989 requirements for the  
29 fiscal year ending June 30, 1990, from the following sources:

1 Federal Receipts \$469,600

2 General Fund Match 202,400

3 \* Sec. 19. The sum of \$354,400 is appropriated from the general fund to  
4 the Department of Health and Social Services, division of public health,  
5 nursing program, for additional costs associated with the reclassification  
6 of nursing positions for the fiscal year ending June 30, 1990.

7 \* Sec. 20. The sum of \$266,800 is appropriated from the general fund/-  
8 mental health trust income account to the Department of Health and Social  
9 Services, Alaska Psychiatric Institute, for additional costs associated  
10 with the reclassification of nursing positions for the fiscal year ending  
11 June 30, 1990.

12 \* Sec. 21. The sum of \$90,000 is appropriated from the general fund to  
13 the Department of Military and Veterans' Affairs for additional costs of  
14 the veterans' burial allowance program for the fiscal year ending June 30,  
15 1990.

16 \* Sec. 22. The sum of \$663,200 is appropriated from the general fund to  
17 the Department of Natural Resources for fire suppression costs for the  
18 fiscal year ending June 30, 1990.

19 \* Sec. 23. The sum of \$500,000 is appropriated to the Department of  
20 Natural Resources for overtime costs of emergency fire fighting crews for  
21 the fiscal years ending June 30, 1988, and June 30, 1989, from the follow-  
22 ing sources:

23 Federal Receipts \$400,000

24 General Fund 100,000

25 \* Sec. 24. The sum of \$5,400 is appropriated from Alaska Historical  
26 Commission general fund program receipts to the Department of Natural  
27 Resources for the fiscal year ending June 30, 1990, for purchase of a  
28 license for commercial use of the music used in the film Alaska at War.

29 \* Sec. 25. The sum of \$170,600 is appropriated from the general fund to  
CSHB 428(Fin)

1 the Department of Fish and Game for the additional costs of operations of  
2 the local advisory committees and regional councils for the fiscal year  
3 ending June 30, 1990.

4 \* Sec. 26. The sum of \$177,500 is appropriated from the general fund to  
5 the Department of Fish and Game for additional costs of the Board of Fish-  
6 eries and Board of Game and headquarters support for the fiscal year ending  
7 June 30, 1990.

8 \* Sec. 27. The sum of \$440,400 is appropriated from the general fund to  
9 the Department of Public Safety to pay increased contract jail costs for  
10 the fiscal year ending June 30, 1990.

11 \* Sec. 28. The sum of \$83,100 is appropriated from the general fund to  
12 the Department of Public Safety to cover the costs of increased demands for  
13 serology evidence testing services at the state crime laboratory for the  
14 fiscal year ending June 30, 1990.

15 \* Sec. 29. The sum of \$58,100 is appropriated from the general fund to  
16 the Department of Public Safety to cover funding shortfalls for maintaining  
17 personal identification, criminal history, and police case report informa-  
18 tion to Alaska law enforcement agencies for the fiscal year ending June 30,  
19 1990.

20 \* Sec. 30. The sum of \$137,900 is appropriated from the general fund to  
21 the Department of Public Safety to maintain law enforcement agency access  
22 to the National Crime Information Center, cover funding shortfalls in the  
23 Alaska automated fingerprint identification system and to pay for state  
24 participation in the Western Identification Network for the fiscal year  
25 ending June 30, 1990.

26 \* Sec. 31. The sum of \$238,293 is appropriated from general fund pro-  
27 gram receipts received from Exxon Corporation for vessel services provided  
28 during the Exxon Valdez oil spill cleanup effort to the Department of  
29 Transportation and Public Facilities, Alaska marine highway system, for

1 payment of outstanding bills for the fiscal year ending June 30, 1989.

2 \* Sec. 32. The sum of \$95,000 is appropriated from the general fund to  
3 the Department of Transportation and Public Facilities, western district  
4 highways and aviation, for additional costs associated with the airport  
5 maintenance contracts, for the fiscal year ending June 30, 1990.

6 \* Sec. 33. The sum of \$2,325,000 is appropriated from the general fund  
7 to the Department of Transportation and Public Facilities for the settle-  
8 ment agreed to in the Spring Creek Prison claim for the fiscal year ending  
9 June 30, 1990.

10 \* Sec. 34. The sum of \$6,678,700 is appropriated to the Department of  
11 Transportation and Public Facilities, maintenance and operations compo-  
12 nents, for additional snow and ice removal costs and extraordinary Spring  
13 break-up maintenance work for the fiscal year ending June 30, 1990, from  
14 the following sources:

15	General Fund	\$5,800,000
16	Highway working capital fund	878,700

17 \* Sec. 35. The sum of \$900,000 is appropriated from the general fund to  
18 the Department of Military and Veterans' Affairs, division of emergency  
19 services, for snow and ice removal from roads in municipalities for the  
20 fiscal year ending June 30, 1990. The division shall allocate this appro-  
21 priation to local governments after considering the number of lane miles of  
22 roads within the municipal jurisdiction, the annual local government expen-  
23 diture for road maintenance, and the climatic conditions within the area  
24 during the winter of 1989 - 1990.

25 \* Sec. 36. The sum of \$136,000 is appropriated from the general fund to  
26 the Department of Transportation and Public Facilities to reimburse the  
27 City and Borough of Juneau for repairs and renovation under a Transfer of  
28 Responsibility Agreement #H79148.

29 \* Sec. 37. The sum of \$294,100 is appropriated to the Department of  
CSHB 428(Fin)

1 Community and Regional Affairs, child assistance program, to pay for costs  
2 of implementation of the Family Support Act transitional child care bene-  
3 fits program for the fiscal year ending June 30, 1990, from the following  
4 sources:

5	Interagency Receipts	\$147,000
6	General Fund	147,100

7 \* Sec. 38. The sum of \$50,000 is appropriated from the general fund to  
8 the Department of Community and Regional Affairs for payment as an orga-  
9 nizational grant under AS 29.05.180 to the City of Coffman Cove for the  
10 fiscal year ending June 30, 1990.

11 \* Sec. 39. The sum of \$24,660 is appropriated from the general fund to  
12 the Department of Community and Regional Affairs to pay revenue sharing  
13 entitlements for the unincorporated communities of Chignik Lake and Perry-  
14 ville for the fiscal year ending June 30, 1990.

15 \* Sec. 40. The sum of \$46,000 is appropriated from the general fund to  
16 the Department of Community and Regional Affairs, Local Boundary Commis-  
17 sion, for the optimum boundaries map project for the fiscal year ending  
18 June 30, 1990.

19 \* Sec. 41. The sum of \$1,600,000 is appropriated from the general fund  
20 to the Department of Corrections for additional major medical expenses for  
21 the fiscal year ending June 30, 1990.

22 \* Sec. 42. The sum of \$250,000 is appropriated from the general fund to  
23 the Department of Corrections to cover funding shortfalls at the Maniilaq  
24 Social Rehabilitation Center for the fiscal year ending June 30, 1990.

25 \* Sec. 43. The sum of \$25,300 is appropriated from the general fund to  
26 the Department of Corrections to pay outstanding fiscal years 1989 and 1990  
27 costs and attorney fees for an arbitration settlement with employees of the  
28 Southcentral region probation office.

29 \* Sec. 44. The sum of \$56,397 is appropriated from the general fund to

1 the Commission on Judicial Conduct for additional operating costs for the  
2 fiscal year ending June 30, 1990.

3 \* Sec. 45. The sum of \$108,825 is appropriated from the general fund to  
4 the following agencies for the fiscal year ending June 30, 1990, to pay  
5 miscellaneous claims and stale-dated warrants:

6	Governor	\$ 699
7	Administration	31,759
8	Health and Social Services	37,327
9	Commerce and Economic Development	5,824
10	Military and Veterans' Affairs	4,577
11	Fish and Game	67
12	Public Safety	492
13	Transportation and Public Facilities	24,752
14	Corrections	2,735
15	Legislature	593

16 \* Sec. 46. The sum of \$99,000 is appropriated from the dividend fund  
17 (AS 43.23.045) to the Department of Revenue, permanent fund dividend divi-  
18 sion, for increased operating costs for the fiscal year ending June 30,  
19 1990.

20 \* Sec. 47. The sum of \$1,090,502 is appropriated from the general fund  
21 to the Department of Education for the school debt retirement program for  
22 fiscal year ending June 30, 1990, and is allocated in the amounts listed  
23 below to the following municipalities:

24	Kodiak Island Borough	\$982,117
25	City and Borough of Sitka	108,385

26 \* Sec. 48. The sum of \$80,300 is appropriated from the oil and hazard-  
27 ous substance release response fund in the general fund to the Department  
28 of Natural Resources, division of geological and geophysical surveys, to  
29 analyze the potential for flood hazards to the Drift River tank farm as a  
CSHB 428(Fin)

1 result of the eruptions of the Redoubt Volcano for the fiscal year ending  
2 June 30, 1990.

3 \* Sec. 49. The sum of \$298,000 is appropriated from general fund pro-  
4 gram receipts to the Department of Fish and Game, division of fisheries  
5 rehabilitation, enhancement, and development, for payment as a grant under  
6 AS 37.05.316 to the Prince William Sound Aquaculture Corporation for con-  
7 struction of an adult sockeye salmon fish ladder and maturation pond at the  
8 Main Bay Hatchery for the fiscal year ending June 30, 1990.

9 \* Sec. 50. The sum of \$340,900 is appropriated from federal receipts to  
10 the Department of Health and Social Services, Alaska work program, to pay  
11 for costs of implementation of the Family Support Act transitional child  
12 care benefits program for the fiscal year ending June 30, 1990.

13 \* Sec. 51. The sum of \$606,902 is appropriated from the general fund to  
14 the Department of Education for the underpayments due to P.L. 81-874 for  
15 the public school foundation program for the fiscal year ending June 30,  
16 1988.

17 \* Sec. 52. The sum of \$397,102 is appropriated from the general fund to  
18 the Department of Education for the underpayments due to P.L. 81-874 for  
19 the public school foundation program for the fiscal year ending June 30,  
20 1989.

21 \* Sec. 53. The sum of \$27,000 is appropriated from the general fund to  
22 the Department of Education for the boarding home program for full year  
23 funding for the fiscal year ending June 30, 1990.

24 \* Sec. 54. The sum of \$40,000 is appropriated from the general fund to  
25 the Department of Education to implement ch. 7, SLA 1990, relating to  
26 background checks for teacher certification applicants for the fiscal year  
27 ending June 30, 1990.

28 \* Sec. 55. The sum of \$3,312,568 is appropriated from the general fund  
29 to the disaster relief fund (AS 44.19.048) for the following purposes:

1	Statewide spring flood disaster - 1989	\$1,011,888
2	Anchorage flood disaster - 1989	805,100
3	Kenai Peninsula Borough flood disaster - 1989	495,580
4	Bering Straits School District, Stebbins School	
5	fire disaster - 1989	1,000,000

6 \* Sec. 56. The sum of \$90,000 is appropriated from the general fund to  
7 the Department of Administration, public defender agency, for extraordinary  
8 felony cases for the fiscal year ending June 30, 1990.

9 \* Sec. 57. The sum of \$173,900 is appropriated from the international  
10 airports revenue fund to the Department of Transportation and Public Facil-  
11 ities, Anchorage International Airport, for costs associated with the  
12 University of Alaska, Geophysical Institute monitoring of the Mount Redoubt  
13 Volcano for the period February 1, 1990, through June 30, 1990.

14 \* Sec. 58. The sum of \$30,000 is appropriated from the general fund to  
15 the Department of Corrections for payment of the Cleary Monitor for the  
16 fiscal year ending June 30, 1990.

17 \* Sec. 59. The sum of \$13,630 is appropriated from the general fund to  
18 the Department of Revenue to refund additional aviation fuel revenue to the  
19 Municipality of Anchorage under AS 43.40.010 for the fiscal year ending  
20 June 30, 1989.

21 \* Sec. 60. The sum of \$426,290 is appropriated from the general fund to  
22 the Department of Education for repayment to the federal government for  
23 fiscal year 1987 audit exceptions.

24 \* Sec. 61. The sum of \$76,290 is appropriated from the dividend fund  
25 (AS 43.23.045) to the Department of Revenue, permanent fund dividend divi-  
26 sion, to implement the provisions of the stipulation associated with  
27 Lindley v. Malone (3AN-90-2586 Civ.).

28 \* Sec. 62. The sum of \$148,600 is appropriated from the general fund to  
29 the Alaska Court System for extraordinary expenses resulting from State. v.

1 Amerada Hess, et al. (1JU-77-847 Civ.) for the fiscal year ending June 30,  
2 1990.

3 \* Sec. 63. The unobligated and unappropriated balance in the mental  
4 health trust income account on June 30, 1990, (AS 37.14.011 and 37.14.021)  
5 is transferred to the unreserved portion of the general fund on July 1,  
6 1990.

7 \* Sec. 64. The sum of \$200,000 is appropriated from the general fund to  
8 the Department of Fish and Game, division of wildlife conservation, for  
9 moose habitat enhancement, improvement of access to browse for moose, and  
10 research, development, and implementation of proposals to reduce moose  
11 mortality, including railroad related mortality, in Southcentral Alaska.

12 \* Sec. 65. The sum of \$100,000 is appropriated from the general fund to  
13 the Office of the Governor for transportation and other costs of Team  
14 Alaska.

15 \* Sec. 66. The sum of \$25,000 is appropriated from the general fund to  
16 the Office of the Governor for dues for the Arctic Winter Games.

17 \* Sec. 67. The sum of \$200,000 is appropriated from the general fund to  
18 the Department of Community and Regional Affairs to fully fund the property  
19 tax equivalency payment program (AS 29.45.040) for the fiscal year ending  
20 June 30, 1990.

21 \* Sec. 68. The unexpended and unobligated balances of the appropria-  
22 tions made by secs. 65 and 66 of this Act lapse into the general fund  
23 June 30, 1992.

24 \* Sec. 69. The unexpended and unobligated balance of the appropriation  
25 made by sec. 61 lapses into the dividend fund (AS 43.23.045) June 30, 1991.

26 \* Sec. 70. The appropriations made by secs. 49 and 64 of this Act are  
27 for capital projects and are subject to AS 37.25.020.

28 \* Sec. 71. This Act takes effect immediately under AS 01.10.070(c).

29



# Alaska State Legislature

## HOUSE OF REPRESENTATIVES

### Committee on Finance

Official Business

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

APRIL 29, 1990  
PROPOSED AMENDMENTS

CS HB 428 (FIN)

SECTION 8. THE SUM OF \$267,000 IS APPROPRIATED FROM THE MENTAL HEALTH TRUST INCOME ACCOUNT IN THE GENERAL FUND TO THE DEPARTMENT OF LAW TO PAY INCREASED COSTS ASSOCIATED WITH WEISS V STATE FOR THE YEAR ENDING JUNE 30, 1990.

SECTION 35. THE SUM OF \$900,000 IS APPROPRIATED FROM THE GENERAL FUND TO THE DEPARTMENT OF MILITARY AND VETERANS AFFAIRS, DIVISION OF EMERGENCY SERVICES <TRANSPORTATION AND PUBLIC FACILITIES, MAINTENANCE AND OPERATIONS COMPONENT>, FOR SNOW AND ICE REMOVAL FROM ROADS IN MUNICIPALITIES FOR THE FISCAL YEAR ENDING JUNE 30, 1990. FUNDS SHALL BE ALLOCATED TO LOCAL GOVERNMENTS IN CONSIDERATION OF THE NUMBER OF LANE MILES OF ROADS WITHIN THE MUNICIPAL JURISDICTION, THE ANNUAL LOCAL GOVERNMENT EXPENDITURE FOR ROAD MAINTENANCE AND THE CLIMATIC CONDITIONS WITHIN THE AREA DURING THE WINTER OF 1989-1990.

SECTION 48. THE SUM OF \$80,300 IS APPROPRIATED FROM THE OIL AND HAZARDOUS SUBSTANCE RELEASE RESPONSE FUND <GENERAL FUND> TO THE DEPARTMENT OF NATURAL RESOURCES, DIVISION OF GEOLOGICAL AND GEOPHYSICAL SURVEYS, TO ANALYZE THE POTENTIAL FOR FLOOD HAZARDS TO THE DRIFT RIVER TANK FARM AND TO CONDUCT ADDITIONAL HYDROLOGICAL EVALUATIONS NECESSARY AS A RESULT OF THE ERUPTIONS OF THE REDOUBT VOLCANO FOR THE FISCAL YEAR ENDING JUNE 30, 1990.

SECTION 55. THE SUM OF \$2,312,568 <\$4,187,098> IS APPROPRIATED FROM THE GENERAL FUND TO THE DISASTER RELIEF FUND (AS 44.19.048) FOR THE FOLLOWING PURPOSES:

<SOUTHCENTRAL FLOOD DISASTER - 1986	\$1,874,530>
STATEWIDE SPRING FLOOD DISASTER - 1989	1,011,888
ANCHORAGE FLOOD DISASTER - 1989	805,100
KENAI PENINSULA BOROUGH FLOOD DISASTER -1989	495,580

SECTION 57. THE SUM OF \$173,900 IS APPROPRIATED FROM THE INTERNATIONAL AIRPORT REVENUE FUND <GENERAL FUND> TO THE DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES, ANCHORAGE INTERNATIONAL AIRPORT <MILITARY AND VETERANS AFFAIRS, EMERGENCY SERVICES,> FOR COSTS ASSOCIATED WITH THE UNIVERSITY

OF ALASKA, GEOPHYSICAL INSTITUTE MONITORING OF THE MOUNT  
REDOUBT VOLCANO FOR THE PERIOD FEBRUARY 1, 1990, THROUGH JUNE  
30, 1990.

ADD A NEW SECTION TO READ:

SEC. 62. THE SUM OF \$148,600 IS APPROPRIATED FROM THE GENERAL  
FUND TO THE ALASKA COURT SYSTEM FOR EXTRAORDINARY EXPENSES  
RESULTING FROM STATE V AMERADA HESS, ET AL (1JU-77-847 CIV)  
FOR THE FISCAL YEAR ENDING JUNE 30, 1990.

SEC. 63. THE UNOBLIGATED AND UNAPPROPRIATED BALANCE IN THE  
MENTAL HEALTH TRUST INCOME ACCOUNT ON JUNE 30, 1990, (AS  
37.14.011 AND 37.14.021) IS TRANSFERRED TO THE UNRESERVED  
PORTION OF THE GENERAL FUND ON JULY 1, 1990.

A M E N D M E N T

OFFERED IN THE HOUSE

BY REP. DONLEY

TO: HB 428

Page 9, following line 22:

Insert the following new bill sections to read:

"\* Sec. 57. The sum of \$1,800,000 is appropriated from the general fund to the Department of Commerce and Economic Development, division of tourism, for international airport marketing for the fiscal year ending June 30, 1990.

\* Sec. 58. The sum of \$2,000,000 is appropriated from the general fund to the Alaska Tourism Marketing Council for a domestic tourism marketing program for the fiscal year ending June 30, 1990.

\* Sec. 59. The sum of \$50,000 is appropriated from the general fund to the Alaska Tourism Marketing Council for the 1990 International Travel Fair for the fiscal year ending June 30, 1990."

Renumber the following bill section accordingly.

4/25/90

CS HB 428 (Fin)  
Renter Rebate Increment-Decrement 2

AMENDMENT

by BROWN

page 8, line 18

delete "general fund"

insert "Oil and Hazardous Substance Release Response Fund"

page 8, line 21

delete "and to conduct additional hydrological evaluations necessary"

page 9, line 29

delete "general fund"

insert "International Airport Revenue Fund"

Insert new section:

"Section \_\_\_\_ . The sum of \$229,400 is appropriated from the general fund to the Department of Community and Regional Affairs to fully fund the property tax equivalency payment program (AS 29.45.040) for the fiscal year ending June 30, 1990."

# STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET  
DIVISION OF BUDGET REVIEW

STEVE COWPER, GOVERNOR

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

April 27, 1990

The Honorable Ron Larson  
The Honorable Lyman Hoffman  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: House Bill 428 Supplemental  
Amendment #6

Dear Representatives Larson and Hoffman:

I have listed below additional amendments to House Bill 428. These amendments reference the 4/21/90 work draft of House Bill 428.

Amend Section 13 to read:

\*Sec. 13. The sum of \$3,619,100 [\$4,639,100] is appropriated to the Department of Health and Social Services for additional Medicaid nonfacility program costs for the fiscal year ending June 30, 1990 from the following sources:

Federal Receipts	<u>\$1,809,500</u> [\$2,319,500]
General Fund Match	<u>1,809,600</u> [ 2,319,600]

Amend Section 14 to read:

\*Sec. 14. The sum of \$8,524,900 [\$10,504,900] is appropriated to the Department of Health and Social Services for additional Medicaid facilities program costs for the fiscal year ending June 30, 1990 from the following sources:

Federal Receipts	<u>\$4,262,400</u> [\$5,252,400]
General Fund Match	<u>4,262,500</u> [ 5,252,500]

Amend Section 18 to read:

\*Sec. 18. The sum of \$672,000 [\$539,000] is appropriated to the Department of Health and Social Services, division of medical assistance, claims processing, for additional costs associated with increased volume, claims reprocessing, and implementation of

Supplemental Amend. #6

2

April 27, 1990

federal OBRA 1989 requirements for the fiscal year ending June 30, 1990 from the following sources:

Federal Receipts	<u>\$469,600</u> [\$336,600]
General Fund Match	202,400

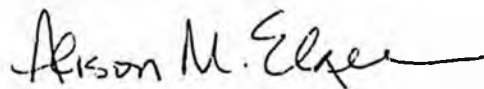
Amend sec. 37 to read:

\*Sec. 37. The sum of \$294,100 [\$681,900] is appropriated to the Department of Community and Regional Affairs, child assistance program, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990, from the following sources:

Interagency Receipts	<u>\$147,000</u> [\$340,900]
General Fund	<u>147,100</u> [ 341,000]

The net effect of these amendments is to reduce the supplementals requested by \$1,560,900 in other funds, and \$1,693,900 in general funds. If you have any questions, please feel free to contact me.

Sincerely,



Alison M. Elgee  
Director

Attachments

cc: Senator Johne Binkley  
Senator Rick Uehling  
Co-Chairmen, Senate Finance  
Committee  
Carol Collins  
House Finance Committee  
Mike Greany, Legislative Finance

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

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

STEVE COWPER, GOVERNOR

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

April 20, 1990

The Honorable Ron Larson  
The Honorable Lyman Hoffman  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: House Bill 428 Supplemental  
Amendment #5

Dear Representatives Larson and Hoffman:

I have listed below additional amendments to House Bill 428. Please find the appropriate backup for these changes attached.

#### Technical Changes

\* Sec. 10. The sum of \$267,167 [\$240,784] is appropriated from the general fund to the Department of Law to pay judgments and claims against the state for the fiscal year ending June 30, 1990.

\* Sec. 11. The sum of \$267,000 [\$160,000] is appropriated from the general fund to the Department of Law to pay increased costs associated with Weiss v. State for the year ending June 30, 1990.

\* Sec. 23. The sum of \$539,000 [\$967,000] is appropriated to the Department of Health and Social Services, Division of Medical Assistance, Claims Processing, for additional costs associated with increased volume, claims reprocessing and implementation of federal OBRA 1989 requirements for the fiscal year ending June 30, 1990, from the following sources:

Federal Receipts	<u>\$336,600</u> [657,600]
General Fund Match	<u>\$202,400</u> [\$309,400]

April 20, 1990

Deletion:

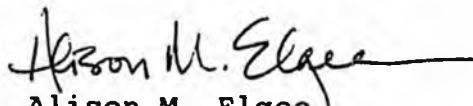
DELETE section 17 (Department of Health and Social Services, Old Age Assistance -- Alaska Longevity Bonus Hold Harmless - \$213,100).

New Section:

\* Sec. \_\_\_\_\_. The sum of \$295,290 is appropriated from the Permanent Fund Dividend Fund to the Department of Revenue, permanent fund dividend division, to implement the provisions of the stipulation associated with Lindley v. Malone (Case No. 3AN-90-2586 Civil) for fiscal years 1990 and 1991. The appropriation lapses June 30, 1991.

The net effect of these amendments is to reduce the supplementals requested by \$25,710 in other funds, and \$186,717 in general funds. If you have any questions, please feel free to contact me.

Sincerely,

  
Alison M. Elgee  
Director

Attachments

cc: Senator Johne Binkley  
Senator Rick Uehling  
Co-Chairmen, Senate Finance  
Committee  
Carol Collins  
House Finance Committee  
Mike Greany, Legislative Finance

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 04/20/90  
TIME: 13:42:52  
PROG: F90SUPL2

Page 1 of GOVERNOR'S FY '90 SUPPLEMENTAL REQUESTS, BY BILL SECTION

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
0	Y	DCED	Purchase of Locomotives and Rolling Stock	9,000,000	0	9,000,000	
	Y	DEC	VSW: Kotzebue Repairs to Water System/1990 Winter Freeze-up	2,826,700	0	2,826,700	
	Y	DFG	Main Bay Hatchery Brood Stock Maturation Facility Constructn	298,000	0	298,000	
	Y	DHSS	Alaska Work Programs: Family Support Act (Welfare Reform)	0	340,900	340,900	
	Y	DMVA	Disaster Relief Fund: 1986 Southcentral Flood Disaster	1,874,530	0	1,874,530	
	Y	DMVA	Disaster Relief Fund: 1989 Spring Flood Disaster (Statewide)	1,011,888	0	1,011,888	
	Y	DMVA	Disaster Relief Fund: 1989 Anchorage Flood Disaster	805,100	0	805,100	
	Y	DMVA	Disaster Relief Fund: 1989 Kenai Peninsula Flood Disaster	495,580	0	495,580	
	Y	DMVA	Mt. Redoubt Volcano Monitoring 02/01/90 - 06/30/90	173,900	0	173,900	
	Y	DNR	Redoubt Volcano/Drift River Study	80,300	0	80,300	
	Y	DOA	Public Defender: Extraordinary Felony Cases	90,000	0	90,000	
	Y	DOC	Cleary Monitor	30,000	0	30,000	
	Y	DOE	Debt Retirement: Kodiak and Sitka FY90	1,090,500	0	1,090,500	
	Y	DOE	K-12 Boarding Home Program FY90 Full Cost	27,000	0	27,000	
	Y	DOE	Implementation of HB 52, FY90 Fiscal Impact	40,000	0	40,000	
	Y	DOE	FY '87 Audit Exception Payments to Federal Government	426,290	0	426,290	
	Y	REV	Permanent Fund Dividend Division FY '90 Operating Costs	0	99,000	99,000	
	Y	REV	Anchorage FY '89 Aviation Fuel Revenue Refund	13,630	0	13,630	
	Y	REV	Implement PFD Stipulation Provisions of Lindley v. Malone	0	295,290	295,290	
				18,283,418	735,190	19,018,608	Sum
1	Y	DOA	Longevity Bonus: Grants (6758.0 in Ch. 17)	7,400,000	0	7,400,000	
				7,400,000	0	7,400,000	Sum
2	Y	DOA	Office of Public Advocacy: FY89 (Funded Ch. 17)	249,200	0	249,200	
				249,200	0	249,200	Sum
3	Y	DOA	Office of Public Advocacy: FY90 (Funded Ch. 17)	950,000	0	950,000	
				950,000	0	950,000	Sum
4		DOA	Labor Relations Agency: Amend Legal/Administrative Contracts	25,000	0	25,000	

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
				25,000	0	25,000	Sum
5		DOA	Pioneers' Homes: Increased Salaries and Operations Costs	738,300	0	738,300	
				738,300	0	738,300	Sum
6		DOA	Older Alaskans Commission: Arbitration Award	38,700	0	38,700	
				38,700	0	38,700	Sum
7	Y	DOA	Public Defender: Attorneys' LWOP	193,600	0	193,600	
				193,600	0	193,600	Sum
8		DOA	Alaska Public Offices Commission: Elections Report Data	130,000	0	130,000	
				130,000	0	130,000	Sum
9		DOA	1988 Columbus Day Arbitration Award	370,900	0	370,900	
				370,900	0	370,900	Sum
10	Y	LAW	Judgements and Claims	267,167	0	267,167	
				267,167	0	267,167	Sum
11	Y	LAW	Attorney General's Office: Weiss v. State	267,000	0	267,000	
				267,000	0	267,000	Sum
12	Y	LAW	Reimburse Gov. Sheffield's Legal Expenses (Funded Ch. 17)	302,653	0	302,653	
				302,653	0	302,653	Sum
13		REV	Shared Taxes: Electric and Telephone Cooperative Tax FY89	32,774	0	32,774	
				32,774	0	32,774	Sum
14		REV	Child Support Enforcement Division: (Gramm-Rudman-Hollings)	54,500	0	54,500	

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
				54,500	0	54,500	Sum
15		DOE	Foundation Funding: Increased Enrollment	17,858,100	0	17,858,100	
	Y	DOE	Foundation Funding: Underpayments Due to PL81-874 for FY88	606,902	0	606,902	
	Y	DOE	Foundation Funding: Underpayments Due to PL81-874 for FY89	397,102	0	397,102	
	Y	DOE	Foundation Funding: FY90 Student Count Adjustment PL 81-874	637,400	0	637,400	
				19,499,504	0	19,499,504	Sum
16		DOE	Debt Retirement: Juneau/Sitka/North Slope FY89	1,753,300	0	1,753,300	
				1,753,300	0	1,753,300	Sum
18	Y	DHSS	Medical Assistance: Medicaid Non-Facility Shortfall	2,319,600	2,319,500	4,639,100	
				2,319,600	2,319,500	4,639,100	Sum
19	Y	DHSS	Medical Assistance: Medicaid Facilities Shortfall	5,252,500	5,252,400	10,504,900	
				5,252,500	5,252,400	10,504,900	Sum
20		DHSS	Medical Assistance: Indian Health Services Shortfall	0	3,446,200	3,446,200	
				0	3,446,200	3,446,200	Sum
21		DHSS	Medical Assistance: State Programs Shortfall	0	882,000	882,000	
				0	882,000	882,000	Sum
22		DHSS	Medical Assistance Central Administration: Legal Costs	50,000	50,000	100,000	
				50,000	50,000	100,000	Sum
23	Y	DHSS	Medical Assistance Admin: Claims Processing Shortfall	202,400	336,600	539,000	
				202,400	336,600	539,000	Sum
24		DHSS	State Health Services: Nursing Position Reclassification	354,400	0	354,400	
				354,400	0	354,400	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
25		DHSS	Institutions & Administration: API Nursing Position Reclass	266,800	0	266,800	
				266,800	0	266,800	Sum
30		DMVA	Veterans Death Gratuity; Program Underfunding	90,000	0	90,000	
				90,000	0	90,000	Sum
31	Y	DMVA	Disaster Relief Fund: FY90 (Funded Ch. 17)	2,000,000	0	2,000,000	
				2,000,000	0	2,000,000	Sum
32		DNR	Division of Forest Management: Fire Suppression	663,200	0	663,200	
				663,200	0	663,200	Sum
33		DNR	Division of Forest Management: Emergency Fire Fighters	100,000	400,000	500,000	
				100,000	400,000	500,000	Sum
34		DNR	Alaska Historical Commission: Alaska at War	5,400	0	5,400	
				5,400	0	5,400	Sum
35		DFG	Division of Boards Reorganization	384,000	0	384,000	
				384,000	0	384,000	Sum
36		DPS	Municipal Jail Contracts: Request for Additional Funding	440,400	0	440,400	
				440,400	0	440,400	Sum
37		DPS	Laboratory Services: Crime Lab Request for Funding	83,100	0	83,100	
				83,100	0	83,100	Sum
38		DPS	Law Enforcement Support: information Systems	58,100	0	58,100	
				58,100	0	58,100	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
39		DPS	Law Enforcement Support: Crime Information Systems	137,900	0	137,900	
				137,900	0	137,900	Sum
40		DPS	Motor Vehicles: Veterans License Plates	21,800	0	21,800	
				21,800	0	21,800	Sum
41			Permanent Fund Dividend Fund Reimbursement	1,500,000	0	1,500,000	
				1,500,000	0	1,500,000	Sum
42		DOT	Alaska Marine Highway System: FY89 Unpaid Bills	238,293	0	238,293	
				238,293	0	238,293	Sum
43	Y	DOT	Alaska Marine Highway System: FY89 Level (Funded Ch. 17)	3,250,000	0	3,250,000	
				3,250,000	0	3,250,000	Sum
44	Y	DOT	Western Highways & Aviation: Airport Maintenance Contracts	50,000	0	50,000	
				50,000	0	50,000	Sum
45		DOT	Spring Creek Prison Claim	2,325,000	0	2,325,000	
				2,325,000	0	2,325,000	Sum
46	Y	DOT	Snow and Ice Control/Spring Break-up Maintenance	6,630,300	878,700	7,509,000	
				6,630,300	878,700	7,509,000	Sum
47		DOT	City and Borough of Juneau	136,000	0	136,000	
				136,000	0	136,000	Sum
48	Y	DCRA	Family Support Act: Implement Child Care Benefits - April 1	341,000	340,900	681,900	
				341,000	340,900	681,900	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
49		DCRA	Coffman Cove Incorporation Grant of \$50,000	50,000	0	50,000	
				50,000	0	50,000	Sum
50		DCRA	State Revenue Sharing Aid to Unincorporated Community Grants	24,660	0	24,660	
				24,660	0	24,660	Sum
51		DCRA	Local Boundary Commission: Optimum Boundaries Map Project	46,000	0	46,000	
				46,000	0	46,000	Sum
52		DOC	Major Medical: Full Funding	1,600,000	0	1,600,000	
				1,600,000	0	1,600,000	Sum
53		DOC	Statewide Programs: Manilaq Rehabilitation Center	250,000	0	250,000	
				250,000	0	250,000	Sum
54		DOC	Southcentral Probation: Arbitration Settlement	25,300	0	25,300	
				25,300	0	25,300	Sum
55	Y	ACS	Alaska Commission on Judicial Conduct: Proceedings	56,397	0	56,397	
				56,397	0	56,397	Sum
56		DCED	Miscellaneous Claims	5,824	0	5,824	
		DFG	Miscellaneous Claims	67	0	67	
		DHSS	Miscellaneous Claims	37,327	0	37,327	
	Y	DMVA	Miscellaneous Claims	4,577	0	4,577	
	Y	DOA	Miscellaneous Claims and State-Dated Warrants	31,759	0	31,759	
	Y	DOC	Miscellaneous Claims	2,735	0	2,735	
	Y	DOT	Miscellaneous Claims	24,752	0	24,752	
		DPS	Division of Administrative Services: Miscellaneous Claims	492	0	492	
		GOV	Human Rights Commission: Miscellaneous Claims	699	0	699	
		LEG	Legislative Affairs Agency: Miscellaneous Claims	593	0	593	

SECTION AMENDED AGENCY

TITLE

GENERAL FUND	OTHER FUNDS	TOTAL	
108,825	0	108,825	Sum
79,617,391	14,641,490	94,258,881	Sum

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 04/20/90  
TIME: 13:11:25  
PRG: F90SUPL1

Page 1 of FY '90 SUPPLEMENTAL APPROPRIATION REQUEST WORKSHEET

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL	
	41		Permanent Fund Dividend Fund Reimbursement	1,500,000	0	1,500,000	1,500,000	0	1,500,000	
				1,500,000	0	1,500,000	1,500,000	0	1,500,000	Sum
ACS	55	Y	Alaska Commission on Judicial Conduct: Proceedings	56,397	0	56,397	56,397	0	56,397	
				56,397	0	56,397	56,397	0	56,397	Sum
DCED	56		Miscellaneous Claims	5,824	0	5,824	5,824	0	5,824	
DCED	0	Y	Purchase of Locomotives and Rolling Stock	9,000,000	0	9,000,000	9,000,000	0	9,000,000	
				9,005,824	0	9,005,824	9,005,824	0	9,005,824	Sum
DCRA	48	Y	Family Support Act: Implement Child Care Benefits - April 1	341,000	340,900	681,900	341,000	340,900	681,900	
DCRA	49		Coffman Cove Incorporation Grant of \$50,000	50,000	0	50,000	50,000	0	50,000	
DCRA	50		State Revenue Sharing Aid to Unincorporated Community Grants	24,660	0	24,660	24,660	0	24,660	
DCRA	51		Local Boundary Commission: Optimum Boundaries Map Project	46,000	0	46,000	46,000	0	46,000	
				461,660	340,900	802,560	461,660	340,900	802,560	Sum
DEC	0	Y	VSM: Kotzebue Repairs to Water System/1990 Winter Freeze-up	2,826,700	0	2,826,700	2,826,700	0	2,826,700	
				2,826,700	0	2,826,700	2,826,700	0	2,826,700	Sum
DFG	35		Division of Boards Reorganization	384,000	0	384,000	384,000	0	384,000	
DFG	56		Miscellaneous Claims	787	0	787	67	0	67	
DFG	0	Y	Main Bay Hatchery Brood Stock Maturation Facility Constructn	298,000	0	298,000	298,000	0	298,000	
				682,787	0	682,787	682,067	0	682,067	Sum
DHSS	17	Y	Assistance Payments: OAA-ALB Hold Harmless	0	0	0	0	0	0	
DHSS	18	Y	Medical Assistance: Medicaid Non-Facility Shortfall	2,319,600	2,319,500	4,639,100	2,319,600	2,319,500	4,639,100	
DHSS	19	Y	Medical Assistance: Medicaid Facilities Shortfall	5,252,500	5,252,400	10,504,900	5,252,500	5,252,400	10,504,900	
DHSS	20		Medical Assistance: Indian Health Services Shortfall	0	3,446,200	3,446,200	0	3,446,200	3,446,200	
DHSS	21		Medical Assistance: State Programs Shortfall	0	882,000	882,000	0	882,000	882,000	
DHSS	22		Medical Assistance Central Administration: Legal Costs	50,000	50,000	100,000	50,000	50,000	100,000	

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL	
DHSS	23	Y	Medical Assistance Admin: Claims Processing Shortfall	202,400	336,600	539,000	202,400	336,600	539,000	
DHSS	24		State Health Services: Nursing Position Reclassification	354,400	0	354,400	354,400	0	354,400	
DHSS	25		Institutions & Administration: API Nursing Position Reclass	266,800	0	266,800	266,800	0	266,800	
DHSS	56		Miscellaneous Claims	37,327	0	37,327	37,327	0	37,327	
DHSS	0	Y	Alaska Work Programs: Family Support Act (Welfare Reform)	0	340,900	340,900	0	340,900	340,900	
				8,483,027	12,627,600	21,110,627	8,483,027	12,627,600	21,110,627	Sum
DMVA	56	Y	Miscellaneous Claims	4,577	0	4,577	4,577	0	4,577	
DMVA	30		Veterans Death Gratuity: Program Underfunding	90,000	0	90,000	90,000	0	90,000	
DMVA	0	Y	Disaster Relief Fund: 1986 Southcentral Flood Disaster	1,874,530	0	1,874,530	1,874,530	0	1,874,530	
DMVA	0	Y	Disaster Relief Fund: 1989 Spring Flood Disaster (Statewide)	1,011,888	0	1,011,888	1,011,888	0	1,011,888	
DMVA	0	Y	Disaster Relief Fund: 1989 Anchorage Flood Disaster	805,100	0	805,100	805,100	0	805,100	
DMVA	0	Y	Disaster Relief Fund: 1989 Kenai Peninsula Flood Disaster	495,580	0	495,580	495,580	0	495,580	
DMVA	31	Y	Disaster Relief Fund: FY90 (Funded Ch. 17)	2,000,000	0	2,000,000	2,000,000	0	2,000,000	
DMVA	0	Y	Mt. Redoubt Volcano Monitoring 02/01/90 - 06/30/90	173,900	0	173,900	173,900	0	173,900	
				6,455,575	0	6,455,575	6,455,575	0	6,455,575	Sum
DNR	32		Division of Forest Management: Fire Suppression	663,200	0	663,200	663,200	0	663,200	
DNR	56	Y	Division of Management: Miscellaneous Claims	0	0	0	0	0	0	
DNR	33		Division of Forest Management: Emergency Fire Fighters	100,000	400,000	500,000	100,000	400,000	500,000	
DNR	0		Division of Parks/Outdoor Recreation: Castle Hill Expense	9,365	0	9,365	0	0	9,365	
DNR	34		Alaska Historical Commission: Alaska at War	5,400	0	5,400	5,400	0	5,400	
DNR	0	Y	Redoubt Volcano/Drift River Study	80,300	0	80,300	80,300	0	80,300	
				858,265	400,000	1,258,265	848,900	400,000	1,248,900	Sum
DOA	1	Y	Longevity Bonus: Grants (6758.0 in Ch. 17)	7,400,000	0	7,400,000	7,400,000	0	7,400,000	
DOA	5		Pioneers' Homes: Increased Salaries and Operations Costs	738,300	0	738,300	738,300	0	738,300	
DOA	6		Older Alaskans Commission: Arbitration Award	38,700	0	38,700	38,700	0	38,700	
DOA	7	Y	Public Defender: Attorneys' LMOB	242,800	0	242,800	193,600	0	193,600	
DOA	2	Y	Office of Public Advocacy: FY89 (Funded Ch. 17)	249,200	0	249,200	249,200	0	249,200	
DOA	3	Y	Office of Public Advocacy: FY90 (Funded Ch. 17)	950,000	0	950,000	950,000	0	950,000	
DOA	4		Labor Relations Agency: Amend Legal/Administrative Contracts	25,000	0	25,000	25,000	0	25,000	
DOA	8		Alaska Public Offices Commission: Elections Report Data	130,000	0	130,000	130,000	0	130,000	
DOA	56	Y	Miscellaneous Claims and State-Issued Warrants	31,759	0	31,759	31,759	0	31,759	
DOA	0		Alaska Public Broadcasting Commission: Increased Costs	734,500	0	734,500	0	0	734,500	
DOA	9		1988 Columbus Day Arbitration Award	370,900	0	370,900	370,900	0	370,900	
DOA	0	Y	Public Defender: Extraordinary Felony Cases	90,000	0	90,000	90,000	0	90,000	

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL	
				11,001,159	0	11,001,159	10,217,459	0	10,217,459	Sum
DOC	54		Southcentral Probation: Arbitration Settlement	25,300	0	25,300	25,300	0	25,300	
DOC	52		Major Medical: Full Funding	1,600,000	0	1,600,000	1,600,000	0	1,600,000	
DOC	53		Statewide Programs: Maniilaq Rehabilitation Center	250,000	0	250,000	250,000	0	250,000	
DOC	56	Y	Miscellaneous Claims	2,735	0	2,735	2,735	0	2,735	
DOC	0	Y	Clery Monitor	30,000	0	30,000	30,000	0	30,000	
				1,908,035	0	1,908,035	1,908,035	0	1,908,035	Sum
DOE	15		Foundation Funding: Increased Enrollment	17,858,100	0	17,858,100	17,858,100	0	17,858,100	
DOE	16		Debt Retirement: Juneau/Sitka/North Slope FY89	1,753,300	0	1,753,300	1,753,300	0	1,753,300	
DOE	0	Y	Debt Retirement: Kodiak and Sitka FY90	1,090,500	0	1,090,500	1,090,500	0	1,090,500	
DOE	56	Y	Miscellaneous Claims	0	0	0	0	0	0	
DOE	15	Y	Foundation Funding: Underpayments Due to PL81-874 for FY88	606,902	0	606,902	606,902	0	606,902	
DOE	15	Y	Foundation Funding: Underpayments Due to PL81-874 for FY89	397,102	0	397,102	397,102	0	397,102	
DOE	0	Y	K-12 Boarding Home Program FY90 Full Cost	27,000	0	27,000	27,000	0	27,000	
DOE	0	Y	Implementation of HD 52, FY90 Fiscal Impact	40,000	0	40,000	40,000	0	40,000	
DOE	15	Y	Foundation Funding: FY90 Student Count Adjustment PL 81-874	637,400	0	637,400	637,400	0	637,400	
DOE	0	Y	FY '87 Audit Exception Payments to Federal Government	426,290	0	426,290	426,290	0	426,290	
				22,836,594	0	22,836,594	22,836,594	0	22,836,594	Sum
DOL	29	Y	Labor Market Information: 1990 Census	0	0	0	0	0	0	
DOL	28	Y	Workers' Compensation: Injured Worker	0	0	0	0	0	0	
DOL	26	Y	Wage and Hour - Contractual Hearing Officers	0	0	0	0	0	0	
DOL	27	Y	Occupational Safety & Health - Contractual Attorney	0	0	0	0	0	0	
				0	0	0	0	0	0	Sum
DOT	42		Alaska Marine Highway System: FY89 Unpaid Bills	238,293	0	238,293	238,293	0	238,293	
DOT	43	Y	Alaska Marine Highway System: FY89 Level (Funded Ch. 17)	3,250,000	0	3,250,000	3,250,000	0	3,250,000	
DOT	44	Y	Western Highways & Aviation: Airport Maintenance Contracts	95,700	0	95,700	50,000	0	50,000	
DOT	45		Spring Creek Prison Claim	2,325,000	0	2,325,000	2,325,000	0	2,325,000	
DOT	0		Statewide Research	400,000	0	400,000	0	0	0	
DOT	56	Y	Miscellaneous Claims	24,752	0	24,752	24,752	0	24,752	
DOT	0		Dalton Highway & Aviation: Fund Source Change	3,500,000	0	3,500,000	0	0	0	
DOT	0		Dalton Facilities: Fund Source Change	940,000	0	940,000	0	0	0	
DOT	46	Y	Snow and Ice Control/Spring Break-up Maintenance	6,630,300	878,700	7,509,000	6,630,300	878,700	7,509,000	

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL	
DOT	47		City and Borough of Juneau	136,000	0	136,000	136,000	0	136,000	
				17,540,045	878,700	18,418,745	12,654,345	878,700	13,533,045	Sum
DPS	56		Division of Administrative Services: Miscellaneous Claims	492	0	492	492	0	492	
DPS	36		Municipal Jail Contracts: Request for Additional Funding	440,400	0	440,400	440,400	0	440,400	
DPS	39		Law Enforcement Support: Crime Information Systems	137,900	0	137,900	137,900	0	137,900	
DPS	38		Law Enforcement Support: Information Systems	58,100	0	58,100	58,100	0	58,100	
DPS	37		Laboratory Services: Crime Lab Request for Funding	83,100	0	83,100	83,100	0	83,100	
DPS	40		Motor Vehicles: Veterans License Plates	21,800	0	21,800	21,800	0	21,800	
				741,792	0	741,792	741,792	0	741,792	Sum
GOV	56		Human Rights Commission: Miscellaneous Claims	699	0	699	699	0	699	
				699	0	699	699	0	699	Sum
LAH	0		Oil and Gas Litigation: Amerada Hess	8,605,800	0	8,605,800	0	0	0	
LAH	11	Y	Attorney General's Office: Meiss v. State	267,000	0	267,000	267,000	0	267,000	
LAH	10	Y	Judgements and Claims	267,167	0	267,167	267,167	0	267,167	
LAH	12	Y	Reimburse Gov. Sheffield's Legal Expenses (Funded Ch. 17)	302,653	0	302,653	302,653	0	302,653	
				9,442,620	0	9,442,620	836,820	0	836,820	Sum
LEG	56		Legislative Affairs Agency: Miscellaneous Claims	593	0	593	593	0	593	
				593	0	593	593	0	593	Sum
REV	13		Shared Taxes: Electric and Telephone Cooperative Tax FY89	32,774	0	32,774	32,774	0	32,774	
REV	14		Child Support Enforcement Division: (Gross-Rudman-Hollings)	54,500	0	54,500	54,500	0	54,500	
REV	0	Y	Permanent Fund Dividend Division FY '90 Operating Costs	0	99,000	99,000	0	99,000	99,000	
REV	0	Y	Anchorage FY '89 Aviation Fuel Revenue Refund	13,630	0	13,630	13,630	0	13,630	
REV	0	Y	Implement PFD Stipulation Provisions of Lindley v. Malone	0	295,290	295,290	0	295,290	295,290	
				100,904	394,290	495,194	100,904	394,290	495,194	Sum
UA	0		Alaska Native Language Center: Siberian Yupik (Siberia)	29,100	0	29,100	0	0	0	
				29,100	0	29,100	0	0	0	Sum

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL	
				93,931,776	14,641,490	108,573,266	79,617,391	14,641,490	94,258,881	Sum

**INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)**  
 FY90 Supplemental - Amendment - Weiss v. State

**AGENCY CONTACT/PHONE NUMBER:**

Ronald W. Lorensen, Deputy Attorney General / 465-3600

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

This is to amend the Department of Law's request for an FY90 supplemental appropriation to pay court-awarded costs and fees to the plaintiffs in Weiss v. State. The department had previously requested \$160,000 for this purpose based on the premise that the Weiss dispute would follow a mid-course somewhere between a settlement path and a litigation path. Accordingly, monthly costs were estimated to be about \$22,000. However, recent events have shown that the dispute is now heading on a litigation path and plaintiffs' monthly costs had more than doubled by March and are predicted to reach \$50,000 per month in April, May and June. The department originally received \$211,100 to pay these costs for FY90. However, an arrearage of nearly \$100,000 was carried forward from FY89. Because of the dramatic increase in costs, which occurred in March, supplemental funds in the amount of \$267,000 will now be required. An explanation of the events leading to this increase has been received from the plaintiffs' lead attorney, and it is attached for your review. As you are aware, these are court-mandated costs and, for the most part, they are outside the state's control.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.	267.0	
800	Miscellaneous		
<b>TOTAL</b>			
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	267.0	
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 90		<input type="checkbox"/> Formula Program <input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> New Service Compared to FY 90			
<input type="checkbox"/> Continuation of FY 90 <input checked="" type="checkbox"/> Service Level			
IMPACT FROM CAPITAL PROJECT (NAME) <hr/> Chapter _____ SLA _____ Page/Line _____			

**C5 INCREMENT/DECREMENT REQUEST**  
 Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Department of Law  
 BRU Legal Services  
 COMPONENT Administration and Support  
 PROJECT \_\_\_\_\_

**FY 91**

Page 1 of 1  
 Revised Date: 04/17/90

DAVID T. WALKER  
ATTORNEY AT LAW  
MENDENHALL BUILDING  
326 FOURTH STREET, SUITE B  
JUNEAU, ALASKA 99801  
(907) 586-3537

April 16, 1990

HAND DELIVERED

Richard I. Pegues, Director  
Department of Law  
Administrative Services Division  
P. O. Box K, MS 0300  
Juneau, Alaska 99811

Re: Weiss, et al v. State  
4FA-82-2208 Civil

Dear Mr. Pegues:

When we last met to discuss the Plaintiffs' projected expenditures report I considered this litigation was well along on the settlement track. As you know, the legislature passed Chapter 48 (Ch. 48 SLA 1987) providing a proposed settlement mechanism. A vital part of that mechanism was the valuation of the Mental Health Trust Lands under procedures approved by the Interim Mental Health Trust Commission. The Commission approved the procedures. The State has balked. A substantial controversy has developed.

I believe that all the parties now agree that the settlement envisioned by Chapter 48 may not be accomplished. I must take every action necessary to protect my clients' interest and the remaining mental health trust corpus. There has been some press coverage of this matter and the legislature is generally aware that the settlement may be derailed. The political maneuvering has increased and the litigation has heated up. For example, the State recently sought to enjoin the Plaintiffs from challenging title to certain mental health trust lands. That issue is presently before Judge Greene. There are two bills before the legislature which would enact the valuation of the trust lands under the procedures approved by the Interim Mental Health Trust Commission. As of now, the fate of those bills is uncertain.

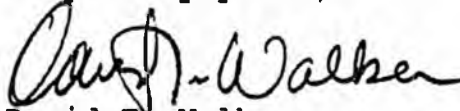
It appears that we are moving into a new phase in the resolution of the issues in this case. This phase will involve more litigation. The estimates I previously provided were based upon the assumption of a continued drive for settlement with a low level of litigation expenses. That assumption is no longer appropriate. I believe we

Richard I. Pegues, Director  
April 16, 1990  
Page 2

must assume that the litigation effort will be stepped up substantially. That will necessitate an increase in the supplemental appropriation required to fund the litigation for the balance of this fiscal year as well as an increased level of appropriation for fiscal year 1991. The Plaintiffs' litigation expenses for last month, a time of increased activity, amounted to approximately \$42,500, or more than twice the amount originally anticipated. Most of that amount is attributable to attorney time. I anticipate that for the balance of this fiscal year the time commitment of Plaintiffs' lawyers will be at least as great as it was in March. We may well require the additional use of experts and technical assistance. For these reasons I believe it would be prudent to assume that the Plaintiffs will incur legal expenses of \$50,000 a month for April, May and June of this fiscal year.

Thank you.

Very truly yours,

  
David T. Walker

DTW:ndp

**INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)**  
**FY90 Judgments Supplemental - Second Amended Request**

**AGENCY CONTACT/PHONE NUMBER:**

Ronald W. Lorensen, Deputy Attorney General / 465-3600

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

This is to request that the amount of the supplemental appropriation to pay judgments against the state be increased to \$267,167.44. This increase is requested in order to pay four new judgments that have been received since the Department of Law's last request of March 15, 1990. A revised listing of the current pending judgments is attached.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.	267.2	
800	Miscellaneous		
TOTAL			
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	267.2	
1005	CF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 90		<input type="checkbox"/> Formula <input type="checkbox"/> Program <input type="checkbox"/> New <input type="checkbox"/> Facility <input type="checkbox"/> Oper.	
<input type="checkbox"/> New Service Compared <input checked="" type="checkbox"/> to FY 90			
<input type="checkbox"/> Continuation of FY 90 <input checked="" type="checkbox"/> Service Level			
<b>IMPACT FROM CAPITAL PROJECT (NAME)</b> <hr/> Chapter _____ SLA _____ Page/Line _____			

**C5 INCREMENT/  
 DECREMENT  
 REQUEST**  
 Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Department of Law  
 BRU Legal Services  
 COMPONENT Operations  
 PROJECT \_\_\_\_\_

**FY 91**

Page 1 of 4  
 Revised Date: 04/20/90

Department of Law  
FY90  
Supplemental Judgements

<u>Judgement</u>	<u>Date of Judgement</u>	<u>Amount</u>	<u>Interest thru 06/30/90 Anticipated</u>	<u>Total</u>	<u>Cumulative Total</u>
1) AK Legal Svcs Arkanakyak v. State	07/20/88	1,000.00	135.04	1,135.04	1,135.04
2) Peter Mysing Thorne v. State	06/26/89	1,177.29	51.62	1,228.91	2,363.95
3) Donald Logan Swenson v. State	09/21/89	135.00	N/A	135.00	2,498.95
4) City of Wasilla Wasilla v. State	08/15/90	69,276.88	N/A	69,276.88	71,775.83
5) Timothy Porter Porter v. State	08/01/89	1,500.00	146.13	1,646.13	73,421.96
6) Phillip Volland Cleary v. State (1)	05/04/89	21,678.72	2,674.61		
Cleary v. State (2)	01/03/90	31,281.31	1,633.17		
Cleary v. State (3)	05/01/89	4,587.95	570.05	62,425.81	135,847.77
7) AK Legal Svcs Green v. State	05/04/89	3,000.00	370.13	3,370.13	139,217.90
8) Our Lady Comp. CC State v. L. Bulen	05/09/87	8,000.00	2,678.64	10,678.64	149,896.54

C5

**ADDITIONAL  
EXPLANATION  
FORM**

AGENCY Department of Law  
BRU Legal Services  
COMPONENT Operations

**FY 91**

Page 2 of 4

Revised Date: 04/20/90

Department of Law  
FY90  
Supplemental Judgements

<u>Judgement</u>	<u>Date of Judgement</u>	<u>Amount</u>	<u>Interest thru 06/30/90 Anticipated</u>	<u>Total</u>	<u>Cumulative Total</u>
9) J. R. Luffberry Anderson v. State	04/28/89	1,147.90	143.63	1,291.53	151,138.07
10) H. Wassink Wassink v. State	11/04/88	1,176.25	150.61	1,328.92	152,516.99
11) Paul Craig Craig v. State	09/25/89	5,000.00	406.85	5,406.85	157,923.84
12) Trustees for AK Miners Advoc. v. State	09/12/89	16,784.75	1,429.39	18,214.14	176,137.98
13) H. Chambers Chambers, et al. v. State	07/05/89	31,252.60	3,290.59	34,543.19	210,681.17
14) K. Kirk Warner v. State	09/11/89	351.50	13.12	364.62	211,045.79
15) T. E. Meacham Urling v. State	07/31/89	10,277.00	1,004.06	11,281.06	222,326.85
16) N.L. Mark State v. Ayarza	01/24/90	500.00	N/A	500.00	222,826.85

CS

**ADDITIONAL  
EXPLANATION  
FORM**

AGENCY Department of Law  
BRU Legal Services  
COMPONENT Operations

**FY 91**

Page 3 of 4

Revised Date: 04/20/90

Department of Law  
FY90  
Supplemental Judgements

<u>Judgement</u>	<u>Date of Judgement</u>	<u>Amount</u>	<u>Interest thru 06/30/90 Anticipated</u>	<u>Total</u>	<u>Cumulative Total</u>
17) McKeen/Matson Matson v. State	02/02/90	1,100.00	N/A	1,000.00	224,188.01
18) AK Petroleum Johnson v. State	02/01/90	3,000.00	131.25	3,131.25	227,319.26
19) C. Jacobus McDowell v. State	03/06/90	13,020.40	444.35	13,464.73	240,783.99
20) A. Robinson Carney v. State	02/21/90	5,164.80	195.88	5,360.63	240,090.97
21) Phillip Volland Cleary v. State	04/11/90	15,199.08	359.08	15,558.16	255,649.13
22) J.W. Sedwick Enserch v. Alaska	02/23/90	1,429.40	53.36	1,482.76	263,185.54
23) J.W. Sedwick Oshorne v. State	04/20/90	3,900.00	81.90	3,981.90	267,167.44
Total		251,201.99	15,965.45	267,167.44	

CS

**ADDITIONAL  
EXPLANATION  
FORM**

AGENCY Department of Law  
BRU Legal Services  
COMPONENT Operations

**FY 91**

Page 4 of 4

Revised Date: 04/20/90

# MEMORANDUM

# State of Alaska

TO: Alison Elgee, Director  
Division of Budget Review  
Office Management & Budget

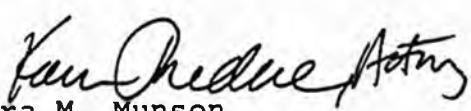
DATE: April 20, 1990

FILENO: m\work\bud\fy90supp.mem

TELEPHONE NO: 465-3331

THRU:

SUBJECT: FY90 Supplementals

  
FROM: Myra M. Munson  
Commissioner  
Department of Health & Social Services

The Department of Health & Social Services has completed its assessment of FY90 supplemental need.

## OAA-ALB HOLD HARMLESS

April data to date shows a slightly smaller AFDC caseload than expected. Our best guess is that caseloads will not exceed expectations for the remainder of the year and that a sufficient amount will be available to transfer from AFDC. The full supplemental request of \$413.1 for OAA-ALB Hold Harmless can be dropped.

## MEDICAL ASSISTANCE

	<u>Total</u>	<u>GFM</u>	<u>FED</u>
Medicaid Facilities	<3,800.0>	<1,900.0>	<1,900.0>
Medicaid Non-Facility	<1,200.0>	< 600.0>	< 600.0>
TOTAL	<5,000.0>	<2,500.0>	<2,500.0>

Current projections for the Medical Assistance program still indicate a reduced level of supplemental need in the above programs by as much as \$5 million GFM dollars. With a lack of data to make any conclusive statements about continued slower growth, we feel it prudent at this time to only make a reduction of the above amounts of \$5 million total, \$2.5 GFM to our original request. This is no change from our estimate included in my memo of April 6.

## MEDICAL ASSISTANCE ADMINISTRATION

Our supplemental request for this BRU was based mainly on excess claims volume and claims processing system changes required by the various OBRA mandates. An assessment of claims volume to date and system work order costs indicates that the supplemental request for the Claims Processing component can be reduced by \$428.0 (107.0 GFM).

Alaska Department of Revenue  
Permanent Fund Dividend Division  
FY 90 LITIGATION COSTS  
ATTACHMENT A

FY 90

Personal Services

1. Dividend Information Offices

1 Non-permanent Document Processor  
II's, R8, @ \$1,839.42/mo, including  
salary and benefits for 2 months.

\$ 3,680

This position will provide support to the Fairbanks Dividend Information Office in answering the thousands of inquiries from the affected public. Our experience with a much smaller group of felons and their families has been that they keep calling back for status reports on the lawsuit, in addition to the normal questions of when will I be paid, etc.

2. Document Processing Section

3 non-permanent Document Processor I's,  
R7 @ \$1,675.39/mo., including salary and  
benefits for 2 months each from May  
through June, 1990.

\$10,060

These positions are to assist in the special handling of the approximate 40,000 - 50,000 modified applications to be received during this period. Each such application will have to be identified and subjected to special treatment, so that we can determine their eligibility at a later date, dependent on the final judgment of the court. This will have to be carefully handled to avoid disruption of the normal processing of applications from the general public.

TOTAL PERSONAL SERVICES \$13,740

TRAVEL

1. Administrative travel and per diem to  
conduct training for staff at the  
Dividend Information Offices.

TOTAL TRAVEL \$ 2,500

Alaska Department of Revenue  
Permanent Fund Dividend Division  
FY 90 LITIGATION COSTS  
ATTACHMENT A

CONTRACTUAL

1. Advertising

A key element of the success of this project is the public information outreach effort. I anticipate using press releases and Public Service Announcements. In addition, I plan to run weekly 1/8 page ads in newspapers across the state, starting immediately and thru June 30.

If possible, we will do radio spots for broadcast in the next week or so.

\$32,300

2. FORMS

We will advise persons who arrived in Alaska between April 1, 1988 and September 30, 1990, and who did not file for a 1989 PFD last year, to utilize the existing forms, but not to sign them. We expect that most of the these people already discarded the forms. We will print enough applications and sets of instructions, together with a special instruction sheet to accomodate 30,000 requests. This is enough to accomodate 60,000 adults and children. In addition, we will need manila envelopes, labels and return envelopes.

\$10,500

3. POSTAGE

25,000 mailouts at 65¢/each. We assume most people will call for forms, thus the postage costs. Approximately 5,000 will pick up forms at our offices.

\$16,250

TOTAL CONTRACTUAL

\$59,050

SUPPLIES

General office supplies for additional staff.

\$ 1,000

EQUIPMENT

\$ -0-

TOTAL FY 90 estimated increased supplemental need

\$76,290

Alaska Department of Revenue  
Permanent Fund Dividend Division  
FY 91 LITIGATION COSTS  
ATTACHMENT B

FY 91

Personal Services

1. Dividend Information Offices

Extend 6 PPT Document Processor II's,  
R8 @ \$2,446.08/mo, including salary and  
benefits for 6 additional months.

\$88,100

Two non-permanent Document Processor  
II's, R8, @ \$1,768.67/mo, including  
salary and benefits for 6 months.

\$21,200

These positions will assist in  
answering inquiries for affected public  
regarding status of lawsuit, why aren't  
I paid now, etc. This assumes the  
court judgment is final by December 31,  
1990.

2. Document Processing Section

Six non-permanent Document Processor  
I's, R7 @ \$1,675.39/mo, including  
salary and benefits, for six months to  
assist in special processing of  
affected applications, review of  
supplemental information, and issuance  
of denial notices.

\$60,300

3. Appeals Section

One non-permanent Clerk IV, R9 @  
\$1,877.09/mo, including salary and  
benefits for six months.

\$11,200

Ultimately, assuming final court  
decision judgment is received in FY 91,  
the division will be sending out  
thousands of denials, the total  
depending on the decision of the  
court. (24, 18, 12, or 6 months)  
Although appeals could be handled  
quickly and simply, it will still tax  
the appeals section's ability to keep  
up with the normal workload. The  
non-permanent Clerk IV would be trained  
to handle these appeals over the last  
half of FY 91.

TOTAL PERSONAL SERVICES

\$180,800

Alaska Department of Revenue  
Permanent Fund Dividend Division  
FY 91 LITIGATION COSTS  
ATTACHMENT B

TRAVEL

\$ -0-

CONTRACTUAL

1. POSTAGE

Postage for the special mailout to all affected public in Fall, 1990, advising of status of court case, to try and deflect as much contact as possible. 40,000 mailings.

\$10,000

Postage for mailing of supplemental information forms and modified affidavits of residency to 40,000 applicants.

\$10,000

Postage for mailing an estimated 20,000 denial notices based on the mid-range case at the court ruling in favor of a one year residency requirement.

\$ 5,000

2. FORMS

Supplemental forms, special notice, envelopes for above mailings, plus denial notices and appeal forms.

\$ 6,400

TOTAL CONTRACTUAL

\$ 31,400

SUPPLIES

General office supplies for additional staff.

\$ 2,500

EQUIPMENT

3 additional terminals  
1 computer address on mainframe to accomodate terminal access.  
1 card for phone installation to accomodate additional lines

TOTAL EQUIPMENT

\$ 4,300

TOTAL FY 91 estimated increased supplemental need

\$219,000

IN THE SUPERIOR COURT FOR THE STATE OF ALASKA

THIRD JUDICIAL DISTRICT AT ANCHORAGE

1  
2 ELIZABETH KERI LINDLY, )  
3 et al., )  
4 Plaintiffs, )  
5 v. )  
6 HUGH MALONE, as Commissioner, )  
7 Department of Revenue, )  
8 State of Alaska, et al., )  
9 Defendants. )

Case No. 3AN-90-2586 Civil

STIPULATION

11 This action challenges the constitutionality of the 1989  
12 amendments to AS 43.23.005(a)(2) and AS 43.23.015(b), which  
13 changed the eligibility requirements for a permanent fund dividend  
14 (pfd) by increasing the residency requirement from six months to  
15 two years. These amendments took effect January 1, 1990, and  
16 apply to the 1990 pfd program.

17 The application period for the 1990 pfd program is  
18 currently underway, having commenced on April 1 and running  
19 through June 30, 1990. By October 1, 1990, the Commissioner of  
20 Revenue must determine the value of the 1990 permanent fund  
21 dividend. This calculation is dependent upon the number of  
22 eligible applicants. See AS 43.23.025(a).

23 The outcome of this litigation necessarily impacts the  
24 calculation of the number of individuals eligible for the 1990  
25 dividend. In order to preserve the potential rights of those  
26 individuals who would have qualified but for the 1989 amendments

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL  
ANCHORAGE BRANCH  
1031 W. FOURTH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-3550

1 and may be impacted by the outcome of this litigation, the  
2 parties, by and through their respective counsel of record, and  
3 subject to the approval of the Court, stipulate and agree as  
4 follows:

5 1. The final decision of the Court in this case, after  
6 any appeals are exhausted, will be applied by the Department of  
7 Revenue to all persons similarly situated to plaintiffs.

8 2. The Department of Revenue will accept and compile  
9 on the department's pfd file applications submitted by persons  
10 who are not currently eligible but would have qualified under the  
11 law prior to the 1989 amendments, i.e., all those demonstrating  
12 six-months residency, under the following procedure:

13 a. Applicants who would otherwise qualify except  
14 for the 1989 amendments must file with the department  
15 using the current 1990 pfd application forms. However,  
16 in completing the application, those persons will not be  
17 required to certify to the two-year residency, nor will  
18 they have witnesses certifying to the two-year residency.

19 b. When the department receives an application from  
20 an individual falling within the affected group, the  
21 department will send a supplemental certification and  
22 witness certification form to that person. This  
23 supplemental form will ask the individual to indicate when  
24 his or her Alaska residency began and require witness  
25 certification of that statement.

26 c. Upon receipt of completed applications from  
those persons so affected, the department will program on

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL  
ANCHORAGE BRANCH  
1031 W. FOURTH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-3550

1 the pfd file a code identifying them as members of the  
2 group with this different residency status.

3 d. The application period for all pfd applications,  
4 including those falling within the affected group, will  
5 remain the same, closing on June 30, 1990.

6 e. Upon conclusion of this litigation and based  
7 upon the results thereof, individuals falling within the  
8 affected group will be either approved, if otherwise  
9 qualified, or disapproved.

10 3. In an effort to inform as many affected individuals  
11 as possible of this process, the Department of Revenue will run  
12 advertisements in all major newspapers of the state, issue press  
13 releases, pursue public service announcements, and otherwise  
14 disseminate the substance of this stipulation.

15 4. The parties further agree that the sole issue to be  
16 decided by this Court is the constitutionality of the 1989  
17 amendments to AS 43.23.005(a)(2) and 43.23.015(b). In that  
18 regard, AS 43.23.005(e) provides that if a court determines that  
19 the two-year residency requirement is invalid, a one year  
20 residency requirement will be imposed; if a court further finds  
21 that the one year residency requirement is invalid, "the residency  
22 requirement is the longest duration permitted by law." In the  
23 event this Court should determine that the two year residency  
24 requirement is invalid, the state will thereafter request a  
25 determination of the validity of the one year residency  
26 requirement as well, to avoid further litigation on this issue.  
In the event this Court further determines that the one year

DEPARTMENT OF LAW  
OFFICE OF THE ATTORNEY GENERAL  
ANCHORAGE BRANCH  
1031 W. FOURTH AVENUE, SUITE 200  
ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-3550

1 residency requirement is invalid, the parties request that this  
2 court find that the "longest duration permitted by law" be deemed  
3 to be six months, the period of eligibility in effect prior to the  
4 1989 amendments.

5 5. The parties request that the Court enter an Order  
6 consistent herewith.

7 DATED: ~~2/16/90~~ <sup>-07-</sup> 4/17/90

8 DOUGLAS B. BAILY  
9 ATTORNEY GENERAL

10 By: Jeffrey W. Bush  
11 for Jeffrey W. Bush  
12 Assistant Attorney General

13 DATED: 4/16/90

14 Joseph P. Josephson  
15 Joseph P. Josephson  
16 Attorney for Plaintiffs

17 ORDER

18 IT IS SO ORDERED.

19 DATED: \_\_\_\_\_

20 \_\_\_\_\_  
21 Dana Fabe, Superior Court Judge

22 DEPARTMENT OF LAW  
23 OFFICE OF THE ATTORNEY GENERAL  
24 ANCHORAGE BRANCH  
25 1031 W. FOURTH AVENUE, SUITE 200  
26 ANCHORAGE, ALASKA 99501  
PHONE: (907) 276-3550

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

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

STEVE COWPER, GOVERNOR

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

April 9, 1990

The Honorable Ron Larson  
The Honorable Lyman Hoffman  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: House Bill 428 Supplemental  
Amendment #4

Dear Representatives Larson and Hoffman:

I have listed below additional amendments to House Bill 428. Appropriate backup is attached for your information.

#### Technical Changes

\* Sec. 17. The sum of \$213,100 [\$413,100] is appropriated from the general fund to the Department of Health and Social Services for full-year funding of the Old Age Assistance -- Alaska Longevity Bonus Hold Harmless program for the fiscal year ending June 30, 1990.

\* Sec. 18. The sum of \$4,639,100 [5,839,100] is appropriated to the Department of Health and Social Services for additional medicaid non-facility program costs for the fiscal year ending June 30, 1990, from the following sources:

Federal Receipts	<u>\$2,319,500</u> [\$2,919,500]
General Fund Match	<u>\$2,319,600</u> [\$2,919,600]

\* Sec. 19. The sum of \$10,504,900 [\$14,304,900] is appropriated to the Department of Health and Social Services for additional medicaid facilities program costs for the fiscal year ending June

Supplemental Amend. #4

2

April 9, 1990

30, 1990, from the following sources:

Federal Receipts	<u>\$5,252,400</u> [\$7,152,400]
General Fund Match	<u>\$5,252,500</u> [\$7,152,500]

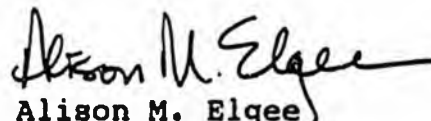
New Sections:

\* Sec. \_\_\_\_ . The sum of \$13,630 is appropriated from the general fund to the Department of Revenue to refund additional aviation fuel revenue to the Municipality of Anchorage under AS 43.40.010 for the fiscal year ending June 30, 1989.

\* Sec. \_\_\_\_ . The sum of \$426,290 is appropriated from the general fund to the Department of Education for repayment to the federal government for FY 87 audit exceptions.

The net effect of these amendments is to reduce the supplementals requested by \$2,500.0 in federal funds, and \$2,260,000 in general funds. If you have any questions, please feel free to contact me.

Sincerely,

  
Alison M. Elgee  
Director

Attachments

cc: Senator John Binkley  
Senator Rick Uehling  
Co-Chairmen, Senate Finance  
Committee  
Carol Collins  
House Finance Committee  
Mike Greany, Legislative Finance

# MEMORANDUM

# State of Alaska

TO: **Alison** Director  
Division of Budget Review  
Office of Management & Budget

DATE: April 6, 1990

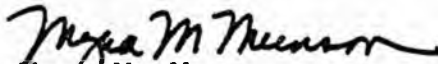
FILE NO: m\work\bud\fy90supp.mem

TELEPHONE NO: 465-3331

THRU:

SUBJECT: FY90 Supplementals

FROM:



Myra M. Munson  
Commissioner  
Department of Health & Social Services

The Department of Health and Social Services is currently reviewing anticipated FY90 expenditures using expenditure patterns through February 1990. Initial impressions are that a potential exists for reduction of our supplemental requests. We expect our operating divisions to firm up their projections using March and April data by April 16.

Three items of reduction have been identified and the following appear firm at this time:

1. OAA-ALB Hold Harmless <200.0>

Current projections for the AFDC program indicate a reduced level of spending in FY90 providing additional GF to transfer to the OAA-ALB program. Savings in AFDC are attributable to a lower than projected caseload for the period August 89 through January 90 (see attached graph). Caseload actuals for February and March have returned to the projected levels and by April 16 we should be able to confirm whether they are remaining at the projected level for April. Assuming that they do, the FY91 Budget Request for AFDC should not be changed since the savings encountered in FY90 would not be expected to continue in FY91. Additionally, program growth in Welfare Reform could result in greater than projected increases. The estimates of caseload growth from Welfare Reform have a considerably wider degree of error than the base caseload estimates.

2. Medical Assistance	<u>Total</u>	<u>GFM</u>	<u>FED</u>
Medicaid Facilities	<3,800.0>	<1,900.0>	<1,900.0>
Medicaid Non-Facility	<1,200.0>	< 600.0>	< 600.0>
TOTAL	<5,000.0>	<2,500.0>	<2,500.0>

Current projections for the Medical Assistance program indicate a reduced level of supplemental need in the above programs by as much as \$5 million GFM dollars. While individual service options are displaying somewhat different trend characteristics, the general outlook is that some softening of expenditures is occurring. With a lack of data to make any conclusive statements about continued slower growth, we feel it prudent at this time to only make a reduction of the above amounts of \$5 million total, \$2.5 GFM. One very relevant aspect of this decision is the fact that the Medical Assistance projection methodology does not consider caseload changes. Our previous discussion on AFDC caseload would lead us to believe that Medical Assistance expenditures would drop as a result of the lower than expected caseloads of August 89 through January 90. With a return to projected AFDC caseload levels, the Medical Assistance program would be expected to rebound likewise on some delayed schedule. Medicaid expenditure levels in FY 91 are estimated for a number of changes in the program.

A. OBRA 89

Requires medicaid coverage of pregnant women, infants and children up to the age of 6 and up to 133% of the federal poverty level. New benefits include a) ambulatory care services b) pediatric and family nurse practitioner services c) enhanced EPSDT services and D) an expanded definition of rural health clinics.

B. Welfare Reform

The Family Support Act now mandates that new intact AFDC families with an under employed or unemployed parent will now be eligible for full medicaid benefits. This program will also extend medicaid benefits from the current 4 and 9 month coverages to 12 months for those AFDC families making the transition from welfare to self support.

The changes all represent unknowns which are subject to substantially higher percentages of error in our estimates than the current program. Experience could be quite different, either higher or lower, than requested, but our experience in the past shows us to be conservative in estimating the amount of demand as a result of program changes.

Alison Elger

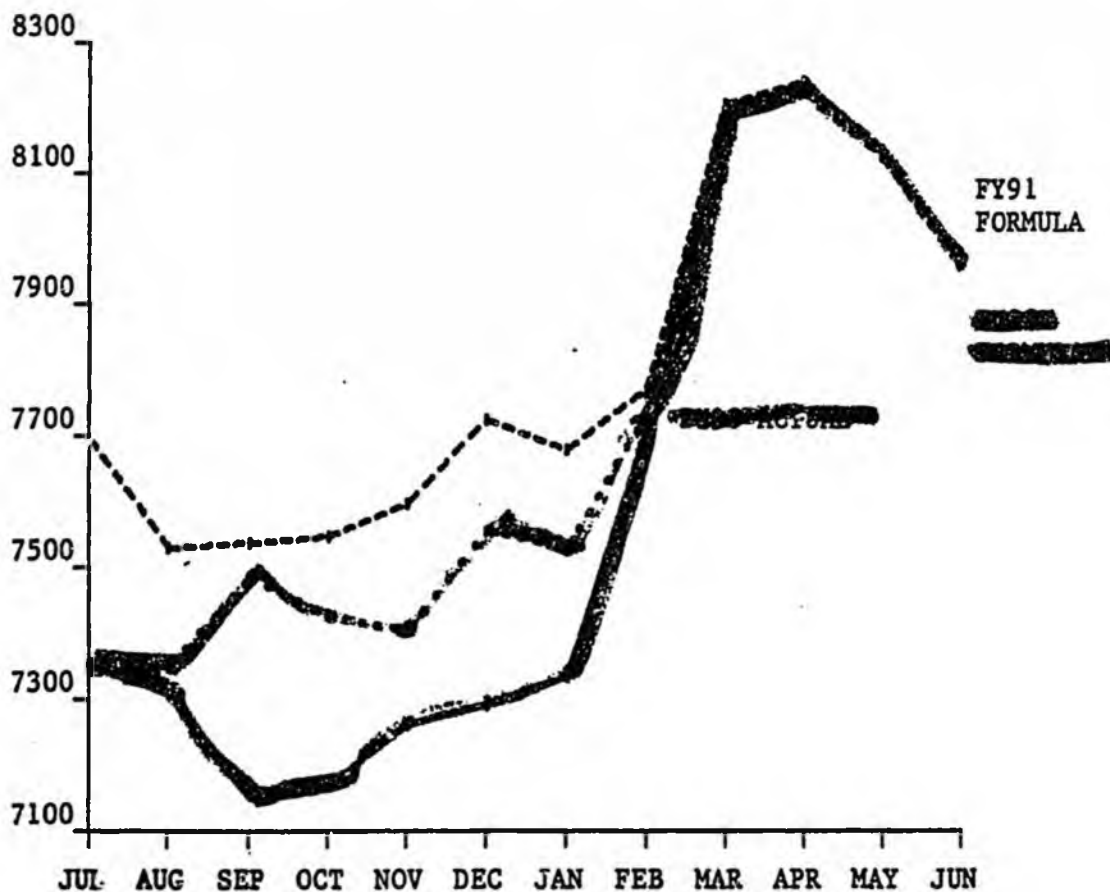
- 3 -

April 6, 1990

Prior to April 16, we will be assessing all supplemental requests using the latest information, e.g. March payroll for the API and Nursing supplementals. Our objectives will be to minimize the FY 90 Supplementals as well as to assess impacts on the FY 91 request. Hopefully, the timing of our actions will represent no conflict with the legislative schedule on appropriations.

Attachment

DIVISION OF PUBLIC ASSISTANCE  
 FY90 AFDC ACTUAL AS OF 3/1/90  
 VS  
 FY90 AND FY91 FORMULA (BUDGET REQUEST)



# MEMORANDUM

STATE OF ALASKA

DEPARTMENT OF REVENUE

TO: Nancy Bennett  
Director  
Administrative Services

DATE: April 5, 1990

FILE NO: 0377K

TELEPHONE NO: 465-2320

THRU: Steven E. Kettel *SK*  
Director  
Income & Excise Audit

SUBJECT: Merrill Field  
Supplemental

FROM: Paul Dick *PD*  
Revenue Audit Supervisor  
Income and Excise Audit Division

The Department of Revenue needs to request a supplemental appropriation of \$13,629.98 for sharing FY 89 aviation fuel tax revenues to Merrill Field in Anchorage. The department is requesting this supplemental because a portion of aviation fuel taxes collected on Merrill Field were not reported to the department, and therefore, not shared by the department to Merrill Field.

The State's motor fuel tax program is structured such that taxes are collected, and then reported and paid by licensed qualified dealers to the department. The qualified dealer is the originating source of motor fuel to be resold in the state. Sales subsequent to the dealer's initial sale of motor fuel, by distributors for example, are not reported to the department.

In the case of Merrill Field, a large volume of aviation fuel sales are made by a distributor on Merrill Field. Since distributors have no filing requirements with the department, those sales made by distributors were not known to the department and therefore, did not get calculated in the total amount to be shared to Anchorage for Merrill Field for FY 89.

Recently, I met with Tom Rachal, Merrill Field manager, to discuss the matter and find a mutual solution to the problem of ensuring that proper revenues are shared to Merrill Field. Beginning January 1, 1990, Tom will submit monthly reports to the department reporting all fuel sales on Merrill Field including those made by dealers and distributors. This will eliminate the need to reconcile our numbers, which we know do not reflect all sales made on Merrill Field, to Merrill Field's figures in the future.

In comparing our FY 89 revenue sharing gallonage figures with Merrill Field's figures, the difference between our figures and their's is approximately equal to the fuel attributable to the distributor selling fuel on Merrill Field. I feel confident that Merrill Field is accurately reporting the true amount of aviation fuel sold there.

Attached are worksheets to support the supplemental appropriation request.

FY 89 Supplemental Request  
 Supplemental Calculation

27  
 4-5-90

COLUMNS	Source: Merrill Field Summary Worksheets (Attached)	— DIFFERENCE —		Total
		AVIATION	TURBINE	
2	January, 1989	(4080)	(2832)	
3	February	8589	4453	
4	March	47714	2051	
5	April	11401	5624	
6	May	19807	(2653)	
7	June	10510	(3046)	
9	Total Gallons	91941	3597	
11	Tax Rate	.04	.025	
13	Tax Collected	3677.64	89.92	
15	Share %	60%	60%	
17	Amount to be Shared Jan - June	2206.58	53.96	2260.54
19	July - Dec, 1988 Share			<u>11369.45</u>
21	Total FY 89 Share			<u>\$ 13629.99</u>

MEIKILL FIELD AIRPORT  
Summary of Fuel Delivered  
Second Half Of 1988

Paul Dick

AV = Aviation Gasoline  
TF = Turbine Fuel

1988 FUEL DELIVERED

FY 89

VENDOR	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	TOTAL
Chevron USA AV							21,300	20,900	20,900	11,300	10,000	10,000	94,400
Inlet Petroleum AV							50,611	50,625	43,594	20,153	12,301	9,101	185,385
TF								3,000	1,500		2,500		7,000
TTL							50,611	53,625	45,094	20,153	14,801	9,101	193,385
Petro Products AV							1,991						1,991
TF								4,400					4,400
TTL							1,991	4,400					6,391
							JUL thru DEC 1988 \$11,880.65						
							JAN thru DEC 1989 +20,718.39						
							TOTAL DUE \$32,599.04						
AK Aerofuel AV							50,909	55,198	45,647	24,328	13,955	13,982	204,019
TF								1,449			322		1,771
TTL							50,909	56,647	45,647	24,328	14,277	13,982	205,790
							JUL thru DEC 1988 \$ 521.20						
							JAN thru DEC 1989 +13,631.90						
							TOTAL PAID \$14,143.10						
MDA Reported AV							124,811	126,723	110,141	55,781	36,256	33,083	486,795
TF								8,849	1,500		2,822		13,171
MDA Gallons—1988							124,811	135,572	111,641	55,781	39,078	33,083	499,965
							TOTAL DUE \$32,599.04						
							TOTAL PAID -14,143.10						
							BALANCE DUE \$18,455.94						
SOA Reported AV							21,300						21,300
TF													
SOA Gallons—1988							21,300						21,300
Difference AV							103,511	126,723	110,141	55,781	36,256	33,083	465,495
TF								8,849	1,500		2,822		13,171
DIFFERENCE—1988							103,511	135,572	111,641	55,781	39,078	33,083	478,666

RECONCILIATION OF TAX DOLLARS

	Aviation Gas At .04/Gal	Turbine Fuel At .025/Gal	Total Tax Due	SOA Share 40%	MDA Share 60%
MDA Reported Gallons	486,795	13,171	19,801.08	7,920.43	11,880.65
SOA Reported Gallons	21,300		852.00	340.80	511.20
Difference	465,495	13,171	18,949.08	7,579.63	11,369.45

MERRILL FIELD AIRPORT  
Summary of Fuel Delivered  
Calendar Year 1989

AV = Aviation Gas  
TF = Turbine Fuel

VENDOR	1989 FUEL DELIVERED												TOTAL
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	
Chevron USA AV		10,000	21,800	10,903	11,480	21,400	11,500	21,401		10,000	10,900		129,384
Columbus Distr AV			800						1,100				1,900
Inlet Petroleum AV	6,783	8,451	24,245	21,647	30,441	38,178	34,561	36,021	30,089	16,756	8,603	9,652	265,427
TF		3,001		2,500		4,002	3,000	3,501	2,500			1,000	19,504
TTL	6,783	11,452	24,245	24,147	30,441	42,180	37,561	39,522	32,589	16,756	8,603	10,652	284,931
Petro Products AV			4,400	4,400	6,156	4,400	9,201	5,436	9,885	3,600	1,155	990	49,624
Denali Fuel TF	1,489	1,452	2,051	3,527	1,852	3,283	5,861	8,428	1,625	4,421	2,501	2,129	38,619
AK Aerofuel AV	11,092	14,120	29,709	31,437	40,039	44,419	63,179	53,514	41,675	21,779	15,801	13,211	379,975
TF	404				603								1,007
TTL	11,496	14,120	29,709	31,437	40,642	44,419	63,179	53,514	41,675	21,779	15,801	13,211	380,982
MOA Reported AV	17,875	32,571	80,954	68,387	88,116	108,397	118,441	116,372	82,750	52,135	36,459	23,853	826,310
TF	1,893	4,453	2,051	6,027	2,455	7,285	8,861	11,929	4,125	4,421	2,501	3,129	59,130
MOA Gallons—1989	19,768	37,024	83,005	74,414	90,571	115,682	127,302	128,301	86,875	56,556	38,960	26,982	885,440
SOA Reported AV	23,955	23,982	33,240*	56,986	68,309	97,887	87,639	64,391	48,982	25,091	1,155		531,617
TF	4,725			403	5,108	10,331	12,665	12,828	4,025	4,421	3,700		58,206
SOA Gallons—1989	28,680	23,982	33,240*	57,389	73,417	108,218	100,304	77,219	53,007	29,512	4,855		589,823
* Unsubstantiated—Required To Balance With State Report													
Difference AV	-6,080	8,589	47,714	11,401	19,807	10,510	30,802	51,981	33,768	27,044	35,304	23,853	294,693
TF	-2,832	4,453	2,051	5,624	-2,653	-3,046	-3,804	-899	100		-1,199	3,129	924
DIFFERENCE—1989	-8,912	13,042	49,765	17,025	17,154	7,464	26,998	51,082	33,868	27,044	34,105	26,982	295,617

RECONCILIATION OF TAX DOLLARS

	Aviation Gas At .04/Gal	Turbine Fuel At .025/Gal	Total Tax Due	SOA Share 40%	MOA Share 50%
MOA Reported Gallons	826,310	59,130	34,530.65	13,812.26	20,718.39
SOA Reported Gallons	531,617	58,206	22,719.83	9,087.93	13,631.90
Difference	294,693	924	11,810.82	4,724.33	7,086.49

**MEMORANDUM**

State of Alaska  
Department of Education

TO: Alison Elgee  
Director  
Division of Budget Review  
Office of Management & Budget

DATE: April 5, 1990

FILE NO:

TELEPHONE NO: 465-2800

FROM:  William G. Demmert  
Commissioner

SUBJECT: Supplemental Request  
Federal Audit Finding

The Alaska Department of Education received final notification of a U.S. Department of Education audit determination on April 3, 1990. The determination outlines the areas in which the Department was found out of compliance and reimbursement of federal funds necessary. In total, \$426,290 is due the federal government, and must be remitted using non-Federal funds.

The principle reason for the FY87 audit finding is the lack of documentation of a positive timekeeping system for federal program administrative personnel charged to more than one program. The Department has subsequently implemented a time accounting system to ensure a sufficient payroll audit trail is in place, in compliance with federal regulations. This action, in 1988, is further supported by the change in the state's payroll system which requires greater accountability per employee through time sheet accounting.

In summary, the required repayments, by program, are as follows:

Educationally Deprived Children-state administration:	\$69,200
Migrant Education-Basic State Formula grant:	\$204,618
Handicapped-State Grants:	\$19,934
Vocational Education-Consumer and Homemaking Education	\$11,882
Civil Rights Technical Assistance and Training:	\$8,885
State Grants for strengthening the skills of Teachers & Instruction in Mathematics, Science, Foreign Languages and Computer Learning:	\$4,340
Special Education Personnel:	\$46,539
Department of Agriculture-State Administration:	\$60,892
Total	----- \$426,290

The determination letter requires repayment of \$172,662 of this total by April 27, 1990 with interest accruing thereafter at the current U.S. Treasury rate (estimated at 8%). The timeline for repayment of the remaining \$253,628 has not yet been specified.

In order to meet this obligation, the Department of Education requests a general fund supplemental of \$426,290.

Enclosure No. 6

Joint Determination of the Office of Elementary and Secondary Education (OESE), Office of Special Education and Rehabilitative Services (OSERS), Grants and Contracts Service (GCS), and Financial Management Service (FMS)

Auditee: Alaska State Department of Education (ASDOE)

Audit Control No.: 10-93032

Finding - Time and Effort Reporting - Pages 10-11, 31-32, & 37-38

During FY 1987, the auditors reported that the ASDOE processed a large number of journal entry transactions that transferred personal services expenditures between various accounts and programs. After examining the scope and nature of all these transfers, the auditors selected 11 transferring journal entries for closer review. All but 3 of the 11 journal entries lacked adequate documentation supporting the transferred expenditures and also contained incorrectly calculated amounts.

The auditors stated that the major cause of this inadequate documentation involves how the ASDOE determined the amount to be transferred. The auditors continued by stating that it appears that the amount to be transferred was identified first and then the allocation of personal services costs that would match the identified total was moved by journal entry. That is, rather than having the transfer reflecting a real and documented change in work duties and a consistent reallocation of actual costs to reflect those changes, the ASDOE worked backwards to arrive at the desired amount to be transferred.

In instances where allocated personal services were transferred from State funded programs to federally funded programs, there are additional requirements that have not been satisfied due to this lack of supporting documentation. Under Federal regulations, there are special documentation requirements for personal services costs charged to Federal programs when those costs represent only a portion of an individual's working time. In such situations, the recipient agency is required to maintain a positive timekeeping system which will support the amount charged. The auditors stated that a positive timekeeping system may include timesheets kept on a reasonable periodic basis (i.e., daily, weekly, monthly) or any other reasonable means approved by Federal administrators which verifies that charged costs represent actual time spent on eligible activities for the Federal program.

The auditors reported that during FY 1987 the ASDOE did not meet either condition for such personal services costs that it charged to many of its Federal programs. Since there was no positive timekeeping system in place in many instances, nor were any other

## Page 2 - Joint Determination of OSES, OSERS, GOS, and FMS

federally approved methods used, the auditors questioned \$365,398 in personnel services expenditures charged to U.S. Department of Education programs during FY 1987.

The estimated questioned costs by program are as follows:

<u>Program</u>	<u>Questioned Costs</u>
Educationally Deprived Children - State Administration (CFDA 84.012)	\$ 89,200
Migrant Education - Basic State Formula Grant (CFDA 84.011)	204,618 *
Handicapped - State Grants (CFDA 84.027)	19,934
Vocational Education - Consumer and Homemaking Education (CFDA 84.049)	11,882 *
Civil Rights Technical Assistance and Training (CFDA 84.004)	8,885
State Grants for Strengthening the Skills of Teachers & Instruction in Mathematics, Science, Foreign Languages & Computer Learning (CFDA 84.164)	4,340
Special Education Personnel Development (CFDA 84.029)	<u>46,539</u>
<b>TOTAL</b>	<b>\$365,398</b>

- \* The questioned costs of \$11,882 for the Vocational Education - Consumer and Homemaking Education Program (CFDA 84.049) is addressed separately by the Assistant Secretary for Vocational and Adult Education (see Enclosure No. 2), and the questioned costs of \$204,618 for the Migrant Education Program (CFDA 84.011) will be addressed by the Assistant Secretary for Elementary and Secondary Education under separate cover.

## MEMORANDUM

State of Alaska  
Department of EducationTO: Mary Hakala  
Commissioner's Office

DATE: April 6, 1990

FILE NO: FDSVC: 10632

TELEPHONE NO: 465-2865

FROM: Kathleen Hays *KHays*  
Food and Nutrition Services

SUBJECT: FY 87 Audit

On April 2, 1990 I had a phone conversation with one of the staff in Financial Management of the Western Regional Office of USDA. It was brought to my attention that the findings in the FY 87 A-128 audit conducted on Food and Nutrition Services are circulating through the Regional Office and that OIG/HSS should be following up on the findings soon. The findings resulted in \$52,724 against the State Administrative Expense (SAE) expenditures and \$8,168 against the Nutrition Education and Training Program (NETP) expenditures because positive time and effort timesheets were not being kept. I understand that federal funds cannot be used to repay these findings; they have to be paid with State funds.

cc: John Anttonen  
Bob Davis

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 04/09/90  
TIME: 09:36:08  
PROG: F90SUPL2

Page 1 of GOVERNOR'S FY '90 SUPPLEMENTAL REQUESTS, BY BILL SECTION

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
0	Y	DCED	Purchase of Locomotives and Rolling Stock	9,000,000	0	9,000,000	
	Y	DEC	VSW: Kotzebue Repairs to Water System/1990 Winter Freeze-up	2,826,700	0	2,826,700	
	Y	DFG	Main Bay Hatchery Brood Stock Maturation Facility Constructn	298,000	0	298,000	
	Y	DHSS	Alaska Work Programs: Family Support Act (Welfare Reform)	0	340,900	340,900	
	Y	DMVA	Disaster Relief Fund: 1986 Southcentral Flood Disaster	1,874,530	0	1,874,530	
	Y	DMVA	Disaster Relief Fund: 1989 Spring Flood Disaster (Statewide)	1,011,888	0	1,011,888	
	Y	DMVA	Disaster Relief Fund: 1989 Anchorage Flood Disaster	805,100	0	805,100	
	Y	DMVA	Disaster Relief Fund: 1989 Kenai Peninsula Flood Disaster	495,580	0	495,580	
	Y	DMVA	Mt. Redoubt Volcano Monitoring 02/01/90 - 06/30/90	173,900	0	173,900	
	Y	DNR	Redoubt Volcano/Drift River Study	80,300	0	80,300	
	Y	DOA	Public Defender: Extraordinary Felony Cases	90,000	0	90,000	
	Y	DOC	Clery Monitor	30,000	0	30,000	
	Y	DOE	Debt Retirement: Kodiak and Sitka FY90	1,090,500	0	1,090,500	
	Y	DOE	K-12 Boarding Home Program FY90 Full Cost	27,000	0	27,000	
	Y	DOE	Implementation of HB 52, FY90 Fiscal Impact	40,000	0	40,000	
	Y	DOE	FY '87 Audit Exception Payments to Federal Government	426,290	0	426,290	
	Y	DOR	Permanent Fund Dividend Division FY '90 Operating Costs	0	99,000	99,000	
	Y	REV	Anchorage FY '89 Aviation Fuel Revenue Refund	13,630	0	13,630	
				18,283,418	439,900	18,723,318	Sum
1	Y	DOA	Longevity Bonus: Grants (6758.0 in Ch. 17)	7,400,000	0	7,400,000	
				7,400,000	0	7,400,000	Sum
2	Y	DOA	Office of Public Advocacy: FY89 (Funded Ch. 17)	249,200	0	249,200	
				249,200	0	249,200	Sum
3	Y	DOA	Office of Public Advocacy: FY90 (Funded Ch. 17)	950,000	0	950,000	
				950,000	0	950,000	Sum
4		DOA	Labor Relations Agency: Amend Legal/Administrative Contracts	25,000	0	25,000	
				25,000	0	25,000	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
5		DOA	Pioneers' Homes: Increased Salaries and Operations Costs	738,300	0	738,300	
				738,300	0	738,300	Sum
6		DOA	Older Alaskans Commission: Arbitration Award	38,700	0	38,700	
				38,700	0	38,700	Sum
7	Y	DOA	Public Defender: Attorneys' LWOP	193,600	0	193,600	
				193,600	0	193,600	Sum
8		DOA	Alaska Public Offices Commission: Elections Report Data	130,000	0	130,000	
				130,000	0	130,000	Sum
9		DOA	1988 Columbus Day Arbitration Award	370,900	0	370,900	
				370,900	0	370,900	Sum
10	Y	LAW	Judgements and Claims	240,784	0	240,784	
				240,784	0	240,784	Sum
11		LAW	Attorney General's Office: Weiss v. State	160,000	0	160,000	
				160,000	0	160,000	Sum
12	Y	LAW	Reimburse Gov. Sheffield's Legal Expenses (Funded Ch. 17)	302,653	0	302,653	
				302,653	0	302,653	Sum
13		DOR	Shared Taxes: Electric and Telephone Cooperative Tax FY89	32,774	0	32,774	
				32,774	0	32,774	Sum
14		DOR	Child Support Enforcement Division: (Gramm-Rudman-Hollings)	54,500	0	54,500	
				54,500	0	54,500	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
15		DOE	Foundation Funding: Increased Enrollment	17,858,100	0	17,858,100	
	Y	DOE	Foundation Funding: Underpayments Due to PL81-874 for FY88	606,902	0	606,902	
	Y	DOE	Foundation Funding: Underpayments Due to PL81-874 for FY89	397,102	0	397,102	
	Y	DOE	Foundation Funding: FY90 Student Count Adjustment PL 81-874	637,400	0	637,400	
				19,499,504	0	19,499,504	Sum
16		DOE	Debt Retirement: Juneau/Sitka/North Slope FY89	1,753,300	0	1,753,300	
				1,753,300	0	1,753,300	Sum
17	Y	DHSS	Assistance Payments: OAA-ALB Hold Harmless	213,100	0	213,100	
				213,100	0	213,100	Sum
18	Y	DHSS	Medical Assistance: Medicaid Non-Facility Shortfall	2,319,600	2,319,500	4,639,100	
				2,319,600	2,319,500	4,639,100	Sum
19	Y	DHSS	Medical Assistance: Medicaid Facilities Shortfall	5,252,500	5,252,400	10,504,900	
				5,252,500	5,252,400	10,504,900	Sum
20		DHSS	Medical Assistance: Indian Health Services Shortfall	0	3,446,200	3,446,200	
				0	3,446,200	3,446,200	Sum
21		DHSS	Medical Assistance: State Programs Shortfall	0	882,000	882,000	
				0	882,000	882,000	Sum
22		DHSS	Medical Assistance Central Administration: Legal Costs	50,000	50,000	100,000	
				50,000	50,000	100,000	Sum
23		DHSS	Medical Assistance Admin: Claims Processing Shortfall	309,400	657,600	967,000	
				309,400	657,600	967,000	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
24		DHSS	State Health Services: Nursing Position Reclassification	354,400	0	354,400	
				354,400	0	354,400	Sum
25		DHSS	Institutions & Administration: API Nursing Position Reclass	266,800	0	266,800	
				266,800	0	266,800	Sum
30		DMVA	Veterans Death Gratuity: Program Underfunding	90,000	0	90,000	
				90,000	0	90,000	Sum
31	Y	DMVA	Disaster Relief Fund: FY90 (Funded Ch. 17)	2,000,000	0	2,000,000	
				2,000,000	0	2,000,000	Sum
32		DNR	Division of Forest Management: Fire Suppression	663,200	0	663,200	
				663,200	0	663,200	Sum
33		DNR	Division of Forest Management: Emergency Fire Fighters	100,000	400,000	500,000	
				100,000	400,000	500,000	Sum
34		DNR	Alaska Historical Commission: Alaska at War	5,400	0	5,400	
				5,400	0	5,400	Sum
35		DFG	Division of Boards Reorganization	384,000	0	384,000	
				384,000	0	384,000	Sum
36		DPS	Municipal Jail Contracts: Request for Additional Funding	440,400	0	440,400	
				440,400	0	440,400	Sum
37		DPS	Laboratory Services: Crime Lab Request for Funding	83,100	0	83,100	
				83,100	0	83,100	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
38		DPS	Law Enforcement Support: Information Systems	58,100	0	58,100	
				58,100	0	58,100	Sum
39		DPS	Law Enforcement Support: Crime Information Systems	137,900	0	137,900	
				137,900	0	137,900	Sum
40		DPS	Motor Vehicles: Veterans License Plates	21,800	0	21,800	
				21,800	0	21,800	Sum
41			Permanent Fund Dividend Fund Reimbursement	1,500,000	0	1,500,000	
				1,500,000	0	1,500,000	Sum
42		DOT	Alaska Marine Highway System: FY89 Unpaid Bills	238,293	0	238,293	
				238,293	0	238,293	Sum
43	Y	DOT	Alaska Marine Highway System: FY89 Level (Funded Ch. 17)	3,250,000	0	3,250,000	
				3,250,000	0	3,250,000	Sum
44	Y	DOT	Western Highways & Aviation: Airport Maintenance Contracts	50,000	0	50,000	
				50,000	0	50,000	Sum
45		DOT	Spring Creek Prison Claim	2,325,000	0	2,325,000	
				2,325,000	0	2,325,000	Sum
46	Y	DOT	Snow and Ice Control/Spring Break-up Maintenance	6,630,300	378,700	7,509,000	
				6,630,300	878,700	7,509,000	Sum
47		DOT	City and Borough of Juneau	136,000	0	136,000	
				136,000	0	136,000	Sum

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
48	Y	DCRA	Family Support Act: Implement Child Care Benefits - April 1	341,000	340,900	681,900	
				341,000	340,900	681,900	Sum
49		DCRA	Coffman Cove Incorporation Grant of \$50,000	50,000	0	50,000	
				50,000	0	50,000	Sum
50		DCRA	State Revenue Sharing Aid to Unincorporated Community Grants	24,660	0	24,660	
				24,660	0	24,660	Sum
51		DCRA	Local Boundary Commission: Optimum Boundaries Map Project	46,000	0	46,000	
				46,000	0	46,000	Sum
52		DOC	Major Medical: Full Funding	1,600,000	0	1,600,000	
				1,600,000	0	1,600,000	Sum
53		DOC	Statewide Programs: Manillaq Rehabilitation Center	250,000	0	250,000	
				250,000	0	250,000	Sum
54		DOC	Southcentral Probation: Arbitration Settlement	25,300	0	25,300	
				25,300	0	25,300	Sum
55	Y	ACS	Alaska Commission on Judicial Conduct: Proceedings	56,397	0	56,397	
				56,397	0	56,397	Sum
56		DCED	Miscellaneous Claims	5,824	0	5,824	
		DFG	Miscellaneous Claims	67	0	67	
		DHSS	Miscellaneous Claims	37,327	0	37,327	
	Y	DMVA	Miscellaneous Claims	4,577	0	4,577	
	Y	DOA	Miscellaneous Claims and State-Dated Warrants	31,759	0	31,759	
	Y	DOC	Miscellaneous Claims	2,735	0	2,735	
	Y	DOT	Miscellaneous Claims	24,752	0	24,752	
		DPS	Division of Administrative Services: Miscellaneous Claims	492	0	492	

SECTION	AMENDED	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
	GOV		Human Rights Commission: Miscellaneous Claims	699	0	699	
	LEG		Legislative Affairs Agency: Miscellaneous Claims	593	0	593	
				108,825	0	108,825	Sum
				79,804,108	14,667,200	94,471,308	Sum

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

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

STEVE COWPER, GOVERNOR

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

April 3, 1990

The Honorable Ron Larson  
The Honorable Lyman Hoffman  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: House Bill 428 Supplemental  
Amendment #3

Dear Representatives Larson and Hoffman:

I have listed below additional amendments to House Bill 428. The amendment to sections 46 and 56 incorporate changes submitted to you in our Amendment #2 packet of February 22. Appropriate back-up is attached for your information.

#### Technical Changes

\* Sec. 10. The sum of \$240,784 [\$222,325] is appropriated from the general fund to the Department of Law to pay judgments and claims against the state for the fiscal year ending June 30, 1990.

\* Sec. 15. The sum of \$18,495,500 [17,858,010] is appropriated from the general fund to the Department of Education for the public school foundation program for the fiscal year ending June 30, 1990.

\* Sec. 46. The sum of 7,509,000 [2,786,300] is appropriated from the following sources to the Department of Transportation and Public Facilities, maintenance and operations components, for additional snow and ice removal costs and extraordinary spring break-up maintenance work for the fiscal year ending June 30, 1990:

General Fund	<u>\$6,630,300</u>	[\$2,523,900]
Highway Working Capital Fund	<u>878,700</u>	[262,400]

\* Sec. 56. The sum of \$108,825 [\$101,643] is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 1990, to pay miscellaneous claims and stale-dated warrants:

Governor	\$ 699	
Administration	<u>31,759</u>	[26,900]
Health and Social Services	37,327	
Commerce and Economic Development	5,824	
Military and Veterans' Affairs	<u>4,577</u>	[ 2,254]
Fish and Game	67	
Public Safety	492	
Transportation and Public Facilities	24,752	
Corrections	2,735	
Legislature	593	

#### New Sections

\* Sec. \_\_\_\_\_. The sum of \$90,000 is appropriated from the general fund to the Department of Administration, public defender agency, for extraordinary felony cases for the fiscal year ending June 30, 1990.

\* Sec. \_\_\_\_\_. The sum of \$173,900 is appropriated from the general fund to the Department of Military and Veterans' Affairs, Emergency Services, for costs associated with the University of Alaska, Geophysical Institute's monitoring of the Mount Redoubt Volcano for the period February 1, 1990 through June 30, 1990.

\* Sec. \_\_\_\_\_. The sum of \$2,826,700 is appropriated from the general fund to the Department of Environmental Conservation, Village safe water program, for repairs and upgrade corrections to the Kotzebue water system to address the immediate and short-term needs identified as a result of the 1990 winter freeze-up.

\* Sec. \_\_\_\_\_. The sum of \$30,000 is appropriated from the general fund to the Department of Corrections for payment of the Cleary

Supplemental Amend. #3

3

April 3, 1990

Monitor for the fiscal year ending June 30, 1990.

If you have any questions, please feel free to contact me.

Sincerely,



Alison M. Elgee  
Director

**Attachments**

cc: Senator Johne Binkley  
Senator Rick Uehling  
Co-Chairmen, Senate Finance  
Committee  
Carol Collins  
House Finance Committee  
Mike Greany, Legislative Finance

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 04/03/90  
TIME: 10:54:48  
PROG: F90SUPL2

Page 1 of GOVERNOR'S FY '90 SUPPLEMENTAL REQUESTS, BY BILL SECTION

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
0	DCED	Purchase of Locomotives and Rolling Stock	9,000,000	0	9,000,000	
	DEC	VSW: Kotzebue Repairs to Water System/1990 Winter Freeze-up	2,826,700	0	2,826,700	
	DFG	Main Bay Hatchery Brood Stock Maturation Facility Constructn	298,000	0	298,000	
	DHSS	Alaska Work Programs: Family Support Act (Welfare Reform)	0	340,900	340,900	
	DMVA	Disaster Relief Fund: 1986 Southcentral Flood Disaster	1,874,530	0	1,874,530	
	DMVA	Disaster Relief Fund: 1989 Spring Flood Disaster (Statewide)	1,011,888	0	1,011,888	
	DMVA	Disaster Relief Fund: 1989 Anchorage Flood Disaster	805,100	0	805,100	
	DMVA	Disaster Relief Fund: 1989 Kenai Peninsula Flood Disaster	495,580	0	495,580	
	DMVA	Mt. Redoubt Volcano Monitoring 02/01/90 - 06/30/90	173,900	0	173,900	
	DNR	Redoubt Volcano/Drift River Study	80,300	0	80,300	
	DOA	Public Defender: Extraordinary Felony Cases	90,000	0	90,000	
	DOC	Clery Monitor	30,000	0	30,000	
	DOE	Debt Retirement: Kodiak and Sitka FY90	1,090,500	0	1,090,500	
	DOE	K-12 Boarding Home Program FY90 Full Cost	27,000	0	27,000	
	DOE	Implementation of HB 52, FY90 Fiscal Impact	40,000	0	40,000	
	DOR	Permanent Fund Dividend Division FY '90 Operating Costs	0	99,000	99,000	
			17,843,498	439,900	18,283,398	Sum
1	DOA	Longevity Bonus: Grants (6758.0 in Ch. 17)	7,400,000	0	7,400,000	
			7,400,000	0	7,400,000	Sum
2	DOA	Office of Public Advocacy: FY89 (Funded Ch. 17)	249,200	0	249,200	
			249,200	0	249,200	Sum
3	DOA	Office of Public Advocacy: FY90 (Funded Ch. 17)	950,000	0	950,000	
			950,000	0	950,000	Sum
4	DOA	Labor Relations Agency: Amend Legal/Administrative Contracts	25,000	0	25,000	
			25,000	0	25,000	Sum
5	DOA	Pioneers' Homes: Increased Salaries and Operations Costs	738,300	0	738,300	

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
			738,300	0	738,300	Sum
6	DOA	Older Alaskans Commission: Arbitration Award	38,700	0	38,700	
			38,700	0	38,700	Sum
7	DOA	Public Defender: Attorneys' LWOP	193,600	0	193,600	
			193,600	0	193,600	Sum
	DOA	Alaska Public Offices Commission: Elections Report Data	130,000	0	130,000	
			130,000	0	130,000	Sum
9	DOA	1988 Columbus Day Arbitration Award	370,900	0	370,900	
			370,900	0	370,900	Sum
10	LAW	Judgements and Claims	240,784	0	240,784	
			240,784	0	240,784	Sum
11	LAW	Attorney General's Office: Weiss v. State	160,000	0	160,000	
			160,000	0	160,000	Sum
12	LAW	Reimburse Gov. Sheffield's Legal Expenses (Funded Ch. 17)	302,653	0	302,653	
			302,653	0	302,653	Sum
13	DOR	Shared Taxes: Electric and Telephone Cooperative Tax FY89	32,774	0	32,774	
			32,774	0	32,774	Sum
14	DOR	Child Support Enforcement Division: (Gramm-Rudman-Hollings)	54,500	0	54,500	
			54,500	0	54,500	Sum
15	DOE	Foundation Funding: Increased Enrollment	17,858,100	0	17,858,100	

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
	DOE	Foundation Funding: Underpayments Due to PL81-874 for FY88	606,902	0	606,902	
	DOE	Foundation Funding: Underpayments Due to PL81-874 for FY89	397,102	0	397,102	
	DOE	Foundation Funding: FY90 Student Count Adjustment PL 81-874	637,400	0	637,400	
			19,499,504	0	19,499,504	Sum
16	DOE	Debt Retirement: Juneau/Sitka/North Slope FY89	1,753,300	0	1,753,300	
			1,753,300	0	1,753,300	Sum
17	DHSS	Assistance Payments: OAA-ALB Hold Harmless	413,100	0	413,100	
			413,100	0	413,100	Sum
18	DHSS	Medical Assistance: Medicaid Non-facility Shortfall	2,919,600	2,919,500	5,839,100	
			2,919,600	2,919,500	5,839,100	Sum
19	DHSS	Medical Assistance: Medicaid Facilities Shortfall	7,152,500	7,152,400	14,304,900	
			7,152,500	7,152,400	14,304,900	Sum
20	DHSS	Medical Assistance: Indian Health Services Shortfall	0	3,446,200	3,446,200	
			0	3,446,200	3,446,200	Sum
21	DHSS	Medical Assistance: State Programs Shortfall	0	882,000	882,000	
			0	882,000	882,000	Sum
22	DHSS	Medical Assistance Central Administration: Legal Costs	50,000	50,000	100,000	
			50,000	50,000	100,000	Sum
23	DHSS	Medical Assistance Admin: Claims Processing Shortfall	309,400	657,600	967,000	
			309,400	657,600	967,000	Sum
24	DHSS	State Health Services: Nursing Position Reclassification	354,400	0	354,400	

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
			354,400	0	354,400	Sum
25	DHSS	Institutions & Administration: API Nursing Position Reclass	266,800	0	266,800	
			266,800	0	266,800	Sum
30	DMVA	Veterans Death Gratuity: Program Underfunding	90,000	0	90,000	
			90,000	0	90,000	Sum
31	DMVA	Disaster Relief Fund: FY90 (Funded Ch. 17)	2,000,000	0	2,000,000	
			2,000,000	0	2,000,000	Sum
32	DNR	Division of Forest Management: Fire Suppression	663,200	0	663,200	
			663,200	0	663,200	Sum
33	DNR	Division of Forest Management: Emergency Fire Fighters	100,000	400,000	500,000	
			100,000	400,000	500,000	Sum
34	DNR	Alaska Historical Commission: Alaska at War	5,400	0	5,400	
			5,400	0	5,400	Sum
35	DFG	Division of Boards Reorganization	384,000	0	384,000	
			384,000	0	384,000	Sum
36	DPS	Municipal Jail Contracts: Request for Additional Funding	440,400	0	440,400	
			440,400	0	440,400	Sum
37	DPS	Laboratory Services: Crime Lab Request for Funding	83,100	0	83,100	
			83,100	0	83,100	Sum
38	DPS	Law Enforcement Support: Information Systems	58,100	0	58,100	

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
			58,100	0	58,100	Sum
39	DPS	Law Enforcement Support: Crime Information Systems	137,900	0	137,900	
			137,900	0	137,900	Sum
40	DPS	Motor Vehicles: Veterans License Plates	21,800	0	21,800	
			21,800	0	21,800	Sum
41		Permanent Fund Dividend Fund Reimbursement	1,500,000	0	1,500,000	
			1,500,000	0	1,500,000	Sum
42	DDT	Alaska Marine Highway System: FY89 Unpaid Bills	238,293	0	238,293	
			238,293	0	238,293	Sum
43	DOT	Alaska Marine Highway System: FY89 Level (Funded Ch. 17)	3,250,000	0	3,250,000	
			3,250,000	0	3,250,000	Sum
44	DOT	Western Highways & Aviation: Airport Maintenance Contracts	50,000	0	50,000	
			50,000	0	50,000	Sum
45	DOT	Spring Creek Prison Claim	2,325,000	0	2,325,000	
			2,325,000	0	2,325,000	Sum
46	DOT	Snow and Ice Control/Spring Break-up Maintenance	6,630,300	878,700	7,509,000	
			6,630,300	878,700	7,509,000	Sum
47	DOT	City and Borough of Juneau	136,000	0	136,000	
			136,000	0	136,000	Sum
48	DCRA	Family Support Act: Implement Child Care Benefits - April 1	341,000	340,900	681,900	

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
			341,000	340,900	681,900	Sum
49	DCRA	Coffman Cove Incorporation Grant of \$50,000	50,000	0	50,000	
			50,000	0	50,000	Sum
50	DCRA	State Revenue Sharing Aid to Unincorporated Community Grants	24,660	0	24,660	
			24,660	0	24,660	Sum
51	DCRA	Local Boundary Commission: Optimum Boundaries Map Project	46,000	0	46,000	
			46,000	0	46,000	Sum
52	DOC	Major Medical: Full Funding	1,600,000	0	1,600,000	
			1,600,000	0	1,600,000	Sum
53	DOC	Statewide Programs: Manillaq Rehabilitation Center	250,000	0	250,000	
			250,000	0	250,000	Sum
54	DOC	Southcentral Probation: Arbitration Settlement	25,300	0	25,300	
			25,300	0	25,300	Sum
55	ACS	Alaska Commission on Judicial Conduct: Proceedings	56,397	0	56,397	
			56,397	0	56,397	Sum
56	DCED	Miscellaneous Claims	5,824	0	5,824	
	DFG	Miscellaneous Claims	67	0	67	
	DHSS	Miscellaneous Claims	37,327	0	37,327	
	DMVA	Miscellaneous Claims	4,577	0	4,577	
	DOA	Miscellaneous Claims and State-Dated Warrants	31,759	0	31,759	
	DOC	Miscellaneous Claims	2,735	0	2,735	
	DOT	Miscellaneous Claims	24,752	0	24,752	
	DPS	Division of Administrative Services: Miscellaneous Claims	492	0	492	
	GOV	Human Rights Commission: Miscellaneous Claims	699	0	699	
	LEG	Legislative Affairs Agency: Miscellaneous Claims	593	0	593	

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
			108,825	0	108,825	Sum
			82,064,188	17,167,200	99,231,388	Sum

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

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

STEVE COWPER, GOVERNOR

POUCH A.M.  
JUNEAU, ALASKA 99811  
PHONE: (907) 465-3568

#2

February 23, 1990

The Honorable Lyman Hoffman  
The Honorable Ron Larson  
Co-Chairmen, House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representatives Hoffman and Larson:

The letter dated February 22, 1990, requesting amendments to the supplemental bill, House Bill 428, requires a correction to the section appropriating additional funds for the school debt retirement program. The section should read:

\* Sec. \_\_. The sum of \$1,090,502 is appropriated from the general fund to the Department of Education for the school debt retirement program for fiscal year ending June 30, 1990, allocated in the amounts listed below to the following municipalities:

Kodiak	\$982,117
Sitka	108,385

This represents the amounts the municipalities would have been entitled to at the level of proration being applied to all municipal entitlement for FY90, had proper notification been made to the Department of Education. The Department will send your office a memo confirming these numbers.

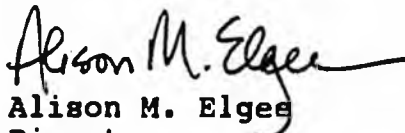
Reps. Hoffman and Larson

February 23, 1990

Also, the section requesting appropriation of \$9,000,000 to the Alaska Railroad Corporation should have contained the phrase "and associated equipment costs." under subsection (a).

We appreciate your consideration of these requests.

Sincerely,

  
Alison M. Elgee  
Director

cc: Senator John Binkley  
Senator Rich Uehling  
Mike Greany, Leg. Fin.  
Carol Collins, House Fin.

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET  
DIVISION OF BUDGET REVIEW

STEVE COWPER, GOVERNOR

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

February 22, 1990

The Honorable Lyman Hoffman  
The Honorable Ron Larson  
Co-Chairmen, House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: House Bill 428 Supplemental  
Amendment #2

Dear Representatives Hoffman and Larson:

I have listed below additional amendments to House Bill 428. You will find the back-up attached hereto for your information.

### Technical Changes

\* Sec. 1. The sum of \$7,400,000 [\$6,758,000] is appropriated from the general fund to the Department of Administration for longevity bonus payments for the fiscal year ending June 30, 1990.

\* Sec. 46. The sum of \$2,786,300 [\$1,358,000] is appropriated from the following sources [general fund] to the Department of Transportation and Public Facilities, maintenance and operations components, for additional snow and ice removal for the fiscal year ending June 30, 1990: [.]

<u>General Fund</u>	<u>\$2,523,900</u>
<u>Highway Working Capital Fund</u>	<u>262,400</u>

\* Sec. 55. The sum of \$56,397 [\$32,591] is appropriated from the general fund to the Commission on Judicial Conduct for additional operating costs for the fiscal year ending June 30, 1990.

\* Sec. 56. The sum of \$101,643 [\$98,908] is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 1990, to pay miscellaneous claims and stale-dated warrants:

Governor	\$ 699
Administration	26,900
Health and Social Services	37,327
Commerce and Economic Development	5,824
Military and Veterans' Affairs	2,254
Fish and Game	67
Public Safety	492
Transportation and Public Facilities	24,752
<u>Corrections</u>	<u>2,735</u>
Legislature	593

New Sections to be added:

\* Sec. \_\_\_\_\_. The sum of \$99,000 is appropriated from the Permanent Fund Dividend Fund to the Department of Revenue, Permanent Fund Dividend division for increased operating costs for the fiscal year ending June 30, 1990.

\* Sec. \_\_\_\_\_. The sum of \$894,636 is appropriated from the general fund to the Department of Education for the school debt retirement program for fiscal year ending June 30, 1990, allocated in the amounts listed below to the following municipalities:

Kodiak	\$776,826
Sitka	117,810

\* Sec. \_\_\_\_\_. The sum of \$80,300 is appropriated from the general

Reps. Hoffman & Larson

3

February 22, 1990

fund to the Department of Natural Resources, Division of Geological and Geophysical Surveys to analyze the potential for flood hazards to the Drift River tank farm and conduct additional hydrological evaluations necessary as a result of the eruptions of the Redoubt Volcano.

\* Sec. \_\_. The sum of \$298,000 is appropriated from the general fund program receipts to the Department of Fish and Game, Division of Fisheries Rehabilitation, Enhancement and Development (FRED) for payment as a grant under AS 37.05.316 to the Prince William Sound Aquaculture Corporation for construction of an adult sockeye salmon fish ladder and maturation pond at the Main Bay Hatchery.

\* Sec. \_\_. (a) The sum of \$9,000,000 is appropriated from the general fund to the Alaska Railroad Corporation for the purchase of locomotives and rolling stock.

(b) The appropriation made by this section is for a capital project and will lapse under AS 37.25.020.

If you have any questions, please feel free to contact me.

Sincerely,

  
Alison M. Elgee  
Director

#### Attachments

cc: Carol Collins  
House Finance Committee

Senator John Binkley  
Senator Rick Uehling  
Co-Chairmen, Senate Finance Committee

Mike Greany, Legislative Finance

STATE OF ALASKA  
OFFICE OF MANAGEMENT & BUDGET  
DIVISION OF BUDGET REVIEW

DATE: 02/22/90  
TIME: 14:04:02  
PROG: F90SUPL1

Page 1 of FY '90 SUPPLEMENTAL APPROPRIATION REQUEST WORKSHEET

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL	
	41		Permanent Fund Dividend Fund Reimbursement	1,500,000	0	1,500,000	1,500,000	0	1,500,000	
				1,500,000	0	1,500,000	1,500,000	0	1,500,000	Sum
ACS	55	Y	Alaska Commission on Judicial Conduct: Proceedings	56,397	0	56,397	56,397	0	56,397	
				56,397	0	56,397	56,397	0	56,397	Sum
DCED	56		Miscellaneous Claims	5,824	0	5,824	5,824	0	5,824	
DCED	0	Y	Purchase of Locomotives and Rolling Stock	9,000,000	0	9,000,000	9,000,000	0	9,000,000	
				9,005,824	0	9,005,824	9,005,824	0	9,005,824	Sum
DCRA	48	Y	Family Support Act: Implement Child Care Benefits - April 1	341,000	340,900	681,900	341,000	340,900	681,900	
DCRA	49		Coffman Cove Incorporation Grant of \$50,000	50,000	0	50,000	50,000	0	50,000	
DCRA	50		State Revenue Sharing Aid to Unincorporated Community Grants	24,660	0	24,660	24,660	0	24,660	
DCRA	51		Local Boundary Commission: Optimum Boundaries Map Project	46,000	0	46,000	46,000	0	46,000	
				461,660	340,900	802,560	461,660	340,900	802,560	Sum
DFG	35		Division of Boards Reorganization	384,000	0	384,000	384,000	0	384,000	
DFG	56		Miscellaneous Claims	787	0	787	67	0	67	
DFG	0	Y	Main Bay Hatchery Brood Stock Maturation Facility Constructn	298,000	0	298,000	298,000	0	298,000	
				682,787	0	682,787	682,067	0	682,067	Sum
DHSS	17		Assistance Payments: OAA-ALB Hold Harmless	413,100	0	413,100	413,100	0	413,100	
DHSS	18		Medical Assistance: Medicaid Non-Facility Shortfall	2,919,600	2,919,500	5,839,100	2,919,600	2,919,500	5,839,100	
DHSS	19		Medical Assistance: Medicaid Facilities Shortfall	7,152,500	7,152,400	14,304,900	7,152,500	7,152,400	14,304,900	
DHSS	20		Medical Assistance: Indian Health Services Shortfall	0	3,446,200	3,446,200	0	3,446,200	3,446,200	
DHSS	21		Medical Assistance: State Programs Shortfall	0	882,000	882,000	0	882,000	882,000	
DHSS	22		Medical Assistance Central Administration: Legal Costs	50,000	50,000	100,000	50,000	50,000	100,000	
DHSS	23		Medical Assistance Admin: Claims Processing Shortfall	309,400	657,600	967,000	309,400	657,600	967,000	
DHSS	24		State Health Services: Nursing Position Reclassification	354,400	0	354,400	354,400	0	354,400	
DHSS	25		Institutions & Administration: API Nursing Position Reclass	266,800	0	266,800	266,800	0	266,800	
DHSS	56		Miscellaneous Claims	37,327	0	37,327	37,327	0	37,327	

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL	
DHSS	0	Y	Alaska Work Programs: Family Support Act (Welfare Reform)	0	340,900	340,900	0	340,900	340,900	
				11,503,127	15,448,600	26,951,727	11,503,127	15,448,600	26,951,727	Sum
DMVA	56		Miscellaneous Claims	2,254	0	2,254	2,254	0	2,254	
DMVA	30		Veterans Death Gratuity: Program Underfunding	90,000	0	90,000	90,000	0	90,000	
DMVA	0	Y	Disaster Relief Fund: 1986 Southcentral Flood Disaster	1,874,530	0	1,874,530	1,874,530	0	1,874,530	
DMVA	0	Y	Disaster Relief Fund: 1989 Spring Flood Disaster (Statewide)	1,011,888	0	1,011,888	1,011,888	0	1,011,888	
DMVA	0	Y	Disaster Relief Fund: 1989 Anchorage Flood Disaster	805,100	0	805,100	805,100	0	805,100	
DMVA	0	Y	Disaster Relief Fund: 1989 Kenai Peninsula Flood Disaster	495,580	0	495,580	495,580	0	495,580	
DMVA	31		Disaster Relief Fund: FY90 Projected Additional Funds	2,000,000	0	2,000,000	2,000,000	0	2,000,000	
				6,279,352	0	6,279,352	6,279,352	0	6,279,352	Sum
DNR	32		Division of Forest Management: Fire Suppression	663,200	0	663,200	663,200	0	663,200	
DNR	56	Y	Division of Management: Miscellaneous Claims	0	0	0	0	0	0	
DNR	33		Division of Forest Management: Emergency Fire Fighters	100,000	400,000	500,000	100,000	400,000	500,000	
DNR	0		Division of Parks/Outdoor Recreation: Castle Hill Expense	9,365	0	9,365	0	0	0	
DNR	34		Alaska Historical Commission: Alaska at War	5,400	0	5,400	5,400	0	5,400	
DNR	0	Y	Redoubt Volcano/Drift River Study	80,300	0	80,300	80,300	0	80,300	
				858,265	400,000	1,258,265	848,900	400,000	1,248,900	Sum
DOA	1	Y	Longevity Bonus: Grants	7,400,000	0	7,400,000	7,400,000	0	7,400,000	
DOA	5		Pioneers' Homes: Increased Salaries and Operations Costs	738,300	0	738,300	738,300	0	738,300	
DOA	6		Older Alaskans Commission: Arbitration Award	38,700	0	38,700	38,700	0	38,700	
DOA	7	Y	Public Defender: Attorneys' LMDP	242,800	0	242,800	193,600	0	193,600	
DOA	2	Y	Office of Public Advocacy: Increased Caseload FY89	249,200	0	249,200	249,200	0	249,200	
DOA	3		Office of Public Advocacy: Increased Attorney Caseload FY90	950,000	0	950,000	950,000	0	950,000	
DOA	4		Labor Relations Agency: Amend Legal/Administrative Contracts	25,000	0	25,000	25,000	0	25,000	
DOA	8		Alaska Public Offices Commission: Elections Report Data	130,000	0	130,000	130,000	0	130,000	
DOA	56		Miscellaneous Claims and State-Dated Warrants	26,900	0	26,900	26,900	0	26,900	
DOA	0		Alaska Public Broadcasting Commission: Increased Costs	734,500	0	734,500	0	0	0	
DOA	9		1988 Columbus Day Arbitration Award	370,900	0	370,900	370,900	0	370,900	
				10,906,300	0	10,906,300	10,122,600	0	10,122,600	Sum
DOC	54		Southcentral Probation: Arbitration Settlement	25,300	0	25,300	25,300	0	25,300	
DOC	52		Major Medical: Full Funding	1,600,000	0	1,600,000	1,600,000	0	1,600,000	
DOC	53		Statewide Programs: Maniilaq Rehabilitation Center	250,000	0	250,000	250,000	0	250,000	

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL	
DOC	0	Y	Miscellaneous Claims	2,735	0	2,735	2,735	0	2,735	
				1,878,035	0	1,878,035	1,878,035	0	1,878,035	Sum
DOE	15		Foundation Funding: Increased Enrollment	17,858,100	0	17,858,100	17,858,100	0	17,858,100	
DOE	16		Debt Retirement: Juneau/Sitka/North Slope FY89	1,753,300	0	1,753,300	1,753,300	0	1,753,300	
DOE	0	Y	Debt Retirement: Kodiak and Sitka FY90	894,600	0	894,600	894,600	0	894,600	
DOE	56	Y	Miscellaneous Claims	0	0	0	0	0	0	
DOE	15	Y	Foundation Funding: Underpayments Due to PL81-874 for FY88	606,902	0	606,902	606,902	0	606,902	
DOE	15	Y	Foundation Funding: Underpayments Due to PL81-874 for FY89	397,102	0	397,102	397,102	0	397,102	
DOE	0	Y	K-12 Boarding Home Program FY90 Full Cost	27,000	0	27,000	27,000	0	27,000	
DOE	0	Y	Implementation of HB 52, FY90 Fiscal Impact	40,000	0	40,000	40,000	0	40,000	
				21,577,004	0	21,577,004	21,577,004	0	21,577,004	Sum
DOL	29	Y	Labor Market Information: 1990 Census	0	0	0	0	0	0	
DOL	28	Y	Workers' Compensation: Injured Worker	0	0	0	0	0	0	
DOL	26	Y	Wage and Hour - Contractual Hearing Officers	0	0	0	0	0	0	
DOL	27	Y	Occupational Safety & Health - Contractual Attorney	0	0	0	0	0	0	
				0	0	0	0	0	0	Sum
DOR	13		Shared Taxes: Electric and Telephone Cooperative Tax FY89	32,774	0	32,774	32,774	0	32,774	
DOR	14		Child Support Enforcement Division: (Gramm-Rudman-Hollings)	54,500	0	54,500	54,500	0	54,500	
DOR	0	Y	Permanent Fund Dividend Division FY '90 Operating Costs	0	99,000	99,000	0	99,000	99,000	
				87,274	99,000	186,274	87,274	99,000	186,274	Sum
DOT	42		Alaska Marine Highway System: FY89 Unpaid Bills	238,293	0	238,293	238,293	0	238,293	
DOT	43	Y	Alaska Marine Highway System: Maintenance of the FY89 Level	3,250,000	0	3,250,000	3,250,000	0	3,250,000	
DOT	44	Y	Western Highways & Aviation: Airport Maintenance Contracts	95,700	0	95,700	50,000	0	50,000	
DOT	45		Spring Creek Prison Claim	2,325,000	0	2,325,000	2,325,000	0	2,325,000	
DOT	0		Statewide Research	400,000	0	400,000	0	0	0	
DOT	56	Y	Miscellaneous Claims	24,752	0	24,752	24,752	0	24,752	
DOT	0		Dalton Highway & Aviation: Fund Source Change	3,500,000	0	3,500,000	0	0	0	
DOT	0		Dalton Facilities: Fund Source Change	940,000	0	940,000	0	0	0	
DOT	46	Y	Snow and Ice Control Supplemental	2,523,900	262,400	2,786,300	2,523,900	262,400	2,786,300	
DOT	47		City and Borough of Juneau	136,000	0	136,000	136,000	0	136,000	
				13,433,645	262,400	13,696,045	8,547,945	262,400	8,810,345	Sum

DEPT	SEC	AMEND	TITLE	AGENCY GF	AGENCY OF	AGENCY TOTAL	OMB GF	OMB OF	OMB TOTAL
DPS	56		Division of Administrative Services: Miscellaneous Claims	492	0	492	492	0	492
DPS	36		Municipal Jail Contracts: Request for Additional Funding	440,400	0	440,400	440,400	0	440,400
DPS	39		Law Enforcement Support: Crime Information Systems	137,900	0	137,900	137,900	0	137,900
DPS	38		Law Enforcement Support: Information Systems	58,100	0	58,100	58,100	0	58,100
DPS	37		Laboratory Services: Crime Lab Request for Funding	83,100	0	83,100	83,100	0	83,100
DPS	40		Motor Vehicles: Veterans License Plates	21,800	0	21,800	21,800	0	21,800
				741,792	0	741,792	741,792	0	741,792 Sum
GOV	56		Human Rights Commission: Miscellaneous Claims	699	0	699	699	0	699
				699	0	699	699	0	699 Sum
LAH	0		Oil and Gas Litigation: Amerada Hess	8,605,800	0	8,605,800	0	0	0
LAH	11		Attorney General's Office: Weiss v. State	160,000	0	160,000	160,000	0	160,000
LAH	10		Judgments and Claims	222,325	0	222,325	222,325	0	222,325
LAH	12		Reimbursement of Governor Sheffield's Legal Expenses	302,653	0	302,653	302,653	0	302,653
				9,290,778	0	9,290,778	684,978	0	684,978 Sum
LEG	56		Legislative Affairs Agency: Miscellaneous Claims	593	0	593	593	0	593
				593	0	593	593	0	593 Sum
UA	0		Alaska Native Language Center: Siberian Yupik (Siberia)	29,100	0	29,100	0	0	0
				29,100	0	29,100	0	0	0 Sum
				88,292,632	16,550,900	104,843,532	73,978,247	16,550,900	90,529,147 Sum

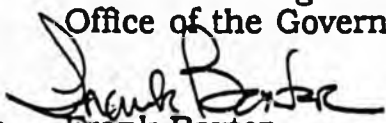
# MEMORANDUM

## STATE OF ALASKA Department of Administration

TO: Alison Elgee  
Director  
Division of Budget Review  
Office of Management and Budget  
Office of the Governor

DATE: February 13, 1990

TELEPHONE 465-2200

FROM:   
Frank Baxter  
Commissioner  
Department of Administration

SUBJECT: FY 90 Supplementals

The following list has been updated to reflect an increase of \$642.0 to the Longevity Bonus grants supplemental. The additional four months of actual expenditures since the supplemental request was originally prepared has provided more accurate projecting capabilities. These new projections (attached) are running consistently higher each month than originally projected. The new total Longevity Bonus grants requirement is \$57,400.0. If at all possible, this supplemental along with both Office of Public Advocacy (OPA) supplementals needs to be "fast-tracked" in order to make May and June payments.

Longevity Bonus Grants	This increase is necessary to fund monthly longevity bonus payments to an increased number of participants, and the Legislature capped funding at \$50,000.0. This program is formula funded.	\$7,400.0
Pioneers' Homes	Funding necessary to maintain quality of care and avoid freezing admissions. Will provide for increased costs of heating fuel, utilities and alleviate disruption of services due to lay-offs.	\$358.3
Pioneers' Homes Nurse Therapist Salaries	Increased personal services costs related to Nursing and Physical Therapists job class evaluations.	\$380.0
Older Alaskans Commission	Arbitration award for terminated employee.	\$38.7
Public Defender	Eliminate 2-3 weeks forced leave without pay for all Attorneys.	\$242.8

Office of Public Advocacy	FY 89 increased caseload/will provide overdue payments including accrued interest to court appointed attorneys.	\$249.2
	FY 90 projected increase in Court appointed attorney caseload.	\$950.0
Labor Relations Agency	Possible amendments to both legal and administrative support contracts if upward trend in labor activity continues.	\$25.0
Alaska Public Offices Commission	Provides for development and implementation of cost-effective means of storing and retrieving election report data, and allows statewide access to this information. Also provides funding for a toll-free equal access number for candidates to obtain reporting information.	\$130.0
Miscellaneous Claims and Stale-Dated Warrants	Stale-dated warrants.	\$26.9
	Total FY 89	\$249.2
	Total FY 90	\$9,551.7
	Grand Total	\$9,800.9

FB/MM/pl

cc:

James J. Fox  
Deputy Commissioner  
Department of Administration

Alison Elgee

-3-

January 3, 1990

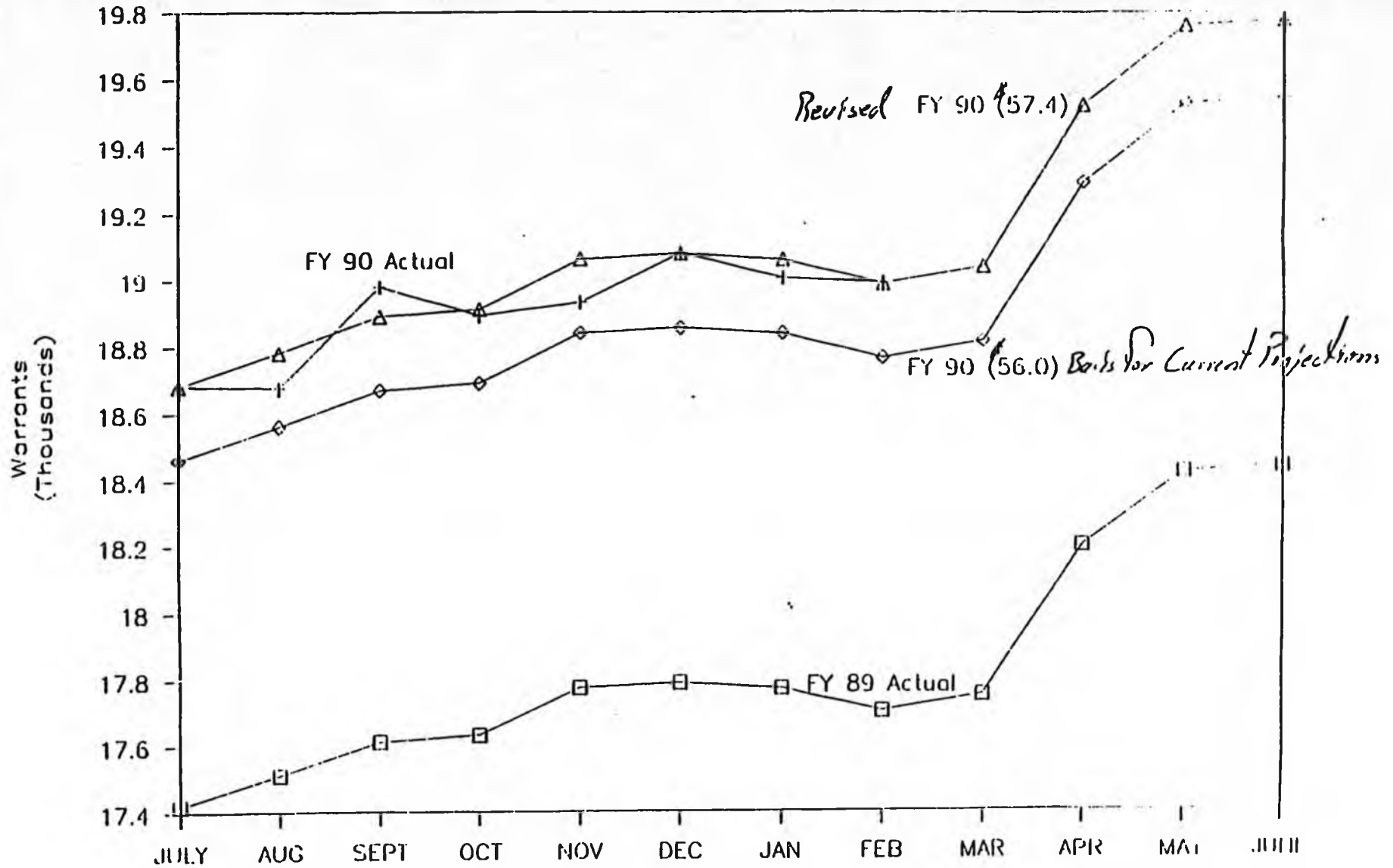
cc: (continued)

Gary Bader  
Deputy Commissioner  
Department of Administration

Kevin Brooks  
Budget Analyst  
Division of Administrative Services  
Department of Administration

# ALASKA LONGEVITY BONUS PROGRAM

FY 90 Grant Requirements



Grant Requirements for FY 90  
09-Feb-90

LONGEVITY BONUS PROGRAM  
PROJECTIONS AND VARIANCES  
FY 1989-2010

WARRANTS	JULY	AUG	SEPT	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUNE	SUM	YTD COST	ANNUAL COST
PROJECTED FY89	17,223	17,439	17,599	17,627	17,841	17,750	17,811	17,793	17,666	18,230	18,410	18,535	213,924		\$53,481,000
ACTUAL FY89	17,417	17,512	17,612	17,632	17,773	17,788	17,771	17,702	17,750	18,200	18,422	18,439	214,018		\$53,504,500
VARIANCE	(194)	(73)	(113)	(5)	68	(38)	40	91	(84)	30	(12)	96	(94)		
PROJECTED FY90 (Orig)	18,462	18,563	18,669	18,698	18,839	18,855	18,837	18,764	18,815	19,292	19,527	19,545	226,859	37,419,855	\$56,714,770
VARIANCE	(220)	(114)	(312)	(295)	(94)	(227)	(169)	(229)	0	0	0	0	(1,570)	(392,395)	
PROJECTED FY90 (Rev)	18,682	18,784	18,891	18,913	19,064	19,080	19,062	18,988	19,039	19,522	19,760	19,778	229,562	37,665,723	\$57,390,542
		107	(90)	18	131	(2)	56	(5)	0	0	0	0	214	53,473	
ACTUAL FY90	18,682	18,677	18,981	18,895	18,933	19,082	19,006	18,993					151,249	\$37,812,250	
Cumulative Cost	\$4.7	\$9.4	\$14.1	\$18.0	\$23.6	\$28.4	\$33.1	\$37.9	\$42.6	\$47.5	\$52.4	\$57.4			

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**INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)**  
**INTERIOR DISTRICT FACILITIES FY90 SNOW AND ICE SUPPLEMENTAL**

**AGENCY CONTACT/PHONE NUMBER:**

DOM LOWELL, 451-2295

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

Average temperatures for the period October 1989 through December 1989 were colder than the thirty-year average resulting in 33% heating degree days above the norm. January 1 through February 12 have been extremely cold. Depending on specific areas, the daily low temperatures have ranged from -59°F to -60°F. For January alone, there were 10% fewer heating degree days. This cold spell has been continuous and is forecasted to continue until February 14 or 15. These temperatures are about twice as cold as normal. The 30-year average high temperature for February is +7.3° and the low is -15°.

Due to these temperatures, we will require an additional \$35.0 in the 300 account for electric and steam utility bills and \$40.0 in the 400 account for heating fuel and repairs to utility systems.

The Facilities Component budget has been severely impacted by a series of utility line freeze-ups attributed to both cold temperatures and the age of the lines.

In November, six major utility line breaks or freeze-ups occurred causing extensive water damage. Below normal temperatures in November caused severe damage to the new Department of Natural Resources Building due to a sprinkler line being located too close to the air intake. This damage required 80 man hours to clean up and rental of run cleaning equipment for a total cost of \$3.1. Steam line repairs were necessary in December at the Regional Office Building at a cost of \$1.5. A water line froze in Livengood at a cost of \$1.9. Sewer lines at Fort Yukon backed up at a cost of \$1.0. Water lines broke at the State Equipment Flood building on Peger Road at a cost of \$3.4.

Total cost so far for these problems has been \$11.6.

In FY89, the Interior District had exactly an average winter based on snowfall of 67.5 inches. It was still necessary to provide this component with a supplemental appropriation of \$117.0. We believe this component was short-funded by this amount before the winter began.

The total shortfall, thus far, is estimated to be \$206.4.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ	GOV'S REQ
100	Personal Service	80.0	
200	Travel	0.0	
300	Contractual Services	35.0	35.0
400	Supplies	40.0	40.0
500	Equipment		
600	Land, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		204.4	75.0
I-A Transfer (NON ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	204.4	75.0
1005	GF/Program Receipts		
1007	I-A Receipts		

POSITION INFORMATION	PFT	
	PPT	
	Non Permanent	
	Staff Months	

<input type="checkbox"/>	Enhance Existing Service Compared to FY90	<input type="checkbox"/>	Formulate Program
<input type="checkbox"/>	New Service Compared to FY90	<input type="checkbox"/>	New Facility Oper.
<input checked="" type="checkbox"/>	Continuation of FY90 Service Level		

**IMPACT FROM CAPITAL PROJECT (NAME)**

Chapter \_\_\_\_\_ SLA \_\_\_\_\_ Page/Line \_\_\_\_\_

OK

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C 5      **INCREMENT/DECREMENT REQUEST**

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

DEPARTMENT OF TRANSPORTATION AND PUBLIC FACILITIES

AGENCY \_\_\_\_\_

INTERIOR DISTRICT

ORU MAINTENANCE AND OPERATIONS

COMPONENT FACILITIES

PROJECT \_\_\_\_\_

FY 90

Page 1 of 1

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

FY90 SUPPLEMENTAL

**INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)**  
 Southcentral District Highways & Aviation Additional Request for Snow & Ice Removal

**AGENCY CONTACT/PHONE NUMBER:**  
 George Levasseur/835-4322

**DESCRIPTION: WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

Heavy snow received in the Southcentral District over the past four years have had a very significant impact on our budget. There is a definite trend of heavier snowfall in many of our areas. In 1987, Valdez received the most snowfall since 1928. 1988 and 1989 were also above average. At Thompson Pass, over 60 feet fell in both years of 1987 and 1988. The heavy snows, coupled with the coastal climate have produced massive avalanches. The Valdez-Glennallen electric transmission line has been destroyed twice (1987 and 1989) by avalanches after functioning without incident for several years. Large coastal storms have pounded the Chugach mountains. Last winter we had recorded sustained gusts of 150 mph in two separate storms at Thompson Pass. In the Glennallen-Gatona area, 1949 had the most snow in 25 years.

In Valdez, snow storage has become a serious problem. Crews use loaders, blowers and dozers to stack snow 50 feet or more in height. Because of the oil spill, four lots previously used for snow storage now have structures on them. Snow will now have to be hauled away from the main street, increasing our expenditures.

This trend of heavy snow continues for the 89-90 winter. Snowfall in the mountain passes is twice the average at Valdez, Thompson Pass, Gulkana and Paxson. Snowfall in the Slana - Mentasta Pass area is three times the average. Valdez is at an all time record, and January snowfall was another record.

Because of the warmer temperatures, sand usage is up in all camps. The sand stockpiles must be mixed with road salt (sodium chloride) to keep the piles from freezing. Crews have used additional ice blades and tire chains in their snow and ice removal efforts.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	44.7	
200	Travel		
300	Contractual Services	442.7	
400	Supplies	120.5	
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
<b>TOTAL</b>		<b>607.9</b>	
<b>I-A Transfer (NON-ADU)</b>		<b>339.5</b>	
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	607.9	
1005	CF/Program Receipts		
1007	I-A Receipts		

POSITION INFORMATION	PFT		
	PPI		
	Non Permanent		
	Staff Months	6	

<input type="checkbox"/> Enhance Existing Service	<input type="checkbox"/> Formula Program New Facility Oper.
<input type="checkbox"/> Compared to FY 89	
<input type="checkbox"/> New Service Compared to FY 89	
<input type="checkbox"/> Continuation of FY 89	<input type="checkbox"/> Facility Oper.
<input checked="" type="checkbox"/> Service Level	

**IMPACT FROM CAPITAL PROJECT (NAME)**

Chapter \_\_\_\_\_ SLA \_\_\_\_\_ Page/Line \_\_\_\_\_

Continued

**C5 INCREMENT/DECREMENT REQUEST**

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

**AGENCY** Department of Transportation and Public Facilities

**BRU** Southcentral District Maintenance and Operations

**COMPONENT** Highways and Aviation

**PROJECT** \_\_\_\_\_

**FY 90**

Page 1 of 3

Revised Date: 2/14/90

FY90 Supplemental

FEB 14 '90 10:54 PLASKA-DOT&PF FEGER RD

The increment requests the following:

		Thru Jan. 1		Thru Feb. 1		Total Req.
100	Personal Services					
	Increased Overtime	20.1	20.1	19.1	4.1	
	Two (2) Additional Employees			5.6	24.6	44.7
300	Contractual					
	SEF Equipment	209.7		129.8		
	Contractor Equipment	10.2	219.9	93.0	222.8	442.7
400	Supplies					
	Sand	44.3		13.6		
	Salt	9.1		7.3		
	Blades	5.9		10.1		
	Chains/Crosslinks	6.4		6.0		
	10# Ammo	0.0		1.0		
	Signs/Snowpoles	2.3	68.0	14.5	52.5	120.5
	<b>TOTAL REQUEST</b>		<b>308.0</b>		<b>299.9</b>	<b>607.9</b>

C5
**ADDITIONAL EXPLANATION FORM**

AGENCY Department of Transportation and Public Facilities  
 BRU Southcentral District Maintenance and Operations  
 COMPONENT Highways and Aviation

**FY 90**

Page 2 of 2  
 Revised Date: 2/14/90

(7/88)-ack

FY90 Supplemental

P. 24/24

VALDEZ DOT PF --- PEGAK KD FBS

9078352944

02 12 90... 13:38

FEB 14 '90 10:52 ALASKA-DOT2PF PEGER RD

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters) Southcentral District Building Maintenance Emergency Snow Removal					
AGENCY CONTACT/PHONE NUMBER: George Lavoiseur/836-4322		CODE	EXPENDITURE BY OBJECT		
<p>DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:            Valdez experienced record snowfall this far this season. The month of January produced snowfall that was better measured in feet than in inches. During one twenty-four hour period, a single snow dropped over four feet of snow.</p> <p>The Department of Transportation and Public Facilities has well over 100,000 square feet of roof space in Valdez. Fifty-three thousand square feet of this is flat and will not shed snow. Snow on these roof surfaces was six to nine feet deep, with snow weight as recorded by the National Weather Service to be ninety to one-hundred pounds per square foot. The 53,000 square feet of flat roofs were bearing some 610,000 cubic feet of snow, at a weight of no less than 7,836,400 pounds. Several of our roofs were experiencing three and four inch deflections due to the loading. Design criteria in this area calls for construction to bear a ninety pound per square foot load. We had met and in some cases exceeded design criteria.</p> <p>Occupants of these buildings were in danger. Just the slightest earth tremor could collapse the structures. Already a few buildings in town had fallen under the load. The City of Valdez lost one of its largest warehouses. The school gym was closed due to cracks in the walls and twisting beams. An employee of DOT/PF lost his personal garage at home, including the vehicle parked inside. Several boats in the harbor had capsized and sank due to excessive snow loading. For three weeks it snowed daily. The situation was serious with nothing but more snow in the forecast.</p> <p>To protect life and property, the Building Maintenance Department had to take drastic measures. All buildings personnel in the Southcentral District, and several highways personnel, were mobilized to remove snow from State owned facilities in Valdez. Collapse was imminent and there was no time to waste. Three new snowblowers were purchased and placed into operation. Several snow shovel and related snow removal and safety equipment had to be purchased. Special snow scoops were fabricated and purchased to handle refrigerator-sized blocks of snow. Snow was sawed into four to five-hundred pound blocks and slid to the edge of the roof and dropped. There were additional travel expenses to pay. There were per diem expenses. The snow had to be removed or lose the buildings.</p> <p>Snowing and operating snow removal equipment on laminated asphalt roofing also took its toll. It was impossible to avoid removing so much weight in so short a time limit with no damage to surfaces. Three buildings are already experiencing leaks. All 53,000 square feet of flat roofs cleared will require some patching and a complete resurfacing with a cold process sealer. If this is not completed this summer, severe structural damage will occur, as well as damage to computer and other office equipment.</p>		AGENCY REQ.	GOV'S REQ.		
		100	Personal Services	11.5	
		200	Travel	2.5	
		300	Contractual Services	76.5	
		400	Supplies	2.5	
		500	Equipment	5.5	
		600	Lands, Buildings, Etc.		
		700	Grants, Claims, Etc.		
		800	Miscellaneous		
				TOTAL	92.0
		1-A Transfer (NON-AUD)	2.0		
1002	Federal Receipts				
1003	General Fund Match				
1004	General Fund	92.0			
1005	CF/Program Receipts				
1007	1-A Receipts				
POSITION INFORMATION	PER				
	PPT				
	Non Permanent				
		Staff Months			
<input type="checkbox"/> Enhance Existing Service <input type="checkbox"/> Compared to FY 90 <input type="checkbox"/> New Service Compared to FY 90 <input checked="" type="checkbox"/> Continuation of FY 89 Service Level		<input type="checkbox"/> Formulate Program <input type="checkbox"/> New Facility <input type="checkbox"/> Oper.			
IMPACT FROM CAPITAL PROJECT (N/31E)					
Chapter _____ SLA _____ Page/Line _____					

**C5** INCREMENT/DECREMENT REQUEST  
Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Department of Transportation and Public Facilities  
 DRU Southcentral District Maintenance and Operations  
 COMPONENT Facilities  
 PROJECT \_\_\_\_\_

**FY 90**  
 Page 1 of 1  
 Revised Date: \_\_\_\_\_

FY90 SUPPLEMENTAL

14-Feb-90

REVISED FY90 SUPPLEMENTAL REQUEST  
SOUTHCENTRAL DISTRICT  
ADDITIONAL SNOW AND ICE COSTS  
FOR OVERTIME & SEF EQUIPMENT

FEB 14 '90 10:47 ALASKA-DOTAPP PEGGER RD

1 CAMP	2 OVERTIME PLUS BENEFITS OCT-DEC	3 OVERTIME PLUS BENEFITS JANUARY	4 TOTAL OVERTIME THRU JANUARY (2+3)	5 ADDITIONAL OVERTIME COSTS	6 EQUIPMENT USAGE OCT-DEC	7 EQUIPMENT USAGE JANUARY	8 TOTAL EQUIPMENT COSTS THRU JAN (6+7)	9 ADDITIONAL EQUIPMENT COSTS
VALDEZ AIRPORT	\$7,377.98	\$2,539.20	\$9,917.18	\$5,282.09	\$15,993.80	\$2,915.60	\$18,909.40	\$9,767.66
VALDEZ	\$9,552.70	\$8,648.00	\$18,200.70	\$15,795.19 *	\$66,463.00	\$32,592.70	\$99,055.70	\$53,899.89
THOMPSON PASS	\$9,248.99	\$11,125.80	\$20,374.79	\$11,784.34	\$90,415.90	\$41,720.69	\$132,136.59	\$71,623.26
TAZLINA	\$5,876.75	\$956.80	\$6,833.55	\$2,959.98	\$77,576.15	\$24,172.11	\$101,748.26	\$46,575.50
PAXSON	\$3,746.33	\$2,925.58	\$6,671.91	\$3,966.91	\$39,554.48	\$19,734.52	\$59,289.00	\$34,633.11
MELCHINA	\$960.85	\$699.20	\$1,660.05	\$918.71	\$28,254.69	\$10,244.14	\$38,498.83	\$20,309.83
SLANA	\$1,280.50	\$533.60	\$1,814.10	\$1,261.48	\$46,175.35	\$15,327.10	\$61,502.45	\$42,945.01
CHITINA	\$1,010.10	\$1,104.00	\$2,114.10	\$1,205.63	\$22,222.84	\$21,394.28	\$43,617.12	\$24,643.23
ERNESTINE	\$1,991.34	\$883.20	\$2,874.54	\$1,536.19	\$30,123.87	\$31,634.29	\$61,758.16	\$35,116.52
TOTALS	\$41,045.54	\$29,415.38	\$70,460.92	\$44,710.52	\$416,780.08	\$199,735.43	\$616,515.51	\$339,514.01

\*Valdez additional overtime costs includes \$5471.80 for two employees hired due to additional snowfall.

ADDITIONAL OVERTIME COSTS \$44,710.52

ADDITIONAL EQUIPMENT COSTS \$339,514.01

Note: Column (5) and Column (9) are the overtime and equipment costs directly attributed to the increased snowfall.

17-Feb-90

TABLE 2

REVISED FY90 SUPPLEMENTAL REQUEST  
 SOUTH CENTRAL DISTRICT  
 ADDITIONAL SNOW & ICE COSTS  
 SUPPLIES BREAKDOWN

FEB 14 '90 10:47 ALASKA-DOT&PF PEGGER RD

CAMP	SAND	ROAD SALT	ICE/PLOW BLADES	TIRE CHAINS/ CROSS LINKS	SIGNS/SNOWPOLES GUARDRAIL	105 ANHO	CAMP TOTAL
VALDEZ	\$24,750.00	\$12,600.00	\$6,860.00	\$1,500.00	\$5,000.00		\$50,710.00
THOMPSON PASS	\$1,950.00	\$700.00	\$1,614.00	\$2,691.00	\$11,710.00	\$1,000.00	\$19,665.00
TAZLINA	\$10,500.00	\$934.00	\$1,524.00	\$1,523.00			\$14,481.00
PAXSON	\$884.00	\$415.00	\$2,417.00	\$1,704.00			\$5,420.00
HEI CHINA	\$5,200.00	\$425.00	\$800.00	\$1,000.00			\$7,505.00
SLANA			\$1,880.00	\$750.00			\$2,630.00
CHITINA	\$8,775.00	\$865.00		\$2,049.00			\$11,689.00
ERMESJINE	\$5,850.00	\$510.00	\$680.00	\$1,167.00			\$8,407.00
<b>TOTALS</b>	<b>\$57,909.00</b>	<b>\$16,449.00</b>	<b>\$16,055.00</b>	<b>\$12,464.00</b>	<b>\$16,710.00</b>	<b>\$1,000.00</b>	<b>\$120,587.00</b>
<b>TOTAL SUPPLY COSTS</b>	<b>\$120,587.00</b>						

FIGURE 1

# SOUTHCENTRAL DISTRICT SNOWFALL: SLANA

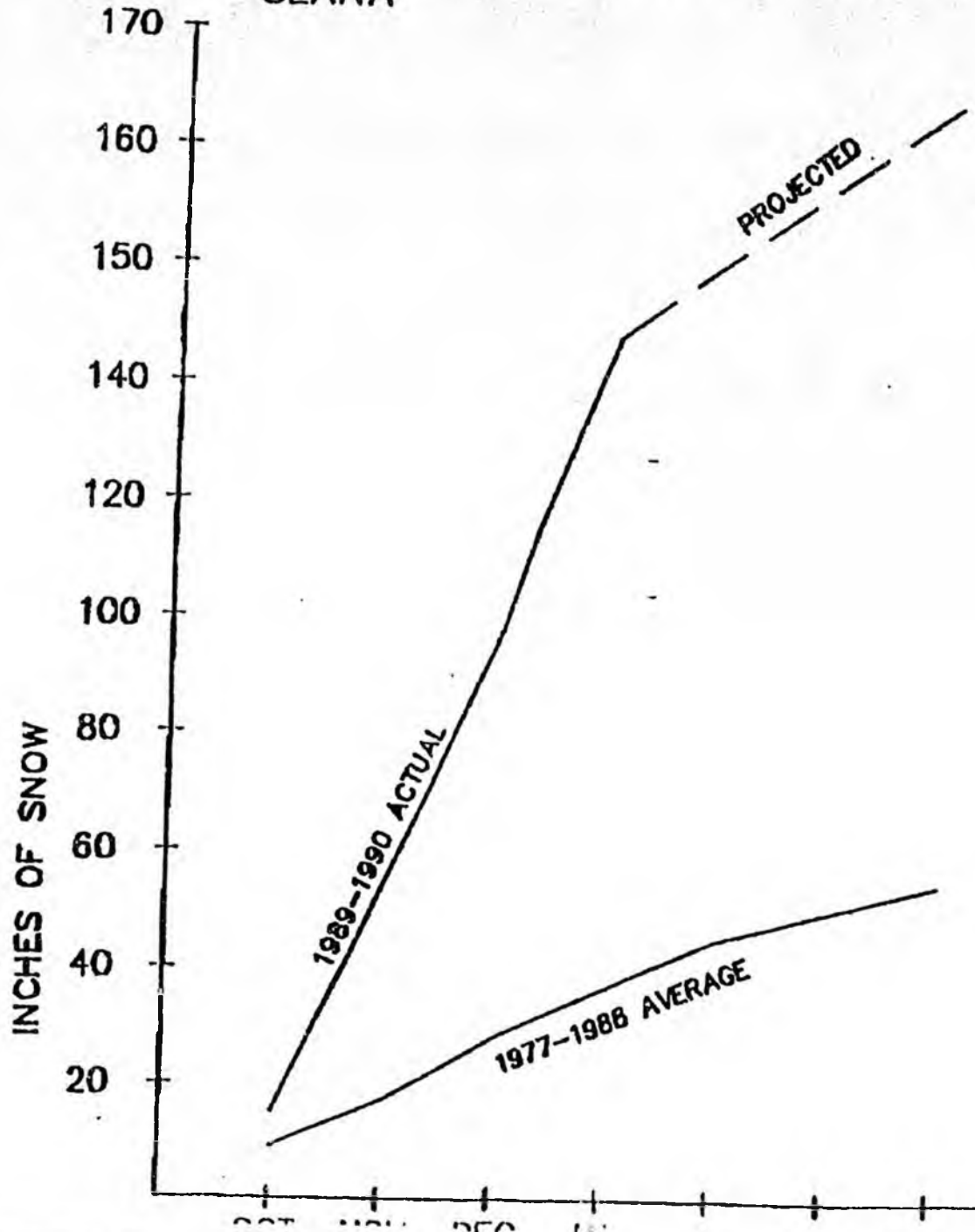


FIGURE 2

# SOUTHCENTRAL DISTRICT SNOWFALL: PAXSON

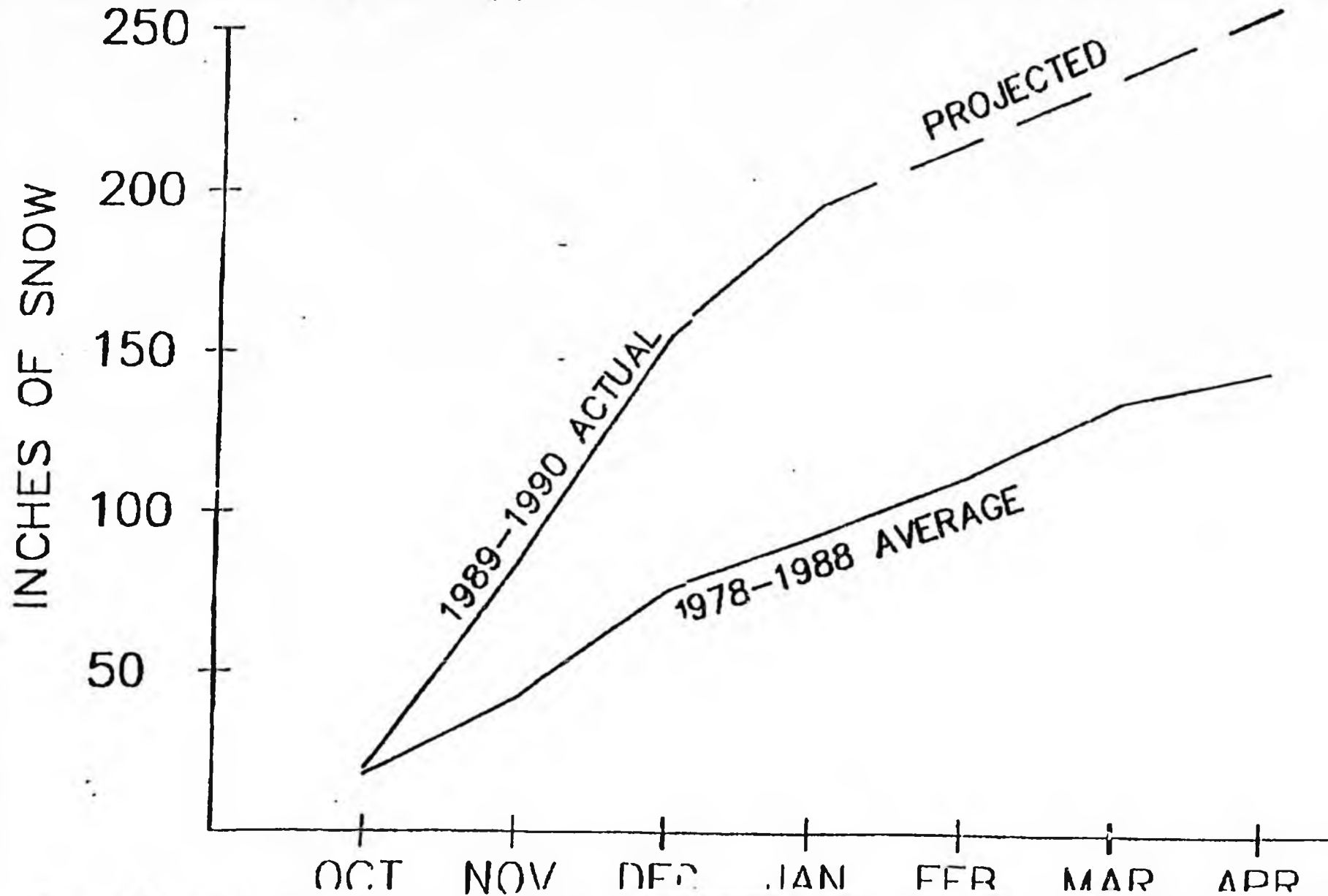


FIGURE 3

# SOUTHCENTRAL DISTRICT SNOWFALL: THOMPSON PASS

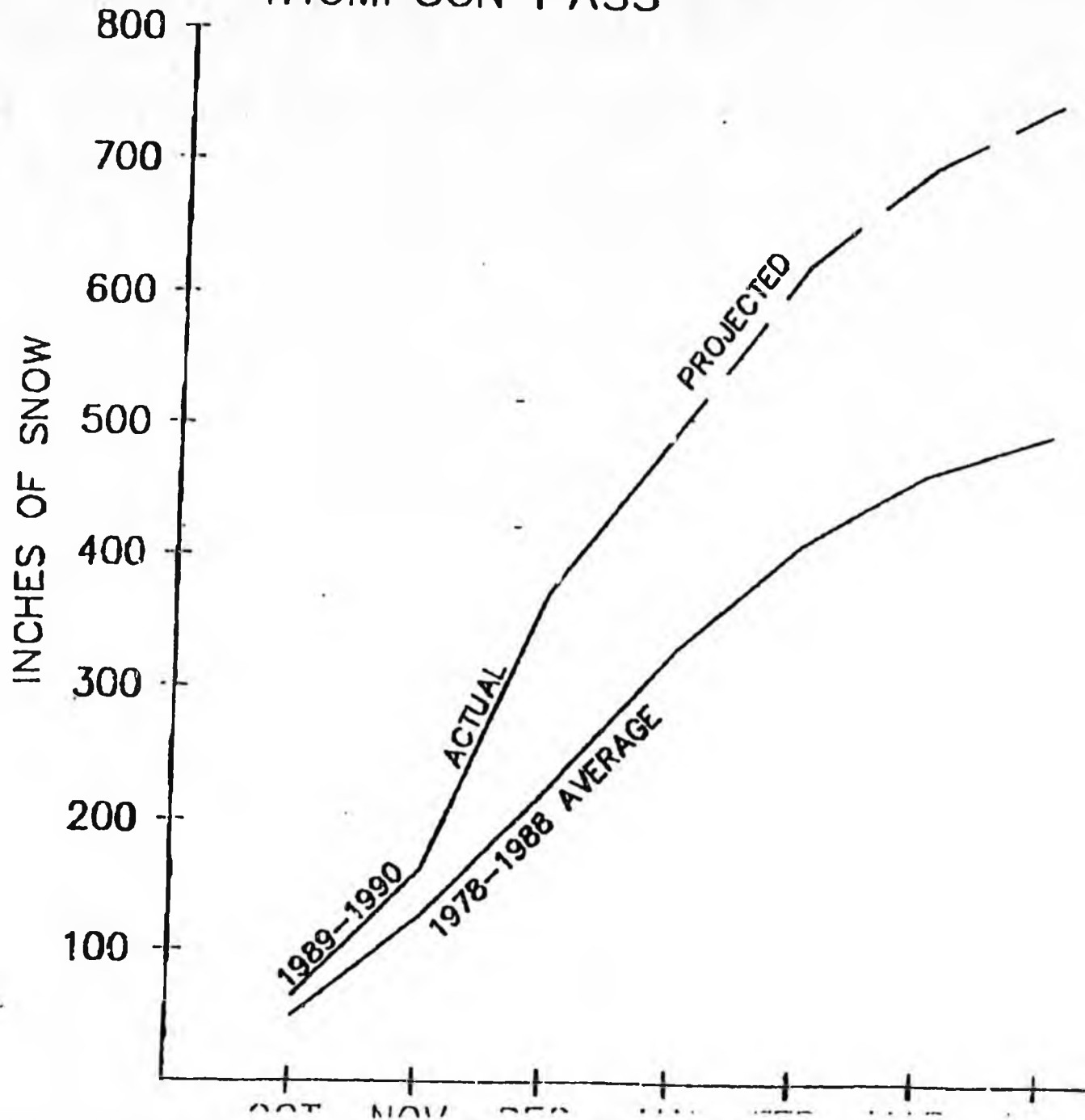


FIGURE 4

# SOUTHCENTRAL DISTRICT SNOWFALL: VALDEZ

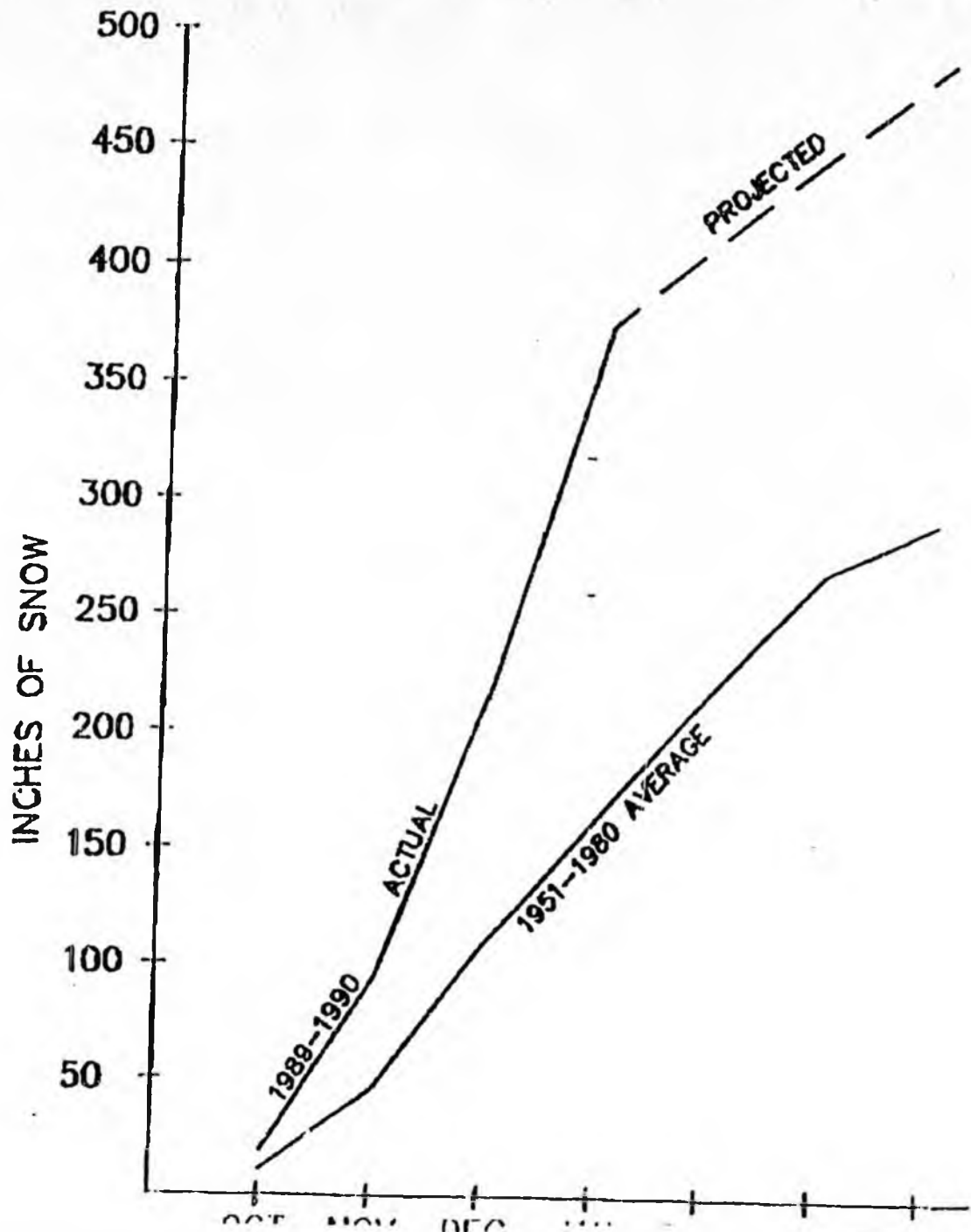
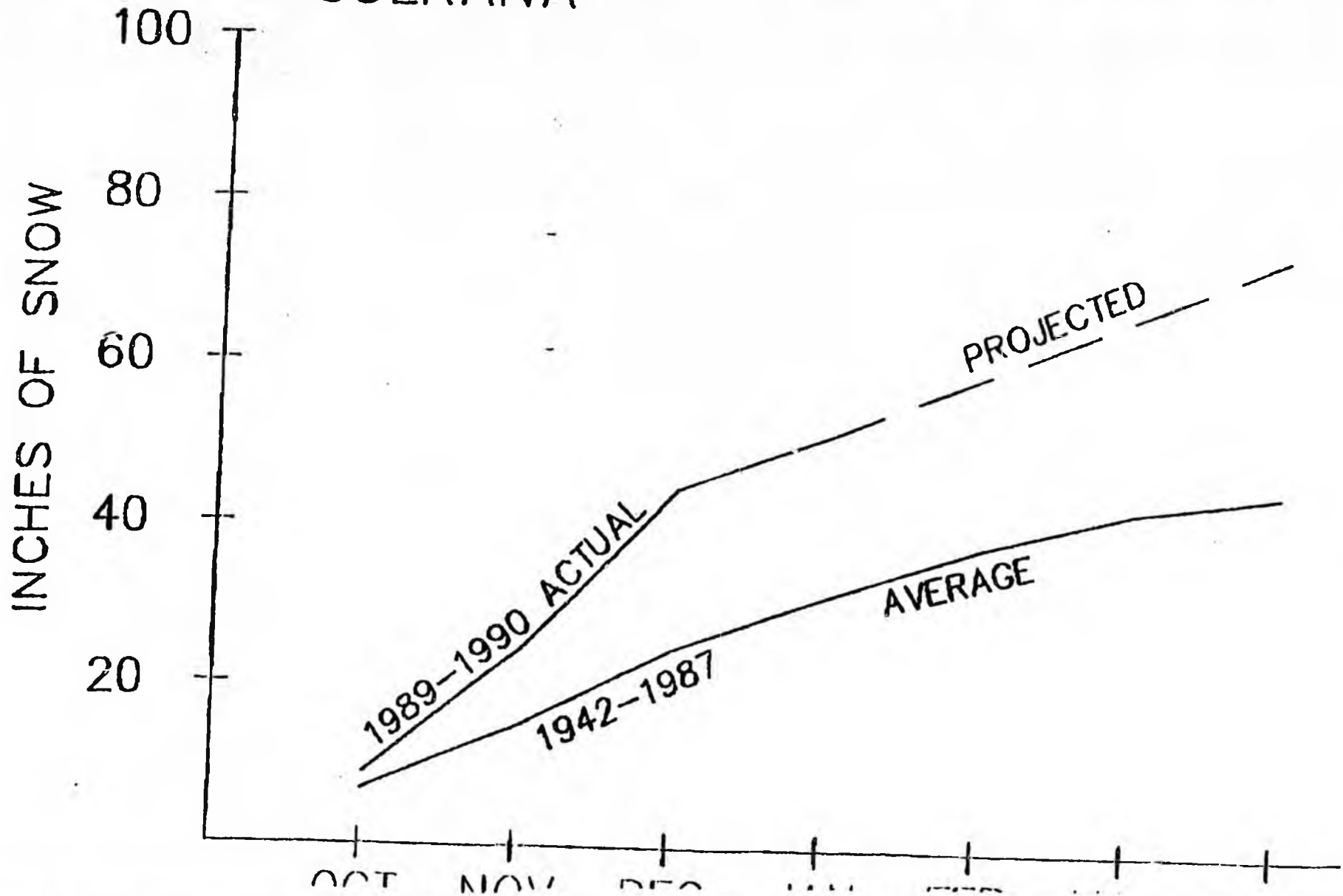


FIGURE 5

# SOUTHCENTRAL DISTRICT SNOWFALL: GULKANA



INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)

CENTRAL REGION HWO HIGHWAYS & AVIATION FY90 SUPPLEMENTAL

AGENCY CONTACT/PHONE NUMBER:

Tom FRANZ 266-1730

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

The 1969 through 1989 historic mean for the Anchorage area is 70" of snowfall. In Anchorage a total of 74.1 inches of snow has fallen between the first snowfall in October 1989 and February 2, 1990. This is 33.3" or 77% more than the 1969-1989 historic mean of 41.8" for the same months. The FY90 authorized budget does not include funding for an average winter of 70" of snowfall, the adjusted base funding level has been restricted to previous mild winters. In FY88 and FY89 supplemental funding was provided for above normal winters. Historically, Central Region spends 60% of the Highway and Aviation allocation towards snow and ice control. FY83 had an average winter of 70" of snowfall and a snow and ice control allocation of \$15,289,200 was provided. The FY90 snow and ice control budget is funded at \$14,799,200. Comparing FY90 to FY83 there is a funding shortfall of \$490,000 for an average winter of 70" of snowfall.

The original supplemental request of \$300.0 should be increased to \$740.0 to recover the funding shortfall for an average winter, anticipated above normal expenditures for avalanche control and for the remaining winter months. Between October and January an increased use of snowhauling equipment rental contractors, higher state equipment fleet usage, overtime, and extended use of seasonal employees was required to provide adequate snow and ice control. The additional equipment usage has impacted State Equipment Fleet in requiring additional servicing and repairs. There have been 38 separate snow storms since October. Due to new construction in urban areas, i.e. Diamond Blvd., DeArmon, Rabbit Creek, and Boniface Parkway, which were formerly rural sections, now require snow hauling to provide a safe facility for the travelling public and pedestrians. These upgraded facilities have limited right of way and little to no snow storage area. In January, there were 8 snowfalls of 4" or greater in the Anchorage area which required snow hauling. A typical snow haul operation costs \$2500 per curb mile or \$10,000 per day. The Anchorage District alone has spent over \$250.0 in the increased state equipment rental and contractor utilization. The extended use of seasonal employees is required to adequately provide snow and ice control. also, current union contract provisions disallows the use of contractors when there are state employees in layoff status.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	500.0	
200	Travel		
300	Contractual Services	100.0	
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		740.0	
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	740.0	
1005	CF/Program Receipts		
1007	I-A Receipts		

POSITION INFORMATION	PFT	
	PPT	
	Non Permanent	
	Staff Months	

<input type="checkbox"/> Enhance Existing Service Compared to FY90	<input type="checkbox"/> Formula Program
<input type="checkbox"/> New Service Compared to FY90	<input type="checkbox"/> New Facility Oper.
<input checked="" type="checkbox"/> Continuation of FY90 Service Level	

IMPACT FROM CAPITAL PROJECT (NAME)

Chapter \_\_\_\_\_ SLA \_\_\_\_\_ Page/Line \_\_\_\_\_

C5

INCREMENT/DECREMENT REQUEST

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Department of Transportation & Public Facilities  
Central Region  
 BRU Maintenance & Operations  
 COMPONENT Highways & Aviation  
 PROJECT \_\_\_\_\_

FY 91

Page 1 of 2  
 Revised Date: 2/15/90

FY90 Supplemental

FY90 Supplemental (Highways & Aviation) continued

MONTH	1969-1989	FY90	FY89	FY88
	Historic Mean			
Oct.	8.5	20.4	8.6	-0-
Nov.	10.7	6.0	27.3	29.3
Dec.	14.0	22.2	29.8	26.3
Jan.	8.6	25.5	10.1	4.7
<b>SUBTOTAL</b>	41.8	74.1	75.8	60.3
Feb.	12.9	12.9*	-0-	9.2
Mar.	9.0	9.0	2.3	8.5
Apr.	6.3	6.3*	-0-	2.0
<b>ANNUAL TOTAL</b>	70.0*	102.3**	78.1*	80.0*

\*assume mean snowfall for remainder months in FY90.

CS

**ADDITIONAL  
EXPLANATION  
FORM**

AGENCY

Department of Transportation  
& Public Facilities

BRU

Central Region  
Maintenance & Operations

COMPONENT

Highways & Aviation

**FY 91**

Page 2 of 2

Revised Date: 2/15/90

FY90 Supplemental

**INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)**  
**Central Region M&O Facilities FY90 Supplemental**

**AGENCY CONTACT/PHONE NUMBER:**

Pam Franger 266-1730

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

This request in the amount of \$27,000 will supplement the Facilities component's additional expenditures incurred by the extreme winter conditions. The contractual services account is impacted due to increased use of snow removal contractors for clearing parking lots and sidewalks at such facilities as the State Court buildings, State Trooper facilities and Pioneer homes. An unusual amount of ice buildup around buildings eaves have occurred requiring prompt removal. To date the facilities component has exceeded last years snow removal contract by \$17,000. It is anticipated that an additional \$10,000 will be spent in snow removal contracts.

Anchorage Snowfall (Inches)

**1969-1989 HISTORIC**

MONTH	MEAN	FY90	FY89	FY88
OCT	8.5	20.4	8.6	-0-
NOV	10.7	6.0	27.3	29.3
DEC	14.0	22.2	29.8	26.3
JAN	8.6	25.5	10.1	4.7
<b>SUBTOTAL</b>	<b>41.8</b>	<b>74.1</b>	<b>75.8</b>	<b>60.3</b>
FEB	12.9	12.9*	-0-	9.2
MAR	9.0	9.0*	2.3	8.5
APR	6.3	6.3	-0-	2.0
<b>ANNUAL TOTAL</b>	<b>70.0*</b>	<b>102.3**</b>	<b>78.1**</b>	<b>80.0*</b>

\* ASSUME MEAN SNOWFALL FOR REMAINDER MONTHS IN FY90

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	COV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	27.0	
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
<b>TOTAL</b>		<b>27.0</b>	
<b>I-A Transfer (NON-ADD)</b>			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	27.0	
1005	CF/Program Receipts		
1007	I-A Receipts		
<b>POSITION INFORMATION</b>			
	PFI		
	PPI		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service <input type="checkbox"/> Compared to FY90		<input type="checkbox"/> Formula Program <input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> New Service Compared to FY90 <input checked="" type="checkbox"/> Continuation of FY90 Service Level			
<b>IMPACT FROM CAPITAL PROJECT (NAME)</b>			
Chapter _____ SLA _____ Page/Line _____			

**C5 INCREMENT/DECREMENT REQUEST**  
 Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Department of Transportation & Public Facilities  
 BRU Central Region Maintenance & Operations Facilities  
 COMPONENT Facilities  
 PROJECT \_\_\_\_\_

**FY 91**  
 Page 1 of 1  
 Revised Date: \_\_\_\_\_

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)  
CENTRAL REGION M & O SEF FY90 SUPPLEMENTAL

AGENCY CONTACT/PHONE NUMBER:

Pam Franger 266-1730

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

The State Equipment Fleet anticipates a shortfall of \$262.4 due to the above normal snowfall.

State Equipment Fleet has experienced additional fuel and parts expenditures because of the increased equipment use by the Highways & Aviation component. An increase in overtime has occurred to service and repair equipment in a timely manner. In addition, the majority of the FY88 and FY89 Highways & Aviation heavy duty equipment scheduled for replacement is overdue. Consequently, older units are breaking down more frequently which has created a backlog of repair work. Without a supplemental State Equipment Fleet would cease repairs on all repair pool equipment which would inhibit having standby equipment available. Equipment user agencies would have to pay for repairs on their X-status equipment. Lastly, major repairs on equipment would be deferred.

Anchorage snowfall (Inches)		1969-1989 HISTORIC			
MONTH	MEAN	FY90	FY89	FY88	
Oct.	8.5	20.4	8.6	-0-	
Nov.	10.7	6.0	27.3	29.3	
Dec.	14.0	22.2	29.8	26.3	
Jan.	8.6	25.5	10.1	4.7	
SUBTOTAL	41.8	74.1	75.8	60.3	
Feb.	12.9	12.9*	-0-	9.2	
Mar.	9.0	9.0*	2.3	8.5	
Apr.	6.3	6.3*	-0-	2.0	
ANNUAL TOTAL	70.0"	102.3**	78.1"	80.0"	

\*Assume mean snowfall for remainder months in FY90.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	262.4	
400	Supplies		
500	Furniture		
600	Leases, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		262.4	
I-A Transfer (MOH-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts		
1007	I-A Receipts		
1026	HWCF	262.4	
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		

<input type="checkbox"/> Enhance Existing Service Compared to FY90	<input type="checkbox"/> Formula Program
<input type="checkbox"/> New Service Compared to FY90	<input type="checkbox"/> New Facility
<input checked="" type="checkbox"/> Continuation of FY90 Service Level	<input type="checkbox"/> Oper.

IMPACT FROM CAPITAL PROJECT (NAME)

Chapter \_\_\_\_\_ SLA \_\_\_\_\_ Page/L.ine \_\_\_\_\_

**C5** INCREMENT/DECREMENT REQUEST  
Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Department of Transportation & Public Facilities  
Central Region  
BRU Maintenance & Operations  
COMPONENT State Equipment Fleet  
PROJECT \_\_\_\_\_

**FY 91**  
Page 1 of 1  
Revised Date: \_\_\_\_\_  
FY90 Supplemental

**INCREMENT/DECREMENT DESCRIPTION (Limit to 90 characters)**  
**Southeast Highways and Aviation FY90 Supplemental**

**AGENCY CONTACT/PHONE NUMBER:**

Jonathan W. Scribner 789-6261

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

The existing appropriation for the Highways and Aviation component is based on funding levels that were established in FY87. No increments to this component were requested between FY88 and FY90 because the prior winters had been extremely mild with low snowfall and temperatures below the 30-year mean average. The winter of FY90 has seen Southeast return to temperatures and snowfall closer to that of the 30-year mean and as such maintenance costs are exceeding the budgeted amounts.

The major overrun in cost has been in the personal services premium pay account where maintenance crews have worked on weekends and after normal hours to clean snow and ice from road and airport runway surfaces. Outside equipment rental costs to replace State Equipment Fleet (SEF) equipment that is down for repair is also a factor in this year's costs. Much of the SEF equipment is past due for replacement, and this year's heavy use during snow and ice control work has caused an excessive amount of transmission and rearend failure on graders and loaders.

National Weather statistics follow:

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services	164.1	
200	Travel		
300	Contractual Services	50.9	
400	Supplies	17.0	
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
<b>TOTAL</b>		<b>232.0</b>	
<b>I-A Transfer (NON-ADD)</b>			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	232.0	
1005	GF/Program Receipts		
1007	I-A Receipts		
<b>POSITION INFORMATION</b>	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service Compared to FY 90 <input type="checkbox"/> New Service Compared to FY 90 <input checked="" type="checkbox"/> Continuation of FY 89 Service Level		<input type="checkbox"/> Formula Program New Facility Oper.	
<b>IMPACT FROM CAPITAL PROJECT (NAME)</b>			
Chapter _____ SLA _____ Page/Line _____			

**C5**

**INCREMENT/  
DECREMENT  
REQUEST**

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

Department of Transportation  
 AGENCY and Public Facilities  
 Southeast Region  
 BRU Maintenance and Operations  
 COMPONENT Highways and Aviation  
 PROJECT \_\_\_\_\_

**FY 90**

Page 1 of 3

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

FY90 SUPPLEMENTAL

**DOWNTOWN JUNEAU  
SNOWFALL  
(Inches)**

Month	1959-1989 Historic Mean	1989-1990 (FY90)	1988-1989 (FY89)	1987-1988 (FY88)	1986-1987 (FY87)
OCT	1.0	.1	0	0	0
NOV	11.0	27.7	4.8	4.6	22.1
DEC	22.3	8.1	11.3	6.8	1.4
JAN	25.3	31.8	44.7	3.5	3.3
FEB	18.8	21.0*	0.2	8.0	1.4
<b>SUBTOTAL</b>	<b>78.4</b>	<b>88.7</b>	<b>61.0</b>	<b>22.9</b>	<b>28.2</b>
MAR	16.0	--	10.0	1.0	7.3
APR	3.9	--	0	0.5	T
<b>TOTAL</b>	<b>98.3</b>	<b>88.7</b>	<b>71.0</b>	<b>24.4</b>	<b>35.5</b>
<b>%</b>	<b>100%</b>		<b>72%</b>	<b>25%</b>	<b>36%</b>

\* The snowfall for February 1 through February 13 only.

C5

**ADDITIONAL  
EXPLANATION  
FORM**

AGENCY Department of Transportation  
and Public Facilities  
Southeast Region  
BRU Maintenance and Operations  
COMPONENT Highways and Aviation

**FY 90**

Page 2 of 3

Revised Date:

**FY90 SUPPLEMENTAL**

The impact in these increases in expenditure will result in a significant reduction in the planned summer work program. Without additional funding we will be unable to comply with federal requirements to maintain our bridge maintenance program and to complete a minimal amount of road patch and crack seal work.

C5

ADDITIONAL  
EXPLANATION  
FORM

AGENCY Department of Transportation  
and Public Facilities  
DRU Southeast Region  
Maintenance and Operations  
COMPONENT Highways and Aviation

FY 90

Page 3 of 3  
Revised Date: \_\_\_\_\_

FY90 SUPPLEMENTAL



# Alaska Commission on Judicial Conduct

310 "K" Street, Suite 301, Anchorage, Alaska 99501

(907) 272-1033 In Alaska 800-478-1033

Marla N. Greenstein  
Executive Director

February 16, 1990

## MEMORANDUM

**TO:** Traci Kramer, Office of Management & Budget

**INFO:** Representative Ulmer  
Senator Binkley

**FROM:** Marla N. Greenstein, Executive Director *MNG*

**RE:** Attorneys Fees in Excess of Supplemental Request  
HB 428, Section 55

In my memorandum to you dated November 13, 1989, I indicated that we had spent \$20,000 to date on attorneys' fees and that our expected total legal expenses for the year would be double that amount. That estimate was based on telephone conversations with the attorneys involved. Unfortunately, I have recently received a final bill in one proceeding that exceeds that estimate by \$10,000 and another which exceeds the estimate by \$806 (see attached invoices from F. Koziol dated February 4, 1990 and W. Bankston dated November 30, 1989). These invoices prompted me to get a best estimate from the one remaining active attorney in a judicial conduct proceeding. The estimate for that attorney's services will exceed the November estimate by \$13,000 (see attached letter from Rice, Volland & Gleason dated February 16, 1990).

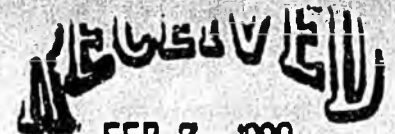
Because the last formal judicial disciplinary hearing was conducted two years ago and the legal bills for that proceeding were spread over three fiscal years, there was little guidance for anticipating these legal fees. In addition, my November memo reflected the actual legal costs

Traci Kramer, Office of Management & Budget  
February 16, 1990  
Page 2

incurred for proceedings that were half completed and the best estimates for completion from the attorneys themselves.

As you can tell from the enclosed invoices, the attorneys underestimated the time needed to fully prepare their cases. This situation caught my attention as soon as I received Mr. Koziol's invoice of February 4, 1990. I am bringing this to your attention promptly so that I can get guidance as to the best way to proceed.

FRANK S. KOZIOL  
ATTORNEY AT LAW  
A PROFESSIONAL CORPORATION  
618 CHRISTENSEN DRIVE  
ANCHORAGE, ALASKA 99501  
(907) 258-7706 • FAX (907) 258-7707



FEB 7 1990

Alaska Commission  
on Judicial Conduct

February 4, 1990

FEDERAL TAX IDENTIFICATION NO. 92-0113108

Marla N. Greenstein  
Executive Director  
State of Alaska  
Commission on Judicial Conduct  
303 K Street, Suite 301  
Anchorage, Alaska 99501

Re: Inquiry Concerning Judge  
ACJC Case No.

INTERIM STATEMENT

PROFESSIONAL SERVICES RENDERED: \$16,540.00  
COSTS INCURRED AS ITEMIZED: 2,368.20  
TOTAL INTERIM STATEMENT: \$18,908.20

*11-1 estimate  
for completion = \$9,000  
M*

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1989</u>		
12/5	Phone conference with Marla Greenstein re meeting	.2
	Review Respondent's motion for summary judgment and attachments	3.3
12/6	Review cases cited in Respondent's summary judgment motion	2.6
12/7	Confer with Marla Greenstein	2.5
12/11	Review Respondent's statement of facts and check citations	3.0
12/12	Receive and peruse order requesting that seven copies plus original be filed with Commission	.1
	Review Respondent's statement of facts in preparation for meeting with Marla Greenstein	2.0

Marla N. Greenstein  
February 4, 1990  
Page 2

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1989</u>		
12/12	Legal research re Open Meetings Act	1.5
	Phone conference with Marla Greenstein	.3
	Draft response to Argument IV in opposition brief	2.8
12/13	Dictate Special Counsel's motion for enlargement of time	.2
	Dictate memorandum in support of motion	.6
	Dictate affidavit of Special Counsel	.4
	Dictate proposed order granting motion	.2
	Serve and file legal documents	.3
	Draft statement of the case, procedural facts with citations	2.8
	Confer with Marla Greenstein	3.0
	Phone conference with Frank Flavin	.3
12/14	Letter to Marla Greenstein forwarding copies of correspondence and document	.2
	Phone conference with Roma re deposition transcripts	.2
	Phone conference with Frank Flavin	.2
	Legal research re cases obtained from Marla Greenstein	1.8
	Draft statement of the case - procedural setting	3.0
12/15	Receive and peruse copy of letter from to Commission re recusing Commissioner and interrogatories directed to Commission	.1
	Receive and peruse Respondent's request for production dated 12/13/89	.1
	Draft response to Argument I in opposition brief	3.0
	Confer with Marla Greenstein and Frank Flavin	2.0
12/16	Draft responses to Arguments II through V; draft affidavit of Frank Flavin	6.5
12/17	Review deposition	.8
	Review entire file; prepare for Judge deposition	3.3

Marla N. Greenstein  
February 4, 1990  
Page 3

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1989</u>		
12/18	Review depositions in preparation for Judge deposition	.8
12/19	Review dictated draft of opposition to motion for summary judgment, check citations and make changes	2.0
	Attend deposition	2.0
	Confer with Marla Greenstein	.5
12/20	Dictate Special Counsel's response to Respondent's request for production dated 12/13/89	.2
	Dictate Special Counsel's response to Respondent's interrogatory dated 12/13/89	.2
	Serve and file legal documents	.3
12/21	Phone conference with Marla Greenstein re disqualification of	.2
12/26	Receive and peruse original and one copy of deposition from R & R Court Reporters	N/C
	Receive and peruse check for interim billing	N/C
	Receive and peruse copy of letter to to Commission with enclosed opposition to Special Counsel's motion for enlargement of time and proposed order denying motion	.1
	Phone conference with Marla Greenstein	.2
12/27	Receive and peruse from R & R Court Reporters bill for deposition of \$279.00	N/C
	Receive and peruse signed order denying Special Counsel's motion for attorney's fees	.1
	Dictate Special Counsel's reply to Respondent's opposition to Special Counsel's motion for enlargement of time	1.2
	Serve and file legal document	.3
	Review deposition	.8

Marla N. Greenstein  
February 4, 1990  
Page 4

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1989</u>		
12/27	Draft Section I introduction and Section II underlying facts Read cases re ex parte contacts	4.5 1.0
12/28	Receive and peruse memo from R & R Court Reporters re misnumbering pages in depo Telephone call to R & R Court Reporters verifying pages are misnumbered and no missing text Letter to Marla Greenstein re page numbering errors in deposition Letter to Marla Greenstein re enclosed order denying motion for attorney's fees Legal research re due process and ex parte contacts Confer with Marla Greenstein	.1 .2 .2 .2 5.5 1.0
12/29	Check citations of fact; draft legal Argument VI Phone conference with Marla Greenstein	6.0 .2
12/30	Receive and peruse signed order granting Special Counsel's motion for enlargement of time Redraft and continue dictation of legal Argument VI Review prior brief drafts, check citations Revise affidavit of Frank Flavin	N/C 3.0 3.0 .4
<u>1990</u>		
1/2	Phone conference with Marla Greenstein Phone call to Frank Flavin's office Phone call to Frank Flavin's office Review and revise Argument VI section of opposition brief; check citations Phone conference with Frank Flavin Dictate Special Counsel's alphabetized list of witness Serve and file legal document	.2 .2 .2 1.0 .2 .4 .3

Marla N. Greenstein  
February 4, 1990  
Page 5

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/3	Receive and peruse from Marla Greenstein affidavit provided at the request of Special Counsel	N/C
	Confer with Marla Greenstein	.8
	Review and revise draft of opposition to Respondent's motion for summary judgment; check citations	2.0
1/4	Receive and peruse Respondent's preliminary witness list	.1
	Receive and peruse copy of letter from Burt Biss to Marla Greenstein re issuing subpoenas and with enclosed notices of taking depositions	.1
	Long-distance telephone call to secretary re service of opposition	.2
	Phone call to Marla Greenstein's office	.2
	Phone call to Frank Flavin's office	.2
	Review documents in preparation for hearing re depositions	.8
	Phone conference with Marla Greenstein	.4
	Travel to Court and attend hearing re deposition notices	1.0
	* Review Special Counsel's opposition to Respondent's motion for summary judgment for format and consistency; make corrections	2.5
	Final review of opposition brief	1.5
1/5	Phone conference with Marla Greenstein	.3
	Long-distance telephone call to office re service of summary judgment opposition	.2
	Serve and file Special Counsel's opposition to Respondent's motion for summary judgment	.3
1/6	Receive and peruse signed order rescheduling formal disciplinary hearing to 2/2-2/4/90, memo from Marla Greenstein re deposition subpoenas, and excerpt of teleconference	.1

09213

Marla N. Greenstein  
February 4, 1990  
Page 6

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/8	Receive and peruse Respondent's motion to compel full response to interrogatory, memo in support and proposed order Confer with Marla Greenstein and Gail Voightlander	.1 1.5
1/9	Dictate letter to _____ and _____ re depositions of witnesses listed on Respondent's witness list Two phone conferences with Marla Greenstein	.3 .4
1/10	Receive and peruse copy of letter from _____ to Judge _____ re formal notice of recusal in case Receive and peruse Respondent's application for extension of time, affidavit of _____ and proposed order Receive and peruse Respondent's request for production dated 1/8/90 Receive and peruse memo from Marla Greenstein re enclosed tape of 1/4/90 closed proceedings teleconference and edited minutes of 11/17/89 closed session teleconference Receive and peruse Respondent's motion to compel, memo in support and proposed order Receive and peruse subpoena for appearance for taking oral deposition of Marla Greenstein Attend deposition of Marla Greenstein	.1 .1 .1 N/C .1 .1 7.0
1/11	Phone conference with Marla Greenstein Dictate Special Counsel's non-opposition to Respondent's application for extension of time Serve and file legal document	.2 .2 .3
1/12	Receive and peruse from Commission replacement page for 1/4/90 transcript of teleconference (excerpt) to replace correct date and subpoena for appearance for taking of oral deposition for Frank Flavin on 1/17/90	.1

Marla N. Greenstein  
February 4, 1990  
Page 7

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/13	Receive and peruse renofice of taking deposition of Frank Flavin on 1/17/90	.1
	Receive and peruse copy of letter from Marla Greenstein to re response to 12/29/89 interrogatory correction	.1
	Receive and peruse signed order granting Respondent's extension of time to 1/26/90	N/C
1/17	Receive and peruse from Alaska Stenotype transcript of Marla Greenstein deposition	N/C
	Phone conference with re his depo	.3
	Long-distance call to office	.2
	Long-distance call to office	.2
	Long-distance phone conference with re scheduling his deposition	.3
	Two phone conferences with Marla Greenstein	.4
	Attend deposition of Frank Flavin	3.5
1/18	Receive and peruse from Alaska Stenotype bill for Marla Greenstein's depo of \$274.50	N/C
	Long-distance telephone calls to office and home re his deposition	.3
1/19	Receive and peruse Respondent's motion for vacation of hearing date and resetting the same at a time mutually convenient, affidavit of and proposed order	N/C
	Receive and peruse copy of letter from Gail Voightlander re enclosed Marla Greenstein discovery responses and job description	.1
	Phone conference with Gail Voightlander re depos	.2
	Phone conference with Marla Greenstein	.3
	Review Respondent's motion for vacation of hearing date	.3
	Dictate Special Counsel's opposition to Respondent's motion for vacation of hearing date	.6
	Serve and file legal document	.3
	Long-distance call to office	.2

Marla N. Greenstein  
February 4, 1990  
Page 8

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/22	Receive and peruse letter from Gail Voightlander re rescheduling continuation of Marla Greenstein's deposition to 1/29/90 and Frank Flavin to 1/30/90	.1
	* Telephone call to home re his deposition	.2
	* Long-distance telephone call to secretary re depositions	.2
	* Long-distance call to office	.2
1/23	Receive and peruse memo from Alaska Stenotype re enclosed additional exhibit to Marla Greenstein's deposition	.1
	Receive and peruse Commission's response to Respondent's request for production dated 1/8/90	N/C
	Receive and peruse from Alaska Stenotype transcript of Frank Flavin deposition	N/C
	* Long-distance telephone call to office	.2
	Prepare notice of taking deposition of on 1/31/90	.2
	Serve and file legal document	.3
	Letter to re his deposition arrangements	.2
1/24	* Long-distance telephone call to office	.2
	* Long-distance telephone call to re scheduling his deposition on 1/31/90	.2
	* Long-distance telephone call to secretary re depositions	.2
	Prepare notice of taking telephonic deposition of on 1/31/90	.2
	Serve and file legal document	.3
	Letter to re his deposition arrangements	.2
1/25	Receive and peruse from Alaska Stenotype bill for Frank Flavin's deposition of \$166.50	N/C

Marla N. Greenstein  
February 4, 1990  
Page 9

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/25	Receive and peruse memo from Roma Lange re enclosed duplicate tape of Respondent's testimony	N/C
	Receive and peruse Respondent's motion to disqualify (FSK), affidavit in support of motion, memo in support and proposed order	N/C
	Two long-distance phone conferences with Marla Greenstein from South Carolina	.4
	Two long-distance phone conferences with from South Carolina	.4
1/26	Receive and peruse Respondent's motion to waive attorney/client privileges, memo in support and proposed order	N/C
	Receive and peruse reply in support of Respondent's motion for summary judgment	N/C
	* Long-distance telephone call to secretary re his deposition	.2
	* Long-distance telephone call to office	.2
	* Long-distance call from secretary re scheduling his deposition through	.2
1/27	Receive and peruse Respondent's reply to opposition to motion for vacation of hearing date	N/C
1/28	Review Respondent's motion to disqualify with attachments	.8
	Dictate Special Counsel's opposition to Respondent's motion to disqualify	1.2
	Dictate affidavit of Frank S. Koziol	.8
	Dictate proposed order denying Respondent's motion	.2
	Serve and file legal documents	.3
	Review Respondent's reply to opposition to motion for summary judgment	1.5
	Review Respondent's reply to opposition to motion to vacate hearing date	.5
	Review Respondent's motion to waive privilege	.3

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/29	Receive and peruse Respondent's request for oral argument, certificate of counsel re hearing and proposed order granting oral argument	.1
	Review article by _____ and prepare for deposition of _____	1.8
	* Telephone call to R & R Court Reporters scheduling 1/31/90 depositions	.2
	Prepare motion to file and publish depositions	.2
	Prepare affidavit in support of motion	.2
	Prepare proposed order granting motion	.2
	* Telephone call to Conference Operator to set up long-distance deposition of _____	.2
	Prepare notice of taking telephonic deposition of _____ on 1/30/90	.2
	Serve and file legal documents	.3
	* Telephone call to R & R Court Reporters scheduling 1/30/90 deposition	.2
	Long-distance phone conference with _____ re his deposition and subpoena	.2
	Long-distance phone conference with _____ re depositions	.3
	Long-distance phone conference with _____	.2
	Two phone conferences with Marla Greenstein	.4
	Two long-distance phone conferences with _____	.4
1/30	Receive and peruse from R & R Court Reporters transcript of _____ deposition	N/C
	Receive and peruse from Marla Greenstein edited transcript of 11/17/89 proceedings (excerpt)	N/C
	Receive and peruse signed order denying motion for vacation of hearing date	.1
	Attend long-distance telephonic deposition of _____	1.3
	Two phone conferences with Marla Greenstein	.4
	Review legal filings re motion for summary judgment to prepare for oral argument	1.8
	* Telephone call to R & R Court Reporters cancelling _____ deposition	.2

Marla N. Greenstein  
February 4, 1990  
Page 11

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
1/30	Prepare notice of cancellation of taking of deposition Serve and file legal document	.2 .3
1/31	Receive and peruse Commission's response to motion to waive attorney/client privilege Legal research re evidence rules for exhibit introduction Review file to identify exhibits to use, during formal hearing Prepare Special Counsel's motion to admit exhibits into evidence Serve and file legal document * Long-distance telephone call to secretary re documents Prepare for deposition Attend telephonic deposition of Review deposition transcript Prepare cross-examination of	.1 .6 .4 .2 .3 .2 1.5 1.0 .8 1.0
2/1	Receive and peruse from R & R Court Reporters billing for \$120.50 * Telephone call to R & R Court Reporters ordering duplicate tape of deposition * Telephone call to Roma re having cassette tape player available during hearing * Revise discovery index; update filings in case Prepare drawing for opening statement; prepare opening statement Prepare for cross-examination of and Listen to tapes Review deposition transcript Prepare cross-examination Attend oral argument on Respondent's motion for summary judgment	N/C .2 .2 1.5 2.3 2.0 1.3 .8 1.0 1.6

Marla N. Greenstein  
February 4, 1990  
Page 12

<u>DATE</u>	<u>SERVICES RENDERED</u>	<u>TIME</u>
<u>1990</u>		
2/2	Prepare for opening statement	.8
	Prepare for cross-examination of	1.0
	Attend hearing	9.5
2/3	Prepare final argument	3.0
	Attend hearing	5.5
		<u>169.1</u>

PROFESSIONAL SERVICES RENDERED:

FSK - 161.7 hours at \$100.00 per hour:	\$16,170.00
* LVH - 7.4 hours at \$ 50.00 per hour:	370.00
<u>169.1</u>	<u>\$16,540.00</u>

Marla N. Greenstein  
February 4, 1990  
Page 13

COSTS INCURRED:

1989

10/20	Long-distance call to Wasilla AK	\$ .50
	Long-distance call to Wasilla AK	.50
10/23	Long-distance call from Ketchikan to Anchorage	26.80
11/17	Long-distance call to Palmer AK	.61
	Long-distance call to Palmer AK	1.93
11/89	Copying charges for November - 13 pages at 25 cents each	3.25
12/29	Fee paid to R & R Court Reporters for deposition	279.00
12/89	Copying charges for December - 590 pages at 25 cents each	147.50

1990

1/5	Long-distance call to Wasilla AK	.50
1/17	Long-distance call to San Diego CA	.26
1/19	Long-distance call to San Diego CA	.54
1/22	Long-distance call to San Diego CA	.80
1/23	Long-distance call to San Diego CA	.54
	Fee paid to _____ for deposition witness fee and mileage	20.00
1/24	Long-distance call to San Diego CA	.54
	Fee paid to _____ for deposition witness fee	12.50
1/25	Long-distance call to Anchorage AK from South Carolina	11.44
	Long-distance call to Palmer AK from South Carolina	10.73
	Long-distance call to Anchorage AK from South Carolina	3.36
1/29	Fee paid to Alaska Stenotype Reporters for Marla Greenstein depo transcript	274.50
	Fee paid to Alaska Stenotype Reporters for Frank Flavin depo transcript	166.50
1/90	Postage charges for January	2.10
	Copying charges for January - 4,457 pages at 15 cents each [reduced rate due to volume of copies]	668.55

Marla N. Greenstein  
February 4, 1990  
Page 14

COSTS INCURRED CONTINUED:

1990

2/4	Fee paid to R & R Court Reporters for deposition transcript	\$ 120.50
	Fee paid to R & R Court Reporters for deposition transcript	268.00
	Fee paid to . . . for deposition services per his invoice	337.50
2/90	Copying charges for February - 37 pages at 25 cents each	<u>9.25</u>
	TOTAL COSTS INCURRED AS ITEMIZED:	<u>\$2,368.20</u>

STATEMENT

**BANKSTON, McCOLLUM & FOSSEY**

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

550 WEST SEVENTH AVENUE, SUITE 1800

ANCHORAGE, ALASKA 99501

(907) 276-1711

AMOUNT ENCLOSED \$ \_\_\_\_\_  
PLEASE DETACH THIS STUB AND RETURN WITH YOUR REMITTANCE.

TO Alaska Commission on Judicial Conduct  
310 "K" Street, Suite 301  
Anchorage, AK 99501

Client 2621 Matter 0001  
Invoice 007046 Page 1  
11/30/89  
A-2621-01

Matter 0001

<u>Date</u>	<u>Work Performed</u>	
11/01/89	Digest and maintain pleading indices and documents	
11/02/89	Conference; index and digest documents	
11/03/89	Prepare witness notebook; digest and index incoming documents	
11/09/89	Digest and index incoming documents and prepare trial notebook	
11/12/89	Telephone conference with	
11/13/89	Review documents; duplicate documents regarding trial notebook	
11/13/89	Telephone conference with ; telephone conference with Hayes; deposition	
11/16/89	Telephone conference with ; telephone conference with	
11/17/89	Deposition of ; conference with ; telephone conference with	
11/20/89	Telephone conference with ; telephone conference with pre hearing conference	
11/21/89	Travel to law library regarding cases	
11/22/89	Motion to dismiss; research	
11/24/89	Memorandum in support of motion to dismiss; research; hearing preparation	
11/26/89	Hearing preparation	
11/27/89	Hearing	
	Total Fees	2,238.00

Chronological List Of Expenses:

11/21/89	Depo copy fee -	ck# 7645
12/01/89	Xerox Charges	
12/01/89	West Law	
	Total Expenses	149.00
	Invoice Fees	2,238.00
	Expenses	149.00
	Invoice Total	2,387.00
	(Continued On Next Page)	

**RECEIVED**  
DEC 1 1989

Alaska Commission  
on Judicial Conduct

STATEMENT

**BANKSTON, McCOLLUM & FOSSEY**

A PROFESSIONAL CORPORATION

ATTORNEYS AT LAW

650 WEST SEVENTH AVENUE, SUITE 1800

ANCHORAGE, ALASKA 99501

(907) 278-1711

AMOUNT ENCLOSED \$ \_\_\_\_\_

PLEASE DETACH THIS STUB AND RETURN WITH YOUR REMITTANCE.

Alaska Commission on Judicial Conduct

Client 2621 Matter 0001

TO

(Continued From Previous Page)

Invoice 007046 Page 2

11/30/89

Open Invoices From Previous Billings:

Invoice	Date	Orig. Amount	Late Charge	Payments	Balance Due
006760	10/31/89	3,419.00	0.00	0.00	3,419.00
Subtotals		3,419.00	0.00	0.00	3,419.00

Grand Total Due

5,806.00

TLS/4A:03

11-1-89 estimate for total services  
 prior to Supreme Court = \$5,000.00  
 AB

11-1-89 Additional estimate for Supreme Court  
 rec., if necessary = \$3,000.00

**BANKSTON, McCOLLUM & FOSSEY**

0925

LAW OFFICES OF  
RICE, VOLLAND AND GLEASON  
A PROFESSIONAL CORPORATION

WILSON A. RICE  
PHILIP R. VOLLAND  
SHARON L. GLEASON  
LINDA M. CERRO

February 16, 1990

211 H STREET  
ANCHORAGE, ALASKA 99501  
(907) 276-5231  
FAX (907) 278-6328

CONFIDENTIAL

Marla Greenstein  
Executive Director  
State of Alaska  
Commission on Judicial Conduct  
310 K Street, Suite 301  
Anchorage, Alaska 99501

RECEIVED  
FEB 16 1990

Alaska Commission  
on Judicial Conduct

Re: Inquiry Concerning A Judge  
CJC No. \_\_\_\_\_ - Supreme Court No. \_\_\_\_\_

Dear Marla:

This will confirm our telephone conversation concerning your request for an estimate of the attorney's fees and costs required to conclude the above-referenced matter. To date, the Commission has been billed \$3,409.33 in attorney's fees and costs. The approximate attorney's fees and costs incurred since our last billing to date, but not yet billed, are \$8,762.00 fees and \$95.83 in costs. This brings the total of fees and costs to date to \$12,267.16.

This office anticipates expending \$300-\$500 in costs associated with printing and binding the brief and an additional \$2,000-\$3,000 in attorney's fees. This estimate includes review, preparation, and participation in oral argument. The amount of future attorney's fees will depend upon whether any new issues are brought by petitioner. This variable has been included in the estimate.

Should you have any questions, please do not hesitate to call me.

Sincerely,

RICE, VOLLAND AND GLEASON, P.C.

*Sharon L. Francis*

Sharon L. Francis, Secretary

SF

*Nov. 1, 1989 estimate by Bankston-McAllen = \$3,000*

*MS*

## M E M O R A N D U M

STATE OF ALASKA

DEPARTMENT OF REVENUE

TO: Hugh Malone, Commissioner  
Alaska Department of Revenue

DATE: February 6, 1990

FILE NO: 7236G

TELEPHONE NO: (907) 465-2323

THRU: Royce Weller, Assistant  
Commissioner  
Alaska Department of Revenue

SUBJECT: FY90 OPERATING  
BUDGET; SUPPLE-  
MENTAL REQUEST

FROM: Ervin Jones, Director  
Permanent Fund Dividend Division  
Alaska Department of Revenue

As discussed earlier the division is facing a budget deficit for FY90 of approximately \$99,000. FY90 has been the most difficult year for the PFD program since the 1982 dividend. The workload increased dramatically in document processing, data processing support and in answering the public's concerns. Several changes in the PFD program came together in 1989 to cause this increased workload:

- a. Two-year return rule (Ch. 159, SLA88): This new requirement, passed into law in 1988, went into effect for the first time in 1989. We had thousands of calls and letters from applicants who didn't understand the law. Many thousands more failed to provide proof of physical presence, which resulted in more correspondence, phone calls, legislative contacts, etc.
- b. Two-year residency law (Ch. 107 SLA89): The new law changing the residency period from six months to twenty-four months becomes effective with the 1990 dividend year. The division has been inundated with inquiries and complaints, primarily from new Alaskans who arrived too late to qualify for the 1989 dividend. Those people are furious that they may not qualify until 1992!
- c. Birth certificate requirements: In 1989, for the first time, the division began requiring a certified birth certificate for adult first-time filers. This is being done as a preventative measure in response to hundreds of fraudulent applications filed in 1988. Although on the whole, we believe this measure has been very successful, it did create an unexpected amount of work both for our Information Offices and for the Document Processing group. We did not foresee the numbers of new Alaskans who had great difficulty in obtaining birth certificates (born in occupied countries in WWII; refugees from communist countries such as Cuba; older persons born at home in prairie states like Wyoming, etc.). This generated many incomplete applications as well as multiple contacts.

- d. The Department's challenge of Dividend Buyers: The division was defending the state against two major lawsuits in 1989: Jeffcoat vs. DOR and Frontier Financial Services vs. DOR. In the first case, the dividend-buyer plaintiff sued to prevent the Department of Revenue from requiring birth certificates from their clients. After several hearings, the State obtained Summary Judgment in favor of the division's position. In the second case, the dividend-buyer plaintiff attempted to circumvent the Department of Revenue's regulation restricting assignments of rights using address changes. The State won at Superior Court on the motion for injunction relief and at the Supreme Court on a motion for review. The case is now in Superior Court on the issues. Alaska Legal Services has been granted permission to intercede, arguing usury violations for the dividend sellers as a class. Both of these cases have cost a lot of management time, data processing support and document processing effort.
- e. Felon's case: The challenges to AS43.23.005(d) which denied dividends to incarcerated felons has created a lot of expense for the dividend division. Besides consuming a lot of management time and effort, responding to Judge Cutler's order has created a lot of document and data processing effort, and of course keeping up with Corrections' changing list of who was an incarcerated felon has magnified the problem.
- f. All of the above served to seriously slow down the processing of the 1989 applications. The number of "problem" applications doubled over 1988. The processing of responses to the division's request for missing and/or additional information, an effort which is normally completed by September, was not completed until late December and only then by using higher paid full-time employees such as conferees and managers. The budget cost of dealing with all of the above was the incremental expenditure of approximately \$123,000 in non-permanent positions, primarily Document Processors and Data Entry Clerks.. The real cost is in the irritation of the public, and can be measured by increased public contacts at the Dividend Information Offices. The number of such contacts was 15% higher for the first half of FY90 over the same period in FY89, and the problem continues. This does not include the sizable frustration of the general public who could not get through on the phone lines, because we couldn't staff the phones. At one point in November, the Fairbanks Office was receiving approximately 600 attempted phone calls per hour (we answered approximately 20 calls per hour during this same period). Because first-time filers in 1989 realize that losing the 1989 dividend means they will not be grandfathered in for 1990, the public contact from those applicants is intense, putting it very mildly.

Hugh Malone, Commissioner  
February 6, 1990  
Page 3

The FY90 operating budget for the Permanent Fund Dividend Division was very tight, which is to say there was no automatic fluff factor built in, so our ability to offset the above costs has been very limited, however several things have been and are being done to reduce the size of the deficit. We made a very serious effort to increase the competition for printing of the 1990 PFD booklet. As a direct result of that effort, we received three bids this year, the award going to Moore Business Forms at approximately \$10,500 below the amount budgeted. Tuition fees for training classes have been frozen to save \$7,500 through the end of the fiscal year. Finally, the toll-free public assistance/fraud tips line has been postponed until FY91, for a total savings of \$60,000.

Absent a supplemental appropriation of \$99,000, there will be a severe disruption of the 1990 Permanent Fund Dividend season. The processing of the 1990 applications will be frozen at the point immediately following the issuance of receipts, with the intention of pushing the remaining effort and costs into FY91. This will result in another pressure cooker year in FY91, and will create new problems, as the issuance of information request letters and denial notices are delayed, ultimately delaying the review process and the distribution of dividends. However, if this were done, only approximately \$65,000 in deferred costs could be realized as a savings in FY90.

The only way to reduce the deficit further is through lay-off of permanent employees. Aside from the human costs of such a decision, we must look at the snow-balling cost effects of eliminating public service positions in the state's most popular program. The average salary and benefits cost per permanent position in the Permanent Fund Dividend Division is \$3,494. I would have to lay-off 10 employees for the whole month of June, 1990 to realize this level of savings. Put in real terms, this magnitude of lay-off would mean the equivalent of shutting down the Dividend Information Offices in Anchorage and Fairbanks, or closing the Anchorage Dividend Review Unit for the month of June.



State of Alaska  
**ombudsman**

Duncan C. Fowler

December 18, 1989

Senator Paul Fischer  
Senate District D  
Post Office Box 784  
Soldotna, Alaska 99669

Reply to:

- P.O. Box 102636  
Anchorage, AK 99510-2636  
(907) 563-3673  
(800) 478-2624
- P.O. Box W0  
Juneau, AK 99911-3000  
(907) 465-4970  
(800) 478-4970
- P.O. Box 74358  
Fairbanks, AK 99707  
(907) 452-4001  
(800) 478-3257

RE: Complaints against the Division of Permanent Fund Dividends

Dear Senator Fischer:

Thanks for your letter of November 20, 1989. As we discussed at the Kenai Airport, my office has also experienced an increase in complaints involving the Division of Permanent Fund Dividends (PFD) during 1989. There have been over 200 PFD complaints so far this year, including 75 just during the month of November. Most of these concern applicants who were unable to establish phone contact with the agency.

In most of the complaints we receive, the data required to prove eligibility, such as a birth certificate or proof of school attendance, was missing from the original application. The applicants had been asked for the missing data by the division and most had complied but that fact had not been recorded in the computer. Therefore, when the computer prepared to process their checks, it spit out a notice stating their file was incomplete instead. Applicants receiving those notices often were concerned the supplemental data they mailed in earlier had been lost. These Alaskans then became frustrated when unable to get through on the phone lines to find out what really happened. Phone lines are constantly busy and individual letters are not answered.

According to Ervin B. Jones, director of the Division of Permanent Fund Dividends, over 80,000 of the 524,832 applications submitted this year had either missing or conflicting data. Included were many of the 60,000 new filers who did not submit birth certificates or tax forms with the original application.

In order to alert applicants that certain information was missing, the PFD agency assigned all available personnel to the task of sending letters and necessary forms requesting the specific missing data. Thus the agency was unable to begin reviewing and processing the information received until October 10, 1989.

To date, 456,000 of the original applicants have received their checks. All missing data received prior to September 1, 1989, has been processed. Data received after September 1 is being processed by batch number as quickly as possible but the delay has been very lengthy. The division hopes to have all of the "missing data" received to date entered in the computer by December 19.

Mr. Jones told me last Friday that there were 17,000 applications still missing data and approximately 7,000 responses which have not yet been processed for payment. Of the 10,000 who have not responded, approximately 3,500 are out of state applicants without proof of physical presence required by AS 43.23.005(a)(3).

These numbers contrast sharply with the 1988 application process. At this time last year there were 4,400 incomplete applications compared with the 17,000 this year. This year's difference was primarily due to the change in documentation required. In 1988, all subsequent data was requested and processed by August and most eligible applicants (other than those selected for review or had not responded to requests for supplemental information) were approved for payment by September.

Mike McGee, chief of operations for the PFD division, states the agency was unable to anticipate the tremendous increase in applications with missing data. The agency budget did not contain adequate discretionary funds to obtain the necessary personnel and equipment to meet the demands in a timely manner.

In response to your concern over an increased number of cases held in review, Mr. McGee said to date only 11,700 applications have been selected to send to Anchorage for formal investigative review. It is anticipated that the total number of cases reviewed will be 15,000, a figure less than last year's 23,000. Mr. McGee stresses that many of these will ultimately receive their checks. No one will be denied solely because of missing data. That information may be submitted at any time in the future without penalty.

The process has been extremely cumbersome for many people this year. Mr. Jones is hoping to make positive changes for 1990. Among those requested improvements may be an automated phone system similar to the one implemented this year in the Child Support Enforcement Division. This would greatly improve applicant access to the agency. The system would enable a timely response to questions about the process and status of individual applications and more efficient use of staff time. This should result in fewer angry phone calls to both of our offices.

I believe a larger operating budget for the PFD should be considered by the legislature. Such a budget should allow a more flexible response to increases in demand for more personnel or technical assistance. Consideration should be made for adding additional seasonal staff during peak workload times. Mr. Jones estimates an additional \$200,000 to \$250,000 for staff would be necessary to respond to unanticipated demands on the division such as this year.

I anticipate Alaskans would favor an adequate budget. Faster processing would result in less confusion, frustration and anger, increased agency access, and most importantly, the timely receipt of the dividend payment which is tangible to so many. The down side to this, of course, would be the reduction of the size of the PFD check by about fifty cents. Not a bad investment when you consider the time lost by staff such as yours and mine responding to PFD complaints which could be used on other pressing matters.

In the meantime, Diane Shriner, one of my Anchorage investigators, is meeting with the PFD field supervisor on a regular basis to obtain answers to individual complainant's questions and to expedite payment when possible. If you wish, have your constituents with PFD complaints call my Anchorage office toll free at (800) 478-2624. We will be happy to assist them.

If other issues come up, please don't hesitate to call me.

Sincerely,



Duncan C. Fowler  
Ombudsman



State of Alaska  
**ombudsman**

Duncan C. Fowler

December 20, 1989

Representative Sam Cotten, Speaker of the House  
11940 Business Blvd.  
Eagle River, Alaska 99577

Dear Rep. Cotten:

This report covers our activities beginning with the second quarter of calendar year 1989 through the third quarter of the year.

A brief look at our statistics reflects the fact that Alaskans are seeking help from this office in record numbers. At our current rate, it appears we will receive over 10,000 inquiries by the end of FY'90. Over 6,000 of these inquiries are citizen complaints about government. The remaining 4,000 are requests for information and referral services. Both figures represent all-time highs for the office.

The office has released several major reports so far this year. I'll try to briefly summarize those, as well as a few other items of interest. Don't hesitate to call if you need additional statistical or public information about any of these cases.

## AGRICULTURE

### *State Agriculture Policy*

The week of June 30 I released a special report to Governor Steve Cowper recommending the governor initiate an executive review of the state's policy on agricultural development. This came as a result of investigation of six complaints about the state's involvement in the Matanuska Maid creamery and feed store operations. In the process of formulating that report we reviewed 120 of our past agriculture related complaints.

Our review indicated the state's agriculture policy lacks consistency and direction. Now that the dust has finally settled, it's apparent that the governor, Natural Resources Commissioner Lennie Gorsuch, Agriculture Division Director Frank Mielke and I don't see eye to eye on the adequacy of existing policies, or on the need for further development of policies which could provide guidance for future development in that area. However, it's clear from the subsequent announcement of several versions of that policy that my report has focused positive attention on the need to look ahead to where we're going before we get there. By the way, a copy of that report and the governor's reply was sent you on September 18.

Reply to:

- P.O. Box 102636  
Anchorage, AK 99510-2636  
(907) 563-3673  
(800) 478-2624
- P.O. Box W0  
Juneau, AK 99811-3000  
(907) 465-4970  
(800) 478-4970
- P.O. Box 74358  
Fairbanks, AK 99707  
(907) 452-4001  
(800) 478-3257

### *Mat Maid Feed Store*

Here are some of the issues from the complaints that started the ball rolling. Three complaints alleged that the Agriculture Revolving Loan Fund and Matanuska Maid engaged in unfair competition with private feed store operations. I found unfair competition was making an already difficult situation worse, and recommended the Matanuska Maid feed store curtail retail operations until a private buyer purchases the feed store. I also recommended Matanuska Maid continue feed sales to Pt. MacKenzie dairy farmers because only the state supported store can carry the extensive credit required by dairy farmers.

While the managers of the feed store and creamery deny they are running public companies, I found that, for all practical purposes, both operations are "agencies" of the state. Both are reliant on state money and I recommended they should adhere to state purchasing and other requirements. The division rejected several specific recommendations that would change its operations, but is apparently committed to liquidating the creamery and feed store. A sale will of course eliminate the competition problems.

### **CORRECTIONS**

From January 1 through September 30 the office experienced a 140 per cent increase in the number of corrections complaints over the same period last year. This is remarkable in that we have made no conscious attempt to increase our accessibility or visibility to inmates.

Over 57% of these complaints are termed "premature" -- the inmates have not made adequate use of the existing grievance systems before they call us. My staff routinely refers those complaints back to the department to complete the internal grievance procedure. In many cases we provide information and explanations to the inmates on how to work with corrections staff and resolve their complaints. However, I am concerned that the dramatic increase in complaints indicates that inmates feel the grievance system is not functioning properly and is not credible. I view that system as a necessary safety valve, both in terms of encouraging inmates to deal with problems constructively and as a way of reducing costly litigation, such as the Cleary suit.

In conjunction with the Alaska Justice Center I offered to conduct a survey of inmates regarding the grievance system. I have also offered to work with the commissioner and her staff to improve the system, since it appears to be in the best interests of both our agencies to do so. The commissioner has not accepted either offer.

### **PERMANENT FUND**

In late October I issued a report on excused absences from the state for purposes of the Permanent Fund Dividend program. The dividend statute, as written, not only requires Alaska residency, but also requires physical presence throughout the eligibility period, with some limited exceptions. Revenue has proposed regulations that would allow up to 180 days of otherwise unexcused absence over the new two-year eligibility period.

I found that approach would unfairly penalize frequent travelers, including a variety of "real Alaskans" whose employment requires such travel including airline

crews and some fishermen whose homes and families are in our state. I suggested applying the same criteria used by the longevity bonus program. That program allows absences of 90 days per year, except that absences less than 30 days are not counted toward the total. This approach would have the advantage of also simplifying the lives of our senior citizens by applying the same requirements for both programs, and allowing frequent short trips (and returns) by residents.

I also recommended that the department not allow the proposed travel exemptions for government officials who might travel on official business. I could not justify an exemption for state employees if similar consideration was not offered the private sector. The division does not plan to modify the proposed regulation but has offered to consider these recommendations along with other comments obtained during their public hearings.

By the way, my three offices, like yours I'm sure, have been inundated by hundreds of citizens unable to reach the PFD offices by phone. I received an inquiry from Senator Paul Fischer asking what our experience with the PFD program was this year. I thought you might be interested in my reply. The Senator has agreed to let me share it with you. I think it brings you up to date on this year's application process. The new documentation requirements and subsequent processing problems has caused an unexpected number of complaints for all of us.

### **CHILD SUPPORT - COMPUTERIZED PHONE ANSWERING SYSTEM "KIDS"**

In mid-August the Child Support Enforcement Division implemented a new telephone system, the Key Information Delivery System, or "KIDS." The system is designed to allow callers to obtain general information, access information regarding their support cases, and communicate with caseworkers, 24 hours a day. The system should also allow caseworkers additional time to work cases.

We have closed 24 complaints about the system in the first three months of its operation. Complainants, already unhappy about child support problems, were further irritated by being forced to learn a somewhat complex system and not being able to talk to a "real person." (It is hard to vent your real feelings to a talking computer!) In addition to handling the underlying complaints, my staff has assisted callers in learning how to use the system, including how to leave messages that will result in timely personal response by CSED staff.

KIDS does result in less accessibility to the public, and has had its share of "growing pains." However, complaints seem to be dropping off. My staff is sensitive to public concerns regarding accessibility, and we will continue to watch for problems with the system. As long as CSED maintains its commitment to respond promptly to people using the system, there is no reason to believe that the public will not ultimately see better service from a hard pressed agency.

### **RAILROAD CROSSINGS**

Early this year Alaska Railroad officials approached the ombudsman's office to enlist our help in resolving railroad crossing cost and liability disputes with several Railbelt municipalities. By now you should have received a copy of the resulting report.

As a result of the investigation, the railroad has agreed to reduce overhead charges and to meet with municipalities to consider cost sharing for maintenance of signalled crossings. The railroad also agreed to institute an appeals process, and to

publish rules governing crossings in the Alaska Administrative Code. These changes should go a long way toward avoiding the kinds of confrontational stalemates that had resulted from past railroad-community disputes.

## DEPARTMENT OF TRANSPORTATION - POTENTIAL LAWSUITS AVOIDED

### *Ketchikan*

My Juneau office investigated two complaints involving the Department of Transportation and Public Facilities (DOTPF). DOTPF created a 45-foot cliff adjacent to the complainants' land in the process of road construction. The complainants alleged that the four-foot fence that DOTPF planned to install was inadequate to prevent predictable accidents involving children.

I found the agency had abused its discretion by not installing a taller fence since it had created the dangerous condition. I was pleased that the agency and the complainants were able to agree on a five-foot fence, as well as some other modifications to increase safety in a clearly hazardous area.

### *Tok*

My Fairbanks office received a complaint that DOTPF had crossed private land in constructing a road near Tok almost ten years ago. The owner had recently discovered the encroachment after a survey, but had been unable to obtain compensation.

While DOTPF admitted the encroachment, the agency apparently had no funds to compensate the owner. Faced with a statute of limitations that would bar his claim, the complainant came to our office in an attempt to avoid litigating what turned out to be a \$1,000.00 claim. Our investigator was able to work closely with DOTPF's right of way section in Fairbanks to obtain a waiver of the statute from the Department of Law while the agency sought funds for compensation.

This resolution allowed the state to avoid paying the complainant's full attorneys fees, as required by Alaska law in condemnation cases, not to mention its own. These fees would easily have exceeded the amount owed.

The resolution of these two cases is especially gratifying for several reasons. We were able to obtain good cooperation from DOTPF in resolving problems created by the agency. The solutions were creative, hopefully averted a tragedy (with attendant liability for the state), and clearly saved the state money.

## POSTSECONDARY EDUCATION

### *Juneau Air Center*

The Air Center folded its wings in March 1986, taking \$79,000 borrowed from the state by 29 students with it into bankruptcy. We received five complaints about the commission's insistence on full repayment of 15 of these loans. Some 13 other borrowers, all actively attending at the time the school closed, were granted eligibility for statutory forgiveness provisions. One inactive student borrower, who threatened to sue the commission, was offered eligibility for forgiveness and a partial loan write-off by the Department of Law.

One of the central issues in the dispute was the fact that the commission failed to determine in an August 1985 audit that the Air Center no longer had the required FAA certificate to allow it to function as a flight school. The bulk of the money lost by one of our complainants was the result of a loan issued after that audit. In addition, the commission also failed to promptly act on information it did have, some of which was obtained even before the audit, regarding abuses of the loan program. It was not until March 1986 that the commission stopped processing loan applications for the Air Center.

The commission changed its regulations after the school closed to require that loan funds be held in trust until earned, and to require disbursing of flight school loans on a monthly basis. The commission also agreed to further procedural changes recommended in our report. However, the commission, in consultation with the Department of Law, refused forgiveness eligibility or loan write-off to those individuals who had not already been granted that relief. I will not be surprised to see several lawsuits filed about this matter. Several have felt there has been inequitable treatment regarding the forgiveness provisions.

#### *Taxable Nature Of Student Loan Forgiveness*

As you know, the IRS recently requested information from the commission which indicates the federal government intends to pursue past taxes on portions of Alaska student loans forgiven under state law. We have worked closely with complainants and the Alaska congressional delegation in terms of providing information and referrals.

#### **TORTURED LANGUAGE**

##### *Fish And Game*

In April we received a complaint that the Department of Fish and Game had issued a public notice that was incomprehensible to the average Alaskan. Backed up by an inexpensive off-the-shelf computer program that determines readability, our investigator concluded that the complainant was correct. As written, the notice required a reading grade level of 27 (a college diploma and 11 years of post-graduate work). While our investigator's attempt to re-draft the notice resulted in some improvement, the re-draft still required a grade 15 reading level. Fish and Game disputes our finding that the notice was difficult to read. However, the agency has agreed to consider our suggestions, including the language suggested by our investigator, review of notices by a cross section of agency staff, and investing in the software.

##### *Environmental Conservation*

When is water taken from a fire hydrant "bottled directly from underground springs in Tongass Rain Forest, Alaska?" Answer: when the DEC agrees with a bottler to allow the use of misleading labels. Although our investigation found that DEC's action was contrary to law, the agency has not responded to several recommendations, including suspension of the agreement with the bottler. DEC has agreed to develop regulations outlining its authority in labeling matters.

## NATIONAL GUARD

Our office receives a fair number of employee misconduct and procurement complaints, many of which are unsubstantiated. However, investigation disclosed several serious problems in the Anchorage office of the state guard.

Unauthorized and unqualified staff had written bid specifications and had signed contracts; a supervisor had sold real estate to his employees and had used state time and equipment on personal business; the same supervisor had allowed inappropriate use of staff time.

I recommended modification of agency procedures for contracting and compensatory time, an audit of a particular contract, and that the agency take appropriate (I did not recommend a specific action) personnel action after an in-house investigation. The guard accepted all recommendations.

## ONLY IN FAIRBANKS

### *Can a Building Make Bail?*

This summer a city policeman called the office wanting to know whom he should speak to regarding a disturbing-the-peace incident at a state office building. Visions of rowdy state employees immediately came to mind. Truth being stranger than fiction, the state building itself was being cited – for a noisy air-conditioning system.

### *Did You Say Witches?*

Just prior to Halloween we received an inquiry from a member of the Witches Anti-Defamation League – honest. Judy, our exceptional secretary, asked three times just to be sure.

### *But it's the Principle of the Thing*

My new regional director in Fairbanks, Mike Hostina, justified my faith in him recently when he fielded a complaint from a somewhat windy individual. The short version was that the complainant had lost his identification while in jail, and now that he was out could not cash checks without ID, but had no money to replace the ID. Mike saved himself another half hour of the story by offering the complainant the two dollars for a replacement.

### *Fixing an Owie*

That's just the way former Deputy Ombudsman Sandy McGill put it when she got through putting this one to rights one summer afternoon. Just before Sandy left the Fairbanks office to return to teaching and further schooling for herself, she handled a complaint involving the Fairbanks Division of Lands office.

A recent immigrant and current Alaska resident had applied for a homestead parcel and had spent long hours at the lands office discussing his selection and his status with lands personnel. After he selected and staked the parcel, missing considerable work time, lands personnel realized that the program is open only to U.S. citizens.

Lands readily acknowledged their mistake, Sandy coordinated with the state's Risk Management division and Northern Adjusters, and the complainant was quickly compensated for the documented, wasted expenses he had incurred. Although the settlement was small, it allowed him to select a parcel in a different program. The complainant continues to work toward citizenship with some informal help from Fairbanks staff.

\* \* \* \* \*

Please let me know if you have any comments on this report or if you would like additional information. I have posters and brochures which describe my office. They contain several good pointers for constituents on how to try and resolve their problems before they seek help.

Please accept my staffs' and my best wishes for you, your staff and family for a Happy Holiday Season! I look forward to seeing you when you return to Juneau next year.

Sincerely,



Duncan C. Fowler  
Ombudsman

DCF:pjc  
Enclosure

000237

**INCREMENT-DECREMENT DESCRIPTION (Limit to 98 Characters)**

**FY89 & FY90 Supplemental**

**AGENCY CONTACT/PHONE NUMBER:**

Mary Hakala 564-2800

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

**FY89 Supplemental: \$1,753.3**

The FY89 Debt Retirement program has a shortfall of \$1,753,291. The Mat-Su Borough received an overpayment in FY89, resulting in underpayment of three Boroughs: Juneau (\$5,968); Sitka (130,126); and North Slope (1,617,197). Mat-Su had failed to meet the statutory deadline for anticipated debt requests of October 15, 1987, but was inadvertently paid by Department staff.

**FY90 Supplemental: \$894.6**

In FY90 two other municipalities also failed to notify the Department of Education of anticipated debt requests prior to the October 15 (1989) deadline and were refused payment in FY90. ~~Juneau~~ and Sitka, \$117,810.

2742b/2

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.	2647.9	
800	Miscellaneous		
TOTAL		2647.9	
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	2647.9	
1005	Program Receipts/GF		
1007	I-A Receipts		
	Other		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent Staff Months		

<input type="checkbox"/> Enhance Existing Service Compared to FY 90	<input checked="" type="checkbox"/> Formula Program
<input type="checkbox"/> New Service Compared to FY 90	
<input type="checkbox"/> Continuation of FY 90 Service Level	

**IMPACT FROM CAPITAL PROJECT (NAME)**

Chapter \_\_\_\_\_ SLA \_\_\_\_\_ Page/Line \_\_\_\_\_

**C5 INCREMENT/DECREMENT REQUEST**

AGENCY PRIORITY \_\_\_\_\_ OF \_\_\_\_\_

AGENCY Department of Education

BRU School Debt Reimbursement

COMPONENT School Debt Reimbursement

PROJECT School Debt Reimbursement

FY - 91

Page \_\_\_\_\_ of \_\_\_\_\_

Revised \_\_\_\_\_

**MEMORANDUM****STATE OF ALASKA**
 Alaska Department of  
**NATURAL  
 RESOURCES**

*Miss  
 this on  
 file?*

**TO:** Garrey Peska  
 Chief of Staff  
 Office of the Governor

**DATE:** February 9, 1990

**FILE NO:**

**TELEPHONE:** 465-2400

**FROM:** *Lennie Gozsuch*  
 Commissioner

**SUBJECT:** Redoubt Volcano/Drift  
 River Study

I am requesting an increment to reimburse the agency for work completed during the FY 90 budget year. The eruption of Redoubt Volcano necessitated immediate action to provide historical data and current analyses for use in predicting future activity and preventing further damage. The surprise eruption and its resulting effects and costs to the department could not be anticipated. Supplemental funds are needed for personnel costs and other expenses required to gather the information needed.

Major explosions December 14 - 16 threw huge quantities of volcanic ash high into the atmosphere, severely disrupting state and international air traffic for several days. At the same time, hot ash flows from the volcano melted large volumes of snow and glacial ice, triggering floods in lower Drift River in the vicinity of the Cook Inlet Pipeline Company (CIPC) tank farm, where crude oil from several production platforms in western Cook Inlet is temporarily stored prior to shipment in large tankers to Taiwan.

On January 2, 1990, a series of violent explosions of Redoubt Volcano again ejected considerable ash and generated an exceptionally large, warm tongue of mud and rocks that flowed very close to the tank farm, disrupting the electrical generators needed to pump oil stored at the facility. This loss of power eventually forced the oil industry to shut down several production platforms, and the State of Alaska is currently negotiating with CIPC over conditions under which the oil can be stored in the tank farm so long as Redoubt Volcano remains active.

Garrey Peska

-2-

February 9, 1990

A number of questions relating to the safety of petroleum storage facilities at the Drift River facility have been raised:

1. What is the likelihood of another large debris flow and major flood?
2. When are they most likely to occur?
3. How big will they be?
4. Where will they go?
5. How can the large storage tanks best be protected against rupture?

Detailed answers to these questions require the collection of considerable information. The purpose of this request is to provide funding for DGGs personnel, field work, office evaluation, and report writing so that agencies and the CIPC receive information relating to the unhindered passage of crude oil to Taiwan, protection of the Drift River facility, and avoidance of a major oil spill.

Most of our effort will be focused on coordination and exchange of technical information with scientists of the Alaska Volcano Observatory (AVO). DGGs personnel will collect some field data but severe winter conditions, deep snow, and lack of housing at the Drift River facility will likely prevent much field work until after spring breakup. In the meantime, pertinent technical reports must be reviewed and evaluated. Aerial photographs taken in 1954, 1957, 1960, 1967, 1973, 1974, 1978, and 1990 should be interpreted to determine the effects of past volcanic eruptions and flooding. State agencies should periodically be briefed on the continuing activity of Redoubt Volcano and the current knowledge of the geologic history of the volcano and the valley. Short field investigations would help determine where debris tongues and flood waters flowed in early January and the hazards they presented to the tank farm.

There is considerable concern about the effect of spring breakup on the flow of the Drift River, which was diverted into a much smaller channel than normal when the main channel was at least partially plugged by mud and rocks. Two questions that should be evaluated are:

Garzey Pegka

-3-

February 9, 1990

1. Will spring melt in the drainage be accelerated by faster melting of ash-covered snow?
2. Will the new channel contain the spring flood?

Using surface profiles and other information supplied by CIPC and AVO and considering the past behavior of the Drift River (such as during the 1966 eruption and flood), proposals to mitigate short-term flood hazards to the tank farm will be evaluated by DGGS geologists and hydrologists.

The goal is to develop information on the frequency and magnitude of flooding during the past century or two and to identify the causes, if possible. In addition, this summer's field work will help identify potential sources of bedrock for riprap and armor rock needed to protect the entire levee around the tank farm.

A second part of this effort involves a hydrological evaluation with the goal of providing hydrological data and analyses for the rivers, lakes, and coastal waters surrounding Redoubt Volcano. The hydrological evaluation would accomplish the following objectives:

1. Conduct office and field investigations and measurements necessary to define the flows and quality of the streams in the vicinity of Redoubt Volcano.
2. Evaluate the volume and quality of the waters of the lakes near Redoubt Volcano.
3. Appraise the potential for outburst flooding, particularly from glaciers on Redoubt Volcano.
4. Predict the changes of channel characteristics and flow patterns and flood potential of streams adjacent to Redoubt Volcano.
5. Coordinate all DGGS hydrological investigation and data collection activity with other agencies involved in the evaluation and monitoring of Redoubt Volcano.

To accomplish these objectives, a geologist will devote one-third to one-half of his time to the Redoubt Volcano project and be assisted by a junior hydrologist. Tasks will include

Garrey Peska

-4-

February 9, 1990

coordination with other agencies, library research, field streamflow and water quality monitoring stations, historical stream characteristic documentation from aerial photo interpretation, and report preparation.

Personal Services	44.0
Travel	15.1
Contractual Services	12.6
Supplies	1.1
Equipment	<u>7.5</u>
Total	80.3

cc: Alison Elgee, Director  
Division of Budget Review  
Office of the Governor  
Dancy Lloyd, Special Staff Assistant  
Office of the Governor  
Sharon Barton, Director  
Division of Management  
Bob Forbes, Director  
Division of Geological and Geophysical Surveys



2. When are they most likely to occur?
3. How big will they be?
4. Where will they go?
5. How can the large storage tanks best be protected against rupture?

Detailed answers to these questions require the collection of considerable information. The purpose of this project is to provide funding for DGGs personnel, field work, office evaluation, and report writing so that agencies and the CIPC receive information relating to the unhindered passage of crude oil to Taiwan, protection of the Drift River facility, and avoidance of a major oil spill.

Most of our effort will be focused on coordination and exchange of technical information with scientists of the Alaska Volcano Observatory (AVO). DGGs personnel will collect some field data but severe winter conditions, deep snow, and lack of housing at the Drift River facility will likely prevent much field work until after spring breakup. In the meantime, pertinent technical reports must be reviewed and evaluated. Aerial photographs taken in 1954, 1957, 1960, 1967, 1973, 1974, 1978, and 1990 should be interpreted to determine effects of past volcanic eruptions and flooding. State agencies should periodically be briefed on the continuing activity of Redoubt Volcano and the current knowledge of the geologic history of the volcano and the valley. Short field investigations would help determine where debris tongues and flood waters flowed in early January and the hazards they presented to the tank farm.

There is considerable concern about the effect of spring breakup on the flow of the Drift River, which was diverted into a much smaller channel than normal when the main channel was at least partially plugged by mud and rocks. Two questions that should be evaluated are:

1. Will spring melt in the drainage be accelerated by faster melting of ash-covered snow?
2. Will the new channel contain the spring flood?

Using surface profiles and other information supplied by CIPC and AVO and considering the past behavior of the Drift River (such as during the 1966 eruption and flood), proposals to mitigate short-term flood hazards to the tank farm will be evaluated by DGGs geologists and hydrologists.

The goal is to develop information on the frequency and magnitude of flooding during the past century or two and to identify the causes, if possible. In addition, this summer's field work will help identify potential sources of bedrock for riprap and armor rock needed to protect the entire levee around the tank farm.

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5. Coordinate all DGGs hydrological investigations and data collection activity with other agencies involved in the evaluation and monitoring of Redoubt Volcano.

- - - Continued on following page - - -

FY 90

C5

ADDITIONAL  
EXPLANATION  
FORM

Redoubt Volcano/Drift River Study  
GDH/DGGS

AGENCY Natural Resources

BRU Geological Management

COMPONENT Geological Management

Page 2 of 3

Revised Date 2/14/90

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FY 90

CS

ADDITIONAL  
EXPLANATION  
FORM

Redoubt Volcano/Drift River Study

GDH/DGGS

AGENCY Natural Resources

BRU Geological Management

COMPONENT Geological Management

Page 3 of 3

Revised Date 2/14/90

# MEMORANDUM

# State of Alaska

TO: **Alison M. Elgee**  
**Director**  
**Division of Budget Review**

FROM: **Fred Fisher** *FF*  
**Program Budget Analyst**  
**Division of Budget Review**  
**Office of Management and**  
**Budget**

DATE: **February 21, 1990**

FILE NO:

TELEPHONE NO: **465-3568**

SUBJECT: **FY90 Supplemental**

The Department of Fish and Game is requesting a supplemental in the amount of \$298.0 for the Prince William Sound Aquaculture Corporation (PWSAC). These monies were approved in October by the Legislative Budget and Audit Committee as an RPL.

Since that time, the Department has decided that it would be more beneficial to have the PWSAC be the named grant recipient for this project. This will enable the Corporation to develop and construct a brood Stock maturation facility at the Main Bay Hatchery in a more cost-effective and timely manner.

I have attached a copy of the Department's backup memorandum on this project.

**MEMORANDUM****STATE OF ALASKA**

**TO:** Alison Elgee, Director  
 Division of Budget Review  
 Office of Management and  
 Budget

**DATE:** February 7, 1990

**FILE NO:**

**THRU:**

**TELEPHONE NO:** 465-4100

**FROM:** Don W. Collinsworth  
 Commissioner  
 Department of Fish and Game

**BUDGET REVIEW**  
**Supplemental**  
**FEB 8 1990**

The Alaska Department of Fish and Game (ADF&G), Fisheries Rehabilitation, Enhancement and Development (FRED) Division, is requesting a supplemental to the FY 90 budget, naming Prince William Sound Aquaculture Corporation (PWSAC) as the named grant recipient for the purpose of developing and constructing a broodstock maturation facility at the Main Bay Hatchery. The funding has been previously mentioned and approved in the Revised Program 11-90-123; however, it appears it is more appropriately addressed through a named grant recipient.

The estimated cost of the project is \$298,000, which will be funded by program receipts received as a direct result of the emergency cooperation response between FRED Division and PWSAC to provide a productive utilization of chum salmon that returned to the Main Bay Hatchery. The traditional harvest was closed due to the oil spill.

The production concept at Main Bay Hatchery involves using eggs from a remote brood source (Coghill Lake) to produce a 10 gram smolt on a 21-month production schedule. During the broodstock development phase (1987-1991), approximately four to five million smolt will be released annually. This level of production will result in commercially harvestable returns. The first significant adult returns to the hatchery will occur in 1991. The objective is to discontinue remote egtakes at Coghill Lake after egg collection in the fall of 1990 and collect eggs from adults returning to the hatchery beginning in 1991. In order to do this, an adult sockeye salmon collection and maturation system will have to be constructed.

Unlike pink and chum salmon, sockeye salmon require extended residence time in fresh water for the process of sexual maturation. It is common for sockeye salmon to migrate from salt water into lake systems and spend up to two months in the lakes before becoming sexually mature and moving into tributary streams to spawn. Extended fresh water residence time for adult sockeye salmon appears to be a critical factor in the maturation process.

The primary component of the system is a fresh water impoundment that will simulate a small lake in which adult sockeye salmon will mature. It is important that the control dam be constructed to an elevation that will not permit salt water to enter the impoundment at high tide. The dam will be constructed in the area of the temporary dam for the existing intertidal holding pond. Fish access to the impoundment will

be by Denil-type steep pass. The impoundment will be fed with hatchery effluent water at a rate of 10,000 to 12,000 gpm. Since maximum dam elevation will not exceed the level of the adjacent road bed, some seasonal high tides may occasionally overtop the dam and therefore a drain system at the base of the dam will be required to maintain fresh water integrity of the impoundment.

Prior to construction, the design will be approved by ADF&G to ensure compliance with the state's code and regulations. It is estimated that the construction phase will be completed by the fall of 1990. The new facility will become the property of the state and will be used to collect and mature 5,000 to 10,000 adult sockeye salmon annually.

cc: B. Allee

---

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)

Main Bay Maturation Pond

AGENCY CONTACT/PHONE NUMBER:

Brian J. Allee/465-4160

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

This supplemental increment is for the development and construction of a broodstock maturation pond at Main Bay Hatchery naming Prince William Sound Aquaculture Corporation as the named grant recipient.

Design and construction will be completed by the fall of 1990, using program receipts. Upon completion, the maturation pond will be used to collect and mature 5,000 to 10,000 adult sockeye salmon annually.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services	298.0	
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Miscellaneous		
TOTAL		298.0	
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund		
1005	GF/Program Receipts	298.0	
1007	I-A Receipts		
	PFT		
	PPT		
	Non Permanent		
	Staff Months	0	
<input checked="" type="checkbox"/>	Enhance Existing Service	<input type="checkbox"/>	Formula
	Compared to FY 89		Program
<input type="checkbox"/>	New Service Compared		
	to FY 89	<input type="checkbox"/>	New
<input type="checkbox"/>	Continuation of FY 89		Facility
	Service Level		Oper.
IMPACT FROM CAPITAL PROJECT (NAME)			
Chapter	SLA	Page/Line	

INCREMENT/  
DECREMENT  
REQUEST

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Fish and Game

BRU FRED

COMPONENT FRED

FY 90

Page 1 of 1

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

INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)  
 Purchase of locomotives and rolling stock

AGENCY CONTACT/PHONE NUMBER:

Commissioner Mark Hickey, 465-3900

DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:

The purpose of this appropriation is to purchase locomotives and rolling stock to support transportation of coal from Wishbone Hill.

The economic benefits from the Wishbone Hill project are considerable for the State, Mat-Su Borough, Municipality of Anchorage and the City of Seward. This includes royalty payments, local tax receipts, and approximately 150 to 200 permanent jobs during the 15-year plus mine life.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.		
800	Capital Outlay	9,000,000	
TOTAL			
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match		
1004	General Fund	9,000,000	
1005	GF/Program Receipts		
1007	I-A Receipts		
POSITION INFORMATION	PFT		
	PPT		
	Non Permanent		
	Staff Months		
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 90			
<input type="checkbox"/> New Service Compared to FY 90		<input type="checkbox"/> Formula Program	
<input type="checkbox"/> Continuation of FY 90 Service Level		<input type="checkbox"/> New Facility Oper.	
IMPACT FROM CAPITAL PROJECT (NAME)			
Chapter _____ SLA _____ Page/Line _____			

**C5** INCREMENT/  
 DECREMENT  
 REQUEST

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Alaska Railroad Corporation

BRU \_\_\_\_\_

COMPONENT \_\_\_\_\_

PROJECT \_\_\_\_\_

**FY 91**

Page \_\_\_\_\_ of \_\_\_\_\_

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

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

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

STEVE COWPER, GOVERNOR

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

February 9, 1990

The Honorable Lyman Hoffman  
The Honorable Ron Larson  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
P. O. Box V  
Juneau, AK 99811

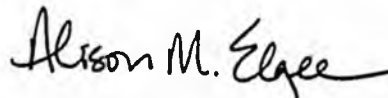
Re: Department of Labor Supplemental Requests

Dear Representatives Hoffman and Larson:

In accordance with the attached memo from the Department of Labor, I would ask that the following supplemental requests be withdrawn from further consideration due to availability of funds within the department to cover these requests:

\$20.0	Public Employee Relation Act Activity
\$15.0	Occupational Safety and Health Review Board
\$15.5	Worker's Compensation Board Payment
\$42.9	1990 Census and Reapportionment Activity

Sincerely,



Alison M. Elgee, Director

Attachment

# MEMORANDUM

State of Alaska  
Department of Labor

TO: Alison Elgee, Director  
Division of Budget Review  
Office of the Governor

February 8, 1990

FROM:  Jim Sampson, Commissioner  
Department of Labor

465-2720

SUBJ: Withdrawal of FY90  
Supplemental Requests

Please withdraw the Department of Labor's supplemental requests for FY90 from further consideration. These requests are:

- 20.0 for Public Employees Relation Act Activity
- 15.0 for Occupational Safety and Health Review Board
- 15.5 for Workers' Compensation Board Payment
- 42.9 for 1990 Census and Reapportionment Activity

Since the recent court decision affecting the state's employment preference law the Department of Labor has reduced the level of activity in these programs. The Alaska Supreme Court ruled that provisions of the law which differentiated between residents of different economic regions of the state was unconstitutional. What remains is a local hire law that still applies to the entire state, and it is this portion of the law that the department will continue to enforce. The technical support needed for enforcing the statewide employment preference is substantially less than was previously needed for enforcement between small regions of the state. As a result of this reduced level of activity, the Department of Labor has sufficient funds available to fund the supplemental requests for FY90.

Revised programs will be forthcoming shortly to reallocate funds within each appropriation to accommodate the purposes initially requested in the above supplementals. Budget amendments will likewise be forthcoming shortly to reallocate the funds for FY91.

cc: Wendy Matheny, Budget Analyst, OMB

RECEIVED  
FEB 9 1990

BUDGET REVIEW

# STATE OF ALASKA

## OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET  
DIVISION OF BUDGET REVIEW

STEVE COWPER, GOVERNOR

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

February 9, 1990

The Honorable Lyman Hoffman  
The Honorable Ron Larson  
Co-Chairman, House Finance Committee  
Alaska State Legislature  
P. O. Box V  
Juneau, AK 99811

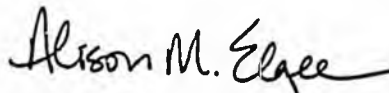
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Sincerely,



Alison M. Elgee, Director

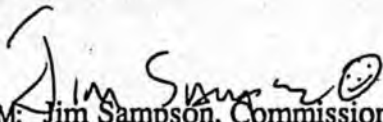
Attachment

# MEMORANDUM

State of Alaska  
Department of Labor

TO: Alison Elgee, Director  
Division of Budget Review  
Office of the Governor

February 8, 1990

  
FROM: Jim Sampson, Commissioner  
Department of Labor

465-2720

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cc: Wendy Matheny, Budget Analyst, OMB

RECEIVED  
FEB 9 1990

BUDGET REVIEW

# STATE OF ALASKA

OFFICE OF THE GOVERNOR

OFFICE OF MANAGEMENT AND BUDGET  
DIVISION OF BUDGET REVIEW

STEVE COWPER, GOVERNOR

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

February 7, 1990

The Honorable Lyman Hoffman  
The Honorable Ron Larson  
Co-Chairmen, House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Re: House Bill 428 Supplemental Amendments

Dear Representatives Hoffman and Larson:

I have listed below technical changes and amendments to House Bill 428, making supplemental appropriations for fiscal year 1990 and prior fiscal years. Back-up is attached which further explains the need for the amendments.

\* Sec. 2. The sum of \$249,200 [\$215,000] is appropriated from the general fund to the Department of Administration, Office of Public Advocacy, for additional contract costs for the year ending June 30, 1990.

\* Sec. 13. The sum of <sup>32,744</sup> ~~\$302,653~~ is appropriated from the general fund to the Department of Revenue to refund additional electric and telephone cooperative tax revenue under AS 10.25.570 for the fiscal year ending June 30, 1989 [1990].

\* Sec. 16. The sum of \$1,753,291 [\$1,753,300] is appropriated from the general fund to the Department of Education for the debt retirement program for fiscal year ending June 30, 1989, allocated

Representatives Hoffman and Larson

February 7, 1990

in the amounts listed below to the following Boroughs:

<u>Boroughs</u>	<u>Allocations</u>
Juneau	\$ 5,968
Sitka	130,126
North Slope	1,617,197

\* Sec. 43. The sum of \$3,250,000 [\$1,567,000] is appropriated from the following funding sources to the Department of Transportation and Public Facilities, Alaska marine highway system, for vessel operations and increased overhaul costs for the fiscal year ending June 30, 1990:

General Fund	<u>\$1,000,000</u> [\$127,000]
General Fund Program Receipts	<u>\$2,250,000</u> [\$1,440,000]

\* Sec. 47. The sum of \$136,000 is appropriated from the general fund to the Department of Transportation and Public Facilities, to reimburse the City and Borough of Juneau, for repairs and renovation under a Transfer of Responsibility Agreement #H79148 [#79148].

\* Sec. 48. The sum of \$681,900 is appropriated to the Department of Community and Regional Affairs, child assistance program, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990, from the following sources:

<u>Interagency Receipts</u>	<u>\$340,900</u>
[Federal Receipts	\$340,900]
General Fund Match	\$341,000

Representatives Hoffman and Larson

February 7, 1990

\* Sec. 56. The sum of \$98,908 [\$101,025] is appropriated from the general fund to the following agencies for the fiscal year ending June 30, 1990, to pay miscellaneous claims and stale-dated warrants:

Governor	\$ 699
Administration	26,900
[Education	3,600]
Health and Social Services	37,327
Commerce and Economic Development	5,824
Military and Veterans' Affairs	2,254
Fish and Game	67
Public Safety	492
Transportation and Public Facilities	<u>24,752</u> [23,269]
Legislature	593

New Sections to be added:

\* Sec. \_\_\_\_\_. The sum of \$340,900 in federal receipts is appropriated to the Department of Health and Social Services, Alaska Work Programs, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990.

\* Sec. \_\_\_\_\_. The sum of \$606,902 is appropriated from the general fund to the Department of Education for the underpayments due to PL81-874 for the public school foundation program for the fiscal year ending June 30, 1988.

\* Sec. \_\_\_\_\_. The sum of \$397,102 is appropriated from the general fund to the Department of Education for the underpayments due to

Representatives Hoffman and Larson

February 7, 1990

PL81-874 for the public school foundation program for the fiscal year ending June 30, 1989.

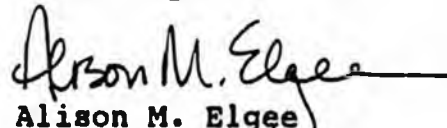
\* Sec. \_\_\_\_\_. The sum of \$27,000 is appropriated from the general fund to the Department of Education for the boarding home program for full year funding for the fiscal year ending June 30, 1990.

\* Sec. \_\_\_\_\_. The sum of \$40,000 is appropriated from the general fund to the Department of Education to implement House Bill 52, background checks for teacher certification applicants for the fiscal year ending June 30, 1990.

\* Sec. \_\_\_\_\_. The sum of \$4,187,098 is appropriated from the general fund to the disaster relief fund for the following purposes:

Southcentral flood disaster 1986	1,874,530
Spring flood disaster (statewide) 1989	1,011,888
Anchorage flood disaster 1989	805,100
Kenai Peninsula Borough flood disaster 1989	495,580

Sincerely,

  
Alison M. Elgee  
Director

cc: Senator John Binkley  
Senator Rick Uehling

Attachments

AME/lb

# MEMORANDUM

## STATE OF ALASKA Department of Administration

to: Alison Elgee  
Director  
Division of Budget Review  
Office of Management and Budget  
Office of the Governor

DATE: January 25, 1990

*Frank Baxter*

TELEPHONE 465-2200

FROM: Frank Baxter  
Commissioner  
Department of Administration

SUBJECT: FY 90 Supplementals

RECEIVED  
JAN 26 1990  
BUDGET REVIEW

The following list has been updated to include accrued interest owed to court-appointed attorneys by the Office of Public Advocacy. It should be pointed out that the figure of \$249.2 is contingent upon payment of these bills before April 1, 1990. If the supplemental is not somehow "fast-tracked" and payment is delayed until July 1, 1990, the required amount will increase to \$\$259.4.

Longevity Bonus Grants	This increase is necessary to fund monthly longevity bonus payments to an increased number of participants, and the Legislature capped funding at \$50,000.0. This program is formula funded.	\$6,758.0
Pioneers' Homes	Funding necessary to maintain quality of care and avoid freezing admissions. Will provide for increased costs of heating fuel, utilities and alleviate disruption of services due to lay-offs.	\$358.3
Pioneers' Homes Nurse Therapist Salaries	Increased personal services costs related to Nursing and Physical Therapists job class evaluations.	\$380.0
Older Alaskans Commission	Arbitration award for terminated employee.	\$38.7
Public Defender	Eliminate 2-3 weeks forced leave without pay for all Attorneys.	\$242.8

Alison Elgee

-2-

January 3, 1990

Office of Public Advocacy	FY 89 increased caseload/will provide overdue payments including accrued interest to contract attorneys.	\$249.2
	FY 90 projected increase in Court appointed attorney caseload.	\$950.0
Labor Relations Agency	Possible amendments to both legal and administrative support contracts if upward trend in labor activity continues.	\$25.0
Alaska Public Offices Commission	Provides for development and implementation of cost-effective means of storing and retrieving election report data, and allows statewide access to this information. Also provides funding for a toll-free equal access number for candidates to obtain reporting information.	\$130.0
Miscellaneous Claims and Stale-Dated Warrants	Stale-dated warrants.	\$26.9
	Total FY 89	\$249.2
	Total FY 90	\$8,909.7
	Grand Total	\$9,158.9

FB/MM/pl

cc:

James J. Fox  
Deputy Commissioner  
Department of Administration

Alison Elgee

-3-

January 3, 1990

cc: (continued)

Gary Bader  
Deputy Commissioner  
Department of Administration

Kevin Brooks  
Budget Analyst  
Division of Administrative Services  
Department of Administration

OFFICE OF PUBLIC ADVOCACY  
PENDING FY69 BILLS

ATTORNEY/FIRM	LOCATION		AMOUNT OUTSTANDING	INTEREST IF PAID	TOTAL AMOUNT DUE
COURT-APPOINTED ATTORNEY BILLS					
Alaska Legal Svc.	Kodiak, Kotzebue, Dillingham	0	1,858.93	282.94	2,141.87
Ardum & Mason	Anchorage	0	573.00	74.73	647.73
Jama L. Bruce	Ketchikan	0	1,514.00	136.26	1,650.26
Phyllis Berdonaki	Ketchikan	0	1,307.50	138.75	1,446.25
Robert M. Baconovich	Fairbanks	0	699.90	48.99	748.89
Carol A. Branchie	Seldovia	0	4,484.25	289.04	4,773.29
Ron L. Butler	Anchorage	0	544.10	75.37	619.47
Alan Bortnick	Anchorage	0	35.00	4.55	39.55
Birch, Horton, Bittner & Chereh	Juneau	0	4,486.78	796.43	5,283.21
John G. Davies	Healy	0	415.00	62.25	477.25
Thomas H. Dahl	Anchorage	0	1,656.41	199.09	1,855.50
Thomas A. Dooling	Dillon, Astana	0	1,916.51	287.47	2,203.98
Bonnie Craver	Juneau	0	507.00	35.49	542.49
Dale Dolifka	Kanai	0	365.00	84.78	449.78
Robert B. Franz	Anchorage	0	530.00	75.40	605.40
Faulkner, Benfield, Doogan & Malms	Juneau	0	775.66	124.10	899.76
Constance Griffith	Ketchikan	0	2,540.50	236.50	2,777.00
Harold Green	Anchorage	0	1,165.00	151.45	1,316.45
Hartig, Rhodes, Norman, et. al.	Palmer	0	150.00	19.50	169.50
Huggan, Thorness, Sontz, et. al.	Anchorage	0	407.52	68.63	476.15
Erica Kracher	Palmer	0	1,300.65	179.40	1,480.05

OFFICE OF PUBLIC ADVOCACY  
PENDING FY89 BILLS

ATTORNEY/FIRM	LOCATION	AMOUNT OUTSTANDING	INTEREST IF PAID BY APRIL 1, 1989	TOTAL AMOUNT DUE
Charlene Lichten	Anchorage	1,789.89	228.89	1,969.89
H. Van Z. Lawrence	Fairbanks	96.25	11.78	110.83
J. Russell Luffberry	Palmer	1,445.78	193.15	1,678.33
Keene & Curraill	Ketchikan	3,189.57	198.83	3,371.40
David Kallet	Juneau	1,711.68	259.68	1,981.28
Dennis McElvie	Fairbanks	112.98	14.37	126.87
Glen Marx	Anchorage	1,488.88	182.88	1,542.88
Michael O'Brien	Juneau	1,339.98	217.56	1,577.48
John C. Pharr	Anchorage	6,948.55	977.65	7,923.48
Lola Rodriguez	Wrangell	158.88	6.32	164.32
Robertson, Monagle & Easbaugh	Juneau	2,298.66	335.87	2,648.53
Arth Hildebrand	Kenai	416.75	54.17	478.92
Scott Sidell	Anchorage	1,892.45	144.28	1,148.73
Smith, Coe & Peterson	Anchorage	4,185.88	536.92	4,772.74
Ernest M. Schlereth	Anchorage	1,829.88	138.16	1,174.33
Stump & Stump	Ketchikan	7,586.23	682.76	8,269.81
Clifford H. Smith	Ketchikan	684.26	82.11	766.37
Dana Robert Stoker	Medalla	938.88	168.38	1,183.38
Taylor, Jungreis & Hanson	Anchorage	212.98	27.62	248.12
Melvin M. Stephens	Kodiak	989.92	98.39	1,049.31
<b>CONTRACTOR BILLS</b>				
Rex L. Butler	Anchorage	14,738.88	1,892.21	16,622.81
Larson, Timbers & Vartiainen	Wasco	11,688.35	1,516.79	13,188.18

OFFICE OF PUBLIC ADVOCACY  
PENDING FY89 BILLS

ATTORNEY/FIRM	LOCATION	AMOUNT OUTSTANDING	INTEREST IF PAID BY APRIL 1, 1990	TOTAL AMOUNT DUE
Sullivan-Stephens Legal Services	Anchorage	4,813.57	743.79	5,557.36
EXTRAORDINARY/ COMPENSATION BILLS				
Alaska Legal Svc.	Nome	7,977.50	797.75	8,775.25
S. Joshua Berger	Fairbanks	483.00	48.30	531.30
Birch, Horton, Bittner & Charot	Juneau	11,884.99	1,188.49	12,417.88
Lynn Christensen/ Carol Brackley	Seldovia	7,885.25	551.89	8,437.14
Barbara Gray	Juneau	3,584.00	358.40	3,942.40
Patrick Conrady	Juneau	748.50	74.85	823.35
Casack & Holloy	Kenai	1,553.30	155.33	1,708.63
Donald Crossick	Sitka	4,897.00	489.70	4,827.70
Dale Dolifka	Kenai	3,695.00	369.50	4,064.50
Dahl & Hartke	Anchorage	1,493.00	149.30	1,642.30
Richards Ellsora	King Salmon	4,148.10	414.81	4,562.91
Faulkner, Banfield, Doogan & Holmes	Juneau	1,423.00	142.30	1,565.30
Garton & Oberly	Anchorage	564.00	56.40	620.40
Harold Green	Anchorage	6,678.00	667.80	7,345.80
Hughes, Therensen, Gantz, et. al.	Anchorage	1,573.00	157.30	1,730.30
Heppner & Heffernan	Wasilla	48.30	4.83	53.13
Jensen & Jensen	Wasilla	318.00	31.80	349.80
Michael Jungreis	Anchorage	7,788.00	778.80	8,566.80
Charlene Lightman	Anchorage	6,290.00	629.00	6,919.00
Ken Logatchi	Anchorage	10,935.00	1,093.50	12,028.50

OFFICE OF PUBLIC ADVOCACY  
PENDING FY85 BILLS

ATTORNEY/FIRM	LOCATION	AMOUNT OUTSTANDING	INTEREST IF PAID BY APRIL 1, 1990	TOTAL AMOUNT DUE
Glen Mark	Anchorage	\$ 323.00	\$ 32.30	\$ 355.30
David Mallet	Juneau	\$ 9,155.00	\$ 915.50	\$ 10,070.50
Paul Milan	Anchorage	\$ 390.00	\$ 39.00	\$ 429.00
Edward T. Noonan	Fairbanks	\$ 2,329.00	\$ 232.90	\$ 2,561.90
Michael O'Brien	Juneau	\$ 1,989.00	\$ 198.90	\$ 2,187.90
Teri Powers	Anchorage	\$ 100.00	\$ 10.00	\$ 110.00
Draw Peterson	Anchorage	\$ 1,211.00	\$ 92.54	\$ 1,303.54
Ron Rhien	Fairbanks	\$ 774.00	\$ 77.40	\$ 851.40
John Rosie	Fairbanks	\$ 84.00	\$ 8.40	\$ 92.40
Robertson, Mongala, & Eastaugh	Juneau	\$ 6,781.00	\$ 648.60	\$ 7,429.60
Ernest H. Schiereth	Anchorage	\$ 1,245.00	\$ 124.50	\$ 1,369.50
Joseph Stora	Kenai	\$ 2,285.00	\$ 228.50	\$ 2,513.50
Dana Robert Stoker	Wasilla	\$ 2,104.00	\$ 210.40	\$ 2,314.40
Smith, Coe & Peterson	Anchorage	\$ 2,463.00	\$ 246.30	\$ 2,709.30
Scott Sigall	Anchorage	\$ 931.00	\$ 93.10	\$ 1,024.10
Schandel & Callanen	Fairbanks	\$ 16.00	\$ 1.60	\$ 17.60
Schonen Law Firm	Wasilla	\$ 254.00	\$ 25.40	\$ 279.40
Clifford Smith	Natchikan	\$ 389.00	\$ 38.90	\$ 427.90
Janet Tappel	Seldotna	\$ 1,468.00	\$ 146.80	\$ 1,614.80
Fred Trice	Petersburg	\$ 251.00	\$ 25.10	\$ 276.10
G. Nan Thompson	Anchorage	\$ 3,954.00	\$ 395.40	\$ 4,349.40
Fred Valdez	Anchorage	\$ 306.00	\$ 30.60	\$ 336.60
Rene Wright	Anchorage	\$ 792.00	\$ 79.20	\$ 871.20
David T. Walker	Juneau	\$ 6,642.40	\$ 664.24	\$ 7,306.64
TOTAL		\$ 89,828.00	\$ 8,641.25	\$ 98,469.25

**MEMORANDUM**

**STATE OF ALASKA**  
Department of Transportation and Public Facilities

TO: Alison Elgee, Director  
Division of Budget Review  
Office of Management & Budget

DATE: February 5, 1990

FILE NO:

TELEPHONE NO: 465-3900

FROM: Mark S. Hickey, Commissioner  
Department of Transportation  
and Public Facilities

SUBJECT: AMHS Revised Supplemental Budget Request

In September, 1989, the AMHS was asked to calculate the amount of funding required to bring the M/V Columbia, M/V LeConte and M/V Tustumena out of lay up and back into service. The estimated cost for bringing these vessels into service is \$1,567,000. AMHS now has additional information that gives a clearer FY 90 financial picture of the entire system based on the first six months of operating expenditures/obligations and FY 89 actuals. It should be noted that because of the variable nature of certain costs in the AMHS (overhaul, leave usage, fuel) any estimate or projection is always subject to the impact of these variables.

Based on an analysis of this additional information, we now anticipate a need for supplemental funds in the amount of \$3,250,000. This supplemental includes \$1,000,000 for increased overhaul costs as a capital fund request for our FY 90 AMHS Improvements Appropriation. It also includes \$2,250,000 operating funds to cover increased operating costs and the service level mentioned above. These funds are needed in order to operate the currently published schedule, which is essentially the same level of service provided in FY 89.

We are confident that the vessel weeks of operation above those previously authorized for FY 90 will generate \$2,250,000 in revenues, thus our request is for this amount in program receipts authority and the balance of \$1,000,000 in CIP general funds. Again, this is a conservative projection of expenditures with the understanding there are still four vessel overhauls to be completed. While we have encumbered contract amounts, change orders for unpredictable serious problems could cause some added costs.

If these funds are not forthcoming we will be required to severely reduce our operating schedule accordingly. AMHS would be forced to keep the M/V Columbia and M/V Malaspina out of service until at

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Overhaul costs are defrayed through appropriations in the operating and capital budgets, depending on the nature of the respective expenditures which fall into each category.

least the first week in July. In addition both the M/V LaConte and the M/V Tustumena would be placed in lay-up until at least late April. These actions would have a serious effect on our revenues, the communities which benefit from our service, as well as the confidence of the travelling public.

As you know, the AMHS experiences a number of variable costs. While some of these may be characteristic of other operating units within the department, such as the cost of fuel, others, such as vessel overhaul and personal services, have a dramatic effect on the Marine Highway System and vary by hundreds of thousands of dollars.

Each year every vessel in the fleet must undergo an annual overhaul. This is necessary to meet Coast Guard and American Bureau of Shipping standards. Due to the age and complexity of the vessels it is not possible to predict accurately the cost of each overhaul. When conditions are found which require repair, the vessel cannot sail unless those are complete. This is further compounded by the pervasive presence of asbestos which increases the costs tremendously. It is the case that these overhaul expenditures that are now running grossly over budget will cause absorption of funds that would otherwise go to operations. Therefore, vessels will be repaired but without the supplemental there would be inadequate funds to sail.

Additionally, in most other agencies personnel who are on leave are not replaced; work is allocated among remaining staff. This is not possible in AMHS. Due to Coast Guard and service level manning requirements, personnel who are on leave must be replaced. The difficulty in predicting leave usage, combined with the high accrual rates in marine bargaining unit contracts, have an extreme effect on AMHS budget projections.

A comparison of the original authorizations and projected expenditures for each AMHS component follows. In addition we have shown a breakdown of the comparative costs of operation and overhaul of each vessel in the fleet between fiscal year 1989 and our published schedule for fiscal year 1990. Finally, we have shown the comparable weeks of service for FY 89, for our original authorization, and for the schedule that is currently published; along with the estimated additional revenues associated with this level of service.

As can be seen in the tables that follow, the anticipated shortfall is confined to the vessel operation components. Examples of the changes which have occurred to create these conditions are discussed in the paragraphs following the tables; however, it is important to note that a portion of these costs have been included in the original \$1,567,000 estimate of the amount needed to bring the Columbia, LaConte and Tustumena back into service.

**COMPARISON OF FY 89 ACTUALS, FY 90 AUTHORIZED & FY 90 PROJECTED  
(figures are shown in \$000's)**

Component	FY 89 ACTUALS	FY 90 AUTHORIZED	FY 90 PROJECTED	DIFFERENCE
Marine Admin	\$2,352.0	\$2,210.4	\$2,210.4	\$0.0
MFE Mngmt	434.6	339.6	339.6	0.0
Cus Ser Mngmt	2,422.3	2,521.3	2,521.3	0.0
Ops Mngmt	771.3	891.4	891.4	0.0
Marine CIP	1,261.5	1,387.9	1,387.9	0.0
<b>Sub-total</b>	<b>\$7,241.7</b>	<b>\$7,350.6</b>	<b>\$7,350.6</b>	<b>\$0.0</b>
SE Shore	\$2,567.4	\$2,620.0	\$2,618.4	\$1.6
SW Shore	680.2	789.5	790.3	(0.8)
SE Vssl Op/Ov	45,943.5	44,465.5	46,228.9	(1,763.4)
SW Vssl Op/Ov	9,359.7	8,717.6	9,205.0	(487.4)
<b>Sub-total</b>	<b>\$58,550.8</b>	<b>\$56,592.6</b>	<b>\$58,842.6</b>	<b>(\$2,250.0)</b>
Total Op Bdgt	\$65,792.5	\$63,943.2	\$66,193.2	(\$2,250.0)
Overhaul SIP	\$1,242.0	\$500.0	1,530.0	(\$1,000.0)
<b>Total Operating and SIP Supplemental Request.....</b>				<b>(\$3,250.0)</b>

**COSTS BY VESSEL (in \$000's)**

	FY 89 ACTUALS	FY 90 PROJECTED
TAKU	\$7,106.4	\$8,604.2
MALASPINA	8,548.9	7,647.1
CHILKAT	304.1	1.6
AURORA	4,251.0	4,718.9
COLUMBIA	6,175.9	7,013.1
LECONTE	5,014.9	4,809.7
MATANUSKA	8,856.9	9,206.5
ALL VESSELS*	5,685.4	4,227.8
<b>TOTAL SE</b>	<b>\$45,943.5</b>	<b>\$46,228.9</b>
TUSTUMENA	\$5,198.8	\$4,882.0
BARTLETT	3,329.0	3,662.0
ALL VESSELS*	831.9	661.0
<b>TOTAL SW</b>	<b>\$9,359.7</b>	<b>\$9,205.0</b>
<b>SE &amp; SW TOTAL</b>	<b>\$55,303.2</b>	<b>\$55,433.9</b>

\*Examples of "All Vessels" costs are risk management, certain benefits, and miscellaneous expenditures not attributable to a specific vessel, such as utility expenses at AMHS terminals. AMHS has improved the methods used to collect and allocate "All Vessels" expenditures by vessel (cost center). This change decreased "All Vessels" in FY 90 and appropriately spread costs to the respective vessels.

**WEEKS OF OPERATION**

	FY 89 ACTUAL <sup>2</sup>	FY 90 AUTHORIZED	FY 90 PUBLISHED SCHEDULE	ADDITIONAL REVENUE <sup>3</sup> (\$000's)
COLUMBIA	15.3	15.0	19.0	\$1,625.0
MATANUSKA	45.0	43.5	43.5	
MALASPINA	42.9	31.0	32.0	\$255.0
TAKU	33.6	43.0	43.0	
<b>SE MAINLINE</b>	<b>136.8</b>	<b>132.5</b>	<b>137.5</b>	<b>\$1,880.0</b>
AURORA	39.4	44.5	44.5	
LECONTE	44.9	38.5	44.0	\$150.0
CHILKAT	14.6	0.0	0.0	
<b>SE FEEDER</b>	<b>98.9</b>	<b>83.0</b>	<b>88.5</b>	<b>\$150.0</b>
<b>SE VESSELS</b>	<b>235.7</b>	<b>215.5</b>	<b>226.0</b>	<b>\$2,030.0</b>
TUSTUMENA	38.4	34.0	38.5	\$220.0
BARTLETT	42.5	43.5	43.5	
<b>SW VESSELS</b>	<b>80.9</b>	<b>77.5</b>	<b>82.0</b>	<b>\$220.0</b>
<b>TOTAL AMHS</b>	<b>316.6</b>	<b>293.0</b>	<b>308.0</b>	<b>\$2,250.0</b>

The following paragraphs provide examples of the changes which have occurred to contribute to the anticipated budget shortfall.

Vessel Overhaul

Actual and estimated overhaul costs have increased by approximately \$1,000,000 over budget. This estimate assumes FY 90 overhaul costs to be \$3,243,000 in operating funds, and an additional \$1,530,000 in System Improvement funds. This figure is subject to change due to the uncertainty associated with meeting Coast Guard and American Bureau of Shipping standards and operating requirements.

<sup>2</sup> These are the actual weeks of service in FY 89, as opposed to the original planned schedule which was altered due to overhaul problems.

<sup>3</sup> The actual FY 89 revenues were \$35.2 million. FY 90 revenues have been difficult to predict due to the impact of the oil spill and potential strike threats. However, confidence in this estimate is based on successful marketing by the Bellingham terminal, and the high level of interest and reservations to date for the schedules of the three additional vessels funded by this supplemental request.

### Health Benefit Premiums

The FY 90 budget passed by the Legislature assumed the monthly premiums for each marine bargaining unit to be substantially lower than that currently experienced. The estimated shortfall resulting from health benefit premiums is approximately \$810,000. (See the attached spreadsheet for details on the calculation of this shortfall.) The following table summarizes the difference in premium costs between budgeted and actual.

	AMOUNT BUDGETED PER PREMIUM	ACTUALS JUL-NOV PER PREMIUM	ACTUALS DEC-JUN PER PREMIUM
	-----	-----	-----
IBUP	\$308.14	\$432.00	\$386.19
MMP	322.47	449.07	386.19
MEBA	345.51	485.26	426.29

### Other Personal Services Items

-PERS increase from 9.65% to 10.02%

-Combined leave usage for IBUP in the Southeast System is up 12% from the same period in FY 89. Vacation leave has increased 11.8% and sick leave has increased 13.3%. Initial data indicates little change in leave usage for MEBA and MM&P, but complete information is not yet available due to programming changes currently underway.

-Leave and overtime are up in the Southwest System, although not at the same levels as Southeast, with the exception of MEBA, which is showing personal leave increases of 22.6% and overtime up 29.5%.

### Fuel

Although prices were lower than projected earlier in the year, they are now rapidly increasing. We expect them to exceed budget projections by a small margin.

### Summary

The variable nature of these expenses has combined to create a serious impediment to providing the level of ferry service expected by Alaskans. We feel these current estimates are as accurate as can be determined with the available information. Until there is a funding mechanism which allows for the significant swings experienced in vessel overhaul requirements, fuel costs, and leave usage, we will continue to see these variations in expenditures.

Therefore, we are requesting additional authorization for FY 90 as follows:

Operating funds as Program Receipts	\$2,250,000
AMHS Improvement funds as GF	<u>1,000,000</u>
Total request	\$3,250,000

**DETAIL ON CALCULATION OF HEALTH PREMIUM BUDGETED SHORTFALL  
FY90 BUDGET PREMIUMS COMPARED TO FY90 ACTUAL & ESTIMATED PREMIUMS**

**BUDGETED HEALTH BENEFIT PAYMENTS**

	-----IBUP-----			-----MEBA-----			-----MHP-----			TOTAL AMHS
	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL IBUP	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL MEBA	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL MHP	
JUL	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
AUG	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
SEP	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
OCT	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
NOV	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
DEC	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
JAN	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
FEB	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
MAR	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
APR	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
MAY	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177
JUN	308.14	518	159,617	345.51	74	25,568	322.47	62	19,993	205,177

TOTAL BUDGETED HEALTH BENEFIT PAYMENTS > 2,462,129

**ACTUAL PAYMENTS TO DATE (JUL-JAN) WITH ESTIMATE FOR FEB-JUN**

	-----IBUP-----			-----MEBA-----			-----MHP-----			TOTAL AMHS
	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL IBUP	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL MEBA	PREMIUM AMOUNT	NO. OF PREMIUMS	TOTAL MHP	
JUL	432.00	486	209,952	485.26	73	35,424	449.07	68	30,537	273,913
AUG	432.00	561	242,352	485.26	75	36,395	449.07	71	31,884	310,630
SEP	432.00	588	254,016	485.26	75	36,395	449.07	70	31,435	321,845
OCT	432.00	582	251,424	485.26	74	35,909	449.07	68	30,537	317,870
NOV	432.00	578	249,696	485.26	74	35,909	449.07	68	30,537	316,142
DEC	386.19	542	209,315	426.29	74	31,545	386.19	68	26,261	267,121
JAN	386.19	496	191,550	426.29	76	32,398	386.19	69	26,647	250,595
FEB	386.19	509	196,571	426.29	74	31,545	386.19	68	26,261	254,377
MAR	386.19	502	193,867	426.29	74	31,545	386.19	68	26,261	251,674
APR	386.19	472	182,282	426.29	74	31,545	386.19	68	26,261	240,088
MAY	386.19	445	171,855	426.29	74	31,545	386.19	68	26,261	229,661
JUN	386.19	463	178,806	426.29	74	31,545	386.19	68	26,261	236,612

ACTUAL AND ESTIMATED ACTUAL HEALTH BENEFIT PAYMENTS > 3,272,530

DIFFERENCE BETWEEN BUDGETED AND ACTUAL > (810,401)

# MEMORANDUM

## State of Alaska

TO: Alison M. Elgee  
Director  
Division of Budget Review  
Management and Budget

FROM: Elmer Lindstrom  
Program Budget Analyst  
Division of Budget Review  
Office of Management and Budget

DATE: February 7, 1990

FILE NO: 465-3568

TELEPHONE NO: House Bill 428

SUBJECT:

Federal requirements under the Family Support Act (Welfare Reform) require all federal receipts made available to the State for welfare reform programs to be appropriated to the Department of Health and Social Services -- even though another state agency may actually provide the services. Section 48 of House Bill 428 incorrectly appropriates \$340,900 in federal receipts to the Department of Community and Regional Affairs to pay for costs of implementation of the Family Support Act transitional child care benefits for fiscal year 1990. To correct this oversight Section 48 should be amended to replace "Federal Receipts" with "Interagency Receipts" and a new section should be added to the bill to appropriate \$340,900 in federal receipts to the Department of Health and Social Services for the same purpose.

\* Sec. 48. The sum of \$681,900 is appropriated to the Department of Community and Regional Affairs, child assistance program, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990, from the following sources:

<u>Interagency Receipts</u>	<u>\$340,900</u>
[Federal Receipts]	\$340,900]
General Fund Match	\$341,000

\* Sec. \_\_\_\_\_. The sum of \$340,900 in federal receipts is appropriated to the Department of Health and Social Services, Alaska Work Program, to pay for costs of implementation of the Family Support Act transitional child care benefits program for the fiscal year ending June 30, 1990.

# MEMORANDUM

# State of Alaska

Department of Transportation and Public Facilities

TO: Alison Elgee, Director  
Division of Budget Review  
Office of Management and Budget

DATE: February 6, 1990

FILE NO.:

TELEPHONE NO.: 465-3900

FROM: Mark S. Hickey *MSH*  
Commissioner

SUBJECT: Miscellaneous  
Claims - Rev.

Attached is documentation to support the revision of the miscellaneous claims request for the Department of Transportation and Public Facilities from \$24,119.33 to \$24,751.38. The additional \$632.05 is required to pay an outstanding bill from August 1987 to Alaska Correctional Industries incurred by Central Region Maintenance and Operations.

## Attachment

cc: Ron Clarke, Special Staff Assistant, Office of the Governor  
Kit Duke, Regional Director, Central Region  
Ron B. Lind, Director, Plans, Program and Budget  
D. Randy Simmons, Deputy Commissioner, Budget and Finance

# MEMORANDUM

## State of Alaska

TO: Marjane DeSmet  
Finance Officer  
Management & Finance

DATE: February 1, 1990

FILE NO:

TELEPHONE NO: 266-1476

FROM: Lisa Emerson *LE*  
Budget Analyst  
Central/Intl Airports

SUBJECT: Miscellaneous Claims  
Supplemental Approp.

Central Region is requesting a miscellaneous claims supplemental of \$632.05. This supplemental is for an FY88 outstanding invoice with Alaska Correctional Industries.

The attached documentation will support the miscellaneous claims supplemental request. Would you please submit this miscellaneous claim to the Legislature for inclusion in House Bill 428, section 56, page 9, line 21.

If you have any questions, please contact me.

LE

cc: Danith Warts, Budget Analyst, Stwd Plans, Programs & Budget

# MEMORANDUM

# State of Alaska

TO: Carl Russell  
Accounting Supervisor  
Administrative Services

THRU: Pam Franger *PF*  
Assistant Manager  
Central Region M&O

FROM: *JD* Joleen Hankins  
Administrative Assistant

DATE: January 29, 1990

FILE NO.:

TELEPHONE NO.: 266-1443

SUBJECT: Supplemental  
Appropriation to Cover a  
Miscellaneous Claim

RECEIVED

JAN 30 1990

CENTRAL ACCOUNTING

Maintenance and Operations has an outstanding FY88 interagency AJ. Since this bill is more than two years old we must request a supplemental appropriation to pay "Alaska Correctional Industries". The total amount of the request will be \$632.05. All the necessary backup is attached.

We were not aware that this AJ never processed until earlier this month. Please submit this claim to Margene DeSmet, so it can be processed along with the other DOT/PF supplementals being requested this fiscal year. Thank you.

Attachments

/kk

*Fisa,*  
*Coding for these charges should be as follows: 25861172-57017-35710000-74820.*  
*Lapse balance for FY88 attached.*



ASAB3000-03 RRN: 0054450  
 RSN: 01575 CPD: 06/30/89

DISTRB RD: 24342 D01

STATE OF ALASKA  
 STATEWIDE ACCOUNTING SYSTEM  
 FINANCIAL TRANSACTION REGISTER

PAGE: 1  
 DATE: 07/01/89

SELECTION INPUT RD: SOURCE RD: 24320 Y STATUS: E TRANS CODES: 430 40 430 41 145 90 145 95 430 25

TRANSACTION CODE, NAME AND DESCRIPTIONS	BATCH/SEQUENCE	DOCUMENT	RD CODES	DATE	TIME	TERMINAL	RSN
430-25 ACCTS RECEIVABLE JE	A0261737 0001	A02617370001	INPUT 20122	07/11/88	15:30:48	UJ39	01575
			SOURCE 24342	07/01/89	01:50:17:08		
INV 174 METAL	FPC COA	TRANS AMOUNT	CERT 24321	06/26/89	16:02:50	TAZM	STATUS
	C 89	632.05	AUTH 00176	06/30/89	15:35:58	AJWG	E
			AUTH 00/00/00	00:00:00	00:00:00		
			AUTH 20124	06/27/89	11:24:25	UJ39	
			LAST 24321	06/26/89	16:02:38	TAZM	

DOC ACT LINE	AMOUNT	SY	CC	PGM	LC	ACCT	FY	NMRTR	PT	OPEN ITEM	LIQN	IEAX	DESCRIPTION
001 001	632.05-									RC 2080555	012		
002 002	632.05	88	25861132	57017	35110000	74820	88						PER JHANKINS 083188

CODE	MESSAGE	LINE	INDICATIVE DATA
0001	COLLOCATION CODE NOT ON FILE	002	CC = 25861132
0217	PRECEDING MSGE APPLIES TO GENERATED LAPSE FQA	002	CC=25861132 SY=1989

*Please send backup today.*

FDE 430-25: AGENCY JOURNAL ENTRY  
TRANS CODE MINOR 25  
DOCUMENT NUMBER A02617370001  
SOURCE RD CODE 20124  
TOTAL DEBIT AMOUNT 632.05  
DESCRIPTION LONG INV 174 METAF.

R 0261737 5 0001  
ADDITIONAL AUTH RD 24350

I CHANGED FISCAL PERIOD TO C

FISCAL PERIOD CODE C

FIN	AMOUNT	SY	CC	PGM	LC	ACCT	FY	TYPE	NUM	LINE	FILE	LINE
1	-632.05											

-----OPEN ITEM----- TFA:  
RC 2080555 12

2 632.05 88 25861132 57017 35110000 74820 88  
PER JHANKINS 083188

3  
4

PF1=QUIT 3=SUBMIT 4=BATCH ERRS 5=BASE 6=FINS 10=MODIFY

RECEIVED

CE...

# ALASKA CORRECTIONAL INDUSTRIES

Metal Products Division  
Chugach Avenue, Bldg. 10  
Kenai, Alaska 99611  
(283-7296)

For Questions About Billings:  
Industries Accountant (561-4426)  
2200 E. 42nd Avenue  
Anchorage, Alaska 99508

# INVOICE

207375

RD-245

2051471  
Dan Canby No. 0174

416 to 4347  
in 2000 of 20519

Date August 24, 1987

Sold To:  
Department of Transportation  
44149 Sterling Highway  
Soldotna, Alaska 99669  
Attn: Rhonda Oglesby

Shipped To:  
Deliver to "same as billing  
instructions."

TERMS: DUE UPON RECEIPT OF INVOICE  
SALES ORDER NUMBER M-69  
YOUR PO. NUMBER \_\_\_\_\_ FOB Solde  
DATE ORDERED 8/14 DATE SHIPPED 8/

ITEM NO.	CATALOG NUMBER	QUANTITY SHIPPED	QUANTITY BACK ORDERED	DESCRIPTION	UNIT PRICE	TOTAL PRICE
1	Custom	500	ea	Brackets for Culvert Markers, punch & holes	50	250 00
2	Custom	500	ea	Culvert Markers, drill & assemble to punch brackets	25	125 00
3	Custom	151	ea	Culvert Markers, drill only	N/C	N/C
4	Custom			Nuts, Bolts, & Washers, 3/8" x 2 1/2"		257 00
<p>JNO CENTRAL AUG 19 1987</p>						
<p>JNO CENTRAL SEP 16 1987</p>						
<p>ALASKA CORRECTIONAL INDUSTRIES RD #20155 - <u>PA</u> Date: <u>9/15/87</u> REVENUE TO: <u>20-66-1-455</u></p>						

COPIES:  
Customer - White  
Accounting - Blue  
Production - Green  
Packing List - Pink

PAY FROM THIS INVOICE

Installation Charge	
Freight Charge	
TOTAL	632 00



INQ-TR: TANAB - LAPSE BALANCE 01/21/90  
 FY: 1990 APPN: 57534 (1988) - HIGHWAYS & AVIATION  
 LAPSED EXPENDITURE AUTHORIZATIONS..... -204719.80  
 LESS: RESTRICTIONS (ZERO WHEN POSITIVE)..... -25127.67  
 -----  
 AVAILABLE LAPSED (ZERO WHEN POSITIVE)..... -179591.93  
 PLUS: LAPSE ADJUSTMENTS ..... 57934.20  
 -----  
 LAPSE BALANCE (ZERO WHEN POSITIVE) ..... -121757.73  
 =====

PF1=MENU

*Handwritten: Harrison 4653376 T J/31*

DE 430-701 AGENCY JOURNAL ENTRY B 0261737 S 0001  
 TRANS CODE MINOR 40 ADDITIONAL AUTH RD 24347  
 DOCUMENT NUMBER 602617370001 RECEIVED  
 SOURCE RG CODE 20122  
 TOTAL DEBIT AMOUNT 632.05  
 DESCRIPTION LONG INV 174 METAL *Concl/*

**JNO CENTRAL**  
**AUG 19 1988**

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----- FISCAL PERIOD CODE 00 -----

CENTRAL ACCOUNTING

LINE	AMOUNT	SY	CL	PGM	LC	ACCT	BY	TYPE	NUM	LINE	PLI	CON
1	632.05	88	20661455			59250	88					
2				5707	35710000	74520						
3				25861132								

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**RECEIVED**  
*Handwritten: DME 6-26-89*

PF1=QUIT 3=SUBMIT 4=BATCH ERRS 5=BASE 6=FIN 12=DELETE

*Handwritten: 465-3376*

**AUG 23 1988**

**CENTRAL ACCOUNTING**

**M E M O R A N D U M**

**State of Alaska  
Department of Education**

**TO: Alison Elgee  
Director  
Division of Budget Review  
Office of Management & Budget**

**DATE: January 19, 1990**

**FILE NO:**

**TELEPHONE NO: 465-2800**

**FROM: *Mary Nakala, Jr*  
William G. Demmert  
Commissioner**

**SUBJECT: FY90 Supplemental  
Requests**

The Department requests two additional supplementals: 1) \$506,902 for FY88 adjustments to the Foundation program resulting from technical admendments to PL81-874; and 2) \$27,000 to meet the projected full cost of the Boarding Home Program in FY90.

1) The Foundation adjustments represent underpayments to school districts due to overstatement of anticipated PL81-874 receipts in calculating district FY88 Foundation entitlements. The current Foundation formula, AS 14.17.021 requires that the Department use estimated receipts of PL81-874 by individual districts to calculate fiscal year entitlement. After audited data is received, reflecting actual PL81-874 receipts, the district's calculation of entitlement must be adjusted. The attached list of adjustments, totalling \$606,902 is necessary to accurately reflect school district entitlements for FY88.

HB 398, relating to adjustments to prior year foundation aid, was introduced by the Governor to enable the department to make these adjustments without necessitating an annual supplemental appropriation. If HB 398 does not pass the Legislature an additional supplemental for FY89 adjustments will be needed. The calculation of this supplemental need is currently underway within the Department and is to be completed within the next two weeks. As soon as this information is available it will be transmitted to OMB.

2) A shortfall of \$27,000 is projected in the Boarding Home Program in FY90. During the 1989 Legislative session the Boarding Home program projected cost was reduced from \$450,000 to \$200,000 based upon data then available to the Department. However, due to increased participation in the Boarding Home program in the current year, the full cost is now estimated at \$227,000. Without a supplemental appropriation prorating would be necessary. Since Board Home funds provide a stipend to families housing out-of-district student placements, prorating would pose a number of programmatic difficulties.

**Attachment**

**UNDERPAYMENTS TO DISTRICTS RESULTING FROM  
TECHNICAL AMENDMENT CHANGES TO P.L. 81-874  
REQUIRED BY THE U.S. DEPARTMENT OF EDUCATION**

Alaska Gateway	\$ 49
Bering Straits	\$62,526
Chugach	\$13,128
Copper River	\$ 3,134
Cordova	\$ 2,249
Delta/Greely	\$ 1,942
Galena	\$15,105
Haines	\$ 1,593
Iditarod	\$ 152
Juneau	\$ 50
Kake	\$89,167
Kashunamiut	\$59,311
Kenai	\$33,558
Klawock	\$26,828
Kodiak	\$48,851
Lake and Peninsula	\$94,032
Lower Kuskokwim	\$43,400
Lower Yukon	\$ 1,745
Nome	\$25,836
Petersburg	\$ 551
Pribilof	\$25,178
Valdez	\$ 755
Yukon Flats	<u>\$57,765</u>
<b>TOTAL</b>	<b>\$606,902</b>

**M E M O R A N D U M**

**State of Alaska  
Department of Education**

**TO: Alison Elgee  
Director  
Division of Budget Review  
Office of Management & Budget**

**DATE: January 30, 1990**

**FILE NO:**

**TELEPHONE NO: 465-2800**

**FROM: *William G. Demmert, Jr.*  
Commissioner**

**SUBJECT: FY90 Supplemental  
Requests**

The Department of Education respectfully requests two additional supplemental appropriations: 1) FY89 Foundation adjustments for PL81-874 overstatement; and 2) FY90 funding to implement HB 52, background checks for teacher certification applicants.

The Department of Education has finalized computation of FY89 Foundation adjustments necessary to meet federal PL81-874 guidelines and requests a supplemental of \$397,102 for FY89. As stated in our memo of January 19, 1990, these Foundation adjustments represent underpayments to school districts due to overstatement of anticipated PL81-874 receipts in calculating FY89 Foundation entitlements. The current Foundation formula, AS 14.17.021 requires that the Department use estimated receipts of PL81-874 by individual districts to calculate fiscal year entitlement. After audited data is received, reflecting actual PL81-874 receipts, the district's calculation of entitlement must be adjusted. The attached list of adjustments, totalling \$397,102 is necessary to accurately reflect school district entitlements for FY89.

HB 398, relating to adjustments to prior year foundation aid, was introduced by the Governor to enable the department to make these adjustments without necessitating an annual supplemental appropriation. Until such legislation passes, it will be necessary to request supplemental funding for each fiscal year.

HB 52 which requires the Department of Education to initiate background criminal checks has been recently passed by the Legislature and transmitted to the Governor for consideration. Although the bill has an immediate effective date, no lead time or financial resources are available for its implementation. Given the necessary start-up costs of implementation, a supplemental appropriation of \$40,000 is requested. Attached is an itemized list of these costs. If approved, the FY91 fiscal impact will be somewhat less than earlier anticipated, and the Department's fiscal note amended to compensate for this change. For example, first year equipment costs could be eliminated in FY91 if covered in FY90 through a supplemental appropriation.

page 2 of 2

If no additional funding is available implementation of HB 52 will not be possible until the beginning of FY91.

Please contact Mary Hakala (465-2800) or John Anttonen (465-2865) if additional information is needed.

**Attachments**

285

**UNDERPAYMENTS TO DISTRICTS RESULTING FROM  
TECHNICAL AMENDMENT CHANGES TO P.L. 81-874 DURING FY89  
REQUIRED BY THE U.S. DEPARTMENT OF EDUCATION**

Adak	\$89,018
Bering Straits	\$ 364
Bristol Bay	\$10,975
Chatham	\$ 6,171
Chugach	\$31,624
Cordova	\$ 2,025
Delta Greely	\$ 3,529
Dillingham	\$41,984
Galena	\$ 6,265
Haines	\$ 3,788
Hydaburg	\$ 8,487
Juneau	\$ 187
Kake	\$ 4,715
Kashunamiut	\$94,297
Ketchikan	\$ 73
Klawock	\$25,390
Kodiak	\$ 2,203
Lake & Peninsula	\$ 9
Lower Kuskokwim	\$18,696
Lower Yukon	\$ 7,091
Mat-su	\$ 9,666
Nenana	\$ 532
Nome	\$ 1,088
Northwest Arctic	\$ 6,328
Pelican	\$ 200
Petersburg	\$ 893
Sitka	\$ 25
Tanana	\$ 3,005
Unalaska	\$ 270
Valdez	\$ 440
Wrangell	\$ 165
Yakutat	\$17,599

**Total**

**\$397,102**

Senate CS for HB 52 (Finance)  
FY90 Fiscal Impact

Personal Services: \$10.7

Clerk Typist III, for 4.5 months (February 16 through end of fiscal year): \$10.7

Contractual: \$12.4

Computer programming to integrate background check data into teacher certification data base & necessary system modifications: \$10.0

Telephone & postage associated with program change: \$.4

Development & revision of Teacher Certification application package to include background criminal checks: \$2.0

Commodities: 1.0

Supplies & first printing of forms: \$1.0

Equipment: 15.9

Computer terminal and printer to meet paperwork/notification requirements and data entry into teacher certification data base: \$6.0

File cabinet for records storage, desk, chair, phone and partition walls for position: \$9.9

**INCREMENT/DECREMENT DESCRIPTION (Limit to 98 characters)**  
**Disaster Relief Fund-FY90 Supplemental**

**AGENCY CONTACT/PHONE NUMBER:**

Ervin P. Martin 376-2337 or Jeff Morrison 465-4600

**DESCRIBE WHY THIS INCREMENT/DECREMENT IS NEEDED AND WHAT IT PURCHASES:**

The amount requested will provide funding for the Disaster Relief Fund to meet funding for disaster emergency needs occurring to date and projected through the end of FY90. The amount of \$6,072,098 is composed of the following elements:

- |   |           |
|---|-----------|
| 1. Additional funding for 1986 Southcentral Flood disaster                    | 1,874,530 |
| 2. Additional funding for 1989 Spring Flood Disaster                          | 1,011,888 |
| 3. Additional funding for the 1989 Anchorage Flood disaster                   | 805,100   |
| 4. Additional funding for the 1989 Kenai Peninsula Borough Flood disaster     | 495,580   |
| 5. Projected additional needed for funds in the Disaster Relief Fund for FY90 | 2,000,000 |

**TOTAL REQUEST**

**6,187,098**

In each of the first three disasters listed above, the state allocation from the Disaster Relief Fund totaled \$1,000,000, the maximum amount by state law without legislative authorization. Because of this, we believe it is necessary to specify the purpose of the funds in the appropriation section.

CODE	EXPENDITURE BY OBJECT	AGENCY REQ.	GOV'S REQ.
100	Personal Services		
200	Travel		
300	Contractual Services		
400	Supplies		
500	Equipment		
600	Lands, Buildings, Etc.		
700	Grants, Claims, Etc.	6,072.1	
800	Miscellaneous		
<b>TOTAL</b>		<b>6,072.1</b>	
I-A Transfer (NON-ADD)			
1002	Federal Receipts		
1003	General Fund Match	6,072.1	
1004	General Fund		
1005	CF/Program Receipts		
1007	I-A Receipts		
<b>POSITION INFORMATION</b>			
PFT			
PPT			
Non Permanent			
Staff Months			
<input type="checkbox"/> Enhance Existing Service <input checked="" type="checkbox"/> Compared to FY 90		<input type="checkbox"/> Formula Program <input type="checkbox"/> New Facility Oper.	
<input type="checkbox"/> New Service Compared to FY 90			
<input type="checkbox"/> Continuation of FY 90 Service Level			
<b>IMPACT FROM CAPITAL PROJECT (NAME)</b>			
Chapter _____ SLA _____ Page/Line _____			

**C5 INCREMENT/DECREMENT REQUEST**

Agency Priority \_\_\_\_\_ of \_\_\_\_\_

AGENCY Military & Veterans Affairs

BRU Disaster Relief Fund

COMPONENT \_\_\_\_\_

PROJECT \_\_\_\_\_

**FY 91**

Page 1 of \_\_\_\_\_

Revised Date: 08-00-90

# Alaska State Legislature

## HOUSE OF REPRESENTATIVES



### REPRESENTATIVE FRAN ULMER

#### MEMORANDUM

TO: Rep. Ron Larson and Rep. Lyman Hoffman, Co-chairs  
Members  
House Finance Committee

FROM: Rep. Fran Ulmer, Chair  
Budget Subcommittee on Department of  
Administration

DATE: February 8, 1990

RE: Supplemental requests for DOA

-----  
The subcommittee met on February 1st and discussed the proposed supplemental requests from the Governor's office, which are listed below:

Longevity Bonus Payments	\$6,758.0
Office of Public Advocacy-FY 89 contracts	215.0
Office of Public Advocacy-FY 90 contracts	950.0
Labor Relations Agency Admin/Legal costs	25.0
Pioneers Home-Operating/Reclassification costs	738.3
Older Alaskans Commission-Arbitration Award	38.7
Public Defender-Eliminate Forced LWOP	193.6
APOC-election Report Data System	130.0
<del>LTC Arbitration Award-Columbus-Day Holiday-1988</del>	<del>370.9</del> HB 453

The DOA subcommittee supports the Governor's supplemental requests. We would like to bring special attention to the request from the Office of Public Advocacy. Due to a large increase in their court appointed caseload, without swift passage of HB428, they will run out of operating funding sometime in March.

House Finance

2/8/90

Page 2

An additional request has been submitted for this supplemental from Rep. Hoffman in the amount of \$125,000 for the replacement of the T.V. antenna for KYUK in Bethel, which failed on December 14, 1989. Although this request was not submitted in time for review by the subcommittee, I would ask for your support in including \$125.0 for the KYUK antenna in the supplemental before the House Finance Committee.

# Alaska State Legislature

REPRESENTATIVE  
MARK BOYER

VICE-CHAIRMAN, HOUSE  
HEALTH, EDUCATION AND  
SOCIAL SERVICES COMMITTEE

MEMBER, HOUSE LABOR AND  
COMMERCE COMMITTEE

CHAIR, CHILDREN'S CAUCUS

FAIRBANKS

1098 LAKEVIEW TERRACE  
FAIRBANKS, ALASKA 99701  
(907) 456-6473

JUNEAU

P.O. BOX V  
STATE CAPITOL  
JUNEAU, ALASKA 99811  
(907) 465-3466

## House of Representatives

To: Representative Ron Larson, Co-Chair  
House Finance Committee

From: Representative Mark Boyer, Chair *MB*  
Dept. of Health and Social Services Budget Subcommittee

Date: February 8, 1990

Subject: FY 90 Supplemental Appropriations

Attached is a summary of supplemental requests for the Department of Health and Social Services. I believe all the requests are justified and should be funded in full. It is important to note that several of the requests require early approval.

Current projections indicate that the funding for the Medicaid program will be exhausted by May 8, 1990 at the current rate of expenditure. To avoid disruption in payments or coverage, sections 18, 19, and 20 need to be approved by April 15. The OBRA '89 requirements that are effective April 1 also drive the necessity of this early funding.

The Old Age Assistance - Alaska Longevity Bonus Hold Harmless request must also be acted on by April 1, or at least assurances given that it will be funded. There is a two month time frame necessary for notifying the federal government of discontinuation of benefits as well as promulgation of emergency regulations should the legislature fail to fund this section.

If the Medical Assistance requests for Medicaid and Medicaid Non-Facilities are not funded, emergency regulations would be necessary. At least one month lead time would be needed and the effect would be elimination of approximately 14 optional Medicaid services in order of priority. Attached is a list of those Medicaid services.

FAIRBANKS 20B

DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
FY 90 SUPPLEMENTAL

Section

General  
Funds

Federal  
Funds

17 Assistance Payments: OAA-ALB Hold Harmless 413.0 0

The Longevity Bonus was funded in FY 90 for only eleven months. This covers the hold harmless payments for recipients of federal Old Age Assistance payments.

**Consequence of Not Funding**

Low income seniors would lose eligibility to Old Age Assistance during month of June. State would have to notify the federal govt. of discontinuation. Emergency regulations would be announced by April 1 if there is an indication that this would not be funded.

18 Medical Assistance: Medicaid Non-Facilities 2,919.6 2,919.5

1) Congress passed OBRA 89 which mandates medicaid coverage, effective April 1, of pregnant women and children with family income up to 133% of the federal poverty level. The act eliminates Alaska's phased in coverage approach at 100% of the poverty level (as part of the "Healthy Baby" act), requiring immediate coverage of children up to, but not including, six years old. Increased eligibles will require more money for claims processing and pre-admission screening for an estimated 2,855 new women and children.

2) FY 90 budget was based on a 3.8% national CPI for price increases. However, according to the actual medical care index, medical care inflation is now 7.1%.

3) FY 90 budget anticipated a 3.0% increase in utilization. Actual increase is 11.8%

**Consequence of Not Funding**

Department would be forced to eliminate optional medicaid services and face possible restraining order.

# Alaska State Legislature

REPRESENTATIVE  
**MARK BOYER**

HOUSE FINANCE COMMITTEE



House of Representatives

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**DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
FY 90 SUPPLEMENTAL**

Section	General Funds	Federal Funds
<p>19      <b>Medical Assistance: Medicaid Facilities</b></p> <p>1) Increase in new facilities and additional beds in existing facilities. North Star Hospital, a new adolescent psychiatric and chemical abuse facility in Anchorage certified in August 1989. In Jan. 1990, Mary Conrad Center in Anchorage added 7 intermediate care beds.</p> <p>2) Same as Medicaid Non Facilities</p> <p>3) Same as Medicaid Non Facilities</p> <p><b>Consequence of Not Funding</b></p> <p>Department would be forced to eliminate optional medicaid services and face possible restraining order.</p>	7,152.5	7,152.5
<p>20      <b>Medical Assistance: Indian Health Services</b></p> <p>This covers OBRA 89 ("Healthy Baby") eligibles within the Indian Health Service. The costs are billed to Medicaid and paid for with 100% federal funds.</p>	0	3,446.2
<p>21      <b>Medical Assistance: State Facilities Shortfall</b></p> <p>All federal funds for increased medicaid cost/utilization at API and Harborview</p>	0	882.0
<p>22      <b>Medical Assistance: Central Admin: Legal Costs</b></p> <p>The state is in a dispute with the federal government over medicaid facility rates. The feds are imposing an upper-limit cap on nursing home and hospital rates and contend we are exceeding them. If we lose, the state has a liability estimated at \$20 million. The FY 90 budget included intent language directing the department to seek a supplemental appropriation if funding was insufficient.</p>	50.0	50.0

# Alaska State Legislature

REPRESENTATIVE  
**MARK BOYER**

HOUSE FINANCE COMMITTEE



House of Representatives

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DEPARTMENT OF HEALTH AND SOCIAL SERVICES  
FY 90 SUPPLEMENTAL

Section		General Funds	Federal Funds
23	<b>Medical Assistance: Claims Processing</b>	309.4	657.6
	<p>The state has a contractor who processes medicaid claims. The volume of claims has exceeded the amount provided for in the contract (Contract= 30,800 claims per month, estimated volume= 47,750). In addition, providers often seek prospective temporary rates that, when final, require reprocessing at a cost to the state of \$6.23 per claim. This is less than AETNA charges to process a claim.</p> <p><b>Consequence of Not Funding</b></p> <p>Claims would be rolled forward to July for FY 91 payment. Providers would not be paid until then.</p>		
24	<b>State Health Services: Nursing Reclassification</b>	354.4	0
	<p>Public Health nurses were reclassified as a result of a Dept of Admin review to investigate problems in recruiting, hiring and retaining nurses for State positions. The impetus for the review was a letter of legislative intent. The result was a one range salary increase effective July 1, 1989.</p> <p><b>Consequence of Not Funding</b></p> <p>1) 14 Public Health Nurses would be laid off. 2) Offers to 6 new nurses would be withdrawn and State's credibility for future recruitment would be damaged.</p>		
25	<b>Institutions &amp; Admin: API Nursing Reclassification</b>	266.8	0
	<p>Same as State Health Services: Nursing Reclassification. Note: this request would be more appropriately funded from the Alaska Mental Health Trust Account.</p> <p><b>Consequence of Not Funding</b></p> <p>Staff would be laid off. If immediate notice is given, one unit would be completely shut down. In two months, two units would be closed. These two units are for patients with psychosis and for short term intensive treatment services for the chronically mentally ill.</p>		

# Alaska State Legislature

REPRESENTATIVE  
MARK BOYER

HOUSE FINANCE COMMITTEE



House of Representatives

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Medicaid Services by Priority	Recipients	FY 91 Request
1. Chiropractic	0	0
2. Adult Dental	2,208	1,585
3. Emergency Hospital Services	0	0
4. Speech, Hearing & Language Disorders	324	213
5. Optometrists Services & Eyeglasses	4,937	1,392
6. Occupational Therapy	40	446
7. Prosthetic Devices	216	855
8. Medical Supplies @ Equipment	358	855
9. Clinic Services Incl Mental Health Clinics	1,503	6,258
10. Physical Therapy	243	192
11. Personal Care	103	1,265
12. Prescribed Drugs	19,973	6,175
13. Non- Institutional Long Term Care	0	0
14. Inpatient Psychiatric Services (incl. API)	75	7,482
15. Intermediate Care for the Mentally Retarded	121	9,698
16. Intermediate Care Services	469	37,123
17. Pregnant Women and Children 5 & under (healthy baby fed mandate)	5,654	15,990
18. Individuals Under 21 Not Eligible for AFDC	7,122	15,160
19. Skilled Nursing Services for Individuals under 21	17	957
20. Aged, Blind and Disabled Individuals	9,684	71,536
21. Individuals in a Hospital, Skilled or Intermediate Care Under 300% SSI level	143	5,364
22. Individuals Under 21 Under Supervision of the Department of H&SS	1,802	6,700

# Alaska State Legislature

REPRESENTATIVE  
**MARK BOYER**

HOUSE FINANCE COMMITTEE



House of Representatives

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(907) 465-3466

REPRESENTATIVE  
C.E. "SWACK" SWACKHAMMER

# Alaska State Legislature



House of Representatives

SOLDOTNA  
312 TYEE STREET  
SOLDOTNA, ALASKA 99689  
(907) 262-7841

JUNEAU  
BOX V  
JUNEAU, ALASKA 99811  
(907) 465-2689

## MEMORANDUM

TO: Representative Ron Larson, Co-Chair  
Representative Lyman Hoffman, Co-Chair  
House Finance Committee

FROM: Representative C.E. Swackhammer, Vice-Chair  
House Finance Committee

DATE: February 9, 1990

TOPIC: HB 428 Supplementals/Department of Law

A handwritten signature in cursive script, appearing to read "Swack", written over the "FROM" line of the memorandum.

The following explains the requests for supplementals pertaining to the Department of Law.

I recommend Section 10 and 11 be expedited as soon as possible. These are court-awarded costs and, as a practical matter, they are outside the control of the State. Late payment of court awarded costs is subject to statutory interest at the rate of 10.5 percent, per annum. Underfunding these costs will result in the State paying unnecessary interest costs.

### Sec.10 Judgments & Claims

G/F  
222.3

This request of \$222,324.79 is to pay court mandated judgments awarded against the State for FY90. Current number of judgments in this request is 15. The amount has varied between \$4,500.00 to more than \$1.0 million in preceding years.

Following past practices, the department will seek to amend this request, when and if new judgement awards become known.

### Sec.11 Weiss V. State (Mental Health Trust Lands)

G/F  
160.0

This is to request an FY90 supplemental appropriation in the amount of \$160,000 to pay court awarded costs and fees to the plaintiffs in Weiss V. State. The Department of Law's regular FY90 appropriation available to plaintiffs' attorney fees and costs in

2/9/90  
Page 2

Weiss v. State has a current balance of \$26,966.93. Thus far, the department has received and paid court judgments, in this matter, totaling \$184,133,37 this year. Based upon the current balance and the work in progress, funds to pay court-mandated Weiss costs will be more than exhausted when the cost bill is received for January.

This request includes an FY89 shortfall (approximately \$100,000), the FY90 miscellaneous deduction, and funds to fully cover plaintiffs' costs and fees anticipated for this year.

<u>Sec.12</u>	<u>Sheffield Impeachment Hearing Legal Fees</u>	G/F <u>302.7</u>
---------------	---	---------------------

This is to request \$302,683 to pay for professional services rendered in connection with the Juneau Grand Jury and impeachment proceedings conducted by the Alaska State Senate in 1985.

The States' AG office was unable to provide legal assistance to Governor Sheffield since it conducted the Grand Jury investigation recommending the legislature take action.

Currently, there is not existing statutory authority which would authorize disbursement of this supplemental request. The Administration has drafted a bill relating to legal expenses of public officials to address this issue.

I recommend this receive routine supplemental funding.

REPRESENTATIVE  
C.E. "SWACK" SWACKHAMMER

Alaska State Legislature

SOLDOTNA  
312 TYEE STREET  
SOLDOTNA, ALASKA 99669  
(907) 262-7841

JUNEAU  
BOX V  
JUNEAU, ALASKA 99811  
(907) 465-2689

House of Representatives

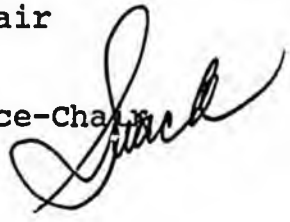
MEMORANDUM

TO: Representative Ron Larson, Co-Chair  
Representative Lyman Hoffman, Co-Chair  
House Finance Committee

FROM: Representative C.E. Swackhammer, Vice-Chair  
House Finance Committee

DATE: February 9, 1990

TOPIC: HB 428 Supplementals/Department of Law



The following explains the requests for supplementals pertaining to the Department of Law.

I recommend Section 10 and 11 be expedited as soon as possible. These are court-awarded costs and, as a practical matter, they are outside the control of the State. Late payment of court awarded costs is subject to statutory interest at the rate of 10.5 percent, per annum. Underfunding these costs will result in the State paying unnecessary interest costs.

Sec.10      Judgments & Claims      G/F  
222.3

This request of \$222,324.79 is to pay court mandated judgments awarded against the State for FY90. Current number of judgments in this request is 15. The amount has varied between \$4,500.00 to more than \$1.0 million in preceding years.

Following past practices, the department will seek to amend this request, when and if new judgement awards become known.

Sec.11      Weiss V. State (Mental Health Trust Lands)      G/F  
160.0

This is to request an FY90 supplemental appropriation in the amount of \$160,000 to pay court awarded costs and fees to the plaintiffs in Weiss V. State. The Department of Law's regular FY90 appropriation available to plaintiffs' attorney fees and costs in

2/9/90  
Page 2

Weiss v. State has a current balance of \$26,966.93. Thus far, the department has received and paid court judgments, in this matter, totaling \$184,133,37 this year. Based upon the current balance and the work in progress, funds to pay court-mandated Weiss costs will be more than exhausted when the cost bill is received for January.

This request includes an FY89 shortfall (approximately \$100,000), the FY90 miscellaneous deduction, and funds to fully cover plaintiffs' costs and fees anticipated for this year.

<u>Sec.12</u>	<u>Sheffield Impeachment Hearing Legal Fees</u>	G/F <u>302.7</u>
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C.E. "SWACK" SWACKHAMMER

# Alaska State Legislature



## House of Representatives

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312 TYEE STREET  
SOLDOTNA, ALASKA 99669  
(907) 262-7841

JUNEAU

BOX V  
JUNEAU, ALASKA 99811  
(907) 465-2689

### MEMORANDUM

TO: Rep.(s) Larson and Hoffman, Co-Chairs  
House Finance

FROM: Rep. C.E. Swackhammer, Vice Chair

DATE: February 9, 1990

TOPIC: Supplemental Requests

-----  
The following are recommendations regarding the Supplemental Requests for Public Safety and Corrections as found in HB 428.

HB 428 - Supplementals DEPARTMENT OF PUBLIC SAFETY

Sec. 36                    Increased Contract Jail Costs                    440.4

This is to fund shortfalls in jail contracts. Kodiak, Kotzebue and Dillingham only had 9 months funding committed to them. They have threatened to close their doors March 31, 1990. This request also includes 127.5 for state sponsored liability insurance.

This should be funded through routine supplemental request.

Sec. 37                    Increased Serology Evidence Testing                    83.1

This is to fund an existing vacant serology position. Without this, DPS will have to revert back to using FBI services which puts a 6-8 month time lag. The results of serology evidence very often reduces the chance of a case going to trial because of the test impacts.

This should receive immediate funding to avoid unnecessary delays in evidence testing. Serology fluids decrease in "readability" if time delays occur.

Sec. 38                    Shortfalls in Criminal Record Systems                    58.1

This funding will allow existing staff to remain. Without funding, local police will have to be billed to cover the service.

This should receive routine supplemental funding.

Sec. 39                      Maintain Access to NCIC                      137.9

This is broken down into the following:

NCIC	40.1
AAFIS	73.2
WIN	24.6

The FBI found DPS out of compliance with NCIC training and audit.

DPS had to move admin. staff into AAFIS to support the function because the 2.7 million AAFIS CIP was not accompanied by new operating funds. Not funding would increase backlog.

WIN funds are for the hook up fees to the rest of the western states which means access to 12,000,000 sets of fingerprints.

All of the police departments in Alaska depend on these services.

This should receive immediate supplemental funding to enable compliance with NCIC mandates, keep communication lines open and avoid local police departments from being charged for services.

Sec. 40                      MV Veterans' License Plates                      21.8

This will eventually generate revenue, it's being researched.

This should not be funded at this time, currently, this is being scrutinized for potential G/F revenue generation.

HB 428 - Supplementals                      DEPARTMENT OF CORRECTIONS

Sec. 41                      Permanent Fund Reimbursement                      1,500.0

1988 legislation passed which disallowed Permanent Fund Dividends to certain felons. The budgets of Public Safety and Corrections were increased by 1500.0 because of the new law. A superior court ruled this unconstitutional. With the advent of appeal to the Supreme Court, an interest bearing trust fund was established for the above amount, pending the appeals decision. This request addresses this.

Funding of this supplemental request is not recommended at this time. The issue is currently being investigated and legislation is forthcoming which also addresses this concern.

Sec. 52                      Major Medical Shortfall                      1,600.0

This is routinely underfunded and DOC has no absolute control over the expenses incurred during any given fiscal year.

This supplemental should receive immediate consideration because, routinely, Corrections has to stop making payments to the medical

field due to lack of funds, there is a potential for 1 and penalty charges stemming from late payment.

Sec. 53                      Maniilaq Shortfall                      250.0

Maniilaq, a social services program, was intentionally underfunded because of low numbers of individuals receiving treatment. At the time of funding, it was averaging approximately one person a day. Underfunding forced Maniilaq into reassessing their program. This has led to a major increase in activity. Currently, the program is serving an average of 7 to 8 people a day.

This should receive routine supplemental funding.

Sec. 54                      Outstanding Arbitration Costs                      25.3

This is broken down into two segments:

Withdrawn Leave 19.3  
Legal Fees                      6.0

Arbitration re: demotion of PO's in Anchorage was won by the state. However, the arbitrator allowed the PO's to withdraw annual leave in the amount of 19.3. There were legal fees attached to the case in the amount of 6.0.

This should receive routine supplemental funding. This recommendation was established after assurance that other funds had not been identified.

REPRESENTATIVE  
C.E. "SWACK" SWACKHAMMER

# Alaska State Legislature



## House of Representatives

SOLDOTNA  
312 TYEE STREET  
SOLDOTNA, ALASKA 99669  
(907) 262-7841

JUNEAU  
BOX V  
JUNEAU, ALASKA 99811  
(907) 465-2689

### M E M O R A N D U M

TO: Rep.(s) Larson and Hoffman, Co-Chairs  
House Finance

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DATE: February 9, 1990

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# STATE OF ALASKA

## DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

HB 428  
STEVE COWPER, GOVERNOR

P.O. BOX K—STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600

April 23, 1990

Honorable Ron Larson, Co-Chair  
House Finance Committee  
P. O. Box V  
Juneau, AK 99811

Dear Representative Larson:

During budget hearings regarding the oil and gas litigation supplemental, I indicated that there was a strong effort to force a major postponement in the trial date of the North Slope royalty case (better known as the "Amerada Hess case", though Amerada Hess has settled with the state). I now have the unpleasant duty of advising you that the court has ordered a delay in the trial date until at least April 1991.

I bring this matter to your attention in part because the Department of Law's FY 1991 litigation budget was predicated upon the trial date beginning in October 1990. It is now apparent that we will be approaching the 1991 Legislature with a further supplemental request to cover the remainder of FY 91.

The legislature should also expect the FY 92 budget to reflect litigation costs in the royalty case. This is because, even if the trial were to begin in April, it would surely carry over into the following fiscal year. The court has not fixed the final trial date and has only determined that it will not occur before April 1991. The producer defendants are urging a delay in the trial until January 13, 1992.

I have directed Wil Condon and his staff to continue to vigorously oppose major delay. Argument has now been scheduled for May 3, 1990, before Judge Carpeneti.

Despite these setbacks, the efforts of our litigation team are compelling more producers to open serious settlement discussions. The negotiations that are presently being conducted are attempting to deal not only with the years directly in dispute (1977-86), but with the intervening years as well, along with a methodology to resolve valuation issues in the future so that resort to litigation and lengthy delays in payment are avoided.

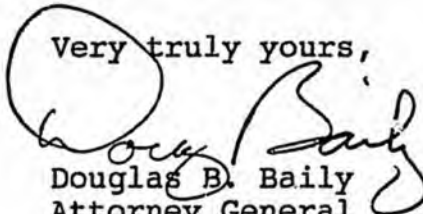
Honorable Ron Larson, Co-Chair  
House Finance Committee

April 23, 1990  
Page 2

Finally I am pleased to report that the United States Supreme Court refused today to review the producers' petition for certiorari to the Ninth Circuit Court of Appeals. This means that we should expect no further federal impediment to a trial in Alaska state courts.

I am, of course, prepared to meet with you at any time to discuss the matters raised in this letter in more detail. In any case, I will keep you informed of further developments respecting the trial schedule.

Very truly yours,



Douglas B. Baily  
Attorney General

DBB:BMB:tg



Alaska Court System  
State of Alaska

STEPHANIE J. COLE  
Deputy Administrative Director

OFFICE OF ADMINISTRATIVE DIRECTOR  
303 K STREET  
ANCHORAGE, ALASKA 99501

(907) 264-8230

March 16, 1990

Arthur H. Snowden, II  
Administrative Director  
Alaska Court System  
303 K Street  
Anchorage, Alaska 99501

Dear Art:

The attached fiscal note reflects the financial impact the court anticipates from the Amerada-Hess litigation.

State of Alaska vs. Amerada Hess, et. al. involves the State of Alaska and approximately fourteen oil companies. The case was filed in 1977 in the Juneau Superior Court. The main issue in the case is the valuation of royalties due to the State of Alaska for oil pumped through the Alaska pipeline since its completion.

Trial in the case is currently scheduled to commence in April 1991 and is expected to last for six to eight months. There are eight lead attorneys in the case at this point, and to date approximately one million documents have been submitted. Because of the enormous magnitude of the case, the assigned trial judge is expected to devote approximately four months of work to pretrial matters, in addition to his time presiding over the trial.

The fiscal note reflects the expenses of utilizing pro tem judicial resources to handle the Juneau caseload for the period of time the judge assigned to this case will be unavailable for other purposes. The note also reflects other expenses necessitated by the complexity and length of the case, including a law clerk who will be assigned solely to assist the judge in his consideration of the multitude of legal issues and a legal technician to organize documents and provide paralegal level services.

Arthur H. Snowden, II  
March 16, 1990  
Page 2

In addition to personnel costs, funds are requested to cover extraordinary jury fees, additional copy machine and telephone expenses, and equipment needed to support the additional positions.

Very truly yours,



Stephanie J. Cole  
Deputy Administrative Director

SJC:bh

Att.

**Alaska Court System**  
**Amerada Hess Case**  
**Supplemental Operating Budget Request**  
**FY 90, FY 91 & FY 92**

<u>Expenditure Category</u>	<u>Fiscal Year Cost Distribution</u>			<u>Total Cost</u>
	<u>FY 90</u>	<u>FY 91</u>	<u>FY 92 *</u>	
<u>Personal Services</u>				
	<i>(Full Period of Employment)</i>			
<u>Position</u>	<u>Salary</u>	<u>Benefits</u>	<u>Total</u>	
Law Clerk	\$46,455	\$3,857	\$50,312	\$5,300
Clerk Typist	20,295	1,883	21,978	0
In-court Clerk	20,820	1,740	22,560	0
Legal Technician	39,558	3,308	42,864	4,500
Pro Tem Judge	4,429	2,646	7,075	0
Total Personal Services				
	<u>9,800</u>	<u>88,100</u>	<u>49,000</u>	<u>144,900</u>
<u>Travel</u>				
Judicial coverage of Juneau caseload provided by pro tem judge and judges from other 1st district courts				
Per diem at \$80/day for 30 days a month for 11 months	0	8,100	13,500	21,600
Transportation:				
Round trip airfare from 1st Judicial District courts at \$400 for 2 trips/month for 11 months	0	1,400	2,300	3,600
Total Travel	<u>0</u>	<u>9,500</u>	<u>15,800</u>	<u>25,200</u>
<u>Contractual</u>				
<i>(During trial period)</i>				
Extraordinary jury fees at \$25/day for 18 jurors for 22 days a month for 8 months	0	29,700	49,500	79,200
Rental copy machine at \$300/month for 8 months	0	800	1,300	2,100
Temporary telephone service at \$200/month for 8 months	0	600	1,000	1,800
Total Contractual	<u>0</u>	<u>31,100</u>	<u>51,800</u>	<u>82,900</u>
<u>Equipment</u>				
Equipment for positions	<u>8,600</u>	<u>3,500</u>	<u>0</u>	<u>12,100</u>
Grand Total	<u>\$18,400</u>	<u>\$130,200</u>	<u>\$116,600</u>	<u>\$265,100</u>

\* Court will include FY 92 funding requirements in FY 92 operating budget request.



Official Business

# Alaska State Legislature

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

March 12, 1990

Governor Steve Cowper  
P. O. Box A  
Juneau, AK 99811

Dear Governor Cowper:

We expect final action on SB 396 to occur in the very near future. Among other things, there is a \$2 million appropriation to the Disaster Relief Fund contained in the legislation.

Two current emergencies appear to require immediate attention: the Stebbins School fire and the high rate of mortality of moose in south central Alaska.

We hereby request your office to expend money from the Disaster Relief Fund to address these emergencies. We will support the replenishment of those funds in a later appropriation measure.

Sincerely,

Handwritten signature of Sam Cotten.

Representative Sam Cotten  
Speaker of the House

Handwritten signature of Tim Kelly.

Senator Tim Kelly  
Senate President

SC/TK/jmk

# MEMORANDUM

State of Alaska

HB 428

TO: Allison Elgee, Director  
Division of Budget Review  
Office of Management and Budget

DATE: March 5, 1990

OMB-NDTR

FILE NO.:

465-4604

THRU:

TELEPHONE NO.:

SUBJECT:

Broadcasting  
Emergency  
Disaster  
ADN 0900156

FROM:

*J Morrison*  
Jeff Morrison, Director  
Administrative and Support Division  
Department of Military and  
Veterans Affairs

The Department of Military and Veteran's Affairs, Alaska Division of Emergency Services, requests authority to expend a total of \$130,000 for disaster relief. This request is to provide disaster relief to Bethel TV Station KYOK for loss of its antenna. This disaster was declared February 22, 1990 and gives the Director of the Alaska Division of Emergency Services the authority to utilize funds for this disaster in such amounts as considered necessary. This is the eleventh disaster declaration in FY90. The budget transaction is ADN 0900156, Batch 412884-1.

The current fund balance is calculated below:

Cash Balance (less Liabilities)	7,401,324
General Fund Balance of Open Disasters	<u>6,969,671</u>
Available Fund Balance	431,653
Broadcasting Emergency (ADN 0900156)*	<u>130,000</u>
Fund Balance *(Pending OMB approval)	<u><u>301,653</u></u>

Your prompt approval of this request is appreciated. Thank you for your assistance in this matter.

## Attachments

cc: Ervin Paul Martin, Director, Alaska Division of Emergency Services  
Raydene Garrison, Finance Officer, Administrative and Support Division  
Roger Lavine, Legislative Fiscal Analyst  
Senator Kerttula  
Senator Frank  
Senator Kelly  
Senator Coghill  
Representative Larson  
Representative Gruenberg  
Representative Martin  
Representative Foster



STATE OF ALASKA  
OFFICE OF THE GOVERNOR  
JUNEAU

DECLARATION OF AN IMMINENT EMERGENCY

WHEREAS, the antenna for public television station KYUK in Bethel has failed and if not replaced, the station will go off the air; and

WHEREAS, KYUK is the Emergency Broadcast System station for the Bethel/Kuskokwim region; and

WHEREAS, if the station goes off the air, timely warnings and alerts will not be provided to residents of the area and may result in loss of life or damage to property; and

WHEREAS, KYUK has indicated that the situation is beyond their funding ability to provide necessary relief and has requested state assistance; and

WHEREAS, the public radio station KDLG and public safety in Dillingham are without emergency power generation; and

WHEREAS, KDLG is the Emergency Broadcast System station for Dillingham and the Aleutian Islands, and Public Safety; Dillingham is an essential node of the National and Alaska Warning System; and

WHEREAS, if KDLG and public safety in Dillingham go off the air, timely warning/alert will not be available; and

WHEREAS, KDLG and public safety in Dillingham have indicated that the situation is beyond their funding ability to provide necessary relief and has requested State assistance;

NOW, THEREFORE, on this 22nd day of February, 1990, under the authority granted by the Alaska Statutes, Sections 26.23.20 and 44.19.040 (c), I hereby declare that a condition of imminent emergency exists regarding the Public Broadcasting System in Southwest Alaska and the potential threat of failure is of sufficient severity and magnitude to warrant an imminent emergency declaration in order to provide assistance.

FURTHER, the Director, Alaska Division of Emergency Services, is hereby authorized to utilize funds made available for these purposes in such amounts as considered necessary for disaster assistance and necessary administrative

*Pub w/ Supplemental  
5*

*#B 428*



February 21, 1990

**Duty Free Shoppers  
ALASKA DIVISION**

Representative G.E. Swackhammer:  
Alaska State Legislature  
P.O. Box V (MS 3100)  
Juneau, Alaska 99811

Dear Representative Swackhammer:

International tourism within Alaska has been hit hard by Mt. Redoubt. Over seven million dollars has already been lost in Anchorage Airport concessionaire revenues. As Redoubt continues to erupt, like this morning, additional flight cancellations continue to increase this loss.

As additional "fallout" several airlines are moving up their overflight timetable to pull out of Alaska as soon as possible. Korean Airlines, for one, now plans to pull all Alaska transiting Korea to Europe flights as of March 25. On an annualized basis this represents almost 1,000 flights lost through Alaska and will not only directly affect airport system concessionaire revenues but Alaskan jobs and airport system revenues dramatically.

International tourism has already played an important role in building Alaska infrastructure. It has been the basis of airport expansion and growth through international concessionaire contributions. It has kept Anchorage's hotel infrastructure alive through the winter by providing crew occupancy. A hotel infrastructure, that if affected in the winter, will cut back infrastructure growth potential for domestic tourism in the summer for both Anchorage and bush communities. It has subsidized airport landing fees for domestic air travel by providing, again through concessionaires, over 60% of total airport operating cost coverage. A subsidy that when lost will increase the cost for all air travel through the state for residents and domestic tourists alike.

We need to make sure this support from international continues. We need to start building international tourism as a destination business, not just a transit flight business. And, we need to do these things now.

**Duty Free Shoppers Limited Partnership/Alaska Division**  
Anchorage International Satellite Terminal, Anchorage, Alaska 99502 U.S.A.  
Mailing Address: P.O. Box 190205, Anchorage, Alaska 99519-0205 U.S.A.  
Telex: 31425195 Cable: Dutyfree Anchorage Phone: (907) 243-0445

Page two  
Tourism  
February 21, 1990

You can help in this effort. As you are exposed to supplementary funding for international tourism, I urge you to give it your full support.

Supplementary funding will give the Department of Tourism a "jump start" on the following action points already identified within DOT's strategic plan but with no current funding to pursue.

1. Work to develop Alaska destination seat capacity with current carriers.
2. Work to develop Alaska charter flights to create market demand.
3. Implement a study of key international markets to define specific opportunities.
4. Implement Alaska awareness advertising campaigns to target travel agents and target markets.
5. Educate Alaska state industry on how to develop tour packages catered to international tourism.

Supporting international tourism protects current state travel and tourism infrastructure and invests in what could be a fast growing state industry. Thank you for your support.

Sincerely,



Auguste K. Robinson  
Vice President, Operations  
Alaska Division

AKR/fkf

# STATE OF ALASKA

STEVE COWPER, GOVERNOR

## OFFICE OF THE GOVERNOR

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

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

February 7, 1990

The Honorable Kay Wallis  
Chairman, Department of Commerce and  
Economic Development Subcommittee  
House Finance Committee  
Alaska State Legislature  
P.O. Box V  
Juneau, AK 99811

Dear Representative Wallis:

You have requested the Administration's position regarding additional funding for the Division of Tourism and the Alaska Tourism Marketing Council for FY90, as proposed by the Labor and Commerce Committee in House Bill 431.

House Bill 431 proposes three appropriations: \$1,800.0 for international airport marketing; \$2,000.0 for domestic tourism marketing; and \$200.0 for the 1990 International Travel Fair. All of the above appropriations are for FY90, and would lapse June 30, 1990.

The Administration must consider all appropriations above those proposed by the Governor in the context of the total spending plan adopted by the legislature. At this time it appears that the revenues available to the state are sufficient to be able to support these appropriations, however, there are many other proposals for state spending also under consideration by the legislature which could change this outlook. Therefore, it is impossible at this time to do more than indicate that on the merits of these proposals, there is no objection. Any objection of these proposed levels of spending would be in the context of the total state spending plan. It is also impossible to say at this time that we could approve continuation of any or all of these items as increased funding for FY91.

The subcommittee may wish to discuss the advisability of appropriating sums of these magnitude which must be expended or obligated prior to the end of the current fiscal year. It is difficult to adequately plan and address additional marketing efforts under such a short time frame with assurance that the

The Hon. Kay Wallis

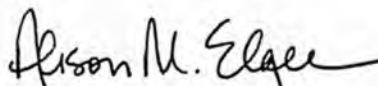
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February 7, 1990

decisions are made wisely and the funds best put to use for the long term interests of the state. In addition, marketing the international airport has recently been complicated by the eruptions of Mt. Redoubt. Finally, it is our understanding that the planning for the International Travel Fair would be begun in FY90, but the proposal includes expenses which will continue into FY91.

If I can be of further assistance, please contact me.

Sincerely,



Alison M. Elgee  
Director

AME/lb

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

January 29, 1990

DIVISION OF TOURISM

STEVE COWPER, GOVERNOR

P. O. BOX E  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2010

TELEX: 45331

To: Representative Loren Leman  
Alaska House of Representatives

From: Dana Brockway, Director  
Division of Tourism

Subject: House Bill 431

Per your request for additional information on program proposals contained in the division's response to Representative Dave Donley of January 9, 1990. That request asked the division to prepare a plan outlining how the division would use a \$1.8 million supplemental appropriation for international airport marketing during the remainder of FY90.

### Situation

For the past two years, the Division of Tourism has increased its efforts to develop international tourism markets focussing particularly on Japan and the German speaking countries of Europe. These efforts when combined with those of other organizations and agencies have resulted in steady growth in the numbers of visitors from those markets. Concurrent with that growth however, has been the steady decline in the number and frequency of international flights transiting Alaska on Asia/Europe routes.

In recognition of both the potential that exists in international markets and the importance of seat capacity to continued growth, the division has aggressively pursued commitments to seat allocations and turn around service with international air carriers while increasing sales contact with international tour producers.

We have had some initial successes in adding seat availability which will add capacity to and from Alaska and have developed increasing consumer awareness of Alaska as a destination. We have had set backs as well. Most notable of those has been the sporadic eruptions of Mt. Redoubt. During this time international transiting flights have been disrupted to a much greater degree than domestic flights. The ready availability of Soviet airspace demonstrated during this period has added new incentive to airlines to move up any plans to change routings.

Additional funding during FY90 would allow the division, working with the Alaska International Airport System to accelerate our efforts to secure seat allocations, support consumer advertising prior to summer 1990, and establish a fund for joint promotions with airlines committing to provide seats to and from Alaska.

Goal

Increase the capacity on international air routes allocated to Alaska service from overseas markets and correspondingly develop heightened consumer awareness of Alaska as a destination.

Strategies

1. Increase direct contact with international air carriers and conduct familiarization tours for decision makers in airlines and tour companies.
2. Develop presentation materials, consumer advertising and tour models to support carrier negotiations and create consumer demand.
3. Establish a cooperative air route promotional fund to market Alaska in conjunction with carriers and tour producers.

Budget

1. Increase contact with carriers and conduct showcase tours:  
Travel.....35.0  
Tour producers fam trips.....50.0
  
2. Develop collateral materials, produce and place advertising  
Presentation video.....30.0  
Printing.....20.0  
Ad production.....15.0  
Ad placement(Germany).....100.0  
Ad placement(Japan).....100.0  
Public relations.....50.0  
Travel writers fams.....45.0
  
3. Establish a cooperative air route promotional fund.  
consumer print and television  
advertising to support seat  
allocations and charter flights  
.....1,355.00

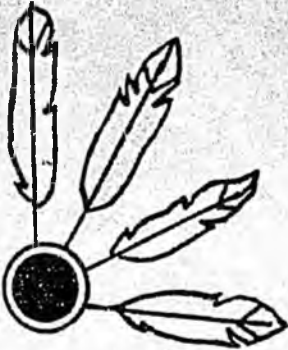
Summary

The budget above is based on estimates of the actual costs that would be incurred by various program components. The establishment of a contingent promotional fund would provide for almost immediate execution of the marketing programs that would be necessary to ensure the viability of carrier committed space on flights.

The additional programs would undertaken to create demand in the travel trade and consumer marketplace.

FEB 01 1990

HB 428



# KYUK

BETHEL BROADCASTING, INC.

Pouch 468 Bethel, Alaska 99559 (907) 543-3131 Fax: 543-3130

January 25, 1990

Lyman Hoffman  
P.O. Box V  
Juneau, AK 99811

Dear Lyman:

As stated in the attached reports, KYUK's TV antenna failed on December 14th. Upon investigation, the antenna was found to be heavily corroded with cracked junction boxes. The failure caused the television transmitter to shut down because of water that had been sucked into the antenna elements. Attempts were made to seal the leaks and repressurize, but they failed. The connectors could not be tightened, due to further cracking.

This antenna was manufactured in 1957 and bought used and installed in 1974 by KYUK. For nearly 20 years, the antenna has gone with minimal maintenance while enduring some of the harshest weather on earth. The company that manufactured the antenna, G.E., no longer constructs or maintains antennas. Other companies have indicated that because of the age and condition of the antenna, it can not be reharnessed or refurbished.

At the present time the antenna cannot be pressurized, due to cracks, and still has water in the elements and junction boxes. The cold temperatures have frozen the water so the transmitter can be operated. As soon as the weather warms up, KYUK TV will have to operate in an altered pattern in order not to damage the transmitter.

This antenna must be replaced this summer (1990) or we will go off the air by fall. This is an Emergency Broadcast System in Southwest Alaska.

KYUK is requesting that an appropriation of 125 thousand dollars be made for this antenna replacement project. The request for funds for this antenna replacement has been made for the last 3 years. KYUK is at the point now where replacement is a necessity and not part of a preventive maintenance schedule.

KYUK is requesting your support in this emergency capital request. If you have any questions or concerns, please feel free to contact me or KYUK's engineering staff.

Thank you for your time in this matter.

Sincerely,

John McDonald  
General Manager  
KYUK TV/AM

BETHEL BROADCASTING KYUK-TV  
ANTENNA FAILURE REPORT AND ANTENNA REPLACEMENT PROPOSAL

JANUARY 26, 1990

CONTENTS

ENGINEERS REPORT ON ANTENNA FAILURE

ATTACHMENT 1: PROPOSED BUDGET FOR ANTENNA REPLACEMENT

ATTACHMENT 2: TOWER RIGGERS REPORT ON ANTENNA FAILURE

ATTACHMENT 3: QUOTATIONS FROM VENDORS AND CONTRACTORS

## KYUK-TV ANTENNA FAILURE REPORT

SUBMITTED BY JAMES B. HUMELSINE, CHIEF ENGINEER

ON DECEMBER 14, 1989 KYUK TELEVISION WAS UNABLE TO GO ON THE AIR DUE TO HIGH VSWR TURNING OFF THE TRANSMITTER. UPON INITIAL INVESTIGATION, I FOUND THAT WE HAD A SHORT IN ONE OF THE TRANSMISSION LINES. I HAD NOTED THE VSWR INCREASING AS THE OUTSIDE TEMPERATURE INCREASED, BECAUSE IT WAS ABOVE FREEZING I SUSPECTED THAT WATER HAD INFILTRATED THE SYSTEM. THE REASON IT HAD NOT BEEN NOTICED EARLIER WAS THAT ICE DOES NOT CONDUCT ELECTRICITY, AND THAT HAD MASKED THE PROBLEM. THE WATER PROBABLY GOT INTO THE SYSTEM WHILE I WAS OUT AFTER I INJURED MY HAND.

WE CALLED IN A TOWER RIGGER TO INSPECT THE ANTENNA SYSTEM. HIS ARRIVAL WAS DELAYED FOR SEVERAL DAYS DUE TO THE VOLCANIC ACTIVITY OF MT. REDOUBT, THIS PROVED TO BE DETRIMENTAL, BECAUSE THE WEATHER TURNED QUITE COLD, IN THE MEAN TIME. WHEN THE RIGGER ARRIVED HE WENT UP AND DISCONNECTED THE TRANSMISSION LINE FROM THE ANTENNA, AND DISCOVERED AN ICE SLUG IN ONE SIDE OF THE ANTENNA. THE SLUG WAS APPROXIMATELY TWO INCHES LONG AND THE DIAMETER OF THE TRANSMISSION LINE. THE SLUG WAS REMOVED AND THE INSIDE OF THE LINE WAS DRIED, BY APPLYING HEAT TO THE LINE FOR A PERIOD OF TWENTY FOUR HOURS. THIS PROCESS WAS REPEATED ON THE OTHER SIDE OF THE ANTENNA. THE CONNECTORS ON THE ENDS OF THE TRANSMISSION LINES WERE THEN REPLACED AND THE SYSTEM WAS THEN TESTED. WE WERE THEN ABLE TO GO BACK ON THE AIR WITH FULL POWER AND HAVE REMAINED ON THE AIR SINCE. EVEN THOUGH THE VSWR INCREASES SUBSTANTIALLY WHEN THE TEMPERATURE RISES ABOVE FREEZING. THIS IS AN INDICATION OF THE CONTINUED PRESENCE OF MOISTURE IN THE SYSTEM. THE FACT THAT WE ARE ON THE AIR IS DUE TO THE COLD AND DRY WEATHER, IT IS MY OPINION THAT AS WE MOVE ON TO SPRING THIS CONDITION WILL CONTINUE TO DETERIORATE.

THE CONDITIONS THAT CAUSED US TO GO OFF THE AIR BEGAN WHEN THE ANTENNA WAS INSTALLED. BROADCAST ANTENNA SYSTEMS ARE PRESSURIZED WITH DRY NITROGEN. THIS PROVIDES A BARRIER AGAINST MOISTURE. IF A LEAK DEVELOPS IN THE SYSTEM THE WATER IS KEPT OUT BY THE GAS ESCAPING FROM THE HOLE. THE KYUK TV ANTENNA SYSTEM WAS INSTALLED WITH A GAS BARRIER AT THE TOP OF THE TRANSMISSION LINE. THIS PREVENTED THE ANTENNA FROM BEING PRESSURIZED, AND ALLOWED THE WATER TO ENTER THE SYSTEM, WHEN A LEAK DEVELOPED.

THE LEAK IN THE ANTENNA WAS APPARENTLY CAUSED BY CORROSION AND AGE. WHEN THE ANTENNA WAS PURCHASED IT WAS USED AND WAS ALREADY FIFTEEN YEARS OLD. THE ANTENNA IS NOW THIRTY TWO YEARS OLD AND IN POOR SHAPE. IT SUFFERS FROM HEAVY CORROSION TO THE MAST, AND THE ELECTRICAL COMPONENTS ARE QUITE BRITTLE FROM AGE. THE MANUFACTURER OF THE ANTENNA WAS GENERAL ELECTRIC, AND THEY HAVE SINCE CLOSED UP SHOP IN THE BROADCAST EQUIPMENT BUSINESS. SO WE ARE UNABLE TO GET ANY TYPE OF MANUFACTURER SUPPORT.

I CONTACTED OTHER ANTENNA SUPPLIERS ABOUT REHARNESSING THE ANTENNA AND THEY DECLINED TO DO THE JOB, DUE TO THE AGE OF THE MAST. THIS LEAVES US WITH ONLY ONE ALTERNATIVE, AND THAT IS REPLACEMENT.

ATTACHED TO THIS REPORT YOU WILL FIND A PRICE BREAKDOWN FOR REPLACING THE ANTENNA. THE TOTAL COST OF THE REPLACEMENT WILL BE \$125,084.00. I EXPLORED SEVERAL VENDORS FOR THE ANTENNA, ATTACHED YOU FIND QUOTATIONS FOR THEIR PRODUCTS. I SELECTED JAMPRO TO PROVIDE THE ANTENNA FOR REASONS OTHER THAN PRICE. CONSTRUCTION TECHNIQUES USED BY OTHER MANUFACTURERS, LEAVE MUCH TO BE DESIRED FOR AN INSTALLATION IN AN ENVIRONMENT LIKE BETHEL. UNLIKE OTHER MANUFACTURERS JAMPRO HOT DIP GALVANIZES ALL OF THE ANTENNA STRUCTURE. THEY ALSO USE SUPERIOR MATERIALS IN THEIR WIRING HARNESS. CONSIDERING THE CAUSE OF OUR FAILURE I FEEL THE SELECTION OF A JAMPRO PRODUCT IS THE CORRECT CHOICE. OTHER REASONS FOR THIS SELECTION IS THE LOCATION OF THEIR MANUFACTURING PLANT, WHICH IS IN SACRAMENTO, CA. THE PLANTS OF THE OTHER MANUFACTURERS ARE LOCATED IN THE MIDWEST OR ON THE EAST COAST. SHIPMENT OF A STRUCTURE OF THIS SIZE FROM A LOCATION THAT FAR AWAY PRESENTS A SUBSTANTIAL INCREASE IN THE PRICE OF SHIPPING, AND INCREASES THE CHANCE OF DAMAGE IN ROUTE. ANOTHER REASON FOR THE SELECTION OF JAMPRO IS THAT THE ANTENNA CAN BE PARTIALLY DISASSEMBLED TO ALLOW IT TO BE FLOWN IN FROM ANCHORAGE. THE OTHER MANUFACTURERS PRODUCTS WOULD BE PRECLUDED FROM AIR TRANSPORTATION BECAUSE, THEY WILL NOT FIT IN THE TYPE OF FREIGHT AIRCRAFT THAT SERVICE BETHEL.

I HAD ON MANY OCCASIONS INFORMED THE PREVIOUS MANAGEMENT THAT IF WORK WAS NOT COMPLETED ON THE ANTENNA WE RAN THE RISK OF SUFFERING SUCH A FAILURE. OUR ABILITY TO STAY ON THE AIR DUE TO THIS FAILURE IS TENUOUS, AND RAPID MOVEMENT IN PROCURING FUNDING FOR REPLACEMENT CRITICAL. IN ORDER TO MAKE AN INSTALLATION POSSIBLE THIS SUMMER WE MUST HAVE AN ORDER PLACED BY THE 23rd OF FEBRUARY. SO WE MUST MAKE EVERY EFFORT TO PROCURE A FUNDING COMMITMENT AS SOON AS IS PRACTICALLY POSSIBLE. PAYMENT FOR THIS PROJECT WILL BE DUE ON A NET 30 DAY BASIS FROM THE TIME OF DELIVERY. THAT MAKES PAYMENT DUE AROUND THE 1st OF JULY.

ATTACHMENT 1

KYUK-TV ANTENNA REPLACEMENT BUDGET

ITEM 1: ONE EACH JAMPRO JAT 4/4 FOUR BAY TV ANTENNA	\$ 73,159.00
ITEM 2: REMOVING EXISTING TELEVISION ANTENNA AND INSTALLING NEW ANTENNA ON TOWER	\$ 13,400.00
ITEM 3: SCRAPING AND REPAINTING OF TOWER	\$ 6,125.00
ITEM 4: SHIPMENT OF ANTENNA FROM SACRAMENTO, CA	\$ 19,800.00
ITEM 5: AIRFARE AND EXPENSE FOR STATION REPRESENTATIVE TO TRAVEL FROM, BETHEL, AK TO SACRAMENTO, CA FOR ACCEPTANCE OF ANTENNA	\$ 1,750.00
ITEM 6: TRANSPORTATION AND EXPENSE, FOR FACTORY SERVICE PERSONELL TO TRAVEL SACRAMENTO, CA TO BETHEL, AK FOR FINAL INSTALLATION.	\$ 5,850.00
PROJECT TOTAL	\$125,084.00

THE ABOVE LISTED PRICES HAVE BEEN DERIVED FROM QUOTATIONS FROM  
MIDWEST COMMUNICATIONS, FOR THE ANTENNA AND SHIPPING, SOUTHCENTRAL  
COMMUNICATIONS PROVIDED THE QUOTATION FOR INSTALLATION.

ATTACHMENT 2

REPORT OF ANTENNA INSPECTION

SUBMITTED BY:

BRADLEY KIFFMEYER  
SOUTHCENTRAL COMMUNICATIONS



# Southcentral

C O M M U N I C A T I O N S

34320 Tanglewood • PO Box 2316 Soldotna, AK 99669 • (907) 262-9262

January 25, 1990

Mr. Brad Humilsine  
KYUK  
Pouch 468  
Bethel, AK 99559

Dear Brad,

The following is a summary of what we found during our inspection of your TV Broadcast Antenna.

Upon our arrival you suspected water or ice had entered the antenna or transmission lines somewhere. We then disconnected the transmission lines and discovered water and ice at the base of the antenna feed point. The ice was only evident on one half of the antenna at this point. Next, we attempted to dry the antenna internally by applying forced air heat at the feed and opening the valve at the top of the transformer. We have no way of knowing how effective this procedure was. We then changed the connectors at the top of the transmission lines to facilitate pressurization of the antenna. After the antenna was pressurized, we inspected the antenna for leakage. We found small cracks in the pressurized harness at the transformer connection points. Upon further inspection it was obvious that most all the connection points on the top of the transformers were leaking or visibly weak. It appears that this weakening may be caused by vibration over the years. We also noticed considerable corrosion at these points where the aluminum lines are attached to the transformers with copper connection hardware.

We decided to attempt to temporarily repair the leakage using a metal epoxy-type product (JB Weld) with no success - probably in part at least due to the frigid temperature at the time. I also opened one of the connections and found considerable corrosion inside. I cleaned the contact as best I could and tried to open another one but decided I would do more harm than good. Because of the corrosion, the connection nut would not spin without stressing the already weakened harness.

# Southcentral

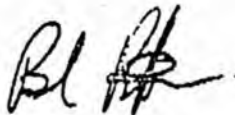
COMMUNICATIONS

-2-

Unfortunately we were unable to repair the antenna at the time. As we discussed, your options are limited. You could rebuild the antenna or replace it. Because of it's age, replacing it is probably the best solution.

Thank you for your time and consideration. If I can be of any further assistance, please don't hesitate to contact me.

Sincerely,

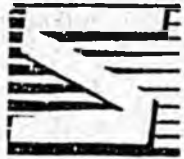


Bradley M. Kiffmeyer

BMK:ben

**ATTACHMENT 3**

**QUOTATIONS FROM VENDORS AND CONTRACTORS**



# Southcentral

## COMMUNICATIONS

34320 Tanglewood • PO Box 2316 Soldotna, AK 99669 • (907) 262-9262

January 4, 1990

Brad Humilsine  
KYUK  
Pouch 468  
Bethel, AK 99559

Dear Brad,

I wanted to follow up my last visit of December, 1989 with this summary of what we did and give you some budgetary figures for what needs to be done.

As you know, with the volcano, the trip started as a fiasco and unfortunately it ended up that way too! I was sorry to discover the condition of your antenna after we pressurized it and I hope someone can suggest an alternative fix other than replacement. Although, as we discussed, that isn't likely so for your information I have these budget quotations:

Completely scrape and paint tower	\$ 6,125.00
Remove and replace TV broadcast antenna	18,400.00
BUDGETARY TOTAL:	\$24,525.00

The above quotation assumes summer time work and one site visit. This quotation provides for all materials and equipment necessary to install your antenna and paint your tower FOB Bethel, Alaska. Also assumed with this quotation is your antenna will be delivered to the base of the tower by others and will be complete and compatible for the installation.

Please accept these quotes as budgetary only. When the decision on what to do is made, and I have more information concerning the antenna and equipment availability, I will be able to save some of the cost quoted here.

Thank you for your time and consideration.

Sincerely,

Bradley M. Kiffmeyer



4632 Business Park Blvd  
Anchorage, AK 9950  
907-563-278

January 26, 1990

KYUK-TV  
Pouch 468  
Bethel, AK 99559  
ATTN: Brad Humielsine

Dear Brad,

Midwest Communications is pleased to present the following quote to you at your request.

QTY	MFG	MODEL	DESCRIPTION	UNIT PRICE
1	JAMPRO	JAT-4/4	Antenna	\$73,159.00

The antenna will be a VHF bat-wing type antenna that is tuned to Channel 4 and will have a VSWR better than 1.1:1 over the entire channel. All wings and poles will be hot dipped galvanized. The power gain will be 4.0 and have an input rating of 35 KW. The system includes: pole, dual feed (quadrature) input and range testing. It will be mounted on top of the tower. Deicers are not included, but are available if desired. Midwest will handle transportation if desired. Jampro is my suggestion for your application. The price quote is FOB Sacramento, CA and is valid for 60 days.

Transportation routing and method proposed:

-Truck to Seattle, barge to Anchorage, air to Bethel. Total cost is \$19,800.00.

Field installation engineer to test and adjust antenna after installation will cost as follows:

-Air fare and lodging-\$2,650.00.

-Pay rate in addition to above-\$800.00.

Subtotal for above: \$5,850.00

TOTAL COST FOR PACKAGE: \$98,809.00

Vendor advises to plan on four days. You may want to add a "weather day" or two.

Thank you for giving Midwest Communications the opportunity to present this quote to you. If you have any questions, please don't hesitate to call.

Sincerely,

Bob Schaeffer  
Sales Manager



4632 Business Park Blvd  
Anchorage, AK 99506  
907-563-2784

January 26, 1990

KYUK-TV  
Pouch 468  
Bethel, AK 99559  
ATTN: Brad Humielsine

Dear Brad,

Midwest Communications is pleased to present the following quote to you at your request.

QTY	MFG	MODEL	DESCRIPTION	UNIT PRICE
1	DIE	DCSC-4	Antenna	\$97,500.00

The antenna will be a VHF bat-wing type antenna that is tuned to Channel 4 and will have a VSWR better than 1.1:1 over the entire channel. All wings and poles will be hot dipped galvanized. The power gain will be 4.0 and have an input rating of 35 KW. The system includes: pole, dual feed (quadrature) input and range testing. It will be mounted on top of the tower. Deicers are not included, but are available if desired. Midwest will handle transportation if desired.

Thank you for giving Midwest Communications the opportunity to present this quote to you. If you have any questions, please don't hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads 'Bob Schaeffer'.

Bob Schaeffer  
Sales Manager



4632 Business Park Blvc  
Anchorage, AK 9950  
907-563-278

January 26, 1990

KYUK-TV  
Pouch 468  
Bethel, AK 99559  
ATTN: Brad Humielsine

Dear Brad,

Midwest Communications is pleased to present the following quote to you at your request.

QTY	MFG	MODEL	DESCRIPTION	UNIT PRICE
1	LDL	LDL-4	Antenna	\$159,000.00

The antenna will be a VHF bat-wing type antenna that is tuned to Channel 4 and will have a VSWR better than 1.1:1 over the entire channel. All wings and poles will be hot dipped galvanized. The power gain will be 4.0 and have an input rating of 35 KW. The system includes: pole, dual feed (quadrature) input and range testing. It will be mounted on top of the tower. Deicers are not included, but are available if desired. Midwest will handle transportation if desired.

Thank you for giving Midwest Communications the opportunity to present this quote to you. If you have any questions, please don't hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads 'Bob Schaeffer' with a long horizontal line extending to the right.

Bob Schaeffer  
Sales Manager



# Anchorage!

Convention & Visitors Bureau

Our Community's Way of Attracting and Serving Visitors

1900 A Street • Suite 200

Anchorage, Alaska 99501-5147

(907) 278-4118 • Telex: 553743

Fax: (907) 278-5559

Telecopier  
Transmission

to: 2/8/90 From: Sue Elander  
 : Representative Only RE: Appropriation for  
Travel Fair

Following this page, please find 1 page(s). If this does not reach you in full, please inform ASAP. Our fax number is: (907) 278-5559. Thank you.

The Alaska International Airport Tourism Marketing Council (Sea Otters) along with many tourism industry businesses are willing and able to support and conduct a second Alaska Travel Fair in May, 1991. As you know, Travel Fair I hosted over 175 Japanese tour operators and industry leaders throughout the State of Alaska. Feedback from the participants indicated that this was a highly successful endeavor and many expressed the necessity for a second event of this nature. The Travel Fair not only generated strong interest from the Japanese market, it also generated considerable interest from the European travel industry.

Travel Fair II would be a combination of Japanese, Korean and European tour operators and would do much in our State's attempt to secure airline seats from both directions.

In as much as the private industry contributed over 90% of the cost of conducting Travel Fair I, it is hoped that stronger participation from the State revenues can be procured to ensure the success of Travel Fair II. To conduct the event within the next 18 months it is imperative that the AIATMC begin investing in this event immediately. We are requesting a supplemental appropriation of \$200,000 that we need to commit as follows:

- \$20,000 for bilingual brochures. These brochures will be distributed at the international Pow Wow travel show that will take place early July, 1990 and will be attended by top representatives from all international destinations.
- We intend to contract a representative to begin qualifying industry leaders in Europe. This individual will support the Division of Tourism's representative in Germany, Austria and Switzerland but also encompass the United Kingdom, Holland, Italy, France, Belgium and Spain. This will require approximately \$40,000 for both immediate travel and materials.
- An Alaska exhibit booth must be developed for both the European and Japanese travel shows that Alaska industry will attend this year. This will cost approximately \$40,000.
- The AIATMC must immediately contract an Alaskan events company to coordinate all promotion, invitations, marketing and operations for Travel Fair II. This requires approximately \$100,000 based upon the costs incurred in Travel Fair I.

Should we be unable to receive the supplemental, Travel Fair II will probably occur. However, we would have to shift to a later date in 1991 which could make it too repetitive from Travel Fair I. I am hopeful that a favorable decision to grant the supplemental funds is forthcoming.

PROPOSED SUPPLEMENTAL  
INTERNATIONAL BUDGET

<u>Item</u>	<u>Amount</u>
I. ADVERTISING	
A. Travel Trade Promotion (To educate travel agents in Europe and Asia about Alaska as a travel destination.)	
1. Cooperative advertising with tour operators.....	\$200,000
2. Wholesaler/tour producer FAM tours (3).....	45,000
3. Travel Trade publications directed at the travel trade.....	175,000
4. Trade Show participation.....	20,000
	440,000
B. Consumer Advertising/PR (To expand direct consumer awareness of Alaska as a travel destination, and increase visitation during summer 90 and fall of 90. )	
1. Print Advertising Japan (6) placements .....	100,000
Europe (4) placements.....	80,000
Production.....	40,000
2. Public Relations .....	100,000
3. Travel Writers FAM tours.(3).....	30,000
	350,000
C. Joint promotions with scheduled international air carriers. (To market Alaska directly through the international air carriers who currently provide scheduled air service to Alaska.)	
1. Cooperative Advertising in Europe and Asia to travel trade and consumers.....	500,000

Proposed International  
Supplemental Budget -- Page Two

<u>Item</u>	<u>Amount</u>
D. Charter Flight Promotion (Promote currently scheduled charter flights from Japan and Korea.)	
1. Charters from Japan (5).....	150,000
2. Charters from Korea (5).....	90,000
	240,000
II. COLLATERAL MATERIALS (Window displays, posters, exhibits, foreign language brochures.)	95,000
III. 1991 TRAVEL FAIR DEVELOPMENT	50,000
IV. CONTRACT AMENDMENTS (To provide funds to ASDOT representatives in Europe and Japan to manage expanded international program)	50,000
V. TRAVEL (Additional sales meetings with airlines and travel trade)	35,000
VI. RESEARCH/MEASUREMENT	<u>40,000</u>
TOTAL	\$1,800,000

Introduced: 1/1 0  
Referred: Labor Commerce, Transportation, and Finance

6-1957A

Funding Information: General Fund \$4,000,000  
Other Funds - 0 -  
\$4,000,000

BY THE LABOR & COMMERCE COMMITTEE

1 IN THE HOUSE

2

HOUSE BILL NO. 431

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

SIXTEENTH LEGISLATURE - SECOND SESSION

5

A BILL

6

For an Act entitled: "An Act making special and supplemental appropria-

7

tions for international airport marketing, domestic

8

tourism marketing, and the 1990 International Travel

9

Fair; and providing for an effective date."

10

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

11

\* Section 1. The sum of \$1,800,000 is appropriated from the general

12

fund to the Division of Tourism for international airport marketing for the

13

fiscal year ending June 30, 1990.

14

\* Sec. 2. The sum of \$2,000,000 is appropriated from the general fund

15

to the Alaska Tourism Marketing Council for a domestic tourism marketing

16

program for the fiscal year ending June 30, 1990.

17

\* Sec. 3. The sum of \$200,000 is appropriated from the general fund to

18

the Alaska Tourism Marketing Council for the 1990 International Travel Fair

19

for the fiscal year ending June 30, 1990.

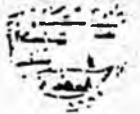
20

\* Sec. 4. This Act takes effect immediately under AS 01.10.070(c).

HOUSE LABOR AND COMMERCE COMMITTEE

ALASKA STATE LEGISLATURE

P.O. BOX V, JUNEAU 99811



PRESS RELEASE \* PRESS RELEASE \* PRESS RELEASE \*

Date: January 21, 1990  
 Contact: Representative Dave Donley, Chair  
 House Labor and Commerce Committee  
 465-4954, 465-3892, 465-3893

DB

COMMITTEE BILL ADDRESSES TOURISM CRISIS

The House Labor and Commerce Committee sponsored a major funding bill last week to help the state's tourism industry respond to recent cataclysmic events.

"Between the oil spill and the Mt. Redoubt we've been hit with a lot of bad press we must counteract", said Committee Chairman Representative Dave Donley, D-Spenard. "Tourism is one of Alaska's brightest hopes and we shouldn't sit back and watch it being tarnished."

The \$4 million dollar appropriation measure will fund an aggressive international tourism marketing program to mitigate the damage caused by the eruption of Mt. Redoubt and the reduction in international flights stopping over in Alaska.

"The Redoubt eruption has raised safety questions and longer range passenger jets are bypassing our international airport. This can cost us millions of dollars in state revenues in just the next few months," Donley said.

Included in House Bill 431 is funding to for the Alaska Tourism Marketing Council's domestic tourism program and \$200,000 for the 1990 International Travel Fair, a major event for Alaska's tourism industry.

"The House Labor and Commerce Committee proposed this as a supplemental appropriation to advance our marketing strategy and to assist the tourism industry this summer," Donley said. "Funding coming through the regular budget process will arrive too late."

"Without immediate funds the state can take no new initiatives in time to avoid a serious loss of tourism activity this summer," Donley said.

# STATE OF ALASKA

## DEPARTMENT OF COMMERCE & ECONOMIC DEVELOPMENT

January 29, 1990

DIVISION OF TOURISM

STEVE COWPER, GOVERNOR

P. O. BOX E  
JUNEAU, ALASKA 99811-0800  
PHONE: (907) 465-2010

TELEX: 45331

To: Representative Loren Leman  
Alaska House of Representatives

From: Dana Brockway, Director  
Division of Tourism

Subject: House Bill 431

Per your request for additional information on program proposals contained in the divisions response to Representative Dave Donley of January 9, 1990. That request asked the division to prepare a plan outlining how the division would use a \$1.8 million supplemental appropriation for international airport marketing during the remainder of FY90.

### Situation

For the past two years, the Division of Tourism has increased its' efforts to develop international tourism markets focussing particularly on Japan and the German speaking countries of Europe. These efforts when combined with those of other organizations and agencies have resulted in steady growth in the numbers of visitors from those markets. Concurrent with that growth however, has been the steady decline in the number and frequency of international flights transiting Alaska on Asia/Europe routes.

In recognition of both the potential that exists in international markets and the importance of seat capacity to continued growth, the division has aggressively pursued commitments to seat allocations and turn around service with international air carriers while increasing sales contact with international tour producers.

We have had some initial successes in adding seat availability which will add capacity to and from Alaska and have developed increasing consumer awareness of Alaska as a destination. We have had set backs as well. Most notable of those has been the sporadic eruptions of Mt. Redoubt. During this time international transiting flights have been disrupted to a much greater degree than domestic flights. The ready availability of Soviet airspace demonstrated during this period has added new incentive to airlines to move up any plans to change routings.

Additional funding during FY90 would allow the division, working with the Alaska International Airport System to accelerate our efforts to secure seat allocations, support consumer advertising prior to summer 1990, and establish a fund for joint promotions with airlines committing to provide seats to and from Alaska.

Goal

Increase the capacity on international air routes allocated to Alaska service from overseas markets and correspondingly develop heightened consumer awareness of Alaska as a destination.

Strategies

1. Increase direct contact with international air carriers and conduct familiarization tours for decision makers in airlines and tour companies.
2. Develop presentation materials, consumer advertising and tour models to support carrier negotiations and create consumer demand.
3. Establish a cooperative air route promotional fund to market Alaska in conjunction with carriers and tour producers.

Budget

1. Increase contact with carriers and conduct showcase tours:

Travel.....35.0  
Tour producers fam trips.....50.0

2. Develop collateral materials, produce and place advertising

Presentation video.....30.0  
Printing.....20.0  
Ad production.....15.0  
Ad placement(Germany).....100.0  
Ad placement(Japan).....100.0  
Public relations.....50.0  
Travel writers fams.....45.0

3. Establish a cooperative air route promotional fund.  
consumer print and television  
advertising to support seat  
allocations and charter flights

.....1,355.00

Summary

The budget above is based on estimates of the actual costs that would be incurred by various program components. The establishment of a contingent promotional fund would provide for almost immediate execution of the marketing programs that would be necessary to ensure the viability of carrier committed space on flights.

The additional programs would undertaken to create demand in the travel trade and consumer marketplace.



SEIBU ALASKA, INC. dba: ALYESKA RESORT  
BOX 249, GIRDWOOD, ALASKA 99587 • TEL. (907) 783-2222 • FAX (907) 783-2814

February 5, 1990

The Honorable Mike Szymanski, Chair  
Senate Special Committee on  
International Trade and Tourism  
P.O. Box V  
Juneau, AK 99811

Dear Senator Szymanski,

On behalf of Seibu Alaska, Inc., I would like to take this opportunity to ask your support for Alaska's international tourism marketing efforts in Japan and Europe - and especially Japan.

As you know, Seibu is continuing plans for international resort development in Girdwood at Alyeska Resort. Of course, our parent company will also invest considerable time and money in developing the Japanese market. However, Seibu alone can not make a large Alaska impact on the total Japanese market.

In the past, I have received many comments from Japanese tour operators that attended the Alaska Travel Fair last September. The state of Alaska needs to continue this kind of direct marketing to key wholesalers and agents to help build more demand for Alaska and the necessary airline seats to Alaska.

House Bill 431 will assist in funding plans for Alaska Travel Fair II that will bring these important people from both Europe and Japan during the spring of 1991. Funds are needed now to begin initial planning and marketing. Many Japanese wholesalers plan overseas trips one to two years in advance. I ask for your support in passing this legislation that will assist the Travel Fair II and also will immediately expand international marketing with \$1.8 million in supplemental funding for 1990.

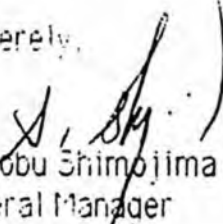
I also believe the State of Alaska must consider long-term funding for international tourism especially to Japan. The economy in Japan is very strong and nearly 10 million Japanese are taking vacations to foreign destinations each year. Reaching the Japanese market is very expensive and Alaska needs to commit several million dollars each year for the next five years to begin reaching this very good market. Those funds should go to either the Division of Tourism or ATMC but should be allocated specifically for international marketing.



My travels in Japan and Europe this past year have shown me that Alaska is, potentially, a very popular destination. Private industry like Seibu is willing to help develop the markets but we can not do all marketing alone. Assistance from the State of Alaska is necessary to make all programs a big success.

Thank you very much. I appreciate your continued support of Seibu and international tourism.

Sincerely,

  
Shinobu Shimojima  
General Manager

cc: Senate Special Committee on International Trade and Tourism  
Representative Dave Donley  
Mr. Dana Brockway, Director Division of Tourism  
Mr. Bob Miller, Executive Director Alaska Tourism Marketing Council  
Mr. Balon Nogal, Chairman Alaska International Airport Tourism Marketing Council

# HOUSE COMMITTEE REPORT

(7)

Date Referred: January 19, 1990

FURTHER REFERRALS:  
TRANSPORTATION  
FINANCE

Date of Committee Action: 1/23/90

The LABOR & COMMERCE considered:

HB 431

HOUSE BILL NO. 431

APPROP: TOURISM MARKETING

"An Act making special and supplemental appropriations for international airport marketing, domestic tourism marketing, and the 1990 International Travel Fair; and providing for an effective date."

### RECOMMENDATIONS:

- [ ] be replaced with \_\_\_\_\_ [ ] the same title  
[ ] have attached amendment(s) [ ] a new title  
[  ] 4 do pass  
[ ] do not pass  
[ ] 2. no recommendation  
[ ] individual recommendations  
[ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of intent

ATTACHES NEW FISCAL NOTE(s):  
(Dept)

APPROVES PREVIOUS:

(Date/Dept)

- [  ] fiscal impact \_\_\_\_\_  
[ ] zero fiscal note \_\_\_\_\_  
[ ] zero with analysis \_\_\_\_\_

- [ ] fiscal note(s) \_\_\_\_\_  
[ ] zero fiscal note(s) \_\_\_\_\_  
[ ] zero fn/analysis \_\_\_\_\_

### SIGNING DO PASS:

\_\_\_\_\_  
(Finkelstein)  
\_\_\_\_\_  
(Collins)  
\_\_\_\_\_  
Dawn Souley

### SIGNING:

(Check approp. column)

	Do Not Pass	No Rec	Amend
Mark Boyer		<input checked="" type="checkbox"/>	
Loren A. Peman		<input checked="" type="checkbox"/>	

\_\_\_\_\_  
Dawn Souley

Chairman's Signature

Chairmen Donley said he would hold the bill over to the Thursday meeting in order to allow for further testimony from other interested groups.

HB 431 - SUPPLEMENTAL APPROPRIATION/TOURISM

A teleconference with Anchorage was activated.

BEGIN: TAPE 66 SIDE B

RALPH NOGAL, PRESIDENT, SEA OTTER GROUP, asked for an amendment under Section 1 to designate the money for international marketing under the Director of Tourism (rather than international airport marketing). Mr. Nogal concurred with Section 2, but stated that under Section 3 the correct name should be the Alaska International Airport Tourism Marketing Council Travel Fair (AIATMC) rather than the 1990 International Travel Fair. He suggested the \$200,000 be used to develop the fair for 1990 and 1991 and further recommended holding individual travel fairs to solicit Japanese, Korean, and European travelers. In addition, he suggested portions of the \$200,000 be used to attend the World Trade Fair in Tokyo in December to help promote tourism to Alaska. Rep. Donley asked Mr. Nogal to provide testimony specific to a supplemental appropriation for the FY90 travel fair. Mr. Nogal said the appropriation was absolutely necessary to get the travel fair organized for the fall. Last year the state only appropriated \$100,000 and AIATMC raised a 9:1 contribution from the industry which would be more difficult to obtain this year.

AUGUSTE ROBINSON, DUTY FREE SHOPPERS, gave testimony on HB 431. He cited the contribution of international tourism to the Alaskan infrastructure by providing direct jobs and maintenance revenue for the Alaska airport system. Mr. Robinson stated that Alaska needs to convert international tourism from a 45-minute holdover into destination stays in order to further economic diversity and infrastructure development. He said it is essential to develop international tourism now in order to establish peak capacity with international carriers. Mr. Robinson cited examples of the decline of projected international flights to Alaska due to rerouting and direct overflights, as well as the impact of the Redoubt volcano on international airlines which caused flight cancellations to Alaska until the end of February and rerouting over Russia.

KEITH FERNANDEZ, ANCHORAGE CONVENTION AND VISITORS BUREAU, read prepared testimony which had been provided to committee members' files. Mr. Fernandez made a strong statement in favor of the supplemental appropriation for the 1990 Travel Fair that included comments made by participants at last year's fair.

Number 200

Rep. Boyer said he was not convinced the appropriation could not wait until the 1991 fiscal budget which will be completed by May 8.

Mr. Fernandez stated that planning and investing in the fair must begin more than a year in advance. He stressed the importance of showing a serious commitment to tourism overseas which Alaska has failed to do in the past.

BOB MILLER, EXECUTIVE DIRECTOR, ALASKA TOURISM MARKETING COUNCIL, testified in favor of HB 431. The Council believes the Division of Tourism is the best repository of international marketing funds. The division fully understands the importance of international travel to the airport system and to the entire state. Supplemental funding would be used to restore television advertising in key secondary markets, to expand a public relations campaign in order to take advantage of the Redoubt volcano and the anniversary of the oil spill, and to produce new television advertising for use in the early fall of 1990. Rep. Leman asked Mr. Miller to provide him with a list of the secondary markets which he referred to.

Rep. Boucher expressed his opinion that we should invite tourists to see Alaska as it is - nature in the raw.

Rep. Boyer questioned whether it would be responsible of the committee to fund the entire \$1.8 million appropriation at this late date in the fiscal year. He also asked for an explanation of the difference between the supplemental \$1.8 million and the funding for airport marketing received for the past several years from DOT.

Number 380

DANA BROCKWAY, DIRECTOR, ALASKA TOURISM MARKETING COUNCIL, explained that the \$1.8 million supplemental appropriation would compliment the two \$500,000 DOT appropriation funds used to promote cargo and passenger handling at Alaska's International Airport. The appropriation would accelerate efforts for a joint promotion currently being negotiated with the airlines to increase summer and fall visitations. The funds would also assist in direct sales, negotiating contracts, and funding of travel necessary for product development and tour producers.

Number 485

Chairman Donley announced that the teleconference concluded at 4:25 p.m.

Rep. Leman requested Mr. Brockway to provide a detailed

breakdown of proposed expenditures. Mr. Brockway referred to a response he prepared describing multifaceted strategies to be undertaken to generate tourism if supplemental funding is granted. This letter was provided to committee members' files.

ROBERT M. DINDINGER, PRESIDENT, ALASKA VISITORS ASSOCIATION, testified in favor of the supplemental funding and read prepared testimony provided in committee members' files. His testimony underscored the need for Alaska to step up its promotional outreach in tourism marketing and outlined proposed supplemental programs.

BEGIN: TAPE 67 SIDE A

Rep. Donley inquired about scheduling travel articles in major newspapers. Mr. Dindinger said Sunday supplements schedule travel features one year in advance and will often not schedule the articles unless there is long-term advance commitment and some state support involved. Editorial exposure is based on how much advertising is generated for the newspaper. For example, when the state commits to buying one page and industry buys smaller ads the result may be 5 or 6 editorial pages.

In addition, Mr. Dindinger stated the AVA recommended funding new television commercials as early as possible to avoid production delays due to bad weather later in the fall. Estimated cost of early funding for television commercials is \$550,000. The AVA further recommended the funding of a special public relations effort to deal with adverse publicity to be generated by first anniversary oil spill coverage and current adverse publicity on the Redoubt volcano. At issue with the Redoubt Volcano is the perception of health and safety being impaired. By spending \$4 million in a remedial campaign to overcome adverse publicity, Alaska recovered 16 percent of visitor potential last year. The AVA would like to see these programs put in place this year to generate increased economic activity and employment. A successful program could generate 16,000 additional visitors spending over \$30 million and generating 300 additional jobs.

Rep. Boucher asked Mr. Dindinger for a hard copy of the information he provided.

Rep. Finkelstein MOVED to report HB 431 out of Committee. Rep. Boucher seconded the motion. There being no objections, the MOTION CARRIED.

Rep. Boucher left the meeting at this point.

Page 15 line 12  
 H-163

**PROJECT TITLE:** Job Corps Center

**LOCATION:** South Central Alaska      **COMPLETION DATE:**      **ELECTION DISTRICT:**

**APPROPRIATION TO:** Community & Regional Affairs      **PROGRAM:**

FUNDING:		CAPITAL REQUEST	OPERATING COSTS	NEW POSITIONS (PFT):
1002	FEDERAL RECEIPTS			
1003	GENERAL FUND MATCH	1,000.0		
1004	GENERAL FUND			
1007	INTER-AGENCY RECEIPTS			
<b>TOTALS:</b>		1,000.0		

Governor Funding      1,000.0      Railbelt Energy

**PROJECT DESCRIPTION AND JUSTIFICATION:**

**Purpose:** The United States Department of Labor (USDOL) has named the State of Alaska as one of four sites for the establishment of a new Job Corps center. Job Corps is a residential vocational training center for youths aged 16 to 21, who are economically disadvantaged. USDOL funds Job Corps sites at 100 percent of their capital and operating costs. However, because Alaska was competing with 17 other states for the award, the Governor made the commitment to match \$1 million for capital costs associated with the construction of new dormitories in order to demonstrate our commitment to the project.

**Justification:** USDOL responded to our original proposal, dated December 19, 1988, by asking for additional information about coordination of existing services with Job Corps, and a description of ways in which the state might provide cost sharing for start up and operations. Construction of new dormitories was necessary for any site being proposed. Dorm construction estimates were approximately \$2 million, of which fifty percent was proposed as match from state general funds. Subsequent review of our proposal by USDOL indicated that the \$1 million match was instrumental in our being named a site, and is expected to be an obligation of the state in Job Corps implementation.

0024Z/0051H

CP1 CAPITAL PROJECTS DESCRIPTION

PRIORITY \_\_\_\_ OF \_\_\_\_

AGENCY Community & Regional Affairs

Page \_\_\_\_ of \_\_\_\_

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

FY 91

0000405

(7/88)-cp1

S T A T E O F A L A S K A  
 OFFICE OF MANAGEMENT & BUDGET  
 DIVISION OF BUDGET REVIEW

DATE: 01/22/90  
 TIME: 12:03:09  
 PROG: F90SUPL2

Page 1 of GOVERNOR'S FY '90 SUPPLEMENTAL REQUESTS, BY BILL SECTION

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
1	DOA	Longevity Bonus: Grants	6,758,000	0	6,758,000	
			6,758,000	0	6,758,000	Sum
2	DOA	Office of Public Advocacy: Increased Caseload FY89	215,000	0	215,000	
			215,000	0	215,000	Sum
3	DOA	Office of Public Advocacy: Increased Attorney Caseload FY90	950,000	0	950,000	
			950,000	0	950,000	Sum
4	DOA	Labor Relations Agency: Amend Legal/Administrative Contracts	25,000	0	25,000	
			25,000	0	25,000	Sum
5	DOA	Pioneers' Homes: Increased Salaries and Operations Costs	738,300	0	738,300	
			738,300	0	738,300	Sum
6	DOA	Older Alaskans Commission: Arbitration Award	38,700	0	38,700	
			38,700	0	38,700	Sum
7	DOA	Public Defender: Attorneys' LWOP	193,600	0	193,600	
			193,600	0	193,600	Sum
8	DOA	Alaska Public Offices Commission: Elections Report Data	130,000	0	130,000	
			130,000	0	130,000	Sum
9	DOA	1988 Columbus Day Arbitration Award	370,900	0	370,900	
			370,900	0	370,900	Sum

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
10	LAW	Judgements and Claims	222,325	0	222,325	
			222,325	0	222,325	Sum
11	LAW	Attorney General's Office: Weiss v. State	160,000	0	160,000	
			160,000	0	160,000	Sum
12	LAW	Reimbursement of Governor Sheffield's Legal Expenses	302,653	0	302,653	
			302,653	0	302,653	Sum
13	DOR	Shared Taxes: Electric and Telephone Cooperative Tax FY89	32,774	0	32,774	
			32,774	0	32,774	Sum
14	DOR	Child Support Enforcement Division: (Gramm-Rudman-Hollings)	54,500	0	54,500	
			54,500	0	54,500	Sum
15	DOE	Foundation Funding: Increased Enrollment	17,858,100	0	17,858,100	
			17,858,100	0	17,858,100	Sum
16	DOE	Debt Retirement: Juneau/Sitka/North Slope FY89	1,753,300	0	1,753,300	
			1,753,300	0	1,753,300	Sum
17	DHSS	Assistance Payments: OAA-ALB Hold Harmless	413,100	0	413,100	
			413,100	0	413,100	Sum
18	DHSS	Medical Assistance: Medicaid Non-Facility Shortfall	2,919,600	2,919,500	5,839,100	
			2,919,600	2,919,500	5,839,100	Sum
19	DHSS	Medical Assistance: Medicaid Facilities Shortfall	7,152,500	7,152,400	14,304,900	
			7,152,500	7,152,400	14,304,900	Sum

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
20	DHSS	Medical Assistance: Indian Health Services Shortfall	0	3,446,200	3,446,200	
			0	3,446,200	3,446,200	Sum
21	DHSS	Medical Assistance: State Programs Shortfall	0	882,000	882,000	
			0	882,000	882,000	Sum
22	DHSS	Medical Assistance Central Administration: Legal Costs	50,000	50,000	100,000	
			50,000	50,000	100,000	Sum
23	DHSS	Medical Assistance Admin: Claims Processing Shortfall	309,400	657,600	967,000	
			309,400	657,600	967,000	Sum
24	DHSS	State Health Services: Nursing Position Reclassification	354,400	0	354,400	
			354,400	0	354,400	Sum
25	DHSS	Institutions & Administration: API Nursing Position Reclass	266,800	0	266,800	
			266,800	0	266,800	Sum
26	DOL	Wage and Hour - Contractual Hearing Officers	20,000	0	20,000	
			20,000	0	20,000	Sum
27	DOL	Occupational Safety & Health - Contractual Attorney	15,000	0	15,000	
			15,000	0	15,000	Sum
28	DOL	Workers' Compensation: Injured Worker	15,500	0	15,500	
			15,500	0	15,500	Sum
29	DOL	Labor Market Information: 1990 Census	42,900	0	42,900	
			42,900	0	42,900	Sum

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
30	DMVA	Veterans Death Gratuity: Program Underfunding	90,000	0	90,000	
			90,000	0	90,000	Sum
31	DMVA	Disaster Relief Fund: FY90 Projected Additional Funds	2,000,000	0	2,000,000	
			2,000,000	0	2,000,000	Sum
32	DNR	Division of Forest Management: Fire Suppression	663,200	0	663,200	
			663,200	0	663,200	Sum
33	DNR	Division of Forest Management: Emergency Fire Fighters	100,000	400,000	500,000	
			100,000	400,000	500,000	Sum
34	DNR	Alaska Historical Commission: Alaska at War	5,400	0	5,400	
			5,400	0	5,400	Sum
35	DFG	Division of Boards Reorganization	384,000	0	384,000	
			384,000	0	384,000	Sum
36	DPS	Municipal Jail Contracts: Request for Additional Funding	440,400	0	440,400	
			440,400	0	440,400	Sum
37	DPS	Laboratory Services: Crime Lab Request for Funding	83,100	0	83,100	
			83,100	0	83,100	Sum
38	DPS	Law Enforcement Support: Information Systems	58,100	0	58,100	
			58,100	0	58,100	Sum
39	DPS	Law Enforcement Support: Crime Information Systems	137,900	0	137,900	
			137,900	0	137,900	Sum

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
40	DPS	Motor Vehicles: Veterans License Plates	21,800	0	21,800	
			21,800	0	21,800	Sum
41		Permanent Fund Dividend Fund Reimbursement	1,500,000	0	1,500,000	
			1,500,000	0	1,500,000	Sum
42	DOT	Alaska Marine Highway System: FY89 Unpaid Bills	238,293	0	238,293	
			238,293	0	238,293	Sum
43	DOT	Alaska Marine Highway System: Maintenance of the FY89 Level	1,567,000	0	1,567,000	
			1,567,000	0	1,567,000	Sum
44	DOT	Western Highways & Aviation: Airport Maintenance Contracts	50,000	0	50,000	
			50,000	0	50,000	Sum
45	DOT	Spring Creek Prison Claim	2,325,000	0	2,325,000	
			2,325,000	0	2,325,000	Sum
46	DOT	Snow and Ice Control Supplemental	1,358,000	0	1,358,000	
			1,358,000	0	1,358,000	Sum
47	DOT	City and Borough of Juneau	136,000	0	136,000	
			136,000	0	136,000	Sum
48	DCRA	Family Support Act: Implement Child Care Benefits - April 1	341,000	340,900	681,900	
			341,000	340,900	681,900	Sum
49	DCRA	Coffman Cove Incorporation Grant of \$50,000	50,000	0	50,000	
			50,000	0	50,000	Sum

SECTION	AGENCY	TITLE	GENERAL FUND	OTHER FUNDS	TOTAL	
50	DCRA	State Revenue Sharing Aid to Unincorporated Community Grants	24,660	0	24,660	
			24,660	0	24,660	Sum
51	DCRA	Local Boundary Commission: Optimum Boundaries Map Project	46,000	0	46,000	
			46,000	0	46,000	Sum
52	DOC	Major Medical: Full Funding	1,600,000	0	1,600,000	
			1,600,000	0	1,600,000	Sum
53	DOC	Statewide Programs: Manillaq Rehabilitation Center	250,000	0	250,000	
			250,000	0	250,000	Sum
54	DOC	Southcentral Probation: Arbitration Settlement	25,300	0	25,300	
			25,300	0	25,300	Sum
55	ACS	Alaska Commission on Judicial Conduct: Proceedings	32,591	0	32,591	
			32,591	0	32,591	Sum
56	DCED	Miscellaneous Claims	5,824	0	5,824	
	DFG	Miscellaneous Claims	67	0	67	
	DHSS	Miscellaneous Claims	37,327	0	37,327	
	DMVA	Miscellaneous Claims	2,254	0	2,254	
	DNR	Division of Management: Miscellaneous Claims	160	0	160	
	DOA	Miscellaneous Claims and Stale-Dated Warrants	26,900	0	26,900	
	DOE	Miscellaneous Claims	3,600	0	3,600	
	DOT	Miscellaneous Claims	23,269	0	23,269	
	DPS	Division of Administrative Services: Miscellaneous Claims	492	0	492	
	GOV	Human Rights Commission: Miscellaneous Claims	699	0	699	
	LEG	Legislative Affairs Agency: Miscellaneous Claims	593	0	593	
			101,185	0	101,185	Sum
			54,991,281	15,848,600	70,839,881	Sum