

**HVB**

**370**

**HFIN**

**FILE**

# HOUSE COMMITTEE REPORT

(11)

Date Referred: January 14, 1994

FURTHER REFERRALS:

Date of Committee Action: 4/8/94

The FINANCE Committee considered:

HB 370

HOUSE BILL NO. 370

APPROP: FY 95 OPERATING AND LOAN BUDGET

"An Act making appropriations for the operating and loan program expenses of state government and to capitalize funds; and providing for an effective date."

**RECOMMENDATIONS:**

be replaced with \_\_\_\_\_

(S) HB 370 (FIN)

[ ] the same title  
 [X] a new title

[ ] have attached amendments(s)

[ ] do pass

[ ] do not pass

[X] no recommendations

[ ] individual recommendations

[ ] additional referral to the \_\_\_\_\_ Committee

ADOPTS: \_\_\_\_\_ letter of Intent

ATTACHES NEW FISCAL NOTE(S): (Dept) \_\_\_\_\_

APPROVES PREVIOUS: (Dept/Date) \_\_\_\_\_

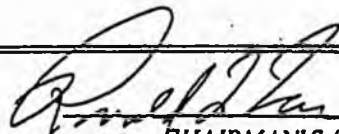
[ ] fiscal impact \_\_\_\_\_

[ ] fiscal note(s) \_\_\_\_\_

[ ] zero fiscal note \_\_\_\_\_

[ ] zero fiscal note(s) \_\_\_\_\_

SIGNING DO PASS	DP	OTHER RECO..IMENDATIONS	DNP	NR	AM
<i>Ronald Larson</i>	X				
<i>Terry Martin</i>	X				
		<i>Mark Hanley</i>			X
		<i>Lay Brown</i>			X
		<i>Edmund Maclean</i>			X
		<i>Ben Grussendorf</i>			0
		<i>Sean Parnell</i>			X
		<i>Tom Hoffman</i>			
		<i>Tom Thoma</i>			X

  
 CHAIRMAN'S SIGNATURE  
 \_\_\_\_\_  
 Larson                      Maclean

Back-up



OFFICE  
OF THE  
CITY AND BOROUGH MANAGER

MARCH 22, 1994

MARK R. PALESH  
MANAGER

TO: HOUSE FINANCE COMMITTEE

FR: MARK R. PALESH, CBJ MANAGER

RE: TESTIMONY - GOVERNOR'S PROPOSED CUTS IN STATE REVENUE  
SHARING AND MUNICIPAL ASSISTANCE FOR FY 1995.

REPRESENTATIVE MACLEAN, REPRESENTATIVE LARSON, MEMBERS OF  
THE HOUSE FINANCE COMMITTEE. THANK YOU FOR THE OPPORTUNITY  
TO TESTIFY ON THE GOVERNOR'S PROPOSED 50% CUT IN STATE  
REVENUE SHARING AND MUNICIPAL ASSISTANCE.

SINCE FY 1985 THE CITY AND BOROUGH OF JUNEAU HAS ABSORBED A 58.1%  
CUT IN STATE REVENUE SHARING AND A 54.9% CUT IN MUNICIPAL  
ASSISTANCE. TO MAKE UP THE DIFFERENCE, THE CBJ HAS HAD TO REDUCE  
FULL-TIME EMPLOYEES AND CUT SERVICES; NOT UNLIKE OTHER ALASKA  
MUNICIPALITIES.

IN FY 1994, STATE REVENUE SHARING AND MUNICIPAL ASSISTANCE WAS  
CUT BY 7%, AND POLICE JURISDICTION, FOR THAT AREA NORTH OF THE  
MENDENHALL RIVER, WAS GIVEN OVER TO THE CBJ. THIS RESULTED IN NO  
WAGE INCREASES FOR PERSONNEL AND A 17% INCREASE IN THE POLICE  
BUDGET FOR ADDITIONAL PERSONNEL; YOU CAN'T NOT PROVIDE MINIMUM  
POLICE SERVICE.

IN A FEW DAYS, THE MANAGER'S BUDGET IS DUE BEFORE THE CBJ  
ASSEMBLY, AND SOME ASSUMPTIONS HAVE HAD TO BE MADE; ONE IN  
PARTICULAR, THAT ONLY A 15% CUT IN STATE AID WOULD ULTIMATELY BE  
ADOPTED. THIS WOULD RESULT IN BETWEEN 6 AND 10 EMPLOYEE LAYOFFS,  
NO EMPLOYEE SALARY INCREASE FOR THE SECOND YEAR IN A ROW, AND A  
PROPERTY TAX INCREASE.

SHOULD THE PROPOSED 50% CUTS BE ADOPTED, THE ALREADY ANTICIPATED  
PROPERTY TAX INCREASE WOULD EITHER HAVE TO EXPAND THREE-FOLD, OR  
ADDITIONAL SERVICE CUTS MADE. AS AN EXAMPLE, IF TAXES WERE  
RELIED UPON SOLELY, THE MILL LEVY WOULD INCREASE BY 1.55 MILLS,  
OR \$214.38 FOR THE AVERAGE HOUSEHOLD. CUTS IN LIEU OF A TAX  
INCREASE, WOULD BE BEYOND QUALITY OF LIFE PROGRAMS, BUT START  
AFFECTING INFRASTRUCTURE MAINTENANCE AND POSSIBLY HEALTH AND  
SAFETY ISSUES. I HAVE ATTACHED APPROPRIATE FISCAL NOTES TO MY  
COMMENTS AS BACKUP MATERIAL.

IF IT IS THE INTENT OF THE STATE TO EVENTUALLY ABOLISH THE STATE  
REVENUE SHARING AND MUNICIPAL ASSISTANCE PROGRAMS, AS SEEMS TO BE  
THE TREND, WE WOULD ASK YOU TO CONSIDER THREE THINGS:

1) ESTABLISH A MULTI-YEAR PHASE-IN POLICY FOR ANY AID PROGRAM CUTS,

Page 2  
Testimony

TO ALLOW MUNICIPALITIES TIME TO PLAN AHEAD; 2) EXERCISE RESTRAINT ON PASSING ANY LEGISLATION WHICH WOULD IMPACT MUNICIPALITIES, WITHOUT FIRST ADDRESSING THEIR FISCAL IMPACT; 3) DO NOT TIE THE HANDS OF LOCAL GOVERNMENT IN THEIR ABILITY TO IMPOSE APPROPRIATE TAXES AND FEES (FLIGHTSEEING BILL).

WE DO NOT OPPOSE "BELT-TIGHTENING" AT ALL LEVELS OF GOVERNMENT; IT CAN BE VERY FISCALLY THERAPEUTIC. HOWEVER, MUNICIPALITIES CAN BE VERY INNOVATIVE IN COPING WITH THEIR OWN PROBLEMS. PLEASE ALLOW US THE TIME TO DO SO AND TO BECOME PART OF THE SOLUTION.

THANK YOU FOR ALLOWING US THIS OPPORTUNITY.

Attach 1 - Finance Director's Letter, 03/21/94

TO: Mark Palesh  
City Manager

DATE: March 21, 1994

FROM: Craig Duncan  
Finance Director

SUBJECT: Effect of Proposed Governors Reductions to the State  
Shared and Municipal Assistance Programs

Attached is revenue information on the history of these two programs. From the information you can see that Municipal Assistance and State Shared Revenues have decrease significantly since the peak revenue years of 1985 and 1986. A brief analysis of the effect of the reductions to CBJ for the last 10 years is presented below.

**Municipal Assistance-**

MA Changes From FY85 to FY94

1985 MA Support	\$4,200,000
1994 MA Support	<u>1,895,600</u>
Total Reduction since 1985	<u>\$2,304,400</u>

Percentage Reduction 54.9%

Mill Equivalent 1.54 mills

Tax Effect to an Average Home \$212.54

Effect of an Additional 50% MA Reduction

1994 MA Support	\$1,895,600
1995 Projected FY95 Support	<u>854,300</u>
Reduction proposed FY94 to FY95	<u>\$1,041,300</u>

Percentage Reduction 54.9%

Mill Equivalent .7 mills

Tax Effect to an Average Home \$96.60

Effect of an Additional 15% MA Reduction

1994 MA Support	\$1,895,600
1995 Projected FY95 Support	<u>1,583,200</u>
Reduction proposed FY94 to FY95	<u>\$ 312,400</u>

Percentage Reduction 16.5%

Mill Equivalent .2 mills

Tax Effect to an Average Home \$27.01

**State Shared Revenue-**

**SSR Changes From FY86 to FY94**

1986 SSR Support	\$5,709,900
1995 SSR Support	<u>2,392,500</u>
Total Reduction since 1986	<u>\$3,317,000</u>

Percentage Reduction 58.1%

Mill Equivalent 2.22 Mills

Tax Effect to an Average Home \$305.94

**Effect of an Additional 50% SSR Reduction**

1994 Support	\$2,392,500
1995 Projected FY95 Support	<u>1,115,500</u>
Reduction proposed FY94 to FY95	<u>\$1,277,000</u>

Percentage Reduction 53.4%

Mill Equivalent .85 Mills

Tax Effect to an Average Home \$117.78

**Effect of an Additional 15% SSR Reduction**

1994 Support	\$2,392,500
1995 Projected FY95 Support	<u>2,009,400</u>
Reduction proposed FY94 to FY95	<u>\$ 383,100</u>

Percentage Reduction 16.0%

Mill Equivalent .26 Mills

Tax Effect to an Average Home \$35.33

# REVENUE SOURCE NARRATIVE AND ANALYSIS

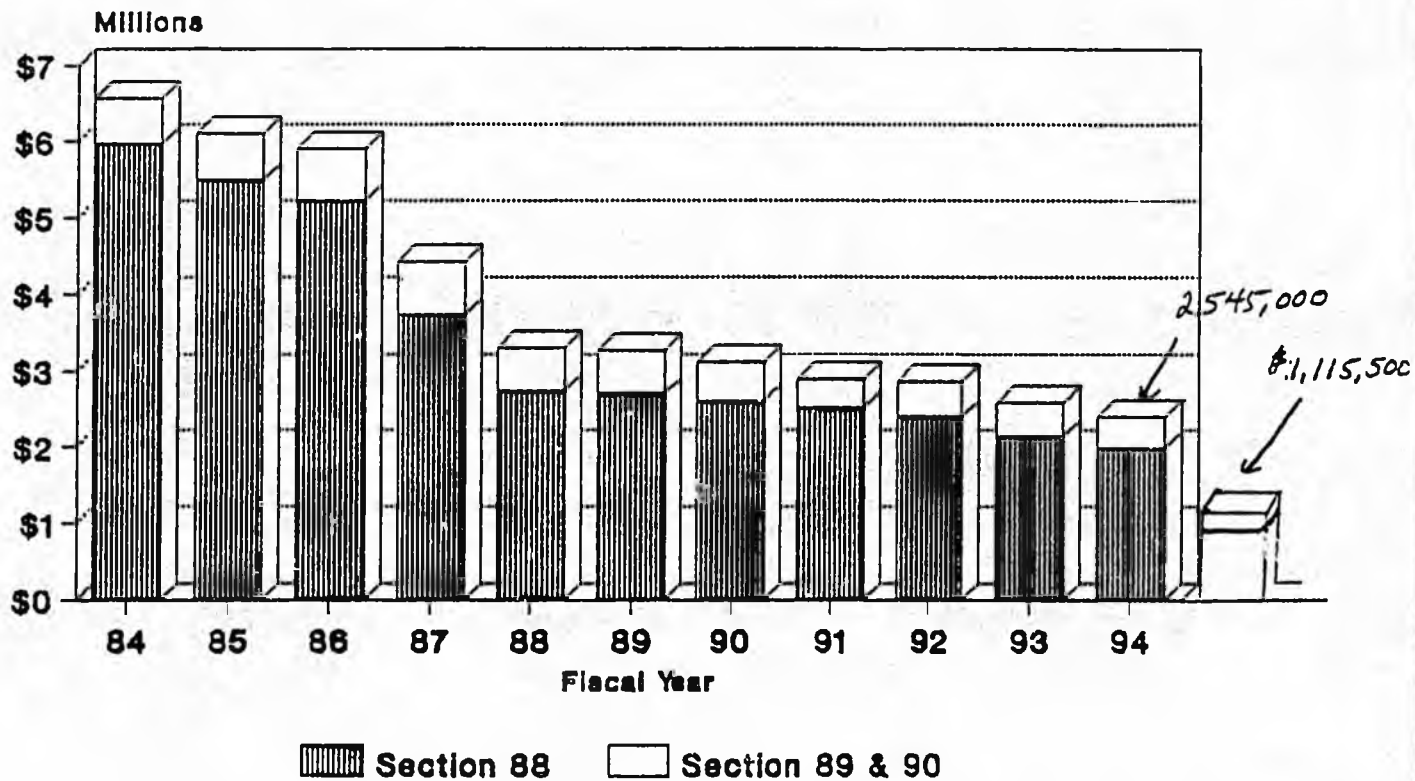
## STATE-SHARED REVENUE SHARING

This program is divided into the following two components:

1. Municipal Tax Resource Equalization Entitlement (Section 88) - Each fiscal year the state shall compute an equalization entitlement for services provided by a taxing unit. This is determined by the application of a formula that is based on the population, relative ability to generate revenue and local burden of the taxing unit compared on a statewide average. Money to carry out this program shall be appropriated annually by the state.

## STATE-SHARED REVENUE HISTORY

FY84-93 are based on actual revenue collected.  
FY94 is the budget projection.



An equalization entitlement may be used only for authorized expenditures of the taxing unit, but up to 15% of the payment generated by areawide revenue may be used for non-areawide purposes at the discretion of the Assembly.

2. Specific Categorical Entitlements (Sections 89 and 90) - The state shall pay aid for (a) roads at \$2,500 a mile; (b) hospital facilities at \$1,000 per bed or \$150,000 a hospital; (c) health facilities at \$2,000 per bed or \$8,000 per health facility; and (d) hospital construction at \$2,500 a bed or 5% of the total project cost. Monies to carry out the programs must be appropriated annually by the state. If 100% funding is not available to carry out the programs, distribution will be made on a prorated basis.

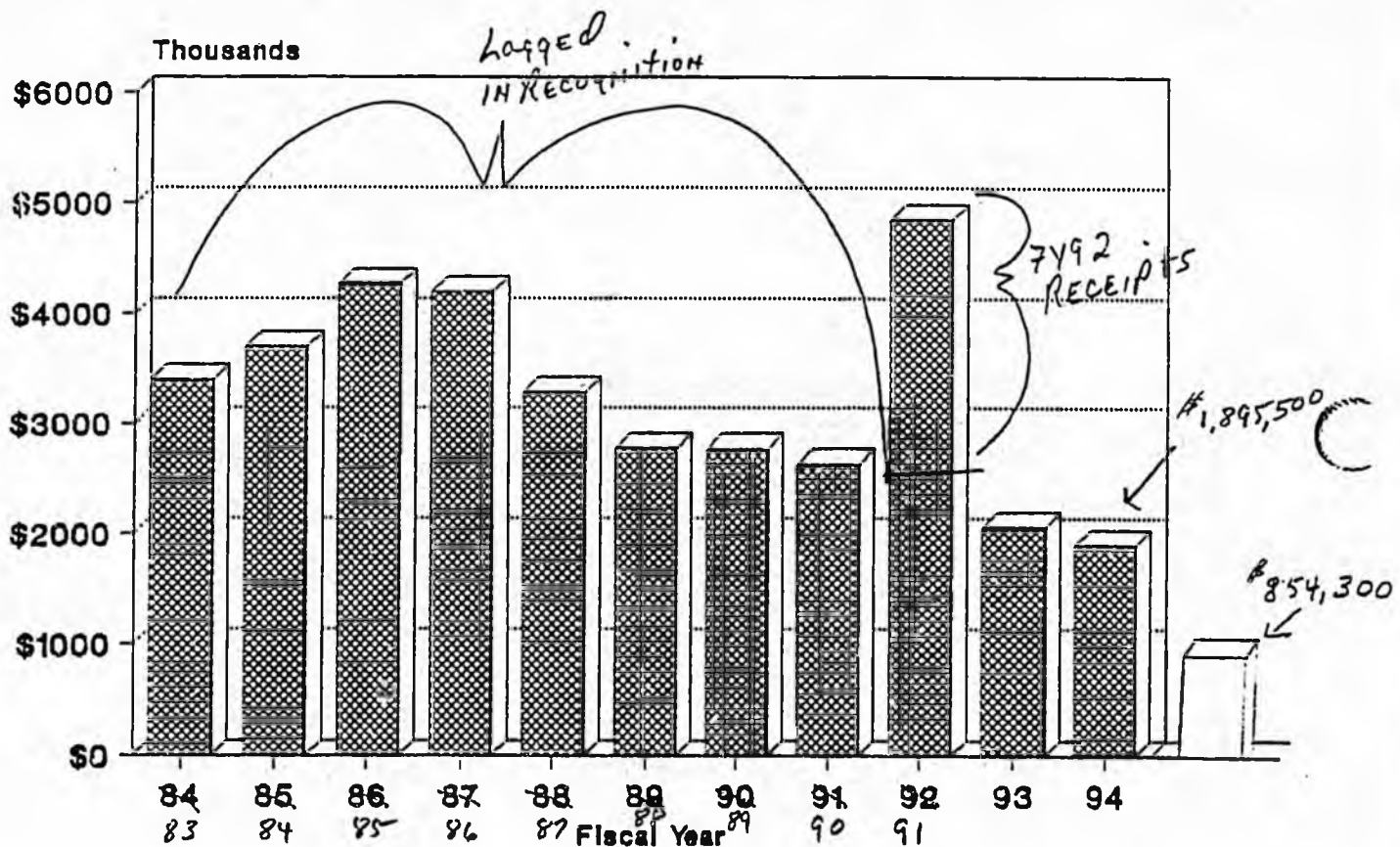
# REVENUE SOURCE NARRATIVE AND ANALYSIS

## MUNICIPAL ASSISTANCE

The Legislature adopted new statutes (AS 43.20.016) in Chapters 144 SLA 1978 which provides that the Legislature may appropriate to a municipal assistance fund in an amount equal to, or greater than, 30% (10% prior to the 1982 legislative session) of the corporate income tax and the oil and gas corporate income tax received by the

## MUNICIPAL ASSISTANCE REVENUE HISTORY

FY84-93 are based on actual revenue collected.  
FY94 is the budget projection.



State of Alaska during the preceding year. The amount appropriated to the fund is distributed to municipalities in a base amount, with excess funds being distributed on a population basis. The base amount to be equal to the amount received by the City and Borough during Fiscal Year 1978.

Prior to FY92, Municipal Assistance revenue was recognized on a lag basis. During FY92, the City and Borough recorded a one-time adjustment to allow recognition of Municipal Assistance in the year that the payment is received from the State of Alaska. FY92 revenue includes Municipal Assistance payments received in February 1991 and February 1992. The one-time adjustment increased the General Fund fund balance for FY92 creating a larger fund balance going into FY93.

FTE'S FY86 - FY92

	FY 92 FTE'S	FY 91 FTE'S	FY 90 FTE'S	FY 89 FTE'S	FY 88 FTE'S	FY 87 FTE'S	FY 86 FTE'S
ADMINISTRATION	20.50	20.25	18.75	18.75	19.25	22.00	20.00
LIBRARY	20.36	18.95	18.62	19.12	18.25	21.50	22.50
AIRPORT	17.94	17.91	17.65	16.65	17.50	15.60	19.60
ATTORNEY	7.00	7.25	7.00	7.00	6.00	6.00	6.00
COMMUNITY DEVELOPMENT	13.00	13.00	11.50	12.00	12.00	12.50	15.50
ENGINEERING	28.00	27.50	26.50	26.50	27.75	39.50	46.00
FINANCE	42.07	42.07	40.07	40.07	40.10	46.75	49.50
FIRE	36.00	37.00	37.00	37.00	37.00	38.00	38.00
HEALTH & SOCIAL SERVICE	56.08	52.55	47.36	43.33	39.30	39.30	43.10
PARKS & RECREATION	48.41	48.73	45.54	46.23	41.80	46.80	42.95
POLICE	56.07	55.50	55.50	55.50	55.00	55.50	59.50
PUBLIC WORKS	119.45	118.17	116.89	112.85	108.35	110.50	122.90
<b>FY '86 -'90 AVERAGE</b>	<b>464.88</b>	<b>458.88</b>	<b>442.38</b>	<b>435.00</b>	<b>422.30</b>	<b>453.95</b>	<b>485.55</b>
<b>EQUALS 100.</b>	<b>103.8%</b>	<b>102.5%</b>	<b>98.8%</b>	<b>97.1%</b>	<b>94.3%</b>	<b>101.4%</b>	<b>108.4%</b>

1992, 1991, 1990, 1989 PREPARED FROM STAFFING SCHEDULES IN THE OFFICE OF PERSONNEL MANAGEMENT

1988, 1987, 1986 INFORMATION PROVIDED BY THE FINANCE DEPARTMENT

22 Mar 94

TESTIMONY ON THE EFFECTS OF THE GOVERNOR'S  
PROPOSED FIFTY PER CENT CUTS IN FUNDING FOR  
STATE REVENUE SHARING AND MUNICIPAL  
ASSISTANCE IN FISCAL YEAR 1995

Needless to say any cut, be it in operational funding or capital funding, has an immediate and negative impact on a community. However, this is particularly true when considering operational funding. Capital projects can often times be delayed, or alternative funding can be sought, but significant reductions in operational revenues do not have readily available alternatives. The only two ways that a shortfall in operational funding can be addressed is by increased local revenues by raising fees and taxes, by expanding the tax base or fee structure, or by reducing locally mandated services. Neither option has a great deal of appeal.

In the first instance the local unit of government faces the prospect of placing a greater tax burden on local citizens to make up the difference in reduced state funding while enforcing state mandated local tax relief granted to a select portion of the population. The second option is to seek means to reduce expenditures which can adversely effect the level and quality of public services. In some instances this can even result in the elimination of services that the community has come to expect of government.

The Ketchikan Gateway Borough went through a significant reduction last year when it had to reduce its general fund operational budget by over 1.7 million dollars. This was partially the result of the sixteen per cent reduction in Municipal Assistance and State Revenue Sharing that we experienced last year. The presently proposed fifty per cent reduction in these funding sources will require further cuts in service some of which are already below optimal levels. A community's budget can not sustain a reduction of state revenue of over sixty per cent in two years and not have it adversely effect that community.

The decline of federally funded programs, the tightening of state purse strings, and local concern over tax rates and user fees already have communities reeling under the pressure to sustain and even enhance the demand for and level of public services. Local government experience with fiscal crises and strain has become more prevalent in recent years and seems to be exacerbated under the governor's proposal. Communities have already had to face difficult choices as they consider means for increasing existing revenues, creating new revenues, or reducing services. The Governor's proposal to reduce community funding by fifty per cent next year makes these choices even more difficult and the timing seems

to be ill-advised. If the state is intent on imposing this significant reduction in funding local activities it should be more reasonably phased over a longer period of time.

Communities are constantly having to seek new sources of revenue and ways to maximize existing sources. Since the Governor's intent seems to minimize the state's future support of local government, it would seem reasonable and equitable to allow the communities to plan for this significant reduction of state support. This could be accomplished by indicating the need for this new policy and give communities adequate time to adjust to this reduction of state support.

Local governments are required by law to have a balanced budget. In order to develop that budget, communities must project anticipated income. In order to reasonably project that income reliable information on funding source policy and funding authority need to be in place. Since we, like the state, are currently attempting to develop our budgets we need to have the time necessary to try to identify the means in which we may be able to offset this unanticipated shortfall in state funding.

We encourage the Governor to reconsider this drastic reduction of state funding by cutting back on his reduced funding formula to, as an example, fifteen per cent reduction instead of fifty per cent and, further, to articulate his proposed policy for future state funding of the Municipal Assistance and State Revenue Sharing programs.

*Jim Carlton*  
*Ketchikan Gateway Borough Mayor*

Rep. Ron Larson  
Co-Chair, House Finance Committee  
AK State Legislature

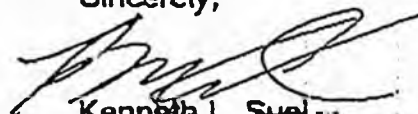
Members of the House Finance Committee:

Having served in my local community for over 15 years in all administrative capacities, currently as a City Councilmember, I view the proposed cuts in Revenue Sharing and Municipal Assistance with dismay and alarm. At present, our City government is unable to cope with the increased demands to comply with State regulation at all levels along with the decreases in State funds we have already suffered over the last eight years. We have now only a part-time City Clerk/administrator while many administrative duties have become the volunteer efforts of individual Councilmembers who assist with paperwork, maintenance and public works while working fulltime elsewhere. Two other part-time paid employees provide minimal, necessary janitorial and public works services. This temporary, patchwork skeleton of City government in Chuathbaluk has nearly lead to loss of the community laundromat and showers, to disrupted mail service, to loss of the community's major watering point, and to inadequate maintenance of the landfill dump and the sewage lagoon--in a community without residential water and sewer. The public library was closed over a year ago. Current limited funds are budgeted to keeping the City Office open half-days, handling essential paperwork, and providing the barebones basic services. Unexpected and costly emergency repairs or the inevitable loss of the temporary volunteer supervisors will certainly lead to disaster.

State policy decisions in the last decade have raised the level of expectation that rural residents will share the benefits and responsibilities of State planning to solve local problems. Unfortunately, the level of benefit is not keeping pace with the burden of responsibility placed upon the our few volunteers who are determined to keep alive a basic organizational structure that provides critical services to ever-demanding State agencies as well as to local residents.

I must emphasize that the level of present State spending for Revenue Sharing and Municipal Assistance is not keeping local government healthy, it is just keeping it alive. Funding cuts such as have been proposed will delete at least one part-time position, threatening not only basic services cited above, but also the State's past investment in such worthy projects as the landfill, the sewer lagoon, the airport, and the community center (offices, clinic, laundromat). The City itself is threatened by these irresponsible proposed reductions in funding. We must point out that the ultimate costs to the local residents and to the State that result from loss of basic services in this community will be much greater than the amount "saved" by reducing current funding to local government.

Sincerely,



Kenneth L. Suel  
Chuathbaluk AK  
March 22, 1994

cc:  
Rep. Irene Nicholia  
Sen. Georgianna Lincoln  
Rep. Ramona Barnes,  
Speaker of the House

# Municipality of Anchorage



P.O. BOX 196650  
ANCHORAGE, ALASKA 99519-6650  
TELEPHONE: (907) 343-4431  
FAX: (907) 272-1991

*Tom Fink, Mayor*

OFFICE OF THE MAYOR

March 21, 1994

The Honorable Ron Larson, Co-Chair  
House Finance Committee  
Alaska State Capital  
Juneau, AK 99801

Dear Representative Larson:

I am deeply concerned with the proposal to slash FY 95 State Revenue Sharing and Municipal Assistance revenues by half from the FY 94 levels. These kinds of huge cuts, added to the disproportionate reductions in these revenues in the last several years, would be devastating to all municipalities and cities around Alaska.

Attached is a description of the programs and services impacting Anchorage residents that would most likely be reduced or eliminated if the Governor's proposed budget prevails. These cuts are based on our 1994 budget process; however, a new public hearing process could result in some changes. Without doubt, however, any reduction in State revenues will mean reductions in services and elimination of programs.

If falling State revenues require the reduction of the State government budget, I feel that it is only fair for local governments to share in that reduction. However, the current trend for the State to balance its budget on the backs of local governments by disproportionate reductions in State Revenue Sharing and Municipal Assistance is inequitable and only serves to increase the pressure on local budgets.

It has been inferred by some that State Revenue Sharing and Municipal Assistance have been targeted for disproportionate cuts since such programs are unique to Alaska. This is not so. Alaska is not alone in sharing state-collected revenues with its local governments as is discussed in more detail in the attached material.

Since Alaska communities have taken such a disproportionate reduction in State revenues in recent years, I ask that the FY 95 funding for State Revenue Sharing and Municipal Assistant remain at the FY 94 level.

Sincerely,

Tom Fink  
Mayor

cc: Anchorage Caucus

corres2\1tf06

Post-It™ brand fax transmittal memo 7671		# of pages > 10
To <i>Ron Larson</i>	From <i>Mayor Fink</i>	
Co.	Co.	
Dept.	Phone # <i>343-4496</i>	
Fax # <i>465-2293</i>	Fax # <i>343-4110</i>	

IMPACTS OF GOVERNOR'S PROPOSED FY95 STATE OPERATING BUDGET  
ON THE MUNICIPALITY OF ANCHORAGE

A. THE ANCHORAGE BUDGET

In 1986, Anchorage received \$55.7 million in State Revenue Sharing and Municipal Assistance revenues for purposes of funding its operating budget. In 1993, we received only \$28.6 million. Based on the Governor's Proposed FY 95 State Operating Budget, these amounts would be further reduced to \$22.0 million in 1994 and \$13.3 million in 1995. These falling state revenues combined with falling federal revenues and increasing labor costs put pressures on the Anchorage budget.

In recent years we have been able to produce a balanced budget with essential services funded at a continuation level. In order to stay within available revenues, we have taken positive actions to hold down the costs of running the city. In addition to certain wage and benefit concessions, much of these savings resulted from positive actions taken by Municipal departments such as:

- consolidated functions/reorganizations
- eliminated "nice to do"/"nice to have" functions
- more efficient operation
- hiring freezes
- reduced workforce
- reduced lower-priority services
- budget management that has produced savings from amounts budgeted

Our options will be more limited for future budget reductions. It seems clear that reductions to lower priority services throughout Anchorage government will have to be made. In recent past years, we have been able to minimize reductions in essential police, fire, emergency medical, road maintenance, and health programs and services. However, with the magnitude of the state revenue reductions proposed by the Governor, these programs and services can no longer be spared.

B. GOVERNOR'S PROPOSED STATE REVENUE REDUCTIONS

The Governor's Proposed FY95 State Operating Budget includes reductions in funding for the following major programs which would result in the indicated estimated annual revenue reductions to Anchorage:

State Revenue Sharing	\$ 5,254,000
Municipal Assistance	8,765,000
Senior Citizens Property Tax Exemption	802,000
	<u>\$14,821,000</u>

Due to the timing of when the revenues are received by Anchorage from the State, the reduction in Anchorage's calendar year 1994 budget would be \$5,254,000 while the reduction in the calendar year 1995 budget would be \$14,821,000, assuming no further State Revenue Sharing reduction is made during the 1995 legislative session.

Anchorage's budget is on a calendar year basis. Since legislative and possible Governor's veto actions will probably not be completed until late June 1994, we will be half through the 1994 budget before we know the amount of any reduction in state revenues. In reality, about \$10.5 million (double the \$5,254,000) in annualized cuts would have to be made in 1994 with the remainder of the cuts made in 1995.

### C. POTENTIAL AREAS OF ANCHORAGE SERVICE REDUCTIONS

Based on the priorities in our 1994 operating budget, the following programs and services directly impacting Anchorage residents would likely be candidates for reduction or elimination if the Governor's proposed budget prevails:

- Reduce Police Crime Prevention Program by 85%
- Reduce Police K-9 Unit by 50%
- Reduce Police Property Crimes Unit by 52%
- Reduce Community Services Patrol Officers by 33%
- Reduce Police Forensic processing of evidence by 40%
- Reduce Police internal investigations staff by 50%
- Reduce Police Person Crimes Unit by 13%
- Reduce Police Narcotics Enforcement by 23%
- Reduce Police Patrol Operating Unit by 5%
- Reduce Police Equipment purchases such as weapons and equipment repair
- Eliminate one engine company at downtown fire station
- Close Fire Station #10 (Rabbit Creek)
- Eliminate the fire company at Station #12 (Dimond and New Seward)
- Reduce maintenance on 5,000 streetlights
- Increase response time to public complaints concerning zoning violations
- Eliminate asphalt overlay program on city streets
- Turn off 300 amenity street lights in Spenard and Central Business District
- Eliminate oiling of 81 miles of gravel streets for dust control
- Reduce the effort to demolish dangerous buildings
- Reduce traffic signal timing improvement
- Reduce street signage and painting of lane markings
- Reduce snow-hauling of cul-de-sacs
- Eliminate 5 bus routes to South Anchorage, O'Malley, Hillside, Dimond Center areas
- Reduce repair of bus passenger shelters
- Eliminate 2 bus routes to Eagle River
- Eliminate Sunday service
- Reduce Saturday service on 13 routes
- Close Spenard and Fairview Recreation Centers
- Close Muldoon and Samson-Dimond Branch Libraries
- Eliminate funding of additional trail maintenance to the new hotel in Girdwood

- Reduce hours of operation at Loussac Library from 62 to 56 hours per week
- Eliminate enforcement of nuisance, noise and housing codes
- Reduce hours of operation of Anchorage Senior Center
- Reduce well child clinic immunizations and restrict home visit program
- Eliminate Hearing Officer Program for violations of Animal Control Ordinance
- Reduce ability to investigate complaints on Child/Adult Care Facilities
- Reduce assistance provided to the Homeless
- Eliminate oversight of both Anchorage and Chugiak Senior Centers
- Eliminate water testing related to the National Pollution Discharge Elimination System (NPDES) and Spring Clean-up
- Reduce ability to schedule Women, Infant and Children's (WIC) grant clients
- Reduce ability to assess and coordinate the medical needs of Anchorage
- Zoning and Platting applications would take six (6) months longer to process
- Wetlands permits would go from a 5 day processing time to six months
- Eliminate maintenance of the Geographic Information System Data Base used by construction contractors
- Eliminate support to Alaska Aviation Heritage Museum
- Eliminate support to Anchorage Economic Development Corporation
- Reduce support to the Alaska Center for the Performing Arts by 50%
- Reduce maintenance of parks and park facilities
- Eliminate maintenance and operational support for facilities occupied by Non-profit agencies: Grandview Gardens, Government Hill Community Center, Chugiak and Anchorage Senior Centers, Girdwood Community Center
- Snow Removal, parking lot repairs, security reduced at major public facilities: Sullivan Arena, Ben Boeke, Egan Center, ACPA, Animal Control
- Equal Rights Commission discrimination complaints will take significantly longer to investigate
- Eliminate DWI Hearing Officer Program
- Reduce the prosecution of serious Misdemeanor offenses
- Reduce funding for the Federation of Community Councils by 48%

In addition to the above direct programs and services, support will be greatly reduced in areas such as accounting, auditing, management services, training, procurement, management information systems, legal services, and various other administrative and technical areas. This will further reduce services both to the public as well as to other Municipal agencies and will result in a degradation in the timeliness and quality of Municipal services.

We estimate that about 200 Municipal employee positions will have to be eliminated in the aforementioned reductions. This will have an adverse impact on the Anchorage economy just at the time that our economy is on the rebound.

The above cuts are the most likely based on our 1994 budget process; however, a new public hearing process could result in some changes. Without doubt, however, any reduction in State revenues will mean reductions in services and elimination of programs.

#### D. STATE TRANSFERS TO LOCAL GOVERNMENT

Some people seem to be of the opinion that programs such as State Revenue Sharing and Municipal Assistance are unique to Alaska. This is not so. Alaska is not alone in sharing state-collected revenues with its local governments. Based on a recent Alaska Municipal League study, every state provides some means of sharing resources for the provision of basic services at the local level.

State support is the second largest source of funding for local government in the United States, representing 33.6 percent of city government general revenues nationwide according to a 1990 study by the Advisory Commission on Intergovernmental Relations. In the "Far West" states, state transfers accounted for 40.9 percent of local revenue, while in Alaska state-transferred revenues were 37 percent of Alaska local government revenue in 1990. Alaska's percent has probably dropped significantly since 1990.

State government has an obligation to share revenue generated from the state's commonly held resources and land base to help provide essential public services at the local, as well as the state, level.

In Alaska, where the state, not private interests that could be taxed by cities and boroughs, owns most of the resource-rich land, and benefits directly from it, programs for the distribution of the wealth to support locally provided services are even more appropriate and important than in many other states.

Alaska's Municipal Assistance (AS 29.60.350) and State Revenue Sharing (AS 29.60.010) programs are key mechanisms in our state for passing a portion of the state's revenues, which are mainly derived from oil, on to cities and boroughs. These programs help local governments provide basic services such as education, sanitation, public safety, and transportation. In many cases, local governments can provide basic services that are more responsive, better suited, more efficient, and better matched to community needs than programs coordinated by state government because citizens have direct and immediate access to the officials who determine policy and oversee delivery of these services. The state should recognize support of local government as a fundamental obligation comparable to support of state community service agencies and should develop a long-term program to meet this obligation reliably.

#### E. STATE OF ALASKA IS BALANCING ITS BUDGET ON THE BACKS OF LOCAL GOVERNMENTS

If falling State revenues require the reduction of the State government budget, we feel that it is only fair for local governments to share in that reduction. However, the current trend for the State to balance its budget on the backs of local governments by disproportionate reductions in State Revenue Sharing and Municipal Assistance is inequitable and only serves to increase the pressure on local budgets.

### Municipal Assistance and State Revenue Sharing

*The Governor's proposed FY 95 State Operating Budget reduces the Municipal Assistance and State Revenue Sharing appropriations by 50.1% and 48.8% respectively from the FY 94 appropriation amounts.*

In 1986, the Municipality received \$55.7 million in State Revenue Sharing and Municipal Assistance revenues for purposes of funding its operating budget. In 1995, under the Governor's Proposed FY 95 State Operating Budget the Municipality will receive only \$13.3 million in State Revenue Sharing and Municipal Assistance Revenues. This represents a 76% drop in State assistance in a nine year period.

Attachment 1 shows the decreasing amounts of State Revenue Sharing and Municipal Assistance revenues that the Municipality of Anchorage has received since 1986. As these revenues decreased and labor costs increased, the property taxes paid by Anchorage residents have increased (Attachment 2).

The Municipality of Anchorage is requesting that funding for Municipal Assistance and State Revenue Sharing remain at the FY94 level. The Municipality provides critical and needed services to a multitude of Alaskans, not just those who reside within city limits. The Municipality has absorbed inflation and reduced expenditures by every means practicable since 1986, while the State budget has generally continued to grow. Attachment 3 compares the growth in the State operating budget with the reduction in State Revenue Sharing and Municipal Assistance revenues.

### Municipal Assistance

A.S. 29.60.350(a) says, in part, "The legislature may appropriate to the municipal assistance fund during each fiscal year an amount equal to or greater than 30 percent of the income tax received by the State . . ."

The Municipal Assistance Program was restructured in 1978 as a means for the State of Alaska to share its oil wealth with Alaska local governments. For many years, the State funded Municipal Assistance at the minimum statutory entitlement. In recent years, however, Alaska local governments have taken a double hit in Municipal Assistance revenues. Not only have the petroleum related corporate income tax revenues gone down, the State has also reduced the percent being appropriated for Municipal Assistance.

For FY 95, the Governor's proposed Municipal Assistance appropriation is less than 9% of the prior years's corporate income tax revenues rather than the statutory 30%.

### Senior Citizen/Disabled Veteran Property Tax Exemption

*The Governor's proposed FY 95 State Operating Budget provides no funding for this program.*

The Municipality of Anchorage continues to request full funding under this program, according to the original intent. In 1993, the Municipality exempted approximately \$7.2 million in taxes under this program and yet will only be reimbursed approximately \$0.8 million, an underfunding of over \$6.4

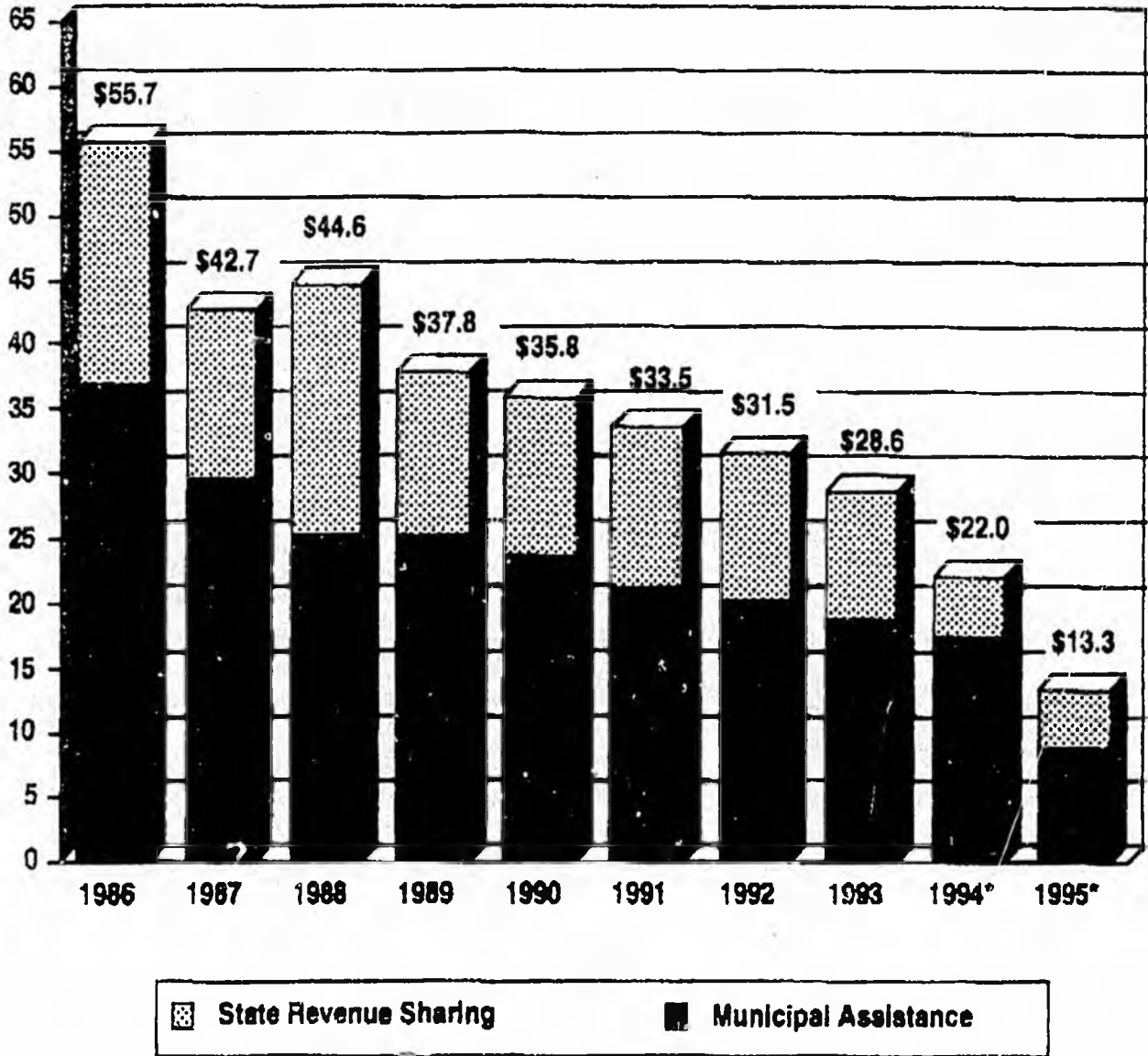
million. The Municipality has seen its revenue loss for this program increase 46% over last year. This shortfunding will have to be made up from either an increase in taxes for the remaining taxpayers or the loss of more government services. Anchorage residents cannot afford to continue to subsidize the program. The State should fully fund the exemption. If it does not, the program should be repealed or made an option of local governments.

corres2/rgd184

Prepared March 21, 1994

## MUNICIPAL ASSISTANCE / STATE REVENUE SHARING TREND FOR ANCHORAGE

\$ Millions

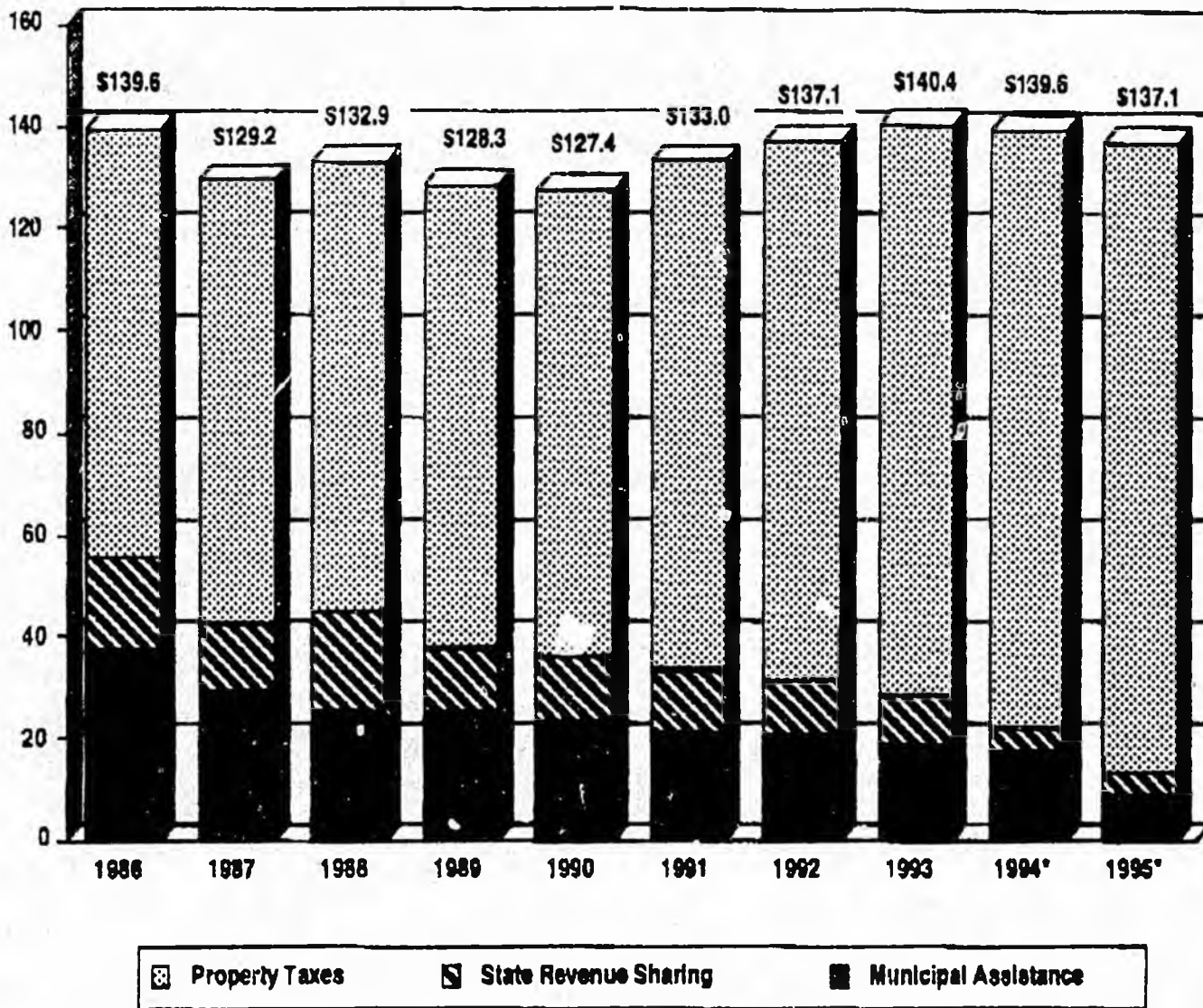


\* Based on Governor's Proposed FY95 State Operating Budget.

ATTACHMENT 1

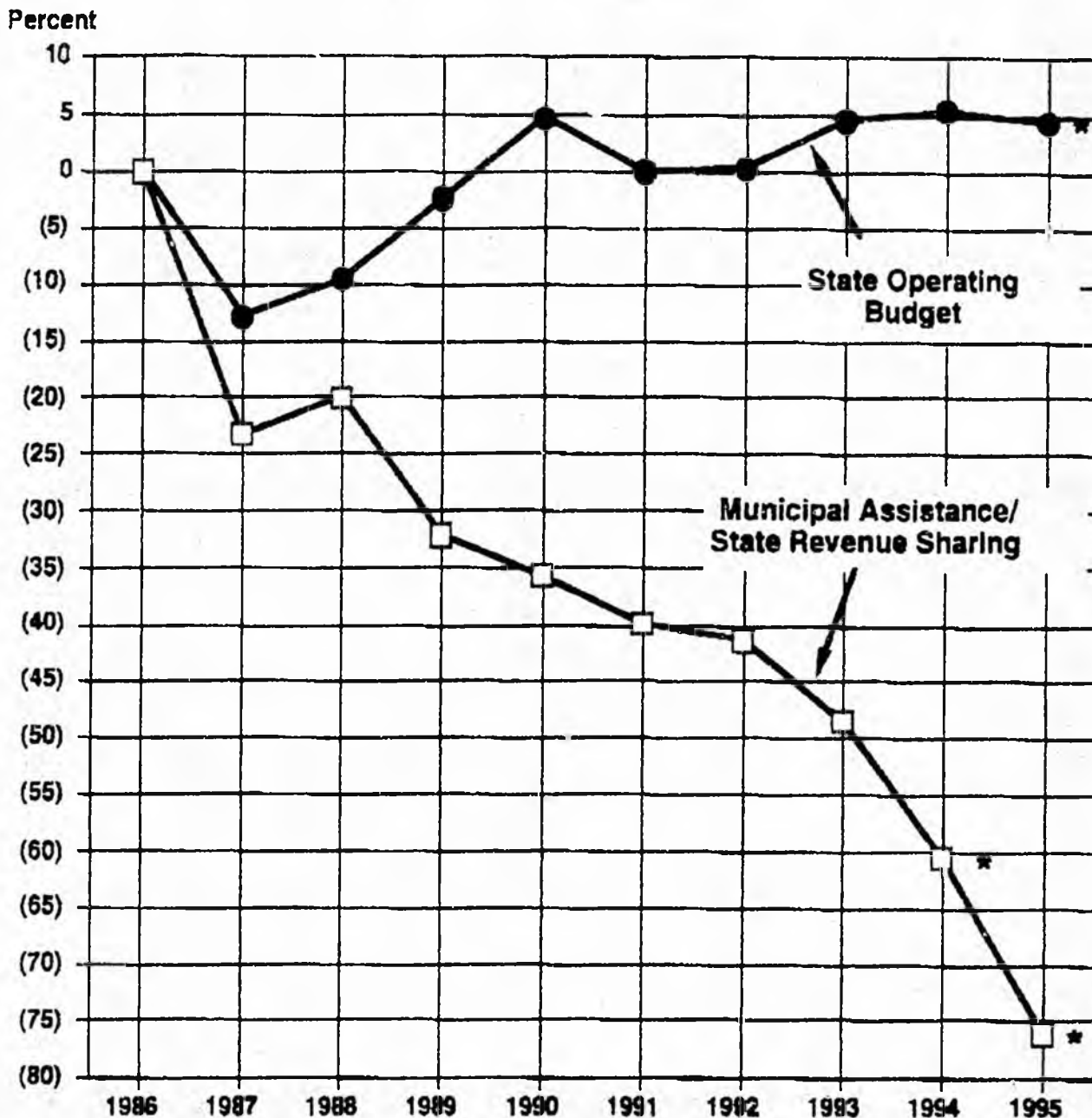
## MUNICIPAL ASSISTANCE / STATE REVENUE SHARING / PROPERTY TAXES TREND FOR ANCHORAGE

\$ Millions



\* Estimate; 1995 property taxes are assumed here to increase from 1994 by the same percentage as 1994 from 1993.

## CUMULATIVE PERCENT OF CHANGE MUNICIPAL ASSISTANCE / STATE REVENUE SHARING PAID TO ANCHORAGE COMPARED TO STATE OPERATING BUDGET CHANGES



\* Based on Governor's Proposed FY95 State Operating Budget.

ATTACHMENT 3

LTN1100-R01  
03/22/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 01  
10:04:27

TCN: 40524      DATE & TIME: 03/22/94 08:30 TO 10:00      STATUS:5      IN PROG.

\*\*\*\* ORDER SUMMARY \*\*\*\*

SPONSOR: HFIN HOUSE FINANCE

CHAIRS: MACLEAN

PURPOSE: WRK WORK SESSION

LEGISLATIVE

LARSON

CONTACT: JUDY MATHIS

TEL#: (907)465-6587

CHAIRING SITE: JUNEAU

CAPITOL

CAP519

TOLL FREE: (800)478-7612

DIAL-UP:

LID:(800)478-9908

SPONSOR REMARKS(PUB): TESTIMONY:I INVITATION ONLY 3 MINUTE LIMIT

TESTIMONY BY INVITATION ONLY

SPONSOR REMARKS(LIO): BACKUP MATERIAL:Y MEETING IN PROGRESS:N MAX. SITES:24  
BACK-UP FAXED 3/21.

TCN REQUESTED ON 03/22/94 AND HAS 6 UPDATES

\*\*\* AGENDA \*\*\*

1 MUNICIPAL REVENUE SHARING

\*\*\* PARTICIPATING LIOS \*\*\*

ANC ANCHORAGE	716 W 4TH, #200	LOCATION STAFF
BAR BARROW	COURTHOUSE #305	LOCATION STAFF
BET BETHEL	301 WILLOW ST.	LOCATION STAFF
FBX FAIRBANKS	119 N CUSHMAN ST	LOCATION STAFF
HOM HOMER LTC	126 W PIONEER #4	LOCATION STAFF
* JNU JUNEAU	CAPITOL CAP519	LOCATION STAFF
KOD KODIAK	112 MILL BAY RD.	LOCATION STAFF
KTN KETCHIKAN	352 FRONT STREET	LOCATION STAFF
NOM NOME	FRONT STREET	LOCATION STAFF
SEW SEWARD	2001 SEWARD HWY	LOCATION STAFF
SIT SITKA	210 LAKE STREET	LOCATION STAFF
VAL VALDEZ	STATE BLDG. #13	LOCATION STAFF

\*\*\* VOLUNTEER & OFFNET SITES \*\*\*

KOT SLW SELAWIK	IRA OFFICE	ROGER CLARK	(907)484-2132
ZZZ OF1 OFFNET 1	ANIAK	AMY LUJAN	(907)675-4481
ZZZ OF2 OFFNET 2	EEL	FRITZ WILLY	(907)536-5129
ZZZ OF3 OFFNET 3	PALMER	DON MOORE	(907)745-4801
ZZZ OF4 OFFNET 4	UNALAKLEET	BOB FOOTE	(907)624-3655
ZZZ OF5 OFFNET 5	NUALTO	ANDY DURNY	(907)898-2205
ZZZ OF6 OFFNET 6	MARSHALL	ALVIN OWLETUK	(907)679-6411
ZZZ OF7 OFFNET 7	NODALTON	TOM GREENE	(907)294-2235
ZZZ OF8 OFFNET 8	DENALI	JOHN GONZALEZ	(907)683-1330
ZZZ OF9 OFFNET 9	ANCHORAGE	NANCY CANINGTON	(907)999-9999
ZZZ 010 OFFNET 10	KATOVIK	GEORGE TAGAROOK	(907)640-6313
ZZZ 011 OFFNET 11	CHUATHBALUK	KENNETH SUEL	(907)467-4456

PARTICIPANTS IN [REDACTED] ANC

1	DAN	BOCKHORST	C&RA	TSFY. MUNICIPAL REV
			AK	(907)000-0000
2	GENE	DUSEK	MOA MOB	TSFY. MUNICIPAL REV
			AK	(907)000-0000
3	CHUCK	LANDERS	MOA ASSEMBLY	TSFY. MUNICIPAL REV
			AK	(907)000-0000

PARTICIPANTS IN [REDACTED] BAR

LTN1100-R01 LEGISLATIVE TELECONFERENCE NETWORK PAGE 02  
 03/22/94 10:04:27  
 TCN: 40524 DATE & TIME: 03/22/94 08:30 TO 10:00 STATUS:5 IN PROG.

PARTICIPANTS IN [REDACTED] BAR

1	MAYOR DONALD	LONG	CITY OF BARROW	TSFY. MUNICIPAL REV
	BOX 629		BARROW	AK 99723 (907)852-5211
2	MR. HAROLD L.	IVANOFF	CITY OF ATQASUK	TSFY. MUNICIPAL REV
	BOX 9		ATQASUK	AK 99791 (907)633-6811

PARTICIPANTS IN [REDACTED] BET

1	WILLIAM J.	HUNTER	CITY OF BETHEL	TSFY. MUNICIPAL REV
	PO BOX 388		BETHEL	AK 99559 (907)543-2087

PARTICIPANTS IN [REDACTED] FBX

1	MARK	BOYER	CITY OF FBX	TSFY. MUNICIPAL REV
			AK	(907)000-0000
2	JIM	SAMPSON	FBX MAYOR	TSFY. MUNICIPAL REV
			AK	(907)000-0000
3	ALICE	PILCHER	TCC	TSFY. MUNICIPAL REV
			AK	(907)000-0000

PARTICIPANTS IN [REDACTED] KOD

1	MAYOR JEROME	SEELY	KOD IS BOROUGH	TSFY. MUNICIPAL REV
---	--------------	-------	----------------	---------------------

PARTICIPANTS IN [REDACTED] KOT SLW  
 1 MR. BERT GRIEST CITY OF SELAWIK OBSV. MUNICIPAL REV  
 PO BOX 49 SELAWIK AK 99770 (907)484-2132

PARTICIPANTS IN [REDACTED] KTN  
 1 MAYOR JIM CARLTON KTN BOROUGH TSFY. MUNICIPAL REV  
 AK (907)000-0000  
 2 MR. RICK KRUGER OBSV. MUNICIPAL REV  
 BOX 8172 KETCHIKAN AK 99901 (907)225-7388

PARTICIPANTS IN [REDACTED] NOM  
 1 MR. PAUL DAY CITY OF NOME TSFY. ALL ITEMS  
 BOX 281 NOME AK 99762 (907)443-5242

PARTICIPANTS IN [REDACTED] SEW  
 1 MR. MICHAEL YANEZ CITY OF SEWARD TSFY. MUNICIPAL REV  
 PO BOX 167 SEWARD AK 00664 (907)224-3331

PARTICIPANTS IN [REDACTED] SIT  
 1 MR. GARY PAXTON CITY OF SITKA TSFY. MUNICIPAL REV  
 304 LAKE ST. SITKA AK 99835 (907)000-0000

PARTICIPANTS IN [REDACTED] VAL  
 1 MR. DOUG GRIFFIN CITY TSFY. MUNICIPAL REV  
 PO BOX 307 VALDEZ AK 99686 (907)835-4313

\*\*\*\* UPDATES \*\*\*\*

01	03/16/94	10:50:06	ANNOUNCING TELECONFERENCE	
02	03/18/94	08:10:50	KETCHIKAN	ADDED ON
03	03/21/94	10:54:13	SEWARD	ADDED ON
03	03/21/94	10:54:14	FAIRBANKS	ADDED ON
03	03/21/94	10:54:15	ANCHORAGE	ADDED ON

LTN1100-R01  
 03/22/94

LEGISLATIVE TELECONFERENCE NETWORK

PAGE 03  
 10:04:27

TCN: 40524 DATE & TIME: 03/22/94 08:30 TO 10:00 STATUS:5 IN PROG.

\*\*\*\* UPDATES \*\*\*\*

04	03/21/94	16:53:20	BARROW	ADDED ON
04	03/21/94	16:53:21	SITKA	ADDED ON
04	03/21/94	16:53:22	NOME	ADDED ON
04	03/21/94	16:53:23	BETHEL	ADDED ON
04	03/21/94	16:53:24	HOMER LTC	ADDED ON
04	03/21/94	16:53:25	KODIAK	ADDED ON
05	03/21/94	16:59:50	OFFNET 1	ADDED ON
05	03/21/94	16:59:51	OFFNET 2	ADDED ON
05	03/21/94	16:59:52	OFFNET 3	ADDED ON
05	03/21/94	16:59:53	OFFNET 4	ADDED ON
05	03/21/94	16:59:54	OFFNET 5	ADDED ON
05	03/21/94	16:59:55	OFFNET 6	ADDED ON
05	03/21/94	16:59:56	OFFNET 7	ADDED ON
05	03/21/94	16:59:57	OFFNET 8	ADDED ON
05	03/21/94	16:59:58	OFFNET 9	ADDED ON
05	03/21/94	16:59:59	OFFNET 10	ADDED ON
05	03/21/94	16:59:60	OFFNET 11	ADDED ON
06	03/22/94	09:07:25	SELAWIK	ADDED ON



U.S. ENVIRONMENTAL PROTECTION AGENCY  
REGION 10

ALASKA OPERATIONS OFFICE  
410 WILLOUGBY AVE. SUITE 100  
JUNEAU, ALASKA 99801

REPLY TO  
ATTN OF:

COMMENTS BY STEVE TOROK, CHIEF STATE OPERATIONS SECTION  
ALASKA OPERATIONS OFFICE U.S. ENVIRONMENTAL PROTECTION AGENCY ON  
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION FY 95 OPERATING  
BUDGET AS APPROVED BY HOUSE FINANCE SUB-COMMITTEE AND CONSIDERED  
BY HOUSE FINANCE COMMITTEE  
MARCH 26, 1994

Administration Component

Assistant Director - This position has been critical to the satisfactory resolution of deficiencies identified by the EPA Inspector General audit of Alaska's Drinking Water program. The progress achieved to date regarding modifications to accounting, time tracking, and development of cost allocation plans has allowed Alaska to retain primacy for this critical public health program. Approximately at this time last year, EPA was very close to having to initiate state primacy withdraw actions. While EPA is pleased with the progress that has been made, much work yet remains. Eliminating funding for this position will leave DEC only two options - cease providing this level of fiscal management expertise and support to all the department's programs thus risking the loss of state control of federal environmental programs; or divert already limited funds from the programs or elsewhere in the Department's budget to continue this support; such an indirect program reduction could also jeopardize satisfactory implementation of these programs.

Environmental Quality Component

Public Information Specialist - (includes proposed reductions for this activity elsewhere in DEC budget). Communication, especially with the public and regulated community, is critical to successful implementation of programs. EPA considers it essential for the state to have a public information focal point with which to communicate on all environmental issues, this is especially true under environmental emergency situations, in order to assure federal and state actions are communicated in an accurate and timely manner. As federal and state funding becomes less available, public education efforts become increasingly more

important by encouraging voluntary compliance and pollution prevention thus putting less strain on the regulatory side of the programs. Eliminating funding for this activity will leave DEC with two options - no longer provide this support thus resulting in fragmented state and federal communications with the public, or to move funding from already stressed operating programs; such an indirect program reduction could jeopardize satisfactory implementation of the programs.

Pollution Prevention - Three years ago, DEC proposed to EPA an initiative to develop a process to incorporate pollution prevention principles and concepts into everything DEC and the state did. This was in anticipation that federal/state funding would continue to diminish and coupled with increasing environmental requirements, a better more efficient way to ensure environmental protection was needed. An agreement was reached under which EPA would allow a percentage of federal grant/state match funds to be diverted from the individual programs to provide some base funding (set-aside). In return, the state agreed to gradually increase state funding support to the effort. This decision did not go without considerable debate among individual program managers, both at EPA and DEC, ... individual program funds were being reduced while requirements were increasing, but it was felt that an effort was necessary to try to get ahead of this curve rather than continue to fall further behind. It was the first in the country and is being watched closely by EPA in Washington D.C. The program has seen notable success, the most significant of which may not be recognized for several years. Much has been said about federal unfunded or underfunded mandates... Alaska's efforts in pollution prevention is a message to the federal government that there is a better, more efficient way of accomplishing environmental protection rather than the traditional command and control, program specific approach. Retreat by the state at this juncture could very well erode EPA's support thus resulting in eliminating the set-aside and pulling those funds back to the individual programs to return to business in the traditional way.

Environmental Crimes Unit - The most single major problem EPA has traditionally had with DEC implementation of environmental programs has been historically weak enforcement. EPA/DEC debate over the years on this issue often rested on DEC's insistence that technical support and education to the regulated community was the first line of effort to be followed by enforcement only after the former failed. The real problem rested in the fact that it is very difficult for the same people who are providing the education and technical assistance ("teachers") to also be the "cops", especially regarding criminal actions. Establishment of the Environmental Crimes Unit was a major milestone in the advancement of environmental justice and equity in Alaska. Its mere existence is a strong deterrent to the would be violator thus making those people more receptive to the technical

assistance approach. Elimination of this program would be viewed by EPA as a setback but even more importantly could be viewed as an invitation by would be environmental criminals.

Air Quality - The state of Alaska's air quality program is currently at a critical stage. Sufficient funding and assurance that adequate funding will be available for program implementation is critical. Having already missed the Federal Clean Air Act deadline for submittal of an operating permit program, the state is already subject to imposition of sanctions. It has only been through DEC's demonstration of continued progress to develop a quality program that EPA has been able to exercise its limited discretion to not impose sanctions. However, that discretion runs out May, 1995, at which time if the state has not submitted an approvable program EPA must impose all of the sanctions. In addition to submittal of the program, the state must demonstrate the ability to implement the program at the time of approval. EPA must implement a federal permit program if the state program is not submitted and approved by November, 1995. EPA provided DEC additional federal funds for FY94 to assist the state in developing its program. It was the only state in Region 10 to receive such funds. It is incumbent on the state to provide sufficient funds for FY95 to ensure successful completion and startup of the program. If not, EPA must itself begin to prepare for the possibility of having to impose sanctions and operate a federal permit program.

WALTER J. HICKEL, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

March 11, 1994

P.O. BOX 110300 - STATE CAPITOL  
JUNEAU, ALASKA 99811-0300  
PHONE: (907) 465-3600  
FAX: (907) 463-5295

The Honorable Ron Larson, Co-Chair  
House Finance Committee  
State Capitol - Room 502  
Juneau, AK 99802-1182

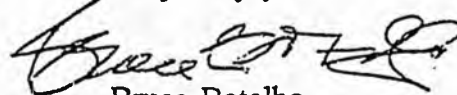
Dear Representative Larson:

You asked us to summarize our letter of February 17, 1993, estimating the contribution the Constitutional Budget Reserve Fund (CBRF) could have made to oil and gas litigation, based on benefits received by and effort made on behalf of the fund from its effective date to the present.

As is discussed in detail in our February 17 letter, expenditures were divided by level of effort toward achieving either tax or royalty revenues. Under the terms of *Halford v. Hickel*, settlements not otherwise dedicated by law must go to the CBRF. After calculating and subtracting the amount of contribution attributable to the Alaska Permanent Fund, \$68,738,958 could have been appropriated from the CBRF for its share of the state's oil and gas litigation effort to cover actual expenditures from July 1, 1990 through February 15, 1994 had the legislature chosen to do so. Thus far, these costs have been paid by the general fund.

Similarly, the legislature could choose to substitute CBR funds for general funds in the FY94 supplemental and/or FY95 operating budget. We believe it advisable to continue the current 25/75 percent fund source split between Permanent Fund Corporate Receipts and the other chosen fund source to allow the Permanent Fund to catch up with its proportionate share of oil and gas litigation costs. As you are aware, the Permanent Fund did not initially participate in funding oil and gas litigation although the Permanent fund received its proportionate share of the proceeds from that litigation. Please let me know if we can provide any additional assistance.

Very truly yours,



Bruce Botelho  
Attorney General

cc: J. Shelby Stasny, Director, OMB  
Nancy Slagle, Director, DBR  
Mike Greany, Director, Leg. Finance

COMPONENT SUMMARY - OPERATING BUDGET

\* \* \* \* \* Office of the Governor \* \* \* \* \*

Page	Budget Component	FY93 Act	FY94 CC	FY94Auth	Gov Amd	House	FY94Auth - House Comparison	
<b>Commissions/Special Offices</b>								
1	Human Rights Commission	1,112.4	1,080.3	1,080.3	1,120.9	1,095.6	15.3	1.4%
2	Alaska Womens Commission	8.3						
3	Alaska Sentencing Commission	165.6						
4	Alaska Commission on Children	2.6						
	* BRU Total	1,288.9	1,080.3	1,080.3	1,120.9	1,095.6	15.3	1.4%
<b>Executive Operations</b>								
5	Executive Office	5,917.4	6,751.7	6,751.7	6,837.0	6,252.5	-499.2	-7.4%
6	Governor's House	263.3	299.1	299.1	300.9	283.6	-15.5	-5.2%
7	Contingency Fund	292.5	400.0	400.0	400.0	365.6	-34.4	-8.6%
8	Lieutenant Governor	646.1	709.9	709.9	713.5	646.9	-63.0	-8.9%
9	Arctic Nat'l Wildlife Refuge	1,037.5		444.3			-444.3	-100.0%
10	Media Center	342.3	246.3	246.3	368.7	362.5	116.2	47.2%
	* BRU Total	8,499.1	8,407.0	8,851.3	8,620.1	7,911.1	-940.2	-10.6%
<b>Office of Management &amp; Budget</b>								
11	Office of the Director	454.4	470.4	470.4	472.6	472.6	2.2	.5%
12	Budget Review	914.6	1,060.5	1,060.5	1,066.0	1,066.0	5.5	.5%
13	Audit and Management Services	800.9	880.0	880.0	885.2	885.2	5.2	.6%
14	Governmental Coordination	4,075.1	4,140.3	4,140.3	4,651.5	4,651.5	511.2	12.3%
	Unallocated Reduction					-229.1	-229.1	100.0%
	* BRU Total	6,245.0	6,551.2	6,551.2	7,075.3	6,846.2	295.0	4.5%
<b>Elective Operations</b>								
15	Elections	1,982.0	1,633.1	1,930.8	1,752.7	1,699.7	-231.1	-12.0%
16	General and Primary Elections	2,440.5	307.8	307.8	2,335.1	2,276.7	1,968.9	639.7%
	* BRU Total	4,422.5	1,940.9	2,238.6	4,087.8	3,976.4	1,737.8	77.6%
	*** Total Agency Expenditures	20,455.5	17,979.4	18,721.4	20,904.1	19,829.3	1,107.9	5.9%
	*** Total Agency Funding							
	Fed. Receipt	2,720.2	2,490.1	2,490.1	3,081.6	3,081.6	591.5	23.8%
	General Fund	17,393.0	15,489.3	16,231.3	17,701.5	16,626.7	395.4	2.4%
	Other Funds	342.3			121.0	121.0	121.0	100.0%

COMPONENT SUMMARY - OPERATING BUDGET

\*\*\*\*\* Department of Administration \*\*\*\*\*

Page	Budget Component	FY93 Act	FY94 CC	FY94Auth	Gov Amd	House	FY94Auth - House Comparison	
	Longevity Bonus							
1	Longevity Bonus Grants	66,607.5	69,584.2	69,084.2	73,729.7	73,409.9	4,325.7	6.3%
2	Administration	510.4	462.8	474.4			-474.4	-100.0%
	* BRU Total	67,117.9	70,047.0	69,558.6	73,729.7	73,409.9	3,851.3	5.5%
	Pioneers Homes							
3	Sitka	5,170.7	5,046.7	5,111.2			-5,111.2	-100.0%
4	Fairbanks	5,038.2	5,135.6	5,172.4			-5,172.4	-100.0%
5	Palmer	4,798.4	4,827.1	4,917.2			-4,917.2	-100.0%
6	Anchorage	9,407.3	9,266.9	9,315.6			-9,315.6	-100.0%
7	Ketchikan	3,060.9	3,084.8	3,141.8			-3,141.8	-100.0%
8	Juneau	2,891.0	2,821.1	2,819.9			-2,819.9	-100.0%
9	Central Office	385.4	552.4	610.1			-610.1	-100.0%
10	Pioneers Homes Advisory Board	12.8	12.8	12.8			-12.8	-100.0%
11	Unallocated Reduction		-207.3					
	* BRU Total	30,764.7	30,540.1	31,101.0			-31,101.0	-100.0%
	Older Alaskans Commission							
12	Older Alaskan Services	1,358.5	1,745.8	1,745.8			-1,745.8	-100.0%
13	Elder Residential - Maniilaq	957.7						
14	Nutrition, Trans & Support	5,606.3	5,728.7	5,728.7			-5,728.7	-100.0%
15	Senior Employment Services	1,748.0	1,802.7	1,802.7			-1,802.7	-100.0%
16	Home & Community-Based Care	2,572.4	2,520.2	2,520.2			-2,520.2	-100.0%
17	Sr Residential Svcs		1,109.7	1,324.8			-1,324.8	-100.0%
	* BRU Total	12,242.9	12,907.1	13,122.2			-13,122.2	-100.0%
	Senior Services							
18	Pioneers Homes				30,623.4	29,706.0	29,706.0	100.0%
19	Senior Services Administration				3,523.6	2,972.5	2,972.5	100.0%
20	Nutrition, Trans & Support Svc				5,725.4	5,680.1	5,680.1	100.0%
21	Senior Employment Services				1,876.6	1,868.0	1,868.0	100.0%
22	Home & Community Based Care				2,487.8	2,426.7	2,426.7	100.0%
23	Senior Residential Services				1,109.7	1,055.0	1,055.0	100.0%
	* BRU Total				45,346.5	43,708.3	43,708.3	100.0%